

WALKERVILLE WATER SYSTEM, INC.

AGREED-UPON PROCEDURES

Emerson, Arkansas

December 31, 2023

WALKERVILLE WATER SYSTEM, INC.  
Emerson, Arkansas

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WOOD AND WOOD, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Walkerville Water System, Inc.  
Emerson, Arkansas 71740

We have performed the procedures enumerated below on the financial accounts of Walkerville Water System, Inc. as of and for the year ended December 31, 2023. Walkerville Water System, Inc. is responsible for the financial accounts.

Walkerville Water System, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas Code §14-234-119 and the *Guidelines for Conducting Agreed-upon Procedures for Water and Sewer Providers* dated August, 2, 2021 as published by the Arkansas Legislative Joint Auditing Committee. 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 the associated findings are as follows:

Cash and Investments

(1) Procedure: Perform a proof of cash for the year and reconcile year-end bank balances to book balances.

Findings: There were no exceptions found as a result of applying this procedure.

(2) Procedure: Confirm with depository institutions the cash on deposit and investments.

Findings: There were no exceptions found as a result of applying this procedure.

(3) Procedure: Agree the proof of cash ending balances to the book balances within 5% or \$500.00, whichever is greater.

Findings: There were no exceptions found as a result of applying this procedure.

Receipts

(1) Procedure: Agree the deposits per the poof of cash for the year with the deposits per the journal within 5% or \$500.00, whichever is greater.

Findings: There were no exceptions found as a result of applying this procedure.

(2) Procedure: Agree 10 customer payments on the accounts receivable subledger to deposit and billing documents.

Findings: There were no exceptions found as a result of applying this procedure.

- (3) Procedure: For ten deposits, agree the cash/check composition of the deposit with receipt information.
- Findings: We could not agree cash/check composition of 4 deposits with receipt information.

Accounts Receivable:

- (1) Procedure: Agree 10 customer billings to the accounts receivable subledger.
- Findings: There were no exceptions found as a result of applying the procedure
- (2) Procedure: Determine that 5 customer adjustments were properly authorized.
- Findings: When errors in billings are determined (located) corrections to such billings were made.

Disbursements

- (1) Procedure: Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500.00, whichever is greater.
- Findings: There were no exceptions found as a result of applying this procedure.
- (2) Procedure: Analyze all property, plant and equipment disbursements.
- Findings: There were no exceptions found as a result of applying this procedure.
- (3) Procedure: Select ten (10) disbursements and determine if they were adequately documented.
- Findings: There was 1 exception found as a result of applying the procedure.

Property, Plant and Equipment

- (1) Procedure: Determine that additions and disposals were properly accounted for in the records. (Materiality level 5% of total equipment or \$500.00, whichever is greater).
- Findings: There were no exceptions found as result of applying this procedure.

Long-Term Debt

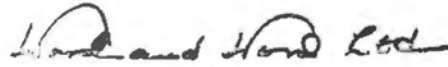
- (1) Procedure: Schedule long-term debt and verify changes in all balances for the year.
- Findings: There were no exceptions found as a result of applying this procedure.
- (2) Procedure: Confirm loans, bonds, notes and contracts payable with lender/trustee/contractor.
- Findings: Direct confirmation of notes payable to USDA, Rural Development was not requested. Alternative procedures were applied in lieu of direct confirmation, ie; examination of year end loan statements. Currently the Organization has no debt.
- (3) Procedure: Determine that the appropriate debt service accounts have been established and maintained.
- Findings: There were no exceptions found as a result of applying this procedure. It was determined that the appropriate debt service accounts have been established in accordance with loan requirements.

We were engaged by Walkerville Water System, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial accounts and compliance with Arkansas Statutes. 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 Walkerville Water System, Inc 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 management of Walkerville Water System, Inc. and the State of Arkansas Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties

In accordance with the requirements of Act 904 of 2021 of the State of Arkansas we include a Statement of Financial Position and a Statement of Activities, with Independent Accountants' Compilation Report as of and for the year ended December 31, 2023.

A handwritten signature in dark ink, appearing to read "Wood and Wood Ltd", is positioned above the printed name of the firm.

Wood and Wood, Ltd.  
Magnolia, AR

January 8, 2024

WOOD AND WOOD, LTD.  
CERTIFIED PUBLIC ACCOUNTANTS

K. DALE WOOD, CPA (dec'd)  
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ACCOUNTANTS' COMPILATION REPORT

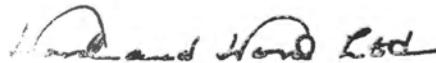
To the Board of Directors  
Walkerville Water System, Inc.  
P. O. Box 184  
Emerson, AR 71740

Management is responsible for the accompanying financial statements of Walkerville Water System, Inc., which comprise the statement of financial position-modified cash basis as of December 31, 2023, and the related statement of activities-modified cash basis for the year then ended in accordance with the modified cash basis of accounting, 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 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 modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America.

Management has elected to omit substantially all the disclosures ordinarily included in 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 Organization's financial position, and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Walkerville Water System, Inc., is a non-profit organization under Section 501(c) (12) of the Internal Revenue Code and is not subject to federal or state income taxes. Therefore, there is no provision or liability for federal or state income taxes in these financial statements.



Wood and Wood, Ltd.  
Magnolia, AR

January 8, 2024

WALKERVILLE WATER SYSTEM, INC.  
Emerson, Arkansas

STATEMENT OF FINANCIAL POSITION – MODIFIED CASH BASIS  
December 31, 2023

ASSETS

Current Assets

Cadence Bank-Revenue	\$ 10,158
Peoples Bank-Operating	9,066
Farmers Bank & Trust Co.-Construction	85,933
Farmers Bank & Trust Co.-Money Market	94,196
Peoples Bank-Construction	<u>44,978</u>
Total Current Assets	<u>\$ 244,331</u>

Property and Equipment

Buildings	\$ 3,001
Office Furniture & Fixtures	590
Pumps & Treatment Equipment	<u>739,208</u>
Total	\$ 742,799
Less: Accumulated Depreciation	<u>( 692,983 )</u>
Net Property and Equipment	<u>\$ 49,816</u>

Other Assets

Farmers Bank & Trust Co.-Certificate of Deposit	\$ 54,609
Utility Deposits	<u>125</u>
Total Other Assets	<u>\$ 54,734</u>

Total Assets	<u>\$ 348,881</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Bank Overdraft – General Operating & Maintenance	\$ 1,033
Account Payable – Farmers Bank & Trust Credit Card	537
Sales Tax Payable	665
Customer Meter Deposits	<u>1,235</u>
Total Current Liabilities	<u>\$ 3,470</u>

Net Assets

Net Assets Without Donor Restrictions	<u>345,411</u>
Total Net Assets	<u>\$ 345,411</u>

Total Liabilities and Equity	<u>\$ 348,881</u>
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See accountants' compilation report

WALKERVILLE WATER SYSTEM, INC.  
Emerson, Arkansas

STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
For the year ended December 31, 2023

<u>Sales</u>	
Water Sales	\$ 57,188
Interest Income	1,790
Total Sales	<u>\$ 58,978</u>
<u>Operating Expenses</u>	
Depreciation	\$ 22,221
Rent Expense	500
Contract Meter Readings	4,762
Secretarial Services	3,600
Insurance	1,042
Legal & Accounting	3,107
System Repair and Maintenance	20,656
Outside Services	4,832
Automotive	2,600
License, Dues & Subscriptions	902
Office & Postage	3,497
Utilities	6,118
Supplies	6,489
Miscellaneous	53
Total Operating Expenses	<u>\$ 80,379</u>
Change in Net Assets	\$( 21,401)
Net Assets, Balance Beginning	<u>366,812</u>
Net Assets, Balance Ending	<u>\$ 345,411</u>

See accountants' compilation report