

**EAST MONROE PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
Brinkley, Arkansas
For the Year Ended December 31, 2023**

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



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**Board of Directors
East Monroe Public Water Authority of the State of Arkansas
Brinkley, Arkansas**

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

We have performed the procedures enumerated below on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 of East Monroe Public Water Authority for the year ended December 31, 2023. East Monroe Public Water Authority management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

East Monroe Public Water Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas law and lender requirements. 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:

CASH AND INVESTMENTS

1. A. Perform a proof of cash for the year and reconcile year-end bank balances to book balance.
- 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.

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 sub ledger to deposit and billing documents.
- C. For ten deposits, 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 five (5) customer adjustments were properly authorized.

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

**Board of Directors
East Monroe Public Water Authority**

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) disbursements and determine if they were adequately documented.

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

PROPERTY, PLANT AND EQUIPMENT

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

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 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 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 the procedures. No minutes were recorded and no physical board meeting was conducted for the fiscal year. We found no other exceptions as a result of these procedures.

We were engaged by East Monroe Public Water Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review engagement, 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.

We are required to be independent of East Monroe Public Water Authority and to meet our 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 East Monroe Public Water Authority, and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.

Berry & Associates

Berry & Associates, PA
Little Rock, Arkansas
July 30, 2024

**EAST MONROE PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**EAST MONROE PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS
Brinkley, Arkansas
For the Year Ended December 31, 2023**

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**Board of Directors
East Monroe Public Water Authority of the State of Arkansas
Brinkley, Arkansas**

Management is responsible for the accompanying financial statements of East Monroe Public Water Authority, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2023, 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 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
July 30, 2024

EAST MONROE PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION – MODIFIED CASH BASIS
December 31, 2023

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 9,402
RESTRICTED ASSETS	
Cash and restricted cash	32,419
FIXED ASSETS - AT COST	
Water system	1,711,816
Land	5,000
	<u>1,716,816</u>
Less: accumulated depreciation	(1,692,258)
Net Fixed Assets	<u>24,558</u>
TOTAL ASSETS	\$ <u><u>66,379</u></u>
 <u>LIABILITIES AND NET POSITION</u> 	
PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	\$ <u>18,990</u>
NET POSITION	
Unrestricted	<u>47,389</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u><u>66,379</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

EAST MONROE PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2023

CASH RECEIPTS	
Water revenue	\$ 212,589
Meter deposits	1,025
Total Cash Receipts	<u>213,614</u>
CASH DISBURSEMENTS	
Water purchased	177,622
Utilities and telephone	4,020
Repairs and maintenance	600
Professional fees	11,470
Insurance	3,733
Membership fees	2,855
Meter deposit refunds	950
Miscellaneous	588
Sales tax expense	12,675
Total Cash Disbursements	<u>214,513</u>
DECREASE IN CASH AND RESTRICTED CASH	(899)
BEGINNING CASH AND RESTRICTED CASH, AT JANUARY 1, 2023	<u>42,720</u>
ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2023	<u><u>\$ 41,821</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT