

STATEMENT OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from consumers	\$ 89,913,403	\$ 90,481,484
Cash paid to suppliers, vendors and employees	(77,107,398)	(78,975,140)
Interest and dividends received	124,577	75,230
Interest paid	(2,237,864)	(1,993,004)
All other, net	<u>132,512</u>	<u>234,004</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>10,825,230</u>	<u>9,822,574</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of utility plant in service, net of retirements	(18,732,461)	(12,369,534)
Proceeds from sale of utility plant in service	942,777	325,856
Proceeds from redemption of investments	<u>1,170,508</u>	<u>1,218,443</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(16,619,176)</u>	<u>(10,825,235)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from and CFC and CoBank:	10,500,000	3,000,000
Repayments on borrowings of long-term debt	(2,037,693)	(1,983,458)
Change in line of credit	1,856,391	-
Retirement of capital credits	(2,281,441)	(2,922,497)
Change in memberships	18,230	16,480
Receipt of customer advances	1,087,800	565,500
Repayment of customer advances	<u>(465,500)</u>	<u>(474,700)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>8,677,787</u>	<u>(1,798,675)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,883,841	(2,801,336)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,011,592</u>	<u>3,812,928</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>3,895,433</u>	<u>1,011,592</u>

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RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net margins	\$6,072,568	\$6,157,847
Non-cash items		
Depreciation	6,223,565	5,801,371
Amortization	273,714	273,715
Patronage revenue	(3,300,856)	(2,773,367)
(Gain) loss on disposition of assets	(410,160)	(49,451)
Post retirement benefits other than pensions	158,613	512,563
Decrease (increase) in assets		
Accounts receivable, consumer	(111,353)	1,044,972
Materials and supplies	(750,344)	(225,018)
Prepaid expenses	(2,730)	12,879
Increase (decrease) in liabilities		
Accounts payable	2,494,769	(898,749)
Accrued expenses and other liabilities	177,444	(34,188)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$10,825,230</u>	<u>\$9,822,574</u>

CAPITAL CREDITS

If you were a member between 1996–1998, it's time for you to get the credit – capital credits – that you deserve for helping build and sustain our cooperative!

What are capital credits?

As a Cooperative, owned by our members, Hendricks Power does not earn profits. Capital credits are the difference between operating costs or cost of doing business and the total amount of money collected. This capital allows Hendricks Power to finance operations and construction.

Current members that also received electric service from the co-op during 1996-1998 should have received their capital credit check recently.

Learn More: (317) 745-5473 ext. 4008 or www.hendrickspower.com/capital-credits

BALANCE SHEETS

Years Ended December 31, 2019 and 2018

	2019	2018
ASSETS		
Utility plant in service, cost	\$176,886,540	\$ 161,675,291
Less: Accumulated depreciation	<u>(45,744,641)</u>	<u>(42,509,671)</u>
UTILITY PLANT IN SERVICE, NET	<u>131,141,899</u>	<u>119,165,620</u>
INVESTMENTS	<u>27,702,578</u>	<u>25,572,230</u>
DEFERRED CHARGES, less current portion	<u>782,846</u>	<u>1,056,560</u>
CURRENT ASSETS		
Cash and cash equivalents	3,895,433	1,011,592
Accounts receivable, consumer, less allowance for doubtful accounts of \$125,122 for 2019 and \$185,188 for 2018	11,254,961	11,143,608
Materials and supplies	2,491,367	1,741,023
Prepaid expenses	99,488	96,758
Current portion of deferred charges	<u>273,714</u>	<u>273,714</u>
TOTAL CURRENT ASSETS	<u>18,014,963</u>	<u>14,266,695</u>
TOTAL ASSETS	<u>\$177,642,286</u>	<u>\$ 160,061,105</u>
EQUITIES AND LIABILITIES		
LONG-TERM DEBT, less current portion	<u>\$ 49,552,102</u>	<u>\$ 41,206,523</u>
ACCUMULATED PROVISION FOR MEDICAL LEAVE	<u>1,297,304</u>	<u>1,138,691</u>
CUSTOMER ADVANCES	<u>1,522,600</u>	<u>900,300</u>
MEMBERS' EQUITY	<u>105,712,998</u>	<u>102,094,401</u>
CURRENT LIABILITIES		
Accounts payable	9,218,415	6,723,645
Line of credit	1,856,391	-
Accrued taxes	1,217,373	1,266,563
Member deposits	386,535	422,835
Accrued expenses and other liabilities	1,512,502	1,249,568
Current portion of long-term debt	2,089,491	1,972,764
Patronage capital payable	<u>3,276,575</u>	<u>3,085,815</u>
TOTAL CURRENT LIABILITIES	<u>19,557,282</u>	<u>14,721,190</u>
TOTAL EQUITIES AND LIABILITIES	<u>\$177,642,286</u>	<u>\$ 160,061,105</u>