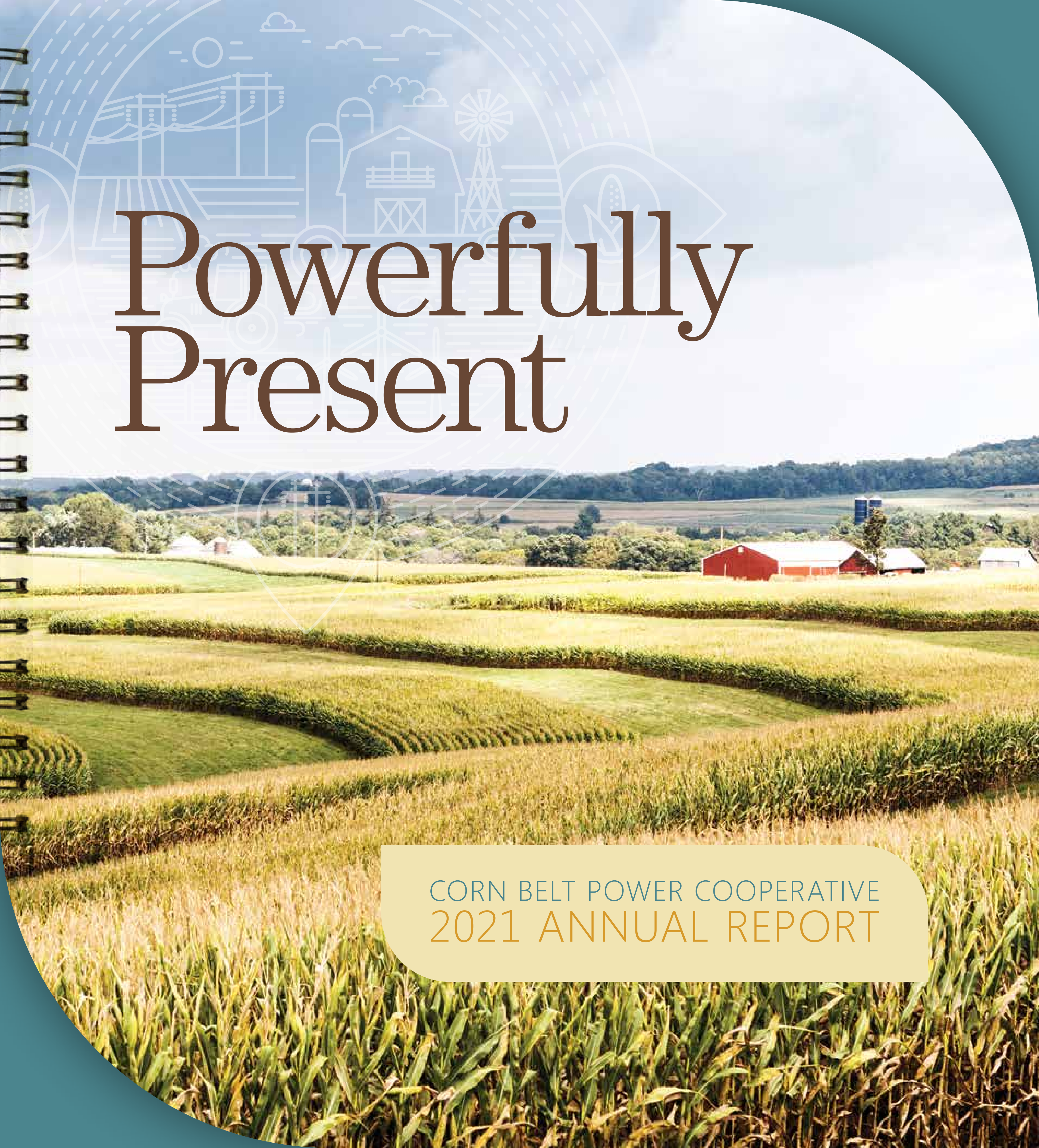
Powerfully Present



CORN BELT POWER COOPERATIVE
2021 ANNUAL REPORT

It's simple.

In a world of infinite distractions, we hunger for and value an engaged presence. Corn Belt Power Cooperative embraces our history; works for the betterment of the next; and engages and responds for the good of our membership in the now. Corn Belt Power serves our members with powerful presence.

CORN BELT POWER IS

"powerfully present"

EMBRACING OUR HISTORY.

Executive Report

Mike Cowell, shift operator, monitors Wisdom Unit 2 fuel oil pressure gauges during rounds on Feb. 16 to ensure efficient plant operation.

David Onken
President,
Corn Belt Power Cooperative
Board of Directors

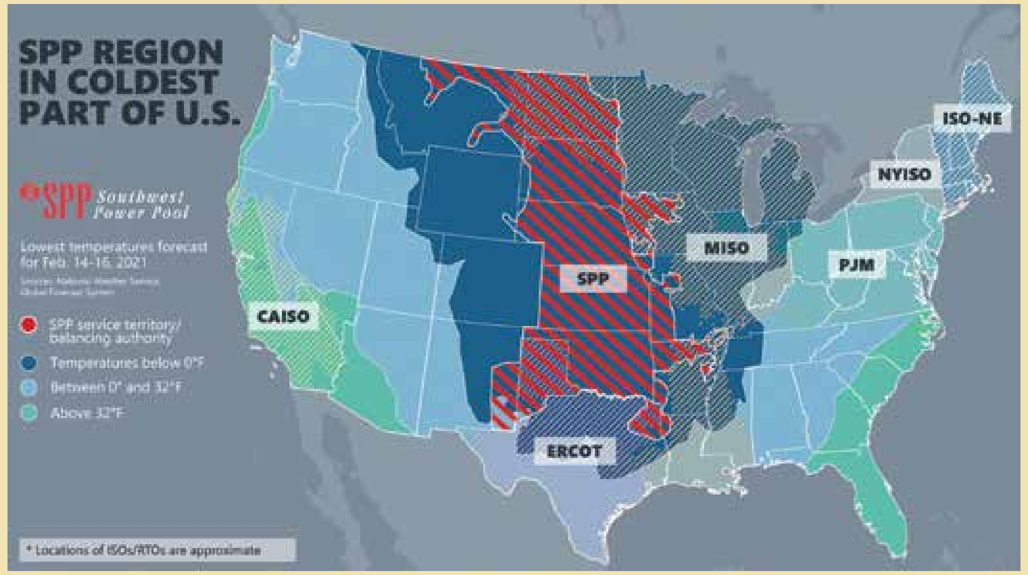
Kenneth H. Kuyper
Executive Vice President
and General Manager

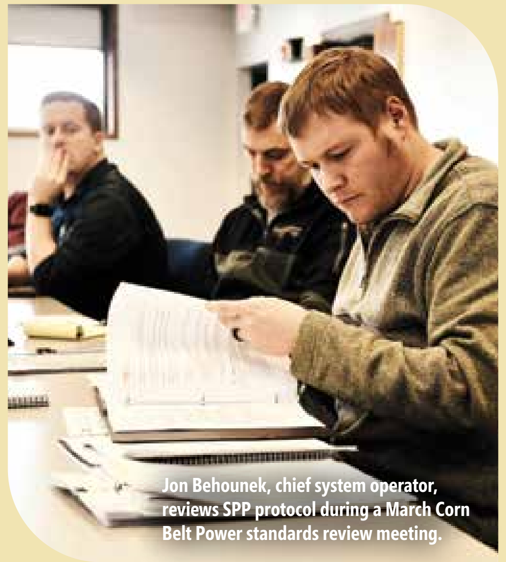
Connect

> *This year, Corn Belt Power Cooperative will celebrate the 75th anniversary of filing the organization's articles of incorporation. This annual report theme "Powerfully Present," in part, embraces our history and the work we do for the betterment of future generations.*
>
> *Just like our founders did almost 75 years ago on August 28, 1947, our job is to lay groundwork for future generations of cooperative members. However, while doing that, we must also engage and respond to today's membership with powerful presence.*

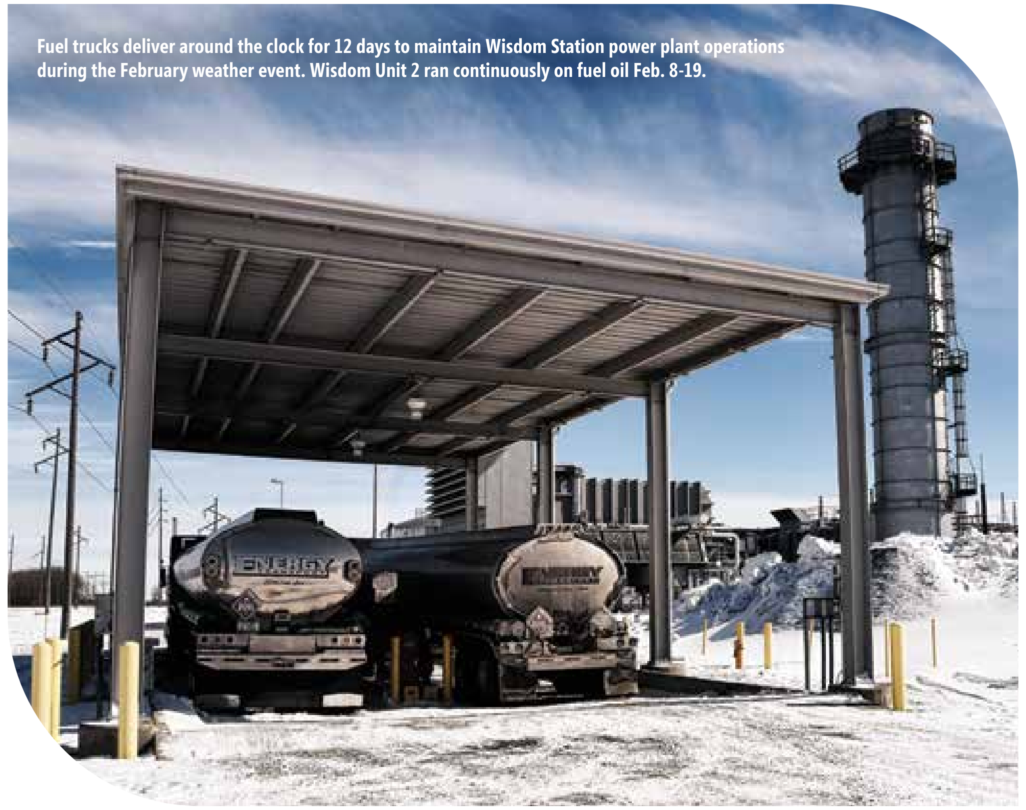
2021, much like 2020, was full of challenges. In February, due to historic, prolonged low temperatures, we witnessed our first-ever energy emergency alert Level 3. Utilities across the Midwest, including Corn Belt Power Cooperative, implemented load control measures and curtailments to some accounts on Feb. 15 and 16. Southwest Power Pool (SPP) ordered these load curtailments, leaving Corn Belt Power and its member-cooperatives little time to act.

This unprecedented event raises many questions about the future of power generation across the United States. Corn Belt Power continues to refine its processes to help mitigate future energy emergency alerts. Furthermore, we're working with our industry partners, including SPP, to address root causes of the event.





Jon Behounek, chief system operator, reviews SPP protocol during a March Corn Belt Power standards review meeting.

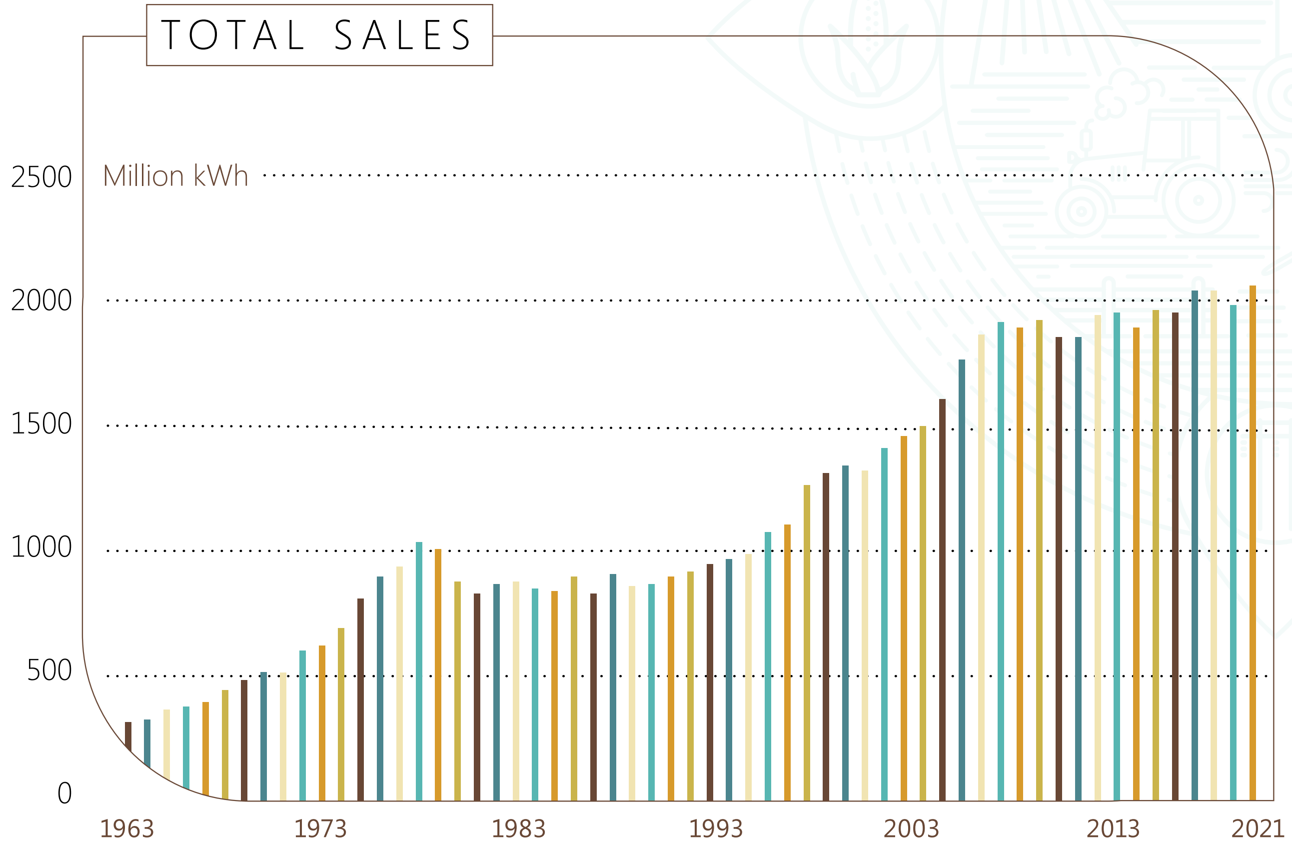


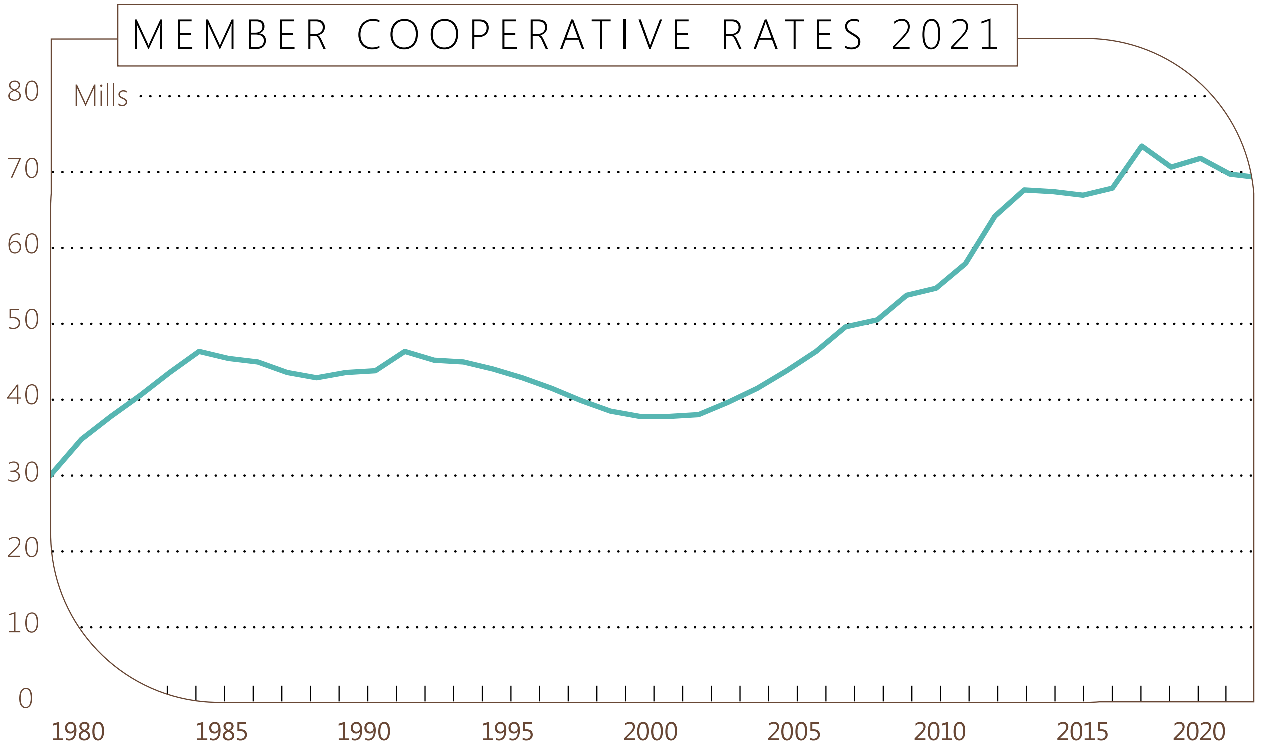
Fuel trucks deliver around the clock for 12 days to maintain Wisdom Station power plant operations during the February weather event. Wisdom Unit 2 ran continuously on fuel oil Feb. 8-19.

Corn Belt Power remains strong financially. In 2021, we received another "A" rating from our ratings agencies. Again, we were able to keep rates stable, while also returning $5.14 million in our annual quick roll to members. Furthermore, in December, Basin Electric Power Cooperative, N.D., returned $30 million to members. Corn Belt Power returned our $2.1 million share to our member-cooperatives. These accomplishments are indicative of strong financial metrics and bode well for future rate stability.

Our membership in the SPP regional market continues to produce positive economic results. We aggressively continue upgrading and rebuilding our electric system as a byproduct of that relationship.

Carlos Garcia, control operator, inspects a valve at Corn Belt Power's Wisdom Station during a planned April outage.





Average member system cost, including substation charge; calculated average member co-op rate reflects power sold to municipals and others served by the cooperatives.

Corn Belt Power upgraded more than 40 miles of its transmission infrastructure in 2021. The Algona-Hancock-Klemme line saw 28.52 miles of rebuild. In total, when complete, more than 40 miles on that stretch of line will be rebuilt.

System improvements increase system reliability and provide for future load growth. Corn Belt Power crews began construction on the Whalen Substation inside the Butler Logistics Park. This substation will serve a new soy processing facility inside the park.

Elsewhere across the system, our electrical maintenance department upgraded buses and switches at Pocahontas, Galbraith and Burt switching stations. Corn Belt Power replaced transformers at Bradford, Eagle and Lake Cornelia. Our system improvement and upgrade plan included regulator replacements at Meadowbrook, Bauman South, Rembrandt and Pocahontas.


Contractors construct a self-supporting steel tower on the Algona-Hancock-Klemme line rebuild.


Luke Bormann, apprentice electrician, loads copper bus for a Galbraith Switching Station upgrade.


Corn Belt Power electricians began constructing Whalen Substation in Dec. 2021 to power new load growth from Shell Rock Soy Processing. Crews will complete substation construction in the spring of 2022.


Cody Montgomery, control operator, cleans a boiler safety valve during a Wisdom Unit 2 maintenance outage.

Our power supply department continued its practice of proactive inspections and preventive maintenance at Wisdom Station in 2021.

Wisdom Unit 2 underwent a routine borescope inspection following the extended fuel oil operations that occurred in February. During this inspection issues were discovered with the thermal barrier coating on multiple components in the unit's combustion section. These components were replaced during a planned outage that occurred in December. The Wisdom Unit 2 generator step-up transformer underwent routine electrical testing which led to the discovery of an issue with one of its high voltage bushings. The bushing was then replaced and the transformer was returned to service without issues. These projects show how routine, proactive inspections help prevent more costly, unplanned outages in the future.

Give attention


Carlos Garcia, control operator, exits the steam drum on Wisdom Unit 2 during a routine inspection.


From left, Carlos Garcia, control operator; Adam Bird, journeyman lineman; and Peyton Vote, apprentice electrician; network during Corn Belt Power's first all-employee training day in October.

Crews also replaced the firewalls in the Wisdom Unit 1 transformer bay and upgraded the control system for the Wisdom Unit 1 cooling tower. Both of these items were original to the unit. The battery bank and battery charger were also replaced in 2021 due to age. These batteries supply DC power to the Wisdom Unit 1 control system and various emergency equipment, such as lighting and lube oil systems.

Training the future leaders of Corn Belt Power is a goal that remains unchanged. Our second Leadership Exploration and Development (LEAD) class graduated in 2021. The LEAD program helps develop and identify future leaders.

As part of the LEAD program, graduates must complete and/or pitch a project for potential implementation to Corn Belt Power's management. In 2021, we saw several of those projects come to fruition, including an all-employee training day and LED lighting improvements at Wisdom Station.

Brittany Dickey, a graduate of the inaugural LEAD class in 2019, created an employee engagement committee. The committee organized an all-employee training day in October, where employees heard updates from all Corn Belt Power departments. Employees also heard from guests about topics of safety and leadership.

John Naber, a 2021 LEAD graduate, helped to install LED lighting improvements at the cooperative's Wisdom Station plant. This lighting improvement enhances safety for operators and employees while they do rounds and work in and outside of the plant. Corn Belt Power and our board is confident in LEAD and what it fosters in the employees who commit to growing their own leadership and development.

David G. Ohrt
Kenneth H. Kuyper

> *"Finally, we'd like to thank our former employees and board members for their years of dedicated service. Without their foresight and leadership, we wouldn't be where we are today.*
>
> *We'd also like to thank our current Corn Belt Power board of directors and employees. The board's flexibility and decision-making and our employees' steadfast adherence to Corn Belt Power's mission and values give powerful presence to the way we serve our members and communities."*

CORN BELT POWER IS

"powerfully present"

WORKING FOR THE BETTERMENT OF THE NEXT.

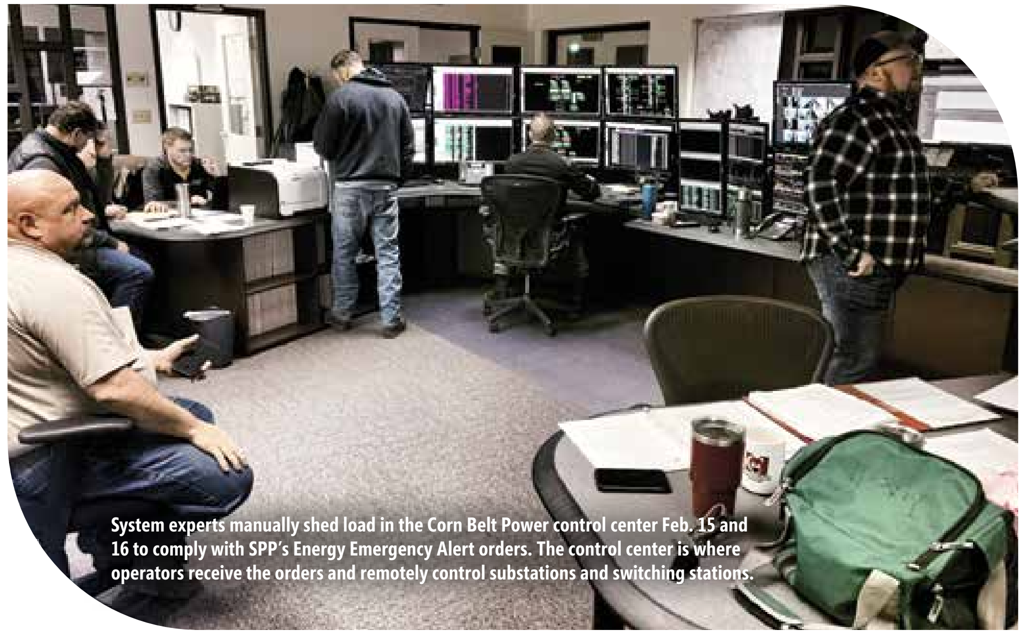
Corn Belt Power crews rebuild an H-structure near Waverly on July 15 following a tornado outbreak the night before when ten tornadoes ripped across Iowa.

2021

BEGAN WITH OUR FIRST-EVER LOAD CURTAILMENT EVENT

Utilities across the Midwest, including Corn Belt Power Cooperative, implemented load control measures and temporary service disruptions to some accounts Feb. 15 and 16. When Southwest Power Pool issued unprecedented Emergency Energy Alert Level 2 and Level 3 orders to its member utilities across several states. SPP called for high levels of electric load reduction and curtailment to match available supply. To put it simply, there was not enough available generation supply to meet the exceptionally high electric demand.

These highly unusual control measures protected the supply and demand balance of the grid. Demand exceeded available electric generation because extremely cold weather impacted SPP's entire footprint.



System experts manually shed load in the Corn Belt Power control center Feb. 15 and 16 to comply with SPP's Energy Emergency Alert orders. The control center is where operators receive the orders and remotely control substations and switching stations.

CORN BELT POWER'S TIMES OF CURTAILMENT INCLUDED:

- Monday, February 15, Corn Belt Power curtailed five megawatts of load for approximately 45 minutes around the noon hour. Approximately 1,500 accounts were without power.
- Tuesday, February 16, Corn Belt Power was asked to curtail 24 megawatts of load from 6:45 a.m. – 10:15 a.m. Approximately 12,500 accounts were without power at some point during the event.

These outages occurred without much advanced warning as SPP manages electric supply and demand minute-by-minute in real time. Corn Belt Power Cooperative had minutes to shed specific electric load levels in compliance with SPP Level 3 orders.

Outages and load curtailment measures are necessary to protect the entire SPP grid. If electric generation cannot keep up with electric demand, grid reliability can be severely compromised. In the worst-case scenario, power plants across the SPP footprint would have been at risk of cascading outages that could have left tens of thousands of electric consumers in the dark for hours, possibly even days. When possible, electric utilities work to avoid interrupting service to critical facilities.

During the event, Corn Belt Power's Wisdom Unit 2 ran continuously on fuel oil.

Scott Gilderhus, mechanic, closes the transfer valve during a fuel oil delivery to Wisdom Station Feb. 16 during the SPP event.

A semi-truck transfers one of 115 truckloads of fuel oil to Wisdom Station between Feb. 8 and 19 accounting for 922,808 total gallons delivered in that time.

SPP Southwest Power Pool

SPP RELEASES KEY OBSERVATIONS FOLLOWING A STUDY ON FEBRUARY EVENT

In March, the Southwest Power Pool's board of directors directed a comprehensive review of SPP's first-ever Energy Emergency Alert Level 3 event to identify how SPP can better prepare for future extreme reliability threats. Five teams and several hundred stakeholders including Corn Belt Power, conducted an in-depth analysis. SPP announced the analysis produced the following key observations:

- Lack of available generation was the primary cause of the event's reliability impacts. Lack of fuel was the biggest cause of generation unavailability.
- Extremely high natural gas prices were the primary driver of record-high energy offers, exceeding SPP's market offer caps for the first time.
- Rapid spike in SPP's market prices raised concerns about market participants' liquidity and exponentially increased short-term credit exposure.
- Relationships and interconnections with neighboring systems facilitated critical assistance.
- Full use of generation in certain locations was limited by congestion on SPP's system.
- Early preparation, timely decisions and effective communication helped minimize reliability impacts while effective execution of load-shed procedures mitigated the risk of uncontrolled blackouts.
- Stakeholders indicated general satisfaction with SPP's emergency communications, information sharing and credibility, while recognizing the need for improvements.

TRANSMISSION AND ELECTRICAL MAINTENANCE WORK

In mid-June, transmission crews began overhauling a 10 mile stretch of line between Corn Belt Power's Parkersburg Switching Station and the Bristow area.

Along that stretch of line, crews replaced 147 poles due to age. They also replaced the current 4-OTT (4/0) wire with a more robust 336 aluminum conductor steel-reinforced cable.

"The original line was built in 1950," said Jeremy Stattelman, transmission superintendent, Corn Belt Power. "Engineering specifications in the 1950s are far different than what we use today. We're using larger conductors to help provide for larger loads. Using larger conductors means we need bigger poles and more advanced infrastructure. Most new crossarms are fiberglass and many insulators are polymer. As we have with many of our more recent jobs, we also installed fiber on this line section."

Parkersburg to Bristow line rebuild.

2021 TRANSMISSION WORK

RECONDUCTORED LINE:

- Parkersburg-Bristow: 10.6 miles
- Pocahontas-Dover: 10.7 miles (modification done, new wire to be strung in 2022)

RE-BUILT LINE:

- Algona-Hancock-Klemme: 41.5 miles of which 28.53 were complete in 2021
- Sherwood-Manson: (in progress) 29.1 miles

NEW LINE:

- Plum Creek Tap: 0.1 miles
- Burt Double-Circuit: 0.5 miles
- Sherwood-Manson: 1.75 miles

RE-LOCATED LINE:

- Neal-Waverly Jct: 1.23 miles

TOTAL COMPLETE:
40.96 MILES

TOTAL IN PROGRESS:
41.55 MILES

Travis Hefty, line foreman, sets a new pole.

Crews rebuild an H-structure following tornadic activity outside of Waverly on July 15.

Jon Girres, journeyman electrician, adjusts a new switch at the Galbraith Switching Station on Aug. 18.

Elsewhere across the system, transmission crews spent the summer of 2021 strengthening Corn Belt Power's line. These jobs included:

- Removal of three miles of old poles and wire near the Klemme Switching Station
- Construction of a half-mile of dual-circuit line at the Burt Switching Station
- Fiber installation between Burt Switching Station and Algona Substation
- 10 miles of line modifications between Pocahontas and Dover, including new conductor and fiber
- Fiber installation at Corn Belt Power's Hampton microwave location

Corn Belt Power's electrical maintenance crews continued system upgrades and repairs in 2021. Crews upgraded buses and switches at Pocahontas, Galbraith and Burt switching stations. Corn Belt Power replaced transformers at Bradford, Eagle and Lake Cornelia substations with regulator replacements at Meadowbrook, Bauman South, Rembrandt and Pocahontas substations.

WISDOM STATION UNDERGOES INSPECTIONS

In April, both units at Corn Belt Power's Wisdom Station power plant were in a planned outage.

This normal, proactive maintenance yielded positive results for the co-op.

Wisdom Unit 2 underwent a borescope inspection, which indicated a few coating issues in the combustion section of the generator. Crews also replaced the 69 kilo-volt bushing and performed electrical testing on the generator step-up transformer.

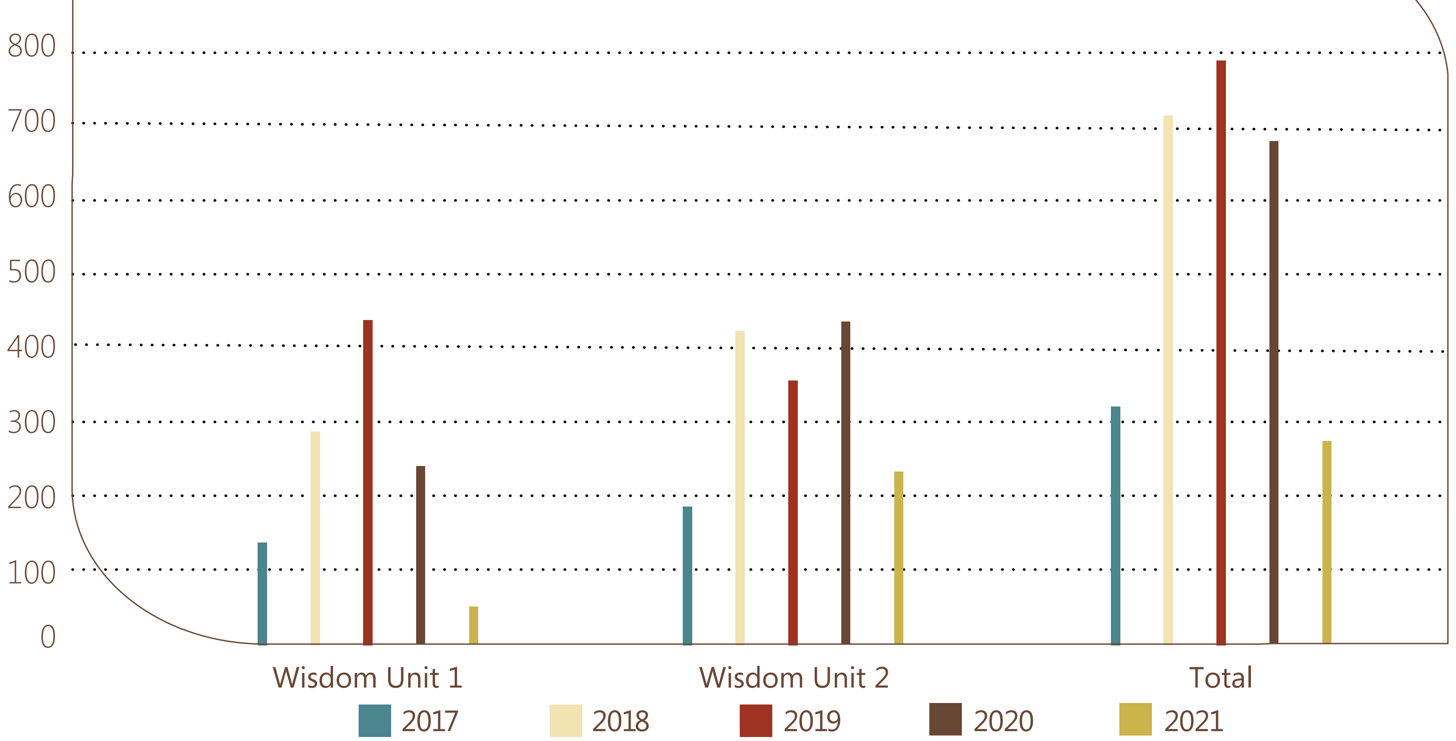
Wisdom Unit 1 underwent an internal boiler inspection required by regulation. During the outage, crews replaced firewalls in the transformer bay.

In December, Wisdom Unit 2 underwent a combustion inspection. A combustion inspection is the removal and replacement of the primary fuel nozzles, secondary fuel nozzles, combustion liners and transition pieces from each of the ten combustors. In order to do this, all of the associated fuel, water injection, purge air and atomizing air lines need to be disconnected from each combustor. This process took 10 days, with crews working 12 hours per day.

When Corn Belt Power performed its 2019 combustion inspection on Wisdom Unit 2, the cooperative purchased a complete set of new combustion components prior to the outage. This allowed crews to install the new parts as soon as the old parts were removed from the unit, which also minimized the outage time. Following the 2019 combustion inspection, Corn Belt Power sent the old components in to be refurbished, returned and stored at Wisdom Station for spare use. During the 2021 combustion inspection, the combustion components that were installed in 2019 were removed from the unit and the refurbished original parts were reinstalled.

Carlos Garcia, control operator, left, and Patrick Connor, plant manager, inspect secondary superheater loops inside the Wisdom Unit 1 boiler. Internal boiler inspection is required on a two-year cycle.

WISDOM STATION ANNUAL OPERATING HOURS



2021 WISDOM SOLAR PRODUCTION

Total Energy (kWh)

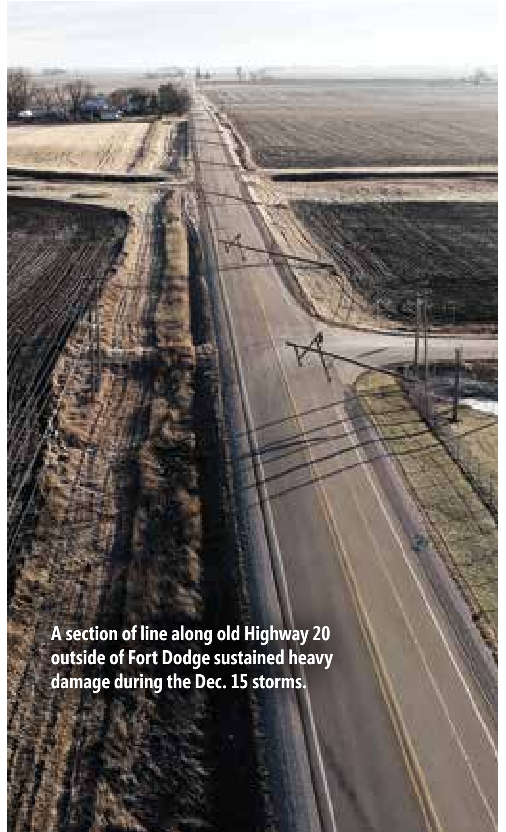
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
6,822	7,515	13,510	13,932	14,022	17,094	15,519	15,953	6,023	6,534	9,564	8,182	134,670
6,173	10,114	14,229	15,672	16,864	22,078	20,668	19,443	15,560	11,373	7,832	6,410	166,416

Wisdom - Fixed Tilt   Wisdom - Single Axis Tracker

Inside view of the seven-story-tall Wisdom Unit 1 boiler that plant workers canvassed during a required 2021 internal inspection.

Crews stage to begin restoration efforts in the early morning hours of Dec. 16 following tornadic activity that damaged parts of Corn Belt Power's service territory.

Give focus



A section of line along old Highway 20 outside of Fort Dodge sustained heavy damage during the Dec. 15 storms.

Mutual aid from neighboring states helped Corn Belt Power crews repair broken poles and downed wire north of old Highway 20 following Dec. 15 and 16 storms.

DECEMBER STORMS ROCK COOPERATIVE'S SERVICE TERRITORY

Corn Belt Power maintains 156 substations across its footprint. Twice in December, lines from many of those substations sustained damage and power outages due to severe weather.

Between Dec. 10 and 11, Corn Belt Power's control center received 7,021 Supervisory Control and Data Acquisition (SCADA) alarms. High winds coupled with freezing rain led to outages that spanned 42 substations. These transmission outages were short-lived as crews responded and repaired damage.

Unfortunately, the same can't be said for the summer-like storms that rolled through the cooperative's service territory Dec. 15 and 16.

The line of storms, packing tornadoes and 80 mile-per-hour winds, led to 8,677 SCADA alarms, 204 broken transmission poles and multiple downed lines throughout Corn Belt Power's service territory.

> *"This December outage ranks in our top 5 for most Corn Belt Power damage," said Kevin Bornhoft, vice president, engineering and operations, Corn Belt Power. "The storm, for the most part, was rare. We don't normally see severe thunderstorms and tornadoes in December."*

Storm damage was scattered throughout Corn Belt Power's service territory. Lake Cornelia, Snell, Renwick and south of Clarion sustained some of the heaviest damage.

Corn Belt Power received mutual aid from Northeast Missouri Power Cooperative and East River Electric Cooperative (South Dakota). Contract crews from Primoris Services and Highline Construction also assisted in restoration efforts. In all, it took crews five days to get all lines and poles back in the air.

Corn Belt Power's control center was able to isolate many problem areas, helping to minimize outage times for distribution cooperatives.

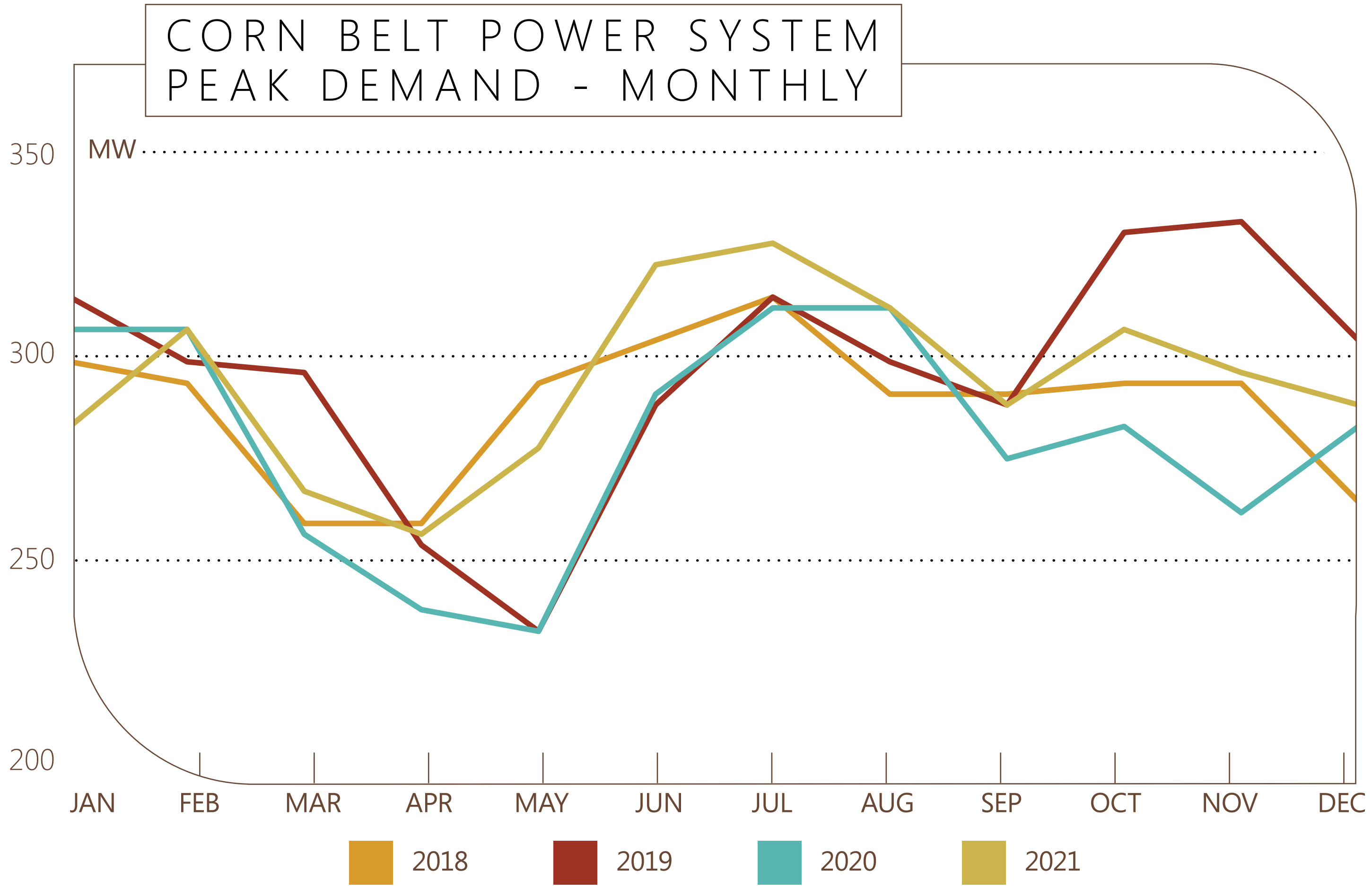
Corn Belt Power transmission crews frame a new pole during restoration efforts south of Clarion following Dec. 15 and 16 tornado damage.

CORN BELT POWER SEES RECORD SUMMER PEAK DEMAND

IT WAS A HOT SUMMER, AND CORN BELT POWER HAS THE DATA TO PROVE IT.

The cooperative set new summer peak demand records in June and July. June's 319.8-megawatt peak and July's 324.2-megawatt peak each set new monthly records. Jacob Olberding, vice president, power supply, Corn Belt Power, says prolonged high temperatures played a role in record peaks.

A return of normal ethanol plant operations from a 2020 pandemic decrease also contributed to Corn Belt Power's 2021 summer peak. From July 2020 to July 2021, Corn Belt Power's ethanol load increased 8.7 megawatts. New and expanded commercial and industrial projects also accounted for an additional 6.5 megawatts of system load growth.



MRO AUDIT COMPLETE

In March, Corn Belt Power Cooperative completed its off-site Compliance Audit conducted by the Midwest Reliability Organization (MRO). The audit is part of the North American Reliability Corporation (NERC) compliance program.

The focus of NERC's compliance program is to improve the reliability of the bulk power system in North America by fairly and consistently enforcing compliance with NERC Reliability Standards. Specifically, the program is designed to ensure that the right practices are in place so the likelihood and severity of future system disturbances are substantially reduced. MRO and NERC utilize several methods to carry out compliance functions, including regularly scheduled compliance audits, spot checks and self-certifications.

JERRY BECK ELECTED TO REPRESENT CORN BELT POWER ON BASIN ELECTRIC BOARD OF DIRECTORS

Corn Belt Power's board of directors elected Jerry Beck to represent Corn Belt Power on the Basin Electric Power Cooperative board of directors in Bismarck, N.D. Beck was elected Aug. 26 at Corn Belt Power's regular meeting of directors to represent District 11. Basin confirmed Beck's election at their Nov. 10 annual meeting.

Beck is a director for Iowa Lakes Electric Cooperative, headquartered in Estherville, IA. He succeeds Charlie Gilbert of Midland Power Cooperative as Corn Belt Power's next Basin Electric board delegate. Gilbert has served on the Basin board since Corn Belt Power joined Basin in 2009.

Charlie Gilbert, left, hands off Corn Belt Power's Basin Electric board seat to Jerry Beck at the end of 2021.

2021 NEW AND EXPANDING LOADS

Grundy County REC
Heartland State Economic Development Corp. – Bitcoin Miner – 2.5 MW
Snittjer Grain – Grain Facility – 1 MW
Agriculture – 700 KW

Prairie Energy Cooperative
Hawkeye Pride Egg Farms – Poultry Facilities – 750 KW
Daybreak Foods – Poultry Facilities – 400 KW
Agriculture – 230 KW

City of Webster City
Stonega Elevator – Grain Facility – 350 KW
C&I, Housing and Medical – 625 KW

Butler County REC
Commercial, Grain Facilities and Housing – 885 KW

Calhoun County Electric Cooperative Association
Agriculture, Housing and Communications – 250 KW

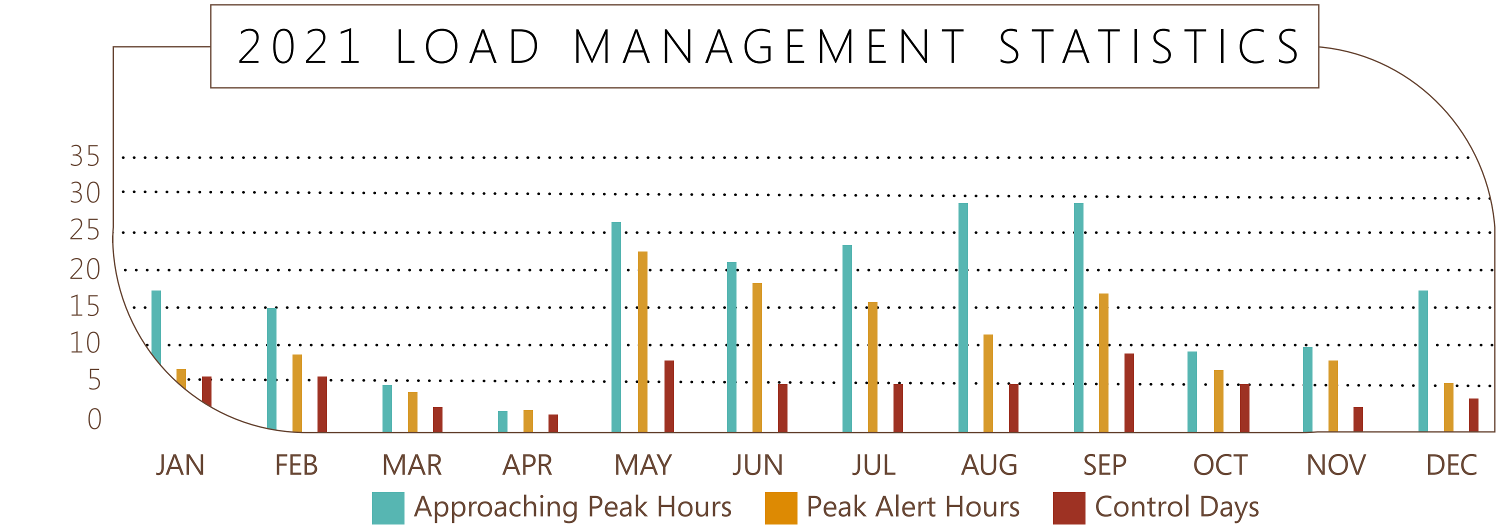
Franklin REC
Residential and Communications – 70 KW

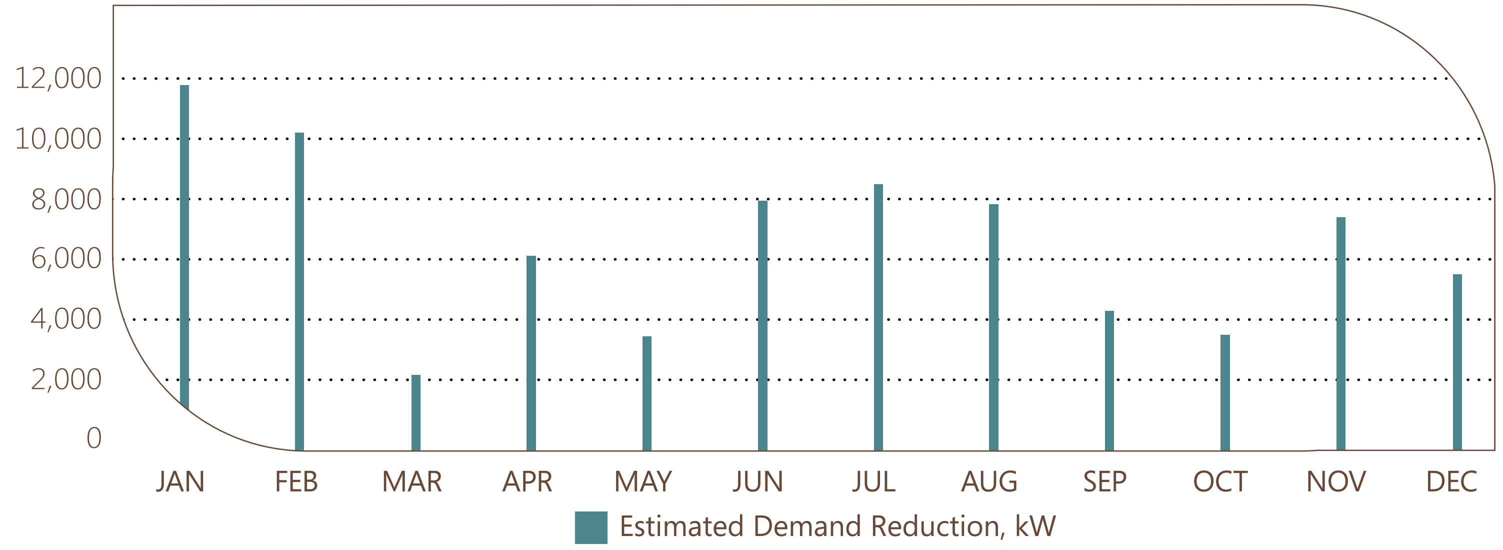
Iowa Lakes Electric Cooperative
C&I – 600 KW

Midland Power Cooperative
Agriculture, Grain Storage and Residential – 400 KW

Raccoon Valley Electric Cooperative
Agriculture, Livestock, Housing and C&I – 592 KW

Total Load Growth: 9.352 MW

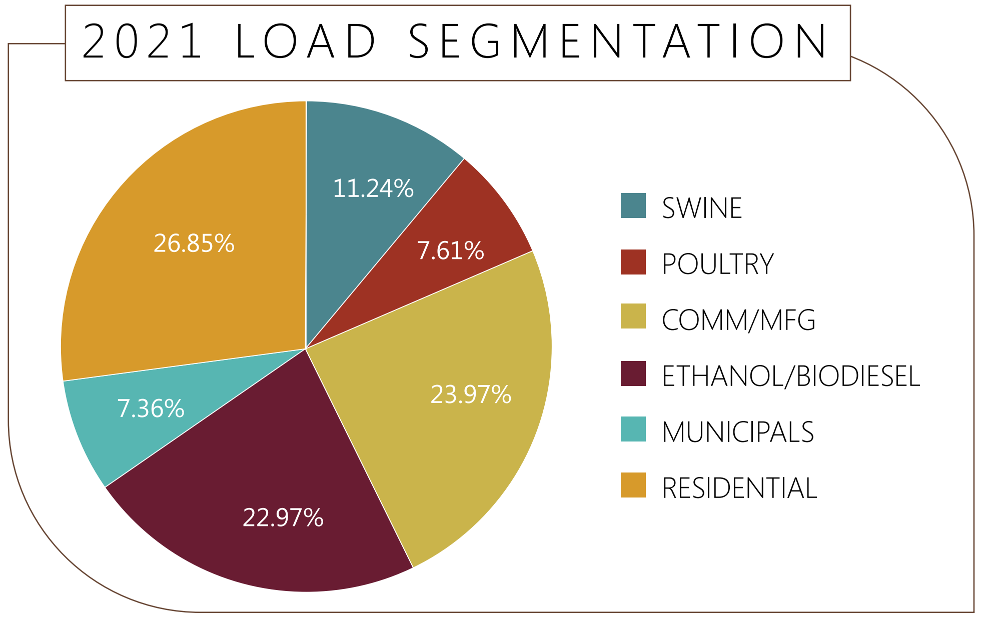




PREPARING FOR CYBER EVENT

Corn Belt Power facilitated its first-ever tabletop exercise dedicated to cybersecurity on October 15.

Scott Meinecke, director of safety, Iowa Association of Electric Cooperatives, led the training which was part of the Rural Cooperative Cybersecurity Capabilities Program (RC3). Corn Belt Power previously took part in different assessments that relate to the organization's preparedness and information technology infrastructure. Staff across all departments at Corn Belt Power participated in the exercise.



The Dwellings new housing development.

Pipho Family Dentistry expansion.

2021 REVOLVING LOAN FUND ACTIVITY

REDL&G: Rural Economic Development Loan & Grant
REDG: Rural Economic Development Grant
REDL: Rural Economic Development Loan
IRP: Intermediary Relending Program
RLF: Revolving Loan Fund

LOANS CLOSED:

Butler-Grundy Development Alliance, Shell Rock
- Loan funds used to purchase acreage next to Butler Logistics Park for business expansion opportunities.
- Corn Belt Power loaned $52,000 from their RLF.
- Butler County REC loaned $208,000 from their RLF.

D.R.A.A.H. (Coon Rapids Hardware), Coon Rapids
- Building renovation for the new location of the Coon Rapids Hardware store.
- New store opened in July, will create 2 new jobs.
- Corn Belt Power loaned $150,000 for the project from IRP RLF.
- Raccoon Valley Electric Cooperative loaned $50,000 towards the project.

Robert R. Pipho DDS, PLC, Denver
- Constructing new 2,100-square-foot building to expand Denver Family Dental.
- Will create 10 new jobs.
- Corn Belt Power loaned $360,000 from a new REDG and $176,000 from their RLF.
- Butler County REC requested Corn Belt Power's financial participation.

The Dwellings at Indian Hills, LLC, Spirit Lake
- New housing development next to Indian Hills Golf Course in Spirit Lake.
- Constructing 30 triplex/duplex buildings with over 80 units.
- Corn Belt Power loaned $250,000 from their RLF.
- Iowa Lakes Electric Cooperative loaned $500,000 from their RLF.

Hancock County Health System, Britt
- 15,000-square-foot renovation for surgical services, emergency, laboratory and Senior Life Solution departments.
- Will create 14 new jobs.
- Corn Belt Power loaned $640,000 REDL for the project.
- Prairie Energy loaned $360,000 from a new REDG for the project.

Graettinger Economic Development Council, Graettinger
- Homes for Iowa house to be placed in Graettinger for sale.
- Corn Belt Power, Iowa Lakes Electric Cooperative and Homeward each loaned $50,000 towards the project from their RLFs.

Ennis Transportation, Eagle Grove
- New location and truck wash in Wright County Agri-Business Park.
- $150,000 each from Corn Belt Power and Prairie Energy Cooperative's RLFs.
- Will create 4 new jobs.

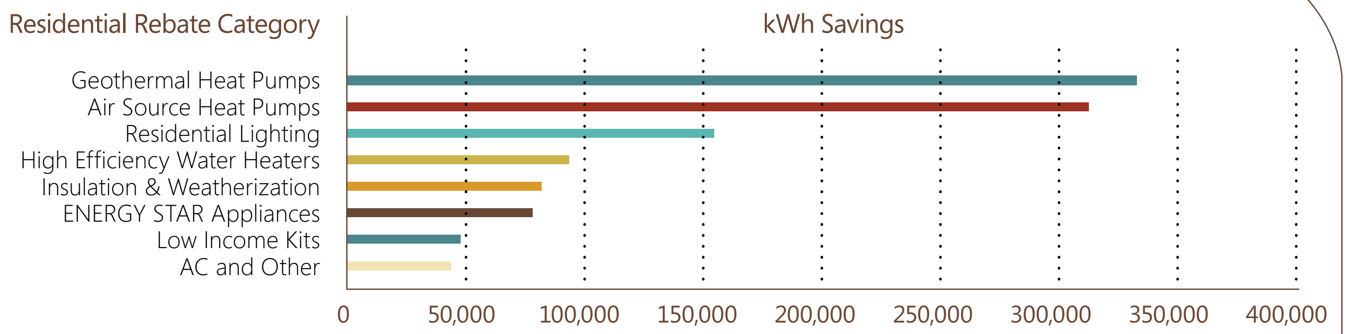
Grundy Center Development Corporation, Grundy Center
- Infrastructure for Phase I of new Prairie Ridge housing addition.
- 26 lots will be developed for Phase I.
- Corn Belt Power loaned $200,000 from their RLF.
- Grundy County REC loaned $100,000 from their RLF.

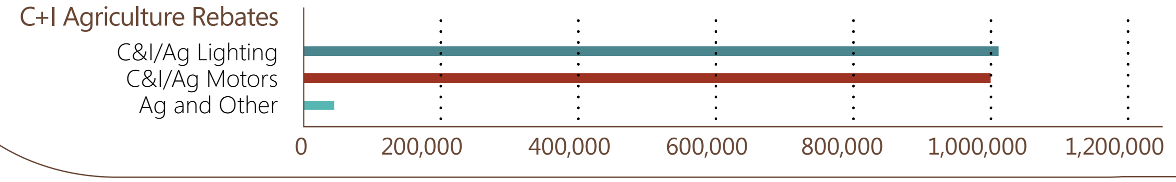
2021 SALES TO CORN BELT POWER MEMBER COOPERATIVES

COOPERATIVE	2020 KWH BILLED BY CORN BELT POWER	2021 KWH BILLED BY CORN BELT POWER
BOONE VALLEY ELECTRIC COOPERATIVE	10,627,981	9,985,175
BUTLER COUNTY REC	280,520,505	300,722,319
CALHOUN COUNTY REC	47,134,348	46,267,032
FRANKLIN REC	65,611,529	64,793,467
GRUNDY COUNTY REC	90,549,586	95,502,437
IOWA LAKES ELECTRIC COOPERATIVE	544,700,275	577,314,726
MIDLAND POWER COOPERATIVE	337,046,949	345,219,706
NIMECA/WEBSTER CITY	106,652,474	108,418,637
PRAIRIE ENERGY COOPERATIVE	349,121,581	350,001,075
RACCOON VALLEY ELECTRIC COOPERATIVE	121,900,032	137,503,040

Includes sales to member cooperatives for special loads and municipals

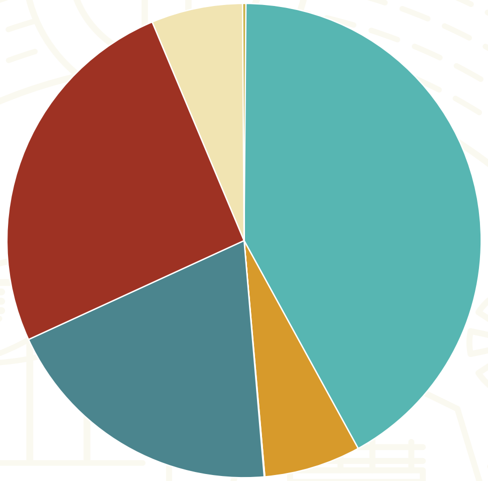
2021 DEEMED KWH SAVINGS FROM ENERGY EFFICIENCY PROGRAMS





CORN BELT POWER GENERATION MIX 2021*

Delivered to member systems



COAL	42.0%
PURCHASE	25.5%
RENEWABLE OTHER	19.5%
NATURAL GAS	6.6%
RENEWABLE HYDRO	6.3%
NUCLEAR	0.0%
OIL/DIESEL	0.1%
TOTAL	100%

*Estimated percentages comprise Basin Electric Power Cooperative's and Western Area Power Administration's generation supplies.

This information does not allow any cooperative member to claim environmental attributes of power supply since some renewable energy certificates are sold to improve the economics of the renewable generation.

For more information, contact Ryan Cornelius, vice president, corporate relations, Corn Belt Power Cooperative, 1300 13th St. North, Humboldt, IA 50548, (515) 332-7726; ryan.cornelius@cbpower.coop

2021 ENERGY SUPPLIED

			MWH	MWH	Annual Capacity Factor
	Location	Fuel	2020	2021	2021
*WISDOM 1	Spencer, Iowa	Natural Gas/Fuel Oil	1,595	0	0.00%
*WISDOM 2	Spencer, Iowa	Natural Gas/Fuel Oil	9,818	5,268	1.50%
**DAEC	Palo, Iowa	Nuclear	290,486	0	0.00%
WALTER SCOTT 3	Council Bluffs, Iowa	Coal	85,933	129,390	56.33%
WALTER SCOTT 4	Council Bluffs, Iowa	Coal	144,137	157,204	40.06%
NEAL 4	Sioux City, Iowa	Coal	87,492	153,048	24.01%
CROSSWIND	Ayrshire, Iowa	Wind	69,620	66,992	36.42%
HANCOCK	Hancock County, Iowa	Wind	27,785	27,030	27.50%
ILEC WIND	Superior/Lakota, Iowa	Wind	75,204	69,877	37.98%

Supplied by Corn Belt Power to Basin Electric and NIMECA

**DAEC closed in 2020

* Total generation minus online + offline station service.

NEW VOLUNTEER CONTEST: SHINE THE LIGHT

With the goal of shining the light on community volunteers across Iowa, three G&T electric co-ops have joined forces with the Iowa Association of Electric Cooperatives in 2021 to create a new contest called Shine the Light. The cooperative principle of commitment to community drives this collaboration among Central Iowa Power Cooperative, Corn Belt Power Cooperative, Northwest Iowa Power Cooperative and IAEC.

A judging panel selected Marlene Walhart, Iowa Lakes Electric Cooperative member; George North, Butler County REC member; and Suzanne Askelsen, Midland Power Cooperative as winners. Each won a $1,500 donation to give to a charity of their choice.

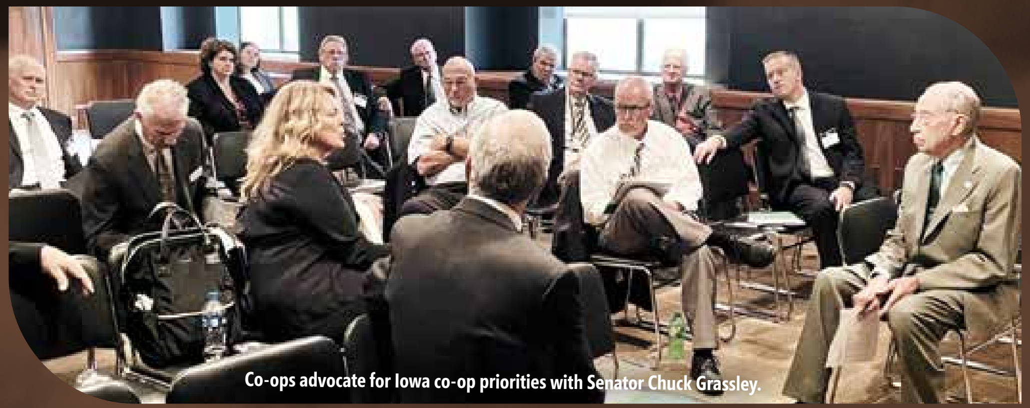
SHINE THE LIGHT

Touchstone Energy® Cooperatives of Iowa

George North, Butler County REC member and Shine The Light winner, creates an affordable recreational area and outdoor classroom of Wilder Park, Allison, Iowa.

Marlene Walhart, Iowa Lakes Electric Cooperative member and Shine The Light winner, rescues animals at Emmet County Animal Shelter.


Virtual advocacy with Representative Randy Feenstra.


Co-ops advocate for Iowa co-op priorities with Senator Chuck Grassley.

REC DAY ON THE HILL HELD VIRTUALLY

On Wednesday, March 17, Corn Belt Power Cooperative participated virtually in REC Day on the Hill.

The annual advocacy event is typically held at the Iowa State Capitol during the legislative session. The event provides co-op leaders a prime opportunity to discuss issues important to co-op members.

Due to the ongoing pandemic, co-op advocates used virtual platforms to discuss important issues with legislators. This year's topics included vegetation management, expanding broadband connectivity and balancing sales tax treatment of utilities.

IOWA'S COOPERATIVES TAKE PART IN VIRTUAL ADVOCACY, THEN FLY TO D.C.

As part of NRECA's annual Legislative Conference, April 20 and 21, directors and staff from Iowa's electric cooperatives met with Iowa members of Congress virtually to discuss important issues and priorities.

Iowa co-op leaders highlighted three priorities during visits with Senator Ernst, Senator Grassley, Congresswoman Axne, Congressman Feenstra, Congresswoman Hinson and Congresswoman Miller-Meeks. The group discussed Rural Utility Services loan refinancing, rural broadband and comparable tax credits for energy innovation.

In the fall, Iowa cooperative representatives returned in-person to Washington, D.C. to conduct the fall legislative fly-in. The group discussed a variety of issues with the ongoing reconciliation and federal budget debate.

The group asked lawmakers to include realistic and reasonable timelines in any clean energy program, while also not hindering electric cooperatives' ability to provide affordable and reliable electricity to member-owners.


Representative Randy Feenstra visits Corn Belt Power's Emmetsburg warehouse April 6 as part of his 39 county tour.

FEENSTRA VISITS CORN BELT POWER

On Tuesday, April 6, first-term U.S. Representative Randy Feenstra visited Corn Belt Power's Emmetsburg service center. The stop was part of Feenstra's promised 39 county tour.

At his Emmetsburg stop, Rep. Feenstra visited with employees from Corn Belt Power, Iowa Lakes Electric Cooperative and the Iowa Association of Electric Cooperatives. The group spoke to Rep. Feenstra on issues ranging from Rural Utilities Service loan refinancing to biofuels and the 2023 Farm Bill.

HOMMEL RECEIVES SCHOLARSHIP

Ella Hommel, Grundy Center High School, and member of Grundy County Rural Electric Cooperative, won this year's Corn Belt Power member cooperative consumer scholarship.

Hommel is a member of her school's 4-H, FFA, First Tech Challenge, Student Senate, Academic Decathlon, Speech, Band, National Honor Society, Tennis, Soccer and Cross Country programs. She is her class president and maintains fantastic grades.


Ella Hommel

Reflect Daily.

ANNUAL MEETING HELD IN HYBRID STYLE

Like in 2020, Corn Belt Power canceled its in-person annual meeting and opted for a hybrid meeting — digital and in-person.

Corn Belt Power hosted its annual meeting Friday, April 30. Board members and Corn Belt Power department heads attended. Managers and voting delegates had the opportunity to join via Zoom.

During the meeting, directors and others in attendance heard Ken Kuyper, executive vice president and general manager, Corn Belt Power; Dennis Puckett, attorney, Sullivan & Ward; and Karen Berte, senior vice president, finance and administration. Puckett conducted the election of directors. Berte and Larry Rohach, board treasurer, presented the 2020 financial report.

During the annual meeting, Larry Rohach, Grundy County REC, and Brad Honold, NIMECA, were re-elected to another three-year term on Corn Belt Power's board of directors. Their seats were the only seats up for election.

OFFICERS REMAIN THE SAME:

- Dave Onken, President
- Dale Schaefer, Vice President
- Jerry Beck, Secretary
- Larry Rohach, Treasurer
- Gary Poppe, Assistant Secretary/Treasurer

CORN BELT POWER, PRAIRIE ENERGY, BASIN ELECTRIC AND COBANK DONATE TO ART MUSEUM

Prairie Energy Cooperative and Corn Belt Power Cooperative made donations to the Jenison-Meacham Memorial Arts Center to help bring the 1,000-horsepower, 750-kilowatt generator to the area for permanent display. Basin Electric Power Cooperative and CoBank matched the donations, which totaled $2,500.

The steam engine, built by Murray Machine Works in Burlington, IA, generated electricity for the Iowa State Penitentiary at Fort Madison. It was retired in the early 1950s and donated to the Waukee Tractor Club by the state in 1982 where it was on display until 2008.

Corn Belt Power hosts a hybrid annual meeting on April 30.

Jim Gossett, Raccoon Valley Electric Cooperative

GOSSETT TO TOUCHSTONE ENERGY BOARD

In July, the Touchstone Energy board of directors appointed Jim Gossett, chief executive officer, Raccoon Valley Electric Cooperative, to fill the vacant board position left by Tresa Hussong, Iowa Lakes Electric Cooperative. Hussong retired August 2021.

Throughout Gossett's eight-year tenure at RVEC, the last four as CEO, he has used his media experience, legislative engagement, extensive business development network and leadership to extend the reach of the Touchstone Energy® brand.

In December, the Touchstone Energy membership elected Gossett to his first three-year term.

CALHOUN CLOSES ON ITS FIRST BUSINESS PARK

After years of in-depth research and careful planning, Calhoun County has an industrial park.

Calhoun County Electric Cooperative Association partnered with Corn Belt Power, Calhoun County Board of Supervisors and Calhoun County Economic Development Corporation to develop this project located at the intersection of Highway 20 and Highway 4. The planning and organizing group hosted a groundbreaking ceremony on-site June 3.

Studies show that the area is primed to attract warehousing and distribution businesses. Those businesses will support travelers and logistics support in the region. Vermeer, who has been developing industrial parks in the Corn Belt Power system for more than two decades, says industrial parks are critical to a county's and cooperative's success.

CORN BELT POWER PRESENTED WITH IMPACT AWARD

In September, Corn Belt Power Cooperative was awarded an IADG Impact Award for site development. Recent examples of Corn Belt Power's commitment to site development include support for the Calhoun County Business Park, the first in the county.

Corn Belt Power provided funding to aid in the purchase of 134 acres of property near Humboldt for future commercial and industrial growth, as well as additional property near the Butler Logistics Park. Corn Belt Power also assisted with the expansion of the Estherville Industrial Park with a 40-acre expansion and is helping to answer the housing need in Spencer by supporting the Westfield housing development. This is a two and three-bedroom home development at the former Jacobson Trailer Park.

Corn Belt Power also operates an estimated $8 million Revolving Loan Fund to support business and community development projects across north-central Iowa.

Jim Vermeer, vice president, business development, left, and Brittany Dickey, development finance director, receive an IADG Impact Award on behalf of Corn Belt Power for 2021 site development.

Calhoun County broke ground on its first industrial park on June 3. The area is primed to attract warehousing and distribution businesses.

2021's graduating class includes back row, from left, Rod Stephas, assistant plant manager; Jon Myer, IT administrator; Jim Mertz, electrical maintenance foreman; and front row, from left, Courtney Christensen, administrative assistant; Connor Almond, journeyman lineman; John Naber, electrical and control; and Eric Hankey, SCADA technician (pictured right)

SECOND-EVER LEAD CLASS GRADUATES

Following the success of 2019's Leadership Exploration and Development program (LEAD), Corn Belt Power's second LEAD class began in 2020 and graduated May 5, 2021. LEAD is a program to help develop leadership skills in existing employees. The program was created in conjunction with Kathy Peterson of PeopleWorks, Inc. Throughout the year, participants learned about topics such as setting goals, leading change, managing stress and dealing with difficult conversations.

Those in the program attend sessions about cooperative financials, generating sources, electric rates and the cooperative business model. Participants also take part in self and peer 360 evaluations.

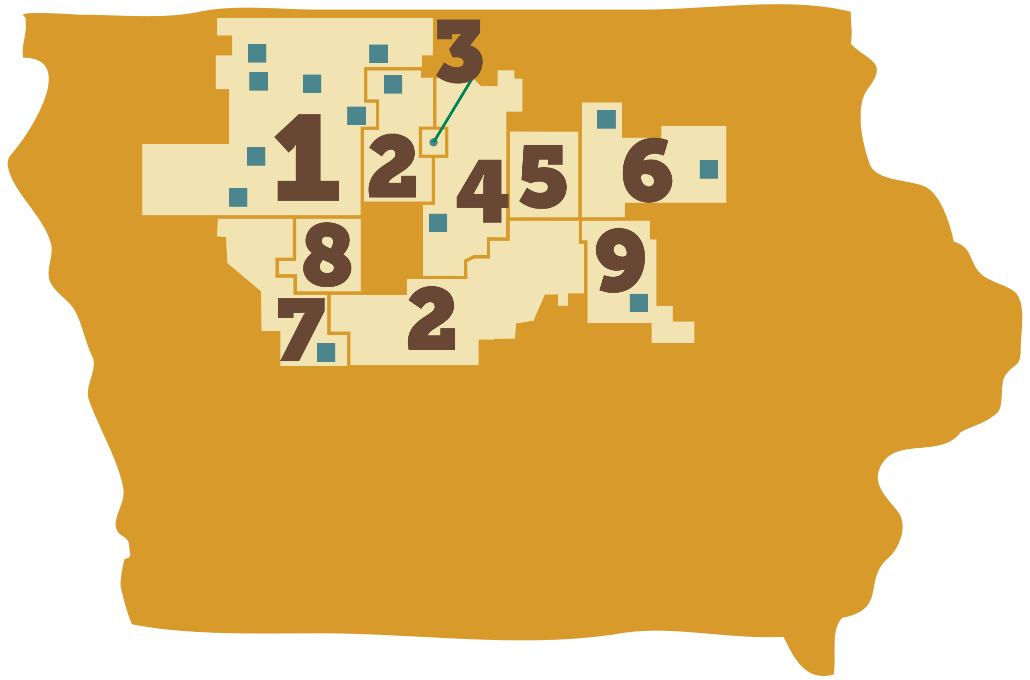
2021's graduating class includes Rod Stephas, assistant plant manager; Jon Myer, IT administrator; Jim Mertz, electrical maintenance foreman; Courtney Christensen, administrative assistant; Connor Almond, journeyman lineman; John Naber, electrical and control; and Eric Hankey, SCADA technician.

CORN BELT POWER COOPERATIVE SYSTEM MAP

1. Iowa Lakes Electric Cooperative
2. Midland Power Cooperative
3. Boone Valley Electric Cooperative
4. Prairie Energy Cooperative
5. Franklin REC
6. Butler County REC
7. Raccoon Valley Electric Cooperative
8. Calhoun County Electric Cooperative Association
9. Grundy County REC

■ North Iowa Municipal Electric Cooperative Association (NIMECA)

(Serving municipal utilities of Algona, Alta, Bancroft, Coon Rapids, Graettinger, Grundy Center, Laurens, Milford, New Hampton, Spencer, Sumner, Webster City and West Bend)



KBRA NOTED THE FOLLOWING AS POSITIVE RATING FACTORS:

- Corn Belt Power's members are required to purchase essentially all power requirements from Corn Belt Power subject to take and pay contracts extending through 2075.
- Corn Belt Power is not state-regulated. It sets its own rates which it can implement within a monthly period. Corn Belt Power's firm service territory boundaries are statutorily set.

KBRA NOTED THE FOLLOWING AS POTENTIAL CREDIT CHALLENGES:

- Although Corn Belt Power and Basin Electric have taken steps to diversify their respective energy portfolios, both remain highly dependent on coal-fired power.
- The number of ultimate customers is small relative to Corn Belt Power's peers.

RATING SENSITIVITIES INCLUDE:

- Ongoing load growth that results in consistently stronger financial metrics would be a positive credit factor.
- Significant reductions in average cost to members resulting from generation efficiencies on the part of Basin Electric and/or Corn Belt Power would be a positive credit factor.
- Debt service and TIER that are consistently lower than 1.1x and 1.2x, respectively, would be a negative credit factor.
- Regulatory costs that necessitate non-competitive or unaffordable rate increases would be a negative credit factor.

Kroll Bond Rating Agency (KBRA) affirmed its 'A' issuer credit rating for Corn Belt Power Cooperative and noted the outlook is stable.

In its ratings report, KBRA noted the stable rural economy of the Corn Belt Power service area is supportive of demand. Regional unemployment remains well below the national average and has shown relatively low volatility during periods of economic stress. The co-op's rural service base, which is dominated by the agricultural sector, has proven resilient to recessionary downturns. A recent trend of regional economic development is expected to support increased electricity sales and a stable load. Corn Belt Power Cooperative added 12.57 MW of new and/or expanded load in 2020 to meet the continued expansion of businesses and industries.

Spring blossoms arrive at Corn Belt Power headquarters.

HUMAN RESOURCES UPDATE

PROMOTIONS

Devin Chesler
apprentice to journeyman lineman

Jeff Codner
apprentice to journeyman lineman

Brittany Dickey
development finance director to manager, business development

Alex Hartwig
apprentice to journeyman electrician

RETIREMENTS

Scott Greene
custodian/groundskeeper

Jim Vermeer
vice president, business development

NEW HIRES

Jack Arndt
apprentice lineman

Jena Blackett
building custodian

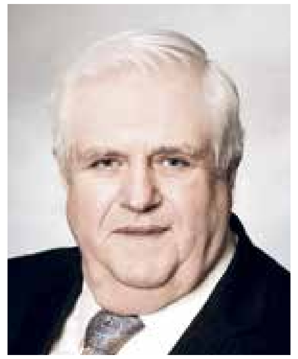
Luke Bormann
apprentice electrician

Carlos Garcia
control operator

Zachary Thompson
SCADA technician

BOARD OF DIRECTORS

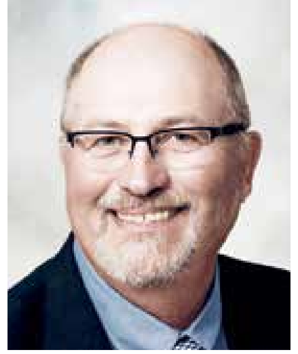
DAVID ONKEN
President, Raccoon Valley Electric Cooperative



DALE SCHAEFER
Vice President, Franklin REC

JERRY BECK
Secretary, Basin Electric Power Cooperative Representative, Iowa Lakes Electric Cooperative

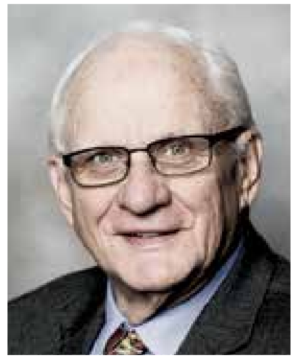
LARRY ROHACH
Treasurer, Grundy County REC



GARY POPPE
Assistant Secretary/Treasurer, Butler County REC

CHARLES GILBERT
Midland Power Cooperative

BRAD HONOLD
North Iowa Municipal Electric Cooperative Association



LAVERNE ARNDT
Calhoun County Electric Cooperative Association

TED HALL
Prairie Energy Cooperative

DEPARTMENT HEADS

KEN KUYPER
Executive Vice President and General Manager

KAREN BERTE
Senior Vice President, Finance and Administration

KEVIN BORNHOFT
Vice President, Engineering and System Operations

RYAN CORNELIUS
Vice President, Corporate Relations

JACOB OLBERDING
Vice President, Power Supply

BRITTANY DICKEY
Manager, Business Development

Corn Belt Power Cooperative

is a generation and transmission electric cooperative owned by its member systems. Corn Belt Power provides electricity to nine member cooperatives and one member municipal cooperative that serve farms, rural residences, small towns and commercial and industrial members in 41 counties in northern Iowa.

Audited Financial Report

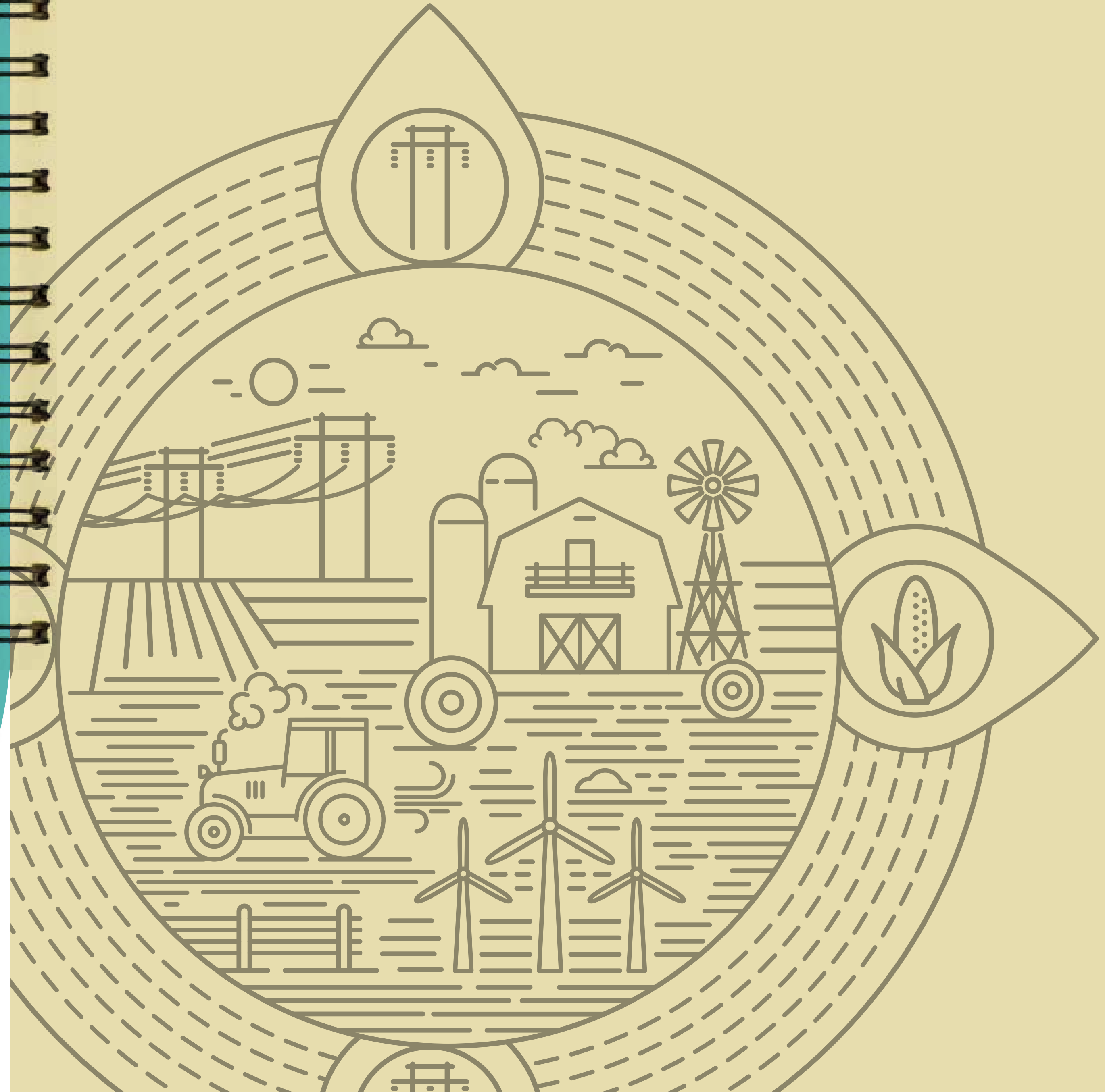
CORN BELT POWER IS

“powerfully present”

ENGAGING AND RESPONDING

FOR THE GOOD OF OUR

MEMBERSHIP IN THE NOW.



Balance Sheets

DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
ELECTRIC PLANT:		
In service	$ 582,783,702	569,442,215
Less, accumulated depreciation	(322,929,026)	(317,850,297)
	259,854,676	251,591,918
Construction work in progress	8,212,171	11,266,367
	268,066,847	262,858,285
OTHER PROPERTY AND INVESTMENTS:		
Nonutility property	158,958	158,958
Investment in the National Rural Utilities Cooperative Finance Corporation (NRUCFC)	4,926,793	4,859,922
Decommissioning funds	72,779,925	67,315,770
Other investments	90,147,128	82,903,303
Special funds	1,313,848	1,246,882
Notes receivable	8,462,044	7,490,290
Other assets	1,845,477	2,177,731
	179,634,173	166,152,856
DEFERRED CHARGES:		
Decommissioning regulatory asset	-	2,595,144
Bond refinancing regulatory asset	996,431	1,063,606
	996,431	3,658,750
CURRENT ASSETS:		
Cash and cash equivalents	2,688,894	10,610,685
Special funds	3,700,000	3,700,000
Member accounts receivable	10,295,412	12,132,165
Other receivables	2,215,438	5,902,678
Inventories:		
Fuel	4,204,601	6,436,778
Materials and supplies	9,426,557	9,104,495
Prepayments	317,221	213,440
	32,848,123	48,100,241
	$ 481,545,574	480,770,132

See accompanying notes to financial statements.

Balance Sheets

DECEMBER 31, 2021 AND 2020

MEMBERSHIP CAPITAL AND LIABILITIES	2021	2020
MEMBERSHIP CAPITAL:		
Memberships, at $100 per membership	$ 1,100	1,100
Deferred patronage dividends, restricted	102,892,420	98,887,347
Other equities	63,366,513	61,950,406
Accumulated other comprehensive income	-	386,456
	166,260,033	161,225,309
LONG-TERM DEBT:		
Federal Financing Bank	99,091,389	107,689,948
Revenue bonds	12,009,167	12,631,667
NRUCFC	86,452,865	90,083,648
CoBank	1,732,500	2,502,500
USDA Intermediary Relending Program	7,190,839	6,259,553
	206,476,760	219,167,316
Less, current maturities of long-term debt	13,940,086	13,824,699
	192,536,674	205,342,617
OTHER LONG-TERM LIABILITIES:		
DAEC decommissioning liability	68,621,789	69,691,957
Ash landfill retirement obligation	3,785,333	3,019,404
Decommissioning regulatory liability	4,325,636	-
Deferred compensation plan	212,601	135,104
	76,945,359	72,846,465
CURRENT LIABILITIES:		
Current maturities of long-term debt	13,940,086	13,824,699
Short-term debt	14,500,000	-
Accounts payable	10,541,020	11,327,139
Accrued property and other taxes	2,387,644	2,678,822
Deferred credits	3,708,027	12,825,831
Accrued interest and other	726,731	699,250
	45,803,508	41,355,741
	$ 481,545,574	480,770,132

See accompanying notes to financial statements.

Statements of Revenue and Expenses

YEARS ENDED DECEMBER 31, 2021 AND 2020

		2021	2020
OPERATING REVENUE:			
Sale of electric energy	$	138,515,889	135,862,371
Other		16,037,257	18,289,094
Total operating revenue		154,553,146	154,151,465
OPERATING EXPENSES:			
Operation:			
Steam and other power generation		13,605,816	21,610,823
Purchased power, net		96,694,367	64,880,927
Transmission		5,041,890	4,915,434
Sales		2,496,472	2,466,734
Administrative and general		3,969,856	5,938,783
Maintenance:			
Steam and other power generation		3,766,409	5,007,091
Transmission		1,898,016	1,773,467
General plant		96,568	158,298
Depreciation and decommissioning		12,258,070	28,086,278
Gain on the disposition of property		(1)	(1)
Total operating expenses		139,827,463	134,837,834
Net operating revenue		14,725,683	19,313,631
INTEREST AND OTHER DEDUCTIONS:			
Interest on long-term debt		7,620,244	9,436,211
Interest during construction		(20,339)	(27,695)
Other interest and deductions		246,459	287,241
Total interest and other deductions		7,846,364	9,695,757
Net operating margin		6,879,319	9,617,874
NONOPERATING MARGIN:			
Interest and dividend income		296,442	1,940,535
Patronage income		4,605,604	5,757,536
Other, net		498,979	(3,963,400)
Total nonoperating margin		5,401,025	3,734,671
Net margin	$	12,280,344	13,352,545

See accompanying notes to financial statements.

Statements of Comprehensive Income

YEARS ENDED DECEMBER 31, 2021 AND 2020

		2021	2020
Net margin	$	12,280,344	13,352,545
Change in unrealized gain in fair value of debt securities		(386,456)	223,950
Comprehensive income	$	11,893,888	13,576,495

Statements of Cash Flows

YEARS ENDED DECEMBER 31, 2021 AND 2020

		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net margin	$	12,280,344	13,352,545
Adjustments to reconcile net margin to net cash provided by operating activities:			
Depreciation and decommissioning		12,258,070	28,086,278
Amortization of nuclear fuel		-	3,530,441
Undistributed patronage earnings from other investments		(4,602,381)	(5,599,137)
Changes in current assets and liabilities:			
Receivables		2,748,807	(5,261,366)
Inventories		1,910,115	(826,138)
Prepayments		(103,781)	216,023
Other - deferred charges		144,672	132,596
Accounts payable		(1,858,101)	3,995,275
Accrued property and other taxes		(291,178)	(379,887)
Deferred credits		(9,117,804)	7,117,127
Accrued interest and other		27,481	(5,798)
Net cash provided by operating activities		13,396,244	44,357,959
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to electric plant, net		(15,628,721)	(20,055,175)
Distributions from special funds		14,307	44,426,307
Additions to special funds		(81,273)	(72,898)
Additions to other investments, other assets, investments in NRUCFC, and notes receivable		(2,659,419)	(1,197,469)
Deductions to other investments, other assets, investments in NRUCFC, and notes receivable		1,831,300	1,265,232
Net cash provided by (used in) investing activities		(16,523,806)	24,365,997

(Continues)

See accompanying notes to financial statements.

Statements of Cash Flows

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	1,155,655	15,600,000
Repayment of long-term debt	(13,846,211)	(56,890,388)
Funds advanced short-term borrowings	15,000,000	-
Funds repaid short-term borrowings	(500,000)	(17,000,000)
Patronage dividends paid	(6,935,927)	(6,956,304)
Net cash used in financing activities	(5,126,483)	(65,246,692)
Net decrease/increase in cash, cash equivalents, and restricted cash	(8,254,045)	3,477,264
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT:		
Beginning of year	16,488,416	13,011,152
End of year	$ 8,234,371	16,488,416
RECONCILIATION TO CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Cash and cash equivalents	$ 2,688,894	10,610,685
Special funds/commercial paper	3,700,000	3,700,000
Revolving loan funds	1,845,477	2,177,731
	$ 8,234,371	16,488,416
NONCASH INVESTING AND FINANCING ACTIVITY:		
Construction work in progress included in accounts payable	$ 1,751,217	679,235
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	$ 7,696,798	9,642,870

Statements of Membership Capital

YEARS ENDED DECEMBER 31, 2021 AND 2020

				Other Equities		
	Total	Membership	Deferred patronage dividends	Statutory surplus	Reserve for contingent losses	Accumulated other comprehensive income (loss)
Balance, December 31, 2019	$ 154,344,524	1,100	93,429,651	19,155,853	41,595,414	162,506
2020 net margin	13,352,545	-	12,153,406	1,199,139	-	-
Revenue deferred patronage dividends	260,594	-	260,594	-	-	-
Change in net unrealized gain in fair value of debt securities	223,950	-	-	-	-	223,950
Patronage dividends paid	(6,956,304)	-	(6,956,304)	-	-	-
Balance, December 31, 2020	161,225,309	1,100	98,887,347	20,354,992	41,595,414	386,456
2021 net margin	12,280,344	-	10,864,237	1,416,107	-	-
Revenue deferred patronage dividends	76,763	-	76,763	-	-	-
Change in net unrealized gain in fair value of debt securities	(386,456)	-	-	-	-	(386,456)
Patronage dividends paid	(6,935,927)	-	(6,935,927)	-	-	-
Balance, December 31, 2021	$ 166,260,033	1,100	102,892,420	21,771,099	41,595,414	-

See accompanying notes to financial statements.

Notes to Financial Statements

DECEMBER 31, 2021 AND 2020

(1) Organization

Corn Belt Power Cooperative (the Cooperative) is a Rural Utilities Service (RUS) financed generation and transmission cooperative created and owned by nine distribution cooperatives and one municipal cooperative association. Electricity supplied by the Cooperative serves farms, small towns, and commercial and industrial businesses in northern Iowa.

The Cooperative's Board of Directors (Board of Directors) is composed of one representative from each member cooperative and is responsible for, among other things, establishing rates charged to the member cooperatives.

(2) Significant Accounting Policies

The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts as prescribed by the RUS. The financial statements and the accompanying notes to the financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies are as follows:

(a) *Cash and Cash Equivalents*

For the purpose of reporting the statements of cash flows, the Cooperative considers investments purchased with an original maturity of three months or less to be cash equivalents, except for cash held for investing as part of the decommissioning fund, relending program, and special funds which are restricted for use. These restricted cash and cash equivalents are included in footnotes 2(c), 2(d) and 2(g).

(b) *Inventories*

Inventories consist of fuel (primarily coal), emission allowances, and materials and supplies carried at cost. The cost for inventories is determined on a weighted-average cost basis.

The 1990 Clean Air Act (the Act) established the requirement for fossil fuel electric generating plants to hold sulfur dioxide (SO2) emission allowances under the Acid Rain Program (ARP). In 2015, the Cross-State Air Pollution Rule (CSAPR) established an additional SO2 allowance requirement along with adding nitrogen oxide (NOx) annual and seasonal allowances. The Act and CSAPR allocate a certain number of emission allowances to owners of fossil fuel generating plants that are affected by the rules and established corresponding ARP SO2, CSAPR SO2, CSAPR NOx annual, and CSAPR NOx seasonal emission allowance trading programs. Emission allowances that have been granted to the Cooperative as a result of the Act and CSAPR do not have any cost, and therefore, the use of these emission allowances does not result in expense. From time to time, the Cooperative will purchase a quantity of each type of emission allowance to ensure an adequate number of allowances are held. The purchased allowances are combined with the allocated allowances to derive an average allowance cost each year for each type of emission allowance. Emission allowances purchased are capitalized in inventory and are charged to fuel expense as they are used in operations.

(c) *Other Investments*

Other investments consist of funds held in trust (mainly from patronage income), cash held for the Cooperative's intermediary relending program (note 9), and common and preferred stock. These equity investments do not have readily determinable fair values and are accounted for at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment. No impairment or observable price changes were recorded during 2021 or 2020.

(d) *Special Funds*

Special funds are funds set aside to cover future expenses, pay regulatory liabilities or pay future debt payments. Debt investments held in special funds are reported at fair value. Remaining deposits are recorded at their original cost as their cost approximates fair value due to the nature of the deposit. At December 31, 2021 and 2020, special funds included commercial paper of $3,700,000 and $3,700,000, respectively.

(e) *Notes Receivable*

The Cooperative determines any impairment of notes receivable based on various factors that ultimately are used to calculate collectability. As part of the review, the Cooperative reviews the terms of the original note, nature of the transaction, history of repayment, and knowledge of borrower's financial strength. No impairments were indicated for the years ended December 31, 2021 and 2020.

(f) ***Regulatory Matters***

The Cooperative's utility operations are subject to provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 980, *Regulated Operations*. Therefore, its utility operations recognize the effects of rate regulation by the Board of Directors and, accordingly, have recorded regulated assets to reflect the impact of regulatory items for which future rates will be increased to recover costs and regulated liabilities for revenue deferred at the discretion of the Board of Directors. The regulatory assets are included within deferred charges and the regulatory liabilities are included within deferred credits on the balance sheets.

(g) ***Decommissioning of Duane Arnold Energy Center (DAEC)***

The Cooperative recognizes and estimates an asset retirement obligation (ARO) for its 10% share of the estimated cost to decommission DAEC. A Nuclear Regulatory Commission (NRC) estimate of the decommissioning costs of DAEC was performed in 2015 and updated in 2018. This report estimated the Cooperative's share of the decommissioning costs of DAEC to be approximately $83,357,100 (in 2018 U.S. dollars). The Cooperative is providing for overall nuclear decommissioning costs using a funding method designed to accumulate a decommissioning reserve sufficient to cover the Cooperative's share of decommissioning costs by 2021. In 2021, DAEC was shut down in accordance with the decommissioning plan.

The total fair value of the decommissioning funds accumulated at December 31, 2021 was $72,779,925, of which $46,171,431 has been placed in a fund legally restricted for use in decommissioning DAEC. The remaining $26,608,494, while not legally restricted, has been designated by the Cooperative for use in decommissioning DAEC. The total fair value of the decommissioning funds accumulated at December 31, 2020 was $67,315,770, of which $42,357,224 was placed in a fund legally restricted for use in decommissioning DAEC. The remaining $24,958,546, while not legally restricted, was designated by the Cooperative for use in decommissioning DAEC.

Decommissioning investments classified as equity securities are reported at fair value with realized and unrealized gains and losses included as a component of regulatory assets. Decommissioning investments classified as available-for-sale debt securities are reported at fair value with unrealized gains and losses included as a component of comprehensive income. As of December 31, 2021 and 2020, available-for-sale securities consisted of the following:

	Amortized cost	Unrealized gains	Unrealized losses	Fair value
2021:				
Corporate bonds	$ -	-	-	-
Foreign investments in government funds	-	-	-	-
	$ -	-	-	-
2020:				
Corporate bonds	$ 11,366,392	352,056	-	11,718,448
Foreign investments in government funds	532,259	34,400	-	566,659
	$ 11,898,651	386,456	-	12,285,107

Realized gains and losses from equity securities and available-for-sale securities are determined on a specific-identification basis. Realized gains/(losses) on investments classified as equity securities and available-for-sale securities were $4,246,095 and $2,165,082 for 2021 and 2020, respectively. These gains/(losses) on available-for-sale securities result in a reclassification from accumulated other comprehensive income (AOCI) to the decommissioning regulatory asset.

(h) ***Electric Plant***

Electric plant is stated at original cost, which includes payroll and related benefits and interest during the period of construction.

Costs in connection with repairs of properties and replacement of items less than a unit of property are charged to maintenance expense. Additions to and replacements of units of property are charged to electric plant accounts.

Depreciation is provided using straight-line method and RUS-prescribed lives. These provisions, excluding nuclear facilities, were equivalent to a composite depreciation rate on gross plant of 2.40% and 2.47% for 2021 and 2020, respectively. Depreciation expense totaled $12,258,070 and $28,258,070 for the years ended December 31, 2021 and 2020, respectively.

Under a joint-ownership agreement, the Cooperative has a 10% undivided interest in the DAEC, a nuclear-fueled generating station, which was placed in service in 1974. Beginning in 2018, the Cooperative began depreciating its interest in the DAEC on a straight-line basis through 2025. In 2019, the Cooperative was notified the plant would close October 2020. In August 2020, a storm damaged the plant to the extent it stopped operations permanently and as a result the remaining $5,104,892 DAEC plant asset was charged to depreciation expense in 2020. The composite depreciation rate on gross plant for DAEC was 13.45% for 2020.

Along with other regional utilities, the Cooperative owns a percentage of the power plants and transmission listed in footnote 12. The Cooperative records the proportionate share of expenses based upon ownership.

(i) ***Long-Lived Assets***

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Cooperative first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. There were no impairments of long-lived assets for the years ended December 31, 2021 and 2020.

(j) ***Nuclear Fuel***

The cost of nuclear fuel is amortized to steam and other power generation expenses based on the quantity of heat produced for the generation of electric energy. Such amortization was $3,530,441 for 2020.

(k) ***Accumulated Other Comprehensive Income***

Accumulated other comprehensive income represents the net unrealized gain on available-for-sale debt securities held for decommissioning of DAEC and special funds.

(l) ***Operating Revenue***

Operating revenue with customers is reflected on the statements of revenue and expenses as sale of electric energy in accordance with FASB ASC 606, Revenue from Contracts with Customers. Electric energy is earned from the production, sale, and transmission of electricity. Revenue is recognized upon the transfer or control of promised goods or services to customers in an amount that reflects the consideration to which is expected to be entitled in exchange for those goods or services. As the performance obligations are generally satisfied over time and use the same method to measure progress, the performance obligations meet the criteria to be considered a series. Revenue is recognized using an output method, as energy is delivered as this best depicts the transfer of goods or services to the customer. Demand, transmission, and energy charges are assessed for each members' proportionate share of electricity usage based on kWh delivered. Accounts receivable represents the unconditional right to consideration. The Cooperative bills customers on a monthly basis in the month following the delivery of the goods or services. The Cooperative charges interest on past due accounts receivable of 1.5% per month. Based on the terms of customer contracts, payment is generally received at or shortly after delivery of the goods or services. The Cooperative has determined that no allowance for doubtful accounts was required at December 31, 2021 or 2020. Member accounts receivable relates to revenue under contracts with the Cooperative's members.

(m) *Cost of Power*

The Cooperative recognizes the cost of electric energy produced or purchased when energy is delivered to customers.

(n) *Major Maintenance Activities*

The Cooperative incurs maintenance costs on its major equipment. Repair and maintenance costs are expensed as incurred.

(o) *Interest During Construction*

Interest during construction represents the cost of funds used for construction and nuclear fuel refinement. The average rate was 1.82% and 2.28% for 2021 and 2020, respectively, and is based on the Cooperative's costs of financing.

(p) *Income Taxes*

The Cooperative is exempt from federal and state income taxes under sections 501(c)(12) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the Cooperative's financial statements. The Cooperative recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(q) *Related Party Transactions*

The Cooperative serves nine distribution cooperatives and one municipal cooperative association (the Members), all of which are member/owners of the Cooperative. The Cooperative has concentrations of revenue and receivables with the Members. During the years ended December 31, 2021 and 2020, the Cooperative had sales of electricity to the Members of $138,515,889 and $135,862,371, respectively. The Cooperative had outstanding accounts receivables from the Members of $10,295,412 and $12,132,165 at December 31, 2021 and 2020, respectively.

(3) Agreements with Basin Electric Power Cooperative

On September 1, 2009, the Cooperative became a Class A member of Basin Electric Power Cooperative (Basin Electric). As part of this agreement, energy and capacity needs of the Cooperative above the Western Area Power Administration allocation and a 50 MW power purchase agreement with Basin Electric are to be provided by Basin Electric at Class A member rates. Further, the Cooperative sells the energy from its generation facilities at cost to Basin Electric, but continues to own and be responsible for those facilities. During 2021 and 2020, respectively, as part of these agreements, the Cooperative purchased $124,578,985 and $120,059,522 of power and sold $38,808,933 and $66,143,296 of power to Basin Electric, which is recorded in purchased power, net, in the statements of revenue and expenses. At December 31, 2021, the Cooperative had accounts receivable from and accounts payable to Basin Electric of $3,168,005 and $8,289,070, respectively.

(4) Fair Value Measurements

ASC Topic 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Cooperative has the ability to access at the measurement date.

Level 2 - Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

		Fair value measurements at December 31, 2021 using		
	December 31 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Special funds:				
Cash and cash equivalents	$ 1,166	-	-	-
Commercial paper	3,700,000	3,700,000	-	-
Certificates of deposit	23,008	-	23,008	-
Corporate bonds	89,871	-	89,871	-
Common and preferred stock and funds	122,730	122,730	-	-
Obligations of the U.S. government and agencies	1,077,073	1,077,073	-	-
Decommissioning funds:				
Cash and cash equivalents (at cost)	1,177,751	-	-	-
Stocks				
Equities	12,886,121	12,886,121	-	-
Fixed income and preferred	43,290	43,290	-	-
Alternatives	1,567,391	1,567,391	-	-
Exchange traded funds				
Equities	23,107,040	23,107,040	-	-
Fixed income and preferred	1,904,484	1,904,484	-	-
Alternatives	543,623	543,623	-	-
Mutual funds				
Equities	13,660,163	13,660,163	-	-
Fixed income and preferred	16,425,427	16,425,427	-	-
Alternatives	1,402,767	1,402,767	-	-
Corporate Bonds	61,868	-	61,868	-
Total	$ 77,793,773	76,440,109	174,747	-

	December 31 2020	Fair value measurements at December 31, 2020 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Special funds:				
Cash and cash equivalents (at cost)	$ 9,718	-	-	-
Commercial paper	3,700,000	3,700,000	-	-
Certificates of deposit	24,990	-	24,990	-
Corporate bonds	11,656	-	11,656	-
Common and preferred stock and funds	123,448	123,448	-	-
Obligations of the U.S. government and agencies	1,077,070	-	1,077,070	-
Decommissioning funds:				
Cash and cash equivalents (at cost)	533,522	-	-	-
Stocks				
Equities	13,052,650	13,052,650	-	-
Fixed income and preferred	31,614	31,614	-	-
Alternatives	1,358,631	1,358,631	-	-
Exchange traded funds				
Equities	24,714,390	24,714,390	-	-
Fixed income and preferred	4,848,236	4,848,236	-	-
Alternatives	464,142	464,142	-	-
Mutual funds				
Equities	10,986,907	10,986,907	-	-
Fixed income and preferred	9,898,900	9,898,900	-	-
Alternatives	1,351,188	1,351,188	-	-
Corporate Bonds	75,590	-	75,590	-
Total	$ 72,262,652	70,530,106	1,189,306	-

The portion of unrealized gains and losses for the periods relating to equity securities still held at December 31, 2021 and 2020 is as follows:

	2021	2020
Net gains and losses recognized during the period on equity securities	$ 19,418,034	14,165,632
Less net gains and losses recognized during the period on equity securities sold during the period	4,246,095	2,165,082
Unrealized gains and losses recognized during the reporting period on equity securities still held at the reporting date	$ 15,171,939	12,000,550

Fair value of the Cooperative's financial instruments is determined using the methods and assumptions as set forth below. While the Cooperative believes that its valuation methods are appropriate and consistent with those of other market participants, use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value at the reporting date. There were no changes in valuation methodology from 2020 to 2021.

Cash and cash equivalents - Cash equivalents consist of demand deposit accounts and investments with original maturities of three months or less when purchased. These are recorded at fair market using quoted market prices. These are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Commercial paper - Investments in commercial paper are reported at fair value plus accrued interest at the reporting date. These investments are classified as Level 2.

Cushion of credit - Cushion of credit funds consist of advance payments to Federal Finance Bank (FFB) and is valued based on the amount of cash held in the account. The cushion of credit funds earned 5% and were restricted for payment of debt obligations. As such, these funds are classified as Level 1.

Certificates of deposit - Certificates of deposit approximate fair value based on estimates using current market rates offered for deposits with similar remaining maturities and are classified as Level 2 securities.

Corporate bonds and government obligations - Fixed income securities and government and agency obligations are valued based upon observable market prices on the reporting date. When quoted prices of identical investment securities in active markets are not available, the fair values for the investment securities are obtained primarily from pricing services; one evaluated price is received for each security. The fair values provided by the pricing services are estimated using matrix pricing or other pricing models, where the inputs are based on observable market inputs or recent trades of similar securities. Such investment securities are generally classified as Level 2.

Common and preferred stock - Investments in publicly traded equity securities and mutual funds are measured at fair value using quoted market prices. These are classified as Level 1 if they are traded in an active market for which closing market prices are readily available.

(5) Investment in the NRUCFC, Notes Receivable, and Other Investments

The Cooperative has investments in the following:

	2021	2020
Common and preferred stock	$ 485,995	473,979
Funds held in trust	81,594,295	77,238,646
Restricted other assets	9,912,315	7,368,409
Investment in NRUCFC	4,926,793	4,859,922
Economic development notes receivable	8,462,044	7,490,290
	$ 105,381,442	97,431,246

The above investments are included in the accompanying balance sheets as follows:

	2021	2020
Investment in NRUCFC	$ 4,926,793	4,859,922
Notes receivable	8,462,044	7,490,290
Other investments	90,147,128	82,903,303
Other assets	1,845,477	2,177,731
	$ 105,381,442	97,431,246

Notes to Financial Statements

The Cooperative has an investment of $4,926,793 and $4,859,922 at December 31, 2021 and 2020, respectively, with the NRUCFC. This investment is required in order to allow the Cooperative to borrow funds from NRUCFC. The investment earns interest of 5.0% on $2,000,000, which matures in 2044, 5.0% on $2,195,507, which matures between 2070 and 2080, and 3.0% on $121,789, which matures in 2025. The remaining balance of $609,497 does not earn interest.

Notes receivable consist of notes to member cooperatives and other businesses to assist in economic development of qualifying industrial sites, speculative buildings, rural housing, and certain joint venture projects. Interest rates on these notes receivable range from 0% to 3%. The majority of these notes are generally due under 10-year agreements with payments due monthly on a ratable basis. There are no notes receivable past due or in default as of December 31, 2021 or 2020. The Cooperative reviews the need for reserve for uncollected accounts based on payment activity, historical collection rates, and collateral on the note. The Cooperative has determined no reserves were necessary at December 31, 2021 or 2020.

Funds held in trust consist mainly of deferred patronage dividends related to the Cooperative's membership in other cooperatives. At December 31, 2021 and 2020, $80,639,385 and $76,337,879, respectively, relates to the Cooperative's deferred patronage dividends related to Basin Electric. The Cooperative was allocated deferred patronage dividends of $4,301,507 and $5,414,703 during the years ended December 31, 2021 and 2020, respectively.

(6) Deferred Patronage Dividends and Other Equities

In accordance with the Iowa Code, the Board of Directors is required to allocate a portion of the current year's net margin to statutory surplus until the statutory surplus equals 30% of total membership capital. No additions can be made to statutory surplus whenever it exceeds 50% of total membership capital. In 2021 and 2020, the Board of Directors appropriated $1,416,107 and $1,199,139 of net margins to statutory surplus, respectively.

The equity-designated reserve for contingent losses in the statements of membership capital is an appropriation of equity by the Board of Directors. The Board of Directors appropriated $0 of net margin to reserve for contingent losses in 2021 and 2020. There is no statutory restriction of this equity.

The Board of Directors is permitted by the Iowa Code to allocate the current year's net margin to deferred patronage dividends upon meeting certain requirements and is required to make such allocations if the net margin for the year exceeds specified maximums. The Board of Directors has appropriated $10,941,000 and $12,414,000 of the 2021 and 2020 net margins, respectively, to deferred patronage dividends. Deferred patronage dividends are eligible to be paid in the future as determined by the Board of Directors under certain conditions.

Under the conditions of the Cooperative's indenture, deferred patronage dividends cannot be retired without approval of the RUS and the NRUCFC unless the remaining equity meets certain tests. The Cooperative met these tests at December 31, 2021 and 2020.

(7) Deferred Regulatory Debits and Credits

Regulatory assets are recorded for expenses that are deferred and will be recovered through rates charged to members in future periods. Such deferrals are approved by the Board of Directors. The Cooperative does not earn a return on these regulatory assets. Regulatory credits are established for revenue that has been deferred as approved by the Board of Directors. These amounts will be included in income in the year that they are applied to future costs or otherwise returned to members through a reduction in rates.

As of December 31, 2021 and 2020, deferred regulatory debits and credits consisted of the following:

	2021	2020
Deferred regulatory debits:		
Decommissioning regulatory asset	$ -	2,595,144
Bond refinancing regulatory asset	996,431	1,063,606
	$ 996,431	3,658,750
Deferred regulatory credits:		
Decommissioning regulatory liability	$ 4,325,636	-
Deferred credit	3,708,027	12,825,831
	$ 8,033,663	12,825,831

Notes to Financial Statements

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Decommissioning Regulatory Asset and Liability - In connection with the costs related to decommissioning of DAEC, the Cooperative has established a regulatory asset or liability in conjunction with recording of the decommissioning liability. This regulatory asset or liability is the difference between the decommissioning liability and the fair value of the investments in the decommissioning funds.

Bond Refinancing Regulatory Asset - In 2019, the Cooperative refinanced its outstanding Webster City revenue bonds. Bond refinancing costs, discount, and the loss on refinancing costs of $1,175,565 were set up as a regulatory asset and will be amortized over the life of the bonds.

Deferred Credit - In 2018, the Board of Directors established a deferred credit of $3,700,000. The revenue deferral was set aside in a cash account to cover expenditures through 2023. In 2020, $8,100,000 was recorded as a deferred credit to reflect the pending settlement with Missouri River Energy Services on the grandfathered agreements and the settlement on the Annual Transmission Revenue Settlement, see discussion in footnote 11.

(8) Short-Term Debt

In October 2020 the Cooperative signed a five year credit facility with NRUCFC for $100,000,000. The Cooperative has drawn down on its credit facilities $14,500,000 and $0 as of December 31, 2021 and 2020, respectively.

(9) Long-Term Debt

The Cooperative executed an Indenture of Mortgage, Security Agreement and Financing Statement, dated as of August 30, 2013 (Indenture) between the Cooperative, as Grantor, to U.S. Bank National Association, as Trustee. The Indenture provides secured note holders with a prorated interest in substantially all owned assets. Secured debt includes FFB, CoBank and certain parts of NRUCFC loans.

Long-term debt consists of mortgage notes payable to the United States of America acting through the RUS from the FFB, NRUCFC, CoBank, revenue bonds issued due to agreements with Webster City, and notes borrowed through the USDA Intermediary Relending Program (IRP Notes) and Rural Economic Development Loan and Grant (REDLG Loans) Program. The proceeds of these IRP Notes and REDLG Loans are then lent to other eligible businesses within certain approved counties in the Cooperative's service area. Substantially all the assets, rent, income, revenue, and net margin of the Cooperative are pledged as collateral for the long-term debt of the Cooperative, except for IRP Notes and REDLG Loans, which are not secured by assets of the Cooperative.

Long-term debt has the following components:

	2021	2020
Mortgage notes due in quarterly installments:		
FFB 1.63%-4.692%, due 2022-2039	$ 99,091,389	107,689,948
CoBank 3.47%, due 2022-2024	1,732,500	2,502,500
NRUCFC 2.90%-4.40%, due 2022-2050	85,420,168	88,613,445
NRUCFC 2.95%, due 2022-2024	1,032,697	1,470,203
	187,276,754	200,276,096
Revenue bonds 2.95%-4.20%, due 2022-2036	$12,009,167	12,631,667
USDA Intermediary Relending Program - 0%-1%, due 2022-2042	7,190,839	6,259,553
	$ 206,476,760	219,167,316

Maturities of long-term debt for the next five years are as follows:

Year		
2022	$	13,940,086
2023		13,974,512
2024		13,072,992
2025		12,787,519
2026		12,809,369
Thereafter		139,892,282
	$	206,476,760

Restrictive covenants required the Cooperative to set rates that would enable it to maintain a margin for interest ratio of 1.10. The Cooperative is also required to maintain a debt service coverage (DSC) ratio of 1.00 and a minimum membership capital balance of $70,000,000, excluding accumulated other comprehensive income, and achieve either an average equity ratio of not less than 10% or have been assigned a credit rating of BBB- or higher. As of December 31, 2021, the Cooperative was in compliance with its covenants on long-term debt with respect to these financial ratios.

During 2020, the Cooperative prepaid FFB debt related to the DAEC nuclear plant, penalty free. Per RUS instructions this debt payment is being excluded from the DSC ratio calculation.

Since 1979, the Cooperative has had a long-term agreement with Webster City under which Webster City agreed to provide certain generation and transmission facilities to the Cooperative and the Cooperative has agreed to guarantee repayment of financing issued by Webster City to pay for these facilities and the continued improvement of these facilities. The Cooperative has recorded these assets in electric plant and has reflected the debt associated with this guarantee as long-term debt. Further, as part of the agreement, the Cooperative provided Webster City its wholesale power at rates consistent with rates charged to other Cooperative members. In September 2011, the Cooperative and Webster City entered into a new agreement to continue their relationship and extended it until December 2055 in 2016.

During 2019, Webster City refinanced its outstanding revenue bonds of $12,765,000 by issuing new bonds of $13,900,000, reducing its interest rate. Bond refinancing costs, discount, and the loss on refinancing costs of $1,175,565 will be amortized over the life of the bonds as a regulatory asset. The life of the old bonds and new bonds were the same.

USDA Rural Development requires all IRP and REDLG loans to be fully insured. The Cooperative maintains IRP and REDLG accounts with Bank Iowa. In March 2017, the Cooperative and Bank Iowa entered into a deposit placement agreement to place funds over the Federal Deposit Insurance Corporation (FDIC) limit into deposit accounts at receiving depository institutions. The destination institutions will be depository institutions at which deposit accounts are insured by FDIC up to the maximum deposit insurance amounts.

During 2021 and 2020, the Cooperative borrowed $1,155,656 and $300,000 of funds from the USDA, respectively.

(10) Special Funds

Special funds consist of money the RUS requires to be set aside for deferral of revenue (note 7), future removal of the Wisdom Unit 1 ash landfill, issuance of revenue bonds (note 9), deferred pension, and RUS Cushion of Credit.

		2021	2020
Ash landfill fund	$	24,174	34,708
Deferred pension		212,601	135,104
Deferred credit fund		3,700,000	3,700,000
Revenue bonds fund		1,077,073	1,077,070
	$	5,013,848	4,946,882

(11) Commitments and Contingencies

In 2002, the Cooperative entered into a power purchase agreement to purchase 11.49% of the monthly generation from the Hancock County Wind Energy Center up to 11.22 megawatts. This agreement is effective through December 31, 2022, and rates are firm for the life of the contract.

In 2007, the Cooperative entered into a power purchase agreement to purchase the monthly generation from Crosswind Energy, LLC up to 21 megawatts. This agreement was extended through June 15, 2027, and rates are firm for the life of the contract.

In 2008, the Cooperative entered into a power purchase agreement to purchase the monthly generation from Iowa Lakes Electric Cooperative's two wind farms, both of which started generating in 2009. The agreement was amended in 2011, and the price is fixed for each of the years from 2021 to 2028. The Cooperative is only obligated to pay for power that is actually received and the projects are not dispatchable.

The Cooperative is a party to a Federal Energy and Regulatory Commission (FERC) rate dispute case to determine its annual transmission revenue requirements as a member of SPP related to how the Cooperative's grandfathered agreements are incorporated into the rate. The Cooperative reached a settlement for $8,100,000 with one other transmission owner in Zone 19 of SPP in its FERC case. The judge has certified the settlement and FERC commission has approved it. In 2020, the Cooperative recorded a liability of $8,100,000 and offsetting receivables of $3,732,525 for amounts in the settlement attributable to other parties. Regulatory liabilities for revenue deferred to cover expenses related to the settlement were also recorded in 2020. During the year ended December 31, 2021, the rate dispute was settled and paid in full.

(12) Joint Plant Ownership

Under joint ownership agreements with other utilities, the Cooperative had undivided interests at December 31, 2021 in electric plant, including construction work in progress, as shown below:

		Total electric plant	Accumulated depreciation	Unit accredited capacity (MW)	Cooperative's share (%)
Wisdom Unit 2	$	17,294,608	8,407,244	80	43.8
Neal #4		88,688,995	50,600,891	644	11.3
Walter Scott #3		34,584,041	18,557,775	697	3.8
DAEC		123,556,585	120,737,294	-	10.0
Walter Scott #4		74,386,273	25,981,138	817	5.6
Walter Scott #4 - transmission		4,976,169	1,778,981	-	4.3
Lehigh Webster - transmission		5,273,757	2,149,254	-	27.0
Neal #3 Grimes-Lehigh - transmission		654,234	282,811	-	3.8

Each participant provided its own financing for its share of the unit. The Cooperative's share of direct expenses of the jointly owned units is included in the operating and maintenance expenses on the statements of revenue and expenses.

During 2006, the Cooperative; one of its members, North Iowa Municipal Electric Cooperative Association (NIMECA); and the city of Spencer, a NIMECA member, entered into a long-term generation use agreement of approximately 5 megawatts of the Cooperative's capacity in the Wisdom Unit 2 generation facilities. The plant statistics have been reduced to reflect the agreement.

(13) Asset Retirement Obligation

The Cooperative has ARO arising from regulatory requirements to perform certain asset retirement activities at the time of decommissioning DAEC and disposing of certain electric plant. The liability was initially measured at fair value and subsequently is adjusted for accretion expense and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's remaining useful life.

The Cooperative recognizes and estimates an ARO for its 10% share of the estimated cost to decommission DAEC. During 2018, an NRC estimate of the decommissioning costs was updated. This report estimated the Cooperative's share of the costs to be approximately $83,357,100 (in 2018 U.S. dollars). The following table presents the activity for the AROs for the years ended December 31, 2021 and 2020:

	2021	2020
Balance at January 1	$ 69,691,957	67,917,292
Accretion expense	2,867,000	3,161,000
Obligations incurred	(3,937,168)	(1,386,335)
Balance at December 31	$ 68,621,789	69,691,957

The Cooperative also recognizes a liability for its share of the estimated cost to remove the ash landfills at Walter Scott #3 and Neal #4. A reconciliation of the changes in the ARO is depicted below:

	2021	2020
Balance at January 1	$ 3,019,404	$ 3,008,096
Changes in estimates, including timing	647,677	11,308
Accretion expense	132,493	-
Obligations incurred	(14,241)	-
Balance at December 31	$ 3,785,333	$ 3,019,404

(14) Nuclear Insurance Program

Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, DAEC maintains $450 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to $13.1 billion of liability insurance coverage per incident at any nuclear reactor in the United States. The Cooperative's assessment on its 10% ownership in DAEC is approximately $13.8 million per nuclear incident.

Pursuant to provisions in various nuclear insurance policies, the Cooperative could be assessed retroactive premiums in connection with future accidents at a nuclear facility owned by a utility participating in the particular insurance plan. In addition, the Cooperative could be assessed annually approximately $2.0 million related to coverage for excess property damage if the insurer's losses relating to an accident exceed its reserves. While assessment also may be made for losses in certain prior years, the Cooperative is not aware of any losses in such years that it believes are likely to result in an assessment.

In the unlikely event of a catastrophic loss at DAEC, the amount of insurance available may not be adequate to cover property damage, decontamination, and premature decommissioning. Uninsured losses, to the extent not recovered through rates, would be borne by the Cooperative and Basin Electric, through the power purchase agreement, and could have a materially adverse effect on the Cooperative's financial position and results of operations.

(15) Benefit Plans

The Retirement Security (RS) Plan, sponsored by NRECA, is a defined-benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is considered a multi-employer plan under the accounting standards. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

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

The Cooperative's contributions to the Retirement Security (RS) Plan in 2021 and 2020 represented less than 5% of the total contributions made to the RS Plan by all participating employers. The Cooperative made contributions to the RS Plan of $1,677,063 and $1,546,301 in 2021 and 2020, respectively.

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

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

The Cooperative also provides a 401(k) plan, available to all employees, with the Cooperative matching 40% of the employees' contributions up to 5% of the employees' wages. For the years ended December 31, 2021 and 2020, the Cooperative contributed $162,764 and $152,559, respectively, to the 401(k) plan.

The Cooperative also offers key employees a deferred compensation plan available through NRECA. The plan permits qualifying employees to defer a portion of their salary until future years. The accumulated deferred compensation balance is not available to the employees until termination, retirement or death. All amounts of compensation deferred under the plan and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Cooperative (not restricted to the payment of benefits under the plan), subject only to the claim of general creditors. Participants' rights under the plan are equal to those of general creditors of the Cooperative in an amount equal to the fair market value of the deferred account for each participant. The related assets and liabilities total $212,601 and $135,104 as of December 31, 2021 and 2020, respectively, are reported as contract value, which approximates fair value.

(16) NIMECA Combined Transmission System

In 1989, the Cooperative and one of its members, NIMECA, entered into a joint transmission agreement that allows several members of NIMECA an individual undivided ownership interest in and access to the Cooperative's transmission system. The Cooperative will continue to operate and maintain the system. NIMECA members will reimburse the Cooperative for the proportionate share of operating expenses of the system and will contribute proportionately for all future capital additions of the system.

(17) Environmental Matters

The EPA CSAPR was in effect January 1, 2015. This rule regulates interstate emissions of NOx and SO2 contributing to nonattainment areas of fine particulate and ozone. In 2015, EPA proposed a more stringent NOx seasonal Phase II. The NOx seasonal Phase II of the rule was finalized in 2016 and became effective in May 2017. The effects on the Cooperative are minimal due to the number of hours its coal plants operate during the year.

In January 2021 the U.S. Court of Appeals for the D.C. Circuit struck down the Affordable Clean Energy (ACE) rule. This ruling allows the current administration to begin developing new CO2 emissions reduction rules. Impacts due to new CO2 regulations won't be known until details of those new regulations are released, but are expected to be more significant than they would have been under the ACE rule. Adverse impacts that CO2 regulations would have on Corn Belt's generating resources are significantly mitigated by power purchase agreements in place with Basin Electric.

Notes to Financial Statements

DECEMBER 31, 2021 AND 2020

(18) Other Matters

The outbreak of the COVID-19 pandemic has resulted in governments and customers enacting emergency measures to combat the spread of the virus. These measures have included the implementation of travel bans, self-imposed quarantine periods, social distancing, additional safety protocols, and temporary customer facility shutdowns. To-date, the Cooperative has not experienced any material adverse impacts. It is not currently possible to estimate the length, severity, or financial impact of these developments in the future. Any prolonged restrictive measures put in place in order to contain the outbreak of the virus could adversely affect the Cooperative's financial results.

(19) Subsequent Events

The Cooperative has evaluated subsequent events from the balance sheet date through March 4, 2022, the date at which the financial statements were available to be issued and noted no additional items to disclose.

In 2022, the Cooperative executed a loan agreement with FFB for $91,085,000. There have been no amounts advanced on this loan as of the issuance date.

Purpose:

Corn Belt Power Cooperative enhances the quality of life for members, employees and communities.

Mission:

Responsibly provide reliable, safe and affordable electricity.
Support member cooperatives' success.
Enhance employees' effectiveness.
Improve communities' vitality.

Values:

Integrity, Accountability, Commitment, Teamwork

Listen

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