

**MCNEIL RURAL WATER ASSOCIATION, INC.**  
**McNeil, Arkansas**  
**For the Year Ended September 30, 2023**

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



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*Texas Society of CPAs*

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**Board of Directors  
McNeil Rural Water Association, Inc.  
McNeil, 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 McNeil Rural Water Association, Inc., for the year ended September 30, 2023. McNeil Rural 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.

McNeil Rural 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 applying 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 10 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 the receipt information.

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

**Board of Directors  
McNeil Rural Water Association, Inc.**

Accounts Receivable

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

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

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 (10) 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 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: No exceptions were found as a result of applying the 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 McNeil Rural 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.

**Board of Directors  
McNeil Rural Water Association, Inc.**

We are required to be independent of McNeil Rural 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 McNeil Rural Water Association, Inc., Arkansas Natural Resources Commission and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Berry & Associates". The signature is written in black ink and is positioned above the printed name of the firm.

Berry & Associates, P.A.  
Little Rock, Arkansas  
June 26, 2024

**MCNEIL RURAL WATER ASSOCIATION, INC.**  
**FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**  
**and**  
**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**MCNEIL RURAL WATER ASSOCIATION, INC.**  
**McNeil, Arkansas**  
**For the Year Ended September 30, 2023**

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Board of Directors  
McNeil Rural Water Association, Inc.  
McNeil, Arkansas

Management is responsible for the accompanying financial statements of McNeil Rural Water Association, Inc., which comprise the statement of assets, liabilities, and net assets – modified cash basis as of September 30, 2023, 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  
June 26, 2024

**MCNEIL RURAL WATER ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS**  
**September 30, 2023**

<u><b>ASSETS</b></u>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 149,282
<b>RESTRICTED ASSETS</b>	
Cash and cash equivalents	56,433
<b>FIXED ASSETS - AT COST</b>	
Buildings	15,424
Easements	725
Equipment and tools	40,382
Furniture and equipment	4,523
Land	5,250
Water system	1,534,871
Telemetry system	<u>16,000</u>
Total Fixed Assets	1,617,175
Less: accumulated depreciation	<u>(1,378,487)</u>
Net Fixed Assets	<u>238,688</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 444,403</u></u>
<u><b>LIABILITIES AND NET ASSETS</b></u>	
<b>CURRENT LIABILITIES</b>	
Current maturities of long-term debt	\$ 13,100
<b>LONG-TERM DEBT, Net of Current Maturities</b>	
Arkansas Natural Resources Commission	<u>58,060</u>
<b>PAYABLES FROM RESTRICTED ASSETS</b>	
Customer water meter deposits	<u>37,371</u>
<b>TOTAL LIABILITIES</b>	<u>108,531</u>
<b>NET ASSETS</b>	
Unrestricted	292,122
Temporarily restricted	<u>43,750</u>
<b>TOTAL NET ASSETS</b>	<u>335,872</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 444,403</u></u>

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**



**MCNEIL RURAL WATER ASSOCIATION, INC.**  
**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For the Year Ended September 30, 2023**

**CASH RECEIPTS**

Water revenue	\$ 136,159
Interest income	733
Meter deposits	3,615
Connect fees	2,465
Total Cash Receipts	<u>142,972</u>

**CASH DISBURSEMENTS**

Contract labor	40,200
Debt service	
Principal	12,538
Interest	3,466
Dues and subscriptions	4,430
Insurance expense	10,650
Legal and professional fees	2,975
Miscellaneous expense	5,012
Office expense	4,437
Operating supplies	14,228
Repairs and maintenance	17,299
Sales tax	8,820
Utilities	15,371
Meter deposit refunds	286
Total Cash Disbursements	<u>139,712</u>

**INCREASE IN CASH AND RESTRICTED CASH**

3,260

**BEGINNING CASH AND RESTRICTED CASH, AT OCTOBER 1, 2022**202,455**ENDING CASH AND RESTRICTED CASH, AT SEPTEMBER 30, 2023**\$ 205,715

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**