

CITY OF DAMASCUS WATER

AMOUNT REQUESTED

\$138,560.00

ARP FUNDS RECEIVED

\$39,675.00

Damascus Water seeks to provide clear drinking water to citizens that do not have access to treated water. If the requested funds are granted the existing water lines will be extended from Batesville Mountain Road to Mill Bridge Road and just past to existing houses and new construction under development.

PEOPLE IMPACTED

Approximately 26 people would be immediately impacted with more benefitting from the homes under construction.



RECEIVED

MAR 15 2022

FAULKNER CO. JUDGE

Faulkner County
American Rescue Plan Application

Organizational information:

Name or organization: City of Damascus Water
Physical address: 17319 Highway 65 S
Mailing address: P O Box 309, Damascus, AR 72039
Email: clerk@townofdamascus.net
Phone: 501-335-7321

CEO or Executive Director information:

Name: L. B. Pavatt, Mayor
Email: mayor@townofdamascus.net
Phone: 501-335-7321
Brief qualifications statement: elected mayor

Financial Officer or Director information:

Name: Wendi Payne, Recorder/treasurer
Email: clerk@townofdamascus.net
Phone: 501-335-7321
Brief qualifications statement: elected recorder/treasurer

Who is the contact person for this application:

Name: Pamela Mahan
Email: clerk@townofdamascus.net
Phone: 501-335-7321

Entity type or IRS registration: (501(c)3, LLC, sole proprietorship, etc)
municipality

Brief history of the organization:

Founded in 1966 by incorporation with the State of Arkansas. Continuous operation since that time with elected officials and regular held council meetings and minutes. Audited annually with the State of Arkansas Legislative Audit

About your request:

Please indicate under which category of eligibility under ARPA your organization is applying:

- Public Health and Economic Impacts – Responding to COVID-19
- Public Health and Economic Impacts – Responding to Negative Economic Impacts
- Premium Pay
- Revenue Loss
- Investments in Infrastructure – Water and Sewer
- Investments in Infrastructure – Broadband

Briefly and clearly state how your project responds to the COVID-19 crisis:

Damascus Water seeks to provide clear drinking water to citizens that do not have access to treated water. We will extend our existing water line out Batesville Mtn Rd to Mill Bridge road and just past it to existing houses and new construction under development.

Does your project have a county-wide impact? If so, describe.

Our project would have impact on citizens in north end of Faulkner County.

Please describe your project including the following information (in any order): What will this project accomplish? How will those goals be measured? How to these goals relate to the goals of the American Rescue Plan Act (ARPA)?

Provide clean drinking water. New customers would be added to the existing system. Improve quality of life and improve sanitary conditions for these citizens.

Please attach a project budget. If the project includes construction or third-party services, please provide their estimates.

Project budget and estimate attached.

Are other funds part of the budget besides ARPA funds? If so, please list other sources of funding and a copy of their funding commitment, if available.

At this time there are no other funds committed.

Please describe the organization's financial management practices that will ensure audit compliance.

Yearly audited by independent accounting firm. Audits are approved by the council and submitted to Arkansas Legislative Audit and Rural Development.

Financial information:

Have you received other state or federal grant funds in the past three years? If so, list the grant name, the organization from whom it was received, the amount of funding received, and the status of the grant expenditure.

The city has received \$39675 in ARPA grants which are ear marked for a walking trail and fire dept. None have been expensed yet.

Attach your organization's audits from 2019 and 2020 if available.

Attached

What is your organization's annual budget? Please attach a copy of your 2020 and 2021 budgets.

Attached

The applicant certifies that any funds received through this Faulkner County granting program are fully subject to federal regulations and affirms that the funds will be properly spent in compliance with the American Rescue Plan Act of 2021. The applicant further affirms that financial controls are in place such that each expenditure under the grant will be fully documented and that such documentation will be open to the public and submitted to the County for audit. The applicant understands that all aspects of their use of the grant are open to the public and subject to the Freedom of Information Act.

What is the total dollar amount that is being requested from Faulkner County?

\$138,560

Have you received other ARPA funds? If so, how much have you received?

\$39,675

Authorized Representative: The signature indicates that I have been authorized to submit an application requesting funding for the proposed project and to the best of my knowledge and belief, all data contained in this application is true and correct. If the application is approved for funding, I am authorized to sign any applicable documents on behalf of the applicant.

Pamela Mahan

Type Name
Pamela Mahan

Signature

Clerk

Title
3-14-2022

Date

When completed return by mail or drop-off
to: Faulkner County Judge's Office
801 Locust Street
Conway, AR 72034

From: Carl Meurer cmeurer@harborenv.com
Subject: FW: Proposed addition of 4" water line
Date: Mar 7, 2022 at 3:35:27 PM
To: water@townofdamascus.net
Cc: Andrew Rike arike@harborenv.com, Ian Klein
iklein@harborenv.com

Sorry, I had the address wrong the first time I tried to send.

Carl Meurer, *Senior Engineer*
HARBOR · C 501.690.6539 · cmeurer@harborenv.com
www.harborenv.com



From: Carl Meurer
Sent: Monday, March 7, 2022 3:29 PM
To: water@townofdamascus.com
Cc: Andrew Rike <arike@harborenv.com>; Ian Klein <iklein@harborenv.com>
Subject: Proposed addition of 4" water line

Randy

We estimated the cost of adding a 4" CI 200 waterline and 10 customers to the system at \$109,145 using a base cost of \$16/LF as the pipe cost. Our estimate would be lowered by \$5,280 for each \$1.00 decrease in the pipe price. Our total construction cost for adding a mile of pipe and ten customers is \$109,145. Adding engineering, easements, legal, ADH approval and contingencies brings the total estimated project cost to \$138,560.

Currently the ANRC is making loans at 2.25% interest for 30 years. This would make a monthly payment of about \$530.

Assuming your current average water bill is \$50/month, it would take 11 customers (11 x \$55 = \$550) to create the funds necessary to make the monthly payment. Please look this over and let us know if you would like to proceed with this project.

Best Regards,

Carl Meurer, *Senior Engineer*
HARBOR · C 501.690.6539 · cmeurer@harborenv.com
www.harborenv.com



CITY OF DAMASCUS WATER DEPARTMENT

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

CITY OF DAMASCUS WATER DEPARTMENT

DECEMBER 31, 2020 AND 2019

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Conner & Sartain

CERTIFIED PUBLIC ACCOUNTANTS
985 CARSON COVE, SUITE C
P.O. BOX 2260
CONWAY, ARKANSAS 72033
Telephone: (501) 327-6688
Fax: (501) 327-6699

City Council
City of Damascus Water Department
Damascus, Arkansas

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the business-type activities of the City of Damascus Water Department for the City of Damascus, Arkansas as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the City of Damascus Water Department for the City of Damascus, Arkansas, as of December 31, 2020 and 2019, and the respective changes in financial position, and, where applicable, cash flow thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the City of Damascus Water Department for the City of Damascus, Arkansas, are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities of the City that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the City of Damascus, Arkansas as of December 31, 2020 and 2019, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other-Matters

Required Supplementary Information

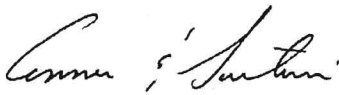
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of City of Damascus Water Department taken as a whole. The accompanying supplemental information as indicated in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021, on our consideration of the City of Damascus Water Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Damascus Water Department's internal control over financial reporting and compliance.



February 5, 2021
Conway, Arkansas

CITY OF DAMASCUS WATER DEPARTMENT

P.O. Box 309

Damascus, Arkansas 72039

Management's Discussion and Analysis

For the year ended December 31, 2020

The City of Damascus Water Department discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Water Department's financial activity, (c) identify changes in the Water Department's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify individual fund issues or concerns.

Overview of the Financial Statements

The financial statements report information about the Water Department using accounting methods similar to those used by private-sector companies. The statements provide both short-term and long-term information about the Water Department's overall financial status. The basic financial statements are comprised of only two components: 1) enterprise or proprietary fund financial statements and 2) notes to the financial statements.

The Statements of Net Position present information comprising all of the Water Department's assets and liabilities with the difference being the fund balances, reported as net position. The Statements of Net Position provide for a way to measure the financial health of the Water Department by providing a basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the entity.

The Statements of Revenues, Expenses, and Changes in Net Position report information regarding the change in net position during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of the cash flows.

The Statements of Cash Flows report cash receipts and expenditures that result from operating, investing and financing activities. The Statements of Cash Flows explain how cash is managed, received and used.

The notes to the financial statements are essential to developing a full understanding of the data provided in the financial statements.

Financial Analysis of the Water Department

The assets of the Water Department exceeded its liabilities as of December 31, 2020 by \$2,396,028 (net position). \$2,510 of this amount (unrestricted fund balance) would be required from the Restricted Funds to meet the system's ongoing obligations to customers and creditors.

Total assets amounted to \$3,452,667, consisting primarily of fixed assets in the amount of \$2,900,390. Total assets decreased during 2020 by \$75,004, primarily as a result of depreciation of fixed assets amounting to \$103,786, netted by additions of fixed assets amounting to \$32,254 and by an increase in restricted cash amounting to \$27,585.

Total liabilities amounted to \$1,056,639 consisting primarily of outstanding debt obligations of \$669,787 and outstanding capital lease obligations of \$213,420. The Water Department's total debt decreased \$13,977 during 2020.

CITY OF DAMASCUS WATER DEPARTMENT
Management's Discussion and Analysis (Continued)
For the year ended December 31, 2020

Financial Analysis of the Water Department (Continued)

Total net position amounted to \$2,396,028 consisting of net assets invested in capital assets, net of related debt amounting to \$2,017,183 and unrestricted net assets amounting to (\$2,510). The Water Department's total net position decreased \$61,027 during 2020.

The Water Department's total revenues were \$755,353 amounting to an increase of \$21,199 or 2.89% increase from the prior year. Operating expenses amounted to \$775,600, which was an increase of \$43,790 or 5.98% increase from the prior year. Other income and expenses amounted to a net expense of \$40,780 consisting of mostly interest expense amounting to \$41,867, netted by interest income of \$1,087. Other income and expense had a decrease of the net expenses of \$1,005 or 2.41% decrease from the prior year. The overall change in net position for the year was a decrease of \$61,027. This amounts to an increase of \$21,586 or 54.73% increase from the prior year deficit. This results in an ending net position of \$2,396,028.

Economic Factors

The operating revenues and expenditures for the year ended December 31, 2020, were consistent with the prior year and met management's expectations. However, as of the date of the independent auditor's report, the COVID-19 pandemic has had an adverse impact on both domestic and global financial markets and operations. Management is unable to accurately predict how the COVID-19 pandemic will affect the results of the Department's operations due to uncertainties surrounding the severity of the disease and the duration of the outbreak. However, it is presumed that the Department's operations will be impacted though the potential impact is unknown at this time.

Requests for Information

This financial report is designed to provide a general overview of the City of Damascus Water Department's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

City of Damascus Water Department
P.O. Box 309
Damascus, Arkansas 72039

CITY OF DAMASCUS WATER DEPARTMENT

P.O. Box 309

Damascus, Arkansas 72039

Management's Discussion and Analysis

For the year ended December 31, 2019

The City of Damascus Water Department discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Water Department's financial activity, (c) identify changes in the Water Department's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify individual fund issues or concerns.

Overview of the Financial Statements

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The Statements of Net Position present information comprising all of the Water Department's assets and liabilities with the difference being the fund balances, reported as net position. The Statements of Net Position provide for a way to measure the financial health of the Water Department by providing a basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the entity.

The Statements of Revenues, Expenses, and Changes in Net Position report information regarding the change in net position during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of the cash flows.

The Statements of Cash Flows report cash receipts and expenditures that result from operating, investing and financing activities. The Statements of Cash Flows explain how cash is managed, received and used.

The notes to the financial statements are essential to developing a full understanding of the data provided in the financial statements.

Financial Analysis of the Water Department

The assets of the Water Department exceeded its liabilities as of December 31, 2019 by \$2,457,055 (net position). Of this amount, \$30,484 (unrestricted fund balance) may be used to meet the system's ongoing obligations to customers and creditors.

Total assets amounted to \$3,527,671, consisting primarily of fixed assets in the amount of \$2,971,922. Total assets decreased during 2019 by \$69,049, primarily as a result of depreciation of fixed assets amounting to \$101,987, netted by additions of fixed assets amounting to \$2,150 and by an increase in restricted cash amounting to \$27,221.

Total liabilities amounted to \$1,070,616 consisting primarily of outstanding debt obligations of \$701,301 and outstanding capital lease obligations of \$197,820. The Water Department's total debt decreased \$29,608 during 2019.

CITY OF DAMASCUS WATER DEPARTMENT
Management's Discussion and Analysis (Continued)
For the year ended December 31, 2019

Financial Analysis of the Water Department (Continued)

Total net position amounted to \$2,457,055 consisting of net assets invested in capital assets, net of related debt amounting to \$2,072,801 and unrestricted net assets amounting to \$30,484. The Water Department's total net position decreased \$39,441 during 2019.

The Water Department's total revenues were \$734,154 amounting to an increase of \$1,978 or 0.27% increase from the prior year. Operating expenses amounted to \$731,810, which was an increase of \$13,925 or 1.94% increase from the prior year. Other income and expenses amounted to a net expense of \$41,785 consisting of mostly interest expense amounting to \$43,125, netted by gain on sale of asset of \$260 and interest income of \$1,080. Other income and expense had an increase of the net expenses of \$15,910 or 61.49% increase from the prior year. The overall change in net position for the year was a decrease of \$39,441. This amounts to a decrease of \$27,857 or 240.48% decrease from the prior year deficit. This results in an ending net position of \$2,457,055.

Economic Factors

The operating revenues and expenditures for the year ended December 31, 2019, were consistent with the prior year and met management's expectations. As a result, no extraordinary economic factors were noted.

Requests for Information

This financial report is designed to provide a general overview of the City of Damascus Water Department's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

City of Damascus Water Department
P.O. Box 309
Damascus, Arkansas 72039

FINANCIAL STATEMENTS

CITY OF DAMASCUS WATER DEPARTMENT

STATEMENTS OF NET POSITION

DECEMBER 31, 2020 AND 2019

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
<u>Current Assets:</u>		
Cash and cash equivalents	\$ 47,534	\$ 91,451
Accounts receivable - trade - net of allowance for doubtful accounts of \$14,739 and \$14,459, respectively	63,983	56,726
Inventory	59,405	53,802
Total Current Assets	<u>170,922</u>	<u>201,979</u>
 <u>Restricted Assets - Note 3:</u>		
Cash and cash equivalents	381,355	353,770
Total Restricted Assets	<u>381,355</u>	<u>353,770</u>
 <u>Capital Assets - Note 4:</u>		
Building	45,000	45,000
Water system	4,521,023	4,521,023
Equipment	232,310	200,056
	<u>4,798,333</u>	<u>4,766,079</u>
Less: Accumulated depreciation	<u>(1,897,943)</u>	<u>(1,794,157)</u>
Total Capital Assets	<u>2,900,390</u>	<u>2,971,922</u>
Total Assets	<u>\$ 3,452,667</u>	<u>\$ 3,527,671</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DAMASCUS WATER DEPARTMENT

STATEMENTS OF NET POSITION

DECEMBER 31, 2020 AND 2019

LIABILITIES AND NET POSITION

	<u>2020</u>	<u>2019</u>
<u>Current Liabilities:</u>		
Accounts payable	\$ 28,995	\$ 31,381
Accrued interest payable	2,593	2,723
Accrued taxes payable	4,195	3,592
Current maturities of long-term debt	49,052	41,446
	<hr/>	<hr/>
Total Current Liabilities	84,835	79,142
	<hr/>	<hr/>
<u>Long-Term Debt:</u>		
Long-term debt - Note 6	669,787	701,301
Long-term capital lease obligation - Note 7	213,420	197,820
	<hr/>	<hr/>
Less: Current maturities above	(49,052)	(41,446)
	<hr/>	<hr/>
Total Long-Term Debt	834,155	857,675
	<hr/>	<hr/>
<u>Other Liabilities:</u>		
Customer meter deposits and prepaid connection fees	118,628	114,478
Due to other funds	19,021	19,321
	<hr/>	<hr/>
Total Other Liabilities	137,649	133,799
	<hr/>	<hr/>
Total Liabilities	1,056,639	1,070,616
	<hr/>	<hr/>
<u>Net Position:</u>		
Invested in capital assets, net of related debt	2,017,183	2,072,801
Restricted for:		
Debt service	105,667	104,258
Meter deposits	118,673	114,533
Board designated	157,015	134,979
Unrestricted	(2,510)	30,484
	<hr/>	<hr/>
Total Net Position	\$ 2,396,028	\$ 2,457,055
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

CITY OF DAMASCUS WATER DEPARTMENT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<u>Operating Revenues:</u>		
Water sales	\$ 604,777	\$ 588,950
Garbage collection sales	127,640	123,259
Connection fees and other income	22,936	21,945
	755,353	734,154
<u>Expenses:</u>		
Water purchases	185,734	176,501
Garbage collection purchases	121,730	108,147
Salaries	154,814	136,884
Maintenance materials	19,388	18,968
Utilities	14,069	14,285
Equipment repairs and maintenance	49,374	48,519
Insurance	5,579	5,191
Employee benefits	26,026	26,107
Payroll taxes	12,795	12,192
Sales tax	47,535	45,328
Professional fees	5,600	5,600
Other fees expense	3,243	4,776
Vehicle operation and repair	13,998	15,620
Office supplies and postage	11,888	10,768
Travel	41	937
Depreciation expense	103,786	101,987
	775,600	731,810
Operating Income (Loss)	(20,247)	2,344
<u>Other Income (Expenses):</u>		
Interest income	1,087	1,080
Gain (loss) on sale of assets	-	260
Interest expense	(41,867)	(43,125)
	(40,780)	(41,785)
Change in Net Position	\$ (61,027)	\$ (39,441)

The accompanying notes are an integral part of the financial statements.

CITY OF DAMASCUS WATER DEPARTMENT
STATEMENTS OF CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Invested in Capital Assets</u>	<u>Restricted Net Position</u>	<u>Unrestricted Net Position</u>	<u>Total</u>
Total Net Position - 12/31/18	\$ 2,133,071	\$ 326,549	\$ 36,876	\$ 2,496,496
Change in capital assets net of debt	(60,270)	-	60,270	-
Change in net position	-	27,221	(66,662)	(39,441)
Total Net Position - 12/31/19	2,072,801	353,770	30,484	2,457,055
Change in capital assets net of debt	(55,618)	-	55,618	-
Change in net position	-	27,585	(88,612)	(61,027)
Total Net Position - 12/31/20	<u>\$ 2,017,183</u>	<u>\$ 381,355</u>	<u>\$ (2,510)</u>	<u>\$ 2,396,028</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DAMASCUS WATER DEPARTMENT

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Cash Flows from Operating Activities:</u>		
Cash received from customers	\$ 748,096	\$ 732,828
Cash paid to suppliers	(524,386)	(484,692)
Cash paid to employees	(154,814)	(136,884)
Net of customer deposits received (returned)	4,150	3,840
Net Cash Provided (Used) by Operating Activities	<u>73,046</u>	<u>115,092</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of fixed assets	(32,254)	(2,150)
Contribution in aid of construction	-	260
Payment made on intercompany debt	(300)	-
Proceeds from long-term debt	32,254	-
Principal paid on long-term debt	(48,168)	(39,567)
Interest paid on debt	(41,997)	(43,250)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(90,465)</u>	<u>(84,707)</u>
<u>Cash Flows from Investing Activities:</u>		
Interest income	1,087	1,080
Net Cash Provided (Used) by Investing Activities	<u>1,087</u>	<u>1,080</u>
Increase (Decrease) in Cash	(16,332)	31,465
Cash - Beginning of Year	445,221	413,756
Cash - End of Year	<u>\$ 428,889</u>	<u>\$ 445,221</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>		
Cash Flows from Operating Activities:		
Operating Income	\$ (20,247)	\$ 2,344
Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation expense	103,786	101,987
(Increase) decrease in accounts receivable	(7,257)	(1,326)
(Increase) decrease in inventory	(5,603)	2,003
Increase (decrease) in accounts payable	(2,386)	6,187
Increase (decrease) in accrued taxes payable	603	57
Increase (decrease) in customer meter deposits and prepaid fees	4,150	3,840
Net Cash Provided (Used) by Operating Activities	<u>\$ 73,046</u>	<u>\$ 115,092</u>

The accompanying notes are an integral part of the financial statements.

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Entity is the business-type activity of the local government, the City of Damascus, Arkansas, organized to provide utility services.

Specific Accounting Policies

The following is a summary of significant accounting policies:

Fund Accounting

The accounts of the Entity are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type (proprietary) and the following broad fund category:

Enterprise Fund - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses (including depreciation) of providing goods or services to the general public are financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accounting records of the Entity are maintained on the accrual basis. Revenues are recognized when they are earned; expenses are recognized when they are incurred. The Entity does not utilize encumbrance accounting.

Cash and Cash Equivalents

The Entity considers all highly liquid investments stemming from unrestricted cash with a maturity of three months or less to be cash.

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Concentrations of Credit Risk

Financial instruments that potentially subject the Entity to concentrations of credit risk consist principally of temporary cash investments and trade receivables. The Entity places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Entity's customer base. At December 31, 2020 and 2019, the Entity had no significant concentrations of credit risk.

Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management classifies accounts past due for 61 or more days in the allowance for doubtful accounts.

Inventory

Inventory is valued at the lower of average cost or market.

Fixed Assets

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. During construction, interest expenditures are capitalized. Subsequent to development, interest expenditures are recognized as incurred.

Depreciation of all exhaustible fixed assets used is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Water and Sewer Systems	50
Equipment	7 - 15

Income Taxes

Because the Entity is classified as a component of a local government, it is not subject to federal or state income taxes.

Compensated Absences

Employees of the Entity are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Entity's policy is to recognize the costs of compensated absences when paid to employees.

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Budget

Enterprise Fund service delivery levels are determined by the extent of consumer demand. Because Enterprise Fund revenues and expenses fluctuate with changing service delivery levels, generally accepted accounting principles do not require the financial statements to include budgetary comparisons and, accordingly, these comparisons have not been included.

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheet, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common stock, mutual funds and United States Treasury obligations. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Entity did not hold any securities or have any Level 2 or Level 3 activities as of December 31, 2020.

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED):

Other Financial Instruments

The following methods and assumptions were used by the Department in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term investments, and promises to give due in less than one year: The carrying amounts reported in the balance sheets approximate fair values because of the short maturities of those instruments.

Long-term debt: The fair value of the notes and bonds payable is based on its carrying amount. The Entity has executed a security agreement with its lender which established a lien on all structures, improvements, and the distribution system, and pledges revenue to assure payment of principal and interest on the indebtedness until paid.

Collateralization of Cash Balances

	<u>2020</u>	<u>2019</u>
Cash in Bank, Fully Insured by FDIC	\$ 307,177	\$ 342,403
Cash in Bank, Collateralized	131,374	104,359
Cash in Bank, Uninsured, Uncollateralized	<u>-</u>	<u>-</u>
	<u>\$ 438,551</u>	<u>\$ 446,762</u>

NOTE 3 - RESTRICTED CASH:

Under the terms of bond ordinances, certain restricted funds must be maintained at December 31, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
USDA-RD Debt Service Reserve and Water Depreciation Fund	\$ 77,313	\$ 77,159
Arkansas Natural Resources Commission Bond Fund, Debt Service Reserve and Depreciation Fund	28,354	27,099
Other Restricted Assets:		
Customer meter deposits and pre-paid connection fees	118,673	114,533
Water Contingency Fund	<u>157,015</u>	<u>134,979</u>
Total Restricted Funds	<u>\$ 381,355</u>	<u>\$ 353,770</u>

USDA-RD debt service reserve funds were created for the purpose of providing funds for the payment of the principal and interest on the USDA-RD loans if the required monthly principal and interest payments to USDA-RD loans are insufficient at any time.

Arkansas Natural Resources Commission reserve funds were created for the purpose of providing funds for the replacement of the project.

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 3 - RESTRICTED CASH (CONTINUED):

Customer meter deposits are deposits made by the customer when meters are installed for their use. Prepayments of connection fees are being paid by customers for connection rights to new line extensions not yet available.

Restricted assets consist of cash and savings accounts, all of which are insured or collateralized.

NOTE 4 - CAPITAL ASSETS:

A summary of changes in capital assets for the year ended December 31, 2020, is presented below:

	<u>Balance December 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2020</u>
Capital assets, being depreciated:				
Buildings	\$ 45,000	\$ -	\$ -	\$ 45,000
Machinery and equipment	200,056	32,254	-	232,310
Water System	<u>4,521,023</u>	<u>-</u>	<u>-</u>	<u>4,521,023</u>
Total Capital Assets, being Depreciated	<u>4,766,079</u>	<u>32,254</u>	<u>-</u>	<u>4,798,333</u>
Less accumulated depreciation for:				
Buildings	(4,313)	(1,125)	-	(5,438)
Machinery and equipment	(168,920)	(11,740)	-	(180,660)
Water System	<u>(1,620,924)</u>	<u>(90,921)</u>	<u>-</u>	<u>(1,711,845)</u>
Total accumulated depreciation	<u>(1,794,157)</u>	<u>(103,786)</u>	<u>-</u>	<u>(1,897,943)</u>
Total Capital Assets, Net	<u>\$ 2,971,922</u>	<u>\$ (71,532)</u>	<u>\$ -</u>	<u>\$ 2,900,390</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$103,786 and \$101,987, respectively.

NOTE 5 – ACCOUNTS RECEIVABLE:

Accounts receivable are recorded at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts. As of December 31, 2020, and 2019, accounts receivables were:

	<u>2020</u>	<u>2019</u>
Current – due within 30 days	\$ 51,932	\$ 43,484
Past Due	26,790	27,701
Allowance for doubtful accounts	<u>(14,739)</u>	<u>(14,459)</u>
Total	<u>\$ 63,983</u>	<u>\$ 56,726</u>

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 6 - LONG-TERM DEBT:

Changes in Long-Term debt obligations for the year ended December 31, 2020, were as follows:

	<u>Balance</u> <u>December 31,</u> <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31,</u> <u>2020</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable to USDA Rural Development; interest only due first two years; thereafter, monthly payments of \$1,732; interest rate of 5.00%	\$ 225,849	\$ -	\$ 9,712	\$ 216,137	\$ 10,209
Bonds payable to USDA Rural Development; interest only due first two years; thereafter, monthly payments of \$2,232; interest rate of 4.25%	275,150	-	10,493	264,657	10,948
Bonds payable to Arkansas Natural Resources Commission; no interest nor payment due first ten years; first payment of \$19,110 due 12-01-2013; thereafter, annual payments of \$21,324; interest rate of 5.00%	<u>200,302</u>	<u>-</u>	<u>11,309</u>	<u>188,993</u>	<u>11,874</u>
Total Long-Term Debt	<u>\$ 701,301</u>	<u>\$ -</u>	<u>\$ 31,514</u>	<u>\$ 669,787</u>	<u>\$ 33,031</u>

Maturities of long-term debt for years subsequent to 2020 are as follows: 2021 - \$33,031; 2022 - \$34,621; 2023 - \$36,289; 2024 - \$38,037; 2025 - \$39,870; thereafter - \$487,939; totaling, \$669,787.

Long-term debt expected to be financed from Proprietary Fund types are accounted for in the Proprietary Fund. Expenditures related to such debt are also reflected in the Proprietary Funds.

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 7 - LONG-TERM CAPITAL LEASE OBLIGATIONS:

The Lease - Purchase Agreement dated January 18, 2001, with Arkansas Soil and Water Conservation Commission for the connection to the Community Water System includes master meter assembly amounting to \$387,629. Payments as rental for this project are \$9,362 paid semi-annually for thirty years with interest computed at the rate of 4.50%.

The future minimum lease payments required at December 31, 2020, are:

2020	\$ 18,724
2021	18,724
2022	18,724
2023	18,724
2024	18,724
Thereafter	159,114
	<u>\$ 252,734</u>

Present value of the net minimum lease as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Future minimum lease payments	\$ 252,734	\$ 271,458
Less: Amounts representing interest	(64,846)	(73,638)
Present value of net minimum lease	187,888	197,820
Less: Current portion	(10,385)	(9,932)
Long-term Portion	<u>\$ 177,503</u>	<u>\$ 187,888</u>

The Lease - Purchase Agreement dated May 29, 2019, with Utility Service Co., Inc. for the PAX Mixing System amounting to \$33,925. Payments as rental for this project are \$565.42 paid monthly for four years and \$150.15 paid monthly for one year with interest computed at the rate of 5%.

The future minimum lease payments required at December 31, 2020, are:

2021	\$ 6,785
2022	6,785
2023	6,785
2024	6,370
2025	1,652
Thereafter	-
	<u>\$ 28,377</u>

Present value of the net minimum lease as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Future minimum lease payments	\$ 28,377	\$ 35,727
Less: Amounts representing interest	(2,845)	(3,472)
Present value of net minimum lease	25,532	32,255
Less: Current portion	(5,636)	(6,723)
Long-term Portion	<u>\$ 19,896</u>	<u>\$ 25,532</u>

CITY OF DAMASCUS WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 8 - EMPLOYEE BENEFITS:

The Water Department participates in the City of Damascus' health insurance and benefits program. Health coverage is provided by Municipal Health Benefit Fund, a division of the Arkansas Municipal League. The Department pays for the employees cost of the insurance. Coverage includes health, dental, vision and \$20,000 in life insurance. A disability policy is also available to the employees at their cost as a payroll deduction. During the year, the City of Damascus adopted and will administer a Plan to provide health benefit coverage to retirees. The total expense for health and related benefits to the Water Department for the years ended December 31, 2020 and 2019 were \$14,866 for 2020 and \$14,947 for 2019.

The Water Department participates in the City of Damascus' retirement benefit program. The Plan is administered as a 451(b) retirement plan by CitiStreet Retirement. The City pays \$310 per month per employee. Employees are eligible to participate after completing three months of service. The cost expensed by the Water Department for the years ended December 31, 2020 was \$11,160 and for December 31, 2019 was \$11,160. No retirement plan liabilities were payable at year end. The plan had no forfeitures during the years ended December 31, 2020 and 2019.

NOTE 9 - SUBSEQUENT EVENTS:

The Department has evaluated its December 31, 2020 financial statements for subsequent events occurring through the date the financial statements were issued. As of the date of the independent auditor's report, the COVID-19 pandemic has had an adverse impact on both domestic and global financial markets and operations. Management is unable to accurately predict how the COVID-19 pandemic will affect the results of the Department's operations due to uncertainties surrounding the severity of the disease and the duration of the outbreak. However, it is presumed that the Department's operations will be impacted though the potential impact is unknown at this time.

NON-FINANCIAL SECTION

Conner & Sartain

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City Council
City of Damascus Water Department
Damascus, Arkansas

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the City of Damascus Water Department for the City of Damascus, Arkansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Damascus Water Department for the City of Damascus's basic financial statements, and have issued our report thereon dated February 5, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Damascus Water Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Damascus Water Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Damascus Water Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Damascus Water Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Damascus Water Department in a separate letter dated February 5, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 5, 2021
Conway, Arkansas

CITY OF DAMASCUS WATER DEPARTMENT

SCHEDULE OF FINDINGS/NONCOMPLIANCE AND QUESTIONED COSTS

DECEMBER 31, 2020 AND 2019

<u>Program</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
United States Department of Agriculture - Rural Development	None Noted	None Noted

SUPPLEMENTAL INFORMATION

CITY OF DAMASCUS WATER DEPARTMENT

SUPPLEMENTAL INFORMATION

DECEMBER 31, 2020 AND 2019

SCHEDULE OF RATES CHARGED:

	<u>2020</u>	<u>2019</u>
WATER -		
First 1,000 gallons	\$ 19.00 - \$25.00	\$ 19.00 - \$25.00
Next 20,000 gallons	7.25	7.25
Any additional 1,000 gallons	6.75	6.75

GROSS REVENUE RECEIVED:

	<u>2020</u>	<u>2019</u>
Gross Water Revenue	\$ 604,777	\$ 588,950
Number of Connections	923	909
Number of Gallons Bought	60,364,800	54,766,900
Number of Gallons Sold	43,538,000	42,756,400

NAMES AND TITLES OF DIRECTORS:

<u>Name</u>	<u>Title</u>
L. B. Pavatt	Mayor
Wendi Payne	Recorder/Treasurer
Gilbert Lewis	Alderman
Justin Moore	Alderman
Jackie Williams	Alderman
Gene Byrd	Alderman
Jerry Hensley	Alderman
Randy Nicholson	Water Superintendent

CITY OF DAMASCUS WATER DEPARTMENT
SUPPLEMENTAL INFORMATION (CONTINUED)
DECEMBER 31, 2020 AND 2019

INSURANCE COVERAGE:

<u>Policy</u>	<u>Company</u>	<u>Coverage</u>	<u>Term</u>
00810 01/01/20 - 12/31/20	Arkansas Municipal League	Auto, Damage, and Liability 1998 J.D. Tractor 1986 Trailer 9.0 W 13 2001 Chevy Pick Up 2008 Ford F-350 2014 Ford F-150 2018 Dodge Ram 2500	 \$ 33,000.00 5,000.00 7,000.00 33,000.00 25,000.00 40,000.00
FBTF10	Arkansas Fidelity Bond Trust	Blanket Fidelity Bond All employees and Officers	01/01/20 - 12/31/20 \$250,000 per occurrence \$1,000 deductible
00810	Arkansas Municipal League	Property coverage Meter water tank Chlorine building 345,000 gallon tank Pump station Storage Building Water Shop	06/25/20 - 06/24/21 \$ 371,315.00 53,045.00 530,450.00 106,090.00 59,410.00 318,270.00

Water Budget 2020

Water Ops. & Revenue Fund

	Budget 1/1/2020 12/31/2020	Calculated Total
- Revenue		
- Other Revenue		
Check Returns & Fees	450	450
Connect Fees/Insp/Permits	1,400	1,400
Interest Income	900	900
PWA Fees	4,320	4,320
Trash Collection	120,000	120,000
Water Connections	13,000	13,000
Water Meter Deposits	16,000	16,000
Water Sales	606,000	606,000
Other Revenue Total	762,070	762,070
Revenue Total	762,070	762,070
- Expenses		
- Other Expense		
Chemical Expense	500	500
Commissions/Dues/Fees	3,700	3,700
Customer Refunds	16,000	16,000
Debt Service	82,816	82,816
Employee Benefits	14,745	14,745
Fixed Assets	20,000	20,000
Insurance - Property/Liab	3,900	3,900
Insurance - Work Comp	1,500	1,500
Legal & Professional Services	5,700	5,700
Medicare	2,000	2,000
Office Expenses	10,000	10,000
Repairs/Maintenance	70,000	70,000
Retirement Benefits	11,160	11,160
Returned Checks / Refunds	200	200
Salaries	148,000	148,000
Sales and Use Tax	46,000	46,000
Social Security	8,000	8,000
Supplies/Uniforms	17,500	17,500
Trash Service	108,000	108,000
Travel & Meals	100	100
Unemployment Insurance	1,720	1,720
Utilities/Telephones	15,500	15,500
Vehicle Maintenance	13,500	13,500
Water Purchases	180,000	180,000
Other Expense Total	780,541	780,541
Expenses Total	780,541	780,541
Net Income From Operations	(18,471)	(18,471)
- Other Revenue		
- Extraordinary Income		
Transfer from Water Meter Fund	300	300
Transfer from Water Oper & Rev	62,850	62,850
Extraordinary Income Total	63,150	63,150
Other Revenue Total	63,150	63,150
- Other Expenses		
- Extraordinary Expense		
Transfer to SW Debt Service Re	40,050	40,050
Transfer to Water Contingency	21,600	21,600
Transfer to Water Depr Reserve	1,179	1,179
Transfer to Water Oper & Rev	300	300

Water Budget 2020
Water Ops. & Revenue Fund

	Budget 1/1/2020 12/31/2020	Calculated Total
Extraordinary Expense Total	63,129	63,129
Other Expenses Total	63,129	63,129
Net Income	(18,450)	(18,450)

Water Budget 2021

Water Ops. & Revenue Fund

	Calculated Total
- Revenue	
- Other Revenue	
Check Returns & Fees	350
Connect Fees/Insp/Permits	3,700
Interest Income	850
Misc Income	3,000
PWA Fees	4,400
Refund Income	4,800
Sale of Property	6,000
Trash Collection	130,000
Water Connections	18,200
Water Meter Deposits	14,800
Water Sales	641,000
Other Revenue Total	827,100
Revenue Total	827,100

- Expenses	
- Other Expense	
Chemical Expense	360
Commissions/Dues/Fees	5,000
Customer Refunds	10,500
Debt Service	82,816
Employee Benefits	16,200
Fixed Assets	104
Insurance - Property/Liab	4,663
Insurance - Work Comp	1,543
Legal & Professional Services	5,600
Medicare	2,105
Office Expenses	11,800
Repairs/Maintenance	55,000
Retirement Benefits	11,160
Salaries	154,000
Sales and Use Tax	49,792
Social Security	9,300
Supplies/Uniforms	26,250
Trash Service	115,700
Unemployment Insurance	952
Utilities/Telephones	13,200
Vehicle Maintenance	18,000
Water Purchases	174,300
Other Expense Total	768,345
Expenses Total	768,345
Net Income From Operations	58,755

- Other Revenue	
- Extraordinary Income	
Transfer from Water Meter Fund	350
Transfer from Water Oper & Rev	55,627
Extraordinary Income Total	55,977
Other Revenue Total	55,977

- Other Expenses	
- Extraordinary Expense	
Transfer to SW Debt Service Re	40,050
Transfer to Water Contingency	14,400
Transfer to Water Depr Reserve	1,180
Transfer to Water Oper & Rev	350

Water Budget 2021
Water Ops. & Revenue Fund

	Calculated Total
Extraordinary Expense Total	<u>55,980</u>
Other Expenses Total	<u>55,980</u>
Net Income	<u>58,752</u>