

**CITY OF TYRONZA WATER AND SEWER SYSTEM  
FOR THE YEAR ENDED DECEMBER 31, 2023  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Cynthia C. Bearden, CPA  
9216 Millers Pointe Court  
Sherwood, Arkansas 72120  
(501) 551-1345

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

City of Tyronza Water and Sewer System  
Tyronza, Arkansas

I have performed the procedures listed below with respect to the financial information and state law compliance which are agreed to by the management of City of Tyronza Water and Sewer System for the period January 1, 2023 – December 31, 2023. Management is responsible for maintaining the financial records and complying with the state law. An agreed upon procedures engagement involves performing specific procedures that the City of Tyronza Water and Sewer System has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed below. 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 attestation 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 System. 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 City of Tyronza Water and Sewer System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas Code §14-234-119 and the Guidelines for Conducting Agreed-upon Procedures for Water and Sewer Providers dated August 2, 2021, as published by the Arkansas Legislative Joint Auditing Committee. 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 purpose. The procedures and the associated findings 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 examination or review, the objective of which would be the expression of an opinion on the City of Tyronza Water and Sewer System'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 my attention that would have been reported to you. I am required to be independent of the City of Tyronza Water and Sewer System and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement.

This report is intended solely for the information and use of the City of Tyronza Water and Sewer System and is not intended to be and should not be used by anyone other than this specified party.



Cynthia C. Bearden  
Sherwood, Arkansas  
Certificate Public Accountant  
August 21, 2024

**CITY OF TYRONZA WATER AND SEWER SYSTEM  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

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

To the Honorable Mayor and City Council  
City of Tyronza Water and Sewer System  
Tyronza, Arkansas

## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of City of Tyronza Water and Sewer System, which comprise the statement of assets, liabilities and net position – modified cash basis as of December 31, 2023, and the related statement of revenues, expenses, and other changes in net position – modified cash basis, and statement of 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

*Cynthia Bearden*  
Cynthia C. Bearden, CPA  
Sherwood, Arkansas 72120  
August 21, 2024

**City of Tyrnza Water and Sewer Department**  
**Statement of Assets, Liabilities, and Net Position - Modified Cash Basis**  
**December 31, 2023**

	<b>Assets</b>	
Cash & Cash Equivalents	\$	412,031
Capital Assets	\$	<u>1,111,414</u>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>1,523,446</u></u></b>
	<b>Liabilities and Net position</b>	
<b>Current Liabilities</b>		
Current portion of long-term debt - Natural Resources	\$	11,863
Current portion of long-term debt - USDA	\$	11,890
Meter Deposits Outstanding	\$	<u>19,204</u>
Total Current Liabilities	<u>\$</u>	<u>42,957</u>
<b>Long Term Liabilities</b>		
Long Term Debt - Natural Resources	\$	152,367
Long Term Debt - USDA	\$	<u>364,886</u>
Total Long Term Liabilities	<u>\$</u>	<u>517,253</u>
<b>Total Liabilities</b>	<u>\$</u>	<u>560,210</u>
<b>Total net position</b>	<u>\$</u>	<u>963,236</u>
<b>Total Liabilities and net position</b>	<b><u><u>\$</u></u></b>	<b><u><u>1,523,446</u></u></b>

*See Independent Accountant's Compilation Report*

**City of Tyrone Water and Sewer Department**  
**Statement of Revenues, Expenses and Other Changes in Net Position - Modified Cash Basis**  
**Year Ended December 31, 2023**

<b>Operating revenues</b>		
Sewer Revenue	\$	52,322
Water Sales		169,458
Interest		3,723
Other Income		3,261
<b>Total operating revenues</b>		<b>228,763</b>
<b>Operating expenses</b>		
Professional Fees		2,287
Insurance		2,276
Chemicals		9,931
Maintenance & Repairs		5,984
Equipment Maintenance & Repair		19,357
Fuel		5,085
License & Permits		2,729
Supplies		11,657
Miscellaneous Expense		515
Sewer Testing		4,385
Office Expense		13,571
Travel		897
Utilities		26,383
Employee Benefits		4,824
Salaries & Wages		71,476
Payroll Tax Expense		5,981
Interest Expense		20,273
<b>Total operating expenses</b>		<b>207,612</b>
<b>Increase in net position</b>		<b>21,152</b>
<b>Net position, beginning of year</b>		<b>942,085</b>
<b>Net position, end of year</b>	<b>\$</b>	<b>963,236</b>

*See Independent Accountant's Compilation Report*



**City of Tyrone Water and Sewer Department  
Statement of Cash Flows - Modified Cash Basis  
Year Ended December 31, 2023**

<b>Cash flows from operating activities:</b>	
Income (Loss) From Operations	\$ 37,702
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Change in:	
Meter Deposits	559
<b>Net cash provided by (used in) operating activities</b>	<u>38,261</u>
<b>Cash flows from capital and related financing activities:</b>	
Payments on long-term debt	(23,549)
Interest paid on long-term debt	(20,273)
Purchases of Property & Equipment	<u>(7,500)</u>
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(51,322)</u>
<b>Cash flows from investing activities:</b>	
Interest	<u>3,723</u>
<b>Net cash provided (used in) investing activities</b>	<u>3,723</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(9,338)</u>
Cash and cash equivalents, beginning of year	<u>421,368</u>
Cash and cash equivalents, end of year	<u><u>\$ 412,031</u></u>

*See Independent Accountant's Compilation Report*