

BIGGERS WATERWORKS
Biggers, Arkansas
For the Year Ended December 31, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



Berry & Associates

CERTIFIED PUBLIC ACCOUNTANTS

American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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**Members of the Town Council
Biggers Waterworks
Biggers, 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 Town Council on the modified cash basis financial information and compliance with certain state laws of the Biggers Waterworks for the year ended December 31, 2016. Biggers Waterworks' management is responsible for the modified cash basis financial records and compliance with certain state laws. This report is prepared in accordance with Ark. Code Ann. 14-234-119. The sufficiency of these procedures is solely the responsibility of the members of the Town Council. 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 and Investments

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 the following exceptions as a result of the procedures: Cash/check composition of the deposit could not be agreed to the receipt information. This is due to billing reports not specifying form of payments received by customers so there are no cash/check totals to compare the deposit slips to. We found no other exceptions as a result of these 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.*

**Members of the Town Council
Biggers Waterworks**

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 the procedures

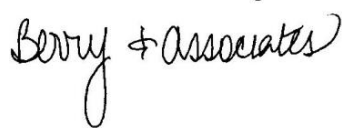
General

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

Findings: We found no exceptions as a result of the 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 Biggers Waterworks, Arkansas Natural Resources Commission, USDA Rural Development, 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, P.A.
Little Rock, Arkansas
February 24, 2023

**BIGGERS WATERWORKS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2016
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

BIGGERS WATERWORKS
Biggers, Arkansas
For the Year Ended December 31, 2016

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Members of Town Council
Biggers Waterworks
Biggers, Arkansas

Management is responsible for the accompanying financial statements of Biggers Waterworks, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2016, 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 Association's assets, liabilities, net position, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
February 24, 2023

BIGGERS WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2016

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	4,749
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RESTRICTED ASSETS

Cash and Cash Equivalents		21,092
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FIXED ASSETS - AT COST

Sewer System		821,045
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Water System		143,983
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Equipment		16,575
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Land		9,109
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Office Equipment		1,536
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		992,248
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Less: Accumulated Depreciation		(763,265)
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Net Fixed Assets		228,983
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TOTAL ASSETS	\$	254,824
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Current Maturities of Long-Term Debt	\$	7,300
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LONG-TERM DEBT, Net of Current Maturities		76,299
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PAYABLES FROM RESTRICTED ASSETS

Customer Water Meter Deposits		9,093
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TOTAL LIABILITIES		92,692
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NET POSITION

Unrestricted		141,040
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Temporarily Restricted		21,092
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TOTAL NET POSITION		162,132
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TOTAL LIABILITIES AND NET POSITION	\$	254,824
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

BIGGERS WATERWORKS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2016

CASH RECEIPTS

Water Revenue	\$ 19,216
Sewer Revenue	18,249
Meter Deposits	1,474
Interest	61
Miscellaneous Revenue	1,742
Transfers from General Fund	26,000
Total Cash Receipts	<u>66,742</u>

CASH DISBURSEMENTS

Salaries	18,050
Debt Service	
Principal	11,761
Interest	4,298
Meter Deposit Refunds	861
Utilities and Telephone	6,931
Maintenance and Repairs	12,797
Insurance	3,699
Payroll Taxes	1,104
Office Expense	1,394
Supplies	2,675
License and Permits	1,941
Total Cash Disbursements	<u>65,510</u>

INCREASE IN CASH AND RESTRICTED CASH 1,232

BEGINNING CASH AND RESTRICTED CASH, AT JANUARY 1, 2016 24,608

ENDING CASH AND RESTRICTED CASH AT DECEMBER 31, 2016 \$ 25,841

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT