

ANTOINE WATER SYSTEM



ANTOINE, ARKANSAS

DECEMBER 31, 2020

ANTOINE WATER SYSTEM
ANTOINE, ARKANSAS

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Mayor and City Council
Antoine Water System
Antoine, Arkansas

We have performed the procedures enumerated below on the accounting records of Antoine Water System as of and for the year ended December 31, 2020. Antoine Water System's management is responsible for the entity's accounting records.

Antoine Water System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying annual reporting requirements of the Arkansas Division of Legislative Audit. Additionally, the Arkansas Legislative Joint Auditing Committee has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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:

1. Cash and Investments

- a. Perform a proof of cash for the year and reconcile year-end bank balances to book balances.
- 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.

We found no exceptions as a result of the procedures.

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.
- b. Agree ten customer payments on the accounts receivable sub ledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Step 2. could not be completed. Daily receipt information for 2020 was not available.

3. Accounts Receivable

- a. Agree ten customer billings to the accounts receivable sub ledger.
- b. Determine that five customer adjustments were properly authorized.

Step 3b. could not be completed. Customer adjustment reports for 2020 could not be provided.

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.
- 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.

We found no exceptions as a result of the procedures.

5. Property, Plant, and Equipment

- a. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of total equipment or \$500, whichever is greater.)

We found no exceptions as a result of the procedure.

6. Long-Term Debt

- 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.

We found no exceptions as a result of the procedures.

7. General

- a. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

Step 7a. could not be completed. City Council minutes for 2020 were not provided.

We were engaged by Antoine Water System to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records of Antoine Water System. 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 Antoine Water System and to meet other 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 Antoine Water System and the Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than those specified parties.

Turner, Rodgers, Manning & Plyler, PLLC

Arkadelphia, Arkansas
January 18, 2024

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Antoine Water System
Antoine, AR

Management is responsible for the accompanying financial statements of Antoine Water System, which comprise the statement of assets, liabilities, and net position – cash basis as of December 31, 2020, and the related statement of cash receipts and cash disbursements for the year then ended in accordance with the cash basis of accounting, and for determining that the 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 statement 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 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 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 Antoine Water System's cash position, and results of operations – cash basis. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the management's discussion and analysis and budgetary comparison schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Turner, Rodgers, Manning & Plyler, PLLC
Arkadelphia, Arkansas
January 18, 2024

ANTOINE WATER SYSTEM
STATEMENT OF ASSETS, LIABILITIES
AND NET POSITION - CASH BASIS
DECEMBER 31, 2020

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ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents \$ 71,518

RESTRICTED ASSETS:

Restricted Cash - Depreciation 5,187

Restricted Cash - Meter Deposits 10,027

TOTAL RESTRICTED ASSETS 15,214

TOTAL ASSETS \$ 86,732

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

Current portion of Long-Term Debt \$ 5,875

LIABILITIES PAYABLE FROM RESTRICTED ASSETS:

Meter Deposits Payable 10,027

LONG-TERM LIABILITIES:

Notes Payable 140,004

TOTAL LIABILITIES 155,906

NET POSITION:

Restricted 5,187

Unrestricted (74,361)

TOTAL NET POSITION (69,174)

TOTAL LIABILITIES AND NET POSITION \$ 86,732

See Accountants' Compilation Report.

ANTOINE WATER SYSTEM
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR YEAR ENDED DECEMBER 31, 2020

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CASH RECEIPTS:	
Customer Collections	\$ 79,106
Meter Deposits Collected (Net)	300
Interest Income	182
TOTAL CASH RECEIPTS	<u>79,588</u>
CASH DISBURSEMENTS:	
Salaries and Wages	21,167
Capital Purchases	4,791
Supplies	5,051
Utilities	6,354
Insurance	1,187
Repairs and Maintenance	3,898
Office Expense	2,404
Legal and Professional	320
Dues and Subscriptions	1,636
Payroll Taxes	9,012
Sales Tax	7,825
Debt Service - Principal	5,475
Debt Service - Interest	6,588
Miscellaneous	425
TOTAL CASH DISBURSEMENTS	<u>76,133</u>
NET CHANGE IN CASH	<u>3,455</u>
CASH BALANCE - BEGINNING OF YEAR	83,277
CASH BALANCE - END OF YEAR	<u><u>\$ 86,732</u></u>

See Accountants' Compilation Report.