

**WESTERN LAWRENCE COUNTY WASTEWATER  
TREATMENT DISTRICT**

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

**As of December 31, 2022**



## Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA  
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA  
M. Garrett McSpadden, CPA

---

Members of American Institute of Certified Public Accountants

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners  
Western Lawrence County Wastewater  
Treatment District  
19 South Main Street  
Strawberry, AR 72469

We have performed the procedures enumerated below on compliance with Ark. Code Ann. 14-234-119 to 122 of the Western Lawrence County Wastewater Treatment District, as of December 31, 2022. Western Lawrence County Wastewater's management is responsible for the District's accounting records.

Western Lawrence County Wastewater Treatment District 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 Board of Commissioners, and management of the Western Lawrence County Wastewater Treatment District have agreed to and acknowledged that the procedures performed 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 this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

#### 1. Cash and Investments

We obtained confirmation of the cash on deposit from the bank, and we agreed the confirmed balances to the amounts shown on the bank reconciliations maintained by the District. We performed a proof of cash for the year and agreed the ending balances to the book balances within the greater of 5% or \$500. We reconciled the year-end bank balances to the book balance.

We found no exceptions as a result of these procedures.

#### 2. Receipts

We agreed the deposits per the proof of cash for the year to the deposits per the journal within 5% or \$500, whichever was greater. We agreed ten customer payments on the accounts receivable subledger to deposit and billing documents. For ten deposits, we agreed the cash/check composition of the deposit with receipt information.

We noted no exceptions as a result of these procedures.

#### 3. Accounts Receivable

We agreed ten customer billings to the accounts receivable subledger. We determined proper authorization of five customer adjustments.

We noted no exception as a result of these procedures.

**Batesville:** PO Box 2094 | Batesville, AR 72503 | P: 870.793.5231 | F: 870.793.7788

**Salem:** PO Box 647 | Salem, AR 72576 | P: 870.895.3212 | F: 870.895.2998

**West Plains:** 1386 Bill Virdon Blvd. | West Plains, MO 65775 | P: 417.256.6624 | F: 417.256.1171

**Little Rock:** 1501 N. University, Suite 268 | Little Rock, AR 72207 | P: 501.468.0089 | F: 501.557.3929

4. **Disbursements**

We agreed the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever was greater. We analyzed all property, plant and equipment disbursements. We selected all disbursements paid to employees other than payroll and ten disbursements to determine if they were adequately documented.

We noted no exceptions as a result of these procedures.

5. **Property, Plant and Equipment**

We determined that property, plant and equipment additions and disposals were properly accounted for in the records, at a level of materiality equal to 5% of total equipment or \$500, whichever was greater.

We noted no exceptions as a result of these procedures. There was one addition to property, plant, and equipment and no disposals in the year ending December 31, 2022.

6. **Long-Term Debt**

We scheduled long-term debt and verified changes in all balances for the year.

Western Lawrence County Wastewater Treatment District had no outstanding debt at December 31, 2022; therefore, we could not perform testing of these procedures.

7. **General**

Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

The Western Lawrence County Wastewater Treatment District does not hold meetings. As such, these procedures could not be performed.

We were engaged by the Board of Commissioners, and management of the Western Lawrence County Wastewater Treatment District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. 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 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 Western Lawrence County Wastewater Treatment District and to meet our 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 Board of Commissioners, management of Western Lawrence County Wastewater Treatment District and the Arkansas Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.

*Welch, Couch & Company, PA*  
Certified Public Accountants

Batesville, Arkansas  
July 12, 2023

**WESTERN LAWRENCE COUNTY WASTEWATER  
TREATMENT DISTRICT**

**Independent Accountant's Compilation Report  
and Financial Statements**

**December 31, 2022**



## Welch, Couch & Company, PA Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA  
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA  
M. Garrett McSpadden, CPA

Members of American Institute of Certified Public Accountants

### Independent Accountant's Compilation Report

To the Board of Commissioners of  
Western Lawrence County Wastewater Treatment District  
Strawberry, Arkansas

Management is responsible for the accompanying financial statements of the business-type activities of Western Lawrence County Wastewater Treatment District (the District), which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, changes in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required 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.

*Welch, Couch & Company, PA*  
**Welch, Couch & Company, PA**  
Certified Public Accountants

Batesville, Arkansas  
July 12, 2023

**Batesville:** PO Box 2094 | Batesville, AR 72503 | P: 870.793.5231 | F: 870.793.7788  
**Salem:** PO Box 647 | Salem, AR 72576 | P: 870.895.3212 | F: 870.895.2998  
**West Plains:** 1386 Bill Viridon Blvd. | West Plains, MO 65775 | P: 417.256.6624 | F: 417.256.1171  
**Little Rock:** 1501 N. University, Suite 268 | Little Rock, AR 72207 | P: 501.468.0089 | F: 501.557.3929

**WESTERN LAWRENCE COUNTY WASTEWATER TREATMENT DISTRICT**

**Statement of Net Position**

**For the Year Ended December 31, 2022**

**Assets**

**Current assets**

Cash and cash equivalents	\$ 16,278
Accounts receivable, net of allowance of \$241	4,166
Inventory	3,849
<b>Total current assets</b>	<u>24,293</u>

**Restricted assets**

Restricted cash and cash equivalents	<u>15,635</u>
--------------------------------------	---------------

**Capital assets**, net of accumulated depreciation of \$22,983

32,600

**Total assets**

\$ 72,528

**Liabilities and Net Position**

**Current liabilities**

Accounts payable	\$ 2,785
Accrued expense	577
<b>Total current liabilities</b>	<u>3,362</u>

**Noncurrent liabilities** - payable from restricted assets

7,528

**Total liabilities**

10,890

**Net position**

Invested in capital assets	32,600
Unrestricted	21,510
Restricted for:	
Customer deposits	7,528
<b>Total net position</b>	<u>61,638</u>

**Total liabilities and net position**

\$ 72,528

See independent accountant's compilation report.

**WESTERN LAWRENCE COUNTY WASTEWATER TREATMENT DISTRICT**

**Statement of Revenues, Expenses and Changes in Net Position**

**For the Year Ended December 31, 2022**

**Operating revenues**

Sewer revenue	\$ 96,641
Tap fees	500
<b>Total operating revenues</b>	<u>97,141</u>

**Operating expenses**

Salary and wages	34,397
Employee benefits	3,483
Utilities	23,974
Professional fees	5,000
Dues and fees	1,638
Insurance	1,675
Laboratory fees	5,295
Office expenses	415
Supplies	694
Repairs and maintenance	17,191
Truck expenses	4,637
Depreciation expense	7,796
<b>Total operating expenses</b>	<u>106,195</u>

**Operating loss** (9,054)

**Nonoperating revenues**

Interest income	85
Miscellaneous income	60
<b>Total nonoperating revenues</b>	<u>145</u>

**Decrease in net position** (8,909)

**Net position, beginning of year** 70,547

**Net position, end of year** \$ 61,638

See independent accountant's compilation report.

# WESTERN LAWRENCE COUNTY WASTEWATER TREATMENT DISTRICT

## Statement of Cash Flows

For the Year Ended December 31, 2022

### Cash flows from operating activities:

Receipts from customers	\$ 97,141
Payments to suppliers	(59,339)
Payments to employees	(37,880)

<b>Net cash (used in) operating activities</b>	<b>(78)</b>
--	-------------

### Cash flows from capital and related financing activities:

Purchase of capital assets	(6,500)
----------------------------	---------

<b>Net cash (used in) capital and related financing activities</b>	<b>(6,500)</b>
--	----------------

### Cash flows from investing activities:

Interest	85
Increase in restricted assets	2,291

<b>Net cash provided by investing activities</b>	<b>2,376</b>
--	--------------

<b>Net decrease in cash and cash equivalents</b>	<b>(4,202)</b>
--	----------------

<b>Cash and cash equivalents, beginning of year</b>	<b>36,115</b>
---	---------------

<b>Cash and cash equivalents, end of year</b>	<b>\$ 31,913</b>
---	------------------

### Reconciliation of cash and cash equivalents to the statement of net position:

Cash and cash equivalents in current assets	\$ 16,278
Restricted cash and cash equivalents	15,635

<b>Total cash and cash equivalents</b>	<b>\$ 31,913</b>
--	------------------

### Reconciliation of operating loss to net cash (used in) operating activities:

Operating loss	\$ (9,054)
----------------	------------

Adjustments to reconcile operating loss to net cash (used in) operating activities:

Depreciation expense	7,796
----------------------	-------

Net changes in:

Accounts receivable	(203)
---------------------	-------

Inventory	371
-----------	-----

Accounts payable	910
------------------	-----

Accrued expenses	102
------------------	-----

<b>Net cash (used in) operating activities</b>	<b>\$ (78)</b>
--	----------------

See independent accountant's compilation report.