

Edgewood Bay Association

Lakeview, Arkansas

Compilation Report and Agreed Upon Procedures

December 31, 2024



Edgewood Bay Association
Lakeview, Arkansas
December 31, 2024

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Compilation Report on the Financial Statements of Edgewood Bay Association

Board of Commissioners
Edgewood Bay Association
Lakeview, Arkansas

We have compiled the accompanying financial statements of Edgewood Bay Association, which comprise the balance sheet as of December 31, 2024, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

We performed this 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.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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

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Englewood, Colorado
July 17, 2025

Balance Sheet

Assets	2024
Current Assets	
Cash and cash equivalents	\$ 60,579
Prepaid expenses	61
Total Current Assets	<u>60,640</u>
Noncurrent Assets	
Fixed assets:	
Buildings	174,993
Accumulated depreciation	<u>(49,217)</u>
Fixed assets, net	<u>125,776</u>
Total Assets	<u>186,416</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	<u>1,258</u>
Total Current Liabilities	1,258
Long-term debt	<u>60,671</u>
Total Liabilities	<u>61,929</u>
Equity	
Retained Earnings	<u>124,487</u>
Total Equity	<u>\$ 124,487</u>

Income Statement

	<u>2024</u>
Operating Revenues	
Water service revenue	\$ 72,979
Other income	7,372
Total Operating Revenue	<u>80,351</u>
 Operating Expenses	
Water service expenses	16,228
Administrative	15,405
Payroll	17,883
Other	4,322
Utilities	3,663
Total Operating Expenses	<u>57,501</u>
 Operating Income (Loss)	 <u>\$ 22,850</u>

Statement of Cash Flows

	<u>2024</u>
Cash Flows from Operating Activities	
Cash received from water services	\$ 72,979
Other receipts	7,372
Cash paid to employees	(17,883)
Cash paid for water services	(16,228)
Cash paid for administrative services	(25,882)
Net Cash Provided by Operating Activities	<u>20,358</u>
 Cash Flows from Capital and Related Financing Activities	
Purchase of fixed assets	(18,253)
Repayment of debt	(8,050)
Net Cash (Used In) Capital and Related Financing Activities	<u>(26,303)</u>
 Net decrease in cash and cash equivalents	(5,945)
 Cash and cash equivalents at beginning of year	<u>66,524</u>
 Cash and cash equivalents at end of year	<u><u>\$ 60,579</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating income (loss)	\$ 22,850
Changes in Assets and Liabilities:	
Prepaid expenses	12
Accounts payable and accrued expenses	(2,504)
Net cash provided by operating activities	<u><u>\$ 20,358</u></u>

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners
Edgewood Bay Association
Lakeview, Arkansas

We have performed the procedures enumerated in the Financial Accounts and Compliance sections below for the year ended December 31, 2024. Edgewood Bay Association's management is responsible for the financial accounts and for the Association's compliance with Arkansas Statutes.

Edgewood Bay Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes of assisting the Edgewood Bay Association and the Office of the State Auditor in evaluating the financial accounts of the Edgewood Bay Association and the Edgewood Bay Association's compliance with applicable sections of the Arkansas Legislative Joint Auditing Committee guidelines for water and sewer service providers for the year ended December 31, 2024. 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.

Financial Accounts

Our procedures and findings regarding financial matters are as follows:

1. Cash and Investments

We obtained bank statements and performed a proof of cash for the year and reconciled year-end balances to book balance using all cash accounts indicated on the trial balance. We confirmed with the depository institutions the cash on deposit and balances as of December 31, 2024. We tested that the cash ending balances per the bank confirmations agreed to the book balances within 5% or \$500, whichever is greater as of December 31, 2024.

We found that all cash accounts reconciled to bank confirmations within 5% or \$500, whichever is greater as of December 31, 2024.

2. Receipts

We obtained the deposit detail during the period of January 1, 2024 through December 31, 2024. We selected ten cash deposits, obtained the deposit support for each, and tested they agreed.

We found that cash deposits per the proof of cash for the year agreed with the deposits per the journal within 5% or \$500, whichever is greater.

3. Accounts Receivable

We obtained the accounts receivable subledger for the period of January 1, 2024 through December 31, 2024 and agreed ten customer billings. Per inquiry with Sue French, there were no customer adjustments during the year.

We found that the customer billings tested agreed to the accounts receivable subledger and that there were no customer adjustments during the year.

4. Disbursements

We obtained the listing of disbursements for the period of January 1, 2024 through December 31, 2024. We compared the disbursements per the proof of cash for the year with the disbursements per the journal. We analyzed all property, plant, and equipment disbursements. We obtained the listing of employee disbursements for the period of January 1, 2024 through December 31, 2024. We selected all disbursements paid to employees other than payroll and ten other disbursements and obtained the applicable support for each.

We found that disbursements per the proof of cash for the year agreed with the disbursements per the journal within 5% or \$500, whichever is greater. We found that property, plant, and equipment disbursements appear reasonable and agree to the applicable support. For the employee and other disbursements selected and tested, we found that the disbursements were adequately documented and agreed to their applicable support provided.

5. Property, Plant, and Equipment

We obtained a fixed asset listing that included additions, deletions, depreciation, and write offs made during the period January 1, 2024 through December 31, 2024. We reviewed and analyzed all property, plant, and equipment disbursements for accuracy and completeness.

Finding #1 - We found that that fixed asset depreciation was not recognized during 2024. We also note there were immaterial variances (less than 5% of total equipment or \$500, whichever is greater) attributed to additions in 2024.

6. Long-Term Debt

We obtained the schedule of debt accounts during the period January 1, 2024 through December 31, 2024. We identified long-term debts, obtained support, and confirmed balances from the bank.

Finding #2 - For loan 2757561141, we found that there was a \$5,115 variance between the GL balance and the bank confirmation balance as of December 31, 2024. We note the variance can be attributed to not capturing the full payment amounts made by Edgewood Bay Association.

7. General

We obtained the monthly board meeting minutes during the period January 1, 2024 through December 31, 2024 (there were no monthly meetings conducted in the months of July and December). We reviewed the minutes for items of financial significance to determine whether they were approved and documented. We inquired with management about any fraud and legal activity during the period January 1, 2024 through December 31, 2024 to ensure they were properly disclosed and accounted for.

We found after examining the board minutes, that the company is keeping adequate records internally and had processes in place for key decision making regarding items of financial significance. We found, through inquiry with Sue French, that there was no pending litigation as of December 31, 2024 and there were no settled litigation during the year of 2024.



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We were engaged by the Edgewood Bay Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial accounts and compliance with specified Arkansas Statutes. 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 Edgewood Bay Association and to meet our other 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 Edgewood Bay Association and Office of the State Auditor, and is not intended to be, and should not be, used by anyone other than these specified parties.

Front Range Accounting Solutions

Front Range Accounting Solutions
Englewood, Colorado
July 17, 2025



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Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners
Edgewood Bay Association, Inc.
Lakeview, AR

Office of the State Auditor
Little Rock, AR

We have performed the procedures enumerated in the Financial Accounts and Compliance sections below for the year ended December 31, 2024. Edgewood Bay Association's management is responsible for the financial accounts and for the Association's compliance with Arkansas Statutes.

Edgewood Bay Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes of assisting the Edgewood Bay Association and the Office of the State Auditor in evaluating the financial accounts of the Edgewood Bay Association and the Edgewood Bay Association's compliance with applicable sections of the Arkansas Legislative Joint Auditing Committee guidelines for water and sewer service providers for the year ended December 31, 2024. 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.

Financial Accounts

Our procedures and findings regarding financial matters are as follows:

1. We obtained bank statements and performed a proof of cash for the year and reconciled year-end balances to book balance using all cash accounts indicated on the trial balance. We confirmed with the depository institutions the cash on deposit and balances as of December 31, 2024. We tested that the cash ending balances per the bank confirmations agreed to the book balances within 5% or \$500, whichever is greater as of December 31, 2024.

We found that all cash accounts reconciled to bank confirmations within 5% or \$500, whichever is greater as of December 31, 2024.

2. We obtained the deposit detail during the period of January 1, 2024 through December 31, 2024. We selected ten cash deposits, obtained the deposit support for each, and tested they agreed.

We found that cash deposits per the proof of cash for the year agreed with the deposits per the journal within 5% or \$500, whichever is greater.

3. We obtained the Accounts receivable trail balance for the period of January 1, 2024 through December 31, 2024. There was only one item indicated that had a credit balance.

We found that this transaction was actually indicative of a payable (credit) balance and was incorrectly posted to accounts receivable GL. We inquired with Sue French and concluded there are no customer account receivables as of December 31, 2024, nor were there any adjustments made to any customer account during 2024.

4. We obtained the trail balance for the period of January 1, 2024 through December 31, 2024. We compared the disbursements per the proof of cash for the year with the disbursements per the journal.

We found that disbursements per the proof of cash for the year agreed with the disbursements per the journal within 5% or \$500, whichever is greater.

5. We obtained the trail balance for the period of January 1, 2024 through December 31, 2024. We selected all disbursements paid to employees other than payroll and ten other disbursements and obtained the applicable support for each.

For the disbursements selected and tested, we found that the disbursements were adequately documented and agreed to their applicable support provided.

6. We obtained a fixed asset listing that included additions, deletions, depreciation, and write offs made during the period January 1, 2024 through December 31, 2024. We reviewed and analyzed all property, plant, and equipment disbursements for accuracy and completeness.

We found that that fixed asset depreciation was not booked on the 2024 trial balance, We also note there were immaterial variances (less than 5% of total equipment or \$500, whichever is greater) attributed to additions in 2024.

7. We obtained the schedule of debt accounts during the period January 1, 2024 through December 31, 2024. We identified long-term debts, obtained support, and vouched to balance confirmations received from the lender/bank.

For loan 2757561141, we found that there was a \$5,115.49 variance between the GL balance and the bank confirmation balance as of December 31, 2024. We note the variance can be attributed to not capturing the full payment amounts made by Edgewood Bay Association.

8. We obtained the monthly board meeting minutes during the period January 1, 2024 through December 31, 2024 (there were no monthly meetings conducted in the months of July and December). We reviewed the minutes for items of financial significance to determine whether they were approved and documented.

We found after examining the minutes, that the company is keeping adequate records internally and have processes in place for key decision making regarding items of financial significance.



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9. We inquired with management about any fraud and legal activity during the period January 1, 2024 through December 31, 2024 to ensure they were properly disclosed and accounted for.

We found through inquiry with Sue French that there is no pending litigation as of December 31, 2024 and there were no settled litigation during the year of 2024.

* * * * *

We were engaged by the Edgewood Bay Association to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial accounts and compliance with specified Arkansas Statutes. 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 Edgewood Bay Association and to meet our other 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 Edgewood Bay Association and the Office of the State Auditor, and is not intended to be, and should not be, used by anyone other than these specified parties.

Front Range Accounting Solutions

Englewood, CO

July 17, 2025