

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

FILED<sup>3</sup>

MAR 07 2001

Missouri Public  
Service Commission

In the matter of the application )  
of Citizens Electric Corporation )  
for authority to borrow \$6,700,000 )  
from the Federal Financing Bank )  
to be guaranteed by the Rural )  
Utilities Service )

Case No. EF-2001-476

**JOINT APPLICATION**  
**and MOTION FOR EXPEDITED TREATMENT**

Comes now Citizens and pursuant to the provisions of Sections 393.180 and 393.200 (RSMo. 200) and 4 CSR 240-2.060(11), hereby requests authority and approval from the Missouri Public Service Commission ("Commission") to borrow approximately \$6,700,000 from the Federal Financing Bank. In support of its application, Citizens states as follows:

1. Citizens Electric Corporation ("Citizens") is a Missouri corporation duly organized and existing under the laws of the State of Missouri. Its principal office and place of business is located at 150 Merchant Street, P. O. Box 311, Ste. Genevieve, Missouri 63670. Citizens is an electric corporation and public utility as defined in Section 386.020 (RSMo. 2000) and is engaged in providing electric power and energy service as well as electric transmission service in the counties of Ste. Genevieve, St. Francis, Perry and Cape Girardeau, Missouri. As such, it is subject to the jurisdiction, supervision and control of the Commission. A Copy of Citizens Articles of Incorporation are attached hereto as Exhibit 1. Citizens has no pending or final unsatisfied judgments or decisions against it from any State or Federal agency or Court which involve customer service or rates occurring within the last three years. Nor does Citizens have any annual report or assessment fee which is overdue.

2. Correspondence, communications, orders and decisions in

this matter should be addressed to:

Mr. Victor Scott  
Andereck, Evans, Milne  
Peace & Johnson, L.L.C.  
Attorneys at Law  
P. O. Box 1438  
Jefferson City, MO 65102

Mr. Dan Rodamaker  
Chief Executive Officer  
Citizens Electric Corporation  
P. O. Box 311  
Ste. Genevieve, MO 63670

3. Citizens seeks authority from this Commission to borrow \$6,700,000 from the Federal Financing Bank ("FFB"), to be guaranteed by Rural Utilities Service ("RUS"). The funds to be borrowed will be used to reimburse general funds as described on the Cost Estimates and Loan Budget for Electric Borrowers, RUS Form 740c, and related schedules attached hereto as Exhibit 12.

4. Copies of the resolutions of the Board of Directors of Citizens authorizing the filing of this application and the borrowing of the money and execution of the necessary documents are attached hereto as Exhibits 2 and 3 and are incorporated herein by reference.

5. Copies of the RUS Loan Contract, FFB Note, Reimbursement Note, and Mortgage and Security Agreement, substantially in the form to be executed by Citizens, will be marked and referred to as Exhibits 4, 5, 6 and 7 and will be late filed once the documents are received by Citizens from RUS. These documents are similar to the documents that Citizens executed in Case No. EF-99-192.

6. Citizens' most recent available Income and Expense Statement and RUS Form 7 for the year end 2000 are attached hereto as Exhibit 8 and incorporated herein by reference.

7. Pro forma income and expense statement and balance sheet showing the effect of the funds to be borrowed is attached hereto as Exhibit 9. A statement of capital expenditures and long term financing are attached hereto as Exhibit 10. Said exhibits are incorporated herein by reference.

8. **Motion and Request for Expedited Treatment.** Citizens respectfully request that the Commission approve Citizens request by March 23, 2001, so as to allow Citizens to draw down a portion of the loan funds on March 26, 2001. Said expedited treatment will allow Citizens to reimburse its general fund and to distribute to its shareholders their capital credit allocations for the year 1986, during the last week of March 2001, which is when Citizens typically distributes its capital credit checks to its shareholders.

This Application is being filed after Citizens received confirmation from RUS that it approved Citizens loan application on February 28, 2001. A copy of said Notification is attached hereto as Exhibit 11.

WHEREFORE, for the foregoing reasons, Citizens respectfully requests that the Commission issue its order authorizing Citizens:

- a) To borrow \$6,700,000 from the Federal Financing Bank, to be guaranteed by the Rural Utilities Service;
- b) To execute and deliver to the RUS a Loan Contract, an FFB Note, a Reimbursement Note, and a Mortgage and Security Agreement and such other documents as may be required; and
- c) For such other relief as the Commission deems proper.

RESPECTFULLY SUBMITTED,

ANDERECK, EVANS, MILNE  
PEACE & JOHNSON, L.L.C.

By Victor S. Scott  
Victor S. Scott Mo Bar # 42963  
700 East Capitol  
P. O. Box 1438  
Jefferson City, Missouri 65102  
(573) 634-3422  
Facsimile: (573) 634-7822  
e-mail vscott@aempb.com

ATTORNEYS FOR APPLICANT

**CERTIFICATE OF SERVICE**

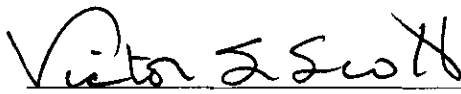
I hereby certify that a copy of the foregoing Application was served on the General Counsel of the Missouri Public Service Commission and on the Office of the Public Counsel via U.S. mail, postage pre-paid on this 7th day of March, 2001.

Victor S. Scott  
Victor S. Scott

VERIFICATION

STATE OF MISSOURI                    )  
  ) SS  
COUNTY OF COLE                    )

On the 7th day of March, 2001, before me appeared Victor S. Scott, to me personally known, who being by me first duly sworn, states that he is the General Counsel for Citizens Electric Corporation, and acknowledges that he has read the foregoing document and that the facts stated therein are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
Victor S. Scott

Subscribed and sworn to before me the day and year above written.

  
\_\_\_\_\_  
Notary Public

(seal)      ORNA MICKELIS  
            Notary Public - Notary Seal  
            STATE OF MISSOURI  
            Callaway County  
My Commission Expires: Apr. 16, 2003

No. 00071434

# STATE OF MISSOURI



Matt Blunt  
Secretary of State


CORPORATION DIVISION

CERTIFICATE OF CORPORATE RECORDS

CITIZENS ELECTRIC CORPORATION

I, MATT BLUNT, Secretary of State of the State of Missouri and Keeper of the Great Seal thereof, do hereby certify that the annexed pages contain a full, true and complete copy of the original documents on file and of record in this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 7th day of MARCH, 2001.

  
Secretary of State





# STATE of MISSOURI

JAMES C. KIRKPATRICK, Secretary of State

## Corporation Division

### Restated Articles of Incorporation

WHEREAS, CITIZENS ELECTRIC CORPORATION  
 a corporation organized and existing under the General and Business Corporation Law has filed in the office of the Secretary of State duplicate originals of Restated Articles of Incorporation and has, in all respects, complied with the requirements of The General and Business Corporation Law governing Restated Articles of Incorporation:

NOW, THEREFORE, I, JAMES C. KIRKPATRICK, Secretary of State of the State of Missouri, by virtue of the authority vested in me by law, do hereby certify that said Restated Articles have, on the date hereof, become effective; that the address of its Registered Office in Missouri is 150 Merchant Street, Ste. Genevieve, Missouri 63670; that its period of existence is perpetual and that the amount of its authorized shares \$125,000.00 dollars, and that said Restated Articles supercede the original Articles of Incorporation and all amendments thereto.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the GREAT SEAL of the State of Missouri, at the City of Jefferson, this 7th day of May, 1984

*James C. Kirkpatrick*  
 Secretary of State

RECEIVED OF: CITIZENS ELECTRIC CORPORATION  
FIFTEEN DOLLARS Dollars, \$ 15.00

For Credit of General Revenue Fund, on Account of Amendment Fee.

No. 00071434

*Dorothy Mae Miller*  
 Deputy Collector of Revenue

RESTATEMENT OF THE ARTICLES OF INCORPORATION  
OF  
CITIZENS ELECTRIC CORPORATION

Pursuant to the provisions of The General and Business Corporation Law of Missouri, the undersigned certifies, amends and restates its Articles of Incorporation, as follows:

ARTICLE I

The name of the Corporation is Citizens Electric Corporation.

ARTICLE II

The address of its registered office in the State of Missouri is 150 Merchant Street, Ste. Genevieve, Missouri 63670, and the name of its Registered Agent at such address is Robert G. Smith.

ARTICLE III

The Corporation shall have authority to issue only one class of shares. The aggregate number of shares which the Corporation shall have authority to issue is Twenty-Five Thousand (25,000), of the par value of Five Dollars (\$5.00) each.

The preferences, qualifications, limitations, restrictions, redemption, repurchase and other special or relative rights and obligations in respect to the shares are as follows:

The shares of the Corporation shall be issued only for money paid, labor done, or property actually received, the value of which shall not be less than the par value of such shares issued.

The corporation shall have authority to issue its shares only to Incorporators and to Purchasers of Electric Energy from the Corporation. The Corporation shall not issue more than eight (8) shares to any incorporator, nor more than one share to any purchaser of Electrical Energy who is not an incorporator.

No "shareholder" of this Corporation shall transfer, alienate, or in any way dispose of any share of the Corporation unless such share shall first have been offered for sale to the Corporation in a manner and by methods as may be provided, allowed, adopted, enacted, amended, altered by this Corporation, its Board of Directors, its Articles of Incorporation, Bylaws, and its Rules, and Regulations, which, shall be binding on the shareholders and the shares of the Corporation, and the Corporation reserves and shall have the exclusive right and option to purchase such share at a price equal to the par value thereof within thirty days after such offer, however made. After the expiration of such time, the "shareholder," if the Corporation shall not have exercised its option to purchase such share, shall be free to transfer, alienate or otherwise dispose of such share without any restriction whatsoever.

No "purchaser of electrical energy" who is a "shareholder," shall be deemed the owner of more than one share of stock of the Corporation, by reasons of their membership, employment, or ownership of an interest in any other firm, association,



Corporation, business trust, partnership, federal agency, state or political subdivision or agency thereof, or a body politic, who are also "purchasers of electrical energy," and "shareholders" of the Corporation.

The following definitions shall govern and apply to these Articles of Incorporation and the Bylaws of this Corporation.

**Shareholder:** shall mean each incorporator of the Corporation and each person who is a "purchaser of electrical energy" as defined herein from the Corporation who have purchased a share of stock under the terms and conditions contained in these Articles of Incorporation, the Bylaws and Rules and Regulations of the Corporation. A husband and wife unless otherwise indicated shall be considered as one joint shareholder.

**Consumer-Member** means each incorporator of Citizens Electric Corporation and each "person" as defined herein, who is a "purchaser of electrical energy" as defined herein, who is admitted to and retains membership as required herein, whether or not that consumer-member is a shareholder, and shall include a husband and wife who unless otherwise indicated, shall be admitted as one joint membership.

**Purchaser of Electrical Energy:** a "person" as defined herein who for the payment of money to the Corporation receives electrical energy at a designated metered location from the Corporation, subject to the Articles of Incorporation, Bylaws, Rules, Regulations and Filed Tariffs of the Corporation.

**Person:** includes any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision, or agency, or any body politic, who is a "purchaser of electrical energy" as defined herein.

**Margins:** shall mean payments to the Corporation by Purchasers of Electrical Energy in excess of all costs of the Corporation, in the operations of the Corporation during a certain period.

**Capital Credits:** shall mean the allocation and payment of margins made to a Purchaser of Electrical Energy in relationship to all other Purchasers of Electrical Energy, as determined, by the Board of Directors.

#### ARTICLE IV

The Corporation has issued and outstanding 14,155 shares of the Corporation stock with a par value of \$5.00 each which has been paid into the Corporation totaling \$70,775.00 Dollars. No interest or dividends shall be paid upon the capital stock issued by the Corporation, but Capital Credits may be assigned to and paid to the Consumer/Members, who are or who have been purchasers of electrical energy in a manner and in amounts as determined by the Board of Directors.

#### ARTICLE V

The name and residential addresses of the original incorporators were as set forth in the original Articles of Incorporation of this Corporation.

## ARTICLE VI

The power to make, alter, amend or repeal the Bylaws of the Corporation shall be vested in the Board of Directors.

The number of members of Directors to constitute the Board of Directors shall be ten (10), and thereafter the number of Directors, shall be fixed by, and in the manner provided, in the Bylaws of the Corporation; any changes in the number of Directors, shall be reported to the Secretary of State of Missouri, within thirty (30) calendar days of such change.

The Bylaws of the Corporation may define and fix the qualifications method of nomination, election, appointment, and the duties and responsibilities of the Directors and Officers of the Corporation, and in addition, may fix a geographical area or areas from which the Directors shall be qualified, nominated, elected or appointed.

The Bylaws of the Corporation shall contain such provisions as allowed and provided by the laws and statutes of the State of Missouri, to indemnify the Directors and Officers of the Board of Directors and Officers of the Corporation.

The Bylaws of this Corporation may contain such other qualifications, restrictions, duties and responsibilities of its Directors and Officers not inconsistent with these Articles of Incorporation.

## ARTICLE VII

The period of duration of this Corporation shall be perpetual.

## ARTICLE VIII

The purposes for which the Corporation was formed are:

- 1) To generate, manufacture, purchase, acquire and accumulate electric energy and to transmit, distribute, furnish, sell and dispose of such electric energy; to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, electrical generating plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines and systems necessary, convenient or useful for carrying out and accomplishing any of the foregoing purposes; and to utilize its facilities and equipment and lines for communication or for any other purpose;
- 2) To assist its consumers by wiring or causing to be wired, their premises, and by installing or causing to be installed therein electric appliances, fixtures, machinery, supplies, apparatus, and equipment, of any and all kinds and character, and in connection therewith and for such purposes to enter into and carry out all agreements necessary and advisable in connection therewith, and to purchase, acquire, lease, sell, distribute, install and repair, electric appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character;

- 3) To do and perform any and all acts and things and to have and exercise any and all powers as may be necessary or convenient for accomplishing any or all of the foregoing purposes; and to exercise any of its powers anywhere;
- 4) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of this Corporation;
- 5) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, sell, exchange and use any and all real and personal property or any interest therein necessary, useful or appropriate to enable this Corporation to accomplish any and all its purposes;
- 6) To borrow money and otherwise contract indebtedness for the purposes, or any of them, for which this Corporation is formed, and to issue notes, bonds, and other evidences of indebtedness, and to secure any of its obligations by mortgage, pledge or deed of trust of all or any of its property, assets, franchises and income;
- 7) To sell and convey, mortgage, pledge, lease as lessor and otherwise dispose of all or any part of its property and assets;
- 8) To do, and perform, either for itself or its consumers any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes, or as may be permitted by the laws under which this Corporation is formed.

#### ARTICLE IX

The Bylaws of this Corporation may be altered, changed, amended or repealed by the affirmation vote of not less than two-thirds (2/3) of all the directors at any regular or special meeting of the Board of Directors provided that the Notice of a Special Meeting shall have contained a copy of the proposed alteration, change, amendment or repeal.

Of the 14,155 shares outstanding, 11,533 of such shares were entitled to vote on such amendment and restatement.

The number of outstanding shares of any class entitled to vote thereon as a class were as follows:

Class	Number of Outstanding Shares
Common	14,155

The number of shares voted for and against the amendment and restatement was as follows:

Class	No. Voted For	No. Voted Against
Common	11,533	none

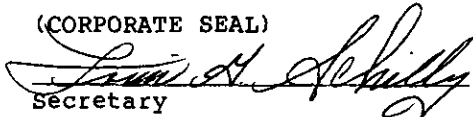
The Amendment and Restatement do not change the number or par value of authorized shares having a par value.

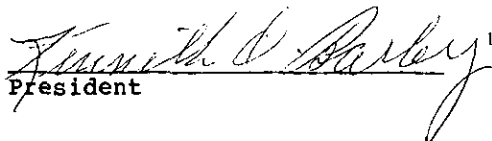
The Amendment and Restatement does not provide for an exchange, reclassification, or cancellation of issued shares, or a reduction of the number of authorized shares of any class below the number of issued shares of that class.

IN WITNESS WHEREOF, the undersigned Kenneth O. Barley, President, has executed this instrument and Louis G. Schilly, its Secretary has affixed its corporate seal hereto and attested said seal on the 13th day of April, 1984.

CITIZENS ELECTRIC CORPORATION

(CORPORATE SEAL)

  
Secretary

  
President

STATE OF MISSOURI       )  
                                  ) SS.  
COUNTY OF STE. GENEVIEVE )

I, H. Dennis Allen, a notary public, do hereby certify that on this 13th day of April, 1984, personally appeared before me Kenneth O. Barley, who, being by me first duly sworn, declared that he is the President of Citizens Electric Corporation, that he signed the foregoing document as President of the Corporation, and that the statements therein contained are true.

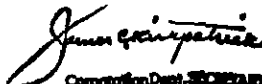
  
Notary Public H. Dennis Allen

County of Ste. Genevieve  
State of Missouri

My Commission Expires: May 23, 1986

FILED AND CERTIFICATE  
ISSUED

MAY 07 1984

  
Commissioner Dept. SECRETARY OF STATE

CITIZENS ELECTRIC CORPORATION  
Missouri 58, Ste. Genevieve  
Ste. Genevieve, MO

I, William A. Scott, Secretary of Citizens Electric Corporation, hereby  
certify that the following is a true and complete copy of a resolution adopted by  
the Board of Directors of said Corporation at the regular monthly meeting held on  
February 22, 2001, to wit:

RESOLVED that the Chief Executive Officer, General Counsel and  
officers of the Corporation make application to the Public Service  
Commission of Missouri for approval to borrow \$6,700,000 from the  
Federal Financing Bank, to be guaranteed by the Rural Utilities Service.

In Witness Whereof, I hereto sign my name as Secretary and affix the Seal  
of said Corporation this 22<sup>nd</sup> day of March, 2001.

  
William A. Scott, Secretary

## CERTIFICATE OF RESOLUTION

WHEREAS, it has been determined on the basis of the current Construction Work Plan that financing is needed for electric facilities as shown on RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, as follows:

RUS Guaranteed Federal Financing Bank (FFB) Loan Requested for Facilities \$6,700,000.

NOW THEREFORE BE IT RESOLVED, that Citizens Electric Corporation makes application to the Rural Utilities Service Pursuant to 7 CFR Part 1710 for a guaranteed FFB loan in the amount of \$6,700,000 to be used in accordance with the provisions of 7 CFR Part 1710 to finance the above mentioned facilities.

BE IT ALSO RESOLVED, that the RUS guaranteed FFB loan shall bear a maturity date to cover an approximate period of 30 years.

BE IT ALSO RESOLVED, that the Board of Directors of Citizens Electric Corporation authorizes its officers to execute and attest all necessary papers, documents, and applications related to the foregoing.

BE IT FURTHER RESOLVED, that Daniel Rodamaker, vice president and general manager is authorized on behalf of the Borrower (a) execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the Note payable to FFB, and (b) to specify information and select options as provided in such instruments.

BE IT FURTHER RESOLVED, that Citizens Electric Corporation hereby authorizes the RUS to release appropriate information and data relating to the application to the FFB and any existing supplementallenders.

I, William Scott, Secretary of Citizens Electric Corporation do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Board of Directors of Citizens Electric Corporation on October 19, 2000, at which a quorum was present and voted.

  
\_\_\_\_\_  
William Scott, Secretary

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 9101 et seq.) and is not confidential.

USDA-RUS

# FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION  
MO058

BORROWER NAME AND ADDRESS  
CITIZENS ELECTRIC CORP  
P O BOX 311  
SAINTE GENEVIEVE, MO 63673-0000

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2

PERIOD ENDED  
2000 Annual

RUS USE ONLY

## CERTIFICATION

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

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

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

SIGNATURE OF MANAGER

DATE

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.....	43,073,501	47,678,274	49,248,184	4,034,811
2. Power Production Expense.....	0	0	0	0
3. Cost of Purchased Power.....	30,576,980	35,142,529	36,832,559	3,160,527
4. Transmission Expense.....	493,766	563,320	513,518	43,516
5. Distribution Expense - Operation.....	1,878,101	1,829,971	1,835,580	188,109
6. Distribution Expense - Maintenance.....	1,639,766	1,863,306	1,851,183	203,582
7. Consumer Accounts Expense.....	911,854	967,839	948,328	85,096
8. Customer Service and Informational Expense.....	171,966	186,854	186,636	13,445
9. Sales Expense.....	0	0	0	0
10. Administrative and General Expense.....	1,108,751	1,317,150	1,288,737	135,831
11. Total Operation & Maintenance Expense (2 thru 10).....	36,781,184	41,870,969	43,456,541	3,830,106
12. Depreciation and Amortization Expense.....	1,953,794	2,169,175	2,235,463	185,917
13. Tax Expense - Property & Gross Receipts.....	617,853	638,328	630,557	49,977
14. Tax Expense - Other.....	70,297	83,846	79,968	7,390
15. Interest on Long-Term Debt.....	1,133,438	1,352,845	1,333,664	115,371
16. Interest Charged to Construction - Credit.....	0	0	0	0
17. Interest Expense - Other.....	30,441	17,003	16,080	1,439
18. Other Deductions.....	19,732	25,883	20,900	4,344
19. Total Cost of Electric Service (11 thru 18).....	40,606,739	46,158,049	47,773,173	4,194,544
20. Patronage Capital & Operating Margins (1 minus 19).....	2,466,762	1,520,225	1,475,011	( 159,733)
21. Non Operating Margins - Interest.....	253,904	203,405	216,000	14,620
22. Allowance for Funds Used During Construction.....	0	0	0	0
23. Income (Loss) from Equity Investments.....	0	0	0	0
24. Non Operating Margins - Other.....	( 13,279)	( 15,470)	0	( 929)
25. Generation and Transmission Capital Credits.....	0	0	0	0
26. Other Capital Credits and Patronage Dividends.....	60,674	63,014	59,700	0
27. Extraordinary Items.....	0	0	0	0
28. Patronage Capital or Margins (20 thru 27).....	2,768,061	1,771,174	1,750,711	( 146,042)

## 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	715	747	5. Miles Transmission	221.00	229.00
2. Services Retired	172	168	6. Miles Distribution - Overhead	2,568.00	2,590.00
3. Total Services in Place	26,721	27,491	7. Miles Distribution - Underground	91.00	95.00
4. Idle Services (Exclude Seasonal)	3,020	3,351	8. Total Miles Energized (5 + 6 + 7)	2,880.00	2,914.00

USDA-RUS

BORROWER DESIGNATION  
MO058

## FINANCIAL AND STATISTICAL REPORT

PERIOD ENDED  
2000 Annual

RUS USE ONLY

INSTRUCTIONS - See RUS Bulletin 1717B - 2

## PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	80,208,729	30. Memberships.....	104,105
2. Construction Work in Progress.....	1,144,128	31. Patronage Capital.....	32,648,260
3. Total Utility Plant (1+2).....	81,352,857	32. Operating Margins - Prior Years.....	0
4. Accum. Provision for Depreciation and Amort..	24,037,421	33. Operating Margins - Current Year.....	1,583,238
5. Net Utility Plant (3-4).....	57,315,436	34. Non-Operating Margins.....	274,536
6. Non-Utility Property (Net).....	0	35. Other Margins and Equities.....	15,059
7. Investments in Subsidiary Companies.....	0	36. Total Margins & Equities (30 thru 35) .....	34,625,198
8. Invest. In Assoc. Org. - Patronage Capital.....	210,818	37. Long-Term Debt - RUS (Net).....	11,580,050
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments-Unapplied \$ 0)	
10. Invest. In Assoc. Org. - Oth. - Nongen. Funds..	1,293,123	38. Long-Term Debt - RUS - Econ. Devel. (Net).....	69,792
11. Investments in Economic Development Projects	106,083	39. Long-Term Debt - Other - REA Guaranteed.....	6,957,247
12. Other Investments.....	128,697	40. Long-Term Debt - Other (Net) .....	5,064,077
13. Special Funds.....	0	41. Total Long-Term Debt (37 thru 40).....	23,671,166
14. Total Other Property and Investments (6 thru 13)	1,738,721	42. Obligations Under Capital Leases - Noncurrent	0
15. Cash - General Funds.....	778,236	43. Accumulated Operating Provisions.....	0
16. Cash - Construction Funds - Trustee.....	0	44. Total Other Noncurrent Liabilities (42+43).....	0
17. Special Deposits.....	0	45. Notes Payable.....	946,496
18. Temporary Investments.....	0	46. Accounts Payable.....	3,395,421
19. Notes Receivable (Net) .....	0	47. Consumers Deposits.....	287,850
20. Accounts Receivable - Sales of Energy (Net)..	3,172,149	48. Other Current and Accrued Liabilities.....	883,045
21. Accounts Receivable - Other (Net).....	19,844	49. Total Current & Accrued Liabilities (45 thru 48)	5,512,812
22. Materials and Supplies - Electric and Other.....	1,016,419	50. Deferred Credits.....	584,566
23. Prepayments.....	127,614	51. Accumulated Deferred Income Taxes.....	0
24. Other Current and Accrued Assets.....	16,944	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24)	5,131,206	(36+41+44+49 thru 51).....	64,393,742
26. Regulatory Assets.....	0	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	208,379	53. Balance Beginning of Year.....	1,107,961
28. Accumulated Deferred Income Taxes.....	0	54. Amounts Received This Year (Net).....	128,072
29. Total Assets and Other Debits (5+14+25 thru 28)	64,393,742	55. Total Contributions in Aid of Construction.....	1,236,033

## PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE IS PROVIDED FOR IMPORTANT DISCLOSURE NOTES TO THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. REPORT ITEMS CONTAINED IN THE INSTRUCTIONS AND ADDITIONAL MATERIAL ITEMS.

(A SEPERATE SHEET MAY BE USED IF ADDITIONAL SPACE IS NEEDED.)

Cash Received From Patronage Capital Refunds: 43347

Received patronage capital retirement funds from National Rural Utilities Cooperative Finance Corporation on August 30, 2000 in the amount of \$39,073. The retirement represents 70% of the allocation of patronage capital for year 2000, 16.67% of the allocations of patronage capital for years 1991, 1992 and 1993.

Received patronage capital retirement check from Arkansas Electric Cooperative on September 15, 2000 in the amount of \$3,362. The retirement represents 20% of the allocations of capital credits for year 1999.

Received patronage capital retirement check from Southeastern Data Cooperative on February 4, 2000 in the amount of \$912. The retirement represents 20% of the allocation of capital credits for year 2000 and 5% of outstanding balance.

Received patronage capital retirement check from Federated Rural Electric Insurance



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## FINANCIAL AND STATISTICAL REPORT

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INSTRUCTIONS - See RUS Bulletin 1717B - 2

### PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE IS PROVIDED FOR IMPORTANT DISCLOSURE NOTES TO THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. REPORT ITEMS CONTAINED IN THE INSTRUCTIONS AND ADDITIONAL MATERIAL ITEMS.

(A SEPERATE SHEET MAY BE USED IF ADDITIONAL SPACE IS NEEDED)

Exchange on April 19, 2000 in the amount of \$1,736.

Assigned patronage capital from National Rural Utilities Cooperative Finance Corporation in the amount of \$33,108.

Assigned patronage capital from Arkansas Electric Cooperative in the amount of \$16,808.

Assigned patronage capital from Southeastern Data Cooperative in the amount of \$4,416.

Assigned patronage capital from Federated Rural Electric Insurance Exchange in the amount of \$8,682.

# FINANCIAL AND STATISTICAL REPORT

This data will be used to determine your operating results and financial situation.  
Your response is required (7 U.S.C. 101 et seq.) and is not confidential.

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INSTRUCTIONS - Submit an original and two copies to RUS.  
For detailed instructions, see RUS Bulletin 1717B-2.

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## PART E. CHANGES IN UTILITY PLANT

ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)	DEPRECIATION RATE (f)
1. Land and Land Rights (360).....	197,336	0	0	0	197,336	
2. Structures and Improvements (361).....	0	0	0	0	0	0.00 %
3. Station Equipment (362).....	9,209,378	163,436	186,441	0	9,186,373	2.88 %
4. Storage Battery Equipment (363).....	0	0	0	0	0	0.00 %
5. Poles, Towers, and Fixtures (364).....	12,720,490	987,425	196,701	0	13,511,214	3.00 %
6. Overhead, Conductors and Devices (365).....	11,144,634	865,538	171,910	0	11,838,262	2.50 %
7. Underground Conduit (366).....	357,719	28,792	260	0	386,251	1.99 %
8. Underground Conductor & Devices (367).....	1,757,254	144,609	18,712	0	1,883,151	2.50 %
9. Line Transformers (368).....	8,234,015	549,018	62,753	0	8,720,280	3.32 %
10. Services (369).....	2,450,232	265,906	45,785	0	2,670,353	3.18 %
11. Meters (370).....	2,104,776	197,640	221,348	0	2,081,068	3.00 %
12. Installation on Consumers' Premises (371).....	692,855	65,725	12,024	0	746,556	5.88 %
13. Leased Prop. on Consumers, Premises (372).....	0	0	0	0	0	0.00 %
14. Street Lighting (373).....	393,119	32,828	8,015	0	417,932	5.88 %
15. SUBTOTAL - Distribution (1 thru 14).....	49,261,808	3,300,917	923,949	0	51,638,776	
16. Land and Land Rights (389).....	90,399	406,810	0	0	497,209	
17. Structures and Improvements (390).....	2,346,908	111,623	0	0	2,458,531	2.86 %
18. Office Furniture & Equipment (391).....	474,433	52,188	58,808	0	467,813	4.74 %
19. Transportation Equipment (392).....	1,592,237	175,014	125,491	0	1,641,760	11.24 %
20. Stores, Tools, Shop, Garage, and Laboratory Equipment (393, 394, 395).....	788,763	26,036	7,477	0	807,322	4.00 %
21. Power - Operated Equipment (396).....	1,690,134	178,417	28,605	0	1,839,946	7.92 %
22. Communication Equipment (397).....	251,054	32,583	15,692	0	267,945	5.96 %
23. Miscellaneous Equipment (398).....	15,183	915	0	0	16,098	4.00 %
24. Other Tangible Property (399).....	0	0	0	0	0	0.00 %
25. SUBTOTAL - General Plant (16 thru 24).....	7,249,111	983,586	236,073	0	7,996,624	
26. Intangibles (301, 302, 303).....	9,469	0	0	0	9,469	
27. Land and Land Rights, Roads and Trails (350, 359).....	1,462,476	224,764	0	0	1,687,240	
28. Structures and Improvements (352).....	0	0	0	0	0	0.00 %
29. Station Equipment (353).....	6,894,871	134,732	13,616	0	7,015,987	2.96 %
30. Towers and Fixtures and Poles and Fixtures (354, 355).....	5,152,945	610,902	27,164	0	5,736,683	3.00 %
31. Overhead Conductors & Devices (356).....	5,708,589	436,347	20,986	0	6,123,950	2.50 %
32. Underground Conduit (357).....	0	0	0	0	0	0.00 %
33. Underground Conductors and Devices (358).....	0	0	0	0	0	0.00 %
34. SUBTOTAL - Transmission Plant (27 thru 33).....	19,218,881	1,406,745	61,766	0	20,563,860	
35. Production Plant - Steam (310 thru 316).....	0	0	0	0	0	
36. Production Plant - Nuclear (320 thru 325).....	0	0	0	0	0	
37. Production Plant - Hydro (330 thru 336).....	0	0	0	0	0	
38. Production Plant - Other (340 thru 346).....	0	0	0	0	0	
39. All Other Utility Plant (102, 104-106, 114, 118).....	0	0	0	0	0	
40 SUBTOTAL (15 + 25 + 26 + 34 + 35 thru 39).....	75,739,269	5,691,248	1,221,788	0	80,208,729	
41. Construction Work in Progress .. (107).....	1,785,093	( 640,965)			1,144,128	
42. TOTAL UTILITY PLANT (40 + 41).....	77,524,362	5,050,283	1,221,788	0	81,352,857	

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## PART F. ANALYSIS OF ACCUMULATED PROVISIONS FOR DEPRECIATION - TOTAL ELECTRIC PLANT

ITEM	DISTRIBUTION PLANT (a)	GENERAL PLANT (b)	TRANSMISSION PLANT (c)	OTHER PLANT (d)
1. Balance Beginning of Year.....	12,992,487	3,697,915	6,232,938	0
2. Additions- Depreciation Accruals Charged to:				
a. Depreciation Expense.....	1,489,671	167,194	512,310	0
b. Clearing Accounts and Others.....	0	337,080	0	0
c. Subtotal (a + b).....	1,489,671	504,274	512,310	0
3. Less - Plant Retirements:				
a. Plant Retired.....	923,948	236,074	61,766	0
b. Removal Cost.....	389,348	0	18,978	0
c. Subtotal (a + b).....	1,313,296	236,074	80,744	0
4. Plus Salvaged Materials.....	171,064	43,075	11,871	0
5. TOTAL (2c - 3c + 4).....	347,439	311,275	443,437	0
6. Other Adjustments - Debit or Credit.....	10,983	0	947	0
7. Balance End of Year (1 + 5 + /- 6).....	13,350,909	4,009,190	6,677,322	0

## PART G. 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	925,471	918,676	86,412	920,368	19,714	25,942	1,016,419
2. Other (155 + 156)	0	0	0	0	0	0	0
3. Ratio of Inventory Turnover - Electric Item 1d / $\frac{1a + 1g}{2}$ = 0.9479				4. Inventory - Electric as Percent of Total Utility Plant $\frac{1g}{\text{Item 42e, Part E}} \times 100 = 1.25$			

## PART H. SERVICE INTERRUPTIONS

ITEM	AVERAGE HOURS PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	EXTREME STORM (b)	PREARRANGED (c)	ALL OTHER (d)	
1. Present Year	0.32	0.07	0.07	2.33	2.79
2. Five - Year Average	0.10	0.09	1.76	4.01	5.96

## PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	76	4. Payroll Expensed	1,815,061
2. Man-Hours Worked - Regular Time	150,594	5. Payroll Capitalized	869,607
3. Man-Hours Worked - Overtime	7,482	6. Payroll Other	621,061

## PART J. PATRONAGE CAPITAL

ITEM	THIS YEAR (a)	CUMULATIVE (b)	PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE
1. General Retirement	1,280,232	10,188,608	
2. Special Retirements	0	0	
3. Total Retirements (1 + 2)	1,280,232	10,188,608	
4. Patronage Capital Assigned		32,648,260	
5. Patronage Capital Assignable		1,771,173	2. AMOUNT WRITTEN OFF DURING YEAR \$38,728
			1. AMOUNT DUE OVER 60 DAYS \$29,393

## PART L. kWh PURCHASED AND TOTAL COST

ITEM (a)	RUS USE ONLY SUPPLIER CODE (b)	kWh PURCHASED (c)	TOTAL COST (d)	AVERAGE COST PER kWh (cents) (e)	INCLUDED IN TOTAL COST	
					FUEL COST ADJUSTMENT (f)	WHEELING AND OTHER CHARGES (or Credits) (g)
Ameren UE	0	877,396,263	30,508,453	3.48	0	( 792,301)
Ameren UE-Special Contract	0	177,848,417	4,634,076	2.61	0	295,089
	0	0	0	0.00	0	0
	0	0	0	0.00	0	0
Total		1,055,244,680	35,142,529	3.33	0	( 497,212)

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**PART R. POWER REQUIREMENTS DATA BASE**

CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	21,400	21,489	21,458	21,541	21,534	21,612
	b. kWh Sold	25,193,221	26,367,174	21,852,435	17,712,965	15,848,536	17,656,445
	c. Revenue	1,521,483	1,562,365	1,390,575	1,222,301	1,148,860	1,350,332
2. Residential Sales Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. kWh Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	0	0	0	0	0	0
	b. kWh Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
4. Comm. and Ind. 1000 kVA or Less	a. No. Consumers Served	2,049	2,056	2,064	2,055	2,069	2,081
	b. kWh Sold	9,646,183	10,424,106	10,167,371	9,095,604	9,147,709	10,279,374
	c. Revenue	581,279	595,776	593,123	554,481	552,774	662,885
5. Comm. and Ind. Over 1000 kVA	a. No. Consumers Served	11	11	11	12	12	12
	b. kWh Sold	42,806,351	44,611,038	47,258,343	43,912,168	46,981,703	51,532,425
	c. Revenue	1,452,338	1,498,044	1,586,071	1,509,956	1,597,680	2,059,827
6. Public Street and Highway Lighting	a. No. Consumers Served	25	25	25	25	25	25
	b. kWh Sold	121,792	136,604	120,662	112,314	109,021	102,259
	c. Revenue	7,517	8,354	7,460	6,993	6,813	6,434
7. Other Sales to Public Auth.	a. No. Consumers Served	228	226	224	228	229	229
	b. kWh Sold	1,848,448	2,071,839	2,063,021	1,813,042	1,790,432	2,141,897
	c. Revenue	103,323	111,139	110,741	101,809	103,435	129,109
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served	1	1	1	1	1	1
	b. kWh Sold	36,600	34,200	25,500	21,900	21,900	24,600
	c. Revenue	1,724	1,789	1,328	1,138	1,056	1,396
9. Sales for Resale - Others	a. No. Consumers Served	0	0	0	0	0	0
	b. kWh Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. Consumers (lines 1a - 9a)		23,714	23,808	23,783	23,862	23,870	23,960
11. TOTAL kWh Sold (lines 1b - 9b)		79,652,595	83,644,961	81,487,332	72,667,993	73,899,301	81,737,000
12. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		3,667,664	3,777,467	3,689,298	3,396,678	3,410,618	4,209,983
13. Other Electric Revenue		9,590	9,590	9,590	9,590	20,889	9,590
14. kWh - Own Use		121,499	105,470	81,669	69,601	49,852	56,700
15. TOTAL kWh Purchased		88,853,737	81,173,454	79,388,798	74,662,970	78,694,394	88,316,874
16. TOTAL kWh Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		2,673,625	2,478,939	2,386,993	2,241,574	2,498,137	3,633,566
18. Interchange - kWh - Net		0	0	0	0	0	0
19. Peak - Sum All kW Input (Metered)		154,797	148,896	143,534	135,518	158,060	170,105

☐ Coincident ☒ Non-Coincident

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**PART R. POWER REQUIREMENTS DATA BASE (Continued)**  
(SEE PRECEDING PAGE 6 OF RUS FROM 7 FOR HEADINGS OF LINE ITEM NUMBERS BELOW.)

LINE ITEM NUMBER	JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Contains a thru l)
1.	a. 21,642	21,707	21,763	21,744	21,762	21,785	
	b. 23,088,832	24,466,694	27,573,216	18,099,519	16,411,268	25,359,693	259,629,998
	c. 1,691,297	1,781,749	1,979,167	1,271,981	1,184,234	1,541,027	17,645,371
2.	a. 0	0	0	0	0	0	
	b. 0	0	0	0	0	0	0
	c. 0	0	0	0	0	0	0
3.	a. 0	0	0	0	0	0	
	b. 0	0	0	0	0	0	0
	c. 0	0	0	0	0	0	0
4.	a. 2,066	2,079	2,078	2,086	2,084	2,081	
	b. 10,967,661	11,636,987	12,525,433	10,227,939	9,645,117	9,952,763	123,716,247
	c. 706,171	732,641	781,594	614,440	552,617	594,459	7,522,240
5.	a. 12	12	12	12	12	12	
	b. 52,443,977	52,658,693	51,813,896	53,222,139	52,631,252	57,298,887	597,170,872
	c. 1,994,490	1,944,741	2,051,862	1,676,039	1,719,462	1,765,747	20,856,257
6.	a. 25	26	26	26	26	26	
	b. 95,827	86,761	111,044	104,186	123,868	156,785	1,381,123
	c. 6,097	5,588	6,948	6,562	7,669	9,515	85,950
7.	a. 232	233	233	235	233	235	
	b. 2,091,683	2,200,583	2,726,616	2,166,537	1,934,167	2,001,053	24,849,318
	c. 123,726	129,405	157,290	128,193	111,872	112,553	1,422,595
8.	a. 1	1	1	1	1	1	
	b. 38,100	29,700	38,100	23,400	21,300	31,800	347,100
	c. 1,980	1,618	1,996	1,169	1,276	1,668	18,138
9.	a. 0	0	0	0	0	0	
	b. 0	0	0	0	0	0	0
	c. 0	0	0	0	0	0	0
10.	23,978	24,058	24,113	24,104	24,118	24,140	
11.	88,726,080	91,079,418	94,788,305	83,843,720	80,766,972	94,800,981	1,007,094,658
12.	4,523,761	4,595,742	4,978,857	3,698,384	3,577,130	4,024,969	47,550,551
13.	10,191	9,596	9,596	9,816	9,842	9,842	127,722
14.	69,515	71,960	63,891	54,452	78,869	148,378	971,856
15.	95,927,061	100,926,755	84,987,693	85,297,050	88,737,641	108,278,253	1,055,244,680
16.	0	0	0	0	0	0	0
17.	3,623,005	4,143,607	3,659,526	2,500,905	2,661,929	3,204,043	35,705,849
18.	0	0	0	0	0	0	0
19.	179,818	189,299	176,682	149,277	160,289	179,318	189,299

# INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION

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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this form correspond to Balance Sheet items on RUS Form 7, Part C. Identify all investments in Rural Development with "X" in column (e). Both "Included" and "Excluded" investments must be reported. See Bulletin 1717B-2, Guide for Preparing Financial and Statistical Reports, for complete instructions.

## PART I. INVESTMENTS

(See instructions for definitions of Income or Loss)

DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RD (e)
<b>1. NON-UTILITY PROPERTY (NET)</b>				
a.	0	0		
b.	0	0		
c.	0	0		
d.	0	0		
<b>e. Totals</b>	0	0		
<b>2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>				
a. Patronage Capital - CFC	0	210,818	0	
b. Capital Term Certificates	0	1,293,123	0	
c.	0	0	0	
d.	0	0	0	
<b>e. Totals</b>	0	1,503,941	0	
<b>3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS</b>				
a. Perry County Industrial Development	0	106,083	0	
b.	0	0	0	
c.	0	0	0	
d.	0	0	0	
<b>e. Totals</b>	0	106,083	0	
<b>4. OTHER INVESTMENTS</b>				
a. Federated Subscriber Equity	9,409	0	0	
b. Patronage Capital-Arkansas Electric Coop	102,040	0	0	
c. Patronage Capital-Southeastern Data Coop	12,248	0	0	
d. Investment - A Prime LLC	5,000	0	0	
<b>e. Totals</b>	128,697	0	0	
<b>5. SPECIAL FUNDS</b>				
a.	0	0		
b.	0	0		
c.	0	0		
d.	0	0		
<b>e. Totals</b>	0	0		
<b>6. CASH - GENERAL</b>				
a. Bank of Ste. Geneveive-Checking	0	1,811		
b. Firststar Bank-Consumer Refund Checking	0	30		
c. Firststar Bank-Claimed Assets Checking	0	10,928		
d. Firststar Bank-Capital Credit Reissue	0	371		
<b>e. Totals</b>	556,397	221,839		
<b>7. SPECIAL DEPOSITS</b>				
a.	0	0		
b.	0	0		
c.	0	0		
d.	0	0		
<b>e. Totals</b>	0	0		

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<b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b> CONTINUATION SHEET			MO058		RUS USE ONLY	
			YEAR ENDING 2000 Annual			
<b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b> INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Identify all investments in Rural Development with "X" in column (e).						
PART	ITEM	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RD (e)
I	6	Firstar Bank-Credit Card Account		6,393		
I	6	Bank of Ste. Genevieve-Money Market		15,466		
I	6	Peoples Bank of Altenburg-Money Market		91,180		
I	6	Bank of Missouri-Money Market		87,210		
I	6	Firstar Bank-Sweep Account	556,397			
I	6	Cash Working Fund		8,100		
I	6	Expense Advances		350		

# INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION

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## PART I. INVESTMENTS (Continued)

DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RD (e)
8. TEMPORARY INVESTMENTS				
a.	0	0		
b.	0	0		
c.	0	0		
d.	0	0		
e. Totals	0	0		
9. ACCOUNTS & NOTES RECEIVABLE (NET)				
a. Accounts Receivable-Merchandise & Jobbin	0	19,844	0	
b.	0	0	0	
c.	0	0	0	
d.	0	0	0	
e. Totals	0	19,844	0	
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
a.	0	0		
b.	0	0		
c.	0	0		
d.	0	0		
e. Totals	0	0		
11. TOTAL OF INVESTMENTS (1 thru 10)	685,094	1,851,707	0	

## PART II. LOAN GUARANTEES

ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RD (e)
1.	0	0	0	
2.	0	0	0	
3.	0	0	0	
4. TOTALS		0	0	
5. TOTALS (Included Loan Guarantees Only)		0	0	

## PART III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Part I, 11b) and  
Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]

0.84 %

## PART IV. LOANS

ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RD (e)
1. Employees, Officers, Directors	0	0	0	
2. Energy Resource Conservation Loans	0	0	0	
3.	0	0	0	
4.	0	0	0	
5.	0	0	0	
6.	0	0	0	
7. TOTALS		0	0	



This data will be used by RUS to review your financial situation. Your response is required (7 CFR 901 et seq.) and is not confidential.

<b>USDA-RUS</b>  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION MO058  BORROWER NAME AND ADDRESS CITIZENS ELECTRIC CORP P O BOX 311 SAINTE GENEVIEVE, MO 63673-0000
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2	PERIOD ENDED 2001 January
<b>CERTIFICATION</b> 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. <b>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.</b>	
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT  SIGNATURE OF MANAGER	DATE  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.....	3,677,254	4,431,082	4,119,581	4,431,082
2. Power Production Expense.....	0	0	0	0
3. Cost of Purchased Power.....	2,631,325	2,919,041	2,831,764	2,919,041
4. Transmission Expense.....	42,301	41,410	43,186	41,410
5. Distribution Expense - Operation.....	162,686	173,849	169,194	173,849
6. Distribution Expense - Maintenance.....	246,122	118,355	169,063	118,355
7. Consumer Accounts Expense.....	78,135	70,936	81,261	70,936
8. Customer Service and Informational Expense.....	14,544	17,155	19,209	17,155
9. Sales Expense.....	0	0	0	0
10. Administrative and General Expense.....	122,422	100,005	126,470	100,005
11. Total Operation & Maintenance Expense (2 thru 10).....	3,297,535	3,440,751	3,440,147	3,440,751
12. Depreciation and Amortization Expense.....	176,869	185,686	192,367	185,686
13. Tax Expense - Property & Gross Receipts.....	46,980	55,501	55,070	55,501
14. Tax Expense - Other.....	6,122	7,312	7,312	7,312
15. Interest on Long-Term Debt.....	103,850	119,663	114,940	119,663
16. Interest Charged to Construction - Credit.....	0	0	0	0
17. Interest Expense - Other.....	1,365	1,446	1,512	1,446
18. Other Deductions.....	2,235	237	2,246	237
19. Total Cost of Electric Service (11 thru 18).....	3,634,956	3,810,596	3,813,594	3,810,596
20. Patronage Capital & Operating Margins (1 minus 19).....	42,298	620,486	305,987	620,486
21. Non Operating Margins - Interest.....	15,297	10,574	15,000	10,574
22. Allowance for Funds Used During Construction.....	0	0	0	0
23. Income (Loss) from Equity Investments.....	0	0	0	0
24. Non Operating Margins - Other.....	( 902)	( 575)	0	( 575)
25. Generation and Transmission Capital Credits.....	0	0	0	0
26. Other Capital Credits and Patronage Dividends.....	0	0	0	0
27. Extraordinary Items.....	0	0	0	0
28. Patronage Capital or Margins (20 thru 27).....	56,693	630,485	320,987	630,485

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	40	32	5. Miles Transmission	221.00	229.00
2. Services Retired	14	6	6. Miles Distribution - Overhead	2,571.00	2,591.00
3. Total Services in Place	26,764	27,550	7. Miles Distribution - Underground	91.00	95.00
4. Idle Services (Exclude Seasonal)	3,050	3,384	8. Total Miles Energized (5 + 6 + 7)	2,883.00	2,915.00

USDA-RUS

# FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION  
MO058

PERIOD ENDED  
2001 January

RUS USE ONLY

INSTRUCTIONS - See RUS Bulletin 1717B - 2

## PART C. BALANCE SHEET

### ASSETS AND OTHER DEBITS

1. Total Utility Plant in Service.....	80,306,298
2. Construction Work in Progress.....	1,241,552
3. Total Utility Plant (1+2).....	81,547,850
4. Accum. Provision for Depreciation and Amort..	24,208,891
5. Net Utility Plant (3-4).....	57,338,959
6. Non-Utility Property (Net).....	0
7. Investments in Subsidiary Companies.....	0
8. Invest. In Assoc. Org. - Patronage Capital.....	210,818
9. Invest. In Assoc. Org. - Other - General Funds	0
10. Invest. In Assoc. Org. - Oth. - Nongen. Funds..	1,293,123
11. Investments in Economic Development Projects	103,291
12. Other Investments.....	128,697
13. Special Funds.....	0
14. Total Other Property and Investments (6 thru 13)	1,735,929
15. Cash - General Funds.....	506,562
16. Cash - Construction Funds - Trustee.....	0
17. Special Deposits.....	0
18. Temporary Investments.....	0
19. Notes Receivable (Net) .....	0
20. Accounts Receivable - Sales of Energy (Net) ..	3,325,579
21. Accounts Receivable - Other (Net).....	6,103
22. Materials and Supplies - Electric and Other.....	1,039,006
23. Prepayments.....	215,766
24. Other Current and Accrued Assets.....	20,713
25. Total Current and Accrued Assets (15 thru 24)	5,113,729
26. Regulatory Assets.....	0
27. Other Deferred Debits.....	255,620
28. Accumulated Deferred Income Taxes.....	0
29. Total Assets and Other Debits (5+14+25 thru 28)	64,444,237

### LIABILITIES AND OTHER CREDITS

30. Memberships.....	104,075
31. Patronage Capital.....	34,419,433
32. Operating Margins - Prior Years.....	0
33. Operating Margins - Current Year.....	620,486
34. Non-Operating Margins.....	96,600
35. Other Margins and Equities.....	15,059
36. Total Margins & Equities (30 thru 35) .....	35,255,653
37. Long-Term Debt - RUS (Net).....	11,429,217
(Payments-Unapplied \$ .....	0)
38. Long-Term Debt - RUS - Econ. Devel. (Net).....	67,000
39. Long-Term Debt - Other - REA Guaranteed.....	6,957,247
40. Long-Term Debt - Other (Net) .....	5,011,672
41. Total Long-Term Debt (37 thru 40).....	23,465,136
42. Obligations Under Capital Leases - Noncurrent	0
43. Accumulated Operating Provisions.....	0
44. Total Other Noncurrent Liabilities (42+43).....	0
45. Notes Payable.....	946,496
46. Accounts Payable.....	3,186,925
47. Consumers Deposits.....	289,195
48. Other Current and Accrued Liabilities.....	889,446
49. Total Current & Accrued Liabilities (45 thru 48)	5,312,062
50. Deferred Credits.....	411,386
51. Accumulated Deferred Income Taxes.....	0
52. Total Liabilities and Other Credits	
(36+41+44+49 thru 51).....	64,444,237

### ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

53. Balance Beginning of Year.....	1,236,033
54. Amounts Received This Year (Net).....	2,828
55. Total Contributions in Aid of Construction.....	1,238,861

## PART D. NOTES TO FINANCIAL STATEMENTS

THIS SPACE IS PROVIDED FOR IMPORTANT DISCLOSURE NOTES TO THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. REPORT ITEMS CONTAINED IN THE INSTRUCTIONS AND ADDITIONAL MATERIAL ITEMS.

(A SEPERATE SHEET MAY BE USED IF ADDITIONAL SPACE IS NEEDED.)

Cash Received From Patronage Capital Refunds: 0

## FINANCIAL AND STATISTICAL REPORT

PERIOD ENDED  
2001 January

RUS USE ONLY

INSTRUCTIONS - See RUS Bulletin 1717B-2

## PART R. POWER REQUIREMENTS DATA BASE

CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	21,811	0	0	0	0	0
	b. kWh Sold	37,397,063	0	0	0	0	0
	c. Revenue	1,996,390	0	0	0	0	0
2. Residential Sales Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. kWh Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	0	0	0	0	0	0
	b. kWh Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
4. Comm. and Ind. 1000 kVA or Less	a. No. Consumers Served	2,080	0	0	0	0	0
	b. kWh Sold	11,494,722	0	0	0	0	0
	c. Revenue	642,099	0	0	0	0	0
5. Comm. and Ind. Over 1000 kVA	a. No. Consumers Served	12	0	0	0	0	0
	b. kWh Sold	53,166,810	0	0	0	0	0
	c. Revenue	1,647,907	0	0	0	0	0
6. Public Street and Highway Lighting	a. No. Consumers Served	26	0	0	0	0	0
	b. kWh Sold	165,756	0	0	0	0	0
	c. Revenue	10,016	0	0	0	0	0
7. Other Sales to Public Auth.	a. No. Consumers Served	236	0	0	0	0	0
	b. kWh Sold	2,407,334	0	0	0	0	0
	c. Revenue	122,853	0	0	0	0	0
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served	1	0	0	0	0	0
	b. kWh Sold	45,000	0	0	0	0	0
	c. Revenue	2,094	0	0	0	0	0
9. Sales for Resale - Others	a. No. Consumers Served	0	0	0	0	0	0
	b. kWh Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. Consumers (lines 1a - 9a)		24,166	0	0	0	0	0
11. TOTAL kWh Sold (lines 1b - 9b)		104,676,685	0	0	0	0	0
12. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		4,421,359	0	0	0	0	0
13. Other Electric Revenue		9,723	0	0	0	0	0
14. kWh - Own Use		146,895	0	0	0	0	0
15. TOTAL kWh Purchased		101,918,806	0	0	0	0	0
16. TOTAL kWh Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		2,960,451	0	0	0	0	0
18. Interchange - kWh - Net		0	0	0	0	0	0
19. Peak - Sum All kW Input (Metered)		171,326	0	0	0	0	0

☐ Coincident
 ☐ Non-Coincident

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-RUS</b></p> <p style="font-size: 2em; font-family: cursive;">Pro forma</p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p style="font-size: 1.2em; font-family: cursive;">FFB Loan \$6,200,000 @ .06038</p>		<p><b>BORROWER DESIGNATION</b> MO058</p> <p><b>BORROWER NAME AND ADDRESS</b> CITIZENS ELECTRIC CORP P O BOX 311 SAINTE GENEVIEVE, MO 63673-0000</p>	
<p><b>INSTRUCTIONS</b> - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2</p>		<p><b>PERIOD ENDED</b> 2000 December</p>	<p><b>RUS USE ONLY</b></p>
<p><b>CERTIFICATION</b></p> <p>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.</p> <p><b>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.</b></p>			
<p>SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>		<p>DATE</p>	
<p>SIGNATURE OF MANAGER</p>		<p>DATE</p>	

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.....	43,073,501	47,678,274	49,248,184	4,034,811
2. Power Production Expense.....	0	0	0	0
3. Cost of Purchased Power.....	30,576,980	35,142,529	36,832,559	3,160,527
4. Transmission Expense.....	493,766	563,320	513,518	43,516
5. Distribution Expense - Operation.....	1,878,101	1,829,971	1,835,580	188,109
6. Distribution Expense - Maintenance.....	1,639,766	1,863,306	1,851,183	203,582
7. Consumer Accounts Expense.....	911,854	967,839	948,328	85,096
8. Customer Service and Informational Expense.....	171,966	186,854	186,636	13,445
9. Sales Expense.....	0	0	0	0
10. Administrative and General Expense.....	1,108,751	1,317,150	1,288,737	135,831
11. Total Operation & Maintenance Expense (2 thru 10).....	36,781,184	41,870,969	43,456,541	3,830,106
12. Depreciation and Amortization Expense.....	1,953,794	2,169,175	2,235,463	185,917
13. Tax Expense - Property & Gross Receipts.....	617,853	638,328	630,557	49,977
14. Tax Expense - Other.....	70,297	83,846	79,968	7,390
15. Interest on Long-Term Debt.....	1,133,438	1,757,391	1,333,664	149,083
16. Interest Charged to Construction - Credit.....	0	0	0	0
17. Interest Expense - Other.....	30,441	17,003	16,080	1,439
18. Other Deductions.....	19,732	25,883	20,900	4,344
19. Total Cost of Electric Service (11 thru 18).....	40,606,739	46,562,595	47,773,173	4,228,256
20. Patronage Capital & Operating Margins (1 minus 19).....	2,466,762	1,115,679	1,475,011	( 193,445)
21. Non Operating Margins - Interest.....	253,904	203,405	216,000	14,620
22. Allowance for Funds Used During Construction.....	0	0	0	0
23. Income (Loss) from Equity Investments.....	0	0	0	0
24. Non Operating Margins - Other.....	( 13,279)	( 15,470)	0	( 929)
25. Generation and Transmission Capital Credits.....	0	0	0	0
26. Other Capital Credits and Patronage Dividends.....	60,674	63,014	59,700	0
27. Extraordinary Items.....	0	0	0	0
28. Patronage Capital or Margins (20 thru 27).....	2,768,061	1,366,628	1,750,711	( 179,754)

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	715	747	5. Miles Transmission	221.00	229.00
2. Services Retired	172	168	6. Miles Distribution - Overhead	2,568.00	2,590.00
3. Total Services in Place	26,721	27,491	7. Miles Distribution - Underground	91.00	95.00
4. Idle Services (Exclude Seasonal)	3,020	3,351	8. Total Miles Energized (5 + 6 + 7)	2,880.00	2,914.00

<b>Proforma</b> <span style="float: right;">USDA-RUS</span> <h2 style="text-align: center;">FINANCIAL AND STATISTICAL REPORT</h2>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">BORROWER DESIGNATION MO058</td> </tr> <tr> <td style="width: 60%;">PERIOD ENDED 2000 December</td> <td style="width: 40%;">RUS USE ONLY</td> </tr> </table>	BORROWER DESIGNATION MO058		PERIOD ENDED 2000 December	RUS USE ONLY
BORROWER DESIGNATION MO058					
PERIOD ENDED 2000 December	RUS USE ONLY				

INSTRUCTIONS - See RUS Bulletin 1717B - 2

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service..... 80,208,729	30. Memberships..... 104,105
2. Construction Work in Progress..... 1,144,128	31. Patronage Capital..... 32,648,260
3. Total Utility Plant (1+2)..... 81,352,857	32. Operating Margins - Prior Years..... 0
4. Accum. Provision for Depreciation and Amort.. 24,037,421	33. Operating Margins - Current Year..... 1,178,692
5. Net Utility Plant (3-4)..... 57,315,436	34. Non-Operating Margins..... 274,536
6. Non-Utility Property (Net)..... 0	35. Other Margins and Equities..... 15,059
7. Investments in Subsidiary Companies..... 0	36. Total Margins & Equities (30 thru 35)..... 34,220,652
8. Invest. In Assoc. Org. - Patronage Capital..... 210,818	37. Long-Term Debt - RUS (Net)..... 11,580,050
9. Invest. In Assoc. Org. - Other - General Funds..... 0	(Payments-Unapplied \$..... 0)
10. Invest. In Assoc. Org. - Oth. - Nongen. Funds.. 1,293,123	38. Long-Term Debt - RUS - Econ. Devel. (Net)..... 69,792
11. Investments in Economic Development Projects 106,083	39. Long-Term Debt - Other - REA Guaranteed..... 13,657,247
12. Other Investments..... 128,697	40. Long-Term Debt - Other (Net)..... 5,064,077
13. Special Funds..... 0	41. Total Long-Term Debt (37 thru 40)..... 30,371,166
14. Total Other Property and Investments (6 thru 13) 1,738,721	42. Obligations Under Capital Leases - Noncurrent..... 0
15. Cash - General Funds..... 7,073,690	43. Accumulated Operating Provisions..... 0
16. Cash - Construction Funds - Trustee..... 0	44. Total Other Noncurrent Liabilities (42+43)..... 0
17. Special Deposits..... 0	45. Notes Payable..... 946,496
18. Temporary Investments..... 0	46. Accounts Payable..... 3,395,421
19. Notes Receivable (Net)..... 0	47. Consumers Deposits..... 287,850
20. Accounts Receivable - Sales of Energy (Net).. 3,172,149	48. Other Current and Accrued Liabilities..... 883,045
21. Accounts Receivable - Other (Net)..... 19,844	49. Total Current & Accrued Liabilities (45 thru 48) 5,512,812
22. Materials and Supplies - Electric and Other..... 1,016,419	50. Deferred Credits..... 584,566
23. Prepayments..... 127,614	51. Accumulated Deferred Income Taxes..... 0
24. Other Current and Accrued Assets..... 16,944	52. Total Liabilities and Other Credits (36+41+44+49 thru 51)..... 70,689,196
25. Total Current and Accrued Assets (15 thru 24) 11,426,660	
26. Regulatory Assets..... 0	
27. Other Deferred Debits..... 208,379	
28. Accumulated Deferred Income Taxes..... 0	
29. Total Assets and Other Debits (5+14+25 thru 28) 70,689,196	

**ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION**

53. Balance Beginning of Year.....	1,107,961
54. Amounts Received This Year (Net).....	128,072
55. Total Contributions in Aid of Construction.....	1,236,033

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE IS PROVIDED FOR IMPORTANT DISCLOSURE NOTES TO THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. REPORT ITEMS CONTAINED IN THE INSTRUCTIONS AND ADDITIONAL MATERIAL ITEMS.

(A SEPERATE SHEET MAY BE USED IF ADDITIONAL SPACE IS NEEDED.)

Cash Received From Patronage Capital Refunds: 0



**CITIZENS ELECTRIC CORPORATION**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2000 AND 1999**

*CITIZENS ELECTRIC CORPORATION*

*FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2000 AND 1999*

**CITIZENS ELECTRIC CORPORATION**

STE. GENEVIEVE, MISSOURI

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*CITIZENS ELECTRIC CORPORATION*

DECEMBER 31, 2000

**BOARD OF DIRECTORS**

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
Charles Hurst	President	St. Mary, Missouri
John F. Lottes III	Vice-President	Perryville, Missouri
Dr. William Scott	Secretary	Ste. Genevieve, Missouri
Alvin A. Franke	Treasurer	Jackson, Missouri
Louis G. Schilly		Bloomsdale, Missouri
Clarence Schlimpert		Jackson, Missouri
Stanley R. Petzoldt		Frohna, Missouri
Herbert Fallert		Ste. Genevieve, Missouri
Karl Klaus		Perryville, Missouri
Thomas Tucker		Perryville, Missouri
Daniel Rodamaker	Chief Executive Officer	Ste. Genevieve, Missouri

## INDEPENDENT AUDITOR'S REPORT



To The Board Of Directors  
**CITIZENS ELECTRIC CORPORATION**

We have audited the accompanying balance sheets of Citizens Electric Corporation, as of December 31, 2000 and 1999, and the related statements of revenue and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citizens Electric Corporation, as of December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Selected Financial Information for the years ending December 31, 1995 - 2000, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 2001, on our consideration of Citizens Electric Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Botz, Deal & Company

January 19, 2001

**CITIZENS ELECTRIC CORPORATION**  
**BALANCE SHEETS**  
**DECEMBER 31, 2000 AND 1999**

**ASSETS**

	<u>2000</u>	<u>1999</u>
<b>UTILITY PLANT</b>		
Electric plant in service	\$ 80,208,729	\$ 75,739,266
Less: accumulated depreciation and amortization	<u>24,037,421</u>	<u>22,923,340</u>
Total	56,171,308	52,815,926
Construction in progress	<u>1,144,128</u>	<u>1,785,094</u>
NET UTILITY PLANT	<u>57,315,436</u>	<u>54,601,020</u>
 <b>INVESTMENTS - AT COST</b>		
Capital term certificates - NRUCFC	1,293,123	1,293,125
Investments in associated organization - patronage capital	210,818	216,784
Other investments	<u>234,780</u>	<u>239,383</u>
TOTAL INVESTMENTS	<u>1,738,721</u>	<u>1,749,292</u>
 <b>CURRENT ASSETS</b>		
Cash and temporary investments	778,236	2,148,514
Accounts receivable (less provision for doubtful accounts of \$10,074 in 2000 and \$15,739 in 1999)	3,191,993	2,375,088
Interest and rent receivable	16,944	16,152
Materials and supplies	1,016,419	925,471
Prepaid expenses	<u>127,614</u>	<u>4,298</u>
TOTAL CURRENT ASSETS	<u>5,131,206</u>	<u>5,469,523</u>
 <b>DEFERRED DEBITS</b>	<u>208,379</u>	<u>182,039</u>
  <b>TOTAL ASSETS</b>	  <u><u>\$ 64,393,742</u></u>	  <u><u>\$ 62,001,874</u></u>

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

# MEMBERS' EQUITIES AND LIABILITIES

	2000	1999
<b>EQUITIES</b>		
Capital stock - memberships	\$ 104,105	\$ 102,890
Patronage capital	34,419,434	33,446,391
Other equities	101,660	435,072
TOTAL EQUITIES	<u>34,625,199</u>	<u>33,984,353</u>
 <b>LONG-TERM DEBT</b>		
RUS mortgage notes	12,241,225	12,921,178
NRUCFC mortgage notes	5,290,145	5,491,597
FFB notes	6,983,000	4,881,000
Other long-term debt	103,292	136,792
Total	<u>24,617,662</u>	<u>23,430,567</u>
Less: current maturities	<u>975,514</u>	<u>2,878,162</u>
NET LONG-TERM DEBT	<u>23,642,148</u>	<u>20,552,405</u>
 <b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	975,514	2,878,162
Accounts payable	3,395,422	2,766,329
Customer deposits	287,850	271,595
Accrued interest	136,828	142,675
Accrued taxes	150,035	145,968
Other current and accrued liabilities	183,198	185,958
Accumulated provision for pension and benefits	412,982	367,183
TOTAL CURRENT LIABILITIES	<u>5,541,829</u>	<u>6,757,870</u>
 <b>DEFERRED CREDITS</b>	<u>584,566</u>	<u>707,246</u>
 <b>TOTAL MEMBERS' EQUITY AND LIABILITIES</b>	<u>\$ 64,393,742</u>	<u>\$ 62,001,874</u>

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

**CITIZENS ELECTRIC CORPORATION**  
**STATEMENTS OF REVENUE AND PATRONAGE CAPITAL**  
**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
<b>OPERATING REVENUES</b>	<b>\$ 47,678,274</b>	<b>\$ 43,073,500</b>
<b>OPERATING EXPENSES</b>		
Cost of power purchased	35,142,529	30,576,980
Transmission:		
Operation	362,059	309,447
Maintenance	201,261	184,318
Distribution:		
Operation	1,829,971	1,878,101
Maintenance	1,863,306	1,639,767
Consumer accounts	967,839	911,854
Customer service	186,854	171,966
Administrative and general	1,317,150	1,108,751
Depreciation	2,169,175	1,953,794
Gross receipts taxes and assessments	722,174	688,150
Interest - other	17,003	30,441
Other	25,883	19,733
<b>TOTAL OPERATING EXPENSES</b>	<b>44,805,204</b>	<b>39,473,302</b>
<b>OPERATING MARGINS BEFORE FIXED CHARGES</b>	<b>2,873,070</b>	<b>3,600,198</b>
<b>FIXED CHARGES</b>		
Interest on long-term debt	1,352,845	1,133,438
<b>OPERATING MARGINS AFTER FIXED CHARGES</b>	<b>1,520,225</b>	<b>2,466,760</b>
<b>OTHER COOPERATIVE CAPITAL CREDITS</b>	<b>63,014</b>	<b>60,674</b>
<b>NET OPERATING MARGINS</b>	<b>1,583,239</b>	<b>2,527,434</b>
<b>NON-OPERATING MARGINS</b>		
Interest income	203,405	253,904
Other	(15,470)	(13,278)
<b>TOTAL NON-OPERATING MARGINS</b>	<b>187,935</b>	<b>240,626</b>
<b>NET MARGINS</b>	<b>1,771,174</b>	<b>2,768,060</b>
<b>PATRONAGE CAPITAL - BEGINNING OF YEAR</b>	<b>33,446,391</b>	<b>30,688,511</b>
<b>TOTAL</b>	<b>35,217,565</b>	<b>33,456,571</b>
<b>OTHER ASSIGNABLE MARGINS</b>	<b>482,101</b>	<b>1,306,114</b>
<b>RETIREMENT OF PATRONS' CAPITAL CREDITS</b>	<b>(1,280,232)</b>	<b>(1,316,294)</b>
<b>PATRONAGE CAPITAL - END OF YEAR</b>	<b>\$ 34,419,434</b>	<b>\$ 33,446,391</b>

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

**CITIZENS ELECTRIC CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from consumers	\$ 46,861,367	\$ 42,754,606
Cash paid to suppliers and employees	(42,199,907)	(38,819,877)
Interest received	203,613	254,072
Interest paid	(1,375,695)	(1,169,198)
Other nonoperating expenses paid	(15,470)	(13,278)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,473,908</u>	<u>3,006,325</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to utility plant assets	(4,883,592)	(5,583,936)
Increase in materials and supplies	(90,946)	(51,999)
Investment in associated organization	(5,000)	-
Redemption of investments in associated cooperatives	78,586	90,835
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,900,952)</u>	<u>(5,545,100)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	2,102,000	4,881,000
Principal payments on long-term debt	(914,906)	(1,020,894)
Other equities	(333,412)	333,412
Increase in membership	1,215	1,440
Patronage capital retired	(798,131)	(1,316,294)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>56,766</u>	<u>2,878,664</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,370,278)	339,889
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>2,148,514</u>	<u>1,808,625</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 778,236</u>	<u>\$ 2,148,514</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Cash	<u>\$ 778,236</u>	<u>\$ 2,148,514</u>

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

**RECONCILIATION OF NET MARGINS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

	<u>2000</u>	<u>1999</u>
<b>NET MARGINS</b>	<b>\$ 1,771,174</b>	<b>\$ 2,768,060</b>
<b>ADJUSTMENTS TO RECONCILE NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation and amortization	2,169,175	1,953,794
Amortization of debt discount	805	910
Amortization of pension	86,118	86,118
Generation and transmission capital credits	(63,014)	(60,674)
(Increase) decrease in assets:		
Accounts receivable	(816,906)	(318,894)
Interest and rent receivable	(792)	168
Prepaid expenses	(123,316)	113,095
Deferred debits	(113,264)	2,240
Increase (decrease) in liabilities:		
Accounts payable	629,093	(1,530,135)
Customer deposits	16,255	28,275
Accrued interest	(5,847)	(5,319)
Accrued taxes	4,067	32,038
Other current and accrued liabilities	(2,760)	13,472
Accumulated provision for pension and benefits	45,800	47,794
Deferred credits	(122,680)	(124,617)
<b>TOTAL ADJUSTMENTS</b>	<b><u>1,702,734</u></b>	<b><u>238,265</u></b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 3,473,908</u></b>	<b><u>\$ 3,006,325</u></b>

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

**CITIZENS ELECTRIC CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

**1. DESCRIPTION OF OPERATIONS**

Citizens Electric Corporation (the Corporation) is an electric distribution system serving residences and businesses located in Ste. Genevieve, Perry, Cape and St. Francois counties. The Corporation operates as a cooperative whereby all monies in excess of the cost of providing electric service is credited to each member's capital account.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method Of Accounting** - The Corporation uses the method of accounting prescribed for Electric Borrowers of the Rural Utilities Service (RUS). Under this method of accounting the Corporation recognizes revenues when billed rather than when earned. The amount of unbilled revenue amounted to approximately \$1,990,650 and \$1,798,220 at December 31, 2000 and 1999, respectively.

**Nonprofit Operation** - The Corporation has been granted exemption from federal income tax under Section 501(c)12 of the Internal Revenue Code and is not a private foundation. The Corporation files Form 990 annually.

**Investments** - The Corporation investments covered by FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities," include debt securities. The Corporation is required by its lender to invest in these certificates. These certificates have been recorded at amortized cost, due to the Corporation's intent and ability to hold these investments to maturity. Other investments held by the Corporation include equities in other organizations which are not readily traded on an exchange and therefore do not have a readily determinable fair value. These investments are carried at cost as they are not covered by FASB Statement No. 115.

**Concentration of Cash and Investments** - At December 31, 2000 and 1999, the Corporation had invested \$-0- and \$1,000,000, respectively, in commercial paper of the National Rural Utilities Cooperative Finance Corporation.

**Concentration of Credit Risk** - Concentrations of credit risk arise from the Corporation's granting of credit to its owner customers. In 2000, approximately 30% of the Corporation's gross revenues and 40% of accounts receivable were from services provided to two large manufacturing companies within the Corporation's service area.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Corporation maintains its cash and a portion of its temporary investments in eight commercial banks located in Missouri. Accounts at each bank are guaranteed by Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per bank. In addition, the bank has pledged securities as collateral for amounts in excess of those insured by FDIC. A summary of the total insured and uninsured cash balances follows:

Total cash and temporary investments	
held in all Missouri banks	\$1,296,579
Less: Portion insured by FDIC	( 318,936)
Pledged securities	( 977,004)
Uninsured cash and temporary	
investment balances	\$ <u>639</u>

**Concentration of Labor Supply** - Approximately 54% of the Corporation's employees are covered by a collective bargaining agreement, which expires July 1, 2004.

**Statements of Cash Flows** - For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Materials and Supplies** - Inventories of materials and supplies are carried at average cost.

**Utility Plant** - The cost of additions to and betterments of units of utility plant are capitalized. Cost includes contractual work, direct labor, materials, and allocable overhead. Maintenance expenditures and renewals of items not considered to be units of property are charged to operations as incurred.

**Estimates** - 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.

## 3. ELECTRIC PLANT

At December 31, electric plant consisted of the following:

	<u>2000</u>	<u>1999</u>
Intangible plant	\$ 9,469	\$ 9,469
Transmission plant	20,563,860	19,218,881
Distribution plant	51,638,776	49,261,806
General plant	<u>7,996,624</u>	<u>7,249,110</u>
Total	80,208,729	75,739,266
Construction work-in-progress	<u>1,144,128</u>	<u>1,785,094</u>
TOTAL	<u>\$81,352,857</u>	<u>\$77,524,360</u>

3. **ELECTRIC PLANT AND DEPRECIATION** - continued

Provision has been made for depreciation of transmission and distribution plant on a straight-line basis using depreciation rates established by a Missouri Public Service Commission Order dated February 1, 1978. The rates stated per the order are as follows:

	<u>Percent</u>
Transmission:	
Station equipment	2.97
Poles and fixtures	3.00
Overhead conductors and devices	2.50
Distribution:	
Station equipment	2.88
Poles, towers and fixtures	3.00
Overhead conductors and devices	2.50
Underground conduit	2.00
Underground conductors and devices	2.50
Line transformers	3.33
Services	3.18
Meters	3.00
Street lighting and signal systems	5.88

General plant depreciation rates have been applied on a straight-line basis as follows:

Structure and improvements	2.86
Office furniture and equipment	4.75
Office furniture and equipment - computers	12.86
Transportation equipment	11.25
Stores equipment	5.00
Tools and work equipment	4.00
Laboratory equipment	3.33
Power operated equipment	7.92
Power operated equipment - trenching	12.50
Communication equipment	5.97
Miscellaneous	4.00

Depreciation expense for 2000 and 1999 was as follows:

	<u>2000</u>	<u>1999</u>
Charged to depreciation expense	\$2,169,175	\$1,953,794
Charged to clearing accounts	<u>337,080</u>	<u>313,321</u>
TOTAL	<u>\$2,506,255</u>	<u>\$2,267,115</u>

4. **INVESTMENTS IN ASSOCIATED ORGANIZATION**

Investments in associated organization include the following:

	<u>2000</u>	<u>1999</u>
Patronage Capital - NRUCFC	<u>\$210,818</u>	<u>\$216,784</u>

5. **OTHER INVESTMENTS**

Other investments consisted of the following at December 31, 2000 and 1999:

	<u>2000</u>	<u>1999</u>
Notes receivable - Perry County		
Industrial Development Authority	\$106,083	\$139,583
Other	<u>128,697</u>	<u>99,800</u>
TOTAL	<u>\$234,780</u>	<u>\$239,383</u>

6. **DEFERRED DEBITS**

At December 31, deferred debits consisted of the following:

	<u>2000</u>	<u>1999</u>
Debt discount	\$ 9,643	\$ 10,448
Preliminary survey	35,089	25,629
Computer maintenance agreements	2,715	3,240
Insulator cleaning	15,773	13,546
Deferred pension expense	43,059	129,176
Transformer repair	<u>102,100</u>	<u>—</u>
TOTAL	<u>\$208,379</u>	<u>\$182,039</u>

7. **CAPITAL STOCK - MEMBERSHIPS**

Membership consists of the following:

<u>Par</u>	<u>Membership</u>	<u>Memberships</u>	
<u>Value</u>	<u>Number</u>	<u>Outstanding</u>	
	<u>Authorized</u>	<u>2000</u>	<u>1999</u>
\$5	25,000	<u>20,660</u>	<u>20,416</u>

Any person, firm, association, corporation or political body or subdivision thereof may become a member in the Corporation, but may not own more than one share of stock. Membership is represented by one share of common stock.

## 8. PATRONAGE CAPITAL

At December 31, patronage capital consisted of the following:

	<u>2000</u>	<u>1999</u>
Assignable	\$ 1,771,174	\$ 2,768,060
Assignable - other margins	482,101	1,306,114
Assigned	<u>33,446,391</u>	<u>30,688,511</u>
Total	35,699,666	34,762,685
Less: retirements	<u>( 1,280,232)</u>	<u>( 1,316,294)</u>
TOTAL	<u>\$34,419,434</u>	<u>\$33,446,391</u>

Under the provision of the Mortgage Agreement, until the equities and margins equal or exceed 40% of the total assets of the Corporation, the return to patrons of capital contributed by them is limited generally to 25% of the patronage capital or margins received by the Corporation in the prior calendar year. At December 31, 2000 and 1999, the Corporation's equities and margins exceeded 40% of the total assets of the Corporation.

## 9. OTHER EQUITIES

At December 31, 2000 and 1999, other equities consisted of:

	<u>2000</u>	<u>1999</u>
Miscellaneous paid-in capital	\$ 15,059	\$ 15,059
Donated capital	<u>86,601</u>	<u>420,013</u>
TOTAL	<u>\$101,660</u>	<u>\$435,072</u>

## 10. LONG-TERM DEBT

### MORTGAGE NOTES - RUS

All assets of the Corporation were pledged on mortgage notes issued by RUS. The notes are for 35 years each and are scheduled to be repaid at various times until the year 2015. The following is a summary of outstanding long-term debt payable to RUS:

	<u>2000</u>	<u>1999</u>
2.0% notes due in quarterly installments	\$ 644,044	\$ 814,454
5.0% notes due in quarterly installments	7,633,789	8,080,343
5.0% notes due in monthly installments	<u>3,963,392</u>	<u>4,026,381</u>
Total	12,241,225	12,921,178
Less: current maturities	<u>( 661,176)</u>	<u>( 679,826)</u>
TOTAL	<u>\$11,580,049</u>	<u>\$12,241,352</u>

At December 31, 2000, the Corporation was in compliance with debt covenants and there were no unadvanced loan funds authorized by RUS.

10. **LONG-TERM DEBT - continued**

**MORTGAGE NOTES - FFB**

The Corporation has a loan agreement with the Federal Financing Bank (FFB) guaranteed by RUS with the following notes:

	<u>2000</u>	<u>1999</u>
Federal Financing Bank	\$2,920,000	\$2,920,000
Date of note - May 24, 1999		
Interest rate - 5.942%		
Maturity date - July 2, 2029		
Payment amount - \$53,474		
 Federal Financing Bank	 1,961,000	 1,961,000
Date of note - August 25, 1999		
Interest rate - 6.16%		
Maturity date - July 1, 2030		
Payment amount - \$35,792		
 Federal Financing Bank	 2,102,000	 —
Date of note - March 13, 2000		
Interest rate - 6.038%		
Maturity date - January 3, 2034		
Payment amount - \$36,391		
 Total	 6,983,000	 4,881,000
Less: current maturities	( 66,684)	(1,961,000)
 TOTAL	 <u>\$6,916,316</u>	 <u>\$2,920,000</u>

**MORTGAGE NOTES - NRUCFC**

Long-term debt is represented by secured promissory notes payable to NRUCFC. All assets of the Corporation are pledged on mortgage notes issued by NRUCFC. Following is a summary of outstanding long-term debt payable to NRUCFC:

	<u>2000</u>	<u>1999</u>
7% notes due February 1, 2008	\$ 77,576	\$ 85,529
7% notes due September 31, 2009	240,688	260,006
6.95% notes due May 1, 2011	442,281	470,020
5.70% notes due November 1, 2012	935,349	988,287
6.45% notes due October 3, 2015	1,881,219	1,955,502
7.35% notes due January 31, 2029	747,908	755,603
8.30% notes due January 31, 2029	<u>965,124</u>	<u>976,650</u>
Total	5,290,145	5,491,597
Less: current maturities	( 214,154)	( 203,836)
TOTAL	<u>\$5,075,991</u>	<u>\$5,287,761</u>

The notes payable to NRUCFC contain provisions for changing the interest rate at various future dates.

10. LONG-TERM DEBT - continued

OTHER LONG-TERM DEBT

Other long-term debt consists of the following at December 31:

	<u>2000</u>	<u>1999</u>
RUS - Rural Economic Development Loan - \$268,000 obligation with 0% interest and monthly payments of \$2,792 beginning March 1996	\$103,292	\$136,792
Less: current maturities	( 33,500)	( 33,500)
TOTAL	<u>\$ 69,792</u>	<u>\$103,292</u>

The Corporation has entered into a Line of Credit agreement with NRUCFC in the amount of \$3,000,000 for the period ended December 31, 2000 and 1999. The balance outstanding at December 31, 2000 and 1999 was \$-0-. Maximum borrowings during 2000 and 1999 were \$-0- and \$600,000, respectively. The agreement expires in November of each year. Annually the loan automatically renews for a subsequent period of twelve months.

Based on current information, principal repayments over the next five years will require approximately:

<u>Year Ending</u> <u>December 31</u>	<u>RUS</u> <u>Principal</u> <u>Payment</u>	<u>NRUCFC</u> <u>Principal</u> <u>Payment</u>	<u>FFB</u> <u>Principal</u> <u>Payment</u>	<u>Rural</u> <u>EDC</u> <u>Loan</u>	<u>Total</u>
2001	\$ 661,176	\$ 214,154	\$ 66,684	\$ 33,500	\$ 975,514
2002	690,985	228,274	92,513	33,500	1,045,272
2003	721,209	243,336	98,195	33,500	1,096,240
2004	684,870	259,394	78,075	2,792	1,025,131
2005	717,743	276,521	109,103	—	1,103,367
Thereafter	<u>8,765,242</u>	<u>4,068,466</u>	<u>6,538,430</u>	<u>—</u>	<u>19,372,138</u>
TOTAL	<u>\$12,241,225</u>	<u>\$ 5,290,145</u>	<u>\$ 6,983,000</u>	<u>\$ 103,292</u>	<u>\$24,617,662</u>

11. OTHER DEFERRED CREDITS

At December 31, other deferred credits consisted of the following:

	<u>2000</u>	<u>1999</u>
Confiscated customer deposits, membership fees and stock certificates	\$ 6	\$ 6
Customer advances for construction	568,421	586,649
Capital credit refund - undeliverable	( 891)	( 634)
Insurance settlements	( 28,441)	39,377
Consumer energy prepayment	<u>45,471</u>	<u>81,848</u>
TOTAL	<u>\$584,566</u>	<u>\$707,246</u>

## 12. RETIREMENT PLANS

Substantially all union employees are provided retirement coverage by a money purchase plan and a 401K saving plan funded through Penn Mutual. The Corporation makes a monthly contribution of 9% of base salary. The total retirement expense for 2000 and 1999 was \$146,424 and \$140,924, respectively.

A 401K savings plan is maintained for non-union employees. The Corporation matches employee contributions of 1% to 3% of base salary. Total contributions made to this plan by Citizens Electric Corporation was \$39,913 in 2000 and \$37,908 in 1999.

The Corporation provided pension benefits for all non-union employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security Program, a defined benefit multiemployer plan. The Corporation merged its prior plan with the NRECA plan on July 1, 1991. NRECA does not determine or allocate separately the accumulated benefits and plan assets by individual employer. The total pension expense for 2000 and 1999 was \$120,703 and \$99,640, respectively.

Effective July 1, 1991, the Corporation assumed a prior service liability by adopting amendments to the defined benefit plan. An expense deferral plan, adopted by the Board, requires the prior service cost to be amortized over a ten year period. The related deferred charge for the prior service cost at December 31, 2000 and 1999, is included in Miscellaneous Deferred Debits. The amount of the deferred charge expense was \$86,118 in 2000 and 1999.

## 13. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Corporation provides certain postretirement benefits for retired employees and directors. The Corporation pays approximately 50% of the medical insurance premiums for a retired employee, age 62 through 65. The contributions are limited to thresholds established by the Corporation. Retired directors, age 65 with 15 years of service, receive 100% of their medical insurance premiums for life.

Effective January 1, 1993, the Corporation implemented Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," to account for the postretirement benefit obligation. The transition obligation, that was determined at January 1, 1993, is being amortized over the average remaining service period of employees and directors. The current period expense for ongoing postretirement benefits, including service cost, interest cost and amortization of transition obligation is reflected in the Corporation's financial statements in accordance with the provisions of Statement No. 106.

The amount of net postretirement benefit cost recognized for the year ended December 31, 2000 and 1999, is calculated as follows:

	<u>2000</u>	<u>1999</u>
Service Cost	\$19,643	\$19,643
Interest Cost	31,530	31,530
Amortization of transition obligation	<u>26,965</u>	<u>26,965</u>
TOTAL	<u>\$78,138</u>	<u>\$78,138</u>

13. **POSTRETIREMENT BENEFITS OTHER THAN PENSIONS - continued**

The following schedule reconciles the funded status of the postretirement benefit plan with the amount reported of the Corporation's balance sheet as of December 31, 2000 and 1999:

	<u>2000</u>	<u>1999</u>
Accumulated postretirement benefit obligation	\$543,357	\$513,653
Plan assets at fair value	<u>      </u>	<u>      </u>
Accumulated postretirement benefit obligation in excess of plan assets	543,357	513,653
Unrecognized net loss from effects of changes in assumptions	40,004	50,874
Unrecognized transition obligation	(170,379)	(197,344)
Accrued postretirement benefit cost recognized in the financial statements	<u>\$412,982</u>	<u>\$367,183</u>

14. **COMMITMENTS**

**Wholesale Power** - Under its wholesale power agreement, the Corporation is committed to purchase its electric power and energy requirements from AmerenUE until December 31, 2001.

15. **OPERATING LEASE COMMITMENTS**

During 2000, the Corporation entered into a lease for warehouse space expiring February 28, 2001. Minimum future rental payments under the non-cancelable operating lease are as follows:

2001	<u>\$700</u>
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Rental expense for this warehouse totaled \$3,500 for the year ended December 31, 2000.



## SUPPLEMENTARY INFORMATION

**CITIZENS ELECTRIC CORPORATION**  
**SELECTED FINANCIAL INFORMATION**  
**FOR THE PERIODS ENDING DECEMBER 31, 1995 THROUGH 2000**

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
OPERATING REVENUE	\$47,678,274	\$43,073,500	\$41,652,459	\$39,025,631	\$38,875,825	\$36,770,950
COST OF PURCHASED POWER	35,142,529	30,576,980	30,191,000	27,579,385	27,542,582	25,660,795
OPERATING EXPENSES, FIXED CHARGES, AND CAPITAL CREDITS LESS PURCHASED POWER	<u>10,952,506</u>	<u>9,969,086</u>	<u>9,447,778</u>	<u>8,930,624</u>	<u>8,278,949</u>	<u>8,155,564</u>
OPERATING MARGINS	<u>\$ 1,581,239</u>	<u>\$ 2,527,434</u>	<u>\$ 2,013,681</u>	<u>\$ 2,515,622</u>	<u>\$ 3,054,294</u>	<u>\$ 2,954,591</u>
NET MARGINS	<u>\$ 1,771,174</u>	<u>\$ 2,768,060</u>	<u>\$ 2,211,308</u>	<u>\$ 2,761,114</u>	<u>\$ 3,283,034</u>	<u>\$ 3,078,551</u>
PURCHASED POWER AS A PERCENT OF OPERATING REVENUE	<u>73.7%</u>	<u>70.9%</u>	<u>72.5%</u>	<u>70.7%</u>	<u>70.8%</u>	<u>69.8%</u>
NET UTILITY PLANT	<u>\$57,315,436</u>	<u>\$54,601,020</u>	<u>\$50,970,887</u>	<u>\$46,687,557</u>	<u>\$41,897,383</u>	<u>\$39,517,965</u>
LONG-TERM DEBT	<u>\$23,642,148</u>	<u>\$20,552,405</u>	<u>\$18,544,148</u>	<u>\$19,534,393</u>	<u>\$14,467,522</u>	<u>\$16,024,321</u>
INTEREST EXPENSE	<u>\$ 1,369,848</u>	<u>\$ 1,163,879</u>	<u>\$ 1,061,253</u>	<u>\$ 946,849</u>	<u>\$ 832,962</u>	<u>\$ 863,696</u>

See Independent Auditor's Report.

## ADDITIONAL INFORMATION

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**



Board of Directors

**CITIZENS ELECTRIC CORPORATION**

We have audited the financial statements of Citizens Electric Corporation, as of and for the year ended December 31, 2000, and have issued our report thereon dated January 19, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Citizens Electric Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Citizens Electric Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design of operation on one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which was reported to management in a separate letter dated January 19, 2001.

TWO WESTBURY DRIVE  
ST. CHARLES, MO 63301  
(636) 946-2800  
FAX (636) 946-2975  
botzdeal@botzdeal.com

This report is intended for the information of Board of Directors, management, the Rural Utilities Service and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties.

Betsy Deal & Company

January 19, 2001



United States Department of Agriculture  
Rural Development

Rural Business-Cooperative Service • Rural Housing Service • Rural Utilities Service  
Washington, DC 20250

FEB 28 2001

Mr. Charles E. Hurst  
President  
Citizens Electric Corporation  
P.O. Box 311  
Ste. Genevieve, Missouri 63670

Dear Mr. Hurst:

We are pleased to advise you that a loan guarantee commitment in the amount of \$6,700,000 has been approved for Citizens Electric Corporation (Ste. Genevieve), by the Rural Utilities Service (RUS). Under this commitment, the Government will guarantee a loan of \$6,700,000 to Ste. Genevieve pursuant to a contract of guarantee, satisfactory to RUS, among the Government, Ste. Genevieve and the Federal Financing Bank (FFB).

The proceeds of the guaranteed loan, designated "X8," are to be used by Ste. Genevieve to finance the construction of electric distribution facilities included in the RUS Form 740c, *Cost Estimates and Loan Budget for Electric Borrowers*, submitted in support of the "X8" loan application.

The loan agreement and other documents (loan documents) will be forwarded in the near future for execution. This loan is approved with the understanding that the loan documents will be authorized and executed by Ste. Genevieve and returned to us in accordance with the instructions.

A copy of this letter is being sent to the Vice President and General Manager, Mr. Daniel Rodamaker, and to the National Rural Utilities Cooperative Finance Corporation.

Sincerely,

A handwritten signature in black ink, reading "James A. Ruspi". The signature is fluid and cursive, with the first name "James" being the most prominent.

JAMES A. RUSPI  
Director  
Southern Regional Division

This data will be used by RUS to review your financial situation. Your response is required (7 USC 901 et seq.) and is not confidential.

<b>USDA-RUS</b>  <b>COST ESTIMATES AND LOAN BUDGET</b>  <b>FOR ELECTRIC BORROWERS</b>  To: U.S. Dept. of Agriculture, RUS, Washington, D. C. 20250 <b>INSTRUCTIONS</b> <i>See EOM-4 Guideline for the Implementation of 7 CFR 1711.1</i>	<b>Form Approved</b> <b>OMB No. 0572-0032</b>  <b>BORROWER AND LOAN DESIGNATION</b> MO 58, Ste. Genevieve <i>Loan number X8</i>  <b>COST ESTIMATES AS OF:</b> (Month, Year) Oct-00
<b>SECTION A. COST ESTIMATES</b>	<b>LOAN PERIOD</b> <u>2</u> <b>YEARS</b>

	BORROWER'S COST ESTIMATES	RUS USE ONLY
<b>1. DISTRIBUTION</b>		
<b>100 a. New Line: (Excluding Tie-Lines)</b>		
<u>Construction</u>	<u>Consumers</u>	<u>Miles</u>
101    Underground	0	0.00
102    Overhead	0	0.00
Total Consumer	0	0.00
		Total Miles .....
		Less Contributions .....
<i>Subtotal (New Line).</i>		
<b>a.(1) Major Development : (site specific code 100)</b>		
103	\$0	
104	0	
105	0	
<i>Subtotal (Major Development).</i>		\$0
<i>Subtotal All code 100.</i>		\$0
<b>200 b. New Tie-Lines</b>		
<u>Line Designation</u>	<u>Miles</u>	
201	0.00	\$0
202	0.00	0
203	0.00	0
204	0.00	0
205	0.00	0
206	0.00	0
<i>Subtotal from page 1A</i> .....		0.00
<i>Subtotal (Includes subtotals from pages 1A).</i> Miles .....		0.00
<b>300 c. Conversion and Line Change</b>		
<u>Line Designation</u>	<u>Miles</u>	
301	0.00	\$0
302	0.00	0
303	0.00	0
304	0.00	0
305	0.00	0
306	0.00	0
307	0.00	0
308	0.00	0
309	0.00	0
310	0.00	0
<i>Subtotal from page 1A</i> .....		0.00
<i>Subtotal (Includes subtotals from pages 1A)</i> Miles .....		0.00
<b>400 d. New Substations, Switching Stations, Metering Points, etc.</b>		
<u>Station Designation</u>	<u>kVA</u>	<u>kV to kV</u>
401		\$0
402		0
403		0
404		0
405		0
406		0
<i>Subtotal</i> .....		\$0

## SECTION A. COST ESTIMATES (Page 1 Continuation Sheet)

BORROWER'S  
COST ESTIMATES

## RUS USE ONLY

## 200 b. New Tie-Lines (Continued)

Line Designation

Miles

207	0.00
208	0.00
209	0.00
210	0.00
211	0.00
212	0.00
213	0.00
214	0.00
215	0.00
216	0.00

Miles ..... 0.00

Subtotal (transfers to page 1) ..... \$0

## 300 c. Conversion and Line Changes (Continued)

Line Designation

Miles

311	0.00
312	0.00
313	0.00
314	0.00
315	0.00
316	0.00
317	0.00
318	0.00
319	0.00
320	0.00
321	0.00
322	0.00
323	0.00
324	0.00
325	0.00
326	0.00
327	0.00
328	0.00
329	0.00
330	0.00
331	0.00
332	0.00
333	0.00
334	0.00
335	0.00
336	0.00
337	0.00
338	0.00
339	0.00
340	0.00
341	0.00
342	0.00
343	0.00

Subtotal (transfers to page 1) ..... 0.00

\$0



## SECTION A. COST ESTIMATES (cont.)

POWER'S  
COST ESTIMATES

RUS USE ONLY

## 500 e. Substation, Switching Station, Metering Point Changes

Station Designation

Description of Changes

501		
502		
503		
504		
505		
506		
507		
508		
509		

\$0

0

0

0

0

0

0

0

0

Subtotal .....

\$0

## 600 f. Miscellaneous Distribution Equipment

## 601 (1) Transformers and Meters

Construction

Transformers

Meters

Underground

0

\$0

0

\$0

Overhead

0

\$0

0

\$0

Subtotal code 601 ... (included in total of all 600 codes below)

\$0

## 602 (2) Sets of Service Wires to increase Capacity

0

## 603 (3) Sectionalizing Equipment

0

## 604 (4) Regulators

0

## 605 (5) Capacitors

0

## 606 (6) Ordinary Replacements

0

(7)

0

(8)

0

(9)

0

(10)

0

(11)

0

Subtotal ALL 600 codes .....

\$0

## 700 g. Other Distribution Items

## 701 (1) Engineering Fees

\$0

## 702 (2) Security Lights

0

## 703 (3) Reimbursement of General Funds (see attached)

2,730,870

## 704 (4)

0

Subtotal .....

\$2,730,870

TOTAL DISTRIBUTION.....

\$2,730,870

## 800 2. Transmission

## a. New Line

Line Designation

Voltage

Wire Size

Miles

801			
802			
803			
804			
805			
806			
807			
808			
809			
810			

\$0

0

0

0

0

0

0

0

0

0

Total Miles

0.00

Subtotal .....

\$0

## SECTION A. COST ESTIMATES (cont.)

BORROWER'S  
COST ESTIMATES

RUS USE ONLY

## 900 b. New Substation, Switching Station, etc.

Station DesignationkVAkV TO kV

901			
902			
903			
904			
905			
906			
907			
908			

Subtotal .....

\$0

0

0

0

0

0

0

0

0

\$0

## 1000 c. Line and Station Changes

Line/Station DesignationDescription of Changes

1001		
1002		
1003		
1004		
1005		
1006		
1007		
1008		
1009		

Subtotal .....

\$0

0

0

0

0

0

0

0

0

\$0

## 1100 d. Other Transmission Items

1101	(1)	R/W Procurement	
1102	(2)	Engineering Fees	
1103	(3)	Reimbursement of General Funds (see schedule)	
1104	(4)		

Subtotal .....

\$0

0

4,005,501

0

\$4,005,501

TOTAL TRANSMISSION.....

\$4,005,501

## 1200 3. GENERATION (including Step-up Station at Plant)

1201	a	Fuel	Nameplate Rating	kW
1202	b.			

TOTAL GENERATION.....

\$0

0

\$0

## 1300 4. HEADQUARTERS FACILITIES

1301	a.	New or additional Facilities	(Attach RUS Form 740g)
1302	b.		

TOTAL HEADQUARTERS FACILITIES .....

\$0

0

\$0

SECTION A. COST ESTIMATES		POWER'S COST ESTIMATES	RUS USE ONLY
1400	5. ACQUISITIONS		
1401	a. _____ Consumers _____ Miles	\$0	
1402	b. _____	0	
TOTAL ACQUISITIONS.....		\$0	
1500	6. ALL OTHER		
1501	a. _____	\$0	
1502	b. _____	0	
1503	c. _____	0	
1504	d. _____	0	
1505	e. _____	0	
TOTAL ALL OTHER.....		\$0	

## SECTION B. SUMMARY OF AMOUNTS AND SOURCES OF FINANCING

1. GRAND TOTAL - ALL COSTS .....	\$6,736,371	
2. FUNDS AND MATERIALS AVAILABLE FOR FACILITIES		
a. Loan Funds .....	\$0	
b. Materials and Special Equipment .....	0	
c. General Funds .....		
Purpose 1 .....	\$0	
Purpose 2 .....	\$0	
Purpose 3 .....	\$0	
Purpose 4 .....	\$0	
Total General Funds Applied .....	\$0	
d. Total Available Funds and Materials .....	\$0	
3. NEW FINANCING REQUESTED FOR FACILITIES .....	\$6,736,371	
4. RUS LOAN REQUESTED FOR FACILITIES.....	\$6,700,000	100%
5. TOTAL SUPPLEMENTAL LOAN REQUESTED .....	\$0	
National Rural Utilities Cooperative Finance Corporation		
Name of Supplemental Lender .....		
6. CAPITAL TERM CERTIFICATE PURCHASES (CFC Loan only) ..	\$0	0%
7. SUPPLEMENTAL LOAN REQUESTED FOR FACILITIES.....	\$0	0%
8. 100% SUPPLEMENTAL LOANS (SEE RUS Bulletin 20-40, Att. C)*	\$0	

\* Identify in section A by budget purpose and separate subtotals.

## SECTION C. CERTIFICATION

We, the undersigned, certify that:

1. Upon completion of the electrical facilities contained herein and any others uncompleted at this time but for which financing is available, the system will be capable of adequately and dependably serving the projected load for the loan period as contained in our current RUS approved Power Requirement Study and Construction Work Plan.
2. Negotiations have been or will be initiated with our power supplier, where necessary, to obtain new delivery points and/or additional capacity at existing ones to adequately supply the projected load upon which this loan application is based.
3. The data contained herein and all supporting documents have, to the best of my knowledge, been prepared correctly and in accordance with RUS Bulletin 20-2.

10/19/00

Date

10/19/00

Date

Signature of Borrower's Manager

Signature of Borrower's President

Citizens Electric Corporation

Corporate Name of Borrower

GFR Initials

## GENERAL FUND REIMBURSEMENT SCHEDULE FOR OCTOBER 2000 LOAN APPLICATION

### DISTRIBUTION

Special Equipment			Jan. & Feb. 1999	\$	13,569
Special Equipment			March, 1999	\$	115,054
Special Equipment			April, 1999	\$	80,849
Special Equipment			May, 1999	\$	34,007
Special Equipment			June, 1999	\$	50,431
Special Equipment			July, 1999	\$	20,852
Special Equipment			August, 1999	\$	122,103
Special Equipment			September, 1999	\$	44,327
Special Equipment			October, 1999	\$	43,830
Special Equipment			November, 1999	\$	55,090
Special Equipment			December, 1999	\$	36,285
W.O. Inventory	598A	Charmin Sta.-Add 3rd Transformer	November, 1999	\$	229,127
W.O. Inventory	599A	New Charmin Bulk Substation	December, 1999	\$	1,885,347
TOTAL DISTRIBUTION				\$	2,730,870

### Transmission

W.O. Inventory	599A	New Bourbon Substation-Add 138KV Bay	December, 1999	\$	1,537,620
W.O. Inventory	599A	Seminary Substation-Add 138KV Bay	December, 1999	\$	1,234,667
W.O. Inventory	608A	69KV Line from Longtown to Edgemont	September, 2000	\$	1,233,213
TOTAL TRANSMISSION				\$	4,005,501

TOTAL GENERAL FUND REIMBURSEMENT \$ 6,736,371

AMOUNT FOR LOAN APPLICATION (ADJUSTED FOR ROUNDING) \$ 6,700,000