

Town of Guion, Arkansas Water System  
Agreed-Upon Procedures Report  
December 31, 2017

**Town of Guion, Arkansas Water System  
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December 31, 2017**

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Mayor and City Council  
Town of Guion, Arkansas Water System

I have applied the agreed-upon procedures enumerated below with respect to modified cash basis financial information and state law compliance in accordance with Arkansas Code Ann. 14-234 as prescribed for Water and Sewer Funds as of and for the year ended December 31, 2017. The agreed-upon procedures engagement has been conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures performed are solely the responsibility of the specified users of the report to be issued. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which the 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 balance. We concluded this procedure with no findings.
- B) Confirm with depository institutions the cash on deposit and investments. We concluded this procedure with no findings.
- C) Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is greater. The ending balances for all accounts were within these parameters.

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. We concluded this procedure with no findings.
- B) Agree ten customer payments on the accounts receivable sub ledger to deposit and billing documents. We concluded this procedure with no findings.
- C) For one deposit, agree the cash/check composition of the deposit with receipt information. We concluded this procedure with no findings.

3) Accounts Receivable

- A) Agree ten customer billings to the accounts receivable sub ledger. We concluded this procedure with no findings.
- B) Determine that five customer adjustments were properly authorized. We concluded this procedure with no findings.

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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. We concluded this procedure with no findings.
- B) Analyze all property, plant, and equipment disbursements. We concluded this procedure with no findings.
- C) Select all disbursements paid to employees other than payroll and ten other disbursements and determine if they were adequately documented. We concluded this procedure with no findings.

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 concluded this procedure with no findings.

6) Long-Term Debt

- A) Not applicable, no long-term debt.

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 all financially significant items to be documented.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial condition of the Town of Guion, Arkansas Water System. Accordingly, I do not express such an opinion or conclusion. Had we 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 Town of Guion, Arkansas Water System and Legislative Joint Auditing Committee and is not intended to be and should not be used by anyone other than these specified parties.

*Timothy L Blansett CPA PLLC*

Timothy L Blansett, CPA PLLC  
October 23, 2018

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Independent Accountant's Compilation Report

To the Mayor and City Council  
Town of Guion, Arkansas Water System

Management is responsible for the accompanying financial statements of the business-type activities of the Town of Guion, Arkansas Water System, which comprise the statement of assets, liabilities, and equity – cash basis as of December 31, 2017, and the related statement of cash receipts and cash disbursements – cash basis for the year then ended in accordance with the 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 disclosures were included in the financial statements, they might influence the user's conclusions about the system's financial position, results of operations, and cash flows. Accordingly, these financial statements are not for those who are not informed about such matters.

I draw attention to the fact 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.

*Timothy L. Blansett CPA PLLC*

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October 23, 2018

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**Town of Guion, Arkansas Water System**  
**Statement of Assets, Liabilities and Equity - Cash Basis**  
**December 31, 2017**

**Assets**

Cash and cash equivalents	<u>\$ 44,253</u>
<b>Total Assets</b>	<u><u>\$ 44,253</u></u>

**Liabilities and Equity**

Fund balance	<u>\$ 44,253</u>
<b>Total Liabilities and Equity</b>	<u><u>\$ 44,253</u></u>

See accountant's report.

**Town of Guion, Arkansas Water System**  
**Statement of Cash Receipts and Cash Disbursements - Cash Basis**  
**For the Year Ended December 31, 2017**

**Cash Receipts**

Water revenue	\$	64,170
Interest income		8
		64,178
<b>Total cash receipts</b>		<b>64,178</b>

**Cash Disbursements**

Management fees and water costs		43,541
State Fees		389
Utilities		2,238
Trash		4,129
Repairs		2,995
Telephone		339
		53,631
<b>Total Cash Disbursements</b>		<b>53,631</b>

<b>Total Cash Receipts in Excess of Disbursements</b>		10,547
<b>Cash Balance - Beginning of the year</b>		33,706
<b>Cash Balance - End of year</b>	\$	<b>44,253</b>

See accountant's report.