

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

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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, 2023, 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	\$	35,511
Moro Water		9,222
Moro Water and Sewer CD		6,058
Moro Water Dept System Debt Pymt		7,812
Moro Sewer Savings		3,065
Certificates of Deposit		143,262
	\$	<u>204,930</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
December 24, 2025

MORO WATER AND SEWER DEPARTMENT
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
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, 2023

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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, 2023 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, P.A.
Certified Public Accountants
Wynne, AR 72396
December 23, 2025

**MORO WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - CASH BASIS
FOR THE YEAR ENED DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 35,511
Certificate of Deposit	<u>40,932</u>
Total Current Assets	<u>76,443</u>

RESTRICTED ASSETS

Cash - Debt Service	7,812
Cash - Depreciation Reserve	3,065
Cash - Customer Deposit	9,222
Certificate of Deposit - (Debt Service)	6,058
Certificate of Deposit - (Debt Reserve)	61,398
Certificate of Deposit - (Depreciation)	<u>40,932</u>
Total Restricted Assets	<u>128,487</u>

PROPERTY, PLANT AND EQUIPMENT

Water and Sewer System	269,265
Less Accumulated Depreciation	<u>(173,094)</u>
Net Property, Plant and Equipment	<u>96,171</u>

TOTAL ASSETS

\$ 301,101

LIABILITIES AND NET POSITION

PAYABLE FROM RESTRICTED ASSETS

Due to General Fund	\$ 25,319
Meter Deposits	<u>4,774</u>
	<u>30,093</u>

NET POSITION

Net Invested in Capital Assets	96,171
Restricted for Debt Service	75,268
Unrestricted	<u>99,569</u>
Net Position	<u>271,008</u>

TOTAL LIABILITIES AND NET POSITION

\$ 301,101

**MORO WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS- CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

CASH RECEIPTS

Water and Sewer Revenues	\$ 57,256
Meter Deposits	460
Interest	3,402
Transfers in from City	1,331
Total Cash Receipts	62,449

CASH DISBURSEMENTS

Water Purchased	17,509
Salaries	17,400
Operating Supplies and Maintenance	634
Office and Postage	1,053
License, Permits and Other Taxes	5,293
Professional Fees	3,500
Utilities	1,462
Total Cash Disbursements	46,851

INCREASE IN CASH AND RESTRICTED CASH	15,598
BEGINNING CASH AND RESTRICTED CASH at 1/1/2023	189,332
ENDING CASH AND RESTRICTED CASH at 12/31/2023	\$ 204,930

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT