

**CITY OF ELKINS WATER  
AND SEWER DEPARTMENT  
Elkins, Arkansas  
For the Year Ended December 31, 2023**

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



**Berry & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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Texas Society of CPAs

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**The Mayor and Members of the City Council  
City of Elkins Water and Sewer Department  
Elkins, 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 City of Elkins Water and Sewer Department. for the year ended December 31, 2023. City of Elkins Water and Sewer Department management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 – 14-234-122.

City of Elkins Water and Sewer 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: We found the following exceptions related to the procedures: One account did not agree the proof of cash ending balance to the book balance within 5% or \$500. No other exceptions were found as a result of applying 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 subsidiary ledger 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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**The Mayor and Members of the City Council  
City Of Elkins Water and Sewer Department**

Accounts Receivable

1. 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

1. 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

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

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

Long-Term Debt

3. 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

4. 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 City of Elkins Water and Sewer 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.

**The Mayor and Members of the City Council  
City Of Elkins Water and Sewer Department**

We are required to be independent of City of Elkins Water and Sewer 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 Simmons Bank, Arkansas Natural Resource Commission, 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, PA  
Little Rock, Arkansas  
May 9, 2025  
May 29, 2025

**CITY OF ELKINS WATER  
AND SEWER DEPARTMENT  
FINANCIAL STATEMENTS  
For the Year Ended December 31, 2023  
and  
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**CITY OF ELKINS WATER AND SEWER DEPARTMENT**  
**Elkins, Arkansas**  
**For the Year Ended December 31, 2023**

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**The Mayor and Members of the City Council  
City Of Elkins Water and Sewer Department  
Elkins, Arkansas**

Management is responsible for the accompanying financial statements of City of Elkins Water and Sewer Department, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2023, 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 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  
May 9, 2025  
May 29, 2025

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**CITY OF ELKINS WATER AND SEWER DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS  
December 31, 2023**

<u><b>ASSETS</b></u>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 256,596
<b>RESTRICTED ASSETS</b>	
Cash and cash equivalents	951,539
<b>FIXED ASSETS - AT COST</b>	
Equipment	332,697
Land	3,867
Utility plant	7,096,899
Construction in progress	3,444,220
	10,877,683
Less: accumulated depreciation	(3,276,818)
Net fixed assets	7,600,865
<b>TOTAL ASSETS</b>	\$ 8,809,000
 <u><b>LIABILITIES AND NET POSITION</b></u>  	
<b>CURRENT LIABILITIES</b>	
Current maturities of long-term debt	\$ <u>56,300</u>
<b>NONCURRENT LIABILITIES</b>	
Long-term debt, net of current maturities	<u>328,090</u>
<b>PAYABLE FROM RESTRICTED ASSETS</b>	
Customer water meter deposits	<u>235,989</u>
<b>TOTAL LIABILITIES</b>	<u>620,379</u>
<b>NET POSITION</b>	
Unrestricted	8,073,661
Restricted	<u>114,960</u>
<b>TOTAL NET POSITION</b>	<u>8,188,621</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	\$ <u>8,809,000</u>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**CITY OF ELKINS WATER AND SEWER DEPARTMENT  
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS  
For the Year Ended December 31, 2023**

**CASH RECEIPTS**

Water revenue	\$ 1,136,822
Meter deposits received	33,782
Interest income	12,765
Other revenue	483,439
	<hr/>
Total cash receipts	1,666,808

**CASH DISBURSEMENTS**

Office expense	1,152
Auto expense	7,981
Insurance	19,705
Debt Service	
Principal	66,254
Interest expense	23,252
Repairs and maintenance	12,164
Miscellaneous expense	6,816
Utilities	17,631
Professional fees	27,776
Computer expense	4,779
Dues and subscriptions	2,918
Materials	72,706
Payroll expense	157,290
Sales tax	83,346
Sanitation expense	267,402
Sewer expense	475,122
Water expense	277,310
Training	1,393
Uniforms	1,161
Travel	115
Postage	10,701
Retirement expense	15,968
Meter deposit refunds	13,289
	<hr/>
Total cash disbursements	1,566,232

**INCREASE IN CASH AND CASH EQUIVALENTS**

100,576

**BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2023**

1,107,559

**ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2023**

\$ 1,208,135

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**