

MCNEIL RURAL WATER ASSOCIATION, INC.
McNeil, Arkansas
For the Year Ended September 30, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES



**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 – 14-234-122 of McNeil Rural Water Association, Inc. for the year ended September 30, 2024. 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 – 14-234-122.

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 the 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 ten 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 receipt information.

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

ACCOUNTS RECEIVABLE

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

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

**Board of Directors
McNeil Rural 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

1. 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

2. 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

3. 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 – 14-234-122. 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 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.



BERRY & ASSOCIATES, P.A.
Little Rock, Arkansas
February 11, 2025

MCNEIL RURAL WATER ASSOCIATION, INC.
FINANCIAL STATEMENTS
For the Year Ended September 30, 2024
and
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

MCNEIL RURAL WATER ASSOCIATION, INC.
McNeil, Arkansas
For the Year Ended September 30, 2024

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Berry & Associates
CERTIFIED PUBLIC ACCOUNTANTS

American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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

Management is responsible for the preparation and fair presentation of the 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, 2024, 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 of 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
February 11, 2025

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MCNEIL RURAL WATER ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS
September 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 132,658
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RESTRICTED ASSETS

Cash and cash equivalents	56,716
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FIXED ASSETS - AT COST

Buildings	32,551
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	1,634,302
Less: accumulated depreciation	<u>(1,394,133)</u>

Net Fixed Assets	<u>240,169</u>
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TOTAL ASSETS	\$ <u>429,543</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 13,700
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LONG-TERM DEBT, Net of Current Maturities

Arkansas Natural Resources Commission	<u>44,378</u>
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PAYABLES FROM RESTRICTED ASSETS

Customer water meter deposits	<u>40,185</u>
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TOTAL LIABILITIES	<u>98,263</u>
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NET ASSETS

Unrestricted	278,576
Temporarily restricted	<u>52,704</u>

TOTAL NET ASSETS	<u>331,280</u>
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TOTAL LIABILITIES AND NET ASSETS	\$ <u>429,543</u>
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SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

MCNEIL RURAL WATER ASSOCIATION, INC.
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended September 30, 2024

CASH RECEIPTS

Water revenue	\$ 137,080
Interest income	733
Meter deposits	3,222
Connect fees	1,050
Total Cash Receipts	<u>142,085</u>

CASH DISBURSEMENTS

Contract labor	40,300
Debt service	
Principal	13,082
Interest	2,922
Dues and subscriptions	5,120
Insurance expense	11,320
Legal and professional fees	3,875
Miscellaneous expense	3,795
Office expense	4,470
Capital purchases	17,128
Operating supplies	9,738
Repairs and maintenance	19,579
Sales tax	10,648
Utilities	16,042
Meter deposit refunds	407
Total Cash Disbursements	<u>158,426</u>

DECREASE IN CASH AND RESTRICTED CASH (16,341)

BEGINNING CASH AND RESTRICTED CASH, AT OCTOBER 1, 2023 205,715

ENDING CASH AND RESTRICTED CASH, AT SEPTEMBER 30, 2024 \$ 189,374

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT