

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

MINUTES OF THE SPECIAL MEETING OF BOARD OF DIRECTORS

Monday February 2, 2023 at 4:30 p.m.  
745 Parker Rd., Wylie, Texas 75098  
Conducted via ZOOM due to inclement weather

2025  
Jimmy C. Beach

2023  
Ron Dawes  
Jason West

2024  
Clinton L. Davis  
Lance Ainsworth

SPECIAL MINUTES

- 1. Call Meeting to order.** President Jimmy Beach called the meeting to order at 4:30p.m. and determined that a quorum was present to conduct business. Directors present: Jimmy Beach, Clint Davis, Lance Ainsworth, Jason West and Ron Dawes. Absent: None. Staff present: Amanda Horst, Business Manager and Chester Adams, General Manager. Absent: None. Consultant Staff Present: None
- 2. Determine if a quorum is present to conduct business.** A quorum was present via zoom video and audio to conduct business.
- 3. Public Comment on non-agenda items. - None**  
(Any person may address the board regarding matters not listed on this agenda. Citizens must provide their name, address, telephone number or email on Public Comment Sign Up Sheet before the meeting is called to order. Comments shall be limited to 3 minutes per speaker. Board members are prohibited from discussing, deliberating, or taking action on matters presented during the non-agenda public comment.)
- 4. Discussion / Action to possibly accept the Wylie Northeast Fiscal Year Audit for 2021-2022. Vail&Park, P.C.**  
Tung Pham and Mike Vail of Vail&Park presented the audit. See attached presentation. Motion made by Ron Dawes to accept the audit presented. Seconded by Jason West. All others in favor, motion carried.
- 5. Adjournment.** 5:05p.m.

Witness my hand this 13<sup>th</sup> day of February, 2023.

Jimmy C Beach  
Jimmy C. Beach, President

Lance Ainsworth  
Lance Ainsworth, Board Secretary



# Wylie SUD, Texas FY2022 Audit Results

Presented by  
Mike Vail, CPA



# Agenda

- Objective and Scope of Audit
- Audit Results
- Financial Highlights
- Findings and Recommendations
- Q&A

# Objective of Audit

- Texas Local Government Code 103.001 & 103.003:
  - A municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit.
  - The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the municipal secretary or clerk within 180 days after the last day of the municipality's fiscal year.

# Scope of Audit

- We conducted the audit in accordance with auditing standards generally accepted in USA (US GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States (the “Yellow Book”).
- We documented and tested the accounting internal controls
- We performed a risk assessment to determine the nature, extent and timing of our substantive audit procedures.
- We are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

# Audit Results

- We will issue two auditor's reports including:
  - Independent Auditor's Report on the financial statements – Unmodified Opinion (pages 1-2).
  - Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards* (pages 38-39).

# Financial Highlights

- Financial Statements
  - Management's discussion and analysis (pages 3-6)
  - Basic financial statements (pages 8-13)
  - Notes to financial statements (pages 15-23)
  - Required Supplementary Information(pages 25-27)
  - Supplementary Information(pages 29-36)

# Financial Highlights

- Government-wide Financials and Fund Financial Statements comparison (page 4)
  - The District's assets exceeded liabilities by \$17M, an increase of \$2.4M from prior year
  - Increase of Cash (\$1.8M) and accounts receivable (\$150k)
  - Increase of non-current assets and accounts payable of the same amount (\$600k) due to construction in progress for Parker Road Waterline relocation.
  - Reduction of long-term debts (\$100k)



# Financial Highlights

- Changes in Net Positions (pages 5)
  - Net increase for the year is \$2.5M compared to \$1.8M in the prior year.
  - Increase of charges for services of \$1.1M and expenses of \$500k, both are related to increase in volume.

# Test Results

- Auditor's opinion: Unmodified Opinion
- Internal Controls on Financial Reporting: Material weakness Identified related to financial statement close process.

# Recommendations and Other Required Communications

- **Management Recommendations:**
  - **Financial Statement Close Process Timing and Audit Schedule –**
  - We recommend management performs monthly financial statement close process that captures to capture necessary journal entries prior to the audit.
- **Other Communications:**
  - No disagreements with management
  - No non-compliance noted
  - No fraud identified
  - Management's accounting policies appear in accordance with GAAP.

# Thank You

- We would like to thank:
  - Amanda Horst, Business Manager

Amanda was very responsive to our audit requests, and it was a pleasure to work with her on this audit.

# Contact Us

- Vail & Park, P.C.
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