

**Town of Bellefonte
Water Works
Bellefonte, Arkansas**

Independent Accountant's Report on Applying
Agreed-Upon Procedures
December 31, 2021

**TOWN OF BELLEFONTE WATER WORKS
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES
DECEMBER 31, 2021**

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CERTIFIED PUBLIC ACCOUNTANT

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

To the Mayor and Town Council
TOWN OF BELLEFONTE WATER WORKS
Bellefonte, Arkansas

I have performed the procedures enumerated on the accompanying schedule of procedures and findings, which were agreed to by the Town of Bellefonte Water Works (the Department), solely to assist you with respect to complying with the requirements of the State of Arkansas Act 218 of 1999 as of and for the year ended December 31, 2021. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care. The sufficiency of these procedures is solely the responsibility of those charged with governance of the Department. Consequently, I make no representation regarding the sufficiency of the procedures described on the accompanying schedule either for the purpose for which this report has been requested or for any other purpose.

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the financial statements of the Department taken as a whole. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Town of Bellefonte Water Works and the Arkansas Legislative Joint Auditing Committee and should not be used by anyone other than these specified parties.


The Killingsworth Firm CPA, PLLC

**Berryville, Arkansas
September 6, 2024**

TOWN OF BELLEFONTE WATER WORKS
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2021
(See Independent Accountant's Report)

General

1. Procedure – Determined that all items of financial significance were approved and documented in the minutes of the governing body's meetings.

Finding – No exceptions; all matters of financial significance appeared to be approved and documented in the minutes of the council meetings.

Cash and Investments

1. Procedure – Performed a proof of cash for the year and reconciled year-end bank balances to book balances within 5% or \$500, whichever was greater.

Finding – No exceptions noted.

2. Procedure – Confirmed with depository institutions the cash on deposit.

Finding – No exceptions noted.

3. Procedure – Agreed the proof of cash ending balances to the book balances.

Finding – No exceptions noted.

Cash Receipts

1. Procedure – Agreed the deposits per the proof of cash for the year with the deposits per the cash receipts journal within 5% or \$500, whichever was greater.

Finding – No exceptions noted.

2. Procedure - Agreed ten customer payments on the accounts receivable sub-ledger to deposit and billing documents.

Finding – Three accounts overpaid by small amounts compared to the billing register but the customer appeared to be rounding up and not a cause for concern. No other exceptions noted.

TOWN OF BELLEFONTE WATER WORKS
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2021
(See Independent Accountant's Report)

Cash Receipts (Continued)

3. Procedure - For ten deposits, agreed the cash/check composition of the deposits with receipt information.

Finding – No exceptions noted.

Accounts Receivable

1. Procedure – Agreed ten customer billings to the accounts receivable sub-ledger.

Finding – No exceptions noted.

2. Procedure – Determined that five customer adjustments were properly authorized.

Finding – Five customer adjustments were traced to adjustments report signed by Mayor with no exceptions.

Cash Disbursements

1. Procedure - Agreed the disbursements per the proof of cash for the year with the disbursements per the cash disbursements journal within 5% or \$500, whichever was greater.

Finding – No exceptions noted.

2. Procedure – Analyzed all property, plant, and equipment disbursements.

Finding – No property, plant, and equipment disbursements were noted.

3. Procedure – Selected all disbursements paid to employees other than payroll and ten other disbursements and determined if they were adequately documented.

Finding – Expanded the scope and looked at a total of 33 disbursements due to a high level of activity in the operations account for the year with heavy spending on repairs and maintenance. All expenditures were adequately documented with no exceptions noted.

TOWN OF BELLEFONTE WATER WORKS
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2021
(See Independent Accountant's Report)

Property, Plant, and Equipment

1. Procedure – Determined that additions and disposals were properly accounted for in the records.

Finding – No additions or disposals to property, plant and equipment were noted.

Long-Term Debt

1. Procedure – Scheduled long-term debt and verified changes in all balances for the year.

Finding – No long-term debt was noted.

2. Procedure – Confirmed loans, bonds, notes, and contracts payable with lender.

Finding – No long-term debt was noted.

3. Procedure – Determined that the appropriate debt service accounts have been established and maintained.

Finding – No long-term debt was noted.

**Town of Bellefonte
Water Works
Bellefonte, Arkansas**

Compiled Financial Statements
Years Ended December 31, 2021 and 2020

**TOWN OF BELLEFONTE WATER WORKS
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and Town Council
TOWN OF BELLEFONTE WATER WORKS
Bellefonte, Arkansas

Management is responsible for the accompanying financial statements of the **Town of Bellefonte Water Works** which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2021 and 2020, and the related statements of revenues, expenses and changes in net assets – modified cash basis and cash flows – modified cash basis for the years then ended in accordance with the modified cash basis of accounting. I 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. I did not audit or review the financial statements, nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of 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 disclosure were included in the financial statements, they might influence the user's conclusions about the Department'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.


The Killingsworth Firm CPA, PLLC

Berryville, Arkansas
September 6, 2024

TOWN OF BELLEFONTE WATER WORKS
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2021 AND 2020

ASSETS

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 128,130 | \$ 127,820 |
| Total Current Assets | 128,130 | 127,820 |
| Restricted Assets | | |
| Meter Deposits | 19,505 | 17,899 |
| Depreciation Fund | 46,484 | 45,070 |
| Total Restricted Assets | 65,989 | 62,969 |
| Property and Equipment, at Cost | | |
| Water System | 215,000 | 215,000 |
| Accumulated Depreciation | (178,340) | (174,673) |
| Net Property and Equipment | 36,660 | 40,327 |
| Total Assets | \$ 230,779 | \$ 231,116 |

LIABILITIES AND NET ASSETS

| | | |
|---|-------------------|-------------------|
| Current Liabilities Payable from Restricted Assets | | |
| Customer Meter Deposits | \$ 18,281 | \$ 15,075 |
| Total Liabilities Payable from Restricted Assets | 18,281 | 15,075 |
| Total Liabilities | 18,281 | 15,075 |
| Net Assets | | |
| Restricted | 47,708 | 47,894 |
| Unrestricted | 164,790 | 168,147 |
| Total Net Assets | 212,498 | 216,041 |
| Total Liabilities and Net Assets | \$ 230,779 | \$ 231,116 |

See Independent Accountant's Report and Notes to Financial Statements.

TOWN OF BELLEFONTE WATER WORKS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Operating Revenues | | |
| Water Revenue | \$ 50,069 | \$ 49,143 |
| Total Operating Revenues | 50,069 | 49,143 |
| Operating Expenses | | |
| Labor | 21,420 | 21,323 |
| Utilities | 5,843 | 5,420 |
| Repairs and Maintenance | 37,976 | 3,990 |
| Office Expenses | 1,198 | 865 |
| Depreciation | 3,667 | 3,667 |
| Sales Tax | 3,156 | 3,159 |
| Miscellaneous | 1,284 | 370 |
| Total Operating Expenses | 74,544 | 38,794 |
| Operating Income (Loss) | (24,475) | 10,349 |
| Other Income (Expense) and Changes in Net Assets | | |
| Transfers | 20,613 | - |
| Interest Income | 319 | 556 |
| Total Other Income (Expense) | 20,932 | 556 |
| Net Increase (Decrease) In Net Assets | (3,543) | 10,905 |
| Net Assets, Beginning of Year | 216,041 | 205,136 |
| Net Assets, End of Year | \$ 212,498 | \$ 216,041 |

See Independent Accountant's Report and Notes to Financial Statements

**TOWN OF BELLEFONTE WATER WORKS
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Cash Receipts: | | |
| Customer Payments Received | \$ 53,275 | \$ 49,143 |
| Interest Income | 319 | 556 |
| Cash Paid For: | | |
| Labor | (21,420) | (21,323) |
| Utilities | (5,843) | (5,420) |
| Repairs and Maintenance | (37,976) | (3,990) |
| Office Expenses | (1,198) | (865) |
| Sales Tax | (3,156) | (3,159) |
| Miscellaneous | (1,284) | (370) |
| Net Cash Provided By (Used In) Operating Activities | (17,283) | 14,572 |
| Cash Flows from Investing Activities | | |
| Transfers (to) from Restricted Accounts | (1,414) | (1,635) |
| Purchases of Fixed Assets | - | - |
| Increase in Customer Meter Deposits | (1,606) | (1,728) |
| Net Cash Provided By (Used In) Investing Activities | (3,020) | (3,363) |
| Cash Flows from Financing Activities | | |
| Transfers from General Fund | 20,613 | - |
| Net Cash Provided By (Used In) Financing Activities | 20,613 | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | 310 | 11,209 |
| Cash and Cash Equivalents, Beginning of Year | 127,820 | 116,611 |
| Cash and Cash Equivalents, End of Year | \$ 128,130 | \$ 127,820 |
| SUPPLEMENTAL DISCLOSURES | | |
| Cash Paid for Interest | \$ - | \$ - |

See Independent Accountant's Report and Notes to Financial Statements.