

TOWN OF MAYNARD WATER & SEWER DEPARTMENT
Maynard, Arkansas
For the Year Ended December 31, 2022

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



Berry & Associates
CERTIFIED PUBLIC ACCOUNTANTS

American Institute of CPAs

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Texas Society of CPAs

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**Members of the Town Council
Town of Maynard Water & Sewer Department
Maynard, 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 Town of Maynard Water and Sewer Department for the year ended December 31, 2022. Town of Maynard Water and Sewer Department is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Town of Maynard 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 AND INVESTMENTS

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

Findings: We found the following exception as a result of the procedures: We were unable to test deposit composition. We found no other exceptions as a result of the procedures.

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Town of Maynard Water & Sewer Department**

ACCOUNTS RECEIVABLE

3. A. Agree 10 customer billings to the accounts receivable sub ledger.
- B. Determine that five (5) customer adjustments were properly authorized.

Findings: We found the following exception as a result of the procedures: We were unable to find written evidence approving customer adjustments. We found no other exceptions as a result of the procedures.

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 (10) other disbursements and determine if they were adequately documented.

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

PROPERTY, PLANT AND EQUIPMENT

5. 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

6. 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.

Findings: We found no exceptions as a result of the 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 Town of Maynard 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. 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 Town of Maynard Water and Sewer Department and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

**Members of the Town Council
Town of Maynard Water & Sewer Department**

This report is intended solely for the information and use of the Town of Maynard Water and Sewer Department, Arkansas Natural Resources Commission, USDA Rural Development, 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
February 13, 2024

**TOWN OF MAYNARD WATER & SEWER DEPARTMENT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2022
and
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT**

TOWN OF MAYNARD WATER & SEWER DEPARTMENT
Maynard, Arkansas
For the Year Ended December 31, 2022

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**Members of the Town Council
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Maynard, Arkansas**

Management is responsible for the accompanying financial statements of Town of Maynard Water and Sewer Department, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2022, 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, these financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
February 13, 2024

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TOWN OF MAYNARD WATER & SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2022

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 67,581
RESTRICTED ASSETS	
Cash and cash equivalents	202,846
FIXED ASSETS - AT COST	
Water lines	1,052,149
Land	6,135
Construction in progress	257,622
Equipment	803,920
	<u>2,119,826</u>
Less: accumulated depreciation	<u>(1,270,524)</u>
Net Fixed Assets	<u>849,302</u>
TOTAL ASSETS	\$ <u><u>1,119,729</u></u>
 <u>LIABILITIES AND NET POSITION</u> 	
CURRENT LIABILITIES	
Current maturities of long-term debt	\$ 14,600
LONG-TERM DEBT, Net of Current Maturities	
USDA Rural Development	194,874
Arkansas Natural Resources Commission	30,610
Total long-term debt, net of current maturities	<u>225,484</u>
PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	<u>19,411</u>
TOTAL LIABILITIES	<u>259,495</u>
NET POSITION	
Unrestricted	763,228
Restricted	<u>97,006</u>
TOTAL NET POSITION	<u>860,234</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u><u>1,119,729</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**TOWN OF MAYNARD WATER & SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2022**

CASH RECEIPTS

Water revenue	\$ 63,731
Sewer revenue	39,444
Sanitation fees	42,070
Interest income	2,730
Meter deposits	3,450
Transfer in	100,000
Other income	240,820
Total Cash Receipts	<u>492,245</u>

CASH DISBURSEMENTS

Debt service	
Principal	14,105
Interest	8,769
Operating salaries	30,410
Contracted labor	35,467
Insurance	5,770
Supplies	4,709
Dues & licenses	2,694
Professional fees	4,055
Miscellaneous expense	16,094
Utilities	30,938
Meter refunds	3,268
Repairs & maintenance	3,721
Fuel & oil	1,751
Construction in progress	257,622
Lab testing	1,703
Total Cash Disbursements	<u>421,076</u>

INCREASE IN CASH AND RESTRICTED CASH

71,169

BEGINNING CASH AND RESTRICTED CASH, AT JANUARY 1, 2022199,258**ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2022**\$ 270,427

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT