

Grayson Rural Electric Cooperative

Exhibit V

Case No. 2018-00272

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Statement of Operations

Witness: James Adkins

December 31, 2017

	<u>2017</u>	<u>2016</u>
Operating revenue	<u>\$ 27,461,142</u>	<u>\$ 30,511,143</u>
Operating expenses:		
Cost of power	17,151,603	17,917,378
Distribution-operations	1,299,965	1,262,833
Distribution-maintenance	3,424,805	3,500,339
Consumer accounts	1,070,977	1,080,016
Consumer service	260,150	256,835
Sales	22,103	21,391
Administrative and general	<u>1,955,130</u>	<u>2,013,625</u>
	25,184,733	26,052,417
Depreciation and amortization	3,477,092	3,341,888
Taxes-other	41,074	40,662
Interest on long term debt	980,167	895,352
Other interest expense	7,941	4,513
Other deductions	<u>35,148</u>	<u>78,323</u>
	<u>29,726,155</u>	<u>30,413,155</u>
Utility operating margins (deficit)	(2,265,013)	97,988
Nonoperating margins, interest	33,944	29,393
Nonoperating margins, other	94,790	102,306
G & T capital credits	504,926	1,223,640
Other capital credits	<u>87,794</u>	<u>138,681</u>
Net margins (deficits)	<u>\$ (1,543,559)</u>	<u>\$ 1,592,008</u>
TIER excluding G & T capital credits	(1.09)	1.41

Grayson Rural Electric Cooperative

Case No. 2018-00272

Balance Sheet

December 31, 2017

Exhibit V

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Witness: James Adkins

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<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Electric Plant:		
In service	\$ 76,908,490	\$ 73,873,883
Under construction	1,002,088	1,429,300
	<u>77,910,578</u>	<u>75,303,183</u>
Less accumulated depreciation	23,474,155	21,285,230
	<u>54,436,423</u>	<u>54,017,953</u>
Investments	<u>16,341,967</u>	<u>15,849,671</u>
Current Assets:		
Cash and temporary investments	213,727	139,462
Accounts receivable, net	4,497,022	6,148,793
Material and supplies	283,605	287,319
Prepayments	58,987	56,765
	<u>5,053,341</u>	<u>6,632,339</u>
Deferred debits	<u>1,467,380</u>	<u>1,308,874</u>
Total Assets	<u>\$ 77,299,111</u>	<u>\$ 77,808,837</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$ 154,655	\$ 153,285
Patronage capital	25,683,142	27,421,138
Other equities	(228,613)	(692,937)
	<u>25,609,184</u>	<u>26,881,486</u>
Long Term Debt	<u>41,787,107</u>	<u>40,051,998</u>
Accumulated Operating Provisions	<u>3,085,624</u>	<u>3,330,597</u>
Current Liabilities:		
Notes payable	2,185,000	3,149,525
Accounts payable	2,496,842	2,480,018
Consumer deposits	1,197,900	1,210,055
Accrued expenses	570,319	534,554
	<u>6,450,061</u>	<u>7,374,152</u>
Consumer advances	<u>367,135</u>	<u>170,604</u>
Total Members' Equities and Liabilities	<u>\$ 77,299,111</u>	<u>\$ 77,808,837</u>

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Statement of Cash Flows

Witness: James Adkins

December 31, 2017

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	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Net margins	\$ (1,543,559)	\$ 1,592,008
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	3,477,092	3,341,888
Charged to clearing accounts	211,301	231,801
Patronage capital credits	(592,720)	(1,362,321)
Accumulated postretirement benefits	(244,973)	161,762
Net change in current assets and liabilities:		
Receivables	3,338,834	389,890
Material and supplies	3,714	217,770
Prepayments and deferred debits	(160,728)	(74,563)
Accounts payables	16,824	444,199
Consumer deposits	(12,155)	(6,987)
Accrued expenses	35,765	(33,022)
Consumer advances	196,531	(63,380)
	<u>4,725,926</u>	<u>4,839,045</u>
Cash Flows from Investing Activities:		
Plant additions	(4,180,689)	(4,897,470)
Additional investments, net of receipts	100,424	84,989
	<u>(4,080,265)</u>	<u>(4,812,481)</u>
Cash Flows from Financing Activities:		
Memberships	1,370	270
Refund of capital credits	(189,547)	(194,759)
Other equities	(1,153,803)	92,070
Notes payable	(964,525)	2,010,001
Additional long-term borrowings	4,000,000	-
Payments on long-term debt	(2,264,891)	(2,205,424)
	<u>(571,396)</u>	<u>(297,842)</u>
Net increase (decrease) in cash	74,265	(271,278)
Cash balances - beginning	<u>139,462</u>	<u>410,740</u>
Cash balances - ending	<u>\$ 213,727</u>	<u>\$ 139,462</u>