

ARKANSAS CITY WATER AND SEWER DEPARTMENT
ARKANSAS CITY, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30,2022

MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
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Members of the City Council
Arkansas City Water and Sewer Department
Arkansas City, Arkansas 71630

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES

We have performed the procedures enumerated below on compliance with Ark. Code Ann. 14-234-119 to 122, of Arkansas City Water and Sewer Department as of June 30, 2022 and for the year then ended. The Arkansas City Water and sewer Department's management is responsible for the Department's accounting records.

Arkansas City, Arkansas Water and Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended compliance with Ark. Code Ann. 14-234-119 to 122. Additionally, the Mayor, City Council, and Management of Arkansas City, Arkansas Water and Sewer Department have agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for other purpose. The procedures performed may not address all the items of interest as a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purpose.

The procedures and associated findings are as follows:

Cash and Investments:

1. We performed a proof of cash for the year and reconciled year end bank balances to book balances.
2. We obtained confirmation of the cash on deposit for all cash and certificate of deposit accounts for the Arkansas City Water and Sewer Department.

McGehee Bank

Water and Sewer - Operating	\$ 46,944
Water Meter Deposit Checking	12,418
Water and Sewer - Depreciation	39,154
	<u>\$ 98,516</u>

Cash and Investments (cont'd):

3. We agreed the proof of cash ending balance to the book balances.

We found no exceptions as a result of these procedures.

Cash Receipts:

1. We agreed the deposits per the proof of cash for the year with the deposits per the cash receipts journal.
2. We agreed 10 customer payments on the accounts receivable subledger to the deposit, and billing documents.

We found no exceptions as a result of these procedures.

Accounts Receivable:

1. We agreed 10 customer billings to the accounts receivable subledger.

We found no exceptions as a result of these procedures.

Cash Disbursements:

1. Agreed the disbursements per the proof of cash for the year with the disbursements per the journal.
2. Analyzed all property, plant and equipment disbursements.
3. Selected 10 disbursements and determined that they were adequately documented.

We found no exceptions as a result of these procedures.

Property, Plant and Equipment:

Arkansas City Water and Sewer Department was unable to provide property, plant and equipment records.

Notes Payable:

We determined there was not any long-term debt.

We were engaged by Arkansas City Water and Sewer Department to perform the agreed-upon procedures engagement and conduct our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively on the specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Arkansas City Water and Sewer Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedure engagement.

Meyer & Ward

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, AR

January 5, 2024

ARKANSAS CITY WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS- CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022
AND
INDEPENDENT ACCOUNTANT'S REPORT

MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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WYNNE, AR 72396

**ARKANSAS CITY WATER AND SEWER DEPARTMENT
ARKANSAS CITY, ARKANSAS
FOR THE YEAR ENDED JUNE 30, 2022**

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MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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Members of the City Council
Arkansas City Water and Sewer Department
Arkansas City, Arkansas 71630

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Arkansas City Water and Sewer Department, which comprise the statement of assets, liabilities and net position – cash basis as of June 30, 2022 and the related statement of revenues and expenses- cash basis for the year then ended in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis that the cash basis of accounting requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Arkansas City Water and Sewer Department's assets, liabilities and net position, and cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Financial statements presented in accordance with the cash basis of accounting should include property plant and equipment presented at cost net of accumulated depreciation. Management was unable to provide such information and the effect of this departure has not been determined.

Meyer & Ward

Meyer and Ward, CPAS
Wynne, AR 72396

January 5, 2024

**ARKANSAS CITY WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

ASSETS

CURRENT ASSETS

Cash	\$ 46,944
	<u> </u>

RESTRICTED ASSETS

Cash - Customer Deposit	12,418
Cash - Depreciation	<u>39,154</u>
Total Restricted Assets	<u>51,572</u>

TOTAL ASSETS

\$ 98,516

LIABILITIES AND NET POSITION

Current Liabilities

Payroll Taxes Withheld	\$ 606
	<u>606</u>

PAYABLE FROM RESTRICTED ASSETS

Meter Deposits	17,882
	<u>17,882</u>

NET POSITION

Unrestricted	<u>80,028</u>
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TOTAL LIABILITIES AND NET POSITION

\$ 98,516

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

FOR THE YEAR ENDED JUNE 30, 2022

Cash Receipts

Water Receipts	\$	72,155	
Sewer Receipts		29,731	
Other Receipts		14,593	
Interest		19	
Total Cash Receipts		<u> </u>	\$ 116,498

Cash Disbursements

Salaries	26,644	
Contract Services	23,583	
Repairs and Maintenance	2,798	
Office and Postage	2,081	
Supplies	4,738	
License, Permits and Other Taxes	3,442	
Utilities	14,933	
Fuel	268	
Transfers to General Fund	<u>16,159</u>	
Total Cash Disbursements		<u>94,646</u>

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u><u>\$ 21,852</u></u>
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See independent accountant's compilation report.