

MORO WATER AND SEWER DEPARTMENT  
MORO, ARKANSAS  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

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Members of the City Council  
Moro Water and Sewer Department  
Moro, Arkansas 72368

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 Moro Water and Sewer Department. The Moro Water and Sewer Department Management is responsible for the Department's accounting records.

Moro Water and Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with Ark. Code, Ann. 14-234-119 to 122. Additionally, the Mayor, City Council, and Management of the Moro 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 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 this report and, as such, users are responsible for determining whether the 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 all cash and certificate of deposit accounts for the Moro Water and Sewer Department.

|                                  |                   |
|----------------------------------|-------------------|
| Armor Bank                       |                   |
| Water and Sewer - Operating      | \$ 52,415         |
| Moro Water                       | 8,005             |
| Moro Water and Sewer CD          | 5,954             |
| Moro Water Dept System Debt Pymt | 44,642            |
| Moro Sewer Savings               | 36,588            |
|                                  | <u>\$ 147,604</u> |

**Cash and Investments (cont'd):**

3. We agreed the proof of cash ending balance to the book balances.

We found no exceptions as a result of these procedures.

**Cash Receipts:**

1. We agreed the deposits per the proof of cash for the year with the deposits per the cash receipts journal.
2. We agreed 10 customer payments on the accounts receivable subledger to the deposit, and billing documents.

We found no exceptions as a result of these procedures.

**Accounts Receivable.**

1. We agreed 10 customer billings to the accounts receivable subledger.

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 journal.
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 these procedures.

**Notes Payable:**

We determined there was not any long-term debt.

We were engaged by the Mayor, City Council, and management of the Moro Water and Sewer Department to perform this agreed-upon procedure engagement and conduct 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 engagement, the objective of which would be the expression or conclusion, respectively, on the specified elements, accounts, or items. 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 the Moro Water and Sewer Department and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to our agreed upon procedures engagement.

Meyer & Ward

Meyer & Ward, P.A.  
Certified Public Accountants  
Wynne, AR

August 1, 2022

MORO WATER AND SEWER DEPARTMENT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
AND  
INDEPENDENT ACCOUNTANT'S REPORT

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

**MORO WATER AND SEWER DEPARTMENT  
MORO, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Moro Water and Sewer Department, which comprise the statement of assets, liabilities and net position – cash basis as of December 31, 2019 and the related statement of cash receipts and cash 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 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 ordinarily included in the financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town of Moro Water and Sewer Department's assets, liabilities and net position, and cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Meyer & Ward*

Meyer and Ward, CPAS  
Wynne, AR 72396  
August 1, 2022

**MORO WATER AND SEWER DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS  
FOR THE YEAR ENED DECEMBER 31, 2019**

**ASSETS**

**CURRENT ASSETS**

|            |               |
|------------|---------------|
| Cash       | \$ 52,415     |
| Total Cash | <u>52,415</u> |

**RESTRICTED ASSETS**

|                                         |               |
|-----------------------------------------|---------------|
| Cash - Debt Services                    | 44,642        |
| Cash - Revenue                          | 36,588        |
| Certificate of Deposit - (Debt Service) | 5,954         |
| Cash - Customer Deposit                 | <u>8,005</u>  |
| Total Restricted Assets                 | <u>95,189</u> |

**PROPERTY, PLANT AND EQUIPMENT**

|                                   |                  |
|-----------------------------------|------------------|
| Water and Sewer System            | 269,265          |
| Less Accumulated Depreciation     | <u>(146,168)</u> |
| Net Property, Plant and Equipment | <u>123,097</u>   |

**TOTAL ASSETS**

\$ 270,701

**LIABILITIES AND NET POSITION**

**PAYABLE FROM RESTRICTED ASSETS**

|                     |               |
|---------------------|---------------|
| Due to General Fund | 25,319        |
| Meter Deposits      | <u>2,964</u>  |
|                     | <u>28,283</u> |

**NET POSITION**

|              |                |
|--------------|----------------|
| Unrestricted | <u>242,418</u> |
|--------------|----------------|

**TOTAL LIABILITIES AND NET POSITION**

\$ 270,701

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT



**MORO WATER AND SEWER DEPARTMENT  
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS- CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Cash Receipts**

|                          |           |  |
|--------------------------|-----------|--|
| Water and Sewer Revenues | \$ 57,883 |  |
| Meter Deposits           | 900       |  |
| Transfers from City      | 25,319    |  |
| Interest                 | 202       |  |
| Total Cash Receipts      | \$ 84,304 |  |

**Cash Disbursements**

|                                    |           |        |
|------------------------------------|-----------|--------|
| Water Purchased                    | \$ 14,565 |        |
| Salaries                           | 17,100    |        |
| Loan Payments                      | 25,319    |        |
| Operating Supplies and Maintenance | 6,479     |        |
| Office and Postage                 | 767       |        |
| Professional Fees                  | 1,575     |        |
| License, permits and other taxes   | 3,241     |        |
| Utilities                          | 1,691     |        |
| Meter Deposit Refunds              | 200       |        |
| Travel                             | 413       |        |
| Miscellaneous                      | 519       |        |
| Total Cash Disbursements           |           | 71,869 |

**INCREASE IN CASH AND RESTRICTED CASH** 12,435

**BEGINNING CASH AND RESTRICTED CASH at 01-01-19** 135,169

**ENDING CASH AND RESTRICTED CASH at 12-31-19** \$ 147,604

See independent accountants compilation report.