

**City of Jasper
Water & Sewer Department
Jasper, Arkansas**

Independent Accountant's Report on Applying
Agreed-Upon Procedures
December 31, 2024

**CITY OF JASPER WATER & SEWER DEPARTMENT
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES
DECEMBER 31, 2024**

Table of Contents

	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	1
Schedule of Procedures and Findings	2-4

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CPA • PLLC
CERTIFIED PUBLIC ACCOUNTANT

Page 1

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

City of Jasper Water & Sewer Department
Jasper, Arkansas

I have performed the procedures enumerated on the accompanying schedule of procedures and findings, which were agreed to by the City of Jasper Water & Sewer Department (the Department), solely to assist you with respect to complying with the requirements of the State of Arkansas Act 218 of 1999 as of and for the year ended December 31, 2024. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care. The sufficiency of these procedures is solely the responsibility of those charged with governance of the Department. Consequently, I make no representation regarding the sufficiency of the procedures described on the accompanying schedule either for the purpose for which this report has been requested or for any other purpose.

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the financial statements of the Department taken as a whole. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the City of Jasper Water & Sewer Department and the Arkansas Legislative Joint Auditing Committee and should not be used by anyone other than these specified parties.

The Killingsworth Firm CPA, PLLC
The Killingsworth Firm CPA, PLLC

Berryville, Arkansas
January 9, 2026

CITY OF JASPER WATER & SEWER DEPARTMENT
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2024
(See Independent Accountant's Report)

General

1. Procedure – Determine that all items of financial significance were approved and documented in the minutes of the governing body's meetings.

Finding – No exceptions; all matters of financial significance appeared to be approved and documented in the minutes of the directors' meetings.

Cash and Investments

1. Procedure – Perform proofs of cash for the year and reconcile year-end bank balances to book balances within 5% or \$500, whichever is greater.

Finding – No exceptions noted.

2. Procedure – Confirm with depository institutions the cash on deposit.

Finding – No exceptions noted.

3. Procedure – Agree the proofs of cash ending balances to the book balances.

Finding – No exceptions noted.

Cash Receipts

1. Procedure – Agree the deposits per the proofs of cash for the year with the deposits per the cash receipts journal within 5% or \$500, whichever is greater.

Finding – No exceptions noted.

2. Procedure – Agree ten customer payments on the accounts receivable sub-ledger to deposit and billing documents.

Finding – Selected ten deposits from the November accounts receivable sub-ledger and traced to deposit and billing documents with no exceptions noted.

CITY OF JASPER WATER & SEWER DEPARTMENT
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2024
(See Independent Accountant's Report)

Cash Receipts (Continued)

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

Finding – Selected ten deposits between August 2 and August 26 for testing with no exceptions noted.

Accounts Receivable

1. Procedure – Agree ten customer billings to the accounts receivable sub-ledger.

Finding – Selected ten customer billings from the November 26 billing register and agreed to the accounts receivable sub-ledger with no exceptions noted.

2. Procedure – Determine that five customer adjustments were properly authorized.

Finding – Selected two adjustments from January and three from February and found that all appear to have been authorized with no exceptions noted.

Cash Disbursements

1. Procedure - Agree the disbursements per the proofs of cash for the year with the disbursements per the cash disbursements journal within 5% or \$500, whichever is greater.

Finding – No exceptions noted.

2. Procedure – Analyze all property, plant, and equipment disbursements.

Finding – All appear to be properly authorized.

3. Procedure – Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they are adequately documented.

Finding – Made selections as required and found all to be properly supported by cancelled invoices and imaged checks. No exceptions noted.

CITY OF JASPER WATER & SEWER DEPARTMENT
SCHEDULE OF PROCEDURES AND FINDINGS
DECEMBER 31, 2024
(See Independent Accountant's Report)

Property, Plant, and Equipment

1. Procedure – Determine that additions and disposals are properly accounted for in the records.

Finding – No disposals were noted. Adjustments were made to properly account for additions as capital assets.

Long-Term Debt

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

Finding – No exceptions noted.

2. Procedure – Confirm loans, bonds, notes, and contracts payable with lender.

Finding – No response received from USDA; alternative procedures were considered adequate to verify balances. Alternative procedures were used for Arkansas Natural Resources. No exceptions noted.

3. Procedure – Determine that the appropriate debt service accounts have been established and maintained.

Finding – No exceptions noted.

**City of Jasper
Water & Sewer Department
Jasper, Arkansas**

Compiled Financial Statements
Years Ended December 31, 2024 and 2023

**CITY OF JASPER WATER & SEWER DEPARTMENT
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

Table of Contents

	<u>Page</u>
Independent Accountant's Compilation Report	1
Basic Financial Statements	
Statements of Assets, Liabilities and Net Assets – Modified Cash Basis	2
Statements of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis	3

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the City Council
City of Jasper Water & Sewer Department
Jasper, Arkansas

Management is responsible for the accompanying financial statements of the **City of Jasper Water & Sewer Department** which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2024 and 2023, and the related statements of revenues, expenses and changes in net assets – modified cash basis for the years then ended in accordance with the modified cash basis of accounting. I 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. I did not audit or review the financial statements, nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

The Killingsworth Firm CPA, PLLC
The Killingsworth Firm CPA, PLLC

Berryville, Arkansas
January 9, 2026

CITY OF JASPER WATER & SEWER DEPARTMENT
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
Current Assets		
Cash and Cash Equivalents	\$ 138,933	\$ 107,795
Total Current Assets	138,933	107,795
Restricted Assets		
Bond and Interest Bond Service	21,685	19,273
Waste Improvement Project Cash	259	149,190
Prepaid Interest	940	291
Depreciation Reserve	109,116	111,769
Meter Deposits	34,549	33,271
Total Restricted Assets	166,549	313,794
Property and Equipment, at Cost		
Water and Sewer Systems	769,765	676,840
Water and Wastewater Improvement Project	654,734	78,996
Sewer Lift Station	715,718	715,718
New Waterline	1,066,003	1,066,003
Accumulated Depreciation	(794,218)	(733,048)
Net Property and Equipment	2,412,002	1,804,509
Total Assets	\$ 2,717,484	\$ 2,226,098

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Liabilities	\$ 2,949	\$ 2,638
Current Portion of Long-term Debt	38,414	37,461
Total Current Liabilities	41,363	40,099
Liabilities Payable from Restricted Assets		
Customer Meter Deposits	34,771	33,271
Total Liabilities Payable from Restricted Assets	34,771	33,271
Long-Term Liabilities		
Long-Term Debt, Net of Current Portion	666,134	715,616
	666,134	715,616
Total Liabilities	742,268	788,986
Net Assets		
Invested in Capital Assets, Net of Related Debt	1,052,720	307,227
Restricted - Debt Service	21,685	19,273
Restricted - Depreciation Reserve	109,116	111,769
Restricted - Capital Projects	655,933	893,686
Unrestricted	135,762	105,157
Total Equity	1,975,216	1,437,112
Total Liabilities and Equity	\$ 2,717,484	\$ 2,226,098

See Independent Accountant's Compilation Report

CITY OF JASPER WATER & SEWER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating Revenues		
Water Revenue	\$ 259,431	\$ 236,246
Sewer Revenue	212,560	212,007
Total Operating Revenues	471,991	448,253
Operating Expenses		
Water Purchases	143,790	140,460
Lab Fees and Chemicals	3,265	8,898
Contract Labor	25,180	21,750
Depreciation	61,170	58,095
Employee Benefits	22,536	18,637
Payroll Expenses	77,952	74,328
Professional Fees	4,879	3,646
Postage	1,808	2,103
Insurance	3,007	2,177
Training and Education	820	344
Dues and Memberships	1,214	2,302
Supplies	18,059	22,087
Other Expenses	2,906	2,025
Repairs and Maintenance	39,229	16,526
Waste Removal	14,046	11,309
Utilities	22,928	24,273
Total Operating Expenses	442,789	408,960
Operating Income (Loss)	29,202	39,293
Other Income (Expense)		
Interest Income	76	69
Other Income	8,316	11,140
Grant Income	519,732	502,551
Interest Expense	(19,797)	(20,342)
Total Other Income (Expense)	508,327	493,418
Increase (Decrease) in Net Assets	537,529	532,711
Net Assets, Beginning of Year	1,437,112	649,546
Transfers from General Government	575	254,855
Net Assets, End of Year	\$ 1,975,216	\$ 1,437,112

See Independent Accountant's Report and Notes to Financial Statements