

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

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

DECEMBER 31, 2022 AND 2021



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

DECEMBER 31, 2022 AND 2021

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below on the financial and billing records of the City of Wilton, Arkansas Water & Sewer Department as of and for the year ended December 31, 2022. The City of Wilton, Arkansas Water & Sewer Department's management is responsible for the financial and billing records.

The City of Wilton, 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 concluded this procedure with no findings.
- C. Agree the proof of cash ending balances to the book balances for the two years 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 both years. 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 Wilton, 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 Wilton, 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 Wilton, 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.

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
June 21, 2024



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

Management is responsible for the accompanying financial statements of the City of Wilton, Arkansas Water and Sewer Department, which comprise the statements of net position as of December 31, 2022 and 2021, 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 Wilton, Arkansas, as of December 31, 2022 and 2021, 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 21, 2024

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CITY OF WILTON, ARKANSAS WATER AND SEWER DEPARTMENT

STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 32,248	\$ 34,895
Restricted checking and savings accounts	47,822	43,933
Accounts receivable net of allowance for doubtful accounts	14,338	17,628
Total Current Assets	94,408	96,456
Noncurrent Assets		
Capital Assets		
Treatment plant and distribution system	3,703,833	3,703,833
Office equipment	5,443	5,443
Transportation and other equipment	38,133	38,133
Total	3,747,409	3,747,409
Less accumulated depreciation	(1,681,308)	(1,573,295)
Net Capital Assets	2,066,101	2,174,114
Total Assets	\$ 2,160,509	\$ 2,270,570
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 2,729	\$ 2,381
Payroll taxes payable	1,105	1,005
Sales tax payable	548	530
Accrued interest expense	782	841
Customer meter deposits	11,100	11,100
Current portion of long-term debt	25,111	23,543
Total Current Liabilities	41,375	39,400
Long-term Debt	197,171	222,281
Total Liabilities	238,546	261,681
Net Position		
Net investment in capital assets	1,843,819	1,928,290
Restricted	38,059	34,090
Unrestricted	40,085	46,509
Total Net Position	1,921,963	2,008,889
Total Liabilities and Net Position	\$ 2,160,509	\$ 2,270,570

See accountant's compilation report.

CITY OF WILTON, ARKANSAS WATER AND SEWER DEPARTMENT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31,	2022	2021
Operating Revenue		
Water and sewer revenues, net of provision for bad debts	\$ 133,161	\$ 121,343
Total Operating Revenue	133,161	121,343
Operating Expenses		
Wages and related payroll taxes	37,699	38,149
Vehicle and Equipment expense	2,502	1,822
Insurance expense	3,199	3,004
Repairs and maintenance	16,830	10,791
Operating supplies	8,108	8,887
Utilities and telephone	25,032	21,076
Dues and memberships	2,732	2,087
Professional services	7,473	2,300
Lab testing	2,287	1,928
Software expense	894	1,471
Office expense	1,680	655
Travel	570	419
Miscellaneous expense	1,206	1,729
Bank charges	122	80
Depreciation expense	108,014	100,117
Total Operating Expenses	218,348	194,515
Net Loss From Operations	(85,187)	(73,172)
Other Income (Expense)		
ANRC grant	-	307,377
Interest income	96	36
Interest expense	(5,569)	(6,658)
Operating transfers	3,734	6,500
Total Other Income (Expense)	(1,739)	307,255
Change in Net Position	(86,926)	234,083
Net Position at Beginning of Year	2,008,889	1,774,806
Net Position at End of Year	\$ 1,921,963	\$ 2,008,889

See accountant's compilation report.