

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, 2024, 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	\$ 223,730
Cash - Meter Deposit Account	35,502
Cash - Water Plant CD #81000	37,230
Cash - Water CD #0114	315,607
Cash - Water CD #6997	627,896
Cash - Sewer CD #80808	16,201
	<u>\$ 1,256,166</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>12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>
Due to General Fund, at 4.00% payable in monthly installments of \$6,505 through 2047	\$ 1,185,434	\$ -	\$ (31,210)	\$ 1,154,224
	<u>\$ 1,185,434</u>	<u>\$ -</u>	<u>\$ (31,210)</u>	<u>\$ 1,154,224</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

June 19, 2025

DELL WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
AND
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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**DELL WATER AND SEWER DEPARTMENT
DELL, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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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, 2024 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

June 19, 2025

**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Current Assets

Cash and Cash Equivalents	\$ 1,220,764
Accounts Receivable	44,966
Prepaid Expenses	7,555
Total Current Assets	1,273,285

Restricted Assets

Cash - Customer Deposits	35,502
Total Restricted Assets	35,502

Property Plant and Equipment

Water Improvements	2,105,671
Sewer Improvements	1,558,653
Building Improvements	4,326
Water Treatment Plant	1,361,917
	5,030,567
Less Accumulated Depreciation	2,829,754
Net Fixed Assets	2,200,813

Total Assets	\$ 3,509,600
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**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Current Liabilities

Current Portion Notes Payable	\$	32,481
Payroll Tax Payable		2,212
Sanitation Payable		1,600
Accounts Payable		723
Sales Tax Payable		2,621
Customer Deposit Payable		35,916
Interest Payable		3,847
Total Current Liabilities		<u>79,400</u>

Long Term Liabilites

Notes Payable - Net of Current Portion		<u>1,121,743</u>
Total Liabilities		<u>1,201,143</u>

Net Position

Net investment in capital assets		1,046,589
Unrestricted		<u>1,261,868</u>
Total Net Position		<u>2,308,457</u>

Total Liabilities and Net Position	\$	<u>3,509,600</u>
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**DELL WATER AND SEWER DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Operating Revenues	
Water Revenue	\$ 389,556
Sewer Revenue	82,510
Other Revenue	25,953
Total Operating Revenue	<u>498,019</u>
 Operating Expenses	
Sewer Purchases	7,200
Contract Labor	13,456
Technology	3,019
Dues and Subscriptions	2,561
Operating Supplies	16,679
Equipment Purchases	2,965
Fuel	2,500
Miscellaneous	1,085
Payroll	96,708
Postage	2,968
Professional Fees	3,000
Repairs and Maintenance	18,853
Insurance	29,861
Utilities	13,160
Rent	3,600
Depreciation	107,608
Total Expenses	<u>325,223</u>
 Total Operating Income (Loss)	 <u>172,796</u>
 Other Income (Loss)	
Transfer In County	200,000
Transfer In City General	38,403
Interest Income	54,886
Interest Expense	(46,745)
Total Other Income	<u>246,544</u>
 Change in Net Position	 419,340
Beginning Net Position	<u>1,889,117</u>
Ending Net Position	<u>\$ 2,308,457</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT