

WILBURN WATER ASSOCIATION, INC.
AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2022

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Wilburn Water Association, Inc.

We have performed the procedures enumerated below, which were agreed upon by the management of the Wilburn Water Association, Inc. in order to comply with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service Providers* prepared by the Arkansas Legislative Joint Audit Committee solely to assist you with respect to the accounting records of Wilburn Water Association, Inc. as of and for the year ended December 31, 2022. Wilburn Water Association, Inc.'s management is responsible for the entity's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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:

1) Cash

- a) Perform a proof of cash for the year and reconcile the year-end balances to book balances.
- 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.

We found no exceptions as a result of the procedures.

2) Receipts

- 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 the receipt information.

We found no exceptions as a result of the procedures.

3) Accounts Receivable

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

We found no exceptions as a result of the procedures.

4) Disbursements

- 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.

We found no exceptions as a result of the procedures.

5) Property, Plant and Equipment

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

We found no exceptions as a result of the procedures.

6) Long-Term Debt

- a) Schedule long-term debt and verify changes in all balances for the year.
- b) Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor.
- c) Determine that the appropriate debt service accounts have been established and maintained.

We found no exceptions as a result of the procedures.

7) General

- a) Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

We found no exceptions as a result of the procedures.

- 8) We compiled a statement of financial position of Wilburn Water Association, Inc. as of December 31, 2022, and the related statement of activities for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A copy of our report is included with this submission.

This agreed-upon procedures report 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, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. 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 management of the Association, the Board of Directors, and Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Turner, Williams and Associates, P.A.
Turner, Williams and Associates, P.A.
Searcy, Arkansas

July 13, 2023

WILBURN WATER ASSOCIATION, INC.

COMPILED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors,
Wilburn Water Association, Inc.

Management is responsible for the accompanying financial statements of Wilburn Water Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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.

Management has elected to omit substantially all the disclosures and statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position and statement of activities. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Turner, Williams and Associates, P.A.
Turner, Williams and Associates, P.A.
Searcy, Arkansas

July 13, 2023

WILBURN WATER ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

Assets	2022
Current Assets:	
Cash - unrestricted	\$ 106,919
Accounts receivable	28,197
Inventory	13,378
Total Current Assets	<u>148,494</u>
Property, Plant, and Equipment:	
Furniture and equipment	50,130
Water systems	1,850,047
Buildings	33,780
Building improvements	1,373
Vehicles	28,750
Less accumulated depreciation	(1,151,933)
Total Property, Plant, and Equipment	<u>812,147</u>
Other Assets:	
Restricted cash - debt service	28,598
Restricted cash - short lived assets	36,500
Restricted cash - meter deposits	30,940
Total Other Assets	<u>96,038</u>
Total Assets	<u><u>\$ 1,056,679</u></u>
Liabilities and Net Position	
Current Liabilities:	
Accounts payable	\$ 2,666
Accrued expenses	5,285
Accrued interest payable	1,201
Current maturities of long-term debt	13,446
Total Current Liabilities	<u>22,598</u>
Non-current Liabilities:	
Customer meter deposits	30,554
Notes payable	491,536
Less current portion	(13,446)
Total Long-term Liabilities	<u>508,644</u>
Total Liabilities	<u>531,242</u>
Net Position:	
Net investment in capital assets	320,611
Restricted net position	65,098
Unrestricted net position	139,728
Total Net Position	<u>525,437</u>
Total Liabilities and Net Position	<u><u>\$ 1,056,679</u></u>

See independent accountant's compilation report.

WILBURN WATER ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>
Operating Revenue and Fees	
Water revenue	\$ 263,436
Connection fees	8,673
Maintenance fees	16,268
Miscellaneous income	4,179
Total Operating Revenues and Fees	<u>292,556</u>
Operating Expenses	
Salaries	121,284
Supplies	7,036
Utilities	25,877
Telephone	4,500
Repairs and maintenance	25,938
Professional fees	6,620
Taxes and license	3
Insurance	20,414
Postage	2,064
Office expenses	6,537
Returned checks	72
Travel and education	4,090
Truck expense	11,524
Depreciation	48,607
Total Operating Expenses	<u>284,566</u>
Operating Income (Loss)	<u>7,990</u>
Non-operating Income and (Expense)	
Interest income	82
Other income	2,868
Interest expense	(18,073)
Non-operating expense, net	<u>(15,123)</u>
Increase (decrease) in net position	<u>\$ (7,133)</u>
Net position, Beginning of year	<u>532,570</u>
Net position, End of year	<u><u>\$ 525,437</u></u>

See independent accountant's compilation report.