TOWN OF NORMAN WATER AND SEWER DEPARTMENT

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NORMAN, ARKANSAS

DECEMBER 31, 2023

TOWN OF NORMAN WATER AND SEWER DEPARTMENT
NORMAN, ARKANSAS

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DECEMBER 31, 2023

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and City Council
Norman, Arkansas

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

The Town of Norman Water and Sewer Department 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 receipt information.

   Item 2C - We could not complete this step.

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 the Town of Norman Water and Sewer Department 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 the Town of Norman Water and Sewer Department. 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 Town of Norman Water and Sewer Department 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 the Town of Norman Water and Sewer Department 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
June 10, 2026

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— CERTIFIED PUBLIC ACCOUNTANTS —

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Town of Norman Water and Sewer Department
Norman, AR

Management is responsible for the accompanying financial statements of the Town of Norman Water and Sewer Department, which comprise the statement of net position – modified cash basis as of December 31, 2023, and the related statement of cash receipts and cash disbursements 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 statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. 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 of the disclosures ordinarily included in the financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town of Norman Water and Sewer Department's cash position, and results of operations – modified cash basis. Accordingly, these financial statements are not for those who are not informed about such matters.

Turner, Rodgers, Manning & Plyler, PLLC
Arkadelphia, Arkansas
June 10, 2026

TOWN OF NORMAN WATER AND SEWER DEPARTMENT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS:	
Cash and Cash Equivalents	$ 34,948
TOTAL CURRENT ASSETS	34,948
RESTRICTED ASSETS:	
Restricted Cash - Debt Service	12,294
Restricted Cash - Depreciation	14,006
Restricted Cash - Meter Deposits	8,075
Restricted Cash - ANRC	23,138
TOTAL RESTRICTED ASSETS	57,513
FIXED ASSETS:	
Land	17,113
Water and Sewer Distribution System	5,134,556
Equipment	1,018,725
	6,170,394
Less: Accumulated Depreciation	(3,222,704)
TOTAL FIXED ASSETS	2,947,690
TOTAL ASSETS	$ 3,040,151

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:	
Current Portion of Long-Term Debt	$ 44,356
LIABILITIES PAYABLE FROM RESTRICTED ASSETS:	
Meter Deposits Payable	14,351
LONG-TERM LIABILITIES:	
Note Payable - USDA 92-05	34,605
Note Payable - USDA 92-09	29,942
Note Payable - Communities Unlimited	2,640
Bond Payable - ANRC	349,533
Note Payable - Southern Bancorp	7,616
TOTAL LONG-TERM LIABILITIES	424,336
TOTAL LIABILITIES	483,043
NET POSITION:	
Net Investment in Capital Assets	43,162
Unrestricted Net Position	2,513,946
TOTAL NET POSITION	2,557,108
TOTAL LIABILITIES AND NET POSITION	$ 3,040,151

See Independent Accountants' Compilation Report.

TOWN OF NORMAN WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR YEAR ENDED DECEMBER 31, 2023

CASH RECEIPTS:	
Charges for Services	$ 276,968
Sales Tax Revenue	53,751
Connection and Collection Fees	750
Miscellaneous Revenues	11,251
Interest Income	1,187
Meter Deposits Refunded (Net)	1,750
TOTAL CASH RECEIPTS	345,657
CASH DISBURSEMENTS:	
Salaries	50,851
Water Purchases	146,601
Contract Labor	1,200
Purchase of Equipment	11,251
Debt Service - Principal	42,025
Debt Service - Interest	20,318
Utilities	4,558
Testing	9,810
Professional Fees	7,282
Sales Tax	17,354
Payroll Taxes	3,890
Repairs and Maintenance	1,200
Office Expense	113
Supplies and Parts	7,813
Auto and Fuel Expense	2,481
Insurance	2,072
Miscellaneous	5,966
TOTAL CASH DISBURSEMENTS	334,785
NET CHANGE IN CASH	10,872
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	81,589
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 92,461

See Independent Accountants' Compilation Report.