

## CHOCTAW ELECTRIC COOPERATIVE, INC.

Exhibit A

BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022

## ASSETS

	December 31,	
	2023	2022
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 152,463,914	\$ 144,913,509
Construction Work in Progress	4,728,324	4,682,506
	\$ 157,192,238	\$ 149,596,015
Less: Accumulated Provision for Depreciation	54,119,143	51,343,330
	\$ 103,073,095	\$ 98,252,685
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE		
Investments in Associated Organizations	\$ 25,598,063	\$ 23,877,802
Notes Receivable	209,556	128,642
Other Investments	28,861	28,744
	\$ 25,836,480	\$ 24,035,188
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 699,736	\$ 1,103,422
Available-for-Sale Investments	6,337,864	5,523,711
Notes Receivable - Current Portion	51,764	55,062
Accounts and Notes Receivable (Less Allowance for Credit Losses of \$226,784 in 2023 and \$220,531 in 2022)	3,565,893	3,173,042
Accrued Unbilled Revenue	2,813,053	3,083,846
Materials and Supplies	3,986,296	3,256,342
Other Current and Accrued Assets	72,161	69,423
	\$ 17,526,767	\$ 16,264,848
DEFERRED CHARGES	\$ 1,589,994	\$ 4,519,074
TOTAL ASSETS	\$ 148,026,336	\$ 143,071,795

## EQUITIES AND LIABILITIES

EQUITIES		
Memberships	\$ 79,065	\$ 77,150
Patronage Capital	79,734,431	76,334,940
Other Equities	9,168,200	7,568,241
Other Comprehensive Loss	(2,739,811)	(1,939,644)
	\$ 86,241,885	\$ 82,040,687
LONG-TERM DEBT		
CFC Mortgage Notes Less Current Maturities	\$ 10,765,993	\$ 11,839,915
CoBank Mortgage Notes Less Current Maturities	28,882,124	31,180,101
CoBank Line-of-Credit Expected to be Refinanced	3,000,000	
	\$ 42,648,117	\$ 43,020,016
NON-CURRENT LIABILITIES		
Accumulated Post-Retirement Benefit Obligation	\$ 896,186	\$ 919,970
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 3,376,364	\$ 3,246,147
Current Portion of APBO	120,127	129,027
CoBank Line-of-Credit	3,840,576	
Accounts Payable - Purchased Power	2,741,638	3,611,257
Accounts Payable - Other	1,084,848	574,333
Consumer Deposits	348,027	382,717
Accrued Employee Benefits	634,200	639,196
Accrued Interest	150,480	114,566
Overcollected Power Cost	522,451	487,662
Other Accrued Expenses	144,712	157,695
	\$ 12,963,423	\$ 9,342,600
DEFERRED CREDITS	\$ 5,276,725	\$ 7,748,522
TOTAL EQUITIES AND LIABILITIES	\$ 148,026,336	\$ 143,071,795

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, 2023 AND 2022

	Years Ended December 31,				Increase (Decrease)
	2023		2022		
	Amount	%	Amount	%	
<b>OPERATING REVENUES</b>					
Residential	\$ 40,846,100	75.1	\$ 44,181,027	71.9	\$ (3,334,927)
Commercial and Industrial	13,393,200	24.6	16,163,018	26.2	(2,769,818)
Public Buildings and Other Authorities	34	0.0	84	0.0	(50)
Power Cost Adjustment	(34,789)	(0.1)	98,555	0.2	(133,344)
Unbilled Revenue	(270,793)	(0.5)	502,856	0.8	(773,649)
Other Electric Revenue	500,864	0.9	538,568	0.9	(37,704)
Total Operating Revenues	<u>\$ 54,434,616</u>	<u>100.0</u>	<u>\$ 61,484,108</u>	<u>100.0</u>	<u>\$ (7,049,492)</u>
<b>OPERATING EXPENSES</b>					
Purchased Power	\$ 34,628,015	63.6	\$ 41,980,936	68.3	\$ (7,352,921)
Distribution - Operation	2,083,976	3.8	2,137,237	3.5	(53,261)
Distribution - Maintenance	3,474,321	6.4	2,935,043	4.8	539,278
Customer Accounts	1,253,829	2.3	1,150,247	1.9	103,582
Customer Service and Information	408,229	0.7	405,306	0.7	2,923
Administrative and General	2,352,296	4.3	2,177,384	3.5	174,912
Depreciation	5,469,994	10.0	4,429,786	7.2	1,040,208
Taxes	196,320	0.4	229,262	0.4	(32,942)
Other Interest	154,829	0.3	5,425	0.0	149,404
Other Deductions	4,504	0.0	2,192	0.0	2,312
Total Operating Expenses	<u>\$ 50,026,313</u>	<u>91.8</u>	<u>\$ 55,452,818</u>	<u>90.3</u>	<u>\$ (5,426,505)</u>
<b>OPERATING INCOME - Before Fixed Charges</b>	<u>\$ 4,408,303</u>	<u>8.2</u>	<u>\$ 6,031,290</u>	<u>9.7</u>	<u>\$ (1,622,987)</u>
<b>FIXED CHARGES</b>					
Interest on Long-Term Debt	<u>1,652,224</u>	<u>3.0</u>	<u>1,754,670</u>	<u>2.9</u>	<u>(102,446)</u>
<b>OPERATING INCOME - After Fixed Charges</b>	<u>\$ 2,756,079</u>	<u>5.2</u>	<u>\$ 4,276,620</u>	<u>6.8</u>	<u>\$ (1,520,541)</u>
G&T Capital Credits	\$ 1,844,430	3.4	\$ 880,439	1.4	\$ 963,991
Other Capital Credits	433,431	0.8	394,422	0.6	39,009
Total Capital Credits	<u>\$ 2,277,861</u>	<u>4.2</u>	<u>\$ 1,274,861</u>	<u>2.0</u>	<u>\$ 1,003,000</u>
<b>NET OPERATING INCOME</b>	<u>\$ 5,033,940</u>	<u>9.4</u>	<u>\$ 5,551,481</u>	<u>8.8</u>	<u>\$ (517,541)</u>
<b>NON-OPERATING MARGINS (LOSS)</b>					
Interest and Dividend Income	\$ 95,389	0.2	\$ 110,656	0.2	\$ (15,267)
Unrealized Gain/(Loss) on Equity Investments	773,160	1.4	(1,212,015)	-2.0	1,985,175
Realized Loss on Equity Investments	(7,606)	0.0	(65,294)	-0.1	57,688
Other Non-Operating Income	115,720	0.2	185,214	0.3	(69,494)
	<u>\$ 976,663</u>	<u>1.8</u>	<u>\$ (981,439)</u>	<u>-1.6</u>	<u>\$ 1,958,102</u>
<b>NET MARGINS</b>	<u>\$ 6,010,603</u>	<u>11.2</u>	<u>\$ 4,570,042</u>	<u>7.2</u>	<u>\$ 1,440,561</u>
<b>OTHER COMPREHENSIVE INCOME</b>					
Current Year APBO Valuation Adjustment	(12,348)		708,144		
Post-Retirement Benefit Amortization	<u>(787,819)</u>		<u>(768,208)</u>		
<b>COMPREHENSIVE INCOME</b>	<u>\$ 5,210,436</u>		<u>\$ 4,509,978</u>		
Other Comprehensive Income	800,167		60,064		
<b>PATRONAGE CAPITAL - BEGINNING OF YEAR</b>	<u>76,334,940</u>		<u>72,400,513</u>		
Transfer Unrealized (Gain) Loss on Equity Investments to Other Equities	(773,160)		1,212,015		
Patronage Capital Retired	<u>(1,837,952)</u>		<u>(1,847,630)</u>		
<b>PATRONAGE CAPITAL - END OF YEAR</b>	<u>\$ 79,734,431</u>		<u>\$ 76,334,940</u>		

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