

QUINN WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended March 31, 2022

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



Berry & Associates

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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 on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 of the Quinn Water Association, Inc. for the year ended March 31, 2022. 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.

Quinn Water Association, Inc. 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 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: No exceptions were found 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 ten customer payments on the accounts receivable subsidiary ledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

Findings: No exceptions were found as a result of these 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
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 all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

Findings: *No exceptions were found as a result of applying the procedures.*

Property, Plant, & Equipment

5. a. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of the total equipment or \$500, whichever is greater.)

Findings: *No exceptions were found as a result of applying 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. No other exceptions were found as a result of these procedures.*

General

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

Findings: *No exceptions were found as a result of applying the procedures.*

We were engaged by the Quinn Water Association, Inc. 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. 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 the Quinn Water Association, Inc. 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, 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
December 21, 2023

QUINN WATER ASSOCIATION, INC.
FINANCIAL STATEMENTS
For the Year Ended March 31, 2022
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

QUINN WATER ASSOCIATION, INC.
El Dorado, Arkansas
For the Year Ended March 31, 2022

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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, 2022, 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
December 21, 2023

QUINN WATER ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
March 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 118,082
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RESTRICTED ASSETS

Cash and cash equivalents	53,923
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FIXED ASSETS - AT COST

Equipment	11,854
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Water and sewer system	1,725,553
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	1,737,407
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Less: accumulated depreciation	(675,909)
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Net Fixed Assets	1,061,498
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TOTAL ASSETS	\$ 1,233,503
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 7,700
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LONG-TERM DEBT, Net of Current Maturities

Arkansas Natural Resources Commission	173,545
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Total Long-Term Debt	173,545
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PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits	16,779
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TOTAL LIABILITIES	198,024
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NET ASSETS

Unrestricted	999,059
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Temporarily Restricted	36,420
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TOTAL NET ASSETS	1,035,479
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TOTAL LIABILITIES AND NET ASSETS	\$ 1,233,503
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

QUINN WATER ASSOCIATION, INC.
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended March 31, 2022

CASH RECEIPTS

Water revenue	\$ 116,199
Interest income	44
Other income	650
Meter deposits	2,225
Service connections	20,025
Total Cash Receipts	<u>139,143</u>

CASH DISBURSEMENTS

Operator's expense	14,644
Debt service	
Principal	41,296
Interest	10,817
Utilities	13,762
Capital asset purchases	24,777
Repairs	22,964
Professional fees	5,965
Dues and fees	2,553
Insurance	5,892
Office expense	2,388
Sales tax	7,576
Truck expense	3,600
Chlorine	389
Meter deposit refunds	500
Total Cash Disbursements	<u>157,123</u>

DECREASE IN CASH AND RESTRICTED CASH (17,980)

BEGINNING CASH AND RESTRICTED CASH, AT APRIL 1, 2021 189,985

ENDING CASH AND RESTRICTED CASH, AT MARCH 31, 2022 \$ 172,005

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT