

CENTRAL CITY WATER DEPARTMENT
AGREED-UPON PROCEDURES REPORT AND
COMPILED FINANCIAL STATEMENTS

DECEMBER 31, 2022



CENTRAL CITY WATER DEPARTMENT
DECEMBER 31, 2022

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Honorable Mayor and City Council
Central City Water Department

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

The Central City 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 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 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.

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- 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. This was not applicable as the Department did not have any long-term debt.
 - B. Confirm loans, bond, notes and contracts payable with lender/trustee/contractor. This was not applicable as the Department did not have any long-term debt.
 - C. Determine that the appropriate debt service accounts have been established and maintained. This was not applicable as the Department did not have any long-term debt.
- (7) General
- Determine that any items of financial significance were approved and documented in the minutes of the Town 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 Central City 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 Central City 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 Central City Water 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
August 2, 2024



To the Honorable Mayor and City Council
Central City Water Department

Management is responsible for the accompanying financial statements of the business-type activities of the Central City Water Department, which comprise the statement of assets, liabilities, and equity – cash basis as of December 31, 2022, the related statements of cash receipts and cash disbursements – cash basis for the years then ended, and the statements of composition of cash 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 2, 2024

CENTRAL CITY WATER DEPARTMENT

STATEMENT OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS

AS OF DECEMBER 31, 2022

Assets

Cash and cash equivalents \$ 362,019

Total Assets \$ 362,019

Liabilities and Equity

Fund balance \$ 362,019

Total Liabilities and Equity \$ 362,019

See accountant's report.

CENTRAL CITY WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Receipts	
Water revenue	\$ 249,789
Interest Income	414
Total Cash Receipts	250,203
Cash Disbursements	
Water purchases	95,026
Insurance	3,689
Daily operations and maintenance	6,260
Supplies	32,641
Repairs and maintenance	482
Office supplies	307
Postage	2,588
Salaries and wages	78,306
Contract labor	19,184
Utilities	2,188
Payroll Taxes	5,975
Equipment loan payments	4,784
Equipment purchases	11,219
Reimbursable expenses	2,431
Transfers	(19,437)
Total Cash Disbursements	245,643
Total Cash Disbursement in Excess of Receipts	4,560
Cash Balance - beginning of year	357,459
Cash Balance - end of year	\$ 362,019

See accountant's report.

CENTRAL CITY WATER DEPARTMENT

STATEMENT OF COMPOSITION OF CASH

AS OF DECEMBER 31, 2022

First National Bank	
Water Department Checking	\$ 79,535
Meter Deposit Fund	6,626
Certificates of Deposit	275,858
Total - First National Bank	362,019
Total Cash	\$ 362,019

See accountant's report.