

CITY OF GRANNIS, ARKANSAS
WATER DEPARTMENT



GRANNIS, ARKANSAS

DECEMBER 31, 2017

CITY OF GRANNIS, ARKANSAS WATER DEPARTMENT
GRANNIS, ARKANSAS

TABLE OF CONTENTS
DECEMBER 31, 2017

	<u>PAGE NO.</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1 - 2
Independent Accountants' Compilation Report	3
Statement of Assets, Liabilities and Fund Equity - Cash Basis - December 31, 2017	4
Statement of Cash Receipts and Cash Disbursements - For Year Ended December 31, 2017	5

TURNER, RODGERS, MANNING & PLYLER, PLLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and City Council
Grannis, Arkansas

We have performed the procedures enumerated below which were agreed to by the City of Grannis, Arkansas Water Department and the Arkansas Legislative Joint Auditing Committee, solely to assist you with respect to the accounting records of the City of Grannis, Arkansas Water Department as of and for the year ended December 31, 2017. City of Grannis, Arkansas Water Department's management is responsible for the entity's accounting records. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 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 balances.
- 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 the 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 sub ledger to deposit and billing documents.
- c. For one deposit, agree the cash/check composition of the deposit with receipt information.

We found no exceptions as a result of the procedures.

3. Accounts Receivable

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

We found no exceptions as a result of the procedures.

4. Disbursements

- a. Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever is greater.
- b. Analyze all property, plant and equipment disbursements.
- c. Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented.

We found no exceptions as a result of the 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 the 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 the 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 the procedure.

We were not engaged to, and did not, conduct 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 Grannis, Arkansas Water Department and the Arkansas Legislative Joint Auditing Committee, and is not intended to be and should not be used by anyone other than those specified parties.

Turner, Rodgers, Manning & Plyler, PLLC

Arkadelphia, Arkansas

November 6, 2018

TURNER, RODGERS, MANNING & PLYLER, PLLC

Certified Public Accountants

Page 3

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the City of Grannis, Arkansas Water Department
Grannis, AR

Management is responsible for the accompanying financial statements of the City of Grannis, Arkansas Water Department, which comprise the statement of assets, liabilities, and fund equity – cash basis as of December 31, 2017, and the related statement of cash receipts and cash disbursements for the year then ended, and for determining that the 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 statement, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, 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 cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City of Grannis, Arkansas Water Department's cash position, and results of operations – cash basis. Accordingly, these financial statements are not for those who are not informed about such matters.

Turner, Rodgers, Manning & Plyler, PLLC

Arkadelphia, Arkansas

November 6, 2018

CITY OF GRANNIS, ARKANSAS WATER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES
AND FUND EQUITY - CASH BASIS
DECEMBER 31, 2017

Page 4

ASSETS

CURRENT ASSETS:

Cash on Hand	\$ 15
Cash - Water Revenue	250
Cash - Operating and Maintenance	16,758
Certificate of Deposit	20,000
TOTAL CURRENT ASSETS	<u>37,023</u>

RESTRICTED ASSETS:

Restricted Cash - Meter Deposits	14,122
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TOTAL ASSETS

\$ 51,145

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:

None	\$ -
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LIABILITIES PAYABLE FROM RESTRICTED ASSETS:

Meter Deposits Payable	14,122
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LONG-TERM LIABILITIES:

None	-
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TOTAL LIABILITIES

14,122

FUND EQUITY:

Restricted Net Assets	-
Unrestricted Net Assets	37,023
TOTAL FUND EQUITY	<u>37,023</u>

TOTAL LIABILITIES AND FUND EQUITY

\$ 51,145

See Independent Accountants' Compilation Report.

CITY OF GRANNIS, ARKANSAS WATER DEPARTMENT
 STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 FOR YEAR ENDED DECEMBER 31, 2017

CASH RECEIPTS:

Water Revenue - City	\$ 114,214
Water Revenue - Tyson	511,044
Sewer Revenue	34,697
Trash Collections	30,603
Hook-up and Service Income	440
Meter Deposits Received (Refunded)	1,005
Civic Center Rent Income	1,350
Fuel Surcharge	155
Miscellaneous Income	869
Interest Income	235
TOTAL CASH RECEIPTS	694,612

CASH DISBURSEMENTS:

Water Purchases - City	59,449
Water Purchases - Tyson	440,538
Sales Tax	48,469
Trash Collection	27,375
Sewer Collection	34,697
Salaries and Wages	33,122
Legal and Professional Fees	1,600
Insurance	1,868
Repairs and Maintenance	4,284
Materials	8,123
Equipment Expense	16,206
Operating Supplies	1,619
Travel	143
Membership Dues	500
Postage	201
Payroll Taxes	2,996
Utilities	2,536
Miscellaneous	1,760
TOTAL CASH DISBURSEMENTS	685,486

NET CHANGE IN CASH

9,126

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR

22,019

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 31,145

See Independent Accountants' Compilation Report.