

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2023**

**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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Des Arc, Arkansas 72040

(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, 2023. 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, 2023, and obtained copies of all bank reconciliations as of December 31, 2023. 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, 2023, 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, 2023, 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
November 20, 2024

V. Arlene Castleberry

Certified Public Accountant

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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, 2023, 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
November 20, 2024

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND EQUITY
CASH BASIS
AS OF DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS	
Cash and Cash equivalents	\$ <u>397,515</u>
TOTAL CURRENT ASSETS	\$ <u>397,515</u>
 TOTAL ASSETS	 \$ <u>397,515</u>

LIABILITIES AND EQUITY

EQUITY	
Retained earnings	\$ <u>397,515</u>
TOTAL EQUITY	\$ <u>397,515</u>
 TOTAL LIABILITIES AND EQUITY	 \$ <u>397,515</u>

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, 2023**

CASH RECEIPTS		
Customer collections	\$ 304,013	
Net Meter deposits (refunds)	2,062	
Other Income	-	
Interest Income	2,624	
TOTAL CASH RECEIPTS		\$ 308,698
 CASH DISBURSEMENTS		
Net Transfer to Gillett General Fund	\$ 67,660	
Capital Outlays	-	
Salaries and wages	50,145	
Sales tax remittance	23,128	
SEPP contributions	6,827	
Insurance	2,470	
Professional Fees	4,691	
Operating supplies	3,915	
Repairs and maintenance	5,180	
Utilities	11,019	
Debt service	58,176	
Payroll Taxes	3,836	
Educational Expense	884	
Office supplies	4,887	
Permits and license	3,644	
TOTAL CASH DISBURSEMENTS		\$ 246,461
TOTAL CASH RECEIPTS IN EXCESS OF DISBURSEMENTS		\$ 62,237
(TOTAL CASH DISBURSEMENTS IN EXCESS OF RECEIPTS)		
CASH BALANCE - Beginning of year		\$ 335,278
CASH BALANCE - End of year		\$ 397,515

See Accountants' Report

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
STATEMENT OF COMPOSITION OF CASH
AS OF DECEMBER 31, 2023**

	INTEREST RATE	BALANCE
Stone Bank		
Operations and Maintenance Fund Account Number 50482	0.04%	\$ 126,673
Sewer Depreciation Fund Account Number 95574	4.22%	34,048
Sewer Operations and Maintenance Fund Account Number 1156233	0.04%	55,784
Water Construction Fund Account Number 81353	0.04%	31,076
Waterworks - Savings Account Number 12136	4.02%	4,897
USDA Reserve Account - Sewer Account Number 1419	4.02%	41,322
USDA Water Construction Fund Account Number 8966	0.00%	85
Sewer Depreciation Fund Account Number 1255	4.02%	49,460
Waterworks - Special (Meter Account) Account Number 1457	0.04%	47,881
Waterworks Certificate of Deposit Account Number 695563	4.22%	6,190
Total - Stone Bank		\$ 397,415
Petty Cash Fund		\$ 100
Total Cash on Hand		\$ 100
TOTAL CASH		\$ 397,515

See Accountants' report