

FOUR MILE HILL WATER ASSOCIATION, INC.

AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2023

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

To the Board of Directors,  
Four Mile Hill Water Association, Inc.

We have performed the procedures enumerated below, which were agreed upon by the management of the Four Mile Hill Water Association, Inc. in order to comply with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service Providers* prepared by the Arkansas Legislative Joint Audit Committee solely to assist you with respect to the accounting records of Four Mile Hill Water Association, Inc. as of and for the year ended December 31, 2023. Four Mile Hill Water Association, Inc.'s management is responsible for the entity's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1) Cash

- a) Perform a proof of cash for the year and reconcile the year-end 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 subledger to deposit and billing documents.
- c) For ten deposits, agree the cash/check composition of the deposit with the receipt information.

We found no exceptions as a result of the procedures.

3) Accounts Receivable

- a) Agree ten customer billings to the accounts receivable subledger.
- 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 procedures.

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.

We found no exceptions as a result of the procedures.

- 8) We compiled a statement of financial position of Four Mile Hill Water Association, Inc. as of December 31, 2023, and the related statement of activities for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A copy of our report is included with this submission.

This agreed-upon procedures report 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, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. 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 management of the Association, the Board of Directors, and Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than these specified parties.

*Turner, Williams and Associates, P.A.*

Turner, Williams and Associates, P.A.  
Searcy, Arkansas

July 25, 2024

FOUR MILE HILL WATER ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors,  
Four Mile Hill Water Association, Inc.

Management is responsible for the accompanying financial statements of Four Mile Hill Water Association, Inc. (a public water facilities board), which comprise the statement of financial position as of December 31, 2023 and the related statements 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. 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 statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position and statement of activities. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Turner, Williams and Associates, P.A.*

Turner, Williams and Associates, P.A.  
Searcy, Arkansas

July 25, 2024

FOUR MILE HILL WATER ASSOCIATION, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023

Assets	
	2023
Current Assets:	
Cash	\$ 723,923
Accounts receivable	41,620
Inventory	33,971
Total Current Assets	799,514
Property, Plant, and Equipment:	
Furniture and fixtures	38,954
Water system	4,066,072
Buildings	219,190
Machinery and equipment	246,684
Vehicles	198,976
Land and easements	15,437
Less accumulated depreciation	(2,062,513)
Total Property, Plant, and Equipment	2,722,800
Other Assets:	
Utility deposits	321
Total Other Assets	321
Total Assets	\$ 3,522,635
Liabilities and Net Position	
Current Liabilities:	
Accounts payable	\$ 39,312
Accrued expenses	8,226
Accrued interest payable	797
Current maturities of long-term debt	20,544
Total Current Liabilities	68,879
Non-current Liabilities:	
Customer meter deposits	63,875
Notes payable	824,711
Less current portion	(20,544)
Total Long-term Liabilities	868,042
Total Liabilities	936,921
Net Position:	
Net investment in capital assets	1,898,089
Unrestricted net position	687,625
Total Net Position	2,585,714
Total Liabilities and Net Position	\$ 3,522,635

See independent accountant's compilation report.



FOUR MILE HILL WATER ASSOCIATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
Operating Revenue and Fees	
Water revenue	\$ 1,067,066
Penalty income	23,613
Discounts earned	2,166
Total Operating Revenues and Fees	1,092,845
Operating Expenses	
Water purchased	403,719
Salaries	272,197
Contract labor	2,150
Contributions	1,500
Equipment rental	1,478
Supplies	117,554
Utilities	29,472
Telephone	13,306
Repairs and maintenance	17,283
Professional fees	32,773
Taxes and license	21,561
Insurance	67,583
Postage	6,764
Office expenses	14,398
Retirement plan	5,713
Meals	4,009
Travel and education	4,844
Truck expense	19,916
Depreciation	78,882
Total Operating Expenses	1,115,102
Operating Income (Loss)	(22,257)
Non-operating Income and (Expense)	
Interest income	1,933
Gain (Loss) on sale of assets	3,122
Interest expense	(19,939)
Non-operating expense, net	(14,884)
Increase (decrease) in net position	\$ (37,141)
Net position, Beginning of year	2,622,855
Net position, End of year	\$ 2,585,714

See independent accountant's compilation report.