

**TOWN OF WESTERN GROVE, ARKANSAS
WATER DEPARTMENT**

**AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022



TOWN OF WESTERN GROVE, ARKANSAS WATER DEPARTMENT
DECEMBER 31, 2023 AND 2022

CONTENTS

	<u>Page</u>
Independent Accountant's Report On Applying Ageed-Upon Procedures.....	1-3
Accountant's Compilation Report.....	4
Financial Statements	
Statements of Assets, Liabilities, and Equity - Cash Basis.....	5
Statements of Cash Receipts and Cash Disbursements - Cash Basis.....	6



Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor and Town Council
Town of Western Grove, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the Town of Western Grove, Arkansas Water Department as of and for the year ended December 31, 2023. Town of Western Grove, Arkansas Water Department's management is responsible for the financial and billing records.

The Town of Western Grove, Arkansas Water Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose which is to comply with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service providers* as prepared by Arkansas Legislative Audit. 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 purpose.

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 balance. We concluded this procedure with for three bank accounts and had no findings.
- B. Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with the finding that two of the Department's CD balances were overstated by \$3,754 in total. This was the result of not properly accounting for two certificate of deposits closed out in early 2023 and replaced with two new certificate of deposits with different amounts.
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater. The ending balances for all accounts were within these parameters.

(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. We concluded this procedure and found the deposits were within the parameters for all three bank accounts.
- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We concluded this procedure with no findings.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information. We found that deposits of cash and deposits of checks are separated in all deposits. Cash is deposited with cash in a deposit, and checks are deposited with checks in a separate deposit. We concluded this procedure with no findings.

(3) Accounts Receivable

- A. Agree ten customer billings to the accounts receivable sub ledger. We concluded this procedure with no findings.
- B. Determine that five customer adjustments were properly authorized. We concluded this procedure with no findings.

(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. We concluded this procedure and found the disbursements to be within the parameters.
- B. Analyze all property, plant and equipment disbursements. In our analysis of the PP&E disbursements, we found no purchases of PP&E. We have no findings in this area.
- C. Select all disbursements to employees other than payroll and ten other disbursements and determine if they were adequately documented. We concluded this procedure with no findings.

(5) Property, plant and equipment

- A. Determine that additions and disposals were properly accounted for in the records. We concluded this procedure with no findings.

(6) Long-term debt

- A. Schedule long-term debt and verify changes in all balances for the year. We concluded this procedure with no findings.
- B. Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor. We concluded this procedure with no findings.
- C. Determine that the appropriate debt service accounts have been established and maintained. The department is required to have \$37,416 in debt service reserve. The combination of a savings account of \$36,071.82 and CD's totaling \$117,532, the debt service is covered.

(7) General

- A. Determine that any items of financial significance were approved and documented in the minutes of the Council meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by the Town of Western Grove, Arkansas Water Department 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 and billing records. 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 Town of Western Grove, Arkansas Water Department 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 Town of Western Grove, Arkansas Water Department and Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.



Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
November 5, 2025



To the Mayor and Town Council
Town of Western Grove, Arkansas

Management is responsible for the accompanying financial statements of the Town of Western Grove, Arkansas Water Department, which comprise the statements of assets, liabilities, and equity – cash basis as of December 31, 2023 and 2022, and the related statements of cash receipts and cash disbursements – cash basis, for the years then ended in accordance with the cash basis of accounting. 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.

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 disclosures 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, these financial statements are not for those who are not informed about such matters.

We draw attention to the fact that 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.

Przybysz & Associates, CPAs, P.C.
Fayetteville, Arkansas
November 5, 2025

TOWN OF WESTERN GROVE, ARKANSAS WATER DEPARTMENT

STATEMENTS OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS

AS OF DECEMBER 31,	2023	2022
Assets		
Cash and cash equivalents	\$ 317,964	\$ 287,096
Total Assets	\$ 317,964	\$ 287,096
Liabilities and Equity		
Fund balance	\$ 317,964	\$ 281,509
Total Liabilities and Equity	\$ 317,964	\$ 281,509

See accountant's report.

TOWN OF WESTERN GROVE, ARKANSAS WATER DEPARTMENT

STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS - CASH BASIS

FOR THE YEARS ENDED DECEMBER 31,	2023	2022
Cash Receipts		
Water revenue	\$ 251,100	\$ 248,202
Meter Receipts	4,850	8,550
Miscellaneous revenue	35	1,608
Interest Revenue	545	711
Total Cash Receipts	256,530	259,071
Cash Disbursements		
Water purchases	92,815	103,322
Meter refunds	1,221	3,539
Payroll and related disbursements	34,402	34,092
Rural development loan payments	37,416	37,416
Fees, licenses, & dues	10,856	10,762
Bank charges	233	138
Professional Fees	4,114	4,105
Insurance payments	3,135	-
Office Expense	8,062	7,600
Automobile Expense	385	552
Training	415	-
Equipment maintenance	9,859	10,814
Water supplies	-	18,716
Utilities	6,331	5,670
Sales tax payments	16,418	16,758
Total Cash Disbursements	225,662	253,484
Total Cash Receipts In Excess Of Disbursements	30,868	5,587
Cash Balance - Beginning of year	287,096	281,509
Cash Balance - End of year	\$ 317,964	\$ 287,096

See accountant's report.