

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2019**

**V. Arlene Castleberry
Certified Public Accountant**

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
TABLE OF CONTENTS
DECEMBER 31, 2019**

	<u>PAGES</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	1-2
 ACCOUNTANTS' COMPILATION REPORT	 3
 FINANCIAL STATEMENTS	
Statements of Assets, Liabilities and Equity - Cash Basis	4
Statements of Cash Receipts and Cash Disbursements - Cash Basis	5
Statements of Composition of Cash	6

V. Arlene Castleberry

Certified Public Accountant

5327 Highway 11 North

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, 2019. 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, 2019, and obtained copies of all bank reconciliations as of December 31, 2019. 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, 2019, 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, 2019, 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 29, 2021

V. Arlene Castleberry

Certified Public Accountant

5327 Highway 11 North

Des Arc, Arkansas 72040

(870) 256-4563

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, 2019, 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 29, 2021

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND EQUITY
CASH BASIS
AS OF DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$ 310,255
TOTAL CURRENT ASSETS	<u>\$ 310,255</u>

TOTAL ASSETS	<u>\$ 310,255</u>
---------------------	--------------------------

LIABILITIES AND EQUITY

EQUITY

Retained earnings	\$ 310,255
TOTAL EQUITY	<u>\$ 310,255</u>

TOTAL LIABILITIES AND EQUITY	<u>\$ 310,255</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, 2019**

CASH RECEIPTS

Customer collections	\$ 199,382	
Net Meter deposits (refunds)	1,288	
Other Income	-	
Interest Income	<u>304</u>	
TOTAL CASH RECEIPTS		<u>\$ 200,975</u>

CASH DISBURSEMENTS

Transfer to Gillett General Fund	\$ 30,587	
Capital Outlays	9,066	
Salaries and wages	42,120	
Sales tax remittance	12,936	
SEPP contributions	6,030	
Insurance	7,603	
Professional Fees	5,232	
Operating supplies	4,492	
Repairs and maintenance	8,745	
Utilities	9,598	
Debt service	58,176	
Payroll Taxes	3,222	
Vehicle Expense	859	
Office supplies	2,642	
Permits and license	<u>2,903</u>	
TOTAL CASH DISBURSEMENTS		<u>\$ 204,211</u>

TOTAL CASH RECEIPTS IN EXCESS OF DISBURSEMENTS	\$ (3,237)
(TOTAL CASH DISBURSEMENTS IN EXCESS OF RECEIPTS)	

CASH BALANCE - Beginning of year	<u>\$ 313,492</u>
---	--------------------------

CASH BALANCE - End of year	<u><u>\$ 310,255</u></u>
-----------------------------------	---------------------------------

See Accountants' Report

**CITY OF GILLETT, ARKANSAS WATER AND SEWER DEPARTMENT
STATEMENT OF COMPOSITION OF CASH
AS OF DECEMBER 31, 2019**

	<u>INTEREST RATE</u>	<u>BALANCE</u>
Planters & Merchants Bank		
Operations and Maintenance Fund		
Account Number 50482	0.04%	\$ 73,800
Sewer Depreciation Fund		
Account Number 6959	1.00%	32,233
Sewer Operations and Maintenance Fund		
Account Number 1156233	0.04%	31,660
Water Construction Fund		
Account Number 81353	0.04%	48,515
Waterworks - Savings		
Account Number 12136	0.10%	4,710
USDA Reserve Account - Sewer		
Account Number 1419	0.10%	34,060
USDA Water Construction Fund		
Account Number 8966	0.00%	94
Sewer Depreciation Fund		
Account Number 1255	0.10%	36,820
Waterworks - Special (Meter Account)		
Account Number 1457	0.04%	42,263
Waterworks Certificate of Deposit		
Account Number 6977	0.35%	<u>6,000</u>
Total - Planters & Merchants Bank		\$ 310,155
Petty Cash Fund		\$ 100
Total Cash on Hand		<u>\$ 100</u>
TOTAL CASH		<u>\$ 310,255</u>

See Accountants' report