

HUGHES COMMUNITY WATER ASSOCIATION, INC.
HUGHES, ARKANSAS
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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Hughes Community Water Association, Inc.
Board of Directors
Hughes, Arkansas

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES

We have performed the procedures enumerated below on compliance with Ark. Code Ann. 14-234-119 to 122, of the Hughes Community Water Association, Inc., which were agreed to by the members of the Board of Directors as of September 30, 2024, and for the year then ended Hughes Community Water Association, Inc.'s management is responsible for the Departments records.

The Hughes Community Water Association Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended compliance with Ark. Code. Ann 14-234-119 to 122. Additionally, the Board of Directors has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for other purpose. The procedures performed may not address all the items of interest of a user of this report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purpose.

The procedures and associated findings are as follows:

Cash and Investments:

1. We performed a proof of cash for the year and reconciled year end bank balances to book balances.
2. We obtained confirmation of the cash on deposit for all cash and certificates of deposit of the Hughes Community Water Association, Inc.

Fidelity:

Cash - General Water Revenue Account	\$ 144,034
Cash - Meter Deposit Fund	25,237
CD - General Revenue #2	100,000
CD - Improvement Fund #1	100,000
CD - Improvement Fund #2	100,000
CD - Meter Deposit	33,500
	<u>\$ 502,771</u>

Cash and Investments: cont'd

3. Agreed the proof of cash ending balances to the book balances.

We found no exceptions as a result of the procedures.

Receipts

1. Agreed the deposits per the proof of cash for the year with the deposits per the receipts journal.
2. Agreed 10 customer payments on the accounts receivable sub ledger to deposit and billing documents.

We found no exceptions as a result of these procedures.

Cash Disbursements:

1. Agreed the disbursements per the proof of cash for the year with the disbursements per the cash disbursements journal within 5%.
2. Analyzed all property, plant and equipment disbursements.
3. Selected 10 disbursements and determined that they were adequately documented.

We found no exceptions as a result of these procedures.

Property, Plant, and Equipment:

We determined that all additions and disposals were properly accounted for in the records.

We found no exceptions as a result of the procedures.

Long-term Debt:

As of September 30, 2024, the Association had no long-term debt outstanding.

We were engaged by the Hughes Community Water Association, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively on the specified elements, accounts or items. 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.

We are required to be independent of the Hughes Community Water Association, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedure engagement.

Meyer & Ward

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, AR 72396

November 18, 2024

HUGHES COMMUNITY WATER ASSOCIATION, INC.
FINANCIAL STATEMENTS – CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
AND
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT

MEYER AND WARD, P.A.
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HUGHES COMMUNITY WATER ASSOCIATION, INC
HUGHES, ARKANSAS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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Board of Directors
Hughes Community Water Association, Inc.
Hughes, AR

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Hughes Community Water Association Inc., (a nonprofit corporation) which comprise the statement of assets, liabilities, and net assets – cash basis and the related statement of receipts and disbursements- cash basis as of September 30, 2024 and for the year then ended in accordance with the cash basis of accounting and for determining that the 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 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 required by the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Hughes Community Water Association Inc.'s assets, liabilities, net assets, revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Meyer & Ward

Meyer and Ward, P.A.
Certified Public Accountants
Wynne, AR 72396

November 18, 2024

HUGHES COMMUNITY WATER ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS- CASH BASIS
September 30, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 144,034
Investments	333,500
inventory	<u>62,663</u>
Total Current Assets	<u>540,197</u>

RESTRICTED ASSETS

Cash - Meter Deposits	<u>25,237</u>
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PROPERTY PLANT AND EQUIPMENT

Land	4,500
Buildings	196,217
Water System, Tanks & Equipment	3,187,997
Office Furniture and Equipment	59,993
Communications Equipment	14,939
Vehicles	128,750
Less Accumulated Depreciation	<u>(2,791,530)</u>
Net Property, Plant and Equipment	<u>800,866</u>

TOTAL ASSETS	<u><u>\$ 1,366,300</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Meter Deposits	\$ 58,737
Payroll Taxes Payable	4,651
Sales Tax Payable	<u>3,454</u>
Total Current Liabilities	<u>66,842</u>

NET ASSETS

Net Asset Without donor restrictions	<u>1,299,458</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,366,300</u></u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**HUGHES COMMUNITY WATER ASSOCIATION, INC.
STATEMENT OF RECEIPTS AND DISBURSEMENTS-CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

OPERATING REVENUE:

Water Sales	\$ 450,583
EPA Charges	4,492
Penalties Charged	14,860
Tank Usage	13,804
Membership/Set-up Fees	3,550
Other Income	2,240
	<u>489,529</u>

OPERATING EXPENSES:

Salaries, Payroll, & Fringe	258,443
Utilities	33,028
Supplies	37,911
Insurance	25,899
Repairs & Maintenance	31,197
Meetings/Conventions/Travel	2,881
Professional Fees	2,750
Depreciation	74,719
Permits/Licenses/Memberships	13,734
Other Expenses	1,634
	<u>482,196</u>

Operating Income (loss)	<u>7,333</u>
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Non-operating revenues (expenses)

Gain on Sale of Fixed Assets	38,815
Interest Income	13,423
	<u>52,238</u>

**EXCESS (DEFICIENCY) OF REVENUE
OVER EXPENSES**

<u>\$ 59,571</u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT