

THORNTON WATER WORKS



THORNTON, ARKANSAS

JUNE 30, 2024

THORNTON WATER WORKS
THORNTON, ARKANSAS

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and City Council
Thornton, Arkansas

We have performed the procedures enumerated below on the accounting records of Thornton Water Works as of and for the year ended June 30, 2024. Thornton Water Works' management is responsible for the entity's accounting records.

Thornton Water Works has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying annual reporting requirements of the Arkansas Division of Legislative Audit. Additionally, the Arkansas Legislative Joint Auditing Committee has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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 associated findings are as follows:

1. Cash and Investments

- a. Perform a proof of cash for the year and reconcile year-end bank balances to book balances.
- b. Confirm with depository institutions the cash on deposit and investments.
- c. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

We found no exceptions as a result of the procedures.

2. Receipts

- a. 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. Agree ten customer payments on the accounts receivable sub ledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Finding: Step 2c. The following deposits do not agree with the corresponding daily receipt report.

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
12/19/2023	\$ 908.74	3/11/2024	\$ 1,519.67
2/23/2024	2,076.43	4/17/2024	641.15

3. Accounts Receivable

- a. Agree ten customer billings to the accounts receivable sub ledger.
- b. Determine that five customer adjustments were properly authorized.

We found no exceptions as a result of the procedures.

4. Disbursements

- a. 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. Analyze all property, plant and equipment disbursements.
- c. Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

We found no exceptions as a result of the procedures.

5. Property, Plant, and Equipment

- a. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of total equipment or \$500, whichever is greater.)

We found no exceptions as a result of the procedure.

6. Long-Term Debt

- a. Schedule long-term debt and verify changes in all balances for the year.
- b. Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor.
- c. Determine that the appropriate debt service accounts have been established and maintained.

We found no exceptions as a result of the procedures.

7. General

- a. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

Finding: Documentation of the May and June 2024 council meetings were not available.

We were engaged by Thornton Water Works 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 accounting records of Thornton Water Works. 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 Thornton Water Works and to meet 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 Thornton Water Works and the Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than those specified parties.

Turner, Rodgers, Manning & Plyler, PLLC
Arkadelphia, Arkansas
December 8, 2025

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Thornton Water Works
Thornton, AR

Management is responsible for the accompanying financial statements of Thornton Water Works, which comprise the statement of net position – cash basis as of June 30, 2024, and the related statement of cash receipts and cash disbursements 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 statement, 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 ordinarily included in the financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Thornton Water Works' cash position, and results of operations – cash basis. Accordingly, these financial statements are not for those who are not informed about such matters.

Management has omitted the management's discussion and analysis and budgetary comparison schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Turner, Rodgers, Manning & Plyler, PLLC

Arkadelphia, Arkansas
December 8, 2025

THORNTON WATER WORKS
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2024

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ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 11,448
Certificate of Deposit - Meter Deposit	15,570
TOTAL CURRENT ASSETS	<u>27,018</u>

RESTRICTED ASSETS:

Restricted Cash - Depreciation	3,468
Restricted Cash - Bond Escrow	20,553
Restricted Certificate of Deposit - Debt Service	24,682
Restricted Certificate of Deposit - Depreciation	5,265
TOTAL RESTRICTED ASSETS	<u>53,968</u>

TOTAL ASSETS

\$ 80,986

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

Bonds Payable - Current	\$ 310,183
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LONG-TERM LIABILITIES:

Bonds Payable	792,968
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TOTAL LIABILITIES

1,103,151

NET POSITION:

Restricted	53,968
Unrestricted	<u>(1,076,133)</u>
TOTAL NET POSITION	<u>(1,022,165)</u>

TOTAL LIABILITIES AND NET POSITION

\$ 80,986

See Independent Accountants' Compilation Report.

THORNTON WATER WORKS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR YEAR ENDED JUNE 30, 2024

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CASH RECEIPTS:	
Water and Sewer Receipts	\$ 216,126
Meter Deposits Received	2,875
Miscellaneous Income	8,607
Transfer from General	59,685
Interest Received	1,278
TOTAL CASH RECEIPTS	<u>288,571</u>
CASH DISBURSEMENTS:	
Capital Expenditures	16,495
Continuing Education	478
Insurance	3,788
Licenses and Fees	2,953
Office Supplies	3,775
Operating Supplies	51,295
Professional Fees	9,420
Purchases of Certificates of Deposit	565
Repairs and Maintenance	37,966
Sales Tax	17,279
Transfers to General	107,732
Transfers to Solid Waste	17,820
Utilities and Telephone	21,961
Miscellaneous	562
TOTAL CASH DISBURSEMENTS	<u>292,089</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(3,518)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	38,987
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 35,469</u></u>

See Independent Accountants' Compilation Report.