

**NEW LONDON WATER ASSOCIATION, INC.**  
**El Dorado, Arkansas**  
**For the Year Ended March 31, 2020**

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

# BERRY & ASSOCIATES, P.A.

*Certified Public Accountants*

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**Board of Directors  
NEW LONDON WATER ASSOCIATION, INC.  
El Dorado, 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 Board on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the New London Water Association, Inc. for the year ended March 31, 2020. New London Water Association, Inc.'s 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

1. 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.

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.

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 5 customer adjustments were properly authorized.

We found no exceptions as a result of the procedures.

**Board of Directors  
NEW LONDON WATER ASSOCIATION, INC.**

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.

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.

We found no exceptions as a result of the procedures.

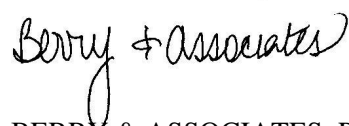
Long-Term Debt

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.

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 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 New London Water Association, Inc., 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  
June 29, 2020

**NEW LONDON WATER ASSOCIATION, INC.  
FINANCIAL STATEMENTS  
For the Year Ended March 31, 2020  
and  
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**NEW LONDON  
WATER ASSOCIATION, INC.  
El Dorado, Arkansas  
For the Year Ended March 31, 2020**

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**Board of Directors  
NEW LONDON WATER ASSOCIATION, INC.  
El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of New London Water Association, Inc., which comprise the statement of assets, liabilities, and net assets – modified cash basis as of March 31, 2020, 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 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 Association's assets, liabilities, net assets, 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  
June 29, 2020

**NEW LONDON WATER ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS**  
**March 31, 2020**

<u>ASSETS</u>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 121,216
<b>RESTRICTED ASSETS</b>	
Certificates of deposit	36,511
<b>FIXED ASSETS - AT COST</b>	
Building	11,039
Equipment	51,089
Water and sewer system	346,455
Tank and wells	319,412
Land	1,280
	729,275
Less: accumulated depreciation	(581,786)
Net Fixed Assets	147,489
<b>TOTAL ASSETS</b>	\$ 305,216
<u>LIABILITIES AND NET ASSETS</u>	
<b>PAYABLES FROM RESTRICTED ASSETS</b>	
Customer water meter deposits	8,218
<b>TOTAL LIABILITIES</b>	8,218
<b>NET ASSETS</b>	
Unrestricted	296,998
<b>TOTAL NET ASSETS</b>	296,998
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 305,216

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**NEW LONDON WATER ASSOCIATION, INC.**  
**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For the Year Ended March 31, 2020**

**CASH RECEIPTS**

Water revenue	\$ 115,495
Service connections	6,382
Interest income	56
Meter deposits	200
Total Cash Receipts	<u>122,133</u>

**CASH DISBURSEMENTS**

Salaries	16,800
Debt service	
Principal	10,084
Interest	41
Utilities and telephone	5,510
Auto expense	3,000
Repairs	28,968
Chlorine	1,400
Professional fees	6,145
Dues and fees	2,305
Insurance	2,667
Office expense	1,754
Water samples	390
Meter deposit refunds	200
Sales tax	8,275
Supplies	2,694
Miscellaneous	629
Total Cash Disbursements	<u>90,862</u>

<b>INCREASE IN CASH AND RESTRICTED CASH</b>	<u>31,271</u>
<b>BEGINNING CASH AND RESTRICTED CASH, AT MARCH 31, 2019</b>	<u>126,456</u>
<b>ENDING CASH AND RESTRICTED CASH, AT MARCH 31, 2020</b>	<u><u>\$ 157,727</u></u>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**