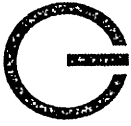


BLACK ROCK WATER AND SEWER DEPARTMENT
AN ENTERPRISE FUND OF THE
CITY OF BLACK ROCK, ARKANSAS

AGREED-UPON PROCEDURES
Year Ended December 31, 2021

GOAD & COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
JONESBORO, ARKANSAS



GOAD & COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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James W. Goad, CPA
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

Bonnie Ragsdale
Darlene Schmidt
Black Rock Water and Sewer Department,
an Enterprise Fund of the City of Black Rock, Arkansas
491 Elm Street
Black Rock, AR 72415

We have performed the procedures enumerated below on the accounting records of Black Rock Water and Sewer Department, an enterprise fund of the City of Black Rock, Arkansas, as of and for the year ended December 31, 2021. Black Rock Water and Sewer Department's management is responsible for the entity's accounting records.

Black Rock Water and Sewer Department has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with Ark. Code Ann. 14-234-119. Additionally, the Legislative Joint Auditing Committee has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Cash

- A. We performed a proof of cash for the year and reconciled bank balances to book balances.
- B. We confirmed with depository institutions the cash on deposit.
- C. We agreed the proof of cash ending balances to the book balances within 5% or \$500, whichever was greater.

No exceptions were found as a result of applying these procedures.

2. Receipts

- A. We agreed the deposits per the proof of cash for the year with deposits per the journal within 5% or \$500, whichever was greater.
- B. We agreed ten customer payments on the accounts receivable subledger to deposit and billing documents.
- C. For ten deposits, we agreed the cash/check composition of the deposit with receipt information.

No exceptions were found as a result of applying these procedures.

3. Accounts Receivable

- A. We agreed ten customer billings to the accounts receivable subledger.
- B. We determined that five customer adjustments were properly authorized.

No exceptions were found as a result of applying these procedures.

4. Disbursements

- A. We agreed the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or \$500, whichever was greater.
- B. We analyzed all property, plant, and equipment disbursements.
- C. We selected all disbursements paid to employees, other than payroll, and we selected ten other disbursements and determined if they were adequately documented.

No exceptions were found as a result of applying these procedures.

5. Property and Equipment

- A. We determined that additions and disposals were properly accounted for in the records. (Materiality level – 5% of the total equipment or \$500, whichever was greater.)

No exceptions were found as a result of applying this procedure.

6. Long-Term Debt

- A. We scheduled long-term debt and verified changes in all balances for the year.
- B. We confirmed bonds and note payable with lenders.
- C. We determined that the appropriate debt service accounts have been established and maintained.

No exceptions were found as a result of applying these procedures.

7. General

- A. We determined that any items of financial significance were approved and documented in the minutes of the governing body's meetings.

No exceptions were found as a result of applying this procedure.

We were engaged by Black Rock Water and Sewer Department to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Black Rock Water and Sewer Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We compiled a statement of fund net position of Black Rock Water and Sewer Department, an enterprise fund of the City of Black Rock, Arkansas, as of December 31, 2021, and the related statements of revenues, expenses and changes in fund net position, and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A copy of our report is included.

This report is intended solely for the information and use of Black Rock Water and Sewer Department and the Bureau of Legislative Audit and is not intended to be and should not be used by anyone other than those specified parties.

Goad & Company, PLLC

Jonesboro, AR
February 17, 2023

BLACK ROCK WATER AND SEWER DEPARTMENT
AN ENTERPRISE FUND OF THE
CITY OF BLACK ROCK, ARKANSAS

FINANCIAL STATEMENTS
Year Ended December 31, 2021

GOAD & COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
JONESBORO, ARKANSAS

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the City of Black Rock Mayor
Black Rock Water and Sewer Department, an Enterprise Fund of the City of Black Rock, Arkansas
Black Rock, Arkansas

Management is responsible for the accompanying financial statements of Black Rock Water and Sewer Department, an enterprise fund of the City of Black Rock, Arkansas, as of and for the year ended December 31, 2021, and related notes to the financial statements, which collectively comprise the Black Rock Water and Sewer Department's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The supplementary information contained in the Schedule of Current Usage Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, conclusion, nor provide any assurance on such information.

Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required 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.

Goad & Company, PLLC

Jonesboro, Arkansas
February 17, 2023

BLACK ROCK WATER & SEWER DEPARTMENT
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

STATEMENT OF FUND NET POSITION

December 31, 2021

ASSETS

Current Assets

Cash	\$ 29,079
Certificates of deposit	5,050
Accounts receivable	30,230
Unbilled revenues	1,988
Inventory	3,872
Prepaid insurance	1,177
Restricted cash and cash equivalents	<u>62,382</u>
Total Current Assets	133,778

Capital Assets Being Depreciated

Property and equipment	3,507,091
Less accumulated depreciation	<u>(1,639,804)</u>
Total Capital Assets (Net)	<u>1,867,287</u>

Total Assets	<u><u>\$ 2,001,065</u></u>
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See accompanying notes and accountant's compilation report.

BLACK ROCK WATER & SEWER DEPARTMENT
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

STATEMENT OF FUND NET POSITION

December 31, 2021

(Continued)

LIABILITIES

Current Liabilities

Accounts payable	\$ 9,476
Accrued payroll liabilities	42
Accrued sales tax	1,337
Accrued interest	1,152
Customer meter deposits payable from restricted assets	14,850
Current portion of bonds and note payable	<u>29,857</u>
Total Current Liabilities	56,714

Noncurrent Liabilities

Bonds and note payable, net current portion	666,392
Payable to City of Black Rock	<u>15,000</u>
Total Noncurrent Liabilities	681,392

Net Position

Net investment in capital assets	1,169,885
Restricted	62,382
Unrestricted	<u>30,692</u>
Total Net Position	<u>1,262,959</u>

Total Liabilities and Net Position	<u><u>\$ 2,001,065</u></u>
------------------------------------	----------------------------

See accompanying notes and accountant's compilation report.

BLACK ROCK WATER & SEWER DEPARTMENT
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2021

OPERATING REVENUES

Water revenue	\$ 94,382
Sewer revenue	55,909
User fees	3,636
Penalties charged	6,676
Connect/reconnect fees	2,761
Miscellaneous income	273
Total Operating Revenues	<u>163,637</u>

OPERATING EXPENSES

Insurance	3,488
Legal & professional	17,164
Miscellaneous expense	1,680
Office expense	3,822
Supplies & repairs	22,911
Taxes & licenses	4,125
Utilities	23,285
Vehicle expense	1,130
Bad debts	4,388
Travel	1,357
Depreciation expense	72,027
Total Operating Expenses	<u>155,377</u>

Operating Income	<u>8,260</u>
------------------	--------------

NON-OPERATING REVENUE (EXPENSE)

Interest earned	231
Interest paid on capital debt	<u>(30,418)</u>
Total Non-Operating Revenue (Expense)	<u>(30,187)</u>

Change in Net Position	(21,927)
------------------------	----------

Net Position, Beginning of Year	1,284,886
Net Position, End of Year	<u><u>\$ 1,262,959</u></u>

See accompanying notes and accountant's compilation report.

BLACK ROCK WATER & SEWER DEPARTMENT
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income	\$ 8,260
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	72,027
Bad debts	4,388
Changes in certain assets and liabilities:	
Accounts receivable	(10,265)
Unbilled revenues	1,327
Accounts payable	(4,625)
Accrued payroll liabilities	(93)
Accrued sales tax	91
Customer meter deposits payable from restricted assets	455
Net Cash Provided by Operating Activities	<u>71,565</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(10,821)
Principal payments on 1998 revenue bond	(8,411)
Principal payments on 2004 revenue bond	(10,884)
Principal payments on NRWA note	(9,407)
Interest paid on capital debt	(30,418)
Net Cash Used in Capital & Related Financing Activities	<u>(69,941)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	231
Net Cash Provided by Investing Activities	<u>231</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	1,855
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS	
Beginning of Year	94,656
End of Year	<u>\$ 96,511</u>

See accompanying notes and accountant's compilation report.

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations.

The Black Rock Water and Sewer Department (the "Department"), an enterprise fund of the City of Black Rock, Arkansas is charged with the full responsibility for the efficient operation and control of the Department and to provide water and sewer services to the residents of the City of Black Rock, Arkansas.

Governmental Accounting Standards

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to enterprise funds of governmental entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting and financial reporting. The GASB periodically issues new or revised standards that are implemented by the Department.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Department's financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when incurred, regardless of the measurement focus applied.

Revenues are included in income as services are delivered. Billings are rendered and recorded monthly based on metered usage. Unbilled revenues are recorded at year-end and reported separately on the accompanying Statement of Fund Net Position.

As an enterprise (proprietary) fund, the Department classifies its revenues and expenses into the following classifications: operating revenue, operating expenses, non-operating revenue, and non-operating expenses.

Operating revenue and expenses are deemed as revenues realized by the Department in exchange for providing its primary services for water, sewer, and other charges. Non-operating revenues are those derived from the investment of cash reserves. Non-operating expenses include those related to interest costs.

The financial statements present only Black Rock Water and Sewer Department funds, accounts, and balances and are not intended to present the financial position, the results of operations, and the cash flows of the City of Black Rock, Arkansas.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021
(Continued)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents

For purposes of the Statement of Fund Net Position and the Statement of Cash Flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of twelve months or less when purchased. Restricted cash and cash equivalents on the statement of fund net position includes cash received for meter deposits and a debt service fund held in a certificate of deposit required for the bonds payable.

Certificates of Deposit

The Department's investments consist primarily of certificates of deposit through a local financial institution. The certificates of deposit are reported at cost, which approximates fair value. Interest income is reinvested.

Accounts Receivable

Accounts receivable are recorded at the amount the Department expects to collect on balances outstanding. The Department periodically evaluates its receivables to identify amounts that are uncollectible and writes off those amounts when collection attempts have been exhausted. Subsequent recoveries of amounts previously written off are credited directly to revenue. Management believes that all receivable balances are collectible as of December 31, 2021. Bad debt expense for the year ended December 31, 2021 was \$4,388.

Inventory Valuation

Inventory consists of material and supplies and is valued at the lower of cost or market using the First-In, First-Out method.

Capital Assets

Capital assets, which include property and equipment, are stated at historical cost. The Department has adopted a policy to capitalize acquisitions of property and equipment in excess of \$1,000. Repairs and maintenance and small equipment acquisitions are expensed as incurred. Expenditures that significantly increase asset value or extend useful lives are capitalized. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Water and sewer system	25 - 50 years
Building	15 years
Truck and equipment	5 - 10 years

Costs and related allowances for depreciation of assets sold or otherwise retired are eliminated for the asset and accumulated depreciation, and any gain or loss is recorded.

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021
(Continued)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The Department adopted provisions of Governmental Accounting Standards Board Statement No. 34 “*Basic Financial Statements -and Management's Discussion and Analysis – for State and Local Governments.*” Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a Statement of Fund Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position and a Statement of Cash Flows. It requires classification of net position into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as unspent proceeds.
- *Restricted* – This component of net position consists of constraints placed on net assets use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation.
- *Unrestricted* – This component of net position consists of net assets that do not meet the definition of “net investment in capital assets” or “restricted”.

Compensated Absences

Employees of the Department are entitled to pay for compensated absences based on length of employment and up to 60 days sick leave. It is impractical to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. It is the Department’s policy to recognize the cost when actually paid.

Management’s Review

The Department has evaluated subsequent events through February 17, 2023, the date the financial statements were available to be issued.

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021
(Continued)

NOTE 2 — CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS

Total cash, cash equivalents, and restricted cash and cash equivalents consist of the following as of December 31, 2021:

	Amount
Cash	\$ 29,079
Certificates of deposit	5,050
Restricted cash and cash equivalents	
Restricted certificate of deposit for debt service	47,532
Restricted cash for customer meter deposits	14,850
Total Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	<u>\$ 96,511</u>

Restricted for Debt Service

The United States Department of Agriculture (USDA) bond issue requires that a debt service fund be established, over a ten-year period, equal to the annual note payment. The Department has two loans subject to the requirement which have surpassed the ten-year period. The total required deposit for the 1998 bond issue is \$18,252 and the total required deposit for the 2004 bond issue is \$29,280, resulting in the total required restricted amount for debt service of \$47,532 as of December 31, 2021. The Department has a certificate of deposit designated for this purpose which had \$47,711 on deposit as of December 31, 2021.

Restricted for Customer Meter Deposits

The meter deposit for each connection to the system during 2021 was \$75; all prior connections were grandfathered in with no additional deposit required. When a customer withdraws from the system, the deposit, less any unpaid charges, is refunded. As of December 31, 2021, there were 275 deposits totaling \$14,850 on hand. The Department has a separate meter deposit account at a local bank with a balance of \$15,003 as of December 31, 2021.

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Department's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; U.S. Treasury and U.S. agencies and instrumentalities bonds or other obligations; bonds of the State of Arkansas or by bonds of a political subdivision thereof which has never defaulted on any of its obligations.

As of December 31, 2021 none of the Department's bank balances were exposed to custodial credit risk.

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021
(Continued)

NOTE 2 — CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS (Continued)

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and time deposits. Public funds may be invested in eligible investment securities having a maturity of no longer than 5 years from the date of acquisition unless, as documented at the time of acquisition, the investment is to fund or support a specific purpose and there are no expectations that the investment will be sold before maturity; an Arkansas bank certificate of deposit; an account established by a local government joint investment trust; or an Arkansas financial institution repurchase agreement for eligible investment securities in which the seller agrees to repurchase the investment at a price including interest earned during the holding period as determined by the repurchase agreement.

NOTE 3 — CAPITAL ASSETS

Capital assets consist of the following as of December 31, 2021:

	Beginning Balance	Additions	Disposals	Ending Balance
Water and sewer system	\$ 1,850,520	\$ 0	\$ 0	\$ 1,850,520
Building and equipment	1,484,122			1,484,122
Replacement meters	147,128			147,128
Water truck	14,500			14,500
Rotating assemblies	-			10,821
	3,496,270	# 0	# 0	# 3,507,091
Less: accumulated depreciation	(1,567,777)	(72,027)	0	(1,639,804)
	<u>\$ 1,928,493</u>	<u>\$ (72,027)</u>	<u>\$ 0</u>	<u>\$ 1,867,287</u>

Depreciation expense as of the year ended December 31, 2021 was \$72,027.

NOTE 4 — BONDS AND NOTE PAYABLE

Bonds and note payable as of December 31, 2021 consisted of two bond issues, 2004 and 1998, and a 2018 note for purposes of replacing water meters.

The 1998 bond issue was used to make major repairs and improvements to the existing water system. The issue bears interest at the rate of 4.5%. Monthly installments of \$1,521 began on October 8, 1998, with the final installment being due on September 15, 2038.

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021
(Continued)

NOTE 4 — BONDS AND NOTE PAYABLE (Continued)

The 2004 bond issue was used to expand and improve the wastewater system. The issue bears interest at the rate of 4.375%. Monthly installments of \$2,440 began on May 26, 2006, with the final installment being due on April 26, 2044.

In June 2018, the Department obtained a note from the National Rural Water Association. The note bears interest at the rate of 3.0%, and requires 120 monthly installments of \$966, with final payment due May 1, 2028.

The Department's bonds and note payable consist of the following as of December 31, 2021:

	Beginning Balance	Proceeds	Payments	Ending Balance
1998 Bond Issue	\$ 222,529	\$ 0	\$ (8,411)	\$ 214,118
2004 Bond Issue	425,458		(10,884)	414,574
2018 Note Payable	76,964		(9,407)	67,557
	<u>\$ 724,951</u>	<u>\$ 0</u>	<u>\$ (28,702)</u>	<u>\$ 696,249</u>
Less current portion				(29,857)
				<u><u>\$ 666,392</u></u>

Current maturities of the bonds and note payable as of December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ 29,857
2023	31,063
2024	32,320
2025	33,629
2026	34,993
Thereafter	534,387
	<u><u>\$ 696,249</u></u>

Interest expense for the year ended December 31, 2021 was \$30,418.

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021
(Continued)

NOTE 5 — RELATIONSHIP AND ACTIVITY WITH THE CITY

The Department is one of a number of departments and/or funds of the City of Black Rock established for a specific purpose. In October 2020, the City of Black Rock loaned \$15,000 to the Department for the purpose of assisting in cash flow. The loan is to be repaid with thirty-six equal monthly installments, beginning January 1, 2023.

The Department, as a convenience to customers, includes the fees for city-provided garbage collection and fire department in its monthly customer billings. At the beginning of the next month, these fees are remitted to the City of Black Rock. As of December 31, 2021, garbage collection and fire department fees were due to the City in the amount of \$6,203 and \$630, respectively. These balances are included in accounts payable on the accompanying Statement of Fund Net Position.

NOTE 6 — RISK MANAGEMENT

The Department is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage the risk of loss, the Department purchases commercial insurance policies, which included a worker's compensation insurance policy and a commercial vehicle policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 7 — FAIR VALUE OF INSTRUMENTS

The Department's financial instruments are cash, certificates of deposit, accounts receivable, accounts payable, accrued expenses, and bonds and note payable. The fair value of the instruments approximates their carrying values, either because of their short-term nature, or because their terms are similar to market terms.

SUPPLEMENTAL INFORMATION

BLACK ROCK WATER AND SEWER
AN ENTERPRISE FUND OF THE CITY OF BLACK ROCK, ARKANSAS

Schedule of Current Usage Information
Year Ended December 31, 2021

Water Usage Rates as of:

Water Rates	12/31/2021	1/1/2022
First 2,000 gallons	\$ 16.00	\$ 16.00
Per 1,000 gallons, next 4,000 gallons	4.25	4.25
Per 1,000 gallons, over 6,000 gallons	2.25	2.25
 Sewer Rates		
First 1,000 gallons	11.25	11.25
Per 1,000 gallons, next 3,000 gallons	2.75	2.75
Per 1,000 gallons, over 4,000 gallons	2.00	2.00

Number of Users and Billed Usage	Number of Users		Billed Usage (in gallons)	
	2021	2020	2021	2020
January	420	402	1,070,001	1,020,001
February	418	404	1,585,001	1,492,001
March	421	404	1,163,002	1,065,001
April	422	402	1,194,002	1,012,000
May	420	402	1,335,010	1,097,001
June	422	405	1,601,000	1,195,000
July	425	409	1,325,000	1,558,000
August	430	414	1,526,000	1,415,000
September	428	418	1,642,000	1,461,002
October	422	419	1,196,000	1,523,005
November	423	417	1,588,000	1,153,002
December	420	419	1,252,000	1,057,004

See accompanying notes and accountant's compilation report.