

CITY OF BISCOE WATERWORKS
BISCOE, ARKANSAS
FOR THE YEAR ENDED JULY 31, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and Members of the City Council
City of Biscoe Waterworks
Biscoe, Arkansas 72018

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

The City of Biscoe Waterworks 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 Biscoe Waterworks 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

Bancorp South	
Cash - City of Biscoe Water	\$ 1,193
Cash - Debt Service Reserve	24,671
Cash - Customer Deposits	12,121
Farmers & Merchants Bank	
Cash- Repair Fund	2,083,098
Cash - Depreciation Reserve	5,487
	<u>\$ 2,126,570</u>

We found no exceptions as a result of 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 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 the 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 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; the balances are summarized below:

	<u>7/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>7/31/2024</u>
4.5% Revenue Bonds 1994 issue, secured by pledge of future revenues	\$ 183,640	\$ -	\$ 13,282	\$ 170,358
4.5% Revenue Bonds 2001 issue, secured by pledge of future revenues	34,471		1,589	32,882
	<u>\$ 218,111</u>	<u>\$ -</u>	<u>\$ 14,871</u>	<u>\$ 203,240</u>

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

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 examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the specified procedures.

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 Biscoe Waterworks and to meet other ethical responsibilities related to our agreed upon procedure engagement.

This report is intended solely for the information and use of the City of Biscoe Waterworks. and is not intended to be and should not be used by anyone other than this specified party.

Meyer & Ward

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

December 30, 2024

CITY OF BISCOE WATERWORKS
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED JULY 31, 2024
AND
INDEPENDENT ACCOUNTANT'S REPORT

MEYER AND WARD, P.A.
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CITY OF BISCOE WATERWORKS
BISCOE, ARKANSAS
FOR THE YEAR ENDED JULY 31, 2024

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MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
WYNNE, AR 72396

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and Members of the City Council
City of Biscoe Waterworks
Biscoe, Arkansas 72018

Management is responsible for the accompanying financial statements of City of Biscoe Waterworks, which comprise the statement of assets, liabilities and net position – cash basis and the related statement of revenues and expenses- cash basis as of July 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

December 30, 2024

CITY OF BISCOE WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
JULY 31, 2024

ASSETS

Current Assets	
Cash - City of Biscoe Water	\$ 1,193
Total Current Assets	<u>1,193</u>
Restricted Assets	
Cash - Debt Service Reserve	24,671
Cash - Depreciation Reserve	5,487
Cash - Customer Deposits	12,121
Cash - Repair Fund	<u>2,083,098</u>
Total Restricted Assets	<u>2,125,377</u>
Property, Plant and Equipment	
Water Plant	297,454
Sewer System	2,969,343
Equipment	88,230
Land	5,500
(Less) Accumulated Depreciation	<u>(1,973,172)</u>
Net Property, Plant and Equipment	<u>1,387,355</u>
Total Assets	<u><u>\$ 3,513,925</u></u>

See independent accountant's compilation report

CITY OF BISCOE WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
JULY 31, 2024

LIABILITIES AND NET POSITION

Current Liabilities	
Current portion of long term debt	\$ 15,560
Total Current Liabilities	<u>15,560</u>
Payable From Restricted Assets	
Meter Deposits	<u>12,045</u>
Long Term Liabilities	
Notes Payable net of Current Portion	<u>187,680</u>
Net Position	
Net Investment in Capital Assets	1,184,115
Restricted for Depreciation	2,088,585
Restricted for Debt Service	24,671
Unrestricted	<u>1,269</u>
Total Net Assets	<u>3,298,640</u>
Total Liabilities and Net Assets	<u><u>\$ 3,513,925</u></u>

See independent accountant's compilation report

CITY OF BISCOE WATERWORKS
STATEMENT OF REVENUES AND EXPENSES – CASH BASIS
FOR THE YEAR ENDED JULY 31, 2024

Operating Revenues

Water Fees	\$	51,962
Sewer Fees		39,396
Other Revenues		3,288
		94,646

Operating Expenses

Salaries and Labor		32,402
Retirement		421
Depreciation		81,477
Utilities		11,195
Operating Maintenance and Supplies		26,871
Insurance		1,159
Office Supplies		5,286
Payroll Taxes		2,280
Fuel and Oil		4,178
Postage		1,582
Audit		2,700
Travel		1,388
Miscellaneous		8,896
		179,835

Operating Income (Loss)		(85,189)
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Non-Operating Revenues (Expenses)

Payments on Behalf of City		(888)
Interest Expense		(9,513)
Interest Income		10,266
		(135)

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	\$	(85,324)
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See independent accountant's compilation report