

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 as of December 31, 2020, and for the year then ended. 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. 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	\$ 57,001
Moro Water	8,305
Moro Water and Sewer CD	5,994
Moro Water Dept System Debt Pymt	50,681
Moro Sewer Savings	38,276
	<u>\$ 160,257</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

January 23, 2023

MORO WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND
INDEPENDENT ACCOUNTANT’S COMPILATION REPORT

MEYER AND WARD, P.A.
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WYNNE, AR 72396

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

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

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, 2020 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 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
January 23, 2023

**MORO WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS
FOR THE YEAR ENED DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash	\$ 57,001
Total Cash	<u>57,001</u>

RESTRICTED ASSETS

Cash - Debt Services	50,681
Cash - Revenue	38,276
Certificate of Deposit - (Debt Service)	5,994
Cash - Customer Deposit	<u>8,305</u>
Total Restricted Assets	<u>103,256</u>

PROPERTY, PLANT AND EQUIPMENT

Water and Sewer System	269,265
Less Accumulated Depreciation	<u>(152,899)</u>
Net Property, Plant and Equipment	<u>116,366</u>

TOTAL ASSETS

\$ 276,623

LIABILITIES AND NET POSITION

PAYABLE FROM RESTRICTED ASSETS

Due to General Fund	25,319
Meter Deposits	<u>3,564</u>
	<u>28,883</u>

NET POSITION

Unrestricted	<u>247,740</u>
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TOTAL LIABILITIES AND NET POSITION

\$ 276,623

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, 2020**

Cash Receipts

Water and Sewer Revenues	\$	55,846	
Meter Deposits		800	
Interest		174	
Total Cash Receipts		56,820	\$ 56,820

Cash Disbursements

Water Purchased	\$	17,434	
Salaries		17,100	
Operating Supplies and Maintenance		1,310	
Office and Postage		3,326	
License, permits and other taxes		2,919	
Utilities		1,221	
Meter Deposit Refunds		200	
Miscellaneous		657	
Total Cash Disbursements		44,167	

INCREASE IN CASH AND RESTRICTED CASH	12,653
BEGINNING CASH AND RESTRICTED CASH at 01-01-20	147,604
ENDING CASH AND RESTRICTED CASH at 12-31-20	\$ 160,257

See independent accountants compilation report.