

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

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

**DECEMBER 31, 2023 AND 2022**



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

**DECEMBER 31, 2023 AND 2022**

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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 Huntington, Arkansas Water and Sewer Department  
Huntington, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the City of Huntington Water and Sewer Department, (the Department) as of and for the year ended December 31, 2023. The City of Huntington Water and Sewer Department's management is responsible for the financial and billing records.

The City of Huntington Water and Sewer Department's 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
- 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 Huntington Water and 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 Huntington Water and 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 Huntington Water and Sewer Department 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**  
**May 15, 2024**



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, 2023 and 2022, 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, 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**  
**May 6, 2024**

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***FINANCIAL STATEMENTS***

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

**STATEMENTS OF NET POSITION**

<b>AS OF DECEMBER 31,</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 57,609	\$ 44,883
Restricted checking and savings accounts	50,103	49,379
Restricted investments	7,688	1,180
Restricted certificates of deposit	4,397	4,397
Accounts receivable, net of allowance for doubtful accounts	16,958	17,107
Other receivable	6,064	6,471
Prepaid expenses	3,621	3,515
<b>Total Current Assets</b>	<b>146,440</b>	<b>126,932</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Water and sewer systems	3,442,403	3,442,403
Office equipment	13,474	13,474
Transportation and other equipment	25,295	25,295
<b>Total Capital Assets</b>	<b>3,481,172</b>	<b>3,481,172</b>
Less: accumulated depreciation	1,035,865	962,711
<b>Net Capital Assets</b>	<b>2,445,307</b>	<b>2,518,461</b>
<b>Total Assets</b>	<b>2,591,747</b>	<b>2,645,393</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to service agreement	902	2,697
Deferred outflows of resources related to pension	-	15,592
<b>Total Deferred Outflows of Resources</b>	<b>902</b>	<b>18,289</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,592,649</b>	<b>\$ 2,663,682</b>

See accountant's compilation report.



# CITY OF HUNTINGTON, ARKANSAS

## STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2023	2022
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,087	\$ 9,167
Sales tax payable	524	474
Accrued interest	1,236	1,299
Meter deposits payable	30,756	33,857
Current portion of long-term debt	36,618	37,951
<b>Total Current Liabilities</b>	<b>76,221</b>	<b>82,748</b>
<b>Noncurrent liabilities:</b>		
Long-term debt	1,371,163	1,408,059
Net pension liability	-	45,942
<b>Total Noncurrent Liabilities</b>	<b>1,371,163</b>	<b>1,454,001</b>
<b>Total Liabilities</b>	<b>1,447,384</b>	<b>1,536,749</b>
<b>Deferred Inflows</b>		
Deferred inflows of resources related to pension	-	1,408
<b>Total Deferred Inflows</b>	<b>-</b>	<b>1,408</b>
<b>Net Position</b>		
Net investment in capital assets	1,037,526	1,072,451
Restricted	107,739	53,074
<b>Total Net Position</b>	<b>1,145,265</b>	<b>1,125,525</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>\$ 2,592,649</b>	<b>\$ 2,663,682</b>

See accountant's compilation report.

# CITY OF HUNTINGTON, ARKANSAS WATER AND SEWER DEPARTMENT

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

FOR THE YEARS ENDED DECEMBER 31,	2023	2022
<b>Operating Revenue</b>		
Water and sewer revenues, less provision for bad debts	\$ 172,376	\$ 175,404
Other income	9,135	14,925
<b>Total Operating Revenue</b>	181,511	190,329
<b>Operating Expenses</b>		
Water purchases	49,949	45,138
Salaries and wages	34,602	39,899
Pension expense	7,196	2,608
Auto expenses	2,045	2,720
Insurance	5,677	7,476
Legal and accounting	245	1,505
Chemicals	1,963	1,797
Repairs and maintenance	19,741	10,401
Utilities and telephone	13,204	13,366
Dues and subscriptions	816	2,023
Operating supplies	12,957	8,168
Office expense	4,155	2,583
Bank fees	683	632
Advertising	142	106
Other professional services	8,605	3,037
Miscellaneous expense	62	172
Payroll taxes	2,647	3,052
Depreciation	73,154	73,708
<b>Total Operating Expenses</b>	237,843	218,391
<b>Net Loss From Operations</b>	(56,332)	(28,062)
<b>Other Income (Expenses)</b>		
Interest income	305	108
Interest expense	(45,914)	(43,775)
<b>Total Net Other Income (Expenses)</b>	(45,609)	(43,667)
<b>Net Income Before Transfers</b>	(101,941)	(71,729)
<b>Operating Transfers</b>	121,681	42,242
<b>Change in Net Position</b>	19,740	(29,487)
Net Position at Beginning of Year	1,125,525	1,155,012
<b>Net Position at End of Year</b>	\$ 1,145,265	\$ 1,125,525

See accountant's compilation report.