

TOWN OF DELL
WATER, SEWER AND GARBAGE FUND
AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020



TOWN OF DELL WATER, SEWER, AND GARBAGE FUND
DECEMBER 31, 2021 AND 2020

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor and Town Council
Town of Dell Water, Sewer and Garbage Fund

We have performed the procedures enumerated below on the financial and billing records of the Town of Dell Water, Sewer and Garbage Fund as of and for the year ended December 31, 2021. The Town of Dell Water, Sewer and Garbage Fund's management is responsible for the financial and billing records.

The Town of Dell Water, Sewer and Garbage Fund' management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose which is to comply with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service providers* as prepared by Arkansas Legislative Audit. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to 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:

(1) Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balance. We concluded this procedure with no findings.
- B. Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with no findings.
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater. The ending balances for all accounts were within these parameters.

(2) Receipts

- A. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater. We concluded this procedure and found the deposits were within the parameters.
- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We concluded this procedure with no findings.

- C. For ten deposits, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings.

(3) Accounts Receivable

- A. Agree ten customer billings to the accounts receivable sub ledger. Agree ten billings to the meter readings and the validated deposit. We concluded this procedure with no findings.
- B. Determine that five customer adjustments were properly authorized. We concluded this procedure with no findings.

(4) Disbursements

- A. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater. We concluded this procedure and found the disbursements to be within the parameters.
- B. Analyze all property, plant and equipment disbursements. We concluded this procedure with no findings.
- C. Select ten disbursements and determine if they were adequately documented. We concluded this procedure with no findings.
- D. Select all disbursements to employees, excluding payroll, to determine adequate documentation. We concluded this procedure with no findings.

(5) Property, plant and equipment

- A. Determine that additions and disposals were properly accounted for in the records. We concluded this procedure with no findings.

(6) Long-term debt

- A. Schedule long-term debt and verify changes in all balances for the year. We concluded this procedure with no findings.
- B. Confirm loans, bond, notes and contracts payable with lender/trustee/contractor. We concluded this procedure with no findings.
- C. Determine that the appropriate debt service accounts have been established and maintained. This procedure was not applicable, due to the debt not requiring these types of accounts.

(7) General

- A. Determine that any items of financial significance were approved and documented in the minutes of the Town Council meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by the Town of Dell Water, Sewer and Garbage Fund 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 financial and billing records. 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 Town of Dell Water, Sewer and Garbage Fund 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 Town of Dell Water, Sewer and Garbage Fund and Arkansas Legislative Audit and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Przybysz & Associates". The signature is written in a cursive, flowing style.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
October 30, 2022



To the Honorable Mayor and Town Council
Town of Dell Water, Sewer and Garbage Fund

Management is responsible for the accompanying financial statements of the Town of Dell Water, Sewer and Garbage Fund, which comprise the statements of net position as of December 31, 2021 and 2020, the related statements of revenues, expenses and changes in net position for the years 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. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements referenced in the first paragraph of this report present only the water, sewer, and garbage enterprise funds and do not purport to, and do not, present fairly the financial position of the Town of Dell, Arkansas, as of December 31, 2021 and 2020, and the changes in its financial position in conformity with accounting principles generally accepted in the United States of America.

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 Fund's financial position, results of operations, and cash flows. Accordingly, these financial statements are not for those who are not informed about such matters.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
October 30, 2022

FINANCIAL STATEMENTS

TOWN OF DELL WATER, SEWER, AND GARBAGE FUND

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 200,509	\$ 176,587
Certificates of deposit	714,999	625,771
Security deposits	29,622	28,707
Accounts receivable	31,844	50,814
Prepaid insurance	7,210	6,458
Total Current Assets	984,184	888,337
Noncurrent Assets		
Capital Assets		
Building and Improvements	13,538	13,538
Water Distribution System	2,661,695	2,661,695
Sewer Distribution System	1,476,970	1,476,970
Dumpster and Fence	4,326	4,326
Equipment	431,112	431,112
Total	4,587,641	4,587,641
Less: accumulated depreciation	2,513,558	2,405,140
Net Capital Assets	2,074,083	2,182,501
Total Assets	\$ 3,058,267	\$ 3,070,838
Liabilities and Net Position		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 16,242	\$ 22,591
Payroll Taxes Payable	3,185	2,876
Sales Tax Payable	2,113	2,446
Accrued interest	3,330	4,271
Meter deposits payable	29,063	28,148
Current portion due to general fund	28,814	27,686
Total Current Liabilities	82,747	88,018
Noncurrent Liabilities		
Due to general fund	1,215,422	1,244,236
Total Noncurrent Liabilities	1,215,422	1,244,236
Total Liabilities	1,298,169	1,332,254
Net Position		
Net investment in capital assets	829,847	910,579
Unrestricted	930,251	828,005
Total Net Position	1,760,098	1,738,584
Total Liabilities and Net Position	\$ 3,058,267	\$ 3,070,838

See accountants' compilation report.

TOWN OF DELL WATER, SEWER, AND GARBAGE FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31,	2021	2020
Operating Revenue		
Charge for Customer Services, net provisions for bad debts	\$ 394,171	\$ 391,724
Late Fees and Penalties	8,846	9,880
Other Income	9,541	10,658
Total Operating Revenue	412,558	412,262
Operating Expenses		
Garbage pickup	19,092	19,092
Water and sewer purchases	7,200	7,200
Computer expenses	5,856	5,711
Contract labor	9,750	8,250
Depreciation	108,417	112,311
Employee benefits	4,453	3,017
Fuel	5,833	4,228
Insurance	7,953	6,367
Memberships dues and fees	4,277	3,041
Miscellaneous expense	32	2
Office expense	2,907	3,298
Operating supplies	17,165	7,374
Payroll taxes	7,508	5,836
Professional fees	3,800	4,976
Rent	3,600	3,600
Repairs and maintenance	20,199	33,450
Salaries and wages	96,728	74,954
Travel	2,024	(347)
Utilities	18,223	19,228
Total Operating Expenses	345,017	321,588
Net Income from Operations	67,541	90,674
Nonoperating Revenue (Expenses)		
Interest income	3,405	6,270
Interest expense	(49,432)	(51,457)
Total Net Nonoperating Expenses	(46,027)	(45,187)
Change in Net Position	21,514	45,487
Net Position at Beginning of Year	1,738,584	1,693,097
Net Position at End of Year	\$ 1,760,098	\$ 1,738,584

See accountants' compilation report.