

**MT. HOLLY PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended December 31, 2021**

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



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**Board of Directors
Mt. Holly 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 Mt. Holly Public Water Authority of the State of Arkansas for the year ended December 31, 2021. Mt. Holly Public Water Authority of the State of Arkansas'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% of \$500, whichever is greater.
- b. Agree 10 customer payments on the accounts receivable subsidiary ledger 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 sub ledger.
- b. Determine that 5 customer adjustments were properly authorized.

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

**Board of Directors
Mt. Holly 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 the following exceptions as a result of these procedures: The debt service accounts established and maintained are less than the requirement set forth by the loan agreements. We found no other exceptions as a result of the 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 these procedures. No minutes were recorded and no physical board meeting was conducted for the fiscal year due to 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, Arkansas Natural Resources Commission, Communities Unlimited, Inc., and the Mt. Holly Public Water Authority of the State of Arkansas and is not intended to be and should not be used by anyone other than this specified party.

Berry & Associates

Berry & Associates, PA
Little Rock, Arkansas
August 22, 2022

**MT. HOLLY PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2021
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

MT. HOLLY PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended December 31, 2021

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**Board of Directors
Mt. Holly Public Water Authority
Of the State of Arkansas
El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of Mt. Holly Public Water Authority of the State of Arkansas, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2021, 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. 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 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 of 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, these financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
August 22, 2022

MT. HOLLY PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2021

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 11,689
RESTRICTED ASSETS	
Certificates of deposit	12,183
FIXED ASSETS - AT COST	
Building	29,204
Distribution lines	600,658
Land	3,558
Equipment	25,915
	659,336
Less: Accumulated depreciation	(636,964)
Net Fixed Assets	22,372
TOTAL ASSETS	\$ 46,245
<u>LIABILITIES AND NET POSITION</u>	
CURRENT LIABILITIES	
Current maturities of long-term debt	\$ 16,648
LONG-TERM DEBT, Net of Current Maturities	
Arkansas Natural Resources Commission - WDF-27-02-D	10,589
Total Long-Term Debt	10,589
PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	15,365
TOTAL LIABILITIES	42,602
NET POSITION	
Unrestricted, deficit	(8,540)
Temporarily restricted	12,183
TOTAL NET POSITION	3,643
TOTAL LIABILITIES AND NET POSITION	\$ 46,245

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

MT. HOLLY PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2021

CASH RECEIPTS

Water revenue	\$ 76,973
Interest income	57
Meter deposits	1,100
Total Cash Receipts	<u>78,130</u>

CASH DISBURSEMENTS

Operator salary	7,584
Debt Service	
Principal	26,375
Interest	2,053
Utilities and telephone	8,168
Repairs and maintenance	14,464
Sales tax	5,626
Professional fees	5,112
Membership fees	2,131
Insurance	799
Supplies	2,178
Truck expense	3,000
Meter deposit refunds	400
Fees and dues	36
Miscellaneous expense	1,829
Total Cash Disbursements	<u>79,755</u>

DECREASE IN CASH AND RESTRICTED CASH (1,625)

BEGINNING CASH AND RESTRICTED CASH, AT JANUARY 1, 2021 25,497

ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2021 \$ 23,872

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT