# ARIZONA CORPORATION COMMISSION
# UTILITIES DIVISION

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

E-01749A
Graham County Electric Cooperative, Inc.
PO Drawer B
Pima, AZ 85543

RECEIVED
MAR 29 2013
AZ CORP COMMISSION
Director - Utilities

# ANNUAL REPORT
# Electric

## FOR YEAR ENDING

| 12 | 31 | 2012 |
|---|---|---|

FOR COMMISSION USE

| ANN 01 | 12 |
|---|---|

4-1-13

## COMPANY INFORMATION

**Company Name (Business Name)** Graham County Electric Cooperative, Inc.

Mailing Address PO Drawer B
(Street)

**Pima** **Arizona** **85543**
(City) (State) (Zip)

(928) 485-2451 (928) 485-9491
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address **kgray@gce.coop**

**Local Office Mailing Address** **PO Drawer B**
(Street)

Pima Arizona 85543
(City) (State) (Zip)

(928) 485-2451 (928) 485-9491
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address **kgray@gce.coop**

## MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☐ **Management Contact:** **Kirk Gray** **Finance Manager**
(Name) (Title)

**PO Drawer B** **Pima** **Arizona** **85543**
(Street) (City) (State) (Zip)

**(928) 485-2451** **(928) 485-9491**
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address **kgray@gce.coop**

**On Site Manager:** **Steve M. Lines**
(Name)

**PO Drawer B** **Pima** **Arizona** **85543**
(Street) (City) (State) (Zip)

(928) 485-2451 (928) 485-9491 (928) 651-6024
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** **slines@gce.coop**

**Statutory Agent:** J. Grant Walker
(Name)

1124 Thatcher Blvd, Suite 202 (Street) | Safford (City) | Arizona (State) | 85546 (Zip)

(928) 428-2728
Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Cell No. (Include Area Code)

**Attorney:** J. Grant Walker
(Name)

**1124 Thatcher Blvd, Suite 202** (Street) | **Safford** (City) | **Arizona** (State) | **85546** (Zip)

(928) 428-2728 Telephone No. (Include Area Code) | (928) 485-9491 Fax No. (Include Area Code) | (480) 747-3121 Cell No. (Include Area Code)

**Email Address** grant@jgwalkerlaw.com

## OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☐ **Partnership (P)**
- ☐ **Bankruptcy (B)**
- ☐ **Receivership (R)**
- ☐ **Other (Describe)**_____
- ☐ **C Corporation (C) (Other than Association/Co-op)**
- ☐ **Subchapter S Corporation (Z)**
- ☒ **Association/Co-op (A)**
- ☐ **Limited Liability Company**

## COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

| | | |
|---|---|---|
| ☐ **APACHE** | ☐ **COCHISE** | ☐ **COCONINO** |
| ☐ **GILA** | ☒ **GRAHAM** | ☐ **GREENLEE** |
| ☐ **LA PAZ** | ☐ **MARICOPA** | ☐ **MOHAVE** |
| ☐ **NAVAJO** | ☐ **PIMA** | ☐ **PINAL** |
| ☐ **SANTA CRUZ** | ☐ **YAVAPAI** | ☐ **YUMA** |
| ☐ **STATEWIDE** | | |

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

- ☒ **Electric**
  - ☐ Investor Owned Electric
  - ☒ Rural Electric Cooperative
  - ☐ Utility Distribution Company
  - ☐ Electric Service Provider
    - ☐ Transmission Service Provider
    - ☐ Meter Service Provider
    - ☐ Meter Reading Service Provider
    - ☐ Billing and Collection
    - ☐ Ancillary Services
    - ☐ Generation Provider
    - ☐ Aggregator/Broker

☐ **Other** (Specify)_____

## STATISTICAL INFORMATION

| | |
|---|---|
| Total number of customers | |
| Residential | 7,752 |
| Commercial | 825 |
| Industrial | 2 |
| Public Street and Highway lighting | 3 |
| Irrigation | 410 |
| Resale | |
| Total kilowatt-hours sold | kWh |
| Residential | 78,186,275 |
| Commercial | 63,696,531 |
| Industrial | 2,726,760 |
| Public Street and Highway lighting | 255,960 |
| Irrigation | 20,613,013 |
| Resale | |
| Maximum Peak Load | 44 MW |

**COMPANY NAME: Graham County Electric Cooperative, Inc.**

## UTILITY SHUTOFFS / DISCONNECTS

| MONTH | | Termination without Notice R14-2-211.B | Termination with Notice R14-2-211 | OTHER |
|---|---|---|---|---|
| JANUARY | | | 67 | |
| FEBRUARY | | | 78 | |
| MARCH | | | 80 | |
| APRIL | | | 75 | |
| MAY | | | 101 | |
| JUNE | | | 230 | |
| JULY | | | 71 | |
| AUGUST | | | 139 | |
| SEPTEMBER | | | 74 | |
| OCTOBER | | | 103 | |
| NOVEMBER | | | 109 | |
| DECEMBER | | | 72 | |
| TOTALS → | | | 1,199 | |

OTHER (description):

# VERIFICATION
# AND
# SWORN STATEMENT
## Intrastate Revenues Only

RECEIVED
MAR 29 2013
AZ CORP COMM
Director Utilities

**VERIFICATION**

**STATE OF** Arizona

**I, THE UNDERSIGNED**

**OF THE**

| |
|---|
| COUNTY OF (COUNTY NAME) Graham |
| NAME (OWNER OR OFFICIAL) TITLE Steve M. Lines General Manager |
| COMPANY NAME Graham County Electric Cooperative, Inc. |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

| MONTH | DAY | YEAR |
|---|---|---|
| 12 | 31 | 2012 |

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2012 WAS:**

| Arizona Intrastate Gross Operating Revenues Only ($) |
|---|
| $ 21,228,270 |

**(THE AMOUNT IN BOX ABOVE INCLUDES $ 1,482,142 IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Steve M Lines
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

| COUNTY NAME | GRAHAM | |
|---|---|---|
| MONTH | MARCH | 2013 |

**THIS** 27th **DAY OF**

(SEAL)

DIANE CURTIS JUNION
Notary Public - State of Arizona
GRAHAM COUNTY
My Commission Expires
March 25, 2014

Diane Curtis Junion
SIGNATURE OF NOTARY PUBLIC

**MY COMMISSION EXPIRES** 3-25-2014

# VERIFICATION
# AND
# SWORN STATEMENT
# RESIDENTIAL REVENUE
## INTRASTATE REVENUES ONLY

RECEIVED
MAR 29 2013
AZ CORP COMM
Director - Utilities

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

| | |
|---|---|
| COUNTY OF (COUNTY NAME) **Graham** | |
| NAME (OWNER OR OFFICIAL) **Steve M. Lines** | TITLE **General Manager** |
| COMPANY NAME **Graham County Electric Cooperative, Inc.** | |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

| MONTH | DAY | YEAR |
|---|---|---|
| 12 | 31 | 2012 |

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

## SWORN STATEMENT

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2012 WAS:**

| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
|---|
| $ 10,227,020 |

**(THE AMOUNT IN BOX AT LEFT INCLUDES $ 773,944 IN SALES TAXES BILLED, OR COLLECTED**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

Steve M Lines
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 27th **DAY OF**

| | |
|---|---|
| NOTARY PUBLIC NAME | Diane Curtis Junion |
| COUNTY NAME | Graham |
| MONTH | March, 2013 |

(SEAL) DIANE CURTIS JUNION
Notary Public - State of Arizona
GRAHAM COUNTY
My Commission Expires
March 25, 2014

**MY COMMISSION EXPIRES** 3-25-2014

Diane Curtis Junion
SIGNATURE OF NOTARY PUBLIC

## FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2012) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

**GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.**
**REVENUE FOR THE YEAR 2012**

| | SALES TAX | | | | FRANCHISE FEES | | | |
|---|---|---|---|---|---|---|---|---|
| | STATE | SAFFORD | PIMA | | PIMA | THATCHER | | GRAND |
| | 123650 | 123660 | 123690 | TOTAL | 123670 | 123685 | TOTAL | TOTAL |
| Jan | 93,905.54 | 3,531.66 | 2,023.96 | **99,461.16** | 2,011.51 | 3,206.52 | **5,218.03** | **104,679.19** |
| Feb | 82,215.89 | 2,595.34 | 3,281.11 | **88,092.34** | 1,804.74 | 2,919.78 | **4,724.52** | **92,816.86** |
| Mar | 93,922.22 | 3,023.85 | 3,348.05 | **100,294.12** | 1,810.04 | 3,299.73 | **5,109.77** | **105,403.89** |
| Apr | 102,719.75 | 2,477.41 | 1,765.54 | **106,962.70** | 1,760.74 | 3,032.88 | **4,793.62** | **111,756.32** |
| May | 102,801.83 | 2,745.64 | 1,978.23 | **107,525.70** | 1,971.56 | 3,315.13 | **5,286.69** | **112,812.39** |
| Jun | 139,938.81 | 3,920.31 | 2,902.11 | **146,761.23** | 2,875.66 | 4,824.56 | **7,700.22** | **154,461.45** |
| Jul | 157,366.77 | 4,044.51 | 3,720.04 | **165,131.32** | 3,675.88 | 5,299.10 | **8,974.98** | **174,106.30** |
| Aug | 162,422.43 | 4,335.68 | 3,688.44 | **170,446.55** | 3,660.76 | 5,843.58 | **9,504.34** | **179,950.89** |
| Sep | 125,688.90 | 3,389.00 | 3,473.46 | **132,551.36** | 3,449.60 | 4,713.05 | **8,162.65** | **140,714.01** |
| Oct | 93,653.76 | 3,309.67 | 3,378.97 | **100,342.40** | 2,554.74 | 3,825.84 | **6,380.58** | **106,722.98** |
| Nov | 91,840.58 | 4,050.04 | 2,581.74 | **98,472.36** | 2,575.92 | 3,684.42 | **6,260.34** | **104,732.70** |
| Dec | 82,443.51 | 3,496.53 | 2,504.29 | **88,444.33** | 2,499.43 | 3,041.19 | **5,540.62** | **93,984.95** |
| Total | **1,328,919.99** | **40,919.64** | **34,645.94** | 1,404,485.57 | **30,650.58** | **47,005.78** | **77,656.36** | **1,482,141.93** |

| | 144010 | 144100 | 144120 | 144210 | 144220 | 144400 | 145400 | 145600 | 145610 | 145612 | 145614 | 145616 | 145618 | 145620 | 145630 | 145640 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan | 765,334.91 | 24,207.84 | 162.62 | 510,708.59 | 71,531.13 | 1,064.13 | - | 17,616.00 | 1,220.00 | - | 1,110.00 | 350.00 | 3,323.87 | - | - | - |
| Feb | 628,072.45 | 18,806.85 | 34.94 | 460,526.39 | 19,832.24 | 1,064.13 | 201,661.17 | 15,679.00 | 1,180.00 | - | 1,320.00 | 360.00 | 5,316.93 | - | 16,919.45 | - |
| Mar | 651,563.70 | 112,322.01 | 230.31 | 513,323.52 | 1,269.32 | 1,064.13 | - | 16,821.00 | 3,650.00 | - | 1,320.00 | 415.00 | 2,450.70 | - | - | - |
| Apr | 577,004.39 | 420,801.90 | 2,225.89 | 489,648.41 | 1,020.44 | 1,064.13 | - | 18,201.00 | 2,640.00 | - | 1,230.00 | 420.00 | 2,817.51 | - | 12,861.32 | - |
| May | 640,582.84 | 332,539.15 | 1,550.14 | 517,025.16 | 890.08 | 1,064.13 | - | 22,807.00 | 1,060.00 | - | 1,710.00 | 490.00 | 3,981.16 | - | 7,383.43 | - |
| Jun | 984,564.04 | 350,046.19 | 2,420.40 | 685,520.08 | 1,142.90 | 1,064.13 | - | 29,004.00 | 1,600.00 | - | 4,310.00 | 460.00 | 3,108.11 | - | 7,131.34 | - |
| Jul | 1,141,615.27 | 451,585.90 | 2,943.62 | 676,857.74 | 1,320.67 | 1,064.13 | - | 29,566.00 | 1,340.00 | - | 1,260.00 | 240.00 | 4,371.76 | - | 6,115.12 | - |
| Aug | 1,193,522.24 | 405,780.56 | 2,341.13 | 736,858.65 | 1,221.91 | 1,064.13 | - | 30,969.00 | 1,560.00 | - | 2,560.00 | 320.00 | 5,890.74 | - | 6,003.42 | - |
| Sep | 957,928.41 | 234,673.06 | 1,484.53 | 620,270.15 | 1,241.67 | 1,064.13 | - | 23,497.00 | 1,280.00 | - | 1,200.00 | 420.00 | 5,287.31 | - | 5,433.82 | - |
| Oct | 704,689.64 | 103,964.69 | 1,499.46 | 533,758.06 | 17,209.18 | 1,064.13 | - | 18,843.00 | 1,080.00 | - | 1,700.00 | 550.00 | 6,554.15 | - | 4,939.40 | - |
| Nov | 629,241.76 | 64,017.99 | 808.29 | 561,885.78 | 74,225.31 | 1,064.13 | - | 15,831.00 | 1,380.00 | - | 2,010.00 | 270.00 | 3,446.30 | - | 7,029.95 | - |
| Dec | 618,955.98 | 23,452.52 | 32.13 | 472,345.81 | 79,589.95 | 1,064.13 | - | 17,974.00 | 1,220.00 | - | 1,310.00 | 210.00 | 3,035.04 | - | 6,503.07 | - |
| Total | **9,493,075.63** | **2,542,198.66** | **15,733.46** | **6,778,728.34** | **270,494.80** | **12,769.56** | **201,661.17** | **256,808.00** | **19,210.00** | **-** | **21,040.00** | **4,505.00** | **49,583.58** | **-** | **80,320.32** | **-** |

| G/L # | ACCOUNT NAME | FACTOR | TOTAL | FRANCHISE | STATE | CITY | TOTAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 144010 | Residential | 9,493,075.63 | 9,493,075.63 | 45,305.22 | 644,588.18 | 44,050.88 | 10,227,019.91 | | | - |
| 144100 | Irrigation | | 2,542,198.66 | | 172,617.52 | | 2,714,816.18 | | | - |
| 144120 | Interruptible | | 15,733.46 | | 1,068.32 | | 16,801.78 | | | - |
| 144210 | Commercial | 6,778,728.34 | 6,778,728.34 | 32,351.14 | 460,281.61 | 31,455.45 | 7,302,816.54 | | | - |
| 144220 | Gins | | 270,494.80 | | 18,366.83 | | 288,861.63 | | | - |
| 144400 | Public Lighting | | 12,769.56 | | 867.06 | 59.25 | 13,695.88 | | | - |
| 145400 | Rent - Joint Use | | 201,661.17 | | 13,692.97 | | 215,354.14 | | | - |
| 145600 | Miscellaneous | | 256,808.00 | | 17,437.49 | | 274,245.49 | | | - |
| 145610 | Misc - Reservation | | 19,210.00 | | | | 19,210.00 | | | - |
| 145612 | Misc - Svc Calls After Hrs | | - | | | | - | | | - |
| 145614 | Misc - Disconnect/Reconnect | | 21,040.00 | | | | 21,040.00 | | | - |
| 145616 | Misc - Disconnect/Reconnect After Hrs | | 4,505.00 | | | | 4,505.00 | | | - |
| 145618 | Misc - NSF & Late Fees | | 49,583.58 | | | | 49,583.58 | | | |
| 145620 | Admin Fee - Thatcher & Pima | | - | | | | - | | | |
| 145630 | Franchise Fee - PD | | 80,320.32 | | | | 80,320.32 | | | |
| 145640 | Power Factor Penalty | | - | | | | - | | | |
| | | **16,271,803.97** | **19,746,128.52** | **77,656.36** | **1,328,919.99** | **75,565.58** | **21,228,270.45** | **-** | **-** | **-** |
| | | | 1,482,141.93 | | | | | | | |
| | | | **21,228,270.45** | | | | | | | |

| USDA-RUS | BORROWER DESIGNATION<br>ARIZONA 17 GRAHAM |
|---|---|
| FINANCIAL AND STATISTICAL REPORT | BORROWER NAME AND ADDRESS<br>GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.<br>PIMA, AZ 85543 |
| INSTRUCTIONS -Submit an original and 4 copies to RUS.<br>Round ALL AMOUNTS to nearest dollar. See RUS EOM-2 | MONTH ENDING<br>December 31, 2012 / RUS USE ONLY |

**CERTIFICATION**

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

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

Kirk Gray — SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT — 1/24/13 — DATE

Steve M Lines — SIGNATURE OF MANAGER — 1-24-13 — DATE

**PART A. STATEMENT OF OPERATIONS**

| ITEM | YEAR-TO-DATE LAST YEAR (a) | YEAR-TO-DATE THIS YEAR (b) | YEAR-TO-DATE BUDGET (c) | December THIS MONTH (d) |
|---|---|---|---|---|
| 1. Operating Revenue and Patronage Capital | 21,538,922 | 19,714,662 | 19,030,643 | 1,225,628 |
| 2. Power Production Expense | - | - | - | - |
| 3. Cost of Purchased Power | 14,604,450 | 12,667,400 | 12,468,890 | 789,316 |
| 4. Transmission Expense | 78,799 | 134,428 | 85,783 | 6,476 |
| 5. Distribution Expense - Operations | 622,910 | 737,089 | 629,353 | 56,733 |
| 6. Distribution Expense - Maintenance | 1,312,489 | 1,294,396 | 1,270,070 | 115,774 |
| 7. Consumer Accounts Expense | 660,159 | 716,387 | 675,775 | 67,180 |
| 8. Customer Service and Informational Expense | - | - | - | - |
| 9. Sales Expense | - | - | - | - |
| 10. Administrative and General Expense | 1,007,294 | 1,118,147 | 1,030,989 | 109,602 |
| 11. Total Operation & Maintenance Expense (2 - 10) | 18,286,102 | 16,667,846 | 16,160,860 | 1,145,080 |
| 12. Depreciation and Amortization Expense | 1,113,553 | 1,237,177 | 1,179,067 | 103,663 |
| 13. Tax Expense - Property | - | - | - | - |
| 14. Tax Expense - Other | - | - | - | - |
| 15. Interest on Long-Term Debt | 1,167,217 | 1,140,910 | 1,211,085 | 86,873 |
| 16. Interest Charged to Construction - Credit | - | - | - | - |
| 17. Interest Expense - Other | 12,472 | 16,390 | 12,472 | 1,709 |
| 18. Other Deductions | - | - | - | - |
| 19. Total Cost of Electric Service (11 - 18) | 20,579,344 | 19,062,324 | 18,563,484 | 1,337,325 |
| 20. Patronage Capital & Operating Margins (1 - 19) | 959,578 | 652,338 | 467,159 | (111,697) |
| 21. Non Operating Margins - Interest | 105,847 | 87,195 | 105,789 | 3,284 |
| 22. Allowance for Funds Used During Construction | - | - | - | - |
| 23. Non Operating Margins - Other | 46,803 | 42,940 | 33,202 | 4,318 |
| 24. Generation & Transmission Capital Credits | - | - | - | - |
| 25. Other Capital Credits and Patronage Dividends | 844,198 | 242,923 | 844,197 | - |
| 26. Extraordinary Items | - | - | - | - |
| 27. Patronage Capital or Margins (20 - 26) | 1,956,426 | 1,025,396 | 1,450,347 | (104,095) |

**PART B. DATA ON TRANSMISSION ND DISTRIBUTION PLANT**

| ITEM | YEAR-TO-DATE LAST YEAR (a) | YEAR-TO-DATE THIS YEAR (b) | ITEM | YEAR-TO-DATE LAST YEAR (a) | YEAR-TO-DATE THIS YEAR (b) |
|---|---|---|---|---|---|
| 1. New Services Connected | 101 | 69 | 5. Miles Transmission | 79 | 84 |
| 2. Service Retired | - | | 6. Miles Distribution Overhead | 1,087 | 1,090 |
| 3. Total Services in Place | 10,059 | 10,128 | 7. Miles Distribution Underground | 57 | 59 |
| 4. Idle Services (Exclude Seasonal) | | | 8. Total Miles Energized (5+6+7) | 1,223 | 1,234 |

| USDA - RUS | BORROWER DESIGNATION ARIZONA 17 GRAHAM | |
|---|---|---|
| FINANCIAL AND STATISTICAL REPORT<br>INSTRUCTIONS - See RUS EOM-2 | MONTH ENDING<br>December 31, 2012 | RUS USE |

## PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
|---|---|---|---|
| 1. Total Utility Plant in Service | 43,021,628 | 26. Memberships | 32,830 |
| 2. Construction Work in Progess | 1,769,694 | 27. Patronage Capital | 16,230,997 |
| 3. Total Utility Plant (1 + 2) | 44,791,322 | 28. Operating Margins - Prior Years | - |
| 4. Accum. Provision for Depreciation & Amort. | 15,818,088 | 29. Operating Margins - Current Year | 652,338 |
| 5. Net Utility Plant (3 -4) | 28,973,234 | 30. Non Operating Margins | 373,058 |
| 6. Nonutility Property _ Net | - | 31. Other Margins and Equities | 2,025 |
| 7. Invest in Assoc Org - Patronage Capital | 6,964,842 | 32. Total Margins & Equities (26 thru 31) | 17,291,248 |
| 8. Invest in Assoc Org - General Funds | 1,482,546 | | - |
| 9. Invest in Assoc Org - Nongeneral Funds | - | (Payments - Unapplied $_____ | |
| 10. Other Investments | 72,173 | 34. Long-Term Debt - Other (net) | 21,955,110 |
| 11. Special Funds | - | (Payments - Unapplied $_____ | |
| 12. Total Other Property & Investments (6 thru 11) | 8,519,561 | 35 Total Long-Term Debt(33 + 34) | 21,955,110 |
| 13. Cash - General Funds | 1,102,527 | 36. Notes Payable | - |
| 14. Cash - Construction Funds - Trustee | - | 37. Accounts Payable | 1,083,948 |
| 15. Special Deposits | 3,124 | 38. Consumers Deposits | 342,879 |
| 16. Temporary Investments | - | 39. Other Current & Accrued Liabilites | 1,612,684 |
| 17. Notes Receivable - Net | - | 40. Total Current & Accrued Liab (36 thru 39) | 3,039,511 |
| 18. Accounts Receivable - Sales of Energy | 2,051,628 | 41. Deferred Credits | - |
| 19. Accounts Receivable - Fuel Bank | (9,910) | 42. Miscellaneous Operating Reserves | - |
| 20. Materials & Supplies - Electric & Other | 790,029 | 43. Total Liabilities & Other Credits (32 + | |
| 21. Prepayments | 104,490 | 35 + 40 thru 42) | 42,285,869 |
| 22. Other Current & Accrued Assets | - | ESTIMATED CONSTRIBUTIONS IN AID TO CONSTRUCTION | |
| 23. Total Current & Accrued Assets (13 thru 22) | 4,041,888 | Balance Beginning of Year | 5,968,772 |
| 24. Deferred Debits | 751,185 | Amounts Received This Year (Net) | 513,648 |
| 25. Total Assets & Other Debits (5+12+23+24) | 42,285,869 | TOTAL Contributions in Aid of Construction | 6,482,420 |
| | | | 0 |

## RT D. CONSUMER SALES AND REVENUE DA

| CLASS OF SERVICE | THIS MONTH | | | YEAR TO DATE | |
|---|---|---|---|---|---|
| | NO. RECEIVING SERVICE | KWH SOLD | AMOUNT | KWH SOLD CUMULATIVE | AMOUNT CUMULATIVE |
| 1. RESIDENTIAL SALES | 7,792 | 4,901,455 | 610,046 | 77,553,025 | 9,385,879 |
| 2. IRRIGATION SALES | 455 | 113,562 | 23,420 | 20,613,013 | 2,526,465 |
| 3. COMM & IND 350KVA OR LESS | 817 | 2,019,094 | 233,405 | 30,041,480 | 3,436,566 |
| 4. COMM & IND OVER 350 KVA | 13 | 2,390,120 | 236,728 | 33,494,570 | 3,316,078 |
| 5. PUBLIC LIGHTING | 3 | 21,330 | 1,064 | 255,960 | 12,770 |
| 6. SALES FOR RESALE | - | - | - | - | - |
| 7. GINS | 2 | 804,880 | 79,590 | 2,726,760 | 270,495 |
| 8. SECURITY LIGHTS | 904 | 66,202 | 11,124 | 793,731 | 133,253 |
| 9. TOTAL ELECTRIC SALES | 9,082 | 10,316,643 | 1,195,376 | 165,478,539 | 19,081,507 |
| 10. OTHER ELECTRIC REVENUE | | | 30,252 | | 633,155 |
| 11. TOTAL | 9,082 | 10,316,643 | 1,225,628 | 165,478,539 | 19,714,662 |

| ITEM | THIS MONTH | YEAR TO DATE | ITEM | THIS MONTH | YEAR TO DATE |
|---|---|---|---|---|---|
| 1. KWH PURCHASED | 12,234,194 | 175,664,838 | 6. OFFICE USE | 21,130 | 237,300 |
| 2. | | | 7. UNACCOUNTED FOR | 1,896,421 | 9,948,999 |
| 3. TOTAL | 12,234,194 | 175,664,838 | 8. % SYSTEM LOSS | 15.50% | 5.66% |
| | | | 9. MAXIMUM DEMAND | 22,325 | 44,502 |
| 4. TOTAL SOLD | 10,316,643 | 165,478,539 | 10. MONTH WHEN MAXIMUM DEMAND OCCURRED | | 6 |

## BALANCE SHEET

| DIV | TYPE | LINE | G/L # | DESCRIPTION | YTD | CURRENT |
|---|---|---|---|---|---|---|
| 1 | B | 1 | 130100 | ORGANIZATION | 1,134.73 | - |
| 1 | B | 1 | 130300 | MISC INTANGIBLE PLANT | 1,924.99 | - |
| 1 | B | 1 | 135000 | LAND & LAND RIGHTS-TRANSMISSION | 6,065.32 | - |
| 1 | B | 1 | 135100 | CLEARING LAND & RIGHT OF WAY-TRANSMISSION | 1,188.07 | - |
| 1 | B | 1 | 135300 | STATION EQUIPMENT-TRANSMISSION | 144,716.82 | - |
| 1 | B | 1 | 135500 | POLES & FIXTURES - TRANSMISSION | 2,280,051.68 | 72.29 |
| 1 | B | 1 | 135600 | OVERHEAD CONDUCTORS & DEVICES - TRANS | 1,112,274.09 | 113.83 |
| 1 | B | 1 | 136000 | LAND & LAND RIGHTS DISTRIBUTION | 72,825.17 | - |
| 1 | B | 1 | 136200 | STATION EQUIPMENT-DISTRIBUTION | 8,666,845.33 | 109,449.53 |
| 1 | B | 1 | 136400 | POLES, TOWERS & FIXTURES-DISTRIBUTION | 9,016,626.96 | 10,069.37 |
| 1 | B | 1 | 136500 | OVERHEAD CONDUCTORS & DEVICES-DIST | 4,171,467.27 | 6,089.91 |
| 1 | B | 1 | 136600 | UNDERGROUND CONDUIT-DISTRIBUTION | 546,175.56 | 89.45 |
| 1 | B | 1 | 136700 | UNDERGROUND CONDUCTORS & DEVICES-DIST | 753,546.84 | - |
| 1 | B | 1 | 136800 | LINE TRANSFORMERS | 5,547,639.77 | 974.64 |
| 1 | B | 1 | 136820 | UNDERGROUND TRANSFORMERS | 1,266,830.47 | - |
| 1 | B | 1 | 136900 | SERVICES | 1,454,105.23 | 5,063.02 |
| 1 | B | 1 | 137000 | METERS | 1,264,027.41 | 1,385.94 |
| 1 | B | 1 | 137100 | INSTALLATIONS ON CONSUMERS' PREMISES | 213,415.13 | - |
| 1 | B | 1 | 138900 | LAND & LAND RIGHTS - GENERAL PLANT | 192,791.07 | - |
| 1 | B | 1 | 139000 | STRUCTURES & IMPROVEMENTS-GENERAL PLANT | 2,302,131.20 | - |
| 1 | B | 1 | 139010 | STRUCTURES & IMPROVEMENTS-GENERAL PLANT | 367,208.20 | - |
| 1 | B | 1 | 139100 | OFFICE FURNITURE & FIXTURES | 94,649.35 | - |
| 1 | B | 1 | 139110 | OFFICE FURNITURE & FIXTURES-COMPUTER | 119,332.06 | - |
| 1 | B | 1 | 139120 | OFFICE EQUIPMENT | 142,267.39 | - |
| 1 | B | 1 | 139200 | TRANSPORTATION EQUIPMENT | 2,292,091.30 | - |
| 1 | B | 1 | 139300 | STORES EQUIPMENT | 2,586.57 | - |
| 1 | B | 1 | 139400 | TOOLS & SHOP EQUIPMENT | 271,354.05 | - |
| 1 | B | 1 | 139500 | LABORATORY EQUIPMENT | 118,495.73 | - |
| 1 | B | 1 | 139600 | POWER OPERATED EQUIPMENT | 210,405.79 | - |
| 1 | B | 1 | 139700 | COMMUNICATION EQUIPMENT | 335,607.22 | - |
| 1 | B | 1 | 139800 | MISC EQUIPMENT | 51,847.23 | - |
| | | | | **TOTAL PLANT IN SERVICE** | **43,021,628.00** | **133,307.98** |
| 1 | B | 2 | 110713 | CWIP - BILLABLE REPAIRS | 9,099.70 | 6,078.58 |
| 1 | B | 2 | 110720 | CWIP | (24,394.15) | (17,777.05) |
| 1 | B | 2 | 110731 | SYSTEM WIDE POLE CHANGEOUT | 62,333.23 | 59,834.64 |
| 1 | B | 2 | 110732 | THATCHER 2011 SALE | 4,603.98 | - |
| 1 | B | 2 | 110790 | TALLEY SUBSTATION | 1,718,051.47 | 43,641.79 |
| | | | | **TOTAL CWIP** | **1,769,694.23** | **7,721.98** |
| | | | | **TOTAL UTILITY PLANT** | **44,791,322.23** | **141,029.96** |
| 1 | B | 4 | 110850 | ACCUM PROV FOR DEPREC TRANS | (1,147,033.49) | (8,105.30) |
| 1 | B | 4 | 110860 | ACCUM PROV FOR DEPREC DIST | (11,056,186.65) | (80,280.52) |
| 1 | B | 4 | 110861 | ACCUM AMORT-DIGGER TRUCK | (138,509.99) | (489.44) |
| 1 | B | 4 | 110870 | ACCUM PROV FOR DEPR GEN PLANT | (3,423,618.34) | (25,041.52) |
| 1 | B | 4 | 110871 | ACCUM AMORT-COMPUTER | (15,894.00) | - |
| 1 | B | 4 | 110880 | RETIREMENT WIP | 35,930.84 | - |
| 1 | B | 4 | 110881 | ACCUM AMORT-GP-SERVICE TRUCK | (72,776.19) | (272.57) |
| | | | | **ACCUMULATED PROVISION FOR DEPR** | **(15,818,087.82)** | **(114,189.35)** |
| | | | | **NET UTILITY PLANT** | **28,973,234.41** | **26,840.61** |
| 1 | B | 7 | 112310 | PATRON CAP FROM ASSOC COOPS | 6,912,361.26 | (33,520.59) |
| 1 | B | 7 | 112320 | INVESTMENT IN ASSOCIATED ORGANIZATIONS | 52,481.00 | - |
| | | | | **INVESTMENT IN ASSOCIATED ORGANIZATIONS** | **6,964,842.26** | **(33,520.59)** |
| 1 | B | 8 | 112322 | INVESTMENTS IN CFC | 1,016,922.47 | - |
| 1 | B | 8 | 112323 | OTHER INVESTMENTS - CFC MEMBERSHIP | 1,000.00 | - |

## BALANCE SHEET

| DIV | TYPE | LINE | G/L # | DESCRIPTION | YTD | CURRENT |
|---|---|---|---|---|---|---|
| 1 | B | 8 | 112324 | CFC PATRONAGE CAPITAL | 464,623.54 | - |
| | | | | **INVESTMENT IN ASSOCIATED ORGANIZATIONS** | **1,482,546.01** | **-** |
| 1 | B | 10 | 112410 | INVESTMENT IN FEDERATED INS STOCK | 72,173.02 | (1,776.00) |
| | | | | **TOTAL INVESTMENTS - OTHER** | **72,173.02** | **(1,776.00)** |
| | | | | **TOTAL INVESTMENTS** | **8,519,561.29** | **(35,296.59)** |
| 1 | B | 13 | 113190 | CASH IN BANK | 1,100,727.25 | (428,515.87) |
| 1 | B | 13 | 113500 | WORKING FUNDS | 1,800.00 | - |
| | | | | **TOTAL CASH** | **1,102,527.25** | **(428,515.87)** |
| 1 | B | 15 | 113400 | SPECIAL DEPOSITS | 3,124.00 | - |
| | | | | **TOTAL SPECIAL DEPOSITS** | **3,124.00** | **-** |
| 1 | B | 18 | 114200 | A/R | 870,454.74 | (224,772.13) |
| 1 | B | 18 | 114230 | A/R - ENERGY CLEARING | (2,063.75) | - |
| 1 | B | 18 | 114232 | A/R TELEPHONE-EMPLOYEES | 2,038.66 | (334.11) |
| 1 | B | 18 | 114240 | DUE FROM GCU, INC. | 1,228,561.85 | 93,329.49 |
| 1 | B | 18 | 114250 | A/R - BILLABLE REPAIRS | 20,155.64 | - |
| 1 | B | 18 | 114253 | A/R - SHORT TERM CONTRACTS | (1,544.17) | - |
| 1 | B | 18 | 114300 | A/R - OTHER | 925.26 | 770.00 |
| 1 | B | 18 | 114305 | A/R - DIRECTORS | 4,816.72 | - |
| 1 | B | 18 | 114310 | A/R - RETURNED CHECKS | 6,852.50 | 1,654.89 |
| 1 | B | 18 | 114320 | A/R - MED AND R&S | (126.75) | 211.76 |
| 1 | B | 18 | 114321 | A/R-CAFETERIA PLAN | 21,424.63 | 835.54 |
| 1 | B | 18 | 114340 | A/R-REPAYMENTS | (4,405.86) | 291.48 |
| 1 | B | 18 | 114420 | ACCUM PROV FOR UNCOLLECTIBLE ACCTS | (95,461.05) | 37,085.63 |
| | | | | **TOTAL ACCOUNTS RECEIVABLE** | **2,051,628.42** | **(90,927.45)** |
| 1 | B | 19 | 114210 | A/R - FUEL BANK | (9,910.00) | 247,460.00 |
| | | | | **TOTAL OTHER RECEIVABLES** | **(9,910.00)** | **247,460.00** |
| 1 | B | 20 | 115400 | MATERIAL & SUPPLIES INVENTORY | 453,676.28 | (18,397.29) |
| 1 | B | 20 | 115420 | INVENTORY - SPARE SUBSTATION TRANSFORMER | 336,352.85 | - |
| | | | | **TOTAL INVENTORY** | **790,029.13** | **(18,397.29)** |
| 1 | B | 21 | 116510 | PREPAID INSURANCE | 104,805.00 | (8,533.35) |
| 1 | B | 21 | 116530 | PREPAID MEDICAL & LIFE INSURANCE | (315.47) | (138.21) |
| | | | | **TOTAL PREPAYMENTS** | **104,489.53** | **(77,130.47)** |
| | | | | **TOTAL CURRENT ASSETS** | **4,041,888.33** | **(367,511.08)** |
| 1 | B | 24 | 118460 | SUN WATTS - ADMINISTRATIVE | 579,668.48 | 34,654.75 |
| 1 | B | 24 | 118464 | SUN WATTS - DIRECT COSTS | 27,110.83 | 1,189.42 |
| 1 | B | 24 | 118465 | EE - ADMINISTRATION | 762.28 | 762.28 |
| 1 | B | 24 | 118640 | DEFERRED DEBIT - RIGHT OF WAY LEASE | 47,739.37 | (406.46) |
| 1 | B | 24 | 118466 | ENERGY EFFICIENCY | 8,357.00 | - |
| 1 | B | 24 | 118650 | MISC DEFERRED DEBITS-NRECA PENSION COST | 62,860.83 | - |
| 1 | B | 24 | 118663 | REA TWO YEAR WORK PLAN | 24,686.40 | (1,028.60) |
| | | | | **TOTAL DEFERRED DEBITS** | **751,185.19** | **35,171.39** |
| | | | | **TOTAL ASSETS** | **42,285,869.22** | **(340,795.67)** |
| | | | | **LIABILITIES AND CAPITAL** | | |
| | | 26 | | **MEMBERSHIPS ISSUED** | **(32,830.00)** | **(275.00)** |
| | | | | **PATRONAGE CAPITAL CREDITS** | **(16,230,997.41)** | **-** |
| 1 | B | 31 | 120800 | DONATED CAPITAL | (661.21) | - |
| 1 | B | 31 | 121700 | RETIRED PATRONAGE REFUND -GAIN | (1,364.06) | - |
| | | | | **OTHER MARGINS & EQUITY** | **(2,025.27)** | **-** |
| 1 | B | 27 | 121910 | OPERATING MARGINS | (652,337.59) | 111,696.72 |
| 1 | B | 30 | 121920 | NON OPERATING MARGINS | (373,058.18) | (7,602.10) |
| | | | | **NET INCOME** | **(1,025,395.77)** | **104,094.62** |
| | | | | **TOTAL MARGINS AND EQUITY** | **(17,291,248.45)** | **103,819.62** |

## BALANCE SHEET

| DIV | TYPE | LINE | G/L # | DESCRIPTION | YTD | CURRENT |
|---|---|---|---|---|---|---|
| 1 | B | 34 | 122414 | OTHER LT DEBT-NRECA PAST SERV PENSION COST | (62,860.83) | - |
| 1 | B | 34 | 122482 | OTHER LTD - CFC-CONST #9002 | (391,827.27) | 3,090.20 |
| 1 | B | 34 | 122484 | OTHER LTD - CFC-CONST #9002-004 | (1,443,662.47) | 7,758.69 |
| 1 | B | 34 | 122485 | OTHER LTD - CFC-2 YR WORK PLAN #9003 | (2,131,146.89) | 14,730.85 |
| 1 | B | 34 | 122486 | OTHER LTD - CFC-69KV TIE LINE #9008 | (704,183.78) | 4,024.89 |
| 1 | B | 34 | 122487 | OTHER LTD - CFC-3 YR WORK PLAN 1998 | (4,993,011.07) | 79,728.09 |
| 1 | B | 34 | 122488 | CFC-5 YR WORK PLAN | (9,828,865.23) | - |
| 1 | B | 34 | 122800 | ACCUM PROVISION-POST RETIREMENT BENEFITS | (2,399,552.53) | (10,102.51) |
| | | | | **TOTAL LONG TERM DEBT** | **(21,955,110.07)** | **99,230.21** |
| 1 | B | 37 | 123210 | ACCOUNTS PAYABLE | (1,083,947.62) | (19,009.52) |
| | | | | **TOTAL ACCOUNTS PAYABLE** | **(1,083,947.62)** | **(19,009.52)** |
| 1 | B | 38 | 123500 | CONSUMER SECURITY DEPOSITS | (342,879.00) | (1,195.00) |
| | | | | **TOTAL CONSUMER DEPOSITS** | **(342,879.00)** | **(1,195.00)** |
| 1 | B | 39 | 123610 | ACCRUED PROPERTY TAX | (222,430.14) | (37,088.62) |
| 1 | B | 39 | 123620 | ACCRUED US UNEMPLOYMENT TAX | (37.90) | (12.00) |
| 1 | B | 39 | 123640 | ACCRUED STATE UNEMPLOYMENT TAX | (24.86) | (9.40) |
| 1 | B | 39 | 123650 | ACCRUED SALES TAX - STATE | (82,443.51) | 9,397.07 |
| 1 | B | 39 | 123660 | ACCRUED CITY SALES TAX-SAFFORD | (3,496.53) | 553.51 |
| 1 | B | 39 | 123690 | ACCRUED SALES TAX - PIMA | (2,504.29) | 77.45 |
| 1 | B | 39 | 123740 | ACCRUED INTEREST-SECURITY DEPOSITS | (31,052.32) | 986.34 |
| 1 | B | 39 | 124240 | ACCRUED INSURANCE - STATE COMP | (4,770.00) | 4,770.00 |
| 1 | B | 39 | 124250 | EMPLOYEE SAVINGS | (17,480.00) | (7,080.00) |
| 1 | B | 39 | 124255 | EMPLOYEE 401k CONTRIBUTIONS | (6,243.96) | - |
| 1 | B | 39 | 124260 | ACCRUED VACATIONS | (183,084.00) | 20,107.53 |
| 1 | B | 39 | 124265 | ACCRUED SICK LEAVE | (234,732.41) | - |
| 1 | B | 39 | 125200 | ENERGY EFFICIENCY SURCHARGE | (48,946.68) | (7,209.68) |
| 1 | B | 39 | 125300 | ENVIROMENTAL PORTFOLIO SURCHARGE | (775,387.48) | (15,477.80) |
| 1 | B | 39 | 125400 | OTHER DEFERRED CREDITS | (50.00) | - |
| | | | | **OTHER CURRENT & ACCRUED LIABILITIES** | **(1,612,684.08)** | **157,950.36** |
| | | | | **TOTAL CURRENT & ACCRUED LIABILITIES** | **(3,039,510.70)** | **137,745.84** |
| | | | | **TOTAL LIABILITIES & CAPITAL** | **(42,285,869.22)** | **340,795.67** |
| | | | | | - | - |

| INCOME STATEMENT | | | December 31, 2012 | | | |
|---|---|---|---|---|---|---|
| LINE | G/L # | DESCRIPTION | LAST YEAR | YTD | BUDGET | CURRENT |
| 1 | 144010 | RESIDENTIAL SALES | (10,435,284.70) | (9,493,075.63) | (9,539,720.00) | (618,955.98) |
| 1 | 144100 | IRRIGATION SALES | (2,528,235.40) | (2,542,198.66) | (1,971,876.00) | (23,452.52) |
| 1 | 144120 | CREDIT-INTERRUPTABLE PUMP LOAD CONTROL | 15,767.37 | 15,733.46 | 12,314.00 | 32.13 |
| 1 | 144210 | COMM. & INDUSTRIAL SALES-SMALL | (7,192,736.74) | (6,778,728.34) | (6,623,911.00) | (472,345.81) |
| 1 | 144220 | COMM & INDUST SALES LP | (735,691.84) | (270,494.80) | (241,714.00) | (79,589.95) |
| 1 | 144400 | PUBLIC STREETS - HIGHWAY LIGHTING | (16,313.88) | (12,769.56) | (26,873.00) | (1,064.13) |
| 1 | 145400 | RENT FROM ELEC PROP -JOINT USE | (196,264.02) | (201,661.17) | (195,680.00) | - |
| 1 | 145600 | MISCELLANEOUS ELECTRIC REVENUE | (252,996.00) | (256,808.00) | (317,063.00) | (17,974.00) |
| 1 | 145610 | MISC ELECTRIC REVENUE-ESTABLISHMENT | (18,590.00) | (19,210.00) | (21,539.00) | (1,220.00) |
| 1 | 145612 | MISC ELECTRIC REVENUE-SERVICE CALLS AFTER HO | (450.00) | - | - | - |
| 1 | 145614 | MISC ELECTRIC REVENUE-DISCONNECT/RECONNNEC | (17,084.76) | (21,040.00) | - | (1,310.00) |
| 1 | 145616 | MISC ELECTRIC REVENUE-RECONNECT AFTER HOUR | (4,650.00) | (4,505.00) | - | (210.00) |
| 1 | 145618 | MISC ELECTRIC REVENUE-NSF CHECK & LATE FEES | (57,617.56) | (49,583.58) | - | (3,035.04) |
| 1 | 145620 | ADMINISTRATIVE FEE-TOWN OF THATCHER & PIMA | (25.92) | - | - | - |
| 1 | 145630 | PHELPS DODGE FRANCHISE FEE | (98,748.57) | (80,320.32) | (104,581.00) | (6,503.07) |
| | | **OPERATING REVENUES** | **(21,538,922.02)** | **(19,714,661.60)** | **(19,030,643.00)** | **(1,225,628.37)** |
| 3 | 155500 | PURCHASED POWER | 13,328,355.94 | 13,587,505.32 | 12,468,890.00 | 1,036,775.54 |
| 3 | 155540 | FUEL BANK-OVER/UNDER COLLECT | 1,276,094.03 | (920,105.00) | - | (247,460.00) |
| | | **COST OF POWER PURCHASED** | **14,604,449.97** | **12,667,400.32** | **12,468,890.00** | **789,315.54** |
| 4 | 156200 | STATION EXPENSES | 1,426.23 | 2,099.68 | 2,837.00 | 174.95 |
| 4 | 156300 | OPERATIONS-TRANSMISSION LINES | 69,334.87 | 115,034.76 | 76,268.00 | 6,179.69 |
| 4 | 156310 | PATROLLING LINES-TRANSMISSION | 5,755.96 | 8,351.36 | 119.00 | - |
| 4 | 157100 | MAINTENANCE OF LINES-TRANSS | 2,281.97 | 8,941.73 | 6,559.00 | 121.56 |
| | | **TRANSMISSION EXPENSE** | **78,799.03** | **134,427.53** | **85,783.00** | **6,476.20** |
| 5 | 158000 | OPERATIONS-SUPERVISION | 107,954.63 | 113,290.27 | 99,383.00 | 7,580.68 |
| 5 | 158200 | SUBSTATION OPERATIONS | 36,600.78 | 53,581.25 | 51,509.00 | 4,344.93 |
| 5 | 158210 | SUBSTATION INSPECTIONS | 8,670.74 | 8,083.56 | 7,084.00 | 624.54 |
| 5 | 158300 | OPERATION -LINES | 147,700.35 | 213,030.25 | 185,150.00 | 17,451.65 |
| 5 | 158310 | PATROLLING LINES | 10,853.97 | 9,500.98 | 2,351.00 | 1,737.05 |
| 5 | 158400 | UNDERGROUND LINE EXPENSE | 17,284.94 | 25,447.60 | 21,435.00 | 2,120.32 |
| 5 | 158600 | METER EXPENSE | 16,238.57 | 23,274.63 | 20,689.00 | 1,959.96 |
| 5 | 158610 | METER INSPEC & TESTING | 42,959.31 | 40,240.80 | 34,751.00 | 2,237.51 |
| 5 | 158620 | METER INSTALL & REMOVAL | 177,589.72 | 184,412.85 | 146,008.00 | 11,964.44 |
| 5 | 158700 | CUSTOMER INSTALLATION EXPENSE | 18,877.64 | 27,792.50 | 23,412.00 | 2,315.70 |
| 5 | 158810 | BLUE STAKE | 38,179.57 | 38,434.01 | 37,581.00 | 4,396.01 |
| | | **DISTRIBUTION EXPENSE - OPERATIONS** | **622,910.22** | **737,088.70** | **629,353.00** | **56,732.79** |
| 6 | 159000 | MAINTENANCE-SUPERVISION | 71,754.56 | 76,542.32 | 56,816.00 | 5,909.28 |
| 6 | 159200 | SUBSTATION MAINTENANCE | 18,434.39 | 38,569.17 | 25,738.00 | 5,645.85 |
| 6 | 159300 | OVERHEAD LINE MAINTENANCE | 308,582.76 | 351,271.60 | 303,875.00 | 52,820.69 |
| 6 | 159301 | DD LIGHTS MAINTENANCE | 39,036.29 | 39,324.77 | 28,950.00 | 4,700.15 |

| INCOME STATEMENT | | | December 31, 2012 | | | |
|---|---|---|---|---|---|---|
| LINE | G/L # | DESCRIPTION | LAST YEAR | YTD | BUDGET | CURRENT |
| 6 | 159302 | OVERHEAD PREVENTATIVE LINE MAINTENANCE | 55,084.48 | 23,110.77 | 90,398.00 | - |
| 6 | 159303 | RAPTOR PROTECTION | 24,151.95 | 7,480.04 | 31,136.00 | 1,680.13 |
| 6 | 159310 | REGS/RECLOS/CAPACITORS | 68,794.43 | 30,725.00 | 138,864.00 | 830.30 |
| 6 | 159320 | TREE TIM & R/W CLEAR | 183,719.63 | 133,090.70 | 143,877.00 | 3,226.09 |
| 6 | 159330 | CHNGOUTS-POLE/X-ARM/ETC | 4,338.32 | 3,251.38 | 5,451.00 | - |
| 6 | 159340 | HARDWARE TIGHTENING | 6,720.56 | 12,241.27 | 6,323.00 | - |
| 6 | 159350 | TROUBLE CALLS-LOCATE & CLEAR | 316,206.61 | 318,030.45 | 251,429.00 | 22,452.44 |
| 6 | 159360 | STANDBY | 42,706.16 | 47,365.20 | 42,560.00 | 3,557.42 |
| 6 | 159370 | GPS / GIS SYSTEM MAPPING | 136,243.62 | 130,521.17 | 103,550.00 | 11,283.89 |
| 6 | 159400 | MAINT OF UNDERGROUND LINES | 32,481.86 | 67,400.11 | 36,147.00 | 3,084.33 |
| 6 | 159510 | PCB TEST & OIL REMOVAL | 2,892.10 | 2,938.23 | 3,571.00 | 582.95 |
| 6 | 159520 | TRANSFORMER MAINTENANCE | 429.64 | 4,427.85 | 1,109.00 | - |
| 6 | 159700 | METER MAINTENANCE | 911.92 | 8,106.14 | 276.00 | - |
| | | **DISTRIBUTION EXPENSE - MAINTENANCE** | **1,312,489.28** | **1,294,396.17** | **1,270,070.00** | **115,773.52** |
| 7 | 190200 | METER READING EXPENSE | 162,787.82 | 199,110.70 | 212,596.00 | 23,224.58 |
| 7 | 190300 | CONSUMER RECORDS & COLL EXP | 5,799.25 | 7,770.25 | (72,653.00) | 798.51 |
| 7 | 190301 | NEW ACCOUNTS/CLOSED ACCOUNTS | 53,048.57 | 61,924.07 | 54,092.00 | 5,615.73 |
| 7 | 190302 | CASHIERING | 98,138.61 | 107,868.67 | 154,116.00 | 10,563.14 |
| 7 | 190303 | BILLING | 32,846.71 | 34,073.02 | 41,805.00 | 3,214.23 |
| 7 | 190304 | ACCOUNTS PAYABLE | 20,357.74 | 21,210.95 | 24,577.00 | 1,810.66 |
| 7 | 190305 | PAYROLL PREPARATION | 12,905.52 | 13,737.05 | 22,379.00 | 1,086.74 |
| 7 | 190306 | GENERAL LEDGER | 55,252.74 | 37,052.94 | 31,447.00 | 3,175.42 |
| 7 | 190307 | DELINQUENT ACCOUNTS | 64,716.21 | 78,510.10 | 30,983.00 | 7,232.00 |
| 7 | 190308 | FILING | 4,290.68 | 4,808.92 | 2,300.00 | 66.55 |
| 7 | 190309 | TROUBLE CALLS | 151.59 | - | 169.00 | - |
| 7 | 190310 | CASH - OVER & SHORT | (154.56) | (91.19) | (93.00) | 35.60 |
| 7 | 190311 | WORK ORDERS | 5,174.01 | 1,458.62 | 2,941.00 | 106.98 |
| 7 | 190313 | CAPITAL CREDITS | 1,012.75 | 877.34 | 3,241.00 | 95.27 |
| 7 | 190314 | INVENTORY CLEARING | 4,221.39 | 3,904.21 | 6,726.00 | 270.54 |
| 7 | 190315 | CUSTOMER RELATIONS | 64,337.48 | 77,634.78 | 53,600.00 | 6,824.74 |
| 7 | 190316 | FAIR TIME | 6,208.85 | 5,980.82 | 7,275.00 | - |
| 7 | 190317 | RATE RELATED | 8,958.96 | 3,732.82 | 17,387.00 | - |
| 7 | 190318 | CONSUMER MEETINGS | 7,601.51 | 6,341.94 | 14,178.00 | - |
| 7 | 190319 | SCHOLARSHIPS | 8,590.36 | 11,727.88 | 8,998.00 | 631.98 |
| 7 | 190320 | LATE CHARGES | - | - | 8.00 | - |
| 7 | 190400 | UNCOLLECTIBLE ACCOUNTS | 42,054.09 | 38,707.44 | 59,705.00 | 2,426.76 |
| 7 | 190410 | MISC WRITE-OFFS EXPENSE | 1,798.19 | 45.76 | (2.00) | 0.56 |
| 7 | 190800 | CUSTOMER ASSISTANCE EXPENSE | 60.72 | - | - | - |
| | | **CONSUMER ACCOUNT EXPENSE** | **660,159.19** | **716,387.09** | **675,775.00** | **67,179.99** |
| 10 | 192000 | ADMIN & GENERAL SALARIES | 263,607.23 | 339,219.06 | 273,480.00 | 33,970.11 |
| 10 | 192010 | EMPLOYEES MEETINGS | 22,185.98 | 16,152.55 | 22,349.00 | 754.87 |
| 10 | 192100 | OFFICE SUPPLIES & EXP | 118,684.90 | 130,072.59 | 135,694.00 | 10,471.13 |
| 10 | 192300 | OUTSIDE SERVICES EMPLOYED | 85,708.74 | (22,591.47) | 49,453.00 | 5,398.00 |
| 10 | 192400 | PROPERTY INSURANCE | 13,025.84 | 12,556.08 | 10,002.00 | 1,046.34 |

INCOME STATEMENT

December 31, 2012

| LINE | G/L # | DESCRIPTION | LAST YEAR | YTD | BUDGET | CURRENT |
|---|---|---|---|---|---|---|

| INCOME STATEMENT | | | December 31, 2012 | | | |
|---|---|---|---|---|---|---|
| LINE | G/L # | DESCRIPTION | LAST YEAR | YTD | BUDGET | CURRENT |
| 10 | 192500 | INJURIES & DAMAGES INS. | 63,128.48 | 65,867.92 | 52,472.00 | 5,489.01 |
| 10 | 192600 | EMPLOYEE PENSION BENEFITS | 1,025.83 | 713.58 | 14,021.00 | 31.11 |
| 10 | 192610 | EDUCATION & TRAINING | 48,432.91 | 78,180.34 | 47,501.00 | 4,142.38 |
| 10 | 192611 | DIRECTORS EDUCATION | 42,868.32 | 46,707.93 | 28,542.00 | 2,210.00 |
| 10 | 192620 | SAFETY EDUCATION | 59,409.77 | 71,021.92 | 68,815.00 | 7,011.91 |
| 10 | 192800 | REGULATORY COMMISSION EXP. | 37,346.36 | 43,978.46 | 48,395.00 | - |
| 10 | 193000 | MISC GENERAL EXPENSE | 122,343.76 | 162,589.90 | 126,380.00 | 28,130.80 |
| 10 | 193001 | DIRECTORS FEES | 23,860.97 | 22,790.89 | 27,487.00 | 1,447.74 |
| 10 | 193010 | PUBLICATIONS | 5,045.20 | 5,160.33 | 1,412.00 | 415.28 |
| 10 | 193100 | RENTS | 8,309.45 | 20,850.57 | 6,084.00 | - |
| 10 | 193200 | MAINT-GENERAL PLANT | 6,450.00 | 14,044.70 | 9,548.00 | 1,914.29 |
| 10 | 193210 | MAINTENANCE-BUILDINGS | 66,891.49 | 89,587.14 | 85,104.00 | 6,056.11 |
| 10 | 193220 | MAINTENANCE-GRNDS/YARDS | 18,969.22 | 21,244.12 | 24,250.00 | 1,112.72 |
| | | **ADMINISTRATIVE AND GENERAL EXPENSE** | **1,007,294.45** | **1,118,146.61** | **1,030,989.00** | **109,601.80** |
| | | **TOTAL OPERATIONS AND MAINENTANCE EXPENS** | **18,286,102.14** | **16,667,846.42** | **16,160,860.00** | **1,145,079.84** |
| 12 | 140350 | DEPREC -TRANSMISSION PLANT | 90,305.46 | 97,113.87 | 79,657.00 | 8,105.30 |
| 12 | 140360 | DEPREC -DISTRIBUTION PLANT | 827,973.22 | 944,452.48 | 890,985.00 | 80,280.52 |
| 12 | 140361 | AMORT-DIGGER TRUCK | 5,873.28 | 5,873.28 | 6,686.00 | 489.44 |
| 12 | 140370 | DEPREC-GENERAL PLANT | 189,400.97 | 189,737.54 | 201,739.00 | 14,787.94 |
| | | **DEPRECIATION & AMORTIZATION EXPENSE** | **1,113,552.93** | **1,237,177.17** | **1,179,067.00** | **103,663.20** |
| 15 | 142712 | INTEREST EXPENSE - CFC LONG TERM DEBT | 1,160,819.19 | 1,136,253.76 | 1,211,085.00 | 86,872.85 |
| 15 | 143212 | INTEREST EXPENSE-NRECA PAST SRVC PENSION C | 6,397.82 | 4,656.36 | - | - |
| | | **INTEREST ON LONG-TERM DEBT** | **1,167,217.01** | **1,140,910.12** | **1,211,085.00** | **86,872.85** |
| 17 | 143110 | INTEREST EXPENSE-SEC DEPOSITS | 12,471.74 | 16,390.30 | 12,472.00 | 1,709.20 |
| | | **INTEREST EXPENSE - OTHER** | **12,471.74** | **16,390.30** | **12,472.00** | **1,709.20** |
| | | **TOTAL COST OF ELECTRIC SERVICE** | **20,579,343.82** | **19,062,324.01** | **18,563,484.00** | **1,337,325.09** |
| | | **OPERATING MARGINS** | **(959,578.20)** | **(652,337.59)** | **(467,159.00)** | **111,696.72** |
| 21 | 141900 | INTEREST & DIVIDEND INCOME | (105,847.09) | (87,195.18) | (105,789.00) | (3,283.95) |
| | | **INTEREST & DIVIDEND INCOME** | **(105,847.09)** | **(87,195.18)** | **(105,789.00)** | **(3,283.95)** |
| 23 | 141801 | NON OPERATING RENTAL INCOME-FUEL TRUCK | (8,337.12) | (8,337.12) | (2,603.00) | (694.76) |
| 23 | 141803 | NON OPERATING MANAGEMENT FEE | (29,539.45) | (25,642.47) | (28,186.00) | (2,979.53) |
| 23 | 141805 | NON OPERATING RENTAL INCOME | (8,926.32) | (8,960.77) | (2,413.00) | (643.86) |
| | | **NON OPERATING MARGINS - OTHER** | **(46,802.89)** | **(42,940.36)** | **(33,202.00)** | **(4,318.15)** |
| 25 | 142400 | OTHER CAPITAL CREDITS & PATRONAGE | (844,197.52) | (242,922.64) | (844,197.00) | - |
| | | **PATRONAGE CAPITAL** | **(844,197.52)** | **(242,922.64)** | **(844,197.00)** | **-** |
| | | **NET MARGINS (PROFIT)** | **(1,956,425.70)** | **(1,025,395.77)** | **(1,450,347.00)** | **104,094.62** |