

OUTSIDE KINGSLAND RURAL WATER ASSOCIATION



KINGSLAND, ARKANSAS

DECEMBER 31, 2023

OUTSIDE KINGSLAND RURAL WATER ASSOCIATION  
KINGSLAND, ARKANSAS

TABLE OF CONTENTS  
DECEMBER 31, 2023

	<u>PAGE NO.</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1 - 2
Independent Accountants' Compilation Report	3
Statement of Financial Position - December 31, 2023	4 - 5
Statement of Activities - For Year Ended December 31, 2023	6
SUPPLEMENTARY INFORMATION	
SCHEDULE I Schedule of Functional Expenses - For Year Ended December 31, 2023	7

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
Outside Kingsland Rural Water Association

We have performed the procedures enumerated below on the accounting records of Outside Kingsland Rural Water Association as of and for the year ended December 31, 2023. Outside Kingsland Rural Water Association's management is responsible for the entity's accounting records.

Outside Kingsland Rural Water Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying annual reporting requirements of the Arkansas Division of Legislative Audit. Additionally, the Arkansas Legislative Joint Auditing Committee has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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 purposes.

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 balances.
  - 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.

We found no exceptions as a result of the 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 customer payments on the accounts receivable sub ledger to deposit and billing documents.
  - c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

We found no exceptions as a result of the procedures.

3. Accounts Receivable
  - a. Agree ten customer billings to the accounts receivable sub ledger.
  - b. Determine that five customer adjustments were properly authorized.

We found no exceptions as a result of the procedures.

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 other disbursements and determine if they were adequately documented.

We found no exceptions as a result of the 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.)

We found no exceptions as a result of the 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.

We found no exceptions as a result of the procedures.

7. General

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

Step 7a. could not be performed. Documents could not be provided.

We were engaged by Outside Kingsland 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 accounting records of Outside Kingsland Rural Water Association. 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 Outside Kingsland Rural Water Association and to meet 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 Outside Kingsland Rural Water Association and the Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than those specified parties.

*Turner, Rodgers, Manning & Plyler, PLLC*

Arkadelphia, Arkansas  
November 20, 2024

To Management  
Outside Kingsland Rural Water Association  
Kingsland, Arkansas

Management is responsible for the accompanying financial statements of Outside Kingsland Rural Water Association, which comprise the statement of financial position as of December 31, 2023, and the related statement of activities 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 form of 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 were included in the financial statements, they might influence the user's conclusions about the Organization'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.

The accompanying supplementary information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*Turner, Rodgers, Manning & Plyler, PLLC*

Arkadelphia, Arkansas  
November 20, 2024

OUTSIDE KINGSLAND RURAL WATER ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023

Page 4

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 2,017
Certificates of Deposit	34,101
Accounts Receivable	14,039
TOTAL CURRENT ASSETS:	<u>50,157</u>

RESTRICTED ASSETS:

Cash - Meter Deposits	15,723
Cash - Asset Reserve	12,905
Cash - Debt Service Reserve	6,310
TOTAL RESTRICTED ASSETS:	<u>34,938</u>

CAPITAL ASSETS:

Land	1,837
Furniture, Fixtures and Equipment	32,780
Buildings	55,673
Plant and Equipment	2,214,628
	<u>2,304,918</u>
Less Accumulated Depreciation	<u>(1,077,227)</u>
	1,227,691
Right of Way Cost (Net of Accumulated Amortization of \$3,779)	996
TOTAL CAPITAL ASSETS:	<u>1,228,687</u>

TOTAL ASSETS:	<u>\$ 1,313,782</u>
---------------	---------------------

See Independent Accountants' Compilation Report.

OUTSIDE KINGSLAND RURAL WATER ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023

Page 5

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Payroll Taxes Payable	\$ 1,279
Accrued Interest Payable	509
Sales Tax Payable	609
Current Portion of Long-Term Debt	12,778
TOTAL CURRENT LIABILITIES:	<u>15,175</u>

LIABILITIES PAYABLE FROM RESTRICTED FUNDS:

Customers' Meter Deposits	12,565
---------------------------	--------

LONG-TERM LIABILITIES:

Notes Payable - USDA Rural Development	298,411
--	---------

TOTAL LIABILITIES:

326,151

NET ASSETS:

Invested in Capital Assets, Net of Related Debt	917,498
With Restrictions	22,373
Without Restrictions	47,760
TOTAL NET ASSETS:	<u>987,631</u>

TOTAL LIABILITIES AND NET ASSETS:

\$ 1,313,782

See Independent Accountants' Compilation Report.

OUTSIDE KINGSLAND RURAL WATER ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
Water Sales	\$ 85,499	\$ -	\$ 85,499
Interest Earned	245	-	245
Miscellaneous Income	1,165	-	1,165
<b>TOTAL SUPPORT AND REVENUE:</b>	<b>86,909</b>	<b>-</b>	<b>86,909</b>
<b>EXPENSES:</b>			
Water Services	124,746	-	124,746
Management and General	24,168	-	24,168
<b>TOTAL EXPENSES:</b>	<b>148,914</b>	<b>-</b>	<b>148,914</b>
Transfers	(733)	733	-
<b>CHANGE IN NET ASSETS:</b>	<b>(62,738)</b>	<b>733</b>	<b>(62,005)</b>
<b>NET ASSETS - BEGINNING OF YEAR:</b>	<b>1,027,996</b>	<b>21,640</b>	<b>1,049,636</b>
<b>NET ASSETS - END OF YEAR:</b>	<b>\$ 965,258</b>	<b>\$ 22,373</b>	<b>\$ 987,631</b>

See Independent Accountants' Compilation Report.



SUPPLEMENTARY INFORMATION

OUTSIDE KINGSLAND RURAL WATER ASSOCIATION  
 SCHEDULE OF FUNCTIONAL EXPENSES  
 FOR YEAR ENDED DECEMBER 31, 2023

SCHEDULE I  
 Page 7

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES:			
Salaries and Wages	\$ 21,000	\$ -	\$ 21,000
Amortization	119	-	119
Contract Labor	629	-	629
Depreciation	56,604	-	56,604
Dues and Subscriptions	-	1,878	1,878
Insurance	6,453	-	6,453
Interest	10,883	-	10,883
Legal and Professional	-	1,975	1,975
License and Permits	-	1,000	1,000
Office Expense	-	2,515	2,515
Payroll Taxes	1,668	-	1,668
Repairs and Maintenance	1,121	-	1,121
Sales Tax	7,624	-	7,624
Supplies	7,615	-	7,615
Travel	-	16,800	16,800
Utilities and Telephone	6,943	-	6,943
Miscellaneous	4,087	-	4,087
TOTAL EXPENSES:	<u>\$ 124,746</u>	<u>\$ 24,168</u>	<u>\$ 148,914</u>