

**QUINN WATER ASSOCIATION, INC.**  
**El Dorado, Arkansas**  
**For the Year Ended March 31, 2020**

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

# BERRY & ASSOCIATES, P.A.

*Certified Public Accountants*

American Institute of CPAs

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**Board of Directors  
QUINN WATER ASSOCIATION, INC.  
El Dorado, Arkansas**

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

We have performed the procedures enumerated below, which were agreed to by the members of the Board on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 for the Quinn Water Association, Inc. for the year ended March 31, 2020. Quinn 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. The sufficiency of these procedures is solely the responsibility of the members of the Board. 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:

### Cash

1. a. Perform a proof and reconciliation of cash for the year.
- b. Confirm the cash on deposit and investments with the depository institutions.
- 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 these 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 10 customer payments on the accounts receivable subledger to deposit and billing documents.

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

### Accounts Receivable

3. a. Agree 10 customer billings to the accounts receivable subledger.
- b. Determine that 5 customer adjustments were properly authorized.

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

**Board of Directors  
QUINN WATER ASSOCIATION, INC.**

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 10 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.

*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 the following exceptions as a result of these procedures: Appropriate debt service accounts have not been established and maintained. We found no other exceptions as a result of these procedures.*

This agreed-upon procedures engagement 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 or review, 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.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, Arkansas Natural Resources Commission, and Quinn Water Association, Inc., 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  
July 7, 2020

**QUINN WATER ASSOCIATION, INC.**  
**FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2020**  
**and**  
**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**QUINN WATER ASSOCIATION, INC.**  
**El Dorado, Arkansas**  
**For the Year Ended March 31, 2020**

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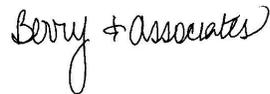
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**Board of Directors**  
**QUINN WATER ASSOCIATION, INC.**  
**El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of Quinn Water Association, Inc., which comprise the statement of assets, liabilities, and net assets – modified cash basis as of March 31, 2020, 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  
July 7, 2020

**QUINN WATER ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS**  
**March 31, 2020**

**ASSETS**

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 121,995
<b>RESTRICTED ASSETS</b>	
Cash and cash equivalents	53,807
<b>FIXED ASSETS - AT COST</b>	
Equipment	11,854
Water and sewer system	1,700,775
	<u>1,712,629</u>
Less: accumulated depreciation	(601,629)
Net Fixed Assets	<u>1,111,000</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,286,802</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	
Current maturities of long-term debt	\$ 8,200
<b>LONG-TERM DEBT, Net of Current Maturities</b>	
Arkansas Natural Resources Commission	188,541
Arkansas Natural Resources Commission	33,925
Total Long-Term Debt	<u>222,466</u>
<b>PAYABLES FROM RESTRICTED ASSETS</b>	
Customer water meter deposits	<u>12,954</u>
<b>TOTAL LIABILITIES</b>	<b><u>243,620</u></b>
<b>NET ASSETS</b>	
Unrestricted	1,006,836
Temporarily Restricted	36,346
<b>TOTAL NET ASSETS</b>	<b><u>1,043,182</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,286,802</u></b>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**QUINN WATER ASSOCIATION, INC.**  
**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For the Year Ended March 31, 2020**

**CASH RECEIPTS**

Water revenue	\$ 115,117
Interest income	449
Other income	1,825
Meter deposits	1,350
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Total Cash Receipts	118,741

**CASH DISBURSEMENTS**

Operator's expense	14,645
Debt service	
Principal	7,740
Interest	12,742
Utilities	19,999
Repairs	22,098
Professional fees	6,347
Dues and fees	2,548
Insurance	5,574
Office expense	3,518
Sales tax	8,351
Truck expense	3,600
Chlorine	115
Meter deposit refunds	50
Purchase of fixed asset	25,660
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Total Cash Disbursements	132,987

**DECREASE IN CASH AND RESTRICTED CASH** (14,246)

**BEGINNING CASH AND RESTRICTED CASH, AT APRIL 1, 2019** 

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 190,048

**ENDING CASH AND RESTRICTED CASH, AT MARCH 31, 2020** \$ 

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 175,802

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**