

**CITY OF BONANZA, ARKANSAS  
WATER DEPARTMENT  
AGREED-UPON PROCEDURES REPORT AND  
COMPILED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**



**CITY OF BONANZA, ARKANSAS WATER DEPARTMENT**

**DECEMBER 31, 2023**

**CONTENTS**

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



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

---

To the City Council  
City of Bonanza, Arkansas Water Department  
Bonanza, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the City of Bonanza, Arkansas Water Department as of and for the year ended December 31, 2023. The City of Bonanza, Arkansas Water Department's management is responsible for the financial and billing records.

The City of Bonanza, Arkansas Water Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose which is to comply with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service providers* as prepared by Arkansas Legislative Audit. 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. We concluded this procedure with three adjustments to the Operations & Maintenance account. This account was adjusted with an increase of \$33,098 to add back old outstanding checks. An adjustment with a decrease of \$47,132.39 to subtract old outstanding deposits. And one final adjustment of \$998.06 to get the bank account in balance. The Department has an account called Wastewater Grant Account that was not accounted for in its accounting software. The unrecorded activity consisted of one direct deposit from the State of Arkansas for \$3,806.50 and two disbursements totaling \$3,806.50.
- 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 for the year within 5% or \$500, whichever is greater. The ending balance of the Operation & Maintenance account per Department's balance per books was off from the proof of cash balance by \$13,451.37. This is due to having old outstanding deposits and checks on the bank reconciliation as noted in procedure (1)A. The ending balances for the remaining accounts were within these parameters.

(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. The Wastewater Grant account had an unrecorded deposit totaling \$3,806.50 which exceeds the parameters. The ending balances for the remaining accounts were within these parameters.
- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We concluded this procedure with no findings.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings.

(3) Accounts Receivable

- A. Agree ten customer billings to the accounts receivable sub ledger. 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 year with the disbursements per the journal within 5% or \$500, whichever is greater. The Wastewater Grant account had two unrecorded disbursements totaling \$3,806.50 which exceeds the parameters. The ending balances for the remaining accounts were within these parameters.
- B. Analyze all property, plant and equipment disbursements. We concluded this procedure with no findings.
- C. Select all disbursements to employees other than payroll and ten other disbursements and determine if they were adequately documented. We concluded this procedure with no findings.

(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.

(6) Long-term debt

- A. Schedule long-term debt and verify changes in all balances for the year. We obtained a payment ledger from the Arkansas Department of Agriculture Natural Resources Division and Rural Development that reflects the payments made from the Department and concluded this procedure with no findings.

- B. Confirm loans, bonds, notes and contracts payable with lender/trustee/contractor. We concluded this procedure with no findings.
- C. Determine that the appropriate debt service accounts have been established and maintained. The Department has the appropriate debt service account established and 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 Council meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by the City of Bonanza, Arkansas Water Department 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 financial and billing records. 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 City of Bonanza, Arkansas Water Department 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 City of Bonanza, Arkansas Water Department and Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.



**Przybysz & Associates, CPAs, P.C.**

**Fort Smith, Arkansas**

**August 16, 2024**



To the City Council  
City of Bonanza, Arkansas Water Department  
Bonanza, Arkansas

Management is responsible for the accompanying financial statements of the business-type activities of the City of Bonanza, Arkansas Water Department, which comprise the statement of assets, liabilities, and equity – cash basis as of December 31, 2023, and the related statement of cash receipts and cash disbursements – cash basis for the year then ended 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**  
**August 16, 2024**

# CITY OF BONANZA, ARKANSAS WATER DEPARTMENT

## STATEMENT OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS

---

**AS OF DECEMBER 31, 2023**

---

**Assets**

Cash and cash equivalents \$ 164,433

---

**Total Assets** \$ 164,433

---

**Liabilities and Equity**

Fund balance \$ 164,433

---

**Total Liabilities and Equity** \$ 164,433

---

See accountant's report.

# CITY OF BONANZA, ARKANSAS WATER DEPARTMENT

## STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - CASH BASIS

**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Cash Receipts</b>	
Water revenue	\$ 258,698
Grant proceeds	3,807
Interest	651
<b>Total Cash Receipts</b>	<b>263,156</b>
<b>Cash Disbursements</b>	
Water purchased	36,585
Insurance	136
Licenses and permits	845
Dues and memberships	2,547
Office expense	1,576
Professional services	15,886
Payroll	9,548
Contract labor	19,374
Water testing fees	153
Repairs and maintenance	3,751
Utilities	4,129
Miscellaneous	7,670
Postage	1,265
Telephone	754
Equipment and supplies	9,296
Sanitation	30,424
Railroad easement	1,250
Vehicle purchase	2,750
Operating transfers	(5,450)
Debt service	88,342
<b>Total Cash Disbursements</b>	<b>230,831</b>
<b>Total Cash Receipts in Excess of Disbursements</b>	<b>32,325</b>
<b>Cash Balance</b>	<b>132,108</b>
<b>Cash Balance - end of year</b>	<b>\$ 164,433</b>

See accountant's report.