

WIDENER WATER AND SEWER DEPARTMENT
WIDENER, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

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To the Mayor and Members of the City Council
Widener Water and Sewer Department
Widener, Arkansas 72394

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 Widener Water and Sewer Department as of December 31, 2023, and for the year then ended. The Widener Water and Sewer Department management is responsible for the Entity’s accounting records.

The Widener 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 Widener 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 Widener Water and Sewer Department

First National Bank Eastern Arkansas	
Cash - Revenue Account	\$ 28,988
Cash - Depreciation Reserve	9,049
Cash - Customer Deposits	15,780
 Armor Bank	
Certificate of Deposit	12,021
Total Deposits	<u>\$ 65,838</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>12/31/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2023</u>
Note Payable to USDA at 7%, due in monthly installments of \$552 through 2024	\$ 7,750	-	6,281	\$ 1,469
	<u>\$ 7,750</u>	<u>-</u>	<u>6,281</u>	<u>\$ 1,469</u>

We also determined that required debt service and depreciation reserve accounts were established and maintained.

We were engaged by the Widener 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 Widener 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

September 5, 2024

WIDENER WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
AND
INDEPENDENT ACCOUNTANT’S
COMPILATION REPORT

MEYER AND WARD, P.A.
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**WIDENER WATER AND SEWER DEPARTMENT
WIDENER, ARKANSAS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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To the Mayor and Members of the City Council
Widener Water and Sewer Department
Widener, Arkansas 72394

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Widener Water and Sewer Department, which comprise the statement of assets, liabilities, and net position – cash basis as of December 31, 2023 and the related statement of 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 Widener 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

September 5, 2024

**WIDENER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION– CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS

Cash - Revenue Account	\$ 28,988
Total Current Assets	28,988

RESTRICTED ASSETS

Cash - Depreciation Reserve	9,049
Cash - Customer Deposits	15,780
Certificate of Deposit	12,021
Total Restricted Assets	36,850

PROPERTY PLANT AND EQUIPMENT

Land	4,000
Buildings	9,675
Equipment	60,799
Water System	839,165
Sewer System	682,976
	1,596,615
Less Accumulated Depreciation	(1,221,134)
Net Property, Plant and Equipment	375,481

TOTAL ASSETS

\$ 441,319

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**WIDENER WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION– CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Current Portion of Note Payable	\$ 1,469
Total Current Liabilities	<u>1,469</u>

**CURRENT LIABILITIES PAYABLE
FROM RESTRICTED ASSETS**

Meter Deposits	27,694
Total Current Liabilities Payable From Restricted Assets	<u>29,163</u>

NET POSITION

Net Investment in Capital Assets	374,012
Unrestricted	38,144
Total Net Position	<u>412,156</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 441,319</u></u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**WIDENER WATER AND SEWER DEPARTMENT
STATEMENT OF RECEIPTS AND DISBURSEMENTS– CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

OPERATING RECEIPTS:

Water Receipts	\$ 122,109
Sewer Receipts	17,847
Other Receipts	6,554
Total Operating Receipts	<u>146,510</u>

OPERATING DISBURSEMENTS:

Contract Labor	2,491
Depreciation	37,357
Fuel	1,935
Insurance	1,998
Miscellaneous Expense	440
Permits, License & Fees	4,425
Professional Services	2,250
Repairs and Maintenance	1,585
Salaries	33,479
Supplies	7,058
Software	544
Utilities	3,454
Water Purchased	<u>61,591</u>
Total Operating Disbursements	<u>158,607</u>
Operating Income (Loss)	<u>(12,097)</u>

NON-OPERATING RECEIPTS (DISBURSEMENTS):

Interest (Expense)	(343)
Interest Income	23
Total Non-Operating Income (Loss)	<u>(320)</u>

**EXCESS (DEFICIENCY) OF RECEIPTS
OVER DISBURSEMENTS**

\$ (12,417)

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT