

JOINER WATER AND SEWER DEPARTMENT
JOINER, 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 Members of the City Council
Joiner Water and Sewer Department
Joiner, AR 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, 2024, 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 & Sewer O&M	\$ 19,916
Cash - Bassett Account	52,422
Cash - Meter Deposits	17,777
Cash - USDA Debt Reserve	8,632
Cash - USDA Construction	618
Cash - ARPA Construction	30
Cash - Replace & Refurbish	85
Certificate of Deposit	18,947
	<u>\$ 118,427</u>

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

We found no exceptions as a result of these procedures.

Cash 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.

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 within 5 %.
2. Analyzed all property, plant and equipment disbursements.

Cash Disbursements (cont'd):

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>12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>
2.0% USDA - RD Loan, secured by pledge of future revenues	\$ 80,957		\$ 1,597	\$ 79,360
5.0% ANRC Loan, secured by pledge of future revenues	17,511		2,574	14,937
	<u>\$ 98,468</u>	<u>\$ -</u>	<u>\$ 4,171</u>	<u>\$ 94,297</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, in accordance with the relevant ethical requirements related to our attention that would have been reported to you.

Meyer & Ward

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, AR 72396
April 18, 2025

CITY OF JOINER WATER AND SEWER DEPARTMENT
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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**CITY OF JOINER WATER AND SEWER DEPARTMENT
JOINER, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and Members of the City Council
Joiner Water and Sewer Department
Joiner, AR 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, 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, AR 72396
April 18, 2025

CITY OF JOINER WATER AND SEWER DEPARTMENT
 STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
 DECEMBER 31, 2024

ASSETS

Current Assets:	
Cash	\$ 72,338
Total Current Assets	<u>72,338</u>
Restricted Assets:	
Cash - Meter Deposits	17,777
Cash - USDA Debt Reserve	8,632
Cash - USDA Construction	618
Cash - ARPA Construction	30
Cash - Replace & Refurbish	85
Certificate of Deposit	18,947
Total Restricted Assets	<u>46,089</u>
Property, Plant and Equipment:	
Water & Sewer System	1,224,490
Water Tower	503,174
Equipment	57,392
CIP - Wastewater Project	791,843
(Less) Accumulated Depreciation	<u>(1,334,834)</u>
Net Property, Plant and Equipment	<u>1,242,065</u>
Total Assets	<u>\$ 1,360,492</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, 2024

LIABILITIES AND NET POSITION

Current Liabilities:	
Accounts Payable - City of Joiner	\$ 275,646
Payroll Withholdings Payable	3,689
Current Portion of Notes Payable	<u>4,335</u>
Total Current Liabilities	<u>283,670</u>
Payable From Restricted Assets:	
Customer Meter Deposits	<u>20,672</u>
Long Term Liabilities:	
Notes Payable Net of Current Portion	<u>89,962</u>
Net Position	
Net Investment in Capital Assets	1,147,768
Restricted for Debt Service	27,579
Unrestricted	<u>(209,159)</u>
Total Net Position	<u>966,188</u>
Total Liabilities and Net Position	<u><u>\$ 1,360,492</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, 2024

Operating Revenues:	
Water Fees	\$ 137,200
Sewer Fees	60,835
Total Operating Revenues	<u>198,035</u>
Operating Expenses:	
Salaries & Payroll Taxes	74,519
Contract Labor	24,000
Depreciation	21,084
Utilities	26,677
Operating Supplies & Maintenance	25,392
Repairs	19,613
Testing Fees & Chemicals	9,631
Fuel & Vehicle	7,030
License & Fees	5,429
Insurance	5,880
Legal & Accounting	3,000
Payment System Charges	3,460
Office Supplies & Postage	2,629
Travel & Training	736
Miscellaneous	833
Total Operating Expenses	<u>229,913</u>
Operating Income (Loss)	<u>(31,878)</u>
Non-Operating Revenues (Expenses):	
ARPA Grant Revenue	791,843
Interest Income	361
Interest Expense	(2,483)
	<u>789,721</u>
Excess (Deficiency) of Revenue Over Expense	<u><u>\$ 757,843</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT