

**NEW LONDON WATER ASSOCIATION, INC.**  
**El Dorado, Arkansas**  
**For the Year Ended March 31, 2024**

**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**



American Institute of CPAs

Arkansas Society of CPAs

Texas Society of CPAs

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**Board of Directors  
New London Water Association, Inc.  
El Dorado, Arkansas**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119 of New London Water Association, Inc. for the year ended March 31, 2024. New London Water Association, Inc. management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119.

New London Water Association, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas law and lender requirements. 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.

The procedures and associated findings are as follows:

Cash

1. a. Perform a proof of cash for the year and reconcile year-end bank balances to book balance.
- b. Confirm with depository institutions the cash on deposit and investments.
- c. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

*Findings: We found no exceptions as a result of the procedures.*

Receipts

2. 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.
- b. Agree 10 customer payments on the accounts receivable subledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

*Findings: We found no exceptions as a result of the procedures.*

Accounts Receivable

3. a. Agree 10 customer billings to the accounts receivable subledger.
- b. Determine that 5 customer adjustments were properly authorized.

*Findings: We found no exceptions as a result of the procedures.*

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**Board of Directors  
New London Water Association, Inc.**

Disbursements

4. 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.
- b. Analyze all property, plant, and equipment disbursements.
- c. Select all disbursements paid to employees other than payroll and ten (10) other disbursements and determine if they were adequately documented.

**Findings:** *We found no exceptions as a result of the procedures.*

Property, Plant, & Equipment

5. a. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of total equipment or \$500, whichever is greater).

**Findings:** *We found no exceptions as a result of the procedures.*

Long-Term Debt

6. a. Schedule long-term debt and verify changes in all balances for the year.
- b. Confirm loans, bonds, notes, and contracts payable with the lender/trustee/contractor.
- c. Determine that the appropriate debt service accounts have been established and maintained.

**Findings:** *We found no exceptions as a result of the procedures.*

General

7. a. Determine that any items of financial significance were approved and documented in the minutes of the governing body minutes.

**Findings:** *We found no other exceptions as a result of these procedures.*

We were engaged by New London Water Association, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion of conclusion, respectively, on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. 14-234-119. 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 New London Water Association, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agree-upon procedures engagement.

This report is intended solely for the information and use of the New London Water Association, Inc. and the Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties



BERRY & ASSOCIATES, P.A.  
Little Rock, Arkansas  
September 19, 2024

**NEW LONDON WATER ASSOCIATION, INC.  
FINANCIAL STATEMENTS  
For the Year Ended March 31, 2024  
and  
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**NEW LONDON WATER ASSOCIATION, INC.**  
**El Dorado, Arkansas**  
**For the Year Ended March 31, 2024**

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**Board of Directors  
New London Water Association, Inc.  
El Dorado, Arkansas**

Management is responsible for the accompanying financial statements of New London Water Association, Inc., which comprise the statement of assets, liabilities, and net assets – modified cash basis as of March 31, 2024, and the related statement of cash receipts and cash disbursements for the year then ended, and for determining that the modified-cash basis of accounting is an acceptable financial reporting framework. 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's assets, liabilities, net assets, cash receipts and cash disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Berry & Associates, P.A.  
Little Rock, Arkansas  
September 19, 2024

**NEW LONDON WATER ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS**  
**March 31, 2024**

<u><b>ASSETS</b></u>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 181,258
<b>FIXED ASSETS - AT COST</b>	
Building	11,039
Equipment	51,089
Water and sewer system	346,455
Tank and wells	376,777
Land	1,280
	786,640
Less: accumulated depreciation	(642,190)
Net Fixed Assets	144,450
<b>TOTAL ASSETS</b>	\$ 325,708
<u><b>LIABILITIES AND NET ASSETS</b></u>	
<b>PAYABLES FROM RESTRICTED ASSETS</b>	
Customer water meter deposits	8,818
<b>TOTAL LIABILITIES</b>	8,818
<b>NET ASSETS</b>	
Unrestricted	316,890
<b>TOTAL NET ASSETS</b>	316,890
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 325,708

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**NEW LONDON WATER ASSOCIATION, INC.**  
**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For the Year Ended March 31, 2024**

**CASH RECEIPTS**

Water revenue	\$ 117,724
Interest income	1,413
Meter deposits	200
Service connections	800
Total Cash Receipts	<u>120,137</u>

**CASH DISBURSEMENTS**

Salaries	19,250
Utilities and telephone	2,444
Auto expense	4,400
Repairs	104,013
Chlorine	3,544
Professional fees	7,545
Dues and fees	2,643
Insurance	4,059
Office expense	2,242
Water samples	360
Miscellaneous	710
Sales tax	8,677
Capital purchases	57,365
Total Cash Disbursements	<u>217,252</u>

**DECREASE IN CASH AND RESTRICTED CASH** (97,115)

**BEGINNING CASH AND RESTRICTED CASH, AT MARCH 31, 2023** 278,373

**ENDING CASH AND RESTRICTED CASH, AT MARCH 31, 2024** \$ 181,258

**SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**