

OAK MANOR WATER AND WASTEWATER PUBLIC
FACILITIES BOARD

JUNE 30, 2023

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Oak Manor Water and Wastewater Public Facilities Board
El Dorado, Arkansas
and the State of Arkansas Legislative Auditor
Little Rock, Arkansas

We have performed the procedures listed in *Attachment A* on the accounting records of the Oak Manor Water and Wastewater Public Facilities Board ("the Board"), as of and for the year ended June 30, 2023. The Board's management is responsible for its accounting records.

The Board has agreed to and acknowledged that the procedures performed are appropriate to assist the Board in performing its duties and fulfilling requirements with regard to Act 218 of 1999, as codified at Arkansas Code Annotated 14-234-119 through 14-234-122. 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.

Our findings are as follows.

Procedures 1 – 8 – no findings.

We were engaged by the Board 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 financial records of the Board. 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 Board 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 and the State of Arkansas Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties.



Emrich & Scroggins, LLP
El Dorado, Arkansas

January 22, 2024

Schedule of Agreed-Up Procedures

1. Cash and Investments
 1. We will perform a proof of cash for the year and reconcile year-end bank balances to the book balances.
 2. We will confirm with depository institutions the cash on deposit and investments.
 3. We will agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.
2. Receipts
 - A. We will 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. We will agree ten (10) customer payments on the accounts receivable subledger to deposit and billing documents.
 - C. For ten deposits, we will agree the cash/check composition of the deposit with the receipt information.
3. Accounts Receivable
 - A. We will agree ten (10) customer billings to the accounts receivable subledger.
 - B. We will determine that five (5) customer adjustments were properly authorized.
4. Disbursements
 - A. We will 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. We will analyze all property, plant and equipment disbursements.
 - C. We will select all disbursements paid to employees other than payroll and ten (10) other disbursements and determine if they were adequately documented.
5. Property, Plant, and Equipment – We will determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of total equipment or \$500, whichever is greater.)
6. Long-Term Debt – the Public Facilities Board has had no debt for the year.
7. General – Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings. For the purpose of this procedure, items of \$3,300 or greater will be examined.
8. Within thirty (30) days of completion of the agreed-upon procedures, we will submit a letter of completion to the Legislative Auditor, accompanied by a copy of the report on agreed-upon procedures.

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Oak Manor Water and Wastewater
Public Facilities Board
El Dorado, Arkansas

Management is responsible for the accompanying financial statements of the Oak Manor Water and Wastewater Public Facilities Board (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of June 30, 2023, and the related statement of revenues, expenses, and change in net assets—modified cash basis for the twelve months 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 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 do we provide any 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 the disclosures ordinarily included in 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 Board's assets, liabilities, net assets, revenues, expenses, and change in net assets. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Emrich & Scroggins, LLP

Emrich & Scroggins, LLP
El Dorado, Arkansas

January 22, 2024

OAK MANOR WATER AND WASTEWATER PUBLIC FACILITIES BOARD
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
June 30, 2023

ASSETS

Current Assets

Cash - BancorpSouth	\$ 59,814.87
Certificate of Deposit	<u>28,529.03</u>
Total Current Assets	<u>88,343.90</u>

Fixed Assets

Land	18,800.00
Equipment	31,830.41
Sanitation Station	313,555.10
Distribution Lines	<u>117,639.38</u>
Total Fixed Assets	481,824.89
Less: Accumulated Depreciation	<u>(301,075.57)</u>
Net Fixed Assets	<u>180,749.32</u>

Total Assets	\$ <u>269,093.22</u>
---------------------	-----------------------------

LIABILITIES & NET ASSETS

Current Liabilities

Meter Deposits Payable	\$ 11,750.00
Other Current Payables	<u>1,205.76</u>
Total Current Liabilities	<u>12,955.76</u>

Net Assets - Unrestricted	<u>256,137.46</u>
----------------------------------	-------------------

Total Liabilities and Net Assets	\$ <u>269,093.22</u>
---	-----------------------------

See accountant's compilation report.

OAK MANOR WATER AND WASTEWATER PUBLIC FACILITIES BOARD
Statement of Revenues, Expenses and Change in Net Assets - Modified Cash Basis
For the Twelve Months Ended June 30, 2023

Revenues

Sewer	\$ 40,688.75
Water	78,249.59
Rec Club Revenue	2,277.95
Late Charges	1,974.23
Connect/Disconnect Fees	216.11
Reimbursed Repair Expense	<u>15,789.15</u>
Total Operating Revenues	<u>139,195.78</u>

Expenses

Water	51,036.26
Contract Service	26,208.00
Lab Testing	5,321.50
Professional Fees	5,750.00
Insurance	2,155.00
Maintenance and Repairs	13,961.22
Utilities	1,802.84
Convention Expense	504.78
Rent	226.00
Fees, Dues, Licenses, Permits	2,056.64
Depreciation	<u>11,536.76</u>
Total Operating Expenses	<u>120,559.00</u>
Net Operating Revenue	<u>18,636.78</u>

Other Income (Expense)

Interest Income	85.45
Brine Royalty	336.35
Sales Tax Discounts and Adjustments	<u>179.63</u>
Total Other Income (Expense)	<u>601.43</u>

Change in Net Assets 19,238.21

Net Assets at the Beginning of Year 236,899.25

Net Assets at End of Year \$ 256,137.46

See accountant's compilation report.