

**West Memphis Utility Department
An Enterprise Fund of
The City of West Memphis, Arkansas**

FINANCIAL REPORT

December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the West Memphis Utility Commission
West Memphis, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of the West Memphis Utility Department, an enterprise fund of the City of West Memphis, Arkansas, which comprise the statements of net position as of December 31, 2020 and 2019, the related statement of revenues and expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, (collectively, financial statements).

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.

Auditors' Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from 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 Department'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 Department'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 opinion.

Basis of Qualified Opinion

As discussed in Note A to the financial statements, the Department's investments in property, plant and equipment and the related allowances 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.

Qualified Opinion

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, the financial statements referred to above present fairly, in all material respects, the net position of the West Memphis Utility Department as of December 31, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note A, the financial statements present only the West Memphis Utility Department, and do not purport to, and do not, present fairly the net position of the City of West Memphis, Arkansas, as of December 31, 2020 and 2019, and the changes in its net position for the years 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

Management has omitted management's discussion and analysis 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 the 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 this missing information.

Other Information

Our audits were conducted primarily for the purpose of formulating an opinion on the basic financial statements taken as a whole. The information presented on page 18 is included in the supplemental information due to insufficient historical records, therefore, the beginning balances are unaudited. 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
July 2, 2021

Jackson, Howell & Associates, PLLC

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
STATEMENTS OF NET POSITION
December 31

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,849,790	\$ 8,923,604
Investments	14,242,203	14,225,883
Accounts receivable, net	3,973,865	3,963,629
Inventories	2,293,815	1,513,186
Interest receivable	57,070	120,614
Intergovernmental receivables	2,115,677	2,139,713
Restricted assets		
Cash and cash equivalents	231,339	997,294
Investments	<u>1,630,073</u>	<u>1,463,368</u>
TOTAL CURRENT ASSETS	30,393,832	33,347,291
NON-CURRENT ASSETS		
Capital assets		
Land and improvements	3,749,114	3,483,576
Buildings and equipment	14,158,351	13,992,820
Electric plant	57,320,435	56,652,796
Water plant	21,207,955	21,106,714
Sewer plant	<u>35,504,232</u>	<u>31,868,891</u>
	131,940,087	127,104,797
Less accumulated depreciation	<u>95,809,083</u>	<u>93,249,474</u>
Net capital assets	<u>36,131,004</u>	<u>33,855,323</u>
	<u>\$66,524,836</u>	<u>\$67,202,614</u>

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

LIABILITIES AND NET POSITION

	<u>2020</u>	<u>2019</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,193,317	\$ 1,228,807
Intergovernmental payable	<u>104,928</u>	<u>70,270</u>
TOTAL CURRENT LIABILITIES	1,298,245	1,299,077
 NON-CURRENT LIABILITIES		
Customer deposits	<u>1,630,073</u>	<u>1,463,368</u>
TOTAL NON-CURRENT LIABILITIES	<u>1,630,073</u>	<u>1,463,368</u>
 TOTAL LIABILITIES	2,928,318	2,762,445
 NET POSITION		
Net investments in capital assets	36,131,004	33,855,323
Restricted for capital projects	231,339	997,294
Restricted for customer deposits	1,630,073	1,463,368
Unrestricted	<u>25,604,102</u>	<u>28,124,184</u>
TOTAL NET POSITION	<u>63,596,518</u>	<u>64,440,169</u>
	 <u>\$66,524,836</u>	 <u>\$67,202,614</u>

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN NET POSITION
For the Years Ended December 31

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE		
Charges for services		
Electric	\$23,349,967	\$26,861,316
Water	1,351,057	1,359,303
Sewer	1,396,713	1,361,089
Other	<u>220,873</u>	<u>231,192</u>
	26,318,610	29,812,900
OPERATING EXPENSES		
Purchase power for resale	9,297,427	11,218,082
Transmission charges	2,834,039	2,766,952
General and administrative	7,195,413	6,797,659
Maintenance, operations, and contracted services	4,108,172	5,022,167
Payment in lieu of taxes	1,293,820	1,436,099
Depreciation	<u>2,559,609</u>	<u>2,439,208</u>
	<u>27,288,480</u>	<u>29,680,167</u>
OPERATING INCOME	(969,870)	132,733
NON-OPERATING REVENUE (EXPENSES)		
Investment income	<u>126,219</u>	<u>297,917</u>
	<u>126,219</u>	<u>297,917</u>
INCREASE (DECREASE) IN NET POSITION	(843,651)	430,650
NET POSITION AT BEGINNING OF YEAR	<u>64,440,169</u>	<u>64,009,519</u>
NET POSITION AT END OF YEAR	<u>\$63,596,518</u>	<u>\$64,440,169</u>

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

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
STATEMENTS OF CASH FLOWS
For the Years Ended December 31

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$26,475,079	\$30,286,821
Payments to suppliers for goods and services	(21,771,004)	(24,090,104)
Payments to employees	<u>(3,773,985)</u>	<u>(3,446,058)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	930,090	2,750,659
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers (to) from other funds	<u>58,694</u>	<u>(535,014)</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	988,784	(535,014)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	<u>(4,835,290)</u>	<u>(2,301,036)</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(4,835,290)	(2,301,036)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	189,763	252,281
Purchases of investments	(183,026)	-
Sale of investments	<u>-</u>	<u>2,488,172</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>6,737</u>	<u>2,740,453</u>
NET INCREASE (DECREASE) IN CASH	(3,839,769)	2,655,062
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>9,920,898</u>	<u>7,265,836</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,081,129</u>	<u>\$ 9,920,898</u>

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

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
STATEMENTS OF CASH FLOWS - CONTINUED
For the Years Ended December 31

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH		
PROVIDED BY OPERATING ACTIVITIES:		
Operating income	(969,870)	132,733
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,559,610	2,439,208
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(10,236)	399,949
(Increase) decrease in inventories	(780,629)	53,233
Increase (decrease) in accounts payable	(35,490)	(348,436)
Increase (decrease) in customer deposits	<u>166,705</u>	<u>73,972</u>
Total adjustments	<u>1,899,960</u>	<u>2,617,926</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 930,090</u></u>	<u><u>\$ 2,750,659</u></u>

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

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Operations

The West Memphis Utility Department (the “Department”), an enterprise fund 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 energy from Cleco Cajun, LLC. The Department is a member of the Mid-Continent Independent System Operator (MISO) system. MISO is an Independent System Operator (ISO) and a Regional Transmission Organization (RTO) that offers open access transmission, monitors the high-voltage transmission grid and operates a Day-2 energy market for electric utilities in the region.

Governmental Accounting Standards

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America as applied 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. Interfund items and transactions between the electric, water and sewer funds have been eliminated.

Fair Value of Financial Instruments

The Department’s financial instruments include cash and cash equivalents, certificates of deposit, accounts receivable and accounts payable. The Department’s estimate of fair value of all financial instruments does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of net asset. The carrying amount of these financial instruments approximate fair value because of the short maturity of these investments.

Cash and 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.

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.

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 on December 31, 2020, and December 31, 2019.

Inventories

Inventories consist of materials and supplies for the following:

	<u>2020</u>	<u>2019</u>
Electric Department	\$ 547,222	\$ 497,838
Water Department	77,943	57,751
Sewer Department	14,023	7,044
Gas and Oil	25,102	50,647
Independence - Coal Stockpile	614,467	248,594
Independence - Materials and supplies	260,280	214,982
White Bluff - Coal Stockpile	501,486	230,764
White Bluff - Materials and supplies	<u>253,292</u>	<u>205,566</u>
Total	<u>\$2,293,815</u>	<u>\$1,513,186</u>

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

Capital Assets

Capital assets, which include 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	6 - 10
Plant in service	20 - 50
Investment in electric generating plant	27 - 30

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.

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

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. A schedule has been included in the supplemental information due to this inadequacy.

Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the Department's financial statements. Net position is classified in the following categories:

1. Net investment in capital assets - This amount consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of those assets.
2. Restricted net position - This amount is restricted by creditors, grantors, contributors, or laws or regulations of the government.
3. Unrestricted net position - This amount is the net assets that does not meet the definition of "net investment of capital assets" or "restricted net position".

The Department's activities and net position are tracked in the accounting system by numerous sources of funds. Certain assets are restricted for specific purposes. Legal and contractual agreements restrict amounts for debt service, refund of customer deposits and capital improvements. The general manager, in conjunction with the finance director, utility commission and city council are authorized to assign amounts to a specific purpose. The Department does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when expenses are incurred for purposes for which both restricted and unrestricted amounts are available. Restricted funds are first used for expenses when available at the discretion of management depending on the availability of funds.

Classification of Revenues and Expense

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 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.

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition

Revenues are included in income as services are delivered. Billings are rendered and recorded monthly based on metered usage. Included in the accounts receivable at December 31, 2020 and 2019, was an estimate for these unbilled services totaling \$1,287,750 and \$1,241,686, respectively.

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.

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.

Subsequent Events

The Company has evaluated events and transactions that occurred between December 31, 2020, and July 2, 2021 which is the date that financial statements were available to be issued, for possible recognition or disclosure in the financial statements. The Arkansas Department of Energy and Environment, Division of Environmental Quality (ADEQ), issued a Consent Administrative Order (CAO) in connection with water inflow and infiltration of ground water into the sewer system. In response, the Utility Commission has hired Fisher Arnold, Inc., engineering firm, to amend the corrective action plan to achieve compliance by the final compliance date of December 31, 2023.

NOTE B - 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, 2020 and 2019, cash and short-term investments are listed below:

	<u>2020</u>		<u>2019</u>	
	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>
CASH	\$ 231,339	\$ 5,849,790	\$ 997,294	\$ 8,923,604
INVESTMENTS:				
Certificates of Deposit	<u>1,630,073</u>	<u>14,242,203</u>	<u>1,463,368</u>	<u>14,225,883</u>
	<u>\$1,861,412</u>	<u>\$20,091,993</u>	<u>\$2,460,662</u>	<u>\$23,149,487</u>

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - CASH AND SHORT-TERM INVESTMENTS - CONTINUED

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, 2020 and 2019, none of the Department's bank balances of \$22,256,232 and \$26,287,704, respectively, were exposed to custodial credit risk.

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 C - 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.

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 \$12,668,059 and \$11,963,240 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.

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C - INVESTMENT IN GENERATING PLANTS - CONTINUED

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 D - RESTRICTED ASSETS

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

NOTE E - 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 F - INTERGOVERNMENTAL BALANCES

During the course of its operations, the Department has numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that certain transactions between funds have not been paid or received as of December 31, 2020, balances of interfund amounts receivable or payable have been recorded as "intergovernmental receivables/payables". All interfund balances are expected to be paid within one year.

NOTE G - RISK MANAGEMENT

The Utility is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to independent contractors and natural disasters, all of which is satisfactorily insured by general liability service. Commercial insurance policies are also obtained for other risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE H - CONTINGENCY

The City of West Memphis is involved in a number of lawsuits arising in the ordinary course of business. One of the lawsuits is directly related to the West Memphis Utility Department, but an evaluation of an unfavorable outcome cannot be made at this time.

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I - PENSION PLAN

In January 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 \$202,243 and \$181,788 for the years ended December 31, 2020 and 2019, respectively.

NOTE J - MAJOR VENDORS

Purchases for the year ended December 31, 2020 and 2019, include purchases from two major vendors.

	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Purchases from:				
Vendor A	\$9,074,791	97.61 %	\$11,202,203	99.86%
Accounts Payable:				
Vendor A	\$609,693	57.44%	\$695,417	69.01%
Vendor B	175,290	16.51%	83,863	8.32%
Vendor C	324,557	30.58%	228,352	22.66%

SUPPLEMENTARY INFORMATION

West Memphis Utility Department
An Enterprise Fund of the City of West Memphis, Arkansas
CAPITAL ASSETS
December 31, 2020

	COST			
	Balance January 1, <u>2020</u>	Additions and <u>Transfers</u>	Disposals and <u>Transfers</u>	Balance December 31, <u>2020</u>
UTILITY, PLANT IN SERVICE				
Electric	\$ 32,256,461	\$ 432,673	\$ -	\$ 32,689,134
Generating plants				
White Bluff	12,601,828	66,231	-	12,668,059
Independence	<u>11,794,507</u>	<u>168,735</u>	<u>-</u>	<u>11,963,242</u>
	56,652,796	667,639	-	57,320,435
Water	21,106,714	101,240	-	21,207,954
Sewer	<u>31,868,891</u>	<u>3,635,341</u>	<u>-</u>	<u>35,504,232</u>
	109,628,401	4,404,220	-	114,032,621
CAPITAL ASSETS				
Land	418,341	-	-	418,341
Buildings	1,903,506	-	-	1,903,506
Building improvements	3,065,235	265,539	-	3,330,774
Furniture and fixtures	749,493	-	-	749,493
Transportation equipment	6,833,672	135,500	-	6,969,172
Miscellaneous equipment	<u>4,506,149</u>	<u>30,031</u>	<u>-</u>	<u>4,536,180</u>
	17,476,396	431,070	-	17,907,466
CONTRIBUTION IN AID OF CONSTRUCTION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$127,104,797</u>	<u>\$4,835,290</u>	<u>\$ -</u>	<u>\$131,940,087</u>

ACCUMULATED DEPRECIATION

Balance January 1, <u>2020</u>	<u>Current Provision</u>	<u>Other Additions</u>	Balance December 31, <u>2020</u>
\$18,980,979	\$ 785,112	\$ -	\$19,766,091
10,555,680	120,105	-	10,675,785
<u>9,995,540</u>	<u>107,365</u>	-	<u>10,102,905</u>
39,532,199	1,012,582	-	40,544,781
12,935,738	375,171	-	13,310,909
<u>23,633,672</u>	<u>702,119</u>	-	<u>24,335,791</u>
76,101,609	2,089,872	-	78,191,481
-	-	-	-
607,261	41,906	-	649,167
976,532	68,304	-	1,044,836
615,126	25,528	-	640,654
6,090,801	239,492	-	6,330,293
<u>3,891,059</u>	<u>94,507</u>	-	<u>3,985,566</u>
12,180,779	469,737	-	12,650,516
<u>4,967,086</u>	<u>-</u>	<u>-</u>	<u>4,967,086</u>
<u>\$93,249,474</u>	<u>\$2,559,609</u>	<u>\$ -</u>	<u>\$95,809,083</u>