

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2020**

**V. Arlene Castleberry
Certified Public Accountant**

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
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V. Arlene Castleberry

Certified Public Accountant

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(870) 256-4563

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Mayor and City Council
Gillett, Arkansas

I have performed the procedures enumerated below, which were agreed to by the City of Gillett, Arkansas Water & Sewer Department and the Arkansas Joint Legislative Audit Committee, solely to assist you in complying with their requirements with respect to the statement of assets and liabilities - cash basis, statement of cash receipts and cash disbursements-cash basis and the statement of composition of cash of the City of Gillett, Arkansas Water & Sewer Department as of and for the year ended December 31, 2020. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I 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 purposes.

My procedures and findings are as follows:

(A) I prepared a proof of cash for the year ended December 31, 2020, and obtained copies of all bank reconciliations as of December 31, 2020. I mathematically recomputed the bank reconciliations and compared the resultant cash balances per bank to the respective general ledger account balances. No exceptions were found as a result of applying the procedure.

(B) I confirmed the cash balances and agreed the confirmed balances as of December 31, 2020, to the amount shown on the bank reconciliations maintained by the City of Gillett, Water and Sewer Department. No exceptions were found as a result of applying the procedure.

(C) I examined cash receipts and cash disbursements by tracing ten (10) deposits per the bank statement to the general ledger, and ten (10) payments against the supporting invoices for the operating and maintenance accounts. No exceptions were found as a result of applying the procedure.

(D) I performed a test of water revenues by tracing ten (10) daily bank deposits to customers' submitted water bills. No exceptions were found as a result of applying the procedure.

(E) I determined that the additions of any property, plant and equipment were correctly accounted for in the records. No exceptions were found as a result of applying the procedure.

(F) I schedule long-term debt and verified changes in all balances for the year. Confirmations of balances were obtained and agreed with the balances shown in the general ledger. I determined that the appropriate debt service accounts have been established and are being maintained as agreed with lender. No exceptions were found as a result of applying the procedure.

(G) I compiled the Statement of Assets and Liabilities - Cash Basis, as of December 31, 2020, and the Statement of Cash Receipts and Cash Disbursements - Cash Basis and the Statement of Composition of Cash, for the year then ended in accordance accounting principles generally accepted in the United States of America. I performed the compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. A copy of my report is included with this submission.

I was not engaged to, nor did I, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. 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 specified users and is not intended to be and should not be used by anyone other than these specified parties.

Arlene Castleberry
Certified Public Accountant
March 17, 2022

V. Arlene Castleberry

Certified Public Accountant

5327 Highway 11 North

Des Arc, Arkansas 72040

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and City Council
Gillett, Arkansas

Management is responsible for the accompanying financial statements of the City of Gillett, Arkansas Water and Sewer Department, which comprise the Statement of Assets and Liabilities - cash basis, as of December 31, 2020, and the statement of cash receipts and cash disbursements - cash basis and the statement of composition of cash, for the year then ended in accordance accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with the 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 performing 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. These financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 department's financial position, results of operations, and cash flow. Accordingly, these financial statements are not designed for those who are not informed about such matters.

V. Arlene Castleberry
Certified Public Accountant
March 17, 2022

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND EQUITY
CASH BASIS
AS OF DECEMBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$ 319,795
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TOTAL CURRENT ASSETS	<u>\$ 319,795</u>
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TOTAL ASSETS	<u>\$ 319,795</u>
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LIABILITIES AND EQUITY

EQUITY

Retained earnings	\$ 319,795
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TOTAL EQUITY	<u>\$ 319,795</u>
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TOTAL LIABILITIES AND EQUITY	<u>\$ 319,795</u>
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See Accountants' Report

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CASH RECEIPTS

Customer collections	\$ 195,228	
Net Meter deposits (refunds)	1,943	
Other Income	-	
Interest Income	<u>457</u>	
TOTAL CASH RECEIPTS		<u>\$ 197,628</u>

CASH DISBURSEMENTS

Net Transfer to Gillett General Fund	\$ 26,271	
Capital Outlays	3,832	
Salaries and wages	40,700	
Sales tax remittance	12,655	
SEPP contributions	6,311	
Insurance	1,917	
Professional Fees	3,020	
Operating supplies	4,500	
Repairs and maintenance	6,603	
Utilities	9,478	
Debt service	58,176	
Payroll Taxes	3,113	
Vehicle Expense	889	
Office supplies	2,602	
Permits and license	<u>8,021</u>	
TOTAL CASH DISBURSEMENTS		<u>\$ 188,088</u>

TOTAL CASH RECEIPTS IN EXCESS OF DISBURSEMENTS	\$ 9,540
(TOTAL CASH DISBURSEMENTS IN EXCESS OF RECEIPTS)	

CASH BALANCE - Beginning of year	<u>\$ 310,255</u>
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CASH BALANCE - End of year	<u><u>\$ 319,795</u></u>
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See Accountants' Report

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
STATEMENT OF COMPOSITION OF CASH
AS OF DECEMBER 31, 2020**

	<u>INTEREST RATE</u>	<u>BALANCE</u>
Stone Bank		
Operations and Maintenance Fund Account Number 50482	0.04%	\$ 74,038
Sewer Depreciation Fund Account Number 6959	0.55%	32,509
Sewer Operations and Maintenance Fund Account Number 1156233	0.04%	36,201
Water Construction Fund Account Number 81353	0.04%	48,535
Waterworks - Savings Account Number 12136	0.10%	4,739
USDA Reserve Account - Sewer Account Number 1419	0.10%	35,776
USDA Water Construction Fund Account Number 8966	0.00%	85
Sewer Depreciation Fund Account Number 1255	0.10%	39,859
Waterworks - Special (Meter Account) Account Number 1457	0.04%	41,954
Waterworks Certificate of Deposit Account Number 6977	0.38%	<u>6,000</u>
Total - Stone Bank		\$ 319,695
Petty Cash Fund		\$ 100
 Total Cash on Hand		 <u>\$ 100</u>
 TOTAL CASH		 <u><u>\$ 319,795</u></u>

See Accountants' report