

REID VILLAGE  
WATER DISTRICT

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION  
for the year ended December 31, 2018

## CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Fund Net Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-10
Supplemental Information	
Independent Auditor's Report on Internal Control Over Financial Reporting & on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	11-12
Comparative Statement of Revenues and Expenses	13
Schedule of Findings and Responses	14

John T. Lane and Associates, LLC  
Certified Public Accountants  
219 Young Lane, Suite 2  
Mt. Sterling, Kentucky 40353  
(859) 498-9915  
www.thelanecpa.com

Member:  
American Institute of CPA's  
Kentucky Society of CPA's

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Reid Village Water District  
Mt. Sterling, Kentucky

### **Report on Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Reid Village Water District as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of the Reid Village Water District as of December 31, 2018, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required supplementary information*

Management has omitted the management's discussion and analysis 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Reid Village Water District's basic financial statements. The comparative statement of revenues and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative statement of revenues and expenses is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statement of revenues and expenses is fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other reports required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 17, 2019, on our consideration of the Reid Village Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Reid Village Water District's internal control over financial reporting and compliance.

*John T. Lane & Associates, LLC*

Mount Sterling, Kentucky

May 17, 2019

This report contains 14 pages.

Reid Village Water District  
Statement of Net Position  
Proprietary Fund  
December 31, 2018

ASSETS

Current Assets	
Cash and cash equivalents - unrestricted	\$ 176,528
Cash and cash equivalents - restricted	162,354
Accounts receivable - net of allowance for doubtful accounts	49,789
Prepaid expenses & other current assets	<u>6,050</u>
Total Current Assets	<u>394,721</u>
Noncurrent Assets	
Capital assets:	
Land	107,000
Plant, equipment and lines	2,107,794
Less accumulated depreciation	<u>(831,646)</u>
Total Noncurrent Assets	<u>1,383,148</u>
Total Assets	<u><u>\$ 1,777,869</u></u>

LIABILITIES

Current Liabilities	
Accrued expenses	\$ 23,383
Unearned revenue	573
Current portion of long-term debt	25,659
Payable from restricted assets	<u>45,706</u>
Total Current Liabilities	<u>95,321</u>
Noncurrent Liabilities	
Long-term debt, less current maturities	<u>939,245</u>
Total Noncurrent Liabilities	<u>939,245</u>
Total Liabilities	<u>1,034,566</u>

NET POSITION

Net investment in capital assets	418,244
Restricted	116,648
Unrestricted	<u>208,411</u>
Total Net Position	<u><u>\$ 743,303</u></u>

The accompanying notes to the basic financial statements are an integral part of these statements.

Reid Village Water District  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the year ended December 31, 2018

Revenues	
User fees	\$ 594,584
Other water revenue	4,778
	<u>599,362</u>
Total Revenues	<u>599,362</u>
Expenses	
Water purchased	206,138
Vehicle expense	6,476
Postage	4,620
Professional fees	4,150
Salaries	153,179
Insurance	13,711
Utilities & telephone	17,986
Water samples	2,896
Taxes and benefits	70,234
Maintenance	21,556
Miscellaneous	10,877
Depreciation	48,659
	<u>560,482</u>
Total Operating Expenses	<u>560,482</u>
Operating Income (Loss)	<u>38,880</u>
Nonoperating Revenues (Expenses)	
Tap fees	1,300
Interest income	561
Interest expense	(35,559)
	<u>(33,698)</u>
Net Nonoperating Revenues (Expenses)	<u>(33,698)</u>
Net Income (Loss)	5,182
Total Net Position - beginning	<u>738,121</u>
Total Net Position - ending	<u><u>\$ 743,303</u></u>

The accompanying notes are an integral part of the financial statements.

Reid Village Water District  
Statement of Cash Flows  
Proprietary Fund Type  
December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating revenues	\$ 610,829
Cash paid to employees	(153,179)
Cash paid for general and administrative expenses	<u>(358,892)</u>
Net Cash provided by operating activities	<u>98,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned	561
Customer deposits	<u>1,581</u>
Net Cash provided by investing activities	<u>2,142</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:	
Principal paid on long-term debt	(24,697)
Tap fees	1,300
Interest paid on long term debt	<u>(35,919)</u>
Net Cash used in capital and financing activities	<u>(59,316)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,584
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>297,298</u>
CASH AND CASH EQUIVALENTS - END OF THE YEAR	<u><u>\$ 338,882</u></u>
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Net Operating Income	\$ 38,880
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	48,659
(Increase)/Decrease in accounts receivable	11,869
Increase/(Decrease) in unearned revenue	(402)
Increase/(Decrease) in accrued expenses	<u>(248)</u>
Net cash provided by operating activities	<u><u>\$ 98,758</u></u>

The accompanying notes to the basic financial statements are an integral part of these statements.

REID VILLAGE WATER DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2018

The Reid Village Water District is a water utility which services areas of Montgomery County including Reid Village. Its sales are primarily to residential customers. The District is a corporate body set forth in Kentucky Revised Statutes (KRS) 74.070 which was created November, 1961. The District began operations in 1964. The District is subject to the regulatory District of the Kentucky Public Service Commission pursuant to KRS 278.040.

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

The Reporting Entity

The District, for financial purposes, includes all of the funds relevant to the operations of the District. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Reid Village Water District.

The financial statements of the District would include those of separately administered organizations that are controlled by or dependent on the District. Control or dependence is determined on the basis of financial interdependency, selection of governing District, designation of management, ability to significantly influence operations, accountability of fiscal matters, scope of public service, and financing relations.

Based on the foregoing criteria there are not other organizations included in these financial statements.

Depreciation Reserve Fund – The bond ordinances with USDA require monthly transfers to be made into this fund in the amount of \$395. Only expenditures for capital improvements or extraordinary expenses are permitted to be paid from this fund. The District had set aside \$81,487 into this fund at December 31, 2018. The required balance is \$47,400.

Bond and Interest Sinking Fund - The bond ordinances with USDA require monthly transfers to be made into this account in an amount equal to one-sixth (1/6) of the interest becoming due on the next succeeding interest due date for all outstanding bonds and one-twelfth (1/12) of the principal of all such bonds maturing on the next succeeding due date. The required balance of the fund at December 31, 2018 was \$30,986. The District had set aside \$41,646.

Maintenance and Replacement Reserve-The Assistance Agreement with Kentucky Infrastructure Authority requires the District to deposit \$900/ year into a maintenance and replacement reserve account until the amount in the account is equal to \$9,000. The District had set aside \$6,783.

## Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net assets (i.e., total assets net of total liabilities) are segmented into net investment in capital assets, restricted and unrestricted components. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the Authority are operating grants and tenant rental revenue. Operating expenses of the District include the cost of producing the revenue and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## Basis of Accounting

The records of the District are maintained and the budgetary process is based on the cash basis method of accounting. Adjustments have been made to properly reflect the account balances.

## Cash

At December 31, 2018, the carrying amount of the District's deposits was \$338,882 and the bank balance was \$339,847. Of the bank balance \$250,000 was covered by federal deposit insurance and \$89,847 was collateralized with securities held by the pledging financial institution's trust department. The District considers all investments with a maturity date of three months or less from date of purchase to be cash equivalents. Certificates of deposit that are redeemable immediately with little or no penalty are considered cash equivalents

## Capital assets

Capital assets purchased are capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Water lines, tanks	50 years
Vehicle/equipment	5 years

The District's capitalization policy is as follows: expenditures costing more than \$1,000 with an estimated useful life greater than one year are capitalized: all others are expensed.

### Budgets and Budgetary Accounting

The district follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the enterprise funds. These budgets are prepared on the cash basis of accounting.
- b. Unused appropriations for all of the above annually budgeted funds lapse at the end of year.

For the year ending December 31, 2018 the above budgetary procedures were not followed.

### Net Assets

Net assets represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are recorded as restricted when there are limitations imposed on their use by external restrictions.

### Accounts Receivable

The receivable reflected in the statements in the amount of \$49,789 is net of allowance for uncollectibles in the amount of \$1,723.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### Note 2 – Long-Term Debt

The amount shown in the accompanying financial statements as long-term debt represents the District's future obligation to make loan payments from future revenues. At December 31, 2018, three separate loans had outstanding balances. Details of each of these issues are summarized as follows:

#### Note A

Lender – Rural Development

Balance of loan - \$295,500

Rate – 4.875%

Principal due January 1

Interest due January 1 and July 1

Prepayment provision - subject to payment prior to its stated maturity without penalty or premium, at any time upon ten (10) days notice.

#### Note B

Lender – Rural Development

Balance of loan - \$342,100

Rate – 4.375%

Principal due January 1

Interest due January 1 and July 1

Prepayment provision - subject to payment prior to its stated maturity without penalty or premium, at any time upon ten (10) days notice.

Note C

Lender – Kentucky Infrastructure Authority (KIA)

Balance of loan - \$327,305

Rate – 1.75%

Principal & Interest due June 1 and December 1

Prepayment provision - subject to payment prior to its stated maturity without penalty or premium, at any time upon five (5) days notice.

Five year maturities

	Principal	Interest
2019	25,659	34,679
2020	26,623	33,735
2021	27,591	32,751
2022	28,561	31,726
2023	30,134	30,647
2024-2028	166,979	135,397
2029-2033	203,193	100,348
2034-2038	221,044	57,348
2039-2043	157,974	25,527
2044-2048	<u>77,148</u>	<u>2,738</u>
	964,905	484,896

Schedule of Long-Term Debt

	balance <u>12/31/17</u>	<u>Additions</u>	<u>Reductions</u>	balance <u>12/31/18</u>	Due within <u>one year</u>
USDA 91-05	\$304,500	\$-	\$ (9,000)	\$295,500	\$9,500
USDA 91-06	348,6000	-	(6,500)	342,100	6,800
KIA	<u>336,502</u>	<u>-</u>	<u>(9,197)</u>	<u>327,305</u>	<u>9,359</u>
	\$989,602	\$-	\$(24,697)	\$964,905	\$25,659

Note 3 - Pension Plan

The District's employees are not covered by any retirement plan.

Note 4 - Leave Policies

The District's employees with one year receive two weeks vacation, employees with two-five years receive three weeks vacation, employees with six to ten years receive four weeks of vacation, employees with over ten years received five weeks of vacation. Employees are not permitted to carryover vacation leave from one year to another. Sick leave is on an individual basis and decided by the commissioners. Employees with one year or less receive one-half personal day per month, while employees with over one year receive one personal day per month. Personal days are not carried over.

Note 5 - Changes in Capital assets

The following is a summary of changes in the capital assets for the fiscal year:

	balance <u>12/31/17</u>	Transfer/ <u>Additions</u>	<u>Deletions</u>	balance <u>12/31/18</u>
Land	\$107,000	\$-	\$-	\$107,000
Property, plant & equipment	<u>2,107,794</u>	-	-	<u>2,107,794</u>
	<u>2,214,794</u>	-	-	<u>2,214,794</u>
Accumulated depreciation	<u>782,987</u>	<u>48,659</u>	-	<u>831,646</u>
Net capital assets	<u>1,431,807</u>			<u>1,383,148</u>

Note 6 - Revenue Bonds

Water and Revenue Bonds constitute special obligations of the District solely secured by a lien on and pledge of the net revenues of the water system. The revenue bonds are collateralized by the revenue of the water system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinances also contain certain provisions, which require the District to maintain pledged revenues. The District must transfer monthly 1/6 of the next succeeding interest payment and 1/12 of the next succeeding principal payment from the operations and maintenance account into the bond and interest sinking account. The District also must transfer \$395 per month into a depreciation fund.

Note 7 - Restricted Cash

Restricted cash is composed of the following:

Deposit account	\$32,438
Depreciation reserve fund	81,487
Maintenance & Repair reserve	6,783
Debt reserve fund	<u>41,646</u>
	<u>\$162,354</u>

Note 8 – Contingencies

The District is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the District in the current and prior years. There were no examinations for the year ended December 31, 2018. Areas of noncompliance, if any, as a result of examinations would be included as a part of the “Findings and Questioned Costs” section of this report.

Note 9 – Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance coverage for the risks to the extent deemed prudent by District management.

Note 6 – Subsequent Events

The Authority has evaluated subsequent events through May 17, 2019 the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

JOHN T. LANE and ASSOCIATES, LLC  
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219 Young Lane, Suite 2  
Mt. Sterling, Kentucky 40353  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Reid Village Water District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Reid Village Water District's basic financial statements and have issued our report thereon dated May 17, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Reid Village Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Reid Village Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Reid Village Water District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses. (2018-001, 2018-002 & 2018-003)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Reid Village Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Reid Village Water District's Response to Findings**

The Reid Village Water District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Reid Village Water District's responses and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*John T. Lane & Associates, LLC*

Mount Sterling, Kentucky  
May 17, 2019

Reid Village Water District  
 COMPARATIVE STATEMENT OF REVENUES AND EXPENSES  
 for the years ended December 31, 2017 and 2018

	2017	2018
Revenues		
User fees	\$ 609,003	\$ 594,584
Other water revenue	4,900	4,778
Total Revenues	613,903	599,362
Expenses		
Water purchased	215,788	206,138
Vehicle expense	6,381	6,476
Rent	-	-
Postage	5,217	4,620
Professional fees	4,000	4,150
Salaries	152,996	153,179
Office expense, utilities, other	35,404	28,863
Insurance	12,941	13,711
Water samples	6,005	2,896
Taxes and benefits	66,886	70,234
Maintenance	23,571	21,556
Depreciation	51,422	48,659
Total Operating Expenses	580,611	560,482
Operating Income (Loss)	33,292	38,880
Nonoperating Revenues (Expenses)		
Tap fees	5,200	1,300
Interest income	489	561
Interest expense	(36,105)	(35,559)
Net Nonoperating Revenues (Expenses)	(30,416)	(33,698)
Net Income (Loss)	\$ 2,876	\$ 5,182

REID VILLAGE WATER DISTRICT  
Mt. Sterling, Kentucky  
Schedule of Findings and Responses  
December 31, 2018

Prior Findings

2017-001, 2017-002, & 2017-003 are repeated as 2018-001, 2018-002 & 2018-003.

Current Findings

2018-001 Lack of Segregation of Duties

Condition: The District has an inadequate segregation of duties within its internal control process. The District's manager generally signs most checks not payable to her. She also collects revenues, opens the mail, reconciles the bank statement, and prepares the accounting records.

Criteria: All governmental entities should design their internal control to provide an adequate segregation of duties.

Cause: The District does not have sufficient employees to adequately design its internal control.

Recommendation: The District should continue to design and implement its internal control policies to provide the maximum segregation of duties possible.

Response: The District has determined that it is not economically feasible to implement controls to eliminate this finding.

2018-002 Lack of Understanding of GAAP

Condition: The District prepares its financial statements on the cash basis and lacks an understanding of generally accepted accounting principles.

Criteria: To prepare financial statements the entity's personnel should understand GAAP.

Cause: The entity's accounting personnel does not possess the necessary background in accounting. The District did not utilize the services of a skilled bookkeeper to prepare its financial statements.

Recommendation: The District should utilize the services of a bookkeeper proficient with generally accepted accounting principles to prepare financial statements.

Response: The District is considering utilizing an independent bookkeeper to prepare year-end financial statements as recommended.

2018-003 Budget Process

Condition: The budget was not approved by the board nor is it used by the District in evaluating financial performance.

Criteria: A budget should be approved by the governing body. It should also be used to monitor the performance of the District throughout the year.

Cause: Unknown.

Recommendation: The District should utilize current financial information to prepare & approve the budget and monitor its actual performance as compared to budget no less frequently than quarterly.

Response: It is my (the District) belief that the budget was presented to the board and left out of the minutes. I (the District) agree that the budget would be better utilized if presented in a quarterly report to the board. It is my (the District) intention to create a budget in quick books that can be monitored more efficiently.