

**WESTERN LAWRENCE COUNTY WASTEWATER
TREATMENT DISTRICT**

AGREED-UPON PROCEDURES AND COMPILATION REPORT

Year Ended December 31, 2023

Williams & Morris, Accounting & Tax Service, LLC

Sheila Williams, CPA

Jodi Morris

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Western Lawrence County Wastewater
Treatment District
PO Box 197
Strawberry, AR 72469

We have performed the procedures enumerated below, which were agreed to by the management of the Western Lawrence County Wastewater Treatment District, solely to assist you with respect to the accounting records of management as of and for the year ended December 31, 2023. This report is prepared in accordance with Ark. Code Ann. 14-234-119 through 122. Western Lawrence County Wastewater Treatment District's management is responsible for the company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Cash and Investments

1.
 - A. Perform a proof of cash for the year and reconcile year-end bank balances to book balance.
 - B. Determine the ending book balance is within 5% or \$500, whichever is greater, of the proof of cash.
 - C. Confirm with depository institutions the cash on deposit and investments.

We found no exceptions as a result of the above procedures.

Receipts

2.
 - A. Determine total receipts per journal are within 5% or \$500, whichever is greater, of deposits per proof of cash
 - B. Agree ten (10) customer payments on the accounts receivable subledger to deposit and billing documents.
 - C. For ten (10) deposits, agree the cash/check composition of the deposit with receipt information.

The above procedure "B" could not be tested as described. Western Lawrence County Wastewater does not do their own billings. The towns of Strawberry and Lynn water departments bill and collect for the wastewater district and then remit monthly to the wastewater district what is owed based on collections from customers. We traced the payments received from the towns to the payment allocation summary report provided by the towns, and to the deposit. We found no exceptions as a result of the above procedures.

Accounts Receivable

3.
 - A. Agree ten (10) customer billings to the accounts receivable subledger.
 - B. Determine that five (5) customer adjustments were properly authorized.

The above procedures could not be tested. Western Lawrence County Wastewater does not do their own billings, nor do they make any adjustments. The towns of Strawberry and Lynn water departments do the billings and collect for the wastewater district.

Disbursements

4.
 - A. Determine total disbursements per journal are within 5% or \$500, whichever is greater, of deposits per proof of cash.
 - B. Analyze all property, plant, and equipment disbursements.
 - C. Determine all disbursements paid to employees other than payroll and ten (10) other disbursements were adequately documented. (Materiality level – 5% of total dollars of selected disbursements or \$500, whichever is greater.)

We found no exceptions as a result of the above procedures.

Property, Plant, and Equipment

5.
 - 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 above procedures.

Long-Term Debt

6.
 - 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.

The above procedures were not tested. Western Lawrence County Wastewater Treatment District does not have any loans, bonds, notes or contracts payable.

General

7.
 - 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 above procedures.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.

This report is intended solely for the information and use of Western Lawrence County Wastewater Treatment District, and the Division of Legislative Audit, and is not intended to be and should not be used by anyone other than those specified parties. However, pursuant to Arkansas Code Annotated §10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

Sheila Williams, CPA

Williams & Morris Accounting & Tax Service, LLC
Imboden, Arkansas

March 28, 2025

Williams & Morris, Accounting & Tax Service, LLC

Sheila Williams, CPA

Jodi Morris

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners
Western Lawrence County Wastewater
Treatment District
PO Box 197
Strawberry, AR 72469

Management is responsible for the accompanying financial statements of the Western Lawrence County Wastewater Treatment District, which comprise the statement of net position as of December 31, 2023, 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all 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 Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sheila Williams, CPA

Williams & Morris Accounting & Tax Service, LLC
Imboden, Arkansas

March 28, 2025

WESTERN LAWRENCE COUNTY WASTEWATER TREATMENT
DISTRICT

Statement of Net Position

December 31, 2023

Assets

Current Assets

Cash and cash equivalents	\$	2,894
Accounts receivable	\$	8,145
Inventory	\$	4,250
Total Current Assets		<u>15,289</u>

Restricted Assets

Restricted cash and cash equivalents		<u>20,912</u>
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Capital Assets, Net of Accumulated Depreciation

35,417

Total Assets

\$ 71,618

Liabilities and Net Position

Current Liabilities

Accounts Payable	\$	1,608
Accrued Expenses		626
Total Current Liabilities		<u>2,234</u>

Noncurrent Liabilities (payable from restricted accounts)

Meter Deposits Payable		8,468
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Total Liabilities

10,702

Net Position

Net invested in capital assets, net of related debt		35,417
Unrestricted		13,055
Restricted		12,444
Total Net Position		<u>60,916</u>

Total Liabilities and Net Position

\$ 71,618

WESTERN LAWRENCE COUNTY WASTWATER TREATMENT
DISTRICT

Statement of Revenue, Expenses & Changes in Net Position
For Year Ended December 31, 2023

Operating Revenues	
Sewer Revenue	\$ 104,703
Tap Fees	740
Meter Deposits	3,700
Total Operating Revenues	<u>109,143</u>
Operating Expenses	
Depreciation expense	8,686
Dues & Fees	1,756
Fuel	2,966
Insurance	915
Lab Fees	6,390
Meter Deposit Refunds	3,700
Miscellaneous	2,795
Office Expense	254
Payroll Taxes & Expenses	3,286
Professional Service	5,125
Repairs & Maintenance	16,830
Salaries	37,133
Utilities	22,137
Total Operating Expenses	<u>111,973</u>
Operating Income (Loss)	<u>(2,830)</u>
Other Income/Expense	
Interest income	91
Miscellaneous Income	2,017
Total Other Income/Expense	<u>2,108</u>
Change in Net Assets	(722)
Net Assets, Beginning of Year	<u>61,638</u>
Net Assets, End of Year	<u>\$ 60,916</u>

WESTERN LAWRENCE COUNTY WASTEWATER TREATMENT
DISTRICT

Statement of Cash Flows
For Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (722)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,686
Accounts receivable	(3,979)
Inventory	(401)
Accounts payable	(1,177)
Accrued expenses	49
Net Cash Provided by Operating Activities	<u>2,456</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in restricted assets	940
Capital Asset Expenditure	<u>(11,503)</u>
Net Cash Provided by Investing Activities	<u>(10,563)</u>

Net Increase (Decrease) in Cash and Cash Equivalents (8,107)

Cash and Cash Equivalents - Beginning of Year 31,913

Cash and Cash Equivalents - End of Year \$ 23,806