

TOWN OF GUION, ARKANSAS WATER SYSTEM

Guion, Arkansas

For the Year Ended December 31, 2021

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



TIMOTHY L BLANSETT
— CPA PLLC —

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Mayor and City Council
TOWN OF GUION, ARKANSAS WATER SYSTEM
Guion, Arkansas

We have performed the procedures enumerated below, which were agreed to by the members of the Board on the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. § 14-234-119 for the Town of Guion, Arkansas Water System for the year ended December 31, 2021. Town of Guion, Arkansas Water System's management is responsible for the procedures specified by the Legislative Joint Auditing Committee, in accordance with Ark. Code Ann. § 14-234-119. The sufficiency of the procedures performed is solely the responsibility of the specified users of the report to be issued. Consequently, we 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.
- 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.

Findings: *We found no exceptions after performing the above 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 (10) customer payments on the accounts receivable sub ledger to deposit and billing documents.
- C) For ten (10) deposits, agree the cash/check composition of the deposit with receipt information.

Findings: *We found no exceptions after performing the above procedures.*

3. ACCOUNTS RECEIVABLE

- A) Agree ten (10) customer billings to the accounts receivable sub ledger.
- B) Determine that five (5) customer adjustments were properly authorized.

Findings: *We found no exceptions after performing the above procedures.*

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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.
- B) Analyze all property, plant, and equipment disbursements.
- C) Select all disbursements paid to employees other than payroll and ten (10) other disbursements and determine if they were adequately documented.

Findings: *We found no exceptions after performing the above 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.)

Findings: *We found no exceptions after performing the above 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.

Not Applicable: *There was no long-term debt in the current year.*

7. GENERAL

- A) Determine that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

Findings: *We found no exceptions after performing the above procedure.*

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit 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, 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 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
Searcy, Arkansas
August 31, 2022

TOWN OF GUION, ARKANSAS WATER SYSTEM

Guion, Arkansas

For the Year Ended December 31, 2021

**COMPILED FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S COMPILATION
REPORT**

**TOWN OF GUION, ARKANSAS WATER SYSTEM
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FOR THE YEAR ENDED DECEMBER 31, 2021**

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TIMOTHY L BLANSETT
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Independent Accountant's Compilation Report

Board of Directors
TOWN OF GUION, ARKANSAS WATER SYSTEM
Guion, Arkansas

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 net assets – cash basis as of December 31, 2021, 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 statements 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 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 the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the association's assets, liabilities, net assets, cash receipts and cash disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Timothy L. Blansett, CPA PLLC

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Searcy, Arkansas
August 31, 2022

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**TOWN OF GUION, ARKANSAS WATER SYSTEM
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
DECEMBER 31, 2021**

ASSETS

Cash and cash equivalents	<u>\$ 6,678</u>
TOTAL ASSETS	<u><u>6,678</u></u>

LIABILITIES AND NET ASSETS

Net Assets	<u>6,678</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,678</u></u>

See Independent Accountant's Compilation Report.

**TOWN OF GUION, ARKANSAS WATER SYSTEM
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH RECEIPTS

Water revenues	\$ 63,806
Interest Income	9
Contributions from the Town	3,721
Total Cash Receipts	<u>67,536</u>

CASH DISBURSEMENTS

Management fees and water costs	50,450
Utilities	2,284
Trash	5,676
Repairs and maintenance	12,542
Insurance	162
Returned checks	238
Office expense	85
Dues	1,034
Professional fees	2,600
Telephone	326
Total Cash Disbursements	<u>75,397</u>

TOTAL CASH RECEIPTS IN EXCESS OF DISBURSEMENTS	(7,861)
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CASH BALANCE - BEGINNING OF YEAR	<u>14,539</u>
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CASH BALANCE - END OF YEAR	<u><u>\$ 6,678</u></u>
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See Independent Accountant's Compilation Report.