

TOWN OF RUSSELL, ARKANSAS
MUNICIPAL WATER AND SEWER SYSTEM
AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Town Council,
Town of Russell, Arkansas Municipal Water and Sewer System

We have performed the procedures enumerated below, which were agreed upon by the management of the Town of Russell, Arkansas Municipal Water and Sewer System in order to comply with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service Providers* prepared by the Arkansas Legislative Joint Audit Committee solely to assist you with respect to the accounting records of Town of Russell, Arkansas Municipal Water and Sewer System as of and for the year ended December 31, 2024. Town of Russell, Arkansas Municipal Water and Sewer System's management is responsible for the entity's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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:

1) Cash

- a) Perform a proof of cash for the year and reconcile the year-end balances to book balances.
- 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.

We found no exceptions as a result of the procedures.

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 ten 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 the receipt information.

We found no exceptions as a result of the procedures.

3) Accounts Receivable

- a) Agree ten customer billings to the accounts receivable subledger.
- b) Determine that five customer adjustments were properly authorized.

We found no exceptions as a result of the procedures.

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.
- c) Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

We found no exceptions as a result of the procedures.

5) Property, Plant and Equipment

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

We found no exceptions as a result of the procedures.

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.

We found no exceptions as a result of the procedures.

7) General

- a) Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

We found no exceptions as a result of the procedures.

- 8) We compiled a statement of assets, liabilities, and net position- modified cash basis of Town of Russell, Arkansas Municipal Water and Sewer System as of December 31, 2024, and the related statement of revenues, expenses, and changes in net position for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A copy of our report is included with this submission.

This agreed-upon procedures report was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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 management of the Association, the Town Council, and Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Turner, Williams and Associates, P.A.

Turner, Williams and Associates, P.A.
Searcy, Arkansas

September 24, 2025

TOWN OF RUSSELL, ARKANSAS
MUNICIPAL WATER AND SEWER SYSTEM
COMPILED FINANCIAL STATEMENTS-
MODIFIED CASH BASIS
FOR THE YEAR ENDED
DECEMBER 31, 2024

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Town Council,
Town of Russell, Arkansas Municipal Water and Sewer System

Management is responsible for the accompanying financial statements of Town of Russell, Arkansas Municipal Water and Sewer System (a governmental organization), which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2024 and the related statement of revenues, expenses, and changes in net position – modified cash basis for the year then ended and for determining that the modified cash basis of accounting is an acceptable financial 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 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 and statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position and statement of activities. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Turner, Williams and Associates, P.A.

Turner, Williams and Associates, P.A.
Searcy, Arkansas

September 24, 2025

TOWN OF RUSSELL, ARKANSAS MUNICIPAL WATER AND SEWER SYSTEM
 STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2024

Assets

	2024
Current Assets:	
Cash - unrestricted	\$ 92,468
Certificates of deposit	126,212
Total Current Assets	218,680
Property, Plant, and Equipment:	
Furniture and equipment	1,830
Water storage tank	125,000
Water treatment plant building	15,000
Sewer pump house	20,000
Less accumulated depreciation	(69,647)
Total Property, Plant, and Equipment	92,183
Other Assets:	
Restricted cash - debt service	21,220
Total Other Assets	21,220
Total Assets	\$ 332,083

Liabilities and Net Position

Current Liabilities:	
Current maturities of long-term debt	\$ 3,983
Customer meter deposits	10,420
Total Current Liabilities	14,403
Non-current Liabilities:	
Notes payable	155,426
Less current portion	(3,983)
Total Long-term Liabilities	151,443
Total Liabilities	165,846
Net Position:	
Restricted net position	21,220
Unrestricted net position	145,017
Total Net Position	166,237
Total Liabilities and Net Position	\$ 332,083

See independent accountant's compilation report.

TOWN OF RUSSELL, ARKANSAS MUNICIPAL WATER AND SEWER SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION- MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024
Operating Revenue	
Water and sewer revenue	\$ 102,872
Total Operating Revenue	102,872
Operating Expenses	
Purchased water	42,540
Payroll	11,237
Supplies	2,681
Sales tax	11,103
Utilities	793
Dues and subscriptions	3,378
Bank charges	1,433
Maintenance	9,394
Rent	4,500
Office supplies	1,355
Depreciation	4,183
Total Operating Expenses	92,597
Operating Income (Loss)	10,275
Non-Operating Revenue (Expense)	
Interest income	3,294
Interest expense	(6,891)
Non-Operating Revenue (Expense), net	(3,597)
Increase (decrease) in net position	\$ 6,678
Net position, Beginning of year	159,559
Net position, End of year	\$ 166,237

See independent accountant's compilation report.