

CITY OF BLUE MOUNTAIN, ARKANSAS

WATER DEPARTMENT

AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	1
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	3
FINANCIAL STATEMENTS	
Statements of Assets, Liabilities, and Equity – Cash Basis	4
Statements of Cash Receipts and Cash Disbursements – Cash Basis	5
Statements of Composition of Cash	6

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 were engaged by the City of Blue Mountain, Arkansas Water Department and the Arkansas Joint Legislative Audit Committee to perform the procedures enumerated below, which were agreed to by those specified parties, solely to assist in evaluating the accompanying statement of assets and liabilities—cash basis, statement of cash receipts and disbursements—cash basis, and statement of composition of cash as of and for the years ended December 31, 2024 and 2023. The City of Blue Mountain, Arkansas Water Department is responsible for the subject matter. The sufficiency of these procedures is solely the responsibility of the specified parties.

This engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, specifically the requirements of AT-C Section 215, Agreed-Upon Procedures Engagements. We make no representation regarding the sufficiency of these procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and related results are as follows:

A. Cash and Investments

1. Performed a proof of cash for the year and reconciled year-end bank balances to book balances. No exceptions were noted.
2. Confirmed cash and investment balances directly with depository institutions. No exceptions were noted.
3. Agreed proof-of-cash ending balances to book balances within 5% or \$500, whichever is greater. No exceptions were noted.

B. Receipts

4. Agreed deposits per proof of cash with deposits per the journal within 5% or \$500, whichever is greater. No exceptions were noted.
5. Selected ten customer payments from the accounts receivable subledger and agreed them to deposit and billing documentation. No exceptions were noted.
6. For one deposit, compared cash/check composition to bank receipt information. No exceptions were noted.

C. Accounts Receivable

7. Agreed ten customer billings to the accounts receivable subledger. No exceptions were noted.
8. Examined five customer adjustments for proper authorization. No exceptions were noted.

D. Disbursements

9. Agreed disbursements per proof of cash with the journal within 5% or \$500, whichever is greater. No exceptions were noted.

10. Analyzed all property, plant, and equipment disbursements. No exceptions were noted.
11. Selected ten disbursements and determined adequate supporting documentation was present. No exceptions were noted.
12. Examined all non-payroll employee disbursements for proper documentation. No exceptions were noted.

E. Property, Plant, and Equipment

13. Verified that additions and disposals were properly recorded in the accounting records. No exceptions were noted.

F. Long-Term Debt

14. Prepared a schedule of long-term debt and verified all changes during the year. No exceptions were noted.
15. Confirmed loan and note balances with lenders. No exceptions were noted.
16. Determined that debt service accounts were appropriately maintained. This procedure was not applicable.

G. General

17. Reviewed minutes of governing body meetings for significant financial actions. No exceptions were noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or a conclusion, respectively. 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.

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 (the specified parties) and is not intended to be, and should not be, used by anyone other than these 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.

John Langham & Co., CPAs

John Langham & Co., CPAs

October 8, 2025

Fort Smith, Arkansas

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 business-type activities of the City of City of Blue Mountain, Arkansas Water Department, as of and for the year ended December 31, 2024 and 2023, 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.

John Langham & Co., CPAs

John Langham & Co., CPAs

October 8, 2025

Fort Smith, Arkansas

**CITY OF BLUE MOUNTAIN, ARKANSAS
WATER DEPARTMENT
STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY – CASH BASIS
AS OF DECEMBER 31, 2024 AND 2023**

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 476,326	\$ 393,944
Certificates of deposit	39,700	39,700
TOTAL ASSETS	516,026	433,644
 EQUITY		
Retained earnings	516,026	433,644
TOTAL EQUITY	516,026	433,644
TOTAL LIABILITIES AND EQUITY	\$ 516,026	\$ 433,644

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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH RECEIPTS		
Water revenue	\$ 231,546	\$ 211,299
Penalties	1,075	1,077
Meter connection fees	2,200	525
Meter deposits (refunds)	1,453	394
Booneville development fee	3,961	4,074
Health fees collected	719	708
Interest income	2,405	1,033
TOTAL CASH RECEIPTS	<u>243,359</u>	<u>219,110</u>
CASH DISBURSEMENTS		
Water purchases	68,905	90,866
Bank charges	680	810
Dues & subscriptions	4,961	4,634
Insurance	3,034	2,729
Legal and accounting	3,600	0
Repairs and maintenance	1,813	22,218
Telephone	649	645
Utilities	7,417	7,361
Operating supplies	14,493	5,569
Office supplies	9,988	3,337
Postage	0	971
Contract labor	45,437	42,695
Permits and licenses	0	1,052
TOTAL CASH DISBURSEMENTS	<u>160,977</u>	<u>182,887</u>
TOTAL CASH RECEIPTS IN EXCESS OF DISBURSEMENTS	82,382	36,223
CASH BALANCE - BEGINNING OF YEAR	433,644	397,421
CASH BALANCE - END OF YEAR	<u>\$ 516,026</u>	<u>\$ 433,644</u>

See independent accountants' compilation report.

**CITY OF BLUE MOUNTAIN, ARKANSAS
WATER DEPARTMENT
STATEMENTS OF COMPOSITION OF CASH
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>		<u>2023</u>	
	<u>INTEREST RATE</u>	<u>BALANCE</u>	<u>INTEREST RATE</u>	<u>BALANCE</u>
PETTY CASH		200		200
FIRST WESTERN BANK				
General Revenue Fund				
Account number ending 7801	0.25%	310,852	0.20%	241,535
Water Meter Deposit Account				
Account number ending 4401	0.10%	9,426	0.05%	7,965
Depreciation Fund				
Account number ending 0310	0.25%	155,848	0.01%	144,244
Revenue Bond Reserve CD				
CD ending 7417	3.94%	3,000	1.39%	3,000
Revenue Bond Reserve CD				
CD ending 7418	5.00%	1,600	0.35%	1,600
Meter Deposit CD				
CD ending 4415	5.20%	1,000	4.91%	1,000
Meter Deposit CD				
CD ending 9817	5.10%	23,100	0.30%	23,100
Depreciation Fund CD				
CD ending 6216	4.23%	11,000	4.90%	11,000
TOTAL FIRST WESTERN BANK		<u>515,826</u>		<u>433,444</u>
TOTAL CASH		<u>\$ 516,026</u>		<u>\$ 433,644</u>

See independent accountants' compilation report.