

# SOUTH CENTRAL POWER COMPANY (OHIO 65 FAIRFIELD)

## Balance Sheets December 31, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
<b>Utility Plant:</b>		
In service:		
Transmission plant	\$ 31,909,313	\$ 27,000,811
Distribution plant	389,247,762	376,929,650
General plant	34,188,760	32,455,270
Intangible plant	1,139,347	1,130,205
	<u>456,485,182</u>	<u>437,515,936</u>
Construction work in progress	12,373,509	9,365,653
	<u>468,858,691</u>	<u>446,881,589</u>
Less: accumulated provision for depreciation	( 149,194,083 )	( 144,884,259 )
	<u>319,664,608</u>	<u>301,997,330</u>
<b>Investments and Fund Accounts:</b>		
Patronage capital from associated organizations	129,379,981	118,898,028
Investments in and advances to associated organizations	15,620,495	15,263,871
Long-term investments	146,746	128,795
	<u>145,147,222</u>	<u>134,290,694</u>
<b>Current Assets:</b>		
Cash and cash equivalents	2,898,025	5,388,482
Accounts receivable, less allowance for losses in collection of \$663,000 in 2017 and \$573,000 in 2016	35,681,414	32,871,116
Inventories	7,633,996	7,260,682
Prepaid insurance and other expenses	509,729	343,510
Total current assets	<u>46,723,164</u>	<u>45,863,790</u>
<b>Deferred Debits</b>	<u>5,615,366</u>	<u>6,439,146</u>
<b>TOTAL ASSETS</b>	<u>\$ 517,150,360</u>	<u>\$ 488,590,960</u>
<b>EQUITIES AND LIABILITIES</b>		
<b>Member and Patron Equities:</b>		
Patronage capital	\$ 268,413,967	\$ 259,129,536
Other equities	13,207,139	13,207,139
Total member and patron equities	<u>281,621,106</u>	<u>272,336,675</u>
<b>Long-Term Debt, net of current maturities</b>	<u>160,777,075</u>	<u>146,799,612</u>
<b>Current Liabilities:</b>		
Current maturities of long-term debt	10,404,608	9,529,871
Note payable - line of credit	23,000,000	18,000,000
Trade accounts payable	20,681,548	21,794,592
Consumer deposits	1,505,922	1,499,826
Accrued salaries, wages and related items	4,591,467	4,248,626
Accrued property and miscellaneous taxes	8,237,680	7,862,141
Other accrued expenses	1,000,865	1,001,756
Total current liabilities	<u>69,422,090</u>	<u>63,936,812</u>
<b>Long-Term Liabilities:</b>		
Regulatory liability	5,077,921	5,238,835
Deferred credits	252,168	279,026
Total long-term liabilities	<u>5,330,089</u>	<u>5,517,861</u>
Total liabilities	<u>235,529,254</u>	<u>216,254,285</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>\$ 517,150,360</u>	<u>\$ 488,590,960</u>

*The accompanying notes are an integral part of the financial statements.*

**SOUTH CENTRAL POWER COMPANY**  
**(OHIO 65 FAIRFIELD)**  
**Statements of Revenues and Expenses**  
**For the Years Ended December 31, 2017 and 2016**

	2017	2016
<b>Operating Revenues</b>	<b>\$ 284,978,037</b>	<b>\$ 282,136,522</b>
<b>Operating Expenses:</b>		
Cost of power	199,847,241	197,389,177
Transmission	747,582	660,255
Distribution:		
Operation	4,207,058	4,242,917
Maintenance	25,440,290	23,723,133
Consumer accounts	6,181,355	5,585,979
Consumer service and information	2,859,115	2,887,044
Administrative and general	12,270,448	11,084,352
Depreciation	14,171,589	13,534,482
Kilowatt hour taxes	9,413,020	9,630,963
Total operating expenses	<b>275,137,698</b>	<b>268,738,302</b>
<b>Operating Margins before Fixed Charges</b>	<b>9,840,339</b>	<b>13,398,220</b>
<b>Fixed Charges - Interest on Debt</b>	<b>7,590,400</b>	<b>7,384,832</b>
Operating margins after fixed charges	2,249,939	6,013,388
<b>Other Operating Income:</b>		
Generation and transmission capital credits	13,775,932	6,379,453
Other capital credits and patronage dividends	1,516,383	1,530,527
Net operating margins	<b>17,542,254</b>	<b>13,923,368</b>
<b>Non-Operating Income:</b>		
Interest	350,073	280,653
Other, net	297,553	219,876
<b>Net Margins</b>	<b>\$ 18,189,880</b>	<b>\$ 14,423,897</b>

*The accompanying notes are an integral part of the financial statements.*

**SOUTH CENTRAL POWER COMPANY**  
**(OHIO 65 FAIRFIELD)**  
**Statements of Changes in Member and Patron Equities**  
**For the Years Ended December 31, 2017 and 2016**

	Patronage Capital	Other Equities	Total Member and Patron Equities
<b>Balance at December 31, 2015</b>	<b>\$ 253,767,319</b>	<b>\$ 13,207,139</b>	<b>\$ 266,974,458</b>
Net margins	14,423,897	-	14,423,897
Retirement of Patronage Capital	<u>( 9,061,680)</u>	<u>-</u>	<u>( 9,061,680)</u>
<b>Balance at December 31, 2016</b>	<b>259,129,536</b>	<b>13,207,139</b>	<b>272,336,675</b>
Net margins	18,189,880	-	18,189,880
Retirement of Patronage Capital	<u>( 8,905,449)</u>	<u>-</u>	<u>( 8,905,449)</u>
<b>Balance at December 31, 2017</b>	<b><u>\$ 268,413,967</u></b>	<b><u>\$ 13,207,139</u></b>	<b><u>\$ 281,621,106</u></b>

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