

**SULPHUR ROCK SEWER DEPARTMENT**

**Agreed Upon Procedures**

**For the Year Ended December 31, 2023**

# **Bonds & Company, P.A.**

## **CERTIFIED PUBLIC ACCOUNTANTS**

3906 EAST KIEHL  
SHERWOOD, ARKANSAS 72120

(501) 835-5222 ♦ FAX (501) 835-6812

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

To the Mayor, Town Council and Management  
of Sulphur Rock Sewer Department  
Sulphur Rock, Arkansas

We have performed the procedures enumerated below on compliance with Ark. Code Ann. 14-234-119 to 122 of the Sulphur Rock Sewer Department, as of December 31, 2023. Sulphur Rock Sewer Department's management is responsible for the Department's accounting records.

Sulphur Rock Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with Ark. Code. Ann. 14-234-119 to 122. Additionally, the Mayor, Town Council, and management of the Sulphur Rock Sewer Department have agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. 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 purposes.

The procedures and the associated findings are as follows:

#### Cash and Investments

1. We obtained confirmation of the cash on deposit from the following bank, and we agreed the confirmed balance to the amount shown on the bank reconciliations maintained by the Sewer Department. We performed a proof of cash for the year and agreed the ending balances to the book balances within the greater of 5% or \$500. We reconciled the year-end bank balances to the book balance in the following amounts:

<u>Citizens Bank</u>	<u>Number</u>	<u>Reconciled Balances as</u> <u>of 12-31-2023</u>
Checking - Operating	519	\$ 245,107
Debt Service Reserve	306	31,560
AEDC	036	84
Short Lived Asset Reserve	303	17,928

### Receipts

2. We agreed the deposits per the proof of cash for the year to the deposits per the journal within 5% or \$500, whichever was greater. We agreed ten customer payments on the accounts receivable subledger to deposit and billing documents.

We found no exceptions as a result of the above procedures.

### Accounts Receivable

3. We agreed ten customer billings to the accounts receivable subledger. We selected five customer adjustments to verify proper authorization..

We found no exceptions as a result of our procedures applied to the ten customer billings and five customer adjustments.

### Disbursements

4. We agreed the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever was greater. We analyzed all property, plant and equipment disbursements. We selected ten disbursements to determine if they were adequately documented.

We agreed the disbursements per the proof of cash without exception. We noted no exceptions as a result of these procedures.

### Property, Plant and Equipment

5. We determined that property, plant and equipment additions and disposals were properly accounted for in the records, at a level of materiality equal to 5% of total equipment or \$500, which ever was greater.

We noted no exceptions as a result of these procedures.

### Long-Term Debt

6. We scheduled long-term debt and verified changes in all balances for the year. We confirmed loans with the lender and we determined that the appropriate debt service accounts had been established and maintained.

We noted no exceptions as a result of these procedures.

We were engaged by the Mayor, Town Council, and management of Sulphur Rock 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 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 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 Sulphur Rock Sewer Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Mayor, Town Council, management of Sulphur Rock Sewer Department, and the Arkansas Legislative Joint Auditing Committee, and it is not intended to be and should not be used by anyone other than these specified parties.

*Bonds & Company, P.A.*

Bonds & Company, P.A.  
December 6 2024

**SULPHUR ROCK SEWER DEPARTMENT**

**Compiled Financial Statements**

**As of and for the Year Ended December 31, 2023**

# SULPHUR ROCK SEWER DEPARTMENT

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# **Bonds & Company, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**3906 EAST KIEHL  
SHERWOOD, ARKANSAS 72120**

**(501) 835-5222 ♦ FAX (501) 835-6812**

## Accountant's Compilation Report

To the Mayor, City Council, and Management  
Sulphur Rock Sewer Department  
Sulphur Rock, Arkansas

Management is responsible for the accompanying financial statements of the Sulphur Rock Sewer Department (a proprietary fund of the City of Sulphur Rock, Arkansas), which comprise the statement of net position as of December 31, 2023, and the statement of revenues, expenses, and changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Department's financial position, result of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the management, discussion and analysis that accounting principles generally accepted in the United States of America require 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 which 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.

*Bonds & Company, P.A.*  
Bonds & Company, P.A.  
December 6, 2024

**SULPHUR ROCK SEWER DEPARTMENT**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 245,191
Accounts Receivable	<u>21,017</u>
TOTAL CURRENT ASSETS	<u>266,208</u>
RESTRICTED ASSETS	
Assets limited to use	<u>49,488</u>
TOTAL RESTRICTED ASSETS	<u>49,488</u>
CAPITAL ASSETS, net of accumulated depreciation of <u>\$889,086</u>	<u>712,193</u>
TOTAL ASSETS	<u><u>\$ 1,027,889</u></u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Current maturities of long-term debt	<u>\$ 6,775</u>
TOTAL CURRENT LIABILITIES	<u>6,775</u>
LONG-TERM DEBT, net of current maturities	<u>303,880</u>
TOTAL LIABILITIES	<u>310,655</u>
NET POSITION	
Invested in capital assets, net of related debt	401,538
Assets limited to use	49,488
Unrestricted	<u>266,208</u>
TOTAL NET POSITION	<u>717,234</u>
TOTAL LIABILITIES & NET POSITION	<u><u>\$ 1,027,889</u></u>

See accountant's compilation report



**SULPHUR ROCK SEWER DEPARTMENT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year ended December 31, 2023**

<b>OPERATING REVENUES</b>	
Sewer Sales	\$ <u>123,484</u>
<b>TOTAL OPERATING REVENUES</b>	<b><u>123,484</u></b>
<b>OPERATING EXPENSES</b>	
Repairs and maintenance	8,360
Insurance	1,374
Utilities	17,299
Fees	9,993
Dues	545
Miscellaneous Expense	2,240
Depreciation	<u>37,957</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>77,768</u></b>
<b>OPERATING INCOME</b>	<b><u>45,716</u></b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>	
Grant Income	90,898
Interest income	31
Interest expense	<u>(4,321)</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b><u>86,608</u></b>
<b>Increase in net position</b>	<b>132,324</b>
<b>Net position- beginning of year</b>	<b><u>584,910</u></b>
<b>Net Position- end of year</b>	<b><u><u>\$ 717,234</u></u></b>

See accountant's compilation report