

PENDLETON PEA RIDGE WATER ASSOCIATION
(A Nonprofit Organization)
Dumas, Arkansas
For the Year Ended December 31, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



**Board of Directors
Pendleton Pea Ridge Water Association
Dumas, 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 – 14-234-122 for the Pendleton Pea Ridge Water Association for the year ended December 31, 2024. Pendleton Pea Ridge Water Association's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 – 14-234-122.

Pendleton Pea Ridge Water Association 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 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.

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

3. 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.

**Board of Directors
Pendleton Pea Ridge Water Association**

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.

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

Property, Plant, & Equipment

5. 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

6. 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

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

Findings: We found the following exception as a result of the procedures. At least one item of financial significance was not approved and documented in the minutes of the Board of Director's meetings. No other exceptions were found as a result of applying the procedures.

We were engaged by Pendleton Pea Ridge Water Association 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 – 14-234-122. 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 Pendleton Pea Ridge Water Association 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 Legislative Joint Auditing Committee, and the Pendleton Pea Ridge Water Association, 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
October 22, 2025

**PENDLETON PEA RIDGE WATER ASSOCIATION
FINANCIAL STATEMENTS
For the Year Ended December 31, 2024
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**PENDLETON PEA RIDGE
WATER ASSOCIATION
Dumas, Arkansas
For the Year Ended December 31, 2024**

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**Board of Directors
Pendleton Pea Ridge Water Association
Dumas, Arkansas**

Management is responsible for the accompanying financial statements of Pendleton Pea Ridge Water Association, which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 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. 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 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 22, 2025

**PENDLETON PEA RIDGE WATER ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS
December 31, 2024**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	246,452
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NON-CURRENT ASSETS

Restricted cash and cash equivalents		55,449
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FIXED ASSETS - AT COST

Machinery and equipment		23,453
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Buildings		35,288
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Office equipment		24,311
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Water system		888,061
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Automobiles		22,500
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		993,613
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Less: accumulated depreciation		(779,294)
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Net Fixed Assets		214,319
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TOTAL ASSETS	\$	516,220
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LIABILITIES AND NET ASSETS

PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits	\$	28,197
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TOTAL LIABILITIES		28,197
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NET ASSETS

Unrestricted		488,023
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TOTAL NET ASSETS		488,023
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TOTAL LIABILITIES AND NET ASSETS	\$	516,220
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**PENDLETON PEA RIDGE WATER ASSOCIATION
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2024**

CASH RECEIPTS

Water revenue	\$ 259,766
Interest income	6,485
Penalty charges	7,249
Connections and special services	3,700
Total Cash Receipts	<u>277,200</u>

CASH DISBURSEMENTS

Salaries	19,448
Utilities and telephone	8,854
Bank charges	259
Repairs	30,208
Professional fees	4,520
Dues and fees	832
Insurance	8,582
Office expense	11,105
Payroll taxes	25,218
Contract labor	28,692
Water purchases	117,822
Capital asset purchase	18,900
Miscellaneous	9,884
Total Cash Disbursements	<u>284,324</u>

DECREASE IN CASH AND RESTRICTED CASH

(7,124)

BEGINNING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2023309,025**ENDING CASH AND RESTRICTED CASH, AT DECEMBER 31, 2024**\$ 301,901

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT