

TOWN OF WILLISVILLE WATER SYSTEM
Enterprise Fund of the Town of Willisville, Arkansas
December 31, 2023

TOWN OF WILLISVILLE-WATER SYSTEM
Enterprise Fund of the Town of Willisville, Arkansas
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and Members of the Town Council
Town of Willisville, Arkansas 71864

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

The Town of Willisville, Arkansas Water System 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 deposits and investments. |
| Findings: | There were no exceptions found as a result of applying procedures. |
| (3) Procedures: | 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) Procedures: | Agree the deposits per the proof 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 sub ledger 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: | There were no exceptions found as a result of applying this procedure. |

Accounts Receivable

- (1) Procedure: Agree 10 customer billings to the accounts receivable sub ledger.
- 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 all disbursements paid to employees other than payroll and 10 other disbursements and determine if they were adequately documented.
- Findings: There were no exceptions found as a result of applying this 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 a result of applying the procedures.

Long-Term Debt

- (1) Procedure: Schedule long-term debt and verify change 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 Arkansas Natural Resources Commission were not requested. Alternative procedures were applied in lieu of direct confirmation, ie; examination of documentation and loan schedules. No exceptions were found.
- (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 the Town of Willisville, Arkansas Water System 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 Town of Willisville, Arkansas Water System 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 the Town of Willisville, Arkansas Water System 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 907 of 2021 of the State of Arkansas we include a Statement of Assets and Liabilities-Cash Basis and a Statement of Receipts and Disbursements-Cash Basis, with Independent Accountants' Compilation Report as of and for the year ended December 31, 2023.

A handwritten signature in black ink that reads "Wood and Wood Ltd". The signature is written in a cursive, flowing style.

Wood and Wood, Ltd.
Magnolia, AR

August 31, 2024

WOOD AND WOOD, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and Town Council
Town of Willisville, Arkansas 71864

Management is responsible for the accompanying financial statements of Town of Willisville, Arkansas Water System, which comprise the statement of assets, liabilities, and net position—cash basis as of December 31, 2023, and the related statement of receipts and disbursements—cash basis for the year then ended, and for determining that the 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 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 of the disclosures required by the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Willisville Water System's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Wood and Wood, Ltd.
Magnolia, AR

August 31, 2024

TOWN OF WILLISVILLE-WATER SYSTEM
Enterprise Fund of the Town of Willisville, Arkansas
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION-CASH BASIS
December 31, 2023

ASSETS

<u>Current Assets:</u>	
Cash in Bank	\$ 70,548
Total Current Assets	<u>\$ 70,548</u>
 <u>Restricted Assets:</u>	
Cash in Banks	\$ 170,566
Total Restricted Assets	<u>\$ 170,566</u>
 <u>Property, Plant and Equipment</u>	
Furniture and Equipment	\$ 36,698
Water Well, Tank, Lines and Treatment Plant	<u>678,636</u>
Total	\$ 715,334
Less: Allowance for Depreciation	<u>388,105</u>
Total Property Plant and Equipment, Net of Depreciation	<u>\$ 327,229</u>
 <u>Other Assets</u>	
Administrative, Loan Cost, Net Amortization	\$ 2,889
Total	<u>\$ 2,889</u>
Total Assets	<u>\$ 571,232</u>

LIABILITIES AND NET POSITION

<u>Current Liabilities</u>	
Notes Payable-Current Portion of Long-Term Debt	\$ 8,363
Meter Deposits-Customers-Estimated	<u>24,499</u>
Total Current Liabilities	<u>\$ 32,862</u>
 <u>Long-Term Liabilities</u>	
Notes Payable-Long-Term Debt	\$ 147,933
Total Long-Term Debt	<u>\$ 147,933</u>
Total Liabilities	<u>\$ 180,795</u>
 <u>Net Position</u>	
Net Position, Undesignated	\$ 252,733
Net Position, Designated	<u>137,704</u>
Total Net Position	<u>\$ 390,437</u>
Total Liabilities and Net Position	<u>\$ 571,232</u>

See independent accountants' compilation report.

TOWN OF WILLISVILLE-WATER SYSTEM
 Enterprise Fund of the Town of Willisville, Arkansas
 STATEMENT OF RECEIPTS AND DISBURSEMENTS-CASH BASIS
 For the year ended December 31, 2023

<u>Operating Revenue</u>	
Income-Water Collections	\$ 123,469
Income-Miscellaneous	<u>3,000</u>
Total Operating Revenue	<u>\$ 126,469</u>
<u>Operating Expenses</u>	
Salaries and Taxes	\$ 22,003
Sales Tax Remitted	11,419
Accounting	2,535
Insurance	1,955
Utilities	10,566
Gasoline	2,132
Parts, Material, and Repairs	11,693
Contract Labor	4,111
Office Supply	2,876
Dues, Licenses, and Subscriptions	1,887
Payroll Taxes	5,061
Depreciation	21,647
Interest	8,213
Miscellaneous	131
Amortization-Loan Administrative Expense	<u>175</u>
Total Operating Expenses	<u>\$ 106,404</u>
Net Income (Loss) from Operations	<u>\$ 20,065</u>
<u>Non-Operating Income</u>	
Income-Interest	<u>\$ 5</u>
Total Non-Operating Income	<u>\$ 5</u>
Net Income (Loss)	<u>\$ 20,070</u>

See independent accountants' compilation report.