

**Clarkedale-Jericho Water Association, Inc.**

**AGREED – UPON PROCEDURES**

**December 31, 2017**

**JACKSON, HOWELL & ASSOCIATES, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS/BUSINESS CONSULTANTS



**MEMBERS:**

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

Clarkedale-Jericho Water Association, Inc.  
Clarkedale, Arkansas

We have performed the procedures described below, which were agreed to by the Clarkedale-Jericho Water Association, Inc., with respect to financial information and compliance with certain state laws for Clarkedale-Jericho Water Association, Inc. for the year ended December 31, 2017. This report is prepared in accordance with Ark. Code Ann. 14-234-119. The sufficiency of these procedures is solely the responsibility of the Clarkedale-Jericho Water Association, Inc. 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 that we performed are as follows:

Cash

1. a. Perform a proof of cash for the year and reconcile year-end bank balance 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.

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 ten customer payments on the accounts receivable subledger to deposit and billing documents.
- c. For one deposit, agree the cash/check composition of the deposit with receipt information.

We found no exceptions as a result of these procedures.

### Accounts Receivable

3. 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.

### 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 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.

### Property, Plant, & Equipment

5. 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 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.

Clarkedale-Jericho Water Association, Inc. has no long-term debt. This step is not applicable to the Association.

### General

7. 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 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 examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the specified elements, accounts, or items. 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 Clarkedale-Jericho Water Association, Inc., and the Arkansas Legislative Joint Auditing Committee and is not intended to be, and should not be, used by anyone other than these specified parties.

*Jackson, Howell & Associates, PLLC*

West Memphis, Arkansas

October 2, 2018

**Clarkedale-Jericho Water Association, Inc.**

**COMPILED FINANCIAL REPORT**

**December 31, 2017**

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Clarkedale-Jericho Water Association, Inc.  
Clarkedale, Arkansas

Management is responsible for the accompanying financial statements of Clarkedale-Jericho Water Association, Inc. (the Company), which comprise the statement of financial position as of December 31, 2017, and the related statement of activities and changes in net assets for the year then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. 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 the disclosures and the statement of cash flows required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, changes in net assets and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Jackson, Howell & Associates, PLLC*

West Memphis, Arkansas  
October 2, 2018

**Clarkedale-Jericho Water Association, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**See Independent Accountants' Compilation Report**  
**December 31, 2017**

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**ASSETS**

**CURRENT ASSETS**

Cash and certificates of deposit		\$167,825
Accounts receivable		<u>11,834</u>
<b>TOTAL CURRENT ASSETS</b>		<b>179,659</b>

**NON-CURRENT ASSETS**

Capital assets		
Land	1,100	
Water system	865,832	
Equipment	<u>2,945</u>	
	869,877	
Less allowance for depreciation	<u>618,923</u>	
Net capital assets		250,954
Deposits		<u>540</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>251,494</u></b>

**\$431,153**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Sales tax payable		\$ 818
Customers' meter deposits		<u>14,873</u>
<b>TOTAL LIABILITIES, ALL CURRENT</b>		<b>15,691</b>

**NET ASSETS**

Unrestricted		415,462
Temporarily restricted		-
Permanently restricted		<u>-</u>
<b>TOTAL NET ASSETS</b>		<b><u>415,462</u></b>

**\$431,153**



**Clarkedale-Jericho Water Association, Inc.**  
**STATEMENT OF ACTIVITIES**  
**AND CHANGES IN NET ASSETS**  
**See Independent Accountants' Compilation Report**  
**For the Year Ended December 31, 2017**

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<b>UNRESTRICTED OPERATING REVENUE</b>	
Water sales	\$116,161
Other revenue	<u>88</u>
<b>TOTAL UNRESTRICTED OPERATING REVENUE</b>	116,249
<b>UNRESTRICTED OPERATING EXPENSES</b>	
Program services	81,784
Management and general	<u>34,312</u>
<b>TOTAL UNRESTRICTED OPERATING EXPENSES</b>	<u>116,096</u>
<b>UNRESTRICTED OPERATING INCOME</b>	153
<b>UNRESTRICTED NON-OPERATING REVENUE (EXPENSES)</b>	
Interest income	<u>380</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS BEFORE CONTRIBUTIONS</b>	533
Contributions by customers	<u>525</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	1,058
<b>UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR</b>	<u>414,404</u>
<b>UNRESTRICTED NET ASSETS AT END OF YEAR</b>	<u>\$415,462</u>