

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

## TABLE OF CONTENTS

---

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>MANAGEMENT DISCUSSION AND ANALYSIS</b>	4
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Financial Statements	11
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Operating Expenses	19
Schedule of System Information	20
<b>GOVERNMENTAL AUDITING SECTION</b>	
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 <i>Government Auditing Standards</i>	22
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	24
Schedule of Federal Expenditures	27
Notes to the Schedule of Federal Expenditures	28
Schedule of Findings and Questioned Costs	29
Schedule of Prior Year Audit Findings	30

**SEARCY & ASSOCIATES, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.  
CHARLES SEARCY, C.P.A.  
TINA MARTIN, C.P.A.

POST OFFICE BOX 418  
MONTICELLO, ARKANSAS 71657  
(870) 367-3580 or (870) 367-3467  
FAX (870) 367-2154  
searcyco@searcy-cpa.com

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Grand Prairie Regional Water Distribution District

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the Grand Prairie Regional Water Distribution District, (the "Organization"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position, the statement of revenues, expenses and changes in net position, and cash flows of the Organization as of and for the years then ended December 31, 2024 and 2023, in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with 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. 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***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 the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***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 opinions. 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 the Organization'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 the Organization'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

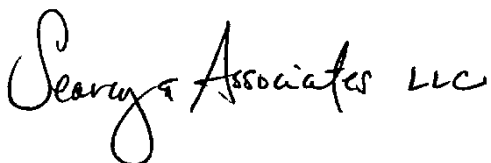
Management has omitted the Budget to Actual Comparison required by accounting principles generally accepted in the United States of America to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

### ***Supplementary Information and other information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The accompanying Schedule of Operating Expenses and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2025 on our consideration of the Organization'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 the Organization's 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 Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Searcy & Associates LLC". The signature is written in a cursive, flowing style.

Searcy & Associates, LLC  
Monticello, Arkansas  
August 21, 2025

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2024 and 2023

---

This management's discussion and analysis of the financial performance of the Grand Prairie Regional Water Distribution District, the "Organization", provides an overview of the Organization's financial activities for the years ended December 31, 2024 and 2023. The Organization is primarily customer rate funded. The information presented should be read in conjunction with the basic financial statements and accompanying notes to the financial statements.

**Financial Highlights Discussion**

- The Organization's net position increased by \$4,995,685 or 47.98% in fiscal year 2024 over 2023. Net position decreased by \$32,341 or 0.31% in fiscal year 2023 over 2022.
- The Organization's operating revenues increased by \$398,660 or 13.47% in fiscal year 2024 over 2023. Operating revenues decreased by \$83,655 or 2.74% in fiscal year 2023 over 2022.
- Operating expenses increased by \$509,340 or 17.12% in fiscal year 2024 over 2023. Operating expenses increased by \$170,063 or 6.04% in fiscal year 2023 over 2022.

**Fiscal Year 2024 Highlights**

- The increase in operating revenue is largely due to acquiring Wright Pastoria Water.
- The number of customers increased by approximately 325 or 5.35% from the prior year. Total number of active users as of December 31, 2024 was 6,420. Total gallons billed for 2023 was 419,450,400 compared to total gallons pumped of 586,716,000 representing a water loss total of approximately 29%.
- Wright Pastoria take over was completed in fiscal year 2024 and consolidation of the system's assets and liabilities are completed resulting in net position adjustments of \$514,666.
- The Organization has started on the construction and the betterment to the Wright Pastoria Water System through two grants and a loan from Arkansas Natural Resource Commission ("ANRC").

**Using This Annual Report**

The Organization's financial statements consist of three statements - a statement of net position; a statement of revenues, expenditures and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Organization, including resources held by the Organization but restricted for specific purposes by creditors. The Organization is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

December 31, 2024 and 2023

**FINANCIAL HIGHLIGHTS**

**Assets, Liabilities, and Net Position**

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Total current assets	\$ 3,406,204	\$ 2,731,476
Total restricted cash and investments	760,148	817,727
Fixed assets, net of accumulated depreciation	13,504,303	9,053,808
Total assets	<u>\$ 17,670,655</u>	<u>\$ 12,603,011</u>
<u>Liabilities</u>		
Total current liabilities	\$ 302,706	\$ 125,769
Total customer deposits	343,660	336,716
Total long term debt	1,616,739	1,728,661
Total liabilities	<u>\$ 2,263,105</u>	<u>\$ 2,191,146</u>
<u>Net position</u>		
Invested in capital assets, net of related debt	\$ 11,887,564	\$ 7,293,967
Restricted	359,043	670,213
Unrestricted	3,160,943	2,447,685
Total net position	<u>\$ 15,407,550</u>	<u>\$ 10,411,865</u>

**Operating Results and Changes in Net Position**

	<u>2024</u>	<u>2023</u>
<u>Operating revenues</u>	\$ 3,358,262	\$ 2,959,602
<u>Operating expenses</u>	3,485,024	2,975,684
<u>Income / (loss) from operations</u>	(126,762)	(16,082)
<u>Other revenue / (expenses)</u>	4,607,781	(16,259)
<u>Excess (deficit) of revenues over expenses</u>	4,481,019	(32,341)
<u>Net position, beginning of year</u>	10,411,865	10,444,206
<u>Net position, end of year</u>	<u>\$ 14,892,884</u>	<u>\$ 10,411,865</u>

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

December 31, 2024 and 2023

---

**Capital Asset and Debt Administration**

Capital Assets

As of December 31, 2024, the Organization's investment in capital assets was \$13,504,303 (net of accumulated depreciation). This investment in capital assets included land, water system assets, buildings and improvements, machinery and equipment, and vehicles.

Major capital asset events include the following:

Capital expenditures for additions and improvements to the Organization were \$4,496,885 in 2024, as compared to \$573,774 in 2023. Additional information regarding capital assets can be found on Note 4 of this report.

Long-Term Debt

The Organization had \$1,616,739 in long term debt outstanding as of December 31, 2024, which is a decrease of \$1,728,661 from 2023 resulting from scheduled principal payments. Additional information regarding long-term debt can be found on Note 5 of this report.



**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**STATEMENT OF NET POSITION**

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 2,625,440	\$ 2,205,919
Accounts receivable (net)	457,103	215,285
Short term investments	299,150	285,762
Prepaid expenses	24,511	24,510
Total current assets	<u>3,406,204</u>	<u>2,731,476</u>
<u>Restricted cash and investments</u>		
Cash and cash equivalents	460,141	517,727
Short term investments	300,007	300,000
Total restricted cash and investments	<u>760,148</u>	<u>817,727</u>
<u>Fixed assets, net of accumulated depreciation</u>	<u>13,504,303</u>	<u>9,053,808</u>
Total assets	<u>\$ 17,670,655</u>	<u>\$ 12,603,011</u>
<u>Liabilities and Net Position</u>		
<u>Current liabilities</u>		
Accounts payable	\$ 234,557	\$ 29,365
Accrued interest	20,342	20,342
Accrued payroll	26,157	63,421
Accrued sales tax	13,780	5,252
Other accrued expenses	7,870	7,389
Current portion of bonds payable	125,000	178,661
Total current liabilities	<u>427,706</u>	<u>304,430</u>
<u>Long term liabilities</u>		
Bonds payable, net of current amount	1,491,739	1,550,000
Customer deposits	343,660	336,716
Total long term liabilities	<u>1,835,399</u>	<u>1,886,716</u>
<u>Net position</u>		
Invested in capital assets, net of related debt	11,887,564	7,293,967
Restricted	359,043	670,213
Unrestricted	3,160,943	2,447,685
Total net position	<u>15,407,550</u>	<u>10,411,865</u>
Total liabilities and net position	<u>\$ 17,670,655</u>	<u>\$ 12,603,011</u>

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

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

For the Years Ended December 31, 2024 and 2023

	2024	2023
<u>Operating revenues</u>		
Water sales	\$ 3,236,598	\$ 2,871,264
Connection charges and fees	61,037	44,370
Penalties and late fees	40,823	41,843
Miscellaneous income	12,490	2,125
Other operating revenue	7,314	-
Total operating revenue	3,358,262	2,959,602
<u>Operating expenses</u>		
Plant operations and distribution	2,023,948	1,731,024
General and administrative	400,233	352,367
Depreciation	1,060,843	892,293
Total operating expenses	3,485,024	2,975,684
Income / (loss) from operations	(126,762)	(16,082)
<u>Other revenue / (expenses)</u>		
Interest income	25,762	23,906
Grant revenue	4,623,803	-
Gain / (loss) on disposal of fixed assets	18,400	29,600
Interest expense	(60,184)	(69,765)
Total other revenue / (expenses)	4,607,781	(16,259)
<u>Excess (deficit) of revenues over expenses</u>	\$ 4,481,019	\$ (32,341)
<u>Net position, beginning of year</u>	\$ 10,411,865	\$ 10,444,206
Merger of Wright Pastoria Water System	514,666	-
<u>Net position, beginning of year (after acquisition adjustment)</u>	\$ 10,926,531	\$ 10,444,206
Change in net invested in capital assets	4,593,597	(48,459)
Change in restricted assets	(311,170)	(117,619)
Change in unrestricted assets	198,592	133,737
Change in net position	4,481,019	(32,341)
<u>Net position, end of year</u>	\$ 15,407,550	\$ 10,411,865

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

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**STATEMENT OF CASH FLOWS**

For the Years Ended December 31, 2024 and 2023

	2024	2023
<u>Cash flows from operating activities</u>		
Cash received from customers	\$ 3,103,063	\$ 2,959,498
Payments for salaries and benefits	(1,184,994)	(1,040,185)
Payments for operating and administrative expenses	(1,062,251)	(1,102,882)
Net cash provided by (used for) operating activities	<u>855,818</u>	<u>816,431</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(5,017,786)	(573,774)
Proceeds from disposal of property, plant and equipment	39,500	38,000
Interest income	25,762	23,906
Net cash provided by (used for) investing activities	<u>(4,952,524)</u>	<u>(511,868)</u>
<u>Cash flows from financing activities</u>		
Proceeds from grant revenue	4,623,803	-
Proceeds from issuance of debt	66,739	-
Principal payments on debt	(178,661)	(309,640)
Interest payments	(60,184)	(69,765)
Change in customer deposits	6,944	8,747
Net cash provided by (used for) financing activities	<u>4,458,641</u>	<u>(370,658)</u>
<u>Change in cash and cash equivalents</u>	361,935	(66,095)
<u>Cash and cash equivalents, beginning of year</u>	<u>2,723,646</u>	<u>2,789,741</u>
<u>Cash and cash equivalents, end of year</u>	<u>\$ 3,085,581</u>	<u>\$ 2,723,646</u>
<u>Cash and cash equivalents</u>	<u>\$ 2,625,440</u>	<u>\$ 2,205,919</u>
<u>Restricted cash and cash equivalents</u>	<u>460,141</u>	<u>517,727</u>
	<u>\$ 3,085,581</u>	<u>\$ 2,723,646</u>

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

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**STATEMENT OF CASH FLOWS (Continued)**

For the Years Ended December 31, 2024 and 2023

	2024	2023
<u>Reconciliation of operating income to</u>		
<u>net cash from operating activities:</u>		
Operating income (loss)	\$ (126,762)	\$ (16,082)
Adjustments to reconcile operating income to		
net cash from operating activities:		
Depreciation	1,060,843	892,293
Changes in assets and liabilities:		
Accounts receivable	(241,818)	10,184
Prepaid expenses	(1)	1,644
Short term investments	(13,381)	(10,288)
Accounts payable	205,192	(47,409)
Accrued interest	-	(3,102)
Accrued payroll	(37,264)	(6,568)
Accrued sales tax	8,528	(7,481)
Other accrued expenses	481	3,240
Total adjustments	982,580	832,513
Net cash provided by (used for) operating activities	<u>\$ 855,818</u>	<u>\$ 816,431</u>

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

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

Grand Prairie Regional Water Distribution District, (the "Organization"), has been designated a public water authority by the state of Arkansas. The Organization is operated by an independent board of directors for the purpose of distributing water to customers in six counties in Arkansas (Prairie, Pulaski, Monroe, Jefferson, Arkansas, Lonoke). The Organization has adopted the provisions of Statement 14 of the Governmental Accounting Standards Board ("GASB") regarding the definition of the financial reporting entity. Accordingly, the accompanying financial statements include only the accounts and transactions of the Organization. Under the criteria specified in Statement No. 14, the Organization is not a component unit of another entity. The Organization is not financially accountable for any other organization.

**B. Fund Type**

The Organization is an enterprise fund, used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**C. Basis of Accounting**

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from other revenue (expense) items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the Organization. All revenues and expenses not meeting this definition are reported as other revenues (expenses) but remain a major component of the overall revenues and expenses of the Organization.

In accordance with Governmental Accounting Standards Board (GASB) Statement Number 62, the Organization applies accounting standards in accordance with the Codification of Governmental Accounting and Financial Reporting Standards which incorporates applicable Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements issued on or before November 30, 1989.

**D. Use of Estimate**

Management used estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

December 31, 2024 and 2023

---

**E. Assets, Liabilities, and Net Position**

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. For the purpose of financial reporting, all demand accounts, savings accounts, cash on hand, and money market accounts are considered to be cash and cash equivalents.

Accounts Receivable

Accounts receivable relate to water service billings and are shown net of an allowance for doubtful accounts. Accounts are written off as they are deemed uncollectible by management based on the length of time outstanding and historical experience. Credit extended to customers is generally uncollateralized. Accounts are due ten days after the billing date. Past-due accounts are charged a late fee penalty. Customers are required to make a deposit and deposits can be offset against the receivable for delinquent billings or returned to the customer when the account is closed. An allowance for doubtful accounts is maintained. The estimated allowance for doubtful accounts as of December 31, 2024 is \$43,468. Bad debts are charged to operations as they are deemed uncollectible.

Investments

The Organization's investments are primarily brokered certificate of deposits. The Organization's practice is to reinvest excess earnings into brokered certificate of deposits in order to reduce the risk of cash deposits within one location and allows for competition to capitalize on the prevailing interest rate of returns at that time. It is the Organization's intentions to hold certificate of deposits until maturity. The Organization has elected to carry the investments at cost on the statement of net position since the cost basis is the amount to be received upon maturity plus any accrued interest. Accrued interest is recorded in the year the interest is earned in the statement of revenue, expenses, and changes in net position.

Fixed Assets

Fixed assets are recorded at cost, including interest incurred during the construction period. Contributed property is recorded at fair value at the date of contribution. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. The ranges of estimated useful lives are as follows:

Water Plant	20-40 years
Wells & Water Tanks	20-40 years
Buildings & Improvements	20-25 years
Vehicles & Equipment	5-10 years

The Organization's capitalization policy states that capital assets are defined as assets with an estimated useful life of greater than one year and over \$5,000.

Compensated Absences

The Organization's policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off. Vacation and sick leave benefits are recognized as an expense when incurred. Any portion of the incurred benefit not paid at the end of the accounting period is recorded as a liability in the financial statements.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

December 31, 2024 and 2023

---

Net Position Classifications

- Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments.
- Unrestricted net position – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

**F. Date of Management’s Review**

The Organization evaluated its December 31, 2024 financial statements for subsequent events through August 21, 2025, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**NOTE 2 – RECLASSIFICATION**

Certain accounts in prior period financial statements have been reclassified for comparative purposes to conform with the presentation in the current period financial statements.

**NOTE 3 – CERTIFICATES OF DEPOSIT AND INVESTMENTS**

Arkansas Code Annotated 19-1-501 outlines the eligible investments allowed by a municipality along with Certificates of Deposits when secured in compliance with Arkansas Code 19-8-202. Deposits in excess of Federal Deposit Insurance (FDIC) are required to be secured by qualified pledged securities allowed by the Code to mitigate custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure a government’s deposits may not be returned to it.

The schedule below is designed to disclose the level of custodial credit risk assumed by the Organization based upon how its deposits were insured or secured by pledged securities, or unsecured at December 31, 2024.

Category 1 – Insured FDIC or secured with securities held by the Organization (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institutions’ trust Organization in the Organization’s name.

Category 3 – Unsecured and uncollateralized, or collateralized with securities held by the pledging institution, or by its trust Organization or agent in the Organization’s name, or collateralized with no written or approved collateralized agreement.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

December 31, 2024 and 2023

The level of security for the Organization's bank deposits are as follows:

Depository	2024			
	Total	Category 1	Category 2	Category 3
Bank A	\$ 2,292,850	\$ 250,000	\$ 2,042,850	\$ -
Bank B	711,314	250,000	461,314	-
Bank C	440,007	250,000	190,007	-
Bank D	324,870	250,000	74,870	-
Bank E	237,827	237,827	-	-
Total	<u>\$ 4,006,868</u>	<u>\$ 1,237,827</u>	<u>\$ 2,769,041</u>	<u>\$ -</u>

The amounts shown are bank ledger balances of the referenced bank's deposits and may differ from the Organization's general ledger balances.

The Organization has certain amounts of its cash accounts restricted at December 31, 2024 and 2023 as follows:

	2024	2023
Meter deposits	\$ 374,348	\$ 345,661
American rescue plan act - Lonoke grant	-	111,829
Series 2012 bond depreciation	140,000	140,000
Series 2012 bond debt service	146,742	129,168
Series 2012 bond debt reserve	91,069	91,069
ANRC depreciation - Wright Pastoria	7,852	-
ANRC debt service - Wright Pastoria	137	-
Total restricted cash & investments	<u>\$ 760,148</u>	<u>\$ 817,727</u>

Customers' meter deposits are restricted for the use of refunding a departing customers' refund upon leaving the Organization or for off-setting any amounts owed by the customer upon departure.

The Series 2012 bond and the Arkansas Natural Resource Commission (ANRC) bond debt have debt covenants that require cash to be restricted for the covenants stated purpose. Depreciation accounts are restricted for use of replacement of certain equipment securing the bonded indebtedness or for their repairs during the term of the debt. Debt service accounts are for servicing the Organization's indebtedness due within the upcoming year. Debt reserve is to ensure that adequate reserves are in place to protect the debt from cash shortages or defaults in the short term.

It is the Organization's policy to use other available cash for equipment replacement or repairs rather than the restricted amounts.



**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

December 31, 2024 and 2023

**NOTE 4 – CHANGES IN FIXED ASSETS**

	Balance December 31, 2022	Transfers	Additions	Disposals	Balance December 31, 2023
Land	\$ 144,150	\$ -	\$ -	\$ -	\$ 144,150
Buildings & improvements	405,148	-	41,080	-	446,228
Machinery & equipment	1,936,466	-	114,690	-	2,051,156
Vehicles	251,087	-	179,068	(70,336)	359,819
Water system	28,398,474	-	72,496	-	28,470,970
Construction in progress	-	-	166,440	-	166,440
	31,135,325	-	573,774	(70,336)	31,638,763
Accumulated depreciation	(21,754,598)	-	(892,293)	61,936	(22,584,955)
	<u>\$ 9,380,727</u>	<u>\$ -</u>	<u>\$ (318,519)</u>	<u>\$ (8,400)</u>	<u>\$ 9,053,808</u>

	Balance December 31, 2023	Transfers	Additions	Disposals	Balance December 31, 2024
Land	\$ 144,150	\$ 5,100	\$ -	\$ -	\$ 149,250
Buildings & improvements	446,228	222,541	12,000	-	680,769
Machinery & equipment	2,051,156	-	226,642	(94,966)	2,182,832
Vehicles	359,819	-	-	-	359,819
Water system	28,470,970	2,570,131	569,129	-	31,610,230
Construction in progress	166,440	-	3,689,114	(166,440)	3,689,114
	31,638,763	2,797,772	4,496,885	(261,406)	38,672,014
Accumulated depreciation	(22,584,955)	(1,595,778)	(1,060,843)	73,865	(25,167,711)
	<u>\$ 9,053,808</u>	<u>\$ 1,201,994</u>	<u>\$ 3,436,042</u>	<u>\$ (187,541)</u>	<u>\$ 13,504,303</u>

**NOTE 5 – LONG-TERM DEBT**

1997 ANRC bond debt

In 1997, the Organization issued \$1,031,781 in Water Revenue bonds in order to finance the construction of three water supply wells and a water treatment facility. The Arkansas Natural Resource Commission ("ANRC") simultaneously purchased the bond and issued a 30-year note. The interest rate on the note payable is 2.75%. The proceeds of were used to pay bond issuance costs, engineering fees, and construction costs. System revenues and assets are pledged to the note payable. The Organization is required to establish rates sufficient to pay the ongoing operation and maintenance of the water system and monthly deposits into a debt service account of equal to one-sixth of the semi-annual debt service payment. The bond covenant states the reserve for depreciation on the 1995 ANRC bond debt is sufficient and no additional depreciation reserve is required for this bond issuance. The Organization was in compliance with all debt covenants for the years ended December 31, 2024 and 2023.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

December 31, 2024 and 2023

Series 2012 Refunding Revenue Bonds

In 2012, the Organization issued \$4,455,000 in Water Revenue bonds in order to pay off the Series 2008 Refunding Bond issue, fund a debt service reserve, and to pay additional expenses of issuing the bonds and accomplishing the refund of the Series 2008 bonds. The average interest rate for all outstanding bonds is 3.55%. The Organization is required to establish rates sufficient to pay the ongoing operation and maintenance of the water system, monthly deposits into a debt service account of equal to one-sixth of the semi-annual interest payment & one-twelfth of the annual principal and interest payment, maintain a depreciation account of \$140,000, and maintain a debt service reserve equal to the lower of 10% of the outstanding principal or 50% of the maximum annual debt service requirement remaining. The Organization was in compliance with all debt covenants for the years ended December 31, 2024 and 2023.

Wright Pastoria ANRC

In 2024, the Organization issued \$1,025,000 in Water Revenue bonds in order to finance the acquisition, construction, installation, and equipping of a pump station, a transmission main, and distribution system improvements of Wright Pastoria Water Association, Inc. systems. The Arkansas Natural Resource Commission ("ANRC") simultaneously purchased the bond and issued a 20-year note. The interest rate on the note payable is 0.5%. The proceeds of were used to pay bond issuance costs, engineering fees, and construction costs. System revenues and assets are pledged to the note payable. The Organization is required to establish rates sufficient to pay the ongoing operation and maintenance of the water system and monthly deposits into a debt service account of equal to one-twelfth of the semi-annual debt service payment and maintain the 'existing' depreciation account of \$140,000 as well as funding 3% of revenues into a new depreciation account of \$205,000. The Organization was in compliance with all debt covenants for the years ended December 31, 2024 and 2023.

The following is a summary of changes in bonds payable:

	Balance December 31, 2022	Increases	Decreases	Balance December 31, 2023	Amounts Due Within One Year
1995 ANRC bond debt	\$ 137,687	\$ -	\$ (137,687)	\$ -	\$ -
1997 ANRC bond debt	125,614	-	(61,953)	63,661	63,661
Series 2012 refunding revenue bond	1,775,000	-	(110,000)	1,665,000	115,000
	<u>\$ 2,038,301</u>	<u>\$ -</u>	<u>\$ (309,640)</u>	<u>\$ 1,728,661</u>	<u>\$ 178,661</u>
	Balance December 31, 2023	Increases	Decreases	Balance December 31, 2024	Amounts Due Within One Year
1995 ANRC bond debt	\$ -	\$ -	\$ -	\$ -	\$ -
1997 ANRC bond debt	63,661	-	(63,661)	-	-
Series 2012 refunding revenue bond	1,665,000	-	(115,000)	1,550,000	125,000
Wright Pastoria ANRC	-	66,739	-	66,739	-
	<u>\$ 1,728,661</u>	<u>\$ 66,739</u>	<u>\$ (178,661)</u>	<u>\$ 1,616,739</u>	<u>\$ 125,000</u>

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

December 31, 2024 and 2023

Total principal and interest maturities of the Organization's bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 125,000	\$ 57,138	\$ 182,138
2026	125,000	53,138	178,138
2027	116,008	52,905	168,913
2028	149,448	60,568	210,016
2029	121,283	44,856	166,139
2030-2034	615,000	145,900	760,900
2035-2039	365,000	27,000	392,000
	<u>\$ 1,616,739</u>	<u>\$ 441,505</u>	<u>\$ 2,058,244</u>

**NOTE 6 – MAJOR ACQUISITION / MERGER**

Effective April 2024, the Organization merged Wright Pastoria Water Association, Inc. (the "Association") and assumed control over the Association's operations as well as transfer of assets and liabilities to the Organization. The merger did not include any monetary exchange but was predicated on oversight agencies encouraging the consolidation of the Association with the Organization. The merger allowed state and federal grants to be given to the Organization in order to upgrade the water system of the Association. The merger resulted in a total net position adjustment of \$514,666 for the Organization immediately after the merger was completed and assets and liabilities transferred to the Organization.

**NOTE 7 – RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

## **SUPPLEMENTARY INFORMATION**

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**SCHEDULE OF OPERATING EXPENSES**

For the Years Ended December 31, 2024 and 2023

	2024	2023
<u>Plant operations and distributions</u>		
Salaries and wages	\$ 664,859	\$ 604,664
Payroll taxes	52,365	44,414
Retirement	54,939	55,118
Health insurance	146,021	122,697
Repairs and maintenance	108,371	64,453
Utilities	213,880	211,148
Insurance	118,936	92,679
Fuel charges	92,353	78,511
Equipment rentals	2,930	2,653
License, permits, fees	38,612	44,767
Contract labor	128,580	83,766
Operating supplies	212,396	142,071
Engineering and lab testing fees	30,036	34,654
Water purchases	2,054	2,794
Chemicals	157,616	146,635
Total plant operations and distributions	2,023,948	1,731,024
<u>General and administrative</u>		
Salaries and wages	166,215	151,166
Payroll taxes	13,091	11,104
Retirement	13,735	13,780
Health insurance	36,505	30,674
Office supplies	70,628	63,482
Professional fees	30,019	18,619
Communication	25,329	23,972
Travel expenses	4,213	5,657
Other expenses	40,498	33,913
Bad debt	-	-
Total general and administrative	400,233	352,367
<u>Depreciation</u>	1,060,843	892,293
Total operating expenses	<u>\$ 3,485,024</u>	<u>\$ 2,975,684</u>

See independent auditor's report.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**SCHEDULE OF SYSTEM INFORMATION**  
For the Year Ended December 31, 2024

---

Number of Water Users	6,420
Annual billable gallons of water	441,246,800
Date of last rate study:	N/A
Next required date:	July 1, 2026
Met the Board/Council training requirements:	Yes
<u>Debt Service Coverage Ratio (1.05 minimum required)</u>	
Net Income (loss)	\$ 4,481,019
Add: Depreciation	1,060,843
Add: Interest expense	60,184
Add: Non operating expense	-
Add: GASB 68 pension expense adjustment	-
Subtract: Interest income	(25,762)
Subtract: Non operating income	<u>(4,642,203)</u>
Total	\$ 934,081
Divided by next year principal & interest	<u>\$ 182,138</u>
Debt service coverage ratio	<u><u>5.13</u></u>
<u>Free Cash Flow Determination</u>	
Total unrestricted cash	\$ 2,625,440
One twelfth of total expenses	<u>(295,434)</u>
Excess / (deficient) cash	<u><u>\$ 2,330,006</u></u>

See independent auditor's report.

**GOVERNMENTAL AUDITING SECTION**

**SEARCY & ASSOCIATES, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.  
CHARLES SEARCY, C.P.A.  
TINA MARTIN, C.P.A.

POST OFFICE BOX 418  
MONTICELLO, ARKANSAS 71657  
(870) 367-3580 or (870) 367-3467  
FAX (870) 367-2154  
searcyco@searcy-cpa.com

**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 of the  
Grand Prairie Regional Water Distribution District

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 Grand Prairie Regional Water Distribution District, (the "Organization"), which comprise the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated August 21, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. 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 the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Searcy & Associates LLC". The signature is written in a cursive, flowing style.

Searcy & Associations, LLC  
Monticello, Arkansas  
August 21, 2025

**SEARCY & ASSOCIATES, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

JIM SEARCY, M.B.A., C.P.A.  
CHARLES SEARCY, C.P.A.  
TINA MARTIN, C.P.A.

POST OFFICE BOX 418  
MONTICELLO, ARKANSAS 71657  
(870) 367-3580 or (870) 367-3467  
FAX (870) 367-2154  
searcyco@searcy-cpa.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Grand Prairie Regional Water Distribution District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Grand Prairie Regional Water Distribution District's, (the "Organization"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. the Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion

on the Organization's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Seavoy & Associates LLC". The signature is written in a cursive, flowing style.

Monticello, Arkansas  
August 21, 2025

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**SCHEDULE OF FEDERAL EXPENDITURES**  
For the Year Ended December 31, 2024

<u>Federal CFDA Number</u>	<u>Program Name</u>	<u>Grantor/Pass-through Agency</u>	<u>Qualifying Expenditures</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
66.468	Drinking Water State Revolving Fund	Arkansas Natural Resource Commission	\$ 1,025,000
21.027	Coronavirus State and Local Fiscal Recovery Funds	Arkansas Natural Resource Commission	<u>3,598,803</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>4,623,803</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 4,623,803</u></u>

See independent auditor's report and accompanying notes to the schedule.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT  
NOTES TO THE SCHEDULE OF FEDERAL EXPENDITURES**

For the Year Ended December 31, 2024

---

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Organization, under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the net position; revenue, expenses, and changes in net position; or cash flows of the Organization.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained by the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available and applicable.
- 3) There were no federal awards passed through to subrecipients.
- 4) The Organization has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.
- 5) Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

See independent auditor's report and accompanying notes to the schedule.

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2024

---

**SECTION I – SUMMARY OF INDEPENDENT AUDITOR’S RESULTS**

Financial Statements

Type of auditor’s report issued on whether financial statements audited  
were prepared in accordance with accounting principles generally  
accepted in the United State of America

Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered  
to be material weakness(es)?

\_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:  
Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered  
to be material weakness(es)?

\_\_\_\_\_ Yes   X   None Reported

Type of auditor’s report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes   X   No

Identification of major programs:

*CFDA Number: 66.468 – Drinking Water State Revolving Fund*

*CFDA Number: 21.027 – Coronavirus State and Local Fiscal Recovery Funds*

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Did auditee qualify as a low-risk auditee?

\_\_\_\_\_ Yes   X   No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

*None identified*

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

*None identified*

**GRAND PRAIRIE REGIONAL WATER DISTRIBUTION DISTRICT**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For the Year Ended December 31, 2024

---

**FINANCIAL STATEMENT FINDINGS**

<b>Prior Year Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
----------------------------------	----------------------	---------------

*None Identified*

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

<b>Prior Year Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
----------------------------------	----------------------	---------------

*None Identified*