

**GOSNELL WATER ASSOCIATION
PUBLIC WATER AUTHORITY OF
THE STATE OF ARKANSAS**

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

DECEMBER 31, 2022



**GOSNELL WATER ASSOCIATION PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
DECEMBER 31, 2022**

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Gosnell Water Association Public Water Authority

We have performed the procedures enumerated below on the financial and billing records of the Gosnell Water Association Public Water Authority as of and for the year ended December 31, 2022. Gosnell Water Association Public Water Authority's management is responsible for the financial and billing records.

The Gosnell Water Association Public Water Authority 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 no findings.
- B. Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with no findings.
- 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.

- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We found one customer where the billing document matched the ledger, but ended in March being unpaid with January and February charges added. The customer was shut off and was deemed a bad debt. We found a customer that had no deposit due to having a credit to the account of \$1,094.83. One of the customers passed away, but the billing document matched the ledger. There was no deposit. It ended in a bad debt.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings; however, banks have modified their deposit procedures so the actual cash/check composition does not show on the bank deposits like they have in the past.

(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 a maintenance invoice capitalized, which was adjusted to expense by management. We found a lease arrangement that was determined to be a financing lease. Management adjusted their records to add this asset.
- 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 except the maintenance invoice that management adjusted to expense and the asset addition noted in 4. B.

(6) Long-term debt

- A. Schedule long-term debt and verify changes in all balances for the year. We concluded this procedure finding the one financing lease mentioned in 4. B, which management adjusted.

- 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. This procedure was not applicable.

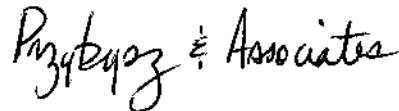
(7) General

- 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 Gosnell Water Association Public Water Authority 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 Gosnell Water Association Public Water Authority 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 Gosnell Water Association Public Water Authority 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
April 25, 2023



Accountant's Compilation Report

To the Board of Directors
Gosnell Water Association Public Water Authority

Management is responsible for the accompanying financial statements of the Gosnell Water Association Public Water Authority, which comprise the statements of net position as of December 31, 2022, the related statements of revenues, expenses and changes in net position for the years then ended in accordance with accounting principles generally accepted in the United States of America. 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. 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 and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows 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.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
April 25, 2022

FINANCIAL STATEMENTS

GOSNELL WATER ASSOCIATION PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2022

Assets	
Current Assets	
Cash and cash equivalents	\$ 212,245
Accounts receivable, net of allowance for doubtful accounts	53,208
Lease receivable, current	23,498
Prepaid expenses	3,687
Restricted cash	94,179
Certificates of deposit	222,001
Total Current Assets	608,818
Noncurrent Assets	
Long-term lease receivable	7,963
Capital Assets	
Land	19,000
Building Improvements	127,001
Plant and equipment	3,095,729
Construction in progress	208,106
Total	3,449,836
Less: accumulated depreciation	2,507,368
Net Capital Assets	942,468
Total Noncurrent Assets	950,431
Total Assets	\$ 1,559,249

See accountant's compilation report.

GOSNELL WATER ASSOCIATION PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2022

Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	\$ 49,823
Payroll taxes payable	3,162
Accrued payroll	1,385
Sales tax payable	6,298
Accrued interest	218
Customer deposits	94,179
Financed purchase, current portion	1,721
Note payable, current portion	51,388
Total Current Liabilities	208,174
Long-term Liabilities	
Financed purchase	5,584
Note payable	476,766
Total Liabilities	690,524
Deferred inflows of Resources	
Deferred inflows of resources related to leases	31,461
Total Deferred Inflows	31,461
Net Position	
Net investment in capital assets	407,009
Unrestricted net assets	430,255
Total Net Position	837,264
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,559,249

See accountant's compilation report.

GOSNELL WATER ASSOCIATION PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenue	
Metered water sales, net of provision for bad debts	\$ 488,778
Service charge	24,990
Late charges	19,623
Other revenue	39,786
Total Operating Revenue	573,177
Operating Expenses	
Salaries and wages	181,059
Payroll taxes	14,479
Supplies	7,256
Utilities	42,161
Insurance	75,658
Legal and accounting	4,794
Dues and subscriptions	3,163
Repairs and maintenance	53,866
Computer expense	3,544
Fuel	6,214
Office expense	2,094
Miscellaneous	71
Depreciation	94,070
Equipment expense	569
Chemicals and testing	33,228
Contract labor	8,185
Postage	5,612
Laundry	408
Health department fees	6,121
Total Operating Expenses	542,552
Net Income From Operations	30,625
Other Income (Expenses)	
Lease rental income	23,035
Lease interest income	977
Interest income	554
Gain or (Loss) on sale of asset	14,583
Interest expense	(14,565)
Total Net Other Income	24,584
Change In Net Position	55,209
Beginning of Year Net Position	782,055
End of Year Net Positon	\$ 837,264

See accountant's compilation report.