

NAIL-SWAIN WATER ASSOCIATION

Agreed Upon Procedures

Year Ended December 31, 2023

KEVIN MOORE CPA, PA

P.O. Box 2084 - 210 N. Houston
Russellville, AR 72811

Office: (479) 967-7636

Email: kmoorecpa@suddenlink.net

Fax: (479) 967-5766

INDEPENDENT ACCOUNTANT' S REPORT ON APPLYING AGREED-UPON PROCEDURES

Nail-Swain Water Association
HC 62 Box 549
Deer, AR 72628

We have performed the procedures enumerated below on Agreed Upon Procedures of Nail Swain Water Association as of December 31, 2023. Nail Swain Water Association's management is responsible for the Agreed Upon Procedures.

Nail-Swain Water Association has agreed to and acknowledged that the procedures performed are appropriate to meet intended purpose of complying with the requirements of the Arkansas Division of Legislative Audit and the State of Arkansas Act 907 of 2021 as of and for the year ended December 31, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all 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.

Our procedures and 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.

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 sub ledger 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.

Accounts Receivable

- 3. A. Agree ten customer billings to the accounts receivable sub ledger.
- B. Determine that five customer adjustments were properly authorized.

Findings: We found no exceptions.

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.

Property, Plant and Equipment

- 5. 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.

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 lender/trustee/contractor.
- C. Determine that the appropriate debt service accounts have been established and maintained.

Findings: We found no exceptions.

General

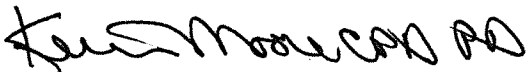
7. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

Findings: We found no exceptions.

We were engaged by Nail Swain Water Association to perform this agreed-upon procedure 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 audit, the objective of which would be the expression of an opinion, 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 Nail Swain Water Association and to meet our other 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 Nail-Swain Water Association, the State of Arkansas Legislative Audit and Arkansas Natural Resources Commission and is not intended to be and should not be used by anyone other than those specified parties.



Certified Public Accountant

Russellville, Arkansas

July 5, 2024

NAIL-SWAIN WATER ASSOCIATION

Financial Statements

Year Ended December 31, 2023

KEVIN MOORE CPA, PA

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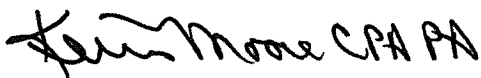
Fax: (479) 967-5766

Independent Accountant's Compilation Report

To the Board of Directors of
Nail-Swain Water Association
Deer, AR 72628

Management is responsible for the accompanying financial statements of Nail-Swain Water Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets-modified cash basis as of December 31, 2023, and the related statements of revenues, expenses, and changes in net assets-modified cash basis for the year then ended 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. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. 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.



Certified Public Accountant

Russellville, AR

July 5, 2024

NAIL-SWAIN WATER ASSOCIATION

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NAIL-SWAIN WATER ASSOCIATION
Statement of Assets, Liabilities, and Net Assets-Modified Cash Basis
December 31, 2023

<u>Assets</u>		
<u>Current Assets</u>		
Cash - operations	\$ 9,083	
Accounts receivable - trade	14,485	
Total current assets		\$ 23,568
 <u>Restricted Funds</u>		
Cash - USDA debt reserve	\$ 12,210	
Cash - USDA short lived asset reserve	66,700	
Cash - meter deposits	19,547	
Cash - reserve account	50,078	
Cash - debt service	35,476	
Total restricted funds		184,011
 <u>Property, Plant and Equipment</u>		
Property, plant and equipment, Net of accumulated depreciation		4,476,856
 <u>Other Assets</u>		
Utility deposits		3,000
Total assets		\$ 4,687,435
 <u>Liabilities and Net Assets</u>		
Current maturities of long-term debt	\$ 36,991	
Accrued expenses	7,390	
Meter deposits	7,600	
Total current liabilities		\$ 51,981
Long-term debt, less current maturities shown above		796,612
Total liabilities		848,593
 <u>Net Assets</u>		
Without donor restrictions	\$ 3,838,842	
Total net assets		3,838,842
Total liabilities and net assets		\$ 4,687,435

See independent accountant's compilation report.

NAIL-SWAIN WATER ASSOCIATION

Statement of Revenues, Expenses, and Changes in Net Assets-Modified Cash Basis
Year Ended December 31, 2023

Revenues

Water collections	\$	212,575
Other income		9,610
Interest income		51
Total revenues		<u>222,236</u>

Expenses

Operating expenses		89,646
Personnel expense		53,890
General & administrative		7,987
Depreciation expense		184,848
Interest expense		27,093
Total expenses		<u>363,464</u>

Change in net assets		(141,228)
Net assets, beginning of year		<u>3,980,070</u>
Net assets, end of year	\$	<u><u>3,838,842</u></u>

See independent accountant's compilation report.