

**CITY OF OGDEN, ARKANSAS
WATERWORKS**

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

DECEMBER 31, 2023 AND 2022



CITY OF OGDEN, ARKANSAS WATERWORKS
DECEMBER 31, 2023 AND 2022

CONTENTS

	<u>Page</u>
Independent Accountant's Report On Applying Agreed-Upon Procedures	1-3
Accountant's Compilation Report	4
Financial Statements	
Statements of Net Position.....	5
Statements of Revenues, Expenses, and Changes in Net Position.....	6
Supplemental Information	
Supplemental information as required by Rural Development.....	7



Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor and Town Council
City of Ogden, Arkansas Waterworks
Ogden, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the City of Ogden, Arkansas Waterworks as of and for the year ended December 31, 2023. The City of Ogden, Arkansas Waterworks' management is responsible for the financial and billing records.

The City of Ogden, Arkansas Waterworks' 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

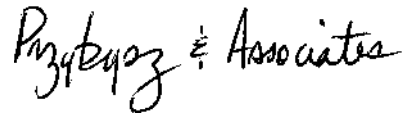
- A. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater. We concluded this procedure and found the deposits were within the parameters.
- B. Agree ten customer payments on the accounts receivable sub ledger to deposit, billing 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 City 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 Ogden, Arkansas Waterworks 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 Ogden, Arkansas Waterworks 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 Ogden, Arkansas Waterworks and Arkansas Legislative Audit and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Przybysz & Associates". The signature is written in a cursive, flowing style.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
August 2, 2024



To the Honorable Mayor and Town Council
City of Ogden, Arkansas Waterworks
Ogden, Arkansas

Management is responsible for the accompanying financial statements of the City of Ogden, Arkansas Waterworks, which comprise the statement 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 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.

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 Ogden, 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
August 2, 2024

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FINANCIAL STATEMENTS

CITY OF OGDEN, ARKANSAS WATERWORKS

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 17,643	\$ 26,391
Certificates of deposit	95,698	93,124
Restricted checking accounts	22,350	20,462
Restricted certificates of deposit	16,106	15,607
Accounts receivable, net of allowance for doubtful accounts	11,605	10,056
Prepaid insurance	314	310
Total Current Assets	163,716	165,950
Noncurrent Assets		
Capital Assets		
Utility plant	1,642,231	1,642,231
Building	4,761	4,761
Equipment	70,205	70,205
Office equipment	2,847	2,847
Transportation equipment	13,144	13,144
Total	1,733,188	1,733,188
Less: accumulated depreciation	1,289,496	1,250,817
Net Capital Assets	443,692	482,371
Total Assets	\$ 607,408	\$ 648,321
Liabilities and Net Position		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,853	\$ 4,637
Accrued interest	404	428
Meter deposits payable	5,437	5,217
Current maturity of long-term debt	8,993	8,598
Total Current Liabilities	17,687	18,880
Long-Term Debt	140,045	149,039
Total Liabilities	157,732	167,919
Net Position		
Net investment in capital assets	294,654	324,734
Restricted	32,773	30,588
Unrestricted	122,249	125,080
Total Net Position	449,676	480,402
Total Liabilities and Net Position	\$ 607,408	\$ 648,321

See accountant's compilation report.

CITY OF OGDEN, ARKANSAS WATERWORKS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31,	2022	2021
Operating Revenue		
Water revenues, less bad debts	\$ 52,704	\$ 49,696
Sewer revenues	29,942	27,586
Penalties and credits	2,360	2,119
Other income	221	2,057
Total Operating Revenue	85,227	81,458
Operating Expenses		
Wages	32,400	30,800
Sewer fees	2,691	1,808
Truck expenses	2,293	1,223
Insurance	897	908
Legal and accounting	3,200	3,000
Meetings and conferences	240	211
Dues and subscriptions	3,342	1,806
Repairs and maintenance	5,631	9,319
Bank charges	1	40
Utilities	7,748	8,438
Office supplies	2,766	2,595
Operating supplies	9,059	7,115
Taxes and licenses	3,218	4,051
Depreciation	38,679	39,864
Total Operating Expenses	112,165	111,178
Net Loss from Operations	(26,938)	(29,720)
Nonoperating Revenue (Expenses)		
Interest income	3,106	5
Interest expense	(6,894)	(7,273)
Total Net Nonoperating Expenses	(3,788)	(7,268)
Change in Net Position	(30,726)	(36,988)
Net Position at Beginning of Year	480,402	517,390
Net Position at End of Year	\$ 449,676	\$ 480,402

See accountant's compilation report.

SUPPLEMENTAL INFORMATION

CITY OF OGDEN, ARKANSAS WATERWORKS

SUPPLEMENTAL INFORMATION AS REQUIRED BY RURAL DEVELOPMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

Rural Development requires that the Waterworks present the following information:

Number of Water Users

Residential water users	203
Nonresidential water users	-
<u>Total</u>	<u>203</u>

Balance of Debt Service Reserve Accounts

Checking	\$ 17,071
Certificate of Deposit	16,106
<u>Total</u>	<u>\$ 33,177</u>

Annual amount due of non Rural Development long term financing

The Waterworks has no other long term debt covenants.

Cash Deposits

The Department has deposits in one local bank, all of which were FDIC insured as of December 31, 2023.

See accountant's compilation report.