

WEST SALINE WATER USERS ASSOCIATION, INC.

AGREED-UPON PROCEDURES

DECEMBER 31, 2022

*Independent Accountant's Report*

To the Board of Directors  
West Saline Water Users Association, Inc  
PO Box 29  
New Edinburg, Arkansas 71660-0029

We have performed the procedures enumerated below on the financial accounts of West Saline Water Users Association, Inc for the year ended December 31, 2022. West Saline Water Users Association, Inc's management is responsible for West Saline Water Users Association, Inc's financial accounts.

West Saline Water Users Association, Inc has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the financial accounts of the engaging party during the year ended December 31, 2022. 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 the associated findings are as follows:

1. Cash and Investments

- a. We performed a proof of cash for the year and reconciled year-end bank balances to book balances.
- b. We confirmed cash balances with depository institutions.
- c. We agreed the proof of cash ending balances to the book balances within 5% or \$500, whichever was greater.

No findings.

2. Receipts

- a. We agreed the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever was greater.
- b. We agreed ten customer payments on the accounts receivable subledger to deposit and billing documents.
- c. We agreed the cash/check composition of ten deposits with receipt information.

No findings.

3. Accounts Receivables

- a. We agreed ten customer billings to the accounts receivable subledger.
- b. We selected five customer adjustments and determined the adjustments were properly authorized.

Findings – Customer adjustments were not documented in accordance with leak policy.

4. Disbursements

- a. We agreed the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever was greater.
- b. We analyzed all property, plant, and equipment disbursements.
- c. We selected all disbursements paid to employees other than payroll and ten other disbursements and determined if they were adequately documented.

No findings.

5. Property, Plant, and Equipment

- a. We determined that additions and disposals were properly recorded in the records within 5% of total equipment or \$500, whichever was greater.

No findings.

6. Long-term Debt

- a. We scheduled long-term debt and verified changes in all balances for the year.
- b. We confirmed loans, bonds, notes and contracts payable with lender/trustee/contractor.
- c. We determined that the appropriate debt service accounts have been established and maintained.

Not applicable.

7. General

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

No findings.

We were engaged by West Saline Water Users Association, Inc to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the *Guidelines for Conducting Agreed-upon Procedures for Water and Sewer Service Providers* dated August 2, 2021 as published by the Arkansas Legislative Joint Auditing Committee. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on West Saline Water Users Association, Inc's financial accounts. 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 West Saline 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 West Saline Water Users Association, Inc and the State of Arkansas, and is not intended to be, and should not be, used by anyone other than these specified parties.



Emrich & Scroggins LLP  
Certified Public Accountants

El Dorado, Arkansas

November 8, 2023

*Attachment: Minimum Agreed-upon Procedures Prescribed by the Legislative Joint Auditing Committee*

MINIMUM AGREED-UPON PROCEDURES PRESCRIBED  
BY THE LEGISLATIVE JOINT AUDITING COMMITTEE

Cash and Investments

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.

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 subledger to deposit and billing documents.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Accounts Receivable

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

Disbursements

4. 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.

#### Property, Plant, and Equipment

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

#### Long-Term Debt

- 6. 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.

#### General

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

*Independent Accountant's Compilation Report and Financial Statements*

**West Saline Water Users Association, Inc**

*For the Year Ended December 31, 2022*

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
West Saline Water Users Association, Inc  
New Edinburg, Arkansas

Management is responsible for the accompanying financial statements of West Saline Water Users Association, Inc (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2022, 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 the 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 the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the statement of cash flows and omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, changes in net assets, and cash flows. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

  
Emrich & Scroggins, LLP  
Certified Public Accountants

El Dorado, Arkansas

November 8, 2023



**West Saline Water Users Association, Inc**  
**Statement of Financial Position**  
**December 31, 2022**

<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 809,953
Accounts receivable, net of allowance	44,875
Prepaid expense	11,772
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<b>Total Current Assets</b>	866,600
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<b>Property, Plant and Equipment, Net</b>	483,683
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<b>Other Assets</b>	
Cash reserve - meter deposits	38,184
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<b>Total Other Assets</b>	38,184
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<b>TOTAL ASSETS</b>	<u><u>\$ 1,388,467</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ -
Accrued liabilities	3,759
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<b>Total Current Liabilities</b>	3,759
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<b>Noncurrent Liabilities</b>	
Customer deposits	26,324
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<b>Total Noncurrent Liabilities</b>	26,324
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<b>Total Liabilities</b>	30,083
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<b>Net Assets</b>	
<b>Net Assets without Donor Restrictions</b>	
Undesignated	1,320,200
Designated for specific purposes	38,184
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<b>Total Net Assets</b>	1,358,384
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,388,467</u></u>

See independent accountant's compilation report.

**West Saline Water Users Association, Inc**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

**Changes in Net Assets without Donor Restrictions**

**Revenue and Other Support**

Water revenue	\$ 302,528
Connect charges	2,960
Collection charges	638
Interest income	1,976
Other income	3,997
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<b>Total Revenue and Other Support</b>	<hr/> 312,099 <hr/>
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**Functional Expenses**

**Program Services**

Depreciation	72,831
Dues and subscriptions	303
Employee benefits	376
Insurance	13,320
Miscellaneous	149
Payroll taxes	4,249
Repairs and maintenance	70,695
Salaries	55,993
Supplies	9,318
Training	4,658
Travel	82
Utilities	16,348
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<b>Total Program Services</b>	<hr/> 248,322 <hr/>
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**Management and General**

Depreciation	3,833
Dues and subscriptions	303
Employee benefits	250
Insurance	2,351
Miscellaneous	149
Office supplies	2,350
Payroll taxes	2,832
Professional fees	5,700
Repairs and maintenance	3,721
Salaries	37,329
Supplies	1,036
Training	245
Travel	4
Utilities	1,816
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<b>Total Management and General</b>	<hr/> 61,919 <hr/>
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<b>Total Functional Expenses</b>	<hr/> 310,241 <hr/>
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<b>Change in Net Assets</b>	<hr/> 1,858 <hr/>
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<b>Net Assets without Donor Restrictions - Beginning of Year</b>	<hr/> 1,356,526 <hr/>
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<b>Net Assets without Donor Restrictions - End of Year</b>	<hr/> \$ 1,358,384 <hr/>
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See independent accountant's compilation report.