

FAIRCREST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

**El Dorado, Arkansas
For the Year Ended December 31, 2025**

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



**Board of Directors
Faircrest Public Water Authority of the State of Arkansas
El Dorado, Arkansas**

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

We have performed the procedures enumerated below on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 – 14-234-122 of Faircrest Public Water Authority of the State of Arkansas for the year ended December 31, 2025. Faircrest Public Water Authority of the State of Arkansas's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 – 14-234-122.

Faircrest Public Water Authority of the State of Arkansas has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas law and lender requirements. 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:

Cash

1. 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: No exceptions were found as a result of applying the procedures.

Receipts

2. 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 subsidiary ledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Findings: No exceptions were found as a result of applying the procedures.

Accounts Receivable

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

Findings: No exceptions were found as a result of applying the procedures.

**Board of Directors
Faircrest Public Water Authority of the State of Arkansas**

Disbursements

1. 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.

Findings: No exceptions were found as a result of applying the procedures.

Property, Plant, & Equipment

2. a. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of the total equipment or \$500, whichever is greater.)

Findings: No exceptions were found as a result of applying the procedures.

General

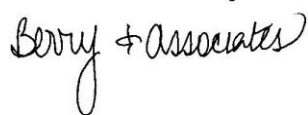
3. a. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.

Findings: No exceptions were found as a result of applying the procedures.

We were engaged by Faircrest Public Water Authority of the State of Arkansas to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 – 14-234-122. 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 Faircrest Public Water Authority of the State of Arkansas and to meet our 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 Faircrest Public Water Authority of the State of Arkansas and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.



BERRY & ASSOCIATES, P.A.
Little Rock, Arkansas
August 13, 2026

FAIRCREST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2025
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

FAIRCREST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
El Dorado, Arkansas
For the Year Ended December 31, 2025

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Berry & Associates
CERTIFIED PUBLIC ACCOUNTANTS

American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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**Board of Directors
Faircrest Public Water Authority of the State of Arkansas
El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of Faircrest Public Water Authority of the State of Arkansas, which comprise the statement of assets, liabilities, and net position – modified cash basis as of December 31, 2025, and the related statement of cash receipts and cash disbursements for the year then ended, 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. Accordingly, 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 Authority's assets, liabilities, net position, cash receipts and cash disbursements. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
August 13, 2026

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FAIRCREST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION-MODIFIED CASH BASIS
December 31, 2025

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 440,664
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FIXED ASSETS - AT COST

Building	8,705
Tanks and Wells	672,344
Water Lines	771,214
Land	6,000
Equipment	66,192

1,524,455

Less: Accumulated Depreciation

(1,404,107)

Net Fixed Assets

120,348

TOTAL ASSETS

\$ 561,012

LIABILITIES AND NET POSITION

PAYABLES FROM RESTRICTED ASSETS

Customer Water Meter Deposits	\$ <u>14,495</u>
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TOTAL LIABILITIES

14,495

NET POSITION

Unrestricted	<u>546,517</u>
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TOTAL NET POSITION

546,517

TOTAL LIABILITIES AND NET POSITION

\$ 561,012

FAIRCREST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2025

CASH RECEIPTS

Water Revenue	\$ 223,893
Interest Income	7,255
Meter Deposits	2,200
Total Cash Receipts	<u>233,348</u>

CASH DISBURSEMENTS

Contract Labor	32,448
Utilities and Telephone	19,978
Repairs and Maintenance	55,910
Professional Fees	8,715
Dues and Fees	3,706
Insurance	12,143
Office Expense	7,033
Supplies	6,676
Truck Expense	8,750
Sales Tax	14,694
Meter Deposit Refunds	600
Miscellaneous Expense	762
Total Cash Disbursements	<u>171,415</u>

INCREASE IN CASH AND RESTRICTED CASH

61,933

BEGINNING CASH AND RESTRICTED CASH, AT JANUARY 1, 2025378,731**ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2025**\$ 440,664

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT