

**FREEDOM PUBLIC WATER AUTHORITY  
OF THE STATE OF ARKANSAS**

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

**DECEMBER 31, 2025 AND 2024**



**PRZYBYSZ**  
& ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS

# FREEDOM PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

DECEMBER 31, 2025 AND 2024

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## **Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Board of Directors  
Freedom Public Water Authority of the  
State of Arkansas  
Mena, Arkansas

We have performed the procedures enumerated below on the financial and billing records of Freedom Public Water Authority of the State of Arkansas as of and for the year ended December 31, 2025. Freedom Public Water Authority of the State of Arkansas' management is responsible for the financial and billing records.

Freedom Public Water Authority of the State of Arkansas 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.

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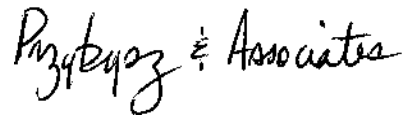
- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing documents. We concluded this procedure with no findings.
  - C. For ten deposits, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings.
- (3) Accounts 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. 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. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by Freedom Public Water Authority of the State of Arkansas 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 Freedom Public Water Authority of the State of Arkansas 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 Freedom Public Water Authority of the State of Arkansas and Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**February 12, 2026**



To the Board of Directors  
Freedom Public Water Authority of the  
State of Arkansas  
Mena, Arkansas

Management is responsible for the accompanying financial statements of Freedom Public Water Authority of the State of Arkansas, which comprise the statements of net position as of December 31, 2025 and 2024, the related statements of revenues, expenses, and changes in net position 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**  
**February 12, 2026**

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***FINANCIAL STATEMENTS***

# FREEDOM PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

## STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 211,960	\$ 150,121
Restricted checking accounts	76,838	57,945
Restricted certificates of deposit	109,735	104,992
Accounts receivable, net of allowance for doubtful accounts	62,243	58,977
Inventory	48,226	58,520
<b>Total Current Assets</b>	<b>509,002</b>	<b>430,555</b>
<b>Property, Plant and Equipment</b>		
Land/easements	82,364	82,364
Office building	28,788	28,788
Office furniture and fixtures	10,271	6,371
Machinery and equipment	218,842	164,423
Transportation equipment	167,801	167,801
Distribution lines	2,361,934	2,361,934
Storage tanks	101,013	101,013
Wilhelmina project	2,181,061	2,181,061
Total	5,152,074	5,093,755
Less: accumulated depreciation	2,935,065	2,770,597
<b>Total Property, Plant and Equipment</b>	<b>2,217,009</b>	<b>2,323,158</b>
<b>Total Assets</b>	<b>\$ 2,726,011</b>	<b>\$ 2,753,713</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 31,555	\$ 23,426
Payroll taxes payable	4,710	4,230
Sales tax payable	4,814	5,023
Accrued interest	906	1,060
Customer deposits	92,166	87,491
Current maturity of long-term debt	51,937	54,701
<b>Total Current Liabilities</b>	<b>186,088</b>	<b>175,931</b>
<b>Long-Term Debt</b>	<b>331,799</b>	<b>392,764</b>
<b>Total Liabilities</b>	<b>517,887</b>	<b>568,695</b>
<b>Net Position</b>		
Net investment in capital assets	1,833,273	1,875,693
Restricted	86,474	69,639
Unrestricted	288,377	239,686
<b>Total Net Position</b>	<b>2,208,124</b>	<b>2,185,018</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,726,011</b>	<b>\$ 2,753,713</b>

See accountant's compilation report.

# FREEDOM PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

## STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31,	2025	2024
<b>Operating Revenue</b>		
Water revenues, less bad debts	\$ 816,072	\$ 771,541
Late charges	17,753	14,259
Other income	3,694	3,678
<b>Total Operating Revenue</b>	<b>837,519</b>	<b>789,478</b>
<b>Operating Expenses</b>		
Water purchased	281,408	270,963
Supplies/parts	60,627	6,519
Advertising	122	100
Depreciation	164,468	150,185
Dues & subscriptions	1,185	1,780
Bank charges	331	559
Fees	6,536	7,550
Legal & accounting	4,500	5,500
Insurance	46,160	18,419
Employee benefits	12,339	19,950
Payroll and payroll taxes	156,968	140,866
Postage	4,255	3,903
Permits & taxes	1,000	6,000
Office expense	12,810	7,833
Travel expense	952	369
Repairs & maintenance	28,488	17,080
Rent	14,514	6,249
Telephone	4,820	4,518
Utilities	3,709	6,003
Vehicle expense	9,406	14,715
<b>Total Operating Expenses</b>	<b>814,598</b>	<b>689,061</b>
<b>Net Income From Operations</b>	<b>22,921</b>	<b>100,417</b>
<b>Other Income (Expenses)</b>		
Interest income	23,693	7,050
Interest expense	(23,508)	(20,295)
<b>Total Other Income</b>	<b>185</b>	<b>(13,245)</b>
<b>Change in Net Position</b>	<b>23,106</b>	<b>87,172</b>
Net Position at Beginning of Year	2,185,018	2,097,846
<b>Net Position at End of Year</b>	<b>\$ 2,208,124</b>	<b>\$ 2,185,018</b>

See accountant's compilation report.

***SUPPLEMENTAL INFORMATION***

# FREEDOM PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS

## SUPPLEMENTAL INFORMATION AS REQUIRED BY RURAL DEVELOPMENT

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FOR THE YEAR ENDED DECEMBER 31, 2025

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Rural Development requires that the Authority present the following information:

### Number of Water Users

Residential water users	775
Nonresidential water users	0
<u>Total</u>	<u>775</u>

### Balance of Debt Service Reserve Accounts

Checking	\$ 20,810
Certificate of Deposit	37,181
<u>Total</u>	<u>\$ 57,990</u>

### Annual amount due of non Rural Development long term financing

The Authority has no other long term debt covenants.

### Cash Deposits

The Authority has deposits in two local banks, all of which were FDIC insured as of December 31, 2025.

See accountant's compilation report.