

Lower Valley Energy, Inc.

balance sheets

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
NON-CURRENT ASSETS		
Net utility plant	\$128,420,002	\$128,599,272
Investments	4,637,330	4,717,186
Prepaid power, to be amortized after one year	140,811,516	-
Total non-current assets	<u>273,868,848</u>	<u>133,316,458</u>
CURRENT ASSETS		
Cash and cash equivalents	698,784	526,267
Restricted cash and cash equivalents	1,388,815	1,506,406
Accounts receivable, net	5,910,477	4,419,960
Materials and supplies inventory	1,627,186	1,527,289
Other current assets	2,948,326	3,153,698
Prepaid power, to be amortized within one year	7,205,685	-
Total current assets	<u>19,779,273</u>	<u>11,133,620</u>
Deferred charges	1,475,030	284,298
Total assets	<u>\$295,123,151</u>	<u>\$144,734,376</u>
MEMBERS' EQUITY AND LIABILITIES		
MEMBERS' EQUITY		
Patronage capital	\$57,236,954	\$55,136,242
Other equities	14,622,432	14,130,090
Total members' equity	<u>71,859,386</u>	<u>69,266,332</u>
NON-CURRENT LIABILITIES		
Long-term debt, due after one year	200,273,361	57,725,950
Total non-current liabilities	<u>200,273,361</u>	<u>57,725,950</u>
CURRENT LIABILITIES		
Long-term debt, due within one year	9,658,403	2,681,281
Line of credit	2,938,406	3,214,935
Accounts payable	3,455,536	4,151,170
Consumer deposits	564,486	547,344
Other current liabilities	4,512,826	4,995,403
Total current liabilities	<u>21,129,657</u>	<u>15,590,133</u>
Deferred credits	1,860,747	2,151,961
Total members' equity and liabilities	<u>295,123,151</u>	<u>144,734,376</u>

Lower Valley Energy, Inc.

statements of revenues, expenses and patronage capital

for the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUE		
Electric energy revenue	\$42,689,279	\$40,168,933
Gas energy revenue	10,382,649	8,993,566
Total operating revenues	<u>53,071,928</u>	<u>49,162,499</u>
OPERATING EXPENSES		
Cost of purchased power	20,547,637	23,069,511
Cost of gas sold	4,773,433	4,532,449
Transmission expense	693,692	739,183
Distribution expense - operation & maintenance	4,929,716	4,659,662
Customer accounts expense	873,247	821,817
Customer service and information	431,324	292,039
General and administrative	2,923,943	2,731,496
Depreciation	5,660,286	5,446,797
Taxes - property and gross revenue	725,984	768,553
Total operating expenses	<u>41,559,262</u>	<u>43,066,507</u>
Operating margins before finance charges	<u>11,512,666</u>	<u>6,095,992</u>
FINANCE CHARGES		
Interest on long-term debt	6,252,945	2,609,762
Other interest expense	90,175	87,554
Total finance charges	<u>6,343,120</u>	<u>2,697,316</u>
Net operating margins	<u>5,169,546</u>	<u>3,398,676</u>
NON-OPERATING MARGINS		
Investment income	78,273	109,279
Non-operating margins, other	164,630	195,555
Capital credits	(406,281)	286,814
Total non-operating margins	<u>(163,378)</u>	<u>591,648</u>
Net margins	<u>\$5,006,168</u>	<u>\$3,990,324</u>