

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

BULLETIN 1717B-2

SUBJECT: Guide for Preparing Financial and Statistical Reports for Electric Distribution Borrowers

TO: All Electric Distribution Borrowers

EFFECTIVE DATE: Date of approval.

OFFICE OF PRIMARY INTEREST: Assistant Administrator, Electric Program.

FILING INSTRUCTIONS: This bulletin replaces RUS Bulletin 1717B-2, "Guide for Preparing Financial and Statistical Reports for Electric Distribution Borrowers," dated December 31, 1993. Suggestion to borrowers: Distribute copies of this bulletin to all units responsible for elements of the report.

This Bulletin is also available on the RUS Data Collection System Website at <http://dcs.usda.gov>.

PURPOSE: To provide instructions to all electric distribution borrowers required to submit operating reports to RUS. These instructions implement reporting requirements in the borrower's loan contract with RUS and the laws and regulations that authorize RUS to collect this information. The guidance provided in this bulletin corresponds to the completion of a paper Form 7 and 7a. The RUS Data Collection System Website contains instructions for completion of the electronic form.



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2/14/02

Date

**INSTRUCTIONS FOR THE PREPARATION OF THE
FINANCIAL AND STATISTICAL REPORT**

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ATTACHMENTS:

Attachment 1	RUS Form 7	
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Financial and Statistical Reports
 Financial Statements
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 Reports

ACRONYMS

CBO	Certificates of Beneficial Ownership
CD	Certificate of Deposit
CFC	National Rural Utilities Cooperative Finance Corporation
CL	Capital Leases
CATS	Certificates of Accrual on Treasury Securities
CTC	Capital Term Certificates
DCS	Data Collection System
ERC	Energy Resources Conservation
FCSFAC	Farm Credit System Finance Assistance Corporation
FDIC	Federal Deposit Insurance Corporation

ACRONYMS

(continued)

FERC	Federal Energy Regulatory Commission
FFB	Federal Financing Bank
FICO	Financing Corporation
FHLB	Federal Home Loan Banks
FHLMC	Federal Home Loan Mortgage Corporation or Freddie Mac
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association or Fannie Mae
G&T	Generation and Transmission borrower
GNMA	Government National Mortgage Association, Ginnie Mae, or Ginnies
GSA	General Services Administration
NOW	Negotiable Order of Withdrawal
NRUCFC	National Rural Utilities Cooperative Finance Corporation
REFCORP	Resolution Funding Corporation
REIT	Real Estate Investment Trusts
RUS	Rural Utilities Service
SBA	Small Business Administration
Sallie Mae	Student Loan Marketing Association
TIGERS	Training Investment Growth Receipts
TVA	Tennessee Valley Authority
WMATA	Washington Metropolitan Area Transit Authority

1. REQUIREMENTS

The Rural Utilities Service's (RUS) requirements regarding the submission of financial and statistical reports by electric distribution borrowers are contained in the loan contract. Also, RUS's reporting requirements are codified in 7 CFR Parts 1710 and 1717.

2. REPORTS

2.1 The preparation of a monthly financial and statistical report aids a borrower's management in effectively operating and controlling the business.

2.2 As an aid to borrowers in developing and submitting operating information on a uniform basis, RUS furnishes a prescribed report form to be used by electric distribution borrowers. An original and one copy of RUS Form 7, pages 1 through 5, and Form 7a, Pages 1 and 2, should be submitted to RUS annually by March 1 for the period ending December 31. Quarterly reports (RUS Form 7, pages 1 and 2) are requested when a deficit exists in the prior year's operations. In addition, individual borrowers may be requested by RUS to submit RUS Form 7 (pages 1 and 2) monthly.

2.3 If after the filing of RUS Form 7 and 7a for December 31, major adjustments in the accounts are made which significantly affect the operating statement for the year, the balance sheet, or key financial ratios, revised reports reflecting these adjustments should be submitted to RUS promptly.

2.4 Sample copies of the revised report forms are attached to this guide. A supply of these forms will be furnished to borrowers not using the Data Collection System (DCS) system, upon request.

2.5 Distribution borrowers having generating facilities shall continue to submit reports on the operation of such facilities in accordance with the current instructions set forth in RUS Bulletin 1717B-3, in addition to the RUS Form 7 and 7a.

2.6 Timely reporting not only permits RUS to fulfill its reporting obligations, but helps the borrower have data promptly for effective management. It is strongly urged that attention be given to organizing your operations so that required reports will be submitted on time.

3. GENERAL

The "Financial and Statistical Report" makes available to RUS information for analyses in connection with the security of Government loan funds. It is believed that this report, when supplemented by such additional information as may be desired by an individual borrower, will also be of great assistance to boards of directors and managers of the system in successfully coping with various management problems.

The report provides RUS with sufficient information to prepare an annual financial and statistical report of all RUS borrowers' electric operations. RUS provides the Federal Energy Regulatory Commission (FERC) with a copy of the RUS statistical report. Thus, most borrowers are not required to submit individual reports to FERC.

The reports prepared by borrowers must accurately reflect the financial data as shown by the books of account, and should be prepared in accordance with the detailed instructions contained in this manual. Maximum benefits can be derived from the monthly and annual report only when they are correctly prepared. Careful preparation of the report also eliminates additional correspondence. After the report has been prepared and typed, it should be carefully reviewed and verified for both clerical and/or typographical errors. Accounts referenced: RUS Uniform System of Accounts - Electric (7 CFR 1767, subpart B, and RUS Bulletin 1767B-1).

These instructions and report forms do not apply to power supply borrowers.

4. SPECIFIC INSTRUCTIONS

4.1 The "Financial and Statistical Report," RUS Form 7, Pages 1 through 5, and Form 7a, "Investments, Loan Guarantees and Loans - Distribution," are composed as follows:

Form 7

- Part A. Statement of Operations
- Part B. Data on Transmission and Distribution Plant
- Part C. Balance Sheet
- Part D. Notes to Financial Statements
- Part E. Changes in Utility Plant
- Part F. Materials and Supplies
- Part G. Service Interruptions
- Part H. Employee - Hour and Payroll Statistics
- Part I. Patronage Capital
- Part J. Due From Consumers for Electric Service
- Part K. kWh Purchased and Total Cost
- Part L. Long-Term Leases
- Part M. Annual Meeting and Board Data
- Part N. Long-Term Debt and Debt Service Requirements
- Part O. Power Requirements Data Base – Annual Summary

Form 7a

- Part I. Investments
- Part II. Loan Guarantees
- Part III. Ratio
- Part IV. Loans

4.2 The following system is used in this guide for reference to items reported on RUS Forms 7 and 7a:

A capital letter designates the part, a number designates the item or line number, and a lower case letter designates the column. Example: A15d indicates Part A, Item 15, Column d.

4.3 "Red" (or negative) figures on the report should be indicated by enclosing the amount in parentheses (--). Do not use parentheses to indicate that an amount is to be deducted when the format provides for the deduction to be made. Example: The entry for Form 7 - C4 should not be enclosed with parentheses as Net Utility Plant is to be determined by subtracting line 4 from line 3.

4.4 A column for "Budget" has been provided on RUS Form 7, Page 1, Part A, "Statement of Operations," for the convenience of borrowers. When used, this should consist of the cumulative monthly figures taken from the previously prepared annual budget. A budget is a plan for future guidance of the business in which probable revenue and expense is estimated and allocated. If there is a substantial difference between the budget item and the actual, it would be appropriate to make an analysis of operations to determine if remedial action is needed. While reporting of the "Budget" information is optional, RUS may require borrowers to report budget information on a case-by-case basis.

4.5 Much care should be exercised in the insertion of the statistical data required by the report, particularly that which cannot be verified on the report.

4.6 Borrowers should report all amounts to the "nearest dollar" and eliminate the cents. All totals and subtotals should be the sums of the rounded figures used.

EXHIBIT A
SPECIFIC INSTRUCTIONS FOR RUS FORM 7
FINANCIAL AND STATISTICAL REPORT

PART A, STATEMENT OF OPERATIONS

Column

a **Last Year**

This column reflects cumulative annual totals through the month covered by the report, entries for which should be obtained from Column b of this same part (RUS Form 7, Part A) of the operating report for the corresponding month of the prior year.

b **This Year**

Cumulative annual totals are also reflected in this column, entries for which should be obtained from the year-to-date totals of the general ledger trial balance for the corresponding month.

c **Budget (Optional)**

Entries for this column should be obtained from the operating budget using cumulative annual totals for the corresponding month.

d **This Month**

Entries for this column should be obtained from the monthly totals of the general ledger trial balance of the appropriate accounts for the month involved.

Item No.

1 **Operating Revenue and Patronage Capital**

The entry for Column b is obtained by adding Part O, Items 12 and 13 of the "Total Year to Date" column.

2 **Power Production Expense**

Accounts 500 through 554

3 **Cost of Purchased Power**

Accounts 555, 556, and 557

4 **Transmission Expense**

Accounts 560 through 573

5 **Distribution Expense - Operation**

Accounts 580 through 589

Item No. (continued)

- 6 **Distribution Expense - Maintenance**
Accounts 590 through 598
- 7 **Customer Accounts Expense**
Accounts 901 through 905
- 8 **Customer Service and Informational Expense**
Accounts 907 through 910
- 9 **Sales Expense**
Accounts 911 through 916
- 10 **Administrative and General Expense**
Accounts 920 through 931 and 935
- 11 **Total Operation and Maintenance Expense**
Total of Items 2 through 10
- 12 **Depreciation and Amortization Expense**
Accounts 403.1 through 403.7 and 404 through 407 (including 407.3 & 407.4)
- 13 **Tax Expense - Property and Gross Receipts**
Account 408.1 and 408.6. Some States have enacted laws providing for payments in lieu of property taxes. These taxes should be reported as "Tax Expense - Property and Gross Receipts."
- 14 **Tax Expense - Other**
All subaccounts of Accounts 408, except 408.1 and 408.6 plus Accounts 409.1, 410.1, 411.1, 411.4 and 420
- 15 **Interest on Long-Term Debt**
Account 427. Do not include any interest earned on Balance of Advance Payments. It is non-operating income, item 21.
- 16 **Interest Charged to Construction - Credit**
Account 427.3
- 17 **Interest Expense - Other**
Account 431
- 18 **Other Deductions**
Accounts 409.2, 410.2, 411.2, 411.5, 411.6, 411.7, 411.8, 411.9, 425, 426.1 through 426.5, 428, 428.1, 429, 429.1 and 430

Item No. (continued)

- 19 **Total Cost of Electric Service**
Total of Items 11 through 18
- 20 **Patronage Capital and Operating Margins**
Item 1 minus Item 19
- 21 **Non-Operating Margins - Interest**
Account 419 and 432. Include interest earned on Balance of Advance Payments, if any.
- 22 **Allowance for Funds Used During Construction**
Account 419.1
- 23 **Income (Loss) from Equity Investment**
Account 418.1 plus the amounts recorded in Account 421 relating to the income or loss from investments recorded on the equity method of accounting for investments.
- 24 **Non-Operating Margins - Other**
Net total of Accounts 415, 417, 418, 421, 421.1, less Accounts 416, 417.1, 421.2, and 422
- 25 **Generation and Transmission Capital Credits**
Account 423
- 26 **Other Capital Credits and Patronage Dividends**
Account 424
- 27 **Extraordinary Items**
Net total of Accounts 409.3 plus 434 minus 435 plus or minus 435.1
- 28 **Patronage Capital or Margins**
Total of Items 20 through 27

PART B, DATA ON TRANSMISSION AND DISTRIBUTION PLANT

All entries for Column a should be obtained from Column b of this part of the Operating Report for the prior year.

Item No.**1 New Services Connected**

In Column b insert the total of all new individual services connected this year to date.

The data should include new construction and exclude connections to new consumers on previously connected services.

2 Services Retired

In Column b place the number of all individual service installations physically removed during the year.

3 Total Services in Place

In Column b insert the number of services as of the end of the reporting period. (Report all services in place whether or not they are in use.)

4 Idle Services (Exclude Seasonals)

The number of idle services in Column b should be the total number of delivery points to which service wires remain physically in place but for which no bill is being rendered.

Seasonal consumers or patrons paying a nominal sum for the retention in place of idle facilities should be excluded from the count of idle services.

5 Miles Transmission

Mileage in Column b represents the total pole line miles of transmission line that have been energized. A transmission line is a line serving as a source of supply to a point where the voltage is transformed to a voltage used for distribution purposes.

6 Miles Distribution - Overhead

Mileage in Column b represents the present total overhead pole line miles that have been energized. Distribution lines are those which deliver electric energy from the substation or metering point to the point of attachment to the consumers' wiring and include primary, secondary, and service facilities.

7 Miles Distribution - Underground

Mileage in Column b represents the total underground line miles of distribution lines (primary, secondary, and services) that have been energized.

8 Total Miles Energized

Sum of Items 5, 6, and 7

Note: (1) Underbuild in overhead lines or joint runs in underground installations do not increase the number of line miles except for distribution underbuild on transmission poles. In such cases, distribution pole line miles would be increased by the number of underbuild miles involved.

PART C, BALANCE SHEET

Assets and Other Debits

Item No.

- 1** **Total Utility Plant in Service**
Accounts 101 (total of Accounts 301 through 399), 101.1, 102 through 106, 114, 116, 118, and 120.1 through 120.6
- 2** **Construction Work in Progress**
All subaccounts of Account 107
- 3** **Total Utility Plant**
Sum of Items 1 and 2
- 4** **Accumulated Provision for Depreciation and Amortization**
All subaccounts of Account 108, and Accounts 111, 115, and 119
- 5** **Net Utility Plant**
Item 3 less Item 4
- 6** **Non-Utility Property (Net)**
Account 121 less Account 122
- 7** **Investments in Subsidiary Companies**
Account 123.11
- 8** **Investments in Associated Organizations - Patronage Capital**
Account 123.1
- 9** **Investments in Associated Organizations - Other - General Funds**
The amount of the investments recorded in Accounts 123.22 and 123.23 as provided for in 7 CFR 1717, Subpart N, Investments, Loans, and Guarantees by Electric Borrowers.

Item No. (continued)**10** **Investments in Associated Organizations - Other - Nongeneral Funds**

The amount of the investments in Accounts 123.22 and 123.23. The following are classified as such investments:

(1) All National Rural Cooperative Finance Corporation (CFC) – Capital Term Certificates (CTC) except those purchased more than 24 months in advance of their due date.

(2) Investments which have been specifically excluded by the Administrator or his designated representative.

(Note: The above investments are nongeneral fund items regardless of the account in which they are reported. However, the only excludable investments to be reported, for Item 10 are those which are reported in Accounts 123.22 or 123.23. The sum of the amounts reported for Items 9 and 10 should equal the sum of the balances in Accounts 123.22 and 123.23.)

11 **Investments In Economic Development Projects**

Report investments in Economic Development Projects recorded in accounts 123, Investments in Associated Organizations, and 124, Other Investments. (Note: These Economic Development investment amounts should not be reported on any other line of the Balance Sheet.)

12 **Other Investments**

Report amount in Account 124 not related to Economic Development Projects included in Item 11.

13 **Special Funds**

Accounts 125 through 128

14 **Total Other Property and Investments**

Total of Items 6 through 13

15 **Cash - General Funds**

Accounts 131.1, 131.12, 131.13, 131.14, and 135. Item 46, "Accounts Payable," should be utilized for checks written and not paid as of the date of this report.

16 **Cash - Construction Funds - Trustee**

Accounts 131.2 and 131.3. Item 46, "Accounts Payable," must be credited for checks written and not paid as of the date of this report.

17 **Special Deposits**

Accounts 132 through 134

Item No. (continued)

- 18 **Temporary Investments**
Account 136
- 19 **Notes Receivable (Net)**
Account 141 and 145 less Account 141.1
- 20 **Accounts Receivable - Sales of Energy (Net)**
Account 142.1 less Account 144.1
- 21 **Accounts Receivable - Other (Net)**
Accounts 142.2, 143 and 146 less Accounts 144.2 through 144.4
- 22 **Materials and Supplies - Electric and Other**
Accounts 151 through 157, 158.1, 158.2 and 163
- 23 **Prepayments**
Accounts 165.1 and 165.2
- 24 **Other Current and Accrued Assets**
Accounts 171 through 174
- 25 **Total Current and Accrued Assets**
Total of Items 15 through 24
- 26 **Regulatory Assets**
Accounts 182.2 and 182.3
- 27 **Other Deferred Debits**
Accounts 181 through 190, except 182.2 and 182.3
- 28 **Total Assets and Other Debits**
Total of Items 5, 14, 25 through 27

Liabilities and Other Credits**Item No.**

- 29 **Memberships**
Accounts 200.1 and 200.2
- 30 **Patronage Capital**
Accounts 201.1 and 201.2

Item No. (continued)**31** **Operating Margins - Prior Years**

Account 219.1 and Account 219.4 when it applies to operating margins.

32 **Operating Margins - Current Year**

Total of Items 20, 25, 26, and the portion of Line 27 that relates to operating margins of the current RUS Form 7, Part A, Column b less that portion of current year margins transferred from Account 219.1 to Account 201.2 and included in the amount reported for Line 28, "Patronage Capital or Margins."

33 **Non-Operating Margins**

Total of Account 219.2 plus Account 219.4 when it applies to non-operating margins, and Items 21, 22, 23, 24, and the portion of Line 27 that relates to non-operating margins, of the current RUS Form 7, Part A, Column b.

34 **Other Margins and Equities**

Total of Accounts 208, 211, 215, 216.1, 217, 218, and 219.3

35 **Total Margins and Equities**

Total of Items 29 through 34.

36 **Long-Term Debt - RUS (Net)**

Accounts 224.1, 224.3, 224.5, 224.7 and 224.9 less Accounts 224.2, 224.4, 224.6, 224.8, and 224.10; also enter the amount of Account 224.6 in the space for "Payments-Unapplied." Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.

37 **Long-Term Debt - RUS - Economic Development (Net)**

Report amounts recorded in accounts 224.16, Long-Term Debt - Economic Development Notes Executed, less 224.17, RUS Notes Executed - Economic Development - Debit. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 49.

38 **Long-Term Debt – FFB – RUS Guaranteed**

Report amounts recorded in accounts 224.14 less 224.15 that relate to FFB loans. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.

39 **Long-Term Debt - Other - RUS Guaranteed**

Report amounts recorded in accounts 224.11, 224.12, 224.14, 225, 226 less Accounts 123.21, 224.13 and 224.15 pertaining to Non-FFB debt whose repayment is guaranteed by RUS. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.

Item No. (continued)

- 40** **Long-Term Debt - Other (Net)**
Report amounts in Accounts 221, 222, 223, 224.11, 224.12, 224.14, 225, 226 less 123.21, 224.13 and 224.15 pertaining to debt whose repayment is NOT guaranteed by RUS. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.
- 41** **Total Long-Term Debt**
Total of Items 36 through 40.
- 42** **Obligations Under Capital Leases - Noncurrent**
Account 227
- 43** **Accumulated Operating Provisions**
Accounts 228.1 through 228.4, and 229. Note: If the cumulative amount recorded in Account 228 is a debit balance, the amount should be reported on Line 12, Other Investments.
- 44** **Total Other Noncurrent Liabilities**
Sum of items 42 and 43
- 45** **Notes Payable**
Accounts 231 and 233
- 46** **Accounts Payable**
Accounts 232.1, 232.2, 232.3 and 234.
- 47** **Consumers Deposits**
Account 235
- 48** **Current Maturities Long-Term Debt**
Report amounts due within one year of the obligations reported on items 36, 38, 39 and 40.
- 49** **Current Maturities Long-Term Debt – Economic Development**
Report amounts due within one year of the obligations reported on item 37.
- 50** **Current Maturities – Capital Leases**
Account 243
- 51** **Other Current and Accrued Liabilities**
Accounts 236.1 through 236.7, 237, 238.1, 238.2, 239, 240, 241, and 242.1 through 242.5

- 52 **Total Current and Accrued Liabilities**
Total of Items 45 through 51
- 53 **Regulatory Liabilities**
Account 254
- 54 **Other Deferred Credits**
Accounts 252, 253, 253.1, 255, 256, 257, 281, 282, and 283
- 55 **Total Liabilities and Other Credits**
Total of Items 35, 41, 44, and 52 through 54

PARTS D, NOTES TO FINANCIAL STATEMENTS

Part D provides space for important disclosure notes to the financial statements not included in other parts of this form.

A partial checklist of these disclosure notes is as follows:

Prepaid or deferred charges that are being amortized for a period exceeding 12 months.

Capital leases for lessee; sales or financing leases for lessor.

Unbilled revenue -- Report of the amount not billed to consumers for which kWhs have been consumed. Please state if this amount is or is not included in Part C, line 20.

Accounting changes.

Contingent Assets and Liabilities

Deferred compensation\Pension plans -- employers.

Deferred Debits or Credits, and Extraordinary Items.

Margin Stabilization Plans.

Short-term obligations expected to be refinanced.

Deferred credits that are being amortized for a period exceeding 12 months.

Related party transactions.

PART E, CHANGES IN UTILITY PLANT

Item No.

- 1 Distribution Plant**
Accounts 360 through 373
- 2 General Plant**
Accounts 391 through 399.
- 3 Headquarters Plant**
Accounts 389 through 390.
- 4 Intangibles**
Accounts 301, 302, and 303
- 5 Transmission Plant**
Accounts 350 through 359
- 6 All Other Utility Plant**
Accounts 101.1, 102 through 106, 114, 116, 118, 120.1 through 120.6, and 310 through 346.
- 7 Total Utility Plant in Service**
Total of Items 1 through 6. Amount in column e should agree with Part C, Item 1.
- 8 Construction Work in Progress**
Account 107. Amount in column e should agree with Part C, Item 2.
- 9 TOTAL UTILITY PLANT**
Total of Items 7 and 8. Amount in column e should agree with Part C, Item 3.

Column

- a Balance Beginning of Year**
The balances in this column for each item should be the same as shown in "Balance End of Year" column of the previous years' report.

Column (continued)**b** **Additions**

This column should show the additions to plant during the year including any corrections for additions for the current or preceding year for each item. The amount of the additions should be net cost (gross cost less contributions in aid of construction credited to the plant accounts). Include in this column transfers involving Account 103, "Experimental Electric Plant Unclassified," Account 106, "Completed Construction Not Classified - Electric," and Account 107, "Construction Work in Progress - Electric," made to close the record for items in these accounts. A credit will be shown in this column for Accounts 103, 106, and 107 if the "Balance End of Year" in either Accounts 103, 106, or 107 is less than "Balance Beginning of Year." Any amount paid for electric plant purchased during the year should be shown in Column b.

c **Retirements**

This column should show the value of physical retirements for each item of plant made during the year including any corrections for retirements for the current or preceding year. Any amount received during the year for electric plant sold should be shown in Column c. Do not include contributions in aid of construction in this account. See instructions for Column b above.

d **Adjustments and Transfers**

Include in this column:

1. Transfers between utility plant purchased or sold and the utility plant in service accounts.
2. Transfers between utility plant in service accounts and utility plant leased to others.
3. Transfers between utility plant in service accounts and utility plant held for future use.
4. Reclassifications or transfers within the utility plant in service accounts.

Do not include corrections of additions and retirements for the current or preceding year in this column. (These should be shown in Column b or Column c, respectively.) Do not include transfers from Account 107 to 106, or 106 to the electric plant in service accounts. (These are to be shown in Column b.)

Ordinarily, this column should total to zero. However, when utility plant purchased is transferred to the utility plant in service accounts, a difference will occur because of the accumulated provision for depreciation. When the utility plant in service accounts are credited with utility plant sold, a difference will develop. This is because of the adjustment to the accumulated provision for depreciation and the gain or loss.

Column (continued)**e** **Balance End of Year**

These balances should be determined at year-end directly from the accounts. Each item and column total should be verified to see that "Balance Beginning of Year" plus "Additions" minus "Retirements" and plus or minus "Adjustments and Transfers" equal "Balance End of Year." The amount for Item 8 should agree with RUS Form 7, Part C, Item 2. The amount for Item 9 should agree with RUS Form 7, Part C, Item 3.

PART F, MATERIALS AND SUPPLIES**Item No.****1** **Electric**

Column a: Enter the total of the balances in Accounts 151 through 154 and 163 at the end of the previous year.

Column b: Enter the total of materials purchased during the year and recorded in Accounts 151, 152, and 154, plus net additions to Accounts 153 and 163 excluding inventory adjustments which are to be reported in Column f.

Column c: Enter the amount of the materials returned to stores from retirement of plant during the year.

Column d: Enter the net amount of materials used during the year (materials charged out less materials returned to stores). Include stores expense assigned to those materials. Do not include credits for inventory adjustments that are to be reported in Column f.

Column e: Enter the amount of all materials and supplies sold during the year.

Column f: Enter the net amount of inventory adjustments (shortages, overages, and breakage) made during the year.

Column g: Enter the total of the balances in Accounts 151 through 154 and 163 as of the end of the year.

2 **Other**

Enter in Column a the total of Accounts 155, 156, 157, 158.1, and 158.2 at the end of the previous year. Enter in Column b the amount of other purchases (at cost) for the year. Enter in Column c any trade-in merchandise or other material put into stock. Enter in Column d any merchandise or other materials taken from stock for the cooperative's use. Enter in Column e all merchandise and other material sold during the year. Enter in Column f any adjustments (net) for shortages, overages, breakage, etc. Enter in

Column g the total of the balances in Accounts 155, 156, 157, 158.1, and 158.2 on December 31 (Note: Columns a plus b and c, less d and e, plus or minus f, as appropriate, equal Column g).

PART G, SERVICE INTERRUPTIONS

The importance and manner of measuring and reporting continuity of service is described in RUS Bulletin 161-1. This bulletin provides for coding of causes that fit the four classifications shown in this part.

Average hours interruptions per consumer are obtained by multiplying the time of each interruption by the number of consumers affected and dividing by the average number of consumers receiving service.

Column

a Power Supplier

Enter in this column the average interruption hours per consumer resulting from failure of the power supplier's facilities.

b Extreme Storm

It is intended that this column exclude common or expected weather conditions and include extreme weather conditions resulting in extraordinary interruption time and equipment damage. Usually there is a series of concurrent interruptions resulting from conditions that exceed design assumptions.

c Prearranged

This column includes service interruptions caused by a decision to de-energize all or part of the system.

d All Other

Include in this column all service interruptions not included in Columns a, b, and c.

e Total

This column represents the sum of all causes, and represents either the average interruption hours per consumer for the current year (Item 1), or the average for 5 years (Item 2).

Item No.

1 Present Year

Enter data for the current year in the appropriate column.

2 Five Year Average

Enter data for the most recent 5 years including the current year. In the event that statistics are not available for a full previous 5 years, use the best estimate possible until actual figures become available

PART H, EMPLOYEE - HOUR AND PAYROLL STATISTICS

The object of this part is to obtain statistics on all work performed for the borrower by the cooperative's employees based on payroll records.

Item No.

1 **Number of Full-Time Employees**

The number reported should be the number of employees hired full-time for normal operations of the system. It should not include employees added to do emergency work, employees added for seasonal employment, or for special assignments. If an employee works for the first 6 months of the year, quits in July, and is replaced immediately or later by another employee, these two employees should be reported as one full-time employee.

2 **Employee-Hours Worked - Regular Time**

Report the total number of employee-hours worked for which the employees received a regular rate of pay. Include all employees both salaried and those paid by the hour. All leave with pay is to be counted as hours worked. All leave without pay is not to be counted.

3 **Employee-Hours Worked - Overtime**

Report the total number of employee-hours worked for which a premium rate of pay was received by the employee.

4 **Payroll - Expensed**

Enter the amount of payroll that was charged to the operation and maintenance expense accounts (Accounts 500 through 598 and 901 through 931 and 935) during the year.

5 **Payroll - Capitalized**

Enter the amount of payroll that was used in construction and retirement work (all payroll charged to Accounts 107.1 through 107.3, 108.8, plus all payroll directly charged to the plant Accounts 301 through 399).

6 **Payroll - Other**

Enter the amount of payroll that was not included in Items 4 and 5.

PART I, PATRONAGE CAPITAL

Item No.

1 Capital Credits Distributions

a. General Retirements

Column (a) - This Year

Enter the total of those retirements made during the current year that covered a specific period or a specific percentage of a period. See Item 1b(a) for additional instructions.

Column (b) - Cumulative

This entry should be determined in accordance with the instructions from Item 1a except that the period covered is from inception through and including the current year. It also may be determined by using the balance for this item for the prior year and adding the entry in Item 1a(a) for the current year.

b. Special Retirements

Column (a) - This Year

Enter the total of those retirements made during the current (reported) year, such as estate settlements (Note: The total of the entries in Items 1 and 2 in column a should equal total patronage capital retirements for the year).

Column (b) - Cumulative

The entry should be determined in accordance with the instructions for Item 2a except the period covered is from inception through and including the current year. It also may be determined by using the balances for this item for the prior year and adding the entry in Item 2a for the current year.

c. Total Retirements

Column (a) - This Year

Enter total of 1a and 2a

Column (b) - Cumulative

Enter total of 1b and 2b

2 Capital Credits Received

a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power

Column (a) - This Year

Self-explanatory

b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System

Column (a) - This Year

Self-explanatory

c. Total Cash Received

Column (a) - This Year

Enter total of 2a and 2b

PART J, DUE FROM CONSUMERS FOR ELECTRIC SERVICE

Item No.

1 Amount Due Over 60 Days

Include both connected and disconnected consumers.

2 Amount Written Off During Year

Include total charges during the current year to Account 144.1 representing the write-off of uncollectible accounts.

PART K, kWh PURCHASED AND TOTAL COST

Enter in Column a the name of each wholesale power supplier from which power was purchased for resale. Column b is for RUS use only. Enter in Column c the total kWh purchased from each supplier. Enter in Column d the total cost of power from each supplier. This shall include energy, demand, wheeling and other charges associated with the power purchased from each supplier. Enter in Column e the average cost per kWh purchased (in cents). This calculation is made by dividing Column d by Column c.

When the power bill includes charges or credits for items other than charges for demand and energy, such as fuel cost adjustments, wheeling, equipment rentals, taxes, etc., the amounts thereof should be determined and entered in Column f or g as appropriate.

PART L, LONG-TERM LEASES

Report in this part by lessor, the type of property, and the amount of rental for the year (accrued or paid) on all restricted property that the borrower holds under long-term lease from other parties.

Restricted Rentals as defined in 7 CFR Part 1718, Subpart B, "Mortgage for Distribution Borrowers," shall mean all rentals required to be paid under finance leases and charged to income, exclusive of any amounts paid under any such lease (whether or not designated therein as rental or additional rental) for maintenance or repairs, insurance, taxes, assessments, water

rates or similar charges. For the purpose of this definition the term “finance lease” shall mean any lease having a rental term (including the term for which such lease may be renewed or extended at the option of the lessee) in excess of 3 years and covering property having an initial cost in excess of \$250,000 other than aircraft, ships, barges, automobiles, trucks, trailers, rolling stock and vehicles; office, garage and warehouse space; office equipment and computers. Long-Term Lease as defined in 7 CFR Part 1718, Subpart B, “Mortgage for Distribution Borrowers,” shall mean a lease having an unexpired term (taking into account terms of renewal at the option of the lessor, whether or not such lease has previously been renewed) of more than 12 months.

General plant is not to be included in the data to be reported in this part. Leases accounted for as capital leases (CL), the cost of which is included in utility (or non-utility) plant, should also be disclosed here with proper additional information included in Part D, "Notes to Financial Statements," and Part N, "Long-Term Debt and Debt Service Requirements." Identify these leases by placing "(CL)" following the name of the lessor.

PART M, ANNUAL MEETING AND BOARD DATA

Item No.

1 **Date of Last Annual Meeting**

Use date scheduled even if no legal meeting was held. If such is the case, so state.

2 **Total Number of Members**

The number of members in the cooperative that are eligible to vote is to be reported in this block. This number is to be determined on the basis of one vote to one member. It will customarily be less than the number of billed consumers as usually some members are billed for more than one account. If exact figures are not available, enter best estimate and use asterisk (*) to show the figure is an estimate.

3 **Number of Members Present at Meeting**

Report number of members present in person as determined by registration or votes cast. Only report persons eligible to vote. Do not report total number of persons in attendance.

4 **Was Quorum Present?**

A "yes" or "no" answer is sufficient.

5 **Number of Members Voting by Proxy or Mail**

Report the number of absentee ballots cast. Include both proxy votes and absentee votes. If none, so state.

6 **Total Number of Board Members**

List number on board when all vacancies are filled.

Item No. (continued)**7** **Total Amount of Fees and Expenses for Board Members**

Include all fees, expenses, and per diem paid to board members for all purposes during the current year, including attendance at board meetings, training seminars, delegated board business, association meetings, amounts paid for insurance, and other expenses directly associated with individual board members.

8 **Does Manager Have Written Contract?**

A "yes" or "no" answer is requested.

PART N, LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

This section is to be prepared by all borrowers that list an amount on line 36 through 40 plus line 42 of Part C, RUS Form 7. Report all loans made to the utility system here. Loans made by the reporting utility system to others (e.g., economic development loans to finance local projects) should not be reported in this part of the report. Part N, line 12a, Total, should match the sum of the amount reported on line 41, "Total Long-Term Debt," plus the sum of the amount reported on line 42, "Obligations Under Capital Leases - Noncurrent, Part C, Balance Sheet.

Item No.

1-11 Enter required data for each lender. List each lender separately. Include all types of long-term obligations including long-term lease obligations (capital) as reported on lines 36, 37, 38, 39, 40, and 42, Part C, Balance Sheet.

12 Enter the total of Items 1 through 11 for each column.

Column**a** **Balance End of Year**

Enter the outstanding long-term debt balance for each lender.

b **Interest**

Enter the sum of the amount for current interest billed during the year by each lender. This amount includes interest charged to construction as well as interest charged to expense. Do not deduct the interest earned on Balance of Advance Payments accounts.

c **Principal**

Enter the sum of the amounts billed for principal during the year by each lender. If a portion of the principal amount is being refinanced (e.g., the proceeds from a RUS or RUS-guaranteed loan are used to pay off a CFC intermediate-term construction loan), that amount should not be included in this column as part of the principal billed. The

principal amount being refinanced, however, should be asterisked and the refinanced portion should be shown under Part D, "Notes to Financial Statements."

Do not include in Columns b and c amounts billed that are applicable to another year's transaction such as billings for past due accounts, note assumptions, etc.

Amounts reported in Columns b and c should include billings due for payment by the end of the year. If a billing was not received for such a payment, the amount that will be billed should be estimated and included as part of the amounts reported in these columns.

d **Total**

Enter the total of amounts in Columns b and c for each lender.

PART O, POWER REQUIREMENTS DATA BASE – ANNUAL SUMMARY

All revenue from operating electric plant including kWh sales, penalties, income from utility property, and miscellaneous items is to be reported in this part. Please note that if unbilled revenue is estimated (accrued) and reported in Form 7, Part A, Item 1, then the unbilled revenue must be included in the applicable classes on this form in Part O, also. It must be added to the billed revenue for Residential Sales, Residential Sales - Seasonal, etc. It should not be reported as Sales for Resales - Other.

Item No.

1 - 9 **Line a**

Number Consumers Served

Enter the number of consumers, by classification, having a current service connection in December in Column a. Enter the average number of consumers served based on the number of months that revenue is reported in Column b.

Special Circumstances for Number Consumers Served

Residential consumers (seasonal and non-seasonal) should be counted on the basis of the number of residences served. If one meter serves two residences, then two consumers should be counted. If a water heater is metered separately from other appliances on the same premises, do not count the water heater load as a separate consumer.

Security or safety lights, billed to a residential customer, should not be counted as an additional consumer, nor should they be included in the Public Street and Highway Lighting Classification.

Seasonal consumers expected to resume service during the next seasonal period should be counted during off-season periods as well.

A residence and commercial establishment on the same premises, receiving service through the same meter and being billed under the same rate schedule, would be classified as one consumer based on the rate schedule. If the same rate schedule applies to both the residential and the commercial class, the consumer should be classified according to principal use.

Consumers for Public Street and Highway Lighting should be counted by the number of billings, regardless of the number of lights per billing.

Installations erected for billboards or advertising purposes should be counted by billing and included in the appropriate commercial classification.

1 - 9 Line b

kWh Sold

Enter the number of kWh sold during the year for each consumer classification in Column c, Total Year to Date.

1 - 9 Line c

Revenue

Enter the dollar value of billings for the year for each consumer classification in Column c, Total Year to Date.

10 Total Number of Consumers

Enter the total of Lines 1a through 9a, Column a, December, and Column b, Average No. Consumers Served.

11 Total kWh Sold

Enter the total of Lines 1b through 9b, Column c, Total Year to Date.

12 Total Revenue Received from Sales of Electric Energy

Enter the total of Lines 1c through 9c, Column c, Total Year to Date.

13 Other Electric Revenue

Report amounts in accounts 412, 414, 449.1, 450, 451, and 453 through 456 less account 413. Enter the total in column c, Total Year to Date. Check: Line 12 total plus Line 13 total must agree with Part A, Line 1, Column b.

14 kWh - Own Use

Enter the total of the kWh consumed for corporate purposes in Column c, Total Year to Date. Show only kWh purchases under wholesale power contract for resale or self-generated and used for this purpose. Do not report energy purchased directly from a supplier solely for corporate purposes.

15 **Total kWh Purchased**

Enter the total of the kWh delivered by the power suppliers in the Column c, Total Year to Date. Transformer loss adjustments for low or high side delivery, if any, should be reported as kWh delivered.

16 **Total kWh Generated**

Enter the total of the net generation in Column c, Total Year to Date. Check: These figures should agree with those reported in RUS Form 12d, 12e, 12f, and 12g.

17 **Cost of Purchases and Generation**

Enter the total of Part A, Column b, Lines 2, 3, and 4, in Column c, Total Year to Date.

18 **Interchange - kWh - Net**

Energy flow between two electric systems, but not included in power billings is to be entered on this line. Energy received into the systems should be reported as a positive figure and energy delivered out of the system should be reported as a negative number. When the flow is both "in" and "out", the difference should be reported. Enter the total in Column c, Total Year to Date.

19 **Peak - Sum All kW Input (Metered)**

Please check the appropriate box indicating coincident or non-coincident peak.

Enter the highest monthly demand reported in Column c, Total Year to Date.

Include both generated and purchased power. For purchased power, use metered demand plus adjustments for transformer losses. Do not include adjustments made for billing purposes.

EXHIBIT B
SPECIFIC INSTRUCTIONS FOR RUS FORM 7a
INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION

This form implements the reporting requirements placed on RUS borrowers in 7 CFR 1717, Subpart N.

General Instructions

1. RUS Form 7a, Investments, correspond to those reported in the Balance Sheet (RUS Form 7, Page 2, Part C, Balance Sheet). Also, all investment items summarized on the Balance Sheet are also reported here and classified as either included, that is subject to the 15% Rule*, or excluded.

*The 15 percent Rule states: "A Borrower in compliance with all provisions of its RUS mortgage, RUS loan contract, and any other agreements with RUS may, without prior written approval of the Administrator, invest its own funds or make loans or guarantees not in excess of 15 percent of its total utility plant without regard to any provisions contained in any RUS mortgage or RUS loan contract to the effect that the borrower must obtain prior approval from RUS, ..." [Reference 7 CFR 1717.654, "Transactions below the 15 percent level," 1717.655, "Exclusion of certain investments, loans, and guarantees," and 1717.656, "Exemption of certain borrowers from controls."]

2. *Please cross check each item listed in PART I. INVESTMENTS, to ensure that the total of each category on the Form 7a (e.g., 1. Non-Utility Property (Net)) matches the balance sheet amount on Form 7.*

3. Exhibit C of this bulletin classifies most investments as either Included or Excluded. In developing our guidelines, we referred to 7 CFR 1717.655, "Exclusion of certain investments, loans, and guarantees." If you need further clarification, contact your RUS Regional Division office for assistance. Exhibit D of this bulletin describes each type of investment in greater detail and classifies it as included or excluded.

4. Almost all investments must be reported separately, however, there are exceptions: Energy Resources Conservation (ERC) loans, and Loans to Employees, Officers, and Directors, each of these types of investments should be combined and reported as a total. A full description of each investment is needed by RUS to verify its proper classification as included or excluded.

5. Loan guarantees that a RUS borrower makes (e.g. member guarantees of its power supplier's loan from RUS) in conformance with the terms of a formal agreement with RUS are excludable.

6. If you need more space than the printed forms provide, please show the remainder of your investments, separately, on a continuation page with headings like the Form 7a, keyed to the report name, item name, and number. A continuation form is enclosed.

Please review the following material carefully.

ITEMS INCLUDED IN 15% RULE CALCULATION:

All items properly reported in the Balance Sheet, RUS Form 7, Part C. Balance Sheet, items: 6 through 13, 15, 17 through 19, plus 21 must be reported as Included, or Excluded items, as defined below. The sum of the Included items, plus the sum of the borrower's commitments to invest in the 12 months following the reporting period, plus the sum of loans (the balances of loans outstanding) which the borrower has guaranteed, except those amounts excluded, added together, may not exceed 15% of Total Utility Plant to comply with the 15% Rule. [Reference 7 CFR 1717.655, "Exclusion of certain investments, loans, and guarantees."]

EXCLUDED INVESTMENTS:

The following list includes nearly all Approved Exclusions [Reference 7 CFR 1717.655]

1. Patronage Capital allocated from a power supply cooperative of which the borrower is a member.
2. Loans, investments, security, obligations entered into prior to the date of the borrower's initial RUS Mortgage.
3. Securities or deposits issued, guaranteed or fully insured as to payment by the U.S. Government or any agency thereof. Though not an exhaustive list, this includes:
 - (a) U.S. Savings Bonds
 - (b) U.S. Treasury Bonds, Notes, Bills, Certificates
 - (c) Checking, Savings, and Certificates of Deposit, up to the limit of the amount insured by an instrumentality of the U.S. Government. [However, the amount exceeding \$100,000 (in any single institution) insured by the Federal Deposit Insurance Corporation (FDIC) should be reported on Form 7a, Part I, as an Included item.]
 - (d) Securities issued by the following Federal agencies and guaranteed as to payment by the full faith and credit of the U.S. Government (payable from the U.S. Treasury):
 - Farm Credit System Financial Assistance Corporation (FCSFAC),
 - Farmers Home Administration (FmHA),
 - Federal Financing Bank (FFB),
 - General Services Administration (GSA),
 - Government National Mortgage Assoc. (GNMA),
 - Maritime Administration Guaranteed Ship Financing Bonds issued after 1972,
 - Small Business Administration (SBA),
 - Washington Metropolitan Area Transit Authority (WMATA) Bonds.
 - (e) Other securities or deposits issued, guaranteed or fully insured as to payment by any agency of the United States Government. Unlike those listed above, these instruments may not be guaranteed by the full faith and credit of the U.S. Government, but are excludable.

4. Capital term certificates, bank stock, or similar securities of the supplemental lender which have been purchased as a condition of membership in the supplemental lender, or as a condition of receiving financial assistance from such lender, i.e., subscription or loan related capital term certificates from CFC, or stock from CoBank or Banks for Cooperatives.
5. Capital Credits issued by the supplemental lender received as an outcome of receiving financial assistance from that lender.
6. CFC Commercial Paper, CoBank Cash Investment Service, and Surplus Funds Program (St. Paul Bank for Cooperatives).
7. Any other investment that has been given formal written approval by the Administrator of RUS as an exclusion from the 15% Rule should be shown in Excluded column. For clarity, footnote such investments, and explain their special exemptions, otherwise the reviewer will assume they are classified improperly.
8. Investments funding post-retirement benefits are an excluded investment. [Reference Financial Accounting Standards Board Statement 106]
9. Reserves, if required by Revenue Bond Agreement; or amounts set aside to ensure prompt payment of loans made, guaranteed, or secured by a lien accommodated by RUS are excluded. However, only funds required for payments due within a three-month period after the report date may be excluded unless the "Agreement" requires a larger fund.

PART I. INVESTMENTS

Report all items in the following Balance Sheet categories on Form 7, Part C:

1. Non-Utility Property (Net):
Report items summarized as Balance Sheet item 6.
2. Investments in Associated Organizations:
Report items summarized as Balance Sheet items 7, 8, 9 and 10.
3. Investments in Economic Development Projects:
Report items summarized as Balance Sheet item 11.
4. Other Investments:
Report items summarized as Balance Sheet item 12.
5. Special Funds:
Report items summarized as Balance Sheet item 13.

6. Cash-General:
Report items summarized as Balance Sheet item 15.
7. Special Deposits:
Report items summarized as Balance Sheet item 17.
8. Temporary Investments:
Report items summarized as Balance Sheet item 18.
9. Notes and Accounts Receivable (Net):
Report items summarized as Balance Sheet item 19 and 21.
10. Commitments To Invest Within 12 Months:
These items do not appear on the RUS Form 7, Part C, Balance Sheet. Report any legally binding commitments to invest within the 12 months following the reporting period.

Column headings:

Column (a), Investment Description, giving issuer's name e.g. C.D. 1st National Bank, Omaha NE, or US Treasury Certificates, other investments, giving the name, the city and state of their address, type of investment.

Column (b), Included Amount: See Exhibit C of this bulletin.

Column (c), Excluded Amount: See Exhibit C of this bulletin.

Column (d), Income or Loss: For each investment that is accounted for under the equity method of accounting and reported in Section 2, Investments in Associated Organizations, 3, Investments in Economic Development Projects, and 4, Other Investments, indicate the amount of income or loss recognized during the reporting period. If there were no investments to account for under the equity method of accounting, please enter zero. For each receivable reported in section 9, Accounts & Notes Receivable (Net), indicate the amounts, if any, charged to the provision for uncollectible notes receivable. If there were no charges for uncollectible notes receivable, please enter zero.

Column (e), Rural Development: Identify investments in rural economic development by placing an "X" in column e. Include investments in any/all types of projects or products that were made to improve the economy and/or quality of life in your area.

Examples of Rural Economic Development Investments include (but are not limited to): energy resources and conservation loans, rural development loans/grants, water/wastewater, satellite/cable TV, natural/propane gas, telephone/Internet, power quality, load management, agricultural services, housing, industrial parks/organizations, incubator buildings, public health/safety, financing/revolving loan funds, security services, etc.

PART II. LOAN GUARANTEES

In this part, the reporting RUS borrower should list each loan guarantee they have given. They should not list those they receive from RUS or any other source. For example, a reporting borrower's guarantee of a bank's loan to a local rural development project should be reported here. By contrast, a Federal Financing Bank loan to your organization, the reporting RUS borrower, the repayment of which is guaranteed by RUS, should not be reported here.

List each loan your organization has guaranteed. This includes but is not limited to guarantees of loans to rural development projects, subsidiary organizations, associated/nonassociated organizations, power supply organizations.

Excluded Guarantees: Guarantees that a borrower makes in conformance with the terms of a formal agreement with RUS are excludable. For example, if a reporting RUS borrower guarantees the repayment of a loan made by a bank to a subsidiary of the power supplier, but the terms of that loan were not specifically agreed to by RUS, the guarantee is Includable. By contrast, a member's guarantee of its power supplier's loan, made as required by RUS, is Excludable.

Column (a), Organization: Identify the legal person, or entity whose loan is guaranteed, giving the name, the city and state of their address.

Column (b), Maturity Date: This is the date when the final payment on the loan guarantee by your organization is payable. If the final date has been extended, the new final date payment should be furnished here.

Column (c), Original Amount: The original loan amount owed upon execution of the note, usually the face amount, or a portion thereof, if it is a partial guarantee.

Column (d), Loan Balance: The remaining balance of the original loan amount that is outstanding, or portion thereof if it is a partial guarantee.

Column (e), Rural Development: Identify loan guarantees in rural economic development by placing an "X" in column e. Include loan guarantees in any/all types of projects or products that were made to improve the economy and/or quality of life in your area.

Examples of Rural Economic Development Investments include (but are not limited to): energy resources and conservation loans, rural development loans/grants, water/wastewater, satellite/cable TV, natural/propane gas, telephone/Internet, power quality, load management, agricultural services, housing, industrial parks/organizations, incubator buildings, public health/safety, financing/revolving loan funds, security services, etc.

Line 4, Totals, report the totals of Original Amounts and Loan Balances for all guarantees.

Line 5, Total - Included Loan Guarantees, report the sums of the Original Amounts and remaining Loan Balances or portion of the loan balances (shown in column d) that your

organization guaranteed, which are not excludable, that is, those which are subject to the 15% Rule limitation.

PART III, RATIO OF INVESTMENTS AND LOAN GUARANTEES TO TOTAL UTILITY PLANT

Divide the sum of the Included Investments (Part I, item 11, Total of Investments, column (b)) plus Included Loan Guarantees (Part II, Totals, Column (d)) by the Total Utility Plant (Form 7, Part C, Balance Sheet, item 3). This percentage should be expressed as a whole number with one decimal digit, e.g. 12.9%. Note: the balance of the "Loans" Part IV is not included.

PART IV, LOANS

List each note receivable, draft, demand loan, time loan, and similar evidence of indebtedness for each loan made by your organization. However, loans to your Employees, Officers, and Directors, and Energy Resources Conservation Loans (both items printed on the form) should be reported as totals.

Column (a) Name of the debtor organization

Column (b) Final maturity date

Column (c) Original loan amount

Column (d) Outstanding loan balance, or carrying value

Column (e) "X" for loans made for Rural Development purposes

EXHIBIT C
INVESTMENTS UNDER THE 15 PERCENT RULE

Investments to be INCLUDED in the 15 Percent Calculation

Annuity-type investments	Money market mutual funds
Asset management accounts	Mortgage-backed securities (unless backed by full faith and credit of a U.S. Government Agency)
Brokerage Accounts (non-FDIC)	Municipal bonds
Cash and CD's* (uninsured part)	Mutual funds
Commercial paper (except NRUCFC)	Options (stock)
Common stock	Patronage capital, other than that from power suppliers and supplemental lenders
Convertible certificates (bonds, debentures, preference stock)	Preferred stock
Corporate bonds	Real Estate Investment Trusts
Energy resources conservation loans	Repurchase agreements
Futures contracts	Unit investment trusts
Lines of credit (to others, including G&T's)	Warrants
Loan guarantees NOT required by RUS	Zero coupon bonds
Loans - personal	
Membership certificates	

Investments to be EXCLUDED from 15 Percent Calculation

Capital term certificates, bank stocks, etc., purchases as condition of supplemental lender membership or financing	Patronage capital, from power supply cooperative from supplemental lenders
CoBank cash investment services certificates	Post Retirement Benefits - Funded Revenue Bond (Debt Service) Reserves Surplus Funds Program (St. Paul Bank for Cooperatives)
Commercial paper issued by NRUCFC	U.S. Savings Bonds
Deferred compensation (including MINT)	U.S. Treasury Bills
Loan guarantees required by RUS	U.S. Treasury Bonds
Mortgage backed securities backed by full faith and credit of a U.S. Government agency (e.g., Ginnies, FCSFAC, FmHA CBO's, Frannies, FFB, GSA, and TVA)	U.S. Treasury Notes
NRUCFC membership certificates	U.S. Governments backed by full faith and credit, U.S. Treasury: e.g., Maritime Administration Guaranteed Ship Financing Bonds (issued after 1972)
NRUCFC securities (debt)	Farm Credit System Financial Assistance Corporation
	FmHA, SBA, and WMATA

Investments Which May Be EXCLUDED Within Certain Limits

* Several forms of investment may be excluded from the 15 percent calculation to the extent that they are insured by U.S. Government agencies, such as FDIC, etc. However, any such investments in excess of the insured amount (typically \$100,000) are Included in the 15 percent calculation.

EXHIBIT D
INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Annuity	Provides regular, guaranteed income payments for life or set time period.	Includable
Asset Management Account	One-stop financial plan that included brokerage account, checking, debit and credit card, money market fund.	Includable
Brokerage Accounts	Stock Brokers, banks, other agents providing investment services	Includable
Capital term certificates, bank stock, or similar securities	Securities of the supplemental lender which have been purchased as a condition of membership in the supplemental lender, or as a condition of receiving financial assistance from such lender.	Excludable
Cash, Uninsured	See U.S. Government issued, guaranteed, or fully insured securities or deposits.	Includable
Certificate of Deposit (CD) (Less than \$100,000) In FDIC Bank	Receipt for set sum of money left in bank for set period of time at an agreed-upon interest rate; at end of period, bank pays deposit plus interest.	Excludable
CoBank Cash Investment Services	Short-term unsecured notes sold by the CoBank.	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Commercial Paper	Short-term unsecured notes sold by large corporations.	Includable
Commercial Paper, NRUCFC	Short-term unsecured notes sold by NRUCFC.	Excludable
Common Stock	Security that represents ownership in a company.	Includable
Convertible	Bond, debenture, or preferred share of stock which may be exchanged by owner for common stock, usually of same company.	Includable
Corporate Bond	Debt obligation of corporation.	Includable
Debt Service Reserve	Cash set aside to ensure prompt payment of (1) Revenue Bonds, or (2) RUS: Loans, Guarantees, or RUS Lien Accommodated Loans	Excludable: AMT. DUE IN THE 3 MONTHS FOLLOWING REPORT DATE
Deferred Compensation	Periodic payments made to an employee after retirement, either for the employee's life or for a specified number of years, for specific duties performed during periods of active employment.	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Energy Resources Conservation (ERC) Loans	Loans made by RUS borrower to its consumers for the cost of labor and materials for the following energy conservation measures: <ol style="list-style-type: none">1. Caulking2. Weather-stripping3. Ceiling insulation4. Wall insulation5. Floor insulation6. Duct insulation7. Pipe insulation8. Water heater insulation9. Storm windows10. Thermal windows11. Storm or thermal doors12. Clock thermostats13. Attic ventilation fans	Includable
Futures contracts	Contracts covering sale of financial instruments or physical commodities for future delivery; includes agricultural products, metals, Treasury bills, foreign currencies, and stock index futures (i.e., Standard and Poor's 500).	Includable
Line of Credit	Bank's moral commitment to make loans to a company for a specific maximum amount for a given period of time, typically 1-year. There is usually no commitment fee charged on the unused line. However, a compensating balance requirement often exists.	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Loan Guarantee	Guarantees for the payment of debt obligations of others; i.e., including but not limited to rural development projects, subsidiary organizations, associated/nonassociated organizations, power supply organizations, etc.	Includable Excludable if formally approved by RUS/ or required by RUS loan contract.
Loans - Employees, Directors, Officers, and Others	Agreement by which an owner of property (the lender) allows another party (the borrower) to use the property for a specified time period, and in return the borrower will pay the lender a payment (usually interest), and return the property (usually cash) at the end of the time period. A loan is usually evidenced by a Promissory Note. Loans to a power supply cooperative, G&T, of which the cooperative is a member, are excludable, if these loans have been given specific RUS approval for exclusion or are required by RUS.	Includable
Membership Certificate	Security that represents ownership in a company.	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Money market deposit account (if FDIC insured and Under \$100,000)	A type of money market fund at a bank or savings and loan association with limited checking privileges.	Excludable
Money market mutual fund	An investment company which buys short-term money market instruments.	Includable
Mortgage-backed securities	Securities representing a share ownership of mortgages guaranteed as to payment by an Agency of the Federal governments; includes Ginnie Maes, Fannie Maes, Freddie Macs, etc.	Excludable
Mortgage-Backed securities	Not guaranteed as to payment by an agency of the Federal Government.	Includable
Municipal bond	Debt obligation of state, city, town or their agencies.	Includable
Municipal bond Public Utility Cooperative (Municipalities)	Debt obligation of public utility cooperative that is required by law to obtain financing through bonds.	Includable
Mutual fund	Investment trust in which your dollars are pooled with those of hundreds of others and invested by professional managers in stocks or bonds.	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
National Rural Utilities Coopera- tive Finance Corporation (NRUCFC) membership certificate	Security that represents ownership in NRUCFC.	Excludable
NRUCFC Patronage Capital	Amounts paid or payable by NRUCFC arising from its furnishing credit services to member cooperatives, i.e., the refund of excess of its charges over its actual cost of service.	Excludable
NRUCFC Securities, Other	All securities issued by NRUCFC, except patronage capital, are excludable investments.	Excludable
Negotiable order of withdrawal (NOW) account	NOW interest-bearing checking account.	Excludable if FDIC & under \$100,000
Options	The right to buy (call) or sell (put) a stock at a given price (strike price) for a given period of time.	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Patronage Capital, other than power suppliers and supplemental lenders	Amounts paid or payable by the other associated companies in connection with the furnishing of supplies, etc., which are in excess of the cost of service and all other amounts which the associated companies are obligated to credit to the cooperative as patronage capital.	Includable
Patronage Capital, G&T Power Suppliers	Amounts paid or payable by the cooperative in connection with the furnishing of electric energy which are in excess of the cost of service and all other amounts which the G&T power supplier is obligated to credit to the cooperative as patronage capital.	Excludable
Preferred stock	Stock sold with a fixed dividend; if company is liquidated, has priority over common stock.	Includable
Real estate investment trusts (REIT)	Corporation or trust that invests in or finances real estate: offices, shopping centers, apartments, hotels, etc.; sold as securities.	Includable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Repurchase Agreement	Short-term buy/sell deal involving any money market instruments (but usually Treasury bills, notes, and bonds) in which there is an agreement that securities will be resold to the seller on an agreed-upon date, often the next day. The money market fund holds the securities as collateral and charges interest for the loan.	Includable
Savings account	Account in which money deposited earns interest.	Excludable if FDIC insured & less than \$100,000
SuperNOW account	Interest-bearing bank account.	Excludable if FDIC insured & less than \$100,000
Surplus Funds Program, (St. Paul Bank for Cooperatives)	Short-term unsecured notes sold by the Banks of Cooperatives. (St. Paul, Springfield, and CoBank).	Excludable
Treasury bills	Short-term U.S. Treasury securities; maturities: 13, 26, 52 weeks.	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
Treasury bonds	Long-term U.S. Treasury securities; maturities: 10 years or more.	Excludable
Treasury notes	Medium-term securities of U.S. Treasury, maturities: not less than 1 year and not more than 10 years.	Excludable
Unit investment trust	Fixed portfolio of securities deposited with a trustee; offered to public in units; categories include municipal bonds, corporate bonds, public utility common stocks, etc.	Includable
U.S. Savings Bonds	Debt obligations of U.S. Treasury designed for small investor.	Excludable
U.S. Government issued, guaranteed, or fully insured, securities or deposits	Securities or deposits issued, guaranteed, or fully insured, as to payment by the U.S. Government, or any agency thereof.	Excludable
	Deposits are fully insured, up to a \$100,000 limit, by the following agencies: 1. Federal Deposit Insurance Corporation (FDIC) 2. National Credit Union Share Insurance Fund	Excludable

INVESTMENT DESCRIPTIONS

<u>Type of Investment</u>	<u>Description</u>	<u>Includable or Excludable</u>
U.S. Government issued, guaranteed, or fully insured, securities or deposits (continued)	<p>Securities fully backed with the full faith and credit of the U.S. Government are as follows:</p> <ol style="list-style-type: none"> 1. Farm Credit System Financial Assistance Corporation (FCSFAC) 2. Farmers Home Administration (FmHA) Certificates of Beneficial Ownership (CBO) 3. Federal Financing Bank (FFB) 4. General Services Administration (GSA) 5. Government National Mortgage Association (GNMA), also known as Ginnie Mae 6. Maritime Administration Guaranteed Ship Financing Bonds, issued after 1972 7. Small Business Administration (SBA) 8. Washington Metropolitan Area Transit Authority (WMATA) Bonds 	Excludable
	<p>The following investments are securities backed by the full faith and credit of U.S. Government agencies and are Excludable Investments:</p> <ol style="list-style-type: none"> 1. Farm Credit System 2. Federal Home Loan Banks (FHLB) 3. Federal Home Loan Mortgage Corporation (FHLMC) (Freddie Mac) 	Excludable

U.S. Government
issued, guaranteed,
or fully insured,
securities or deposits
(continued)

4. Federal National Mortgage
Association (FNMA)
(Fannie Mae)
5. Financing Corporation
(FICO)
6. Resolution Funding
Corporation (REFCORP)
7. Student Loan Marketing
Association (Sallie Mae)
8. Tennessee Valley Authority
(TVA)
9. United States Postal
Service

Warrant

Gives holder right to
purchase a given stock at
a stipulated price over
a fixed number of years.

Includable

Zero coupon bond

Debt instruments; sold at
discount from face value
with no annual interest
paid out; capital appreciation
realized upon maturity;
includes Training Investment
Growth Receipts (TIGERS),
and Certificates of Accrual
on Treasury Securities (CATS).

Includable