

**Tyrone Water & Wastewater Association
Financial Statements
For the One and Ten Months Ended
April 30, 2023**



Mike Morones & Associates, LLC

ACCOUNTANTS' COMPILATION REPORT

To the Board Members
Tyrone Water & Wastewater Association
Tyrone, New Mexico

Management is responsible for the accompanying financial statements of Tyrone Water & Wastewater Association, which comprise the Statement of Financial Position as of April 30, 2023, and the related Statement of Financial Activity for the one and Ten months, and the Monthly Statement of Activity, and the Statement of Cash Flow 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. 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 tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has omitted substantially all the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Tyrone Water & Wastewater Association.

Mike Morones & Associates LLC

MIKE MORONES & ASSOCIATES, LLC
Silver City, NM 88061
May 10, 2023

TYRONE WATER & WASTEWATER ASSOCIATION
Statement of Financial Position
April 30, 2023

ASSETS

| | | |
|-------------------------------------|-----------|---------------------------------|
| Current Assets | | |
| First American Bank - payroll | \$ | 6,083.42 |
| Western Bank - operations 7964 | | 78,911.84 |
| Operating reserve 4702 | | 10,119.94 |
| Water reserve 4701 | | 3,315.44 |
| Water tower reserve 4703 | | 3,296.66 |
| USDA short lived reserve 8268 | | 9,199.95 |
| USDA debt service reserve 8277 | | 33,865.82 |
| USDA O & M reserve 8286 | | 11,301.90 |
| Pollution reserve 8295 | | <u>13,358.91</u> |
| Total Current Assets | | 169,453.88 |
| Property and Equipment | | |
| Furniture | | 72,830.00 |
| Equipment | | 681,280.00 |
| Improvements | | 22,975.92 |
| 2020 Park Area Improvement | | 36,644.41 |
| 2020 Sewer Improvements | | 221,464.13 |
| 2021 Sewer Improvements | | 136,453.48 |
| 2022 Sewer Improvements | | 115,101.80 |
| Water Improvements | | 53,213.88 |
| 2020 Other Improvements | | 8,966.06 |
| Accumulated Depreciation | | <u>(864,885.25)</u> |
| Total Property and Equipment | | 484,044.43 |
| Total Assets | \$ | <u><u>653,498.31</u></u> |

LIABILITIES AND CAPITAL

| | | |
|--|-----------|---------------------------------|
| Current Liabilities | | |
| Current Portion-LT Debt | \$ | <u>11,439.02</u> |
| Total Current Liabilities | | 11,439.02 |
| Long-Term Liabilities | | |
| Long Term Debt | | <u>551,441.95</u> |
| Total Long-Term Liabilities | | <u>551,441.95</u> |
| Total Liabilities | | 562,880.97 |
| Capital | | |
| Fund Balance | | 95,316.16 |
| Net Income | | <u>(4,698.82)</u> |
| Total Capital | | <u>90,617.34</u> |
| Total Liabilities & Capital | \$ | <u><u>653,498.31</u></u> |

Tyrone Water & Wastewater Association
Statement of Activity
One and Ten Months Ended April 30, 2023

| | Current Month | Year to Date |
|--------------------------------|----------------------|----------------------|
| Revenues | | |
| Residential assessment | \$ 29,255.89 | \$ 305,484.39 |
| CC Assessment Fees | (6.00) | 143.00 |
| Wastewater access fees | 750.00 | 750.00 |
| Community center rent | 0.00 | 200.00 |
| Interest income | 6.56 | 95.21 |
| Dividend Income | 0.00 | 68.33 |
| | <hr/> | <hr/> |
| Total Revenues | 30,006.45 | 306,740.93 |
| | <hr/> | <hr/> |
| Cost of Sales | | |
| | <hr/> | <hr/> |
| Total Cost of Sales | 0.00 | 0.00 |
| | <hr/> | <hr/> |
| Gross Profit | 30,006.45 | 306,740.93 |
| | <hr/> | <hr/> |
| Expenses | | |
| Water R & M - System R & M | 0.00 | 830.24 |
| Sewer R & M - System R & M | 644.30 | 13,424.72 |
| Contract services - TCA | 14,535.06 | 126,390.90 |
| Maint supplies - System P & S | 0.00 | 535.78 |
| Vehicle expenses | 0.00 | 51.63 |
| Electricity | 214.81 | 2,562.15 |
| Telephone - Other Utilities | 183.26 | 302.90 |
| Comm Water - Other Utilities | 0.00 | 2,079.43 |
| Accounting - Professional Svc | 1,948.28 | 16,226.39 |
| Legal fees - Professional Svc | 0.00 | 1,826.00 |
| Bank charges - Office & Admin | 122.49 | 1,106.32 |
| Insurance expense | 1,875.52 | 31,007.67 |
| License & Permit Fees | 0.00 | 321.00 |
| Dues & Subscriptions | 0.00 | 180.54 |
| Postage - Office & Admin | 0.00 | 185.67 |
| Office svc - Office & Admin | 0.00 | 762.08 |
| Office supplies - Office & Adm | 0.00 | 108.00 |
| Real Estate taxes | 286.16 | 572.32 |
| Members dues | 0.00 | 200.00 |
| Interest Expense | 1,482.84 | 14,864.71 |
| Depreciation Expense | 9,790.13 | 97,901.30 |
| | <hr/> | <hr/> |
| Total Expenses | 31,082.85 | 311,439.75 |
| | <hr/> | <hr/> |
| Net Income | \$ (1,076.40) | \$ (4,698.82) |
| | <hr/> <hr/> | <hr/> <hr/> |

See Accountants' Compilation Report

TYRONE WATER WASTEWATER ASSOCIATION
Monthly Statement of Activity
For July 1, 2022 through June 30, 2023

| | July | August | September | October | November | December | January | February | March | April |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | | | | | | |
| Residential assessment | \$ 29,963.83 | 31,786.90 | 28,064.79 | 27,080.04 | 32,819.64 | 32,995.34 | 36,047.78 | \$ 27,196.27 | 30,273.91 | 29,255.89 |
| CC Assessment Fees | 15.00 | 0.00 | 0.00 | 48.00 | 23.00 | 24.00 | 15.00 | 24.00 | 0.00 | (6.00) |
| Wastewater access fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 750.00 |
| Community center rent | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenues | 30,178.83 | 31,786.90 | 28,064.79 | 27,128.04 | 32,842.64 | 33,019.34 | 36,062.78 | 27,220.27 | 30,273.91 | 29,999.89 |
| Expenses | | | | | | | | | | |
| Maintenance and Repair | | | | | | | | | | |
| Water R & M - System R & M | 0.00 | 0.00 | 0.00 | 0.00 | 830.24 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sewer R & M - System R & M | 0.00 | 8,473.82 | 2,419.88 | 0.00 | 0.00 | 449.19 | 1,210.73 | 226.80 | 0.00 | 644.30 |
| Contract services - TCA | 7,427.42 | 12,161.78 | 9,355.98 | 11,422.48 | 12,831.51 | 13,250.20 | 19,540.04 | 11,160.49 | 14,705.94 | 14,535.06 |
| Total Maint. and Repair | 7,427.42 | 20,635.60 | 11,775.86 | 11,422.48 | 13,661.75 | 13,699.39 | 20,750.77 | 11,387.29 | 14,705.94 | 15,179.36 |
| Parts and Supplies | | | | | | | | | | |
| Maint supplies - System P & S | 0.00 | 0.00 | 0.00 | 0.00 | 535.78 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vehicle expenses | 0.00 | 51.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Parts and Supplies | 0.00 | 51.63 | 0.00 | 0.00 | 535.78 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Utilities | | | | | | | | | | |
| Electricity | 0.00 | 887.39 | 1,719.50 | (867.04) | (597.88) | 603.07 | 205.89 | 200.50 | 195.91 | 214.81 |
| Telephone - Other Utilities | 175.13 | 86.16 | 86.08 | 185.43 | 148.98 | 181.90 | 181.97 | 92.00 | (1,018.01) | 183.26 |
| Comm Water - Other Utilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,079.43 | 0.00 | 0.00 | 0.00 |
| Total Utilities | 175.13 | 973.55 | 1,805.58 | (681.61) | (448.90) | 784.97 | 2,467.29 | 292.50 | (822.10) | 398.07 |
| Administrative | | | | | | | | | | |
| Accounting - Professional Svc | 1,404.00 | 1,404.00 | 1,404.00 | 1,407.09 | 1,407.09 | 1,407.09 | 1,948.28 | 1,948.28 | 1,948.28 | 1,948.28 |
| Legal fees - Professional Svc | 0.00 | 0.00 | 350.00 | 1,476.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bank charges - Office & Admin | 143.14 | 100.80 | 81.46 | 123.41 | 96.99 | 103.30 | 115.99 | 105.88 | 112.86 | 122.49 |
| Insurance expense | 0.00 | 0.00 | 6,057.03 | 1,875.52 | 1,875.52 | 1,875.52 | 1,875.52 | 1,875.52 | 13,697.52 | 1,875.52 |
| License & Permit Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 321.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dues & Subscriptions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30.18 | 150.36 | 0.00 |
| Postage - Office & Admin | 60.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 125.67 | 0.00 | 0.00 |
| Office svc - Office & Admin | 86.16 | 0.00 | 0.00 | 138.36 | 0.00 | 537.56 | 0.00 | 0.00 | 0.00 | 0.00 |
| Office supplies - Office & Adm | 108.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Real Estate taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 286.16 | 0.00 | 0.00 | 0.00 | 286.16 |
| Members dues | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Administrative | 1,801.30 | 1,504.80 | 8,092.49 | 5,020.38 | 3,379.60 | 4,530.63 | 3,939.79 | 4,085.53 | 15,909.02 | 4,232.45 |
| Total Expenses | 9,403.85 | 23,165.58 | 21,673.93 | 15,761.25 | 17,128.23 | 19,014.99 | 27,157.85 | 15,765.32 | 29,792.86 | 19,809.88 |
| Net Operations Income | 20,774.98 | 8,621.32 | 6,390.86 | 11,366.79 | 15,714.41 | 14,004.35 | 8,904.93 | 11,454.95 | 481.05 | 10,190.01 |
| Reserve Income and Expense | | | | | | | | | | |
| Interest income | 2.66 | 2.35 | 3.12 | 6.37 | 6.20 | 24.27 | 6.70 | 6.08 | 30.90 | 6.56 |
| Interest Expense | (1,495.00) | (1,492.58) | (1,490.16) | (1,487.73) | (1,485.04) | (1,482.84) | (1,482.84) | (1,482.84) | (1,482.84) | (1,482.84) |
| Dividend Income | 7.49 | 0.00 | 0.00 | 0.00 | 0.00 | 60.84 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation Expense | (9,790.13) | (9,790.13) | (9,790.13) | (9,790.13) | (9,790.13) | (9,790.13) | (9,790.13) | (9,790.13) | (9,790.13) | (9,790.13) |
| Total Reserve Income and Expense | (11,274.98) | (11,280.36) | (11,277.17) | (11,271.49) | (11,268.97) | (11,187.86) | (11,266.27) | (11,266.89) | (11,242.07) | (11,266.41) |
| Net Income | \$ 9,500.00 | (2,659.04) | (4,886.31) | 95.30 | 4,445.44 | 2,816.49 | (2,361.34) | \$ 188.06 | (10,761.02) | (1,076.40) |

TYRONE WATER & WASTEWATER ASSOCIATION
Statement of Cash Flow
For the ten Months Ended April 30, 2023

| | Current Month | Year to Date |
|--|--------------------|---------------------|
| Cash Flows from operating activities | | |
| Net Income | \$ (1,076.40) | \$ (4,698.82) |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Accumulated Depreciation | 9,790.13 | 97,901.30 |
| Current Portion-LT Debt | 0.00 | 177.97 |
| | <u>9,790.13</u> | <u>98,079.27</u> |
| Total Adjustments | <u>9,790.13</u> | <u>98,079.27</u> |
| Net Cash provided by Operations | <u>8,713.73</u> | <u>93,380.45</u> |
| | | |
| Cash Flows from investing activities | | |
| Used For | | |
| 2022 Sewer Improvements | 0.00 | (15,103.43) |
| | <u>0.00</u> | <u>(15,103.43)</u> |
| Net cash used in investing | <u>0.00</u> | <u>(15,103.43)</u> |
| | | |
| Cash Flows from financing activities | | |
| Proceeds From | | |
| Used For | | |
| Long Term Debt | (937.16) | (9,513.01) |
| | <u>(937.16)</u> | <u>(9,513.01)</u> |
| Net cash used in financing | <u>(937.16)</u> | <u>(9,513.01)</u> |
| | | |
| Net increase <decrease> in cash | <u>\$ 7,776.57</u> | <u>\$ 68,764.01</u> |
| | | |
| Summary | | |
| Cash Balance at End of Period | \$ 169,453.88 | \$ 169,453.88 |
| Cash Balance at Beg of Period | (161,677.31) | (100,689.87) |
| | <u>169,453.88</u> | <u>169,453.88</u> |
| Net Increase <Decrease> in Cash | <u>\$ 7,776.57</u> | <u>\$ 68,764.01</u> |