

**ANNUAL REPORT**

Of

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

**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: 12/31/22

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**

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.

**SERVICES AUTHORIZED TO PROVIDE**

	Yes	Electric
		Investor Owned Electric
	Yes	Rural Electric Cooperative
		Utility Distributed Company
		Electric Service Provider
		Transmission Service Provider
		Meter Service Provider
		Meter Reading Service Provider
		Billing and Collection
		Ancillary Services
		Generation Provider
		Aggregator/Broker

Other (Specify)

**STATISTICAL INFORMATION**

<b>Retail Information</b>		
	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential	2,555	33,266,118
Commercial	315	10,060,506
Industrial	0	0
Public Street and Highway Lighting	4	15,732
Irrigation	11	1,489,180
<b>Total Retail</b>	<b>2,885</b>	<b>44,831,536</b>

<b>Wholesale Information</b>		
	Number of Customers	Number of kWh Sold
Resale		
Short-term Sales (duration of less than one-year)		
<b>Total Wholesale</b>	<b>0</b>	<b>0</b>

Total Sold	44,831,536	KW
Maximum Peak Load	194,521	KW
Distribution System Losses	16,424,810	KW
Distribution Losses	2.29%	AZ & UT
Transmission Losses	3.00%	AZ & UT
System Average Interruption Duration Index (SAIDI)	100	
Distribution System Losses	6,442,558	
Customer Average Interruption Duration Index (CAIDI)	115	
System Average Interruption Frequency Index (SAIFI)	1	

**VERIFICATION AND SWORN STATEMENT (INTRASTATE REVENUE ONLY)**

**Verification:**

State of Arizona I, the undersigned of the  
(state name)

County of (county name): Mohave  
Name (owner or official) title: Dane Johnson, Controller  
Company name: Dixie-Escalante Rural

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$3,587,434  
(The amount in the box above includes \$195,076 in sales taxes billed or collected)

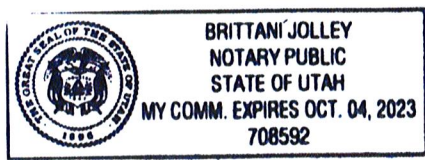
*Dane Johnson*  
signature of owner/official

(435)439-5311  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

THIS 14<sup>th</sup> DAY OF April 2023  
(month) and (year)

MY COMMISSION EXPIRES 10/2023  
(date)



*Brittani Jolley*  
(signature of notary public)

**VERIFICATION AND SWORN STATEMENT (RESIDENTIAL REVENUE)**

**Verification:**

State of Arizona I, the undersigned of the  
(state name)

County of (county name): Mohave  
Name (owner or official) title: Dane Johnson, Controller  
Company name: Dixie-Escalante Rural

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

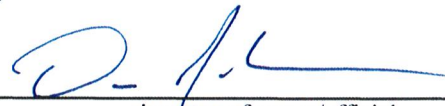
**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$3,587,434

(The amount in the box above includes

\$195,076 in sales taxes  
billed or collected)



signature of owner/official

(435)439-5311

telephone no.

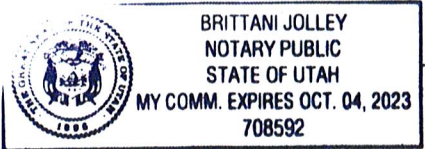
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

IRON  
(county name)

THIS 14<sup>th</sup>

DAY OF April 2023  
(month) and (year)

MY COMMISSION EXPIRES 10/2023  
(date)



Brittani Jolley  
(signature of notary public)

Dixie-Escalante Rural  
 ELECTRIC UTILITY ANNUAL REPORT  
 UTILITY SHUTOFFS / DISCONNECTS  
 12/31/22

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

**Other (description):**

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

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**WITH REPORT OF**

**CERTIFIED PUBLIC ACCOUNTANTS**



## TABLE OF CONTENTS

Independent Auditors' Report.....	1
Financial Statements:	
Balance Sheets .....	3
Statements of Operations .....	5
Statements of Members' Equity.....	6
Statements of Cash Flows.....	7
Notes to the Financial Statements.....	8



**HINTONBURDICK**  
CPAs & ADVISORS

## **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, 2022 and 2021, 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, 2022 and 2021, 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.

### ***Change in Accounting Principle/Pronouncements***

As described in Note 1 to the financial statements, in 2022, the Association changed how impact fee amortization is recognized. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, in 2022, the Association implemented the provisions of FASB ASC 842, *Leases* and ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

### ***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, 2023

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Balance Sheets**

**December 31, 2022 and 2021**

<b>Assets</b>		
	<u>2022</u>	<u>2021</u>
<b>Utility plant - at cost</b>		
Electric plant in service	\$ 187,510,615	\$ 169,808,579
Under construction	29,660,664	26,517,331
Total	<u>217,171,279</u>	<u>196,325,910</u>
Less: Accumulated depreciation and amortization	<u>(46,358,675)</u>	<u>(41,536,804)</u>
Utility plant - net	<u>170,812,604</u>	<u>154,789,106</u>
<b>Other assets and investments</b>		
Investments in CFC and others	<u>4,744,273</u>	<u>3,889,100</u>
Total other assets and investments	<u>4,744,273</u>	<u>3,889,100</u>
<b>Current assets</b>		
Cash and cash equivalents	3,476,891	1,395,816
Accounts receivable - principally members (less allowance for doubtful accounts of \$69,903 in 2022 and \$45,678 in 2021)	6,605,613	4,022,200
Accounts receivable - other	158,360	455,987
Notes receivable - due within one year	228,707	-
Notes receivable - related party - due within one year	145,657	100,585
Materials and supplies	5,804,807	5,088,405
Other assets	<u>901,387</u>	<u>1,114,887</u>
Total current assets	<u>17,321,422</u>	<u>12,177,880</u>
<b>Notes receivable (net of current portion)</b>	-	359,995
<b>Notes receivable - related party (net of current portion)</b>	<u>253,411</u>	<u>444,140</u>
Total assets	<u>\$ 193,131,710</u>	<u>\$ 171,660,221</u>

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

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.****Balance Sheets, continued  
December 31, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Equity and Liabilities</b>		
<b>Members' equity</b>		
Memberships	\$ 9,450	\$ 9,450
Patronage capital	33,209,303	26,806,102
Other equity	11,875,540	17,429,960
Total equity and margins	<u>45,094,293</u>	<u>44,245,512</u>
<b>Long-term liabilities (less amount due within one year included below)</b>	<u>56,821,046</u>	<u>48,785,673</u>
<b>Current liabilities</b>		
Accounts payable	7,601,396	6,388,292
Member deposits	817,790	806,045
Accrued expenses	886,767	806,229
Accrued personal leave	1,609,172	1,291,036
Line of credit	-	3,750,000
Long-term liabilities due within one year	1,879,615	1,768,439
Unclaimed capital credits	733,037	657,407
Total current liabilities	<u>13,527,777</u>	<u>15,467,448</u>
<b>Construction advances</b>	19,567,043	10,741,599
<b>Deferred revenue - impact fees</b>	<u>58,121,551</u>	<u>52,419,989</u>
Total equity and liabilities	<u>\$ 193,131,710</u>	<u>\$ 171,660,221</u>

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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating revenues</b>	\$ 49,374,237	\$ 47,354,712
<b>Operating expenses</b>		
Operation and maintenance:		
Power purchased	30,638,638	26,373,657
Transmission	153,623	124,384
Distribution - operation	2,172,196	2,539,104
Distribution - maintenance	2,562,511	2,514,268
Consumer accounts	1,807,120	1,668,245
Member service	469,882	684,940
Administrative and general	4,764,835	4,746,813
Total operation and maintenance	42,569,130	38,651,411
Depreciation and amortization	2,433,979	2,396,524
Property taxes	1,008,386	1,085,566
Other	385,308	345,075
Total operating expenses	46,396,803	42,478,576
Operating margins before interest charges	2,977,434	4,876,136
Interest charges - principally long-term debt	2,442,145	2,155,498
Operating margins	535,289	2,720,638
<b>Non-operating margins</b>		
Interest income	56,315	46,261
Other non-operating income (expense)	(156,896)	1,606,716
Patronage capital credits - G&T	22,015	22,015
Patronage capital credits - CFC and others	1,556,597	786,091
Total non-operating margins	1,478,031	2,461,083
<b>Net margins</b>	<u>\$ 2,013,320</u>	<u>\$ 5,181,721</u>

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, 2022 and 2021**

	<u>Memberships</u>	<u>Patronage Capital</u>	<u>Equity</u>	<u>Total</u>
<b>Balances, December 31, 2020</b>	\$ 8,595	\$ 24,910,698	\$ 13,418,182	\$38,337,475
<b>Addition of Flowell</b>	855	70,714	2,386,019	2,457,588
<b>Allocation of 2020 margins</b>		3,555,962	(3,555,962)	-
<b>2021 Margins:</b>				
Operating			2,720,638	2,720,638
Non-operating			2,461,083	2,461,083
<b>Retirement of capital credits</b>		(1,731,272)		(1,731,272)
<b>Balances, December 31, 2021</b>	9,450	26,806,102	17,429,960	44,245,512
<b>Allocation of 2021 margins / Flowell</b>		7,567,740	(7,567,740)	-
<b>2022 Margins:</b>				
Operating			535,289	535,289
Non-operating			1,478,031	1,478,031
<b>Retirement of capital credits</b>		(1,164,539)		(1,164,539)
<b>Balances, December 31, 2022</b>	<u>\$ 9,450</u>	<u>\$ 33,209,303</u>	<u>\$ 11,875,540</u>	<u>\$45,094,293</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Net margin	\$ 2,013,320	\$ 5,181,721
Adjustments to reconcile net margin to net cash flows from operating activities:		
Depreciation and amortization	5,179,238	4,866,326
Net (gain)/loss on disposal of fixed assets and non utility plant	-	34,046
Accretion of deferred revenue	(2,745,259)	(2,469,802)
Changes in assets and liabilities:		
(Increase)/decrease in CFC investment	(855,173)	(457,916)
(Increase)/decrease in accounts receivable	(2,285,786)	839,460
(Increase)/decrease in materials and supplies	(716,402)	(613,897)
(Increase)/decrease in other assets	171,572	356,297
(Increase)/decrease in notes receivable	276,945	(199,782)
Increase/(decrease) in accounts payable	1,213,104	(531,007)
Increase/(decrease) in member deposits	11,745	31,257
Increase/(decrease) in accrued expenses	80,538	(5,589)
Increase/(decrease) in accrued personal leave	318,136	8,962
Increase/(decrease) in unclaimed capital credits	75,630	352,728
<b>Net cash flows from operating activities</b>	<u>2,737,608</u>	<u>7,392,804</u>
<b>Cash flows from investing activities:</b>		
Purchase/construction of utility plant	(32,914,064)	(30,777,929)
<b>Net cash flows from investing activities</b>	<u>(32,914,064)</u>	<u>(30,777,929)</u>
<b>Cash flows from financing activities:</b>		
Flowell consolidation	-	1,260,118
Proceeds from new borrowings	12,500,000	6,250,000
Repayment of long-term debt	(8,103,451)	(5,996,771)
Member advances of impact fees	8,446,821	8,890,155
Member advances for construction	21,153,337	13,241,581
Refund of member advances	(574,637)	(478,123)
Refund of capital credits	(1,164,539)	(1,731,272)
<b>Net cash flows from financing activities</b>	<u>32,257,531</u>	<u>21,435,688</u>
<b>Net change in cash and cash equivalents</b>	2,081,075	(1,949,437)
<b>Cash and cash equivalents at beginning of year</b>	<u>1,395,816</u>	<u>3,345,253</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 3,476,891</u>	<u>\$ 1,395,816</u>

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

Interest paid during the year amounted to \$2,472,723 and \$2,150,572 in 2022 and 2021 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, 2022 and 2021**

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**Note 1. Summary of Significant Accounting Policies**

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**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 \$885,341 in 2022 and \$806,006 in 2021 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, 2022 and 2021**

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**Note 1. Summary of Significant Accounting Policies - Continued**

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**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 2022 and 2021 were \$361,572 and \$384,698 respectively.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

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**Note 1. Summary of Significant Accounting Policies - Continued**

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**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 2020, 2021, and 2022 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.

**CHANGE IN ACCOUNTING PRINCIPLE**

In 2022, the Association changed how impact fee amortization was recognized. Previously, impact fee amortization was recognized as nonoperating revenue; however, since impact fees are used to build and maintain the operating plant it was determined to recognize impact fees as part of operating activities. It was determined to recognize the amortization of impact fees as an offset to depreciation. Impact fees are used to build electric operating plant assets which are amortized over 30 years. Impact fees are also being amortized over 30 years as an offset to those same assets.

The 2021 numbers have been retrospectively adjusted in these statements to reflect this change. The amount of impact fee amortization of \$2,469,802 has been reclassified from nonoperating revenues to an offset of depreciation expense.

This change has no effect on net margins or members' equity for 2022 and 2021.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**Note 1. Summary of Significant Accounting Policies - Continued**

**NEW PRONOUNCEMENTS**

For the year ended December 31, 2022, the Association implemented the provisions of FASB ASC 842 - *Leases*. ASC 842 improves accounting and financial reporting for leases and provides important information about the entity's use of lease arrangements in its business activities and about the relationship between the Association's lease liabilities and right-of-use assets. The Statement also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Adoption of this standard had no impact on the financial statements. (See Note 7).

The Association also adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard had no impact on the financial statements.

**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, 2023, the date the financial statements were available to be issued.

**Note 2. Utility Plant**

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

	Balance at 12/31/22	Balance at 12/31/21
Transmission plant	\$ 54,986,015	\$ 54,023,335
Distribution plant	91,251,131	77,754,342
Distribution plant - finance right-of-use	107,158	107,158
General plant	40,616,310	37,373,744
Intangible plant	550,000	550,000
Under construction	29,660,664	26,517,331
Subtotal	<u>217,171,278</u>	<u>196,325,910</u>
Accumulated depreciation and amortization	(46,292,594)	(41,492,155)
Accumulated amortization - finance right-of-use	<u>(66,081)</u>	<u>(44,649)</u>
Net utility plant assets	<u>\$ 170,812,603</u>	<u>\$ 154,789,106</u>

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2022 and 2021**

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**Note 3. Cash**

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At various times throughout the years ended December 31, 2022 and 2021, cash balances in bank accounts exceeded the amount insured by the FDIC and/or NCUA. As of December 31, 2022 and 2021, \$3,967,915 and \$1,374,133 of the bank balance of \$4,501,936 and \$1,970,012 was uninsured and uncollateralized.

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**Note 4. Investments in Associated Organizations**

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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.

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

	<u>2022</u>	<u>2021</u>
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	4,116,926	3,084,368
Less: valuation allowance	(840,704)	(591,200)
NRUCFC		
NRUCFC subscription certificates	225,347	225,347
NRUCFC loan certificates	163,378	178,378
CFC patronage capital certificates	911,585	838,925
CFC member capital securities	100,000	100,000
CFC Class A membership	1,260	1,260
NISC patronage capital certificates	50,981	36,522
	<u>\$ 4,744,273</u>	<u>\$ 3,889,100</u>

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, 2022 and 2021**

**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, 2021 or 2020. The notes are secured by first trust deeds and their repayment terms are as follows:

	2022	2021
Note receivable from Ft Pierce Industrial Park, with variable interest (6.55% and 3.45% at December 31, 2022 and 2021, respectively) and principal due from each lot sale at 12% of net proceeds from lot sales	\$ 228,707	\$ 359,995
Amount due within one year	(228,707)	-
Notes receivable, net of current portion	\$ -	\$ 359,995

**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, 2022 and 2021 was \$2,745,259 and \$2,469,802 respectively.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**Note 7. Long-Term Liabilities**

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
<b>Total long-term debt</b>	<b>\$ 50,554,112</b>	<b>\$ 10,000,000</b>	<b>\$ 1,853,450</b>	<b>\$ 58,700,662</b>	<b>\$ 1,879,615</b>

The following is a summary of long term debt activity for 2021:

	Balance 12/31/2020	Flowell Additions	Additions	Retirements	Balance 12/31/2021	Current Portion
NRUCFC loans payable	\$ 49,045,134	\$ 3,175,809	\$ -	\$ 1,729,340	\$ 50,491,603	\$ 1,747,007
PPP loan	1,571,400	174,600	-	1,746,000	-	-
Equipment finance lease	83,941	-	-	21,432	62,509	21,432
<b>Total long-term debt</b>	<b>\$ 50,700,475</b>	<b>\$ 3,350,409</b>	<b>\$ -</b>	<b>\$ 3,496,772</b>	<b>\$ 50,554,112</b>	<b>\$ 1,768,439</b>

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, 2022 and at December 31, 2021 closely approximated current fair value.

Long-term debt consists of the following:

	2022	2021
<b>Loan Payables</b>		
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.40%, maturing February 29, 2052.	\$ 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.	9,537,139	9,727,800
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.25%, maturing August 31, 2048.	11,251,543	11,453,541
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.55%, maturing November 30, 2047.	7,325,133	7,479,505
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.30%, maturing November 30, 2045.	1,739,487	1,782,984
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.55%, maturing November 30, 2046.	12,447,712	12,728,368

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

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**Note 7. Long-Term Liabilities - Continued**

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**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.	638,783	671,584
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.90%, maturing November 30, 2022.	-	151,739
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.00%, maturing November 30, 2023.	160,545	314,135
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 7.25%, maturing May 31, 2027.	364,436	430,627
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 7.25%, maturing May 31, 2027.	364,436	430,627
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.90%, maturing February 28, 2029.	206,447	234,028
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.10%, maturing November 30, 2031.	1,094,019	1,195,410
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.65%, maturing February 28, 2026.	630,544	810,042
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 2.45%, maturing February 28, 2050.	1,884,705	1,932,796
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.05%, maturing August 31, 2036.	167,550	175,802
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.10%, maturing February 28, 2037.	685,297	717,278
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.10%, maturing August 31, 2037.	<u>244,470</u>	<u>255,337</u>
Total loan payables	58,659,585	50,491,603
 <b>Finance Lease Payable</b>		
Lease payable to Farm Credit Leasing Services Corporation, due in monthly installments of \$1,803.	<u>41,077</u>	<u>62,509</u>
Total long term debt	58,700,662	50,554,112
Less amounts due within one year	<u>(1,879,615)</u>	<u>(1,768,439)</u>
Long term debt, net of current portion	<u>\$56,821,047</u>	<u>\$48,785,673</u>



**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**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>2022</u>		<u>2021</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ -	\$ -	\$ 1,747,007	\$ 2,263,102
2023	1,838,538	2,614,293	1,666,115	2,180,723
2024	1,755,993	2,530,434	1,577,503	2,104,507
2025	1,837,826	2,448,717	1,651,352	2,030,773
2026	1,767,318	2,364,500	1,572,502	1,954,898
2027	1,702,031	2,282,742	1,498,501	1,881,855
Thereafter	49,757,879	26,855,151	40,778,623	21,181,205
Totals	<u>\$58,659,585</u>	<u>\$39,095,837</u>	<u>\$ 50,491,603</u>	<u>\$ 33,597,063</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.

**PPP Loan**

In April 2020, the Association obtained an SBA loan under the Payroll Protection Program (PPP) in the amount of \$1,571,400 to help keep the Association's staff employed during the pandemic. Flowell Electric obtained a PPP loan of \$174,600 which was acquired by the Association on January 1, 2021. The Association met all of the conditions of PPP loan forgiveness and in February 2021, both PPP loans were fully forgiven by the SBA.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**Note 7. Long-Term Liabilities - Continued**

**Lines of Credit**

As of December 31, 2022 and 2021 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 5.55 percent and 2.25 percent at December 31, 2022 and 2021 respectively. The line of credit renews each year unless either party terminates the agreement by providing written notice. There was no outstanding balance on this line of credit at December 31, 2022 and 2021.

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. There was an outstanding balance on this line of credit at December 31, 2022 and 2021 of \$0 and \$3,750,000, respectively.

**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 2022 and 2021 was \$21,432 and \$21,432, respectively. Amortization on the capital lease is included in depreciation expense. The lease has an interest rate of 1.68%.

During 2022 and 2021 the Association recognized expenses associated with the finance lease as follows:

	<u>2022</u>	<u>2021</u>
Financing lease cost:		
Amortization of ROU assets	\$ 21,432	\$ 21,432
Interest expense	203	203
Net lease cost	<u>\$ 21,635</u>	<u>\$ 21,635</u>
Lease cost - Depreciation and amortization	\$ 21,432	\$ 21,432
Lease cost - Interest expense	203	203
Net lease cost	<u>\$ 21,635</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, 2022 and 2021, right-of-use assets and lease liabilities related to finance leases were as follows:

	<u>2022</u>	<u>2021</u>
Finance lease ROU assets	\$ 41,077	\$ 62,509
Finance lease liabilities:		
Current portion	41,077	21,432
Long-term portion	-	41,077

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**Note 7. Long-Term Liabilities - Continued**

During the years ended December 31, 2022 and 2021, the Association had the following cash activities associated with their leases:

	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	\$ 21,635	\$ 21,635

The future payments due under operating leases as of December 31, 2022 and 2021 are as follow:

	Year Ending December 31 2022	2022	2021
2022	\$ -	\$ 21,635	
2023	41,264	41,264	
	41,264	62,899	
Less effects of discounting	(187)	(390)	
Lease liabilities recognized	\$ 41,077	\$ 62,509	

**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 2022 and 2021, refunds of approximately 100 percent of 1992 plus 3 percent of 1992-2021 and approximately 100 percent of 1991 plus 5 percent of 1991-2020, respectively, of the remaining capital credits were made. The total capital credit refunds amounted to \$1,180,750 and \$1,719,883 in 2022 and 2021 respectively.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

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**Note 9. Employee Benefits**

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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.

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 2022 and in 2021 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 \$1,248,792 in 2022 and \$1,152,974 in 2021.

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, 2022 and over 80 percent funded on January 1, 2021, 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.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

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**Note 9. Employee Benefits, continued**

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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.

**Defined Contribution Savings Plan**

In addition to the RS Plan, the Association contributed \$168,480 and \$155,167 to savings plans in 2022 and 2021 respectively. Employee contributions to these savings programs amounted to \$510,810 in 2022 and \$448,360 in 2021. Dixie-Escalante Rural Electric Association, Inc. has no liability for future benefits beyond the amount contributed.

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**Note 10. Compensated Absences**

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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. In May and November of each 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 \$1,609,172 and \$1,291,036 at December 31, 2022 and 2021 respectively.

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**Note 11. Related Parties**

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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, 2022 and 2021 amounts due to the Association from Red Rock Funding, LLC for such loans totaled \$399,068 and \$544,725 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, 2022 and 2021**

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**Note 12. Commitments and Contingencies**

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**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 \$245,184 and \$279,067 at December 31, 2022 and 2021 respectively. Operating and maintenance costs will be expensed as incurred.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2022 and 2021**

**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 \$88,643 and \$96,688 at December 31, 2022 and 2021 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 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 2021, Deseret G&T declared a rebate of power costs in the amount of \$1,228,262 which was paid in 2022. That rebate had been recorded as a receivable at December 31, 2021.

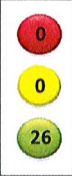
During 2022 and 2021, Deseret G&T rotated and paid the Association the following capital credits and has informed the management of the following tax basis allocations of the remaining capital credits which may someday be retired.

Year	Balance 12/31/2020	2021 - 2022 Rotation	Balance 12/31/2022
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	79,368	44,030	35,338
1999 - 2012	-	-	-
Total	<u>\$1,143,446</u>	<u>\$ 44,030</u>	<u>\$1,099,416</u>

Rotation of capital credits recognized as revenues in 2022 and 2021 totaled \$22,015 and \$22,015 respectively.

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>		Dixie-Escalante Rural Electric Associat
	<b>BORROWER DESIGNATION</b>		<b>UT020</b>
	<b>ENDING DATE</b>		12/31/2022

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> <p><b>Chery Hulet</b> <span style="float: right;">3/30/2023</span>            Name of CFO/Office Manager <span style="float: right;">Date</span></p> <hr/> <p><b>LaDel Laub</b> <span style="float: right;">3/30/2023</span>            Name of General Manager/CEO <span style="float: right;">Date</span></p> <hr/> <p><b>Dane Johnson</b> <span style="float: right;">3/30/2023</span>            Name of person submitting Form 7 *New <span style="float: right;">Date</span></p>	 <p><b>0</b> Needs Attention <b>0</b> Please Review <b>26</b> Matches</p>	<p><b>AUTHORIZATION</b></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	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	47,354,712	49,374,237	48,588,425	3,650,640
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	26,373,657	30,638,638	30,897,711	2,266,856
4. Transmission Expense	124,384	153,623	165,000	27,163
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	2,539,104	2,172,196	2,305,240	357,201
7. Distribution Expense - Maintenance	2,514,268	2,562,511	2,604,248	351,356
8. Consumer Accounts Expense	1,668,245	1,807,120	1,627,167	252,191
9. Customer Service and Informational Expense	684,940	469,882	656,608	66,681
10. Sales Expense	0	325	0	0
11. Administrative and General Expense	4,746,813	4,764,835	4,166,408	871,693
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>38,651,411</b>	<b>42,569,130</b>	<b>42,422,382</b>	<b>4,193,141</b>
13. Depreciation & Amortization Expense	2,396,524	2,433,979	2,455,456	172,037
14. Tax Expense - Property & Gross Receipts	1,085,566	1,008,386	1,039,620	82,217
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	2,118,950	2,406,229	2,356,243	207,757
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	36,548	35,916	19,829	1,752
19. Other Deductions	345,075	385,308	360,000	34,050
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>44,634,074</b>	<b>48,838,948</b>	<b>48,653,530</b>	<b>4,690,954</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>2,720,638</b>	<b>535,289</b>	<b>(65,105)</b>	<b>(1,040,314)</b>
22. Non Operating Margins - Interest	46,261	56,315	38,000	34,424
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	1,606,716	(156,896)	(5,700)	(22,838)
26. Generation & Transmission Capital Credits	22,015	22,015	0	0
27. Other Capital Credits & Patronage Dividends	786,091	1,556,597	739,500	20,656
28. Extraordinary Items	0	0	0	0
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>5,181,721</b>	<b>2,013,320</b>	<b>706,695</b>	<b>(1,008,072)</b>

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	2,598	1,782	5. Miles Transmission	186	189
2. Services Retired	6	2	6. Miles Distribution Overhead	646	649
3. Total Services In Place	29,709	31,404	7. Miles Distribution Underground	624	673
4. Idle Services (Exclude Seasonal)	2,006	1,986	<b>8. Total Miles Energized (5+6+7)</b>	<b>1,456</b>	<b>1,511</b>



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>		<b>BORROWER NAME</b>  <b>BORROWER DESIGNATION</b>  <b>ENDING DATE</b>	Dixie-Escalante  UT020  12/31/2022
<b>PART C. BALANCE SHEET</b>			
<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Utility Plant in Service	187,510,615	29. Memberships	9,450
2. Construction Work in Progress	29,660,664	30. Patronage Capital	33,209,303
<b>3. Total Utility Plant (1+2)</b>	<b>217,171,279</b>	31. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	46,358,675	32. Operating Margins - Current Year	535,289
<b>5. Net Utility Plant (3-4)</b>	<b>170,812,604</b>	33. Non-Operating Margins	10,549,778
6. Nonutility Property - Net	0	34. Other Margins & Equities	790,472
7. Investment in Subsidiary Companies	0	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>45,094,292</b>
8. Invest. in Assoc. Org. - Patronage Capital	4,238,788	36. Long-Term Debt CFC (Net)	56,779,969
9. Invest. in Assoc. Org. - Other - General Funds	505,485	37. Long-Term Debt - Other (Net)	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	0	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>56,779,969</b>
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	41,077
12. Other Investments	0	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	<b>41. Total Other Noncurrent Liabilities (39+40)</b>	<b>41,077</b>
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>4,744,273</b>	42. Notes Payable	0
15. Cash-General Funds	3,442,870	43. Accounts Payable	7,601,397
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	817,790
17. Special Deposits	34,021	45. Current Maturities Long-Term Debt	1,879,615
18. Temporary Investments	0	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	627,775	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	2,690,254	48. Other Current & Accrued Liabilities	2,495,939
21. Accounts Receivable - Net Other	4,073,718	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>12,794,741</b>
22. Renewable Energy Credits	0	50. Deferred Credits	78,421,630
23. Materials & Supplies - Electric and Other	5,804,807	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>193,131,709</b>
24. Prepayments	16,634	<b>ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION</b>	
25. Other Current & Accrued Assets	29,604	Balance Beginning of Year	80,467,017
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>16,719,683</b>	Amounts Received This Year (Net)	12,480,437
27. Deferred Debits	855,149	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>92,947,453</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>193,131,709</b>		
<b>PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.</b>			

<b>NATIONAL RURAL UTILITIES</b> <b>COOPERATIVE FINANCE CORPORATION</b> <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b> <hr/> <b>BORROWER DESIGNATION</b> <hr/> <b>ENDING DATE</b>
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**PART E. CHANGES IN UTILITY PLANT**

	PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)
1	Distribution Plant Subtotal	77,754,342	14,143,444	646,654	0
2	General Plant Subtotal	37,480,902	3,744,431	501,865	0
3	Headquarters Plant	0	0	0	0
4	Intangibles	550,000	0	0	0
5	Transmission Plant Subtotal	54,023,335	1,052,073	89,393	0
6	Regional Transmission and Market Operation Plant	0	0	0	0
7	Production Plant - Steam	0	0	0	0
8	Production Plant - Nuclear	0	0	0	0
9	Production Plant - Hydro	0	0	0	0
10	Production Plant - Other	0	0	0	0
11	All Other Utility Plant	0	0	0	0
12	<b>SUBTOTAL: (1 thru 11)</b>	<b>169,808,579</b>	<b>18,939,948</b>	<b>1,237,912</b>	<b>0</b>
13	Construction Work in Progress	26,517,331	3,143,333		
14	<b>TOTAL UTILITY PLANT (12+13)</b>	<b>196,325,910</b>	<b>22,083,281</b>	<b>1,237,912</b>	<b>0</b>

**CFC NO LONGER REQUIRES SECTIONS "F", "J", AND "M" DATA**  
 Those sections refer to data on "Materials and Supplies" (F), "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	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause
		Power Supplier (a)	Major Event (b)	Planned (c)	All Other (d)
1	Present Year	38.80	0.00	10.00	
2	Five-Year Average	8.24	0.00	5.36	

**PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS**

1	Number of Full Time Employees	83	4	Payroll - Expensed
2	Employee - Hours Worked - Regular Time	178,323	5	Payroll - Capitalized
3	Employee - Hours Worked - Overtime	4,516	6	Payroll - Other

**PART J. PATRONAGE CAPITAL**

	ITEM	THIS YEAR	CUMULATIVE	1. Amount Due Over 60 Days: 66,577
		(a)	(b)	
1	General Retirement	1,180,750	16,334,664	2. Amount Written Off During Year: 16,678
2	Special Retirements	0	0	
3.	<b>Total Retirements (1+2)</b>	<b>1,180,750</b>	<b>16,334,664</b>	
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	114,696		
6.	<b>Total Cash Received (4+5)</b>	<b>136,711</b>		

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME <hr/> BORROWER DESIGNATION <hr/> ENDING DATE
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**PART L. KWH PURCHASED AND 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)	INCLUDE
								FUEL COST ADJUSTMENT (h)
1	DESERET G & T				716,723,776	30,638,638	4.27	0
2							0.00	0
3							0.00	0
4							0.00	0
5							0.00	0
6							0.00	0
7							0.00	0
8							0.00	0
9							0.00	0
10							0.00	0
11							0.00	0
12							0.00	0
13							0.00	0
14							0.00	0
15							0.00	0
16							0.00	0
17							0.00	0
18							0.00	0
19							0.00	0
20							0.00	0
21	<b>TOTALS</b>				<b>716,723,776</b>	<b>30,638,638</b>	<b>4.27</b>	<b>0</b>

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2022

**PART L. KWH PURCHASED AND TOTAL COST (Continued)**

COMMENTS	
1	
2	
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<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2022

**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			<b>TOTAL \$0</b>

\*\* "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	56,779,969	2,356,388	1,847,783	4,204,171	
2	NCSC	0	0	0	0	
3	Farmer Mac	0	0	0	0	
4	CoBank Line	0	0	0	0	
5		0	0	0	0	
6		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	<b>TOTAL (Sum of 1 thru 9)</b>	<b>\$56,779,969</b>	<b>\$2,356,388</b>	<b>\$1,847,783</b>	<b>\$4,204,171</b>	

<b>COOPERATIVE FINANCE CORPORATION</b> <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2022

**PART R. POWER REQUIREMENTS DATABASE**

CLASSIFICATION	CONSUMER, SALES, AND REVENUE DATA	JANUARY CONSUMERS (a)	DECEMBER CONSUMERS (b)	AVERAGE CONSUMERS (c)	TOTAL KWH SALES AND REVENUE (d)
1 Residential Sales (excluding seasonal)	a. No. Consumers Served	24,590	26,221	25,406	
	b. KWH Sold				422,085,519
	c. Revenue				32,276,704
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	386	390	388	
	b. KWH Sold				62,207,906
	c. Revenue				3,956,628
4 Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,718	2,694	2,706	
	b. KWH Sold				166,691,912
	c. Revenue				11,144,357
5 Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	1	1	1	
	b. KWH Sold				22,658,089
	c. Revenue				1,584,842
6 Public Street & Highway Lighting	a. No. Consumers Served	112	112	112	
	b. KWH Sold				523,296
	c. Revenue				113,077
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				
<b>10. TOTAL No. of Consumers (lines 1a thru 9a)</b>		<b>27,807</b>	<b>29,418</b>	<b>28,613</b>	
<b>11. TOTAL KWH Sold (lines 1b thru 9b)</b>					<b>674,166,722</b>
<b>12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)</b>					<b>49,075,608</b>
13. Transmission Revenue					0
14. Other Electric Revenue					298,629
15. KWH - Own Use					4,630,531
16. TOTAL KWH Purchased					716,723,776
17. TOTAL KWH Generated					0
18. Cost of Purchases and Generation					30,792,261
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					194,521
<input type="radio"/> None <input type="radio"/> Non-coincident <input checked="" type="radio"/> Coincident					

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2022

**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.	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		BORROWER NAME BORROWER DESIGNATION ENDING DATE	
		Dixie-Escalante	
		UT020	
		12/31/2022	
(All investments refer to your most recent CFC Loan Agreement)			
<b>7a - PART 1 - INVESTMENTS</b>			
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)
<b>2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>			
5	Patronage Capital From CFC - Dixie	911,585	
6	Patronage Capital From Western United	3,276,222	0
7	Patronage Capital From NISC	50,981	0
8	CFC CTCs	388,725	0
9	CFC Membership	1,260	0
10	NRTC Membership	1,000	0
11	CFC Membership	2,500	0
12	CFC Member Securities	100,000	0
13	CoBank Equity	2,000	0
14	CRC Equity	10,000	0
15			0
16			0
Subtotal (Line 5 thru 16)		4,744,273	0
<b>3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS</b>			
17			0
18			0
19			0
20			0
Subtotal (Line 17 thru 20)		0	0
<b>4. OTHER INVESTMENTS</b>			
21			0
22			0
23			0
24			0
Subtotal (Line 21 thru 24)		0	0
<b>5. SPECIAL FUNDS</b>			
25			0
26			0
27			0
28			0
Subtotal (Line 25 thru 28)		0	0
<b>6. CASH - GENERAL</b>			
29	ZIONS CASH-CAPITAL CREDIT	250,000	344,836
30	CASH CLEARING	0	371,029
31	Zions Business Checking	250,000	226,292
32	WELLS FARGO CASH	250,000	1,748,413
33	CASH-WORKING	2,300	0
34			0
35			0
Subtotal (Line 29 thru 35)		752,300	2,690,570
<b>7. SPECIAL DEPOSITS</b>			
36	MACU	34,021	0
37			0
38			0
39			0
Subtotal (Line 36 thru 39)		34,021	0
<b>8. TEMPORARY INVESTMENTS</b>			
40			0
41			0
42			0
43			0
Subtotal (Line 40 thru 43)		0	0
<b>9. ACCOUNT &amp; NOTES RECEIVABLE - NET</b>			
44	Red Rock Funding Note		399,068
45	Fort Pierce Industrial Note		228,707
46	DESERET REBAT		1,359,029
47	A/R OTHER		158,360
48	A/R WORK ORDERS		2,556,329
49			0
Subtotal (Line 44 thru 49)		0	4,701,493
<b>10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED</b>			
50			0
51			0
52			0
53			0
Subtotal (Line 50 thru 53)		0	0
<b>Total</b>		<b>5,530,594</b>	<b>7,392,063</b>



NATIONAL RURAL UTILITIES			BORROWER NAME		Dixie-Escalante
COOPERATIVE FINANCE CORPORATION			BORROWER DESIGNATION		UT020
FINANCIAL AND STATISTICAL REPORT			ENDING DATE	12/31/2022	
(All investments refer to your most recent CFC Loan Agreement)					
<b>7a - PART II. LOAN GUARANTEES</b>					
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
<b>TOTALS (Line 1 thru 5)</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>7a - PART III. LOANS</b>					
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
<b>TOTALS (Line 1 thru 5)</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES</b>					
1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)				<b>5,530,594</b>
2	LARGER OF (a) OR (b)				<b>32,575,692</b>
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)				<b>32,575,692</b>
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)				<b>22,547,146</b>