

TOWN OF GILLHAM WATERWORKS
Gillham, Arkansas
For the Year Ended December 31, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



**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 the Town of Gillham Waterworks for the year ended December 31, 2023. 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 ten 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 ten customer billings to the accounts receivable subledger.
- b. Determine that five customer adjustments were properly authorized.

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

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

jiberry@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

**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 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

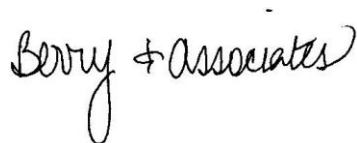
7. a. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.

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

We were engaged by the 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 the 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
August 30, 2024

**TOWN OF GILLHAM WATERWORKS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2023
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

TOWN OF GILLHAM WATERWORKS
Gillham, Arkansas
For the Year Ended December 31, 2023

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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**

Management is responsible for the accompanying financial statements of the Town of Gillham Waterworks, 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 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
August 30, 2024

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**TOWN OF GILLHAM WATERWORKS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
December 31, 2023**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents \$ 31,820

RESTRICTED ASSETS

Cash and Cash Equivalents 18,346

FIXED ASSETS - AT COST

Utility Plant 112,334

Office equipment 4,600

Equipment 62,011

Less: Accumulated Depreciation (150,168)

Net Fixed Assets 28,777

TOTAL ASSETS \$ 78,943

LIABILITIES AND NET POSITION

PAYABLES FROM RESTRICTED ASSETS

Customer Water Meter Deposits \$ 16,555

Total Payables from Restricted Assets 16,555

NET POSITION

Unrestricted 62,388

TOTAL NET POSITION 62,388

TOTAL LIABILITIES AND NET POSITION \$ 78,943

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

TOWN OF GILLHAM WATERWORKS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2023

CASH RECEIPTS

Water Revenue	\$ 72,651
Sewer Revenue	30,041
Garbage Revenue	2,299
Meter Deposits Received	1,458
Other Income	8,461
Interest Income	125
Transfers In	5,395
Total Cash Receipts	<u>120,430</u>

CASH DISBURSEMENTS

Operating Salaries	11,794
Utilities and Telephone	698
Sales Tax	7,869
Sanitation	2,436
Supplies	14,099
Waste Service Fees	32,243
Water Purchases	42,143
Meter Deposit Refunds	1,075
Repairs and Maintenance	7,300
Miscellaneous Expense	3,210
Total Cash Disbursements	<u>122,867</u>

DECREASE IN CASH AND CASH EQUIVALENTS (2,437)

BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 2023 52,603

ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2023 \$ 50,166

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT