

**PATTERSON WATER DEPARTMENT**  
**Patterson, Arkansas**  
**For the Year Ended December 31, 2022**

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



**Members of the Town Council  
Patterson Water Department  
Patterson, 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 Patterson Water Department for the year ended December 31, 2022. Patterson Water Department's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Patterson Water Department 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

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: No exceptions were found as a result of applying 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 ten deposits, agree the cash/check composition of the deposit with receipt information.

*Findings: No exceptions were found as a result of applying the procedures.*

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**Members of the Town Council  
Patterson Water Department**

Accounts Receivable

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

*Findings: No exceptions were found as a result of applying the procedures.*

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: No exceptions were found as a result of applying the procedures.*

Property, Plant, & 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: No exceptions were found as a result of applying 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: No exceptions were found as a result of applying 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: No exceptions were found as a result of applying the procedures.*

We were engaged by Patterson Water Department 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.

**Members of the Town Council  
Patterson Water Department**

We are required to be independent of Patterson Water Department 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 Patterson Water Department, 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*

Berry & Associates, P.A.  
Little Rock, Arkansas  
February 20, 2023

**PATTERSON WATER DEPARTMENT  
FINANCIAL STATEMENTS  
For the Year Ended December 31, 2022  
and  
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**PATTERSON WATER DEPARTMENT**  
**Patterson, Arkansas**  
**For the Year Ended December 31, 2022**

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**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  
Patterson Water Department  
Patterson, Arkansas**

Management is responsible for the accompanying financial statements of the Patterson Water Department, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 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. 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 Department'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  
February 20, 2023

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**PATTERSON WATER DEPARTMENT**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS**  
**December 31, 2022**

<u><b>ASSETS</b></u>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 49,836
<b>RESTRICTED ASSETS</b>	
Cash and cash equivalents	103,343
<b>FIXED ASSETS - AT COST</b>	2,323,213
Less: accumulated depreciation	<u>(1,749,294)</u>
Net Fixed Assets	<u>573,919</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 727,098</u></u>
<u><b>LIABILITIES AND NET POSITION</b></u>	
<b>CURRENT LIABILITIES</b>	
Current maturities of long-term debt	\$ 2,400
<b>LONG-TERM DEBT, Net of Current Maturities</b>	
USDA Rural Development 91-16	103,127
Due to General Fund	<u>39,363</u>
Total Long-Term Debt	<u>142,490</u>
<b>PAYABLES FROM RESTRICTED ASSETS</b>	
Customer water meter deposits	<u>14,433</u>
<b>TOTAL LIABILITIES</b>	<u>159,323</u>
<b>NET POSITION</b>	
Unrestricted	508,579
Temporarily restricted	<u>59,196</u>
<b>TOTAL NET POSITION</b>	<u>567,775</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 727,098</u></u>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**



**PATTERSON WATER DEPARTMENT  
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS  
For the Year Ended December 31, 2022**

**CASH RECEIPTS**

Water revenue	\$ 84,244
Sewer revenue	44,201
West Woodruff Water District bookkeeping	3,900
West Woodruff Water District maintenance	10,291
Penalties and late charges	3,340
Miscellaneous revenue	14,316
Meter deposits	5,000
Transfers in from general fund	22,282
Interest income	293
Total Cash Receipts	<u>187,867</u>

**CASH DISBURSEMENTS**

Operating salaries and payroll taxes	59,531
Supplies	19,831
Debt service	
Principal	2,322
Interest	2,670
Utilities and telephone	13,805
Licenses and permits	2,057
Insurance	7,989
Office expense	1,755
Uniforms	878
Repairs and maintenance	30,564
Meter deposit refunds	4,476
Payments on general fund loan	6,000
Miscellaneous expense	4,614
Total Cash Disbursements	<u>156,492</u>

<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	31,375
<b>BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2022</b>	<u>121,804</u>
<b>ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2022</b>	<u>\$ 153,179</u>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**