

**GRAY ROCK WATER USERS
ASSOCIATION, INC**

**AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS**

JUNE 30 2024



GRAY ROCK WATER USERS ASSOCIATION, INC

JUNE 30 2024

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Gray Rock Water Users Association, Inc.

We have performed the procedures enumerated below on the financial and billing records of the Gray Rock Water Users Association, Inc., (the Association) as of and for the year ended June 30, 2024. The Gray Rock Water Users Association, Inc.'s management is responsible for the financial and billing records.

The Gray Rock Water Users Association, Inc., 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 no findings.
- 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 within 5% or \$500, whichever is greater. The ending balances for all 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. We concluded this procedure and found the deposits were within the 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 the year with the disbursements per the journal within 5% or \$500, whichever is greater. We concluded this procedure and found the disbursements to be within the 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 findings. Of the ten other disbursement selected for inspection, there were two invoices not located for inspection.

(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 concluded this procedure with no findings.
- B. Confirm loans, bond, notes and contracts payable with lender/trustee/contractor. We were not able to confirm the loan with Government Capital Corporation with the information we were given.
- C. Determine that the appropriate debt service accounts have been established and maintained. This procedure was not applicable

(7) General

- A. Determine that any items of financial significance were approved and documented in the minutes of the board meetings. We were not able to obtain minutes of meetings.

We were engaged by the Gray Rock Water Users Association, Inc. 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 Gray Rock Water Users Association, Inc. 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 Gray Rock Water Users Association, Inc. and Arkansas Legislative Audit and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Przybysz & Associates". The signature is written in a cursive, flowing style.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 24, 2025



To the Board of Directors
Gray Rock Water Users Association, Inc.

Management is responsible for the accompanying financial statements of the Gray Rock Water Users Association, Inc., which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2024, the related statement of revenues, expenses and changes in net assets without donor restrictions – modified cash basis for the year then ended in accordance with modified cash basis of accounting, 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. 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 of 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 Association's assets, liabilities, net assets, revenues, expenses, and cash flows. Accordingly, these financial statements are not for those who are not informed about such matters.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 24, 2025

FINANCIAL STATEMENTS

GRAY ROCK WATER USERS ASSOCIATION, INC

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

AS OF JUNE 30, 2004

Assets	
Current Assets	
Cash and cash equivalents	\$ 42,177
Total Current Assets	42,177
Noncurrent Assets	
Capital Assets	
Equipment	130,531
Furniture and fixtures	184,047
Total	314,578
Less: accumulated depreciation	156,792
Net Capital Assets	157,786
Total Assets	\$ 199,963
Liabilities and Net Assets	
Current Liabilities	
Customer meter deposits	\$ 225
Current maturity of long-term debt	10,817
Total Current Liabilities	11,042
Long-Term Debt	81,126
Total Liabilities	92,168
Net Assets	
Unrestricted	107,795
Total Net Assets	107,795
Total Liabilities and Net Assets	\$ 199,963

See accountant's compilation report.

GRAY ROCK WATER USERS ASSOCIATION, INC

STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2024

Unrestricted Revenues and Other Support

Metered water sales, less bad debts	\$	174,338
Interest income		123

Total Unrestricted Revenues and Other Support		174,461
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Expenses

Contract labor	27,866
Wages	15,840
Payroll taxes	4,858
Water purchases	87,118
Office supplies	2,838
Operating supplies	17,369
Licenses and fees	1,002
Telephone	480
Insurance	3,501
Memberships and dues	1,808
Legal and accounting	21,007
Repairs and maintenance	882
Interest expense	3,434
Miscellaneous	962
Rent	300
Depreciation	3,762

Total Expenses	193,027
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Change in Net Assets	(18,566)
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Net Assets at Beginning of Year	126,361
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Net Assets at End of Year	\$ 107,795
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See accountant's compilation report.