

MORO WATER AND SEWER DEPARTMENT  
MORO, ARKANSAS  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

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PROCEDURES

Mayor and Members of the City Council  
Moro Water and Sewer Department  
Moro, Arkansas 72368

We have performed the procedures enumerated below on compliance with Ark. Code Ann 14-234-119 to 122 of Moro Water and Sewer Department as of December 31, 2021, and for the year then ended. The Moro Water and Sewer Department Management is responsible for the Department's accounting records.

The management of the Moro Water and Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with Ark. Code, Ann. 14-234-119 to 122. Additionally, the Mayor, City Council, and Management of the Moro Water and Sewer Department have agreed to and acknowledged that the procedures performed are appropriate for its 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 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:

**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 all cash and certificate of deposit accounts for the Moro Water and Sewer Department.

Armor Bank	
Water and Sewer - Operating	\$ 65,727
Moro Water	8,512
Moro Water and Sewer CD	6,011
Moro Water Dept System Debt Pymt	56,692
Moro Sewer Savings	39,974
	<u>\$ 176,916</u>

**Cash and Investments (cont'd):**

3. We agreed the proof of cash ending balance to the book balances.

We found no exceptions as a result of these procedures.

**Cash Receipts:**

1. We agreed the deposits per the proof of cash for the year with the deposits per the cash receipts journal.
2. We agreed 10 customer payments on the accounts receivable subledger to the deposit, and billing documents.

We found no exceptions as a result of these procedures.

**Accounts Receivable:**

1. We agreed 10 customer billings to the accounts receivable subledger.
2. Reviewed five customer adjustments for proper authorization.

As a result of these procedures, we noted that adjustments were not properly documented as to review and authorization.

**Cash Disbursements:**

1. Agreed the disbursements per the proof of cash for the year with the disbursements per the journal.
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 these procedures.

**Long-Term Debt:**

We determined there was not any long-term debt.

We were engaged by the Mayor, City Council, and management of the Moro Water and Sewer Department to perform this agreed-upon procedure engagement and conduct 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 audit, examination or review engagement, the objective of which would be the expression of an opinion, conclusion, respectively, on the specified elements, accounts, or items. 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 the Moro Water and Sewer Department and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to our agreed upon procedures engagement.

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

Meyer & Ward

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

November 30, 2025

MORO WATER AND SEWER DEPARTMENT  
FINANCIAL STATEMENTS – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
AND  
INDEPENDENT ACCOUNTANT’S COMPILATION REPORT

MEYER AND WARD, P.A.  
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**MORO WATER AND SEWER DEPARTMENT  
MORO, ARKANSAS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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CERTIFIED PUBLIC ACCOUNTANTS  
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Mayor and Members of the City Council  
Moro Water and Sewer Department  
Moro, Arkansas 72368

Management is responsible for the accompanying financial statements of Moro Water and Sewer Department, which comprise the statement of assets, liabilities and net position – cash basis as of December 31, 2021 and the related statement of cash receipts and cash 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 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 ordinarily included in the financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Moro Water and Sewer Department's assets, liabilities and net position, and cash receipts and disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Meyer & Ward

Meyer and Ward, CPAS  
Wynne, AR 72396  
November 30, 2025

**MORO WATER AND SEWER DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS  
FOR THE YEAR ENED DECEMBER 31, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 65,727
Total Cash	<u>65,727</u>

**RESTRICTED ASSETS**

Cash - Debt Services	56,692
Cash - Revenue	39,974
Certificate of Deposit - (Debt Service)	6,011
Cash - Customer Deposit	8,512
Total Restricted Assets	<u>111,189</u>

**PROPERTY, PLANT AND EQUIPMENT**

Water and Sewer System	269,265
Less Accumulated Depreciation	(159,631)
Net Property, Plant and Equipment	<u>109,634</u>

**TOTAL ASSETS**

\$ 286,550

**LIABILITIES AND NET POSITION**

**PAYABLE FROM RESTRICTED ASSETS**

Due to General Fund	\$ 25,319
Meter Deposits	3,964
	<u>29,283</u>

**NET POSITION**

Restricted for Debt Service	56,692
Net Invest in Capital Assets	109,634
Unrestricted	90,941
Net Position	<u>257,267</u>

**TOTAL LIABILITIES AND NET POSITION**

\$ 286,550

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**MORO WATER AND SEWER DEPARTMENT  
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS- CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Cash Receipts**

Water and Sewer Revenues	\$ 62,512
Meter Deposits	800
Interest	239
Transfers in from City	<u>2,718</u>
Total Cash Receipts	<u>66,269</u>

**Cash Disbursements**

Water Purchased	17,971
Salaries	17,375
Operating Supplies and Maintenance	7,000
Office and Postage	435
License, Permits and Other Taxes	5,124
Utilities	1,305
Meter Deposit Refunds	<u>400</u>
Total Cash Disbursements	<u>49,610</u>

**INCREASE IN CASH AND RESTRICTED CASH** 16,659

**BEGINNING CASH AND RESTRICTED CASH at 01-01-21** 160,257

**ENDING CASH AND RESTRICTED CASH at 12-31-21** \$ 176,916

See independent accountants compilation report.