

BALANCE SHEET

December 31, 2009 and 2010

Assets (What We Own)

	2010	2009
1. Net Utility Plant	\$244,189,187	\$238,320,646
2. Investments	\$56,627,527	\$48,954,993
3. Cash	\$179,695	\$18,410
Temporary Investment		
4. Accounts & Notes Receivable	\$8,902,770	\$5,349,545
5. Materials & Supplies	\$5,360,120	\$6,604,421
6. Prepaid Expenses	\$169,038	\$1,238,246
7. Other Current & Accrued Assets	\$62,104	\$58,080
8. Regulatory Assets		\$25,956
9. Deferred Debits	(\$557,558)	\$97,128
Total Assets	\$314,932,883	\$300,667,425

Liabilities

10. Long Term Debt	\$175,283,254	\$167,681,111
11. Notes Payable	\$6,196,080	\$15,941,748
12. Accounts Payable	\$9,548,802	\$8,421,252
13. Consumer Deposits	\$1,177,691	\$992,085
14. Current Maturities Long Term Debt	\$7,291,487	\$6,493,004
15. Other Liabilities	\$6,464,905	\$6,469,783
16. Deferred Credits	\$1,973,574	\$2,036,217
17. Accumulated Operating Provisions	\$7,050,489	\$8,614,499
Total Liabilities	\$214,986,282	\$216,649,699

Members Net Worth

18. Membership Fees	\$384,455	\$384,455
19. Accumulated Margins	\$97,474,794	\$83,329,208
20. Other Equities	\$2,087,352	\$304,063
Total Members Net Worth	\$99,946,601	\$84,017,726
Total Liabilities/Net Worth	\$314,932,883	\$300,667,425

	County	2010	County	2010
Real Estate & Personal Property Taxes Paid By CEC	Caroline	471,763	Somerset	163,404
	Cecil	92,755	Talbot	190,419
	Dorchester	302,181	Wicomico	244,366
	Kent	158,730	Worcester	301,402
	Queen Anne's	130,907	Total	\$2,055,928

STATEMENT OF OPERATIONS

Note: The Statement of Operations for 2009 and 2010 are audited results.

December 31, 2009 and 2010

	2010	2009
Income		
1. Revenue	\$127,357,705	\$126,862,747
Expenses		
2. Purchased Power Cost	\$77,466,172	\$80,338,271
3. Operations Expense	\$4,044,210	\$5,216,043
4. Maintenance Expense	\$5,089,013	\$4,186,375
5. Consumer Account Expense	\$4,165,512	\$3,960,494
6. Admin & General Expense	\$6,255,387	\$5,647,037
7. Depreciation	\$10,321,771	\$9,809,169
8. Taxes	\$2,208,811	\$224,017
9. Interest Expense	\$10,274,417	\$10,809,782
10. Other Deductions	\$104,738	\$71,963
Total Expenses	\$119,930,031	\$120,263,151
Margins		
11. Operating Margins	\$7,427,674	\$6,599,596
12. Non-operating Margins	\$390,814	(\$116,215)
13. G&T Capital Credits	\$7,075,920	\$7,398,447
14. Other Cap Credits/Patronage Dividends	\$1,190,758	\$935,681
15. Extraordinary Items		
Total Margins	\$16,085,166	\$14,817,509

How the Cooperative Dollar is Spent

	2010	%
Wholesale Power Cost	\$77,466,172	56.95%
Operations	\$4,044,210	2.97%
Maintenance	\$5,089,013	3.74%
Consumer Accts	\$4,165,512	3.06%
Admin & General	\$6,255,387	4.60%
Depreciation	\$10,321,771	7.59%
Taxes	\$2,208,810	1.62%
Interest & Other	\$10,379,156	7.63%
Margins	\$16,085,166	11.83%
Total	\$136,015,196	100.00%

Note: The 2009 and 2010
Income Statement and
Balance Sheet represent
audited results.

Choptank Services Corporation, Inc.

Income Statement Year-End December 31, 2010

	2010	2009
Expenses		
Interest Expense	\$235,817	\$246,333
Professional Fees	\$12,248	\$5,085
Miscellaneous Expense	\$943	\$30,145
Total Expenses	\$249,008	\$281,563
Other Income		
Interest Income	\$179,438	\$242,743
Patronage Capital - CoBank	\$42,654	\$50,663
Income/Loss Investment Subsidiaries	\$216,728	(\$47,721)
Other	\$40	\$756
Total Other Income	\$438,860	\$246,441
Net Income	\$189,852	(35,122)

Balance Sheet Year-End December 31, 2010

Current Assets		
Cash	\$78,865	\$15,767
Prepaid Office Expenses	\$96	\$48
Total Current Assets	\$78,961	\$15,815
Other Assets		
Interest Receivable - Choptank Home & Business	0	\$1,187,884
Investment in Cobank	\$1,000	\$1,000
Investment in MACS	\$3,491,705	
Notes Receivable - Choptank Home & Business	0	\$3,119,042
Patronage Capital - CoBank	\$192,347	\$21,147
Patronage Capital - Federated	\$7,058	
Total Other Assets	\$3,692,110	\$4,329,073
Total Assets	\$3,771,071	\$4,344,888
Current Liabilities		
Accrued Year-End Expenses	\$19,056	\$20,693
Cobank Line of Credit	\$2,000,000	\$1,684,639
Payable to Choptank Electric	\$327,881	0
Total Current Liabilities	\$2,346,937	\$1,705,332
Long Term Liabilities		
Cobank Fixed Rate Loan	\$2,267,710	\$2,693,945
Investment in Choptank Home & Business	0	\$979,039
Long Term Liabilities	\$2,267,710	\$3,672,984
Total Liabilities	\$4,614,647	\$5,378,316
Equity		
Investment from Choptank Electric	\$95,000	\$95,000
Retained Earnings	(\$1,128,428)	(\$1,093,306)
Net Income	\$189,852	(\$35,122)
Total Equity	(\$843,576)	(\$1,033,428)
Total Liabilities and Equity	\$3,771,071	\$4,344,888

Electric Revenue By Rate Class	2010	%
Residential	\$91,260,808	71.657%
Commercial	\$26,183,706	20.559%
Power	\$8,002,942	6.284%
Street Light	\$217,317	0.171%
Other	\$1,692,933	1.329%
	Total	100.00%

Purchased 1,065,818,500 Kwh from Old Dominion Electric Cooperative and 6,791,605 Kwh from other sources.

Peak system load, winter, was 217 megawatts on January 3, 2010.

Peak system load, summer, was 260 megawatts on July 24, 2010.

Customer Average Interruption

Duration Index (the average outage duration that any given member would experience) was 1.85 hours for 2010.

The Cooperative has: 47,179 residential meters; 22 primary accounts; 4,787 commercial and industrial accounts; and 255 lighting accounts.

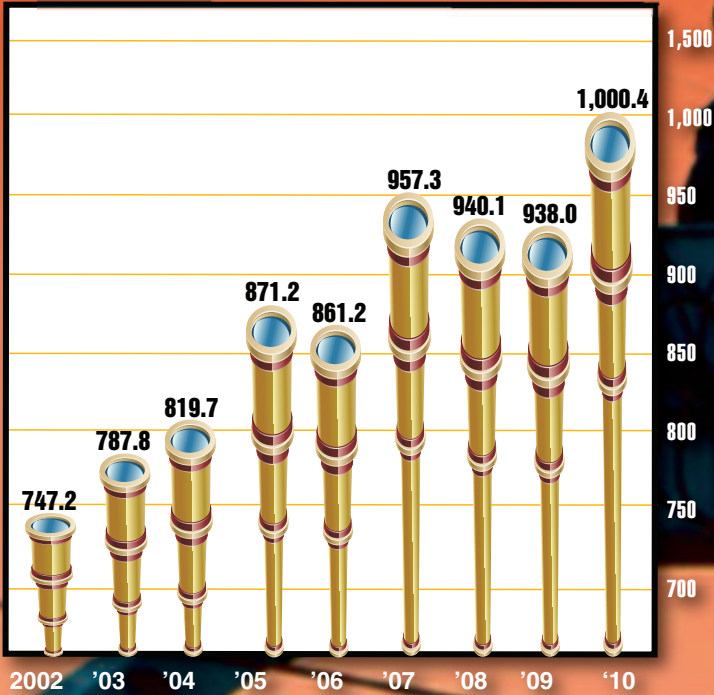
Total calls received in central members service call center: 110,755.



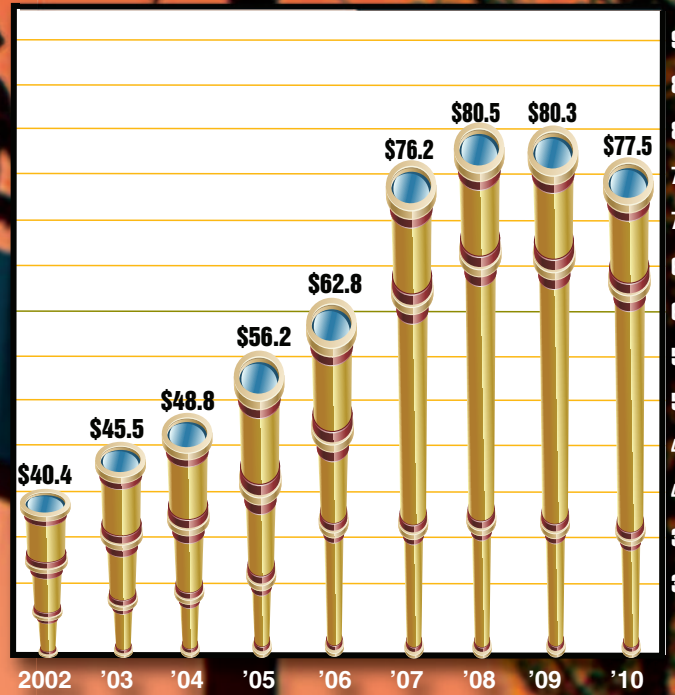
Cooperative Facts 2010

Cooperative Energy Information

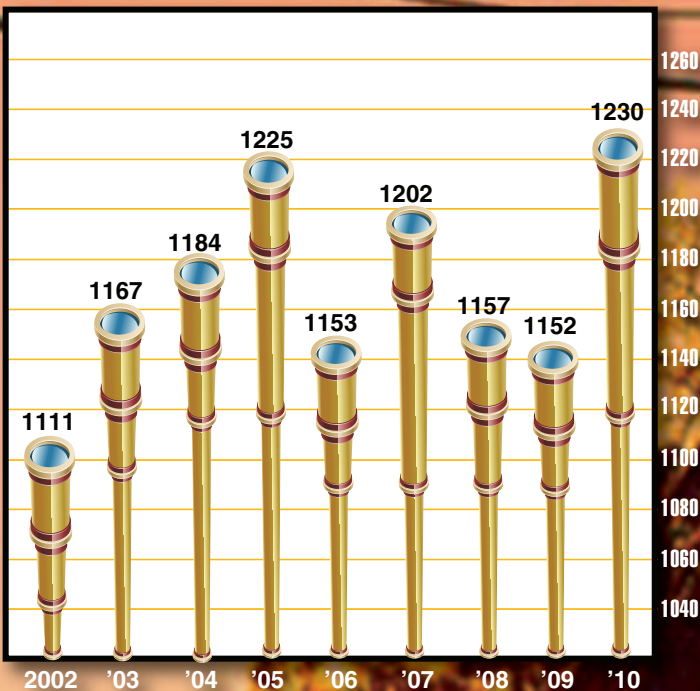
Kilowatt Hour Sales (in millions)



Wholesale Power Cost (in millions)



Average Residential Usage (monthly)



Meters Served (annually)

