

REYNO WATER DEPARTMENT
Reyno, Arkansas
For the Year Ended December 31, 2017

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

BERRY & ASSOCIATES, P.A.

Certified Public Accountants

American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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**Members of the City Council
REYNO WATER DEPARTMENT
Reyno, 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 City council on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for Reyno Water Department for the year ended December 31, 2017. Reyno Water Department'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 City council. 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 AND INVESTMENTS

1. 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.

Findings: 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 sub ledger to deposit and billing documents.

Findings: We found no exceptions as a result of the procedures.

ACCOUNTS RECEIVABLE

3. A. Agree 10 customer billings to the accounts receivable sub ledger.
- B. Determine that five (5) customer adjustments were properly authorized.

Findings: We found no exceptions as a result of the procedures.

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**Members of the City Council
REYNO WATER DEPARTMENT**

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 ten (10) disbursements and determine if they were adequately documented.

Findings: We found no exceptions as a result of the procedures.

PROPERTY, PLANT AND 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).

Findings: We found no exceptions as a result of the procedures

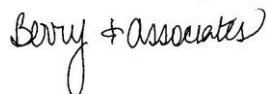
LONG-TERM DEBT

6. A. Schedule long-term debt and verify changes in all balances for the year.
- B. Confirm loans, bonds, notes and contracts payable with lender/trustee/contractor.
- C. Determine that the appropriate debt service accounts have been established and maintained.

Findings: 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 Reyno Water Department and is not intended to be and should not be used by anyone other than this specified party.



BERRY & ASSOCIATES, P.A.
Little Rock, Arkansas
September 21, 2018

**REYNO WATER DEPARTMENT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2017
and
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT**

REYNO WATER DEPARTMENT
Reyno, Arkansas
For the Year Ended December 31, 2017

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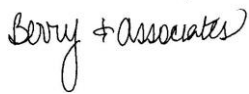
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Members of the City Council
REYNO WATER DEPARTMENT
Reyno, Arkansas

Management is responsible for the accompanying financial statements of the City of Reyno Water and Sewer Department, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2017, 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 department's assets, liabilities, net position, 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
September 21, 2018

REYNO WATER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2017

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 26,474
RESTRICTED ASSETS	
Cash and Cash Equivalents	9,491
FIXED ASSETS - AT COST	
Water System	254,477
Less: accumulated depreciation	(171,129)
Net Fixed Assets	<u>83,348</u>
TOTAL ASSETS	\$ <u><u>119,313</u></u>
 <u>LIABILITIES AND NET POSITION</u> 	
PAYABLES FROM RESTRICTED ASSETS	
Customer Water Meter Deposits	\$ 27,579
NET POSITION	
Unrestricted	<u>91,734</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u><u>119,313</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

REYNO WATER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2017

CASH RECEIPTS

Water Revenue	\$ 71,635
Meter Deposits	2,150
Interest Income	25
Total Cash Receipts	<u>73,810</u>

CASH DISBURSEMENTS

Operating Salaries	13,058
Garbage Fees	24,359
Utilities and Telephone	4,665
Repairs and Maintenance	7,590
Professional Fees	3,665
Office Expenses	567
License & Permits	1,269
Meter Deposit Refunds	3,433
Software Support	1,902
Fees & Dues	525
Miscellaneous Expense	3,291
Capital Purchases	9,896
Sales Tax	1,972
Total Cash Disbursements	<u>76,192</u>

DECREASE IN CASH AND RESTRICTED CASH

(2,382)

BEGINNING CASH AND CASH EQUIVALENTS, AT JANUARY 1, 201738,347**ENDING CASH AND CASH EQUIVALENTS, AT DECEMBER 31, 2017**\$ 35,965

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT