

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME		Cherryland Electric Cooperative
	BORROWER DESIGNATION		MI044
	ENDING DATE		12/31/2019

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION		BALANCE CHECK RESULTS	AUTHORIZATION
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.			NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA? <input checked="" type="radio"/> YES <input type="radio"/> NO
 Signature of Office Manager or Accountant Date			
 Signature of Manager 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	51,391,539	53,057,139	52,115,144	4,623,202
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	33,210,384	32,649,497	31,851,160	3,591,996
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	1,404,648	1,631,363	1,635,712	120,519
7. Distribution Expense - Maintenance	3,259,931	3,750,036	3,558,553	646,982
8. Consumer Accounts Expense	1,078,051	1,084,379	1,185,350	4,102
9. Customer Service and Informational Expense	1,344,065	1,221,438	1,342,870	149,787
10. Sales Expense	273,343	291,008	319,540	32,054
11. Administrative and General Expense	2,621,190	2,901,449	2,797,205	230,328
12. Total Operation & Maintenance Expense (2 thru 11)	43,191,612	43,529,170	42,690,390	4,775,768
13. Depreciation & Amortization Expense	3,624,445	3,750,059	3,836,140	319,490
14. Tax Expense - Property & Gross Receipts	1,144,014	1,277,174	1,189,320	186,964
15. Tax Expense - Other	0	58	0	0
16. Interest on Long-Term Debt	2,510,665	2,747,967	2,704,251	240,587
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	234,147	110,136	247,500	5,491
19. Other Deductions	(48,786)	(31,514)	(48,000)	(5,017)
20. Total Cost of Electric Service (12 thru 19)	50,656,097	51,383,050	50,619,601	5,523,283
21. Patronage Capital & Operating Margins (1 minus 20)	735,442	1,674,089	1,495,543	(900,081)
22. Non Operating Margins - Interest	31,956	88,111	31,800	12,872
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	157,181	337,902	160,000	281,058
26. Generation & Transmission Capital Credits	2,421,462	1,843,484	2,618,000	(556,350)
27. Other Capital Credits & Patronage Dividends	395,485	397,186	400,000	30,520
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	3,741,526	4,340,772	4,705,343	(1,131,981)

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	438	397	5. Miles Transmission	0	0
2. Services Retired	41	47	6. Miles Distribution Overhead	1,748	1,736
3. Total Services In Place	37,025	37,375	7. Miles Distribution Underground	1,389	1,426
4. Idle Services (Exclude Seasonal)	1,219	1,174	8. Total Miles Energized (5+6+7)	3,137	3,162

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PART E. CHANGES IN UTILITY PLANT						
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)	
1 Distribution Plant Subtotal	101,509,837	5,805,342	1,003,921	0	106,311,258	
2 General Plant Subtotal	4,858,486	243,906	481,618	0	4,620,774	
3 Headquarters Plant	5,251,111	263,118	12,344	0	5,501,885	
4 Intangibles	0	0	0	0	0	
5 Transmission Plant Subtotal	0	0	0	0	0	
6 Regional Transmission and Market Operation Plant	0	0	0	0	0	
7 Production Plant - Steam	0	0	0	0	0	
8 Production Plant - Nuclear	0	0	0	0	0	
9 Production Plant - Hydro	0	0	0	0	0	
10 Production Plant - Other	0	0	0	0	0	
11 All Other Utility Plant	0	0	0	0	0	
12 SUBTOTAL: (1 thru 11)	111,619,434	6,312,365	1,497,883	0	116,433,917	
13 Construction Work in Progress	1,785,211	(432,358)			1,352,853	
14 TOTAL UTILITY PLANT (12+13)	113,404,646	5,880,007	1,497,883	0	117,786,770	
CFC NO LONGER REQUIRES SECTIONS "F", "J", AND "M" DATA Those sections refer to data on "Materials and Supplies" (F), "Energy Efficiency and Conservation Loan Program" (J), and "Annual Meeting and Board Data" (M).						
PART H. SERVICE INTERRUPTIONS						
ITEM	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	TOTAL (e)
	Power Supplier (a)	Major Event (b)	Planned (c)	All Other (d)		
1. Present Year	10.80	10.14	2.88	61.32		85.14
2. Five-Year Average	17.89	105.00	2.32	76.70		201.91
PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS						
1. Number of Full Time Employees	58		4. Payroll - Expensed	3,261,437		
2. Employee - Hours Worked - Regular Time	121,803		5. Payroll - Capitalized	1,168,658		
3. Employee - Hours Worked - Overtime	4,872		6. Payroll - Other	700,134		
PART J. PATRONAGE CAPITAL						
ITEM	THIS YEAR (a)	CUMULATIVE (b)	PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. General Retirement	2,394,255	36,414,667	1. Amount Due Over 60 Days: 191,618			
2. Special Retirements	254,022	4,162,049	2. Amount Written Off During Year: 91,842			
3. Total Retirements (1+2)	2,648,277	40,576,716				
4. Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	2,276,778					
5. Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	159,935					
6. Total Cash Received (4+5)	2,436,713					

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										BORROWER DESIGNATION	M1044
										ENDING DATE	12/31/2019
PART L. KWH PURCHASED AND TOTAL COST											
	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	KWH PURCHASED (e)	TOTAL COST (f)	AVERAGE COST PER KWH (cents) (g)	INCLUDED IN TOTAL COST			COMMENTS (i)
								FUEL COST ADJUSTMENT (h)	WHEELING & OTHER CHARGES (or Credits) (i)		
1	Wolverine Power Supply Cooperative			0 None	414,336,913	32,649,497	7.88	0	1,469,762	0	Comments
2				0 None	0	0	0.00	0	0	0	Comments
3				0 None	0	0	0.00	0	0	0	Comments
4				0 None	0	0	0.00	0	0	0	Comments
5				0 None	0	0	0.00	0	0	0	Comments
6				0 None	0	0	0.00	0	0	0	Comments
7				0 None	0	0	0.00	0	0	0	Comments
8				0 None	0	0	0.00	0	0	0	Comments
9				0 None	0	0	0.00	0	0	0	Comments
10				0 None	0	0	0.00	0	0	0	Comments
11				0 None	0	0	0.00	0	0	0	Comments
12				0 None	0	0	0.00	0	0	0	Comments
13				0 None	0	0	0.00	0	0	0	Comments
14				0 None	0	0	0.00	0	0	0	Comments
15				0 None	0	0	0.00	0	0	0	Comments
16				0 None	0	0	0.00	0	0	0	Comments
17				0 None	0	0	0.00	0	0	0	Comments
18				0 None	0	0	0.00	0	0	0	Comments
19				0 None	0	0	0.00	0	0	0	Comments
20				0 None	0	0	0.00	0	0	0	Comments
21	TOTALS				414,336,913	32,649,497	7.88	0	1,469,762	0	Comments

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PART L. KWH PURCHASED AND TOTAL COST (Continued)

COMMENTS	
1	
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PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.	None		\$0
2.			\$0
3.		TOTAL	\$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000.

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1	National Rural Utilities Cooperative Finance Corporation	43,901,514	1,839,061	1,920,731	3,759,792	
2	NCSC	0	0	0	0	
3	Farmer Mac	8,404,103	384,163	282,079	666,242	
4	CoBank	10,695,267	493,722	772,841	1,266,563	
5		0	0	0	0	
6		0	0	0	0	
7		0	0	0	0	
8		0	0	0	0	
9		0	0	0	0	
10	Principal Payments Received from Ultimate Recipients of IRP Loans			0		
11	Principal Payments Received from Ultimate Recipients of REDL Loans			359,177		
12	TOTAL (Sum of 1 thru 9)	\$63,000,884	\$2,716,946	\$2,975,651	\$5,692,597	

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PART R. POWER REQUIREMENTS DATABASE					
CLASSIFICATION	CONSUMER, SALES, AND REVENUE DATA	JANUARY CONSUMERS (a)	DECEMBER CONSUMERS (b)	AVERAGE CONSUMERS (c)	TOTAL KWH SALES AND REVENUE (d)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	32,962	33,280	33,121	
	b. KWH Sold				274,421,302
	c. Revenue				39,081,969
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
3. Irrigation Sales	a. No. Consumers Served	126	127	127	
	b. KWH Sold				1,483,249
	c. Revenue				203,233
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,623	2,680	2,652	
	b. KWH Sold				85,447,601
	c. Revenue				9,415,820
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	4	4	4	
	b. KWH Sold				29,617,200
	c. Revenue				2,316,224
6. Public Street & Highway Lighting	a. No. Consumers Served	19	19	19	
	b. KWH Sold				491,649
	c. Revenue				98,015
7. Other Sales to Public Authority	a. No. Consumers Served	153	151	152	
	b. KWH Sold				5,974,553
	c. Revenue				631,205
8. Sales for Resales-RUS Borrowers	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
10. TOTAL No. of Consumers (lines 1a thru 9a)		35,887	36,261	36,075	
11. TOTAL KWH Sold (lines 1b thru 9b)					397,435,554
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)					51,746,466
13. Transmission Revenue					0
14. Other Electric Revenue					1,310,673
15. KWH - Own Use					422,088
16. TOTAL KWH Purchased					414,336,913
17. TOTAL KWH Generated					0
18. Cost of Purchases and Generation					32,649,497
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					778,903
					<input type="radio"/> None <input type="radio"/> Non-coincident <input checked="" type="radio"/> Coincident

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PART S. ENERGY EFFICIENCY PROGRAMS

Line #	Classification	Added This Year			Total To Date		
		Number of Consumers (a)	Amount Invested (b)	ESTIMATED MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	ESTIMATED MMBTU Savings (f)
1.	Residential Sales (excluding seasonal)	847	51,061	5,231	19,068	876,872	42,584
2.	Residential Sales - Seasonal	0	0	0	0	0	0
3.	Irrigation Sales	0	0	0	1	356	14
4.	Comm. and Ind. 1000 KVA or Less	30	31,338	1,545	353	763,347	40,418
5.	Comm. and Ind. Over 1000 KVA	9	59,556	3,692	57	440,927	30,235
6.	Public Street and Highway Lighting	0	0	0	0	0	0
7.	Other Sales to Public Authorities	0	0	0	3	7,249	282
8.	Sales for Resales - RUS Borrowers	0	0	0	0	0	0
9.	Sales for Resales - Other	0	0	0	0	0	0
10.	TOTAL	886	141,955	10,468	19,482	2,088,751	113,533

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(All investments refer to your most recent CFC Loan Agreement)			
7a - PART 1 - INVESTMENTS			
	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)
			INCOME OR LOSS (d)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS			
5	Wolverine Power Supply Cooperative		28,755,029
6	NRUCFC		1,842,223
7	RESCO		395,288
8	See Notes for Additional Information		457,420
Subtotal (Line 5 thru 8)		0	31,449,960
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS			
9	G.T. Metro Emergency		158,333
10	Cedar Area Fire & Rescue		126,956
11	Field La Femme, LLC		96,429
12	See Notes for Additional Information		782,818
Subtotal (Line 9 thru 12)		0	1,164,536
4. OTHER INVESTMENTS			
13	Iron Fish Distillery LLC		14,372
14			
15			
16			
Subtotal (Line 13 thru 16)		0	14,372
5. SPECIAL FUNDS			
17			
18			
19			
20			
Subtotal (Line 17 thru 20)		0	0
6. CASH - GENERAL			
21	PNC Bank - Restricted		59,358
22	PNC Bank - Non-Restricted		140,575
23	Petty Cash	2,255	
24			
Subtotal (Line 21 thru 24)		2,255	199,933
7. SPECIAL DEPOSITS			
25			
26			
27			
28			
Subtotal (Line 25 thru 28)		0	0
8. TEMPORARY INVESTMENTS			
29	CFC Select Notes		1,000,000
30	CFC Medium Term Notes		4,000,000
31			
32			
Subtotal (Line 29 thru 32)		0	5,000,000
9. ACCOUNT & NOTES RECEIVABLE - NET			
33	Accounts Receivable - Other	111,366	
34	Accounts Receivable - Construction	11,650	
35	Accounts Receivable - State of Michigan	190,962	
36			
Subtotal (Line 33 thru 36)		313,978	0
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED			
37			
38			
39			
40			
Subtotal (Line 37 thru 40)		0	0
Total		316,233	37,828,801
			2,240,670

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(All investments refer to your most recent CFC Loan Agreement)					
7a - PART II. LOAN GUARANTEES					
Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0
7a - PART III. LOANS					
Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0
7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES					
1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)				316,233
2	LARGER OF (a) OR (b)				25,649,069
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)			17,668,016	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)			25,649,069	

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PRELIMINARY FINANCIAL & STATISTICAL RATIOS			
These preliminary ratios can be used to evaluate your system's performance and used as an error checking device. MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs -- Patronage Capital" must be entered as a part of the calculation for MDSC.			
ITEM DESCRIPTION		ENTER DATA	
2018 Part C, Balance Sheet, Line 8 - Invest. In Assoc. Org. - Pat Cap		33,069,749	
2019 Billed Debt Service		5,692,597	
2018 Part R, Power Req. Database, Line 11, Column (d) - Total MWH Sold		407,445	
2018 Part R, Power Req. Database, Line 10, Column (c) - Average Number of Consumers		35,628	
2018 Part C, Balance Sheet, Line 3 - Total Utility Plant		113,405	
2017 Part C, Balance Sheet, Line 35 - Total Margins & Equities		48,182,091	
2018 Part C, Balance Sheet, Line 35 - Total Margins & Equities		49,130,201	
2017 Part C, Balance Sheet, Line 38 - Total Long-Term Debt		53,200,360	
2018 Part C, Balance Sheet, Line 38 - Total Long-Term Debt		56,222,530	
2014 Part C, Balance Sheet, Line 35 - Total Margins & Equities		45,041,725	
2014 Part C, Balance Sheet, Line 38 - Total Long-Term Debt		37,005,331	
2018 Part C, Balance Sheet, Line 46 - Current Maturities Long-Term Debt - Economic Dev.		0	
2018 Part C, Balance Sheet, Line 45 - Current Maturities Long-Term Debt		2,928,421	

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2017 TIER		2.64	
2018 TIER		2.49	
2019 TIER		2.58	
2017 OTIER		2.33	
2018 OTIER		2.25	
2019 OTIER		2.50	
2017 MDSC		1.85	
2018 MDSC		1.82	
2019 MDSC		1.89	
2017 DSC		1.97	
2018 DSC		1.92	
2019 DSC		1.90	
2017 ODSC		1.82	
2018 ODSC		1.80	
2019 ODSC		1.86	
2% of Total Margins & Equity		1,025,963	
Total Long-Term Leases		-	
1/3 of the Lease portion		(341,988)	
Pat Cap (Cash) portion		2,502,823	

RATIO No.	RATIO DESCRIPTION	KRTA 2014	KRTA 2015	KRTA 2016	KRTA 2017	KRTA 2018	ESTIMATED RATIOS FOR 2019	Budget 2020	25%
1	RATIO 1 --- AVERAGE TOTAL CONSUMERS SERVED	33,925	34,274	34,700	35,144	35,628	36,075	0	0.01
2	RATIO 2 --- TOTAL KWH SOLD (1,000)	390,264	386,042	387,572	385,994	407,445	397,436	0	(0.02)
3	RATIO 3 --- TOTAL UTILITY PLANT (1,000)	92,205	97,185	103,340	108,926	113,405	117,787	0	0.04
4	RATIO 4 --- TOTAL NUMBER OF EMPLOYEES (FULL TIME ONLY)	52	52	53	55	58	58	0	0.00
5	RATIO 5 --- TOTAL MILES OF LINE	3,038	3,052	3,080	3,110	3,137	3,162	0	0.01
6	RATIO 6 --- TIER	3.34	3.70	2.78	2.64	2.49	2.58	0.00	0.04
7	RATIO 7 --- TIER (2 OF 3 YEAR HIGH AVERAGE)	3.58	3.76	3.52	3.24	2.71	2.61	0.00	(0.04)
8	RATIO 8 --- OTHER	2.58	2.03	2.84	2.33	2.25	2.50	0.00	0.11
9	RATIO 9 --- OTHER (2 OF 3 YEAR HIGH AVERAGE)	2.46	2.46	2.71	2.58	2.58	2.41	0.00	(0.06)
10	RATIO 10 --- MODIFIED DSC (MDSC)	2.02	1.79	2.12	1.85	1.82	1.89	0.00	0.04
11	RATIO 11 --- MDSC (2 OF 3 YEAR HIGH AVERAGE)	1.98	1.98	2.07	1.99	1.99	1.87	0.00	(0.06)
12	RATIO 12 --- DEBT SERVICE COVERAGE (DSC)	2.35	2.52	2.06	1.97	1.92	1.90	0.00	(0.01)
13	RATIO 13 --- DSC (2 OF 3 YEAR HIGH AVERAGE)	2.63	2.58	2.43	2.29	2.02	1.95	0.00	(0.04)
14	RATIO 14 --- ODSC	1.99	1.76	2.08	1.82	1.80	1.86	0.00	0.04
15	RATIO 15 --- ODSC (2 OF 3 YEAR HIGH AVERAGE)	1.96	1.96	2.04	1.95	1.95	1.84	0.00	(0.06)
16	RATIO 16 --- EQUITY AS A % OF ASSETS	43.85	42.82	41.36	41.10	41.66	40.74	0.00	(0.02)
17	RATIO 17 --- DISTRIBUTION EQUITY (EXCLUDES EQUITY IN ASSOC. ORG'S PATRONAGE CAPITAL)	20.37	18.29	17.60	18.27	18.92	19.86	0.00	0.05
18	RATIO 18 --- EQUITY AS A % OF TOTAL CAPITALIZATION	54.90	52.85	47.12	47.53	46.63	44.88	0.00	(0.04)
19	RATIO 19 --- LONG TERM DEBT AS A % OF TOTAL ASSETS	36.03	38.20	46.42	45.38	47.67	50.04	0.00	0.05
20	RATIO 20 --- LONG TERM DEBT PER KWH SOLD (MILLS)	94.82	108.09	134.65	137.83	137.99	158.52	0.00	0.15
21	RATIO 21 --- LONG TERM DEBT PER CONSUMER (\$)	1,090.80	1,217.48	1,503.90	1,513.78	1,578.04	1,746.39	0.00	0.11
22	RATIO 22 --- NON-GOVERNMENT DEBT AS A % OF TOTAL LONG TERM DEBT	100.00	100.00	100.00	100.00	100.00	100.00	0.00	0.00
23	RATIO 23 --- BLENDED INTEREST RATE (%)	4.40	4.05	3.82	4.17	4.37	4.39	0.00	0.00
24	RATIO 24 --- ANNUAL CAPITAL CREDITS RETIRED PER TOTAL EQUITY (%)	10.37	6.24	7.29	4.82	5.24	5.16	0.00	(0.02)
25	RATIO 25 --- LONG-TERM INTEREST AS A % OF REVENUE	3.56	3.42	3.77	4.56	4.89	5.18	0.00	0.06
26	RATIO 26 --- CUMULATIVE PATRONAGE CAPITAL RETIRED AS A % OF TOTAL PATRONAGE CAPITAL	37.24	38.79	41.53	42.32	43.57	44.17	0.00	0.01
27	RATIO 27 --- RATE OF RETURN ON EQUITY (%)	9.17	9.74	7.23	7.87	7.62	8.46	0.00	0.11
28	RATIO 28 --- RATE OF RETURN ON TOTAL CAPITALIZATION (%)	7.18	7.05	5.32	6.01	5.93	6.20	0.00	0.05
29	RATIO 29 --- CURRENT RATIO	0.38	0.40	0.57	0.57	0.54	0.54	0.00	1.22
30	RATIO 30 --- GENERAL FUNDS PER TUP (%)	0.31	0.25	0.32	0.22	0.17	4.43	0.00	25.06
31	RATIO 31 --- PLANT REVENUE RATIO (PRR) ONE YEAR	6.06	5.96	6.17	6.36	6.24	5.77	0.00	(0.08)
32	RATIO 32 --- INVESTMENT IN SUBSIDIARIES TO TOTAL ASSETS (%)	0.00	0.00	0.00	0.00	N/A	0.00	0.00	#VALUE!
33	RATIO 33 --- TOTAL OPERATING REVENUE PER KWH SOLD (MILLS)	126.95	127.51	129.06	131.11	126.13	133.50	0.00	0.06

RATIO No.	RATIO DESCRIPTION	KRTA 2014	KRTA 2015	KRTA 2016	KRTA 2017	KRTA 2018	ESTIMATED RATIOS FOR 2019	Budget 2020	25 %
34	RATIO 34 -- TOTAL OPERATING REVENUE PER TUP INVESTMENT (CENTS)	53.73	50.65	48.40	46.46	45.32	45.05	0.00	(0.01)
35	RATIO 35 -- TOTAL OPERATING REVENUE PER CONSUMER (\$)	1,460.45	1,436.21	1,441.48	1,439.98	1,442.45	1,470.75	0.00	0.02
36	RATIO 36 -- ELECTRIC REVENUE PER KWH SOLD (MILLS)	125.80	124.89	127.01	128.66	130.08	130.20	0.00	0.00
37	RATIO 37 -- ELECTRIC REVENUE PER CONSUMER (\$)	1,447.11	1,406.65	1,418.59	1,413.15	1,487.57	1,434.41	0.00	(0.04)
38	RATIO 38 -- RESIDENTIAL REVENUE PER KWH SOLD (MILLS)	134.85	135.73	137.75	139.49	142.00	142.42	0.00	0.00
39	RATIO 39 -- NON-RESIDENTIAL REVENUE PER KWH SOLD (MILLS)	106.18	101.80	103.62	105.11	103.42	102.95	0.00	(0.00)
40	RATIO 40 -- SEASONAL REVENUE PER KWH SOLD (MILLS)	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
41	RATIO 41 -- IRRIGATION REVENUE PER KWH SOLD (MILLS)	134.34	130.03	129.17	137.13	127.16	137.02	0.00	0.08
42	RATIO 42 -- SMALL COMMERCIAL REVENUE PER KWH SOLD (MILLS)	112.65	107.48	109.53	111.44	109.87	110.19	0.00	0.00
43	RATIO 43 -- LARGE COMMERCIAL REVENUE PER KWH SOLD (MILLS)	84.73	81.81	83.63	84.00	81.39	78.21	0.00	(0.04)
44	RATIO 44 -- SALES FOR RESALE REVENUE PER KWH SOLD (MILLS)	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
45	RATIO 45 -- STREET & HIGHWAY LIGHTING REVENUE PER KWH SOLD (MILLS)	172.72	176.17	180.15	191.10	194.61	199.36	0.00	0.02
46	RATIO 46 -- OTHER SALES TO PUBLIC AUTHORITIES REVENUE PER KWH SOLD (MILLS)	111.65	104.98	104.65	107.11	106.78	105.65	0.00	(0.01)
47	RATIO 47 -- OPERATING MARGINS PER KWH SOLD (MILLS)	3.69	3.11	3.04	2.59	1.81	4.21	0.00	1.33
48	RATIO 48 -- OPERATING MARGINS PER CONSUMER (\$)	42.42	35.03	33.95	28.45	20.64	46.41	0.00	1.25
49	RATIO 49 -- NON-OPERATING MARGINS PER KWH SOLD (MILLS)	0.53	0.60	0.46	0.72	0.46	1.07	0.00	1.33
50	RATIO 50 -- NON-OPERATING MARGINS PER CONSUMER (\$)	6.11	6.72	5.13	7.86	5.31	11.81	0.00	1.22
51	RATIO 51 -- TOTAL MARGINS LESS ALLOCATIONS PER KWH SOLD (MILLS)	4.22	3.71	3.50	3.31	2.27	5.28	0.00	1.33
52	RATIO 52 -- TOTAL MARGINS LESS ALLOCATIONS PER CONSUMER (\$)	48.53	41.75	39.07	36.32	25.95	58.21	0.00	1.24
53	RATIO 53 -- INCOME (LOSS) FROM EQUITY INVESTMENTS PER CONSUMER (\$)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
54	RATIO 54 -- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER KWH SOLD (MILLS)	6.36	8.09	5.18	6.51	6.91	5.64	0.00	(0.18)
55	RATIO 55 -- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER CONSUMER (\$)	73.15	91.15	57.83	71.54	79.07	62.11	0.00	(0.21)
56	RATIO 56 -- TOTAL MARGINS PER KWH SOLD (MILLS)	10.58	11.80	8.68	9.82	9.18	10.92	0.00	0.19
57	RATIO 57 -- TOTAL MARGINS PER CONSUMER (\$)	121.68	132.90	96.91	107.86	105.02	120.33	0.00	0.15
58	RATIO 58 -- A/R OVER 60 DAYS AS A % OF OPERATING REVENUE	0.33	0.37	0.32	0.36	0.34	0.36	0.00	0.06
59	RATIO 59 -- AMOUNT WRITTEN OFF AS A % OF OPERATING REVENUE	0.23	0.19	0.25	0.21	0.21	0.17	0.00	(0.19)
60	RATIO 60 -- TOTAL MWH SOLD PER MILE OF LINE	128.46	126.49	125.84	124.11	129.88	125.69	0.00	(0.03)
61	RATIO 61 -- AVERAGE RESIDENTIAL USAGE KWH PER MONTH	713.08	694.51	693.99	682.34	716.57	690.45	0.00	(0.04)
62	RATIO 62 -- AVERAGE SEASONAL KWH USAGE PER MONTH	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
63	RATIO 63 -- AVERAGE IRRIGATION KWH USAGE PER MONTH	976.93	1,042.04	1,281.07	994.00	1,347.88	973.26	0.00	(0.28)
64	RATIO 64 -- AVERAGE SMALL COMMERCIAL KWH USAGE PER MONTH	2,910.90	2,906.30	2,786.06	2,740.14	2,788.64	2,685.01	0.00	(0.04)
65	RATIO 65 -- AVERAGE LARGE COMMERCIAL KWH USAGE PER MONTH	635,979.17	611,791.67	615,520.83	625,791.67	637,145.83	617,025.00	0.00	(0.03)
66	RATIO 66 -- AVERAGE STREET & HIGHWAY LIGHTING KWH USAGE PER MONTH	2,407.89	2,416.67	2,407.89	2,311.40	2,254.39	2,156.36	0.00	(0.04)
67	RATIO 67 -- AVERAGE SALES FOR RESALE KWH USAGE PER MONTH	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
68	RATIO 68 -- AVERAGE SALES TO PUBLIC AUTHORITIES KWH USAGE PER MONTH	3,209.94	3,272.33	3,319.08	3,165.03	3,374.73	3,275.52	0.00	(0.03)
69	RATIO 69 -- RESIDENTIAL KWH SOLD PER TOTAL KWH SOLD (%)	68.42	68.05	68.54	68.52	69.09	69.05	0.00	(0.00)
70	RATIO 70 -- SEASONAL KWH SOLD PER TOTAL KWH SOLD (%)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
71	RATIO 71 -- IRRIGATION KWH SOLD PER TOTAL KWH SOLD (%)	0.34	0.36	0.47	0.39	0.50	0.37	0.00	(0.26)
72	RATIO 72 -- SMALL COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)	21.74	22.29	21.67	21.67	21.26	21.50	0.00	0.01
73	RATIO 73 -- LARGE COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)	7.82	7.61	7.62	7.78	7.51	7.45	0.00	(0.01)

RATIO No.	RATIO DESCRIPTION	KRTA 2014	KRTA 2015	KRTA 2016	KRTA 2017	KRTA 2018	ESTIMATED RATIOS FOR 2019	Budget 2020	25 %
74	RATIO 74 -- STREET & HIGHWAY LIGHTING KWH SOLD PER TOTAL KWH SOLD (%)	0.14	0.14	0.14	0.14	0.13	0.12	0.00	(0.08)
75	RATIO 75 -- SALES FOR RESALE PER TOTAL KWH SOLD (%)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
76	RATIO 76 -- SALES TO PUBLIC AUTHORITIES PER TOTAL KWH SOLD (%)	1.54	1.56	1.56	1.51	1.52	1.50	0.00	(0.01)
77	RATIO 77 -- O & M EXPENSES PER TOTAL KWH SOLD (MILLS)	8.95	11.25	10.84	10.83	11.45	13.54	0.00	0.18
78	RATIO 78 -- O & M EXPENSES PER DOLLARS OF TUP (MILLS)	37.87	44.69	40.64	38.38	41.13	45.69	0.00	0.11
79	RATIO 79 -- O & M EXPENSES PER CONSUMER (\$)	102.93	126.71	121.03	118.96	130.92	149.17	0.00	0.14
80	RATIO 80 -- CONSUMER ACCOUNTING EXPENSES PER TOTAL KWH SOLD (MILLS)	3.10	2.54	2.67	2.69	2.65	2.73	0.00	0.03
81	RATIO 81 -- CONSUMER ACCOUNTING EXPENSES PER CONSUMER (\$)	35.72	28.66	29.85	29.59	30.26	30.06	0.00	(0.01)
82	RATIO 82 -- CUSTOMER SALES AND SERVICE PER TOTAL KWH SOLD (MILLS)	3.35	3.56	3.66	3.81	3.97	3.81	0.00	(0.04)
83	RATIO 83 -- CUSTOMER SALES AND SERVICE PER CONSUMER (\$)	38.59	40.13	40.93	41.79	45.40	41.93	0.00	(0.08)
84	RATIO 84 -- A & G EXPENSES PER TOTAL KWH SOLD (MILLS)	5.11	6.24	6.37	6.44	6.43	7.30	0.00	0.14
85	RATIO 85 -- A & G EXPENSES PER CONSUMER (\$)	58.75	70.24	71.15	70.71	73.57	80.43	0.00	0.09
86	RATIO 86 -- TOTAL CONTROLLABLE EXPENSES PER TOTAL KWH SOLD (MILLS) (SAME AS RATIO #103)	20.51	23.59	23.54	23.77	24.50	27.37	0.00	0.12
87	RATIO 87 -- TOTAL CONTROLLABLE EXPENSES PER CONSUMER (\$)	235.99	265.75	262.97	261.05	280.15	301.58	0.00	0.08
88	RATIO 88 -- POWER COST PER KWH PURCHASED (MILLS)	84.26	81.52	81.36	82.50	78.39	78.80	0.00	0.01
89	RATIO 89 -- POWER COST PER TOTAL KWH SOLD (MILLS)	88.00	85.28	85.81	86.77	81.51	82.15	0.00	0.01
90	RATIO 90 -- POWER COST AS A % OF REVENUE	69.31	66.88	66.49	66.18	64.62	61.54	0.00	(0.05)
91	RATIO 91 -- LONG-TERM INTEREST COST PER TOTAL KWH SOLD (MILLS)	4.52	4.36	4.87	5.98	6.16	6.91	0.00	0.12
92	RATIO 92 -- LONG-TERM INTEREST COST AS A % OF TUP	1.91	1.73	1.82	2.12	2.21	2.33	0.00	0.05
93	RATIO 93 -- LONG-TERM INTEREST COST PER CONSUMER (\$)	51.95	49.14	54.35	65.63	70.47	76.17	0.00	0.08
94	RATIO 94 -- DEPRECIATION EXPENSE PER TOTAL KWH SOLD (MILLS)	7.62	8.07	8.42	8.95	8.90	9.44	0.00	0.06
95	RATIO 95 -- DEPRECIATION EXPENSE AS A % OF TUP	3.23	3.21	3.16	3.17	3.20	3.18	0.00	(0.01)
96	RATIO 96 -- DEPRECIATION EXPENSE PER CONSUMER (\$)	87.70	90.88	94.09	98.28	101.73	103.95	0.00	0.02
97	RATIO 97 -- ACCUMULATIVE DEPRECIATION AS A % OF PLANT IN SERVICE	34.38	34.44	33.72	33.92	34.00	34.45	0.00	0.01
98	RATIO 98 -- TOTAL TAX EXPENSE PER TOTAL KWH SOLD (MILLS)	2.46	2.53	2.67	2.61	2.81	3.21	0.00	0.14
99	RATIO 99 -- TOTAL TAX EXPENSE AS A % OF TUP	1.04	1.00	1.00	0.92	1.01	1.08	0.00	0.07
100	RATIO 100 -- TOTAL TAX EXPENSE PER CONSUMER	28.30	28.44	29.77	28.62	32.11	35.40	0.00	0.10
101	RATIO 101 -- TOTAL FIXED EXPENSES PER TOTAL KWH SOLD (MILLS)	102.75	100.81	102.48	104.75	99.83	101.91	0.00	0.02
102	RATIO 102 -- TOTAL FIXED EXPENSES PER CONSUMER (\$)	1,182.04	1,135.43	1,144.57	1,150.47	1,141.65	1,122.75	0.00	(0.02)
103	RATIO 103 -- TOTAL OPERATING EXPENSES PER TOTAL KWH SOLD (MILLS)	20.51	23.59	23.54	23.77	24.50	27.37	0.00	0.12
104	RATIO 104 -- TOTAL OPERATING EXPENSES PER CONSUMER (\$)	235.99	265.75	262.97	261.05	280.15	301.58	0.00	0.08
105	RATIO 105 -- TOTAL COST OF SERVICE (MINUS POWER COSTS) PER TOTAL KWH SOLD (MILLS)	35.27	39.12	40.21	41.75	42.82	47.14	0.00	0.10
106	RATIO 106 -- TOTAL COST OF ELECTRIC SERVICE PER TOTAL KWH SOLD (MILLS)	123.27	124.40	126.02	128.52	124.33	129.29	0.00	0.04
107	RATIO 107 -- TOTAL COST OF ELECTRIC SERVICE PER CONSUMER (\$)	1,418.03	1,401.18	1,407.53	1,411.52	1,421.81	1,424.34	0.00	0.00
108	RATIO 108 -- AVERAGE WAGE RATE PER HOUR (\$)	33.96	35.81	36.49	37.97	38.88	40.50	0.00	0.04
109	RATIO 109 -- TOTAL WAGES PER TOTAL KWH SOLD (MILLS)	9.95	10.66	10.80	11.75	12.08	12.91	0.00	0.07
110	RATIO 110 -- TOTAL WAGES PER CONSUMER (\$)	114.47	120.08	120.66	129.10	138.19	142.21	0.00	0.03
111	RATIO 111 -- OVERTIME HOURS/TOTAL HOURS (%)	3.54	5.18	3.82	4.26	4.92	3.85	0.00	(0.22)
112	RATIO 112 -- CAPITALIZED PAYROLL / TOTAL PAYROLL (%)	29.27	25.54	24.87	24.71	24.59	22.78	0.00	(0.07)
113	RATIO 113 -- AVERAGE CONSUMERS PER EMPLOYEE	652.40	659.12	654.72	638.98	614.28	621.98	0.00	0.01
114	RATIO 114 -- ANNUAL GROWTH IN KWH SOLD (%)	1.89	(1.08)	0.40	(0.41)	5.56	(2.46)	0.00	(1.44)
115	RATIO 115 -- ANNUAL GROWTH IN NUMBER OF CONSUMERS (%)	0.84	1.03	1.24	1.28	1.38	1.25	0.00	(0.09)

RATIO No.	RATIO DESCRIPTION	KRTA 2014	KRTA 2015	KRTA 2016	KRTA 2017	KRTA 2018	ESTIMATED RATIOS FOR 2019	Budget 2020	25 %
116	RATIO 116 --- ANNUAL GROWTH IN TUP DOLLARS (%)	5.26	5.40	6.33	5.41	4.11	3.86	0.00	(0.06)
117	RATIO 117 --- CONST. W.I.P. TO PLANT ADDITIONS (%)	48.49	68.61	29.52	35.12	26.59	21.43	0.00	(0.19)
118	RATIO 118 --- NET NEW SERVICES TO TOTAL SERVICES (%)	0.72	0.53	1.16	1.49	1.07	0.94	0.00	(0.12)
119	RATIO 119 --- ANNUAL GROWTH IN TOTAL CAPITALIZATION (%)	(2.73)	7.86	11.51	2.74	3.92	8.49	0.00	1.17
120	RATIO 120 --- 2 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)	(0.05)	2.43	9.67	7.03	3.32	6.18	0.00	0.86
121	RATIO 121 --- 5 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)	4.98	4.61	3.94	4.30	4.55	6.86	0.00	0.51
122	RATIO 122 --- TUP INVESTMENTS PER TOTAL KWH SOLD (CENTS)	23.63	25.17	26.66	28.22	27.83	29.64	0.00	0.07
123	RATIO 123 --- TUP INVESTMENT PER CONSUMER (\$)	2,717.91	2,835.54	2,978.11	3,099.42	3,183.02	3,265.05	0.00	0.03
124	RATIO 124 --- TUP INVESTMENT PER MILE OF LINE (\$)	30,350.56	31,843.15	33,552.10	35,024.43	36,150.67	37,250.72	0.00	0.03
125	RATIO 125 --- AVERAGE CONSUMERS PER MILE	11.17	11.23	11.27	11.30	11.36	11.41	0.00	0.00
126	RATIO 126 --- DISTRIBUTION PLANT PER TOTAL KWH SOLD (MILLS)	209.71	221.73	235.51	250.59	249.14	267.49	0.00	0.07
127	RATIO 127 --- DISTRIBUTION PLANT PER CONSUMER (\$)	2,412.47	2,497.47	2,630.42	2,752.24	2,849.16	2,946.95	0.00	0.03
128	RATIO 128 --- DISTRIBUTION PLANT PER EMPLOYEE (\$)	1,573,903.94	1,646,121.35	1,722,181.21	1,758,629.51	1,750,169.60	1,832,952.72	0.00	0.05
129	RATIO 129 --- GENERAL PLANT PER TOTAL KWH SOLD (MILLS)	10.89	10.98	11.34	11.92	11.92	11.63	0.00	(0.02)
130	RATIO 130 --- GENERAL PLANT PER CONSUMER (\$)	125.30	123.70	126.66	130.97	136.37	128.09	0.00	(0.06)
131	RATIO 131 --- GENERAL PLANT PER EMPLOYEE (\$)	81,743.48	81,535.31	82,929.08	83,689.91	83,767.00	79,668.51	0.00	(0.05)
132	RATIO 132 --- HEADQUARTERS PLANT PER TOTAL KWH SOLD (MILLS)	9.35	9.54	13.20	13.38	12.89	13.84	0.00	0.07
133	RATIO 133 --- HEADQUARTERS PLANT PER CONSUMER (\$)	107.55	107.41	147.42	146.96	147.39	152.51	0.00	0.03
134	RATIO 134 --- HEADQUARTERS PLANT PER EMPLOYEE (\$)	70,164.25	70,797.92	96,521.45	93,902.89	90,536.39	94,860.09	0.00	0.05
135	RATIO 135 --- TRANSMISSION PLANT PER TOTAL KWH SOLD (MILLS)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
136	RATIO 136 --- TRANSMISSION PLANT PER CONSUMER (\$)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
137	RATIO 137 --- TRANSMISSION PLANT PER EMPLOYEE (\$)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
138	RATIO 138 --- IDLE SERVICES TO TOTAL SERVICE (%)	4.18	3.59	3.44	3.61	3.29	3.14	0.00	(0.05)
139	RATIO 139 --- LINE LOSS (%)	4.14	4.31	5.10	4.82	3.73	3.98	0.00	0.07
140	RATIO 140 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - POWER SUPPLIER	8.16	2.94	21.42	0.00	54.30	10.80	0.00	(0.80)
141	RATIO 141 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - EXTREME STORM	0.00	435.06	0.00	37.02	42.78	10.14	0.00	(0.76)
142	RATIO 142 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - PREARRANGED	0.30	1.62	1.14	3.36	2.58	2.88	0.00	0.12
143	RATIO 143 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - ALL OTHER	75.66	77.88	74.28	68.70	101.34	61.32	0.00	(0.39)
144	RATIO 144 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - TOTAL	84.12	517.50	96.84	109.08	201.00	85.14	0.00	(0.58)
145	RATIO 145 --- AVG. SERVICE AVAILABILITY INDEX (ASAI) - TOTAL (%)	99.98	99.90	99.98	99.98	99.96	99.98	0.00	0.00

PAGE 3 - Part J. PATRONAGE CAPITAL			AFFECTED KRTA RATIOS
Item	This Year	Cumulative	
Line 1. General Retirement	2,394,255	36,414,667	<====Missing these line items will affect Ratios 24 & 26. <====Missing these line items will affect Ratios 24 & 26. <====Missing this line item will affect Ratios 8 & 14.
Line 2. Special Retirements	254,022	4,162,049	
Line 4. Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	2,276,778		
Line 5. Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	159,935		<====Missing this line item will affect Ratios 8 & 14.
PAGE 3 - Part K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
1. Amount Due Over 60 Days	191,618		<====Missing this line item will affect Ratio 58.
2. Amount Written Off During Year	91,842		<====Missing this line item will affect Ratio 59.

Please DON'T forget to fill out these sections! These line items are used for the KRTA Ratios calculation.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME Cherryland Elec	BORROWER DESIGNATION MIO44
	ENDING DATE 12/31/2019	

CFC FORM 7 DATA ERROR AND WARNING CHECKS

PART A. STATEMENT OF OPERATIONS

BALANCE CHECK RESULTS		Balance Check - Revenue	
			Comments
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">0 Needs Attention</div> <div style="border: 1px solid black; padding: 5px;">1 Matches</div>	1. Operating Revenue and Patronage Capital <small>Part A, Line 1(b), Page 1</small>	53,057,139	0
	12. TOTAL Revenue Received From Sales of Electric Energy <small>Part R, Line 12(d), Page 5</small>	51,746,466	0
	13. Transmission Revenue <small>Part R, Line 13(d), Page 5</small>	0	0
	14. Other Electric Revenue <small>Part R, Line 14(d), Page 5</small>	1,310,673	0
	Total Lines 12(d), 13(d) & 14(d)	53,057,139	
	Difference	0	Matches

BALANCE CHECK RESULTS		Balance Check - Cost of Purchases and Generation	
			Comments
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">0 Needs Attention</div> <div style="border: 1px solid black; padding: 5px;">1 Matches</div>	2. Power Production Expense <small>Part A, Line 2(b), Page 1</small>	0	0
	3. Cost of Purchased Power <small>Part A, Line 3(b), Page 1</small>	32,649,497	0
	4. Transmission Expense <small>Part A, Line 4(b), Page 1</small>	0	0
	5. Regional Market Operations Expense <small>Part A, Line 5(b), Page 1</small>	0	0
	Total Lines 2(b) thru 5(b)	32,649,497	
	Difference	0	Matches

BALANCE CHECK RESULTS		Balance Check - Cost of Purchased Power	
			Comments
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">0 Needs Attention</div> <div style="border: 1px solid black; padding: 5px;">1 Matches</div>	3. Cost of Purchased Power <small>Part A, Line 3(b), Page 1</small>	32,649,497	0
	TOTALS (Cost) <small>Part L, Line 21(f), Page 3</small>	32,649,497	0
	Difference	0	Matches

FORM 7 LINE ITEMS THAT SHOULD NOT EQUAL ZERO

LINE ITEM	
1. Operating Revenue and Patronage Capital	Line 1 is greater than ZERO.
3. Cost of Purchased Power	Line 3 is greater than ZERO.
6. Distribution Expense - Operation	Line 6 is greater than ZERO.
7. Distribution Expense - Maintenance	Line 7 is greater than ZERO.
8. Consumer Accounts Expense	Line 8 is greater than ZERO.
9. Customer Service and Informational Expense	Line 9 is greater than ZERO.
11. Administrative and General Expense	Line 11 is greater than ZERO.
12. Total Operation & Maintenance Expense (2 thru 11)	Line 12 is greater than ZERO.
13. Depreciation & Amortization Expense	Line 13 is greater than ZERO.
16. Interest on Long-Term Debt	Line 16 is greater than ZERO.
20. Total Cost of Electric Service (12 thru 19)	Line 20 is greater than ZERO.
29. Patronage Capital or Margins (21 thru 28)	Line 29 is a NON-ZERO value.

PART C. BALANCE SHEET

BALANCE CHECK RESULTS		Balance Check - Balance Sheet	
			Comments
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">0 Needs Attention</div> <div style="border: 1px solid black; padding: 5px;">1 Matches</div>	28. Total Assets & Other Debits (5+14+26+27) <small>Part C, Line 28, Page 2</small>	125,913,403	0
	51. Total Liabilities & Other Credits (35+38+41+49+50) <small>Part C, Line 51, Page 2</small>	125,913,403	0
	Difference	0	Matches

CFC FORM 7 DATA ERROR AND WARNING CHECKS

Balance Check - Current Maturities Long-Term Debt			
38. Total Long-Term Debt		0	0
45. Current Maturities Long-Term Debt		3,170,407	0
46. Current Maturities Long-Term Debt-Economic Dev.		0	0

7. Investment in Subsidiary Companies		Comments	
Part C, Line 7, Page 2	0		0
8. Invest. in Assoc. Org. - Patronage Capital			
Part C, Line 8, Page 2	32,807,596		0
9. Invest. in Assoc. Org. - Other - General Funds			
Part C, Line 9, Page 2	0		0
10. Invest in Assoc. Org. - Other - Nongeneral Funds			
Part C, Line 10, Page 2	883,034		0
Total Lines 7, 8, 9 & 10		33,690,630	
7a - Part I - Investments in Associated Organizations			
Column (b) - Included (\$)			
Part I, Subtotal (b)	0		0
Column (c) - Excluded (\$)			
Part I, Subtotal (c)	31,449,960		0
Column (d) - Income or Loss			
Part I, Subtotal (d)	2,240,670		0
Total	33,690,630		
Difference			Matches

11. Investments in Economic Development Projects		Comments	
Part C, Line 11, Page 2	1,164,536		0
7a - Part I - Investments in Economic Development Projects			
Column (b) - Included (\$)			
Part I, Subtotal (b)	0		0
Column (c) - Excluded (\$)			
Part I, Subtotal (c)	1,164,536		0
Column (d) - Income or Loss			
Part I, Subtotal (d)	0		0
Total	1,164,536		
Difference			Matches

12. Other Investments		Comments	
Part C, Line 12, Page 2	14,372		0
7a - Part I - Other Investments			
Column (b) - Included (\$)			
Part I, Subtotal (b)	0		0
Column (c) - Excluded (\$)			
Part I, Subtotal (c)	14,372		0
Column (d) - Income or Loss			
Part I, Subtotal (d)	0		0
Total	14,372		
Difference			Matches

13. Special Funds		Comments	
Part C, Line 13, Page 2	0		0
7a - Part I - Special Funds			
Column (b) - Included (\$)			
Part I, Subtotal (b)	0		0
Column (c) - Excluded (\$)			
Part I, Subtotal (c)	0		0
Column (d) - Income or Loss			
Part I, Subtotal (d)	0		0
Total	0		
Difference			Matches

CFC FORM 7 DATA ERROR AND WARNING CHECKS

		Comments	
15. Cash-General Funds Part C, Line 15, Page 2		202,188	0
BALANCE CHECK RESULTS			
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">0</div> <div>Matches</div> </div> <div style="border: 1px solid black; padding: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">1</div> <div>Matches</div> </div>	7a - Part I - Cash - General		
	Column (b) - Included (\$)		
	Part I, Subtotal (b)	2,255	0
	Column (c) - Excluded (\$)		
	Part I, Subtotal (c)	199,933	0
	Column (d) - Income or Loss		
Part I, Subtotal (d)	0	0	
Total	202,188		
Difference		Matches	
17. Special Deposits Part C, Line 17, Page 2			
BALANCE CHECK RESULTS			
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">0</div> <div>Matches</div> </div> <div style="border: 1px solid black; padding: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">1</div> <div>Matches</div> </div>	7a - Part I - Special Deposits		
	Column (b) - Included (\$)		
	Part I, Subtotal (b)	0	0
	Column (c) - Excluded (\$)		
	Part I, Subtotal (c)	0	0
	Column (d) - Income or Loss		
Part I, Subtotal (d)	0	0	
Total	0		
Difference		Matches	
18. Temporary Investments Part C, Line 18, Page 2			
BALANCE CHECK RESULTS			
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">0</div> <div>Matches</div> </div> <div style="border: 1px solid black; padding: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">1</div> <div>Matches</div> </div>	7a - Part I - Temporary Investments		
	Column (b) - Included (\$)		
	Part I, Subtotal (b)	0	0
	Column (c) - Excluded (\$)		
	Part I, Subtotal (c)	5,000,000	0
	Column (d) - Income or Loss		
Part I, Subtotal (d)	0	0	
Total	5,000,000		
Difference		Matches	
19. Notes Receivable - Net Part C, Line 19, Page 2			
BALANCE CHECK RESULTS			
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">0</div> <div>Matches</div> </div> <div style="border: 1px solid black; padding: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">1</div> <div>Matches</div> </div>	21. Accounts Receivable - Net Other Part C, Line 21, Page 2		
	Total Lines 19 & 21	313,978	0
	7a - Part I - Account & Notes Receivable - Net		
	Column (b) - Included (\$)		
	Part I, Subtotal (b)	313,978	0
	Column (c) - Excluded (\$)		
Part I, Subtotal (c)	0	0	
Column (d) - Income or Loss			
Part I, Subtotal (d)	0	0	
Total	313,978		
Difference		Matches	
Balance Check - Total Retirements			
Total Retirements (1+2) Part J, Line 3b, Page 3		0	
Balance Check - Total Cash Retirements			
Total Cash Received (4+5) Part J, Line 6, Page 3		0	
Balance Check - Employee Hour			
Number of Full Time Employees Part I, Line 1, Page 3		58	

CFC FORM 7 DATA ERROR AND WARNING CHECKS

PART E. CHANGES IN UTILITY PLANT

BALANCE CHECK RESULTS		Balance Check - Changes in Utility Plant	
<div>0 Needs Attention</div> <div>1 Matches</div>	1. Total Utility Plant in Service Part C, Line 1, Page 2	116,433,917	0
	SUBTOTAL: (1 thru 11) Part E, Line 12(e), Page 3	116,433,917	0
	Difference	0	Matches
<div>0 Needs Attention</div> <div>1 Matches</div>	2. Construction Work in Progress Part C, Line 2, Page 2	1,352,853	0
	Construction Work in Progress Part E, Line 13(e), Page 3	1,352,853	0
	Difference	0	Matches
<div>0 Needs Attention</div> <div>1 Matches</div>	3. Total Utility Plant (1+2) Part C, Line 3, Page 2	117,786,770	0
	TOTAL UTILITY PLANT (12+13) Part E, Line 14(e), Page 3	117,786,770	0
	Difference	0	Matches

PART L. KWH PURCHASED AND TOTAL COST

BALANCE CHECK RESULTS		Balance Check - Total KWH Purchased	
<div>0 Needs Attention</div> <div>1 Matches</div>	TOTALS (KWH Purchased) Part L, Line 21(e), Page 3	414,336,913	0
	16. TOTAL KWH Purchased Part R, Line 16(d), Page 5	414,336,913	0
	Difference	0	Matches

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

BALANCE CHECK RESULTS		Balance Check - Long-Term Debt Service Requirements	
<div>0 Needs Attention</div> <div>1 Matches</div>	38. Total Long-Term Debt (36 + 37) Part C, Line 38, Page 2	63,000,884	0
	Total Balance End of Year Part O, Line 12, Page 4	63,000,884	0
	Difference	0	Matches
Balance Check - Data on Transmission and Distribution Plant			
8. Total Miles Energized (5+6+7) Part B, Line 57, Page 1		3,162	OK
Balance Check - kWh Purchased and Total Cost			
21. Total kWh Purchased		414,336,913	OK
21. Total Cost		32,649,497	
Balance Check - Ratio 139 - Line Loss (%)			
RATIO (39 --- LINE LOSS (%))			OK

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Cherryland Elec
	BORROWER DESIGNATION	MI044
	ENDING DATE	12/31/2019
NOTES		

Page 7a - Part 1, 2. Investments in Associated Organizations

Included	Excluded	Income or Loss	
NISC		210,336	18,566
Federated Insurance		172,913	22,627
CoBank		70,453	100,816
NRTC		3,718	0
Total		457,420	142,009

Page 7a - Part 1, 3. Investments in Economic Development Projects

Included	Excluded	Income or Loss	
Iron Fish Distillery		87,083	
Involved Citizens Enterprises, Inc.		82,500	
GT Bay YMCA (Loan 2)		79,167	
Habitat for Humanity		75,238	
Mo's Incredible Pizza		70,833	
Bay Motor Products (Loan 2)		59,088	
Fieldstone Market		53,000	
Bay Motor Products (Loan 1)		38,850	
Altus Brands		38,750	
Great Lakes Stainless		38,000	
Up North Automotive (Loan 2)		32,667	
BAC Design Group, Inc.		28,000	
Solon-Centerville Township		25,024	
Alfie Embroidery		22,000	
HM Commissary LLC		15,000	
GT Bay YMCA (Loan 1)		13,000	
Kingsley Lumber		12,500	
Great Lakes Potato Chip		8,279	
Black Star Farms		3,839	
Total		782,818	

Cherryland
Electric
Cooperative,
Inc.



Years Ended
December 31,
2019 and 2018

Financial
Statements

CHERRYLAND ELECTRIC COOPERATIVE, INC.

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CHERRYLAND ELECTRIC COOPERATIVE, INC.

Board of Directors

Board of Directors

Thomas Van Pelt	President
David Schweitzer	Senior Vice President
Gabriel Schneider	Secretary
Melinda Lautner	Treasurer
Jon Zickert	Director
John Olson	Director
Terry Lautner	Director
Tony Anderson	General Manager



Rehmann Robson

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Traverse City, MI 49684
Ph: 231.946.3230
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INDEPENDENT AUDITORS' REPORT

April 20, 2020

Board of Directors
Cherryland Electric Cooperative, Inc.
Grawn, Michigan

We have audited the accompanying financial statements of ***Cherryland Electric Cooperative, Inc.*** (the "Cooperative"), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income and comprehensive income, changes in patron equities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Cooperative's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Cherryland Electric Cooperative, Inc.** as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2019 the Cooperative adopted Accounting Standards Codification 606, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

Rehmann Lohman LLC

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Balance Sheets

ASSETS	December 31	
	2019	2018
Current assets		
Cash and cash equivalents - unrestricted	\$ 142,830	\$ 5,355
Accounts receivable, net of allowance for bad debts of \$115,000 and \$120,000 in 2019 and 2018, respectively		
Trade:		
Billed	2,591,264	2,763,789
Unbilled	3,418,792	3,461,915
Other	163,189	72,771
Refundable Michigan sales tax	190,962	303,139
Short-term investments	5,000,000	-
Current portion of notes receivable	309,170	330,096
Inventory	605,918	638,052
Prepaid expenses and other assets	211,768	363,363
Total current assets	12,633,893	7,938,480
Property, plant and equipment		
Land, buildings, and improvements	5,501,890	5,251,111
Electric distribution plant	106,311,259	101,509,836
Office furniture and equipment	1,536,443	1,656,002
Transportation equipment	370,200	457,356
Machinery and equipment	2,714,129	2,745,128
Plant construction in progress	1,352,853	1,785,211
Total property, plant and equipment	117,786,774	113,404,644
Less accumulated depreciation	(40,109,983)	(37,945,353)
Net property, plant and equipment	77,676,791	75,459,291
Other assets		
Cash and cash equivalents - restricted	59,357	173,900
Investments in associated cooperatives	32,807,597	33,069,749
Capital term certificates	875,084	891,048
Notes receivable, less current portion	869,738	735,728
Post-retirement benefit, other than pensions	381,316	103,122
Other	609,630	786,609
Total other assets	35,602,722	35,760,156
Total assets	\$ 125,913,406	\$ 119,157,927

The accompanying notes are an integral part of these financial statements.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Balance Sheets

LIABILITIES AND EQUITIES	December 31	
	2019	2018
Current liabilities		
Short-term borrowings	\$ 1,750,140	\$ 3,607,332
Checks issued against future deposits	322,468	477,550
Accounts payable:		
Purchased power	2,869,571	2,890,439
Other	378,264	611,333
Accrued expenses:		
Compensation	742,731	721,865
Property taxes	449,088	401,755
Interest	362,392	343,271
Other	569,621	16,806
Member deposits	209,864	226,036
Member advances for construction	637,237	383,770
Power supply cost recovery over collection	-	978,613
Current portion of long-term debt	3,170,408	2,928,422
Total current liabilities	11,461,784	13,587,192
Unamortized gain on early retirement of debt	152,600	218,000
Long-term debt, net of current portion	63,000,884	56,222,531
Total liabilities	74,615,268	70,027,723
Commitments and contingencies (Notes 6 and 7)		
Equities		
Patronage capital	52,679,580	50,987,086
Other equities - accumulated deficit	(1,292,957)	(1,543,049)
Accumulated other comprehensive loss	(88,485)	(313,833)
Total equities	51,298,138	49,130,204
Total liabilities and equities	\$ 125,913,406	\$ 119,157,927

The accompanying notes are an integral part of these financial statements.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Statements of Income and Comprehensive Income

	Year Ended December 31	
	2019	2018
Operating revenues	<u>\$ 53,057,139</u>	<u>\$ 51,391,541</u>
Operating expenses		
Cost of power	32,649,497	33,210,388
Depreciation and amortization	3,750,059	3,624,445
Distribution, maintenance	3,750,038	3,259,930
Administrative and general	2,901,449	2,780,930
Distribution, operations	1,631,363	1,404,646
Member service and information	1,512,445	1,617,408
Taxes - property and other	1,277,232	1,144,014
Member accounts	<u>1,084,379</u>	<u>1,078,051</u>
Total operating expenses	<u>48,556,462</u>	<u>47,960,080</u>
Operating margin	<u>4,500,677</u>	<u>3,431,461</u>
Other (expense) income		
Income from associated cooperatives	2,240,670	2,816,948
Interest income	88,111	31,956
Interest expense on long-term debt	(2,747,967)	(2,510,665)
Other interest expense	(110,136)	(234,147)
Other income	<u>369,416</u>	<u>365,705</u>
Other (expense) income, net	<u>(159,906)</u>	<u>310,065</u>
Net margins	<u>4,340,771</u>	<u>3,741,526</u>
Other comprehensive income (loss)		
Unrecognized change in postretirement benefit plans	<u>225,348</u>	<u>(157,350)</u>
Comprehensive income	<u><u>\$ 4,566,119</u></u>	<u><u>\$ 3,584,176</u></u>

The accompanying notes are an integral part of these financial statements.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Statements of Changes in Patron Equities

	Patronage Capital	Other Equities - Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equities
Balances, January 1, 2018	\$ 49,820,457	\$ (1,481,883)	\$ (156,483)	\$ 48,182,091
Capital credits retired	(2,574,897)	200,265	-	(2,374,632)
Other equity transactions	-	(261,431)	-	(261,431)
Comprehensive income (loss)	3,741,526	-	(157,350)	3,584,176
Balances, December 31, 2018	50,987,086	(1,543,049)	(313,833)	49,130,204
Capital credits retired	(2,648,277)	142,741	-	(2,505,536)
Other equity transactions	-	107,351	-	107,351
Comprehensive income	4,340,771	-	225,348	4,566,119
Balances, December 31, 2019	<u>\$ 52,679,580</u>	<u>\$ (1,292,957)</u>	<u>\$ (88,485)</u>	<u>\$ 51,298,138</u>

The accompanying notes are an integral part of these financial statements.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Statements of Cash Flows

	Year Ended December 31	
	2019	2018
Cash flows from operating activities		
Net margins	\$ 4,340,771	\$ 3,741,526
Adjustments to reconcile net margins to net cash provided by operating activities:		
Depreciation and amortization	3,750,059	3,624,445
Loss (income) from associated cooperatives, net of capital credits	262,152	(325,850)
Bad debt expense	29,501	30,988
Amortization of gain on early extinguishment of debt	(65,400)	(65,400)
Changes in operating assets and liabilities which provided (used) cash:		
Accounts receivable	95,729	171,178
Refundable Michigan sales tax	112,177	(156,051)
Inventory	32,134	(28,938)
Prepaid expenses and other current assets	151,595	(181,652)
Other assets	176,979	181,064
Post-retirement benefit, other than pensions	(52,846)	(111,338)
Checks issued against future deposits	(155,082)	(77,509)
Accounts payable	(253,937)	(290,261)
Accrued expenses	640,135	72,016
Member deposits	(16,172)	(13,709)
Member advances for construction	253,467	34,817
Power supply cost recovery	(978,613)	1,962,219
Net cash provided by operating activities	8,322,649	8,567,545
Cash flows from investing activities		
Purchases of property and equipment	(6,035,811)	(6,400,670)
Proceeds from sale of property and equipment	68,252	124,861
Purchases of investments	(5,000,000)	-
(Issuance) collection of notes receivable	(113,084)	72,290
Redemption of capital term certificates	15,964	14,998
Net cash used in investing activities	(11,064,679)	(6,188,521)
Cash flows from financing activities		
Net short-term borrowings	642,808	2,888,822
Proceeds from issuance of long-term debt	7,500,000	-
Repayments of long-term debt	(2,979,661)	(2,696,225)
Net patronage capital retirements and forfeitures	(2,398,185)	(2,636,063)
Net cash provided by (used in) financing activities	2,764,962	(2,443,466)
Net increase (decrease) in cash and cash equivalents	22,932	(64,442)
Cash, cash equivalents and restricted cash, beginning of year	179,255	243,697
Cash, cash equivalents and restricted cash, end of year	\$ 202,187	\$ 179,255
Reconciliation to balance sheets		
Cash and cash equivalents - unrestricted	\$ 142,830	\$ 5,355
Cash and cash equivalents - restricted	59,357	173,900
	\$ 202,187	\$ 179,255

The accompanying notes are an integral part of these financial statements.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business and Concentration Risks

Cherryland Electric Cooperative, Inc. ("Cherryland") is a non-profit corporation located in Grawn, Michigan, principally engaged in providing electrical service to over 36,000 residential and commercial members located in Benzie, Grand Traverse, Kalkaska, Leelanau, Manistee and Wexford counties. As discussed in Note 7, Cherryland purchases all of the electrical power it sells from an affiliated cooperative, Wolverine Power Supply Cooperative, Inc.

Certain of Cherryland's hourly employees are represented by a labor union pursuant to a collective bargaining agreement which expires in October 2021.

Risks and Economic Uncertainties

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. The extent of the impact of COVID-19 on the Cooperative's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and its impact on customers, employees, and vendors, all of which are uncertain and cannot be predicted. While management reasonably expects the COVID-19 outbreak to negatively impact the Cooperative's financial condition, operating results, and cash flows, the related financial consequences and duration cannot be estimated at this time.

Basis of Accounting

The accounting records of Cherryland are maintained in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the Uniform Systems of Accounts prescribed by the Michigan Public Service Commission ("MPSC").

Regulation

Cherryland elected to be self-regulated under PA 167 of 2010. Accounting and rate matters are subject to the Board of Directors and membership approval.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting year. Actual results could differ from those estimates. Significant estimates include but are not limited to allowances for bad debts, determinations of discount and other rate assumptions for the post-retirement defined benefit pension plans, and the carrying values of property, and plant and equipment.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in a bank and cash on hand. The Cooperative maintains its deposits in one local financial institution, which at times may exceed the federally insured limits. Management does not believe the Cooperative is exposed to any significant interest rate or other financial risk as a result of these deposits.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

Restricted Cash

Economic development grant funds received by Cherryland are loaned to other organizations for economic development. Loan repayments are deposited into bank accounts which are restricted for use for other economic development projects. On the accompanying balance sheets, restricted cash is segregated from cash and cash equivalents. For the statements of cash flows, however, restricted cash is included in the beginning and ending balances of cash and cash equivalents.

Revenue from Contracts with Customers (Members)

Our revenues are derived from the sale of electricity to commercial and residential customers and are recognized under the accrual method when our performance obligation to the customer is satisfied. We have determined that each unit of electricity delivered represents a performance obligation. Utilizing this criteria, revenue is recognized at the point in time when the customer has obtained control over the commodity, which is when the electricity is physically delivered to the customer through their metered connections. It is at this point that we have a present right to payment which is fixed and determinable, collection is reasonably assured, and the customer has obtained the significant risks and rewards of ownership over the electricity provided. Customer contracts are on a month-to-month basis and customers may cancel at any time without penalty. Customers are billed and typically pay at least monthly, based on usage. Sales taxes are collected from customers in jurisdictions that impose such taxes. Revenues collected for sales taxes are correspondingly reduced when such amounts are then remitted by us directly to the applicable taxing authority and thus we do not recognize these amounts as revenue.

Accounts Receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Short-term investments

Short-term investments consist of short term debt securities with original maturities of more than 90 days at the time of purchase, and are carried at amortized cost.

Inventory

Inventory consists primarily of purchased electrical materials and supplies. Cherryland values inventory at the lower of weighted average cost, principally determined by the first-in, first-out basis, or net realizable value.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

Property, Plant and Equipment and Depreciation

Property, plant and equipment is stated at cost. Major improvements are capitalized while ordinary maintenance and repairs are expensed. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Plant construction in progress represents the continual expansion, replacement and upgrading of the electrical distribution system, net of amounts received from members who are required to share the cost of plant additions. Retirement or disposals of property, plant and equipment are relieved at cost or current standard cost, if the original cost is not determinable. Accumulated depreciation is charged for the cost of removing property, plant and equipment, net of salvaged parts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which generally range from 3 to 40 years, as prescribed in the Rural Electrification Administration's Bulletin 183-1.

Investments in and Patronage Capital from Associated Cooperatives

Cherryland is a member of electric generation, financing and other cooperative organizations (Note 2). Investments in associated cooperatives are recorded at original cost, plus assigned patronage capital. Patronage capital includes accumulated assigned income less cumulative dividends received from associated cooperatives. Annual income is principally allocated based on Cherryland's purchases and borrowings from the associated cooperatives.

Capital Term Certificates

Capital term certificates represent capital payments made to Cherryland's principal lender. Such payments are generally computed at 3% to 5% of requested loan advances.

Member Advances for Construction

Cherryland requires certain members to advance funds for distribution line extensions. A portion of the advances may be refundable for a period of five years if Cherryland's costs are subsequently recovered through new permanent connections. Advances that are not subject to refund after five years are credited by an offset against distribution plant construction costs.

Gain on Early Extinguishment of Debt

In 2001, Cherryland prepaid certain of its Rural Utility Services notes. The prepayment was financed with notes issued by the National Rural Utilities Cooperative Finance Corporation. The early extinguishment of the debt resulted in a gain of \$1,439,498, which is being amortized over the 22 year repayment period of the new notes and is included in other income in the statements of income and comprehensive income. Amortization income amounted to \$65,400 in both 2019 and 2018, and is expected to be \$65,400 in 2020 and 2021 and \$21,800 in 2022.

Change in Accounting Principle

The Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Accounting Standards Codification Topic 606)*, in May 2014. The standard, as amended, requires revenue to be recognized when promised goods and services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The standard also requires expanded disclosures regarding revenue and contracts with customers. On January 1, 2019, the Company adopted the standard using the modified retrospective method for all of its customer contracts. There was no impact to the timing or amount of revenue recognized as a result of this adoption.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

Income Taxes

Cherryland is a not-for-profit organization exempt from income tax under Section 501(c)(12) of the Internal Revenue Code and is exempt from similar state and local taxes. Although Cherryland was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income such as interest received from sources other than directly from the membership.

Cherryland analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify potential uncertain tax positions.

Cherryland has evaluated its income tax filing positions for fiscal years 2016 through 2019, the years which remain subject to examination as of December 31, 2019. Cherryland concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. Cherryland does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. Cherryland does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2019 or 2018, and is not aware of any claims for such amounts by federal or state income tax authorities.

Reclassification

Certain amounts as reported in the 2018 financial statements have been reclassified to conform with the 2019 presentation.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2019, the most recent balance sheet presented herein, through April 20, 2020, the date these financial statements were available to be issued. No such significant events or transactions were identified other than the economic uncertainties matter described above.

2. INVESTMENTS IN ASSOCIATED COOPERATIVES

Investments in associated cooperatives consisted of the following at December 31:

	2019	2018
Wolverine Power Supply Cooperative, Inc.	\$ 30,598,513	\$ 31,031,807
National Rural Utilities Cooperative Finance Corporation	1,124,219	1,058,634
Rural Electric Supply Cooperative	485,435	462,172
National Information Solutions Cooperative	228,902	217,996
Federated Rural Electric Insurance Exchange	195,540	182,966
CoBank	171,269	111,751
Other	3,719	4,423
Total	\$ 32,807,597	\$ 33,069,749

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

3. SHORT-TERM BORROWINGS

Cherryland has a \$5,000,000 unsecured revolving line of credit with a bank maturing August 30, 2020. Interest is charged at the daily London InterBank Offered Rate ("LIBOR") index rate plus 2.00% (effective rate of 3.76% at December 31, 2019). Outstanding borrowings were \$1,750,140 and \$307,332 at December 31, 2019 and 2018, respectively. Management expects to renew the line of credit under similar terms.

Cherryland also has a \$6,000,000 unsecured revolving line of credit with National Rural Utilities Cooperative Finance Corporation ("CFC"), expiring July 6, 2020. Interest is charged at the 1 month LIBOR index rate plus 1.95% (effective rate of 3.65% at December 31, 2019). There were no outstanding borrowings at December 31, 2019 or 2018.

Cherryland also has a \$5,000,000 unsecured perpetual revolving line of credit with CFC, automatically renewed annually unless notice of termination is given by either party. Interest is charged at a variable rate determined by CFC, not to exceed Prime plus 1% (effective rate of 2.85% as December 31, 2019). There were no outstanding borrowings at December 31, 2019. Outstanding borrowing were \$3,300,000 at December 31, 2018.

Additionally, Cherryland has a \$4,000,000 unsecured revolving line of credit with a bank maturing August 31, 2020. Interest is charged at a risk-based variable rate determined by the Bank (effective rate of 3.75% as December 31, 2019). There were no outstanding borrowings at December 31, 2019 and 2018.

4. LONG-TERM DEBT

Long-term debt is composed of various mortgage notes payable to CFC, Farmer Mac, and a bank. A majority of mortgage notes to CFC will be repriced and the interest rate adjusted accordingly during the next eleven years in accordance with the policy and procedure governing such repricing.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

Long-term debt consists of the following obligations at December 31:

	2019	2018
Notes payable to CFC, collateralized by substantially all assets, due in quarterly installments of up to \$1,033,349, including interest at rates from 3.10%-9.40%, maturing from 2020 to 2049.	\$ 46,038,233	\$ 37,958,966
Notes payable to Farmer Mac, collateralized by substantially all assets, due in semiannual installments of up to \$333,121 including interest at rates from 3.00%-5.15%, maturing from 2029 to 2045.	8,698,310	8,980,389
Notes payable to a bank, collateralized by substantially all assets, due in monthly installments on average of \$105,547, including interest at 2.12%-4.39%, maturing from 2021 to 2040.	11,434,749	12,211,598
Total long-term debt	66,171,292	59,150,953
Less current portion	(3,170,408)	(2,928,422)
Long-term debt, net of current portion	\$ 63,000,884	\$ 56,222,531

Scheduled principal maturities of long-term debt for each of the five years succeeding December 31, 2019, and thereafter, are summarized as follows:

Year	Amount
2020	\$ 3,170,408
2021	3,233,077
2022	2,738,258
2023	2,470,210
2024	2,445,531
Thereafter	52,113,808
Total	\$ 66,171,292

The borrowing agreements contain certain customary affirmative and restrictive covenants which require Cherryland to, among other things, maintain an average debt service coverage ratio of not less than 1.35:1, and equity to total assets of not less than 0.27:1.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

5. PATRONAGE CAPITAL

Patronage capital consists of the following at December 31:

	2019	2018
Assignable margins	\$ 4,340,771	\$ 3,741,526
Assignable to date	<u>90,665,771</u>	<u>86,924,245</u>
	95,006,542	90,665,771
Less called for redemption to date	<u>(42,326,962)</u>	<u>(39,678,685)</u>
Total	<u>\$ 52,679,580</u>	<u>\$ 50,987,086</u>

Under the provisions of the Mortgage Agreements, patronage refunds to patrons or members may be made provided that total equity, after such refunds are made, remains greater than 20% of total assets. The equities and margins of Cherryland represent 40.7% and 41.2% of the total assets at December 31, 2019 and 2018, respectively.

Cherryland's bylaws provide that patronage capital be refunded upon the death of members. During 2019 and 2018, \$213,018 and \$204,858, respectively, were applied towards refunds of this nature. Patronage capital retirements are paid out of Cherryland's general fund.

Cherryland offers a program where members can receive their capital credit, at a discount, for qualifying energy efficient improvements made in conjunction with the State mandated Energy Waste Reduction program. The program is available to both residential and commercial members. Amounts retired under this program in 2019 and 2018 were \$41,004 and \$13,647, respectively.

Other equities consisted of the following at December 31:

	2019	2018
Forfeited patronage capital	\$ 3,777,215	\$ 3,527,123
ASC 715 (FAS 158) adjustment	337,593	337,593
Nonassignable deficits	<u>(5,407,765)</u>	<u>(5,407,765)</u>
Total	<u>\$ (1,292,957)</u>	<u>\$ (1,543,049)</u>

6. RETIREMENT PLAN

Multiemployer Defined Benefit Pension Plan

The National Rural Electric Cooperative Association (NRECA) Retirement Security Plan (RS Plan) is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers.

The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company chooses to stop participating in its multiemployer plan, the Company may be required to pay that plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Cherryland's participation in the plan for the annual years ended December 31, 2019 and 2018, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2019 and 2018 is for the plan's year-end at January 1, 2019. The zone status is based on information that the Cooperative received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates whether the plan has a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Cooperative Contributions		Surcharge Imposed	Expiration Date of Collective- Bargaining Agreement
		2019	2018		2019	2018		
NRECA RS Plan	53-0116145/ 333	Green as of 1/1/19	Green as of 1/1/18	No	\$807,069	\$761,251	N/A	10/1/2021

Cherryland was not listed in its Plan's Form 5500 for the appropriate year in 2018 as providing more than 5 percent of the total contributions. The 2019 Form 5500 was not yet available at the time of issuance of this report.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

RS Plan Prepayment Option

At the December 2012 meeting of the I&FS Committee of the NRECA Board of Directors, the Committee approved an option to allow participating cooperatives in the RS Plan to make a contribution prepayment and reduce future required contributions. The prepayment amount is a cooperative's share, as of January 1, 2013, of future contributions required to fund the RS Plan's unfunded value of benefits earned to date using RS Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative's annual RS Plan required contribution as of January 1, 2013. After making the prepayment, for most cooperatives the billing rate is reduced by approximately 25%, retroactive to January 1, 2013. The 25% differential in billing rates is expected to continue for approximately 15 years. However, changes in interest rates, asset returns and other plan experience different from expected, plan assumption changes and other factors may have an impact on the differential in billing rates and the 15 year period. During 2013, Cherryland made a prepayment of \$1,912,340. The prepayment is recorded net of accumulated amortization of \$1,338,708 and \$1,147,464, during 2019 and 2018, respectively, and recorded in other assets on the balance sheets. Amortization expense was \$191,244 in both 2019 and 2018. Amortization expense is expected to be approximately \$191,000 during each of the next three years.

During 2018, the Cooperative established two deferred compensation plans under Section 457(b) of the Internal Revenue Code. The deferred compensation plans are for the benefit of certain key employees and the board of directors, and participation is strictly voluntary. All contributions to the deferred compensation plans will be employee and/or board member contributions only. Cherryland will not make any contributions to the benefit of those employees or board members who qualify for participation in these deferred compensation plans.

7. COMMITMENTS AND CONTINGENCIES

Power Supply Cost Recovery

State of Michigan Public Act 304 of 1982 created the Power Supply Cost Recovery Clause ("PSCR"), a power cost recovery mechanism. Wolverine Power Supply Cooperative, Inc. ("Wolverine") and the member-distribution cooperatives, including Cherryland, are authorized to apply PSCR clauses and monthly factors. Cherryland's maximum authorized monthly factor was .01880 mills per kilowatt-hour for 2019.

Due to fluctuations in market conditions, over-collections or under-collections may result between the generation cooperative and the distribution cooperatives as well as between the distribution cooperatives and their member-consumers. The PSCR clause includes provisions whereby power cost recovery over-collections may be remedied by refunds and power cost recovery under-collections may be remedied by additional collections. Any under collection would constitute a contract asset whereas over collections would constitute a contract liability.

There was no outstanding over/under collections at December 31, 2019. At December 31, 2018, Cherryland had a contract liability of \$978,613 for over collections from member-consumers.

Associated Cooperative Supply Agreement

Cherryland is committed under an agreement to purchase all of its power needs that Wolverine can provide through December 2057. Cherryland's total power purchases amounted to \$32,649,497 and \$33,210,388 in 2019 and 2018, respectively. Management anticipates that Wolverine will be able to satisfy Cherryland's power needs for the foreseeable future.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

Litigation

Cherryland is periodically involved in litigation in the normal course of business and does not expect that the outcome of any ongoing litigation at December 31, 2019, will have a material impact on future operations.

Operating Leases

Cherryland leases trucks, heavy duty utility vehicles and office equipment under various long-term operating lease agreements. These leases were entered into between 2010 and 2019, and expire on various dates through May 1, 2026. The leases contain early buyout options where the purchase price is determined as a percentage of equipment cost.

Rental payments are charged to expense or to plant construction work in progress as they are paid. Total rental payments of \$369,765 and \$424,749 were made during 2019 and 2018, respectively.

Future minimum rental payments required under operating leases that have initial or remaining noncancelable terms in excess of one year for the five years succeeding December 31, 2019, and thereafter, are summarized as follows:

Year	Amount
2020	\$ 315,046
2021	219,718
2022	134,473
2023	94,414
2024	44,107
Thereafter	44,997
Total	<u>\$ 852,755</u>

8. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS

Cherryland sponsors two post-retirement defined benefit plans that cover both management and union employees. One plan provides medical benefits for both union employees and management and the other provides life insurance benefits for management. The post-retirement health care plan is contributory for union employees, with the retirees contributing amounts in excess of \$80 monthly. For management, the health care plan and the life insurance plans are noncontributory.

Cherryland amended the plan in 2006 to cap and subsequently reduce the amount of monthly benefit payments towards medical insurance premiums to be paid on behalf of covered retirees. Such premium payments are to be phased out over a specified period of time.

Service costs are recorded in operating expenses, while all other non-service cost components are included in other income on the accompanying statements of income and comprehensive income.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

Net benefit plan costs includes the following components:

	2019	2018
Service cost	\$ 43,712	\$ 48,394
Interest cost	73,604	71,781
Expected return on plan assets	(105,401)	(160,859)
Amortization of prior service cost	(87,541)	(87,541)
Recognition of net gain	23,660	16,887
Net periodic income	\$ (51,966)	\$ (111,338)

The following table sets forth the plan's funded status and amounts reported on Cherryland's balance sheets as of December 31:

	2019	2018
Change in projected benefit obligation		
Benefit obligation at beginning of year	\$ 1,813,252	\$ 1,995,653
Service cost	43,712	48,394
Interest cost	73,604	71,781
Benefits paid	(115,880)	(138,277)
Actuarial loss	(141,380)	(164,299)
Projected benefit obligations at end of year	\$ 1,673,308	\$ 1,813,252
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 1,916,374	\$ 2,144,787
Actual return (loss) on plan assets	253,250	(90,136)
Employer contributions	880	-
Benefits paid	(115,880)	(138,277)
Fair value of plan assets at end of year	\$ 2,054,624	\$ 1,916,374
Recognized benefit asset	\$ 381,316	\$ 103,122
Amounts recognized in accumulated other comprehensive loss, beginning	\$ (313,833)	\$ (156,483)
Net actuarial gains	23,660	16,887
Net prior service cost	(87,541)	(87,541)
Net current year income (loss)	289,229	(86,696)
Amounts recognized in accumulated other comprehensive loss, ending	\$ (88,485)	\$ (313,833)

The weighted-average discount rate was 4.25% and 3.75% at the beginning of 2019 and 2018, respectively. The expected long-term rate of return on assets was 5.50% and 7.50% for 2019 and 2018, respectively.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

The Cooperative assumes for measurement purposes a 8.50% annual rate of increase in the per capita cost of covered health care benefits for 2019. The rate was assumed to decrease by .50% per year to an ultimate rate of 5%, and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care cost trend rates by 1 percentage point would increase the accumulated post-retirement obligation by \$24,347 and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost by \$10,021. Decreasing the assumed health care cost trend rates by 1 percentage point would decrease the accumulated post-retirement obligation by \$20,414 and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the year by \$7,254.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Cherryland has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of plan assets of \$2,054,624 and \$1,916,374 at December 31, 2019 and 2018, respectively, were held in mutual funds and considered Level 1. The shares held in the mutual funds are valued at quoted market prices based on the net asset value ("NAV") of shares held by the plan at year end. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities then divided by the number of shares outstanding.

CHERRYLAND ELECTRIC COOPERATIVE, INC.

Notes to Financial Statements

Cherryland expects to contribute an amount equal to the expected benefit payment to its plan in 2020. Expected benefit payments for each of the five years succeeding December 31, 2019, and for the five years thereafter are estimated as follows:

Year	Amount
2020	\$ 142,399
2021	112,789
2022	108,593
2023	104,538
2024	114,414
2025-2029	571,090

The estimated net actuarial gain and prior service cost that will be amortized from accumulated other comprehensive loss into recognized net period pension cost in both 2019 and 2018 are approximately \$87,500.

9. SUPPLEMENTAL CASH FLOWS INFORMATION

Non-Cash Investing and Financing Activities

During 2019, Cherryland converted a \$2.5 million line of credit with CFC, which was previously utilized for infrastructure purchases, to a long-term note payable, pursuant to the terms of the Loan Agreement with CFC. Interest is charged at a fixed rate of 3.95% with final maturity in May 2049.

During 2018, Cherryland converted a \$5 million line of credit with CFC, which was previously utilized for infrastructure purchases, to a long-term note payable, pursuant to the terms of the Loan Agreement with CFC. Interest is charged at a fixed rate of 4.85% with final maturity in August 2048.

During 2018, Cherryland converted a \$961,907 line of credit with CFC, which was previously utilized for infrastructure purchases, to a long-term note payable, pursuant to the terms of the Loan Agreement with CFC. Interest is charged at a fixed rate of 4.75% with final maturity in August 2045.

Other Cash Flows Information

Cash paid for interest amounted to \$2,838,982 and \$2,719,207 during 2019 and 2018, respectively.

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