
CITY OF TYRONZA WATER AND SEWER DEPARTMENT

**FOR THE YEAR ENDED DECEMBER 31, 2022
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Cynthia C. Bearden, CPA
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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

City of Tyronza Water and Sewer Department
Tyronza, AR

I have performed the procedures listed below with respect to the financial information and state law compliance which I've agreed to by the management of City of Tyronza Water and Sewer Department for the period January 1, 2022 – December 31, 2022. Management is responsible for maintaining the financial records and complying with the state law. This report is prepared in accordance with Ark. Code Ann. 14-234-119. This engagement to perform agreed-upon procedures was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the City of Tyronza Water and Sewer Department. Consequently, I 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 for the City of Tyronza Water and Sewer Department are as follows:

1. Cash and Investments

- A. Prepare 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: **None**

2. Receipts

- 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.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Findings: **None**

3. Accounts Receivable:

- A. Agree 10 customer billings to the accounts receivable subledger.
- B. Determine that five (5) customer adjustments are properly authorized.

Findings: **None**

4. Disbursements:

- 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 if applicable.
- C. Select all disbursements other than payroll paid to the employees and 10 other disbursements and determine if they are adequately documented.

Findings: **None**

5. Property, Plant and Equipment - Determine that additions and disposals are properly accounted for in the records. (Materiality level - 5% of total equipment or \$500, whichever is greater.)

Findings: **None**

6. Long-Term Debt:

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

Findings: **None**

7. General

Determine that any items of significance were approved and documented in the minutes of the governing body's meeting.

I am not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on Tyronza Water and Sewer Fund's financial statements or specified elements, accounts, or items thereof. Accordingly, I do not express such an opinion. Had I 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 Tyronza Water and Sewer Department and is not intended to be and should not be used by anyone other than this specified party.

Cynthia C. Bearden

Cynthia C. Bearden
Certificate Public Accountant
September 22, 2023

**CITY OF TYRONZA WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

To the Honorable Mayor and City Council
City of Tyronza Water and Sewer Department
Tyronza, AR

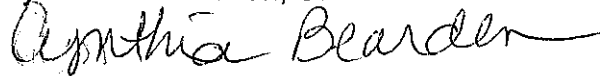
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of City of Tyronza Water and Sewer Department, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2022, and the related statement of revenues, expenses, and other changes in net position – modified cash basis, and cash flows - modified cash basis for the year then ended, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I 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 the disclosures ordinarily included in the 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 Organization's assets, liabilities, net position, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Cynthia C. Bearden, CPA



Cynthia C. Bearden, CPA
Sherwood, Arkansas 72120
September 22, 2023

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT1

STATEMENT OF ASSETS, LIABILITIES AND NET POSITION – MODIFIED CASH BASIS.....2

**STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET POSITION – MODIFIED
CASH BASIS.....3**

STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS..... 4

**Cynthia C. Bearden, CPA
9216 Millers Pointe Court
Sherwood, Arkansas 72120**

City of Tyroneza Water and Sewer Department
Statement of Net Position
December 31, 2022

Assets

Cash & Cash Equivalents	\$	421,368
Capital Assets	\$	1,103,914
Total Assets	\$	1,525,282

Liabilities and Net position

Current Liabilities		
Current portion of long-term debt	\$	23,027
Meter Deposits Outstanding	\$	18,642
Total Current Assets	\$	41,669
Long Term Liabilities		
Long Term Debt	\$	541,528
Total Liabilities	\$	583,197
Total net position	\$	942,085
Total Liabilities and net position	\$	1,525,282

City of Tyrnza Water and Sewer Department
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2022

Operating revenues		
Sewer Revenue	\$	49,429
Water Sales		160,590
Grant Revenue		20,000
Sales Tax		17,421
Interest Earned		2,044
ARPF Funding		1,937
Miscellaneous Income		582
Total operating revenues		<u>252,003</u>
Operating expenses		
Professional Fees		400
Insurance		2,134
Chemicals		10,750
Maintenance & Repairs		2,250
Equipment Maintenance & Repair		9,566
Fuel		3,264
Miscellaneous Expense		139
Contract Labor		2,962
Office Expense		10,366
Travel		308
Utilities		23,599
Employee Benefits		9,367
Salaries & Wages		65,389
Payroll Tax Expense		5,049
Sales Tax		17,381
Interest Expense		20,772
Total operating expenses		<u>183,696</u>
Increase in net position		<u>68,307</u>
Net position, beginning of year		<u>873,779</u>
Net position, end of year	\$	<u><u>942,085</u></u>

City of Tyrone Water and Sewer Department
Statement of Cash Flows
Year Ended December 31, 2022

Cash flows from operating activities:

Receipts from customers	251,759
Payments to supplies	(94,113)
Payments to employees	(70,437)

Net cash provided by (used in) operating activities 87,208

Cash flows from capital and related financing activities:

Proceeds from ANRC Loan	27,359
Payments on long-term debt	(22,825)
Interest paid on long-term debt	(20,772)
Purchases of Property & Equipment	(130,978)

Net cash provided by (used in) capital and related financing activities (147,216)

Cash flows from investing activities:

Interest	<u>2,044</u>
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Net cash provided (used in) investing activities 2,044

Net increase (decrease) in cash and cash equivalents (57,963)

Cash and cash equivalents, beginning of year 479,331

Cash and cash equivalents, end of year 421,368