

BIGELOW WATER AND SEWER DEPARTMENT
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES,
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT,
AND FINANCIAL STATEMENTS
DECEMBER 31, 2024

BIGELOW WATER AND SEWER DEPARTMENT

DECEMBER 31, 2024 AND 2023

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AMERICAN INSTITUTE OF
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

City Council and Management
Bigelow Water and Sewer Department
Bigelow, Arkansas

We have performed the procedures enumerated below on the financial and billing records of the Bigelow Water and Sewer Department as of and for the years ended December 31, 2024 and 2023. The Bigelow Water and Sewer Department's management is responsible for the financial statements.

The City Council and Management of the Bigelow Water and Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet their 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 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.
- b. Confirm with depository institutions the cash on deposit and investments.
- c. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater.

We found no exceptions as a result of these procedures.

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.
- b. Agree ten customer payments on the accounts receivable subledger to deposit and billing documents.
- c. For ten deposits, agree the cash/check composition of the deposit with receipt information.

We found no exceptions to 2a. but did find exceptions to 2b. and 2c. as a result of these procedures.

Out of the ten selections of customer payments, we were able to agree 8 payments by cash or check back to the bank deposit slip and cash /check composition. One customer payment could not be agreed to the bank deposit due to the cash/check composition not being correct but the total payments received according to the customer payment reports did agree to the bank deposit. One customer payment could not be agreed to the respective bank deposit at all.

On further investigation, comparing the monthly customer payment records to the bank statements, we found the following exceptions:

- i) Three days of deposits according to the daily payment records could not be agreed to the bank deposit. Payments posted for one of those days were included in two bank deposits two months later but not included in the daily payment records for those particular days.
- ii) One day's payments according to the daily payment records was deposited 17 days later into the bank.
- iii) One day's payments according to the daily payment records was deposited 4 months later into the bank.

3. Accounts Receivable

- a. Agree ten customer billings to the accounts receivable subledger.
- b. Determine that five customer adjustments were properly authorized.

All adjustments were made and approved by the water clerk, and we found no exceptions as a result of these procedures.

4. Disbursements

- a. Agree the disbursements per the proof of cash for the year with the disbursements per the journal.
- b. Analyze all property, plant, and equipment disbursements.
- c. Select all disbursements paid to employees other than payroll and ten other disbursements and determine that they were adequately documented.

We found no exceptions as a result of these procedures.

5. Property, Plant, and Equipment

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

We found no exceptions as a result of this procedure.

6. Long-term Debt

- a. Schedule long-term debt and verify changes in all balances for the year.
- b. Confirm loans, bonds, notes, and contracts payable with lender/trustee/contractor.
- c. Determine that the appropriate debt service accounts have been established and maintained.

We found no exceptions as a result of these procedures.

7. General

- a. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

We found no exceptions as a result of this procedure.

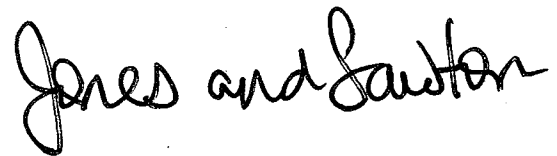
We were engaged by the City Council and Management of the Bigelow Water and Sewer Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged 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 Bigelow Water and 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 Bigelow City Council, Bigelow Water and Sewer Department Management, USDA, Arkansas Natural Resource Commission, and Arkansas Office of Legislative Audit and is not intended to be and should not be used by anyone other than those specified parties.

Jones and Lawton, CPAs, P.A.

Russellville, Arkansas
August 7, 2026



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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

City Council and Management
Bigelow Water and Sewer Department
Bigelow, Arkansas

Management is responsible for the accompanying financial statements of the Bigelow Water and Sewer Department which comprise the statement of net position as of December 31, 2024 and 2023 and the related statement of revenues, expenses and changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United State 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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part for placing the financial statements in an appropriate operational, economic or historical context.

Jones and Lawton, CPAs, P.A.

Russellville, Arkansas
August 7, 2026



BIGELOW WATER AND SEWER DEPARTMENT
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents (Note 2)		
Unrestricted	\$ 3,947	\$ 3,464
Restricted	92,253	82,985
Accounts Receivable (Note 3)	35,068	32,370
	<u>131,268</u>	<u>118,819</u>
Property and Equipment (Note 4)		
Vehicles	14,100	14,100
Buildings	25,623	25,623
Office Equipment	23,561	23,561
Facility Equipment	269,836	269,836
Water & Sewer System	4,182,922	4,165,930
Land	85,422	85,422
	<u>4,601,464</u>	<u>4,584,472</u>
Less: Accumulated Depreciation	2,416,976	2,300,053
	<u>2,184,488</u>	<u>2,284,419</u>
Unamortized Loan Cost - Net of Amortization	7,597	7,901
	<u>\$ 2,323,353</u>	<u>\$ 2,411,139</u>

LIABILITIES

Accounts Payable	6,561	3,242
Accrued Expenses	755	729
Accrued Interest Payable	5,264	5,612
Long-Term Liabilities (Note 5)		
Due Within 1 Year	27,904	26,681
Due in More Than 1 Year	669,008	695,531
Customer Deposits	15,395	24,182
	<u>724,887</u>	<u>755,977</u>

NET POSITION

Net Invested in Capital Assets	1,487,576	1,562,207
Restricted	76,858	58,803
Unrestricted	34,032	34,152
	<u>1,598,466</u>	<u>1,655,162</u>
	<u>\$ 2,323,353</u>	<u>\$ 2,411,139</u>

BIGELOW WATER AND SEWER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Water and Sewer Revenues	\$ 226,898	\$ 225,026
OPERATING EXPENSES		
Salaries	39,550	35,600
Utilities	35,496	34,542
Water Services	34,996	49,125
Contract Labor	6,622	3,035
Repairs and Maintenance	6,157	5,590
Supplies	2,983	12,012
Office Supplies and Postage	2,648	1,854
Bank Charges	61	76
Payroll Taxes	3,241	3,118
Depreciation	116,923	114,436
Amortization Debt Service Cost	304	304
Amortization Bond Issue Discount	379	379
Professional Fees	3,000	3,000
Licenses and Permits	2,088	1,314
Insurance	3,306	3,133
Miscellaneous	897	1,055
Bad Debt Expense	603	45
	<u>259,254</u>	<u>268,618</u>
LOSS FROM OPERATIONS	(32,356)	(43,592)
OTHER INCOME (EXPENSE)		
Interest Income	97	95
Interest Expense	(24,437)	(23,230)
	<u>(24,340)</u>	<u>(23,135)</u>
CHANGE IN NET POSITION	(56,696)	(66,727)
NET POSITION, BEGINNING OF YEAR	<u>1,655,162</u>	<u>1,721,889</u>
NET POSITION, END OF YEAR	<u>\$ 1,598,466</u>	<u>\$ 1,655,162</u>

BIGELOW WATER AND SEWER DEPARTMENT
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Water Customers	\$ 232,987	\$ 219,938
Payments to Suppliers	(92,379)	(109,278)
Payments to Employees	(42,791)	(39,467)
Payments for Other Admin Costs	(12,603)	(5,869)
Net Cash Provided by Operating Activities	<u>85,214</u>	<u>65,324</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Increase in Customers' Deposits	(8,787)	2,348
Net Cash Provided by Non-Capital Financing Activities	<u>(8,787)</u>	<u>2,348</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(16,992)	(17,848)
Interest Income	97	95
Net Cash Used by Investing Activities	<u>(16,895)</u>	<u>(17,753)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Paid on Long-term Debt	(24,481)	(23,230)
Reductions of Notes Payable	(25,300)	(26,853)
Net Cash Used by Financing Activities	<u>(49,781)</u>	<u>(50,083)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,751	(164)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>86,449</u>	<u>86,613</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 96,200</u>	<u>\$ 86,449</u>

Supplemental Disclosures of Cash Flow Information:

Cash Paid During the Year for Interest	<u>\$ 24,481</u>	<u>\$ 23,230</u>
Reconciliation of Cash to Statements of Net Position		
Unrestricted Cash	\$ 3,947	\$ 3,464
Restricted Cash	92,253	82,985
	<u>\$ 96,200</u>	<u>\$ 86,449</u>

BIGELOW WATER AND SEWER DEPARTMENT
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2024 and 2023

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	<u>2024</u>	<u>2023</u>
Income from Operations	\$ (32,356)	\$ (43,592)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation and Amortization Debt Service Cost	116,923	114,740
(Increase) Decrease in Accounts Receivable	(2,698)	(5,088)
Increase (Decrease) in Accounts Payable	3,319	13
Increase (Decrease) in Accrued Expenses	26	(749)
	<u>117,570</u>	<u>108,916</u>
Net Cash Provided by Operating Activities	<u><u>\$ 85,214</u></u>	<u><u>\$ 65,324</u></u>

BIGELOW WATER AND SEWER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Bigelow Water and Sewer Department is engaged in providing water and sewer services to the public located in Bigelow, Arkansas and the surrounding rural community.

Organization

The Bigelow Water and Sewer Department is a municipally-operated system governed by the City of Bigelow, Arkansas. The Department is a proprietary fund type utilizing enterprise funds to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public safety, management control, accountability, or other purposes.

These financial statements represent only the Water and Sewer System funds and do not include data of other funds of the primary government necessary for reporting in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

As a water utility, our contract with the customer is established when they complete the steps necessary to get the water service turned on. That contract is in force until they terminate their water service with us. The Department uses the accrual basis of accounting which recognizes revenues when they are earned and expenses when they are incurred.

The Department applies all Government Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1998, unless these pronouncements conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents

The Department considers cash equivalents to be short-term highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash. For purposes of the Statements of Cash Flows, cash and cash equivalents include "Unrestricted Cash and Cash Equivalents" and "Restricted Cash and Cash Equivalents". The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial investments.

BIGELOW WATER AND SEWER DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable and Bad Debts

Accounts receivables are charged to bad debt expense when they are determined to be uncollectible based on a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Customers are required to make a deposit which is recorded on the balance sheet. When a bad debt is identified, the deposit can be offset against the receivable to mitigate the bad debt.

Property and Equipment

Property and equipment are recorded at cost and is being depreciated over the estimated useful lives of the assets using the straight-line depreciation method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Useful Life</u>
Water and Sewer System	40 years
Building	40 years
Automobiles and Equipment	5 years
Office Equipment	5 years

Depreciation expense for the year ended December 31, 2024 and 2023 amounted to \$116,923 and \$114,436 respectively.

Compensated Absences

The Department accrues for the costs of compensated absences to the extent that the employee's right to receive payment related to service already rendered, the obligation vests or accumulates, payment is probable, and the amount can be reasonably estimated. Forfeiture due to turnover is not reasonably predictable except in instances when an employee gives their notice.

The Department has not accrued a liability for compensated absences in accordance with Accounting Standards Codifications 710, *Compensation – General*, as the amount of the liability could not be reasonably estimated at December 31, 2025 and 2024.

Income Tax

The Bigelow Water and Sewer Department is municipally owned and is exempt from Federal and State income tax pursuant to Internal Revenue Code 501(c)(12) and Arkansas Act 114 of 1957, which also exempts the Department from filing Tax Form 990.

BIGELOW WATER AND SEWER DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position Classifications

Net position is classified and displayed in the following three components:

Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments.

Unrestricted net position – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

Regulatory Environment

The quality of water emitted from the sewer treatment plants is regulated by the Environmental Protection Agency and the Arkansas Health Department. The quality of water furnished to customers is subject to the requirements of the Environmental Protection Agency under the Safe Drinking Water Act and the Arkansas Health Department.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Department’s financial instruments include cash, cash equivalents and certificate of deposit investments. The carrying amounts of these financial instruments have been estimated by management to approximate fair value.

NOTE 2: CASH AND CASH EQUIVALENTS

The cash balance at December 31, 2024 and 2023 is composed of unrestricted and restricted funds as follows:

	<u>2024</u>	<u>2023</u>
<u>Unrestricted</u>		
Water and Sewer Operating Fund	\$ 3,947	\$ 3,464
<u>Restricted</u>		
Depreciation Fund	29,856	19,702
Debt Service Fund	39,365	39,101
Meter Deposit Fund	<u>23,032</u>	<u>24,182</u>
	<u>92,253</u>	<u>82,985</u>
	<u>\$ 96,200</u>	<u>\$ 86,449</u>

BIGELOW WATER AND SEWER DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3: ACCOUNTS RECEIVABLE

An aged analysis of accounts receivable from users at December, 2024 is as follows:

Current	\$ 16,211
Past due:	
30 days	6,447
60 days	3,297
Over 90 days	9,113
	<u>\$ 35,068</u>

NOTE 4: PROPERTY AND EQUIPMENT

At December 31, 2024, the Department had property and equipment as follows:

	<u>12-31-2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-2024</u>
Vehicles	\$ 14,100	\$		\$ 14,100
Buildings	25,623			25,623
Office Equipment	23,561			23,561
Facility Equipment	269,836			269,836
Water & Sewer Systems	4,165,930	16,992		4,182,922
Land	85,422			85,422
	<u>\$ 4,584,472</u>	<u>\$ 16,992</u>		<u>\$ 4,601,464</u>

At December 31, 2023, the Department had property and equipment as follows:

	<u>12-31-2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-2023</u>
Vehicles	\$ 14,100	\$		\$ 14,100
Buildings	25,623			25,623
Office Equipment	23,561			23,561
Facility Equipment	269,836			269,836
Water & Sewer Systems	4,148,082	17,848		4,165,930
Land	85,422			85,422
	<u>\$ 4,566,624</u>	<u>\$ 17,848</u>		<u>\$ 4,584,472</u>

BIGELOW WATER AND SEWER DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5: LONG-TERM DEBT

Long-term debt at December 31, 2024 consists of the following:

	<u>12-31-2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12-31-2024</u>
5.0% note payable to Arkansas Natural Resources Commission payable in annual installments of \$7,147 including interest, secured by the water system.	\$ 46,187		\$ 4,838	\$ 41,349
2.0% bond payable to Arkansas Natural Resources Commission payable in annual installments of \$18,307 including interest, secured by the water system.	379,075		10,725	368,350
4.5% note payable to USDA Rural Development payable in monthly installments of \$1,419 including interest, secured by the water system.	206,086		7,041	199,045
4.5% note payable to USDA Rural Development payable in monthly installments of \$665 including interest, secured by the water system.	<u>101,093</u>		<u>3,075</u>	<u>98,018</u>
	<u>\$ 732,441</u>		<u>\$ 25,679</u>	<u>706,762</u>
Less: current maturities				27,904
Less: unamortized discount				9,850
				<u>\$ 669,008</u>

The aggregate maturities of long-term debt at December 31, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 27,904	\$ 22,558	\$ 50,462
2026	28,922	21,540	50,462
2027	29,982	20,480	50,462
2028	31,087	19,375	50,462
2029	32,238	18,224	50,462
2030-34	157,671	80,336	238,007
2035-39	171,463	45,112	216,575
2040-44	124,961	17,641	142,602
2045-49	84,597	6,938	91,535
2050	<u>17,937</u>	<u>359</u>	<u>18,296</u>
	<u>\$ 706,762</u>	<u>\$ 252,563</u>	<u>\$ 959,325</u>

BIGELOW WATER AND SEWER DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5: LONG-TERM DEBT (continued)

Long-term debt at December 31, 2023 consists of the following:

	<u>12-31-2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>12-31-2023</u>
5.0% note payable to Arkansas Natural Resources Commission payable in annual installments of \$7,147 including interest, secured by the water system.	\$ 50,794		\$ 4,607	\$ 46,187
2.0% bond payable to Arkansas Natural Resources Commission payable in annual installments of \$18,307 including interest, secured by the water system.	389,590		10,515	379,075
4.5% note payable to USDA Rural Development payable in monthly installments of \$1,419 including interest, secured by the water system.	214,455		8,370	206,086
4.5% note payable to USDA Rural Development payable in monthly installments of \$665 including interest, secured by the water system.	<u>104,833</u>		<u>3,740</u>	<u>101,093</u>
	<u>\$ 759,673</u>		<u>\$ 27,232</u>	<u>732,441</u>
Less: current maturities				26,681
Less: unamortized discount				<u>10,229</u>
				<u>\$ 695,531</u>

The aggregate maturities of long-term debt as of December 31, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 26,981	\$ 23,481	\$ 50,462
2025	27,963	22,499	50,462
2026	28,984	21,478	50,462
2027	30,048	20,414	50,462
2028	31,156	19,306	50,462
2029-33	159,425	78,582	238,007
2034-38	166,110	50,465	216,575
2039-43	143,301	21,509	164,810
2044-48	82,939	8,596	91,535
2049-50	<u>35,534</u>	<u>1,069</u>	<u>36,603</u>
	<u>\$ 732,441</u>	<u>\$ 267,399</u>	<u>\$ 999,840</u>

NOTE 6: AMORTIZATION

The Water and Sewer Department incurred refinance costs of approximately \$11,800 in connection to long-term debt owed to the Arkansas Natural Resources Commission. These costs are being amortized over the life of the debt at \$304 annually.

The bond debt was issued at a discount of \$14,775 that is being amortized over the life of the debt at \$379 annually.

BIGELOW WATER AND SEWER DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7: SCHEDULE OF RATES

The water and sewer rates during the year 2024 were unchanged from 2023 and were as follows:

Monthly Water Rates:

- a. Minimum charge on first 1,000 gallons, \$27.50. (Additional \$5.00 flat charge for customers outside the city limits of Bigelow)
- b. Charge of \$3.50 per 1,000 gallons for the next 3,000 gallons.
- c. Charge of \$3.00 per 1,000 gallons for all over 4,000 gallons.

Monthly Sewer Rates:

- a. Minimum charge on first 1,000 gallons, \$26.30
- b. Charge of \$9.86 per 1,000 gallons for the next 3,000 gallons.
- c. Charge of \$9.30 per 1,000 gallons for all over 4,000 gallons.

NOTE 8: CONCENTRATION OF CREDIT RISK

The Department maintains cash balances with several banks located in Arkansas. The balances at these banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Department's cash balances at December 31, 2024 do not exceed this FDIC limit.

NOTE 9: INSURANCE COVERAGE

Company: Berkley Southwest
Policy #: CFA- 4270246-28
Expiration: 06-25-25
Coverage: Water Department buildings, tanks and equipment

Company: Arkansas Fidelity Bond Trust Fund
Policy #: FBTF15
Expiration: 06-30-25
Coverage: Fidelity policy-\$300,000

Company: Arkansas Municipal League Municipal Vehicle Program
Policy #: 290
Expiration: 05-08-25
Coverage: Coverage I – Vehicle Liability
Coverage II – Physical Damage

NOTE 10: SUBSEQUENT EVENTS

The Department considers there to be no significant events to be reported through August 7, 2026, which is the date the financial statements were available to be issued.