

CITY OF DYER WATER & SEWER DEPARTMENT
Dyer, Arkansas
For the Year Ended December 31, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

Page 1

**The Mayor and Members of the City Council
City of Dyer Water & Sewer Department
Dyer, Arkansas**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 of City of Dyer Water & Sewer Department for the year ended December 31, 2023. City of Dyer Water & Sewer Department management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

City of Dyer Water & Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas law and lender requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to 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 purposes.

The procedures and associated findings are as follows:

Cash

1. a. Perform a proof of cash for the year and reconcile year-end bank balances to book balance.
- b. Confirm with depository institutions the cash on deposit and investments.
- c. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

Findings: We found no exceptions as a result of the procedures.

Receipts

2. a. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater.
- b. Agree ten customer payments on the accounts receivable subsidiary ledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Findings: As a result of the procedures, we were unable to agree the cash/check composition of ten deposits with the receipt information. We found no other exceptions as a result of the procedures.

**The Mayor and Members of the City Council
City of Dyer Water & Sewer Department**

Accounts Receivable

3. a. Agree ten customer billings to the accounts receivable sub ledger.
- b. Determine that five customer adjustments were properly authorized.

Findings: *We found no exceptions as a result of the procedures.*

Disbursements

4. a. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater.
- b. Analyze all property, plant, and equipment disbursements.
- c. Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

Findings: *We found no exceptions as a result of the procedures.*

Property, Plant, & Equipment

5. a. Determine that additions and disposals were properly accounted for in the records (materiality level – 5% of total equipment or \$500, whichever is greater).

Findings: *We found no exceptions as a result of the procedures.*

Long-Term Debt

6. a. Schedule long-term debt and verify changes in all balances for the year.
- b. Confirm loans, bonds, notes and contracts payable with the lender/trustee/contractor.
- c. Determine that the appropriate debt service accounts have been established and maintained.

Findings: *We found no exceptions as a result of the procedures.*

General

7. a. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.


Findings: *We found no exceptions as a result of the procedures.*

**The Mayor and Members of the City Council
City of Dyer Water & Sewer Department**

We were engaged by City of Dyer Water & Sewer Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119. Accordingly, we do not express such an opinion or conclusion. 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 City of Dyer Water & Sewer Department and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Dyer Water & Sewer Department and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.



Berry & Associates, PA
Little Rock, Arkansas
October 30, 2024

**CITY OF DYER WATER & SEWER DEPARTMENT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

CITY OF DYER WATER & SEWER DEPARTMENT
Dyer, Arkansas
For the Year Ended December 31, 2023

<u>Contents</u>	<u>Page</u>
Independent Accountant’s Compilation Report	1
Statement of Assets, Liabilities, and Net Position- Modified Cash Basis	2
Statement of Cash Receipts and Cash Disbursements	3



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Page 1

**The Mayor and Members of the City Council
City of Dyer Water & Sewer Department
Dyer, Arkansas**

Management is responsible for the accompanying financial statements of City of Dyer Water & Sewer Department, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2023, and the related statement of cash receipts and cash disbursements for the year then ended, and for determining that the modified-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 modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified 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 assets, liabilities, net position, cash receipts and cash disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
October 30, 2024

CITY OF DYER WATER & SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2023

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 225,343
RESTRICTED CURRENT ASSETS	
Cash and cash equivalents	59,218
FIXED ASSETS - AT COST	
Building improvements	1,197
Transportation equipment	136,232
Utility plant	952,191
Equipment	64,886
	<u>1,154,506</u>
Less: accumulated depreciation	(855,197)
Net fixed assets	<u>299,309</u>
TOTAL ASSETS	<u><u>\$ 583,870</u></u>

LIABILITIES AND NET POSITION

PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	\$ <u>64,172</u>
TOTAL LIABILITIES	<u>64,172</u>
NET POSITION	
Unrestricted	505,310
Temporarily restricted	14,388
TOTAL NET POSITION	<u>519,698</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 583,870</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

CITY OF DYER WATER & SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2023

CASH RECEIPTS

Water revenue	\$ 436,091
Meter deposits received	3,810
Other revenues	6,393
Transfers in from other funds	2,638
	<u>448,932</u>
Total cash receipts	<u>448,932</u>

CASH DISBURSEMENTS

Water purchased	138,734
Salaries & wages	94,519
Truck expenses	4,494
Purchase of capital assets	8,046
Professional fees	7,225
Office supplies and expenses	462
Repairs and maintenance	13,558
Utilities	14,143
Sales tax	25,446
Sanitation supplies and expenses	69,792
Supplies	9,080
Insurance	4,649
Meter deposit refunds	150
Bank service charges	1,435
Dues and fees	7,611
Miscellaneous expense	8,892
	<u>408,236</u>
Total cash disbursements	<u>408,236</u>

INCREASE IN CASH AND CASH EQUIVALENTS

40,696

BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2023243,865**ENDING CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2023**\$ 284,561

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT