

Town of Bergman Water System  
Financial Statements  
December 31, 2021



John S. Brock | Jake Froemsdorf | Rocky Goodman | Greg Schichtl | J. Michael Tuohey

Town of Bergman Water System  
Honorable Mayor and Town Council  
P.O. Box 160  
Bergman, AR 72615

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

We have performed the procedures described herein on the financial information of Town of Bergman Water System for the 12 months ended December 31, 2021. Town of Bergman Water System's board is responsible for Town of Bergman Water System's financial information.

The board of the Town of Bergman Water System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the financial information of the Town of Bergman Water System for the 12 months ended December 31, 2021. The board has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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 performed and the associated findings are as follows:

- Cash
  - For the financial year ended December 31, 2021, Garland & Greenwood CPAs and Advisors, PLLC (G&G) performed the following procedures:
    - Performed a proof of cash and re-reconciled year-end bank balances to book balances.  
*We found one exception as a result of the re-reconciliation of year-end bank balances and the preparation of the proof of cash. This exception is reported in the Disbursements sections below.*
    - Confirm with depository institutions the cash on deposit and investments for the year December 31, 2021.  
*No exceptions were noted as a result of this procedure.*
    - Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.  
*No exceptions were noted as a result of this procedure.*
- Receipts
  - For the financial year ended December 31, 2021, Garland & Greenwood CPAs and Advisors, PLLC (G&G) performed the following procedures:

- Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater.

*No exceptions were noted as a result of this procedure.*

- Agree ten customer deposits on the accounts receivable sub-ledger to deposit and billing documents.

*No exceptions were noted as a result of this procedure.*

- For ten deposits, agree the cash/check composition of the deposit with receipt information.

*We found the following exception as a result of this procedure.*

1. *Supporting documentation for 4 out of the 10 selected deposits were not present. Town of Bergman Water System states that previously they were using another software, and they were not able to generate reports for the 4 deposits.*

- Accounts Receivable

- For the financial year ended December 31, 2021, Garland & Greenwood CPAs and Advisors, PLLC (G&G) performed the following procedures:

- Agree ten customer billings to the accounts receivable subledger.

*No exceptions were noted as a result of this procedure.*

- Determine that five customer adjustments were properly authorized.

*No exceptions were noted; however, the individual who makes the adjustments is the same person who authorizes the adjustment.*

- Disbursements

- For the financial year ended December 31, 2021, Garland & Greenwood CPAs and Advisors, PLLC (G&G) performed the following procedures:

- Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater.

*We found below one exception as a result of this procedure.*

1. *The Rural Development loan payment of \$9,625 was made in December 2021, but in the accounting system, it was not recorded until January 2022. Due to this timing difference, the disbursement recorded in G/L account # 103016 doesn't agree with the bank statement. The difference between the bank and book balance is \$ 9,625.*

- Analyze all property, plant, and equipment disbursements. Specifically, examine the supporting documentation and look for irregularities.

*No exceptions were noted as a result of this procedure.*

- Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

*No exceptions were noted as a result of this procedure.*

- Property, Plant and Equipment

- For the financial year ended December 31, 2021, Garland & Greenwood CPAs and Advisors, PLLC (G&G) performed the following procedures:

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

*No exceptions were noted as a result of this procedure.*

- Long-term debt
  - For the financial year ended December 31, 2021, Garland & Greenwood CPAs and Advisors, PLLC (G&G) performed the following procedures:
    - Schedule long-term debt and verify changes in all balances for the year.  
*No exceptions were noted as a result of this procedure.*
    - Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor.  
*No exceptions were noted as a result of this procedure. However, the Arkansas Natural Resource Commission did not respond to the confirmation request for one of the long-term debts.*
    - Determine that the appropriate debt service accounts have been established and maintained.  
*No exceptions were noted as a result of this procedure.*
- General
  - For the financial year ended December 31, 2021, Garland & Greenwood CPAs and Advisors, PLLC (G&G) performed the following procedures:
    - Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings. Specifically, we will search for any new financial activity that appears to be outside of the normal course of operations and determine if the activity was addressed in the minutes of the governing body's meetings.  
*No exceptions were noted as a result of this procedure.*

We were engaged by the board of the Town of Bergman Water System to perform this engagement to apply agreed-upon procedures 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 financial information of the Town of Bergman Water System as of December 31, 2021. 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 the Town of Bergman Water System and to meet our other 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 board of the Town of Bergman Water System and is not intended to be and should not be used by anyone other than these specified parties.

*Garland and Greenwood CPAs and Advisors, PLLC*

Bentonville, AR

March 3, 2024

# **Town of Bergman Water System**

**Financial Statements**  
with Accountant's Compilation Report

**December 31, 2021**

# Town of Bergman Water System

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John S. Brock | Jake Froemsdorf | Rocky Goodman | Greg Schichtl | J. Michael Tuohey

Town of Bergman Water System  
Honorable Mayor and Town Council  
P.O. Box 160  
Little Rock, AR 72221

Management is responsible for the accompanying financial statements of Town of Bergman Water System, which comprise the statement of assets, liabilities and net position – cash basis as of December 31, 2021, and the related statement of revenues, expenses, and changes in net position – cash basis for the year ended December 31, 2021, and for determining that the 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 American Institute of Certified Public Accountants. 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. 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 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 cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's assets, liabilities, net position, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Garland & Greenwood CPAs and Advisors, PLLC*

Bentonville, Arkansas  
March 3, 2024

Town of Bergman Water System  
Statement of Assets, Liabilities and Net Position - Cash Basis  
December 31,2021

	2021
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 1,262,946
Total unrestricted current assets	1,262,946
Restricted assets	
Cash	261,827
Total restricted current assets	261,827
Total Current Assets	1,524,773
Property and Equipment - Net	3,739,504
Other Assets	
Certificate of deposit	67,745
<b>Total Assets</b>	<b>\$ 5,332,022</b>
<b>Liabilities and Net Position</b>	
Current Liabilities	
Accrued expenses	\$ 2,972
Meter & Renters deposits	123,056
Current maturities of long-term debt	101,220
Total Current Liabilities	227,248
Long-Term Liabilities	
Long-term debt - less current maturities	2,138,537
Total Long-Term Liabilities	2,138,537
Net Position	
Without donor restrictions	2,966,237
Total Net Position	2,966,237
<b>Total Liabilities and Net Position</b>	<b>\$ 5,332,022</b>

See accountant's compilation report.



Town of Bergman Water System  
Statement of Revenues, Expenses and Changes in Net Position - Cash Basis  
For the Years Ended December 31, 2021

	2021
<b>Operating Revenue</b>	
Water sales	\$ 667,976
Collection fees	20,937
Miscellaneous income	9,674
<b>Total Operating Revenue</b>	<b>698,587</b>
<b>Operating Expenses</b>	
General and administrative	410,486
Management and general	218,614
<b>Total Operating Expenses</b>	<b>629,100</b>
<b>Operating Income (Loss)</b>	<b>69,487</b>
<b>Other Revenues (Expenses)</b>	
Interest income	16,315
Interest expenses	(95,246)
<b>Total Other Revenues (Expenses)</b>	<b>(78,931)</b>
<b>Change in Net Position</b>	<b>(9,444)</b>
Net position - beginning of year	2,975,681
<b>Net Position - End of Year</b>	<b>\$ 2,966,237</b>

*See accountant's compilation report.*