



R i c h m o n d P o w e r a n d L i g h t



BOARD MEMBERS



Ron Oler, Chairman



*Bruce Wissel,
Vice Chairman*



Jeffrey Locke



Misty Hollis



Doug Goss



Clay Miller



Jamie Lopeman



Gary Turner



*Kelley Cruse-
Nicholson*



HISTORICAL TIMELINE

1810

The Village of Richmond was formed in 1810. Candles and oil lanterns were the main source of light. The lanterns were used on posts in front of taverns and shop doorways.

1855

Benjamin and James M. Starr formed a gas company known as the **Richmond Gas Light and Coke Company**.

1884

Electric lighting was becoming popular, and gas was expensive by comparison. James Starr installed a Thompson electric dynamo in a small room adjacent to his piano factory and operated it by water power.

1894

Mr. Starr sold his gas and electric plants to Dr. J.E. Lowe of Dayton, OH. The name changed to the Light, Heat and Power Company. However, the citizens of Richmond were still interested in municipal ownership.

1900

The citizens of Richmond voted 2,872 to 337 to form a competing municipally-owned electric utility in order to have adequate, low cost, and dependable electric service.

(continued...)

They also determined that the plant should be managed and controlled by a board of nonpartisan character. J. M. Westcott loaned the city \$100,000 to be paid back at an interest rate of 4 1/16 percent. The city was financially able to enter into such a contract. Richmond was one of the wealthiest cities in the state, and had citizens within its borders that could provide all the funds necessary. The bid was awarded to the Varney Construction Company of Indianapolis for \$144,490.

1902 - Birth of RP&L

The new **Municipal Electric Light and Power Plant** was completed and the city appointed the first superintendent, S. E. Gard, to manage the utility.

1915

Under the management of Clarence Kleinknecht, the city seized the opportunity to buy out the privately-owned Light, Heat and Power Company for \$212,891 leaving the municipal plant the sole supplier of electricity to the citizens of Richmond.

1960

An Ordinance was passed to change the name of the Municipal Electric Lighting and Power Plant to **Richmond Power and Light**.



Randall Baker
General Manager

Financial Summary

It is our pleasure to present the 2017 Richmond Power and Light Annual Report. The utility continues to deal with unprecedented change and challenges in the industry. These changes affect everyone along the supply chain, from the generator to the end user. Technology, the ever-changing landscape of regulations, efforts to conserve power, and a continued move towards cleaner sources have forever changed how we view and use electricity.

Because of conservation efforts by customers, kWh sales dropped 2.7% percent in 2017 compared to 2016. Total revenue from sales dropped 3.7% and expenses dropped 2.9% percent during the same period. Conservation came from various efforts, such as switching to LED light bulbs and manufacturing businesses swapping out older, inefficient motors for more modern ones that are cleaner and cheaper to operate. While the local economy and population are also drivers in the recent drops, the steady drop in kWh usage has trended downward over the past 20 years.

Despite these challenges, Richmond Power and Light continues to invest in the City's future. We are currently investing in technologies that will improve reliability and customer service to the citizens of Richmond. The year 2017 saw the completion of an Advanced Metering Infrastructure (AMI) network that will improve accuracy of the current system as well as help us to prepare for the needed changes in rate structures as distributed energy sources are introduced to our system.

User-owned generation, smart grid, micro grid, storage systems, smart appliances for the home, and a continued push for cleaner energy are all emerging technologies. These trends are affecting Richmond Indiana as well as most cities and towns across the globe.

Please keep these thoughts in mind as you read through the Richmond Power and Light Annual Report for 2017.

Randy Baker

General Manager

Richmond Power and Light

Robert Schroeder
Human Resources



Sandra Lambert
Finance



Clay Carman
Information
Systems



Skip Moore
Engineering and
Operations



Department Leaders



Amy Burris
Customer Service



Rich Cody
Telecommunications



Ralph Bane
Meter Department



Mike Elstro
Line Department

Balance Sheet Assets

Assets

December 31, 2017

December 31, 2016

Current Assets

Cash Operating Fund - Cash	\$14,184,064	\$14,321,940
Notes Receivable - Telecom Div	\$2,568,111	\$2,582,581
Interest Receivable	\$590,458	\$590,728
Petty Cash Fund	\$1,700	\$1,700
Accounts Receivable	\$6,687,440	\$7,199,170
Allowance for Doubtful Accts	(\$15,926)	(\$17,223)
Material and Supplies	\$2,136,460	\$2,050,410
Environmental Allowances	\$0	\$135,779
Prepaid Expenses	\$284,935	\$283,703
Miscellaneous Deferred Debits	\$57,582	\$38,677

Total Current Assets **\$26,494,824** **\$27,187,466**

Restricted Assets

Depreciation Reserve - Invest	\$10,145,174	\$10,418,770
Insurance Reserve - Invest	\$1,344,899	\$1,341,911
Cash Reserve - Cash	\$2,139,709	\$2,139,709
Consumer Deposit - Cash	\$655,525	\$643,386
Bond Reserve - Invest	\$485,000	\$485,000
Payroll Deduction Fund	\$0	\$0
Deferred Pension Outflows	\$4,030,850	\$5,208,323

Total Restricted Assets **\$18,801,157** **\$20,237,098**

Fixed Assets

Utility Plant in Service	\$189,092,744	\$186,947,139
Accumulated Depreciation	(\$129,993,678)	(\$125,557,869)
Accumulated Amortization	(\$156,661)	(\$156,661)
Construction Work In Progress	\$2,264,906	\$1,033,280
Property Held for Future Use	\$156,661	\$156,661

Total Fixed Assets **\$61,363,972** **\$62,422,550**

Total Assets **\$106,659,953** **\$109,847,114**

Unaudited Financials

BUILDING RICHMOND A

Balance Sheet Liabilities

Liabilities, Contributions, and Retained Earnings

Liabilities from Current Assets	December 31, 2017	December 31, 2016
Other Payables	\$2,830	\$0
Accrued Vacation	\$480,000	\$513,500
Accrued & Tax Payable	\$227,356	\$238,828
Accounts Payable	\$390,835	\$398,815
Purchased Power Payable	\$9,885,119	\$10,676,962
Total Current Liabilities	\$10,986,139	\$11,828,105
Liabilities from Restricted Assets		
2008 Bonds - LT Debt	\$485,000	\$950,000
Interest Payable	\$5,885	\$11,527
Customer Deposits	\$691,572	\$676,413
Net Pension Liability	\$21,161,826	\$18,724,896
Payable to City in Lieu of Tax	\$3,209,563	\$3,209,563
Deferred Pension Inflows	\$515,785	\$886,854
Environmental Remediation Liability	\$12,570,081	\$13,034,000
Total Liabilities from Restricted Assets	\$38,639,712	\$37,493,253
Contribution in Aid of Construction	\$1,913,678	\$1,901,043
Retained Earnings		
Retained Earnings Beg Balance	\$58,624,713	\$74,608,701
Net Income during the Year	(\$2,142,373)	(\$14,622,071)
Appropriated Retained Earnings	(\$1,361,917)	(\$1,361,917)
Retained Earnings from End of Period	\$55,120,424	\$58,624,713
Liabilities, Contributions and Retained Earnings	\$106,659,953	\$109,847,114

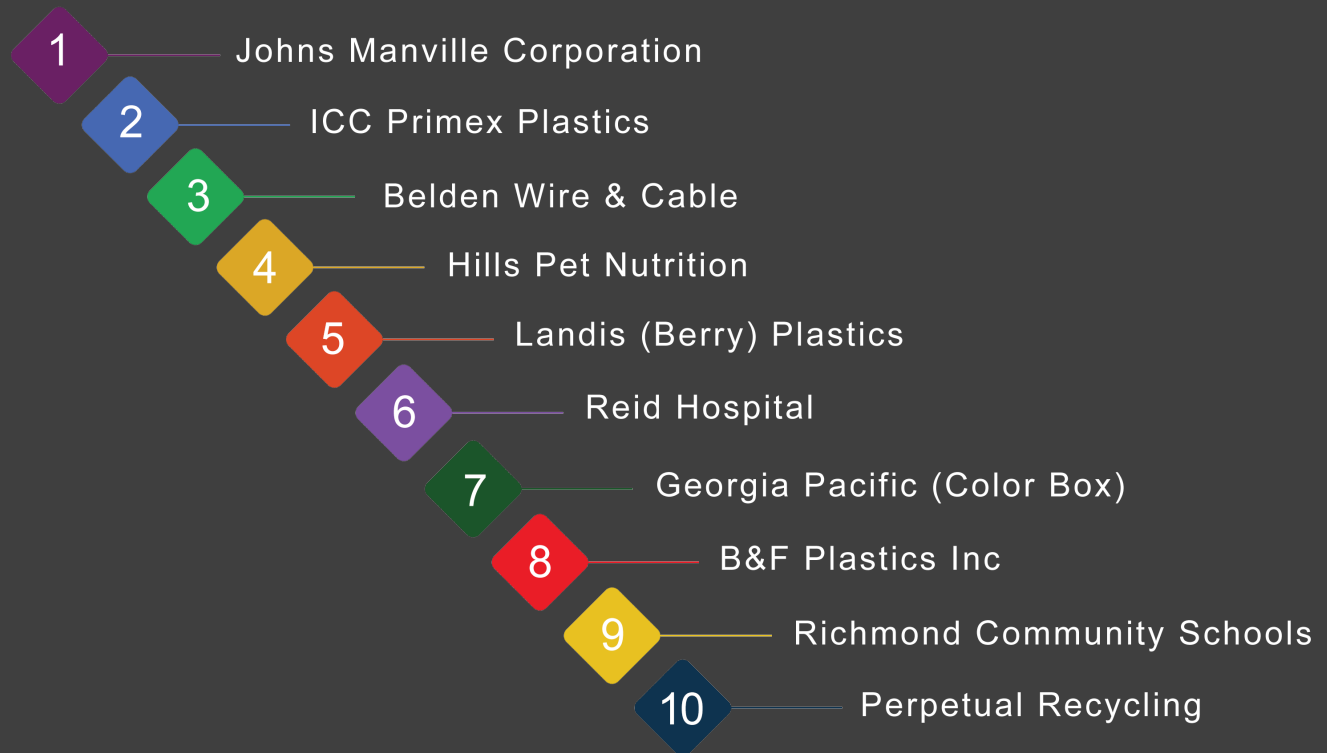
GASB 68 Implemented in 2015

BETTER TOMORROW

	December 31, 2017	December 31, 2016
Production Plant		
Land and Land Rights	\$80,644	\$80,644
Structures and Improvements	\$2,848,645	\$2,848,645
Boiler Plant Equipment	\$24,874,229	\$24,874,229
Turbogenerator Units	\$12,493,390	\$12,493,390
Cooling Towers	\$119,063	\$119,063
Accessory Electric Equipment	\$2,282,710	\$2,282,710
Miscellaneous Power Plant Equipment	\$10,397,066	\$10,397,066
Total Production Plant	\$53,095,746	\$53,095,746
Transmission Plant		
Land and Land Rights	\$568,604	\$568,604
Structures and Improvements	\$560,359	\$560,359
Station Equipment	\$21,071,419	\$20,907,383
Towers and Fixtures	\$320,801	\$320,801
Poles and Fixtures	\$3,626,557	\$3,626,557
Overhead Conductors & Devices	\$2,028,656	\$2,028,656
Underground Conduit	\$71,269	\$71,269
Underground Conduit & Devices	\$228,627	\$228,627
Roads, Trails and Bridges	\$783	\$783
Total Transmission Plant	\$28,477,075	\$28,313,039
Distribution Plant		
Land and Land Rights	\$238,286	\$238,286
Structures & Improvements	\$915,720	\$915,720
Station Equipment	\$8,809,339	\$8,809,339
Storage Battery Equipment	\$72,170	\$72,170
Poles, Towers and Fixtures	\$12,893,867	\$12,771,649
Overhead Conduit and Devices	\$11,687,958	\$11,589,320
Underground Conduit	\$8,275,176	\$8,251,652
Underground Conduit & Devices	\$9,500,713	\$9,410,310
Line Transformers - Overhead	\$4,300,598	\$4,332,826
Line Transformers - Underground	\$6,648,879	\$6,350,234
Services	\$7,682,145	\$7,605,419
Meters	\$5,735,121	\$5,408,906
Unmetered Outdoor Lights	\$963,104	\$917,999
Street Lighting & Signal System	\$4,007,050	\$4,007,156
Total Distribution Plant	\$81,730,126	\$80,680,987
General Plant		
Land and Land Rights	\$49,038	\$49,038
Structures & Improvements	\$5,163,686	\$4,491,278
Office Equipment & Furniture	\$7,977,410	\$7,929,293
Transportation Equipment	\$3,749,147	\$3,672,354
Stores Equipment	\$53,500	\$50,780
Tools, Shop, & Garage Equipment	\$1,373,903	\$1,346,415
Laboratory Equipment	\$858,424	\$858,424
Power Operated Equipment	\$1,598,583	\$1,598,583
Communications Equipment	\$4,541,782	\$4,436,879
Miscellaneous Equipment	\$338,450	\$338,450
Other Tangible Property	\$85,873	\$85,873
Total General Plant	\$25,789,796	\$24,857,366
Utility Plant in Service	\$189,092,744	\$186,947,139

Utility Plant in Service

TOP TEN CUSTOMERS



in 2017 by Revenue

Income Statement

Operating Revenues

Operating Revenues

December 31, 2017

December 31, 2016

Electric Sales

Residential Sales

Residential Service	\$18,264,827	\$19,353,042
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Commercial & Industrial Sales

Commercial Service	\$4,965,786	\$5,173,359
General Power Service	\$12,860,906	\$14,054,032
Municipal Light - Pub Buildings	\$73,389	\$74,655
Municipal Power Service	\$1,016,678	\$995,717
Security Lights - Outdoor	\$260,371	\$273,974
Industrial Service	\$6,551,365	\$7,245,609
Large Power Service	\$35,804,961	\$35,722,940
General Electric Heating Service	\$211,750	\$225,935

Public Street & Highway Lighting

Street Lighting - Flat Rate	\$153,426	\$154,282
Public Street & Highway Light	\$784,210	\$799,093
Traffic Lights	\$23,852	\$23,832

Other Sales to Public Authorities

Public School Space Heating	\$77,209	\$107,784
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Total Electric Sales

\$81,048,729

\$84,204,253

Other Operating Revenues:

Penalties For Late Payments	\$573,415	\$524,916
Misc Rev - City Of Richmond	\$4,677	\$353
Misc Revenues - General	\$86,240	\$74,110
Connect Or Reconnect Charges	\$48,895	\$45,645
Temporary Service Charges	\$750	\$900
Dishonored Check Charges	\$5,100	\$4,900
Misc Service Revenue - IMPA	\$1,607	\$1,802
Rent From Joint Use Of Pole	\$138,590	\$135,784

Total Other Operating Revenues

\$859,274

\$788,411

Total Operating Revenues

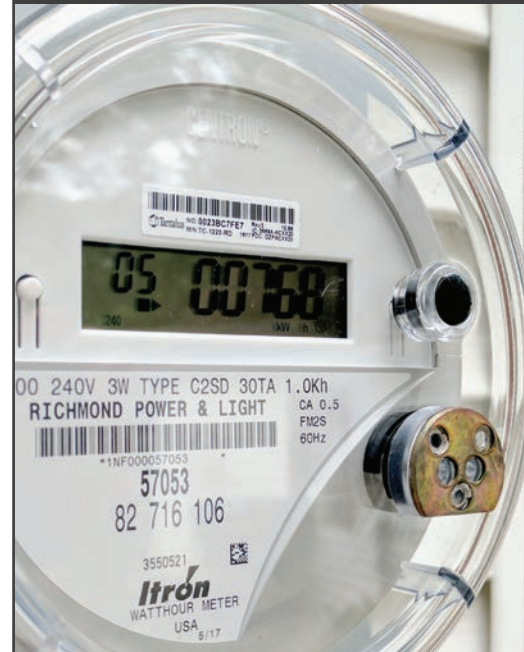
\$81,908,003

\$84,992,663

Operating Expenses

Operating Expenses	December 31, 2017	December 31, 2016
Production - Allowances	\$135,779	\$0
Purchased Power	\$63,141,830	\$65,718,938
Transmission & Distribution	\$4,266,731	\$4,228,134
Customer Accounts & Service	\$1,246,558	\$1,244,055
Administrative & General	\$8,005,975	\$7,965,912
Depreciation	\$4,899,043	\$4,996,066
Gross Receipts and Other Taxes	\$1,186,792	\$1,217,705
Payroll Taxes - FICA & SUTA	\$456,876	\$465,163
Payment to City in Lieu of Tax	\$777,792	\$777,792
Total Operating Expenses	\$84,117,376	\$86,613,765
Net Operating Income	(\$2,209,373)	(\$1,621,101)
Other Income and Deductions		
Other Income		
Investment - Interest	\$78,508	\$61,197
Interest - Checking	\$7,695	\$7,302
Contract Income	\$8,137	\$8,087
Total Other Income	\$94,341	\$76,586
Other Deductions		
Interest on Revenue Bonds	\$21,086	\$37,325
Interest on Consumer Deposits	\$6,254	\$6,231
Environmental Remediation	\$0	\$13,034,000
Total Other Deductions	\$27,340	\$13,077,556
Net Income	(\$2,142,373)	(\$14,622,071)
Appropriation for Transfer to City	\$1,361,917	\$1,361,917

GASB 68 Implemented in 2015



Moving into the Future - with AMI Meters

In 2017, Richmond Power and Light installed 1,400 meters with Automated Meter Infrastructure (AMI) technology. These AMI meters have already begun to help RP&L and our customers in many ways. Outage notification has helped quickly isolate several outages, and even identify small ones before the customer knew the power was out. When customers call in about their bills, hourly usage data is available from these meters and has helped both RP&L and the customer understand what is happening with their service, and even helped to identify faulty customer heating and cooling equipment. These meters are equipped with a remote means of both reading the meter and disconnecting / reconnecting the service which has saved on truck rolls and will later become the basis for a trial on using prepay rates. Coupled with the upcoming replacement of our billing system, these meters and their communication system will form the backbone for customers to better see and manage their usage in the future.

- Ralph Bane, Meter Department

Production and Sales

	December 31, 2017	December 31, 2016
KWH Generated - WWVS	0	0
KWH From Outside Sources	892,391,258	919,216,644
Total KWH Purchased	892,391,258	919,216,644

Electric Sales - Kilowatt Hours

Residential Sales

Residential Service	173,000,023	180,205,968
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Commercial and Industrial Sales

Commercial Light - City	33,164,652	34,324,539
General Power Service	128,459,815	136,830,428
Municipal Lighting - Public Buildings	516,844	517,733
Municipal Power	12,521,302	11,847,403
Security Lights - Outdoor	3,054,618	3,109,831
Industrial Service	72,881,700	80,966,250
Large Power Service	429,382,770	428,775,526
General Electric Heat	2,077,035	2,162,258

Public Street Lighting

Street Lighting - Flat Rate	825,223	832,635
Public Street Lighting	6,286,984	6,346,167
Traffic Lights	80,427	79,208

Other Sales to Public Authorities

Public School Space Heating	827,496	1,125,192
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Total Electric Sales	863,078,889	887,123,138
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Used at RP&L Facilities	2,644,068	2,866,879
Donations	562	1,371
Total KWH Accounted for	865,723,519	889,991,388
Total KWH Unaccounted for	26,667,739	29,225,256
Percent Unaccounted for	2.99%	3.18%

Net KWH Generated	0	0
KWH from Outside Sources	892,391,258	919,216,644
Total System Net KWH	892,391,258	919,216,644



for year ending December 31, 2017

Cash Flows From Operating Activities:

Receipts from Customers and Users	\$85,716,633
Payments to Suppliers and Contractors for Goods and Services	(\$73,566,683)
Payments to Employees for Services - Including Benefits	(\$9,399,790)
Net Cash Provided (Used) by Operating Activities	\$2,750,160

Cash Flows From Investing Activities:

Interest Received	\$34,795
Purchase of Investments	(\$25,417)
Net Cash Provided (Used) by Investing Activities	\$9,377

Cash Flows From Capital and Related Financing Activities:

Acquisition and Construction of Capital Assets	(\$2,406,182)
Principal Paid on Capital Debt	(\$465,000)
Interest Paid on Capital Debt	(\$26,728)
Capital Contributions	\$12,636

Net Cash Provided (Used) by Capital and Related Financing Activities	(\$2,885,274)
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Net Increase (Decrease) in Cash & Cash Equivalents	(\$125,737)
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Cash and Cash Equivalents - Beginning of the Year	\$17,106,735
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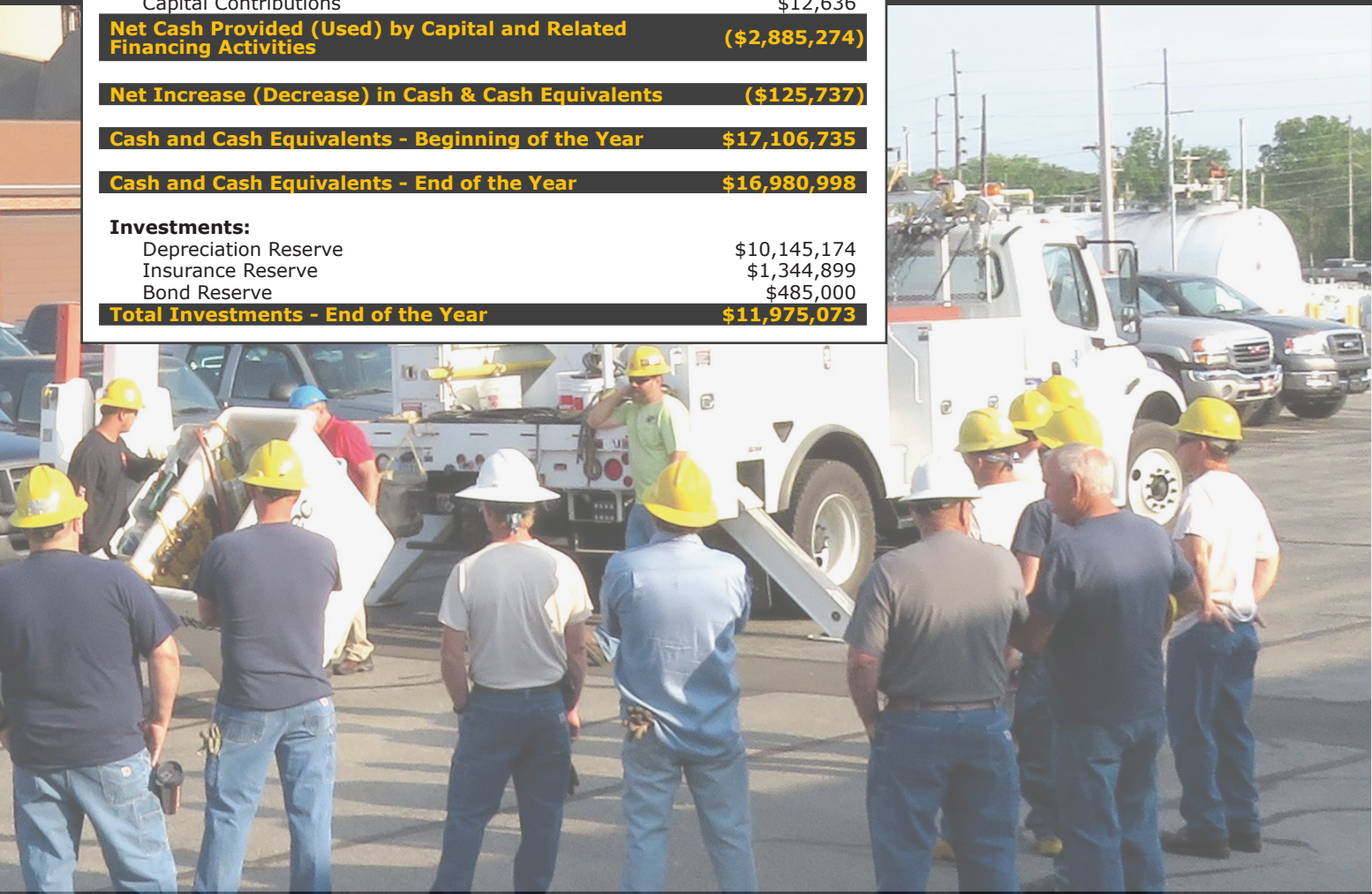
Cash and Cash Equivalents - End of the Year	\$16,980,998
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Investments:

Depreciation Reserve	\$10,145,174
Insurance Reserve	\$1,344,899
Bond Reserve	\$485,000

Total Investments - End of the Year	\$11,975,073
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Statement of Cash Flows

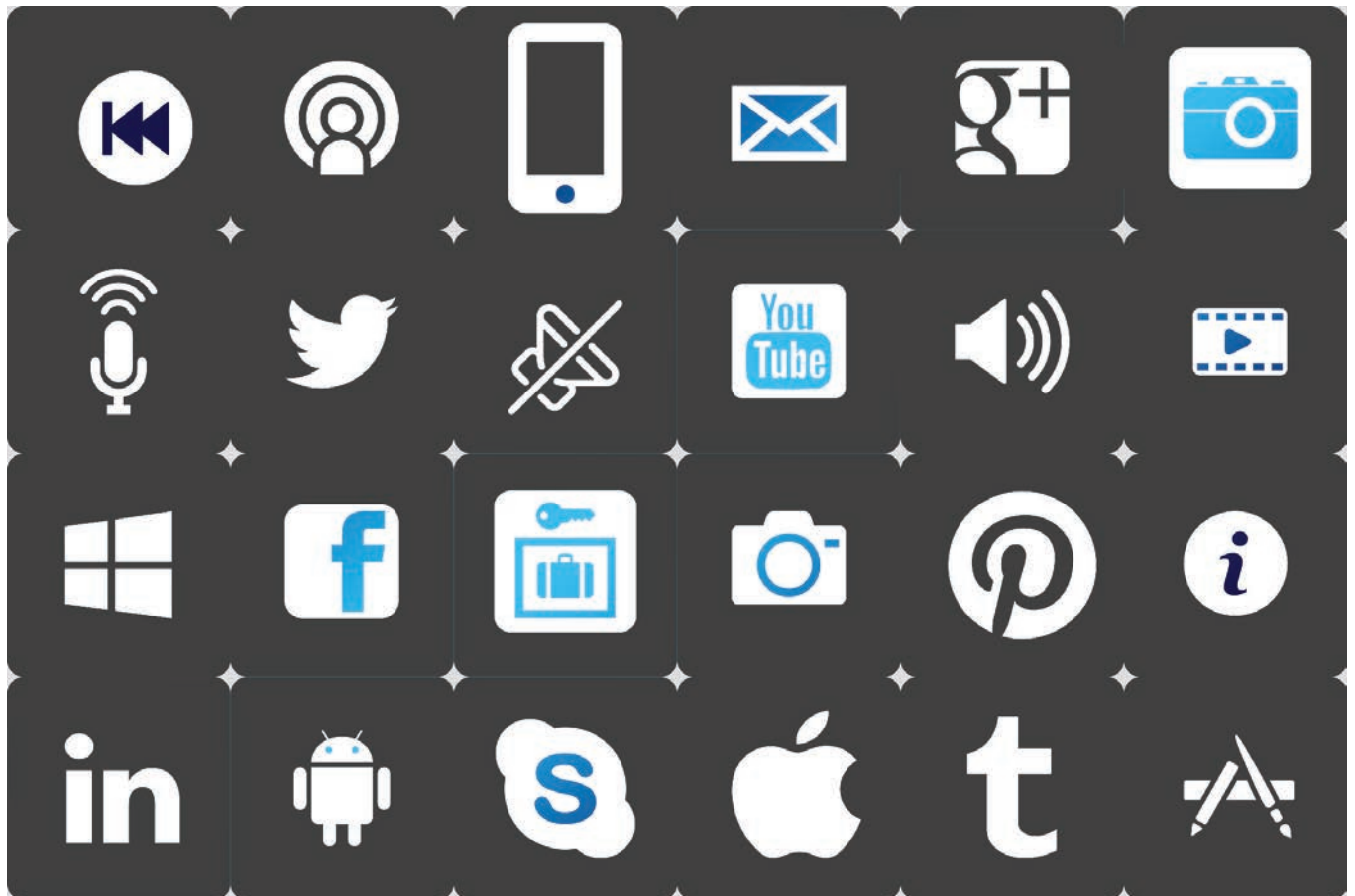


10 Year Comparative Summary of Operations

For the Years Ended	2017	2016	2015	2014
Operating Revenues				
Residential Sales				
Residential Service	\$18,264,827	\$19,353,042	\$19,513,809	\$18,617,042
Commercial and Industrial Sales				
Commercial Light	\$4,965,786	\$5,173,359	\$5,190,523	\$4,385,452
General Power	\$12,860,906	\$14,054,032	\$13,934,272	\$13,439,233
Municipal Lighting - Public Buildings	\$73,389	\$74,655	\$76,405	\$67,798
Municipal Power	\$1,016,678	\$995,717	\$1,042,625	\$889,530
Security Lights - Outdoor	\$260,371	\$273,974	\$280,165	\$277,319
Industrial Service	\$6,551,365	\$7,245,609	\$9,041,472	\$7,981,264
Large Power Service	\$35,804,961	\$35,722,940	\$33,238,843	\$26,540,516
General Electric Heat	\$211,750	\$225,935	\$240,707	\$235,175
Public Street and Highway Lighting				
Street Lighting - Flat Rate	\$153,426	\$154,282	\$153,498	\$141,958
Public Street & Highway Lighting	\$784,210	\$799,093	\$800,061	\$794,300
Traffic Lights	\$23,852	\$23,832	\$23,609	\$22,356
Other Sales to Public Authorities				
Public School Space Heating	\$77,209	\$107,784	\$124,556	\$140,505
Sales for Resale	\$0	\$0	\$0	\$4,130,385
Total Electric Sales	\$81,048,729	\$84,204,253	\$83,660,544	\$77,662,832
Other Operating Revenues	\$859,274	\$788,411	\$957,882	\$901,746
Total Operating Revenues	\$81,908,003	\$84,992,663	\$84,618,426	\$78,564,578
Operating Expenses				
Production	\$135,779	\$0	\$0	\$2,285,356
Purchased Power	\$63,141,830	\$65,718,938	\$64,137,642	\$62,692,681
Transmission and Distribution	\$4,266,731	\$4,228,134	\$3,838,163	\$3,582,274
Customer Accounts and Service	\$1,246,558	\$1,244,055	\$1,366,273	\$1,407,115
Administrative and General	\$8,005,975	\$7,965,912	\$6,837,944	\$6,065,992
Depreciation	\$4,899,043	\$4,996,066	\$5,113,306	\$5,007,843
Gross Receipts and Other Taxes	\$1,186,792	\$1,217,705	\$1,211,892	\$1,065,387
Payroll Taxes - FICA & SUTA	\$456,876	\$465,163	\$461,072	\$495,760
Payment to City in Lieu of Taxes	\$777,792	\$777,792	\$777,792	\$777,792
Total Operating Expenses	\$84,117,376	\$86,613,765	\$83,744,084	\$83,380,200
Net Operating Income	(\$2,209,373)	(\$1,621,101)	\$874,342	(\$4,815,623)
Other Income	\$94,341	\$76,586	\$68,712	\$71,287
Other Deductions	\$27,340	\$13,077,556	\$59,425	\$74,518
Net Income	(\$2,142,373)	(\$14,622,071)	\$883,629	(\$4,818,854)
Appropriation for Transfer to City	\$1,361,917	\$1,361,917	\$1,361,917	\$1,361,917
Total Kilowatt Hour Sales (kWh)	863,078,889	887,123,138	876,043,868	887,157,398
Average Cost per kWh	\$0.0939	\$0.0949	\$0.0955	\$0.0829

GASB 68
Implemented in 2015

2013	2012	2011	2010	2009	2008
\$19,285,938	\$18,628,090	\$18,001,164	\$18,335,619	\$18,498,797	\$16,940,798
\$5,010,685	\$5,018,590	\$4,443,344	\$4,739,300	\$4,938,224	\$4,511,303
\$18,335,115	\$11,333,688	\$10,075,758	\$9,054,628	\$8,751,996	\$7,990,132
\$77,426	\$85,062	\$85,855	\$90,251	\$97,320	\$91,776
\$901,006	\$769,748	\$827,744	\$759,327	\$790,282	\$707,002
\$268,512	\$264,067	\$267,224	\$249,902	\$255,466	\$242,439
\$8,445,088	\$8,848,128	\$10,737,815	\$10,663,624	\$17,150,606	\$19,797,821
\$25,422,406	\$24,353,877	\$22,548,651	\$22,999,886	\$20,047,398	\$15,498,409
\$208,330	\$182,404	\$193,202	\$200,676	\$225,514	\$227,870
\$151,702	\$151,030	\$142,507	\$141,376	\$146,515	\$136,417
\$786,287	\$782,810	\$782,197	\$757,700	\$774,775	\$742,897
\$24,130	\$24,395	\$25,632	\$33,054	\$50,424	\$72,668
\$203,130	\$195,333	\$219,832	\$225,651	\$235,367	\$207,926
\$2,191,863	\$3,466,753	\$16,019,722	\$15,945,374	\$10,582,942	\$24,704,945
\$81,311,617	\$74,103,976	\$84,370,646	\$84,196,368	\$82,545,627	\$91,872,402
\$994,543	\$681,711	\$755,212	\$727,103	\$928,412	\$809,420
\$82,306,161	\$74,785,687	\$85,125,858	\$84,923,471	\$83,474,039	\$92,681,822
\$5,028,987	\$3,896,613	\$13,214,267	\$12,519,666	\$10,842,734	\$20,842,724
\$59,806,852	\$54,153,667	\$54,072,964	\$51,967,542	\$54,658,222	\$49,868,111
\$3,605,469	\$3,419,554	\$3,484,494	\$3,289,318	\$3,102,711	\$3,668,127
\$1,169,053	\$1,091,512	\$1,109,409	\$1,340,691	\$1,389,804	\$1,301,459
\$6,182,129	\$6,194,699	\$6,180,356	\$6,159,079	\$5,730,534	\$5,903,222
\$4,840,618	\$4,960,179	\$4,923,058	\$4,816,834	\$4,755,899	\$4,349,768
\$1,150,231	\$1,023,732	\$1,003,194	\$1,005,303	\$1,053,195	\$982,746
\$531,918	\$548,656	\$582,921	\$584,181	\$584,485	\$599,834
\$777,792	\$777,792	\$777,792	\$777,792	\$777,792	\$777,792
\$83,093,047	\$76,066,404	\$85,348,455	\$82,460,407	\$82,895,377	\$88,293,783
(\$786,887)	(\$1,280,717)	(\$222,597)	\$2,463,064	\$578,662	\$4,388,039
\$82,358	\$44,669	\$93,525	\$169,878	\$354,727	\$714,384
\$131,840	\$163,983	\$188,607	\$212,829	\$235,248	\$225,958
(\$836,369)	(\$1,400,032)	(\$317,679)	\$2,420,113	\$698,141	\$4,876,465
\$1,361,917	\$1,361,917	\$1,361,917	\$1,361,917	\$1,361,917	\$1,319,128
891,212,129	842,298,625	875,262,741	885,382,880	865,686,247	944,633,078
\$0.0888	\$0.0839	\$0.0781	\$0.0771	\$0.0831	\$0.0711



Balance Sheet

Assets

December 31, 2017

December 31, 2016

Current Assets

Cash Operating Fund - Cash	\$350,427	\$335,925
Accts Rec - Telecommunications	\$88,948	\$77,683
Allowance for Doubtful Accts	(\$889)	(\$777)
Prepaid Expenses	\$2,479	\$3,998

Total Current Assets

\$440,964

\$416,829

Fixed Assets

Utility Plant in Service	\$2,511,872	\$2,409,408
Accumulated Depreciation	(\$1,367,943)	(\$1,234,741)
Accumulated Amortization	(\$386,017)	(\$386,017)
Construction Work In Progress	\$0	\$2,575
Misc Intangible Property	\$386,017	\$386,017

Total Fixed Assets

\$1,143,929

\$1,177,242

Total Assets

\$1,584,893

\$1,594,071

Liabilities, Contributions, and Retained Earnings

Liabilities from Current Assets

Accounts Payable	\$11,048	\$9,274
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Total Current Liabilities

\$11,048

\$9,274

Liabilities from Restricted Assets

Interest Payable	\$590,458	\$590,728
Notes Payable - RP&L	\$2,568,111	\$2,582,581

Total Liabilities from Restricted Assets

\$3,158,570

\$3,173,309

Retained Earnings

Retained Earnings Beg Balance	(\$1,588,511)	(\$1,578,326)
Net Income during the Year	\$3,787	(\$10,185)

Retained Earnings from End of Period

(\$1,584,724)

(\$1,588,511)

Liabilities, Contributions & Retained Earnings

\$1,584,893

\$1,594,071

Telecommunications Revenue**December 31, 2017****December 31, 2016****Residential**

DSL	\$146,488	\$174,167
Wireless	\$15,692	\$19,221
Equipment Fees	\$1,100	\$2,460
Installation Fees	\$1,500	\$2,640

Commercial

Wireless	\$12,979	\$11,901
DSL	\$41,887	\$53,103
Web Hosting	\$3,680	\$3,855
Level Service	\$367,135	\$334,878
Point to Point	\$503,390	\$464,548
Miscellaneous Service	\$25,359	\$24,225
Installation Fees	\$14,930	\$20,728
Equipment Fees	\$305	\$1,020
VOIP Services	\$91,717	\$71,227

Total Telecommunications Revenue**\$1,226,161****\$1,183,972**

Other Operating Revenue
Dishonored Check Charges

\$20

\$40

Total Telecommunications Revenues**\$1,226,181****\$1,184,012****Operating Expenses**

Operations	\$452,695	\$469,522
Customer Accounts & Service	\$20,896	\$21,984
Administrative & General	\$538,236	\$494,779
Depreciation	\$135,231	\$132,666
Payroll Taxes - FICA & SUTA	\$24,086	\$23,720

Total Operating Expenses**\$1,171,144****\$1,142,671****Net Operating Income****\$55,036****\$41,341****Other Income and Deductions**

Other Income		
Interest - Checking	\$160	\$152

Total Other Income**\$160****\$152****Other Deductions**

Interest Expense - Loan due RPL	\$51,409	\$51,678
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Total Other Deductions**\$51,409****\$51,678****Net Income****\$3,787****(\$10,185)**

Income Statement and Cash Flows

for year ending December 31, 2017

Cash Flows From Operating Activities:

Received from Customers	\$1,233,830
Paid to Suppliers for Goods and Services	(\$540,792)
Paid to Employees for Services - Including Benefits	(\$519,112)

Net Cash Provided (Used) by Operating Activities **\$173,927**

Cash Flows From Investing Activities:

Investment Income	\$160
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Net Cash Provided (Used) by Investing Activities **\$160**

Cash Flows From Capital and Related Financing Activities:

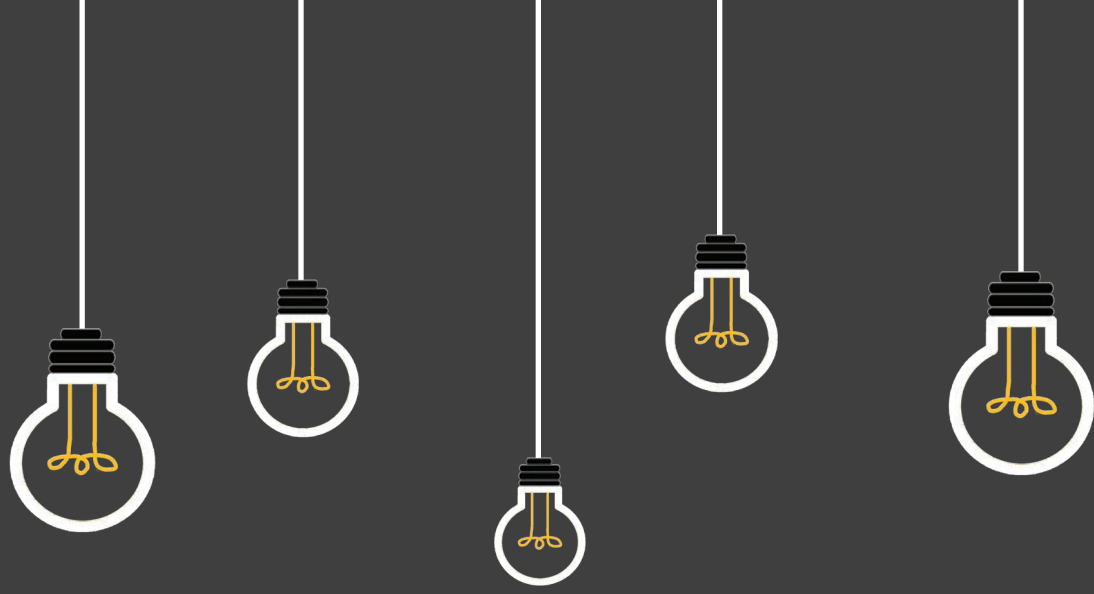
Acquisition and Construction of Fixed Assets	(\$93,436)
Principal Paid on Debt	(\$14,469)
Interest Paid on Debt	(\$51,678)

Net Cash Provided (Used) by Capital and Related Financing Activities **(\$159,584)**

Net Increase (Decrease) in Cash and Cash Equivalents **\$14,502**

Cash and Cash Equivalents - Beginning of the Year **\$335,925**

Cash and Cash Equivalents - End of the Year **\$350,427**



SERVING RICHMOND

SINCE 1902

Dedication