

**ACORN RURAL WATER ASSOCIATION**  
**AGREED-UPON PROCEDURES REPORT AND**  
**COMPILED FINANCIAL STATEMENTS**

**MAY 31, 2023 AND 2022**



**ACORN RURAL WATER ASSOCIATION**  
**MAY 31, 2023 AND 2022**

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## ***FINANCIAL STATEMENTS***



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

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To the Board of Directors  
Acorn Rural Water Association  
Mena, Arkansas

We have performed the procedures enumerated below on the financial and billing records of Acorn Rural Water Association as of and for the year ended May 31, 2023. Acorn Rural Water Association's management is responsible for the financial and billing records.

Acorn Rural Water Association 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 one finding. The individual that makes the adjustments also approves them. We suggest as a best practice to have a formal set of procedures to approve any adjustments to customer accounts.

(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 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 concluded this procedure with no findings.
- B. Confirm loans, bond, 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. This procedure was not applicable

(7) General

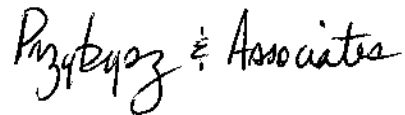
- A. Determine that any items of financial significance were approved and documented in the minutes of the Association's meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by Acorn Rural Water Association 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 Acorn Rural Water Association 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 Acorn Rural Water Association, Arkansas Waterworks and Legislative Joint Auditing Committee 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**  
**September 20, 2023**



To the Board of Directors  
Acorn Rural Water Association  
Mena, Arkansas

Management is responsible for the accompanying financial statements of Acorn Rural Water Association, which comprise the statement of financial position as of May 31, 2023 and 2022, the related statements of activities for the years then ended in accordance with accounting principles generally accepted in the United States of America. 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.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by 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 Association's financial position, results of operations, 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**  
**September 20, 2023**

# ACORN RURAL WATER ASSOCIATION

## STATEMENTS OF FINANCIAL POSITION

AS OF MAY 31,	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 116,141	\$ 49,085
Restricted checking and savings accounts	97,005	89,369
Accounts receivable	52,765	36,176
Inventory	12,232	14,727
Prepays	4,181	1,138
<b>Total Current Assets</b>	<b>282,324</b>	<b>190,495</b>
<b>Noncurrent Assets</b>		
Certificate of deposits	95,002	127,966
Restricted certificate of deposit	188,576	172,159
<b>Property, Plant, and Equipment</b>		
Land	4,000	4,000
Building	28,416	28,416
Water distribution system	4,007,202	4,007,202
Storage tanks	91,184	91,184
Machinery and equipment	18,303	18,303
Office furniture and fixtures	31,937	31,937
Transportation equipment	46,104	46,104
Total	4,227,146	4,227,146
Less accumulated depreciation	(2,160,515)	(2,033,943)
Total Property, Plant, and Equipment	2,066,631	2,193,203
<b>Total Noncurrent Assets</b>	<b>2,350,209</b>	<b>2,493,328</b>
<b>Other Assets</b>		
Loan administration fees, net of accumulated amortization of \$3,800 and \$3,600 respectively	2,200	2,400
<b>Total Other Assets</b>	<b>2,200</b>	<b>2,400</b>
<b>Total Assets</b>	<b>\$ 2,634,733</b>	<b>\$ 2,686,223</b>

See accountant's compilation report.



# ACORN RURAL WATER ASSOCIATION

## STATEMENTS OF FINANCIAL POSITION

AS OF MAY 31,	2023	2022
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Trade accounts payable	\$ 21,688	\$ 30,980
Accrued payroll and payroll liabilities	1,125	1,240
Sales tax payable	4,028	3,338
Accrued interest	2,055	2,211
Customer meter deposits	67,308	63,457
Current maturity of long-term debt	54,638	92,163
<b>Total Current Liabilities</b>	<b>150,842</b>	<b>193,389</b>
<b>Long-term Debt</b>	<b>1,282,182</b>	<b>1,336,804</b>
<b>Total Liabilities</b>	<b>1,433,024</b>	<b>1,530,193</b>
<b>Net Assets</b>		
Without Donor Restrictions	1,201,709	1,156,030
<b>Total Net Assets</b>	<b>1,201,709</b>	<b>1,156,030</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,634,733</b>	<b>\$ 2,686,223</b>

See accountant's compilation report.

# ACORN RURAL WATER ASSOCIATION

## STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED MAY 31,	2023	2022
<b>Revenues and Other Support Without Donor Restrictions</b>		
Metered water sales, net of bad debts	\$ 671,530	\$ 533,007
Other revenue	13,975	8,343
Late charges	14,888	13,629
Interest income	2,701	1,825
<b>Total Revenues and Other Support Without Donor Restrictions</b>	<b>703,094</b>	<b>556,804</b>
<b>Program Services</b>		
Salaries and wages	38,798	39,827
Payroll taxes	3,046	3,132
Utilities and telephone	4,794	5,166
Repairs and maintenance	1,040	36,447
Water purchases	289,823	296,911
Amortization expense	200	200
Outside services	37,737	40,235
Dues and subscriptions	4,546	5,685
Insurance	5,458	5,156
Interest expense	63,491	66,676
Legal and accounting	4,575	7,750
Office expense	4,448	5,387
Other expense	856	-
Rent	310	45
Supplies	24,430	16,743
Truck expenses	10,628	7,455
Depreciation	126,571	126,532
<b>Total Program Services</b>	<b>620,751</b>	<b>663,346</b>
<b>Management and General</b>		
Insurance	5,458	5,156
Office expense	4,448	5,387
Utilities and telephone	2,876	3,100
Salaries and wages	22,118	17,228
Payroll taxes	1,764	1,412
<b>Total Management and General</b>	<b>36,664</b>	<b>32,282</b>
<b>Total Expenses</b>	<b>657,415</b>	<b>695,628</b>
<b>Change In Net Assets Without Donor Restrictions</b>	<b>45,679</b>	<b>(138,824)</b>
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<b>1,156,030</b>	<b>1,294,854</b>
<b>Net Assets Without Donor Restrictions, End of Year</b>	<b>\$ 1,201,709</b>	<b>\$ 1,156,030</b>

See accountant's compilation report.