HICKORY RIDGE WATER AND SEWER DEPARTMENT
HICKORY RIDGE, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and City Council
Hickory Ridge Water and Sewer Department
Hickory Ridge, Arkansas 72347

We have performed the procedures enumerated below on compliance with Ark. Code Ann. 14-234-119 to 122, of the Hickory Ridge Water and Sewer Department as of December 31, 2024, and for the year then ended. The Hickory Ridge Water and Sewer Department's management is responsible for the Association's accounting records.

The Hickory Ridge 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 City of Hickory Ridge 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 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

Cross Bank

Cash – Revenue	$282,925
Cash – Operation & Maintenance	16,647
Cash – Water Construction	83
Cash – Meter Deposits	22,944
Cash – Sewer Additions	16,969
Cash – ANRC Escrow	6,190
Cash – Depreciation Reserve	83,584
	$429,342

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. Long-term debt was confirmed with lenders.

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

	12/31/2023	Additions	Reductions	12/31/2024
1.75% ANRC Loan due in semi-annual payments of $17,953 through 2041	$539,234	-	$26,588	$512,646
5% USDA Loan Due in monthly payments of $543 through 2031	44,294	-	4,401	39,893
	$583,528	-	$30,989	$552,539

3. We determined that the appropriate debt service accounts have been established and maintained.

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

This engagement to apply agreed-upon procedures was performed in accordance with 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 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 Hickory Ridge 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

June 22, 2026

HICKORY RIDGE WATER AND SEWER DEPARTMENT
HICKORY RIDGE, ARKANSAS
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024
AND
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

MEYER AND WARD, P.A.
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Hickory Ridge Water and Sewer Department
Hickory Ridge, Arkansas
For the Year Ended December 31, 2024

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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
Hickory Ridge Water and Sewer Department
Hickory Ridge, Arkansas 72347

Management is responsible for the accompanying financial statements of the Hickory Ridge 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 December 31, 2024 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

June 22, 2026

Hickory Ridge Water and Sewer Department
Statement of Assets, Liabilities, and Net Position - Cash Basis
As of December 31, 2024

ASSETS	
CURRENT ASSETS	
Cash	$ 299,572
Total Current Assets	299,572
RESTRICTED ASSETS	
Cash - Meter Deposits	22,944
Cash - Depreciation Reserve	83,584
Cash - Sewer Additions	16,969
Cash - Water Construction	83
Held by Paying Agent	6,190
Total Restricted Assets	129,770
CAPITAL ASSETS	
Land	49,693
Water System	1,401,200
Sewer System	1,578,592
Equipment	21,514
(Less) Accumulated Depreciation	(798,131)
Total Capital Assets, Net	2,252,868
TOTAL ASSETS	$ 2,682,210

See independent accountant's compilation report.

Hickory Ridge Water and Sewer Department
Statement of Assets, Liabilities, and Net Position - Cash Basis
As of December 31, 2024

LIABILITIES		
CURRENT LIABILITIES		
Current Portion of Notes Payable	$	31,696
Due to General Fund		1,109
Payroll Tax Payable		2,052
Sales Tax Payable		629
Garbage Payable		2,956
Total Current Liabilities		38,442
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Meter Deposits		12,617
Total Liabilities Payable from Restricted Assets		12,617
LONG-TERM LIABILITIES		
Notes Payable, Net of Current Portion		520,843
Total Long-Term Liabilities		520,843
TOTAL LIABILITIES		571,902
NET POSITION		
Net Invested in Capital Assets		1,700,329
Restricted for Debt Service		6,190
Restricted for Repairs and Replacements		100,636
Unrestricted		303,153
Total Net Position		2,110,308
TOTAL LIABILITIES AND NET POSITION	$	2,682,210

See independent accountant's compilation report.

Hickory Ridge Water and Sewer Department
Statement of Revenues and Expenses - Cash Basis
For the Year Ending December 31, 2024

OPERATING REVENUES	
Water Fees	$ 104,377
Sewer Fees	67,663
Other Revenue	4,192
Total Operating Revenues	176,232
OPERATING EXPENSES	
Depreciation	62,425
Dues & Fees	3,850
Insurance	2,395
Postage	1,448
Operating Supplies	6,169
Professional Fees	2,750
Payroll Taxes	1,850
Repairs & Maintenance	33,916
Salaries	24,228
Utilities	13,412
Total Operating Expenses	152,443
OPERATING INCOME (LOSS)	23,789
NON-OPERATING REVENUES (EXPENSES)	
Insurance Proceeds	24,439
Interest Income	3,857
Interest Expense	(11,434)
Total Non-Operating Revenues (Expenses)	16,862
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 40,651

See independent accountant's compilation report.