

JOINER WATER AND SEWER DEPARTMENT
JOINER, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES**

To the Mayor and Members of the City Council
Joiner Water and Sewer Department
Joiner, Arkansas 72350

We have performed the procedures enumerated below on compliance with Ark. Code Ann. 14-234-119 to 122, of the City of Joiner Water and Sewer Department as of December 31, 2023, and for the year then ended. The City of Joiner Water and Sewer Department's management is responsible for the Department's accounting records.

The City of Joiner 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 the Joiner 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 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 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 the City of Joiner Water and Sewer Department:

Cash and Investments (cont'd):

Cadence Bank		
Cash - Water and Sewer O&M	\$	30,504
Cash - Water and Sewer Savings		8,648
Cash - Meter Deposits		17,923
Cash - USDA Construction		637
Cash - Bassett Account		52,499
Certificate of Deposit		18,668
		<hr/>
	\$	128,879
		<hr/>

3. Agreed the proof of cash ending balances to the book balances.

We found no exceptions as a result of these procedures.

Receipts:

1. Agreed the deposits per the proof of cash for the year with the deposits per the cash receipts journal.
2. Agreed 10 customer payments on the accounts receivable sub ledger to deposit and billing documents.

We found no exceptions as a result of these procedures.

Accounts Receivable:

1. Agreed 10 customer billings to the accounts receivable sub ledger.
2. Reviewed five customer adjustments for proper authorization.

As a result of these procedures, we noted that adjustments were not properly documented as to review and authorization.

Cash Disbursements:

1. Agreed the disbursements per the proof of cash for the year with the disbursements per the journal within 5 %.
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

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

We found no exceptions as a result of the procedures.

Long-term Debt

1. Long-Term debt was confirmed with lenders; balances are as summarized below:

	<u>12/31/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2023</u>
2.0% USDA - RD Loan, secured by pledge of future revenues	\$ 82,525		\$ 1,568	\$ 80,957
5.0% ANRC Loan, secured by pledge of future revenues	\$ 6,744		6,744	
5.0% ANRC Loan, secured by pledge of future revenues	19,963		2,452	17,511
	<u>\$ 109,232</u>	<u>\$ -</u>	<u>\$ 10,764</u>	<u>\$ 98,468</u>

Terms of the loan agreements require that transfers be made to debt service reserve accounts. We noted that the appropriate transfers were made.

We were engaged by the City of Joiner Water and Sewer Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion 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 the City of Joiner Water and Sewer Department and to meet our other ethical responsibilities, related to our agreed upon procedures engagement.

Meyer & Ward

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, AR 72396
March 19, 2025

CITY OF JOINER WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
AND
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

MEYER AND WARD, P.A.
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**CITY OF JOINER WATER AND SEWER DEPARTMENT
JOINER, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and Members of the City Council
Joiner Water and Sewer Department
Joiner, Arkansas 72350

Management is responsible for the accompanying financial statements of the City of Joiner 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, 2023 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, AR 72396
March 19, 2025

CITY OF JOINER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
DECEMBER 31, 2023

ASSETS

Current Assets:	
Cash	\$ 91,651
Total Current Assets	<u>91,651</u>
Restricted Assets:	
Cash - USDA Construction	637
Cash - Meter Deposits	17,923
Certificate of Deposit	18,668
Total Restricted Assets	<u>37,228</u>
Property, Plant and Equipment:	
Water and Sewer System	1,208,995
Water Tower	503,174
Equipment	57,392
(Less) Accumulated Depreciation	<u>(1,313,750)</u>
Net Property, Plant and Equipment	<u>455,811</u>
Total Assets	<u><u>\$ 584,690</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

CITY OF JOINER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
DECEMBER 31, 2023

LIABILITIES AND NET POSITION

Current Liabilities:	
Accounts Payable - City of Joiner	\$ 253,039
Payroll Withholdings Payable	4,552
Current Portion of Notes Payable	<u>4,174</u>
Total Current Liabilities	<u>261,765</u>
Payable From Restricted Assets:	
Customer Meter Deposits	<u>20,285</u>
Long Term Liabilities:	
Notes Payable Net of Current Portion	<u>94,294</u>
Net Position	
Net Investment in Capital Assets	357,343
Restricted for Debt Service	18,668
Unrestricted	<u>(167,665)</u>
Total Net Position	<u>208,346</u>
Total Liabilities and Net Position	<u><u>\$ 584,690</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

CITY OF JOINER WATER AND SEWER DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Revenues:	
Water Fees	\$ 161,066
Sewer Fees	53,312
Other Revenues	33,480
Total Operating Revenues	247,858
Operating Expenses:	
Salaries & Payroll Taxes	74,546
Contract Labor	22,000
Depreciation	43,236
Utilities	29,031
Operating Supplies & Maintenance	32,845
Repairs	13,851
Testing Fees & Chemicals	9,373
Fuel & Vehicle	6,405
License & Fees	5,838
Insurance	5,226
Legal & Accounting	2,824
Payment System Charges	2,770
Office Supplies & Postage	2,601
Travel & Training	745
Miscellaneous	900
Total Operating Expenses	252,191
Operating Income (Loss)	(4,333)
Non-Operating Revenues (Expenses):	
Interest Income	170
Interest Expense	(2,940)
	(2,770)
Excess (Deficiency) of Revenue Over Expense	\$ (7,103)

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT