

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

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

DECEMBER 31, 2023 AND 2022



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

DECEMBER 31, 2023 AND 2022

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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, 2023. 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
July 3, 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, 2023 and 2022, 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, 2023 and 2022, 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
July 3, 2024

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CITY OF WILTON, ARKANSAS WATER AND SEWER DEPARTMENT

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 53,214	\$ 32,248
Restricted checking and savings accounts	52,035	47,822
Accounts receivable net of allowance for doubtful accounts	19,971	14,338
Total Current Assets	125,220	94,408
Noncurrent Assets		
Capital Assets		
Treatment plant and distribution system	3,703,833	3,703,833
Office equipment	5,443	5,443
Transportation and other equipment	38,133	38,133
Total	3,747,409	3,747,409
Less accumulated depreciation	(1,788,933)	(1,681,308)
Net Capital Assets	1,958,476	2,066,101
Total Assets	\$ 2,083,696	\$ 2,160,509
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 4,491	\$ 2,729
Payroll taxes payable	-	1,105
Sales tax payable	559	548
Accrued interest expense	720	782
Customer meter deposits	11,100	11,100
Current portion of long-term debt	24,643	25,111
Total Current Liabilities	41,513	41,375
Long-term Debt	172,527	197,171
Total Liabilities	214,040	238,546
Net Position		
Net investment in capital assets	1,761,306	1,843,819
Restricted	41,730	38,059
Unrestricted	66,620	40,085
Total Net Position	1,869,656	1,921,963
Total Liabilities and Net Position	\$ 2,083,696	\$ 2,160,509

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,	2023	2022
Operating Revenue		
Water and sewer revenues, net of provision for bad debts	\$ 142,273	\$ 133,161
Total Operating Revenue	142,273	133,161
Operating Expenses		
Wages and related payroll taxes	12,911	37,699
Vehicle and Equipment expense	2,390	2,502
Insurance expense	1,052	3,199
Repairs and maintenance	18,591	16,830
Operating supplies	10,426	8,108
Utilities and telephone	22,781	25,032
Dues and memberships	3,267	2,732
Outside services	8,000	-
Contract administration	6,750	-
Professional services	-	7,473
Lab testing	2,415	2,287
Software expense	706	894
Office expense	415	1,680
Travel	-	570
Miscellaneous expense	1,302	1,206
Bank charges	231	122
Depreciation expense	107,625	108,014
Total Operating Expenses	198,862	218,348
Net Loss From Operations	(56,589)	(85,187)
Other Income (Expense)		
SWAPDD grant	6,750	-
Miscellaneous income	91	-
Interest income	240	96
Interest expense	(3,999)	(5,569)
Operating transfers	1,200	3,734
Total Other Income (Expense)	4,282	(1,739)
Change in Net Position	(52,307)	(86,926)
Net Position at Beginning of Year	1,921,963	2,008,889
Net Position at End of Year	\$ 1,869,656	\$ 1,921,963

See accountant's compilation report.