

TOWN OF GILLHAM WATERWORKS
Gillham, Arkansas
For the Year Ended December 31, 2021

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



Berry & Associates
CERTIFIED PUBLIC ACCOUNTANTS

American Institute 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, which were agreed to by the members of the Council on procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the Town of Gillham Waterworks for the year ended December 31, 2021. 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. The sufficiency of these procedures is solely the responsibility of the members of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Cash

- i. a. Perform a proof and reconciliation of cash for the year.
- b. Confirm the cash on deposit and investments with the depository institutions.
- 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.

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.
- c. For one deposit, agree the cash/check composition of the deposit with receipt information.

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.

11225 Huron Lane, Suite 212 • Little Rock, AR 72211 • 501-227-9044 • Fax 501-227-8791 •

jtberry@berrypresscpa.com

2911 Turtle Creek Blvd., Suite 300 • Dallas, TX 75219 • 972-437-2919

2088 Main Street, Suite A • Madison, MS 39110 • 601-383-0119

**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 10 disbursements and determine if they were adequately documented.

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

Property, Plant, & Equipment

5. a. Determine that additions and disposals were properly accounted for in the records.

Findings: We found no exceptions as a result of 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: 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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the 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.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee and the Town of Gillham Waterworks and is not intended to be and should not be used by anyone other than this specified party.

Berry & Associates

Berry & Associates, P.A.
Little Rock, Arkansas
December 28, 2022

**TOWN OF GILLHAM WATERWORKS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2021
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

TOWN OF GILLHAM WATERWORKS
Gillham, Arkansas
For the Year Ended December 31, 2021

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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, 2021, 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. We do not express an opinion, a conclusion, nor provide any 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 Waterworks' 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

Berry & Associates, P.A.
Little Rock, Arkansas
December 28, 2022

11225 Huron Lane, Suite 212 • Little Rock, AR 72211 • 501-227-9044 • Fax 501-227-8791

jtherry@berryassociatescpa.com

2911 Turtle Creek Blvd., Suite 300 • Dallas, TX 75219 • 972-437-2919

2088 Main Street, Suite A • Madison, MS 39110 • 601-383-0119

**TOWN OF GILLHAM WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
December 31, 2021**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 18,690
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RESTRICTED ASSETS

Cash and Cash Equivalents	16,608
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FIXED ASSETS - AT COST

Utility Plant	112,334
Office equipment	4,600
Equipment	62,011
Less: Accumulated Depreciation	(125,364)
Net Fixed Assets	53,581

TOTAL ASSETS	\$ 88,879
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LIABILITIES AND NET POSITION

PAYABLES FROM RESTRICTED ASSETS

Customer Water Meter Deposits	\$ 14,583
TOTAL LIABILITIES	14,583

NET POSITION

Unrestricted	74,296
TOTAL NET POSITION	74,296

TOTAL LIABILITIES AND NET POSITION	\$ 88,879
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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, 2021

CASH RECEIPTS

Water Revenue	\$ 60,188
Sewer Revenue	25,053
Garbage Revenue	1,975
Meter Deposits Received	2,500
Other Income	22,823
Interest Income	72
Transfers In	129,899
Total Cash Receipts	<u>242,510</u>

CASH DISBURSEMENTS

Operating Salaries	7,500
Capital Purchases	62,011
Utilities and Telephone	511
Sales Tax	6,359
Sanitation	28,131
Supplies	10,266
Repairs	67,888
Water Purchases	33,341
Meter Deposit Refunds	800
Miscellaneous Expense	17,033
Total Cash Disbursements	<u>233,840</u>

INCREASE IN CASH AND CASH EQUIVALENTS

8,670

BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 202126,628**ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2021**\$ 35,298

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT