

BERRY & ASSOCIATES, P.A.
Certified Public Accountants

American Institute of CPAs

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**The Mayor and Members of the City Council
CITY OF DYER WATER DEPARTMENT
Dyer, Arkansas**

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

We have performed the procedures enumerated below with respect to modified-cash basis financial information and compliance with certain state laws for the City of Dyer Water Department for the year ended December 31, 2015. This report is prepared in accordance with Ark. Code Ann. 14-234-119. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the City of Dyer Water Department. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Cash

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

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 10 customer payments on the accounts receivable subledger to deposit and billing documents.

We found no exceptions as a result of the procedures.

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**The Mayor and Members of the City Council
CITY OF DYER WATER DEPARTMENT**

Accounts Receivable

3. a. Agree 10 customer billings to the accounts receivable sub ledger.
- b. Determine that 5 customer adjustments were properly authorized.

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 10 disbursements and determine if they were adequately documented.

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.

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.

We found no exceptions as a result of the procedures.

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.

This report is intended solely for the information and use of the City of Dyer Water Department, Arkansas Natural Resources Commission, USDA Rural Development and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than this specified party.

Berry & Associates

Berry & Associates, PA
Little Rock, Arkansas
February 23, 2016

**CITY OF DYER WATER DEPARTMENT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2015
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

CITY OF DYER WATER DEPARTMENT
Dyer, Arkansas
For the Year Ended December 31, 2015

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**The Mayor and Members of the City Council
CITY OF DYER WATER DEPARTMENT
Dyer, Arkansas**

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

We have compiled the accompanying statement of assets, liabilities, and net position-modified cash basis of City of Dyer Water Department as of December 31, 2015, and the related statement of cash receipts and cash disbursements-modified cash basis for the year then ended. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting the financial information in the form of financial statements without undertaking to obtain or provide any assurance that there were no material modifications that should be made to the financial statements.

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, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Berry & Associates

Berry & Associates, P.A.
Little Rock, Arkansas
February 23, 2016

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**CITY OF DYER WATER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2015**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 231,267
RESTRICTED ASSETS	
Cash and cash equivalents	95,557
FIXED ASSETS - AT COST	
Building improvements	1,197
Transportation equipment	104,600
Utility plant	952,191
Equipment	31,587
	<u>1,089,575</u>
Less: accumulated depreciation	(651,743)
Net fixed assets	<u>437,832</u>
TOTAL ASSETS	\$ <u>764,656</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Current maturities of long-term debt	\$ 7,800
LONG-TERM DEBT, Net of Current Maturities	
USDA Rural Development	79,012
Arkansas Natural Resources Commission	12,302
Total long-term debt	<u>91,314</u>
PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	<u>45,562</u>
TOTAL LIABILITIES	<u>144,676</u>
NET POSITION	
Unrestricted	605,404
Temporarily restricted	14,576
TOTAL NET POSITION	<u>619,980</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u>764,656</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**CITY OF DYER WATER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2015**

CASH RECEIPTS	
Water revenue	\$ 306,428
Meter deposits received	8,412
Interest income	313
Transfers	4,265
Total cash receipts	<u>319,418</u>
CASH DISBURSEMENTS	
Water purchased	105,862
Debt service	
Principal	7,410
Interest	5,758
Truck expenses	6,532
Professional Fees	9,784
Office supplies and expenses	853
Operating supplies	19,451
Repairs and maintenance	24,093
Utilities	13,547
Sales Tax	18,183
Insurance	7,794
Dues and fees	10,660
Continuing Education	1,271
Transfers to other funds	72,000
Meter deposit refunds	6,984
Miscellaneous expense	4,492
Total cash disbursements	<u>314,674</u>
INCREASE IN CASH AND CASH EQUIVALENTS	4,744
BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2015	<u>322,080</u>
ENDING CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2015	<u><u>\$ 326,824</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT