

**CITY OF BLUE MOUNTAIN, ARKANSAS
WATER DEPARTMENT**

**AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2023 AND 2022**

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JOHN LANGHAM & CO.
CERTIFIED PUBLIC ACCOUNTANTS
820 South 21st Street
Fort Smith, AR 72901

Independent Accountants' Report on Applying Agreed-Upon Procedures

**To the Honorable Mayor and City Council
Blue Mountain, Arkansas**

We have performed the procedures enumerated below, which were agreed to by the City of Blue Mountain, Arkansas Water Department and the Arkansas Joint Legislative Audit Committee, solely to assist you with respect to the statement of assets and liabilities-cash basis, statement of cash receipts and cash disbursements-cash basis, and the statement of composition of cash of the City of Blue Mountain, Arkansas Water Department as of and for the years ended December 31, 2023 and 2022. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

Our procedures and findings are as follows:

(A) Cash and Investments

1. Perform a proof of cash for the year and reconcile year-end bank balances to book balance. We concluded this procedure with no finding.
2. Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with no findings.
3. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater. We concluded this procedure with no findings.

(B) Receipts

1. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% or \$500, whichever is greater. We concluded this procedure with no findings.
2. Agree 10 customer payments on the accounts receivable sub ledger to deposit and billing documents. We concluded this procedure with no findings.
3. For one deposit, agree cash/check composition with bank receipt information. We concluded this procedure with no findings.

(C) Accounts Receivable

1. Agree 10 customer billings to the accounts receivable sub ledger. We conclude this procedure with no findings.
2. Determine that five customer adjustments were properly authorized. We concluded this with no findings.

(D) Disbursements

1. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater. We concluded this procedure with no findings.
2. Analyze all property, plant and equipment disbursements. We concluded this procedure with no findings.
3. Select ten disbursements and determine if they were adequately documented. We concluded this procedure with no findings.
4. Select all disbursements to employees, excluding payroll, to determine adequate documentation. We concluded this procedure with no findings.

(E) Property, plant and equipment

1. Determine that additions and disposals were properly accounted for in the records. We concluded this procedure with no findings.

(F) Long-term debt

1. Schedule long-term debt and verify changes in all balances for the year. We concluded this procedure with no findings.
2. Confirm loans, bonds, notes and contracts payable with lender/trustee/contractor. We concluded this procedure with no findings.
3. Determine that the appropriate debt service accounts have been established and maintained. This procedure was not applicable.

(G) General

1. Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings. We have read the minutes of the board of directors and have concluded this procedure with no findings.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City of Blue Mountain, Arkansas Water Department and the Arkansas Joint Legislative Audit Committee and is not intended to be and should not be used by anyone other than those specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Audit Committee are matters of public record and distribution is not limited.

Sincerely,

John Langham & Co., CPAs

John Langham & Co., CPAs

August 22, 2024

JOHN LANGHAM & CO.
CERTIFIED PUBLIC ACCOUNTANTS
820 South 21st Street
Fort Smith, AR 72901

Independent Accountants' Compilation Report

**To the Honorable Mayor and City Council
Blue Mountain, Arkansas**

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Blue Mountain, Arkansas Water Department, as of and for the years ended December 31, 2023 and 2022, which collectively comprise the City of Blue Mountain, Arkansas Water Department's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States 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 assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City of Blue Mountain, Arkansas Water 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.

We draw attention to the fact that 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.

Sincerely,

John Langham & Co., CPAs
John Langham & Co., CPAs

August 22, 2024

**CITY OF BLUE MOUNTAIN, ARKANSAS
WATER DEPARTMENT
STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY - CASH BASIS
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 393,944	\$ 357,721
Certificates of deposit	39,700	39,700
Total Assets	<u>433,644</u>	<u>397,421</u>
EQUITY		
Retained earnings	<u>433,644</u>	<u>397,421</u>
TOTAL EQUITY	<u>433,644</u>	<u>397,421</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 433,644</u>	<u>\$ 397,421</u>

See independent accountants' compilation report.

**CITY OF BLUE MOUNTAIN, ARKANSAS
WATER DEPARTMENT
STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH RECEIPTS		
Water revenue	\$ 211,299	\$ 196,717
Penalties	1,077	1,056
Meter connection fees	525	347
Meter deposits/(refunds)	394	953
Booneville development fee	4,074	3,544
Health fees collected	708	706
Interest income	1,033	785
TOTAL CASH RECEIPTS	<u>219,110</u>	<u>204,108</u>
 CASH DISBURSEMENTS		
Water purchases	90,866	61,630
Bank charges	810	262
Dues & subscriptions	4,634	1,859
Insurance	2,729	2,773
Legal and accounting	0	1,800
Repairs and maintenance	22,218	7,805
Telephone	645	569
Utilities	7,361	6,956
Operating supplies	5,569	2,435
Office supplies	3,337	4,834
Postage	971	652
Contract labor	42,695	43,425
Permits and licenses	1,052	0
TOTAL CASH DISBURSEMENTS	<u>182,887</u>	<u>135,000</u>
TOTAL CASH RECEIPTS IN EXCESS OF DISBURSEMENTS	<u>36,223</u>	<u>69,108</u>
CASH BALANCE - BEGINNING OF YEAR	<u>397,421</u>	<u>328,313</u>
CASH BALANCE - END OF YEAR	<u>\$ 433,644</u>	<u>\$ 397,421</u>

See independent accountants' compilation report.

**CITY OF BLUE MOUNTAIN, ARKANSAS
WATER DEPARTMENT
STATEMENTS OF COMPOSITION OF CASH
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>		<u>2022</u>	
	<u>Interest Rate</u>	<u>Balance</u>	<u>Interest Rate</u>	<u>Balance</u>
Petty cash		\$ 200		\$ 246
First Western Bank				
General Revenue Fund				
Account Number ending 7801	0.20%	241,535	0.20%	216,538
Water Meter Deposit Account				
Account Number ending 4401	0.05%	7,965	0.05%	7,695
Depreciation Fund				
Account Number ending 0310	0.01%	144,244	0.10%	133,242
Revenue Bond Reserve CD				
CD ending 7417	1.39%	3,000	0.30%	3,000
Revenue Bond Reserve CD				
CD ending 7418	0.30%	1,600	0.35%	1,600
Meter Deposit CD				
CD ending 4415	4.91%	1,000	0.50%	1,000
Meter Deposit CD				
CD ending 9817	0.30%	23,100	1.49%	23,100
Depreciation Fund CD				
CD ending 6216	4.90%	<u>11,000</u>	0.30%	<u>11,000</u>
TOTAL - FIRST WESTERN BANK		<u>433,444</u>		<u>397,175</u>
TOTAL CASH		<u>\$ 433,644</u>		<u>\$ 397,421</u>

See independent accountants' compilation report.