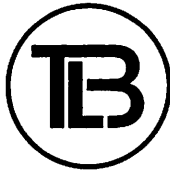


**PLEASANT GROVE WATER ASSOCIATION, INC.**  
Pleasant Grove, Arkansas  
For the Year Ended December 31, 2022

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**



**TIMOTHY L BLANSETT**  
— CPA PLLC —

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

Board of Directors  
PLEASANT GROVE WATER ASSOCIATION, INC.  
Pleasant Grove, Arkansas

We have performed the procedures enumerated below, which were agreed to by the members of the Board on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. § 14-234-119 for the Pleasant Grove Water Association, Inc., for the year ended December 31, 2022. Pleasant Grove Water Association, Inc.'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 the procedures performed is solely the responsibility of the specified users of the report to be issued. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other 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.
- 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 after performing the above procedures.*

**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.
- B) Agree ten (10) customer payments on the accounts receivable sub ledger to deposit and billing documents.
- C) For ten (10) deposits, agree the cash/check composition of the deposit with receipt information.

***Findings:*** *We found no exceptions after performing the above procedures.*

ph. 501.278.4393  
fx. 501.508.6461

**3. ACCOUNTS RECEIVABLE**

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

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Searcy, AR 72143

***Findings:*** *We found no exceptions after performing the above procedures.*



**TIMOTHY L BLANSETT**  
— CPA PLLC —

**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.
- B) Analyze all property, plant, and equipment disbursements.
- C) Select all disbursements paid to employees other than payroll and ten (10) other disbursements and determine if they were adequately documented.

***Findings:*** *We found no exceptions after performing the above procedures.*

**5. PROPERTY, PLANT, AND EQUIPMENT**

- 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 after performing the above procedure.*

**6. LONG-TERM DEBT**

- 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 after performing the above procedures.*

**7. GENERAL**

- A) Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

***Findings:*** *We found no exceptions after performing the above procedure.*

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 financial condition of the Pleasant Grove Water Association, Inc. 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 Pleasant Grove Water Association, Inc. and Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.

*Timothy L Blansett, CPA PLLC*

Timothy L Blansett, CPA PLLC  
Searcy, Arkansas  
August 18, 2023

**PLEASANT GROVE WATER ASSOCIATION, INC.**  
Pleasant Grove, Arkansas  
For the Year Ended December 31, 2022

**COMPILED FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANT'S COMPILATION  
REPORT**

**PLEASANT GROVE WATER ASSOCIATION, INC.  
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FOR THE YEAR ENDED DECEMBER 31, 2022**

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Statement of activities and changes in net position	3



TIMOTHY L BLANSETT  
— CPA PLLC —

Independent Accountant's Compilation Report

Board of Directors  
PLEASANT GROVE WATER ASSOCIATION, INC.  
Pleasant Grove, Arkansas

Management is responsible for the accompanying financial statements of Pleasant Grove Water Association, Inc., which comprise the statement of net position as of December 31, 2022, and the related statement of revenues, expenses, and changes in net position for the year 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. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all 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, the financial statements are not designed for those who are not informed about such matters.

*Timothy L Blansett, CPA PLLC*

Timothy L Blansett, CPA PLLC  
Searcy, Arkansas  
August 18, 2023

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Member American Institute of  
Certified Public Accountants

**PLEASANT GROVE WATER ASSOCIATION, INC.**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

**ASSETS**

<u>Current assets</u>	
Cash and cash equivalents	\$ 215,512
Certificates of deposit	56,245
Accounts receivable	50,064
Total current assets	321,821
<u>Restricted assets</u>	
Cash and cash equivalents	55,797
Certificates of deposit	113,795
Total restricted assets	169,592
<u>Property and equipment</u>	
Land	4,000
Water system	3,978,712
Buildings and equipment	258,113
Vehicles	56,894
Total property and equipment	4,297,719
Less: accumulated depreciation	(2,046,961)
Net property and equipment	2,250,758
TOTAL ASSETS	\$ 2,742,171

**LIABILITIES AND NET POSITION**

<u>Current liabilities</u>	
Accounts payable	\$ 20,113
Accrued payroll liabilities	284
Accrued interest	1,351
Current maturities of notes payable	58,964
Total current liabilities	80,712
<u>Non-current liabilities</u>	
Notes payable, net of current maturities	676,207
Meter deposits	67,970
Total non-current liabilities	744,177
TOTAL LIABILITIES	824,889
<u>Net position</u>	
Unrestricted:	
Board designated	169,592
Unrestricted	1,747,690
TOTAL NET POSITION	1,917,282
TOTAL LIABILITIES AND NET POSITION	\$ 2,742,171

See Independent Accountant's Compilation Report.

**PLEASANT GROVE WATER ASSOCIATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Operating revenues</u>	
Water revenues	\$ 653,613
Connection and other fees	9,826
Management fees	54,680
Other income	2,475
Total operating revenues	<u>720,594</u>
<u>Operating expenses</u>	
Water purchases	293,191
Salaries	122,810
Payroll expenses	9,673
Dues and fees	6,225
Insurance	8,934
Miscellaneous	934
Office expense	18,244
Professional fees	3,900
Repairs and maintenance	61,794
Utilities	34,226
Vehicle expense	19,683
Total operating expenses	<u>579,614</u>
Operating income before depreciation	140,980
Depreciation	<u>114,725</u>
Operating income	26,255
<u>Other income/(expense)</u>	
Interest income	1,077
Interest expense	(23,937)
Gain on sale of equipment	5,000
Total other income/expense	<u>(17,860)</u>
Net increase in net position	8,395
Net position, beginning of year	<u>1,908,887</u>
Net position, end of year	<u><u>\$ 1,917,282</u></u>

See Independent Accountant's Compilation Report.