

PRINCETON-TULIP WATER ASSOCIATION

**AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022



PRINCETON-TULIP WATER ASSOCIATION
DECEMBER 31, 2023 AND 2022

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors
Tulip Princeton Water Association
Leola, Arkansas

We have performed the procedures enumerated below on the financial and billing records of Tulip Princeton Water Association as of and for the year ended December 31, 2023. Tulip Princeton Water Association's management is responsible for the financial and billing records.

Tulip Princeton 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. The ending balances for all accounts were within these parameters.

(2) Receipts

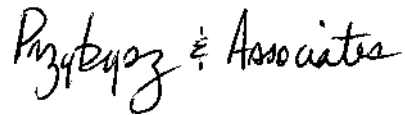
- A. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater. We concluded this procedure and found the deposits were within the parameters.

- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We concluded this procedure with no findings.
 - 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 no findings.
- (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 to be 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. We concluded this procedure with no findings.
- (7) General
- A. Determine that any items of financial significance were approved and documented in the minutes of the Association's meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by Tulip Princeton 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 Tulip Princeton 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 Tulip Princeton 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 black ink that reads "Przybysz & Associates". The signature is written in a cursive, flowing style.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
May 9, 2024



To the Board of Directors
Tulip Princeton Water Association
Leola, Arkansas

Management is responsible for the accompanying financial statements of Tulip Princeton Water Association, which comprise the statements of financial position as of December 31, 2023 and 2022, 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.

The supplemental information as referenced in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplemental information was subject to our compilation engagement. We have not audited or reviewed the supplemental information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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
May 9, 2024

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FINANCIAL STATEMENTS

PRINCETON-TULIP WATER ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31,	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 215,997	\$ 171,144
Restricted cash	186,279	171,500
Accounts receivable, net of allowance for doubtful accounts	19,491	16,601
Prepaid expenses	2,736	2,251
Total Current Assets	424,503	361,496
Property, Plant and Equipment		
Land	19,323	19,323
Office building	5,625	5,625
Office equipment	9,500	9,500
Utility plant and distribution system	3,306,689	3,168,006
Construction in process	-	12,930
Total	3,341,137	3,215,384
Less: accumulated depreciation	1,904,845	1,804,058
Total Property, Plant and Equipment	1,436,292	1,411,326
Total Assets	\$ 1,860,795	\$ 1,772,822
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 4,536	\$ 3,657
Accrued interest	3,428	3,585
Customer deposits	39,561	35,378
Current maturity of long-term debt	40,980	39,237
Total Current Liabilities	88,505	81,857
Long-Term Debt	891,506	932,489
Total Liabilities	980,011	1,014,346
Net Assets		
Without Donor Restrictions	880,784	758,476
Total Net Assets	880,784	758,476
Total Liabilities and Net Assets	\$ 1,860,795	\$ 1,772,822

See accountant's compilation report.

PRINCETON-TULIP WATER ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31,	2023	2022
Revenues and Other Support Without Donor Restrictions		
Metered water sales, net of bad debts	\$ 285,552	\$ 252,317
ARDOT reimbursement	138,683	-
Connection charges	15,557	5,001
Interest income	2,288	388
Total Revenues and Other Support Without Donor Restrictions	442,080	257,706
Expenses		
Contract labor	56,796	57,515
Insurance	7,096	5,845
Chemicals	3,824	3,286
Professional fees	4,680	4,678
Repairs and maintenance	55,130	56,982
Utilities	36,898	31,477
Connection fee expense	400	2,400
Office supplies	2,831	3,091
Postage	3,089	2,685
Bank fees and refunds	5	2,009
Dues, fees, permits and licenses	3,846	2,566
Depreciation	100,787	90,325
Operating supplies	-	1,253
Miscellaneous expense	2,913	1,275
Interest expense	41,477	43,153
Total Expenses	319,772	308,540
Change In Net Assets Without Donor Restrictions	122,308	(50,834)
Net Assets Without Donor Restrictions, Beginning of the Year	758,476	809,310
Net Assets Without Donor Restrictions, End of the Year	\$ 880,784	\$ 758,476

See accountant's compilation report.

SUPPLEMENTAL INFORMATION

PRINCETON-TULIP WATER ASSOCIATION

SUPPLEMENTAL INFORMATION AS REQUIRED BY RURAL DEVELOPMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

Rural Development requires that the Association present the following information:

Number of Water Users

Residential water users	603
Nonresidential water users	0
<u>Total</u>	<u>603</u>

Balance of Debt Service Reserve Accounts

Reserve account required per Rural Development	\$ 89,630
Reserve account required per ANRC	50,620
<u>Total</u>	<u>\$ 140,250</u>

Cash Deposits

The Association had uninsured cash deposits totaling \$152,276 at December 31, 2023.

See accountant's compilation report.