

TOWN OF BERGMAN WATER SYSTEM

DECEMBER 31, 2024



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Town of Bergman Water System
Honorable Mayor and Town Council
P.O. Box 160
Bergman, AR 72615

We have performed the procedures described herein on the financial information of Town of Bergman Water System for the year ended December 31, 2024. Town of Bergman Water System's board is responsible for Town of Bergman Water System's financial information.

The board of the Town of Bergman Water System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the financial information of the Town of Bergman Water System for the year ended December 31, 2024 in accordance with Arkansas Code § 14-234-119. The board has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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 purposes.

The procedures performed and the associated findings are as follows:

- Cash
 - For the year ended December 31, 2024, Landmark PLC performed the following procedures:
 - Perform a proof of cash and re-reconciled year-end bank balances to book balances.
No exceptions were noted as a result of this procedure.
 - Confirm with depository institutions the cash on deposit and investments for the year December 31, 2024.
No exceptions were noted as a result of this procedure.
 - Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.
No exceptions were noted as a result of this procedure.
- Receipts
 - For the year ended December 31, 2024, Landmark PLC performed the following procedures:
 - Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater.
No exceptions were noted as a result of this procedure.
 - Agree ten customer deposits on the accounts receivable sub-ledger to deposit and billing documents.
Two customer deposits did not match the billing statement because the customers overpaid.

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

No exceptions were noted as a result of this procedure.

- Accounts Receivable

- For the year ended December 31, 2024, Landmark PLC performed the following procedures:

- Agree ten customer billings to the accounts receivable subledger.

No exceptions were noted as a result of this procedure.

- Determine that five customer adjustments were properly authorized.

The adjustments were authorized. However, the individual who makes the adjustments is the same person who authorizes the adjustment.

- Disbursements

- For the year ended December 31, 2024, Landmark PLC performed the following procedures:

- Agree the disbursements per the proof of cash with the disbursements per the journal within 5% or \$500, whichever is greater.

No exceptions were noted as a result of this procedure.

- Analyze all property, plant, and equipment disbursements. Specifically, examine the supporting documentation and look for irregularities.

No exceptions were noted as a result of this procedure.

- Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

No exceptions were noted as a result of this procedure.

- Property, Plant and Equipment

- For the year ended December 31, 2024, Landmark PLC performed the following procedures:

- Determine that additions and disposals were properly accounted for in the records (materiality level— 5% of the total equipment or \$500, whichever is greater).

No exceptions were noted as a result of this procedure.

- Long-term debt

- For the year ended December 31, 2024, Landmark PLC performed the following procedures:

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

No exceptions were noted as a result of this procedure.

- Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor.

No exceptions were noted as a result of this procedure.

- Determine that the appropriate debt service accounts have been established and maintained.

No exceptions were noted as a result of this procedure.

- General
 - For the year ended December 31, 2024, Landmark PLC performed the following procedures:
 - Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings. Specifically, search for any new financial activity that appears to be outside of the normal course of operations and determine if the activity was addressed in the minutes of the governing body's meetings.

No exceptions were noted as a result of this procedure. There were not any activities that appeared to be outside of the normal course of operations.

We were engaged by the board of the Town of Bergman Water System to perform this engagement to apply agreed-upon procedures and conducted our engagement in accordance with attestation standards established by the AICPA. 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 information of the Town of Bergman Water System as of and for the year ended December 31, 2024. 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 Town of Bergman Water System 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 board of the Town of Bergman Water System and is not intended to be and should not be used by anyone other than these specified parties.

Landmark PLC

Rogers, AR

April 4, 2025

FINRA

Town of Bergman Water System

**Financial Statements
December 31, 2024**

(With Independent Accountant's Compilation Report Thereon)

FINAL

Town of Bergman Water System

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FINAL



Town of Bergman Water System
Honorable Mayor and Town Council
P.O. Box 160
Bergman, AR 72221

Management is responsible for the accompanying financial statements of Town of Bergman Water System, which comprise the statement of assets, liabilities and net position – cash basis as of December 31, 2024, and the related statement of revenues, expenses, and changes in net position – cash basis for the year ended December 31, 2024, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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 American Institute of Certified Public Accountants. 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 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.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user’s conclusions about the Organization’s assets, liabilities, net position, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Landmark PLC

Rogers, Arkansas
April 4, 2025

Town of Bergman Water System

Statement of Assets, Liabilities and Net Position – Cash Basis December 31, 2024

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,559,864
Total unrestricted current assets	1,559,864
Restricted assets	
Cash and cash equivalents	284,806
Total restricted current assets	284,806
Total Current Assets	1,844,670
Property and Equipment - Net	3,419,952
Total Assets	\$ 5,264,622
LIABILITIES AND NET POSITION	
Current Liabilities	
Payroll payables	\$ 2,808
Meter and renters deposits	135,372
Current maturities of long-term debt	109,673
Total Current Liabilities	247,853
Long-Term Liabilities	
Long-term debt - less current maturities	1,813,551
Total Long-Term Liabilities	1,813,551
Net Position	
Unrestricted	3,203,218
Total Net Position	3,203,218
Total Liabilities and Net Position	\$ 5,264,622

See Independent Accountant's Compilation Report.

Town of Bergman Water System

Statement of Revenues, Expenses and Changes in Net Position – Cash Basis Year Ended December 31, 2024

Operating Revenue	
Water sales	\$ 925,447
Collection fees	30,200
Miscellaneous income	6,593
Total Operating Revenue	962,240
Operating Expenses	
General and administrative	558,189
Management and general	244,025
Total Operating Expenses	802,214
Operating Income	160,026
Other Revenues and Expenses	
Interest income	60,645
Interest expense	(83,807)
Total Other Revenues and Expenses	(23,162)
Change in Net Position	136,864
NET POSITION - BEGINNING OF YEAR	3,066,354
NET POSITION - END OF YEAR	\$ 3,203,218

See Independent Accountant’s Compilation Report.