

MARYSVILLE WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended August 31, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

Page 1

**Board of Directors
Marysville Water Association, Inc.
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 of the Marysville Water Association, Inc. for the year ended August 31, 2023. Marysville Water Association, Inc. management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Marysville Water Association, Inc. 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 investment.
- c. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

Findings: We found no exceptions as a result of the procedures.

Receipts

1. 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.

Findings: We found no exceptions as a result of the procedures.

**Board of Directors
Marysville Water Association, Inc.**

Accounts Receivable

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

Findings: We found no exceptions as a result of the procedures.

Disbursements

3. 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 as a result of the procedures.

Property, Plant, & Equipment

1. 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 as a result of the procedures.

Long-Term Debt

4. a. Schedule long-term debt and verify changes in all balances for the year.
- b. Confirm loans, bonds, notes and contracts payable with the lender/trustee/contractor.
- c. Determine that the appropriate debt service accounts have been established and maintained.

Findings: We found no exceptions as a result of the procedures

General

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

Findings: We found no exceptions as a result of the procedures.

We were engaged by the Marysville Water Association, Inc. 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. 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 the Marysville Water Association, Inc. 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 Marysville Water Association, Inc. 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

BERRY & ASSOCIATES, P.A.
Little Rock, Arkansas
October 15, 2024

MARYSVILLE WATER ASSOCIATION, INC.
FINANCIAL STATEMENTS
For the Year Ended August 31, 2023
and
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

MARYSVILLE WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended August 31, 2023

<u>Contents</u>	<u>Page</u>
Independent accountant's compilation report.....	1
Statement of assets, liabilities, and net assets- modified cash basis	2
Statement of cash receipts and cash disbursements.....	3



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Page 1

**Board of Directors
Marysville Water Association, Inc.
El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of Marysville Water Association, Inc., (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of August 31, 2023, 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. We do not express an opinion, a conclusion, nor provide any 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 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 association's assets, liabilities, net assets, cash receipts, and cash disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.
Little Rock, Arkansas
October 15, 2024

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MARYSVILLE WATER ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS
August 31, 2023

<u>ASSETS</u>	
CURRENT ASSETS	
Cash	\$ 220,625
RESTRICTED CASH	
Certificates of deposit	35,321
FIXED ASSETS - AT COST	
Building	970
Tanks and wells	273,685
Water system	347,485
Land	1,750
Equipment	9,376
	<u>633,266</u>
Less: Accumulated depreciation	<u>(598,545)</u>
Net Fixed Assets	<u>34,721</u>
TOTAL ASSETS	<u><u>\$ 290,667</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
PAYABLE FROM RESTRICTED ASSETS	
Customer water meter deposits	\$ <u>25,491</u>
TOTAL LIABILITIES	<u>25,491</u>
NET ASSETS	
Unrestricted	<u>265,176</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 290,667</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

MARYSVILLE WATER ASSOCIATION, INC.
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended August 31, 2023

CASH RECEIPTS

Water revenue	\$ 110,924
Meter deposits	400
Service connections	29
Interest income	272
Total cash receipts	<u>111,625</u>

CASH DISBURSEMENTS

Operator expense	20,400
Meter deposit refunds	930
Utilities and telephone	16,155
Connection fees	4,389
Maintenance and repairs	20,564
Chemicals	2,322
Professional fees	7,755
Sales tax	7,519
Insurance	10,534
Membership fees	2,264
Truck expense	6,000
Office expense	3,172
Total cash disbursements	<u>102,004</u>

INCREASE IN CASH AND CASH EQUIVALENTS 9,621

BEGINNING CASH AND CASH EQUIVALENTS, AT SEPTEMBER 1, 2022 246,325

ENDING CASH AND CASH EQUIVALENTS, AT AUGUST 31, 2023 \$ 255,946

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT