

**WATER AND SEWER DISTRICT OF THE
CITY OF SWIFTON, ARKANSAS**

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

**As of and For The Years Ended
June 30, 2022 and 2021**

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To the Mayor and Members of the City Council
Water and Sewer District
City of Swifton, Arkansas

Opinion

We have audited the accompanying financial statements of the Water and Sewer District of the City of Swifton, Arkansas, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Water and Sewer District of the City of Swifton, Arkansas, as of June 30, 2022 and 2021, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Water and Sewer District of the City of Swifton, Arkansas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Water and Sewer District of the City of Swifton, Arkansas and do not purport to, and do not, present fairly the financial position of the City of Swifton, Arkansas, as of June 30, 2022 and 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Water and Sewer District of the City of Swifton, Arkansas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

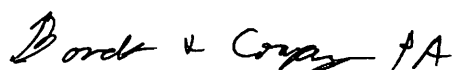
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 14 and 15 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

The Water and Sewer District of the City of Swifton, Arkansas, has not presented the management discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.



Sherwood, Arkansas
October 25, 2022

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
STATEMENTS OF NET POSITION
JUNE 20, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 135,467	\$ 222,460
Accounts Receivable, net doubtful account	37,460	34,167
Inventory	<u>5,112</u>	<u>5,461</u>
TOTAL CURRENT ASSETS	<u>178,039</u>	<u>262,088</u>
RESTRICTED ASSETS		
Cash in Bank - Loan Payment Fund	3,652	3,652
- Short Lived Fixed Assets Reserve	147,741	112,643
- Meter Deposit Fund	43,065	43,789
- Debt Service Reserve	<u>56,087</u>	<u>56,068</u>
TOTAL RESTRICTED ASSETS	<u>250,545</u>	<u>216,152</u>
PROPERTY, PLANT AND EQUIPMENT		
Water System Plant and Equipment	4,109,496	4,109,496
Sewer System and Equipment	658,910	658,910
Water and Sewer System Addition	354,815	353,015
Other Equipment	<u>75,775</u>	<u>65,975</u>
	5,198,996	5,187,396
Less: Accumulated depreciation	<u>(1,314,136)</u>	<u>(1,198,018)</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>3,884,860</u>	<u>3,989,378</u>
OTHER ASSETS		
Debt Issue Costs, net of Accumulated Amortization	<u>636</u>	<u>1,911</u>
TOTAL ASSETS	<u><u>\$ 4,314,080</u></u>	<u><u>\$ 4,469,529</u></u>

The accompanying notes are an integral part of these financial statements

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Payroll and Other Taxes Payable	\$ 0	\$ 1,835
TOTAL CURRENT LIABILITIES	<u>0</u>	<u>1,835</u>
PAYABLE FROM RESTRICTED ASSETS		
Current maturities - Long-Term Debt	28,395	27,750
Customers' Meter Deposits	<u>26,591</u>	<u>27,350</u>
TOTAL PAYABLE FROM RESTRICTED ASSETS	<u>54,986</u>	<u>55,100</u>
LONG-TERM DEBT, LESS CURRENT MATURITIES	<u>1,263,778</u>	<u>1,292,173</u>
TOTAL LIABILITIES	<u>1,318,764</u>	<u>1,349,108</u>
NET POSITION		
Net Investments in Capital Assets	2,621,082	2,697,205
Restricted	195,559	161,052
Unrestricted	<u>178,675</u>	<u>262,164</u>
	<u>2,995,316</u>	<u>3,120,421</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,314,080</u>	<u>\$ 4,469,529</u>

The accompanying notes are an integral part of these financial statements

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 20, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Water Service	\$ 190,865	\$ 190,915
Sewer Service	69,091	68,419
Other Income	<u>11,128</u>	<u>21,790</u>
TOTAL OPERATING REVENUES	<u>271,084</u>	<u>281,124</u>
OPERATING EXPENSES		
Wages	54,900	50,815
Repairs	88,862	7,667
Utilities	14,420	19,457
Professional Fees	11,341	12,530
Office	2,635	2,795
Supplies and Materials	45,950	31,347
Payroll Taxes	4,258	3,932
Postage	1,419	1,875
Insurance	11,102	10,462
Equipment Rental	293	424
Miscellaneous Expense	7,371	7,152
Depreciation	116,118	100,505
Amortization	1,275	1,274
Bad Debt Expense	6,586	-0-
License and Fees	<u>1,512</u>	<u>1,620</u>
TOTAL OPERATING EXPENSES	<u>368,042</u>	<u>251,855</u>
OPERATING INCOME	<u>(96,958)</u>	<u>29,269</u>
NON-OPERATING REVENUE (EXPENSES)		
Interest Income	378	471
Interest Expense	<u>(28,525)</u>	<u>(31,808)</u>
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>(28,147)</u>	<u>(31,337)</u>
NET INCOME	(125,105)	(2,068)
GRANT RECEIVED	<u>-0-</u>	<u>178,535</u>
INCREASE (DECREASE) IN NET POSITION	(125,105)	176,467
NET POSITION, BEGINNING OF YEAR	<u>3,120,421</u>	<u>2,943,954</u>
NET POSITION, END OF YEAR	<u>\$ 2,995,316</u>	<u>\$ 3,120,421</u>

The accompanying notes are an integral part of these financial statements

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 20, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 267,791	\$ 268,285
Cash Paid to Employees	(54,900)	(50,815)
Cash Paid to Suppliers	<u>(197,235)</u>	<u>(97,702)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>15,656</u>	<u>119,768</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest	<u>378</u>	<u>471</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>378</u>	<u>471</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Customer Deposits	(759)	-0-
Grants Received	-0-	178,535
Payments for Capital Acquisitions	(11,600)	(212,867)
Interest Paid	(28,525)	(31,808)
Payments on Borrowings	<u>(27,750)</u>	<u>(58,136)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(68,634)</u>	<u>(124,276)</u>
NET INCREASE (DECREASE)	(52,600)	(4,037)
CASH BEGINNING OF YEAR	<u>438,612</u>	<u>442,649</u>
CASH END OF YEAR	<u><u>\$ 386,012</u></u>	<u><u>\$ 438,612</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ (96,958)	\$ 29,269
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation and Amortization	117,393	101,779
(Increase) Decrease in Accounts Receivable	(3,293)	679
(Increase) Decrease in Inventory	349	(276)
Increase (Decrease) in Accounts Payable	-0-	-0-
Increase (Decrease) in Other Liabilities	<u>(1,835)</u>	<u>(11,683)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 15,656</u></u>	<u><u>\$ 119,768</u></u>

The accompanying notes are an integral part of these financial statements

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The entity is a component unit of local government organized to provide utility services. The system serves approximately 400 customers and grants credit on terms which are customary for water utilities.

FINANCIAL REPORTING ENTITY

These financial statements reflect only the activity of the Water Department Enterprise Fund of the City of Swifton, Arkansas, and, accordingly, do not reflect other activities, funds and account groups of the City.

BASIS OF ACCOUNTING

This Swifton Water and Sewer District is a proprietary enterprise fund. All proprietary funds maintain their accounts on the accrual basis of accounting and, accordingly, income is recognized when earned and expenses are recorded when incurred, regardless of when cash is received or paid.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and cash certificates of deposit held in various unrestricted and restricted reserve accounts.

ACCOUNTS RECEIVABLE

Water revenue is recorded based upon customer billings and no provision has been made for the accrual of revenue from water used but not billed. The collectibility of the District's receivables is dependent upon the customer's ability to honor their obligations. However, each customer has a deposit with the District which is held as security for their unpaid balance.

The District estimates an allowance for bad debts. For 2021, the allowance account was \$6,586, and is netted with accounts receivables.

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost and include expenditures for improvements and betterments which substantially increase the useful lives of existing property and equipment. Maintenance, repairs and minor renewals are expensed as incurred. Depreciation is provided for by the straight line method in amounts sufficient to relate the cost of the water and sewer system and other depreciable assets to operations, over the estimated useful lives of the assets, ranging from 5 years for equipment to 50 years for the plant facility. Depreciation expense totaled \$116,118 for 2022 and \$100,505 for 2021.

INTANGIBLES

Debt issue costs are amortized over the life of the related debt using the straight-line method.

INCOME TAXES

The entity is not subject to federal or state income taxes.

INVENTORY

Inventory is at the lower of cost or market on the first-in, first-out method.

RESTRICTED ASSETS

Certain assets of the system are restricted for debt service, capital improvements and operations and maintenance of the system.

OPERATING REVENUES AND EXPENSES

The Water District's statements of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing water utility services. Operating expenses are all expenses incurred to provide water utility services, other than financing costs.

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2: RESTRICTED CASH

The restricted funds are established for the purpose of meeting the requirements of loan agreements and city management for the purpose of insuring the Department's capability of meeting long-term debt obligations. The balances in the restricted accounts at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Meter Deposits	\$ 43,065	\$ 43,789
Depreciative Reserve	3,652	3,652
Short Lived Assets Reserve	147,741	112,643
Debt Service Reserve	<u>56,087</u>	<u>56,068</u>
Total Restricted Funds	<u>\$ 250,545</u>	<u>\$ 216,152</u>

NOTE 3: LONG-TERM DEBT

The long-term debt at June 30, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
2.0% Note Payable to USDA Rural Development, due in monthly installments of \$3,652, including interest. This obligation is collateralized by the Plant Facility and Revenue Bond.	\$ 1,125,160	\$ 1,146,251
3.25% Note Payable to USDA Rural Development, due in monthly installments of \$1,017, including interest. This obligation is collateralized by the Plant Facility and Revenue Bond.	<u>167,013</u>	<u>173,672</u>
	1,292,173	1,319,923
Less Current Maturities	<u>(28,395)</u>	<u>(27,750)</u>
Total Long-Term Debt, Less Current Maturities	<u>\$ 1,263,778</u>	<u>\$ 1,292,173</u>

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 3: LONG-TERM DEBT (CONTINUED)

The obligations have aggregate annual maturities as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u>	<u>Total Paid</u>
2023	\$ 28,395	\$ 27,633	\$ 56,028
2024	29,057	26,971	56,028
2025	29,734	26,294	56,028
2026	30,428	25,600	56,028
2027	31,139	24,889	56,028
2028-2032	166,995	113,145	280,140
2033-2037	187,616	92,524	280,140
2038-2042	187,424	69,871	257,295
2043-2047	167,056	52,064	219,120
2048-2052	184,610	34,510	219,120
2053-2057	204,009	15,111	219,120
2058	<u>45,710</u>	<u>517</u>	<u>46,227</u>
TOTAL	<u>\$ 1,292,173</u>	<u>\$ 509,129</u>	<u>\$ 1,801,302</u>

Changes in long-term debt for the year ended June 30, 2022:

	<u>7/1/21</u> <u>Balance</u>	<u>Loan</u> <u>Proceeds</u>	<u>Payments on</u> <u>Principal</u>	<u>6/30/22</u> <u>Balance</u>
USDA Rural Development 91-05	173,672	-0-	(6,659)	167,013
USDA Rural Development 91-08	1,146,251	-0-	(21,091)	1,125,160
Water and Sewer Refunding Revenue Bond	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>1,319,923</u>	<u>-0-</u>	<u>(27,750)</u>	<u>1,292,173</u>

Changes in long-term debt for the year ended June 30, 2021:

	<u>7/1/20</u> <u>Balance</u>	<u>Loan</u> <u>Proceeds</u>	<u>Payments on</u> <u>Principal</u>	<u>6/30/21</u> <u>Balance</u>
USDA Rural Development 91-05	180,117	-0-	(6,445)	173,672
USDA Rural Development 91-08	1,164,360	-0-	(18,109)	1,146,251
Water and Sewer Refunding Revenue Bond	<u>33,582</u>	<u>-0-</u>	<u>(33,582)</u>	<u>-0-</u>
	<u>1,378,059</u>	<u>-0-</u>	<u>(58,136)</u>	<u>1,319,923</u>

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 4: SIGNIFICANT CONCENTRATION OF CREDIT RISK

Credit risk for trade accounts receivable is concentrated because substantially all of the balances are receivable from individuals located within the same geographic region. The Department grants unsecured credit to its customers, subject to a meter deposit.

NOTE 5: DEPOSITS

At June 30, 2022, the Department's carrying amount of bank deposits was \$428,584 and the bank balance was \$438,830. The City has collateral in the form of a security agreement held by the pledging financial institution's correspondent bank in the name of the City of Swifton. There were no uninsured or uncollateralized deposits as of June 30, 2022.

NOTE 6: RISK MANAGEMENT

The District is exposed to a number of risks such as losses from natural disasters, fire, accidents, other causes and torts. Management of the City of Swifton believes it has immunity under state law from losses from torts. For material risks or losses due to other property and liability claims, the Department has transferred the risk to a third party by purchasing commercial insurance. Some insurance premiums are paid on behalf of the District by funds of the City of Swifton.

NOTE 7: ACCRUED COMPENSATED ABSENCES

It is the District's policy to recognize compensated absences when paid. Management does not consider compensated absences to be material to the financial statements. Accordingly, no liability has been accrued for the years ended June 30, 2022 and 2021.

NOTE 8: CUSTOMER DEPOSITS

Active customer deposits are held by the City of Swifton Water and Sewer District. Interest earned on deposit funds is considered to be the property of the City of Swifton Water and Sewer District. As of June 30, 2022 and 2021, respectively, the customer deposit fund totaled \$43,065 and \$43,789. At June 30, 2022 water company meter deposit funds on hand exceeded meter deposits payable by \$16,474.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 25, 2022, the date the financial statements were available to be issued.

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Below is a schedule of changes of property, plant and equipment for the year ended June 30, 2022:

	<u>7/1/2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>6/30/2022</u>
Capital assets, being depreciated:				
Water System Plant and Equipment	4,109,496	-0-	-0-	4,109,496
Sewer System and Equipment	658,910	-0-	-0-	658,910
Water and Sewer System Additions	353,015	1,800	-0-	354,815
Other Equipment	<u>65,975</u>	<u>9,800</u>	<u>-0-</u>	<u>75,775</u>
	<u>5,187,396</u>	<u>11,600</u>	<u>-0-</u>	<u>5,198,996</u>
Less accumulated depreciation for:				
Water System Plant and Equipment	(476,221)	(95,835)	-0-	(572,056)
Sewer System and Equipment	(256,366)	(4,863)	-0-	(261,229)
Water and Sewer System Additions	(431,532)	(11,455)	-0-	(442,987)
Other Equipment	<u>(33,899)</u>	<u>(3,966)</u>	<u>-0-</u>	<u>(37,865)</u>
	<u>(1,198,018)</u>	<u>(116,118)</u>	<u>-0-</u>	<u>(1,314,136)</u>
Total capital assets being depreciated, net	<u>3,989,378</u>	<u>(104,518)</u>	<u>-0-</u>	<u>3,884,860</u>
Total capital assets, net	<u>3,989,378</u>	<u>(104,518)</u>	<u>-0-</u>	<u>3,884,860</u>

WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Changes in property, plant and equipment for the year ended June 30, 2021 are as follows:

	<u>7/1/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>6/30/2021</u>
Capital assets, not being depreciated:				
Construction, work in progress	<u>3,140,746</u>	<u>-0-</u>	(3,140,746)	<u>-0-</u>
	<u>3,140,746</u>	<u>-0-</u>	<u>(3,140,746)</u>	<u>-0-</u>
Capital assets, being depreciated:				
Water System Plant and Equipment	789,011	3,320,485	-0-	4,109,496
Sewer System and Equipment	658,910	-0-	-0-	658,910
Water and Sewer System Additions	353,015	-0-	-0-	353,015
Other Equipment	<u>32,849</u>	<u>33,126</u>	<u>-0-</u>	<u>65,975</u>
	<u>1,833,785</u>	<u>3,353,611</u>	<u>-0-</u>	<u>5,187,396</u>
Less accumulated depreciation for:				
Water System Plant and Equipment	(394,221)	(82,000)	-0-	(476,221)
Sewer System and Equipment	(424,474)	(9,257)	-0-	(433,730)
Water and Sewer System Additions	(247,108)	(7,060)	-0-	(254,168)
Other Equipment	<u>(31,712)</u>	<u>(2,188)</u>	<u>-0-</u>	<u>(33,900)</u>
	<u>(1,097,515)</u>	<u>(100,505)</u>	<u>-0-</u>	<u>(1,198,019)</u>
Total capital assets being depreciated, net	<u>736,270</u>	<u>3,253,106</u>	<u>-0 -</u>	<u>3,989,377</u>
Total capital assets, net	<u>3,877,016</u>	<u>3,253,106</u>	<u>(3,140,746)</u>	<u>3,989,377</u>

SUPPLEMENTAL INFORMATION

**WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
SCHEDULE OF REVENUES
AND EXPENSES BY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2022**

June 30, 2022

OPERATING REVENUES	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
User Fees	190,865	69,091	259,956
Other Income	<u>8,170</u>	<u>2,958</u>	<u>11,128</u>
Total Operating Revenues	<u>199,035</u>	<u>72,049</u>	<u>271,084</u>
OPERATING EXPENSES			
Wages	40,077	14,823	54,900
Repairs	64,869	23,993	88,862
Utilities	10,527	3,893	14,420
Professional fees	8,279	3,062	11,341
Office Expense and Supplies	1,923	712	2,635
Supplies and Materials	33,540	12,410	45,950
Payroll Taxes	3,108	1,150	4,258
Postage	1,036	383	1,419
Insurance	8,104	2,998	11,102
Equipment Rental	214	79	293
Miscellaneous Expense	5,381	1,990	7,371
Depreciation	84,766	31,352	116,118
Bad Debt Expense	4,808	1,778	6,586
Amortization	931	344	1,275
License and Fees	<u>1,104</u>	<u>408</u>	<u>1,512</u>
Total Operating Expenses	<u>268,667</u>	<u>99,375</u>	<u>368,042</u>
NET OPERATING INCOME	<u>(69,632)</u>	<u>(27,326)</u>	<u>(96,958)</u>
NON-OPERATING REVENUE (EXPENSE)			
Interest Income	278	100	378
Interest Expense	<u>(20,944)</u>	<u>(7,581)</u>	<u>(28,525)</u>
Total Non-Operating Revenue (Expense)	<u>(20,666)</u>	<u>(7,481)</u>	<u>(28,147)</u>
NET INCOME	<u>(90,298)</u>	<u>(34,807)</u>	<u>(125,105)</u>

**WATER AND SEWER DISTRICT OF THE CITY OF SWIFTON, ARKANSAS
SCHEDULE OF REVENUES
AND EXPENSES BY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2022**

June 30, 2021

OPERATING REVENUES	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
User Fees	190,915	68,419	259,334
Other Income	<u>16,041</u>	<u>5,749</u>	<u>21,790</u>
Total Operating Revenues	<u>206,956</u>	<u>74,168</u>	<u>281,124</u>
OPERATING EXPENSES			
Wages	37,409	13,406	50,815
Repairs	5,644	2,023	7,667
Utilities	14,324	5,133	19,457
Professional fees	9,224	3,306	12,530
Office Expense and Supplies	2,058	737	2,795
Supplies and Materials	23,077	8,270	31,347
Payroll Taxes	2,895	1,037	3,932
Postage	1,380	495	1,875
Insurance	7,702	2,760	10,462
Equipment Rental	312	112	424
Miscellaneous Expense	5,265	1,887	7,152
Depreciation	91,661	8,844	100,505
Amortization	938	336	1,274
License and Fees	<u>1,193</u>	<u>427</u>	<u>1,620</u>
Total Operating Expenses	<u>203,082</u>	<u>48,773</u>	<u>251,855</u>
NET OPERATING INCOME	<u>3,874</u>	<u>25,395</u>	<u>29,269</u>
NON-OPERATING REVENUE (EXPENSE)			
Interest Income	347	124	471
Interest Expense	<u>(23,416)</u>	<u>(8,392)</u>	<u>(31,808)</u>
Total Non-Operating Revenue (Expense)	<u>(23,069)</u>	<u>(8,268)</u>	<u>(31,337)</u>
NET INCOME	<u>(19,195)</u>	<u>17,127</u>	<u>(2,068)</u>