

## CHOCTAW ELECTRIC COOPERATIVE, INC.

Exhibit A

BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020

## ASSETS

	December 31,	
	2021	2020
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 137,248,425	\$ 132,989,265
Construction Work in Progress	984,826	576,789
	\$ 138,233,251	\$ 133,566,054
Less: Accumulated Provision for Depreciation	48,441,379	45,737,367
	\$ 89,791,872	\$ 87,828,687
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE		
Investments in Associated Organizations	\$ 23,733,044	\$ 22,714,453
Notes Receivable	151,293	72,382
Other Investments	28,635	28,522
	\$ 23,912,972	\$ 22,815,357
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,133,582	\$ 4,157,319
Available-for-Sale Investments	6,792,456	5,369,254
Notes Receivable - Current Portion	40,300	20,600
Accounts and Notes Receivable (Less Allowance for \$171,058 in 2021 and Uncollectibles of \$150,380 in 2020)	3,411,648	2,840,842
Accrued Unbilled Revenue	2,580,990	2,496,491
Materials and Supplies	3,069,829	745,545
Other Current and Accrued Assets	206,317	167,785
	\$ 18,235,122	\$ 15,797,836
DEFERRED CHARGES	\$ 9,915,179	\$
TOTAL ASSETS	\$ 141,855,145	\$ 126,441,880

## EQUITIES AND LIABILITIES

EQUITIES		
Memberships	\$ 74,345	\$ 72,230
Patronage Capital	72,400,513	65,035,209
Other Equities	8,477,025	6,720,846
Other Comprehensive Loss	(1,879,580)	(1,080,266)
	\$ 79,072,303	\$ 70,748,019
LONG-TERM DEBT		
CFC Mortgage Notes Less Current Maturities	\$ 12,875,957	\$ 14,398,053
CoBank Mortgage Notes Less Current Maturities	33,385,867	28,634,617
	\$ 46,261,824	\$ 43,032,670
NON-CURRENT LIABILITIES		
Accumulated Post-Retirement Benefit Obligation	\$ 1,626,397	\$ 1,594,086
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 3,664,681	\$ 3,391,731
Current Portion of APBO	140,769	170,492
CFC Line-of-Credit	745,469	
Paycheck Protection Program Loan		1,475,500
Accounts Payable - Purchased Power	2,761,829	2,568,208
Accounts Payable - Other	529,677	356,317
Consumer Deposits	363,346	275,103
Accrued Employee Benefits	623,937	620,989
Accrued Interest	115,873	109,757
Overcollected Power Cost	586,218	704,157
Other Accrued Expenses	143,770	158,151
	\$ 9,675,569	\$ 9,830,405
DEFERRED CREDITS	\$ 5,219,052	\$ 1,236,700
TOTAL EQUITIES AND LIABILITIES	\$ 141,855,145	\$ 126,441,880

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

## CHOCTAW ELECTRIC COOPERATIVE, INC.

Exhibit B

STATEMENTS OF INCOME, OTHER COMPREHENSIVE INCOME AND PATRONAGE CAPITAL  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Years Ended December 31,				Increase (Decrease)
	2021		2020		
	Amount	%	Amount	%	
<b>OPERATING REVENUES</b>					
Residential	\$ 38,510,089	72.2	\$ 34,326,672	73.1	\$ 4,183,417
Commercial and Industrial	14,137,722	26.5	11,901,826	25.3	2,235,896
Public Buildings and Other Authorities	90	0.0	102	0.0	(12)
Power Cost Adjustment	117,939	0.2	17,291	0.0	100,648
Unbilled Revenue	84,499	0.2	308,393	0.7	(223,894)
Other Electric Revenue	498,079	0.9	428,054	0.9	70,025
Total Operating Revenues	<u>\$ 53,348,418</u>	<u>100.0</u>	<u>\$ 46,982,338</u>	<u>100.0</u>	<u>\$ 6,366,080</u>
<b>OPERATING EXPENSES</b>					
Purchased Power	\$ 33,401,953	62.6	\$ 27,462,061	58.5	\$ 5,939,892
Distribution - Operation	2,225,580	4.2	1,990,237	4.2	235,343
Distribution - Maintenance	2,690,309	5.0	2,787,824	5.9	(97,515)
Customer Accounts	1,114,792	2.1	1,242,127	2.6	(127,335)
Customer Service and Information	372,411	0.7	392,692	0.8	(20,281)
Administrative and General	1,751,032	3.3	1,676,821	3.6	74,211
Depreciation	4,239,703	7.9	4,031,869	8.6	207,834
Taxes	196,623	0.4	162,110	0.3	34,513
Other Interest	3,009	0.0	4,827	0.0	(1,818)
Other Deductions		0.0	18	0.0	(18)
Total Operating Expenses	<u>\$ 45,995,412</u>	<u>86.2</u>	<u>\$ 39,750,586</u>	<u>84.5</u>	<u>\$ 6,244,826</u>
<b>OPERATING INCOME - Before Fixed Charges</b>	<u>\$ 7,353,006</u>	<u>13.8</u>	<u>\$ 7,231,752</u>	<u>15.5</u>	<u>\$ 121,254</u>
<b>FIXED CHARGES</b>					
Interest on Long-Term Debt	<u>1,813,414</u>	<u>3.4</u>	<u>1,971,834</u>	<u>4.2</u>	<u>(158,420)</u>
<b>OPERATING INCOME - After Fixed Charges</b>	<u>\$ 5,539,592</u>	<u>10.4</u>	<u>\$ 5,259,918</u>	<u>11.3</u>	<u>\$ 279,674</u>
G&T Capital Credits	\$ 994,203	1.9	\$ 750,025	1.6	\$ 244,178
Other Capital Credits	381,529	0.7	411,652	0.9	(30,123)
Total Capital Credits	<u>\$ 1,375,732</u>	<u>2.6</u>	<u>\$ 1,161,677</u>	<u>2.5</u>	<u>\$ 214,055</u>
<b>NET OPERATING INCOME</b>	<u>\$ 6,915,324</u>	<u>13.0</u>	<u>\$ 6,421,595</u>	<u>13.8</u>	<u>\$ 493,729</u>
<b>NON-OPERATING MARGINS</b>					
Interest and Dividend Income	\$ 43,842	0.1	\$ 66,501	0.1	\$ (22,659)
Unrealized Gain on Equity Investments	1,423,202	2.7	743,564	1.6	679,638
Realized Gain on Equity Investments		0.0	201,944	0.4	(201,944)
Other Non-Operating Income	1,561,722	2.9	20,563	0.0	1,541,159
	<u>\$ 3,028,766</u>	<u>5.7</u>	<u>\$ 1,032,572</u>	<u>2.1</u>	<u>\$ 1,996,194</u>
<b>NET MARGINS</b>	<u>\$ 9,944,090</u>	<u>18.7</u>	<u>\$ 7,454,167</u>	<u>15.9</u>	<u>\$ 2,489,923</u>
<b>OTHER COMPREHENSIVE INCOME</b>					
Current Year APBO Valuation Adjustment	(81,489)		318,687		
Post-Retirement Benefit Amortization	<u>(717,825)</u>		<u>(704,623)</u>		
<b>COMPREHENSIVE INCOME</b>	<u>\$ 9,144,776</u>		<u>\$ 7,068,231</u>		
Other Comprehensive Income	799,314		385,936		
<b>PATRONAGE CAPITAL - BEGINNING OF YEAR</b>	65,035,209		59,466,118		
Transfer Unrealized Gain on Equity Investments to Other Equities	(1,423,202)		(743,564)		
Patronage Capital Retired	<u>(1,155,584)</u>		<u>(1,141,512)</u>		
<b>PATRONAGE CAPITAL - END OF YEAR</b>	<u>\$ 72,400,513</u>		<u>\$ 65,035,209</u>		

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