

TOWN OF GILLHAM WATERWORKS
Gillham, Arkansas
For the Year Ended December 31, 2022

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
Town Of Gillham Waterworks
Gillham, 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 Town of Gillham Waterworks for the year ended December 31, 2022. Town of Gillham Waterworks management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Town of Gillham Waterworks 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 investment.
- 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 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 subledger.
- b. Determine that five customer adjustments were properly authorized.

Findings: We found the following exceptions as a result of these procedures: Customer adjustment documentation could not be provided. We found no other exceptions as a result of these procedures.

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**Council Members
Town Of Gillham 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

1. 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

2. 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 these procedures.

General

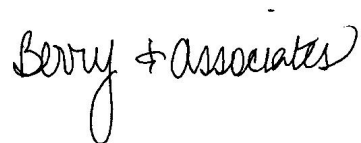
7. a. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.

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

We were engaged by Town of Gillham Waterworks 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 Town of Gillham Waterworks 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 Town of Gillham Waterworks 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 20, 2024

**TOWN OF GILLHAM WATERWORKS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

TOWN OF GILLHAM WATERWORKS
Gillham, Arkansas
For the Year Ended December 31, 2022

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**Members of the Town Council
Town Of Gillham Waterworks
Gillham, Arkansas**

Management is responsible for the accompanying financial statements of Town of Gillham Waterworks, 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 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 Town of Gillham Waterworks' 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
February 20, 2024

TOWN OF GILLHAM WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
December 31, 2022

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	34,727
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RESTRICTED ASSETS

Cash and Cash Equivalents		17,876
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FIXED ASSETS - AT COST

Utility Plant		112,334
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Office equipment		4,600
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Equipment		62,011
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Less: Accumulated Depreciation		(137,766)
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Net Fixed Assets		<u>41,179</u>
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TOTAL ASSETS	\$	<u>93,782</u>
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LIABILITIES AND NET POSITION

PAYABLES FROM RESTRICTED ASSETS

Customer Water Meter Deposits	\$	<u>16,172</u>
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Total Payables from Restricted Assets		<u>16,172</u>
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NET POSITION

Unrestricted		<u>77,610</u>
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TOTAL NET POSITION		<u>77,610</u>
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TOTAL LIABILITIES AND NET POSITION	\$	<u>93,782</u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

TOWN OF GILLHAM WATERWORKS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2022

CASH RECEIPTS

Water Revenue	\$ 67,084
Sewer Revenue	28,696
Garbage Revenue	2,031
Meter Deposits Received	2,211
Other Income	9,552
Interest Income	104
Transfers In	2,608
Total Cash Receipts	<u>112,286</u>

CASH DISBURSEMENTS

Operating Salaries	9,780
Utilities and Telephone	645
Sales Tax	7,336
Sanitation	30,507
Supplies	13,217
Waste Service Fees	2,048
Water Purchases	29,473
Meter Deposit Refunds	621
Miscellaneous Expense	1,353
Total Cash Disbursements	<u>94,980</u>

INCREASE IN CASH AND CASH EQUIVALENTS

17,305

BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 202235,298**ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2022**\$ 52,603

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT