

ACORN RURAL WATER ASSOCIATION
AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS

MAY 31, 2025 AND 2024



ACORN RURAL WATER ASSOCIATION

MAY 31, 2025 AND 2024

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Acorn Rural Water Association
Mena, Arkansas

We have performed the procedures enumerated below on the financial and billing records of Acorn Rural Water Association as of and for the year ended May 31, 2025. Acorn Rural Water Association's management is responsible for the financial and billing records.

Acorn Rural Water Association has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose which is 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* as prepared by Arkansas Legislative Audit. 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 purpose.

The procedures and associated findings are as follows:

(1) Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balance. We concluded this procedure with no findings.
- B. Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with no findings.
- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater. We concluded this procedure and found that the balances were within the parameters.

(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. We concluded this procedure and found the deposits were within the parameters.

- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We concluded this procedure and noted one finding. There was a customer account that was tested that was written off to bad debt at year-end. In addition, there were several accounts (which were not tested) that had to be written off to bad debt at year-end as well. However, for the next year, the customer account balance is now written off after being shut off for non-payment.
- C. For ten deposits, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings.

(3) Accounts Receivable

- A. Agree ten customer billings to the accounts receivable sub ledger. We concluded this procedure with no findings.
- B. Determine that five customer adjustments were properly authorized. We concluded this procedure with one finding. There was not documentation of the authorization of customer adjustments for those tested. However, for next year, the customer adjustment documentation is now kept on file and reviewed at every monthly meeting.

(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. We concluded this procedure and found the disbursements were within the parameters.
- B. Analyze all property, plant and equipment disbursements. We concluded this procedure with no findings.
- C. Select all disbursements to employees other than payroll and ten other disbursements and determine if they were adequately documented. We concluded this procedure with no findings.

(5) Property, plant and equipment

- A. Determine that additions and disposals were properly accounted for in the records. We concluded this procedure with no findings.

(6) Long-term debt

- A. Schedule long-term debt and verify changes in all balances for the year. We concluded this procedure with no findings.
- B. Confirm loans, bond, notes and contracts payable with lender/trustee/contractor. We concluded this procedure with no findings.
- C. Determine that the appropriate debt service accounts have been established and maintained. This procedure was not applicable

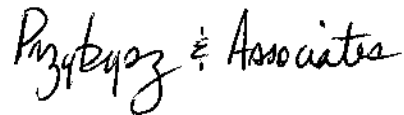
(7) General

- A. Determine that any items of financial significance were approved and documented in the minutes of the Association's meetings. We concluded this procedure with no findings.

We were engaged by Acorn Rural Water 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 and billing records. 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 Acorn Rural Water 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 Acorn Rural Water Association, Arkansas Waterworks and 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 "Przybysz & Associates".

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 19, 2026



To the Board of Directors
Acorn Rural Water Association
Mena, Arkansas

Management is responsible for the accompanying financial statements of Acorn Rural Water Association, which comprise the statement of financial position as of May 31, 2025 and 2024, the related statements of activities for the years 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 form of assurance on these financial statements.

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

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
January 19, 2026

FINANCIAL STATEMENTS

ACORN RURAL WATER ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

AS OF MAY 31,	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 306,506	\$ 223,295
Restricted checking and savings accounts	115,074	94,279
Accounts receivable	93,399	66,366
Inventory	11,661	13,488
Prepays	1,815	1,660
Total Current Assets	528,455	399,088
Noncurrent Assets		
Certificate of deposits	104,143	98,854
Restricted certificate of deposit	202,714	198,432
Property, Plant, and Equipment		
Land	4,000	4,000
Building	28,416	28,416
Water distribution system	4,436,529	4,436,529
Storage tanks	91,184	91,184
Machinery and equipment	56,006	18,303
Office furniture and fixtures	36,464	31,937
Transportation equipment	56,523	46,104
Total	4,709,122	4,656,473
Less accumulated depreciation	(2,406,607)	(2,277,710)
Total Property, Plant, and Equipment	2,302,515	2,378,763
Total Noncurrent Assets	2,609,372	2,676,049
Other Assets		
Loan administration fees, net of accumulated amortization of \$4,200 and \$4,000 respectively	1,800	2,000
Total Other Assets	1,800	2,000
Total Assets	\$ 3,139,627	\$ 3,077,137

See accountant's compilation report.

ACORN RURAL WATER ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

AS OF MAY 31,	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Trade accounts payable	\$ 32,465	\$ 23,380
Accrued payroll and payroll liabilities	3,915	2,016
Sales tax payable	6,904	5,064
Accrued interest	1,876	1,959
Customer meter deposits	73,406	70,219
Current maturity of long-term debt	56,031	56,402
Total Current Liabilities	174,597	159,040
Long-term Debt	1,134,832	1,215,628
Total Liabilities	1,309,429	1,374,668
Net Assets		
Without Donor Restrictions	1,830,198	1,702,469
Total Net Assets	1,830,198	1,702,469
Total Liabilities and Net Assets	\$ 3,139,627	\$ 3,077,137

See accountant's compilation report.

ACORN RURAL WATER ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED MAY 31,	2025	2024
Unrestricted Revenues and Other Support		
Metered water sales, net of bad debts	\$ 850,405	\$ 750,251
Other revenue	-	9,130
Late charges	17,852	16,114
Interest income	16,087	14,102
Arkansas Department of Transportation Highway Reimbursement Grant	-	429,327
Total Unrestricted Revenues and Other Support	884,344	1,218,924
Program Services		
Salaries and wages	106,268	56,979
Payroll taxes	8,219	4,546
Utilities and telephone	4,616	4,193
Repairs and maintenance	54,509	22,246
Water purchases	257,865	317,347
Amortization expense	200	200
Advertising	-	280
Outside services	57,120	34,012
Dues and subscriptions	5,147	5,991
Insurance	9,970	8,607
Interest expense	55,824	60,098
Legal and accounting	-	4,500
Office expense	5,264	5,103
Other expense	185	587
Rent	627	757
Supplies	13,326	24,088
Truck expenses	12,851	12,598
Depreciation	128,898	117,194
Total Program Services	720,889	679,326
Management and General		
Insurance	9,971	8,607
Office expense	5,265	5,103
Utilities and telephone	2,770	2,516
Salaries and wages	16,420	20,947
Payroll taxes	1,300	1,665
Total Management and General	35,726	38,838
Total Expenses	756,615	718,164
Change In Net Assets Without Donor Restrictions	127,729	500,760
Net Assets Without Donor Restrictions, Beginning of Year	1,702,469	1,201,709
Net Assets Without Donor Restrictions, End of Year	\$ 1,830,198	\$ 1,702,469

See accountant's compilation report.