

WICKES MUNICIPAL WATER SYSTEM
AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023



WICKES MUNICIPAL WATER SYSTEM

DECEMBER 31, 2024 AND 2023

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



Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor and City Council
Wickes Municipal Water System
Wickes, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the City of Wickes, Arkansas Water Department, (the Department) as of and for the year ended December 31, 2024. The City of Wickes, Arkansas Water Department's management is responsible for the financial and billing records.

The City of Wickes, Arkansas Water 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 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 – not applicable as the Department had no long-term debt
- (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 Wickes, Arkansas Water 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 Wickes, Arkansas Water 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 Wickes, Arkansas Water Department and Arkansas Legislative Audit and is not intended to be and should not be used by anyone other than these specified parties.

Przybysz & Associates

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
June 6, 2025



To the Honorable Mayor and City Council
Wickes Municipal Water System
Wickes, Arkansas

Management is responsible for the accompanying financial statements of the City of Wickes, Arkansas Water Department, which comprise the statement of net position as of December 31, 2024 and 2023, and 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 Wickes, as of December 31, 2024 and 2023, 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 6, 2025

4200 Jenny Lind Road, Ste. B
Fort Smith, Arkansas 72901
Ph: 479.649.0888 email: marcl@selectlanding.com
www.selectcpa.com

FINANCIAL STATEMENTS

WICKES MUNICIPAL WATER SYSTEM

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 744,354	\$ 631,861
Restricted checking and savings accounts	24,952	26,945
Accounts receivable, net of allowance for doubtful accounts	56,075	59,027
Inventory	12,983	11,542
Total Current Assets	838,364	729,375
Noncurrent Assets		
Capital Assets		
Land	2,450	2,450
Transmission lines	1,279,688	1,241,609
Water storage tank	153,513	153,513
Equipment	40,420	40,420
Vehicles	27,553	27,553
Total	1,503,624	1,465,545
Less: accumulated depreciation	1,043,589	1,015,874
Net Capital Assets	460,035	449,671
Total Assets	\$ 1,298,399	\$ 1,179,046
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 34,271	\$ 32,689
Payroll taxes payable	1,000	1,599
Due to City for payroll	3,912	6,648
Sales tax payable	2,678	2,809
Customer meter deposits	19,010	21,335
Total Current Liabilities	60,871	65,080
Total Liabilities	60,871	65,080
Net Position		
Net investment in capital assets	460,035	449,671
Unrestricted	777,493	664,295
Total Net Position	1,237,528	1,113,966
Total Liabilities and Net Position	\$ 1,298,399	\$ 1,179,046

See accountant's compilation report.

WICKES MUNICIPAL WATER SYSTEM

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Operating Revenue		
Water and sewer revenues, net of bad debts	\$ 707,159	\$ 605,498
Total Operating Revenue	707,159	605,498
Operating Expenses		
Water purchases	283,792	258,055
Sewer fees	153,895	118,466
Salaries and wages	53,187	57,056
Insurance	35	120
Legal and accounting	4,000	4,000
Operating supplies	36,416	31,671
Office supplies	2,979	5,164
Payroll taxes	4,901	4,278
Miscellaneous	16,677	13,341
Depreciation	27,715	28,833
Total Operating Expenses	583,597	520,984
Net Income From Operations	123,562	84,514
Change In Net Position	123,562	84,514
Beginning of Year Net Position	1,113,966	1,029,452
End of Year Net Position	\$ 1,237,528	\$ 1,113,966

See accountant's compilation report.