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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION MI0029

PERIOD ENDED December 2020

BORROWER NAME The Ontonagon County Rural Electrification Ass

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Deborah Miles

4/1/2021

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	6,332,676	6,396,661	6,372,649	582,680
2. Power Production Expense				
3. Cost of Purchased Power	2,196,418	2,162,866	2,278,914	194,345
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	334,122	325,079	418,676	29,944
7. Distribution Expense - Maintenance	721,547	929,393	704,996	47,230
8. Customer Accounts Expense	205,115	216,701	245,600	(3,148)
9. Customer Service and Informational Expense	120,818	121,849	106,356	17,222
10. Sales Expense				
11. Administrative and General Expense	575,355	539,396	539,941	58,700
12. Total Operation & Maintenance Expense (2 thru 11)	4,153,375	4,295,284	4,294,483	344,293
13. Depreciation and Amortization Expense	834,069	854,590	864,000	69,886
14. Tax Expense - Property & Gross Receipts	341,547	308,388	360,000	4,194
15. Tax Expense - Other				
16. Interest on Long-Term Debt	683,671	673,724	712,393	58,169
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	2,658	4,675		
19. Other Deductions	20,598	20,235	20,436	1,702
20. Total Cost of Electric Service (12 thru 19)	6,035,918	6,156,896	6,251,312	478,244
21. Patronage Capital & Operating Margins (1 minus 20)	296,758	239,765	121,337	104,436
22. Non Operating Margins - Interest	10,075	7,592	4,580	245
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	59,059	61,653	39,600	14,781
25. Non Operating Margins - Other	66,644	21,223		24,616
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	98,888	100,793	90,000	49,587
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	531,424	431,026	255,517	193,665

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION MI0029		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2020		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	44	39	5. Miles Transmission		
2. Services Retired	15	10	6. Miles Distribution – Overhead	820.81	920.76
3. Total Services in Place	5,864	5,892	7. Miles Distribution - Underground	149.02	49.61
4. Idle Services (Exclude Seasonals)	631	641	8. Total Miles Energized (5 + 6 + 7)	969.83	970.37
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	31,417,829		30. Memberships		22,755
2. Construction Work in Progress	739,169		31. Patronage Capital		6,351,892
3. Total Utility Plant (1 + 2)	32,156,998		32. Operating Margins - Prior Years		0
4. Accum. Provision for Depreciation and Amort.	10,780,029		33. Operating Margins - Current Year		340,559
5. Net Utility Plant (3 - 4)	21,376,969		34. Non-Operating Margins		90,468
6. Non-Utility Property (Net)	0		35. Other Margins and Equities		32,497
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)		6,838,171
8. Invest. in Assoc. Org. - Patronage Capital	331,106		37. Long-Term Debt - RUS (Net)		22,287
9. Invest. in Assoc. Org. - Other - General Funds	3,042,437		38. Long-Term Debt - FFB - RUS Guaranteed		6,616,851
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	73,679		39. Long-Term Debt - Other - RUS Guaranteed		0
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)		11,746,776
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)		0
13. Special Funds	0		42. Payments – Unapplied		0
14. Total Other Property & Investments (6 thru 13)	3,447,222		43. Total Long-Term Debt (37 thru 41 - 42)		18,385,914
15. Cash - General Funds	978,873		44. Obligations Under Capital Leases - Noncurrent		0
16. Cash - Construction Funds - Trustee	4		45. Accumulated Operating Provisions and Asset Retirement Obligations		115,796
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)		115,796
18. Temporary Investments	0		47. Notes Payable		0
19. Notes Receivable (Net)	0		48. Accounts Payable		263,074
20. Accounts Receivable - Sales of Energy (Net)	395,127		49. Consumers Deposits		14,850
21. Accounts Receivable - Other (Net)	94,717		50. Current Maturities Long-Term Debt		640,000
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development		0
23. Materials and Supplies - Electric & Other	251,217		52. Current Maturities Capital Leases		0
24. Prepayments	23,568		53. Other Current and Accrued Liabilities		392,944
25. Other Current and Accrued Assets	0		54. Total Current & Accrued Liabilities (47 thru 53)		1,310,868
26. Total Current and Accrued Assets (15 thru 25)	1,743,506		55. Regulatory Liabilities		30,343
27. Regulatory Assets	0		56. Other Deferred Credits		39,388
28. Other Deferred Debits	152,783		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)		26,720,480
29. Total Assets and Other Debits (5+14+26 thru 28)	26,720,480				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2020
PART D. NOTES TO FINANCIAL STATEMENTS	
<div> <div>4-Year Work Plan</div> <div>\$93,954</div> </div> <div> <div>System Study</div> <div>30,878</div> </div> <div> <div>Mapping</div> <div>27,951</div> </div>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION MI0029
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2020
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION MI0029

PERIOD ENDED
December 2020

INSTRUCTIONS - See help in the online application.

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	27,805,894	766,294	223,594	(55,943)	28,292,651
2. General Plant	2,232,210	364,546			2,596,756
3. Headquarters Plant	527,073				527,073
4. Intangibles	1,349				1,349
5. Transmission Plant	0				0
6. Regional Transmission and Market Operation Plant					
7. All Other Utility Plant	0				0
8. Total Utility Plant in Service (1 thru 7)	30,566,526	1,130,840	223,594	(55,943)	31,417,829
9. Construction Work in Progress	877,590	(138,421)			739,169
10. Total Utility Plant (8 + 9)	31,444,116	992,419	223,594	(55,943)	32,156,998

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	224,073	142,908	15,024	199,318		68,530	251,217
2. Other	0						0

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	.580	0.000	.050	6.090	6.720
2. Five-Year Average	4.170	31.380	.300	7.590	43.440

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	13	4. Payroll - Expensed	690,771
2. Employee - Hours Worked - Regular Time	27,376	5. Payroll - Capitalized	241,835
3. Employee - Hours Worked - Overtime	1,560	6. Payroll - Other	140,324

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements		
	b. Special Retirements		
	c. Total Retirements (a + b)		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	57,475	
	c. Total Cash Received (a + b)	57,475	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	\$ 47,665	2. Amount Written Off During Year	\$ 11,964
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ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %	
2. Actual Loan Delinquency %		5. Actual Loan Default %	
3. Total Loan Delinquency Dollars YTD	\$	6. Total Loan Default Dollars YTD	\$

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					BORROWER DESIGNATION MI0029				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December 2020				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Upper Peninsula Power Company	19578			0	289,205	0.00		
2	Wisconsin Electric Power Co	20847			0	8,253	0.00		
3	Wolverine Pwr Supply Coop, Inc	20910			3,064,986	197,483	6.44		
4	Wisconsin Public Service Corp	20860			26,304,759	1,667,925	6.34		
	Total				29,369,745	2,162,866	7.36		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2020	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			
2			
3			
4			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2020	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION MI0029	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2020	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting	2. Total Number of Members 4,200	3. Number of Members Present at Meeting	4. Was Quorum Present? N
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION MI0029		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2020		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	22,288	1,940	47,935	49,875
2	National Rural Utilities Cooperative Finance Corporation	4,271,561	196,431	152,731	349,162
3	CoBank, ACB	7,157,644	328,198	399,211	727,409
4	Federal Financing Bank	6,616,851	118,626	83,748	202,374
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	SBA-PPP	317,570			
	TOTAL	18,385,914	645,195	683,625	1,328,820

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0029		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2020		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,242	3,230	
	b. kWh Sold			18,467,950
	c. Revenue			4,402,402
2. Residential Sales - Seasonal	a. No. Consumers Served	1,273	1,271	
	b. kWh Sold			2,117,653
	c. Revenue			929,806
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	225	225	
	b. kWh Sold			4,755,060
	c. Revenue			918,264
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	135	135	
	b. kWh Sold			99,423
	c. Revenue			15,102
7. Other Sales to Public Authorities	a. No. Consumers Served	24	25	
	b. kWh Sold			62,113
	c. Revenue			19,247
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		4,899	4,886	
11. Total kWh Sold (lines 1b thru 9b)				25,502,199
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				6,284,821
13. Transmission Revenue				0
14. Other Electric Revenue				111,840
15. kWh - Own Use				
16. Total kWh Purchased				29,369,745
17. Total kWh Generated				
18. Cost of Purchases and Generation				2,162,866
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident ___ Coincident ___				4,014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION MI0029			
			PERIOD ENDED December 2020			
INSTRUCTIONS - See help in the online application.						
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	1,921	66,808	464	1,921	465,295	7,145
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	129	16,859	628	129	101,851	1,783
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	2,050	83,667	1,092	2,050	567,146	8,928

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0029			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2020			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Federated Rural Electric Insurance	52,839			
	National Information Solutions	50,044			
	NRUCFC Pat. Cap. Member Cert & CTC's	55,457	73,679		
	RESCO	65			
	Settler's Cooperative, Inc.	510			
	American Transmission Company	675,497			
	Co-Bank	220,732			
	Cooperative Response Center	16,863			
	NRUCFC-Membership	1,000			
	CFC-Daily Liquidity Fund	2,300,535			
	Totals	3,373,542	73,679		
6	Cash - General				
	Checking, Savings & Working Funds		978,873		
	Totals		978,873		
9	Accounts and Notes Receivable - NET				
	Various		94,717		
	Totals		94,717		
11	TOTAL INVESTMENTS (1 thru 10)	3,373,542	1,147,269		

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FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2020			
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PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

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FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2020			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					10.49 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				