

VANDERVOORT-HATTON WATERWORKS

AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2018



VANDERVOORT-HATTON WATERWORKS

DECEMBER 31, 2018

CONTENTS

	<u>Page</u>
Independent Accountants' Report On Applying Agreed-Upon Procedures.....	1-3
Accountants' Compilation Report.....	4
Financial Statements	
Statement of Assets, Liabilities, and Equity - Cash Basis.....	5
Statement of Cash Receipts and Cash Disbursements - Cash Basis.....	6
Statement of Composition of Cash.....	7



Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Vandervoort-Hatton Waterworks

We have performed the procedures enumerated below, which were agreed to by Vandervoort-Hatton Waterworks and prescribed by Legislative Joint Auditing Committee, on the financial records of the Vandervoort-Hatton Waterworks as of and for the year ended December 31, 2018. Vandervoort-Hatton Waterworks' management is responsible for the financial records. The sufficiency of these procedures is solely the responsibility of Legislative Joint Auditing Committee. 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 purposes.

The procedures and 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. We concluded this procedure with no findings.
- B. Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with no findings.
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater. We concluded this procedure with no findings.

(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. We concluded this procedure with no findings.
- B. Agree 10 customer payments on the accounts receivable sub ledger to deposit, billing documents, and meter readings. We concluded this procedure with no findings.
- C. For one deposit, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings.

(3) Accounts Receivable

- A. Agree 10 customer billings to the accounts receivable sub ledger. Agree 10 billings to the meter readings and the validated deposit. We concluded this procedure with no findings.
- B. Determine that five customer adjustments were properly authorized. We concluded this procedure with no findings.

(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. We concluded this procedure with no findings.
- B. Select twelve disbursements and determine if they were adequately documented. We concluded this procedure with no findings.
- C. Select all disbursements to employees, excluding payroll, to determine adequate documentation. We concluded this procedure with no findings.
- D. Review and analyze credit card statements if applicable. This procedure was not applicable as of December 31, 2018.

(5) Property, plant and equipment

- A. Determine that additions and disposals were properly accounted for in the records. We concluded this procedure with no findings.
- B. Analyze all property plant and equipment disbursements and review supporting documentation for all fixed asset purchases. We concluded that the Water Department does not keep an updated schedule of their fixed assets.

(6) Long-term debt

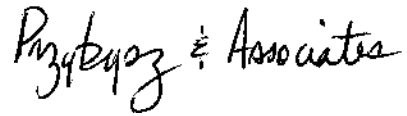
- A. Schedule long-term debt and verify changes in all balances for the year. We concluded this procedure with no findings.
- B. Confirm loans, bond, notes and contracts payable with lender/trustee/contractor. We concluded this procedure with no findings.

(7) General

- A. Determine that any items of financial significance were approved and documented in the minutes of the City Council meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

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 examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the financial condition of the Vandervoort-Hatton Waterworks. 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 Vandervoort-Hatton Waterworks and Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Przybysz & Associates". The script is cursive and fluid, with the ampersand being a simple cross.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
March 25, 2020



Accountants' Compilation Report

To Board of Directors
Vandervoort-Hatton Waterworks

Management is responsible for the accompanying financial statements of the business-type activities of Vandervoort-Hatton Waterworks, which comprise the statement of assets, liabilities, and equity – cash basis as of December 31, 2018, the related statements of cash receipts and cash disbursements – cash basis for the year then ended, and the statement of composition of cash in accordance with the cash basis of accounting. 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.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the department's financial position, results of operations, and cash flows. Accordingly, these financial statements are not for those who are not informed about such matters.

We draw attention to the fact that the financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
March 25, 2020

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VANDERVOORT-HATTON WATERWORKS

STATEMENT OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS

AS OF DECEMBER 31, 2018

Assets

Cash and cash equivalents	\$	84,166
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Total Assets	\$	84,166
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Liabilities and Equity

Fund balance	\$	84,166
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Total Liabilities and Equity	\$	84,166
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See accountants' report.

VANDERVOORT-HATTON WATERWORKS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2018		
Cash Receipts		
Water revenue	\$	130,503
Interest Income		61
Total Cash Receipts		130,564
Cash Disbursements		
Water Purchases		61,148
Insurance		2,504
Bank Fees		30
Office Supplies		326
Legal & Accounting		3,558
School & Training		500
Repairs & Maintenance		931
Salaries & Wages		21,325
Contract Services		2,937
Operating Supplies		7,620
Mileage		1,659
Utilities & Telephone		6,044
Miscellaneous Expense		2,067
Principal and Interest on Backhoe Loan		4,024
Principal and Interest on ANRC Debt		3,656
Postage		1,430
Payroll Taxes		9,490
Total Cash Disbursements		129,249
Total Cash Receipts in Excess of Disbursements		1,315
Cash Balance - beginning of year		82,851
Cash Balance - end of year	\$	84,166

See accountants' report.

VANDERVOORT-HATTON WATERWORKS

STATEMENT OF COMPOSITION OF CASH

AS OF DECEMBER 31, 2018

	Balance
Union Bank	
Operating and Maintenance Checking	\$ 3,530
Revenue Fund	3,630
Lease Payment Fund	27,395
Depreciation Fund	8,619
Depreciation Reserve Fund	2,945
Tank Maintenance Fund	24,236
Meter Deposit Fund	13,541
Total - First National Bank	83,896
Cash on Hand	
Petty Cash	270
Total - Cash on Hand	270
Total Cash	\$ 84,166

See accountants' report.