

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

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

DECEMBER 31, 2024 AND 2023



**CITY OF HUNTINGTON, ARKANSAS
WATER AND 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
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, 2024. 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
April 29, 2025



To the Honorable Mayor and City Council
City of Huntington, Arkansas Water and Sewer Department
Huntington, Arkansas

Management is responsible for the accompanying financial statements of the City of Huntington Water and Sewer Department, which comprise the statements of net position as of December 31, 2024 and 2023, 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 Huntington, Arkansas, 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
April 29, 2025

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FINANCIAL STATEMENTS

CITY OF HUNTINGTON, ARKANSAS WATER AND SEWER DEPARTMENT

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 49,542	\$ 57,609
Restricted checking and savings accounts	55,455	50,103
Restricted investments	8,160	7,688
Restricted certificates of deposit	4,397	4,397
Accounts receivable, net of allowance for doubtful accounts	22,196	16,958
Other receivable	6,217	6,064
Prepaid expenses	4,390	3,621
Total Current Assets	150,357	146,440
Noncurrent Assets		
Capital Assets		
Water and sewer systems	3,459,374	3,442,403
Office equipment	13,474	13,474
Transportation and other equipment	25,295	25,295
Total Capital Assets	3,498,143	3,481,172
Less: accumulated depreciation	1,108,658	1,035,865
Net Capital Assets	2,389,485	2,445,307
Total Assets	2,539,842	2,591,747
Deferred Outflows of Resources		
Deferred outflows related to service agreement	-	902
Total Deferred Outflows of Resources	-	902
Total Assets and Deferred Outflows of Resources	\$ 2,539,842	\$ 2,592,649

See accountant's compilation report.

CITY OF HUNTINGTON, ARKANSAS

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2024	2023
Liabilities		
Current Liabilities		
Accounts payable	\$ 16,905	\$ 7,087
Sales tax payable	788	524
Accrued interest	1,175	1,236
Meter deposits payable	30,051	30,756
Current portion of long-term debt	35,338	36,618
Total Current Liabilities	84,257	76,221
Noncurrent liabilities:		
Long-term debt	1,330,665	1,371,163
Total Noncurrent Liabilities	1,330,665	1,371,163
Total Liabilities	1,414,922	1,447,384
Net Position		
Net investment in capital assets	1,023,482	1,037,526
Restricted	80,266	81,770
Unrestricted	21,172	25,969
Total Net Position	1,124,920	1,145,265
Total Liabilities, Deferred Inflows, and Net Position	\$ 2,539,842	\$ 2,592,649

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,	2024	2023
Operating Revenue		
Water and sewer revenues, less provision for bad debts	\$ 204,705	\$ 172,376
Other income	1,236	9,135
Total Operating Revenue	205,941	181,511
Operating Expenses		
Water purchases	86,041	49,949
Salaries and wages	29,040	34,602
Pension expense	6,668	7,196
Auto expenses	1,225	2,045
Insurance	5,295	5,677
Legal and accounting	245	245
Professional fees	1,494	-
Chemicals	564	1,963
Repairs and maintenance	16,322	19,741
Utilities and telephone	17,787	13,204
Dues and subscriptions	5,327	816
Operating supplies	17,891	12,957
Office expense	3,810	4,155
Bank fees	744	683
Advertising	149	142
Other professional services	5,712	8,605
Miscellaneous expense	236	62
Payroll taxes	2,222	2,647
Depreciation	72,793	73,154
Total Operating Expenses	273,565	237,843
Net Loss From Operations	(67,624)	(56,332)
Other Income (Expenses)		
Interest income	651	305
Interest expense	(44,602)	(45,914)
Total Net Other Income (Expenses)	(43,951)	(45,609)
Net Loss Before Transfers	(111,575)	(101,941)
Operating Transfers	91,230	121,681
Change in Net Position	(20,345)	19,740
Net Position at Beginning of Year	1,145,265	1,125,525
Net Position at End of Year	\$ 1,124,920	\$ 1,145,265

See accountant's compilation report.