

JOINER WATER AND SEWER DEPARTMENT
JOINER, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2022

MEYER AND WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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Joiner Water and Sewer Department
Board of Directors
Joiner, Arkansas

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES

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

The City of Joiner Water and Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended compliance with Ark. Code An 14-235-119 to 122. Additionally, the Mayor, City Council, and management of the City of Joiner, Arkansas Water and Sewer Department 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 the report, and as such users are responsible for determining whether procedures performed are appropriate for their purpose.

The procedures and the 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 Joiner Water and Sewer Department

Bancorp South

Cash - Water and Sewer O&M	\$	15,510
Cash - Water and Sewer Savings		8,136
Cash - Water and Sewer Department 8		17,996
Cash - Restricted for Construction - USDA		77
Cash- Bassett Account		52,603
Certificate of Deposit		18,584
	\$	<u>112,906</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. We compared the deposits per the proof of cash for the year with the deposits per the general ledger.

We found no exceptions as a result of these procedures.

Accounts Receivable:

1. We agreed 10 customer payments on the accounts receivable subsidiary ledger to the deposit and billing documents.
2. We reviewed the process of customer adjustments to determine if they were properly authorized.

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. Selected 10 disbursements to determine if disbursements were adequately documented.

No exceptions were noted as a result of these procedures

Property, Plant, and Equipment:

Joiner Water and Sewer Department acquired all assets of City of Bassett Water Utility and Sand-Ridge Bardstown Water Association (a non-profit corporations) during the year. No detailed record of property, plant, and equipment could be provided for either entity.

Long-term Debt:

1. We scheduled long-term debt and verified changes in the balances for the year.
2. We confirmed the loan payables with the lenders.
3. We determined that appropriate debt service accounts have been maintained.

No exceptions were noted as a result of these procedures.

We were engaged by the City of Joiner Water and Sewer Department 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. This engagement to apply agreed upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants.

We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively 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 were required to be independent of the City of Joiner Arkansas 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

March 4, 2024

JOINER WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
AND
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

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

**JOINER WATER AND SEWER DEPARTMENT
JOINER, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Members of the Town Council
Joiner Water and Sewer Department
Joiner, Arkansas

Management is responsible for the accompanying financial statements of Joiner Water and Sewer Department, which comprise the statement of assets, liabilities and net position – cash basis as of December 31, 2022 and the related statement of cash receipts and disbursements- cash basis 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.

The supplementary information contained in pages 6 through 8 is presented for purposes of additional analysis and is not a required part of the basis financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Meyer & Ward

Meyer and Ward, P.A.
Certified Public Accountants
Wynne, AR 72396
March 4, 2024

JOINER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS
December 31, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 76,249
Total Current Assets	<u>76,249</u>

RESTRICTED ASSETS

Certificate of Deposit	18,584
Cash - USDA Construction	77
Cash - Meter Deposits	<u>17,996</u>
Total Restricted Assets	<u>36,657</u>

FIXED ASSETS - AT COST

Water and Sewer System	1,200,806
Water Tower	503,174
Equipment	<u>41,594</u>
	1,745,574
Less: Accumulated Depreciation	<u>(1,270,514)</u>
Net Property, Plant and Equipment	<u>475,060</u>

TOTAL ASSETS	<u><u>\$ 587,966</u></u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

JOINER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS
December 31, 2022

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable - City of Joiner	\$ 235,527
Customer Meter Deposit	19,585
Payroll Withholdings Payable	8,172
Current Portion of Notes Payable	<u>4,848</u>
Total Current Liabilities	<u>268,132</u>

LONG TERM LIABILITIES

Notes payable, net of current portion	<u>104,385</u>
TOTAL LIABILITIES	<u>372,517</u>

NET ASSETS

Net investment in capital assets	365,827
Restricted for debt service	18,584
Unrestricted	<u>(168,962)</u>
Total Net Position	<u>215,449</u>

TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 587,966</u></u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**JOINER WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS- CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUE:

Water Revenue	\$ 125,810
Sewer Revenue	49,878
Interest	48
Total Operating Receipts	<u>175,736</u>

OPERATING EXPENSES:

Salaries, Payroll taxes and fringe	73,788
Contract Services	24,800
Utilities	21,840
Office Supplies and postage	2,675
Operating Supplies and maintenance	35,852
Payment system charge	3,847
Principal payments on notes payable	4,661
Insurance	7,757
Sales Tax	2,226
Fees and Licenses	6,924
Travel & Training	6,022
Miscellaneous	1,012
Total Cash Disbursements	<u>191,404</u>

OTHER REVENUE (EXPENSES):

Interest	(3,159)
Customer Deposit Collections	360
Customer Deposit Refunds	(589)
Transfers to City	(851)
Garbage and Public Safety payments to City	(26,785)
Garbage and Public Safety Fee Collections	45,466
Contributed Capital	57,003
	<u>71,445</u>
Increase (Decrease) in Cash and Restricted Cash	55,777
Beginning Cash and Restricted Cash at 1/1/2022	<u>57,129</u>
Ending Cash and Restriced Cash at 12/31/2022	<u>\$ 112,906</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

SUPPLEMENTARY INFORMATION

JOINER WATER AND SEWER DEPARTMENT
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS
December 31, 2022

ASSETS			
	Total	Water	Sewer
CURRENT ASSETS			
Cash	\$ 76,249	\$ 75,261	\$ 988
Total Current Assets	76,249	75,261	988
RESTRICTED ASSETS			
Certificate of Deposit	18,584	13,009	5,575
Cash - USDA Construction	77	77	
Cash - Meter Deposits	17,996	12,597	5,399
Total Restricted Assets	36,657	25,683	10,974
FIXED ASSETS - AT COST			
Water and Sewer System	1,200,806	840,564	360,242
Water Tower	503,174	503,174	-
Equipment	41,594	29,116	12,478
Total	1,745,574	1,372,854	372,720
Less: Accumulated Depreciation	(1,270,514)	(897,794)	(372,720)
Net Property, Plant and Equipment	475,060	475,060	-
TOTAL ASSETS	\$ 587,966	\$ 576,004	\$ 11,962

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

JOINER WATER AND SEWER DEPARTMENT
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS
December 31, 2022

LIABILITIES AND NET POSITION

	Total	Water	Sewer
CURRENT LIABILITIES			
Accounts Payable - City of Joiner	\$ 235,527	\$ 164,869	\$ 70,658
Customer Meter Deposit	19,585	13,710	5,875
Payroll Withholdings Payable	8,172	5,720	2,452
Current portion of notes payable	4,848	4,848	-
Total Current Liabilities	268,132	189,147	78,985
 LONG TERM LIABILITIES			
Notes payable, net of current portion	104,385	104,385	
TOTAL LIABILITIES	372,517	293,532	78,985
 NET ASSETS			
Net investment in capital assets	365,827	365,827	
Restricted for debt service	18,584	18,584	
Unrestricted	(168,962)	(101,939)	(67,023)
Total Net Position	215,449	282,472	(67,023)
 TOTAL LIABILITIES AND NET POSITION	\$ 587,966	\$ 576,004	\$ 11,962

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**JOINER WATER AND SEWER DEPARTMENT
COMBINING SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS- CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Total	Water	Sewer
OPERATING REVENUE:			
Water Revenue	\$ 125,810	\$ 125,810	\$ -
Sewer Revenue	49,878		49,878
Interest	48	34	14
Total Operating Receipts	<u>175,736</u>	<u>125,844</u>	<u>49,892</u>
OPERATING EXPENSES:			
Salaries, Payroll taxes and fringe	73,788	51,652	22,136
Contract Services	24,800	17,360	7,440
Utilities	21,840	15,288	6,552
Office Supplies and postage	2,675	1,873	802
Repairs and maintenance	35,852	25,096	10,756
Payment system charge	3,847	2,693	1,154
Principal payments on notes payable	4,661	4,661	
Insurance	7,757	5,430	2,327
Sales Tax	2,226	2,226	
Fees and Licenses	6,924	4,847	2,077
Travel	6,022	4,215	1,807
Miscellaneous	1,012	708	304
Total Cash Disbursements	<u>191,404</u>	<u>136,049</u>	<u>55,355</u>
OTHER REVENUE (EXPENSES):			
Interest	(3,159)	(2,211)	(948)
Customer Deposit Collections	360	252	108
Customer Deposit Refunds	(589)	(412)	(177)
Transfers to City	(851)	(596)	(255)
Garbage and Public Safety payments to City	(26,785)	(26,785)	-
Garbage and Public Safety Fee Collections	45,466	52,841	(7,375)
Contributed Capital	57,003	57,003	
	<u>71,445</u>	<u>80,092</u>	<u>(8,647)</u>
Increase (Decrease) in Cash and Restricted Cash	55,777	69,887	(14,110)
Beginning Cash and Restricted Cash at 1/1/2022	<u>57,129</u>	<u>31,057</u>	<u>26,072</u>
Ending Cash and Restriced Cash at 12/31/2022	<u>\$ 112,906</u>	<u>\$ 100,944</u>	<u>\$ 11,962</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT