

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

Independent Accountant's Report on Applying
Agreed-Upon Procedures
December 31, 2023

**TOWN OF BELLEFONTE WATER WORKS
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES
DECEMBER 31, 2023**

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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, 2023. 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, 2023
(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. One account underpaid, and again the customer appeared to be rounding. No other exceptions noted.

TOWN OF BELLEFONTE WATER WORKS
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2023
(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 – There were only four downward adjustments during the year. All four were traced to the adjustments report signed by the Mayor without exception.

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 – No exceptions noted.

TOWN OF BELLEFONTE WATER WORKS
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2023
(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, 2023 and 2022

**TOWN OF BELLEFONTE WATER WORKS
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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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, 2023 and 2022, 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, 2023 AND 2022

ASSETS		
	2023	2022
Current Assets		
Cash and Cash Equivalents	\$ 147,900	\$ 133,513
Total Current Assets	147,900	133,513
Restricted Assets		
Meter Deposits	22,959	21,880
Depreciation Fund	49,346	47,837
Total Restricted Assets	72,305	69,717
Property and Equipment, at Cost		
Water System	215,000	215,000
Accumulated Depreciation	(185,674)	(182,007)
Net Property and Equipment	29,326	32,993
Total Assets	\$ 249,531	\$ 236,223
LIABILITIES AND NET ASSETS		
Current Liabilities Payable from Restricted Assets		
Customer Meter Deposits	\$ 21,614	\$ 20,635
Total Liabilities Payable from Restricted Assets	21,614	20,635
Total Liabilities	21,614	20,635
Net Assets		
Restricted	50,691	49,082
Unrestricted	177,226	166,506
Total Net Assets	227,917	215,588
Total Liabilities and Net Assets	\$ 249,531	\$ 236,223

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, 2023 AND 2022

	2023	2022
Operating Revenues		
Water Revenue	\$ 51,599	\$ 51,747
Total Operating Revenues	51,599	51,747
Operating Expenses		
Labor	23,240	22,200
Utilities	7,469	6,937
Repairs and Maintenance	17,185	43,320
Office Expenses	1,436	1,255
Depreciation	3,667	3,667
Sales Tax	3,140	3,198
Miscellaneous	1,602	1,488
Total Operating Expenses	57,739	82,065
Operating Income (Loss)	(6,140)	(30,318)
Other Income (Expense) and Changes in Net Assets		
Transfers	17,988	33,170
Interest Income	481	238
Total Other Income (Expense)	18,469	33,408
Net Increase (Decrease) In Net Assets	12,329	3,090
Net Assets, Beginning of Year	215,588	212,498
Net Assets, End of Year	\$ 227,917	\$ 215,588

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, 2023 AND 2022**

	2023	2022
Cash Flows from Operating Activities		
Cash Receipts:		
Customer Payments Received	\$ 52,578	\$ 54,101
Interest Income	481	238
Cash Paid For:		
Labor	(23,240)	(22,200)
Utilities	(7,469)	(6,937)
Repairs and Maintenance	(17,185)	(43,320)
Office Expenses	(1,436)	(1,255)
Sales Tax	(3,140)	(3,198)
Miscellaneous	(1,602)	(1,488)
Net Cash Provided By (Used In) Operating Activities	(1,013)	(24,059)
Cash Flows from Investing Activities		
Transfers (to) from Restricted Accounts	(1,509)	(1,353)
Purchases of Fixed Assets	-	-
Increase in Customer Meter Deposits	(1,079)	(2,375)
Net Cash Provided By (Used In) Investing Activities	(2,588)	(3,728)
Cash Flows from Financing Activities		
Transfers from General Fund	17,988	33,170
Net Cash Provided By (Used In) Financing Activities	17,988	33,170
Net Increase (Decrease) in Cash and Cash Equivalents	14,387	5,383
Cash and Cash Equivalents, Beginning of Year	133,513	128,130
Cash and Cash Equivalents, End of Year	\$ 147,900	\$ 133,513
SUPPLEMENTAL DISCLOSURES		
Cash Paid for Interest	\$ -	\$ -

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