

QUINN WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended March 31, 2021

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

BERRY & ASSOCIATES, P.A.

Certified Public Accountants

American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

Page 1

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, 2021. 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.
- 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.*

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.*

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

jberry@berryassociatescpa.com

2911 Turtle Creek Blvd., Suite 300 • Dallas, TX 75219 • 972-437-2919 • 601-383-0119

**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.

Minutes

7. 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.

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
September 21, 2021

QUINN WATER ASSOCIATION, INC.
FINANCIAL STATEMENTS
For the Year Ended March 31, 2021
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

QUINN WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended March 31, 2021

<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

BERRY & ASSOCIATES, P.A.

Certified Public Accountants

American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

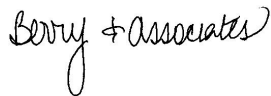
Page 1

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, 2021, 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
September 21, 2021

QUINN WATER ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
March 31, 2021

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 136,106
RESTRICTED ASSETS	
Cash and cash equivalents	53,879
FIXED ASSETS - AT COST	
Equipment	11,853
Water and sewer system	1,700,775
	<u>1,712,628</u>
Less: accumulated depreciation	(638,640)
Net Fixed Assets	<u>1,073,988</u>
TOTAL ASSETS	<u><u>\$ 1,263,973</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Current maturities of long-term debt	\$ 41,275
LONG-TERM DEBT, Net of Current Maturities	
Arkansas Natural Resources Commission	181,266
Arkansas Natural Resources Commission	-
Total Long-Term Debt	<u>181,266</u>
PAYABLES FROM RESTRICTED ASSETS	
Customer water meter deposits	<u>15,054</u>
TOTAL LIABILITIES	<u>237,595</u>
NET ASSETS	
Unrestricted	989,986
Temporarily Restricted	36,393
TOTAL NET ASSETS	<u>1,026,379</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,263,973</u></u>

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

QUINN WATER ASSOCIATION, INC.
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended March 31, 2021

CASH RECEIPTS

Water revenue	\$ 113,660
Interest income	71
Other income	6,463
Meter deposits	2,600
	<hr/>
Total Cash Receipts	122,794

CASH DISBURSEMENTS

Operator's expense	14,321
Debt service	
Principal	8,125
Interest	11,253
Utilities	13,002
Repairs	31,306
Professional fees	6,830
Dues and fees	2,737
Insurance	5,442
Office expense	3,095
Sales tax	8,287
Truck expense	3,600
Chlorine	115
Meter deposit refunds	500
	<hr/>
Total Cash Disbursements	108,611

INCREASE IN CASH AND RESTRICTED CASH

14,183

BEGINNING CASH AND RESTRICTED CASH, AT APRIL 1, 2020

175,802

ENDING CASH AND RESTRICTED CASH, AT MARCH 31, 2021

\$ 189,985

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT