TOWN OF BIG FLAT, ARKANSAS
WATER SYSTEM

COMPILED FINANCIAL STATEMENTS
AND
AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

BALLARD & COMPANY, LTD.

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BALLARD & COMPANY, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS
Members of the American Institute of Certified Public Accountants
Member of the Arkansas Society of Certified Public Accountants

668 HIGHWAY 62 EAST
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870-425-6256

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MOUNTAIN VIEW, AR 72560
870-269-2390

980 ASH FLAT DRIVE
ASH FLAT, AR 72513
870-994-2812

352 HIGHWAY 62 EAST
SALEM, AR 72576
870-895-2661

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor, City Council and Management
Town of Big Flat, Arkansas Water System
Big Flat, Arkansas

Management is responsible for the accompanying financial statements of the Town of Big Flat, Arkansas Water System, which comprise the statement of net position – modified cash basis as of December 31, 2024 and the related statement of revenues, expenses and changes in fund net position – modified cash basis for the year then ended in accordance with the modified cash basis of accounting, and for determining that the modified 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 AICPA. We did not audit or review the financial statements nor were we required 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 modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The accompanying financial statements present only the Water System of the Town of Big Flat, Arkansas, and do not purport to, and do not, present fairly the financial position of the Town of Big Flat, Arkansas as of December 31, 2024 and the changes in its financial position and cash flows for the year then ended in accordance with the modified cash basis of accounting.

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

Ballard & Company, Ltd.
Mountain Home, Arkansas
September 25, 2025

TOWN OF BIG FLAT, ARKANAS
WATER SYSTEM
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2024

ASSETS	
Current Assets:	
Revenue Fund	$ 25,140
Operations and Maintenance Fund	23,777
Total Current Assets	48,917
Restricted Assets:	
Meter Deposit Fund	12,483
Debt Service Reserve Fund	42,181
Depreciation Fund	39,261
Total Restricted Assets	93,925
Capital Assets:	
Depreciable Assets, Net of Accumulated Depreciation	213,406
Total Assets	356,248
LIABILITIES	
Current Liabilities:	
Payroll Liabilities	459
Current Maturities of Long-Term Notes Payable	21,082
Total Current Liabilities	21,541
Long-Term Liabilities:	
Meter Deposits Refundable	10,380
Notes Payable, Net of Current Maturities	41,549
Total Long-Term Liabilities	51,929
Total Liabilities	73,470
NET POSITION	
Invested in Capital Assets, Net of Related Debt	150,775
Restricted - Debt Service	42,181
Restricted - Other	41,364
Unrestricted	48,458
Total Net Position	$ 282,778

See independent accountant's compilation report.

TOWN OF BIG FLAT, ARKANSAS
WATER SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES	
Water sales	$ 132,659
Other revenues	1,751
Total Operating Revenues	134,410
OPERATING EXPENDITURES	
Bank Charges	101
Depreciation	23,912
Dues, Permits, and Fees	2,119
Educational and Travel	486
Insurance	1,259
Legal and Accounting Services	1,750
Postage	1,777
Repairs and Maintenance	10,502
Salaries and Related Payroll Costs	25,926
Supplies - Operating	1,236
Taxes - Sales	9,710
Utilities	19,599
Water and Chlorine Purchases	6,060
Total Operating Expenses	104,437
Total Operating Income (Loss)	29,973
NONOPERATING REVENUES (EXPENSES)	
Interest Income	462
Interest Expense	(3,890)
Total Nonoperating Revenues (Expenses)	(3,428)
Change in Net Postion	26,545
NET POSITION - BEGINNING	256,233
NET POSITION - ENDING	$ 282,778

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor, City Council and Management
Town of Big Flat Water System
Big Flat, Arkansas

We have performed the procedures enumerated below on the financial statements of the Town of Big Flat Water System as of and for the year ended December 31, 2024. The Town of Big Flat Water System's management is responsible for the financial statements.

The Town of Big Flat Water System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with Ark. Code, Ann. 14-234-119 to 122. 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 and associated findings are as follows:

Cash and Investments

1. Perform a proof of cash for the year and reconcile year-end bank balances to book balances.
   - *No exceptions were found as a result of applying the procedure.*

2. Confirm with depository institutions the cash on deposit and investments.
   - *No exceptions were found as a result of applying the procedure.*

3. Agree the proof of cash ending balances to the book balances within 5% or $500, whichever is greater.
   - *No exceptions were found as a result of applying the procedure.*

Accounts Receivable

4. Agree ten customer billings to the accounts receivable subledger.
   - *No exceptions were found as a result of applying the procedure.*

5. Determine that five customer adjustments were properly authorized.
   - *Noted that monthly adjustment journals were printed; however none of them included documented approvals.*

Receipts

6. 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 found as a result of applying the procedure.*

7. Agree ten customer payments on the accounts receivable subledger to deposit and billing documents.
   - *No exceptions were found as a result of applying the procedure.*

8. For ten deposits, agree the cash/check composition of the deposit with the receipt information.
   - *No exceptions were found as a result of applying the procedure.*

Disbursements

9. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or $500, whichever is greater.
   - *No exceptions were found as a result of applying the procedure.*

10. Analyze all property, plant, and equipment disbursements.
    - *No exceptions were found as a result of applying the procedure.*

11. Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.
    - *No exceptions were found as a result of applying the procedure.*

Property, Plant, and Equipment

12. Determine that additions and disposals were properly accounted for in the records. (Materiality level – 5% of total equipment or $500, whichever is greater)
    - *No exceptions were found as a result of applying the procedure.*
    -

Long-Term Debt

13. Schedule long-term debt and verify changes in all balances for the year.
    - *No exceptions were found as a result of applying the procedure. The following loans were noted:*

Lender and Loan Number	Balance at 12/31/24
USDA – Rural Development 91-02	$ 42,636
ANRC -00519-WSSW-L	19,995
Total outstanding	$ 62,631

14. Confirm loans, bonds, notes and contracts payable with lender/trustee/contractor.
    - *No exceptions were found as a result of applying the procedure.*

15. Determine that the appropriate debt service accounts have been established and maintained.
    - *No exceptions were found as a result of applying the procedure.*

General

16. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.
    - *No exceptions were found as a result of applying the procedure.*

We were engaged by the Town of Big Flat Water System 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 audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial statements. 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 Big Flat Water System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Ballard & Company, Ltd.
Mountain Home, Arkansas
September 25, 2025