

**JOHNSON TOWNSHIP PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended March 31, 2022
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**



American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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**Board of Directors
Johnson Township Public Water Authority of the State of Arkansas
El Dorado, Arkansas**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the members of the Board on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the Johnson Township Public Water Authority for the year ended March 31, 2022. Johnson Township Public Water Authority's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119. The sufficiency of these procedures is solely the responsibility of the members of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Cash

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

Findings: We found no exceptions as a result of the procedures.

Receipts

2. 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 10 customer payments on the accounts receivable subledger to deposit and billing documents.
- c. For one deposit, agree the cash/check composition of the deposit with receipt information.

Findings: We found no exceptions as a result of the procedures.

Accounts Receivable

3. a. Agree 10 customer billings to the accounts receivable subledger.
- b. Determine that 5 customer adjustments were properly authorized.

Findings: We found no exceptions as a result of the procedures.

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**BOARD OF DIRECTORS
JOHNSON TOWNSHIP PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS**

Disbursements

4. 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 (10) other disbursements and determine if they were adequately documented.

Findings: We found no exceptions as a result of the procedures.

Property, Plant, & Equipment

5. a. Determine that additions and disposals were properly accounted for in the records.

Findings: We found no exceptions as a result of the procedures.

Long-Term Debt

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

Findings: We found no exceptions as a result of these procedures.

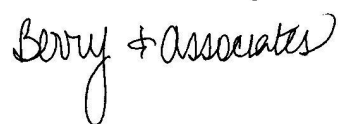
General

7. a. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.

Findings: We found the following exceptions as a result of the procedures: No minutes were recorded and no physical board meeting was conducted for the fiscal year due the COVID-19 Pandemic. We found no other exceptions as a result of these procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119. 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.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, Communities Unlimited, and the management of Johnson Township Public Water Authority of the State of Arkansas and is not intended to be and should not be used by anyone other than these specified parties.



BERRY & ASSOCIATES, P.A.
Little Rock, Arkansas
September 8, 2022

**JOHNSON TOWNSHIP PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended March 31, 2022
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**JOHNSON TOWNSHIP PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended March 31, 2022**

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Board of Directors

**Johnson Township Public Water Authority of the State of Arkansas
El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of Johnson Township Public Water Authority, which comprise the statement of assets, liabilities, and net position – modified cash basis as of March 31, 2022, and the related statement of cash receipts and cash disbursements for the year then ended, and for determining that the modified-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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the modified 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 the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's assets, liabilities, net position, cash receipts and cash disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
September 8, 2022

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JOHNSON TOWNSHIP PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
March 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents \$ 69,943

CAPITAL ASSETS - AT COST

Building 17,380
Distribution lines 1,078,119
Tank 7,301
Equipment 75,000
Fence 4,101

1,181,901

Less: accumulated depreciation (1,058,503)

Net Capital Assets 123,398

TOTAL ASSETS \$ 193,341

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Current maturities of long-term debt \$ 14,600

LONG-TERM DEBT, Net of Current Maturities

Communities Unlimited, Inc. 83,521

PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits 27,911

TOTAL LIABILITIES 126,032

NET POSITION

Unrestricted 60,783

Restricted 6,526

TOTAL NET POSITION 67,309

TOTAL LIABILITIES AND NET POSITION \$ 193,341

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

JOHNSON TOWNSHIP PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended March 31, 2022

CASH RECEIPTS

Water revenue	\$ 135,790
Meter deposits received	900
Interest income	47
Service connections	2,500
Total Cash Receipts	<u>139,237</u>

CASH DISBURSEMENTS

Operator expense	17,155
Debt service	
Principal	14,095
Interest	3,705
Utilities and telephone	53,790
Repairs	47,993
Material and supplies	3,277
Professional fees	7,145
Dues and fees	3,782
Insurance	5,526
Office expense	3,252
Meter deposit refunds	250
Capital expenditure	58,675
Truck expense	4,800
Total Cash Disbursements	<u>223,445</u>

DECREASE IN CASH AND RESTRICTED CASH (84,208)

BEGINNING CASH AND RESTRICTED CASH, AT MARCH 31, 2021 154,151

ENDING CASH AND RESTRICTED CASH, AT MARCH 31, 2022 \$ 69,943