ARKANSAS CITY WATER AND SEWER DEPARTMENT
ARKANSAS CITY, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025

MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
WYNNE, AR 72396

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and City Council
Arkansas City Water and Sewer Department
Arkansas City, Arkansas 71630

We have performed the procedures enumerated below on compliance with Ark. Code Ann. 14-234-119 to 122, of the Town of Arkansas City Water and Sewer Department as of June 30, 2025, and for the year then ended. The Arkansas City Water and Sewer Department's management is responsible for the Department's accounting records.

The management of the Arkansas City 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 and City Council of the Town of Arkansas City have agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for other purposes. The procedures performed may not address all the items of interest as a user of this report and may not meet the needs of all users of this 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

1. We performed a proof of cash for the year end and reconciled the year end bank balances to the book balances.

2. We confirmed the cash on deposit with depository institutions.

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

Cash – Cont'd

Merchant & Planters Bank

Cash – Operating & Maintenance	$	$0
Cash – Meter Deposits		0
Cash – Reserve		0
	$	87,734

We found no exceptions as a result of applying 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 applying these procedures.

Accounts Receivable

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

2. We reviewed 5 customer adjustments to determine if they were independently reviewed and properly authorized.

We found no exceptions as a result of applying these procedures.

Cash Disbursements

1. We agreed the disbursements per the proof of cash for the year with the disbursements per the general ledger.

2. We analyzed all property, plant, and equipment disbursements.

Cash Disbursements – Cont'd

3. We tested a sample of 10 disbursements in order to determine if they were adequately documented.

We found no exceptions as a result of applying these procedures.

Plant, Property, and Equipment

1. We determined that all additions and disposals were properly accounted for in the records.

We found no exceptions as a result of applying the procedure.

Long-Term Debt

1. We confirmed long-term debt with the lenders.

2. We scheduled long-term debt and verified changes in the balances for the year. The balances are summarized below:

	06/30/2024	Additions	Reductions	06/30/2025
Revenue Bond Payable Series 24A	0	$ 94,000		$ (94,000)
Revenue Bond Payable Series 24B	0	281,917	$ 281,917	0
	-	$ 375,917	$ 281,917	$ 94,000

We found no exceptions as a result of applying the procedure.

This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an audit, examination, or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the specified procedures. Accordingly, we do not express such an opinion or conclusion. 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 the 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, Arkansas 72396

July 15, 2026

ARKANSAS CITY WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2025
AND
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
WYNNE, ARKANSAS 72396

Arkansas City Water and Sewer Department
Arkansas City, Arkansas
For the Year Ended June 30, 2025

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CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
WYNNE, ARKANSAS 72396

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and City Council
Arkansas City Water and Sewer Department
Arkansas City, Arkansas 71630

Management is responsible for the accompanying financial statements of the Arkansas City Water and Sewer Department, which comprise the statement of assets, liabilities and net position – cash basis and the related statement of revenues and expenses – cash basis as of June 30, 2025 and 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 financial 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 required by the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Department's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Meyer & Ward

Meyer and Ward, P.A.
Certified Public Accountants
Wynne, Arkansas 72396

July 15, 2026

Arkansas City Water and Sewer Department
Statement of Assets, Liabilities, and Net Position - Cash Basis
As of June 30, 2025

Assets

ASSETS	
CURRENT ASSETS	
Cash on Hand	$ 19,810
Total Current Assets	19,810
RESTRICTED ASSETS	
Cash - Meter Deposits	15,528
Cash - Reserve	52,396
Total Restricted Assets	67,924
CAPITAL ASSETS	
Buildings	47,000
Sewer System	616,970
Equipment	419,701
Total Capital Assets	1,083,671
(Less) Accumulated Depreciation	(411,652)
Total Capital Assets, Net	672,019
TOTAL ASSETS	$ 759,753

See independent accountant's compilation report.

Arkansas City Water and Sewer Department
Statement of Assets, Liabilities, and Net Position - Cash Basis
As of June 30, 2025

Liabilities and Net Position

LIABILITIES		
CURRENT LIABILITIES		
Payroll Tax Payable	$	428
Retirement Payable		285
Total Current Liabilities		713
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Meter Deposits		20,316
Total Liabilities Payable from Restricted Assets		20,316
LONG-TERM LIABILITIES		
Notes Payable, Net of Current Portion		94,000
Total Long-Term Liabilities		94,000
TOTAL LIABILITIES		115,029
NET POSITION		
Net Invested in Capital Assets		578,019
Unrestricted		66,705
Total Net Position		644,724
TOTAL LIABILITIES AND NET POSITION	$	759,753

See independent accountant's compilation report.

Arkansas City Water and Sewer Department
Statement of Revenues and Expenses - Cash Basis
For the Year Ending June 30, 2025

OPERATING REVENUES	
Water Fees	$ 70,906
Sewer Fees	40,360
Other Revenue	9,733
Total Operating Revenues	120,999
OPERATING EXPENSES	
Contract Labor	33,309
Depreciation	6,027
Dues & Fees	2,920
Miscellaneous	1,989
Operating Supplies & Maintenance	17,192
Payroll Taxes	1,964
Postage	958
Professional Expenses	33,725
Repairs and Replacements	18,297
Retirement	2,922
Salaries	25,854
Utilities	16,659
Total Operating Expenses	161,816
OPERATING INCOME (LOSS)	(40,817)
NON-OPERATING REVENUES (EXPENSES)	
Transfers In/(Out) - City General Fund	(43,847)
Grant Proceeds - ADFA	281,917
Grant Proceeds - ACEDP	310,725
Interest Income	218
Total Non-Operating Revenues (Expenses)	549,013
INCREASE (DECREASE) IN NET POSITION	508,196
Net Position at Beginning of Year	136,528
Net Position at End of Year	$ 644,724

See independent accountant's compilation report.