

 City of Fort Smith 623 Garrison Ave P.O. Box 1907 Fort Smith, AR 72902		Billing Questions: myutilitybill@fortsmithar.gov Water/Sewer Questions: (479) 784-2262 Sanitation Questions: (479) 784-2350 After Hour Emergency: (479) 784-2342 Pay your bill online, visit accounts.fortsmithar.gov					
Customer Name			Service Address				
Bill Number	Bill Date	Account Number - Customer ID (CID)			Current Billing Due Date		
2301657	11/12/2021				12/03/2021		
Charge Description	Meter Number	Previous Read Date	Current Read Date	Previous Reading	Current Reading	Usage	Charge Amount
WATER RESIDENTIAL BASE							4.97
WATER RESIDENTIAL VOLUME	Z00686470	09/28/2021	10/12/2021	347	364	17	47.70
RATE STEP		USAGE		RATE		TIER CHARGE	
TIER ONE		5		2.280000		11.40	
TIER TWO		10		2.960000		29.60	
TIER THREE		2		3.350000		6.70	
AR SAFT DRINKING WATER FEE							0.40
CONNECTION FEE							30.00
WATER SALES TAX							5.13
Total							88.20
SEWER RESIDENTIAL BASE CHARGE							4.50
SEWER RESIDENTIAL VOLUME CHG				347	384	17	143.65
RATE STEP		USAGE		RATE		TIER CHARGE	
TIER 1		17		6.450000		143.65	
Total							148.15
SANITATION RESIDENTIAL							0.81
RESIDENTIAL DIAL-A-TRUCK SERVICE							60.00
SANITATION SALES TAX							0.67
Total							67.48
1 CCF equals 748 Gallons				Total Current Billing		303.83	
				Previous Balance		10.89	
				Late Fee		0.00	
				Adjustments / Deposits		0.00	
				Less Payments Received		10.89	
				Total Due		\$303.83	
<small>24/7 PAY BY PHONE SERVICE **1-866-344-8380** \$2.00 CONVENIENCE FEE MOVING? YOU ARE RESPONSIBLE FOR CHARGES UNTIL YOU STOP/TRANSFER SERVICES. CALL US TO AVOID PAYING SERVICES NOT USED.</small>							

THE CITY OF FORT SMITH
 UTILITY BILLING FOR MISCELLANEOUS SERVICES

2021-9

Utility Department

Executive Summary

BACKGROUND

The City provides water, sewer and sanitation services that are billed monthly by the Utility Department based upon certain charge rates. It also charges for a variety of miscellaneous charges when applicable each month: See Exhibit 1 for a schedule of these various charges. A miscellaneous charge may be set to bill for a certain number of billing cycles or a certain quantity of charges and should bill with the next billing cycle for each account. Miscellaneous charges may also be added by adjustment.

AUDIT SCOPE AND OBJECTIVES

The scope of the audit considered the miscellaneous charges billed and unbilled in the Tyler Munis system. Our audit objectives were as follows:

1. Determine if miscellaneous charges are billed appropriately.
2. Evaluate the miscellaneous charges entry and billing processes.
3. Determine that customer accounts were charged the appropriate miscellaneous charge(s).

CONCLUSIONS AND SIGNIFICANT ISSUES

We believe that we have obtained sufficient and appropriate evidence to adequately support the conclusions provided below as required by professional auditing standards. Each conclusion is aligned with the related Audit Objective for consistency and reference. For detailed findings, recommendations, management responses, comments, and assessment of responses see the “Detailed Findings, Recommendations, Management Responses, and Assessment of Responses” section of this report.

- **ALL PENDING MISCELLANEOUS CHARGES THAT ARE ENTERED ARE NOT ALWAYS BILLED. (HIGH)** - 530 miscellaneous charges totaling \$26,496 in unbilled revenue did not bill during the billing cycle as they should have, are now past the current billing dates and have action dates from 10/21/2020 through 11/28/2021.
- **MISCELLANEOUS CHARGES ARE ENTERED WITH NO \$ AMOUNT. (HIGH)** – As of 09/28/2021, there were 157 Miscellaneous Charges with \$0 amount.
- **THE PROCEDURE FOR DETERMINING THE ACTION DATE IS NOT CONSISTENTLY FOLLOWED. (HIGH)** – Miscellaneous charges should be entered with an action date from 0 to 1 days from the date that the account was set up. In some instances, the action date is actually before the service start date.
- **THE PENDING MISCELLANEOUS CHARGES ARE NOT PERIODICALLY REVIEWED. (HIGH)** - The unbilled Miscellaneous Charges are not periodically reviewed and corrected prior to each billing cycle.
- **ACTIVATION AND TRANSFER FEES FOR 1,800 NEW SERVICES WERE NOT CHARGED. (HIGH)** – Customer Service does not ensure the \$30 activation fee is charged to the customer’s account for all new services or to transferred account.

EXHIBIT 1

Miscellaneous Charge Revenues

For the Years Ended 2019, 2020 and 2021

Miscellaneous Charges

Miscellaneous Charge Code Billed	Responsible Department	2019	2020	2021
15500 - WATER TAP FEE	Utility	337,797.42	215,186.30	239,937.00
15510 - RYE HILL CONNECTION	Utility	6,380.00	15,080.00	44,660.00
35000 - SEWER TAP FEE	Utility	79,175.00	65,730.00	68,328.00
35200 - BIODEGRADABLE SEWER CHG (BOD)	Utility	85,678.99	81,620.29	152,405.35
35300 - SUSPENDED SOLIDS SEWER (TSS)	Utility	25,973.68	21,884.74	32,245.78
40100 - RESIDENTIAL DIAL A TRUCK SERVICE	Sanitation	0.00	300.00	3,180.00
40200 - BRUSH COLLECTION SERVICE	Sanitation	0.00	600.00	3,720.00
41099 - COMMERCIAL CONTAINER FEE	Sanitation	55,177.70	878.88	1,376.20
41101 - SAN COM EXTRA PICK UP 2 YD	Sanitation	1,616.00	1,462.53	2,063.49
42101 - SAN COM EXTRA PICK UP 4YD	Sanitation	228.02	477.77	402.06
43101 - SAN COM EXTRA PICK UP 6YD	Sanitation	239.60	292.47	404.74
43201 - SAN COM EXTRA PICK UP 8 YD	Sanitation	1,401.89	1,422.28	1,348.67
43600 - SPECIAL COLLECTION SERVICE	Sanitation	0.00	180.00	1,649.72
44000 - RELOCATION/SWAP OUT FEE	Sanitation	0.00	30.00	0.00
60000 - DEPOSIT	Sanitation	50.00	0.00	0.00
80000 - ACTIVATION FEE	Utility	192,750.00	187,200.00	159,180.00
90000 - PENALTY - 10%	Utility	240,770.71	345,827.46	849,701.21
90100 - DISCONNECT NOTICE FEE	Utility	0.00	0.00	5.00
90200 - RECONNECTION FEE	Utility	0.00	6,420.00	43,320.00
90210 - RECONNECTION FEE - AFTER HOURS	Utility	0.00	0.00	7,020.00
90500 - SERVICE CHARGES	Utility	297.96	270.00	1,500.00
90600 - NSF	Utility	7,511.00	8,265.00	9,686.00
Total		\$1,035,047.97	\$953,127.72	\$1,622,133.22

NOTE: This report was completed in December and sent to Management for responses. Due to the holidays, vacation, illnesses, Audit Committee feedback, and IA informing management several times that their responses were not correctly addressing the finding the report was not issued until April 2022.