

ELAINE MUNICIPAL WATERWORKS
ELAINE, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2022

MEYER AND WARD, P.A.
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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES**

To the Mayor and Members of the City Council
Elaine Municipal Waterworks
Elaine, AR 72333

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

The Elaine Municipal 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 the Elaine Arkansas Municipal 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 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 Elaine Municipal Waterworks:

Cash and Investments (cont'd):

Cadence Bank		
Cash - Operating & Maintenance	\$	461,367
Cash- Debt Service Reserve		32,963
Cash- City Revenue Fund		4,404
Cash - Revenue Fund		33,799
Cash - Depreciation Fund		40,070
Cash - Sinking Fund 1979		2,755
Cash - Rural Depreciation Fund		5,179
Cash- New Debt Service Reserve		12,138
Cash- Meter Deposit Fund		20,473
Certificates of Deposit		119,856
	\$	<u>733,004</u>

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

We found no exceptions as a result of these procedures.

Cash Receipts:

1. Agreed the deposits per the proof of cash for the year with the deposits per the cash receipts journal.
2. Agreed 10 customer payments on the accounts receivable sub ledger to deposit and billing documents.

Accounts Receivable:

1. Agreed 10 customer billings to the accounts receivable sub ledger.
2. Reviewed five customer adjustments for proper authorization.

We found no exceptions as a result of these procedures.

Cash Disbursements:

1. Agreed the disbursements per proof of cash for the year with the disbursements per the journal within 5 %.
2. Analyzed all property, plant and equipment disbursements.
3. Selected 10 disbursements for existence of supporting documents

We found that invoices could not be produced for 6 of these disbursements.

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.

We were engaged by the Elaine Municipal Waterworks 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 perform an audit, the objective of which would be the expression of an opinion 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 Elaine Municipal Waterworks 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
September 8, 2025

ELAINE MUNICIPAL WATERWORKS
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
AND
INDEPENDENT ACCOUNTANT’S
COMPILATION REPORT

MEYER AND WARD, P.A.
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ELAINE MUNICIPAL WATERWORKS

**ELAINE, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
WYNNE, AR 72396

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and Members of the City Council
Elaine Municipal Waterworks
Elaine, AR 72333

Management is responsible for the accompanying financial statements of the Elaine Municipal 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 December 31, 2022 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
September 8, 2025

ELAINE MUNICIPAL WATERWORKS
 STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
 DECEMBER 31, 2022

ASSETS

Current Assets:	
Cash	\$ 499,570
Total Current Assets	499,570
Restricted Assets:	
Cash - Meter Deposits	20,473
Cash - Debt Service Reserve	32,963
Cash- Depreciation Fund	40,070
Cash- Sinking Fund 1979	2,755
Cash- Rural Depreciation Fund	5,179
Cash- New Debt Service Reserve	12,138
Certificate of Deposit	119,856
Total Restricted Assets	233,434
Property, Plant and Equipment:	
Land	23,512
Water & Sewer System	2,509,212
Buildings	7,004
Furniture & Equipment	72,343
Vehicles	120,326
(Less) Accumulated Depreciation	(2,386,319)
Net Property, Plant and Equipment	346,078
Total Assets	\$ 1,079,082

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

ELAINE MUNICIPAL WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
DECEMBER 31, 2022

LIABILITIES AND NET POSITION

Current Liabilities:	
Payroll Withholdings Payable	\$ 3,944
Total Current Liabilities	<u>3,944</u>
Payable From Restricted Assets:	
Customer Meter Deposits	<u>31,773</u>
Net Position	
Net Investment in Capital Assets	346,078
Unrestricted	697,287
Total Net Position	<u>1,043,365</u>
Total Liabilities and Net Position	<u><u>\$ 1,079,082</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

ELAINE MUNICIPAL WATERWORKS
STATEMENT OF REVENUES AND EXPENSES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenues:	
Water Fees	\$ 257,975
Miscellaneous	5,812
Total Operating Revenues	<u>263,787</u>
Operating Expenses:	
Salaries & Payroll Taxes	74,613
Contract Labor	
Depreciation	31,637
Utilities	14,290
Operating Supplies & Maintenance	3,283
Repairs	42,230
Rent	351
Testing Fees & Chemicals	5,430
Fuel & Vehicle	10,870
License & Fees	2,832
Insurance	3,523
Professional Fees	2,753
Garbage Pickup	53,290
Office Supplies & Postage	6,603
Dues & Subscriptions	142
Miscellaneous	424
Total Operating Expenses	<u>252,271</u>
Operating Income (Loss)	<u>11,516</u>
Non-Operating Revenues (Expenses):	
Interest Income	577
	<u>577</u>
Excess (Deficiency) of Revenue Over Expense	<u><u>\$ 12,093</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT