

WEINER WATER WORKS AND SEWER SYSTEM

JUNE 30, 2022

dls

despain luther short & company

901 Windover Road | Jonesboro, AR 72401 | 870-932-5401 | 870-972-1141

Weiner Water Works
and Sewer System
123 West 2nd Street
Weiner, AR 72479

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the Weiner Water Works and Sewer System's financial statements for the fiscal year ended June 30, 2022. The Mayor, City Council, and City of Weiner's management are responsible for the financial statements and these procedures.

Mayor of the City of Weiner and City Council have agreed to and acknowledge that the procedures performed are appropriate to meet the intended purpose of complying with Arkansas Code Annotated 14-234-119 through 14-234-122 and *Guidelines for Conducting Agreed-Upon Procedures for Water and Sewer Service Providers* prepared by the Arkansas Legislative Joint Audit Committee. The City of Weiner's management is responsible for maintaining the financial records and complying with state law. The procedures enumerated below were performed only for the Water Works and Sewer System. 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.

Our procedures and findings are as follows:

CASH AND INVESTMENTS

- 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.

We found no exceptions as a result of the above procedures.

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.
- b) Agree ten (10) customer payments on the accounts receivable sub-ledger to deposit and billing documents.
- c) For one deposit, agree the cash/check composition of the deposit with the receipt information.

We found no exceptions as a result of the above procedures.

ACCOUNTS RECEIVABLE

- a) Agree ten (10) customer billings to the accounts receivable sub-ledger.

- b) Determine that five (5) customer adjustments were properly authorized.

We found no exceptions as a result of the above procedures.

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

We found no exceptions as a result of the above procedures.

PROPERTY, PLANT AND EQUIPMENT

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

We found no exceptions as a result of the above procedures.

LONG-TERM DEBT

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

We found no exceptions as a result of the above procedures.

GENERAL

Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

We found no exceptions as a result of the above procedures.

ADDITIONAL PROCEDURE NOT REQUIRED BY ACT 218 OF 1999

Compile a Statement of Net Position for the Weiner Water Works and Sewer System as of June 30, 2022, and June 30, 2021, and the related Statements of Revenues, Expenses and Changes in Net Position for the years then ended in Accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Your compiled financial statements have been submitted to you with this report. We found no exceptions as a result of this procedure; however, that report should only be used in conjunction with this report.

We were engaged by the Mayor of the City of Weiner 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 on the accounting 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 the City of Weiner and to meet our 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 the Mayor and City Council of the City of Weiner and is not intended to be, and should not be, used by anyone other than those specified parties.

*Despain, Luther, Snow
& Company, CPAs, PA*

Jonesboro, Arkansas
August 24, 2022

dls

despain luther short & company

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Weiner Water Works
and Sewer System
123 West 2nd Street
Weiner, AR 72479

Management is responsible for the accompanying financial statements of the Weiner Water Works & Sewer System, which comprise the Statement of Net Position as of June 30, 2022, and June 30, 2021, and the related Statement 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all 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 Entities Assets, Liabilities, Net Position, Revenues, and Expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

This compilation was prepared to satisfy the requirements of an agreed-upon procedures engagement and should only be used in conjunction with the Independent Accountants' Report on Applying Agreed-Upon Procedures dated August 24, 2022.

*Despain, Luther, Short
& Company, CPAs, PA*

Jonesboro, Arkansas
August 24, 2022

CITY OF WEINER, ARKANSAS
WATER WORKS AND SEWER SYSTEM

Statement of Net Position

June 30

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash on Hand	\$ 600	\$ 600
Cash in Bank	93,681	113,808
Less Restricted Cash	<u>(32,830)</u>	<u>(31,807)</u>
Total Unrestricted Cash	\$ 61,451	\$ 82,601
Accounts Receivable (trade)	24,471	23,330
Prepaid Insurance	<u>1,489</u>	<u>1,489</u>
Total Current Assets	<u>\$ 87,411</u>	<u>\$ 107,420</u>
Capital Assets:		
Utility Plant & Equipment	\$ 2,374,888	\$ 2,157,913
Less Accumulated Depreciation	<u>(1,883,678)</u>	<u>(1,842,378)</u>
Net Depreciable Assets	\$ 491,210	\$ 315,535
Land	<u>12,733</u>	<u>12,733</u>
Net Capital Assets	<u>\$ 503,943</u>	<u>\$ 328,268</u>
Other Assets:		
Restricted Cash	<u>\$ 32,830</u>	<u>\$ 31,807</u>
Total Assets	<u>\$ 624,184</u>	<u>\$ 467,495</u>

LIABILITIES AND NET POSITION

Liabilities:		
Current Liabilities:		
Accounts Payable--Open	\$ 66,894	\$ 19,141
Accrued Interest	72	74
Loan From City of Weiner	104,850	-
Current Portion of Long-Term Debt	<u>2,648</u>	<u>12,653</u>
Total Current Liabilities	<u>\$ 174,464</u>	<u>\$ 31,868</u>
Long-Term Liabilities:		
Bonds Payable	\$ 87,976	\$ 90,514
Notes Payable--Simmons Bank	-	15,956
Less Current Portion	<u>(2,648)</u>	<u>(12,653)</u>
Net Long-Term Liabilities	<u>\$ 85,328</u>	<u>\$ 93,817</u>
Other Liabilities:		
Customer Meter Deposits	<u>\$ 26,494</u>	<u>\$ 25,471</u>
Total Liabilities	<u>\$ 286,286</u>	<u>\$ 151,156</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	\$ 415,895	\$ 221,724
Restricted	6,336	6,336
Unrestricted	<u>(84,333)</u>	<u>88,279</u>
Total Net Position	<u>\$ 337,898</u>	<u>\$ 316,339</u>
Total Liabilities and Net Position	<u>\$ 624,184</u>	<u>\$ 467,495</u>

UNAUDITED--See Accountants' Compilation Report

CITY OF WEINER, ARKANSAS
WATER WORKS AND SEWER SYSTEM
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30,

	<u>2022</u>	<u>2021</u>
Revenue from Operations:		
Water Sales	\$ 129,625	\$ 130,606
Sewer Fees	60,642	60,128
Penalties	4,891	5,639
Waldenburg Services Fee	42,134	39,367
EPA Fee	1,716	1,734
Other Operating Revenue	4,535	3,311
Total Revenue from Operations	<u>\$ 243,543</u>	<u>\$ 240,785</u>
Operating Expenses:		
Salaries--Manager	\$ 48,293	\$ 50,477
Salaries--Other	50,864	28,812
Electric Power	23,346	23,564
Supplies	9,153	15,522
Chemicals	28,260	45,816
Repairs & Maintenance	51,112	29,513
Laboratory Analysis fees	5,878	4,865
Truck operating expense	10,289	7,986
Professional fees	10,325	3,750
ADEQ Permit	3,560	3,560
Office utilities and telephone	4,108	3,987
Office supplies and expense	5,931	4,826
Insurance	11,404	7,525
Insurance--employees' hospitalization	12,770	8,513
Payroll taxes	8,079	5,995
Bad debts	96	8
Deferred compensation plan	2,318	1,778
Miscellaneous	8,288	3,327
Travel	2,829	1,050
Depreciation	41,300	41,795
Total Operating Expenses	<u>\$ 338,203</u>	<u>\$ 292,669</u>
Net Income from Operations	<u>\$ (94,660)</u>	<u>\$ (51,884)</u>
Non-Operating Income (Expense):		
Interest Income	\$ 106	\$ 554
Interest Expense	(4,244)	(4,825)
ARP Grant transfer from City of Weiner	69,000	-
Other Transfers from City of Weiner	14,357	-
Transfer from City of Weiner--Sales Tax	37,000	36,167
Total Non-Operating Income (Expense)	<u>\$ 116,219</u>	<u>\$ 31,896</u>
Change in Net Position	\$ 21,559	\$ (19,988)
Net Position, Beginning of Year	316,339	336,327
Net Position, End of Year	<u>\$ 337,898</u>	<u>\$ 316,339</u>

UNAUDITED--See Accountants' Compilation Report