

CHOCTAW ELECTRIC COOPERATIVE, INC.

Exhibit A

BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

ASSETS

	December 31,	
	2025	2024
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 165,805,335	\$ 161,711,453
Construction Work in Progress	5,791,571	3,313,471
	\$ 171,596,906	\$ 165,024,924
Less: Accumulated Provision for Depreciation	56,354,528	55,423,017
	\$ 115,242,378	\$ 109,601,907
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE		
Investments in Associated Organizations	\$ 27,979,746	\$ 27,176,305
Notes Receivable	230,089	240,079
Other Investments	31,260	30,159
	\$ 28,241,095	\$ 27,446,543
CURRENT ASSETS		
Cash	\$ 131,191	\$ 327,887
Trading Investments	3,565,012	3,822,360
Notes Receivable - Current Portion	56,897	59,395
Accounts and Notes Receivable (Less Allowance for Credit Losses of \$170,222 in 2025 and \$171,327 in 2024)	4,306,070	4,494,962
Accrued Unbilled Revenue	2,747,777	2,921,584
Materials and Supplies	1,599,197	2,512,710
Other Current and Accrued Assets	31,881	46,834
	\$ 12,438,025	\$ 14,185,732
TOTAL ASSETS	\$ 155,921,498	\$ 151,234,182

EQUITIES AND LIABILITIES

EQUITIES		
Memberships	\$ 81,150	\$ 80,050
Patronage Capital	89,318,684	84,823,856
Other Equities	8,768,514	8,966,001
Other Comprehensive Loss	(4,329,432)	(3,556,737)
	\$ 93,838,916	\$ 90,313,170
LONG-TERM DEBT		
CFC Mortgage Notes Less Current Maturities	\$ 9,084,193	\$ 9,786,077
CoBank Mortgage Notes Less Current Maturities	33,364,455	29,544,542
CoBank Line-of-Credit Expected to be Refinanced		6,000,000
	\$ 42,448,648	\$ 45,330,619
NON-CURRENT LIABILITIES		
Accumulated Post-Retirement Benefit Obligation	\$ 1,027,952	\$ 858,106
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 2,816,604	\$ 3,332,918
Current Portion of APBO	119,147	135,582
Lines-of-Credit	5,434,628	915,220
Accounts Payable - Purchased Power	2,961,038	2,979,263
Accounts Payable - Other	199,158	760,796
Consumer Deposits	399,874	410,116
Accrued Employee Benefits	744,836	677,786
Accrued Interest	174,607	165,319
Overcollected Power Cost	194,684	200,215
Other Accrued Expenses	135,640	125,272
	\$ 13,180,216	\$ 9,702,487
DEFERRED CREDITS	\$ 5,425,766	\$ 5,029,800
TOTAL EQUITIES AND LIABILITIES	\$ 155,921,498	\$ 151,234,182

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, 2025 AND 2024

	Years Ended December 31,				Increase (Decrease)
	2025		2024		
	Amount	%	Amount	%	
OPERATING REVENUES					
Residential	\$ 44,310,569	75.0	\$ 41,430,436	74.6	\$ 2,880,133
Commercial and Industrial	14,347,119	24.3	13,931,306	24.9	415,813
Power Cost Adjustment	5,531	0.0	(322,236)	(0.6)	327,767
Unbilled Revenue	(173,808)	(0.3)	108,532	0.2	(282,340)
Other Electric Revenue	594,573	1.0	511,236	0.9	83,337
Total Operating Revenues	<u>\$ 59,083,984</u>	<u>100.0</u>	<u>\$ 55,659,274</u>	<u>100.0</u>	<u>\$ 3,424,710</u>
OPERATING EXPENSES					
Purchased Power	\$ 35,834,054	60.6	\$ 32,888,871	59.1	\$ 2,945,183
Purchased Power - Storm Uri		0.0	1,589,994	2.9	(1,589,994)
Distribution - Operation	2,467,870	4.2	2,068,698	3.7	399,172
Distribution - Maintenance	4,376,986	7.4	4,552,480	8.2	(175,494)
Customer Accounts	1,122,692	1.9	1,223,298	2.2	(100,606)
Customer Service and Information	431,947	0.7	428,141	0.8	3,806
Administrative and General	3,049,159	5.2	2,316,424	4.2	732,735
Depreciation	4,874,933	8.3	4,737,674	8.5	137,259
Taxes	177,210	0.3	170,571	0.3	6,639
Other Interest	169,915	0.3	203,635	0.4	(33,720)
Other Deductions	2,320	0.0	35,525	0.1	(33,205)
Total Operating Expenses	<u>\$ 52,507,086</u>	<u>88.9</u>	<u>\$ 50,215,311</u>	<u>90.4</u>	<u>\$ 2,291,775</u>
OPERATING INCOME - Before Fixed Charges	<u>\$ 6,576,898</u>	<u>11.1</u>	<u>\$ 5,443,963</u>	<u>9.6</u>	<u>\$ 1,132,935</u>
FIXED CHARGES					
Interest on Long-Term Debt	<u>1,932,570</u>	<u>3.3</u>	<u>1,717,197</u>	<u>3.1</u>	<u>215,373</u>
OPERATING INCOME - After Fixed Charges	<u>\$ 4,644,328</u>	<u>7.8</u>	<u>\$ 3,726,766</u>	<u>6.5</u>	<u>\$ 917,562</u>
G&T Capital Credits	\$ 781,553	1.3	\$ 1,624,017	2.9	\$ (842,464)
Other Capital Credits	476,721	0.8	283,967	0.5	192,754
Total Capital Credits	<u>\$ 1,258,274</u>	<u>2.1</u>	<u>\$ 1,907,984</u>	<u>3.4</u>	<u>\$ (649,710)</u>
NET OPERATING INCOME	<u>\$ 5,902,602</u>	<u>9.9</u>	<u>\$ 5,634,750</u>	<u>9.9</u>	<u>\$ 267,852</u>
NON-OPERATING MARGINS (LOSS)					
Interest and Dividend Income	\$ 50,636	0.1	\$ 59,106	0.1	\$ (8,470)
Unrealized Loss on Equity Investments	(807,373)	(1.4)	(1,078,735)	(1.9)	271,362
Realized Gain on Equity Investments	568,898	1.0	1,566,045	2.8	(997,147)
Other Non-Operating Income	156,157	0.3	107,247	0.2	48,910
	<u>\$ (31,682)</u>	<u>0.0</u>	<u>\$ 653,663</u>	<u>1.2</u>	<u>\$ (685,345)</u>
NET MARGINS	<u>\$ 5,870,920</u>	<u>9.9</u>	<u>\$ 6,288,413</u>	<u>11.1</u>	<u>\$ (417,493)</u>
OTHER COMPREHENSIVE INCOME					
Current Year APBO Valuation Adjustment	(157,934)		(14,787)		
Post-Retirement Benefit Amortization	<u>(614,761)</u>		<u>(802,139)</u>		
COMPREHENSIVE INCOME	<u>\$ 5,098,225</u>		<u>\$ 5,471,487</u>		
Other Comprehensive Income	772,695		816,926		
PATRONAGE CAPITAL - BEGINNING OF YEAR	<u>84,823,856</u>		<u>79,734,431</u>		
Transfer Unrealized (Gain) Loss on Equity Investments to Other Equities	807,373		1,078,735		
Patronage Capital Retired	<u>(2,183,465)</u>		<u>(2,277,723)</u>		
PATRONAGE CAPITAL - END OF YEAR	<u>\$ 89,318,684</u>		<u>\$ 84,823,856</u>		

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