

**CITY OF WILTON, ARKANSAS  
WATER AND SEWER DEPARTMENT**

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

**DECEMBER 31, 2021 AND 2020**



**CITY OF WILTON, ARKANSAS  
WATER AND SEWER DEPARTMENT**

**DECEMBER 31, 2021 AND 2020**

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

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To the Honorable Mayor and City Council  
City of Wilton, Arkansas Water and Sewer Department  
Wilton, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the City of Wilton, Arkansas Water & Sewer Department as of and for the year ended December 31, 2021. The City of Wilton, Arkansas Water & Sewer Department's management is responsible for the financial and billing records.

The City of Wilton, Arkansas Water & Sewer Department 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 for the two years 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 both years. We concluded this procedure with no findings.
- B. Confirm loans, bonds, 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 Council meetings. The minutes were provided to us and were read. We found all financially significant items to be documented.

We were engaged by the City of Wilton, Arkansas Water & Sewer Department 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 the City of Wilton, Arkansas Water & Sewer Department 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 the City of Wilton, Arkansas Water & Sewer Department 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**  
**June 19, 2024**



To the Honorable Mayor and City Council  
City of Wilton, Arkansas Water and Sewer Department  
Wilton, Arkansas

Management is responsible for the accompanying financial statements of the City of Wilton, Arkansas Water and Sewer Department, which comprise the statements of net position as of December 31, 2021 and 2020, 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 financial statements referenced in the first paragraph of this report present only the water department enterprise fund and do not purport to, and do not, present fairly the financial position of the City of Wilton, Arkansas, as of December 31, 2021 and 2020, and the changes in its financial position in conformity with accounting principles generally accepted in the United States of America.

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 Department'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**  
**June 19, 2024**

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**CITY OF WILTON, ARKANSAS  
WATER AND SEWER DEPARTMENT**

**STATEMENTS OF NET POSITION**

<b>AS OF DECEMBER 31,</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 34,895	\$ 26,947
Restricted checking and savings accounts	43,933	38,116
Accounts receivable net of allowance for doubtful accounts	17,628	31,648
Prepaid expenses	-	867
<b>Total Current Assets</b>	<b>96,456</b>	<b>97,578</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Treatment plant and distribution system	3,703,833	3,312,791
Office equipment	5,443	5,443
Transportation and other equipment	38,133	32,333
Construction in process	-	57,623
Total	3,747,409	3,408,190
Less accumulated depreciation	(1,573,295)	(1,473,178)
<b>Net Capital Assets</b>	<b>2,174,114</b>	<b>1,935,012</b>
<b>Total Assets</b>	<b>\$ 2,270,570</b>	<b>\$ 2,032,590</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,381	\$ 3,949
Payroll taxes payable	1,005	2,718
Sales tax payable	530	580
Accrued interest expense	841	819
Customer meter deposits	11,100	12,000
Current portion of long-term debt	23,543	23,756
<b>Total Current Liabilities</b>	<b>39,400</b>	<b>43,822</b>
<b>Long-term Debt</b>	<b>222,281</b>	<b>213,962</b>
<b>Total Liabilities</b>	<b>261,681</b>	<b>257,784</b>
<b>Net Position</b>		
Net investment in capital assets	1,928,290	1,697,294
Restricted	34,090	29,225
Unrestricted	46,509	48,287
<b>Total Net Position</b>	<b>2,008,889</b>	<b>1,774,806</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,270,570</b>	<b>\$ 2,032,590</b>

See accountant's compilation report.

# CITY OF WILTON, ARKANSAS WATER AND SEWER DEPARTMENT

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31,	2021	2020
<b>Operating Revenue</b>		
Water and sewer revenues, net of provision for bad debts	\$ 121,343	\$ 133,612
<b>Total Operating Revenue</b>	<b>121,343</b>	<b>133,612</b>
<b>Operating Expenses</b>		
Wages and related payroll taxes	38,149	39,513
Vehicle and Equipment expense	1,822	138
Insurance expense	3,004	2,204
Repairs and maintenance	10,791	12,463
Operating supplies	8,887	10,095
Utilities and telephone	21,076	20,979
Dues and memberships	2,087	3,440
Professional services	2,300	2,321
Lab testing	1,928	2,073
Software expense	1,471	-
Office expense	655	865
Travel	419	-
Miscellaneous expense	1,729	808
Bank charges	80	304
Depreciation expense	100,117	83,180
<b>Total Operating Expenses</b>	<b>194,515</b>	<b>178,383</b>
<b>Net Loss From Operations</b>	<b>(73,172)</b>	<b>(44,771)</b>
<b>Other Income (Expense)</b>		
ANRC grant	307,377	52,623
Interest income	36	50
Interest expense	(6,658)	(6,224)
Operating transfers	6,500	3,600
<b>Total Other Income (Expense)</b>	<b>307,255</b>	<b>50,049</b>
<b>Change in Net Position</b>	<b>234,083</b>	<b>5,278</b>
Net Position at Beginning of Year	1,774,806	1,769,528
<b>Net Position at End of Year</b>	<b>\$ 2,008,889</b>	<b>\$ 1,774,806</b>

See accountant's compilation report.