

**City of Jasper
Water & Sewer Department
Jasper, Arkansas**

Independent Accountant's Report on Applying
Agreed-Upon Procedures
December 31, 2023

**CITY OF JASPER WATER & SEWER DEPARTMENT
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES
DECEMBER 31, 2023**

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CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

City of Jasper Water & Sewer Department
Jasper, Arkansas

I have performed the procedures enumerated on the accompanying schedule of procedures and findings, which were agreed to by the City of Jasper Water & Sewer Department (the Department), solely to assist you with respect to complying with the requirements of the State of Arkansas Act 218 of 1999 as of and for the year ended December 31, 2023. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care. The sufficiency of these procedures is solely the responsibility of those charged with governance of the Department. Consequently, I make no representation regarding the sufficiency of the procedures described on the accompanying schedule either for the purpose for which this report has been requested or for any other purpose.

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the financial statements of the Department taken as a whole. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the City of Jasper Water & Sewer Department and the Arkansas Legislative Joint Auditing Committee and should not be used by anyone other than these specified parties.

The Kelly H. F. CPA, PLLC
The Killingsworth Firm CPA, PLLC

Berryville, Arkansas
July 22, 2024

CITY OF JASPER WATER & SEWER DEPARTMENT
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2023
(See Independent Accountant's Report)

General

1. Procedure – Determine that all items of financial significance were approved and documented in the minutes of the governing body's meetings.

Finding – No exceptions; all matters of financial significance appeared to be approved and documented in the minutes of the directors' meetings.

Cash and Investments

1. Procedure – Perform proofs of cash for the year and reconcile year-end bank balances to book balances within 5% or \$500, whichever is greater.

Finding – No exceptions noted.

2. Procedure – Confirm with depository institutions the cash on deposit.

Finding – No exceptions noted.

3. Procedure – Agree the proofs of cash ending balances to the book balances.

Finding – No exceptions noted.

Cash Receipts

1. Procedure – Agree the deposits per the proofs of cash for the year with the deposits per the cash receipts journal within 5% or \$500, whichever is greater.

Finding – No exceptions noted.

2. Procedure – Agree ten customer payments on the accounts receivable sub-ledger to deposit and billing documents.

Finding – Selected ten deposits from the October accounts receivable sub-ledger and traced to deposit and billing documents with no exceptions noted.

CITY OF JASPER WATER & SEWER DEPARTMENT
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2023
(See Independent Accountant's Report)

Cash Receipts (Continued)

3. Procedure - For ten deposits, agree the cash/check composition of the deposit with receipt information.

Finding – Selected ten deposits between November 1 and 21 for testing with no exceptions noted.

Accounts Receivable

1. Procedure – Agree ten customer billings to the accounts receivable sub-ledger.

Finding – Selected ten customer billings from the November 29 billing register and agreed to the accounts receivable sub-ledger with no exceptions noted.

2. Procedure – Determine that five customer adjustments were properly authorized.

Finding – Selected two adjustments from September, and one each from October, November, and December and found that all appear to have been authorized with no exceptions noted.

Cash Disbursements

1. Procedure - Agree the disbursements per the proofs of cash for the year with the disbursements per the cash disbursements journal within 5% or \$500, whichever is greater.

Finding – No exceptions noted.

2. Procedure – Analyze all property, plant, and equipment disbursements.

Finding – All appear to be properly authorized.

3. Procedure – Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they are adequately documented.

Finding – Made selections as required and found all to be properly supported by cancelled invoices and imaged checks. No exceptions noted.

CITY OF JASPER WATER & SEWER DEPARTMENT
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2023
(See Independent Accountant's Report)

Property, Plant, and Equipment

1. Procedure – Determine that additions and disposals are properly accounted for in the records.

Finding – No disposals were noted. Adjustments were made to properly account for additions as capital assets.

Long-Term Debt

1. Procedure – Schedule long-term debt and verify changes in all balances for the year.

Finding – No exceptions noted.

2. Procedure – Confirm loans, bonds, notes, and contracts payable with lender.

Finding – No response received from USDA; alternative procedures were considered adequate to verify balances.

3. Procedure – Determine that the appropriate debt service accounts have been established and maintained.

Finding – No exceptions noted.

**City of Jasper
Water & Sewer Department
Jasper, Arkansas**

Compiled Financial Statements
Years Ended December 31, 2023 and 2022

**CITY OF JASPER WATER & SEWER DEPARTMENT
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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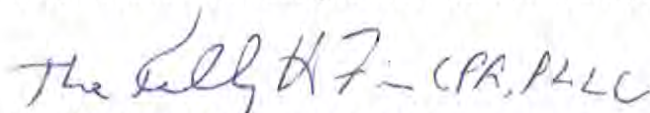
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
City of Jasper Water & Sewer Department
Jasper, Arkansas

Management is responsible for the accompanying financial statements of the **City of Jasper Water & Sewer Department** which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2023 and 2022, and the related statements of revenues, expenses and changes in net assets – modified cash basis for the years then ended in accordance with the modified cash basis of accounting. I 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. I did not audit or review the financial statements, nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I 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 disclosure 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, the financial statements are not designed for those who are not informed about such matters.


The Killingsworth Firm CPA, PLLC

Berryville, Arkansas
July 22, 2024

CITY OF JASPER WATER & SEWER DEPARTMENT
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Current Assets		
Cash and Cash Equivalents	\$ 107,795	\$ 62,314
Total Current Assets	107,795	62,314
Restricted Assets		
Bond and Interest Bond Service	19,273	16,861
Waste Improvement Project Cash	149,190	-
Prepaid Interest	9,598	-
Depreciation Reserve	111,769	94,156
Meter Deposits	33,271	31,610
Total Restricted Assets	323,101	142,627
Property and Equipment, at Cost		
Water and Sewer Systems	676,840	676,840
Wastewater Improvement Project	78,996	78,996
Sewer Lift Station Project	715,718	61,288
New Waterline	1,066,003	1,066,003
Accumulated Depreciation	(733,048)	(674,953)
Net Property and Equipment	1,804,509	1,208,174
Total Assets	\$ 2,235,405	\$ 1,413,115

LIABILITIES AND NET ASSETS

Current Liabilities		
Current Portion of Long-term Debt	\$ 18,301	\$ 20,015
Total Current Liabilities	18,301	20,015
Liabilities Payable from Restricted Assets		
Customer Meter Deposits	33,271	31,610
Total Liabilities Payable from Restricted Assets	33,271	31,610
Long-Term Liabilities		
Long-Term Debt, Net of Current Portion	735,899	701,122
	735,899	701,122
Total Liabilities	787,471	752,747
Net Assets		
Invested in Capital Assets, Net of Related Debt	306,104	346,753
Restricted - Debt Service	19,273	16,861
Restricted - Depreciation Reserve	111,769	94,156
Restricted - Capital Projects	902,693	140,284
Unrestricted	108,095	62,314
Total Equity	1,447,934	660,368
Total Liabilities and Equity	\$ 2,235,405	\$ 1,413,115

See Independent Accountant's Compilation Report

CITY OF JASPER WATER & SEWER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Water Revenue	\$ 236,246	\$ 197,558
Sewer Revenue	212,007	175,738
Total Operating Revenues	<u>448,253</u>	<u>373,296</u>
Operating Expenses		
Water Purchases	140,460	137,188
Lab Fees and Chemicals	8,898	9,674
Contract Labor	21,750	23,310
Depreciation	58,095	45,724
Employee Benefits	18,637	14,897
Payroll Expenses	74,328	68,101
Professional Fees	3,646	12,308
Postage	2,103	1,804
Insurance	2,177	2,133
Training and Education	344	149
Dues and Memberships	2,302	3,375
Supplies	22,087	23,097
Other Expenses	2,025	573
Repairs and Maintenance	16,526	17,858
Waste Removal	11,309	14,763
Utilities	24,273	23,686
Total Operating Expenses	<u>408,960</u>	<u>398,640</u>
Operating Income (Loss)	<u>39,293</u>	<u>(25,344)</u>
Other Income (Expense)		
Interest Income	69	58
Other Income	11,140	8,304
Grant Income	502,551	-
Interest Expense	(20,342)	(20,871)
Total Other Income (Expense)	<u>493,418</u>	<u>(12,509)</u>
Increase (Decrease) in Net Assets	532,711	(37,853)
Net Assets, Beginning of Year	660,368	658,221
Transfers from General Government	<u>254,855</u>	<u>40,000</u>
Net Assets, End of Year	<u><u>\$ 1,447,934</u></u>	<u><u>\$ 660,368</u></u>

See Independent Accountant's Report and Notes to Financial Statements