

SUBIACO WATERWORKS

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

December 31, 2023

J BAUER CPA PLLC

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MEMBER AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and City Council
City of Subiaco, Arkansas, Subiaco Waterworks
Subiaco, Arkansas

We have performed the procedures enumerated below on compliance with Arkansas Code Annotated 14-234-119 through 14-234-122 by the Subiaco Waterworks as of and for the year ended December 31, 2023. The Subiaco Waterworks' management is responsible for the accounting records.

The Subiaco Waterworks has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with Arkansas Code Annotated 14-234-119 through 14-234-122. 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 purpose.

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.
- 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 these 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 subledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with the receipt information.

We found no exceptions as a result of these procedures.

3. Accounts Receivable

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

We found no exceptions as a result of these procedures.

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 these 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 these procedures.

7. General

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

We found no exceptions as a result of the procedure.

We were engaged by the Subiaco 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 and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with Arkansas Code Annotated 14-234-119 through 14-234-122 by the Subiaco Waterworks as of and for the year ended December 31, 2023. 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 Subiaco Waterworks and to meet our 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 the Subiaco Waterworks and the Legislative Joint Auditing Committee, and other parties as required by Arkansas Code and is not intended to be and should not be used by anyone other than these specified parties.

J BAUER CPA PLLC

December 31, 2024

SUBIACO WATERWORKS

Financial Statements

December 31, 2023

SUBIACO WATERWORKS
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Honorable Mayor and City Council
City of Subiaco, Arkansas, Subiaco Waterworks
Subiaco, Arkansas

Management is responsible for the accompanying financial statements of the Subiaco Waterworks which comprise the statement of net position – 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 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. 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 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 cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Subiaco Waterworks financial position and results of operation. Accordingly, the financial statements are not designed for those who are not informed about such matters.

J BAUER CPA PLLC

Scranton, AR
December 31, 2024

SUBIACO WATERWORKS
Statement of Net Position - Cash Basis
December 31, 2023

ASSETS

Assets

Cash and cash equivalents	\$ <u>13,192</u>
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Total Assets	\$ <u><u>13,192</u></u>
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LIABILITIES AND NET POSITION

Liabilities

	\$ <u>-</u>
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Net Position

Unrestricted	\$ <u>13,192</u>
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Total Liabilities and Net Position	\$ <u><u>13,192</u></u>
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See independent accountant's compilation report.

SUBIACO WATERWORKS
Statement of Cash Receipts and Cash Disbursements
Year Ended December 31, 2023

CASH RECEIPTS

Water revenue	\$	79,533
Sewer revenue		20,919
Other revenue		5,881
Interest income		<u>15</u>
Total Cash Receipts	\$	<u>106,348</u>

CASH DISBURSEMENTS

Water and sewer projects	\$	16,683
Water purchases		42,242
Water samples		1,817
Dues and subscriptions		5,517
Office expense		856
Postage		1,400
Professional fees		6,544
Repairs and maintenance		19,575
Utilities		<u>17,993</u>
Total Cash Disbursements	\$	<u>112,627</u>
Total Cash Receipts in Excess (Deficiency) of Disbursements	\$	(6,279)
Cash and Cash Equivalents - Beginning of year		<u>19,471</u>
Cash and Cash Equivalents - End of year	\$	<u>13,192</u>

See independent accountant's compilation report.