

West Memphis Utility Department

FINANCIAL REPORT

December 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the West Memphis Utility Commission
West Memphis, Arkansas

We have audited the accompanying statements of net assets of the West Memphis Utility Department, of the City of West Memphis, Arkansas, as of December 31, 2011 and 2010, and the related statements of revenue, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the West Memphis Utility Department management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note A, the financial statements present only the West Memphis Utility Department and are not intended to represent fairly the financial position of the City of West Memphis, Arkansas, and the results of its operations and the cash flows of its proprietary and nonexpendable trust funds, in conformity with accounting principles generally accepted in the United States of America. Also, as discussed in Note A to the financial statements, the Department's investments in property, plant and equipment and the related reserves cannot presently be determined due to the insufficient historical records. The Department's records do not permit the application of adequate alternative procedures to verify the cost of property, plant and equipment. Further, the Department has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effect of such adjustments, if any, with respect to the investment in property, plant and equipment, and related allowances, had the records been auditable, and the omission of the management's discussion and analysis, the financial statements referred to above present fairly, in all material respects, the financial position of the West Memphis Utility Department as of December 31, 2011 and 2010, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits of the financial statements of the West Memphis Utility Department, an entity of the City of West Memphis (an Arkansas Municipal Corporation) for the years ended December 31, 2011 and 2010, were intended primarily for the purpose of formulating an opinion on the basic financial statements taken as a whole. The additional information presented on pages 16 and 17 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the examination of the basic financial statements and, accordingly, we express no opinion on it.

West Memphis, Arkansas
June 28, 2012

Jackson, Howell & Associates, PLLC

**West Memphis Utility Department
STATEMENTS OF NET ASSETS
December 31**

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,830,830	\$ 3,966,007
Investments	12,402,460	14,891,010
Accounts receivable, net	5,623,597	4,948,466
Inventories	2,131,725	1,891,437
Interest receivable	54,765	130,360
Intergovernmental receivables	<u>2,659,342</u>	<u>2,923,809</u>
TOTAL CURRENT ASSETS	26,702,719	28,751,089
RESTRICTED ASSETS		
Cash and cash equivalents	11,649,098	11,321,899
Investments	2,185,711	1,117,391
Interest receivable	<u>22,604</u>	<u>13,036</u>
TOTAL RESTRICTED ASSETS	13,857,413	12,452,326
NON-CURRENT ASSETS		
Capital assets		
Land and improvements	1,890,903	1,723,059
Buildings and equipment	9,758,711	9,338,817
Electric plant	46,944,812	45,836,472
Water plant	17,973,783	17,797,578
Sewer plant	<u>27,810,545</u>	<u>27,116,874</u>
	104,378,754	101,812,800
Less accumulated depreciation	<u>75,066,684</u>	<u>72,888,935</u>
Net capital assets	29,312,070	28,923,865
Deferred debt expense, net	<u>78,285</u>	<u>82,675</u>
TOTAL NON-CURRENT ASSETS	<u>29,390,355</u>	<u>29,006,540</u>
	<u>\$69,950,487</u>	<u>\$70,209,955</u>

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

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,599,142	\$ 1,760,212
Intergovernmental payable	<u>61,723</u>	<u>54,809</u>
TOTAL CURRENT LIABILITIES	1,660,865	1,815,021
LIABILITIES, PAYABLE FROM RESTRICTED ASSETS		
Bond interest payable	63,531	64,848
Bond payable, current	405,000	395,000
Accounts payable	<u>78,741</u>	<u>245,967</u>
TOTAL LIABILITIES, PAYABLE FROM RESTRICTED ASSETS	547,272	705,815
NON-CURRENT LIABILITIES		
Customer deposits	1,166,439	1,170,014
Bond payable, non-current	9,430,000	9,835,000
Unamortized bond discount, net	<u>(94,695)</u>	<u>(100,005)</u>
TOTAL NON-CURRENT LIABILITIES	<u>10,501,744</u>	<u>10,905,009</u>
TOTAL LIABILITIES	12,709,881	13,425,845
NET ASSETS		
Invested in capital assets, net of related debt	29,312,070	28,923,865
Restricted for capital projects	11,649,098	11,321,899
Unrestricted	<u>16,279,438</u>	<u>16,538,346</u>
TOTAL NET ASSETS	<u>57,240,606</u>	<u>56,784,110</u>
	<u>\$69,950,487</u>	<u>\$70,209,955</u>

**West Memphis Utility Department
STATEMENTS OF REVENUE, EXPENSES
AND CHANGES IN NET ASSETS
For the Years Ended December 31**

	<u>2011</u>	<u>2010</u>
OPERATING REVENUE		
Charges for services		
Electric	\$28,231,176	\$27,450,488
Water	1,486,240	1,498,483
Sewer	1,524,582	1,515,067
Other	<u>325,936</u>	<u>625,554</u>
	31,567,934	31,089,592
 OPERATING EXPENSES		
Purchase power for resale	15,847,134	15,909,172
Transmission charges	1,575,877	1,465,933
General and administrative	6,881,184	6,011,298
Maintenance, operations, and contracted services	2,921,504	3,034,491
Payment in lieu of taxes	1,562,169	1,500,459
Depreciation	<u>2,177,750</u>	<u>2,116,345</u>
	<u>30,965,618</u>	<u>30,037,698</u>
 OPERATING INCOME	602,316	1,051,894
 NON-OPERATING REVENUE (EXPENSES)		
Investment income	251,651	371,974
Interest on bonds	(387,771)	(395,588)
Amortization	(9,700)	(9,700)
Transfer to police department	<u>-</u>	<u>(35,000)</u>
	<u>(145,820)</u>	<u>(68,314)</u>
 INCREASE IN NET ASSETS	456,496	983,580
 NET ASSETS AT BEGINNING OF YEAR	<u>56,784,110</u>	<u>55,800,530</u>
 NET ASSETS AT END OF YEAR	<u>\$57,240,606</u>	<u>\$56,784,110</u>

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

**West Memphis Utility Department
STATEMENTS OF CASH FLOWS
For the Years Ended December 31**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$30,889,226	\$30,304,678
Payments to suppliers for goods and services	(25,847,567)	(24,338,247)
Payments to employees	<u>(3,508,885)</u>	<u>(3,414,211)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,532,774	2,552,220
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers (to) from other funds	<u>271,382</u>	<u>(177,507)</u>
NET CASH (USED IN) PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	271,382	(177,507)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(2,565,954)	(2,831,824)
Principal paid on bonds	(395,000)	(390,000)
Interest paid on bonds	<u>(389,088)</u>	<u>(396,887)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(3,350,042)	(3,618,711)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	317,678	428,962
Sales (purchases) of investments	<u>1,420,230</u>	<u>(326,457)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,737,908</u>	<u>102,505</u>
NET INCREASE (DECREASE) IN CASH	192,022	(1,141,493)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>15,287,906</u>	<u>16,429,399</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$15,479,928</u>	<u>\$15,287,906</u>

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

West Memphis Utility Department
STATEMENTS OF CASH FLOWS - CONTINUED
For the Years Ended December 31

	<u>2011</u>	<u>2010</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 602,316	\$ 1,051,894
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,177,750	2,116,345
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(675,131)	(766,607)
(Increase) decrease in inventories	(240,288)	(379,168)
Increase (decrease) in accounts payable	(328,296)	548,063
Increase (decrease) in customer deposits	<u>(3,577)</u>	<u>(18,307)</u>
Total adjustments	<u>930,458</u>	<u>1,500,326</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 1,532,774</u>	 <u>\$ 2,552,220</u>

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

West Memphis Utility Department
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Operations

The West Memphis Utility Department (the "Department") of the City of West Memphis, Arkansas provides electric, water and sewer services for the City. The current West Memphis Utility Commission has the authority to recommend electric, water and sewer rates to the City Council which has final authority for approving utility rates. The Department purchases 37% of its energy from Constellation Energy. The balance is from generating and replacement power from Entergy.

Governmental Accounting Standards

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

Private-sector accounting standards are established by the Financial Accounting Standards Board ("FASB"). FASB standards issued on or before November 30, 1989, are generally followed for the financial statements to the extent those standards do not conflict with or contradict GASB pronouncements. In accordance with GASB Statement No. 20, paragraph 7, governments have the option to apply all FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements. The Department has elected to apply subsequent FASB standards.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Department's financial statements are reported using the economic resource management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Interfund items and transactions between the electric, water and sewer funds have been eliminated.

Accounts Receivable

Account receivable is recorded at the amount the Department expects to collect on balances outstanding at year-end. An allowance for uncollectible accounts is estimated and recorded based on the Department's historical bad debt experience and on management's judgment. The allowance for uncollectible accounts was \$500,000 and \$300,000 on December 31, 2011, and December 31, 2010, respectively.

West Memphis Utility Department
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Inventories

Inventories consist of materials and supplies for the following:

	<u>2011</u>	<u>2010</u>
Electric Department	\$ 617,787	\$ 653,747
Water Department	48,356	41,161
Sewer Department	5,996	5,463
Gas and Oil	52,678	48,284
Independence - Coal Stockpile	531,681	315,012
Independence - Materials and supplies	136,073	134,642
White Bluff - Coal Stockpile	557,791	510,469
White Bluff - Materials and supplies	<u>181,363</u>	<u>182,659</u>
Total	<u>\$2,131,725</u>	<u>\$1,891,437</u>

Inventories are stated at the lower of cost or market. Cost is determined using the average cost method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Expenditures for maintenance and repairs are expensed when incurred. Additions, major improvements and replacements of units are capitalized and depreciated on a straight-line basis over the estimated useful lives of the various classes as follows:

	<u>Years</u>
Buildings	40
Furniture, fixtures and equipment	8 - 10
Plant in service	20 - 40
Investment in electric generating plant	27 - 28

Costs and related allowances for depreciation of assets sold or otherwise retired are eliminated from the asset and accumulated depreciation accounts where detail property records are available.

The Department's detailed property, plant and equipment records do not provide sufficient historical detail to determine the cost of individual assets. Due to this inadequacy, it is not always possible to determine the historical cost of property, plant and equipment to be retired. Therefore, certain assets have not been removed from the books when retired.

West Memphis Utility Department
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Assets

Equity for proprietary fund financial statements is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net assets - consists of net assets with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Short-term Investments

Short-term investments are stated at cost unless there is an indication of permanent impairment of value, in which case the adjustment to market value is included in results of operations. Interest income is accrued as earned.

Classification of Revenues and Expense

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

Operating revenues and expenses are deemed as revenues realized by the Department in exchange for providing its primary services for electric, water, sewer and other charges. Non-operating revenues are those derived from the investment of cash reserves and from entities other than customers and other ancillary sources. Non-operating expenses include those related to bond costs and amortization expenses.

Revenues

Revenues are included in income as services are delivered. The Utility Department reads customers meter that will normally span a month; i.e., January 15, 2011, would include services delivered but not billed for 15 days in December. Included in the accounts receivable at December 31, 2011 and 2010, was an estimate for these unbilled services totaling \$1,446,661 and \$1,483,468, respectively.

Deferred Debt Expense

Cost associated with issuing the Series 2009 revenue bond has been deferred and is being amortized using the straight-line method over the life of the bond.

West Memphis Utility Department
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Statements of Cash Flows - Cash Equivalents

For purposes of the statements of cash flows, the Department considers all liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of 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 certain reported amounts and disclosures. Accordingly, actual amounts could differ from these estimates.

Risk Management

The Department purchases commercial insurance coverage for claims arising out of bodily injury or property damage as well as property insurance on Department properties, which includes earthquake and flood coverage. There were no significant reductions in insurance coverage in the current year. Additionally, there were no significant settlements, which exceeded insurance coverage for each of the past three years. The Department employees were members of the City of West Memphis Employee Self-Insured Benefit Plan that was administered by CIGNA Healthcare Insurance Company through June 30, 2011. The City was required to maintain a benefit plan account which would be sufficient at all times to fund plan benefits and plan related expenses. On July 1, 2011, the City changed to a fully funded plan with United Healthcare.

Compensated Absences

Employees of the Department are entitled to pay for compensated absences depending on job classification, length of service, and other factors. It is the Department's policy to recognize the cost of compensated absences when actually paid to the employees.

Events Occurring After Reporting Date

The Company has evaluated events and transactions that occurred between December 31, 2011, and June 28, 2012, which is the date that financial statements were available to be issued, for possible recognition or disclosure in the financial statements

NOTE B - INVESTMENT IN GENERATING PLANTS

In 1980, the Department entered into an Ownership Agreement with Entergy whereby it purchased a 1% interest in two fossil fuel electric generating plants in Arkansas, one at White Bluff and one in Independence County. Both generating plants include two fully operational generating power units. The Department financed these purchases through the issuance of revenue bonds (See Note E).

West Memphis Utility Department
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - INVESTMENT IN GENERATING PLANTS - CONTINUED

As a party to the Ownership Agreement, the Department was required to pay its 1% share of the construction costs of the plants, as incurred by Entergy and as defined in the Agreement. After commercial operation of the plants began, the Department was also responsible for its 1% share of additions or replacements at each plant. The amounts recorded (including capitalized interest), of \$11,311,474 and \$10,564,430 for White Bluff and Independence, respectively, represent the Department's 1% share of plant construction cost.

The Department is also a party to an Operating Agreement with Entergy whereby it has agreed to pay 1% of the operating costs (mainly operations and maintenance expenses, not including fuel) of the plants. Furthermore, the Department also pays for 1% of the coal purchased by the plants and this amount is included in inventory on the accompanying balance sheets.

These agreements entitle the Department to 1% of the net generating capacity and energy of the plants, which is delivered to West Memphis in accordance with a transmission agreement.

NOTE C - CASH AND SHORT-TERM INVESTMENTS

The Treasurer of West Memphis Utility Commission is authorized by the State of Arkansas Statutes to invest excess cash balances in short-term investments. At December 31, 2011, cash and short-term investments are listed below:

	<u>Restricted</u>	<u>Unrestricted</u>
CASH	\$11,649,073	\$ 3,830,830
INVESTMENTS:		
Certificates of Deposit	<u>2,185,711</u>	<u>12,402,460</u>
	<u>\$13,834,784</u>	<u>\$16,233,290</u>

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.

At December 31, 2011, none of the Department's bank balances of \$20,107,776 were exposed to custodial credit risk.

West Memphis Utility Department
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE D - RESTRICTED ASSETS

Restricted cash and investments represent amounts required to be maintained by agreements related to the bond issue and deposits received from customers.

NOTE E - REVENUE BONDS PAYABLE

On November 1, 2009, the Department issued \$10,620,000 of the Public Utility System Revenue Bond, Series 2009.

Principal payments are due annually in increasing amounts over 18 years beginning in 2010. Interest is payable semi-annually. The bond has various interest rates ranging from 2.0 - 4.5% dependent upon the maturity date. The bond discount of \$106,200 is being amortized over the life of the bond. The amortization of the bond discount for 2011 is \$6,195.

Current principal maturities of long-term debt as of December 31, 2011 are as follows:

2012	\$ 405,000
2013	410,000
2014	425,000
2015	435,000
2016	450,000
Thereafter	<u>7,710,000</u>
	<u>\$9,835,000</u>

NOTE F - RELATIONSHIPS WITH THE CITY

The Department is one of a number of departments and/or funds of the City of West Memphis established for a specific purpose. General services, such as personnel, data processing, financial administration and legal services are provided to the Department by the City. The costs associated with providing these services are charged to the Department by the City. The City also charges the Department an amount in lieu of franchise taxes.

The Department, as a convenience to customers, includes the fees for city-provided garbage collection in its monthly customer billings. These fees are remitted to the Sanitation Department monthly and are not reflected in the accompanying financial statements.

NOTE G - RELATED PARTY TRANSACTIONS

The Department purchases office supplies from Delta Office Supply, a company owned by the City Treasurer. The Department purchased \$5,342 and \$5,692 for the years ended December 31, 2011 and 2010, respectively.

West Memphis Utility Department
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE H - CONTINGENCY

The City of West Memphis is involved in a number of lawsuits arising in the ordinary course of business. None of the lawsuits are directly related to the West Memphis Utility Department.

NOTE I - PENSION PLAN

On January 1, 1977, the City established a defined contribution pension plan for all non-uniformed employees. The City contributes 6% of each participant's annual salary, and employees can also contribute a voluntary amount of not less than 2% of his/her regular pay to the plan. Participants vest in the employer's contribution at a rate of 20% per year. Eligibility commences one year from date of employment.

Employees have the option to invest the funds in their account. Employees are entitled only to the funds deposited by them and on their behalf; therefore, there is no unfunded liability.

The amount contributed to the pension plan and expensed by the Department was \$196,263 and \$190,317 for the years ended December 31, 2011 and 2010, respectively.

NOTE J - MAJOR VENDORS

Purchases for the year ended December 31, 2011, include purchases from two major vendors.

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Purchases from:				
Vendor A	\$8,107,866	46.54%	\$ -	-
Vendor B	-	-	9,987,183	57.48%
Vendor C	7,739,268	44.42%	5,921,989	34.08%
Accounts Payable:				
Vendor A	458,696	28.68%	-	-
Vendor B	-	-	746,203	37.20%
Vendor C	709,914	44.39%	529,214	26.38%

SUPPLEMENTARY INFORMATION

**West Memphis Utility Department
PROPERTY, PLANT AND EQUIPMENT
December 31, 2011**

	COST			
	Balance January 1, 2011	Additions and Transfers	Disposals and Transfers	Balance December 31, 2011
UTILITY, PLANT IN SERVICE				
Electric	\$ 24,119,628	\$ 949,280	\$ -	\$ 25,068,908
Generating plants				
White Bluff	11,187,754	123,720	-	11,311,474
Independence	10,529,089	35,341	-	10,564,430
	45,836,471	1,108,341	-	46,944,812
Water	17,797,578	176,205	-	17,973,783
Sewer	27,116,875	693,670	-	27,810,545
	90,750,924	1,978,216	-	92,729,140
OTHER PROPERTY, PLANT AND EQUIPMENT				
Land	418,341	-	-	418,341
Buildings	794,175	75,119	-	869,294
Building improvements	1,304,718	167,844	-	1,472,562
Furniture and fixtures	496,881	54,741	-	551,622
Transportation equipment	4,688,438	209,979	-	4,898,417
Miscellaneous equipment	3,359,323	80,055	-	3,439,378
	11,061,876	587,738	-	11,649,614
CONTRIBUTION IN AID OF CONSTRUCTION				
	-	-	-	-
	\$101,812,800	\$2,565,954	\$ -	\$104,378,754

ACCUMULATED DEPRECIATION

Balance January 1, 2011	Current Provision	Other Additions	Balance December 31, 2011
\$12,859,561	\$ 522,461	\$ -	\$13,382,022
9,730,538	71,081	-	9,801,619
<u>8,980,092</u>	<u>375,434</u>	-	<u>9,355,526</u>
31,570,191	968,976	-	32,539,167
10,053,456	270,658	-	10,324,114
<u>18,829,988</u>	<u>456,866</u>	-	<u>19,286,854</u>
60,453,635	1,696,500	-	62,150,135
-	-	-	-
330,259	17,401	-	347,660
589,884	35,066	-	624,950
284,437	36,472	-	320,909
3,524,692	248,513	-	3,773,205
<u>2,738,942</u>	<u>143,798</u>	-	<u>2,882,740</u>
7,468,214	481,250	-	7,949,464
<u>4,967,086</u>	-	-	<u>4,967,086</u>
<u>\$72,888,935</u>	<u>\$2,177,750</u>	<u>\$ -</u>	<u>\$75,066,685</u>

West Memphis Utility Department
UTILITY SALES AND CUSTOMER DATA
For the Years Ended December 31

	Electric Sales (KWH)		Number of Metered	
	<u>In Thousands</u>		<u>Customers</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Residential	156,518	167,120	10,429	10,568
Commercial & industrial	206,395	212,256	1,551	1,555
Public authority	<u>14,284</u>	<u>12,936</u>	<u>128</u>	<u>124</u>
	<u>377,197</u>	<u>392,312</u>	<u>12,108</u>	<u>12,247</u>

	Water Sale		Number of Metered	
	<u>(Thousand of Gallons)</u>		<u>Customers</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Residential	795,742	785,942	8,558	8,664
Commercial & industrial	699,190	763,709	1,051	1,064
Public authority	<u>31,543</u>	<u>27,879</u>	<u>33</u>	<u>31</u>
	<u>1,526,475</u>	<u>1,577,530</u>	<u>9,642</u>	<u>9,759</u>