

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

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

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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, 2023, 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	\$	223,427
Cash - Meter Deposit Account		33,247
Cash - Water Plant CD #81000		35,245
Cash - Water CD #0114		298,798
Cash - Water CD #6997		594,099
Cash - Sewer CD #80808		15,404
	\$	<u>1,200,220</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>12/31/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2023</u>
Due to General Fund, at 4.00% payable in monthly installments of \$6,505 through 2047	\$ 1,215,422	\$ -	\$ (29,988)	\$ 1,185,434
	<u>\$ 1,215,422</u>	<u>\$ -</u>	<u>\$ (29,988)</u>	<u>\$ 1,185,434</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.

Meyer & Ward

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

May 13, 2024

DELL WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
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, 2023**

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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, 2023 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

May 13, 2024

**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

ASSETS

Current Assets

Cash and Cash Equivalents	\$	1,167,073
Accounts Receivable		36,254
Prepaid Expense		6,357
Total Current Assets		1,209,684

Restricted Assets

Cash- Customer Deposits		33,247
Total Restricted Assets		33,247

Property Plant and Equipment

Water Improvements		1,670,068
Sewer Improvements		1,558,653
Building Improvements		4,326
Water Treatment Plant		1,361,917
		4,594,964
Less Accumulated Depreciation		(2,722,147)
Net Fixed Assets		1,872,817

Total Assets

\$ 3,115,748

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Current Liabilities

Current Portion Notes Payable	\$ 31,210
Payroll Tax Payable	1,649
Sales Tax Payable	2,282
Customer Deposit Payable	33,315
Interest Payable	<u>3,951</u>
Total Current Liabilites	<u>72,407</u>

Long Term Liabilites

Notes Payable - Net of Current Portion	<u>1,154,224</u>
Total Liabilities	<u>1,226,631</u>

Net Position

Net investment in capital assets	687,383
Unrestricted	<u>1,201,734</u>
Total Net Position	<u>1,889,117</u>

Total Liabilities and Net Position	<u><u>\$ 3,115,748</u></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, 2023**

Operating Revenues

Water Revenue	\$ 358,954
Sewer Revenue	72,980
Other Revenue	21,616
Total Operating Revenue	<u>453,550</u>

Operating Expenses

Sewer Purchases	6,600
Contract Labor	13,175
Technology	5,075
Dues and Subscriptions	2,633
Operating Supplies	22,369
Equipment Purchases	5,423
Fuel	2,760
Miscellaneous	2,555
Payroll	94,086
Postage	2,358
Professional Fees	3,000
Repairs and Maintenance	50,649
Insurance	24,111
Utilities	15,210
Rent	3,600
Depreciation	101,968
Total Expenses	<u>355,572</u>

Total Operating Income (Loss)

97,978

Other Income (Loss)

Interest Income	27,799
Interest Expense	(47,971)
Total Other Income	<u>(20,172)</u>

Change in Net Position

77,806

Beginning Net Position

1,811,311

Ending Net Position

\$ 1,889,117

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT