

PATTERSON WATER DEPARTMENT
Patterson, Arkansas
For the Year Ended December 31, 2024

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 – 14-234-122 of Patterson Water Department for the year ended December 31, 2024. 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 – 14-324-122.

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 ten 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 ten customer billings to the accounts receivable subledger.
- b. Determine that five 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 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 - 14-234-122. 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
June 9, 2025

**PATTERSON WATER DEPARTMENT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2024
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

PATTERSON WATER DEPARTMENT
Patterson, Arkansas
For the Year Ended December 31, 2024

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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, 2024, 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
June 9, 2025

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PATTERSON WATER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2024

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 32,408
RESTRICTED ASSETS	
Cash and cash equivalents	127,174
FIXED ASSETS - AT COST	2,587,773
Less: accumulated depreciation	<u>(1,819,124)</u>
Net Fixed Assets	<u>768,649</u>
TOTAL ASSETS	<u><u>\$ 928,231</u></u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES	
Current maturities of long-term debt	\$ 2,500
LONG-TERM DEBT, Net of Current Maturities	
USDA Rural Development 91-16	98,204
Due to General Fund	<u>27,863</u>
Total Long-Term Debt	<u>126,067</u>
PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	<u>14,669</u>
TOTAL LIABILITIES	<u>143,236</u>
NET POSITION	
Unrestricted	712,643
Temporarily restricted	<u>72,352</u>
TOTAL NET POSITION	<u>784,995</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 928,231</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**PATTERSON WATER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2024**

CASH RECEIPTS

Water revenue	\$ 89,828
Sewer revenue	46,551
West Woodruff Water District bookkeeping	3,900
West Woodruff Water District maintenance	20,011
Penalties and late charges	2,494
Miscellaneous revenue	7,918
Meter deposits	4,000
Grant income	31,497
Transfers in from general fund	1,000
Interest income	2,385
Total Cash Receipts	<u>209,584</u>

CASH DISBURSEMENTS

Operating salaries and payroll taxes	74,122
Supplies	28,086
Debt service	
Principal	2,441
Interest	2,551
Utilities and telephone	13,160
Licenses and permits	1,555
Insurance	16,439
Office expense	1,880
Uniforms	1,268
Repairs and maintenance	10,306
Meter deposit refunds	4,074
Construction in progress costs	31,497
Payments on general fund loan	5,500
Miscellaneous expense	10,702
Total Cash Disbursements	<u>203,581</u>

INCREASE IN CASH AND CASH EQUIVALENTS**BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2024****ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2024**

6,003
<u>153,579</u>
<u>\$ 159,582</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT