

**CHOCTAW ELECTRIC COOPERATIVE, INC.**

**BALANCE SHEETS  
DECEMBER 31, 2018 AND 2017**

**ASSETS**

	December 31,	
	2018	2017
<b>UTILITY PLANT AT COST</b>		
Electric Plant in Service	\$ 125,826,367	\$ 123,886,356
Construction Work in Progress	633,816	941,107
	\$ 126,460,183	\$ 124,827,463
Less: Accumulated Provision for Depreciation	39,489,496	37,037,600
	\$ 86,970,687	\$ 87,789,863
 <b>OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE</b>		
Investments in Associated Organizations	\$ 21,655,730	\$ 21,138,065
Notes Receivable	8,264	59,221
Other Investments	26,196	26,052
	\$ 21,690,190	\$ 21,223,338
 <b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,911,068	\$ 558,362
Available-for-Sale Investments	3,634,855	3,380,825
Notes Receivable - Current Portion	95,486	121,175
Accounts and Notes Receivable (Less Allowance for \$181,348 in 2018 and Uncollectibles of \$172,533 in 2017)	2,968,819	2,765,980
Accrued Unbilled Revenue	2,205,999	2,452,059
Materials and Supplies	572,512	774,943
Other Current and Accrued Assets	146,371	103,607
	\$ 11,535,110	\$ 10,156,951
 <b>TOTAL ASSETS</b>	\$ 120,195,987	\$ 119,170,152
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES</b>		
Memberships	\$ 69,105	\$ 68,145
Patronage Capital	54,895,214	51,156,713
Other Equities	3,480,910	3,388,932
Other Comprehensive Income	1,447,645	1,481,669
	\$ 59,892,874	\$ 56,095,459
 <b>LONG-TERM DEBT</b>		
RUS Rural Development Notes Less Current Maturities	\$ 11,096	\$ 33,320
CFC Mortgage Notes Less Current Maturities	19,637,546	21,198,114
CoBank Mortgage Notes Less Current Maturities	30,035,377	30,698,204
	\$ 49,684,019	\$ 51,929,638
 <b>NON-CURRENT LIABILITIES</b>		
Accumulated Post-Retirement Benefit Obligation	\$ 1,761,228	\$ 2,181,300
 <b>CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt	\$ 3,132,282	\$ 2,978,013
Current Portion of APBO	231,716	267,200
CFC Line of Credit		900,000
Accounts Payable - Purchased Power	2,369,315	2,287,131
Accounts Payable - Other	452,831	483,700
Consumer Deposits	176,915	154,674
Accrued Employee Benefits	589,498	524,902
Accrued Interest	110,533	114,221
Overcollected Power Cost	660,064	181,824
Other Accrued Expenses	109,662	94,481
	\$ 7,832,816	\$ 7,986,146
 <b>DEFERRED CREDITS</b>	\$ 1,025,050	\$ 977,609
 <b>TOTAL EQUITIES AND LIABILITIES</b>	\$ 120,195,987	\$ 119,170,152

**CHOCTAW ELECTRIC COOPERATIVE, INC.**

**STATEMENTS OF INCOME, OTHER COMPREHENSIVE INCOME AND PATRONAGE CAPITAL  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	Years Ended December 31,				Increase (Decrease)
	2018		2017		
	Amount	%	Amount	%	
<b>OPERATING REVENUES</b>					
Residential	\$ 33,596,143	74.0	\$ 30,490,087	71.0	\$ 3,106,056
Commercial and Industrial	12,075,895	26.6	11,659,664	27.2	416,231
Public Buildings and Other Authorities	141	0.0	148	0.0	(7)
Power Cost Adjustment	(478,239)	(1.1)	(4,199)	0.0	(474,040)
Unbilled Revenue	(246,061)	(0.5)	302,937	0.7	(548,998)
Other Electric Revenue	454,264	1.0	455,139	1.1	(875)
<b>Total Operating Revenues</b>	<u>\$ 45,402,143</u>	<u>100.0</u>	<u>\$ 42,903,776</u>	<u>100.0</u>	<u>\$ 2,498,367</u>
<b>OPERATING EXPENSES</b>					
Purchased Power	\$ 26,990,930	59.4	\$ 25,368,743	59.1	\$ 1,622,187
Distribution - Operation	2,076,273	4.6	2,187,118	5.1	(110,845)
Distribution - Maintenance	2,932,338	6.5	3,302,326	7.7	(369,988)
Customer Accounts	1,332,898	2.9	1,625,284	3.8	(292,386)
Customer Service and Information	431,650	1.0	735,011	1.7	(303,361)
Administrative and General	2,121,109	4.7	2,347,803	5.5	(226,694)
Depreciation	3,957,303	8.7	3,585,330	8.4	371,973
Taxes	143,380	0.3	128,153	0.3	15,227
Other Interest	12,564	0.0	2,512	0.0	10,052
Other Deductions	3,178	0.0	41,427	0.1	(38,249)
<b>Total Operating Expenses</b>	<u>\$ 40,001,623</u>	<u>88.1</u>	<u>\$ 39,323,707</u>	<u>91.7</u>	<u>\$ 677,916</u>
<b>OPERATING INCOME - Before Fixed Charges</b>	<u>\$ 5,400,520</u>	<u>11.9</u>	<u>\$ 3,580,069</u>	<u>8.3</u>	<u>\$ 1,820,451</u>
<b>FIXED CHARGES</b>					
Interest on Long-Term Debt	<u>2,237,719</u>	<u>4.9</u>	<u>2,326,015</u>	<u>5.4</u>	<u>(88,296)</u>
<b>OPERATING INCOME - After Fixed Charges</b>	<u>\$ 3,162,801</u>	<u>7.0</u>	<u>\$ 1,254,054</u>	<u>2.9</u>	<u>\$ 1,908,747</u>
G&T Capital Credits	\$ 767,560	1.7	\$ 734,235	1.7	\$ 33,325
Other Capital Credits	424,467	0.9	453,521	1.1	(29,054)
<b>Total Capital Credits</b>	<u>\$ 1,192,027</u>	<u>2.6</u>	<u>\$ 1,187,756</u>	<u>2.8</u>	<u>\$ 4,271</u>
<b>NET OPERATING INCOME</b>	<u>\$ 4,354,828</u>	<u>9.6</u>	<u>\$ 2,441,810</u>	<u>5.7</u>	<u>\$ 1,913,018</u>
<b>NON-OPERATING MARGINS</b>					
Interest Income	\$ 91,658	0.2	\$ 205,352	0.5	\$ (113,694)
Other Non-Operating Income	366,385	0.8	169,044	0.4	197,341
	<u>\$ 458,043</u>	<u>1.0</u>	<u>\$ 374,396</u>	<u>0.9</u>	<u>\$ 83,647</u>
<b>NET MARGINS</b>	<u>\$ 4,812,871</u>	<u>10.6</u>	<u>\$ 2,816,206</u>	<u>6.6</u>	<u>\$ 1,996,665</u>
<b>OTHER COMPREHENSIVE INCOME</b>					
Current Year APBO Valuation Adjustment	348,556		(915,500)		
Post-Retirement Benefit Amortization	(624,500)		(606,400)		
Unrealized Gain on Available-for-Sale	223,599		102,056		
<b>COMPREHENSIVE INCOME</b>	<u>\$ 4,760,526</u>		<u>\$ 1,396,362</u>		
Other Comprehensive Income	52,345		1,419,844		
<b>PATRONAGE CAPITAL - BEGINNING OF YEAR</b>	51,156,713		48,893,247		
Transfers to Other Equities			(145,961)		
Patronage Capital Retired	(1,074,370)		(406,779)		
<b>PATRONAGE CAPITAL - END OF YEAR</b>	<u>\$ 54,895,214</u>		<u>\$ 51,156,713</u>		