

South Central MCN LLC

Balance Sheet
at June 30, 2015

	Actual QE 6/30/2015	Pro Forma Adjustments 6/30/2015	Pro Forma QE 6/30/2015
ASSETS AND OTHER DEBITS			
UTILITY PLANT			
101	Utility Plant	0	11,388,160
108	(Less) Accum. Prov. for Depr. Amort. Depl.	0	(2,273,000)
CURRENT AND ACCRUED ASSETS			
154	Plant Materials and Operating Supplies	0	0
165	Prepayments	87,852	87,852
182.3	Other Regulatory Assets	0	665,305
DEFERRED DEBITS			
186	Misc Deferred Debits	22,152	22,152
TOTAL ASSETS			
		110,004	9,890,469
LIABILITIES AND OTHER CREDITS			
PROPRIETARY CAPITAL			
201	Members Equity	4,384,254	4,384,254
215	Accumulated Loss	(4,512,797)	(4,447,492)
	Total Proprietary Capital	(128,544)	(63,239)
LONG-TERM DEBT			
224	Other Long-Term Debt	0	0
CURRENT AND ACCRUED LIABILITIES			
233	Notes payable to associated companies	0	9,715,160
242	Miscellaneous and current accrued liabilities	238,548	238,548
TOTAL LIABILITIES AND STOCKHOLDER EQUITY			
		110,004	9,890,469

These financial statements have not been audited, reviewed, or compiled and, therefore, no assurance is provided. Additionally, no tax consequences have been considered.

South Central MCNLLC

Income Statement

For the quarter and year-to-date periods ending June 30, 2015

	Title of Account	Actual QE 6/30/2015	Pro Forma Adjustments 6/30/2015	Pro Forma QE 6/30/2015	Actual YTD 6/30/2015	Pro Forma Adjustments YTD	Pro Forma YTD 6/30/2015
	General and Administrative Costs:						
920	Admin & General Salaries	249,533	0	249,533	425,973	0	425,973
921	Office Supplies & Expenses	119,020	0	119,020	233,207	0	233,207
923	Outside Services Employed	403,523	(65,305)	338,218	1,124,197	(65,305)	1,058,892
924	Property Insurance	788	0	788	1,575	0	1,575
926	Employee Pensions & Benefits	24,915	0	24,915	42,887	0	42,887
930.1	General Advertising	1,250	0	1,250	1,250	0	1,250
930.2	Misc. General Expenses	23,314	0	23,314	258,631	0	258,631
931	Rents - General	26,112	0	26,112	44,272	0	44,272
	Total General and Administrative Costs	848,455	(65,305)	783,150	2,131,992	(65,305)	2,066,687
	Net Income (Loss)	(848,455)	65,305	(783,150)	(2,131,992)	65,305	(2,066,687)

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Proposed Accounting Entries for NIXA acquisition

Journal Entry	Account No.	Title	Debit	Credit
A. Proposed entries to record in South Central MCN LLC books and records the electric plant acquired in the Transaction:				
A.1	102	Electric Plant Purchased	\$ 9,115,160	
	233	Notes payable to associated companies		\$ 9,115,160
<i>(To record the cost of the acquisition)</i>				
A.2	182.3	Other Regulatory Assets	\$ 665,305	
	233	Notes Payable to Associated Companies		\$ 600,000
	923	Outside Services Employed		\$ 65,305
<i>(To record transaction costs as regulatory assets)</i>				
A.3	101	Electric Plant in Service	\$ 11,388,160	
		Accumulated Provision for Depreciation of		
	108	Electric Utility Plant		\$ 2,273,000
	102	Electric Plant Purchased		\$ 9,115,160
<i>(To record the original cost and the depreciation and amortization applicable to original cost for electric plant acquired and to clear account 102)</i>				