

ANNUAL REPORT

Of

Company Name: Mohave Electric Cooperative, Inc.

PO Box 22530

Mailing Address:

0

Bullhead City AZ

86439-2530

**RECEIVED
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4/4/2022, 1:45 PM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: E-01750A

For the Year Ended: 12/31/2021

ELECTRIC

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission

Compliance Section - Utilities Division

1200 West Washington Street

Phoenix, Arizona 85007

Application Type: Original Filing

Application Date: 4/4/2022

ARIZONA CORPORATION COMMISSION
ELECTRIC UTILITY ANNUAL REPORT
COMPANY INFORMATION

For the Calendar Year Ended: 12/31/2021

Company/Business Name:	Mohave Electric Cooperative, Inc.			
Mailing Address:	PO Box 22530			
City:	Bullhead City	State:	Arizona	Zip Code: 86439-25
Telephone Number:	(928) 763-4115	Fax Number:	(928) 763-3315	
Email:	mohaveelectric.com			

Regulatory and Management Contact				
Name:	Andrea Harless			
Title:	Executive Assistant			
Telephone No. :	(928) 763-4115			
Address:	1999 Arena Drive			
City:	Bullhead City	State:	Arizona	Zip Code: 86442
Email:	aharless@mohaveelectric.com			

Management Contact				
Name:	J. Tyler Carlson			
Title:	Chief Executive Officer			
Telephone No. :	(928) 763-4115			
Address:	1999 Arena Drive			
City:	Bullhead City	State:	Arizona	Zip Code: 86442
Email:	tcarlson@mohaveelectric.com			

Statutory Agent				
Name:	HLG Corporate Service, LLC			
Title:	Hool Coury Law, PLC			
Telephone No. :	(602) 852-5500			
Address:	2398 E Camelback Rd, Ste 1020			
City:	Phoenix	State:	Arizona	Zip Code: 85016
Email:	acc@hoolcourylaw.com			

NA				
Name:	NA			
Title:	NA			
Telephone No. :	NA			
Address:	NA			
City:	NA	State:	Arizona	Zip Code: NA
Email:	NA			

Ownership: Association/Co-op (A)

Counties Served: Mohave

Important changes during the year
--

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.

Mohave Electric Cooperative, Inc.
ELECTRIC UTILITY ANNUAL REPORT
AUTHORIZED SERVICES AND STATISTICAL INFORMATION
12/31/2021

SERVICES AUTHORIZED TO PROVIDE

Yes	Electric
N/A	Investor Owned Electric
Yes	Rural Electric Cooperative
N/A	Utility Distributed Company
N/A	Electric Service Provider
N/A	Transmission Service Provider
N/A	Meter Service Provider
N/A	Meter Reading Service Provider
N/A	Billing and Collection
N/A	Ancillary Services
N/A	Generation Provider
N/A	Aggregator/Broker

N/A Other (Specify)

STATISTICAL INFORMATION

Retail Information

	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential	38,970	445,260,096
Commercial	4,376	216,105,162
Industrial	6	90,612,820
Public Street and Highway Lighting	12	132,948
Irrigation	20	4,696,382
Total Retail	43,384	756,807,408

Wholesale Information

	Number of Customers	Number of kWh Sold
Resale	1	42,443,651
Short-term Sales (duration of less than one-year)	0	0
Total Wholesale	1	42,443,651

Total Sold	799,251,059	KW
Maximum Peak Load	231,686	KW
Distribution System Losses	30,680,826	KW
Distribution Losses	3.69%	
Transmission Losses	0.00%	
System Average Interruption Duration Index (SAIDI)	117	
Distribution System Losses	30,680,826	
Customer Average Interruption Duration Index (CAIDI)	NA	
System Average Interruption Frequency Index (SAIFI)	NA	

VERIFICATION AND SWORN STATEMENT (INTRASTATE REVENUE ONLY)

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name):

Mohave

Name (owner or official) title:

Arden Lauxman, Chief Financial Officer

Company name:

Mohave Electric Cooperative, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/2021

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, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

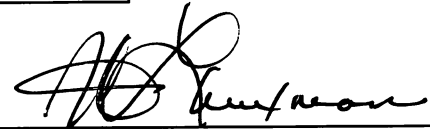
Arizona Intrastate Gross Operating Revenues Only (\$)

\$79,961,790

(The amount in the box above includes

\$4,730,407 in sales taxes

billed or collected)



signature of owner/official

(928) 763-4115

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

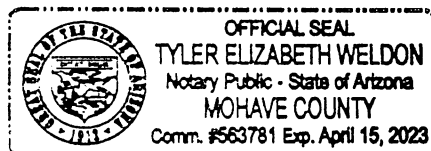
16

DAY OF

MARCH 2022
(month) and (year)

MY COMMISSION EXPIRES

4/15/2023
(date) TW




(signature of notary public)

VERIFICATION AND SWORN STATEMENT (RESIDENTIAL REVENUE)

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name): Mohave
Name (owner or official) title: Arden Lauxman, Chief Financial Officer
Company name: Mohave Electric Cooperative, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/2021

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.

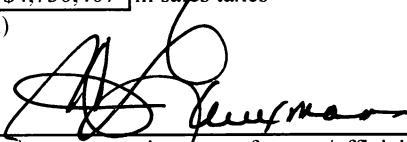
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$79,961,790

(The amount in the box above includes

\$4,730,407 in sales taxes
billed or collected)



signature of owner/official

(928) 763-4115

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

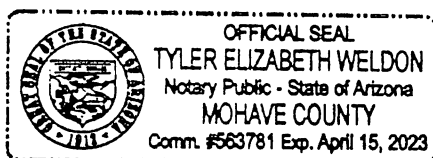
MOHAVE
(county name)

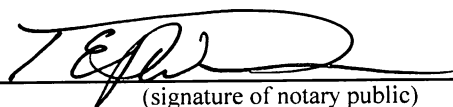
THIS 16

DAY OF MARCH 2022
(month) and (year)

MY COMMISSION EXPIRES

4/15/2023
(date)




(signature of notary public)

Mohave Electric Cooperative, Inc.
 ELECTRIC UTILITIY ANNUAL REPORT
 UTILITY SHUTOFFS / DISCONNECTS
 12/31/2021

UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2- 211.C	Other
January	0	36	0
February	0	27	0
March	0	25	0
April	0	15	0
May	0	19	0
June	0	5	0
July	0	0	0
August	0	44	0
September	0	27	0
October	0	64	0
November	0	59	0
December	0	42	0
Total	0	363	0

Other (description):

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION AZ0022
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	PERIOD ENDED December 2021
INSTRUCTIONS - See help in the online application.	BORROWER NAME Mohave Electric Cooperative, Incorporated

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

CERTIFICATION

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

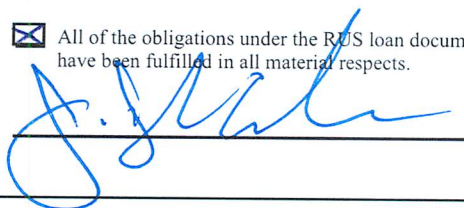
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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

(check one of the following)

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

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



3-30-22
DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	74,229,675	75,231,383	76,585,287	5,181,342
2. Power Production Expense		48,271		13,667
3. Cost of Purchased Power	53,644,310	54,439,820	54,123,932	3,873,016
4. Transmission Expense	197,253	220,159	158,251	17,490
5. Regional Market Expense				
6. Distribution Expense - Operation	3,412,619	3,735,915	4,329,714	257,445
7. Distribution Expense - Maintenance	1,814,969	1,945,890	1,760,208	202,597
8. Customer Accounts Expense	2,033,447	2,159,811	2,471,966	191,656
9. Customer Service and Informational Expense	133,766	101,996	118,093	17,393
10. Sales Expense	409,342	460,443	317,867	44,280
11. Administrative and General Expense	4,668,660	4,659,365	4,696,615	257,599
12. Total Operation & Maintenance Expense (2 thru 11)	66,314,366	67,771,670	67,976,646	4,875,143
13. Depreciation and Amortization Expense	4,062,705	4,332,839	4,121,880	366,432
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other		45,308		
16. Interest on Long-Term Debt	2,514,996	2,532,184	3,100,221	221,004
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	58,937	153,748	50,045	5,451
19. Other Deductions	7,786	9,808	8,200	2,837
20. Total Cost of Electric Service (12 thru 19)	72,958,790	74,845,557	75,256,992	5,470,867
21. Patronage Capital & Operating Margins (1 minus 20)	1,270,885	385,826	1,328,295	(289,525)
22. Non Operating Margins - Interest	798,940	1,769,280	675,706	88,624
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	262,030	(134,731)	504	78,398
25. Non Operating Margins - Other	(107,945)	(65,917)		(46)
26. Generation and Transmission Capital Credits	1,697,746	1,994,015	1,645,600	140,903
27. Other Capital Credits and Patronage Dividends	297,288	491,250	263,500	19,764
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	4,218,944	4,439,723	3,913,605	38,118

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AZ0022		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2021		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	569	705	5. Miles Transmission	116.60	116.60
2. Services Retired	45	43	6. Miles Distribution – Overhead	1,072.29	1,075.85
3. Total Services in Place	47,307	47,969	7. Miles Distribution - Underground	365.85	369.29
4. Idle Services (Exclude Seasonals)	4,847	4,585	8. Total Miles Energized (5 + 6 + 7)	1,554.74	1,561.74
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	136,059,233		30. Memberships	183,685	
2. Construction Work in Progress	16,513,797		31. Patronage Capital	100,708,488	
3. Total Utility Plant (1 + 2)	152,573,030		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	58,446,034		33. Operating Margins - Current Year	2,871,091	
5. Net Utility Plant (3 - 4)	94,126,996		34. Non-Operating Margins	1,568,632	
6. Non-Utility Property (Net)	68,000		35. Other Margins and Equities	9,170,537	
7. Investments in Subsidiary Companies	(833,499)		36. Total Margins & Equities (30 thru 35)	114,502,433	
8. Invest. in Assoc. Org. - Patronage Capital	58,428,391		37. Long-Term Debt - RUS (Net)	1,744,426	
9. Invest. in Assoc. Org. - Other - General Funds	2,403,223		38. Long-Term Debt - FFB - RUS Guaranteed	34,303,272	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	666,010		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	2,722,224		40. Long-Term Debt Other (Net)	30,714,373	
12. Other Investments	22,650,411		41. Long-Term Debt - RUS - Econ. Devel. (Net)	75,132	
13. Special Funds	109,572		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	86,214,332		43. Total Long-Term Debt (37 thru 41 - 42)	66,837,203	
15. Cash - General Funds	137,157		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	227,051		47. Notes Payable	2,700,000	
19. Notes Receivable (Net)	58,395		48. Accounts Payable	20,104,188	
20. Accounts Receivable - Sales of Energy (Net)	2,474,957		49. Consumers Deposits	3,459,837	
21. Accounts Receivable - Other (Net)	241,710		50. Current Maturities Long-Term Debt	2,761,124	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	10,995	
23. Materials and Supplies - Electric & Other	1,652,279		52. Current Maturities Capital Leases	0	
24. Prepayments	15,040,513		53. Other Current and Accrued Liabilities	14,276,055	
25. Other Current and Accrued Assets	2,879,599		54. Total Current & Accrued Liabilities (47 thru 53)	43,312,199	
26. Total Current and Accrued Assets (15 thru 25)	22,711,761		55. Regulatory Liabilities	0	
27. Regulatory Assets	68,099		56. Other Deferred Credits	8,428,106	
28. Other Deferred Debits	29,958,753		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	233,079,941	
29. Total Assets and Other Debits (5+14+26 thru 28)	233,079,941				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AZ0022
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2021
PART D. NOTES TO FINANCIAL STATEMENTS	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AZ0022
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2021
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION AZ0022			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2021			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	94,222,717	2,719,964	472,141	0	96,470,540		
2. General Plant	8,857,083	2,126,709	1,654,190	0	9,329,602		
3. Headquarters Plant	5,515,337	20,481	0	0	5,535,818		
4. Intangibles	579	0	0	0	579		
5. Transmission Plant	16,447,713	49,146	0	0	16,496,859		
6. Regional Transmission and Market Operation Plant	0	0	0	0	0		
7. All Other Utility Plant	242,558	14,633,543	6,650,265	0	8,225,836		
8. Total Utility Plant in Service (1 thru 7)	125,285,987	19,549,843	8,776,596	0	136,059,234		
9. Construction Work in Progress	18,021,412	(1,507,615)			16,513,797		
10. Total Utility Plant (8 + 9)	143,307,399	18,042,228	8,776,596	0	152,573,031		
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	1,615,151	1,008,498	0	953,751	0	(36,277)	1,633,621
2. Other	1,950	852,023	0	849,397	0	14,084	18,660
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	0.000	18.300	2.700	96.300	117.300		
2. Five-Year Average	98.100	67.500	7.700	78.800	252.100		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	83	4. Payroll - Expensed	5,016,318				
2. Employee - Hours Worked - Regular Time	169,999	5. Payroll - Capitalized	357,556				
3. Employee - Hours Worked - Overtime	5,017	6. Payroll - Other	1,184,553				
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			1,233,962	16,168,710		
	b. Special Retirements			351,408	6,456,467		
	c. Total Retirements (a + b)			1,585,370	22,625,177		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power			416,615			
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			213,219			
	c. Total Cash Received (a + b)			629,834			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	15,032	2. Amount Written Off During Year	\$	84,479		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %	0			4. Anticipated Loan Default %	0		
2. Actual Loan Delinquency %	0			5. Actual Loan Default %	0		
3. Total Loan Delinquency Dollars YTD	\$	0	6. Total Loan Default Dollars YTD	\$	0		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					BORROWER DESIGNATION AZ0022				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December 2021				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Arizona Electric Pwr Coop, Inc (AZ0028)	796			785,755,369	47,325,598	6.02	(7,645,608)	30,168,523
2	Arizona Power Authority	798			3,634,000	115,356	3.17		55,265
3	Western Area Power Admin	27000				(10,721)	0.00		(10,721)
4	*Other Renewable Supplier (DC)	800585			29,146,143	1,313,710	4.51		
5	Southwest Transmission Cooperative, Inc.	800383				5,631,073	0.00		5,631,073
6	*Residential Renewable Supplier	700200			2,578,226	61,456	2.38		
7	*Commercial Renewable Supplier	700100			134,192	3,200	2.38		
8	*Commercial Renewable Supplier	700100			6,200	148	2.39		
	Total				821,254,130	54,439,820	6.63	(7,645,608)	35,844,140

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AZ0022	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2021	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			
2			
3			
4			
5			
6			
7			
8			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AZ0022	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AZ0022	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 9/16/2021	2. Total Number of Members 36,554	3. Number of Members Present at Meeting 197	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 202,396	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AZ0022		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2021		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	1,744,426	104,964	179,190	284,154
2	National Rural Utilities Cooperative Finance Corporation	830,115	63,469	261,499	324,968
3	CoBank, ACB	29,884,258	798,989	618,066	1,417,055
4	Federal Financing Bank	34,303,272	1,049,916	1,288,918	2,338,834
5	RUS - Economic Development Loans	75,132	0	10,995	10,995
6	Payments Unapplied	0			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans			10,720	
9	Principal Payments Received from Ultimate Recipients of EE Loans			57,296	
	TOTAL	66,837,203	2,017,338	2,358,668	4,376,006

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0022		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2021		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	38,970	38,575	
	b. kWh Sold			445,260,096
	c. Revenue			45,136,009
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	20	20	
	b. kWh Sold			4,696,382
	c. Revenue			474,840
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,376	4,344	
	b. kWh Sold			216,105,162
	c. Revenue			20,268,455
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	6	6	
	b. kWh Sold			90,612,820
	c. Revenue			6,341,088
6. Public Street & Highway Lighting	a. No. Consumers Served	12	12	
	b. kWh Sold			132,948
	c. Revenue			9,042
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served	1	1	
	b. kWh Sold			42,443,651
	c. Revenue			2,275,378
10.	Total No. of Consumers (lines 1a thru 9a)	43,385	42,958	
11.	Total kWh Sold (lines 1b thru 9b)			799,251,059
12.	Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)			74,504,812
13.	Transmission Revenue			
14.	Other Electric Revenue			726,571
15.	kWh - Own Use			815,367
16.	Total kWh Purchased			821,254,130
17.	Total kWh Generated			9,493,122
18.	Cost of Purchases and Generation			54,708,250
19.	Interchange - kWh - Net			
20.	Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>			231,686

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION A20022			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			PERIOD ENDED December 2021			
INSTRUCTIONS - See help in the online application.						
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	649	314,424	2,598	5,945	1,280,461	20,080
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	649	314,424	2,598	5,945	1,280,461	20,080

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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UTILITIES DIVISION

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0022			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2021			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1	Non-Utility Property (NET)				
	1343 Hancock Road Building and Land	68,000			
	Totals	68,000			
2	Investments in Associated Organizations				
	Arizona Electric Power Cooperative-Membership	5			
	Arizona Electric Power Cooperative-Patronage		56,423,754	1,994,015	
	CoBank-Membership	1,000			
	CoBank-Patronage		410,004	276,951	
	Cooperative Response Center-Investment	10,000			
	Cooperative Response Center-Membership	2,500			
	Cooperative Response Center-Patronage	12,508		1,842	
	ERMCO-Membership	100			
	ERMCO-Patronage	47,936		19,764	
	Federated Rural Insurance-Patronage		285,918	36,866	
	Grand Canyon State-Equity Contribution	137,303			
	Grand Canyon State-Membership	100			
	Mohave Federal Credit Union-Membership	5			
	NISC-Membership	100			
	NISC-Patronage	182,480			
	NRECA-Membership	10			
	NRTC-Membership	1,000			
	NRTC-Patronage		56,016		
	NRUCFC-CFC/LTC		666,010		
	NRUCFC-Medium Term Note		250,000		
	NRUCFC-Member Cap Securities		2,000,000		
	NRUCFC-Membership	1,000			
	NRUCFC-Patronage		398,395	10,479	
	Sierra SW-Membership	100			
	WCS-Patronage	31,779			
	WUE-Patronage	579,602		219,444	
	MEC Communications-Subsidiary	(833,499)			
	Totals	174,029	60,490,097	2,559,361	
3	Investments in Economic Development Projects				
	Bullhead City Sign-Federal Backed	83,080			X
	Bullhead City Sign-Non Federal Backed	20,039			X
	EECLP for Future Use	71,698			X
	EECLP	2,547,407			X
	Totals	2,722,224			
4	Other Investments				
	Edward Jones Investments	9,819,366	932,729		
	Horizon Community Bank-CDs		106,768		
	Mohave Federal Credit Union-CD	19,265	249,950		
	CIT Bank-CDs		38,780		
	Sunflower Bank-Bonds & Stocks	7,047,841	469,861		
	Principal Financial Services	2,874,039	1,091,812		
	Totals	19,760,511	2,889,900		
5	Special Funds				
	Homestead Funds	109,572			
	Totals	109,572			
6	Cash - General				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0022	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2021	
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.			
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)			
	CIT-General Account		132,276
	Working Funds		4,881
	Totals		137,157
8	Temporary Investments		
	Mohave Federal Credit Union-Savings		50
	NRUCFC Commercial Paper Investment		
	Principal Financial Services		120,600
	Sunflower Bank		101,506
	Edward Jones		4,895
	Totals		227,051
9	Accounts and Notes Receivable - NET		
	Accounts Receivable-Other	241,710	
	Notes Receivable	58,395	
	Totals	300,105	
11	TOTAL INVESTMENTS (1 thru 10)	23,134,441	63,744,205
			2,559,361

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0022			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2021			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1					
	TOTAL				
	TOTAL (Included Loan Guarantees Only)		0	0	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0022			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2021			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					15.16 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors	10/31/2031	146,055	46,462	
2	Energy Resources Conservation Loans				
	TOTAL		146,055	46,462	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 21 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY**

BORROWER DESIGNATION
AZ0022

PERIOD ENDED December 2021

BORROWER NAME
Mohave Electric Cooperative, Incorporated

INSTRUCTIONS - See help in the online application.

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

CERTIFICATION

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

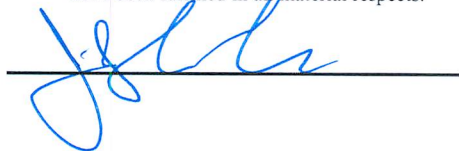
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

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

(check one of the following)

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

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



3-30-22
DATE

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION AZ0022		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues				
2. Income From Leased Property (Net)				
3. Other Operating Revenue and Income				
4. Total Operation Revenues & Patronage Capital (1 thru 3)				
5. Operating Expense – Production - Excluding Fuel				
6. Operating Expense – Production - Fuel				
7. Operating Expense – Other Power Supply				
8. Operating Expense – Transmission				
9. Operating Expense – RTO/ISO				
10. Operating Expense – Distribution				
11. Operating Expense – Customer Accounts				
12. Operating Expense – Customer Service & Information				
13. Operating Expense – Sales				
14. Operating Expense – Administrative & General				
15. Total Operation Expense (5 thru 14)				
16. Maintenance Expense – Production				
17. Maintenance Expense – Transmission				
18. Maintenance Expense – RTO/ISO				
19. Maintenance Expense – Distribution				
20. Maintenance Expense – General Plant				
21. Total Maintenance Expense (16 thru 20)				
22. Depreciation and Amortization Expense				
23. Taxes				
24. Interest on Long-Term Debt				
25. Interest Charged to Construction – Credit				
26. Other Interest Expense				
27. Asset Retirement Obligations				
28. Other Deductions				
29. Total Cost Of Electric Service (15 + 21 thru 28)				
30. Operating Margins (4 less 29)				
31. Interest Income				
32. Allowance For Funds Used During Construction				
33. Income (Loss) from Equity Investments				
34. Other Non-operating Income (Net)				
35. Generation & Transmission Capital Credits				
36. Other Capital Credits and Patronage Dividends				
37. Extraordinary Items				
38. Net Patronage Capital Or Margins (30 thru 37)				

RUS Financial and Operating Report Electric Power Supply – Part A - Financial

Revision Date 2013

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION AZ0022	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December 2021	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service		33. Memberships	
2. Construction Work in Progress		34. Patronage Capital	
3. Total Utility Plant (1 + 2)		a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amortization		b. Retired This year	
5. Net Utility Plant (3 - 4)		c. Retired Prior years	
6. Non-Utility Property (Net)		d. Net Patronage Capital (a - b - c)	
7. Investments in Subsidiary Companies		35. Operating Margins - Prior Years	
8. Invest. in Assoc. Org. - Patronage Capital		36. Operating Margin - Current Year	
9. Invest. in Assoc. Org. - Other - General Funds		37. Non-Operating Margins	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds		38. Other Margins and Equities	
11. Investments in Economic Development Projects		39. Total Margins & Equities	
12. Other Investments		(33 + 34d thru 38)	
13. Special Funds		40. Long-Term Debt - RUS (Net)	
14. Total Other Property And Investments		41. Long-Term Debt - FFB - RUS Guaranteed	
(6 thru 13)		42. Long-Term Debt - Other - RUS Guaranteed	
15. Cash - General Funds		43. Long-Term Debt - Other (Net)	
16. Cash - Construction Funds - Trustee		44. Long-Term Debt - RUS - Econ. Devel. (Net)	
17. Special Deposits		45. Payments – Unapplied	
18. Temporary Investments		46. Total Long-Term Debt (40 thru 44 - 45)	
19. Notes Receivable (Net)		47. Obligations Under Capital Leases Noncurrent	
20. Accounts Receivable - Sales of Energy (Net)		48. Accumulated Operating Provisions	
21. Accounts Receivable - Other (Net)		and Asset Retirement Obligations	
22. Fuel Stock		49. Total Other NonCurrent Liabilities	
23. Renewable Energy Credits		(47 + 48)	
24. Materials and Supplies - Other		50. Notes Payable	
25. Prepayments		51. Accounts Payable	
26. Other Current and Accrued Assets		52. Current Maturities Long-Term Debt	
27. Total Current And Accrued Assets		53. Current Maturities Long-Term Debt - Rural Devel.	
(15 thru 26)		54. Current Maturities Capital Leases	
28. Unamortized Debt Discount & Extraordinary		55. Taxes Accrued	
Property Losses		56. Interest Accrued	
29. Regulatory Assets		57. Other Current and Accrued Liabilities	
30. Other Deferred Debits		58. Total Current & Accrued Liabilities	
31. Accumulated Deferred Income Taxes		(50 thru 57)	
32. Total Assets and Other Debits		59. Deferred Credits	
(5+14+27 thru 31)		60. Accumulated Deferred Income Taxes	
		61. Total Liabilities and Other Credits	
		(39 + 46 + 49 + 58 thru 60)	

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p>FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY</p>	<p>BORROWER DESIGNATION</p> <p>AZ0022</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED</p> <p>December 2021</p>
<p>SECTION C. NOTES TO FINANCIAL STATEMENTS</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY	BORROWER DESIGNATION AZ0022
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2021
SECTION C. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY				BORROWER DESIGNATION AZ0022				
INSTRUCTIONS - See help in the online application.				PERIOD ENDED December 2021				
PART B SE - SALES OF ELECTRICITY								
Sale No.	Name Of Company or Public Authority	RUS Borrower Designation	Statistical Classification	Renewable Energy Program Name	Primary Renewable Fuel Type	Average Monthly Billing Demand (MW)	Actual Average Monthly NCP Demand	Actual Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
UC	Total for Ultimate Consumer(s)							
Dist	Total for Distribution Borrowers					0	0	0
G&T	Total for G&T Borrowers					0	0	0
Other	Total for Other					0	0	0
Total	Grand Total					0	0	0

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY			BORROWER DESIGNATION AZ0022		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2021		
PART B SE - SALES OF ELECTRICITY					
Sale No	Electricity Sold (MWh) (i)	Revenue Demand Charges (j)	Revenue Energy Charges (k)	Revenue Other Charges (l)	Revenue Total (j + k + l) (m)
UC					
Dist	0	0	0	0	0
G&T	0	0	0	0	0
Other	0	0	0	0	0
Total	0	0	0	0	0

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY		BORROWER DESIGNATION AZ0022
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021
PART B SE - SALES OF ELECTRICITY		
Sale No	Comments	
UC		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY				BORROWER DESIGNATION AZ0022				
INSTRUCTIONS - See help in the online application.				PERIOD ENDED December 2021				
PART B PP - PURCHASED POWER								
Purchase No.	Name Of Company or Public Authority	RUS Borrower Designation	Statistical Classification	Renewable Energy Program Name	Primary Renewable Fuel Type	Average Monthly Billing Demand (MW)	Actual Average Monthly NCP Demand	Actual Average Monthly CP Demand ()
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Dist	Total for Distribution Borrowers					0	0	0
G&T	Total for G&T Borrowers					0	0	0
Other	Total for Other					0	0	0
Total	Grand Total					0	0	0

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY				BORROWER DESIGNATION AZ0022			
INSTRUCTIONS - See help in the online application.				PERIOD ENDED December 2021			
PART B PP - PURCHASED POWER							
Purchase No	Electricity Purchased (MWh) (i)	Electricity Received (MWh) (j)	Electricity Delivered (MWh) (k)	Demand Charges (l)	Energy Charges (m)	Other Charges (n)	Total (1 + m + n) (o)
Dist	0	0	0	0	0	0	0
G&T	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY		BORROWER DESIGNATION AZ0022	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021	
PART B PP - PURCHASED POWER			
Purchase No	Comments		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY			BORROWER DESIGNATION AZ0022			
INSTRUCTIONS - See help in the online application			PERIOD ENDED December 2021			
PART C RE - RENEWABLE GENERATING PLANT SUMMARY						
Plant Name (a)	Prime Mover (b)	Primary Renewable Fuel Type (c)	Renewable Fuel (%) (d)	Capacity (kW) (e)	Net Generation (MWh) (f)	Capacity Factor (%) (g)
MSS1	Photovoltaic	Solar - photovoltaic	0.00	4400.0	9493.1	24.60
Total:				4400.0	9493.1	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY				BORROWER DESIGNATION AZ0022		
INSTRUCTIONS - See help in the online application				PERIOD ENDED December 2021		
PART C RE - RENEWABLE GENERATING PLANT SUMMARY						
Plant Name (a)	Number of Employees (h)	Total O&M Cost (mils/Net kWh) (i)	Power Cost (mils/Net kWh) (j)	Total Investment (\$1,000) (k)	Percentage Ownership (%) (l)	RUS Funding (\$1,000) (m)
MSS1	0	4	0	6,722	100	0
Total:	0	4	0	6,722		0

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY		BORROWER DESIGNATION AZ0022
INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2021
PART C RE - RENEWABLE GENERATING PLANT SUMMARY		
Plant Name	Comments	
MSS1	Solar panel generating facility	

reUNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART C - SOURCES AND DISTRIBUTION OF ENERGY		BORROWER DESIGNATION AZ0022			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021			
SOURCES OF ENERGY (a)		NO. OF PLANTS (b)	CAPACITY (kW) (c)	NET ENERGY RECIEVED BY SYSTEM (MWh) (d)	COST (\$) (e)
Generated in Own Plant (Details on Parts D, E, F IC, F CC, and G)					
1. Fossil Steam	0	0	0	0	
2. Nuclear	0	0	0	0	
3. Hydro	0	0	0	0	
4. Combined Cycle	0	0	0	0	
5. Internal Combustion	0	0	0	0	
6. Other	1	4,400	9,493	37,147	
7. Total in Own Plant (1 thru 6)	1	4,400	9,493	37,147	
Purchased Power					
8. Total Purchased Power			0	0	
Interchanged Power					
9. Received Into System (Gross)			0	0	
10. Delivered Out of System (Gross)			0	0	
11. Net Interchange (9 - 10)			0	0	
Transmission For or By Others - (Wheeling)					
12. Received Into System			0	0	
13. Delivered Out of System			0	0	
14. Net Energy Wheeled (12 - 13)			0	0	
15. Total Energy Available for Sale (7 + 8 + 11 + 14)			9,493		
Distribution of Energy					
16. Total Sales			0		
17. Energy Furnished to Others Without Charge			0		
18. Energy Used by Borrower (Excluding Station Use)			0		
19. Total Energy Accounted For (16 thru 18)			0		
Losses					
20. Energy Losses - MWh (15 - 19)			9,493		
21. Energy Losses - Percentage ((20 / 15) * 100)			100.00 %		

RUS Financial and Operating Report Electric Power Supply – Part C - Sources and Distribution of Energy

Revision Date 2013

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UTILITIES DIVISION

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE						BORROWER DESIGNATION					
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART D - STEAM PLANT						PLANT					
						PERIOD ENDED					
INSTRUCTIONS - See help in the online application.											
SECTION A. BOILERS/TURBINES											
NO.	UNIT NO. (a)	TIMES STARTED (b)	FUEL CONSUMPTION					OPERATING HOURS			
			COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE SCHED. (j)	UNSCH. (k)
1.											
2.											
3.											
4.											
5.											
6.	Total										
7.	Average BTU										
8.	Total BTU (10 ⁶)										
9.	Total Del. Cost (\$)										
SECTION A. BOILERS/TURBINES (Continued)					SECTION B. LABOR REPORT				SEC. C. FACTORS & MAX. DEMAND		
NO.	UNIT NO. (l)	SIZE (kW) (m)	GROSS GEN. (MWh) (n)	BTU PER kWh (o)	NO.	ITEM	VALUE	NO.	ITEM	VALUE	
1.					1.	No. Employees Full-Time (Include Superintendent)		1.	Load Factor (%)		
2.					2.	No. Employees Part-Time		2.	Plant Factor (%)		
3.					3.	Total Employee Hours Worked		3.	Running Plant Capacity Factor (%)		
4.					4.	Operating Plant Payroll (\$)		4.	15 Minute Gross Max. Demand (kW)		
5.					5.	Maintenance Plant Payroll (\$)		5.	Indicated Gross Max. Demand (kW)		
6.	Total				6.	Other Accts. Plant Payroll (\$)					
7.	Station Service (MWh)				7.	Total Plant Payroll (\$)					
8.	Net Generation (MWh)										
9.	Station Service (%)										
SECTION D. COST OF NET ENERGY GENERATED											
NO.	PRODUCTION EXPENSE				ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)	\$/10 ⁶ BTU (c)			
1.	Operation, Supervision and Engineering				500						
2.	Fuel, Coal				501.1						
3.	Fuel, Oil				501.2						
4.	Fuel, Gas				501.3						
5.	Fuel, Other				501.4						
6.	Fuel SubTotal (2 thru 5)				501						
7.	Steam Expenses				502						
8.	Electric Expenses				505						
9.	Miscellaneous Steam Power Expenses				506						
10.	Allowances				509						
11.	Rents				507						
12.	Non-Fuel SubTotal (1 + 7 thru 11)										
13.	Operation Expense (6 + 12)										
14.	Maintenance, Supervision and Engineering				510						
15.	Maintenance of Structures				511						
16.	Maintenance of Boiler Plant				512						
17.	Maintenance of Electric Plant				513						
18.	Maintenance of Miscellaneous Plant				514						
19.	Maintenance Expense (14 thru 18)										
20.	Total Production Expense (13 + 19)										
21.	Depreciation				403.1, 411.10						
22.	Interest				427						
23.	Total Fixed Cost (21 + 22)										
24.	Power Cost (20 + 23)										
Remarks											

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION				
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART E - HYDRO PLANT				PLANT				
INSTRUCTIONS - See help in the online application.				PERIOD ENDED				
SECTION A. HYDRO GENERATING UNITS								
NO.	UNIT NO. (a)	SIZE (kW) (b)	GROSS GENERATION (MWh) (c)	OPERATING HOURS				
				IN SERVICE (d)	ON STANDBY (e)	OUT OF SERVICE		
						SCHEDULED (f)	UNSCHEDULED (g)	
1.								
2.								
3.								
4.								
5.								
6.	Total							
7.	Station Service (MWh)			HYDRAULIC DATA				
8.	Net Generation (MWh)			ITEM	(a) MAXIMUM	(b) MINIMUM		
9.	Station Service % of Gross			1. Pool Elevation (ft.)				
10.	Energy for Pumped Storage (MWh)			2. Tail Race Elevation (ft.)				
11.	Net Generation after Pumped Storage (MWh)			Water Spilled <input type="checkbox"/> Yes <input type="checkbox"/> No				
SECTION B. LABOR REPORT				SECTION C. FACTORS & MAXIMUM DEMAND				
NO.	ITEM	VALUE	NO.	ITEM	VALUE	NO.	ITEM	VALUE
1.	No. Employees Full-Time (Include Superintendent)		5.	Maintenance Plant Payroll (\$)		1.	Load Factor (%)	
2.	No. Employees Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	
3.	Total Employee Hours Worked		7.	Total Plant Payroll (\$)		3.	Running Plant Capacity Factor (%)	
4.	Operating Plant Payroll (\$)					4.	15 Min. Gross Max. Demand (kW)	
						5.	Indicated Gross Max. Demand (kW)	
SECTION D. COST OF NET ENERGY GENERATED								
NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)				
1.	Operation, Supervision and Engineering	535						
2.	Water for Power	536						
3.	Energy for Pumped Storage	536.1						
4.	Hydraulic Expense	537						
5.	Electric Expense	538						
6.	Miscellaneous Hydraulic Power Generation Expense	539						
7.	Rents	540						
8.	Operation Expense (1 thru 7)							
9.	Maintenance, Supervision and Engineering	541						
10.	Maintenance of Structures	542						
11.	Maintenance of Reservoirs, Dams and Waterways	543						
12.	Maintenance of Electric Plant	544						
13.	Maintenance of Miscellaneous Hydraulic Plant	545						
14.	Maintenance Expense (9 thru 13)							
15.	Total Production Expense (8 + 14)							
16.	Depreciation	403.3, 411.10						
17.	Interest	427						
18.	Total Fixed Cost (16 + 17)							
19.	Power Cost (15 + 18)							
Remarks (including Unscheduled Outages)								

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE						BORROWER DESIGNATION					
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART F IC - INTERNAL COMBUSTION PLANT						PLANT					
						PERIOD ENDED					
INSTRUCTIONS - See help in the online application.											
SECTION A. INTERNAL COMBUSTION GENERATING UNITS											
NO.	UNIT NO. (a)	SIZE (kW) (b)	FUEL CONSUMPTION				OPERATING HOURS				
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	OTHER (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE SCHED. (i) UNSCH. (j)	GROSS GENER.(MWh) (k)	BTU PER kWh (l)
1.											
2.											
3.											
4.											
5.											
6.	Total										
7.	Average BTU						Station Service (MWh)				
8.	Total BTU (10 ⁶)						Net Generation (MWh)				
9.	Total Del. Cost (\$)						Station Service % of Gross				
SECTION B. LABOR REPORT						SECTION C. FACTORS & MAXIMUM DEMAND					
NO.	ITEM	VALUE	NO.	ITEM	VALUE	NO.	ITEM	VALUE			
1.	No. Employees Full Time (Include Superintendent)		5.	Maintenance Plant Payroll (\$)		1.	Load Factor (%)				
2.	No. Employees Part Time			6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)			
3.	Total Employee Hours Worked		7.	Total Plant Payroll (\$)		3.	Running Plant Capacity Factor (%)				
4.	Operating Plant Payroll (\$)			4.	15 Min. Gross Max. Demand (kW)		5.	Indicated Gross Max. Demand (kW)			
SECTION D. COST OF NET ENERGY GENERATED											
NO.	PRODUCTION EXPENSE		ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET (kWh) (b)	\$/10 ⁶ BTU (c)					
1.	Operation, Supervision and Engineering		546								
2.	Fuel, Oil		547.1								
3.	Fuel, Gas		547.2								
4.	Fuel, Other		547.3								
5.	Energy for Compressed Air		547.4								
6.	Fuel SubTotal (2 thru 5)		547								
7.	Generation Expenses		548								
8.	Miscellaneous Other Power Generation Expenses		549								
9.	Rents		550								
10.	Non-Fuel SubTotal (1 + 7 thru 9)										
11.	Operation Expense (6 + 10)										
12.	Maintenance, Supervision and Engineering		551								
13.	Maintenance of Structures		552								
14.	Maintenance of Generating and Electric Plant		553								
15.	Maintenance of Miscellaneous Other Power Generating Plant		554								
16.	Maintenance Expense (12 thru 15)										
17.	Total Production Expense (11 + 16)										
18.	Depreciation		403.4, 411.10								
19.	Interest		427								
20.	Total Fixed Cost (18 + 19)										
21.	Power Cost (17 + 20)										
Remarks (including Unscheduled Outages)											

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE							BORROWER DESIGNATION					
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART F CC - COMBINED CYCLE PLANT							PLANT					
INSTRUCTIONS - See help in the online application.							PERIOD ENDED					
SECTION A. COMBINED CYCLE GENERATING UNITS												
NO.	UNIT NO. (a)	SIZE (kW) (b)	FUEL CONSUMPTION				OPERATING HOURS					BTU PER kWh (l)
			OIL (1000 Gals.) (c)	GAS (1000 CF) (d)	OTHER (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE		GROSS GENER. (MWh) (k)	
									SCHED. (i)	UNSC. (j)		
1.												
2.												
3.												
4.												
5.												
6.	Total											
7.	Average BTU						Station Service (MWh)					
8.	Total BTU (10 ⁶)						Net Generation (MWh)					
9.	Total Del. Cost (\$)						Station Service % Of Gross					
SECTION B. LABOR REPORT												
NO.	ITEM	VALUE	NO.	ITEM	VALUE	SECTION C. FACTORS & MAXIMUM DEMAND						
						NO.	ITEM	VALUE				
1.	No. Employees Full Time (Include. Superintendent)		5.	Maintenance Plant Payroll (\$)		1.	Load Factor (%)					
2.	No. Employees Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)					
3.	Total Employee Hours Worked		7.	Total Plant Payroll (\$)		3.	Running Plant Capacity Factor (%)					
4.	Operating Plant Payroll (\$)					4.	15 Min. Gross Max. Demand (kW)					
						5.	Indicated Gross Max. Demand (kW)					
SECTION D. COST OF NET ENERGY GENERATED												
NO.	PRODUCTION EXPENSE		ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)	S/10 ⁶ BTU (c)						
1.	Operation, Supervision and Engineering		500									
2.	Fuel, Oil		547.1									
3.	Fuel, Gas		547.2									
4.	Fuel, Other		547.3									
5.	Energy for Compressed Air		547.4									
6.	Fuel SubTotal (2 thru 5)		547									
7.	Generation Expenses		548									
8.	Miscellaneous Other Power Generation Expenses		549									
9.	Rents		507									
10.	Steam Expenses		502									
11.	Electric Expenses		505									
12.	Miscellaneous Steam Power Expenses		506									
13.	Allowances		509									
14.	Non-Fuel SubTotal (1 + 7 thru 13)											
15.	Operating Expense (6 + 14)											
16.	Maintenance, Supervision and Engineering		551, 510									
17.	Maintenance of Structures		552, 511									
18.	Maintenance of Generating and Electric Plant		553, 513									
19.	Maintenance of Miscellaneous Other Power Generating Plant		554, 514									
20.	Maintenance Expense (16 thru 19)											
21.	Total Production Expense (15 + 20)											
22.	Depreciation		403.4, 403.1, 411.10									
23.	Interest		427									
24.	Total Fixed Cost (22 + 23)											
25.	Power Cost (21 + 24)											
Remarks												

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART G - NUCLEAR PLANT	BORROWER DESIGNATION
	PLANT
	PERIOD ENDED

INSTRUCTIONS - See help in the online application.

SECTION A. BOILERS AND GENERATING UNITS

NO.	UNIT NO. (a)	TIMES STARTED (b)	SIZE (kW) (c)	GROSS GENERATION (MWh) (d)	OPERATING HOURS			
					IN SERVICE (e)	ON STANDBY (f)	OUT OF SERVICE	
							SCHEDULED (g)	UNSCHEDULED (h)
1.								
2.								
3.								
4.								
5.								
6.	Total							
7.	Station Service (MWh)							
8.	Net Generation (MWh)							
9.	Station Service % Of Gross							

SECTION B. LABOR REPORT

NO.	ITEM	VALUE	NO.	ITEM	VALUE	NO.	ITEM	VALUE
1.	No. Employees Full Time (Include, Superintendent)		5.	Maintenance Plant Payroll (\$)		1.	Load Factor (%)	
2.	No. Employees Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	
3.	Total Employee Hours Worked		7.	Total Plant Payroll (\$)		3.	Running Plant Capacity Factor (%)	
4.	Operating Plant Payroll (\$)					4.	15 Min. Gross Max. Demand (kW)	
						5.	Indicated Gross Max. Demand (kW)	

SECTION D. COST OF NET ENERGY GENERATED

NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)
1.	Operation, Supervision and Engineering	517		
2.	Fuel	518.1		
3.	Less Fuel Acquisition Adjustment	518.2		
4.	Net Fuel Expense (2 - 3)			
5.	Coolants and Water	519		
6.	Steam Expenses	520		
7.	Steam From Other Sources	521		
8.	Electric Expenses	523		
9.	Miscellaneous Nuclear Power Expense	524		
10.	Rents	525		
11.	Operation Expense (1 + 4 thru 10)			
12.	Maintenance, Supervision and Engineering	528		
13.	Maintenance of Structures	529		
14.	Maintenance of Reactor Plant Equipment	530		
15.	Maintenance of Electric Plant	531		
16.	Maintenance of Miscellaneous Nuclear Plant	532		
17.	Maintenance Expense (12 thru 16)			
18.	Reactor Credits			
19.	Total Production Expense (11 + 17 - 18)			
20.	Depreciation	403.2, 411.10		
21.	Interest	427		
22.	Total Fixed Cost (20 + 21)			
23.	Less Plant Acquisition Adjustment	406		
24.	Power Cost (19 + 22 - 23)			

Remarks (including Unscheduled Outages)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		BORROWER DESIGNATION AZ0022 PERIOD ENDED December 2021				
INSTRUCTIONS - See help in the online application.						
SECTION A. UTILITY PLANT						
ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)	
1. Total Intangible Plant (301 thru 303)						
2. Total Steam Production Plant (310 thru 317)						
3. Total Nuclear Production Plant (320 thru 326)						
4. Total Hydro Production Plant (330 thru 337)						
5. Total Other Production Plant (340 thru 347)						
6. Total Production Plant (2 thru 5)						
7. Land and Land Rights (350)						
8. Structures and Improvements (352)						
9. Station Equipment (353)						
10. Other Transmission Plant (354 thru 359.1)						
11. Total Transmission Plant (7 thru 10)						
12. Land and Land Rights (360)						
13. Structures and Improvements (361)						
14. Station Equipment (362)						
15. Other Distribution Plant (363 thru 374)						
16. Total Distribution Plant (12 thru 15)						
17. RTO/ISO Plant (380 thru 386)						
18. Total General Plant (389 thru 399.1)						
19. Electric Plant in Service (1 + 6 + 11 + 16 thru 18)						
20. Electric Plant Purchased or Sold (102)						
21. Electric Plant Leased to Others (104)						
22. Electric Plant Held for Future Use (105)						
23. Completed Construction Not Classified (106)						
24. Acquisition Adjustments (114)						
25. Other Utility Plant (118)						
26. Nuclear Fuel Assemblies (120.1 thru 120.4)						
27. Total Utility Plant in Service (19 thru 26)						
28. Construction Work in Progress (107)						
29. Total Utility Plant (27 + 28)						
SECTION B. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT						
ITEM	COMP. RATE (%) (a)	BALANCE BEGINNING OF YEAR (b)	ANNUAL ACCRUALS (c)	RETIREMENTS LESS NET SALVAGE (d)	ADJUSTMENTS AND TRANSFERS (e)	BALANCE END OF YEAR (f)
1. Depr. of Steam Prod. Plant (108.1)						
2. Depr. of Nuclear Prod. Plant (108.2)						
3. Depr. of Hydraulic Prod. Plant (108.3)						
4. Depr. of Other Prod. Plant (108.4)						
5. Depr. of Transmission Plant (108.5)						
6. Depr. of Distribution Plant (108.6)						
7. Depr. of General Plant (108.7)						
8. Retirement Work in Progress (108.8)						
9. Total Depr. for Elec. Plant in Serv. (1 thru 8)						
10. Depr. of Plant Leased to Others (109)						
11. Depr. of Plant Held for Future Use (110)						
12. Amort. of Elec. Plant in Service (111)						
13. Amort. of Leased Plant (112)						
14. Amort. of Plant Held for Future Use						
15. Amort. of Acquisition Adj. (115)						
16. Depr. & Amort. Other Plant (119)						
17. Amort. of Nuclear Fuel (120.5)						
18. Total Prov. for Depr. & Amort. (9 thru 17)						

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		BORROWER DESIGNATION AZ0022				
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021				
SECTION B. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION - UTILITY PLANT (Continued)						
19. Amount of Annual Accrual Charged to Expense \$	20. Amount of Annual Accrual Charged to Other Accounts \$	21. Book Cost of Property Retired \$				
22. Removal Cost of Property Retired \$	23. Salvage Material from Property Retired \$	24. Renewal and Replacement Cost \$				
SECTION C. NON-UTILITY PLANT						
ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)	
1. NonUtility Property (121)						
2. Provision For Depr. & Amort. (122)						
SECTION D. DEMAND AND ENERGY AT POWER SOURCES						
MONTH	PEAK DEMAND (MW) (a)	MONTHLY PEAKS			ENERGY OUTPUT (MWh) (e)	
		DATE (b)	TIME (c)	TYPE OF READING (d)		
1. January						
2. February						
3. March						
4. April						
5. May						
6. June						
7. July						
8. August						
9. September						
10. October						
11. November						
12. December						
13. Annual Peak		Annual Total				
SECTION E. DEMAND AND ENERGY AT DELIVERY POINTS						
MONTH	DELIVERED TO RUS BORROWERS		DELIVERED TO OTHERS		TOTAL DELIVERED	
	DEMAND (MW) (a)	ENERGY (MWh) (b)	DEMAND (MW) (c)	ENERGY (MWh) (d)	DEMAND (MW) (e)	ENERGY (MWh) (f)
1. January						
2. February						
3. March						
4. April						
5. May						
6. June						
7. July						
8. August						
9. September						
10. October						
11. November						
12. December						
13. Peak or Total						

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0022			
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		PERIOD ENDED December 2021			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part A Section B. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS SUB SECTION I. INVESTMENTS					
No	Description (a)	Included (\$) (b)	Excluded (\$) (c)	Income Or Loss (\$) (d)	Rural Development (e)
	Totals				
11	TOTAL INVESTMENTS (1 thru 10)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AZ0022			
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		PERIOD ENDED December 2021			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part A Section B. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS SUB SECTION II. LOAN GUARANTEES					
No	Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		BORROWER DESIGNATION AZ0022			
		PERIOD ENDED December 2021			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part A Section B. Identify all investments in Rural Development with an "X" in column (e). Both "Included" and "Excluded" Investments must be reported. See help in the online application.					
SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS SUB SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Sub Section I, 11b) and Loan Guarantees - Loan Balance (Sub Section II, 5d) to Total Utility Plant (Part A, Section B, Line 3 of this report)]					0.00 %
SECTION F. INVESTMENTS, LOAN GUARANTEES AND LOANS SUB SECTION IV. LOAN					
No	Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Rural Development (e)
	TOTAL				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		BORROWER DESIGNATION AZ0022		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021		
SECTION G. MATERIALS AND SUPPLIES INVENTORY				
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED & SALVAGED (b)	USED & SOLD (c)	BALANCE END OF YEAR (d)
1. Coal				
2. Other Fuel				
3. Production Plant Parts and Supplies				
4. Station Transformers and Equipment				
5. Line Materials and Supplies				
6. Other Materials and Supplies				
7. Total (1 thru 6)				

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p>OPERATING REPORT- ANNUAL SUPPLEMENT</p>	<p>BORROWER DESIGNATION AZ0022</p>
	<p>PERIOD ENDED December 2021</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>This data will be used to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential</p>
<p>SECTION H. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		BORROWER DESIGNATION AZ0022	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021	
SECTION I. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting	2. Total Number of Members	3. Number of Members Present at Meeting	4. Was Quorum Present?
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members	7. Total Amount of Fees and Expenses for Board Members \$	8. Does Manager Have Written Contract?
SECTION J. MAN-HOUR AND PAYROLL STATISTICS			
1. Number of Full Time Employees		4. Payroll Expensed	
2. Man-Hours Worked - Regular Time		5. Payroll Capitalized	
3. Man-Hours Worked – Overtime		6. Payroll Other	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		BORROWER DESIGNATION AZ0022	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021	
SECTION K. LONG-TERM LEASES			
No	Name Of Lessor (a)	Type Of Property (b)	Rental This Year (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART H - ANNUAL SUPPLEMENT		BORROWER DESIGNATION AZ0022			
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021			
SECTION L. RENEWABLE ENERGY CREDITS					
ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Renewable Energy Credits					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION AZ0022		
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART I - LINES AND STATIONS				PERIOD ENDED December 2021		
INSTRUCTIONS - See help in the online application.						
SECTION A. EXPENSES AND COSTS						
ITEM				ACCOUNT NUMBER	LINES (a)	STATIONS (b)
Transmission Operation						
1. Supervision and Engineering				560		
2. Load Dispatching				561		
3. Station Expenses				562		
4. Overhead Line Expenses				563		
5. Underground Line Expenses				564		
6. Miscellaneous Expenses				566		
7. Subtotal (1 thru 6)						
8. Transmission of Electricity by Others				565		
9. Rents				567		
10. Total Transmission Operation (7 thru 9)						
Transmission Maintenance						
11. Supervision and Engineering				568		
12. Structures				569		
13. Station Equipment				570		
14. Overhead Lines				571		
15. Underground Lines				572		
16. Miscellaneous Transmission Plant				573		
17. Total Transmission Maintenance (11 thru 16)						
18. Total Transmission Expense (10 + 17)						
19. RTO/ISO Expense - Operation				575.1-575.8		
20. RTO/ISO Expense - Maintenance				576.1-576.5		
21. Total RTO/ISO Expense (19 + 20)						
22. Distribution Expense - Operation				580-589		
23. Distribution Expense - Maintenance				590-598		
24. Total Distribution Expense (22 + 23)						
25. Total Operation And Maintenance (18 + 21 + 24)						
Fixed Costs						
26. Depreciation - Transmission				403.5		
27. Depreciation - Distribution				403.6		
28. Interest - Transmission				427		
29. Interest - Distribution				427		
30. Total Transmission (18 + 26 + 28)						
31. Total Distribution (24 + 27 + 29)						
32. Total Lines And Stations (21 + 30 + 31)						
SECTION B. FACILITIES IN SERVICE				SECTION C. LABOR AND MATERIAL SUMMARY		
TRANSMISSION LINES		SUBSTATIONS		1. Number of Employees		
VOLTAGE (kV)	MILES	TYPE	CAPACITY(kVA)	ITEM	LINES	STATIONS
1.		13. Distribution Lines		2. Oper. Labor		
2.						
3.		14. Total (12 + 13)		3. Maint. Labor		
4.						
5.		15. Stepup at Generating Plants		4. Oper. Material		
6.						
7.		16. Transmission		5. Maint. Material		
8.						
9.		17. Distribution		SECTION D. OUTAGES		
10.				1. Total		
11.		18. Total (15 thru 17)		2. Avg. No. of Distribution Consumers Served		
12. Total (1 thru 11)				3. Avg. No. of Hours Out Per Consumer		

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UTILITIES DIVISION

**Mohave Electric Cooperative, Inc.
and Subsidiary**

December 31, 2021

Financial Statements

KELSO LYNCH, P.C., P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Mohave Electric Cooperative, Inc. and Subsidiary

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Mohave Electric Cooperative, Inc. and Subsidiary

Officers, Board of Directors, and CEO

Name	Office	Address
Joseph Anderson	President	Bullhead City, Arizona
Deborah K. Johnson	Vice President	Bullhead City, Arizona
Toni D. Barbaro	Secretary	Bullhead City, Arizona
Rich Tempelman	Treasurer	Fort Mohave, Arizona
Michael Bartelt	Director	Bullhead City, Arizona
Cindy Christy	Director	Mohave Valley, Arizona
John B. Nelssen	Director	Kingman, Arizona
Kevin Nestrick	Director	Bullhead City, Arizona
Jose Solar	Director	Bullhead City, Arizona
J. Tyler Carlson	CEO	Bullhead City, Arizona

Independent Auditor's Report

The Board of Directors
Mohave Electric Cooperative, Inc. and Subsidiary
Bullhead City, Arizona

Opinion

We have audited the accompanying consolidated financial statements of Mohave Electric Cooperative, Inc. and Subsidiary (the Cooperative) (an Arizona corporation), which comprise the consolidated balance sheets as of December 31, 2021 and 2020 the related consolidated statements of revenue and patronage capital, comprehensive income, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United State of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mohave Electric Cooperative and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mohave Electric Cooperative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Kelso Lynch, P.C., P.A.

6700 Squibb Road, Suite 215, Mission, Kansas 66202 P.O. Box 1085, Mission, Kansas 66222-0085
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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism through the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mohave Electric Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mohave Electric Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2022 on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cooperative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

Kelso Lynch, P.C., P.A.

Mission, Kansas
April 20, 2022

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

The Board of Directors
Mohave Electric Cooperative, Inc. and Subsidiary
Bullhead City, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Mohave Electric Cooperative, Inc. and Subsidiary (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of revenue and patronage capital, comprehensive income, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated April 20, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cooperative's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Kelso Lynch, P.C., P.A.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kelso Lynch, P.C., P.A.

Mission, Kansas
April 20, 2022

Mohave Electric Cooperative, Inc. and Subsidiary
Consolidated Balance Sheets
at December 31, 2021 and 2020

Assets

	2021	2020
Utility Plant		
Electric plant in service - at cost	\$ 136,059,233	\$ 125,285,986
Construction work-in-progress	16,513,797	18,021,412
	152,573,030	143,307,398
Less accumulated provision for depreciation and amortization	(58,446,034)	(54,500,606)
Net utility plant	94,126,996	88,806,792
Other Assets and Investments		
Subordinated certificates	2,916,010	3,166,010
Investments in associated organizations	58,581,614	56,895,402
Non-utility property	1,714,429	72,000
Other investments	25,067,839	22,690,935
Total other assets and investments	88,279,892	82,824,347
Current Assets		
Cash and cash equivalents	425,811	20,283,319
Temporary cash investments	414,763	886,831
Notes receivable - current portion	58,000	93,000
Accounts receivable		
Customers, net of allowance		
accounts of \$84,483 and \$110,557	2,720,676	3,317,654
Materials and supplies	1,633,620	1,601,067
Other current and accrued assets	3,684,390	3,877,614
Total current assets	8,937,260	30,059,485
Deferred Debits	44,111,889	16,562,607
Total deferred debits	44,111,889	16,562,607
Total assets	<u>\$ 235,456,037</u>	<u>\$ 218,253,231</u>

Members' Equity and Liabilities

	<u>2021</u>	<u>2020</u>
Members' Equity		
Patronage capital	\$ 105,148,211	\$ 102,766,876
Accumulated other comprehensive income	681,426	1,023,069
Other equities	8,672,796	8,226,409
Total members' equity	<u>114,502,433</u>	<u>112,016,354</u>
 Long-Term Debt		
Mortgage notes payable	87,260,064	72,226,294
Other long-term debt	86,126	1,104,676
Less current maturities	<u>(3,243,000)</u>	<u>(4,650,000)</u>
Total long-term debt	<u>84,103,190</u>	<u>68,680,970</u>
 Current Liabilities		
Current maturities on long-term debt	3,243,000	4,650,000
Notes payable - lines of credit	2,700,000	6,650,115
Accounts payable	4,931,725	4,235,582
Accrued liabilities		
Taxes	1,161,293	1,162,140
Interest	31,616	79,229
Other current liabilities	<u>5,101,980</u>	<u>4,898,340</u>
Total current liabilities	<u>17,169,614</u>	<u>21,675,406</u>
 Other Liabilities		
Deferred credits	<u>19,680,800</u>	<u>15,880,501</u>
Total other liabilities	<u>19,680,800</u>	<u>15,880,501</u>
Total members' equity and liabilities	<u><u>\$ 235,456,037</u></u>	<u><u>\$ 218,253,231</u></u>

Mohave Electric Cooperative, Inc. and Subsidiary
Consolidated Statements of Revenue and Patronage Capital
For the Years Ended December 31, 2021 and 2020

	2021		2020	
Operating Revenue	<u>\$ 75,400,837</u>	<u>100.00%</u>	<u>\$ 74,374,999</u>	<u>100.00%</u>
Operating Expenses				
Cost of power	54,439,820	72.20%	53,648,176	72.14%
Production	48,270	0.06%	-	0.00%
Transmission	220,159	0.29%	197,253	0.27%
Distribution - operations	3,735,915	4.95%	3,408,754	4.58%
Distribution - maintenance	1,945,891	2.58%	1,814,969	2.44%
Consumer accounts	2,159,811	2.86%	2,033,447	2.73%
Customer service and information	562,439	0.75%	543,108	0.73%
Administrative and general	5,631,813	7.47%	4,744,328	6.38%
Depreciation and amortization	4,332,839	5.75%	4,062,705	5.46%
Taxes	45,308	0.06%	14,592	0.02%
Total operating expenses	<u>73,122,265</u>	<u>96.97%</u>	<u>70,467,332</u>	<u>94.75%</u>
Operating Margins Before Fixed Charges	<u>2,278,572</u>	<u>3.03%</u>	<u>3,907,667</u>	<u>5.25%</u>
Fixed Charges				
Interest on long-term debt	1,609,203	2.13%	2,514,996	3.38%
Other interest	153,748	0.20%	58,937	0.08%
Total fixed charges	<u>1,762,951</u>	<u>2.33%</u>	<u>2,573,933</u>	<u>3.46%</u>
Operating Margins After Fixed Charges	<u>515,621</u>	<u>0.70%</u>	<u>1,333,734</u>	<u>1.79%</u>
G & T and Other Capital Credits	<u>2,485,265</u>	<u>3.30%</u>	<u>1,995,034</u>	<u>2.69%</u>
Net Operating Margins	<u>3,000,886</u>	<u>4.00%</u>	<u>3,328,768</u>	<u>4.48%</u>
Nonoperating Income				
Interest income	819,713	1.09%	875,149	1.18%
Miscellaneous income	619,124	0.82%	15,027	0.02%
Total nonoperating income	<u>1,438,837</u>	<u>1.91%</u>	<u>890,176</u>	<u>1.20%</u>
Net Margins for the Year	<u>4,439,723</u>	<u>5.91%</u>	<u>4,218,944</u>	<u>5.68%</u>
Patronage Capital at Beginning of Year	102,766,876		100,277,322	
Retirement of Capital Credits	<u>(2,058,388)</u>		<u>(1,729,390)</u>	
Patronage Capital at End of Year	<u>\$ 105,148,211</u>		<u>\$ 102,766,876</u>	

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

Mohave Electric Cooperative, Inc. and Subsidiary
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net Margins	\$ 4,439,723	\$ 4,218,944
Other Comprehensive Income		
Unrealized gain or loss on available-for-sale securities		
Net gain (loss) arising during period	<u>(341,643)</u>	<u>999,325</u>
Other comprehensive gain (loss)	<u>(341,643)</u>	<u>999,325</u>
Comprehensive Income	<u><u>\$ 4,098,080</u></u>	<u><u>\$ 5,218,269</u></u>

Mohave Electric Cooperative, Inc. and Subsidiary
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From (Used For) Operating Activities		
Net margins	\$ 4,439,723	\$ 4,218,944
Adjustments to reconcile net margins to net cash provided by operating activities		
Depreciation	4,332,839	4,346,333
G & T and other capital credits	(2,485,265)	(1,995,034)
Amortization of early debt extinguishment expense		62,770
Forgiveness of long-term debt	(1,018,550)	-
Changes in operating assets and liabilities		
(Increase) decrease in operating assets		
Accounts receivable	596,978	133,585
Inventory	(32,553)	(22,399)
Other current assets	193,224	(237,468)
Deferred debits	828,111	(7,630,040)
Increase (decrease) in operating liabilities		
Accounts payable	696,143	177,676
Accrued taxes	(47,613)	30,327
Accrued interest	(847)	3,957
Other accrued liabilities	203,640	73,397
Deferred credits	3,800,299	8,177,421
Net cash from operating activities	<u>11,506,129</u>	<u>7,339,469</u>
Cash Flows From (Used For) Investing Activities		
Investment in plant	(39,672,865)	(4,488,843)
Patronage capital recovery	796,503	752,103
Temporary cash investments	472,068	(224,188)
Other investing activities	(2,430,997)	(4,437,878)
Net cash used for investing activities	<u>(40,835,291)</u>	<u>(8,398,806)</u>
Cash Flows From (Used For) Financing Activities		
Loan funds received	18,000,000	16,904,827
Retirement of long-term debt	(2,966,230)	(3,447,304)
Proceeds from line credit	17,800,000	18,700,115
Repayments on line credit	(21,750,115)	(13,350,000)
Retirement of capital credits	(2,058,388)	(1,729,390)
Other financing activities	446,387	1,529,904
Net cash from financing activities	<u>9,471,654</u>	<u>18,608,152</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(19,857,508)	17,548,815
Cash and Cash Equivalents at Beginning of Year	<u>20,283,319</u>	<u>2,734,504</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 425,811</u></u>	<u><u>\$ 20,283,319</u></u>
Supplemental Cash Flows Information		
Cash paid for interest	\$ 2,829,115	\$ 2,569,976

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

Mohave Electric Cooperative, Inc. and Subsidiary
Notes to Financial Statements
December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies

The consolidated financial statements include the accounts of Mohave Electric Cooperative, Inc. (an Arizona not-for-profit corporation) and its wholly-owned subsidiary, MEC Communications, LLC (an Arizona for-profit corporation). All references to the Cooperative include both Mohave Electric Cooperative, Inc. and MEC Communications, LLC. All significant intercompany transactions and balances have been eliminated.

Mohave Electric Cooperative, Inc. (the Cooperative) (MEC) is an electric distribution cooperative serving customers in three counties in northwest Arizona. MEC Communications, LLC (MECC) provides fiber optic services to customers in the same general geographical area as served by the Cooperative.

Accounting policies - As a regulated enterprise with a member-elected Board of Directors, the Cooperative accounts for such regulation under professional accounting standards ASC 980, Regulated Industries. The accounting policies followed by the Cooperative are in conformity with generally accepted accounting principles as they apply to a regulated electric utility. The rates are regulated by the Arizona Corporation Commission (ACC) and are designed to recover the cost of providing electric distribution to the members of the Cooperative.

The Cooperative employs the Uniform System of Accounts prescribed by the Rural Utilities Service (RUS). As a result, the application of generally accepted accounting principles by the Cooperative differs in certain respects from such application by nonregulated enterprises. These differences primarily concern the timing of the recognition of certain revenue and expense items.

Recognition of revenue - Electric revenue and the related cost of power is recognized when electricity is consumed by the ultimate customer. Compensation for broadband revenue is received through monthly charges for providing service to customers that subscribe to these services and recognized in the month the service is provided. Customers are billed monthly and electric and broadband revenue are recognized over the period of time the services are provided to the consumer.

The Cooperative collects taxes from its members on behalf of taxing authorities and revenue is reported net of these taxes in the statements of revenue.

The Cooperative uses a single five-step model to identify and recognize revenue from contracts with members (Member Revenue) upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. The following table summarizes the Cooperatives' revenue by member class, including a reconciliation to the Cooperative's reportable operating revenue on the Statements of Revenue and Patronage Capital.

Customer Revenue	2021	2020
Electric		
Residential	\$ 45,136,009	\$ 44,923,758
Irrigation	474,840	442,521
Commercial and Industrial	26,609,543	25,437,047
Other	3,010,991	3,426,349
Total electric energy revenue	<u>75,231,383</u>	<u>74,229,675</u>
Broadband revenue	169,454	145,324
Total operating revenue	<u><u>\$ 75,400,837</u></u>	<u><u>\$ 74,374,999</u></u>

Mohave Electric Cooperative, Inc. and Subsidiary
Notes to Financial Statements
December 31, 2021 and 2020

Property, plant, and equipment - Depreciation is recorded on the composite basis for transmission and distribution plant, and the unit basis (straight-line basis) for general plant, and is charged to capital and operating accounts at rates adopted by the Board of Directors in conformity with guide lines provided by AUS and the ACC. Depreciation provisions are computed on additions beginning the month after they are placed in service. When units of property are retired, their average cost (specific unit cost for substantially all of the general plant) is removed from utility plant and the cost, less net salvage, is removed from allowances for depreciation. Expenditures for normal repairs and maintenance are charged to operations as incurred.

Continuing property records are maintained on a current basis. These provide the average installed cost of the plant in service.

The Cooperative has determined that it does not have any long-lived assets for which it has a contractual or legal obligation to remove in the future.

Investments - Investments in associated organizations are carried at cost plus allocated equities. Other amounts included in investments are generally carried at cost.

Investments in debt and equity securities - The Cooperative accounts for its investments in debt and equity securities in accordance with the provisions of Accounting Standards Update ASU 2016-01, *Financial Instruments*. This guideline eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. This guidance also requires equity securities to be carried on the balances sheet at fair value, with the difference between fair value and cost reported as other income on the statement of revenue and patronage capital.

Accounts receivable - The Cooperative carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Cooperative evaluates its electric accounts receivable and establishes an allowance for doubtful accounts, based on past history of bad debt write-offs, collections, and current credit conditions. Electric accounts receivable are generally considered past due if the Cooperative has not received payment by the due date of the bill and are generally turned over for collection if they remain unpaid for 60 days. It is the Cooperative's policy that accounts are written off if they remain uncollected, and collection efforts have been exhausted. Payments received on accounts after they are written off are considered a recovery of the bad debt. As of December 31, 2021 and 2020, the Cooperative had approximately \$15,032 and \$16,379, respectively, in electric accounts receivable that were over 90 days old.

Contract receivables from contracts with customers for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>	
Receivables	End of Year	End of Year	Beginning of Year
Customers	\$ 2,720,676	\$ 3,317,654	\$ 3,451,239

Materials and supplies - Materials and supplies are priced at the lower of cost or market. Cost is determined using the average cost method.

Cash equivalents - The Cooperative considers all short-term deposits and highly liquid investments with an original maturity date of three months or less to be cash and cash equivalents.

Income taxes - In conformity with its bylaws, the Cooperative conducts its operations on a cooperative nonprofit basis. Annual revenue, in excess of the cost of providing service, is allocated in the form of capital credits to the members' capital accounts on the basis of patronage.

Mohave Electric Cooperative, Inc. and Subsidiary
Notes to Financial Statements
December 31, 2021 and 2020

The Cooperative has a letter of exemption from federal income tax, issued by the Internal Revenue Service, and files IRS Form 990 annually. An evaluation of whether or not it has any uncertain tax positions is determined on an annual basis by the Cooperative. While the Cooperative believes it has adequately provided for all tax positions, amounts asserted by taxing authorities could be different than the positions taken by the Cooperative. The Cooperative recognizes any interest and penalties assessed by taxing authorities in income tax expense and, with few exceptions, is no longer subject to federal, state, or local income tax examinations by taxing authorities for years before 2018.

MEC Communications LLC (Company) began operations during the year ended December 31, 2020 and made the election to file IRS Form 1120 annually. While the Company believes it has adequately provided for all tax positions, amounts asserted by taxing authorities could be different than the positions taken by the Company. The Company recognizes any interest and penalties assessed by taxing authorities in income tax expense.

Note 2 - Use of Estimates, Certain Significant Risks, and Uncertainties

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of credit risk arises from the Cooperative's granting of credit to its member customers, uninsured funds deposited in federally insured financial institutions which may be in excess of the insurance limits at various times during the year, and other uninsured cash funds of \$414,763 and \$886,831 at December 31, 2021 and 2020, respectively.

Note 3 - Assets Pledged

Substantially all assets are pledged as security for long-term debt to RUS, the Federal Financing Bank (FFB), the National Rural Utilities Cooperative Finance Corporation (CFC), and CoBank.

Note 4 - Utility Plant

A summary of the utility plant and accumulated depreciation follows:

<u>Utility Plant Balances</u>	<u>2021</u>	<u>2020</u>
Intangible plant	\$ 579	\$ 579
Production plant	7,983,278	-
Transmission plant	16,496,859	16,447,713
Distribution plant	96,470,540	94,222,717
General plant	14,865,419	14,372,419
Electric plant acquisition adjustment	242,558	242,558
Total electric plant	136,059,233	125,285,986
Construction work-in-progress	16,513,797	18,021,412
Total utility plant	152,573,030	143,307,398
Accumulated depreciation		
Production plant	218,752	-
Transmission plant	6,456,444	6,017,107
Distribution plant	41,384,882	38,901,965
General plant	10,602,650	9,712,421
Electric plant acquisition adjustment	242,558	242,558
	58,905,286	54,874,051
Retirement work-in-progress	(459,252)	(373,445)
Total accumulated depreciation	58,446,034	54,500,606
Net utility plant	\$ 94,126,996	\$ 88,806,792

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Production plant is depreciated, under the straight-line composite basis, at the annual rate of 2.75%.

Transmission plant is depreciated, under the straight-line composite basis, at the annual rate of 2.75%.

Distribution plant is depreciated, under the straight-line composite basis, at annual rates ranging from 1.80% to 19.16%.

General plant is depreciated over the estimated useful life of the assets, under the straight-line composite basis, at various rates ranging from 2% to 20%.

Note 5 - Subordinated Certificates

	<u>2021</u>	<u>2020</u>
Capital term certificates	\$ 562,410	\$ 562,410
Loan term certificates	103,600	103,600
Medium term notes	250,000	500,000
Member capital securities	2,000,000	2,000,000
Total	<u>\$ 2,916,010</u>	<u>\$ 3,166,010</u>

The capital term certificates yield 5% and the loan term certificates yield 3%. All of the certificates have various maturity dates through the year 2080.

The medium terms note have interest rates ranging from 2.09% to 2.89% and mature through July 2024.

The member capital securities yield 5% and mature through December 23, 2044.

Note 6 - Investments in Associated Organizations

This category consists mainly of patronage capital due from organizations of which the Cooperative is a member.

	<u>2021</u>	<u>2020</u>
Patronage capital - CFC	\$ 398,395	\$ 416,023
Patronage capital - Arizona Electric Power Coop.	56,423,753	54,846,353
Patronage capital - NRTC	79,061	180,664
Patronage capital - CoBank	410,004	318,165
Patronage capital - Federated Rural Insurance	285,918	267,809
Patronage capital - Western United	579,602	467,216
Patronage capital - NISC	182,480	190,537
Other investments in associated organizations	222,401	208,635
Total	<u>\$ 58,581,614</u>	<u>\$ 56,895,402</u>

Note 7 - Nonutility Property

A summary of nonutility property and accumulated depreciation follows:

<u>Nonutility Property Balances</u>	<u>2021</u>	<u>2020</u>
Fiber plant under construction	\$ 1,646,429	\$ -
Other nonutility property	90,000	90,000
Total nonutility property	1,736,429	90,000
Accumulated depreciation	(22,000)	(18,000)
Net nonutility property	<u>\$ 1,714,429</u>	<u>\$ 72,000</u>

As of December 31, 2021, the fiber plant is under construction. Other nonutility property is depreciated, under the straight-line composite basis, at the annual rate of 4.5%.

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Note 8 - Other Investments

Other investments consisted of the following at December 31, 2021 and 2020:

	2021	2020
Notes receivable - renewable energy projects	\$ 11,933	\$ 63,876
Notes receivable - employees	46,462	29,305
Note receivable - economic development	2,722,224	2,877,265
Deferred compensation	109,572	97,929
Marketable securities	22,235,648	19,715,560
	25,125,839	22,783,935
Less current portion	(58,000)	(93,000)
Total	<u>\$ 25,067,839</u>	<u>\$ 22,690,935</u>

The notes receivable are carried at cost, are current at both December 31, 2021 and 2020. The note receivable-economic development is secured by a letter of credit and the others are unsecured. Management believes they will all be collected in full. The notes receivable-employees are repaid through payroll deduction.

The Cooperative determines the appropriate classification of its investment securities (debt and equity securities) at the time of purchase and reevaluates such determinations at each balance sheet date. Investments are classified as held-to-maturity when the Cooperative has the positive intent and ability to hold the securities to maturity. For those not classified as held-to-maturity, they are classified as available-for-sale since the Cooperative does not intend to sell them in the near-term. The investments classified as held-to-maturity are stated at cost and those classified as available-for-sale are stated at fair value, as determined by quoted market prices.

As of December 31, 2021, marketable securities consisted of the following:

December 31, 2021	Amortized Cost	Gains in Comprehensive Income	Losses in Comprehensive Income	Fair Value
Corporate bonds	\$ 10,590,095	\$ 3,676,280	\$ (3,601,368)	\$ 10,665,007
Tax-exempt bonds	5,763,846	2,485,043	(2,011,124)	6,237,765
Mutual funds	93,499			93,499
Common/PFD stocks	5,239,377			5,239,377
Total marketable securities	<u>\$ 21,686,817</u>	<u>\$ 6,161,323</u>	<u>\$ (5,612,492)</u>	<u>\$ 22,235,648</u>

As of December 31, 2020, marketable securities consisted of the following:

December 31, 2020	Amortized Cost	Gains in Comprehensive Income	Losses in Comprehensive Income	Fair Value
Corporate bonds	\$ 8,187,628	\$ 3,062,819	\$ (2,375,974)	\$ 8,874,473
Tax-exempt bonds	6,450,310	2,000,026	(1,674,601)	6,775,735
Mutual funds	98,075			98,075
Common/PFD stocks	3,967,277			3,967,277
Total marketable securities	<u>\$ 18,703,290</u>	<u>\$ 5,062,845</u>	<u>\$ (4,050,575)</u>	<u>\$ 19,715,560</u>

Proceeds from sales of marketable securities were \$3,207,946 and \$8,101,532 in 2021 and 2020, respectively. The gross realized gains on sales of available-for-sale securities totaled \$31,652 and \$22,293 in 2021 and 2020, respectively, and the gross realized losses totaled \$97,293 and \$190,827 in 2021 and 2020, respectively. The change in net unrealized holding gains (losses) on available-for-sale securities included as a separate component of comprehensive income before tax totaled \$(313,678) and \$999,325 in 2021 and 2020, respectively.

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Management evaluates the need for recording an other-than-temporary impairment for these investments annually. Based on the nature and financial information available for each individual investment, the length of time and extent of its fair value being below cost and the Cooperative's ability and intent to hold the investments for a sufficient time to allow for the recovery of the cost of the investment, an other-than-temporary impairment has not been recognized as of December 31, 2021 and 2020. The following shows the unrealized losses and fair value of the Cooperative's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, at December 31:

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2021						
Corporate bonds	\$ 655,049	\$ (16,083)	\$ 1,419,158	\$ (38,176)	\$ 2,074,207	\$ (54,259)
Tax-exempt bonds	1,423,621	(14,087)	339,910	(3,838)	\$ 1,763,531	\$ (17,925)
Fixed Income Bonds	1,530,880	(24,736)	0	0	\$ 1,530,880	\$ (24,736)
Totals	<u>\$ 3,609,550</u>	<u>\$ (54,906)</u>	<u>\$ 1,759,068</u>	<u>\$ (42,014)</u>	<u>\$ 5,368,618</u>	<u>\$ (96,920)</u>
2020						
Corporate bonds	\$ 1,107,323	\$ (100,249)	\$ 544,380	\$ (19,468)	\$ 1,651,703	\$ (119,717)
Tax-exempt bonds	14,387	(2,423)	51,636	(338)	\$ 66,023	\$ (2,761)
Totals	<u>\$ 1,121,710</u>	<u>\$ (102,672)</u>	<u>\$ 596,016</u>	<u>\$ (19,806)</u>	<u>\$ 1,717,726</u>	<u>\$ (122,478)</u>

Note 9 - Other Current Assets

Other current assets consisted of the following at December 31, 2021 and 2020:

	2021	2020
Accrued utility revenue	\$ 2,765,924	\$ 3,110,592
Prepaid insurance	239,695	226,106
Interest receivable	113,675	168,255
Prepaid dues	263,407	248,038
Prepaid right-of-way rent	30,880	31,339
Undistributed warehouse expense	18,501	16,034
Other prepaid expenses	252,308	77,250
Total	<u>\$ 3,684,390</u>	<u>\$ 3,877,614</u>

Note 10 - Deferred Debits

	2021	2020
Past service pension cost	\$ 81,245	\$ 132,987
Construction advances - electric	14,273,348	15,392,103
Construction advances TWN - broadband project	28,377,393	-
Prepaid pension cost *	276,924	514,284
Undistributed clearing accounts	(26,065)	(3,858)
Broadband project	331,944	38,285
Rate case	68,099	-
Fixed assets not placed in service	199,920	-
Other deferred debits	529,081	488,806
Total	<u>\$ 44,111,889</u>	<u>\$ 16,562,607</u>

* Approved by RUS

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Past service pension cost is amortized on the straight-line basis over future periods as allowed for under ASC 980, *Regulated Enterprises*. Amortization amounted to \$51,472 and \$47,881 for the years ended December 31, 2021 and 2020, respectively.

The construction advances made on transmission projects will be recovered over future periods through credits on purchased power from the Cooperative's power suppliers as per the contractual agreements.

The Cooperative has contracted with TWN Communications to construct a broadband network. The construction advances to TWN for the fiber build-out will be used in future periods to construct fiber plant. See Note 22 - Commitments, for additional information.

At the December 2012 meeting of the I&FS Committee of the NRECA Board of Directors, the Committee approved an option to allow participating cooperatives in the Retirement Security (RS) Plan (a defined benefit multi-employer plan) to make a prepayment and reduce future required contributions. The prepayment amount is the Cooperative's share, as of January 1, 2013, of future contributions required to fund the RS Plan's unfunded value of benefits earned to date using Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative's annual RS Plan required contribution as of January 1, 2013. After making the prepayment, for most cooperatives the billing rate is reduced by approximately 25%, retroactive to January 1, 2013. The 25% differential in billing rates is expected to continue for approximately 15 years. However, with changes in interest rates, asset returns, other plan experiences different from what is expected, plan assumption changes, and other factors could have an impact on the differential in billing rates and the 15-year period as originally expected.

Two prepayment options were available to participating entities:

1. Use current assets to make the prepayment over a period not more than four years.
2. Borrow funds sufficient to make the prepayment in a lump sum, with the repayment of the borrowed amount determined by the loan's amortization schedule.

In February 2013, the Cooperative made a prepayment of \$2,373,604 to the RS Plan. The Cooperative is amortizing this amount over ten years, as allowed for by regulated industries under ASC 980, *Accounting for the Effects of Certain Types of Regulation*. Amortization amounted to \$237,360 for both the years ended December 31, 2021 and 2020.

Note 11 - Members' Equity

	Patronage Capital		Accumulated Other Comprehensive Income (AOCI)	Other Equities	Total
	Allocated	Unallocated			
Balance, December 31, 2019	\$ 100,277,268	\$ 54	\$ 23,744	\$ 7,695,830	\$ 107,996,896
Net margin		4,218,944			4,218,944
Allocation, 2019	1,921,093	(1,921,093)			
Memberships, net				3,815	3,815
Retirement of capital credits	(1,729,390)			115,629	(1,613,761)
Changes in accumulated other comprehensive income			999,325		999,325
Other changes				411,135	411,135
Balance, December 31, 2020	<u>100,468,971</u>	<u>2,297,905</u>	<u>1,023,069</u>	<u>8,226,409</u>	<u>112,016,354</u>
Net margin		4,439,723			4,439,723
Allocation, 2020	4,011,978	(4,011,978)			
Memberships, net				3,970	3,970
Retirement of capital credits	(2,058,388)			159,872	(1,898,516)
Changes in accumulated other comprehensive income			(341,643)		(341,643)
Other changes				282,545	282,545
Balance, December 31, 2021	<u>\$ 102,422,561</u>	<u>\$ 2,725,650</u>	<u>\$ 681,426</u>	<u>\$ 8,672,796</u>	<u>\$ 114,502,433</u>

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Under the provisions of the RUS mortgage agreement, until the equities and margins equal or exceed 30% of the total assets of the Cooperative, the retirement of capital credits is generally limited to 25% of the patronage capital or margins from the prior calendar year. The CFC and CoBank mortgage agreement provisions differ slightly. This limitation does not usually apply to capital credit retirements made exclusively to estates.

The total equities of the Cooperative are approximately 49% and 51% of the total assets as of December 31, 2021 and 2020, respectively. Other equities consist of memberships, donated capital, accumulated other comprehensive income, and retired capital credits gain.

Changes in the accumulated balances for each component of other comprehensive income for the years ended December 31, 2021 and 2020 are presented below:

	Unrealized Gains (Losses) on Securities	Accumulated Other Comprehensive Income
2021		
Beginning balance	\$ 1,023,069	\$ 1,023,069
Current period other comprehensive income	(341,643)	(341,643)
Ending balance	<u>\$ 681,426</u>	<u>\$ 681,426</u>
2020		
Beginning balance	\$ 23,744	\$ 23,744
Current period other comprehensive income	999,325	999,325
Ending balance	<u>\$ 1,023,069</u>	<u>\$ 1,023,069</u>

Note 12 - Long-Term Debt

Long-term debt consists of mortgage notes payable to RUS, FFB, CFC, and CoBank; and other long-term debt with various maturities through January 2045. The following is a summary of these notes:

	2021	2020
RUS mortgage notes	\$ 1,928,689	\$ 2,107,879
CFC mortgage note	1,104,936	1,366,435
CFC conversion fees	188,310	238,526
FFB mortgage notes	35,634,960	36,923,878
CoBank mortgage notes	48,591,479	31,817,106
Rural economic development loan	86,126	97,122
Payroll protection plan loan - 1.00%	-	1,018,550
	<u>87,534,500</u>	<u>73,569,496</u>
Less early extinguishment of debt expense	<u>(188,310)</u>	<u>(238,526)</u>
	87,346,190	73,330,970
Less current maturities	<u>(3,243,000)</u>	<u>(4,650,000)</u>
Total	<u>\$ 84,103,190</u>	<u>\$ 68,680,970</u>

The RUS notes have fixed interest rates that ranged from 5.00% to 5.25% as of both December 31, 2021 and 2020, and mature June 2030.

The CFC note has a fixed interest rate 5% as of both December 31, 2021 and 2020. The note carries a prepayment penalty and matures September 2025.

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The FFB notes have fixed interest rates that ranged between 0.980% and 5.053% as of both December 31, 2021 and 2020. They have various maturities through January 2045.

The CoBank notes have fixed interest rates that ranged between 1.970% and 4.882% as of both December 31, 2021 and 2020. They have various maturities through February 2031.

As of December 31, 2021, FFB was committed to advance loan funds, for construction purposes, in the amounts of \$2,868,000, for which a loan agreement has been executed.

As of December 31, 2021, CoBank was committed to advance loan funds, for the broadband project, in the amount of \$43,000,000 for which a loan agreement has been executed.

In June 2020, the Cooperative applied for and received a loan through the Small Business Administration (SBA) Paycheck Protection Program as defined in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The loan amount was \$1,018,550, facilitated by BBVA USA. Under the CARES Act provisions, the loan can be forgiven if the Cooperative complies with certain labor requirements including maintaining at least the same number of full-time equivalent employees from the time of application of the loan until the time of application for forgiveness. The Cooperative met the requirements and forgiveness of the full amount of this loan was approved by the SBA in 2021. The amount forgiven was recorded as non-operating revenue in 2021.

Based on current obligations, principal payments toward the above long-term debt for the next five years will require approximately:

<u>For the Years Ending</u>	<u>Amount</u>
December 31, 2022	\$ 3,243,000
December 31, 2023	\$ 3,390,000
December 31, 2024	\$ 3,503,000
December 31, 2025	\$ 3,527,000
December 31, 2026	\$ 3,357,000

Note 13 - Other Current Liabilities

Other current liabilities consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Customers' deposits	\$ 3,459,837	\$ 3,339,211
Patronage capital payable	112,073	73,551
Accrued payroll	315,549	292,065
Accrued employees vacation	408,490	377,481
Accrued sick leave	779,721	760,022
Other current liabilities	26,310	56,010
Total	<u>\$ 5,101,980</u>	<u>\$ 4,898,340</u>

Note 14 - Short-Term Lines of Credit

The Cooperative has a \$6,700,000 line of credit agreement, with a variable interest rate, established with CFC. It expires December 28, 2022. As of December 31, 2021, \$2,700,000 of funds had been drawn and remained outstanding at an interest rate of 2.25%. As of December 31, 2020, \$6,650,115 of funds had been drawn and remained outstanding at an interest rate of 2.25%.

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The Cooperative also has a \$4,900,000 line of credit agreement, with a variable interest rate, established with CoBank. It expires April 10, 2022. There were no funds outstanding on the line of credit as of December 31, 2021 and 2020. It was renewed for one year before the financial statement issuance date.

Note 15 - Deferred Credits

Deferred credits consisted of the following at December 31, 2021 and 2020:

	2021	2020
Customers' prepayments	\$ 2,223,166	\$ 1,717,512
Fuel cost over-recovery	11,441,004	8,850,447
Energy efficiency surcharge	1,625,746	1,865,246
Customers' advances for construction	2,615,325	2,011,190
Deferred revenue assessments	449,615	452,179
Deferred special equipment installation cost	296,580	87,720
Deferred compensation	624,264	612,620
Deferred retirement expense	-	57,058
Other deferred credits	405,100	226,529
Total	<u>\$ 19,680,800</u>	<u>\$ 15,880,501</u>

The Cooperative's tariffs for electric service, as approved by the ACC, include a power cost recovery factor under which any differences between the revenue generated from the power cost included in base rates and actual power cost are deferred and are either charged or credited to customers' monthly billings. As of December 31, 2021 and 2020, the Cooperative had accumulated net over-recovery \$11,441,004 and \$8,850,447, respectively.

Note 16 - Pension Plan

The National Rural Electric Cooperative Association (NRECA) Retirement Security Plan (RS Plan) is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501 (a) of the Internal Revenue Code. It is a multi-employer plan under the accounting standards. The Plan Sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multi-employer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative's contributions to the RS plan in 2021 and 2020 represented less than 5% of the total contributions made to the plan by all participating employers. There have been no significant changes that affect the comparability of 2021 and 2020 amounts.

Pension cost incurred during the years ended December 31, 2021 and 2020, consisted of the following:

	2021	2020
Past service pension cost	\$ 47,881	\$ 47,881
Current payments to plan	761,461	788,752
Amortization of prepaid pension cost	237,360	237,360
Total	<u>\$ 1,046,702</u>	<u>\$ 1,073,993</u>

In the RS Plan, a "zone status" determination is not required, and therefore not determined under the Pension Protections Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the Retirement Security Plan was over 80% funded at both January 1, 2021 and 2020 based on the PPA funding target and PPA actuarial value of assets on those dates.

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Because the provisions of the PPA do not apply to the RS Plan, funding plans and surcharges are not applicable. Future contribution are determined each year as part of the actuarial valuation of the change as a result of plan experience.

Employees of the Cooperative can participate in the National Rural Electric Cooperative Association (NRECA) SelectRE 401(k) plan, provided they meet plan specifications. The Cooperative will contribute up to 5% of matching contributions for all hires prior to July 1, 2014 and up to 6% on all hires after June 30, 2014. The Cooperative's contribution for the years ended December 31, 2021 and 2020 was \$233,369 and \$225,372, respectively.

Note 17 - Deferred Compensation

The Cooperative has a deferred compensation plan that key employees can participate in, with the Plan funded with employee payroll deductions and employer contributions. The plan allows investments in NRECA Homestead Fund securities. The Plan benefits are payable to the Cooperative, for the benefit of the employee, and the deferred compensation plan agreement between the employee and the Cooperative provides for payment of benefits in the event of death, disability, retirement, or payouts prior to such as agreed upon by the Board of Directors and the employee participant.

Note 18 - Participation in Power Pool

In 2013, the Cooperative entered into an agreement with ACES/AEPCo Power Marketing to assist in managing the Cooperative's power resources. ACES and AEPCo coordinate to act as the scheduling and dispatch agent and assist in managing the electric resources available for purchase and resale on behalf of the Cooperative.

An itemized Master Supplemental Services Agreement statement is generated monthly by AEPCo for the previous month's marketing activity. The Cooperative pays the statement or receives credit if the statement is a balance due the Cooperative, on a monthly basis as part of the monthly payment process to AEPCo for the resources consumed by the Cooperative's members. The itemized statement includes all brokerage and ancillary charges incurred in the marketing of the Cooperative's resources.

As of December 31, 2021, the Cooperative's payable to AEPCo was \$139,909 and as of December 31, 2020, the credit due (amount due the Cooperative) from AEPCo was \$210,476, as a result of December marketing operations. The credit (amount due the Cooperative) was offset against the December 2020 AEPCo monthly power bill to the Cooperative when it was paid in January 2021.

Note 19 - Commitments

The Cooperative is an Arizona Electric Power Cooperative, Inc. (AEPCo) partial requirements customer. As a continuing Class A member of AEPCo, which is a not-for-profit generation and transmission cooperative, the Cooperative is entitled to representation on the Board of Directors of AEPCo and its affiliated corporations. The Cooperative, under the terms of an agreement with AEPCo and in consideration of payments of a fixed monthly capacity charge and fixed demand and energy charge, is entitled to 35.8% of the AEPCo resources, including transmission and allocated demand and usage levels. The Cooperative has the contractual ability to resell AEPCo provided resources in excess of the Cooperative's needs and not used by the Cooperative.

In order to meet its demand requirements, the Cooperative entered into a Transmission Agreement with TRANSCO, an Arizona not-for-profit transmission cooperative corporation, resulting from the restructuring of AEPCo. The Cooperative uses the Transmission Agreement to meet its demand usage requirements, with obligations to pay TRANSCO based on specified formulas. The agreement expires in 2035.

The Cooperative obtains a portion of its purchased power from AEPCo, as noted above, which amounted to \$44,169,084 and \$42,743,981 for the years ended December 31, 2021 and 2020, respectively. The Cooperative is also a member of Southwest Transmission Cooperative, Inc. (SWTC), which is an electric transmission cooperative. The Cooperative obtains a portion of its purchased power from SWTC, as noted above, which amounted to \$5,631,073 and \$5,407,007 for the years ended December 31, 2021 and 2020, respectively.

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The amount payable for purchased power to AEPCo is \$3,291,248 and \$3,655,602 at December 31, 2021 and 2020, respectively. The amount payable for purchased power to SWTC is \$465,384 and \$445,772 at December 31, 2021 and 2020, respectively.

Note 20 - Solar Asset Purchase

During 2020, the Cooperative purchased certain assets from Mohave Sunrise Solar I, LLC, including fencing, 1600 KV and 800 KV transformers, solar modules, inverters, and racking system. In 2021, the Cooperative purchased additional land and solar assets. The total purchase price of the land was \$1,087,149 and the total purchase price of the solar assets was \$6,896,129. As of December 31, 2021, the assets are included in production plant in utility plant in service. The total purchase price was allocated to the individual assets, and there was no goodwill arising from the transactions.

Note 21 - Litigation

The Cooperative is involved in various legal matters that management considers to be in the normal course of business. The outcome of these various matters is unknown. Therefore, nothing is recorded in the financial statements.

Note 22 - Commitments, Contingencies, and Subsequent Events

Management has made an evaluation of subsequent events and transactions for the period December 31, 2021 through April 20, 2022, which is the date the report was available to be issued, and determined that there were no material events that would require recognition or disclosure in the financial statements under FASB ASC 855-10, Subsequent Events, other than those listed below.

During the year ended December 31, 2020, the ACC approved the Cooperative's application to borrow up to \$110 million to construct a broadband system in the Cooperative's territory. CoBank committed to finance the first \$25 million tranche of financing, of which \$18,000,000 had been drawn as of December 31, 2021. The Cooperative has contracted with TWN Communications (TWN) to construct the broadband network in the Cooperative's territory. As of December 31, 2021, the Cooperative had advanced TWN \$36,648,658 on this contract.

In April 2022, prior to the issuance of these financial statements, the Cooperative received a commitment from CoBank for an additional \$25 million of financing for continued construction of the broadband system.

On January 30, 2020, the World Health Organization (WHO) declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it a pandemic. Actions taken to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures of public places and businesses. The coronavirus and actions taken to mitigate it could have an adverse impact on the economies and financial markets of the geographical area in which the Cooperative operates. There has been no immediate and significant impact on the Cooperative's operations. The future effect of these issues is unknown; however, the Cooperative may experience a decline in sales and the collectability of accounts receivable as individuals and businesses may be adversely impacted by the outbreak.

Note 23 - Recently Issued Accounting Pronouncement

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the income statement. Entities are permitted to elect not to restate comparative periods in the period of adoption. A practical expedient may be elected which eliminates the need to reassess expiring or existing contracts to identify potential leases. The practical expedient also eliminates the need to reassess classification on existing or expiring leases. The new standard is effective for nonpublic entities for fiscal years beginning after December 15, 2021. The Cooperative is evaluating the impact of the new standard on the financial statements.

Supplemental Information



Certified Public Accountants

Independent Auditor's Report on Supplemental Information

The Board of Directors
Mohave Electric Cooperative, Inc. and Subsidiary
Bullhead City, Arizona

We have audited the consolidated financial statements of Mohave Electric Cooperative, Inc. and Subsidiary as of and for the year ended December 31, 2021, and our report thereon, dated April 20, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements (collectively, the financial statements) as a whole.

The accompanying consolidating balance sheet and consolidating statement of revenue and patronage capital shown on pages 23 through 25 is presented for purpose of additional analysis of the financial statements rather than to present the financial position, results of operations, comprehensive income, and cash flows of the individual companies, and it is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Kelso Lynch, P.C., P.A.

Mission, Kansas
April 20, 2022

Kelso Lynch, P.C., P.A.

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Mohave Electric Cooperative, Inc. and Subsidiary
Consolidating Balance Sheet at December 31, 2021

Assets			
	MEC	MECC	Eliminating Entries
			Consolidated Balance
Utility Plant			
Electric plant in service - at cost	\$ 136,059,233		\$ 136,059,233
Construction work-in-progress	16,513,797		16,513,797
	152,573,030		152,573,030
Less accumulated provision for depreciation and amortization	(58,446,034)		(58,446,034)
Net utility plant	94,126,996		94,126,996
Other Assets and Investments			
Subordinated certificates	2,916,010		2,916,010
Investments in associated organizations	57,748,115		\$ 833,499
Non-utility property	68,000	\$ 1,646,429	1,714,429
Other investments	25,067,839		25,067,839
Total other assets and investments	85,799,964	1,646,429	88,279,892
Current Assets			
Cash and cash equivalents	364,309	61,502	425,811
Temporary cash investments	414,763		414,763
Notes receivable - current portion	58,000		58,000
Accounts receivable			
Customers, net of allowance accounts of \$84,483	22,009,348	12,515,937	(31,804,609)
Materials and supplies	1,633,620		1,633,620
Other current and accrued assets	3,665,424	2,988,966	(2,970,000)
Total current assets	28,145,464	15,566,405	8,937,260
Deferred Debits	44,111,889		44,111,889
Total deferred debits	44,111,889		44,111,889
Total assets	\$ 252,184,313	\$ 17,212,834	\$ (33,941,110)
			\$ 235,456,037

Members' Equity and Liabilities

	MEC	MECC	Eliminating Entries	Consolidated Balance
Members' Equity				
Patronage capital	\$ 105,148,211			\$ 105,148,211
Accumulated other comprehensive income	681,426			681,426
Other equities	8,672,796	\$ (833,499)	\$ 833,499	8,672,796
Total members' equity	114,502,433	(833,499)	833,499	114,502,433
Long-Term Debt				
Mortgage notes payable	69,523,195	17,736,869		87,260,064
Other long-term debt	86,126			86,126
Less current maturities of long-term debt	(2,812,000)	(431,000)		(3,243,000)
Total long-term debt	66,797,321	17,305,869		84,103,190
Current Liabilities				
Current maturities on mortgage notes payable	2,812,000	431,000		3,243,000
Notes payable - lines of credit	2,700,000			2,700,000
Accounts payable	4,622,261	309,464		4,931,725
Accrued liabilities				
Taxes	1,161,293			1,161,293
Interest	31,616			31,616
Other current liabilities	39,876,589		(34,774,609)	5,101,980
Total current liabilities	51,203,759	740,464	(34,774,609)	17,169,614
Other Liabilities				
Deferred credits	19,680,800			19,680,800
Total other liabilities	19,680,800			19,680,800
Total members' equity and liabilities	\$ 252,184,313	\$ 17,212,834	\$ (33,941,110)	\$ 235,456,037

Mohave Electric Cooperative, Inc. and Subsidiary
Consolidating Statement of Revenue and Patronage Capital
For the Year Ended December 31, 2021

	MEC	MECC	Eliminating Entries	Consolidated Balance
Operating Revenue	<u>\$ 75,231,383</u>	<u>\$ 169,454</u>		<u>\$ 75,400,837</u>
Operating Expenses				
Cost of power	54,439,820			54,439,820
Production	48,270			48,270
Transmission	220,159			220,159
Distribution - operations	3,735,915			3,735,915
Distribution - maintenance	1,945,891			1,945,891
Consumer accounts	2,159,811			2,159,811
Customer service and information	562,439			562,439
Administrative and general	4,659,365	972,448		5,631,813
Depreciation and amortization	4,332,839			4,332,839
Taxes	45,308			45,308
Total operating expenses	<u>72,149,817</u>	<u>972,448</u>		<u>73,122,265</u>
Operating Margins (Loss) Before Fixed Charges	<u>3,081,566</u>	<u>(802,994)</u>		<u>2,278,572</u>
Fixed Charges				
Interest on long-term debt	1,513,634	95,569		1,609,203
Other interest	153,748			153,748
Total fixed charges	<u>1,667,382</u>	<u>95,569</u>		<u>1,762,951</u>
Operating Margins (Loss) After Fixed Charges	<u>1,414,184</u>	<u>(898,563)</u>		<u>515,621</u>
G & T and Other Capital Credits	<u>2,485,265</u>			<u>2,485,265</u>
Net Operating Margins (Loss)	<u>3,899,449</u>	<u>(898,563)</u>		<u>3,000,886</u>
Nonoperating Income (Expense)				
Interest income	819,713			819,713
Miscellaneous income (expense)	(279,439)		\$ 898,563	619,124
Total nonoperating income	<u>540,274</u>		<u>898,563</u>	<u>1,438,837</u>
Net Margins (Loss) for the Year	<u>4,439,723</u>	<u>(898,563)</u>	<u>898,563</u>	<u>4,439,723</u>
Patronage Capital at Beginning of Year	102,766,876	65,064	(65,064)	102,766,876
Retirement of Capital Credits	<u>(2,058,388)</u>			<u>(2,058,388)</u>
Patronage Capital at End of Year	<u>\$ 105,148,211</u>	<u>\$ (833,499)</u>	<u>\$ 833,499</u>	<u>\$ 105,148,211</u>