

HARMONY WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended June 30, 2024

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
Harmony 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 Harmony Water Association, Inc. for the year ended June 30, 2024. Harmony Water Association Inc.'s management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

Harmony 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 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.

Findings: We found no exceptions as a result of 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 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.

ACCOUNTS RECEIVABLE

1. 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.

11225 Huron Lane, Suite 212 • Little Rock, AR 72211 • 501-227-9044 • Fax 501-227-8791 •

jtberry@berryassociatescpa.com

2911 Turtle Creek Blvd., Suite 300 • Dallas, TX 75219 • 972-437-2919

2088 Main Street, Suite A • Madison, MS 39110 • 601-383-0119

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

DISBURSEMENTS

2. 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 AND EQUIPMENT

3. 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

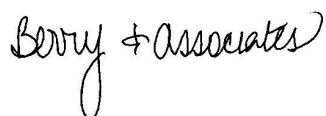
5. a. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.

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

We were engaged by Harmony 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 Harmony 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 Harmony 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, P.A.
Little Rock, Arkansas
November 14, 2024

HARMONY WATER ASSOCIATION, INC.
FINANCIAL STATEMENTS
For the Year Ended June 30, 2024
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

HARMONY WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended June 30, 2024

<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



American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

Page 1

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

Management is responsible for the accompanying financial statements of Harmony Water Association, Inc., (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2024, 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
November 14, 2024

11225 Huron Lane, Suite 212 • Little Rock, AR 72211 • 501-227-9044 • Fax 501-227-8791 •
jtberry@berryassociatescpa.com
2911 Turtle Creek Blvd., Suite 300 • Dallas, TX 75219 • 972-437-2919
2088 Main Street, Suite A • Madison, MS 39110 • 601-383-0119

HARMONY WATER ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS
June 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 74,505
---------------------------	-----------

FIXED ASSETS - AT COST

Tanks & wells	7,342
Water lines	138,350
Equipment	9,516

	155,208
Less: accumulated depreciation	(146,486)

Net Fixed Assets	8,722
------------------	-------

TOTAL ASSETS	\$ 83,227
---------------------	------------------

LIABILITIES AND NET ASSETS

PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits	\$ 7,213
-------------------------------	----------

TOTAL LIABILITIES	7,213
--------------------------	--------------

NET ASSETS

Unrestricted	76,014
--------------	--------

TOTAL NET ASSETS	76,014
-------------------------	---------------

TOTAL LIABILITIES AND NET ASSETS	\$ 83,227
---	------------------

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

HARMONY WATER ASSOCIATION, INC.
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended June 30, 2024

CASH RECEIPTS

Water revenue	\$ 99,400
Meter deposits	500
Interest income	93
Total Cash Receipts	<u>99,993</u>

CASH DISBURSEMENTS

Operator expense	9,092
Insurance	100
Debt service	
Principal	11,591
Interest	4,451
Utilities and telephone	57,381
Repairs	12,356
Service connections	2,963
Professional fees	7,790
Membership fees	1,388
Meter deposit refunds	100
Sales tax	6,840
Total Cash Disbursements	<u>114,053</u>

DECREASE IN CASH AND RESTRICTED CASH (14,060)

BEGINNING CASH AND RESTRICTED CASH, AT JULY 1, 2023 88,565

ENDING CASH AND RESTRICTED CASH, AT JUNE 30, 2024 \$ 74,505

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT