

**Cash Water Works**

**(A Component Unit of the City of Cash, Arkansas)**

**Agreed-Upon Procedures Report**

**For the Year Ended December 31, 2022**

**Thomas, Speight & Noble  
Certified Public Accountants**

2210 Fowler Avenue  
Jonesboro, AR 72401  
(870) 932-5858



Thomas, Speight & Noble

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A Professional Association of Certified Public Accountants

Member of the Private Companies Section of the American Institute of Certified Public Accountants

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and  
Members of the City Council  
City of Cash  
Cash, AR 72421

We have performed the procedures enumerated below with respect to the cash basis financial information and compliance with certain state laws for Cash Water Works, a component unit of the City of Cash, Arkansas, for the year ended December 31, 2022. Cash Water Works' management is responsible for the cash basis financial information and compliance with certain state laws.

Cash Water Works has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with certain state laws. 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 the associated findings are as follows:

### 1. Cash and Investments

- 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 deposits and investments
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater

We noted no exceptions as a result of these procedures.

### 2. Receipts

- 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 in the accounts receivable sub ledger to deposit and billing documents
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information

We noted no exceptions as a result of these procedures.

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### **3. Accounts Receivable**

- A. Agree 10 customer billings to the accounts receivable sub ledger
- B. Determine that five customer adjustments were properly authorized

We noted no exceptions as a result of these procedures.

### **4. Disbursements**

- 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

We noted no exceptions as a result of these procedures.

### **5. Property, Plant and Equipment**

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

We noted no exceptions as a result of these procedures.

### **6. Long-term debt**

- A. Schedule long-term debt and verify changes in all balances for the year
- B. Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor
- C. Determine that the appropriate debt service accounts have been established and maintained

We noted no exceptions as a result of these procedures.

### **7. General**

- A. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings

We noted no exceptions as a result of these procedures.

We were engaged by Cash Water Works to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the cash basis information and compliance with certain state laws. 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 Cash Water Works 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 Division of Legislative Audit for the State of Arkansas and the City Council of Cash Water Works and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully,

*Thomas, Speight and Noble, CPAs*

Thomas, Speight and Noble, CPAs  
Jonesboro, Arkansas  
May 17, 2023

**Cash Water Works**

**(A Component Unit of the City of Cash, Arkansas)**

**Compiled Financial Statements**

**For the Year Ended December 31, 2022**

**Thomas, Speight & Noble**  
**Certified Public Accountants**

2210 Fowler Avenue  
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## ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Cash  
P.O. Box 14  
Cash, Arkansas 72421

Management is responsible for the accompanying financial statement of Cash Water Works, which comprise the statement of assets & net position (cash basis) as of December 31, 2022, and the related statement of cash receipts & disbursements for the year then ended and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with the Statements of Standards for 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.

Management has elected to omit substantially all 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 Company's assets, liabilities, net positions, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Respectfully,

*Thomas, Speight & Noble, CPAs*

Thomas, Speight & Noble, CPAs  
Jonesboro, Arkansas  
May 17, 2023

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**Cash Water Works**  
**Statement of Assets & Net Position (Cash Basis)**  
**December 31, 2022**

Assets	Water	Sewer	Total
Current assets			
Cash in bank	\$ 4,983	\$ 10,234	\$ 15,217
Total current assets	<u>4,983</u>	<u>10,234</u>	<u>15,217</u>
Non-current assets			
Restricted for debt service	<u>-</u>	<u>6,720</u>	<u>6,720</u>
Total assets arising from cash transactions	<u><u>\$ 4,983</u></u>	<u><u>\$ 16,954</u></u>	<u><u>\$ 21,937</u></u>
Net Position			
Net position arising from cash transactions	<u>4,983</u>	<u>16,954</u>	<u>21,937</u>
Total net position arising from cash transactions	<u><u>\$ 4,983</u></u>	<u><u>\$ 16,954</u></u>	<u><u>\$ 21,937</u></u>

*See accountants' compilation report.*



**Cash Water Works**  
**Statement of Cash Receipts & Disbursements**  
**December 31, 2022**

	Water	Sewer	Total
Cash receipts:			
Revenue	\$ 38,348	\$ 39,452	\$ 77,800
Service deposits collected	2,875	-	2,875
Reconnect fees	725	-	725
Other income	650	-	650
Interest earned	4	3	7
Total cash receipts	<u>42,602</u>	<u>39,455</u>	<u>82,057</u>
Cash disbursements:			
Taxes	3,441	1,415	4,856
Repairs & maintenance	4,025	5,255	9,280
Utilities	-	4,171	4,171
Refund	764	-	764
CWL	36,244	-	36,244
Insurance/annual dues	793	550	1,343
Legal & professional	-	469	469
Bond Fees	-	19,940	19,940
Miscellaneous	-	680	680
Sewer loan	-	6,720	6,720
Total expense	<u>45,267</u>	<u>39,200</u>	<u>84,467</u>
Net Income (loss)	<u>\$ (2,665)</u>	<u>\$ 255</u>	<u>\$ (2,410)</u>

*See accountants' compilation report.*