

FINANCIAL REPORT Year Ended December 31, 2005 and 2006

BALANCE SHEET

	2005	2006
ASSETS		
UTILITY PLANT		
Electric Plant in Service-at-Cost	\$ 129,464,092	\$ 138,880,582
Construction Work in Progress	2,849,160	3,989,378
Gross Utility Plant	132,313,252	142,869,960
Accumulated Provision for Depreciation	(28,766,123)	(32,001,508)
	<u>103,547,129</u>	<u>110,868,452</u>
OTHER PROPERTY AND INVESTMENTS		
Investments in Associated Organizations	4,945,306	5,303,995
Non-Utility Property	1,492,243	1,817,575
Note Receivable	—	4,735,686
	<u>6,437,549</u>	<u>11,857,256</u>
CURRENT ASSETS		
Cash -General	6,844,483	3,640,610
Accounts Receivable <i>(less accumulated provision for uncollectible accounts) are \$226,175 for 2005 and \$204,459 for 2006</i>	2,186,873	2,404,355
Interest Receivable	15,218	9,279
Materials and Supplies	1,043,064	2,052,122
Prepayments	289,161	295,932
	<u>10,378,799</u>	<u>8,402,298</u>
DEFERRED DEBITS		
	10,616	—
TOTAL ASSETS	\$ 120,374,093	\$ 131,128,006
EQUITIES AND LIABILITIES		
EQUITIES		
Membership Fees	\$ 165,870	\$ 174,095
Patronage Capital	36,932,756	41,058,848
Other	2,830,988	2,837,381
	<u>39,929,614</u>	<u>44,070,324</u>
LONG TERM DEBT		
RUS Mortgage Notes	52,701,573	63,885,419
NRUCFC Mortgage Notes	11,777,923	11,299,125
	<u>64,479,496</u>	<u>75,184,544</u>
OTHER LONG TERM LIABILITIES		
Accumulated Provision for Postretirement Benefits	6,117,800	1,351,824
CURRENT LIABILITIES		
Current Maturities of Mortgage Notes	1,885,000	2,075,000
Accounts Payable	4,027,089	4,487,069
Consumer Deposits	1,057,393	1,164,178
Accrued and Withheld Taxes	2,348,658	2,274,355
Other Current and Accrued Liabilities	529,043	520,712
	<u>9,847,183</u>	<u>10,521,314</u>
TOTAL EQUITIES AND LIABILITIES	\$ 120,374,093	\$ 131,128,006

DETAIL OF PATRONAGE CAPITAL

	2005	2006
Assignable	\$ 4,023,111	\$ 5,154,014
Assigned	33,907,972	36,932,756
	<u>37,931,083</u>	<u>42,086,770</u>
Retired	(998,327)	(1,027,922)
	<u>\$ 36,932,756</u>	<u>\$ 41,058,848</u>

STATEMENT OF REVENUE AND PATRONAGE CAPITAL

	2005	2006
OPERATING REVENUE AND PATRONAGE CAPITAL		
	\$ 57,081,655	\$ 60,629,926
OPERATING EXPENSES		
Cost of Power	34,937,936	36,113,727
Distribution Operations	3,138,895	3,732,785
Distribution Maintenance	2,582,451	2,788,417
Consumer Accounts	2,287,587	2,242,562
Consumer Service and Information	68,638	103,943
Administrative and General	2,386,769	2,397,800
Sales	488,048	485,625
Depreciation	4,197,253	4,526,961
Other	21,139	20,595
	<u>50,108,716</u>	<u>52,412,415</u>
OPERATING MARGINS BEFORE INTEREST EXPENSE		
	6,972,939	8,217,511
Interest Expense	<u>(3,505,884)</u>	<u>(4,048,494)</u>
OPERATING MARGINS AFTER INTEREST EXPENSE		
	3,467,055	4,169,017
NON-OPERATING MARGINS		
Interest Income	143,476	501,154
GENERATION AND TRANSMISSION COOPERATIVE CAPITAL CREDITS		
	261,391	162,242
OTHER CAPITAL CREDITS AND PATRONAGE CAPITAL ALLOCATIONS		
	151,189	321,601
NET MARGINS	<u>4,023,111</u>	<u>5,154,014</u>
PATRONAGE CAPITAL - BEGINNING OF YEAR		
	33,907,972	36,932,756
RETIREMENTS	<u>(998,327)</u>	<u>(1,027,922)</u>
PATRONAGE CAPITAL - END OF YEAR	<u>\$ 36,932,756</u>	<u>\$ 41,058,848</u>

