

TULL WATER WORKS



TULL, ARKANSAS

DECEMBER 31, 2023

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and City Council
Tull Water Works

We have performed the procedures enumerated below on the accounting records of Tull Water Works as of and for the year ended December 31, 2023. Tull Water Works' management is responsible for the entity's accounting records.

Tull Water Works has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying annual reporting requirements of the Arkansas Division of Legislative Audit. Additionally, the Arkansas Legislative Joint Auditing Committee has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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 purposes.

The procedures and associated findings are as follows:

1. Cash and Investments

- a. Perform a proof of cash for the year and reconcile year-end bank 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 sub ledger 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 sub ledger.
- 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 procedure.

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 procedure.

We were engaged by Tull Water Works to perform this agreed-upon procedures engagement and conducted 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 of an opinion or conclusion, respectively, on the accounting records of Tull Water Works. 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 Tull Water Works and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Tull Water Works and the Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than those specified parties.

Turner, Rodgers, Manning & Plyler, PLLC

Arkadelphia, Arkansas
August 6, 2024

TULL WATER WORKS
FINANCIAL STATEMENTS
DECEMBER 31, 2023

YOAKUM, LOVELL & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS
1106 MILITARY ROAD
BENTON, ARKANSAS

BOARD OF DIRECTORS
TULL WATER WORKS
TULL, AR

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF TULL WATER WORKS (A PART OF THE TOWN OF TULL, ARKANSAS) AS OF DECEMBER 31, 2023, AND THE RELATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE ONE MONTH AND THE TWELVE MONTHS THEN ENDED AND THE STATEMENT OF CASH FLOWS FOR THE TWELVE MONTHS THEN ENDED, IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES ISSUED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE FINANCIAL STATEMENT DISCLOSURES REQUIRED BY ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATE. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE ORGANIZATION'S FINANCIAL POSITION AND RESULTS OF OPERATION. ACCORDINGLY, THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.


CERTIFIED PUBLIC ACCOUNTANTS

BENTON, ARKANSAS
JANUARY 12, 2024

TULL WATER WORKS
BALANCE SHEET
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS	
CASH	\$ 388,823.66
ACCOUNTS RECEIVABLE - CUSTOMERS	64,623.04
ACCOUNTS RECEIVABLE - MALVERN	33,368.71
TOTAL CURRENT ASSETS	486,815.41
RESTRICTED FUNDS	
REGIONS - DEPRECIATION RESERVE	227,796.92
REGIONS - TANK REPAIRS	46,181.26
METER DEPOSITS HELD IN TRUST	78,989.41
TOTAL RESTRICTED FUNDS	352,967.59
CAPITAL ASSETS	
LAND	27,899.81
DISTRIBUTION SYSTEM	2,058,470.24
OFFICE EQUIPMENT	141.50
CONSTRUCTION IN PROCESS	179,072.92
TOTAL CAPITAL ASSETS	2,265,584.47
LESS: ACCUMULATED DEPRECIATION	(1,379,818.82)
CAPITAL ASSETS, NET	885,765.65
TOTAL ASSETS	\$ 1,725,548.65

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
ACCOUNTS PAYABLE	\$ 45,629.47
SALES TAX PAYABLE	3,680.00
ACCRUED INTEREST PAYABLE	2,535.98
ACCRUED PAYROLL TAXES PAYABLE	1,290.11
CURRENT PORTION OF LONG-TERM DEBT	8,951.37
TOTAL CURRENT LIABILITIES	62,086.93
LONG-TERM DEBT AND OTHER LIABILITIES	
METER DEPOSITS	78,989.41
LONG-TERM DEBT	326,678.25
LESS: CURRENT PORTION OF LONG-TERM DEBT	(8,951.37)
TOTAL LONG-TERM DEBT AND OTHER LIABILITIES	396,716.29
NET ASSETS	
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	559,087.40
UNRESTRICTED NET ASSETS	686,104.57
CHANGE IN NET ASSETS	21,553.46
TOTAL NET ASSETS	1,266,745.43
TOTAL LIABILITIES AND NET ASSETS	\$ 1,725,548.65

SEE ACCOUNTANTS' COMPILATION REPORT

TULL WATER WORKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
FOR THE ONE MONTH AND TWELVE MONTHS ENDED DECEMBER 31, 2023

	CURRENT PERIOD AMOUNT	YEAR-TO-DATE AMOUNT
OPERATING REVENUE		
WATER REVENUE	\$ 44,065.87	\$ 592,601.10
PENALTIES INCOME	705.72	8,558.70
OTHER INCOME	225.35	2,200.35
TOTAL OPERATING REVENUE	44,996.94	603,360.15
OPERATING EXPENSES		
WATER OPERATIONS	26,280.81	370,814.61
DEPRECIATION	4,501.00	54,012.00
BAD DEBT	0.00	3,595.41
INSURANCE	0.00	3,867.64
PROFESSIONAL FEES	395.00	11,949.81
REPAIRS & MAINTENANCE	0.00	6,217.18
CONTRACT LABOR	1,595.00	21,833.37
PAYROLL & TAXES	1,852.74	22,449.91
UTILITIES	729.15	14,847.46
SUPPLIES & OTHER	702.69	10,455.45
TOTAL OPERATING EXPENSES	36,056.39	520,042.84
OPERATING INCOME	8,940.55	83,317.31
NONOPERATING REVENUES (EXPENSES)		
INTEREST INCOME	27.24	254.93
CONTRIBUTIONS	(2,886.00)	(34,248.00)
INTEREST EXPENSE	(1,227.76)	(15,770.78)
TOTAL NONOPERATING REVENUES (EXPENSES)	(4,086.52)	(49,763.85)
NET INCOME (LOSS) BEFORE TRANSFERS	4,854.03	33,553.46
TRANSFERS TO THE CITY FUNDS	0.00	12,000.00
CHANGE IN NET ASSETS	\$ 4,854.03	\$ 21,553.46

SEE ACCOUNTANTS' COMPILATION REPORT

TULL WATER WORKS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
RECEIPTS FROM MALVERN WATER	\$ 596,765.30
MALVERN WATER DISBURSEMENTS	(372,488.72)
PROFESSIONAL FEE DISBURSEMENTS	(11,949.81)
REPAIR AND MAINTENANCE DISBURSEMENTS	(6,217.18)
CONTRACT LABOR DISBURSEMENTS	(21,833.37)
PAYROLL DISBURSEMENTS	(22,355.16)
UTILITIES DISBURSEMENTS	(14,847.46)
INSURANCE DISBURSEMENTS	(3,867.64)
SUPPLIES AND OTHER DISBURSEMENTS	(10,455.45)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>132,750.51</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
PURCHASES OF PROPERTY AND EQUIPMENT	-
CONTRIBUTIONS TO TULL VOLUNTEER FIRE DEPARTMENT	(34,248.00)
TRANSFERS (TO) FROM TULL CITY FUNDS	(12,000.00)
PAYMENTS ON LONG-TERM DEBT	(42,971.22)
INTEREST PAID ON LONG-TERM DEBT	(15,770.78)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(104,990.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
CHANGE IN RESTRICTED FUNDS	(18,275.10)
INTEREST RECEIVED ON CASH DEPOSITS	254.93
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(18,020.17)</u>
NET INCREASE (DECREASE) IN CASH	9,740.34
CASH AT BEGINNING OF THE PERIOD	<u>379,083.32</u>
CASH AT END OF THE PERIOD	<u><u>\$ 388,823.66</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
OPERATING INCOME (LOSS)	\$ 83,873.56
ITEMS NOT REQUIRING CASH:	
DEPRECIATION EXPENSE	54,012.00
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(997.75)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(230.95)
INCREASE (DECREASE) IN ACCRUED PAYROLL TAXES PAYABLE	94.75
METER DEPOSIT ADJUSTMENT	(3,444.85)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 133,306.76</u></u>

SEE ACCOUNTANTS' COMPILATION REPORT.