

## CHOCTAW ELECTRIC COOPERATIVE, INC.

Exhibit A

BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021

## ASSETS

	December 31,	
	2022	2021
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 144,913,509	\$ 137,248,425
Construction Work in Progress	4,682,506	984,826
	\$ 149,596,015	\$ 138,233,251
Less: Accumulated Provision for Depreciation	51,343,330	48,441,379
	\$ 98,252,685	\$ 89,791,872
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE		
Investments in Associated Organizations	\$ 23,877,802	\$ 23,733,044
Notes Receivable	128,642	151,293
Other Investments	28,744	28,635
	\$ 24,035,188	\$ 23,912,972
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,103,422	\$ 2,133,582
Available-for-Sale Investments	5,523,711	6,792,456
Notes Receivable - Current Portion	55,062	40,300
Accounts and Notes Receivable (Less Allowance for \$220,531 in 2022 and Uncollectibles of \$171,058 in 2021)	3,173,042	3,411,648
Accrued Unbilled Revenue	3,083,846	2,580,990
Materials and Supplies	3,256,342	3,069,829
Other Current and Accrued Assets	69,423	206,317
	\$ 16,264,848	\$ 18,235,122
DEFERRED CHARGES	\$ 4,519,074	\$ 9,915,179
TOTAL ASSETS	\$ 143,071,795	\$ 141,855,145

## EQUITIES AND LIABILITIES

EQUITIES		
Memberships	\$ 77,150	\$ 74,345
Patronage Capital	76,334,940	72,400,513
Other Equities	7,568,241	8,477,025
Other Comprehensive Loss	(1,939,644)	(1,879,580)
	\$ 82,040,687	\$ 79,072,303
LONG-TERM DEBT		
CFC Mortgage Notes Less Current Maturities	\$ 11,839,915	\$ 12,875,957
CoBank Mortgage Notes Less Current Maturities	31,180,101	33,385,867
	\$ 43,020,016	\$ 46,261,824
NON-CURRENT LIABILITIES		
Accumulated Post-Retirement Benefit Obligation	\$ 919,970	\$ 1,626,397
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 3,246,147	\$ 3,664,681
Current Portion of APBO	129,027	140,769
CFC Line-of-Credit		745,469
Accounts Payable - Purchased Power	3,611,257	2,761,829
Accounts Payable - Other	574,333	529,677
Consumer Deposits	382,717	363,346
Accrued Employee Benefits	639,196	623,937
Accrued Interest	114,566	115,873
Overcollected Power Cost	487,662	586,218
Other Accrued Expenses	157,695	143,770
	\$ 9,342,600	\$ 9,675,569
DEFERRED CREDITS	\$ 7,748,522	\$ 5,219,052
TOTAL EQUITIES AND LIABILITIES	\$ 143,071,795	\$ 141,855,145

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, 2022 AND 2021

	Years Ended December 31,				Increase (Decrease)
	2022		2021		
	Amount	%	Amount	%	
<b>OPERATING REVENUES</b>					
Residential	\$ 44,248,040	72.0	\$ 38,510,089	72.2	\$ 5,737,951
Commercial and Industrial	16,194,560	26.2	14,137,722	26.5	2,056,838
Public Buildings and Other Authorities	84	0.0	90	0.0	(6)
Power Cost Adjustment	98,555	0.2	117,939	0.2	(19,384)
Unbilled Revenue	404,300	0.7	84,499	0.2	319,801
Other Electric Revenue	538,568	0.9	498,079	0.9	40,489
Total Operating Revenues	<u>\$ 61,484,107</u>	<u>100.0</u>	<u>\$ 53,348,418</u>	<u>100.0</u>	<u>\$ 8,135,689</u>
<b>OPERATING EXPENSES</b>					
Purchased Power	\$ 41,980,936	68.3	\$ 33,401,953	62.6	\$ 8,578,983
Distribution - Operation	2,137,237	3.5	2,225,580	4.2	(88,343)
Distribution - Maintenance	2,935,043	4.8	2,690,309	5.0	244,734
Customer Accounts	1,150,247	1.9	1,114,792	2.1	35,455
Customer Service and Information	405,306	0.7	372,411	0.7	32,895
Administrative and General	2,177,384	3.5	1,751,032	3.3	426,352
Depreciation	4,429,786	7.2	4,239,703	7.9	190,083
Taxes	229,262	0.4	196,623	0.4	32,639
Other Interest	5,425	0.0	3,009	0.0	2,416
Other Deductions	2,191	0.0	0.0	0.0	2,191
Total Operating Expenses	<u>\$ 55,452,817</u>	<u>90.3</u>	<u>\$ 45,995,412</u>	<u>86.2</u>	<u>\$ 9,457,405</u>
<b>OPERATING INCOME - Before</b>					
Fixed Charges	\$ 6,031,290	9.7	\$ 7,353,006	13.8	\$ (1,321,716)
<b>FIXED CHARGES</b>					
Interest on Long-Term Debt	<u>1,754,670</u>	<u>2.9</u>	<u>1,813,414</u>	<u>3.4</u>	<u>(58,744)</u>
<b>OPERATING INCOME - After</b>					
Fixed Charges	<u>\$ 4,276,620</u>	<u>6.8</u>	<u>\$ 5,539,592</u>	<u>10.4</u>	<u>\$ (1,262,972)</u>
G&T Capital Credits	\$ 880,439	1.4	\$ 994,203	1.9	\$ (113,764)
Other Capital Credits	394,422	0.6	381,529	0.7	12,893
Total Capital Credits	<u>\$ 1,274,861</u>	<u>2.0</u>	<u>\$ 1,375,732</u>	<u>2.6</u>	<u>\$ (100,871)</u>
<b>NET OPERATING INCOME</b>	<u>\$ 5,551,481</u>	<u>8.8</u>	<u>\$ 6,915,324</u>	<u>13.0</u>	<u>\$ (1,363,843)</u>
<b>NON-OPERATING MARGINS (LOSS)</b>					
Interest and Dividend Income	\$ 110,656	0.2	\$ 43,842	0.1	\$ 66,814
Unrealized Gain/(Loss) on Equity Investments	(1,212,015)	(2.0)	1,423,202	2.7	(2,635,217)
Realized (Loss) on Equity Investments	(65,294)	(0.1)	0.0	0.0	(65,294)
Other Non-Operating Income	185,214	0.3	1,561,722	2.9	(1,376,508)
	<u>\$ (981,439)</u>	<u>(1.6)</u>	<u>\$ 3,028,766</u>	<u>5.7</u>	<u>\$ (4,010,205)</u>
<b>NET MARGINS</b>	<u>\$ 4,570,042</u>	<u>7.2</u>	<u>\$ 9,944,090</u>	<u>18.7</u>	<u>\$ (5,374,048)</u>
<b>OTHER COMPREHENSIVE INCOME</b>					
Current Year APBO Valuation Adjustment	708,144		(81,489)		
Post-Retirement Benefit Amortization	<u>(768,208)</u>		<u>(717,825)</u>		
<b>COMPREHENSIVE INCOME</b>	<u>\$ 4,509,978</u>		<u>\$ 9,144,776</u>		
Other Comprehensive Income	60,064		799,314		
<b>PATRONAGE CAPITAL - BEGINNING</b>					
OF YEAR	72,400,513		65,035,209		
Transfer Unrealized (Gain) Loss on Equity Investments to Other Equities	1,212,015		(1,423,202)		
Patronage Capital Retired	<u>(1,847,630)</u>		<u>(1,155,584)</u>		
<b>PATRONAGE CAPITAL - END OF YEAR</b>	<u>\$ 76,334,940</u>		<u>\$ 72,400,513</u>		

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