

DELL WATER & SEWER DEPARTMENT
DELL, AR
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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To the Mayor and Members of the City Council
Dell Water & Sewer Department
Dell, Arkansas 72426

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES

We have performed the procedures enumerated below in compliance with Ark. Code Ann. 14-234-119 to 122, of the Dell Water and Sewer Department as of December 31, 2022, and for the year then ended. The Dell Water and Sewer Department management is responsible for the Entity's accounting records.

The Dell Water and Sewer Department has agreed to and acknowledged that the procedures are appropriate to meet the intended compliance with Ark. Code Ann. 14-234-119 to 122. Additionally, the Mayor and Council of the City of Dell have agreed to and acknowledged that the procedures 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 the 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 Dell Water and Sewer Department

Farmers Bank and Trust

Cash - Operating Account	\$ 227,352
Cash - Meter Deposit Account	31,231
Cash - Water CD #0114	252,302
Cash - Water CD #0534	527,139
Cash - Sewer CD #8467	15,182
	<u>\$ 1,053,206</u>

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

We found no exceptions as a result of the procedures.

Receipts

1. Agreed the deposits per the proof of cash for the year with the deposits per the 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.

Cash Disbursements:

1. Agreed the disbursements per the proof of cash for the year with the disbursements per the cash disbursements 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:

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:

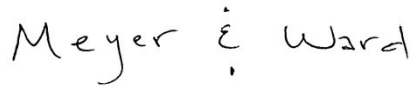
Long-Term debt was confirmed with lenders, balances are summarized below.

	<u>12/31/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2022</u>
Due to General Fund, at 4.00% payable in monthly installments of \$6,505 through 2047	\$ 1,244,236	\$ -	\$ (28,814)	\$ 1,215,422
	<u>\$ 1,244,236</u>	<u>\$ -</u>	<u>\$ (28,814)</u>	<u>\$ 1,215,422</u>

We were engaged by the Dell Water and Sewer Department to perform this agreed upon procedure 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, the objective of which would be the expression of an opinion or conclusion 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 Dell Water and Sewer Department and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed upon procedures engagement.

A handwritten signature in cursive script that reads "Meyer & Ward". The signature is written in dark ink on a plain white background.

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

July 7, 2023

DELL WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
AND
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

MEYER AND WARD, P.A.
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**DELL WATER AND SEWER DEPARTMENT
DELL, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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MEYER AND WARD, P.A.
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To the Mayor and Members of the City Council
Dell Water and Sewer Department
Dell, AR 72426

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Dell Water and Sewer Department, which comprise the statement of net position as of December 31, 2022 and the related 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 omitted the management's discussion and analysis that are required 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 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 Dell Water and Sewer 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

July 7, 2023

**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,022,075
Accounts Receivable	39,982
Prepaid Expense	5,934
Total Current Assets	<u>1,067,991</u>

Restricted Assets

Cash- Customer Deposits	<u>31,231</u>
Total Restricted Assets	<u>31,231</u>

Property Plant and Equipment

Water Improvments	1,670,068
Sewer Improvements	1,558,653
Building Improvments	4,326
Water Treatemnt Plant	<u>1,361,917</u>
	4,594,964
Less Accumulated Depreciation	<u>(2,620,178)</u>
Net Fixed Assets	<u>1,974,786</u>

Total Assets

\$ 3,074,008

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Current Liabilities

Accounts Payable	\$ 6,127
Current Portion Notes Payable	29,988
Payroll Tax Payable	3,933
Sales Tax Payable	2,617
Customer Deposit Payable	30,547
Interest Payable	4,051
Total Current Liabilites	<u>77,263</u>

Long Term Liabilites

Notes Payable - Net of Current Portion	<u>1,185,434</u>
Total Liabilities	<u>1,262,697</u>

Net Position

Restricted for debt service	-
Net investment in capital assets	759,364
Unrestricted	<u>1,051,947</u>
Total Net Position	<u>1,811,311</u>

Total Liabilities and Net Position	<u>\$ 3,074,008</u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Operating Revenues

Water Revenue	\$ 351,023
Sewer Revenue	65,146
Other Revenue	22,999
Total Operating Revenue	<u>439,168</u>

Operating Expenses

Sewer Purchases	7,800
Contract Labor	17,891
Technology	6,393
Dues and Subscriptions	2,262
Operating Supplies	11,436
Equipment Purchases	6,865
Fuel	1,592
Miscellaneous	1,240
Payroll	121,299
Postage	1,821
Professional Fees	3,900
Repairs and Maintenance	12,967
Insurance	19,332
Utilities	17,954
Rent	3,600
Depreciation	106,621
Total Expenses	<u>342,973</u>

Total Operating Income (Loss)	<u>96,195</u>
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Other Income (Loss)

Interest Income	4,984
Interest Expense	(49,966)
Total Other Income	<u>(44,982)</u>

Change in Net Position	51,213
Beginning Net Position	1,760,098
Ending Net Position	<u>\$ 1,811,311</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT