

Annual Financial Report

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| Income Statement | | | | | |
| Total Revenue | 526,444,173 | 511,459,466 | 525,686,132 | 553,468,966 | 559,626,576 |
| Power bought from TVA | 419,650,460 | 413,906,130 | 414,206,693 | 440,257,233 | 451,830,815 |
| Operations and maintenance | 52,901,230 | 55,544,519 | 58,976,804 | 62,423,508 | 69,140,028 |
| Depreciation and acquisition adjustment | 18,001,530 | 20,669,966 | 21,805,900 | 23,301,637 | 22,776,205 |
| Interest on borrowed money | 3,372,864 | 3,089,681 | 2,899,218 | 2,827,332 | 2,988,446 |
| Total Operating Expense, Purchased Power, and Debt Expense | 493,926,084 | 493,210,296 | 497,888,615 | 528,809,710 | 546,735,494 |
| Net margins | 32,518,089 | 18,249,170 | 27,797,517 | 24,659,256 | 12,891,082 |
| Principal payments on loans | 4,784,522 | 4,145,448 | 3,228,690 | 2,489,896 | 3,323,697 |
| Balance after Principal Payments | 27,733,567 | 14,103,722 | 24,568,827 | 22,169,360 | 9,567,385 |
| Balance Sheet | | | | | |
| Assets | | | | | |
| General funds and working capital | 32,934,315 | 57,820,281 | 58,942,116 | 80,957,297 | 91,095,333 |
| CFC certificates and other investments | 5,445,238 | 5,615,958 | 5,757,590 | 5,940,158 | 6,136,650 |
| Renewal and replacement funds | 788,920 | 590,925 | 590,925 | 591,925 | 593,015 |
| Bills due us | 70,150,954 | 68,184,616 | 83,301,848 | 87,781,559 | 85,769,265 |
| Materials on hand | 3,988,214 | 4,050,648 | 3,510,796 | 3,446,893 | 3,158,547 |
| Payments in advance | 1,686,106 | 1,955,664 | 1,766,493 | 1,968,136 | 2,176,207 |
| Electric lines and property less depreciation | 350,777,397 | 351,141,498 | 359,410,368 | 369,092,050 | 395,853,614 |
| Total Assets | 465,771,144 | 489,359,590 | 513,280,136 | 549,778,018 | 584,782,631 |
| Liabilities | | | | | |
| Bills we owe | 46,847,505 | 53,983,804 | 50,028,696 | 54,261,549 | 55,972,370 |
| Consumer deposits | 9,541,637 | 10,541,402 | 11,663,143 | 12,334,271 | 13,410,436 |
| Accrued taxes | 2,413,726 | 2,531,862 | 2,529,723 | 2,575,195 | 2,592,453 |
| Long-term debt to RUS, CFC, and others | 89,567,677 | 93,782,752 | 95,434,787 | 106,982,159 | 125,323,547 |
| Total Liabilities | 148,370,545 | 160,839,820 | 159,656,349 | 176,153,174 | 197,298,806 |
| Net Worth | | | | | |
| Earnings reinvested in system - prior year | 284,882,510 | 310,270,600 | 325,826,270 | 348,965,587 | 374,592,743 |
| Earnings reinvested in system - current year | 32,518,089 | 18,249,170 | 27,797,517 | 24,659,257 | 12,891,082 |
| Total Net Worth | 317,400,599 | 328,519,770 | 353,623,787 | 373,624,844 | 387,483,825 |
| Total Liabilities and Net Worth | 465,771,144 | 489,359,590 | 513,280,136 | 549,778,018 | 584,782,631 |

Provided financial information is the unaudited information for FY2015.