

TURRELL WATER & SEWER DEPARTMENT  
TURRELL, AR  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

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To the Mayor and Members of the City Council  
Turrell Water & Sewer Department  
Turrell, Arkansas 72384

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES

We have performed the procedures enumerated below in compliance with Ark. Code Ann. 14-234-119 to 122, of the Turrell Water and Sewer Department as of December 31, 2022, and for the year then ended. The Turrell Water and Sewer Department management is responsible for the Entity's accounting records.

The Turrell Water and Sewer Department has agreed to and acknowledged that the procedures are appropriate to meet the intended compliance with Ark. Code Ann. 14-234-119 to 122. Additionally, the Mayor and Council of the City of Turrell have agreed to and acknowledged that the procedures are appropriate for its purpose. This report may not be suitable for any other 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 the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purpose.

The procedures and 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 the Turrell Water and Sewer Department

Regions Bank

Cash - Operating Account	\$	10,623
Cash - Meter Deposit Account		3,085
Cash- Depreciation Reserve		8,531
	\$	<u>22,239</u>

1. Agreed the proof of cash ending balances to the book balances.

We found no exceptions as a result of the procedures.

## **Receipts**

1. Agreed the deposits per the proof of cash for the year with the deposits per the receipts journal.
2. Agreed 10 customer payments on the accounts receivable sub ledger to deposit and billing documents.

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 cash disbursements journal within 5%.
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 the procedures.

## **Long-term Debt:**

Long-Term debt was confirmed with lenders, balances are summarized below.

	<u>12/31/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2022</u>
2.5% ANRC Notes Payable in annual installments of \$5,884 through 2023	\$ 11,343	\$ -		\$ 11,343
2.75% ANRC Notes Payable in annual installments of 5,961 through 2026	25,321	-	(6,160)	19,161
5% USDA Note Payable in monthly installments of \$1,705 through 2032	168,120		(14,055)	154,065
	<u>\$ 204,784</u>	<u>\$ -</u>	<u>\$ (20,215)</u>	<u>\$ 184,569</u>

We were engaged by the Turrell Water and Sewer Department to perform this agreed upon procedure 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, the objective of which would be the expression of an opinion or conclusion on the specified elements, accounts or items. 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.

We are required to be independent of the Turrell Water and Sewer Department and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed upon procedures engagement.

Meyer & Ward

Meyer & Ward, P.A.  
Certified Public Accountants  
Wynne, AR 72396

February 5, 2024

TURRELL WATER AND SEWER DEPARTMENT  
FINANCIAL STATEMENTS – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
AND  
INDEPENDENT ACCOUNTANT’S  
COMPILATION REPORT

MEYER AND WARD, P.A.  
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**TURRELL WATER AND SEWER DEPARTMENT  
TURRELL, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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To the Mayor and Members of the City Council  
Turrell Water and Sewer Department  
Turrell, AR 72384

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Turrell Water and Sewer Department, which comprise the statement of assets, liabilities, and net assets – cash basis and the related statement of receipts and 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 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 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 required by the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Turrell Water and Sewer Department's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Meyer & Ward*

Meyer and Ward, P.A.  
Certified Public Accountants  
Wynne, AR 72396

February 5, 2024

**TURRELL WATER AND SEWER DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS- CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**ASSETS**

**Current Assets**

Cash- Sewer and Water	\$ 10,623
Total Current Assets	10,623

**Restricted Assets**

Cash- Customer Deposits	3,085
Cash- Depreciation	8,531
Total Restricted Assets	11,616

**Property Plant and Equipment**

Sewer Improvements	893,688
Water Improvements	51,500
Less Accumulated Depreciation	(297,768)
Net Fixed Assets	647,420

**Total Assets**

	\$ 669,659
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**TURRELL WATER AND SEWER DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**LIABILITIES**

**Current Liabilities**

Current Portion Notes Payable	\$	29,270
Sales Tax Payable		34,593
Customer Deposit Payable		5,048
Due to City - General Fund		1,323
Due to City - Garbage		15,366
Total Current Liabilities		<u>85,600</u>

**Long Term Liabilities**

Notes Payable - Net of Current Portion		<u>155,299</u>
Total Liabilities		<u>240,899</u>

**Net Position**

Net investment in capital assets		462,851
Unrestricted		<u>(34,091)</u>
Total Net Position		<u>428,760</u>

<b>Total Liabilities and Net Position</b>	<b>\$</b>	<b><u>669,659</u></b>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**TURRELL WATER AND SEWER DEPARTMENT  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Operating Revenues**

Water Revenue	\$ 62,567
Sewer Revenue	40,460
Other Revenue	10,153
Total Operating Revenue	113,180

**Operating Expenses**

Dues and Subscriptions	10,657
Operating Supplies	3,633
Equipment Purchases	6,104
Fire Protection	5,695
Payroll	42,880
Postage	1,242
Repairs and Maintenance	22,967
Insurance	1,230
Utilities	18,009
Depreciation	22,823
Total Expenses	135,240

**Total Operating Income (Loss)** (22,060)

**Other Income ( Loss)**

Grant Proceeds- State of Arkansas	18,268
Transfers In	30,056
Interest Expense	(8,908)
Total Other Income	39,416

Change in Net Position	17,356
Beginning Net Position	411,404
<b>Ending Net Position</b>	<b>\$ 428,760</b>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT