

Financial Statements

Calhoun County Water Association, Inc.

For the Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Calhoun County Water Association, Inc.
Hampton, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Calhoun County Water Association, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calhoun County Water Association, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Calhoun County Water Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Calhoun County Water Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Calhoun County Water Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Calhoun County Water Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2024 on our consideration of Calhoun County Water Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Calhoun County Water Association, Inc.'s internal control over financial reporting and compliance.



Emrich & Scroggins, LLP
Certified Public Accountants

El Dorado, Arkansas

December 19, 2024

Calhoun County Water Association, Inc.
Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash - operating	\$ 25,137	\$ 30,694
Accounts receivable, net of allowance for credit losses	37,865	39,535
Prepaid expense	6,564	6,564
Total Current Assets	<u>69,566</u>	<u>76,793</u>
Property, Plant and Equipment, Net	<u>1,545,106</u>	<u>1,760,209</u>
Other Assets		
Cash reserve - meter deposits	40,311	40,461
Cash reserve - debt service	150,792	136,131
Right-of-use assets, net	196,355	207,629
Total Other Assets	<u>387,458</u>	<u>384,221</u>
Total Assets	<u><u>\$ 2,002,130</u></u>	<u><u>\$ 2,221,223</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ -	\$ 4,191
Accrued liabilities	8,937	8,600
Current portion of finance lease obligations	20,461	19,538
Current portion of notes payable	44,719	42,831
Total Current Liabilities	<u>74,117</u>	<u>75,160</u>
Noncurrent Liabilities		
Finance lease obligations, net of current portion	156,328	176,790
Notes payable, net of current portion	1,377,611	1,422,474
Customer deposits	39,005	39,205
Total Noncurrent Liabilities	<u>1,572,944</u>	<u>1,638,469</u>
Total Liabilities	<u>1,647,061</u>	<u>1,713,629</u>
Net Assets		
Net Assets without Donor Restrictions		
Undesignated	163,966	331,002
Board designated	191,103	176,592
Total Net Assets	<u>355,069</u>	<u>507,594</u>
Total Liabilities and Net Assets	<u><u>\$ 2,002,130</u></u>	<u><u>\$ 2,221,223</u></u>

The accompanying notes are an integral part of these financial statements.

Calhoun County Water Association, Inc.
Statements of Activities
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Changes in Net Assets without Donor Restrictions		
Revenue and Other Support		
Water	\$ 277,229	\$ 248,727
New connections	8,035	16,175
Disconnect/reconnect fees	240	280
Late fees	6,958	6,030
Gain on sale of asset	-	1,715
Other income	5,213	3,790
	<u>297,675</u>	<u>276,717</u>
Total Revenue and Other Support		
	<u>297,675</u>	<u>276,717</u>
Functional Expenses		
Program Services		
Contract labor	69,258	69,843
Depreciation and amortization	226,377	226,640
Insurance	9,810	10,231
Interest expense	71,093	73,788
Repairs and maintenance	3,180	2,839
Supplies	15,383	20,000
Taxes and license	644	3,764
Telephone	3,406	2,751
Utilities	15,547	23,079
	<u>414,698</u>	<u>432,935</u>
Total Program Services		
	<u>414,698</u>	<u>432,935</u>
Management and General		
Bad debt expense	-	5,717
Director fees	3,900	4,050
Office expense	746	409
Professional fees	30,562	27,754
Travel	157	46
Miscellaneous expense	137	-
	<u>35,502</u>	<u>37,976</u>
Total Management and General		
	<u>35,502</u>	<u>37,976</u>
Total Functional Expenses	<u>450,200</u>	<u>470,911</u>
	<u>450,200</u>	<u>470,911</u>
Change in Net Assets	<u>(152,525)</u>	<u>(194,194)</u>
	<u>(152,525)</u>	<u>(194,194)</u>
Net Assets without Donor Restrictions - Beginning of Year	<u>507,594</u>	<u>701,788</u>
	<u>507,594</u>	<u>701,788</u>
Net Assets without Donor Restrictions - End of Year	<u>\$ 355,069</u>	<u>\$ 507,594</u>
	<u>\$ 355,069</u>	<u>\$ 507,594</u>

The accompanying notes are an integral part of these financial statements.

Calhoun County Water Association, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Water service payments received	\$ 285,657	\$ 247,159
Membership and connection fees received	8,275	16,455
Interest received	1,039	276
Other cash receipts	4,174	3,515
Cash paid to vendors	(156,583)	(159,714)
Cash paid for interest	(71,094)	(73,787)
Net Cash Provided by Operating Activities	<u>71,468</u>	<u>33,904</u>
Cash Flows from Investing Activities		
Proceeds from the sale of fixed assets	-	1,715
Net Cash Provided by Investing Activities	<u>-</u>	<u>1,715</u>
Cash Flows from Financing Activities		
Principal payments on notes and finance lease	(62,514)	(59,819)
Net Cash (Used in) Financing Activities	<u>(62,514)</u>	<u>(59,819)</u>
Net Decrease in Cash and Cash Equivalents	8,954	(24,200)
Cash and Cash Equivalents - Beginning	<u>207,286</u>	<u>231,486</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 216,240</u></u>	<u><u>\$ 207,286</u></u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in Net Assets	\$ (152,525)	\$ (194,194)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Depreciation and amortization	226,377	226,640
Increase in allowance for credit losses	-	5,717
Gain on sale of fixed assets	-	(1,715)
Decrease (increase) in current assets:		
Accounts receivable	1,670	(8,447)
Other current assets	-	-
Increase (decrease) in current liabilities:		
Accounts payable	(4,191)	4,191
Accrued liabilities	337	862
Customer deposits	(200)	850
Net Cash Provided by Operating Activities	<u><u>\$ 71,468</u></u>	<u><u>\$ 33,904</u></u>

The accompanying notes are an integral part of these financial statements.

Calhoun County Water Association, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Calhoun County Water Association, Inc. (the Association), is a not-for-profit corporation established under the laws of the State of Arkansas. The Association was formed to provide rural water service to its members in the rural areas of Calhoun County, Arkansas. The Association has no other activities.

Basis of Accounting – The financial statements have been prepared using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Basis of Presentation – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes there in are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate amounts from net assets without donor restrictions for specific purposes.

Net Assets with Donor Restrictions – Net assets subject to donor – (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Association considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. All certificates of deposits are considered cash equivalents.

Receivables and Credit Policies – Accounts receivable consists primarily of customer receivables from water service and are stated at unpaid balances, less an allowance for credit losses. The Association determines the allowance for credit losses based on historical experience, an assessment of current economic conditions and forecasted changes as well as a review of subsequent collections. The allowance for credit losses was \$14,541 at December 31, 2023 and 2022.

Changes in the allowance for credit losses for receivables were as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Allowance for Credit Losses, Beginning of Year	\$ 14,541	\$ 8,824
Provision for credit losses	<u>-</u>	<u>5,717</u>
	<u>\$ 14,541</u>	<u>\$ 14,541</u>

Property and Equipment – The Association records property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 25 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Association reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

Calhoun County Water Association, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status – The Association was organized as an Arkansas nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501 (c)(12). The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

In addition, the Association is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Association has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. Accordingly, no provision for income taxes has been made in the accompanying statement of activities.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Revenue Recognition – The Association recognizes revenue as water services are provided to customers, which happens over time as the service is delivered and the performance obligation is satisfied. Revenues recognized in an accounting period include amounts billed to customers on a cycle basis. Management estimates unbilled revenues based on average daily water usage for the billing cycle following the accounting period and considers unbilled amounts to be immaterial to the financial statements. Accordingly, unbilled amounts are excluded from the financial statements. Generally, payment is due within 30 days once a bill is issued to a customer. Sales tax and other taxes that are collected on behalf of government authorities, concurrent with revenue-producing activities, are primarily excluded from revenue.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events - Management has evaluated events through December 19, 2024, the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash balances are maintained in a local financial institution in either demand accounts or certificates of deposit. The Association has designated separate cash accounts for customer meter deposits and debt service reserve to comply with certain loan covenants. Designated cash balances totaled \$191,103 and \$176,592 at December 31, 2023 and 2022, respectively. Cash balances are reported in the statements of financial position as follows:

	<u>2023</u>	<u>2022</u>
Cash - operating	\$ 25,137	\$ 30,694
Designated Cash Balances		
Cash reserve - meter deposits	40,311	40,461
Cash reserve - debt service	<u>150,792</u>	<u>136,131</u>
Total Cash and Cash Equivalents	<u><u>\$ 216,240</u></u>	<u><u>\$ 207,286</u></u>

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 25,137	\$ 30,694
Accounts receivable	<u>37,865</u>	<u>39,535</u>
	<u><u>\$ 63,002</u></u>	<u><u>\$ 70,229</u></u>

Calhoun County Water Association, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 3 – LIQUIDITY AND AVAILABILITY (Continued)

As part of our liquidity management plan, the Association invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

NOTE 4 – FINANCIAL INSTRUMENTS AND CREDIT RISK

The Association manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed federally insured limits. To date, the Association has not experienced losses in any of these accounts. At December 31, 2023 and 2022, the Association's cash balances were fully insured. Credit risk associated with accounts receivable is not considered significant due to historical collection rates.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Association compensates their board members on a monthly basis. Director's expense for the years ended December 31, 2023 and 2022 amounted to \$3,900 and \$4,050, respectively. There were no related party accounts receivable or accounts payable at December 31, 2023 and 2022.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Non-depreciable Assets		
Land	\$ 9,400	\$ 9,400
Depreciable Assets		
Water tanks and well	609,183	609,183
Lines	4,072,903	4,072,903
Meters	29,519	29,519
167 Project	490,972	490,972
Office equipment	45,997	45,997
Depreciable Assets	<u>5,248,574</u>	<u>5,248,574</u>
Less accumulated depreciation	<u>3,712,868</u>	<u>3,497,765</u>
Depreciable Assets, Net	<u>1,535,706</u>	<u>1,750,809</u>
Property and Equipment, Net	<u><u>\$ 1,545,106</u></u>	<u><u>\$ 1,760,209</u></u>

NOTE 7 – NOTES PAYABLE

A schedule of notes payable at December 31, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Note payable to the USDA due in monthly installments of \$6,891 including interest at 4.375% through May 2044; secured by all present and future contract rights, accounts receivable and general intangibles arising in connection with the facility	\$ 1,100,753	\$ 1,134,485
Note payable to the USDA due in monthly installments of \$1,893 including interest at 4.125% through May 2045; secured by all present and future contract rights, accounts receivable and general intangibles arising in connection with the facility	<u>321,577</u>	<u>330,820</u>
Total Notes Payable	<u><u>\$ 1,422,330</u></u>	<u><u>\$ 1,465,305</u></u>

Calhoun County Water Association, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 7 – NOTES PAYABLE (Continued)

Future maturities of notes payable are as follows:

For the years ending December 31,	
2024	\$ 44,719
2025	46,690
2026	48,748
2027	50,897
2028	53,141
Thereafter	<u>1,178,135</u>
Total Maturities	<u><u>\$ 1,422,330</u></u>

NOTE 8 – LEASES

During 2021, the Association entered into a finance lease for equipment which has a remaining term of 101 months. The lease requires fixed monthly lease payments of \$2,350 including interest at 4.620%. According to the terms of the finance lease, the Association has the right to use the assets as of the lease date, May 20, 2021. After the lease term or no less than 48 months has passed, the Association has the option to purchase the leased assets at \$148,778. After the 48 month period, the option to purchase will be reduced by a variable amount until the end of the lease term at which point the Association can purchase the leased assets for \$1.

Future minimum lease payments are as follows:

For the years ending December 31,	
2024	\$ 28,199
2025	28,199
2026	28,199
2027	28,199
2028	28,199
Thereafter	<u>68,147</u>
Total minimum lease payments	209,142
Less: interest	<u>(32,353)</u>
Finance Lease Obligation	<u><u>\$ 176,789</u></u>

Leased assets under the finance lease consist of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Right-of-use assets - meters	\$ 225,480	225,480
Less accumulated amortization	<u>(29,125)</u>	<u>(17,851)</u>
Right-of-Use Assets, Net	<u><u>\$ 196,355</u></u>	<u><u>\$ 207,629</u></u>

NOTE 9 – ACCOUNTING FOR UNCERTAIN TAX POSITIONS

Accounting Standards Codification (ASC) Topic 740, Income Taxes, requires an entity to recognize a liability for taxes to the extent of any unrelated business income as defined by IRS regulations. The Association is liable for taxes to the extent of any unrelated business income as defined by IRS regulations. The Association believes that it has not engaged in any unrelated business income activities as defined by IRS regulations and that it is more likely than not that this position would be sustained upon examination. As such, there were no liabilities recorded for uncertain tax positions as of December 31, 2023.

Calhoun County Water Association, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 9 – ACCOUNTING FOR UNCERTAIN TAX POSITIONS (Continued)

If a tax position does not meet the minimum statutory threshold to avoid payment of penalties and interest, the Company recognizes an expense of the amount of statutory penalty in the period in which it claims or expects to claim the position in the return. Any penalties and interest accrued are recognized as expenses. For the years ended December 31, 2023 and 2022, no penalties and interest were recorded in the financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Calhoun County Water Association, Inc.
Hampton, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Calhoun County Water Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Calhoun County Water Association, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Calhoun County Water Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Calhoun County Water Association, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calhoun County Water Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Calhoun County Water Association, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Emrich & Scroggins, LLP
Certified Public Accountants

El Dorado, Arkansas

December 19, 2024

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