

**CITY OF AUSTIN WATER &
SEWER DEPARTMENT**

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

DECEMBER 31, 2024 AND 2023



CITY OF AUSTIN WATER & SEWER DEPARTMENT
DECEMBER 31, 2024 AND 2023

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor and City Council
Austin, Arkansas

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

The City of Austin, 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 made multiple attempts to confirm bank balances with the financial institutions and all attempts failed. We relied on year-end bank statements.
- 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. Agree 10 billings to the meter readings and the validated deposit. 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, 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 Austin, 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 Austin, 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 Austin, 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
August 25, 2025



To the Honorable Mayor and City Council
Austin, Arkansas

Management is responsible for the accompanying financial statements of the City of Austin, Arkansas Water & Sewer Department, which comprise the statements of assets, liabilities, and equity – cash basis as of December 31, 2024 and 2023, and the related statements of cash receipts and cash disbursements – cash basis for the year then ended in accordance with the cash basis of accounting. 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 of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures 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.

We draw attention to the fact that the financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Przybysz & Associates, CPAs, P.C.
Fort Smith, Arkansas
August 25, 2025

CITY OF AUSTIN WATER & SEWER DEPARTMENT

STATEMENTS OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS

AS OF DECEMBER 31,	2024	2023
Assets		
Cash and cash equivalents	\$ 2,030,665	\$ 1,894,064
Certificates of deposit	10,777	10,386
Total Assets	\$ 2,041,442	\$ 1,904,450
Liabilities and Equity		
Fund balance	\$ 2,041,442	\$ 1,904,450
Total Liabilities and Equity	\$ 2,041,442	\$ 1,904,450

See accountant's compilation report.

CITY OF AUSTIN WATER & SEWER DEPARTMENT

STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS - CASH BASIS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Cash Receipts		
Water revenue	\$ 577,455	\$ 593,334
Sewer revenue	552,522	544,896
Penalties	13,434	14,598
Service charges	9,491	14,840
Meter deposits	172,133	441,320
Connection Fees	6,900	8,625
LWPWA	76,316	78,750
Other revenue	99,518	123,449
Sanitation	236,783	217,219
Interest income	724	3,657
Total Cash Receipts	1,745,276	2,040,688
Cash Disbursements		
Water purchases	167,704	144,934
Sanitation	255,084	258,429
Repairs and maintenance	222,300	920,360
Salaries	185,695	186,054
Consulting and legal fees	128,844	53,526
Insurance	7,510	-
Utilities	48,148	48,306
Sales tax payments	97,856	78,050
Loan payments	340,799	341,536
Capital outlays and other operating expenses	204,885	318,648
Transfers	(50,541)	4,984
Total Cash Disbursements	1,608,284	2,354,827
Total Cash Receipts in Excess of Disbursements	136,992	(314,139)
Cash Balance - beginning of year	1,904,450	1,885,761
Prior period adjustment	-	332,828
Cash Balance - end of year	\$ 2,041,442	\$ 1,904,450

See accountant's compilation report

CITY OF AUSTIN WATER & SEWER DEPARTMENT

STATEMENTS OF COMPOSITION OF CASH

AS OF DECEMBER 31,	2024	2023
First Arkansas Bank		
Revenue Fund Account Number XXXXX246	\$ 518,000	\$ 535,832
Sewer System Account Number XXXXX254	914,081	806,377
Meter Deposit Account Number XXXXX921	62,844	62,813
Soil & Water Reserve Account Number XXXXX963	184,715	199,193
Depreciation Fund Account Number XXXXX955	217,339	149,355
LWPWA Account Number XXXXX861	14,391	14,391
Consumption Account Number XXXXX861	110,438	110,383
Sewer Bond Account Number XXXXX861	39	39
Lonoke County ARPA Account Number XXXXX1390	1,791	8,654
Centennial Bank		
Sewer System Account Number XXX541	4,532	4,532
Sewer Construction Account Number XXX175	2,495	2,495
Charles Schwab		
Certificates of Deposit	10,777	10,386
Total Cash and Certificates of Deposit	\$ 2,041,442	\$ 1,904,450

See accountant's compilation report