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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT  
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION MI0037

PERIOD ENDED December 2020 (Prepared with Audited Data)

BORROWER NAME Thumb Electric Cooperative of Michigan

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.

Dallas Brar

3-31-21  
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	21,965,260	22,898,155	22,673,003	2,073,784
2. Power Production Expense	76,402	68,647	67,936	4,944
3. Cost of Purchased Power	10,202,490	10,466,857	10,510,640	956,891
4. Transmission Expense	268,406	266,961	297,820	3,417
5. Regional Market Expense				
6. Distribution Expense - Operation	684,053	623,112	671,832	(90,464)
7. Distribution Expense - Maintenance	2,382,683	2,656,708	2,275,620	176,249
8. Customer Accounts Expense	674,644	557,918	618,445	(27,598)
9. Customer Service and Informational Expense	435,224	356,750	507,833	33,811
10. Sales Expense				
11. Administrative and General Expense	1,113,053	1,190,100	1,191,286	51,071
12. Total Operation & Maintenance Expense (2 thru 11)	15,836,955	16,187,053	16,141,412	1,108,321
13. Depreciation and Amortization Expense	2,311,052	2,548,610	2,564,368	240,255
14. Tax Expense - Property & Gross Receipts	909,844	945,248	950,100	74,487
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,529,206	1,500,332	1,601,612	99,576
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	71,339	23,437	69,350	2,469
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 19)	20,658,396	21,204,680	21,326,842	1,525,108
21. Patronage Capital & Operating Margins (1 minus 20)	1,306,864	1,693,475	1,346,161	548,676
22. Non Operating Margins - Interest	54,572	43,129	45,056	3,427
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	94,480	53,674	76,147	24,299
25. Non Operating Margins - Other	129,859	(63,379)	116,980	(194,020)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	82,013	73,649	80,600	6,552
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,667,788	1,800,548	1,664,944	388,934

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			MI0037		
			PERIOD ENDED December 2020		
INSTRUCTIONS - See help in the online application.					
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	58	65	5. Miles Transmission	140.80	141.41
2. Services Retired	58	53	6. Miles Distribution – Overhead	1,977.38	1,977.11
3. Total Services in Place	12,812	12,710	7. Miles Distribution - Underground	20.43	20.47
4. Idle Services (Exclude Seasonals)	538	403	8. Total Miles Energized (5 + 6 + 7)	2,138.61	2,138.99
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	107,901,842		30. Memberships	185,386	
2. Construction Work in Progress	805,575		31. Patronage Capital	22,453,091	
3. Total Utility Plant (1 + 2)	108,707,417		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	32,204,266		33. Operating Margins - Current Year	1,693,475	
5. Net Utility Plant (3 - 4)	76,503,151		34. Non-Operating Margins	107,073	
6. Non-Utility Property (Net)	88,945		35. Other Margins and Equities	2,821,780	
7. Investments in Subsidiary Companies	1,824,060		36. Total Margins & Equities (30 thru 35)	27,260,805	
8. Invest. in Assoc. Org. - Patronage Capital	890,149		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed	37,747,859	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	727,448		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	10,653,595	
12. Other Investments	98,543		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	1,157,041		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	4,786,186		43. Total Long-Term Debt (37 thru 41 - 42)	48,401,454	
15. Cash - General Funds	700,767		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	160,000		47. Notes Payable	4,135,241	
19. Notes Receivable (Net)	0		48. Accounts Payable	2,691,879	
20. Accounts Receivable - Sales of Energy (Net)	2,905,428		49. Consumers Deposits	170,327	
21. Accounts Receivable - Other (Net)	318,723		50. Current Maturities Long-Term Debt	2,040,309	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	1,103,010		52. Current Maturities Capital Leases	0	
24. Prepayments	84,764		53. Other Current and Accrued Liabilities	1,433,600	
25. Other Current and Accrued Assets	51,477		54. Total Current & Accrued Liabilities (47 thru 53)	10,471,356	
26. Total Current and Accrued Assets (15 thru 25)	5,324,169		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	479,891	
28. Other Deferred Debits	0		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	86,613,506	
29. Total Assets and Other Debits (5+14+26 thru 28)	86,613,506				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MI0037
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2020
<b>PART D. NOTES TO FINANCIAL STATEMENTS</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION MI0037
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2020
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION MI0037				
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			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	72,762,203	7,373,565	1,348,360		78,787,408		
2. General Plant	5,520,297	1,060,340	274,408		6,306,229		
3. Headquarters Plant	1,304,884	28,514			1,333,398		
4. Intangibles	834				834		
5. Transmission Plant	10,390,074	2,985,352	434,971		12,940,455		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	8,532,893	625			8,533,518		
8. Total Utility Plant in Service (1 thru 7)	98,511,185	11,448,396	2,057,739		107,901,842		
9. Construction Work in Progress	5,430,192	(4,624,617)			805,575		
10. Total Utility Plant (8 + 9)	103,941,377	6,823,779	2,057,739		108,707,417		
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	1,246,660	1,167,798	11,483	1,382,205	1,027	(11,788)	1,030,921
2. Other	62,857	85,662			77,012	582	72,089
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	0.000	100.830	10.576	188.720	300.126		
2. Five-Year Average	0.000	294.734	4.230	220.030	518.994		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	31	4. Payroll - Expensed		1,725,106			
2. Employee - Hours Worked - Regular Time	66,042	5. Payroll - Capitalized		1,169,155			
3. Employee - Hours Worked - Overtime	5,615	6. Payroll - Other		593,838			
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION		THIS YEAR (a)	CUMULATIVE (b)			
1. Capital Credits - Distributions	a. General Retirements		685,904	6,877,238			
	b. Special Retirements		386,467	5,473,887			
	c. Total Retirements (a + b)		1,072,371	12,351,125			
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		0				
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System		17,218				
	c. Total Cash Received (a + b)		17,218				
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	143,431	2. Amount Written Off During Year	\$	20,384		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %		0	4. Anticipated Loan Default %		0		
2. Actual Loan Delinquency %		0	5. Actual Loan Default %		0		
3. Total Loan Delinquency Dollars YTD	\$	0	6. Total Loan Default Dollars YTD	\$	0		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					BORROWER DESIGNATION  MI0037				
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	CMS Marketing, Serv & Trade Co	3991			194,957,687	10,466,857	5.37		1,354,965
	Total				194,957,687	10,466,857	5.37		1,354,965

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION  MI0037	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2020	
<b>PART K. kWh PURCHASED AND TOTAL COST</b>			
<b>No</b>	<b>Comments</b>		
1			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION MI0037	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2020	
<b>PART L. LONG-TERM LEASES</b>			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0037	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2020	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting	2. Total Number of Members 12,278	3. Number of Members Present at Meeting	4. Was Quorum Present? N/A
5. Number of Members Voting by Proxy or Mail 657	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 64,302	8. Does Manager Have Written Contract? Y

**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  MI0037		
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)				
2	National Rural Utilities Cooperative Finance Corporation	10,522,427	443,670	746,236	1,189,906
3	CoBank, ACB	131,169	11,389	303,494	314,883
4	Federal Financing Bank	37,747,858	1,045,274	1,118,167	2,163,441
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				
	TOTAL	48,401,454	1,500,333	2,167,897	3,668,230

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION MI0037		
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	9,180	9,156	
	b. kWh Sold			126,734,982
	c. Revenue			16,046,160
2. Residential Sales - Seasonal	a. No. Consumers Served	2,046	2,060	
	b. kWh Sold			4,545,039
	c. Revenue			1,205,985
3. Irrigation Sales	a. No. Consumers Served	48	48	
	b. kWh Sold			401,697
	c. Revenue			65,657
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,033	1,018	
	b. kWh Sold			46,002,787
	c. Revenue			5,045,104
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			
	b. kWh Sold			
	c. Revenue			
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
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)		12,307	12,282	
11. Total kWh Sold (lines 1b thru 9b)				177,684,505
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				22,362,906
13. Transmission Revenue				0
14. Other Electric Revenue				535,249
15. kWh - Own Use				357,100
16. Total kWh Purchased				194,957,687
17. Total kWh Generated				0
18. Cost of Purchases and Generation				10,802,465
19. Interchange - kWh - Net				0
20. Peak - Sum All kW Input (Metered) Non-coincident    Coincident <input checked="" type="checkbox"/>				50,891

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION MI0037			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			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)	438	250,731	5,887	10,927	2,398,215	31,887
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	10	29,458	1,679	1,622	462,320	8,672
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	448	280,189	7,566	12,549	2,860,535	40,559

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>		BORROWER DESIGNATION MI0037  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.					
<b>PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)</b>					
No	DESCRIPTION (a)	INCLUDED (S) (b)	EXCLUDED (S) (c)	INCOME OR LOSS (S) (d)	RURAL DEVELOPMENT (e)
<b>1</b>	<b>Non-Utility Property (NET)</b>				
	Vacant Lot	12,000			
	Rental Home	76,945			
	Totals	88,945			
<b>2</b>	<b>Investments in Associated Organizations</b>				
	CFC, CoBank Patronage, CTCs		971,652		
	NISC, NRTC, RESCO, Federated	495,944			
	Mbr Cap Sec	150,000			
	TEsC	1,824,060			
	Totals	2,470,004	971,652		
<b>4</b>	<b>Other Investments</b>				
	ERC Loans/RESP Loans	98,543			
	Totals	98,543			
<b>5</b>	<b>Special Funds</b>				
	Member Contributions	97,154			
	Deferred Revenue	275,000			
	Billed Power Supply Over Recovery	624,887			
	Temporary Investment	160,000			
	Totals	1,157,041			
<b>6</b>	<b>Cash - General</b>				
	General Fund	700,768			
	Totals	700,768			
<b>8</b>	<b>Temporary Investments</b>				
	Commercial Paper	160,000			
	Totals	160,000			
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	W/H Billing	173,457			
	A/R Other	792,893			
	Bad Debt Reserve	(647,627)			
	Totals	318,723			
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	4,994,024	971,652		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>		BORROWER DESIGNATION MI0037			
		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.					
<b>PART Q. SECTION II. LOAN GUARANTEES</b>					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>		BORROWER DESIGNATION MI0037			
		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.					
<b>SECTION III. RATIO</b>					
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]					4.59 %
<b>SECTION IV. LOANS</b>					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
	TOTAL				

## Operating Report Checks

Borrower Name: Thumb Electric Cooperative of Michigan

Year: 2020

Borrower ID: MI0037

Period: December

### Part A: Statement of Operations

Type	Check Key	Description
Warning	590	<p>"Line 6. Distribution Expense - Operation" (Col. d) [(90,464)] is generally greater than or equal to zero.</p> <p><i>Borrower Explanation: Credit balance due to PPP Loan Forgiveness amount.</i></p>
Warning	610	<p>"Line 8. Customer Accounts Expense" (Col. d) [(27,598)] is generally greater than or equal to zero.</p> <p><i>Borrower Explanation: Credit balance due to PPP Loan Forgiveness amount.</i></p>

### Part J: Due From Consumers For Electric Service

Type	Check Key	Description
Warning	4700	<p>"Line 1. Anticipated Loan Delinquency" [0.00] is zero. Please provide an explanation.</p> <p><i>Borrower Explanation: Charges put on monthly bill and lien recorded against asset.</i></p>
Warning	4720	<p>"Line 4. Anticipated Loan Default" [0.00] is zero. Please provide an explanation.</p> <p><i>Borrower Explanation: Charges put on monthly bill and lien recorded against asset.</i></p>



**Part M: Annual Meeting and Board Data**

Type	Check Key	Description
Warning	2080	"Line 1. Date of Last Annual Meeting" is generally in the same year as this report. <i>Borrower Explanation: No 2020 annual meeting held due to Covid19.</i>
Warning	2120	"Line 3. Number of Members Present at Meeting" [empty] is generally greater than zero. <i>Borrower Explanation: No 2020 annual meeting held due to Covid19. Had mail in and online voting.</i>

**Part O: Power Requirements Database - Annual Summary**

Type	Check Key	Description
Warning	3740	Line 17. This utility reported kWh Generated last year, but shows no Line 17. kWh Generated this year. <i>Borrower Explanation: No generation in 2020.</i>

**Part Q Section I: Investments**

Type	Check Key	Description
Warning	2725	In general, at least one investment should have "Rural Development" checked other than those in Category 3 Economic Development. Please check your non-type three investments to see if any are rural development. <i>Borrower Explanation: No rural development at this time.</i>

**Cross Checks**

Type	Check Key	Description
Warning	2970	<p>If "Power Production Expense" (Col. b) [68,647] in Part A is greater than zero, then the "Total kWh Generated" - Year to Date (Col. c ) [0] in Part O should not be equal to zero.</p> <p><i>Borrower Explanation: Did not generate in 2020, but still had plant expenses.</i></p>
Warning	4570	<p>Year To Date "Number of Consumers" for Residential Sales (Part P, Column (d)) [10,927] should be less than or equal to the corresponding line on "a. No. Consumers Served" (Part O, Column (a)) [9,180].</p> <p><i>Borrower Explanation: Members can participate in more than one energy efficiency program, so the number of consumers for total to date could be higher than the number of consumers served.</i></p>
Warning	4570	<p>Year To Date "Number of Consumers" for Commercial and Industrial &lt;1000 kVa (Part P, Column (d)) [1,622] should be less than or equal to the corresponding line on "a. No. Consumers Served" (Part O, Column (a)) [1,033].</p> <p><i>Borrower Explanation: Members can participate in more than one energy efficiency program, so the number of consumers for total to date could be higher than the number of consumers served.</i></p>