

ANNUAL REPORT

Of

Company Name:
71 E. Hwy 56
0
Mailing Address: Beryl UT
884714-5197
Docket No.: E-02044A
For the Year Ended:

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ELECTRIC

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:
Application Date:

ARIZONA CORPORATION COMMISSION
 ELECTRIC UTILITY ANNUAL REPORT
 COMPANY INFORMATION

For the Calendar Year Ended: 12/31/23

Company/Business Name:	Dixie-Escalante Rural		
Mailing Address:	71 E Hwy 56		
City:	Beryl	State:	Utah
Zip Code:	84714		
Telephone Number:	(435)439-5311	Fax Number:	(435)439-5352
Email:	danej@dixiepower.com		

Management Contact			
Name:	Dane Johnson		
Title:	Controller		
Telephone No.:	(435)439-5311		
Address:	71 E Hwy 56		
City:	Beryl	State:	Utah
Zip Code:	84714		
Email:	danej@dixiepower.com		

Name:			
Title:			
Telephone No.:			
Address:			
City:		State:	
Zip Code:			
Email:			

Name:			
Title:			
Telephone No.:			
Address:			
City:		State:	
Zip Code:			
Email:			

Name:			
Title:			
Telephone No.:			
Address:			
City:		State:	
Zip Code:			
Email:			

Ownership: Association/Co-op (A)

Counties Served: Mohave

Important changes during the year	
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.

Dixie-Escalante Rural
 ELECTRIC UTILITY ANNUAL REPORT
 UTILITY SHUTOFFS / DISCONNECTS
 12/31/23

UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2-211.C	Other
January		0	
February		3	
March		3	
April		2	
May		5	
June		3	
July		2	
August		3	
September		6	
October		3	
November		1	
December		2	
Total	0	33	0

Other (description):

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.



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DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To the Board of Directors
Dixie Escalante Rural Electric Association, Inc.
Beryl, Utah

Opinion

We have audited the financial statements of Dixie Escalante Rural Electric Association, Inc. (a Utah non-profit corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Dixie Escalante Rural Electric Association, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dixie Escalante Rural Electric Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dixie Escalante Rural Electric Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dixie Escalante Rural Electric Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dixie Escalante Rural Electric Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

HintonBurdick, PLLC

HintonBurdick, PLLC
St. George, Utah
March 27, 2024

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

Balance Sheets

December 31, 2023 and 2022

Assets	<u>2023</u>	<u>2022</u>
Utility plant - at cost		
Electric plant in service	\$ 214,071,808	\$ 187,510,615
Under construction	22,037,532	29,660,664
Total	<u>236,109,340</u>	<u>217,171,279</u>
Less: Accumulated depreciation and amortization	<u>(51,202,764)</u>	<u>(46,358,675)</u>
Utility plant - net	<u>184,906,576</u>	<u>170,812,604</u>
 Other assets and investments		
Investments in CFC and others	<u>5,594,402</u>	<u>4,744,273</u>
Total other assets and investments	<u>5,594,402</u>	<u>4,744,273</u>
 Current assets		
Cash and cash equivalents	1,868,362	3,476,891
Accounts receivable - principally members (less allowance for doubtful accounts of \$97,106 in 2023 and \$69,903 in 2022)	4,246,381	4,048,954
Accounts receivable - other	1,774,602	158,360
Notes receivable - due within one year	-	228,707
Notes receivable - related party - due within one year	138,991	145,657
Materials and supplies	9,013,048	5,804,807
Other assets	682,165	901,387
Total current assets	<u>17,723,549</u>	<u>14,764,763</u>
 Notes receivable (net of current portion)	-	-
Notes receivable - related party (net of current portion)	121,086	253,411
Total assets	<u>\$ 208,345,613</u>	<u>\$ 190,575,051</u>

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

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Balance Sheets, continued
December 31, 2023 and 2022

Equity and Liabilities	2023	2022
Members' equity		
Memberships	\$ 9,450	\$ 9,450
Patronage capital	33,567,123	33,209,303
Other equity	15,105,329	11,875,540
Total equity and margins	48,681,902	45,094,293
Long-term liabilities (less amount due within one year included below)	55,092,450	56,821,046
Current liabilities		
Accounts payable	8,928,472	7,601,396
Member deposits	855,593	817,790
Accrued expenses	815,606	886,767
Accrued personal leave	1,637,367	1,609,172
Line of credit	3,000,000	-
Long-term liabilities due within one year	1,784,771	1,879,615
Unclaimed capital credits	931,723	733,037
Total current liabilities	17,953,532	13,527,777
Construction advances	20,746,434	17,186,164
Deferred revenue - impact fees	65,871,295	57,945,771
Total equity and liabilities	\$ 208,345,613	\$ 190,575,051

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

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Statements of Operations
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues	\$ 54,351,119	\$ 49,374,237
Operating expenses		
Operation and maintenance:		
Power purchased	30,362,646	30,638,638
Transmission	208,023	153,623
Distribution - operation	2,678,976	2,172,196
Distribution - maintenance	2,674,788	2,562,511
Consumer accounts	1,868,573	1,807,120
Member service	645,268	469,882
Administrative and general	5,422,160	4,764,835
Total operation and maintenance	43,860,434	42,569,130
Depreciation and amortization	2,602,108	2,433,979
Property taxes	1,008,660	1,008,386
Other	637,125	385,308
Total operating expenses	48,108,327	46,396,803
Operating margins before interest charges	6,242,792	2,977,434
Interest charges - principally long-term debt	2,548,419	2,442,145
Operating margins	3,694,373	535,289
Non-operating margins		
Interest income	36,458	56,315
Other non-operating income (expense)	1,573	(156,896)
Patronage capital credits - G&T	22,015	22,015
Patronage capital credits - CFC and others	1,488,690	1,556,597
Total non-operating margins	1,548,736	1,478,031
Net margins	\$ 5,243,109	\$ 2,013,320

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

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Statements of Members' Equity
For the Years Ended December 31, 2023 and 2022

	<u>Memberships</u>	<u>Patronage Capital</u>	<u>Equity</u>	<u>Total</u>
Balances, December 31, 2021	\$ 9,450	\$ 26,806,102	\$ 17,429,960	\$44,245,512
Allocation of 2021 margins		7,567,740	(7,567,740)	-
2022 Margins:				
Operating			535,289	535,289
Non-operating			1,478,031	1,478,031
Retirement of capital credits		(1,164,539)		(1,164,539)
Balances, December 31, 2022	9,450	33,209,303	11,875,540	45,094,293
Allocation of 2022 margins		2,013,320	(2,013,320)	-
2023 Margins:				
Operating			3,694,373	3,694,373
Non-operating			1,548,736	1,548,736
Retirement of capital credits		(1,655,500)		(1,655,500)
Balances, December 31, 2023	<u>\$ 9,450</u>	<u>\$ 33,567,123</u>	<u>\$ 15,105,329</u>	<u>\$48,681,902</u>

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

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net margin	\$ 5,243,109	\$ 2,013,320
Adjustments to reconcile net margin to net cash flows from operating activities:		
Depreciation and amortization	5,698,027	5,179,238
Net (gain)/loss on disposal of fixed assets and non utility plant	(20,790)	-
Accretion of deferred revenue	(3,095,919)	(2,745,259)
Changes in assets and liabilities:		
(Increase)/decrease in CFC investment	(850,129)	(855,173)
(Increase)/decrease in accounts receivable	(1,813,669)	270,873
(Increase)/decrease in materials and supplies	(3,208,241)	(716,402)
(Increase)/decrease in other assets	177,294	171,572
(Increase)/decrease in notes receivable	367,698	276,945
Increase/(decrease) in accounts payable	1,327,076	1,213,104
Increase/(decrease) in member deposits	37,803	11,745
Increase/(decrease) in accrued expenses	(71,161)	80,538
Increase/(decrease) in line of credit	3,000,000	(3,750,000)
Increase/(decrease) in accrued personal leave	28,195	318,136
Increase/(decrease) in unclaimed capital credits	198,686	75,630
Net cash flows from operating activities	<u>7,017,979</u>	<u>1,544,267</u>
Cash flows from investing activities:		
Purchase/construction of utility plant	(31,842,415)	(32,914,064)
Proceeds from the sale of fixed assets	20,790	-
Net cash flows from investing activities	<u>(31,821,625)</u>	<u>(32,914,064)</u>
Cash flows from financing activities:		
Proceeds from new borrowings	48,380	10,000,000
Repayment of long-term debt	(1,871,820)	(1,853,451)
Member advances of impact fees	11,021,443	8,271,041
Member advances for construction	17,477,968	18,772,458
Refund of member advances	(1,825,354)	(574,637)
Refund of capital credits	(1,655,500)	(1,164,539)
Net cash flows from financing activities	<u>23,195,117</u>	<u>33,450,872</u>
Net change in cash and cash equivalents	(1,608,529)	2,081,075
Cash and cash equivalents at beginning of year	<u>3,476,891</u>	<u>1,395,816</u>
Cash and cash equivalents at end of year	<u>\$ 1,868,362</u>	<u>\$ 3,476,891</u>

Supplemental Schedule of Interest Paid and Non Cash Investing and Financing Activities

Interest paid during the year amounted to \$2,543,822 and \$2,472,723 in 2023 and 2022 respectively.

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

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies

ORGANIZATION

Dixie-Escalante Rural Electric Association, Inc. is a non-profit, cooperative association organized January 1, 1978, as a result of a consolidation of Dixie Rural Electric Association and Escalante Valley Electric Association for the purpose of providing electric service to rural areas located in southwestern Utah and northwestern Arizona. Dixie-Escalante Rural Electric Association, Inc. assumed all existing assets and liabilities of the Associations in the transaction which, for accounting purposes, has been recorded as a pooling-of-interests. No additional assets or liabilities were created through the consolidation.

On January 1, 2021, Dixie-Escalante Rural Electric Association, Inc. consolidated with Flowell Electric Association Inc. to service rural areas located in central Utah. Dixie-Escalante Rural Electric Association, Inc. assumed all existing assets and liabilities of Flowell Electric Association in the transaction which, for accounting purposes, has been recorded as a pooling-of-interest. No additional assets or liabilities were created through the consolidation.

REGULATION

The Association is subject to Federal accounting regulation and, until March 8, 1979, was subject to State rate regulation. Subsequent to March 8, 1979, the Association's rates are determined by the Board of Directors, subject to certain restrictions. The Association's accounting practices and policies are generally consistent with regulatory authorities and the accounting records are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC).

UTILITY PLANT AND DEPRECIATION

Utility plant in service and under construction is stated at original cost less certain contributions received from members, as described below. Costs include labor, materials, and related indirect costs such as engineering, supervision, transportation, etc. The cost of units of property replaced or renewed plus removal cost, less salvage, is charged to accumulated depreciation. Maintenance and repairs of utility property are charged to operating expenses. The Association provides for depreciation on the straight-line basis for all property over the estimated useful lives of the related assets as follows:

	Annual Depreciation Range
Transmission Plant	2.75%
Distribution Plant	2.87%
General Plant	3yrs. – 50 yrs.

In addition to depreciation shown separately in the statement of operations, depreciation of transportation and certain other equipment, amounting to \$1,054,912 in 2023 and \$885,341 in 2022 was charged to certain clearing accounts and distributed to operations and construction.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies - Continued

REVENUES

Revenues are recognized as services are performed and members are billed. The Association does not accrue revenues for energy delivered after the billing date.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, cash in banks and cash temporarily invested in money market accounts.

ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of charges to customers for power, services and aid. Management periodically reviews outstanding accounts receivable and records an allowance for doubtful accounts for amounts considered unlikely to be collected.

MATERIALS AND SUPPLIES

Materials and supplies are stated generally at average cost which is not in excess of market.

DEFERRED DEBITS

The Association periodically incurs expense in the development of future electrical facilities. Deferred costs include, principally, engineering and feasibility study expenditures. Such costs will be charged to operations over an estimated recovery period commencing upon completion of the facilities, or when management determines them to be of no future benefit.

CONSTRUCTION ADVANCES

Construction advances from members are refundable based upon terms of the line extension policy. Amounts not refunded by the end of the allowable period for refunds are accounted for as contributions in aid of construction, as described below.

CONTRIBUTIONS IN AID OF CONSTRUCTION

Contributions in aid of construction include non-refundable amounts advanced by members for construction. As jobs are completed, such amounts are accounted for as a reduction in the cost of the electric plant in service.

ADVERTISING COSTS

The Association incurred advertising costs related to nondirect-response advertising. These costs are expensed the first time the advertising takes place. Advertising costs expensed for 2023 and 2022 were \$444,860 and \$361,572 respectively.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies - Continued

ALLOCATION OF MARGINS

In accordance with the Association's bylaws, operating margins are allocated to the patrons of the Association in proportion to their patronage. Non-operating margins are used to reduce prior years' losses and thereafter, may be allocated to patrons at the discretion of the Association's Board of Directors.

TAXES ON INCOME

No amounts have been paid or accrued for income taxes as the Association is a nonprofit organization exempt from income taxes under Section 501(c)(12) of the Internal Revenue Code.

The Association's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2021, 2022, and 2023 are subject to examination by the IRS, generally for three years after they were filed.

ESTIMATES

Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates, and there is a reasonable possibility that estimates might change within the near term. The more significant estimates used by management in the preparation of the accompanying financial statements include the estimated useful lives of property, plant and equipment and the estimate used to calculate the allowance for doubtful accounts. In the opinion of management the allowance for doubtful accounts is sufficient to cover any accounts or notes receivable that may be uncollectible based on historic percentages and known circumstances.

DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 27, 2024, the date the financial statements were available to be issued.

RECLASSIFICATION OF PRIOR YEAR AMOUNTS

Certain amounts in the cash flow statement presented for 2022 have been reclassified to conform to the current year presentation. These reclassifications have no effect on previously reported cash flows.

RESTATEMENT OF 2022 BALANCES

During the 2023 audit, it was noted that the Association was accruing construction advances for estimates that had been prepared and expected to be received; however, these estimates are not a guarantee of receipt. The 2022 balances have been restated to remove these accruals from accounts receivable and deferred construction advances. This restatement had no effect on the net margins of the Association.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 2. Utility Plant

Utility plant in service is summarized by major classification as follows:

	Balance at 12/31/23	Balance at 12/31/22
Transmission plant	\$ 65,247,350	\$ 54,986,015
Distribution plant	101,313,741	91,251,131
Distribution plant - finance right-of-use	155,538	107,158
General plant	46,805,179	40,616,310
Intangible plant	550,000	550,000
Under construction	22,037,532	29,660,664
Subtotal	236,109,340	217,171,278
Accumulated depreciation and amortization	(51,136,683)	(46,314,026)
Accumulated amortization - finance right-of-use	(66,081)	(44,649)
Net utility plant assets	\$ 184,906,576	\$ 170,812,603

Note 3. Cash

At various times throughout the years ended December 31, 2023 and 2022, cash balances in bank accounts exceeded the amount insured by the FDIC and/or NCUA. As of December 31, 2023 and 2022, \$1,740,560 and \$3,967,915 of the bank balance of \$2,448,196 and \$4,501,936 was uninsured and uncollateralized.

Note 4. Investments in Associated Organizations

To join NRUCFC and establish eligibility to borrow, the Association has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. The subscription certificates mature in 2070, 2075, and 2080, and bear interest at 3 percent for the first fifteen years, 4 percent for the next seven years and 5 percent thereafter. The loan certificates mature and will be returned when the loans are paid off.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 4. Investments in Associated Organizations - Continued

Investments in associated organizations are stated at cost and consist of the following:

	2023	2022
NRTC membership	\$ 1,000	\$ 1,000
CoBank membership	2,000	2,000
CRC		
Class A membership	2,500	2,500
Class A equity investment	10,000	10,000
Western United		
Patronage capital certificates	5,307,937	4,116,926
Less: valuation allowance	(1,227,519)	(840,704)
NRUCFC		
NRUCFC subscription certificates	225,347	225,347
NRUCFC loan certificates	123,378	163,378
CFC patronage capital certificates	990,237	911,585
CFC member capital securities	100,000	100,000
CFC Class A membership	1,260	1,260
NISC patronage capital certificates	58,262	50,981
	\$ 5,594,402	\$ 4,744,273

A valuation allowance has been established to reduce the investment in Western United. The allowance is equal to the amount of non-member dividends allocated to the Association which are not expected to be realized.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 5. Notes Receivable

As an incentive to encourage additional electrical use within its service area and in cooperation with other entities serving the same customers, the Association advanced monies to certain entities as loan assistance to help with new construction. It is the policy of the Association to continue the accrual of interest on all notes and to collect such interest through the sale of the associated collateral, if necessary. It is management's policy to write off trade and notes receivable when all efforts to collect have been exhausted. There were not any notes that were past due as of December 31, 2023 or 2022. The notes are secured by first trust deeds and their repayment terms are as follows:

	2023	2022
Note receivable from Ft Pierce Industrial Park, with variable interest (8.05% and 6.55% at December 31, 2023 and 2022, respectively) and principal due from each lot sale at 12% of net proceeds from lot sales	\$ -	\$ 228,707
Amount due within one year	-	(228,707)
Notes receivable, net of current portion	\$ -	\$ -

Note 6. Deferred Revenue – Impact Fees

Since 1988 the Association has charged an impact fee for new hookups to offset some of the cost of improving the system to accommodate growth in the service area. The monies are to be used to offset the cost of new system construction or improvement. The Association records the impact fees as deferred revenues as they are collected and then recognizes them as an offset to depreciation expense over a period of 30 years, which approximates the estimated life of the plant constructed. The amount recognized for the years ended December 31, 2023 and 2022 was \$3,095,919 and \$2,745,259 respectively.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 7. Long-Term Liabilities

The following is a summary of long term debt activity for 2023:

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023	Current Portion
NRUCFC loans payable	\$ 58,659,585	\$ -	\$ 1,843,455	\$ 56,816,130	\$ 1,755,993
Equipment finance lease	41,077	48,380	28,368	61,089	28,778
Total long-term debt	<u>\$ 58,700,662</u>	<u>\$ 48,380</u>	<u>\$ 1,871,823</u>	<u>\$ 56,877,219</u>	<u>\$ 1,784,771</u>

The following is a summary of long term debt activity for 2022:

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022	Current Portion
NRUCFC loans payable	\$ 50,491,603	\$ 10,000,000	\$ 1,832,018	\$ 58,659,585	\$ 1,838,538
Equipment finance lease	62,509	-	21,432	41,077	41,077
Total long-term debt	<u>\$ 50,554,112</u>	<u>\$ 10,000,000</u>	<u>\$ 1,853,450</u>	<u>\$ 58,700,662</u>	<u>\$ 1,879,615</u>

Based on the borrowing rates currently available to the Association for loans with similar terms and average maturities, the stated amount of long-term debt at December 31, 2023 and at December 31, 2022 closely approximated current fair value.

Long-term debt consists of the following:

	2023	2022
Loan Payables		
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.40%, maturing February 29, 2052.	\$ 9,746,491	\$ 9,917,339
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.98%, maturing August 31, 2048.	9,338,777	9,537,139
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.25%, maturing August 31, 2048.	11,038,729	11,251,543
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.55%, maturing November 30, 2047.	7,163,616	7,325,133
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.30%, maturing November 30, 2045.	1,694,090	1,739,487
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.55%, maturing November 30, 2046.	12,154,067	12,447,712

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 7. Long-Term Liabilities - Continued

Loan Payables - continued

Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.25%, maturing May 31, 2035.	603,883	638,783
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.00%, maturing November 30, 2023.	-	160,545
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 7.25%, maturing May 31, 2027.	293,313	364,436
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 7.25%, maturing May 31, 2027.	293,313	364,436
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.90%, maturing February 28, 2029.	177,489	206,447
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.10%, maturing November 30, 2031.	988,969	1,094,019
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.65%, maturing February 28, 2026.	444,403	630,544
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 2.45%, maturing February 28, 2050.	1,835,424	1,884,705
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.05%, maturing August 31, 2036.	158,873	167,550
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.10%, maturing February 28, 2037.	651,654	685,297
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.10%, maturing August 31, 2037.	<u>233,039</u>	<u>244,470</u>
Total loan payables	56,816,130	58,659,585
Finance Lease Payable		
Lease payable to Tesla Motors NV, Inc., due in monthly installments of \$612.	39,658	-
Lease payable to Farm Credit Leasing Services Corporation, due in monthly installments of \$1,803.	<u>21,431</u>	<u>41,077</u>
Total finance lease payables	<u>61,089</u>	<u>41,077</u>
Total long term debt	56,877,219	58,700,662
Less amounts due within one year	<u>(1,784,771)</u>	<u>(1,879,615)</u>
Long term debt, net of current portion	<u>\$ 55,092,448</u>	<u>\$ 56,821,047</u>

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 7. Long-Term Liabilities - Continued

Loan Payables

Under the terms of the mortgage, all assets of the Association are pledged as security. In addition, the mortgage provides, among other things, for the maintenance of certain financial ratios, restrictions related to expanding, refunding patronage capital, incurring indebtedness, making investments, and merging.

On October 16, 1996, Deseret Generation and Transmission (Deseret G&T) and each of the six members of Deseret G&T including Dixie Escalante Rural Electric Association, Inc. entered into a major debt restructuring.

Maturities of the loan payables are as follows:

<u>Year Ended</u>	<u>2023</u>		<u>2022</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ -	\$ -	\$ 1,838,538	\$ 2,614,293
2024	1,755,993	2,530,434	1,755,993	2,530,434
2025	1,837,826	2,448,717	1,837,826	2,448,717
2026	1,767,318	2,364,500	1,767,318	2,364,500
2027	1,702,031	2,282,742	1,702,031	2,282,742
2028	1,681,417	2,208,092	1,681,417	2,208,092
Thereafter	<u>48,071,546</u>	<u>24,647,060</u>	<u>48,076,462</u>	<u>24,647,059</u>
Totals	<u>\$ 56,816,131</u>	<u>\$ 36,481,545</u>	<u>\$ 58,659,585</u>	<u>\$ 39,095,837</u>

In 2019, DERE A entered into an additional loan agreement with the National Rural Utilities Cooperative Finance Corporation to receive up to \$20,000,000. No drawdowns were made on this agreement during 2019. In 2020, \$10,000,000 was drawn down leaving \$10,000,000 still to be drawn at December 31, 2020. The remaining \$10,000,000 was drawn down in 2022.

In 2022, DERE A entered into an additional loan agreement with the National Rural Utilities Cooperative Finance Corporation to receive up to \$20,000,000. No drawdowns were made on this agreement during 2022 or 2023.

Lines of Credit

As of December 31, 2023 and 2022 the Association maintained a \$5,000,000 perpetual line of credit with NRUCFC. The line of credit bears interest at the prime rate plus 1 percent, which was 7.05 percent and 5.55 percent at December 31, 2023 and 2022 respectively. The line of credit renews each year unless either party terminates the agreement by providing written notice. The outstanding balance on this line of credit at December 31, 2023 and 2022 was \$3,000,000 and \$0, respectively.

During 2013, the Association opened a \$3,000,000 revolving line of credit with CoBank. Interest is charged at either (1) a week quoted variable rate or (2) a quoted rate option as selected by the Association at the time funds are borrowed. The line of credit can be renewed each year at the option of CoBank. In January 2018, the line of credit was increased to \$5,000,000. The outstanding balance on this line of credit at December 31, 2023 and 2022 was \$0 and \$0, respectively.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 7. Long-Term Liabilities - Continued

Finance Lease Payable

In December 2019, the Association entered into a lease agreement which is considered a finance lease. The lease was for two electric Hyundai Kona vehicles which were capitalized under the lease for \$107,158. Amortization for 2023 and 2022 was \$19,646 and \$21,432, respectively. Amortization on the capital lease is included in depreciation expense. The lease has an interest rate of 1.68%.

In September 2023, the Association entered into a lease agreement which is considered a finance lease. The lease was for a Tesla Model 3 Sedan which was capitalized under the lease for \$48,380. Amortization for 2023 was \$2,060. Amortization on the capital lease is included in depreciation expense. The lease does not bear interest.

During 2023 and 2022 the Association recognized expenses associated with the finance lease as follows:

	<u>2023</u>	<u>2022</u>
Financing lease cost:		
Amortization of ROU assets	\$ 21,706	\$ 21,432
Interest expense	187	203
Net lease cost	<u>\$ 21,893</u>	<u>\$ 21,635</u>
Lease cost - Depreciation and amortization	\$ 21,706	\$ 21,432
Lease cost - Interest expense	187	203
Net lease cost	<u>\$ 21,893</u>	<u>\$ 21,635</u>

Amounts recognized as right-of-use assets related to finance leases are included in utility plant – net in the accompanying balance sheet, while related lease liabilities are included in long-term liabilities due within one year and long-term liabilities. As of December 31, 2023 and 2022, right-of-use assets and lease liabilities related to finance leases were as follows:

	<u>2023</u>	<u>2022</u>
Finance lease ROU assets	\$ 67,752	\$ 41,077
Finance lease liabilities:		
Current portion	28,778	41,077
Long-term portion	32,311	-

During the years ended December 31, 2023 and 2022, the Association had the following cash activities associated with their leases:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	\$ 28,554	\$ 21,635

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 7. Long-Term Liabilities - Continued

The future payments due under operating leases as of December 31, 2023 and 2022 are as follow:

Year Ending December 31	2023	2022
2023	\$ -	\$ 41,264
2024	28,778	-
2025	7,346	-
2026	24,965	-
	61,089	41,264
Less effects of discounting	-	(187)
Lease liabilities recognized	\$ 61,089	\$ 41,077

Note 8. Members' Equity

Beginning January 1, 1978, the Association discontinued a policy requiring payment of initial membership fees. Under current policy, no membership fees are required and members are admitted subject to acceptance of the board of directors. During 2000, the board approved an early retirement of capital credits allocated to members from 1978 to 1987. The Association refunded the capital credits, at a discount, to members who desired to participate in the early retirement. During 2000, the board also approved a refund of capital credits assigned to the remaining patron accounts for 1978 and 1979. The past policy adopted by the board was to refund such credits after the twentieth year if deemed economically feasible. In 2000, the board adopted a policy to refund capital credits based on a percentage of all equities method and then fully refund any amount remaining after the thirtieth year. A refund percentage is determined each year by the board of directors. During 2023 and 2022, refunds of approximately 100 percent of 1993-2000 plus 3 percent of 2001-2022 and approximately 100 percent of 1992 plus 3 percent of 1992-2021, respectively, of the remaining capital credits were made. The total capital credit refunds amounted to \$1,655,500 and \$1,164,539 in 2023 and 2022 respectively.

Note 9. Employee Benefits

Pension benefits for all employees of the Association with one year of service who have attained age 21 are provided through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security Defined Benefit Pension Plan.

The Retirement Security Plan (RS Plan), sponsored by the National Rural Electric Cooperative Association (NRECA), is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is considered a multi-employer plan under the accounting standards. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 9. Employee Benefits - Continued

A unique characteristic of a multi-employer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

Plan Information

The Association's contributions to the RS Plan in 2023 and in 2022 represented less than 5 percent of the total contributions made to the RS Plan by all participating employers. The Association made contributions to the RS Plan of \$1,433,030 in 2023 and \$1,248,792 in 2022.

For the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80 percent funded on January 1, 2023 and over 80 percent funded on January 1, 2022, based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

RS Plan Prepayment

At the December 2012 meeting, the I&FS Committee of the NRECA Board of Directors approved an option to allow participating cooperatives in the RS Plan to make a contribution prepayment and reduce future required contributions. The prepayment amount is a cooperative's share, as of January 1, 2013, of future contributions required to fund the RS Plan's unfunded value of benefits earned to date using RS Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative's annual RS Plan required contribution as of January 1, 2013. After making the prepayment, the billing rate for most cooperations is reduced by approximately 25 percent, retroactive to January 1 of the year in which the amount is paid to the RS Plan. The 25 percent differential in billing rates is expected to continue for approximately 15 years from January 1, 2013. However, unexpected changes in interest rates, asset returns and other plan experience, plan assumption changes and other factors may have an impact on the differential in billing rates and the 15-year period.

Two prepayment options were available to participating cooperatives:

1. Use current assets to make the prepayment over a period of not more than 4 years
2. Borrow funds sufficient to make the prepayment in a lump sum, with the repayment of the borrowed amount determined by the loan's amortization schedule.

On May 30, 2013 the cooperative made a prepayment of \$2,098,963 to the NRECA RS Plan. The cooperative is amortizing this amount over 13 years. Interest expense associated with the prepayment loan is being accounted for in accordance with the RUS USOA.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 9. Employee Benefits - Continued

Defined Contribution Savings Plan

In addition to the RS Plan, the Association contributed \$183,792 and \$168,480 to savings plans in 2023 and 2022 respectively. Employee contributions to these savings programs amounted to \$581,049 in 2023 and \$510,810 in 2022. Dixie-Escalante Rural Electric Association, Inc. has no liability for future benefits beyond the amount contributed.

Note 10. Compensated Absences

In accordance with the personal leave policy, each full time employee earns 168 hours of personal leave the first year of employment, 264 hours during the second year with an 8 hour increase for each year thereafter to a maximum of 344 hours annually. The maximum accrued hours that may accumulate in any one employee's account by year end is 800. Twice a year, employees may request payment of 75 percent of their current wage for up to one third of the accumulated hours in their account. The liability for accrued personal leave amounted to \$1,637,367 and \$1,609,172 at December 31, 2023 and 2022 respectively.

Note 11. Related Parties

In September of 2005, the Board of Directors approved the creation of Red Rock Funding, LLC, as a wholly owned subsidiary of the Association, to administer the Employee Loan Program. The Association made advances of funds to Red Rock Funding, LLC as necessary for the administration of the Employee Loan Program. Participants in the Employee Loan Program were able to borrow up to \$40,000 from Red Rock Funding, LLC for assistance in purchasing housing. The loans are secured by the property purchased. Principal and interest are paid annually through the administration of the Employee Housing Compensation Benefit. As of December 31, 2023 and 2022 amounts due to the Association from Red Rock Funding, LLC for such loans totaled \$260,077 and \$399,068 respectively. In December of 2009, the Association discontinued the Employee Loan Program and the Employee Housing Compensation Benefit for all future employees.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 12. Commitments and Contingencies

Power Purchases

The Association has signed a contract to purchase power from the Western Area Power Administration which is a Colorado River Storage (CRSP) allocation. Monthly power needs in excess of this allocation are purchased from Deseret Generation and Transmission (Deseret G&T). The Association is committed to purchase power from Deseret G&T in excess of its CRSP allocation. Additional power beyond that provided by these two sources would be purchased under a contract with the Intermountain Power Project. This contract, termed a lay off contract, provides that power not needed or used by the Association will be allocated to the City of Los Angeles, but made available to the Association as needed.

During the year ended December 31, 2020, Dixie-Escalante Rural Electric Association, Inc. signed a new agreement with Deseret G&T concerning the hydroelectric power from the Colorado River Storage Project (CRSP) which at present is a low cost source of power available to municipalities and cooperatives having long term contracts with CRSP. The agreement is in force until 2024 and then automatically extended and continued until 2072. Flowell Electric had a similar agreement which was transferred to Dixie Escalante Rural Electric Association.

Dixie Escalante Rural Electric Association is one of five member/owners of Deseret G&T (with 3 votes until June 2026), a Utah generating and transmitting electrical co-operative. Deseret G&T owns and operates the Bonanza power plant in eastern Utah. The Association has signed an all requirements wholesale power purchase contract with Deseret G&T which is in force until June 1, 2026 and then automatically extended and continued until December 31, 2077. Flowell Electric had a similar agreement which is in force until 2025 that was transferred to Dixie Escalante Rural Electric Association.

St. George City – Sun Smart Solar Project

In October of 2008, the Association entered into a solar project participation agreement with the City of St. George, Utah. Under the agreement, the City of St. George agreed to construct and operate a solar photovoltaic project. The Association would participate and permit its members who reside within the city limits of St. George to purchase participating units of the solar project from St. George.

The Association's participation percentage in the project was 50 percent, meaning that the Association would reimburse the City of St. George, either through cash payment or labor credits, for 50 percent of all costs associated with the construction, operation, and maintenance of the project. In return, the Association will receive an "energy entitlement" equal to its participation percentage for all completed phases of the project times the net output of the project minus the aggregate credited energy of all Dixie Escalante members participating in the project.

As of December 31, 2011, phases 1 and 2 of the project were complete and placed into service. Due to the nature of the project, management determined that the capital costs associated with the project should be recorded as "other assets" in the financial statements and amortized over the estimated life of the project (20 years). The Association's share of all costs for the construction of the project minus any shares sold to customers and net of accumulated amortization totaled \$211,301 and \$245,184 at December 31, 2023 and 2022 respectively. Operating and maintenance costs will be expensed as incurred.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.
Notes to the Financial Statements
December 31, 2023 and 2022

Note 12. Commitments and Contingencies - Continued

Deseret Generation and Transmission - Dixie Solar Project

On January 1, 2017, the Association entered into an agreement with Deseret Generation and Transmission (Deseret G&T) to construct a solar farm in Beryl, Utah. The project was completed in 2018. Due to the nature of the project, management determined that the capital costs associated with the project should be recorded as “other assets” in the financial statements and amortized over the estimated life. The Association pays Deseret G&T a fixed lease price each month for use of the solar farm. The Association’s share of all costs for the construction of the project minus any shares sold to customers and net of accumulated amortization totaled \$80,598 and \$88,643 at December 31, 2023 and 2022 respectively.

Note 13. Recognition of Capital Credits from Deseret Generation and Transmission

During 1999 the board of directors adopted the policy of only recognizing capital credits from Deseret Generation and Transmission (Deseret G&T) when the credits are actually paid. Deseret G&T has no obligation to rotate capital credits and even though capital credits are being allocated by Deseret G&T to its members there is no present expectation that all of those credits will be rotated by payments to the members.

During 2023, Deseret G&T declared a rebate of power costs in the amount of \$1,361,388 which was paid in 2024. That rebate has been recorded as a receivable at December 31, 2023. During 2022, Deseret G&T declared a rebate of power costs in the amount of \$1,359,029 which was paid in 2023. That rebate has been recorded as a receivable at December 31, 2022.


During 2023 and 2022, Deseret G&T rotated and paid the Association the following capital credits and has informed the management of the following tax basis allocations of the remaining capital credits which may someday be retired.

Year	Balance 12/31/2021	2022 - 2023 Rotation	Balance 12/31/2023
1980	\$ 1,327	\$ -	\$ 1,327
1983	19,271	-	19,271
1984	142,143	-	142,143
1985	-	-	-
1986	96,847	-	96,847
1997	804,490	-	804,490
1998	57,353	44,030	13,323
1999 - 2012	-	-	-
Total	<u>\$ 1,121,431</u>	<u>\$ 44,030</u>	<u>\$ 1,077,401</u>

Rotation of capital credits recognized as revenues in 2023 and 2022 totaled \$22,015 and \$22,015 respectively.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Dixie Power
	BORROWER DESIGNATION	UT020
	ENDING DATE	12/31/2023

Submit electronic copy only. Enter names below, no signatures necessary. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION
<p>By submitting this Form 7 to CFC, we certify that the entries in this report have been reviewed and approved by the CEO or CFO and, are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief</p> <hr/> <p>Chery Hulet 4/1/2024 Name of CFO/Office Manager Date</p> <hr/> <p>LaDel Laub 4/1/2024 Name of General Manager/CEO Date</p> <hr/> <p>Dane Johnson 4/1/2024 Name of person submitting Form 7 *New Date</p>		<p>AUTHORIZATION</p> <p>NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</p> <p><input checked="" type="radio"/> YES <input type="radio"/> NO</p>

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1 Operating Revenue and Patronage Capital	49,374,237	54,351,119	54,052,949	3,940,682
2 Power Production Expense	0	0	0	0
3 Cost of Purchased Power	30,638,638	30,362,646	32,000,000	2,169,895
4 Transmission Expense	153,623	208,023	156,800	2,352
5 Regional Market Operations Expense	0	0	0	0
6 Distribution Expense - Operation	2,172,196	2,678,976	2,405,010	442,942
7 Distribution Expense - Maintenance	2,562,511	2,674,788	2,821,100	200,813
8 Consumer Accounts Expense	1,807,120	1,868,573	1,947,000	268,350
9 Customer Service and Informational Expense	469,882	645,268	510,200	64,907
10 Sales Expense	325	0	0	0
11 Administrative and General Expense	4,764,835	5,422,160	5,027,162	956,391
12. Total Operation & Maintenance Expense (2 thru 11)	42,569,130	43,860,434	44,867,272	4,105,650
13 Depreciation & Amortization Expense	2,433,979	2,602,108	2,840,740	191,762
14 Tax Expense - Property & Gross Receipts	1,008,386	1,008,660	1,100,400	78,182
15 Tax Expense - Other	0	0	0	0
16 Interest on Long-Term Debt	2,406,229	2,512,452	2,989,166	238,075
17 Interest Charged to Construction (Credit)	0	0	0	0
18 Interest Expense - Other	35,916	35,967	36,000	1,728
19 Other Deductions	385,308	637,125	411,900	55,854
20. Total Cost of Electric Service (12 thru 19)	48,838,948	50,656,746	52,245,478	4,671,251
21. Patronage Capital & Operating Margins (1 minus 20)	535,289	3,694,373	1,807,471	(730,569)
22 Non Operating Margins - Interest	56,315	36,458	46,800	21,402
23 Allowance for Funds Used During Construction	0	0	0	0
24 Income (Loss) from Equity Investments	0	0	0	0
25 Non Operating Margins - Other	(156,896)	1,573	(1,600)	983,055
26 Generation & Transmission Capital Credits	22,015	22,015	22,015	0
27 Other Capital Credits & Patronage Dividends	1,556,597	1,488,690	1,380,800	217,153
28 Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	2,013,320	5,243,109	3,255,486	491,041

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1 New Services Connected	1,782	1,679	5 Miles Transmission	189	186
2 Services Retired	2	2	6 Miles Distribution Overhead	649	649
3 Total Services In Place	31,404	33,081	7 Miles Distribution Underground	673	709
4 Idle Services (Exclude Seasonal)	2,006	2,025	8. Total Miles Energized (5+6+7)	1,511	1,544

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT						BORROWER NAME	Dixie Power
						BORROWER DESIGNATION	UT020
						ENDING DATE	12/31/2023
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)		
1 Distribution Plant Subtotal	91,251,131	10,837,132	774,522	0	101,313,741		
2 General Plant Subtotal	40,723,468	7,047,173	809,924	0	46,960,717		
3 Headquarters Plant	0	0	0	0	0		
4 Intangibles	550,000	0	0	0	550,000		
5 Transmission Plant Subtotal	54,986,015	11,300,016	1,038,682	0	65,247,349		
6 Regional Transmission and Market Operation Plant	0	0	0	0	0		
7 Production Plant - Steam	0	0	0	0	0		
8 Production Plant - Nuclear	0	0	0	0	0		
9 Production Plant - Hydro	0	0	0	0	0		
10 Production Plant - Other	0	0	0	0	0		
11 All Other Utility Plant	0	0	0	0	0		
12 SUBTOTAL: (1 thru 11)	187,510,614	29,184,321	2,623,128	0	214,071,807		
13 Construction Work in Progress	29,660,664	(7,623,132)			22,037,532		
14 TOTAL UTILITY PLANT (12+13)	217,171,278	21,561,189	2,623,128	0	236,109,339		
CFC NO LONGER REQUIRES SECTIONS "P", "J", AND "M" DATA Those sections refer to data on "Materials and Supplies" (P), "Energy Efficiency and Conservation Loan Program" (J), and "Annual Meeting and Board Data" (M).							
PART H. SERVICE INTERRUPTIONS							
ITEM	Avg. Minutes per Consumer by Cause Power Supplier (a)	Avg. Minutes per Consumer by Cause Major Event (b)	Avg. Minutes per Consumer by Cause Planned (c)	Avg. Minutes per Consumer by Cause All Other (d)	TOTAL (e)		
1 Present Year	14.60	0.00	0.90	19.40	34.90		
2 Five-Year Average	11.16	0.00	5.42	33.72	50.30		
PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS							
1 Number of Full Time Employees	81		4	Payroll - Expensed	5,682,029		
2 Employee - Hours Worked - Regular Time	186,349		5	Payroll - Capitalized	2,167,330		
3 Employee - Hours Worked - Overtime	4,356		6	Payroll - Other	1,856,779		
PART J. PATRONAGE CAPITAL							
ITEM	THIS YEAR (a)	CUMULATIVE (b)	PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE				
			1. Amount Due Over 60 Days:				
1 General Retirement	1,640,199	17,974,863					
2 Special Retirements	0	0					
3 Total Retirements (1+2)	1,640,199	17,974,863					
4 Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	22,015						
5 Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	142,673						
6 Total Cash Received (4+5)	164,688						

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT										BORROWER NAME	Dixie Power
										BORROWER DESIGNATION	UT020
										ENDING DATE	12/31/2023
PART L. KWH PURCHASED AND TOTAL COST										INCLUDED IN TOTAL COST	
NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	KWH PURCHASED (e)	TOTAL COST (f)	AVERAGE COST PER KWH (cents) (g)	FUEL COST ADJUSTMENT (h)	WHEELING & OTHER CHARGES (or Credits) (i)	COMMENTS (j)		
1 Deseret G&T				715,937,504	30,362,646	4.24	0	0	Comments		0
2						0.00	0	0	Comments		0
3						0.00			Comments		
4						0.00			Comments		
5						0.00			Comments		
6						0.00			Comments		
7						0.00			Comments		
8						0.00			Comments		
9						0.00			Comments		
10						0.00			Comments		
11						0.00			Comments		
12						0.00			Comments		
13						0.00			Comments		
14						0.00			Comments		
15						0.00			Comments		
16						0.00			Comments		
17						0.00			Comments		
18						0.00			Comments		
19						0.00			Comments		
20						0.00			Comments		
21 TOTALS				715,937,504	30,362,646	4.24	0	0	Comments		0

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Dixie Power
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	ENDING DATE	12/31/2023

PART L. KWH PURCHASED AND TOTAL COST (Continued)

COMMENTS	
1	
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NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Dixie Power
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PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

*LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")*

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.	None		\$0
2.			\$0
3.	TOTAL		\$0

** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers) "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000.

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (d)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1	National Rural Utilities Cooperative Finance Corporation	55,031,360	2,438,117	1,859,217	4,297,334	
2	NCSC	0	0	0	0	
3	Farmer Mac	0	0	0	0	
4	CoBank, ACB	0	0	0	0	
5	RUS - Economic Development Loans	0	0	0	0	
6	Bonds / Private Placement	0	0	0	0	
7		0	0	0	0	
8		0	0	0	0	
9		0	0	0	0	
10	Principal Payments Received from Ultimate Recipients of IRP Loans			0		
11	Principal Payments Received from Ultimate Recipients of REDL Loans			0		
12	TOTAL (Sum of 1 thru 9)	\$55,031,360	\$2,438,117	\$1,859,217	\$4,297,334	

COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Dixie Power
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PART R. POWER REQUIREMENTS DATABASE

CLASSIFICATION	CONSUMER, SALES, AND REVENUE DATA	JANUARY CONSUMERS	DECEMBER CONSUMERS	AVERAGE CONSUMERS	TOTAL KWH SALES AND REVENUE
		(a)	(b)	(c)	
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	26,381	27,842	27,112	
	b. KWH Sold				429,814,657
	c. Revenue				36,674,590
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
3. Irrigation Sales	a. No. Consumers Served	390	398	394	
	b. KWH Sold				57,495,961
	c. Revenue				3,567,305
4. Comm. and Ind 1000 KVA or Less	a. No. Consumers Served	2,650	2,721	2,686	
	b. KWH Sold				169,876,715
	c. Revenue				12,129,447
5. Comm. and Ind Over 1000 KVA	a. No. Consumers Served	1	1	1	
	b. KWH Sold				21,417,390
	c. Revenue				1,528,046
6. Public Street & Highway Lighting	a. No. Consumers Served	112	112	112	
	b. KWH Sold				520,812
	c. Revenue				113,187
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
8. Sales for Resales-RUS Borrowers	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				
10. TOTAL No. of Consumers (lines 1a thru 9a)		29,534	31,074	30,305	
11. TOTAL KWH Sold (lines 1b thru 9b)					679,125,535
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)					54,012,575
13. Transmission Revenue					0
14. Other Electric Revenue					338,544
15. KWH - Own Use					5,039,644
16. TOTAL KWH Purchased					715,937,504
17. TOTAL KWH Generated					0
18. Cost of Purchases and Generation					30,570,669
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					204,596
<input type="radio"/> None <input type="radio"/> Non-coincident <input checked="" type="radio"/> Coincident					

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Dixie Power
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PART S. ENERGY EFFICIENCY PROGRAMS

Line #	Classification	Added This Year			Total To Date		
		Number of Consumers (a)	Amount Invested (b)	ESTIMATED MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	ESTIMATED MMBTU Savings (f)
1.	Residential Sales (excluding seasonal)	0	0	0	0	0	0
2.	Residential Sales - Seasonal	0	0	0	0	0	0
3.	Irrigation Sales	0	0	0	0	0	0
4.	Comm. and Ind. 1000 KVA or Less	0	0	0	0	0	0
5.	Comm. and Ind. Over 1000 KVA	0	0	0	0	0	0
6.	Public Street and Highway Lighting	0	0	0	0	0	0
7.	Other Sales to Public Authorities	0	0	0	0	0	0
8.	Sales for Resales - RUS Borrowers	0	0	0	0	0	0
9.	Sales for Resales - Other	0	0	0	0	0	0
10.	TOTAL	0	0	0	0	0	0

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(All investments refer to your most recent CFC Loan Agreement)				
7a - PART 1 - INVESTMENTS				
	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS				
5	PATRONAGE CA	990,236		
6	PATRONAGE CA	4,080,418	0	0
7	PATRONAGE CA	58,262	0	0
8	INVESTMENTS-C	348,726	0	0
9	OTHER INVEST	1,260	0	0
10	OTHER INVEST	1,000	0	0
11	OTHER INVEST	2,500	0	0
12	OTHER INVEST	100,000	0	0
13	OTHER INVEST	10,000	0	0
14	OTHER INVEST	2,000	0	0
15			0	0
Subtotal (Line 5 thru 15)		5,594,402	0	0
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS				
16			0	0
17			0	0
18			0	0
19			0	0
Subtotal (Line 16 thru 19)		0	0	0
4. OTHER INVESTMENTS				
20			0	0
21			0	0
22			0	0
23			0	0
Subtotal (Line 20 thru 23)		0	0	0
5. SPECIAL FUNDS				
24			0	0
25			0	0
26			0	0
27			0	0
Subtotal (Line 24 thru 27)		0	0	0
6. CASH - GENERAL				
28	CASH-CAPITAL	935,132	0	0
29	CASH CLEARING	81,932	0	0
30	CASH CLEARING	203,585	0	0
31	CASH CLEARING	(19,936)	0	0
32	CASH-ZIONS BU	153,980	0	0
33	CASH-WELLS FA	303,832	0	0
34	CASH-WORKING	2,200	0	0
Subtotal (Line 28 thru 34)		1,660,725	0	0
7. SPECIAL DEPOSITS				
35	CASH - MOUNTA	207,636	0	0
36			0	0
37			0	0
38			0	0
Subtotal (Line 35 thru 38)		207,636	0	0
8. TEMPORARY INVESTMENTS				
39			0	0
40			0	0
41			0	0
42			0	0
Subtotal (Line 39 thru 42)		0	0	0
9. ACCOUNT & NOTES RECEIVABLE - NET				
43	NOTES RECEIVA	260,077	0	0
44	DESERET REBAT	1,361,388	0	0
45	A/R OTHER	1,735,929	0	0
46	A/R WORK ORDE	0	0	0
47	AR HOLDING/TR	38,673	0	0
Subtotal (Line 43 thru 47)		3,396,067	0	0
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
48			0	0
49			0	0
50			0	0
51			0	0
Subtotal (Line 48 thru 51)		0	0	0
Total		10,858,830	0	0

NATIONAL RURAL UTILITIES		BORROWER NAME		Dixie Power	
COOPERATIVE FINANCE CORPORATION		BORROWER DESIGNATION		UT020	
FINANCIAL AND STATISTICAL REPORT		ENDING DATE	12/31/2023		
(All investments refer to your most recent CFC Loan Agreement)					
7a - PART II. LOAN GUARANTEES					
Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0
7a - PART III. LOANS					
Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			0	0	0
7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES					
1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)				10,858,830
2	LARGER OF (a) OR (b)				35,416,401
	a.	15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)		35,416,401	
	b.	50 percent of Total Equity (CFC Form 7, Part C, Line 35)		24,340,951	