

**WATER AND SEWER DEPARTMENT
OF THE CITY OF FORDYCE, ARKANSAS**

FINANCIAL STATEMENTS

December 31, 2023

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Revenues, Expenses and Changes in Net Position	5
Statement of Cash Flows	6
Schedule of Operating Expenses	8
Notes to Financial Statements	9
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability	21
Schedule of Contributions	22
SUPPLEMENTARY INFORMATION	
Water & Sewer Fund Statement of Net Position	24
Water & Sewer Fund Statement of Revenues, Expenses and Changes in Net Position	25
Water & Sewer Fund Statement of Cash Flows	26
Water & Sewer Fund Schedule of Operating Expenses	28
Schedule of System Information	29
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	30
Schedule of Findings & Questioned Costs	32

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council Members of the
City of Fordyce Water & Sewer Department

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the City of Fordyce Water and Sewer Department, (the "Organization"), a component unit of the City of Fordyce, Arkansas, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position, the statement of revenues, expenses and changes in net position, and cash flows of the Organization as of and for the year then ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of Net Pension Liability and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis and Budget to Actual Comparison required by accounting principles generally accepted in the United States of America 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 consider it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information and other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The accompanying supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Organization's internal control over financial reporting and compliance.

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

Searcy & Associates, LLC
Monticello, Arkansas
April 25, 2024

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
STATEMENT OF NET POSITION

December 31, 2023

	<u>2023</u>
<u>Assets</u>	
<u>Current assets</u>	
Cash and cash equivalents	\$ 2,206,546
Accounts receivable (net)	62,626
Total current assets	<u>2,269,172</u>
<u>Restricted cash and investments</u>	
Meter deposits	120,782
Depreciation reserve fund	273,791
Total restricted cash and investments	<u>394,573</u>
<u>Fixed assets, net of accumulated depreciation</u>	3,662,975
<u>Deferred outflow of resources related to pension</u>	148,338
Total assets	<u><u>\$ 6,475,058</u></u>
<u>Liabilities and Net Position</u>	
<u>Current liabilities</u>	
Accounts payable	\$ 29,954
Accrued interest	1,012
Accrued payroll	4,344
Other accrued expenses	8,126
Current portion of bonds payable	33,016
Total current liabilities	<u>76,452</u>
<u>Long term liabilities</u>	
Bonds payable, net of current amount	611,766
Pension liability	482,107
Customer deposits	120,782
Total long term liabilities	<u>1,214,655</u>
<u>Deferred inflow of resources related to pension</u>	19,965
<u>Net position</u>	
Invested in capital assets, net of related debt	3,018,192
Restricted	273,791
Unrestricted	1,872,003
Total net position	<u>5,163,986</u>
Total liabilities and net position	<u><u>\$ 6,475,058</u></u>

The accompanying notes are an integral part of the financial statements.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended December 31, 2023

	<u>2023</u>
<u>Operating revenues</u>	
Water services	\$ 827,835
Sewer services	768,848
Rural water revenue	121,128
Other operating revenue	<u>8,877</u>
Total operating revenue	<u>1,726,688</u>
 <u>Operating expenses</u>	
Plant operations and distribution	789,095
General and administrative	332,121
Depreciation	<u>394,084</u>
Total operating expenses	<u>1,515,300</u>
 Income / (loss) from operations	 211,388
 <u>Other revenue / (expenses)</u>	
Interest income	26,480
Cost sharing pension income (expenses)	(18,846)
Interest expense	<u>(23,061)</u>
Total other revenue / (expenses)	<u>(15,427)</u>
 <u>Change in net position</u>	 <u><u>\$ 195,961</u></u>
 <u>Net position, beginning of year</u>	 <u>\$ 4,968,025</u>
 Change in net invested in capital assets	92,366
Change in restricted assets	31,632
Change in unrestricted assets	<u>71,963</u>
Change in net position	<u>195,961</u>
 <u>Net position, end of year</u>	 <u><u>\$ 5,163,986</u></u>

The accompanying notes are an integral part of the financial statements

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	<u>2023</u>
<u>Cash flows from operating activities</u>	
Cash received from customers	\$ 1,718,801
Payments for salaries and benefits	(550,573)
Payments for operating supplies	(593,717)
Net cash provided by (used for) operating activities	<u>574,511</u>
<u>Cash flows from investing activities</u>	
Purchase of property, plant and equipment	(454,803)
Interest income	26,480
Net cash provided by (used for) investing activities	<u>(428,323)</u>
<u>Cash flows from financing activities</u>	
Principal payments	(31,648)
Interest payments	(23,061)
Change in pension liability	22,595
Change in deferred outflows / inflows	(22,593)
Change in customer deposits	(226)
Net cash provided by (used for) financing activities	<u>(54,933)</u>
<u>Change in cash and cash equivalents</u>	91,255
<u>Cash and cash equivalents, beginning of year</u>	<u>2,509,864</u>
<u>Cash and cash equivalents, end of year</u>	<u>\$ 2,601,119</u>
<u>Cash and cash equivalents</u>	2,206,546
<u>Restricted cash and cash equivalents</u>	394,573
	<u>\$ 2,601,119</u>

The accompanying notes are an integral part of the financial statements

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2023

	<u>2023</u>
<u>Reconciliation of operating income to</u>	
<u>net cash from operating activities:</u>	
Operating income (loss)	\$ 211,388
Adjustments to reconcile operating income to	
net cash from operating activities:	
Depreciation	394,084
Changes in assets and liabilities:	
Accounts receivable	(7,887)
Accounts payable	(18,164)
Accrued payroll	-
Other accrued expenses	(4,910)
Total adjustments	<u>363,123</u>
Net cash provided by (used for) operating activities	<u><u>\$ 574,511</u></u>

The accompanying notes are an integral part of the financial statements.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
SCHEDULE OF OPERATING EXPENSES
For the Year Ended December 31, 2023

	<u>2023</u>
<u>Plant operations and distributions</u>	
Salaries and wages	\$ 259,533
Repairs and maintenance	167,741
Utilities	162,275
Retirement	36,142
Operating supplies and other	58,264
Fringe benefits	41,481
Payroll taxes	20,716
Rent / lease expense	26,357
Contract labor	16,586
Total plant operations and distributions	<u>789,095</u>
<u>General and administrative</u>	
Salaries and wages	139,749
Office supplies	40,237
Insurance	33,223
Fringe benefits	22,336
Retirement	19,461
Other expenses	28,553
Dues, licenses, fees	14,113
Payroll taxes	11,155
Professional fees	9,000
Training	5,042
Bad debt	9,252
Total general and administrative	<u>332,121</u>
<u>Depreciation</u>	<u>394,084</u>
Total operating expenses	<u><u>\$ 1,515,300</u></u>

The accompanying notes are an integral part of the financial statements.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Water and Sewer Departments (the “Organization”) is a component unit of the City of Fordyce, Arkansas. The Organization is governed by the Fordyce City Council. The Organization provides water and sewer services to the City of Fordyce and certain surrounding areas. The City Council approves the rate changes of the Organization's services.

B. Fund Type

The Organization has two enterprise funds, used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Basis of Accounting

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from other revenue (expense) items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the Organization. All revenues and expenses not meeting this definition are reported as other revenues (expenses) but remain a major component of the overall revenues and expenses of the Organization.

In accordance with Governmental Accounting Standards Board (GASB) Statement Number 62, the Organization applies accounting standards in accordance with the Codification of Governmental Accounting and Financial Reporting Standards which incorporates applicable Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements issued on or before November 30, 1989.

D. Use of Estimates

Management used estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

E. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. For the purpose of financial reporting, all demand accounts, savings accounts, cash on hand, certificates of deposits, and money market accounts are considered to be cash and cash equivalents.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 1 (continued)

Accounts Receivable

Accounts receivable relate to water and sewer service billings and are shown net of an allowance for doubtful accounts. The allowance is based upon historical losses and a review of the past-due accounts. Credit extended to customers is generally uncollateralized. Accounts are due ten days after the billing date. Past-due accounts are charged a late fee penalty. Customers are required to make a deposit, and deposits can be offset against the receivable.

The allowance for doubtful accounts as of December 31, 2023 for the Water Department was \$61,611. The allowance for doubtful accounts as of December 31, 2023 for the Sewer Department was \$83,640.

Fixed Assets

Fixed assets are recorded at cost, including interest incurred during the construction period. Contributed property is recorded at fair value at the date of contribution. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

Water and Sewer Plant	20-40 years
Wells & Water Tanks	20-40 years
Buildings & Improvements	20-25 years
Vehicles & Equipment	5-10 years

The Organization's capitalization policy states that capital assets are defined as assets with an estimated useful life of greater than one year and over \$1,000.

Compensated Absences

The Organization's policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off. Unused vacation time is typically not rolled over into the following fiscal year. Sick leave can be rolled over each fiscal year until a maximum of 90 days is accrued. However, sick leave benefits are not paid out upon voluntary or involuntary termination of employment. It can only be used during the course of employment. Vacation and sick leave benefits are recognized as an expense when incurred.

Deferred Outflow / Inflow of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The Organization has qualifying items for reporting in this category. Deferred outflows of resources include those related to pension changes for the Organization.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an increase to net position that applies to a future period and is recognized as an inflow of resources (revenue) until that time. The Organization has qualifying items for reporting in this category. Deferred inflows of resources include those related to pension changes for the Organization.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 1 (continued)

Pension

The Organization maintains one cost-sharing, multiple employer, defined benefit retirement plan. The plan is sponsored by the Arkansas Public Employee Retirement System.

For purposes of measuring the net pension asset or liability, deferred outflow of resources and deferred inflow of resources related to pension, and pension expense have been determined on the same basis as they are reported by the actuary. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the plan. Expenses of the plans, such as investment fees, trustee fees, and audit fees, are paid by the plan. However, certain administrative functions are performed by employees of the Organization and are not reimbursed by the plan.

Net Position Classifications

- Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments.
- Unrestricted net position – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

Income Taxes

As a municipal owned utility, the Organization is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of State law.

F. Date of Management’s Review

The Organization evaluated its December 31, 2023 financial statements for subsequent events through April 25, 2024, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 2 – CERTIFICATES OF DEPOSIT AND INVESTMENTS

Arkansas Code Annotated 19-1-501 outlines the eligible investments allowed by a municipality along with Certificates of Deposits when secured in compliance with Arkansas Code 19-8-202. Deposits in excess of Federal Deposit Insurance (FDIC) are required to be secured by qualified pledged securities allowed by the Code to mitigate custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure a government’s deposits may not be returned to it.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 2 (continued)

The schedule below is designed to disclose the level of custodial credit risk assumed by the Organization based upon how its deposits were insured or secured by pledged securities, or unsecured at December 31, 2023.

Category 1 – Insured FDIC or secured with securities held by the Organization (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institutions' trust department in the Organization's name.

Category 3 – Unsecured and uncollateralized, or collateralized with securities held by the pledging institution, or by its trust department or agent in the Organization's name, or collateralized with no written or approved collateralized agreement.

The level of security for the Organization's bank deposits are as follows:

<u>Depository</u>	<u>Total</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Bank A	\$ 2,607,972	\$ 500,000	\$ 2,107,972	\$ -

The amounts shown are bank ledger balances of the referenced bank's deposits and may differ from the Organization's general ledger balances.

The Organization has certain amounts of its cash accounts restricted at December 31, 2023 as follows:

Meter deposits	\$ 120,782
Debt reserves	<u>273,791</u>
Total restricted cash	<u><u>\$ 394,573</u></u>

In accordance with loan covenants, the USDA requires the Organization to accumulate cash reserves over a 10-year time frame until the amount of cash reserved equals the amount of debt service payments for one year. In addition, a separate reserve to replace short lived assets is required. Reserves accumulate over 10-15 years until the amount of cash reserved equals the expected cost to replace the short-lived assets. The amount of cash required to be reserved for debt service as of December 31, 2023 was \$52,608. The amount of cash required to be reserved for replacement of short-lived assets as of December 31, 2023 was \$221,183.

Customers' meter deposits are restricted for the use of refunding a departing customers' refund upon leaving the Organization or for offsetting any amounts owed by the customer upon departure.

It is the Organization's policy to use other available cash for equipment replacement or repairs rather than the restricted amounts.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 3 – CHANGES IN FIXED ASSETS

	Balance December 31, 2022	Transfers/ Additions	Disposals	Balance December 31, 2023
Land	\$ 52,826	\$ -	\$ -	\$ 52,826
Water system	4,203,956	21,136	-	4,225,092
Sewer system	6,074,610	417,604	-	6,492,214
Building & equipment	1,474,903	16,063	-	1,490,966
Construction in progress	17,468	-	-	17,468
	<u>11,823,763</u>	<u>454,803</u>	<u>-</u>	<u>12,278,566</u>
Accumulated depreciation	<u>(8,221,507)</u>	<u>(394,084)</u>	<u>-</u>	<u>(8,615,591)</u>
	<u>\$ 3,602,256</u>	<u>\$ 60,719</u>	<u>\$ -</u>	<u>\$ 3,662,975</u>

NOTE 4 – LONG-TERM DEBT

Series 1993 Water and Sewer Revenue Bonds

In 1993, the Organization issued \$661,800 in Water & Sewer Revenue bonds in order to finance the construction of a water treatment plant. The United States Department of Agriculture ("USDA") simultaneously purchased the bond and issued a 40-year note. The interest rate on the note payable is 5.00%. The proceeds of were used to pay bond issuance costs, engineering fees, and construction costs. System revenues and assets are pledged to the note payable. The Organization is required to establish rates sufficient to pay the expenses and operation and maintenance of the water system, making monthly deposits into a debt service account of \$322.40 a month until a total of \$38,688 has accumulated for repayment obligations. The Organization was in compliance with all debt covenants for the year ended December 31, 2023.

Series 2016 Water and Sewer Revenue Bonds

In 1993, the Organization issued \$421,000 in Water & Sewer Revenue bonds in order to finance the construction of a water storage tank. The United States Department of Agriculture ("USDA") simultaneously purchased the bond and issued a 40-year note. The interest rate on the note payable is 2.50%. The proceeds of were used to pay bond issuance costs, engineering fees, and construction costs. System revenues and assets are pledged to the note payable. The Organization is required to establish rates sufficient to pay the expenses and operation and maintenance of the water system, making monthly deposits into a debt service account of \$145.00 a month until a total of \$17,388 has accumulated for repayment obligations, and monthly deposits into a short-lived asset account of \$2,431 a month until a total of \$437,500 has accumulated for expected future costs of repairs and replacement of equipment. The Organization was in compliance with all debt covenants for the year ended December 31, 2023.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 4 (continued)

The following is a summary of changes in long term debt:

	Balance December 31, 2022	Increases	Decreases	Balance December 31, 2023	Amounts Due Within One Year
Revenue Bond Series 1993	\$ 307,747	\$ -	\$ (23,843)	\$ 283,904	\$ 25,050
Revenue Bond Series 2016	368,683	-	(7,805)	360,878	7,966
Bonds payable, gross	676,430	-	(31,648)	644,782	33,016
Premiums / (Discounts)	-	-	-	-	-
	<u>\$ 676,430</u>	<u>\$ -</u>	<u>\$ (31,648)</u>	<u>\$ 644,782</u>	<u>\$ 33,016</u>

Annual debt service requirements to maturity based on current interest rates for long-term debt are as follows for the year ending December 31:

	Principal	Interest
2024	\$ 33,016	\$ 21,668
2025	34,479	20,205
2026	36,011	18,673
2027	37,617	17,067
2028	39,299	15,385
2029-2033	191,849	49,338
2034-2038	52,187	27,838
2039-2043	58,395	21,630
2044-2048	65,341	14,684
Thereafter	96,588	7,334
	<u>\$ 644,782</u>	<u>\$ 213,822</u>

NOTE 5 – PENSION

Plan Description

The following brief description of the Arkansas Public Employees Retirement System (APERS or the System) is provided for general information purposes only. Participants should refer to Arkansas Code Annotated, Title 24 for more complete information.

APERS is a cost-sharing, multiple-employer, defined benefit plan which covers all State employees who are not covered by another authorized plan. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 5 (continued)

The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Organization of Finance and Administration, and four additional board positions that were added in Act 686 of the 2021 State of Arkansas legislative session. All of these four positions are appointed by the State of Arkansas Legislature. Two of these positions represent retirees with one being appointed by the House of Representatives and the other appointed by the Senate. The other two positions represent retired law enforcement with one being appointed by the House of Representatives and the other by the Senate.

Benefits Provided

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapters 5 and 6 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/2005	2.07%
Contributory, on or after 7/1/2005, but prior to 7/1/2007	2.03%
Contributory on or after 7/1/2007	2.00%
Non-Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions:

- at age 65 with 5 years of service,
- at any age with 28 years actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for elected or public safety officials.

Members may retire with a reduced benefit at age 55 with at least 5 years of actual service or at any age with 25 years of service.

Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had 5 years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost-of-living adjustment of 3% of the current benefit is added each year.

Several benefit changes were made in the 2021 legislative session. These changes only apply to newly hired employees on or after July 1, 2022. Act 370 made the final average compensation for the retirement benefit calculation to be the average of the five highest annual compensations. Act 366 made the annual cost-of-living adjustment to be the lesser of 3% or the percentage change in the Consumer Price Index.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 5 (continued)

Contributions

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A. 24-2-701(a)). Members who began service prior to July 1, 2005 are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to contribute 5% of their salary. Act 365 of the 2021 regular legislative session put in place annual increases of .25% to this employee contribution rate beginning July 1, 2022 and continuing each year up to a maximum rate of 7%. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan (A.C.A. 24-2-701(c)(3)). Employers contributed 15.32% of compensation for the fiscal year ended June 30, 2022. In some cases, an additional 2.5% of member and employer contributions are required for elected officials.

APERS Fiduciary Net Position

Detailed information about APERS's fiduciary net position is available in the separately issued APERS Financial Report available at <http://www.apers.org/annualreports>.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

The collective Net Pension Liability of \$2,914,186,564 was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. Each employer's proportion of the Net Pension Liability was based on the employer's share of contributions to the pension plan relative to the total contributions of all participating employers.

Deferred outflows of resources and deferred inflows of resources related to pensions for your employer are as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 27,214	\$ (2,648)
Changes in proportion and differences between employer contributions and proportionate share of contribution	9,211	(17,317)
Changes of assumptions	22,665	-
Contributions subsequent to measurement date	29,243	-
Net difference between projected and actual earnings on pension plan investments	60,005	-
Total	<u>\$ 148,338</u>	<u>\$ (19,965)</u>

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 5 (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in your financial statements as follows:

2024	2025	2026	2027	2028	Thereafter
\$ 23,210	\$ 6,076	\$ 73,893	\$ (4,049)	\$ -	\$ -

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of Percent of Payroll, Closed (Level Dollar, Closed for District Judges New Plan and Paid Off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	23 years (6.6 years for District Judges New Plan/Paid Off Old Plan and 15 years for District Judges Still Paying Old Plan)
Asset Valuation Method	4-year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Investment Rate of Return	7%
Inflation	3.25% wage inflation, 2.50% price inflation
Salary Increases	3.25 – 9.85% including inflation (3.25% - 6.96% including inflation for District Judges)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Table	Based on RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.
Average Service Life of All Members	3.7241

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 5 (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	6.19%
International Equity	24%	6.77%
Real Assets	16%	3.34%
Absolute Return	5%	3.36%
Domestic Fixed	18%	1.79%
Total	100%	
Total Real Rate of Return		4.94%
Plus: Price Inflation- Actuary Assumption		2.50%
Net Expected Return		7.44%

Discount Rate

A single discount rate of 7% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the Net Pension Liability using the discount rate of 7%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

Sensitivity of Discount Rate		
1% Lower 6%	Discount Rate 7%	1% Higher 8%
\$ 768,431	\$ 482,104	\$ 246,198

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

December 31, 2023

NOTE 6 – RISK MANAGEMENT

The Organization is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 7 – DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PROCEDURES

Management has elected to omit the Budget to Actual Comparison and the Management Discussion and Analysis of the Fordyce Water and Sewer Department from the financial statements which are required by GAAP.

REQUIRED SUPPLEMENTARY INFORMATION

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Years Ended December 31, 2023 through 2015

	2023	2022	2021	2020	2019	2018	2017	2016	2015 *
Proportion of the net pension liability	0.017%	0.016%	0.018%	0.017%	0.016%	0.015%	0.016%	0.015%	0.014%
Proportionate share of the net pension liability	\$ 482,104	\$ 440,666	\$ 138,694	\$ 489,624	\$ 385,507	\$ 328,303	\$ 420,642	\$ 360,088	\$ 252,666
Covered - employee payroll	\$ 399,282	\$ 396,837	\$ 381,076	\$ 385,413	\$ 334,165	\$ 301,687	\$ 283,213	\$ 303,021	\$ 253,350
Proportionate share of the net pension liability as percentage of covered - employee payroll	120.74%	111.04%	36.40%	127.04%	115.36%	108.82%	148.52%	118.83%	99.73%
Plan's fiduciary net position as a percentage of the total pension liability	77.94%	78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%

* Fiscal Year 2015 was the first year of implementation, and is based on actuarial valuation as of June 30, 2014, therefore only nine years are shown.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
SCHEDULE OF CONTRIBUTIONS
For the Years Ended December 31, 2023 through 2015

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015 *</u>
Contractually required contribution	\$ 56,174	\$ 52,335	\$ 55,187	\$ 51,110	\$ 46,847	\$ 41,118	\$ 42,540	\$ 39,559	\$ 35,927
Contributions in relation to the contractually required contribution	\$ (56,174)	\$ (52,335)	\$ (55,187)	\$ (51,110)	\$ (46,847)	\$ (41,118)	\$ (42,540)	\$ (39,559)	\$ (35,927)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department's covered - employee payroll	\$ 399,282	\$ 396,837	\$ 381,076	\$ 385,413	\$ 334,165	\$ 301,687	\$ 283,213	\$ 303,021	\$ 253,350
Contributions as a percentage of covered - employee payroll	14.07%	13.19%	14.48%	13.26%	14.02%	13.63%	15.02%	13.05%	14.18%

* Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown. Information in this schedule has been determined as of the most recent fiscal year-end.

SUPPLEMENTARY INFORMATION

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
WATER & SEWER FUND STATEMENT OF NET POSITION

December 31, 2023

	<u>Water</u>	<u>Sewer</u>
<u>Assets</u>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 1,055,553	\$ 1,150,993
Accounts receivable (net)	32,681	29,945
Due to department	-	35,393
Total current assets	<u>1,088,234</u>	<u>1,216,331</u>
<u>Restricted cash and investments</u>		
Meter deposits	120,782	-
Depreciation reserve fund	273,791	-
Total restricted cash and investments	<u>394,573</u>	<u>-</u>
<u>Fixed assets, net of accumulated depreciation</u>	1,177,187	2,485,788
<u>Deferred outflow of resources related to pension</u>	<u>84,553</u>	<u>63,785</u>
Total assets	<u><u>\$ 2,744,547</u></u>	<u><u>\$ 3,765,904</u></u>
<u>Liabilities and Net Position</u>		
<u>Current liabilities</u>		
Accounts payable	\$ 20,897	\$ 9,057
Accrued interest	1,012	-
Accrued payroll	2,491	1,853
Other accrued expenses	8,126	-
Due from department	35,393	-
Current portion of bonds payable	33,016	-
Total current liabilities	<u>100,935</u>	<u>10,910</u>
<u>Long term liabilities</u>		
Bonds payable, net of current amount	611,766	-
Pension liability	274,800	207,307
Customer deposits	120,782	-
Total long term liabilities	<u>1,007,348</u>	<u>207,307</u>
<u>Deferred inflow of resources related to pension</u>	11,380	8,585
<u>Net position</u>		
Invested in capital assets, net of related debt	532,404	2,485,788
Restricted	273,791	-
Unrestricted	818,689	1,053,314
Total net position	<u>1,624,884</u>	<u>3,539,102</u>
Total liabilities and net position	<u><u>\$ 2,744,547</u></u>	<u><u>\$ 3,765,904</u></u>

See independent auditor's report.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
WATER & SEWER FUND STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended December 31, 2023

	Water	Sewer
<u>Operating revenues</u>		
Water services	\$ 827,835	\$ -
Sewer services	-	768,848
Rural water revenue	121,128	-
Other operating revenue	8,877	-
Total operating revenue	<u>957,840</u>	<u>768,848</u>
<u>Operating expenses</u>		
Plant operations and distribution	471,408	317,687
General and administrative	191,428	140,693
Depreciation	166,726	227,358
Total operating expenses	<u>829,562</u>	<u>685,738</u>
Income / (loss) from operations	128,278	83,110
<u>Other revenue / (expenses)</u>		
Interest income	13,565	12,915
Cost sharing pension income (expenses)	(10,742)	(8,104)
Interest expense	(23,061)	-
Total other revenue / (expenses)	<u>(20,238)</u>	<u>4,811</u>
<u>Change in net position</u>	108,040	87,921
<u>Net position, beginning of year</u>	1,516,844	3,451,181
Change in net invested in capital assets	(84,566)	176,932
Change in restricted assets	31,632	-
Change in unrestricted assets	160,974	(89,011)
Change in net position	<u>108,040</u>	<u>87,921</u>
<u>Net position, end of year</u>	<u>\$ 1,624,884</u>	<u>\$ 3,539,102</u>

See independent auditor's report.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
WATER & SEWER FUND STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	<u>Water</u>	<u>Sewer</u>
<u>Cash flows from operating activities</u>		
Cash received from customers	\$ 949,953	\$ 768,848
Payments for salaries and benefits	(314,564)	(236,008)
Payments for operating supplies	(360,972)	(232,746)
Net cash provided by (used for) operating activities	<u>274,417</u>	<u>300,094</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(50,513)	(404,290)
Interest income	13,565	12,915
Net cash provided by (used for) investing activities	<u>(36,948)</u>	<u>(391,375)</u>
<u>Cash flows from financing activities</u>		
Principal payments	(31,648)	-
Interest payments	(23,061)	-
Change in pension liability	12,878	9,717
Change in deferred outflows / inflows	(12,878)	(9,715)
Change in customer deposits	(226)	-
Net cash provided by (used for) financing activities	<u>(54,935)</u>	<u>2</u>
<u>Change in cash and cash equivalents</u>	182,534	(91,279)
<u>Cash and cash equivalents, beginning of year</u>	<u>1,267,592</u>	<u>1,242,272</u>
<u>Cash and cash equivalents, end of year</u>	<u>\$ 1,450,126</u>	<u>\$ 1,150,993</u>
<u>Cash and cash equivalents</u>	1,055,553	1,150,993
<u>Restricted cash and cash equivalents</u>	394,573	-
	<u>\$ 1,450,126</u>	<u>\$ 1,150,993</u>

See independent auditor's report.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
WATER & SEWER FUND STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2023

	<u>Water</u>	<u>Sewer</u>
<u>Reconciliation of operating income to</u>		
<u>net cash from operating activities:</u>		
Operating income (loss)	\$ 128,278	\$ 83,110
Adjustments to reconcile operating income to		
net cash from operating activities:		
Depreciation	166,726	227,358
Changes in assets and liabilities:		
Accounts receivable	(7,887)	-
Accounts payable	(7,791)	(10,373)
Accrued payroll	-	-
Accrued paid time off	-	-
Other accrued expenses	(4,909)	(1)
Total adjustments	<u>146,139</u>	<u>216,984</u>
Net cash provided by (used for) operating activities	<u>\$ 274,417</u>	<u>\$ 300,094</u>

See independent auditor's report.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
WATER & SEWER FUND STATEMENT OF OPERATING EXPENSES

For the Year Ended December 31, 2023

	Water	Sewer
<u>Plant operations and distributions</u>		
Salaries and wages	\$ 148,977	\$ 110,557
Repairs and maintenance	127,405	40,336
Utilities	99,465	62,810
Retirement	20,198	15,944
Operating supplies and other	40,071	18,193
Fringe benefits	23,440	18,041
Payroll taxes	11,852	8,863
Rent / lease expense	-	26,357
Contract labor	-	16,586
Total plant operations and distributions	471,408	317,687
<u>General and administrative</u>		
Salaries and wages	80,218	59,530
Office supplies	20,043	20,194
Insurance	24,594	8,629
Fringe benefits	12,621	9,715
Retirement	10,876	8,585
Other expenses	12,417	16,136
Dues, licenses, fees	8,205	5,908
Payroll taxes	6,382	4,773
Professional fees	4,500	4,500
Training	2,320	2,723
Bad debt	9,252	-
Total general and administrative	191,428	140,693
<u>Depreciation</u>	166,726	227,358
Total operating expenses	\$ 829,562	\$ 685,738

See independent auditor's report.

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
SCHEDULE OF SYSTEM INFORMATION
For the Year Ended December 31, 2023

Number of Users	1,646
Annual billable gallons	134,526,666
Date of last rate study:	N/A
Next required date:	July 1, 2026
Met Board/Council training requirements:	Yes
Debt Service Coverage Ratio (1.05 minimum required)	
Net Income (loss)	\$ 195,961
Add: Depreciation	394,084
Add: Interest expense	23,061
Add: Non operating expense	-
Add: GASB 68 pension expense adjustment	18,846
Subtract: Interest income	(26,480)
Subtract: Non operating income	-
Total	\$ 605,472
Divided by next year principal & interest	\$ 54,684
Debt service coverage ratio	11.07
Free Cash Flow Determination	
Total unrestricted cash	\$ 2,206,546
One twelfth of total expenses	129,767
Excess / (deficient) cash	\$ 2,076,779

See independent auditor's report.

SEARCY & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Mayor and City Council Members of the
City of Fordyce Water & Sewer Department

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City of Fordyce Water and Sewer Department, (the "Organization"), a component unit of the City of Fordyce, Arkansas, which comprise the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated April 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Searcy & Associates, LLC
Monticello, Arkansas
April 25, 2024

WATER AND SEWER DEPARTMENTS OF THE CITY OF FORDYCE, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2023

None identified