

ELAINE MUNICIPAL WATERWORKS
ELAINE , ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024

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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, 2024, 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	\$	148,859
Cash- Debt Service Reserve		32,964
Cash- City Revenue Fund		144,023
Cash - Revenue Fund		151,793
Cash - Depreciation Fund		40,071
Cash - Sinking Fund 1979		6,938
Cash - Rural Depreciation Fund		5,180
Cash- New Debt Service Reserve		12,139
Cash- Meter Deposit Fund		25,088
Certificates of Deposit		120,096
	\$	<u>687,151</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.

We found that the daily deposit amount did not agree with daily receipt allocation reports. We selected a sample of ten bank deposits and compared each to the corresponding daily allocation of receipts reports for agreement of total amounts. For the sample tested, the total amount recorded on the daily allocation of receipts reports was \$16,634.45, while the total amount deposited per the bank records was \$15,899.23, resulting in a difference of \$735.22. We did not determine the cause of these differences, as that is not within the scope of the agreed-upon procedures.

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 the proof of cash for the year with the disbursements per the journal within 5 %.
2. Analyzed all property, plant and equipment disbursements.

We found no exceptions as a result of these procedures.

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

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; balances are as summarized below:

	<u>12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2024</u>
6.03% Note Payable to CAT Financial, secured by equipment	\$ 55,055		\$ 7,770	\$ 47,285
	<u>\$ 55,055</u>	<u>\$ -</u>	<u>\$ 7,770</u>	<u>\$ 47,285</u>

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 attention that would have been reported to you.

Meyer & Ward

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, AR 72396
June 23, 2025

ELAINE MUNICIPAL WATERWORKS
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024
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, 2024**

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MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 1045
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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, 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
June 23, 2025

ELAINE MUNICIPAL WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
DECEMBER 31, 2024

ASSETS

Current Assets:	
Cash	\$ 444,675
Total Current Assets	<u>444,675</u>
Restricted Assets:	
Cash - Meter Deposits	25,088
Cash - Debt Service Reserve	32,964
Cash- Depreciation Fund	40,071
Cash- Sinking Fund 1979	6,938
Cash- Rural Depreciation Fund	5,180
Cash- New Debt Service Reserve	12,139
Certificate of Deposit	120,096
Total Restricted Assets	<u>242,476</u>
Property, Plant and Equipment:	
Land	23,512
Water & Sewer System	2,509,212
Buildings	7,004
Furniture & Equipment	139,040
Vehicles	150,926
(Less) Accumulated Depreciation	<u>(2,463,245)</u>
Net Property, Plant and Equipment	<u>366,449</u>
Total Assets	<u>\$ 1,053,600</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

ELAINE MUNICIPAL WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - CASH BASIS
DECEMBER 31, 2024

LIABILITIES AND NET POSITION

Current Liabilities:	
Current Portion of Notes Payable	\$ 6,982
Total Current Liabilities	<u>6,982</u>
Payable From Restricted Assets:	
Customer Meter Deposits	<u>32,474</u>
Long Term Liabilities:	
Notes Payable Net of Current Portion	<u>40,303</u>
Net Position	
Net Investment in Capital Assets	319,162
Unrestricted	<u>654,679</u>
Total Net Position	<u>973,841</u>
Total Liabilities and Net Position	<u><u>\$ 1,053,600</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

ELAINE MUNICIPAL WATERWORKS
STATEMENT OF REVENUES AND EXPENSES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Operating Revenues:	
Water Fees	\$ 271,485
Miscellaneous	1,844
Total Operating Revenues	<u>273,329</u>
Operating Expenses:	
Salaries & Payroll Taxes	76,883
Contract Labor	506
Depreciation	43,336
Utilities	33,530
Operating Supplies & Maintenance	6,907
Repairs	16,307
Rent	9,000
Testing Fees & Chemicals	7,372
Fuel & Vehicle	11,804
License & Fees	2,827
Insurance	4,306
Professional Fees	5,326
Garbage Pickup	86,106
Office Supplies & Postage	6,432
Dues & Subscriptions	1,401
Miscellaneous	75
Total Operating Expenses	<u>312,118</u>
Operating Income (Loss)	<u>(38,789)</u>
Non-Operating Revenues (Expenses):	
Interest Income	300
Interest Expense	(3,420)
	<u>(3,120)</u>
Excess (Deficiency) of Revenue Over Expense	<u><u>\$ (41,909)</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT