

SOUTH CENTRAL POWER COMPANY
(OHIO 65 FAIRFIELD)
Balance Sheets
December 31, 2018 and 2017

ASSETS	2018	2017
Utility Plant:		
In service:		
Transmission plant	\$ 36,079,943	\$ 31,909,313
Distribution plant	407,904,548	389,247,762
General plant	36,600,950	34,188,760
Intangible plant	967,844	1,139,347
	<u>481,553,285</u>	<u>456,485,182</u>
Construction work in progress	11,049,380	12,373,509
	<u>492,602,665</u>	<u>468,858,691</u>
Less: accumulated provision for depreciation	(154,037,438)	(149,194,083)
	<u>338,565,227</u>	<u>319,664,608</u>
Investments and Fund Accounts:		
Patronage capital from associated organizations	141,997,628	129,379,981
Investments in and advances to associated organizations	15,919,655	15,620,495
Long-term investments	80,133	146,746
	<u>157,997,416</u>	<u>145,147,222</u>
Current Assets:		
Cash and cash equivalents	1,327,651	2,898,025
Accounts receivable, less allowance for losses in collection of \$601,000 in 2018 and \$663,000 in 2017	34,045,868	35,681,414
Inventories	11,798,334	7,633,996
Prepaid insurance and other expenses	510,316	509,729
Total current assets	<u>47,682,169</u>	<u>46,723,164</u>
Deferred Debits	<u>4,608,970</u>	<u>5,615,366</u>
TOTAL ASSETS	<u>\$ 548,853,782</u>	<u>\$ 517,150,360</u>
EQUITIES AND LIABILITIES		
Member and Patron Equities:		
Patronage capital	\$ 291,766,721	\$ 268,413,967
Other equities	13,207,139	13,207,139
Total member and patron equities	<u>304,973,860</u>	<u>281,621,106</u>
Long-Term Debt, net of current maturities	<u>154,926,419</u>	<u>160,777,075</u>
Current Liabilities:		
Current maturities of long-term debt	9,971,395	10,404,608
Note payable - line of credit	35,000,000	23,000,000
Trade accounts payable	22,457,383	20,681,548
Consumer deposits	1,639,575	1,505,922
Accrued salaries, wages and related items	4,484,718	4,591,467
Accrued property and miscellaneous taxes	8,776,254	8,237,680
Other accrued expenses	1,014,125	1,000,865
Total current liabilities	<u>83,343,450</u>	<u>69,422,090</u>
Long-Term Liabilities:		
Regulatory liability	5,463,099	5,077,921
Deferred credits	146,954	252,168
Total long-term liabilities	<u>5,610,053</u>	<u>5,330,089</u>
Total liabilities	<u>243,879,922</u>	<u>235,529,254</u>
TOTAL EQUITIES AND LIABILITIES	<u>\$ 548,853,782</u>	<u>\$ 517,150,360</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, 2018 and 2017

	2018	2017
Operating Revenues	\$ 318,553,765	\$ 284,978,037
Operating Expenses:		
Cost of power	215,375,280	199,847,241
Transmission	817,494	747,582
Distribution:		
Operation	4,297,957	4,207,058
Maintenance	27,986,952	25,440,290
Consumer accounts	6,823,046	6,181,355
Consumer service and information	2,366,483	2,859,115
Administrative and general	14,667,361	12,270,448
Depreciation	14,949,274	14,171,589
Kilowatt hour taxes	10,256,246	9,413,020
Total operating expenses	297,540,093	275,137,698
Operating Margins before Fixed Charges	21,013,672	9,840,339
Fixed Charges - Interest on Debt	8,283,713	7,590,400
Operating margins after fixed charges	12,729,959	2,249,939
Other Operating Income:		
Generation and transmission capital credits	17,245,514	13,775,932
Other capital credits and patronage dividends	1,708,847	1,516,383
Net operating margins	31,684,320	17,542,254
Non-Operating Income:		
Interest	321,901	350,073
Other, net	166,436	297,553
Net Margins	\$ 32,172,657	\$ 18,189,880

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, 2018 and 2017**

	Patronage Capital	Other Equities	Total Member and Patron Equities
Balance at December 31, 2016	\$ 259,129,536	\$ 13,207,139	\$ 272,336,675
Net margins	18,189,880	-	18,189,880
Retirement of Patronage Capital	(8,905,449)	-	(8,905,449)
Balance at December 31, 2017	268,413,967	13,207,139	281,621,106
Net margins	32,172,657	-	32,172,657
Retirement of Patronage Capital	(8,819,903)	-	(8,819,903)
Balance at December 31, 2018	\$ 291,766,721	\$ 13,207,139	\$ 304,973,860

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