

ANNUAL REPORT

Of

Company Name: Garkane Energy
PO Box 465
Mailing Address: 0
Loa UT
84747
Docket No.: E-01891A
For the Year Ended: 12/31/2023

RECEIVED BY EMAIL
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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: Original Filing
Application Date: 4/9/2024

ARIZONA CORPORATION COMMISSION
 ELECTRIC UTILITIY ANNUAL REPORT
 COMPANY INFORMATION

For the Calendar Year Ended: 12/31/2023

Company/Business Name:	Garkane Energy			
Mailing Address:	PO BOX 465			
City:	LOA	State:	Utah	Zip Code: 84747
Telephone Number:	435-836-2795	Fax Number:	435-836-2497	
Email:	marcus.lewis@garkane.com			

Name:	MARCUS LEWIS			
Title:	CFO			
Telephone No. :	435-836-2795			
Address:	102 W 300 S / PO BOX 465			
City:	LOA	State:	Utah	Zip Code: 84747
Email:	marcus.lewis@garkane.com			

Name:	DAN MCCLENDON			
Title:	CEO			
Telephone No. :	435-836-2795			
Address:	102 W 300 S / PO BOX 465			
City:	LOA	State:	Utah	Zip Code: 84747
Email:	dan.mcclendon@garkane.com			

Name:	JENNIFER A. CRANSTON			
Title:	LEGAL COUNCIL			
Telephone No. :	602-530-8000			
Address:	2575 E. CAMELBACK ROAD, SUITE 1100			
City:	PHOENIX	State:	Arizona	Zip Code: 85016
Email:	jennifer.cranston@gknet.com			

Name:	NONE			
Title:	NONE			
Telephone No. :	NONE			
Address:	NONE			
City:	NONE	State:	Utah	Zip Code: 84747
Email:	NONE			

Ownership:

Counties Served:

Important changes during the year
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	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.
	NONE

	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.
	NONE

SERVICES AUTHORIZED TO PROVIDE

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

N/A Other (Specify)

STATISTICAL INFORMATION

Retail Information

	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential	1,330	25,934,599
Commercial	255	11,816,970
Industrial	0	
Public Street and Highway Lighting	6	60,240
Irrigation	33	1,329,587
Total Retail	1,624	39,141,396

Wholesale Information

	Number of Customers	Number of kWh Sold
Resale	52	3,631,826
Short-term Sales (duration of less than one-year)		
Total Wholesale	52	3,631,826

Total Sold	42,773,222	
Maximum Peak Load	63,798	
Distribution System Losses	11,561,307	
Distribution Losses	4.05%	
Transmission Losses	0.00%	
System Average Interruption Duration Index (SAIDI)	962	
Distribution System Losses	11,561,307	
Customer Average Interruption Duration Index (CAIDI)	867	
System Average Interruption Frequency Index (SAIFI)	95	

Garkane Energy
 ELECTRIC UTILITY ANNUAL REPORT
 UTILITY SHUTOFFS / DISCONNECTS
 12/31/2023

UTILITY SHUTOFFS / DISCONNECTS			
Month	Termination without Notice R14-2-211.B	Termination with Notice R14-2-211.C	Other
January		1	
February		0	
March		2	
April		3	
May		1	
June		1	
July		0	
August		2	
September		0	
October		0	
November		0	
December		2	
Total	0	12	0

Other (description):

N/A

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.

General Ledger CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----		
	Last Year	This Year	Budget	Current	Budget	
1. Operating Revenue and Patronage Capital						
0 440.2	SEASONAL RESIDENTIAL SALES - UT	0.00	0.00	0.00	0.00	
0 440.3	RESIDENTIAL SALES - UTAH	13,146,202.80	13,694,992.58	12,803,747.11	1,482,799.03	
0 440.31	RESIDENTIAL SALES - ARIZONA	2,458,983.94	2,593,839.20	2,573,358.36	260,531.13	
0 440.32	RESIDENTIAL SALES - UTAH SHINE	4,048.20	3,958.50	3,000.00	329.55	
0 440.33	RESIDENTIAL SALES - AZ SHINE	0.00	0.00	250.00	0.00	
0 441.0	IRRIGATION SALES - UTAH	530,844.11	529,167.73	818,929.16	7,229.25	
0 441.1	IRRIGATION SALES - ARIZONA	112,444.25	112,358.55	190,620.54	3,988.38	
0 442.1	SM COMMERICAL & INDUSTRIAL SALES -	7,565,293.15	7,777,348.20	7,330,075.08	697,484.76	
0 442.11	SM COMMERICAL & INDUSTRIAL SALES -	1,120,219.82	1,128,751.64	1,152,535.32	101,041.22	
0 442.13	COMMERCIAL SALES - UTAH SHINE	678.60	538.20	25,000.00	39.00	
0 442.14	COMMERCIAL SALES - AZ SHINE	187.20	187.20	200.00	15.60	
0 442.2	LARGE COMMERICAL & INDUSTRIAL SAL	1,436,801.94	1,337,988.43	1,464,960.18	116,562.51	
0 442.21	LARGE COMMERICAL & INDUSTRIAL SAL	0.00	0.00	0.00	0.00	
0 444.0	PUBLIC STREET & HIGHWAY LIGHTING -	61,210.95	61,550.13	58,284.52	5,224.32	
0 444.1	PUBLIC STREET & HIGHWAY LIGHTING -	12,371.60	13,025.77	11,668.76	1,129.47	
0 445.0	OTHER SALES TO PUBLIC AUTHORITIES -	1,920,335.90	1,927,609.54	1,878,707.33	169,781.36	
0 445.1	OTHER SALES TO PUBLIC AUTHORITIES -	360,822.88	340,140.59	391,557.43	25,696.50	
0 450.0	FORFEITED DISCOUNTS -- COLLECTION F	132,672.00	150,022.49	100,000.00	12,697.87	
0 451.0	MISC SERVICE REVENUE - UT CONNECT F	72,760.53	65,726.19	74,999.99	5,666.41	
0 451.1	MISC SERVICE REVENUE - AZ CONNECT F	13,184.83	15,438.60	21,000.00	1,528.40	
0 454.0	RENT FROM ELECTRIC PROPERTY	92,347.00	107,855.00	60,000.00	41,605.00	
0 454.01	RENT REVENUE FROM HOME RENTAL PR	0.00	0.00	0.00	0.00	
0 456.0	OTHER ELECTRIC REVENUE	167,821.73	197,242.19	125,000.00	4,747.75	
0 456.01	ELECTRIC REVENUE FROM WHEELING C	584,898.61	583,380.40	600,000.00	49,088.17	
0 456.02	OTHER ELECT REV - SCC SERVICE AGREE	0.00	0.00	0.00	0.00	
0 456.03	MISC REVENUE GENERLINK SALES	24,340.00	24,615.00	12,500.04	645.00	
0 456.1	OTHER ELECTRIC REVENUE - AZ	760.00	0.00	3,500.04	0.00	
	Total for Line 1:	29,819,230.04	30,665,736.13	29,699,893.86	2,987,830.68	2,539,922.14
2. Power Production Expense						
0 535.0	OPERATION SUPERVISION & ENGINEERIN	0.00	0.00	0.00	0.00	
0 536.0	WATER POWER RIGHTS & FERC LICENSE	23,081.82	2,447.39	29,999.54	0.00	
0 536.1	BOULDER PLANT - FERC LICENSE/COMPL	17.32	16,787.35	0.00	0.00	
0 537.0	HYDRAULIC EXPENSES	0.00	0.00	0.00	0.00	
0 538.0	ELECTRIC EXPENSE	185,729.76	189,444.36	189,444.00	15,787.03	

General Ledger
CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----		
	Last Year	This Year	Budget	Current	Budget	
2. Power Production Expense						
0 539.0	MISC HYDRAULIC POWER GENERATION	576.00	535.00	550.00	0.00	45.87
0 540.0	RENTS	0.00	0.00	0.00	0.00	0.00
0 542.0	MAINTENANCE OF STRUCTURES	3,503.51	389.07	0.00	0.00	0.00
0 543.0	MAINT RESERVOIRS, DAMS & WATERWA	11,447.81	3,543.57	38,853.98	0.00	3,228.70
0 544.0	MAINT OF ELECTRIC PLANT	17,913.27	26,233.53	16,019.76	632.62	1,333.64
0 545.0	MAINT MISC HYDRAULIC PLANT	0.00	0.00	0.00	0.00	0.00
0 546.0	OPER, SUPERVISION & ENGINEERING	0.00	0.00	0.00	0.00	0.00
0 548.0	GENERATION EXPENSES	22,888.66	40,185.01	17,164.41	1,473.60	1,419.35
0 549.0	MISC OTHER GENERATING EXPENSE	0.00	0.00	0.00	0.00	0.00
0 550.0	RENTS - GENERATOR SITE LEASE	0.00	0.00	0.00	0.00	0.00
0 553.0	MAINT OF GENERATING & ELECTRIC EQ	40,937.51	25,124.47	64,999.33	0.00	5,158.19
	Total for Line 2:	<u>306,095.66</u>	<u>304,689.75</u>	<u>357,031.02</u>	<u>17,893.25</u>	<u>28,881.96</u>
3. Cost of Purchased Power						
0 555.0	PURCHASED POWER	12,125,528.83	12,203,221.42	12,091,975.84	1,172,818.54	1,045,192.16
0 555.01	PURCHASED POWER - FREMONT HYDRO	162,820.05	164,204.95	200,000.00	0.00	0.00
0 555.1	PURCHASED POWER - GREENWAY PROG	0.00	0.00	0.00	0.00	0.00
0 555.2	ENERGY EFFICIENCY - LED LIGHT CREDI	3,289.29	15,895.48	3,500.00	0.00	291.74
0 555.21	ENERGY EFFICIENCY - WATER HEATER R	17,950.00	5,025.00	15,000.00	800.00	1,250.00
0 556.0	SYSTEM CONTROL & LOAD DISPATCHIN	2,608.22	560.92	3,774.67	0.00	315.72
0 556.01	DGT LOAD SHEDDING	770.00	1,540.00	2,200.00	0.00	183.37
0 557.0	OTHER EXPENSES	0.00	0.00	0.00	0.00	0.00
	Total for Line 3:	<u>12,312,966.39</u>	<u>12,390,447.77</u>	<u>12,316,450.51</u>	<u>1,173,618.54</u>	<u>1,047,232.99</u>
4. Transmission Expense						
0 560.0	OPER SUPERVISION & ENGINEERING	86,272.77	97,935.73	88,802.33	10,330.10	6,664.25
0 561.0	LOAD DISPATCHING	1,636.05	-154.23	5,704.61	0.00	473.68
0 562.0	STATION EXPENSES	213,522.58	146,622.42	167,836.63	11,811.71	12,022.71
0 563.0	OVERHEAD LINE EXPENSES	76,765.16	44,313.58	93,472.68	6,058.11	6,896.02
0 566.0	MISC TRANSMISSION EXPENSES	9,532.21	47,160.11	14,080.37	39,305.49	924.86
0 567.0	RENTS	0.00	0.00	0.00	0.00	0.00
0 570.0	MAINT OF STATION EQUIP	268,240.46	441,270.12	306,817.77	37,447.13	25,362.28
0 570.01	MAINT OF STATION EQUIP-8 MILE GAP S	2,427.01	1,082.50	5,000.00	0.00	416.63
0 571.0	MAINT OF OVERHEAD LINES	63,017.71	103,809.28	40,162.20	1,278.39	3,263.78
	Total for Line 4:	<u>721,413.95</u>	<u>882,039.51</u>	<u>721,876.59</u>	<u>106,230.93</u>	<u>56,024.21</u>
5. Regional Market Operations Expense						
		0.00	0.00	0.00	0.00	0.00

General Ledger CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----		
	Last Year	This Year	Budget	Current	Budget	
6. Distribution Expense - Operation						
0 580.0	OPERATION SUPERVISION & ENGINEERIN	45,043.10	72,559.21	21,183.21	10,494.46	1,752.77
0 581.0	LOAD DISPATCHING	11,811.43	7,052.26	12,421.26	502.83	1,034.07
0 582.0	STATION EXPENSE	90,841.62	31,106.63	16,000.00	299.15	1,333.37
0 583.0	OVERHEAD LINE EXPENSE	219,106.02	276,847.19	215,727.25	14,686.06	18,458.94
0 584.0	UNDERGROUND LINE EXPENSE	33,173.68	10,849.46	16,518.87	106.85	1,107.57
0 585.0	STREET LIGHTING & SIGNAL SYSTEM EX	1,334.63	2,620.69	1,549.95	272.80	128.79
0 586.0	METER EXPENSE	735,777.38	209,007.27	218,014.97	14,522.87	18,003.34
0 586.01	METER EXPENSE - TURTLE METERS	73.16	0.00	-0.06	0.00	-0.90
0 586.02	METER EXPENSE - PLX METER	3,077.88	0.00	387.88	-313.30	41.96
0 586.03	METER EXPENSE - PREPAID METERS	0.00	0.00	0.00	0.00	0.00
0 586.04	METER EXPENSE - TIME OF USE METERS	49.18	0.00	0.08	0.00	-0.69
0 587.0	CUSTOMER INSTALLATION EXPENSE	383.05	0.00	150.00	0.00	12.50
0 588.0	MISC DISTRIBUTION EXPENSE	474,767.18	393,840.94	590,473.06	37,027.70	52,791.97
0 588.01	NET METERING-APPLICATIONS/INSTALL	63,154.53	52,567.04	63,590.24	2,020.07	5,261.42
0 588.02	MISC DISTRIBUTION EXPENSE-GIS JOINT	8,082.95	2,392.16	18,879.54	0.00	1,164.26
0 588.03	MISC DIST-INVENTORY/MAP CORRECTIO	0.00	53,800.64	0.00	976.34	0.00
0 589.0	RENTS, RIGHTS OF WAY	8,173.95	91,686.09	18,691.31	16,676.63	1,571.85
	Total for Line 6:	1,694,849.74	1,204,329.58	1,193,587.56	97,272.46	102,661.22
7. Distribution Expense - Maintenance						
0 590.0	MAINT SUPERVISION & ENGINEERING	123,788.88	153,206.25	88,601.28	14,034.07	7,312.13
0 592.0	MAINT OF STATION EQUIP	224,012.92	234,366.33	246,292.93	17,932.04	19,915.53
0 593.0	MAINT OF OVERHEAD LINES	377,401.41	463,011.96	370,673.39	19,155.76	34,501.32
0 593.01	MAINT OF OVERHEAD LINES - TREE TRIM	237,901.19	233,382.15	353,816.85	1,537.73	28,017.09
0 593.02	MAINT OF OVERHEAD LINES - INTERN W	0.00	109.71	0.00	0.00	0.00
0 593.03	MAINT OF OVERHEAD LINES - KIABAB FE	0.00	78,013.73	0.00	0.00	0.00
0 594.0	MAINT OF UNDERGROUND LINES	204,049.72	179,116.86	220,761.06	15,259.49	29,887.41
0 594.01	MAINT URD LOCATES	343,943.81	330,012.22	278,069.37	19,310.72	17,568.55
0 595.0	MAINT OF LINE TRANSFORMERS	49,848.14	38,913.59	61,188.12	5,629.83	4,004.83
0 596.0	MAINT OF STREET LIGHTNG & SIGNL SYS	20,631.32	20,609.58	16,082.67	3,376.28	1,391.53
0 597.0	MAINTENANCE OF METERS	66,676.75	42,341.28	72,053.04	2,322.32	5,993.69
0 597.01	MAINT OF METERS - TURTLE	14,179.50	5,064.45	18,534.59	0.00	1,542.30
0 597.02	MAINTENANCE OF METERS - PLX	86,452.41	118,533.95	95,999.95	5,975.35	7,991.22
0 597.03	MAINTENANCE OF METERS - PRE-PAID	192.86	206.26	500.41	0.00	41.48
0 597.04	MAINTENANCE OF METERS - TOU	12,157.61	9,900.24	20,000.48	101.39	1,658.92

General Ledger CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----		
	Last Year	This Year	Budget	Current	Budget	
7. Distribution Expense - Maintenance						
0 597.05	MAINTENANCE OF METERS - CAPITALIZE	17,668.16	0.00	0.10	-672.20	-27.52
0 598.0	MAINT OF MISC DISTRIBUTION PLANT	38,972.64	20,778.53	71,999.89	0.00	5,971.40
	Total for Line 7:	1,817,877.32	1,927,567.09	1,914,574.13	103,962.78	165,769.88
8. Customer Accounts Expense						
0 901.0	CUSTOMER ACCOUNTS EXPENSE	57,121.20	48,060.78	60,000.41	3,666.31	4,975.18
0 901.01	CUSTOMER ACCOUNTS EXP-MSR AFTER	34,830.32	34,313.06	31,200.00	2,696.87	2,600.00
0 902.0	METER READING EXPENSE	159,649.14	150,174.34	167,528.81	10,948.15	13,943.07
0 902.01	ANNUAL METER READING EXPENSE	73,851.94	63,487.58	94,893.77	5,450.32	7,872.36
0 902.02	METER READING EXPENSE - PREPAID	0.00	0.00	0.00	0.00	0.00
0 902.03	METER READING EXPENSE - tou	0.00	0.00	0.00	0.00	0.00
0 903.0	CUSTOMER RECORDS & COLLECTION EX	241,238.22	217,452.64	263,525.21	17,338.31	21,834.01
0 903.01	CUSTOMER RECORDS & COLLECT EXP - C	264,148.07	247,300.70	275,000.04	24,497.73	22,916.67
0 904.01	UNCOLLECTIBLE ACCOUNTS	216.25	0.00	0.00	0.00	0.00
	Total for Line 8:	831,055.14	760,789.10	892,148.24	64,597.69	74,141.29
9. Customer Service and Informational Expense						
0 905.01	RATE ANALYSIS - LABOR	1,553.15	0.00	0.00	0.00	0.00
0 907.0	CUSTOMER SERVICES - SUPERVISION	107.17	1,275.00	0.00	0.00	0.00
0 908.0	CUSTOMER ASSISTANCE EXPENSES	116,102.60	104,003.99	121,731.69	8,395.12	8,676.27
0 908.03	CUSTOMER ASSISTANCE - IRP	0.00	0.00	0.00	0.00	0.00
0 908.04	ENERGY EFFICIENCY - GENERAL	137,566.64	68,158.16	156,250.24	1,732.24	12,951.62
0 908.05	ENERGY EFFICIENCY - ENERGY AUDITS	11,542.55	7,182.30	15,000.12	0.00	1,243.89
0 909.0	INFO & INSTRUCTIONAL ADVERTISING E	43,538.34	53,350.25	41,000.33	3,283.74	3,408.32
0 910.0	MISC CUST SERVICE & INFO EXPENSE	3,492.66	3,751.49	6,000.42	0.00	499.35
0 910.01	MISC CUST SERVICE & COMMUNITY SER	0.00	14,149.43	0.00	0.00	0.00
	Total for Line 9:	313,903.11	251,870.62	339,982.80	13,411.10	26,779.45
10. Sales Expense						
0 912.0	DEMONSTRATING & SELLING EXPENSES	0.00	3,174.61	0.00	0.00	0.00
0 912.01	DEM & SELL EXP - ANNUAL MEETINGS	48,094.24	47,223.89	53,259.22	888.16	4,251.79
0 912.02	DEM & SELL EXP - MEMBER APPRECIATI	1,730.73	2,489.15	4,500.22	80.10	374.62
0 912.03	DEM & SELL EXP-EMPLOYEE/DIRECTOR	16,834.02	17,624.75	22,693.96	320.40	1,810.84
0 912.04	DEM & SELL EXP-KEY ACCOUNTS	9,029.99	8,650.82	12,892.43	865.94	1,070.29
0 913.0	ADVERTISING EXPENSES	9,087.38	6,026.41	3,300.00	21.80	275.00
0 916.01	MISC SALES EXPENSES - URECA	100,813.35	86,006.20	84,000.09	1,601.90	6,684.90
0 916.02	MISC SALES EXPENSES - WASHINGTON D	16,469.56	11,001.87	0.00	0.00	0.00

General Ledger CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
10. Sales Expense					
0 916.03 MISC SALES EXPENSES - URECA (TO BILL	0.00	4,560.00	0.00	0.00	0.00
Total for Line 10:	202,059.27	186,757.70	180,645.92	3,778.30	14,467.44
11. Administrative and General Expense					
0 920.0 ADMINISTRATIVE & GENERAL SALARIES	1,207,280.57	1,161,966.20	980,504.17	181,416.39	155,483.65
0 920.01 ADMIN & GEN SALARY-WORKERS COMP	502.52	0.00	0.00	0.00	0.00
0 920.02 ADMIN & GEN SALARY - RESAP	9,142.90	21,471.25	14,301.38	0.00	1,186.60
0 920.03 ADMIN & GENERAL SALARIES - URECA	52,622.34	81,873.71	75,957.58	3,051.84	6,290.92
0 921.01 OFFICE SUPPLIES & EXPENSES	135,593.79	162,625.42	120,000.00	9,275.04	9,666.74
0 921.02 OFFICE SUPPLIES & EXPENSE - TELEPHO	214,652.34	257,075.25	187,600.00	18,591.97	15,633.37
0 921.03 OFF SUPPLIES & EXPENSE - POSTAGE/FRE	14,374.12	8,265.53	9,875.04	390.86	822.92
0 921.04 SOFTWARE & LICENSE RENEWALS	256,773.26	213,745.34	336,775.00	23,112.42	28,065.50
0 921.05 OFFICE SUPPLIES - COMPUTER EQUIPME	74,224.83	90,785.80	75,000.00	6,302.46	6,250.22
0 921.06 SMALL TOOLS	0.00	383.29	11,030.00	0.00	919.24
0 921.07 OFFICE EXPENSE-SUBSCRIPTIONS	15,683.25	6,555.88	45,716.00	153.52	3,809.96
0 923.01 OUTSIDE SERVICES EMPLOYED - AUDITO	14,075.00	14,175.00	14,750.00	0.00	1,229.13
0 923.02 OUTSIDE SERVICES EMPLOYED - ATTOR	79,442.10	32,629.83	51,000.00	2,444.50	4,250.00
0 923.03 OUTSIDE SERVICES EMPLOYED - ENGINE	2,961.00	1,003.50	67,000.00	0.00	5,583.37
0 923.04 OUTSIDE SERVICES EMPLOYED - MISC	58,295.23	65,938.99	149,500.04	4,359.81	12,458.30
0 924.01 PROPERTY INSURANCE EXPENSE	248,069.58	265,278.58	278,000.04	27,224.83	23,166.67
0 925.01 INJURIES & DAMAGES	145,374.67	302,550.47	241,783.97	139,360.62	82,865.48
0 925.02 INJURIES & DAMAGES - ST INSURANCE F	0.00	0.00	0.00	0.00	0.00
0 926.01 EMPLOYEE BENEFITS - NRECA GROUP LI	6,379.00	13,487.73	8,250.04	-206.27	687.54
0 926.02 EMPLOYEE PENSIONS & BNFITS - HEALT	50,323.15	84,601.86	51,344.00	25,550.73	4,278.63
0 926.03 EMPLOYEE PNSIONS & BNFITS - NRECA R	0.00	3,484.03	0.00	3,484.03	0.00
0 926.04 EMPLOYEE PNSIONS & BNFITS - NRECA S	0.00	0.00	0.00	0.00	0.00
0 926.05 EMPLOYEE PNSIONS & BNFITS -CREDIT U	0.00	0.00	0.00	0.00	0.00
0 926.06 EMPLOYEE PNSIONS & BNFITS - POSTRET	44,102.05	56,714.79	49,816.00	11,688.26	4,151.37
0 926.07 EMPLOYEE BENEFITS - CLOTHING ALLO	65,725.82	7,137.37	4,860.00	762.93	405.00
0 926.08 EMPLOYEE BENEFITS - VISION CARE EXP	16,048.42	17,271.89	33,500.00	1,112.01	2,791.41
0 926.09 MEDICAL SAVINGS ACCOUNT EXPENSE	0.00	0.00	0.00	0.00	0.00
0 926.1 EMPLOYEE BENEFITS - WELLNESS PROG	14,307.60	13,061.27	15,000.00	1,971.94	1,250.00
0 926.11 EMPLOYEE BENEFITS - DEFERRED COMP	0.00	250.00	0.00	250.00	0.00
0 928.0 REGULATORY COMMISSION EXPENSE	7,718.34	19,425.00	14,000.00	3,237.50	1,166.63
0 930.0 MISC GENERAL EXPENSES - ADM	123,602.97	186,402.20	165,700.00	40.40	13,808.48

General Ledger CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----		
	Last Year	This Year	Budget	Current	Budget	
11. Administrative and General Expense						
0 930.01	MISC GENERAL EXPENSE - DIRECTORS	-3,494.00	-4,414.38	0.00	-494.86	0.00
0 930.02	MISC GENERAL EXPENSES - TRAINING	948,100.50	995,494.02	997,463.04	119,632.35	80,945.57
0 930.03	MISC GEN EXP - US BANK VISA CARDS	0.00	0.00	0.00	0.00	0.00
0 930.04	MISC GENERAL EXPENSES - MEMBERSHI	22,699.29	26,438.24	63,349.96	4,699.23	5,279.09
0 930.05	MISC GENERAL EXPENSES - ADVERTISIN	43,507.22	48,096.00	35,500.00	4,411.75	2,958.37
0 930.06	MISC GENERAL EXPENSES - TRAVEL	126,391.89	128,499.70	70,400.00	12,091.87	5,733.26
0 930.07	MIS GEN EXP - SPONSORSHIPS, PROMO A	5,700.96	11,254.98	8,213.46	460.11	683.56
0 930.2	DIRECTORS EXPENSE - BOARD MEETING	83,051.59	82,345.12	92,864.82	8,620.89	7,687.40
0 930.21	DIRECTORS EXPENSE - ANNUAL MEETIN	8,586.12	19,836.92	6,000.00	2,712.50	0.00
0 930.22	DIRECTORS EXPENSE - STRATEGIC PLAN	5,856.48	11,665.60	9,999.96	0.00	833.33
0 930.23	DIRECTORS EXPENSE - OTHER MEETINGS	7,013.25	25,412.28	9,000.00	1,058.04	750.00
0 930.24	DIRECTORS EXPENSE - TRAINING/CONFE	19,628.98	10,308.68	35,000.04	0.00	2,916.67
0 930.25	DIRECTORS EXPENSE - BENEFITS	108,766.35	106,241.84	114,999.96	8,576.81	9,583.33
0 930.26	DIRECTORS EXPENSE - MISCELLANEOUS	3,385.48	10,100.24	9,999.96	4,125.00	833.33
0 930.28	MISC GENERAL EXPENSES - BAD DEBT E	0.00	0.00	0.00	0.00	0.00
0 931.0	RENTS	0.00	0.00	0.00	0.00	0.00
0 932.0	MAINTENANCE OF GENERAL PLANT	261,685.29	411,057.94	324,717.90	35,432.24	26,091.09
0 932.01	MAINT OF GENERATOR - BARNEY TOP	29,149.33	3,839.04	0.00	0.00	0.00
0 932.02	MAINTENANCE OF GENERAL PLANT - CO	0.00	32,671.01	0.00	9,472.00	0.00
	Total for Line 11:	<u>4,527,303.58</u>	<u>5,007,007.41</u>	<u>4,778,772.36</u>	<u>674,373.72</u>	<u>530,516.13</u>
12. Total Operation & Maintenance Expense (2 thru 11)		22,727,524.16	22,915,498.53	22,695,069.13	2,255,138.77	2,046,474.57
13. Depreciation & Amortization Expense						
0 403.2	DEPREC OF OTHER PRODUCTION PLT - U	38,445.12	59,692.56	38,445.12	10,286.24	3,844.51
0 403.21	DEPREC EXP - IRC DIESEL GENERATORS -	15,857.70	15,857.70	15,858.00	1,321.46	1,321.61
0 403.3	DEPREC OF HYDRAULIC PRODUCTION PL	0.00	0.00	0.00	0.00	0.00
0 403.31	DEPREC OF HYDRAULIC PLT - BOULDER -	47,581.20	47,723.83	47,581.20	3,985.47	3,964.99
0 403.32	DEPREC OF HYDRAULIC PLT - L BOULDE	34,872.21	35,062.92	35,062.68	2,921.89	2,921.89
0 403.5	DEPREC OF TRANSMISSION PLANT - UT	708,182.16	708,182.16	745,000.00	59,015.18	62,083.48
0 403.51	DEPREC OF TRANSMISSION PLT - BOULD	0.00	0.00	0.00	0.00	0.00
0 403.52	DEPREC OF TRANSMISSION PLANT - AZ	0.00	0.00	0.00	0.00	0.00
0 403.6	DEPREC OF DISTRIBUTION PLANT - UT	2,279,527.03	2,374,566.35	2,322,986.81	201,601.32	193,582.39
0 403.61	DEPREC OF DISTRIBUTION PLANT - AZ	209,952.61	221,370.52	215,384.34	18,953.95	17,948.75
0 403.7	DEPRECIATION OF GENERAL PLANT - UT	755,549.02	765,690.06	800,477.48	61,719.14	80,044.23
0 403.8	DEPRECIATION EXPENSE - LP GAS EQUIP	0.00	0.00	0.00	0.00	0.00

General Ledger
CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
13. Depreciation & Amortization Expense					
Total for Line 13:	4,089,967.05	4,228,146.10	4,220,795.63	359,804.65	365,711.85
14. Tax Expense - Property					
0 408.1 PROPERTY TAX EXPENSE	688,215.72	487,376.76	684,999.96	50,000.00	57,083.33
Total for Line 14:	688,215.72	487,376.76	684,999.96	50,000.00	57,083.33
15. Tax Expense - Other					
0 408.2 FEDERAL UNEMPLOYMENT TAX EXPENS	0.00	0.00	0.00	0.00	0.00
0 408.3 FICA TAX EXPENSE	196.91	89.09	0.00	-0.15	0.00
0 408.4 STATE UNEMPLOYMENT TAX EXPENSE	-0.05	-0.01	0.00	0.00	0.00
0 408.5 STATE SALES & USE TAX EXPENSE	-8,211.42	-15,184.51	12,500.04	-910.15	1,041.67
0 408.6 OTHER TAX EXPENSE	16,841.72	23,332.80	9,999.96	4,459.06	833.33
Total for Line 15:	8,827.16	8,237.37	22,500.00	3,548.76	1,875.00
16. Interest on Long-Term Debt					
0 427.1 INTEREST ON REA LONG-TERM DEBT	0.00	0.00	0.00	0.00	0.00
0 427.2 INTEREST ON NRUCFC LONG-TERM DEBT	1,201,404.02	1,238,209.70	1,299,999.96	125,000.00	108,333.33
0 427.21 INTEREST ON KCWCD LT-DEBT	8,695.35	8,399.39	8,399.04	687.50	699.92
0 427.22 INTEREST ON NRUCFC LINE OF CREDIT	88,071.23	231,964.36	30,000.00	35,539.72	2,500.00
0 427.23 INTEREST ON PPP LOAN	0.00	0.00	0.00	0.00	0.00
Total for Line 16:	1,298,170.60	1,478,573.45	1,338,399.00	161,227.22	111,533.25
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other					
0 431.0 OTHER INTEREST EXPENSE	1,437.68	1,537.18	2,499.96	136.99	208.33
Total for Line 18:	1,437.68	1,537.18	2,499.96	136.99	208.33
19. Other Deductions					
0 425.0 MISCELLANEOUS AMORTIZATION	0.00	0.00	0.00	0.00	0.00
0 426.1 DONATIONS	12,191.00	16,266.33	16,500.00	0.00	1,375.00
0 426.11 SCHOLARSHIP AWARDS & DONATIONS	24,208.00	25,595.20	0.00	2,000.00	0.00
0 426.4 EXPENDITURES FOR CIVIC & POLITICAL	0.00	0.00	900.00	0.00	75.00
0 426.5 OTHER DEDUCTIONS	0.00	0.00	0.00	0.00	0.00
0 428.1 AMORTIZATION OF LOSS ON REACQUIRE	0.00	0.00	0.00	0.00	0.00
0 430.0 INTEREST EXPENSE - SHORT-TERM DEBT	0.00	0.00	0.00	0.00	0.00
Total for Line 19:	36,399.00	41,861.53	17,400.00	2,000.00	1,450.00
20. Total Cost of Electric Service (12 thru 19)	28,850,541.37	29,161,230.92	28,981,663.68	2,831,856.39	2,584,336.33

General Ledger
CFC Form 7

INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
21. Patronage Capital & Operating Margins (1 minus 20)	968,688.67	1,504,505.21	718,230.18	155,974.29	-44,414.19
22. Non Operating Margins - Interest					
0 419.0 INTEREST AND DIVIDEND INCOME	44,545.67	47,029.68	30,000.00	2,749.40	2,500.11
Total for Line 22:	44,545.67	47,029.68	30,000.00	2,749.40	2,500.11
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00	0.00
25. Non Operating Margins - Other					
0 415.0 REVENUE FROM CONTRACT WORK - FRE	34,057.66	74,639.19	45,000.00	20,977.91	3,750.00
0 415.01 REVENUE FROM MISC SALES & CONTRA	0.00	0.00	0.00	0.00	0.00
0 415.02 REVENUE FROM KANE CO WATER CONSE	2,400.00	3,002.01	5,000.04	608.05	416.67
0 415.03 REV FROM SALES OF FIREPLACES & HEA	0.00	0.00	0.00	0.00	0.00
0 415.04 NET FROM INSTALLING NET METERING S	52,165.00	34,509.55	30,000.00	1,082.50	2,500.00
0 415.05 REVENUE FROM FREDONIA ELECT UPGR	0.00	0.00	0.00	0.00	0.00
0 415.06 REVENUE FROM ENERGY EFFICIENCY PR	0.00	0.00	0.00	0.00	0.00
0 415.07 REVENUE FROM SOUTH CENTRAL COMM	0.00	0.00	14,400.00	0.00	1,200.00
0 415.08 REVENUE FROM CONTRACT WORK - FRE	0.00	0.00	0.00	0.00	0.00
0 415.09 REVENUE FROM EMERY TELCOM	0.00	0.00	1,875.00	0.00	156.25
0 415.1 REV FROM SALES OF HOME SURGE PROT	1,535.00	3,115.00	3,500.04	195.00	291.67
0 416.0 COST & EXPENSE OF CONTRACT WORK -	-16,411.68	-64,629.47	-48,100.46	-9,559.21	-3,915.39
0 416.01 COST OF SALES & EXPENSE OF MISC CON	0.00	0.00	0.00	0.00	0.00
0 416.02 EXPENSE FOR KANE CO WATER CONSER	0.00	-408.05	-2,808.31	0.00	-234.37
0 416.03 COST OF MERCHANDISING FIREPLACES	0.00	0.00	0.00	0.00	0.00
0 416.04 COST TO INSTALL NET METERING SERVI	-11,900.17	-11,504.73	-18,574.12	0.00	-1,548.86
0 416.05 COST & EXP OF FREDONIA ELECT UPGRD	0.00	0.00	0.00	0.00	0.00
0 416.06 COST OF ENERGY EFFICIENCY PROGRAM	0.00	0.00	0.00	0.00	0.00
0 416.07 COST OF SALES & EXPENSE - SOUTH CEN	0.00	0.00	0.00	0.00	0.00
0 416.08 COST & EXPENSE OF CONTRACT WORK-C	0.00	0.00	0.00	0.00	0.00
0 416.1 COST OF HOME SURGE PROTECTORS	-343.42	-360.13	-403.41	0.00	-33.36
0 418.0 NONOPERATING RENTAL INCOME	0.00	0.00	1,500.00	0.00	125.00
0 421.0 NONPERATING INCOME - UT IMPACT FEE	293,370.10	313,781.03	304,500.00	48,358.53	25,375.00
0 421.01 NONPERATING INCOME - AZ IMPACT FEE	42,527.01	40,916.95	36,800.00	1,933.83	3,066.63
0 421.1 GAIN ON DISPOSITION OF PROPERTY	106,956.85	133,195.85	50,000.00	3,088.54	4,166.85
0 421.11 MISC NONOPERATING INCOME - GAIN RU	24,164.78	0.00	0.00	0.00	0.00
0 421.2 LOSS ON DISPOSITION OF PROPERTY	0.00	0.00	-5,000.00	0.00	-416.63
Total for Line 25:	528,521.13	526,257.20	417,688.78	66,685.15	34,899.46

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INCOME STATEMENT FOR DEC 2023

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
26. Generation and Transmission Capital Credits					
0 423.0 GENERATION & TRANSMISSION COOP CA	96,129.00	60,745.92	6,819.00	54,495.17	568.25
Total for Line 26:	96,129.00	60,745.92	6,819.00	54,495.17	568.25
27. Other Capital Credits and Patronage Dividends					
0 424.0 OTHER CAPITAL CRS & PATRONAGECAPI	190,238.01	182,070.42	175,000.00	19,183.48	14,583.92
Total for Line 27:	190,238.01	182,070.42	175,000.00	19,183.48	14,583.92
28. Extraordinary Items					
0 434.0 EXTRAORDINARY INCOME	0.00	0.00	0.00	0.00	0.00
0 434.1 GAIN ON CURTAILMENT	0.00	0.00	0.00	0.00	0.00
0 434.15 PPP LOAN FORGIVENESS INCOME	0.00	0.00	0.00	0.00	0.00
0 435.0 EXTRAORDINARY ITEMS	0.00	0.00	0.00	0.00	0.00
0 435.1 EXTRA-ORDINARY DEDUCTIONS	0.00	0.00	0.00	0.00	0.00
Total for Line 28:	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	1,828,122.48	2,320,608.43	1,347,737.96	299,087.49	8,137.55
Operating - Margin	1,255,055.68	1,747,321.55	900,049.18	229,652.94	-29,262.02
Non Operating - Margin	573,066.80	573,286.88	447,688.78	69,434.55	37,399.57
Times Interest Earned Ratio - Operating	1.75	2.02			
Times Interest Earned Ratio - Net	2.41	2.57			
Times Interest Earned Ratio - Modified	2.19	2.41			

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General Ledger

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PARAMETERS ENTERED:

Period: DEC 2023
Standard Financial: CFC Form 7
Group By: All
Division: All
Department: All
Format: Detail
Include Departments: No
Round To Whole Dollars: No
Report Basis: Calendar Year
Budget Revision: 2
Financial And Statistical Data: No
Compare: Budget

General Ledger
CFC Form 7

BALANCE SHEET FOR DEC 2023

		<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
ASSETS AND OTHER DEBITS				
1. Total Utility Plant in Service				
0 301.0	ORGANIZATION COSTS - UTAH	0.00	0.00	0.00
0 301.1	ORGANIZATION COSTS - ARIZONA	0.00	0.00	0.00
0 302.0	FRANCHISES AND CONSENTS - UTAH	0.00	0.00	0.00
0 302.1	FRANCHISES AND CONSENTS - ARIZONA	0.00	0.00	0.00
0 303.0	MISCELLANEOUS INTANGIBLE PLANT - U	0.00	0.00	0.00
0 303.1	MISCELLANEOUS INTANGIBLE PLANT - A	0.00	0.00	0.00
0 330.0	LAND & LAND RIGHTS - HYDRAULIC PRO	0.00	0.00	0.00
0 330.01	LAND & LAND RIGHTS - HYDRO - BOULD	300,450.09	300,450.09	0.00
0 330.02	LAND & LAND RIGHTS - LOWER BOULDE	27,850.00	27,850.00	0.00
0 331.01	STRUCTURES & IMPROVEMENTS - BOULD	206,866.86	219,066.86	12,200.00
0 331.02	STRUCTURES & IMPROVEMENTS - L BOU	365,574.53	365,574.53	0.00
0 332.01	RESERVOIRS, DAMS & WATERWAYS - BO	2,531,004.47	2,531,004.47	0.00
0 332.02	RESERVOIRS, DAMS & WATERWAYS - LO	715,994.17	715,994.17	0.00
0 333.01	WATERWHEELS, TURBINES & GENERATO	962,233.07	962,233.07	0.00
0 333.02	WATER WHEELS, TURBINES, & GENERAT	441,830.94	441,830.94	0.00
0 334.01	ACCESSORY ELECTRIC EQUIP - BOULDER	147,785.79	147,785.79	0.00
0 334.02	ACESSORY ELECTRIC EQUIPMENT - L BO	82,299.21	82,299.21	0.00
0 335.01	MISC POWER PLANT EQUIP - BOULDER #2	23,605.00	23,605.00	0.00
0 335.02	MISC POWER PLANT EQUIPMENT - L BOU	15,185.80	15,185.80	0.00
0 336.01	ROADS, RAILROADS & BRIDGES - BOULD	32,921.05	32,921.05	0.00
0 336.02	ROADS, RAILROADS, & BRIDGES - LOWER	115,020.30	115,020.30	0.00
0 344.0	GENERATORS	585,300.00	2,285,094.87	1,699,794.87
0 344.5	IRC GENERATORS - AZ	317,155.53	317,155.53	0.00
0 345.0	ACCESSORY ELECTRIC EQUIPMENT - OTH	369,963.65	369,963.65	0.00
0 350.0	LAND & LAND RIGHTS - TRANSMISSION P	2,339,973.24	2,339,973.24	0.00
0 350.01	LAND & LAND RIGHTS - TRANS. - BOULD	405.61	405.61	0.00
0 351.0	CLEARING LAND, & ROW - TRANS PLT - U	4,637.09	4,637.09	0.00
0 351.1	CLEARING LAND, & ROW - TRANS PLT - A	21,480.35	21,480.35	0.00
0 352.0	STRUCTURES & IMPROV - TRANS PLANT -	41,920.05	41,920.05	0.00
0 353.0	STATION EQUIP, BOULDER PROJ #2219 - U	55,264.84	55,264.84	0.00
0 353.01	STATION EQUIP - HENRIEVILLE TEL, TRA	59,132.84	59,132.84	0.00
0 353.02	STATION EQUIP, HENREIVILLE SUB TRAN	1,072,962.20	1,072,962.20	0.00
0 353.03	STATION EQUIP, PARIA TEL, TRANS PLT -	37,230.30	37,230.30	0.00
0 353.04	STATION EQUIP - SIGURD SUB - UT	241,623.99	241,623.99	0.00
0 353.05	STATION EQUIP - BUCKSKIN SUB - UT	1,079,202.10	1,079,202.10	0.00

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BALANCE SHEET FOR DEC 2023

	Last Year	This Year	Variance
1. Total Utility Plant in Service			
0 353.06 STATION EQUIP - 138/69 KV PORT TRANS -	546,903.17	546,903.17	0.00
0 353.1 STATION EQUIP - TRANS PLANT - AZ	0.00	0.00	0.00
0 354.0 STEEL TOWERS, FIXTURES - TRANS PLT -	19,018.27	19,018.27	0.00
0 354.1 STEEL TOWERS & FIX - TRANS PLT - AZ	35,371.27	35,371.27	0.00
0 355.0 POLES, & FIXTURES - TRANS PLANT - UT	13,518,693.17	13,518,693.17	0.00
0 355.01 POLES & FIXTURES - BOULDER #2219 - UT	124,637.48	124,637.48	0.00
0 355.1 POLES & FIXTURES - TRANS PLT - AZ	152,097.26	152,097.26	0.00
0 356.0 OH CONDUCTORS & DEVICES - TRANS PL	9,311,436.80	9,311,436.80	0.00
0 356.01 OH CONDUCT & DEVICES - BOULDER 2219 -	144,367.22	144,367.22	0.00
0 356.1 OH CONDUCT & DEVICES - TRANS PLT - A	138,824.79	138,824.79	0.00
0 358.0 UNDERGROUND CONDUCTORS & DEVICE	0.00	0.00	0.00
0 359.0 ROADS & TRAILS - TRANS. PLANT - UTAH	23,982.75	23,982.75	0.00
0 360.0 LAND & LAND RIGHTS - DIST. PLANT - UT	842,724.94	842,724.94	0.00
0 360.1 LAND & LAND RIGHTS - DIST. PLANT - AR	40,374.88	40,374.88	0.00
0 360.11 LAND & LAND RIGHTS - DIST PAIUTE/KIA	0.00	0.00	0.00
0 361.0 STRUCTURES & IMPROVE - DIST PLT - UT	0.00	0.00	0.00
0 361.1 STRUCTURES & IMPROVE - DIST PLT - AZ	0.00	0.00	0.00
0 362.0 STATION EQUIP BOULBER SUB - DIST PLT	488,344.13	488,344.13	0.00
0 362.01 STATION EQUIP - BRYCE CYN SUB - DIST -	389,407.33	389,407.33	0.00
0 362.02 STATION EQUIP - ESCALANTE SUB - DIST	301,436.75	301,436.75	0.00
0 362.03 STATION EQUIP - HANKSVILLE SUB- DIST	168,205.99	168,205.99	0.00
0 362.04 STATION EQUIP - HATCH SUB - DIST -UT	2,194,267.29	2,194,267.29	0.00
0 362.05 STATION EQUIP - HATCH MT SUB - DIST -	111,915.97	111,915.97	0.00
0 362.06 STATION EQUIP - JOHNSON CYN SUB - DIS	105,580.79	105,580.79	0.00
0 362.07 STATION EQUIP - 34.5 KV PORTABLE SUB	135,111.85	135,111.85	0.00
0 362.08 STATION EQUIP - LYMAN SUB - DIST - UT	251,588.89	251,588.89	0.00
0 362.09 STATION EQUIP - ORDERVILLE SUB -DIST	163,962.85	163,962.85	0.00
0 362.1 STATION EQUIP - PAHREA HOLLOW SUB	21,142.52	21,142.52	0.00
0 362.11 STATION EQUIP - PARIA SUB - DIST -UT	279,776.80	279,776.80	0.00
0 362.12 STATION EQUIP - PARKER MT.SUB - DIST	363,589.01	363,589.01	0.00
0 362.13 STATION EQUIP - CITATION SUB - DIST UT	199,456.47	199,456.47	0.00
0 362.14 STATION EQUI - TORREY SUB - DIST - UT	1,478,486.13	1,478,486.13	0.00
0 362.15 STATION EQUIP - TROPIC SUB - DIST - UT	114,517.02	114,517.02	0.00
0 362.16 STATION EQUIP - 69/12.5 PORTABLE SUB	289,200.07	289,200.07	0.00
0 362.17 STATION EQUIP - HILDALE SUB - DIST - U	148,238.63	148,238.63	0.00
0 362.18 STATION EQUIP - KCR SUB - DIST - UT	1,038,397.06	1,038,397.06	0.00

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1. Total Utility Plant in Service			
0 362.19 STATION EQUIP - BICKNELL SUB - DIST -	449,677.87	449,677.87	0.00
0 362.2 STATION EQUIP - SPRY SUB - DIST - UT	150,016.15	150,016.15	0.00
0 362.21 STATION EQUIP - SWAINS CREEK SUB - U	86,740.67	86,740.67	0.00
0 362.22 STATION EQUIP - KANAB CITY SUB - UT	614,103.78	614,103.78	0.00
0 362.23 STATION EQUIP - DUCK CREEK SUB - UT	537,923.20	537,923.20	0.00
0 362.24 STATION EQUIP - TODD'S JCT SUB - UT	1,878,761.40	1,878,761.40	0.00
0 362.25 STATION EQUIP - TWIN CITIES SUB - UT	1,641,229.08	1,641,229.08	0.00
0 362.26 STATION EQUIP - 8 MILE GAP SUB - UT	1,143,006.77	1,143,006.77	0.00
0 362.27 STATION EQUI - 67/34.5 MOBILE SUB - UT	916,794.33	916,794.33	0.00
0 362.28 STATION EQUIP - ZIONVIEW SUB - UT	252,931.72	252,931.72	0.00
0 362.5 STATION EQUIP - COLO CITY SUB - AZ	142,169.39	142,169.39	0.00
0 362.51 STATION EQUIP - FREDONIA SUB - AZ	691,193.28	691,193.28	0.00
0 362.52 STATION EQUIP - RYAN SUB - AZ	154,634.34	154,634.34	0.00
0 362.53 STATION EQUIP - HACK CANYON SUB - A	0.00	0.00	0.00
0 362.54 STATION EQUIP - PIGEON CYN SUB - AZ	0.00	0.00	0.00
0 362.55 STATION EQUIPMENT - PLX - UT	0.00	0.00	0.00
0 362.56 STATION EQUIPMENT - PLX - AZ	0.00	0.00	0.00
0 362.57 STATION EQUIP - 34.5 TO 12.5 MOBILE SUB	0.00	0.00	0.00
0 362.58 STATION EQUIPMENT - RUBY'S - UT	0.00	0.00	0.00
0 364.0 POLES, TOWERS, FIXTURES - DIST PLT - U	12,602,327.91	13,337,253.08	734,925.17
0 364.1 POLES, TOWERS, FIXTURES - DIST PLT - A	1,399,104.51	1,399,104.51	0.00
0 365.0 OH CONDUCTORS & DEVICES - DIST PLT -	13,926,423.72	14,579,653.91	653,230.19
0 365.1 OH CONDUCTORS & DEVICES - DIST PLT -	2,464,847.27	2,464,847.27	0.00
0 366.0 UNDERGROUND CONDUIT - DIST PLT - UT	450,366.31	460,432.40	10,066.09
0 366.1 UNDERGROUND CONDUIT - DIST PLT - AZ	10,588.09	10,588.09	0.00
0 367.0 UG CONDUCTORS & DEVICES - DIST PLT -	8,182,817.58	9,167,146.41	984,328.83
0 367.1 UG CONDUCTORS & DEVICES - DIST PLT -	110,379.77	110,379.77	0.00
0 368.0 LINE TRANSFORMERS - DIST PLANT - UT	14,931,980.47	16,344,190.94	1,412,210.47
0 368.1 LINE TRANSFORMERS - DIST PLANT - AZ	1,725,530.09	2,144,846.49	419,316.40
0 369.0 SERVICES - DIST PLANT - UT	6,329,231.93	6,471,958.27	142,726.34
0 369.1 SERVICES - DIST PLANT - AZ	362,573.63	362,573.63	0.00
0 370.0 METERS - DIST PLANT - UT	3,614,207.40	3,617,105.76	2,898.36
0 370.01 METERS - DIST PLANT 15 YR - UT	1,819,309.74	1,819,309.74	0.00
0 370.02 METERS - DIST PLANT 15 YR - AZ	40,357.71	40,357.71	0.00
0 370.1 METERS - DIST PLANT - AZ	455,874.56	455,874.56	0.00
0 371.0 INSTALL ON CUST PREMISES - DIST PLT -	145,645.64	145,504.54	-141.10

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	Last Year	This Year	Variance	
1. Total Utility Plant in Service				
0 371.1	INSTALL ON CUST PREMISES - DIST PLT -	8,375.62	8,375.62	0.00
0 373.0	STREET LIGHTS & SIGNAL SYS - DIST PLT	101,502.30	102,122.12	619.82
0 373.1	STREET LIGHTS & SIGNAL SYS - DIST PLT	8,104.71	8,104.71	0.00
0 389.0	LAND & LAND RIGHTS - GEN PLANT - UT	286,441.17	286,441.17	0.00
0 390.0	STRUCTURES & IMPROVEMENTS - GEN PL	5,248,560.11	5,304,612.82	56,052.71
0 391.0	OFFICE FURNITURE & EQUIP - GEN PLT -	2,059,231.54	1,486,621.40	-572,610.14
0 392.1	TRANSPORT EQUIP - AUTO'S - UT	7,199.82	7,199.82	0.00
0 392.2	TRANSPORT EQUIP - LIGHT TRUCKS - UT	3,450,253.81	4,022,131.24	571,877.43
0 392.3	TRANSPORT EQUIP - HEAVY TRUCKS - UT	28,935.00	28,935.00	0.00
0 392.4	TRANSP EQUIP - TRAILERS, SNOWMOBILE	1,387,041.42	1,386,981.45	-59.97
0 393.0	STORES EQUIPMENT - GENERAL PLANT -	0.00	0.00	0.00
0 394.0	TOOLS, SHOP, GARAGE EQUIP - GEN PLT	143,862.06	146,424.05	2,561.99
0 395.0	LABORATORY EQUIP - GEN PLANT - UT	810,204.68	897,311.75	87,107.07
0 396.0	POWER OPERATED EQUIP - GEN PLT - UT	6,572,054.63	6,696,118.85	124,064.22
0 397.0	COMMUNICATION EQUIP - GEN PLT - UT	510,797.44	520,787.44	9,990.00
0 397.01	COMMUNICATION EQUIP - BOULDER #221	0.00	0.00	0.00
0 397.02	COMMUNICATION EQUIP - SCADA SYS - U	461,722.72	461,722.72	0.00
0 398.0	MISCELLANEOUS EQUIPMENT - GEN PLT -	1,126,019.80	1,199,082.02	73,062.22
	Total for Line 1:	144,776,985.76	151,201,206.73	6,424,220.97
2. Construction Work in Progress				
0 107.2	CONSTRUCTION WORK IN PROGRESS	2,716,245.84	85,218.76	-2,631,027.08
0 107.25	CONSTRUCTION WIP - BORING	44,914.06	57,535.37	12,621.31
0 107.3	CONST. WORK-IN-PROGRESS - SPECIAL E	-154,106.03	-503,750.08	-349,644.05
	Total for Line 2:	2,607,053.87	-360,995.95	-2,968,049.82
3. Total Utility Plant (1 + 2)				
		147,384,039.63	150,840,210.78	3,456,171.15
4. Accum. Provision for Depreciation and Amort.				
0 108.2	ACC PROV FOR DEPREC-OTHER PRODUCT	-725,177.15	-784,869.71	-59,692.56
0 108.21	ACC PROV FOR DEPREC - IRC GENERATO	-251,081.78	-266,939.48	-15,857.70
0 108.31	ACC PROV FOR DEPREC BOULDER HYDR	-2,829,632.66	-2,877,356.49	-47,723.83
0 108.32	ACC PROV FOR DEPREC - LOW BOULDER	-958,353.04	-993,415.96	-35,062.92
0 108.33	GAIN/LOSS RETIREMENT OF BOULDER H	0.00	0.00	0.00
0 108.5	ACCUM PROV DEPREC - TRANS PLANT - U	-12,454,830.86	-13,163,013.02	-708,182.16
0 108.51	ACC PROV FOR DEPREC - TR PLANT BOUL	-383,402.38	-383,402.38	0.00
0 108.52	ACC PROV FOR DEPREC - TRANS PLANT -	-326,647.53	-326,647.53	0.00
0 108.53	GAIN LOSS RETIRMENT TRANS PLANT - U	0.00	0.00	0.00

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4. Accum. Provision for Depreciation and Amort.			
0 108.54 GAIN LOSS RETIREMENT TRAN PLT - ARI	0.00	0.00	0.00
0 108.6 ACC PROV FOR DEPREC - DIST PLANT - U	-33,460,841.75	-35,666,019.18	-2,205,177.43
0 108.61 ACC PROV FOR DEPREC - DIST PLANT - A	-4,028,945.75	-4,250,316.27	-221,370.52
0 108.62 ACC PROV DEP-NET LOSS/GAIN WO SYS U	3,350,164.48	3,460,626.11	110,461.63
0 108.63 ACC PROV DEP-NET LOSS/GAIN WO SYS-A	85,113.36	85,113.36	0.00
0 108.7 ACC PROV FOR DEPREC - GEN PLANT - UT	-2,375,644.41	-2,521,875.89	-146,231.48
0 108.71 ACC PROV FOR DEPREC - GEN OFF PLT - U	-1,692,543.74	-1,177,164.23	515,379.51
0 108.72 ACC PROV FOR DEPREC TRANS EQUIP AU	-6,539.88	-7,199.82	-659.94
0 108.73 ACC PROV FOR DEP TRANS EQUIP LT TRK	-2,683,567.20	-3,028,735.09	-345,167.89
0 108.74 ACC PROV FOR DEPR TRANS EQUIP-HEAV	-28,935.00	-28,935.00	0.00
0 108.75 ACC PROV FOR DEP TRANS EQUIP TRAIL	-1,239,035.55	-1,190,977.79	48,057.76
0 108.76 ACC PROV FOR DEPREC-TOOLS,GARAGE,	-123,754.33	-130,204.01	-6,449.68
0 108.77 ACC PROV FOR DEPREC- LAB EQUIP - UT	-624,069.28	-658,109.45	-34,040.17
0 108.78 ACC PROV FOR DEPREC - COMM EQUIP -	-343,445.39	-366,744.62	-23,299.23
0 108.79 ACC PROV FOR DEP - COMM EQUIP BOUL	0.00	0.00	0.00
0 108.8 RETIREMENT WORK-IN-PROGRESS	84,725.43	102,556.89	17,831.46
0 108.81 RETIREMENT WORK-IN-PROGRESS -CONT	0.00	0.00	0.00
0 108.82 RETIREMENT WORK-IN-PROGRESS - OVE	0.00	0.00	0.00
0 108.83 RETIREMENT WORK-IN-PROGRESS - ARIZ	0.00	0.00	0.00
0 108.9 ACC PROV FOR DEPREC - MISC EQUIP - UT	-864,902.41	-940,245.48	-75,343.07
0 108.91 ACC PROV FOR DEP - HEAVY EQUIPMENT	-5,042,079.72	-5,202,949.52	-160,869.80
0 108.92 ACC PROV FOR DEPREC - STORES EQUIP -	0.00	0.00	0.00
0 108.93 ACC PROV FOR DEPREC - SCADA EQUIP -	-355,941.74	-377,111.44	-21,169.70
Total for Line 4:	<u>-67,279,368.28</u>	<u>-70,693,936.00</u>	<u>-3,414,567.72</u>
5. Net Utility Plant (3 - 4)	80,104,671.35	80,146,274.78	41,603.43
6. Non-Utility Property (Net)			
Total for Line 6:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
7. Invest. in Subsidiary Companies			
0 123.12 INVESMENT IN GARKANE PROPANE INC.	1,478,228.55	1,478,228.55	0.00
0 123.13 LONG TERM NOTES RECEIVABLE - GARK	0.00	0.00	0.00
0 123.14 UNDISTRIBUTED SUBSIDIARY EARNINGS	1,578,141.22	2,044,136.77	465,995.55
Total for Line 7:	<u>3,056,369.77</u>	<u>3,522,365.32</u>	<u>465,995.55</u>
8. Invest. in Assoc. Org. - Patronage Capital			
0 123.0 INVEST ASSOC ORGANIZATION - NRUCFC	1,144,585.16	1,177,048.90	32,463.74
Total for Line 8:	<u>1,144,585.16</u>	<u>1,177,048.90</u>	<u>32,463.74</u>

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9. Invest. in Assoc. Org. - Other - General Funds			
0 123.01 INVEST IN ASSOC ORGANIZATION - LPAC	0.00	0.00	0.00
Total for Line 9:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds			
0 123.22 INVESTMENTS IN CAPITAL TERM CERTIFI	938,764.66	937,830.72	-933.94
0 123.23 OTHER INVEST. IN ASSOC. ORG. - NRUCFC	1,000.00	1,000.00	0.00
0 123.24 NRUCFC - MEMBER CAPITAL SECURITIES	50,000.00	50,000.00	0.00
0 123.25 OTHER INVESTMENT IN ASSOC ORG - CO	1,000.00	1,000.00	0.00
Total for Line 10:	<u>990,764.66</u>	<u>989,830.72</u>	<u>-933.94</u>
11. Invest. in Economic Development Projects			
Total for Line 11:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
12. Other Investments	0.00	0.00	0.00
13. Special Funds			
0 128.0 OTHER SPEC FUNDS-UNCLAIMED CAPTL	57,985.09	55,773.54	-2,211.55
0 128.01 OTHER SPECIAL FUNDS - ROUNDUP PROG	22,144.54	26,722.68	4,578.14
0 128.02 OTHER SPECIAL FUNDS - EMPLOYEE ASS	0.00	776.08	776.08
0 128.1 SPECIAL FUNDS - DEF COMP - MARCUS LE	10,637.09	26,340.30	15,703.21
0 128.12 SPECIAL FUNDS - DEF COMP - OTHER 1	0.00	0.00	0.00
0 128.13 SPECIAL FUNDS - DEF COMP - OTHER 2	0.00	0.00	0.00
Total for Line 13:	<u>90,766.72</u>	<u>109,612.60</u>	<u>18,845.88</u>
14. Total Other Property & Investments (6 thru 13)	5,282,486.31	5,798,857.54	516,371.23
15. Cash - General Funds			
0 131.0 CASH - CACHE VALLEY BANK-GENERAL	220,647.47	523,394.84	302,747.37
0 131.01 CASH - ZIONS BANK - HATCH - GENERAL	170,798.48	83,272.71	-87,525.77
0 131.02 CASH - SBSU TWIN CITIES FUND ACCOUN	40,386.41	43,874.96	3,488.55
0 131.1 CASH - GENERAL FUND - SBSU	2,174,442.47	2,010,799.47	-163,643.00
0 131.11 CASH - PAYROLL ACCOUNT	250.00	-415.61	-665.61
0 131.12 CAPITAL CREDIT ALLOCATION FUND	-226,029.27	255,063.54	481,092.81
0 131.13 CASH - GENERAL FUND - ONLINE PAYME	150,399.63	98,697.02	-51,702.61
0 131.14 CASH - CREDIT CARD PAYMENT ACCOUN	495,413.19	206,192.62	-289,220.57
0 131.15 CASH - HEALTH & VISION CARE FUND	272,629.16	268,899.25	-3,729.91
0 131.4 TRANSFER OF CASH - CLEARING ACCOUN	0.00	0.00	0.00
0 131.99 CASH - CLEARING ACCT	0.00	-9,243.26	-9,243.26
0 135.0 WORKING FUND - PETTY CASH	1,140.16	1,172.42	32.26
Total for Line 15:	<u>3,300,077.70</u>	<u>3,481,707.96</u>	<u>181,630.26</u>

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16. Cash - Construction Funds - Trustee			
0 131.2 CASH - REA CONSTRUCTION FUND	0.00	0.00	0.00
Total for Line 16:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
17. Special Deposits	0.00	0.00	0.00
18. Temporary Investments			
0 136.0 TEMPORARY CASH INVESTMENTS	0.00	0.00	0.00
Total for Line 18:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
19. Notes Receivable (Net)			
Total for Line 19:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
20. Accounts Receivable - Sales of Energy (Net)			
0 142.0 CONSUMER ACCTS RECEIVABLE - ELECT	2,724,303.89	2,873,687.57	149,383.68
0 142.99 A/R DISC ACCTS WITH CREDIT BALANCE	8,673.70	12,816.28	4,142.58
0 144.1 ACCUM. PROV. FOR UNCOLLECTABLE CO	-95,172.24	-95,172.24	0.00
Total for Line 20:	<u>2,637,805.35</u>	<u>2,791,331.61</u>	<u>153,526.26</u>
21. Accounts Receivable - Other (Net)			
0 142.1 CONSUMER ACCTS RECEIVABLE - RETUR	18,527.41	18,527.41	0.00
0 142.11 CONSUMER ACCTS RECEIVABLE - DISCO	219,535.57	241,301.10	21,765.53
0 143.0 OTHER ACCOUNTS RECEIVABLE	1,563,500.59	2,447,964.83	884,464.24
0 143.1 OTHER ACCOUNTS RECEIVABLE - MISC P	0.00	0.00	0.00
0 143.11 ACCOUNTS RECEIVABLE OTHER - MISC	806,572.72	747,310.56	-59,262.16
0 143.12 ACCTS RECEIVABLE - MISC CLEARING AC	0.00	0.00	0.00
0 143.13 EMPLOYEES ACCTS RECEIVABLE - AFLA	0.00	500.67	500.67
0 143.15 ACCOUNTS RECEIVABLE OTHER - CEO/G	926.72	357.82	-568.90
0 143.16 ACCOUNTS RECEIVABLE OTHER - BORIN	0.00	0.00	0.00
0 143.2 MISC ACCTS RECEIVABLE - SKYLINE LU	0.00	0.00	0.00
0 143.21 ACCTS RECEIVABLE - AIC CONTRACTS	0.00	0.00	0.00
0 143.22 A/R OTHER - SOLAR PROJECT (DESERET)	0.00	0.00	0.00
0 143.23 A/R OTHER - URECA	0.00	0.00	0.00
0 143.24 A/R OTHER - SOLAR PROJECT #2	0.00	0.00	0.00
0 143.25 A/R OTHER - URECA CONTRACT WORK	0.00	0.00	0.00
0 143.26 A/R OTHER - FREMONT IRRIGATION HYD	0.00	0.00	0.00
0 143.27 A/R OTHER - SOLAR PROJECT #3	0.00	0.00	0.00
0 143.28 A/R OTHER - COMMUNITY PROJECTS - KA	9,597.47	9,597.47	0.00
0 143.29 A/R OTHER - KAYSVILLE CITY HELP	0.00	0.00	0.00
0 143.3 ACCTS RECEIVABLE OTHER - GARKANE P	482,734.42	234,645.87	-248,088.55
0 143.4 ACCTS RECEIVABLE - FIREPLACE & HEAT	0.00	0.00	0.00

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21. Accounts Receivable - Other (Net)			
0 143.5 ACCOUNTS RECEIVABLE-WORK FOR OTH	0.00	23.40	23.40
0 143.6 A/R OTHER - LARGE SOLAR INTERCONNE	5,548.43	5,548.43	0.00
0 143.9 CLEARING ACCOUNT VOID BAD CHECKS	0.00	0.00	0.00
Total for Line 21:	3,106,943.33	3,705,777.56	598,834.23
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other			
0 154.0 MATERIALS & SUPPLIES	4,734,445.11	6,721,537.90	1,987,092.79
0 154.99 ANIXTER MATERIALS & SUPPLIES	0.00	0.00	0.00
0 155.0 MERCHANDISE	65,457.29	82,335.54	16,878.25
0 163.0 STORES EXPENSE UNDISTRIBUTED	154,106.03	56,212.85	-97,893.18
Total for Line 23:	4,954,008.43	6,860,086.29	1,906,077.86
24. Prepayments			
0 165.0 PREPAYMENTS	0.00	0.00	0.00
0 165.01 PREPAYMENTS - SUBSTATION PLX	0.00	0.00	0.00
0 165.02 PREPAID CONTRACT WORK	0.00	0.00	0.00
0 165.1 PREPAID INSURANCE	108,206.25	113,156.67	4,950.42
0 165.11 PREPAID HEALTH INSURANCE	0.00	0.00	0.00
0 165.12 PREPAID PENSIONS & BENEFITS - NRECA	0.00	0.00	0.00
0 165.14 PREPAID SOFTWARE LICENSE - DARKTRA	0.00	0.55	0.55
0 165.15 PREPAID WORKERS COMP	6,690.40	18,007.61	11,317.21
0 165.16 PREPAID SOFTWARE LICENSE - PARTNER	19,395.67	-4,837.97	-24,233.64
0 165.17 PREPAID SOFTWARE SUBSCRIPTION - RE	10,000.00	-2,000.00	-12,000.00
0 165.18 PREPAID SOFTWARE LICENSE-STAKING S	9,840.89	23,298.05	13,457.16
0 165.19 PREPAID SALES TAX PENALTY	0.00	0.00	0.00
0 165.2 PREPAID ENERGY EFFICIENCY PROGRAM	0.00	0.00	0.00
0 165.21 PREPAID ATTORNEY FEES	0.00	0.00	0.00
0 165.22 PREPAID SOFTWARE LICENSE - INKY	9,946.82	5,172.26	-4,774.56
0 165.23 PREPAID SOFTWARE LICENSE - ASPEN	0.00	25,953.00	25,953.00
0 165.24 PREPAID SOFTWARE LICENSE - ADOBE	0.00	7,776.07	7,776.07
0 165.25 PREPAID SOFTWARE LICENSE - ESRI	0.00	0.00	0.00
0 165.26 PREPAID SOFTWARE LICENSE - SURVALE	0.00	11,245.00	11,245.00
0 165.27 PREPAID SOFTWARE LICENSE - TRI GLOB	0.00	7,650.00	7,650.00
0 165.28 PREPAID SOFTWARE LICENSE - SOLID WO	0.00	11,765.13	11,765.13
0 165.29 PREPAID SOFTWARE LICENSE - DUO 2 FA	0.00	6,693.68	6,693.68
0 165.3 PREPAID HSA CONTRIBUTIONS	0.00	1,447.65	1,447.65

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	Last Year	This Year	Variance
24. Prepayments			
0 165.31	PREPAYMENTS - SPECIAL EQUIPMENT LA	0.00	0.00
0 165.32	PREPAYMENTS - MEMBERSHIP DUES	24,296.00	35,880.88
0 165.33	PREPAYMENTS - KLINT FRAUD CASE	0.00	0.00
0 165.34	PREPAID SOFTWARE LICENSE-AUTO CAD	0.00	121.55
0 165.35	PREPAID SOFTWARE CONTRACT - DAVEN	0.00	68,859.94
0 165.36	PREPAID SOFTWARE CONTRACT - VERKA	0.00	17,201.85
0 165.37	PREPAID SOFTWARE CONTRACT - BITWA	0.00	0.00
	Total for Line 24:	188,376.03	347,391.92
25. Other Current and Accrued Assets			
0 171.0	INTEREST & DIVIDEND RECEIVABLES - C	6,346.52	6,347.25
0 171.1	INTEREST & DIVIDEND RECEIVABLE - OT	0.00	0.00
	Total for Line 25:	6,346.52	6,347.25
26. Total Current and Accrued Assets (15 thru 25)			
		14,193,557.36	17,192,642.59
27. Deferred Debits			
0 183.0	PREM SURVEY & INVESTIGATION - MISC	0.00	0.00
0 183.01	PREM INVEST CHGS - LAKE POWELL PIPE	1,952.36	1,952.36
0 183.02	PRELIMINARY SUR & INVESTIGATION - W	16,800.47	16,800.47
0 183.03	PRELIMINARY COSTS - PANGUITCH CIT	554.68	554.68
0 183.04	PRELIMINARY INVESTIGATION - ARMAN	7,703.35	7,703.35
0 183.05	PRELIMINARY INVESTIGATION - NATURA	1,265.00	1,265.00
0 183.06	PRELIMINARY-MCRAE/BUCKSKIN SUB V	10,968.86	10,968.86
0 183.07	PRELIMINARY WORK - EV STATION	9,378.44	11,567.60
0 183.08	PRE INVEST-CC TO FREDONIA TRANS UP	0.00	0.00
0 183.09	PRELIMINARY COSTS - DMEA OUTAGE/	0.00	14,585.82
0 183.1	PRELIMINARY INVESTIGATION - TRIBE R	4,333.00	4,333.00
0 184.1	CLEARING ACCT. - TRANSPORTATION EX	496,916.80	931,375.58
0 184.11	CLEARING ACCT - PAYROLL DECUTION	0.00	0.00
0 184.12	CLEARING ACCT. - CASH FROM THE SALE	0.00	0.00
0 184.13	CLEARING ACCT. - WORK ORDER REFUN	0.00	0.00
0 184.14	CLEARING ACCT. - AMI METERING SYSTE	0.00	84,390.63
0 184.15	CLEARING ACCT. - FLEET TRANS EXPENS	0.00	15,864.98
0 184.2	CLEARING ACCOUNT - HEALTH INSURAN	0.00	0.00
0 184.22	CLEARING ACCT - EMPLOYEES CONTR. 40	43.32	0.00
0 184.23	CLEARING ACCT - NRECA LOAN - EMPLO	0.00	0.00
0 184.24	CLEARING ACCT - EMPLOYEE MISC PAYR	168.75	0.00

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	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
27. Deferred Debits			
0 184.25 CLEARING ACCT - CONNECT & COLLECTI	0.00	0.00	0.00
0 184.26 EMPLOYEE'S CONTR - NRECA SAVINGS	0.00	0.00	0.00
0 184.27 CLEARING ACCT - PAYROLL DEDUCT. CR	0.00	0.00	0.00
0 184.28 CLEARING ACCT. CONSUMER ACCTS REC	-7,095.90	-15,588.40	-8,492.50
0 184.29 CLEARING ACCT - WHEELING REVENUE B	0.00	0.00	0.00
0 184.3 CLEARING ACCT - NRECA GROUP LIFE IN	0.00	0.00	0.00
0 184.31 CLEARING ACCT - HSA PAYROLL DEDUC	0.00	0.00	0.00
0 184.32 CLEARING ACCOUNT - DENTAL INSURAN	0.00	0.00	0.00
0 184.33 CLEARING ACCOUNT - NRECA R&S	0.00	0.00	0.00
0 184.34 CLEARING ACCOUNT - VISION INSURANC	0.00	0.00	0.00
0 184.35 CLEARING ACCOUNT - CREDIT CARDS	0.00	0.00	0.00
0 184.4 CLEARING ACCT - POST RET BENFITS	0.00	0.00	0.00
0 184.5 CLEARING ACCT. - WORK ORDERS	0.00	0.00	0.00
0 184.51 CLEARING ACCT. - KCWCD REIMBURSEM	0.00	0.00	0.00
0 184.52 CLEARING ACCT. - LINE EXTENSION REF	-11,501.68	-0.01	11,501.67
0 184.53 CLEARING ACCT. - OTHER	324,278.39	418,238.29	93,959.90
0 184.54 CLEARING ACCT. - DUCK CREEK ACCIDE	0.00	6,884.56	6,884.56
0 184.6 OTHER DEFERRED DEBITS - UNCLAIMED	24,932.21	24,932.21	0.00
0 184.73 CLEARING ACCOUNT - KANAB WAREHOU	0.00	0.00	0.00
0 184.75 CLEARING ACCOUNT-KANAB SERVERS &	0.00	0.00	0.00
Total for Line 27:	<u>880,698.05</u>	<u>1,535,828.98</u>	<u>655,130.93</u>
28. Total Assets and Other Debits (5 + 14 + 26 + 27)	<u>100,461,413.07</u>	<u>104,673,603.89</u>	<u>4,212,190.82</u>

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BALANCE SHEET FOR DEC 2023

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
29. Memberships	0.00	0.00	0.00
30. Patronage Capital			
0 201.1 PATRON'S CAPITAL CREDITS	35,226,386.24	34,638,499.87	-587,886.37
0 201.2 PATRONAGE CAPITAL ASSIGNABLE	12,172,295.91	13,524,215.25	1,351,919.34
Total for Line 30:	47,398,682.15	48,162,715.12	764,032.97
31. Operating Margins - Prior Years			
0 998.2 PROFIT CLEARING NON-OPERATING	-573,066.80	-573,286.88	-220.08
Total for Line 31:	-573,066.80	-573,286.88	-220.08
32. Operating Margins - Current Year			
0 998.1 PROFIT CLEARING OPERATING	-1,255,055.68	-1,747,321.55	-492,265.87
Current Fiscal Margins	1,255,055.68	1,747,321.55	492,265.87
Total for Line 32:	0.00	0.00	0.00
33. Non-Operating Margins			
0 219.1 OPERATING MARGINS	0.00	0.00	0.00
Current Fiscal Margins	573,066.80	573,286.88	220.08
Total for Line 33:	573,066.80	573,286.88	220.08
34. Other Margins and Equities			
0 208.1 DONATED CAPITAL	0.00	0.00	0.00
0 216.1 UNDISTRIBUTED SUBSIDIARY EARNINGS	2,078,141.22	2,644,136.77	565,995.55
0 217.0 RETIRED CAPITAL CREDITS - GAIN	31,776.22	37,156.53	5,380.31
0 219.2 NON-OPERATING MARGINS - SUBSIDIARY D	433,932.00	433,932.00	0.00
0 219.21 NONOPERATING MARGINS PRIOR YRS NO	4,841,860.35	4,841,860.35	0.00
0 219.4 OTHER MARGINS & EQUITIES - PRIOR	0.00	0.00	0.00
Total for Line 34:	7,385,709.79	7,957,085.65	571,375.86
35. Total Margins & Equities (29 thru 34)	54,784,391.94	56,119,800.77	1,335,408.83
36. Long-Term Debt - CFC (Net)			
0 123.21 OTHER INVESTMENTS - NRUCFC CAPITAL	0.00	0.00	0.00
0 224.11 OTHER LONG-TERM DEBT-SUBSCRIPT. CF	0.00	0.00	0.00
0 224.12 OTHER LONG-TERM DEBT - CFC	29,658,953.38	34,422,871.20	4,763,917.82
0 224.13 CFC NOTES EXECUTED - DEBIT	0.00	0.00	0.00
Total for Line 36:	29,658,953.38	34,422,871.20	4,763,917.82
37. Long-Term Debt - Other (Net)			
0 224.02 OTHER LONG TERM DEBT - KCWCD	427,461.19	411,680.95	-15,780.24

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	Last Year	This Year	Variance
37. Long-Term Debt - Other (Net)			
0 224.03 OTHER LONG TERM DEBT - PPP LOAN	0.00	0.00	0.00
Total for Line 37:	427,461.19	411,680.95	-15,780.24
38. Total Long-Term Debt (36 + 37)	30,086,414.57	34,834,552.15	4,748,137.58
39. Obligations Under Capital Leases	0.00	0.00	0.00
40. Accumulated Operating Provisions			
0 228.29 ACCUM PROV FOR POST BENEFITS - RET	0.00	0.00	0.00
0 228.3 ACCUMULATED PROV FOR PENSIONS & B	0.00	0.00	0.00
0 228.31 ACC PROV DEF COMP - MARCUS LEWIS	10,637.09	26,340.30	15,703.21
0 228.34 ACC PROV DEF COMP - OTHER	0.00	0.00	0.00
Total for Line 40:	10,637.09	26,340.30	15,703.21
41. Total Other Noncurrent Liabilities (39 + 40)	10,637.09	26,340.30	15,703.21
42. Notes Payable	0.00	0.00	0.00
43. Accounts Payable			
0 232.1 ACCOUNTS PAYABLE - GENERAL	759,676.01	606,046.40	-153,629.61
0 232.11 ACCOUNTS PAYABLE - OTHER	2,706,346.04	2,242,070.81	-464,275.23
0 232.12 ACCOUNTS PAYABLE - UNCASHED GENE	0.00	0.00	0.00
0 232.13 ACCOUNTS PAYABLE OTHER - ROUNDUP	22,734.77	28,409.37	5,674.60
0 232.14 ACCOUNTS PAYABLE - VISION CARE FUN	0.00	0.00	0.00
0 232.15 ACCTS PAYABLE - UREA PAC FUND	0.00	0.00	0.00
0 232.16 A/P POST RET BENFITS - EMPLOYEES/DIR	0.00	0.00	0.00
0 232.17 ACCOUNTS PAYABLE - POWER COSTS	0.00	0.00	0.00
0 232.18 ACCOUNTS PAYABLE - EMPLOYEE ASST F	0.00	0.00	0.00
0 232.19 ACCOUNTS PAYABLE - REGULATION FEE	0.00	-17,640.97	-17,640.97
Total for Line 43:	3,488,756.82	2,858,885.61	-629,871.21
44. Consumers Deposits			
0 235.0 CONSUMER DEPOSITS - ELECTRIC	574,062.66	610,077.16	36,014.50
0 235.1 HOME RENTAL DEPOSITS	450.00	450.00	0.00
Total for Line 44:	574,512.66	610,527.16	36,014.50
45. Current Maturities Long-Term Debt			
0 233.0 CURRENT MATURITIES LONG TERM DEBT	1,640,593.23	1,736,082.18	95,488.95
0 233.01 CURRENT MATURITIES LONG TERM DEBT	15,481.45	15,780.24	298.79
0 233.02 NOTE PAYABLE - CFC LINE OF CREDIT	4,000,000.00	2,000,000.00	-2,000,000.00
Total for Line 45:	5,656,074.68	3,751,862.42	-1,904,212.26
46. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00

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BALANCE SHEET FOR DEC 2023

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
47. Current Maturities Capital Leases			
Total for Line 47:	0.00	0.00	0.00
48. Other Current and Accrued Liabilities			
0 236.1 ACCRUED PROPERTY TAXES	115,255.48	86,928.92	-28,326.56
0 236.2 ACCRUED FEDERAL UNEMPLOYMENT TA	0.00	0.00	0.00
0 236.3 ACCRUED FICA TAX	0.00	110.74	110.74
0 236.4 ACCRUED STATE UNEMPLOYMENT TAX	386.15	358.09	-28.06
0 236.47 ACCRUED MUNICIPAL ENERGY SALES TA	43,317.07	42,047.33	-1,269.74
0 236.5 ACCRUED UTAH STATE SALES TAX	105,593.27	103,549.77	-2,043.50
0 236.51 ACCRUED UTAH RESORT TAX PAYABLE	0.00	0.00	0.00
0 236.52 ACCRUED ARIZONA STATE SALES TAX	27,317.68	25,048.85	-2,268.83
0 236.53 ACCRUED MOHAVE CO UTILITY GROSS R	71,977.68	72,272.48	294.80
0 237.2 ACCRUED INTREST NRUCFU LOAN	97,754.60	125,000.00	27,245.40
0 237.21 ACCRUED INTREST KCWCD LOAN	4,274.40	4,125.00	-149.40
0 237.22 ACCRUED INTEREST - NRUCFC LINE OF C	0.00	0.00	0.00
0 237.3 ACCRUED INTEREST ON CONSUMER DEP	41,159.23	32,101.90	-9,057.33
0 238.1 PATRONAGE CAPITAL & PATRONAGE RE	1,934,880.95	1,349,714.33	-585,166.62
0 238.11 PATRONAGE CAPITAL CREDITS RETIRED	37,309.59	33,993.82	-3,315.77
0 238.99 PATRONAGE CAP CREDITS RETIRED CLE	0.00	872.36	872.36
0 241.0 FEDERAL WITHHOLDING TAX	0.00	0.00	0.00
0 241.1 STATE WITHHOLDING TAX	0.00	2.77	2.77
0 242.2 ACCRUED PAYROLL	133,727.28	149,287.08	15,559.80
0 242.3 EMPLOYEES ACCRUED PERSONAL LEAVE	1,498,357.76	1,685,884.93	187,527.17
0 242.31 ACCRUED LIABILITY FOR COMPENSATED	144,387.30	162,344.33	17,957.03
0 242.32 DONATED - EMPLOYEE ASSISTANCE FUN	1,410.02	776.08	-633.94
0 242.33 CURRENT LIABILITY - DEFERRED COMP	0.00	0.00	0.00
0 242.99 PAYROLL CLEARING ACCOUNT	0.00	0.00	0.00
Total for Line 48:	<u>4,257,108.46</u>	<u>3,874,418.78</u>	<u>-382,689.68</u>
49. Total Current & Accrued Liabilities (42 thru 48)	13,976,452.62	11,095,693.97	-2,880,758.65
50. Deferred Credits			
0 253.0 OTHER DEFERED CRS-UNCLAIMED CAPT	23,889.33	951,989.50	928,100.17
0 253.1 CONSUMER DONATION - WARM PROGRA	0.00	-1,500.00	-1,500.00
0 253.2 PLANT INVESTMENT FEE - UTAH	1,389,886.31	1,466,102.94	76,216.63
0 253.3 PLANT INVESTMENT FEE - ARIZONA	189,741.21	180,624.26	-9,116.95
0 253.4 DEFERRED CREDITS - ENERGY EFFICIENC	0.00	0.00	0.00
0 253.5 DEFERRED CREDITS - STORES SPREAD	0.00	0.00	0.00

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BALANCE SHEET FOR DEC 2023

	Last Year	This Year	Variance
50. Deferred Credits			
0 257.0 UNAMORTIZED GAIN ON REACQUIRED D	0.00	0.00	0.00
Total for Line 50:	1,603,516.85	2,597,216.70	993,699.85
51. Total Liab. & Other Credits (35+38+41+49+50)	100,461,413.07	104,673,603.89	4,212,190.82

ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION

Balance Beginning of Year	-38,252,022.43
Amounts Received This Year (Net)	-7,577,426.49
TOTAL Contributions-In-Aid-Of-Construction	-45,829,448.92

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PARAMETERS ENTERED:**Period:** DEC 2023**Standard Financial:** CFC Form 7**Group By:** All**Division:** All**Department:** All**Format:** Detail**Include Departments:** No**Round To Whole Dollars:** No**Report Basis:** Calendar Year**Budget Revision:** 2**Financial And Statistical Data:** No**Compare:** Budget

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT				BORROWER NAME		Garkane Energy
				BORROWER DESIGNATION		UT006
				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	86,474,457	4,526,578	166,398	0	90,834,637
2	General Plant Subtotal	16,843,764	1,280,439	984,446	0	17,139,757
3	Headquarters Plant	5,248,560	56,053	0	0	5,304,613
4	Intangibles	0	0	0	0	0
5	Transmission Plant Subtotal	28,969,165	0	0	0	28,969,165
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	5,968,621	12,200	0	0	5,980,821
10	Production Plant - Other	1,272,419	1,699,795	0	0	2,972,214
11	All Other Utility Plant	0	0	0	0	0
12	SUBTOTAL: (1 thru 11)	144,776,986	7,575,065	1,150,844	0	151,201,207
13	Construction Work in Progress	2,607,054	-2,968,050			-360,996
14	TOTAL UTILITY PLANT (12+13)	147,384,040	4,607,015	1,150,844	0	150,840,211
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	TOTAL (e)
		Power Supplier (a)	Major Event (b)	Planned (c)	All Other (d)	
1.	Present Year	94.70	195.90	249.70	421.60	961.90
2.	Five-Year Average	46.64	110.16	97.98	303.31	558.09
PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS						
1.	Number of Full Time Employees		72	4. Payroll - Expensed		3,834,969
2.	Employee - Hours Worked - Regular Time		149,272	5. Payroll - Capitalized		2,024,585
3.	Employee - Hours Worked - Overtime		5,365	6. Payroll - Other		1,072,535
PART J. PATRONAGE CAPITAL				PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE		
	ITEM	THIS YEAR (a)	CUMULATIVE (b)	1. Amount Due Over 60 Days:		
1.	General Retirement	1,502,566	16,640,391	51,609		
2.	Special Retirements	48,629	252,014	2. Amount Written Off During Year:		
3.	Total Retirements (1+2)	1,551,195	16,892,405	3,273		
4.	Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	60,746				
5.	Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	182,070				
6.	Total Cash Received (4+5)	242,816				

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT						BORROWER NAME	Garkane Energy			
						BORROWER DESIGNATION	UT006			
						ENDING DATE	12/31/2023			
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)	INCLUDED IN TOTAL COST		
								FUEL COST ADJUSTMENT (h)	WHEELING & OTHER CHARGES (or Credits) (i)	COMMENTS (j)
1	Deseret power G&T			0 None	285,489,750	12,390,448	4.34	0	475,000	Comments
2				0 None	0	0	0.00	0	0	Comments
3				0 None	0	0	0.00	0	0	Comments
4				0 None	0	0	0.00	0	0	Comments
5				0 None	0	0	0.00	0	0	Comments
6				0 None	0	0	0.00	0	0	Comments
7				0 None	0	0	0.00	0	0	Comments
8				0 None	0	0	0.00	0	0	Comments
9				0 None	0	0	0.00	0	0	Comments
10				0 None	0	0	0.00	0	0	Comments
11				0 None	0	0	0.00	0	0	Comments
12				0 None	0	0	0.00	0	0	Comments
13				0 None	0	0	0.00	0	0	Comments
14				0 None	0	0	0.00	0	0	Comments
15				0 None	0	0	0.00	0	0	Comments
16				0 None	0	0	0.00	0	0	Comments
17				0 None	0	0	0.00	0	0	Comments
18				0 None	0	0	0.00	0	0	Comments
19				0 None	0	0	0.00	0	0	Comments
20				0 None	0	0	0.00	0	0	Comments
21	TOTALS				285,489,750	12,390,448	4.34	0	475,000	

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Garkane Energy
	BORROWER DESIGNATION	UT006
	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	Garkane Energy
	BORROWER DESIGNATION	UT006
	ENDING DATE	12/31/2023

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.			\$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	34,422,871	1,210,964	1,640,593	2,851,557	
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	KCWCD Power Installation Agreement	411,681	8,549	15,481	24,030	
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)	\$34,834,552	\$1,219,513	\$1,656,074	\$2,875,587	

COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Garkane Energy
	BORROWER DESIGNATION	UT006
	ENDING DATE	12/31/2023

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	12,641	12,901	12,771	
	b. KWH Sold				154,787,791
	c. Revenue				16,292,791
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	100	109	105	
	b. KWH Sold				6,722,996
	c. Revenue				641,526
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,886	2,066	1,976	
	b. KWH Sold				91,870,252
	c. Revenue				8,906,825
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	1	1	1	
	b. KWH Sold				19,039,437
	c. Revenue				1,337,988
6. Public Street & Highway Lighting	a. No. Consumers Served	28	28	28	
	b. KWH Sold				398,713
	c. Revenue				74,576
7. Other Sales to Public Authority	a. No. Consumers Served	577	571	574	
	b. KWH Sold				20,399,279
	c. Revenue				2,267,751
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				0
10. TOTAL No. of Consumers (lines 1a thru 9a)		15,233	15,676	15,455	
11. TOTAL KWH Sold (lines 1b thru 9b)					293,218,468
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)					29,521,457
13. Transmission Revenue					583,380
14. Other Electric Revenue					560,899
15. KWH - Own Use					904,065
16. TOTAL KWH Purchased					285,489,750
17. TOTAL KWH Generated					21,830,296
18. Cost of Purchases and Generation					13,577,177
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					70,058
<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	Garkane Energy
	BORROWER DESIGNATION	UT006
	ENDING DATE	12/31/23

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

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Garkane Energy
	BORROWER DESIGNATION	UT006
	ENDING DATE	12/31/2023

(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	Garkane Propane, Inc.	3,522,365	
6	NRUCFC - Patronage Capital Credits		1,177,049
7	NRUCFC - Membership, CTC, Capital Securities		988,831
8	Co-Bank - Membership, Capital Securities		1,000
Subtotal (Line 5 thru 8)		3,522,365	2,166,880
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS			
9			
10			
11			
12			
Subtotal (Line 9 thru 12)		0	0
4. OTHER INVESTMENTS			
13			
14			
15			
16			
Subtotal (Line 13 thru 16)		0	0
5. SPECIAL FUNDS			
17	Unclaimed Capital Credits	55,773	
18	Operation Round-up Fund	26,723	
19	Other Special Funds - Employee Association	776	
20	Deferred Compensation - Homestead Funds	26,340	
Subtotal (Line 17 thru 20)		109,612	0
6. CASH - GENERAL			
21	SBSU - General Funds & Petty Cash	2,351,494	
22	Cache Valley Bank - General & Payroll Funds	522,979	
23	Wells Fargo Bank - Vision Care Fund	268,899	
24	Zions Bank - General & Capital Credit Funds	338,336	
Subtotal (Line 21 thru 24)		3,481,708	0
7. SPECIAL DEPOSITS			
25			
26			
27			
28			
Subtotal (Line 25 thru 28)		0	0
8. TEMPORARY INVESTMENTS			
29			
30			
31			
32			
Subtotal (Line 29 thru 32)		0	0
9. ACCOUNT & NOTES RECEIVABLE - NET			
33	Disconnected Consumers A/R	241,301	
34	Misc Accounts Receivable	3,464,477	
35			
36			
Subtotal (Line 33 thru 36)		3,705,778	0
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED			
37			
38			
39			
40			
Subtotal (Line 37 thru 40)		0	0
Total		10,819,463	2,166,880

NATIONAL RURAL UTILITIES			BORROWER NAME		Garkane Energy
COOPERATIVE FINANCE CORPORATION			BORROWER DESIGNATION		UT006
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)				10,819,463
2	LARGER OF (a) OR (b)				28,059,901
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)			22,626,032	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)			28,059,901	

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT

Garkane Energy Cooperative, Inc. and Subsidiary
PO Box 465
Loa, Utah 84747

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the business-type activities of Garkane Energy Cooperative, Inc. and Subsidiary as of and for the years ended December 31, 2023 and 2022, and the related statements of revenue and patronage capital and cash flows for the years then ended, which collectively comprise the Cooperative's financial statements as listed in the table of contents. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audit.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Garkane Energy Cooperative, Inc. and Subsidiary as of December 31, 2023 and 2022, and the respective changes in consolidated financial position and consolidated cash flows, thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. 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 Garkane Energy Cooperative, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 raised substantial doubt about Garkane Energy Cooperative, Inc. and Subsidiary's ability to continue as a going concern for one year after the date of 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 opinions. 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 and Government Audit Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Garkane Energy Cooperative, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting principles 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 judgement, there are conditions or events, considered in the aggregate that raise substantial doubt about Garkane Energy Cooperative, Inc. and Subsidiary'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 findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Garkane Energy Cooperative, Inc. and Subsidiary's basic financial statements. The section, combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements of Garkane Energy Cooperative, Inc. and Subsidiary.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of Garkane Energy Cooperative, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Garkane Energy Cooperative, Inc. and Subsidiary's internal control over financial reporting and compliance.

Kimball & Roberts, PC

Certified Public Accountants

March 18, 2024
Richfield, Utah

BASIC FINANCIAL STATEMENTS

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and 2022

	2023	2022
ASSETS		
Utility Plant:		
Electric Plant in Service, At Cost	\$151,201,207	\$144,776,986
Construction Work-in-Progress	(360,996)	2,607,054
Total	150,840,211	147,384,040
Less: Accumulated Depreciation	(70,693,936)	(67,279,368)
Net Utility Plant	80,146,275	80,104,672
Property and Investments, At Cost:		
Non-Utility Property - Net	3,051,687	3,063,362
Investments in Associated Companies	2,166,880	2,135,350
Other Investments	109,612	90,767
Deferred Debits	1,535,829	880,698
Total Property and Investments, At Cost	6,864,008	6,170,177
Current Assets:		
Cash in Banks	4,271,387	3,668,083
Accounts Receivable	7,347,596	6,703,726
Allowance for Doubtful Accounts	(169,208)	(113,431)
Materials and Supplies (Average Cost)	6,951,791	5,134,808
Other Current Assets	452,502	243,517
Total Current Assets	18,854,068	15,636,703
TOTAL ASSETS	\$105,864,351	\$101,911,552
EQUITIES AND LIABILITIES		
Equities and Margins:		
Patrons Capital	\$ 56,119,801	\$ 54,784,392
Long-Term Debt:		
Other Long-Term Debt	411,681	427,461
CFC Mortgage Notes	34,422,871	29,658,953
Total Noncurrent Liabilities	34,834,552	30,086,414
Other Noncurrent Liabilities:		
Accumulated Operating Provisions	26,340	10,637
Deferred Income Tax Liability	542,837	418,810
Total Other Noncurrent Liabilities	569,177	429,447
Current Liabilities:		
Accounts Payable	3,159,113	4,256,826
Customer Deposits	624,462	588,448
Current Maturities of Long-Term Debt	3,751,862	5,656,075
Other Current and Accrued Liabilities	4,208,167	4,506,433
Total Current Liabilities	11,743,604	15,007,782
Deferred Credits	2,597,217	1,603,517
TOTAL EQUITIES AND LIABILITIES	\$105,864,351	\$101,911,552

The notes to the financial statements are an integral part of this statement.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF REVENUE AND PATRONAGE CAPITAL
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenues:		
Electricity Sales	\$30,665,736	\$29,819,230
Propane Sales	6,226,127	6,415,476
Total Operating Revenues	36,891,863	36,234,706
Operating Expenses:		
Power Production	304,690	306,096
Cost of Purchased Power	12,390,448	12,312,966
Cost of Propane Sales	4,073,546	4,561,342
Transmission Expenses	882,039	721,414
Distribution Expenses - Operation	1,204,330	1,694,850
Distribution Expenses - Maintenance	1,927,567	1,817,877
Consumer Accounts	760,789	831,055
Customer Service Informational Expense	251,871	313,903
Sales Expenses	186,758	202,059
Administrative and General Expense	6,276,813	6,213,523
Depreciation and Amortization Expense	4,488,080	4,359,108
Taxes	495,614	697,043
Interest on Long-Term Debt	1,478,573	1,299,227
Other Interest	1,537	1,438
Other Deductions	41,862	36,399
Total Operating Expenses and Interest	34,764,517	35,368,300
Net Operating Margins (Deficit)	2,127,346	866,406
Non-Operating Margins:		
Interest Income	48,000	45,582
Gain (Loss) on Disposition of Property	133,196	106,957
Amortized Gain On RUS Loan Discount	-	24,165
Amortized Gain From Impact Fees	354,698	335,897
Miscellaneous Non-Operating Income	60,746	96,129
Net Income From Other Operations	38,363	61,502
Total Non-Operating Margins	635,003	670,232
Other Capital Credits and Allocations	182,070	190,238
Net Income Before Taxes	2,944,419	1,726,876
Provision for Federal Income Taxes	(57,815)	-
Net Margins for Period	2,886,604	1,726,876
Patronage Capital - Beginning of Year	54,784,392	54,600,371
Retirement of Capital Credits	(1,551,195)	(1,542,855)
Patronage Capital - End of Year	\$56,119,801	\$54,784,392

The notes to the financial statements are an integral part of this statement.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Net Margins	\$ 2,950,255	\$ 1,726,896
Adjustments to Reconcile Net Margins for Cash Flows:		
Depreciation and Amortization	4,488,080	4,359,108
Gain or (Loss) on Disposal of Assets	(813,578)	(208,407)
Increase (Decrease) in Operating Assets:		
Accounts Receivable	(588,092)	(1,353,047)
Inventory	(1,816,983)	160,719
Prepayments, Accrued Assets and Deferred Debits	(864,116)	66,345
Increase (Decrease) in Operating Liabilities:		
Accumulated Operating Provisions	15,703	6,257
Accounts Payable	(1,097,713)	1,276,458
Other Current and Accrued Liabilities	(356,082)	614,611
Other Deferred Credits	993,700	(38,961)
	<u>2,911,174</u>	<u>6,609,979</u>
Cash Flows From Noncapital Financing Activities:		
Increase (Decrease) Deferred Tax Liability	124,027	(35,683)
	<u>124,027</u>	<u>(35,683)</u>
Cash Flows From Capital and Related Activities:		
Change in Property, Plant and Equipment	(6,672,480)	(5,744,838)
Construction Work-In-Progress	2,968,050	(104,732)
	<u>(3,704,430)</u>	<u>(5,849,570)</u>
Cash Flows From Investing Activities:		
Other Property and Investments	(615,401)	84,029
	<u>(615,401)</u>	<u>84,029</u>
Cash Flows From Financing Activities:		
Margins and Equities	(985,200)	(1,644,101)
Long-Term Borrowing	4,748,138	3,750,014
Long-Term Debt Retirement	(1,911,018)	(1,657,131)
Customers Deposits	36,014	83,092
	<u>1,887,934</u>	<u>531,874</u>
Increase (Decrease) in Cash and Investments	603,304	1,340,629
Cash and Investments - Beginning of Year	3,668,083	2,327,454
Cash and Investments - End of Year	<u>\$ 4,271,387</u>	<u>\$ 3,668,083</u>
Supplemental Information for Statement of Cash Flows:		
Interest Paid	\$ 1,467,340	\$ 1,299,608

The notes to the financial statements are an integral part of this statement.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note describes various significant accounting policies related to the Garkane Energy Cooperative, Inc. and Subsidiary (Garkane) financial statement presentation. Some accounting policies are presented with the applicable note disclosure item.

Nature of Operations:

Garkane is a non-profit, cooperative association organized to provide retail electric service to residential and commercial accounts in a designated service area. Garkane provides electric service to south-central Utah and northern Arizona. Garkane's wholly owned subsidiary is Garkane Propane, Inc., which also provides propane service to south-central Utah and northern Arizona. Garkane Propane, Inc. is a Utah corporation subject to federal and state income taxes.

Reporting Entity:

In addition to Garkane's financial statements, the financial reports of Garkane include the financial statements of its wholly owned subsidiary, Garkane Propane, Inc. The financial statements are presented on a consolidated basis.

Consolidating Policy:

Garkane's financial statements include a wholly owned subsidiary, Garkane Propane, Inc. The subsidiary follows the same reporting method and year-end. Inter-entity balances and transactions have been eliminated. The Subsidiary's condensed financial statements and description of the consolidation are included in these notes.

Basis of Accounting and System of Accounts:

The accompanying financial statements have been prepared using the accrual basis of accounting. Garkane's accounting records are maintained in accordance with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission.

Electric Plant, Maintenance and Depreciation:

The electric plant is stated at the original cost of construction which includes the cost of contracted services, direct labor, materials and overhead items less contribution from others toward the construction of the electric plant. All additions and retirements of the plant are recorded by means of job orders. Provision is made for depreciation on a straight-line basis. The Public Service Commission of the state wherein the property is located is informed of the depreciation rates used (see Note 4 for depreciation detail).

When property which represents a retirement unit is replaced or removed, the average cost of such property as determined from the continuing property records is credited to the electric plant and such cost, together with costs of removal less salvage is charged to the accumulated provision for depreciation.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Maintenance and repairs, including the renewal of minor items of plant not comprising a retirement unit, are charged to the appropriate maintenance accounts, except that repairs of transportation and service equipment are charged to clearing accounts and redistributed to operation expenses and other accounts.

Electric Revenues:

Operating revenues are generated through rates established by Garkane's Board of Directors and approved by the Utah Public Service Commission and the Arizona Corporation Commission. Electric revenue is recorded as it is billed to customers on a cyclical monthly basis (consumers are grouped into four separate bill cycles for this purpose and are billed monthly for their respective cycle).

Trade Receivables and Allowance for Doubtful Accounts:

Customer billing statements are mailed monthly. Customer bills are due 20 days following the billing date. Meter disconnection begins for customers two months overdue. Delinquent balances of disconnected customers are tracked separately and collection efforts increase including collecting agencies. Customer balances are retained in case of customer reconnection, etc.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions regarding the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, all highly liquid debt instruments purchased with a maturity of three months or less or which are subject to demand liquidation are considered to be cash equivalents.

Inventory:

Materials held in inventory are accounted for using the moving average cost method which is not in excess of market. Obsolete inventory items are written off as considered necessary.

Sales Tax:

Revenues are reported in the income statement net of sales tax.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
 Continued

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax:

Garkane is a regulated, non-profit Cooperative that is exempt from federal and state income taxes. Garkane pays property and sales tax as required by local laws. The subsidiary, Garkane Propane, Inc. is a taxable entity subject to federal and state income taxes. Tax years 2020, 2021, and 2022 are still open to Federal and State taxing authorities.

Date of Subsequent Event Evaluation:

Garkane's subsequent events have been evaluated through the date of financial statement issuance of March 18, 2024.

NOTE 2 - PATRONAGE CAPITAL

Garkane is a non-stock cooperative organized to provide electric energy to its patrons. All revenues from the sale of electric energy which exceed the costs of providing such energy are considered capital contributions and are credited to patrons capital accounts based upon their total patronage. Margins received from sale of goods or services other than electric energy are non-operating margins and are credited to patron accounts at the discretion of the board according to Association by-laws. Operating losses are not allocated to patrons. These capital accounts are payable to patrons or their successors only at the discretion of the Board of Directors with permission of the regulatory bodies, provided, however, that the financial condition of the Association is not impaired.

	2023	2022
Patronage Capital, Beginning of Year	\$54,784,392	\$ 54,600,371
Additions:		
Operating margins (losses)	1,747,321	867,442
Other Capital Credits	573,287	190,238
Nonoperating Margins	565,996	669,196
Deductions:		
Retirement of Patronage	(1,551,195)	(1,542,855)
Patronage Capital, End of Year	\$56,119,801	\$ 54,784,392

Under the provisions of the Mortgage Agreement, the equities and margins must equal or exceed 20% of the total assets of the cooperative before the return to patrons of capital contributed by them can be distributed. In addition, any distribution is generally limited to thirty percent of the patronage capital or margins received by Garkane in the prior calendar year. The equities and margins of Garkane approximate 53.61% for 2023 and 54.53% for 2022 of the total assets at balance sheet date.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - INVESTMENT IN ASSOCIATED COMPANIES

Investments in the associated companies include the following notes receivable:

	<u>% Earnings</u>	<u>Maturity</u>	<u>2023</u>	<u>2022</u>
Patronage Capital Credits - CFC	0.0	Varies	\$ 1,177,049	\$ 1,144,585
Capital Term Certificates - CFC	0.0 - 5.0	2080	937,831	938,765
Class A Membership - CFC	5.0	2070	1,000	1,000
Other Investment in Association - CoBank			1,000	1,000
Member Capital Securities - CFC	7.5	2044	<u>50,000</u>	<u>50,000</u>
Total			<u>\$ 2,166,880</u>	<u>\$ 2,135,350</u>

NOTE 4 - ELECTRIC PLANT AND DEPRECIATION PROCEDURES

Depreciation is calculated on the straight-line basis using the rates disclosed below. Major classes of electric plant at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Production Plant	\$ 8,953,035	\$ 7,241,040
Transmission Plant	28,969,165	28,969,165
Distribution Plant	90,834,637	86,474,457
General Plant	<u>22,444,370</u>	<u>22,092,324</u>
Total Electric Plant in Service	151,201,207	144,776,986
Construction Work-in-Progress	<u>(360,996)</u>	<u>2,607,054</u>
Total	<u>150,840,211</u>	<u>147,384,040</u>
Accumulated Depreciation	<u>(70,693,936)</u>	<u>(67,279,368)</u>
Net Utility Plant	<u>\$ 80,146,275</u>	<u>\$ 80,104,672</u>
Annual Depreciation	<u>\$ 4,488,080</u>	<u>\$ 4,359,108</u>

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
 Continued

NOTE 4 - ELECTRIC PLANT AND DEPRECIATION PROCEDURES (CONTINUED)

Provision has been made for depreciation of the classified plant in service on a straight-line basis as follows:

Depreciation - Hydraulic Production Plant	2.00 - 3.79
Depreciation - Transmission Plant	2.70
Depreciation - Distribution Plant	2.00 - 4.10
General Plant:	
Structures and Improvements	3.30
Office Furniture and Fixtures	10.00
Transportation Equipment	14.25
Stores Equipment	10.00
Tools, Shop and Garage Equipment	10.00
Laboratory Equipment	10.00
Power Operated Equipment	12.00
Communication Equipment	10.00
Miscellaneous Equipment	10.00
Depreciation - Non-Utility Propane Plant	2.00 - 10.00

NOTE 5 - OTHER PROPERTY AND INVESTMENTS

Garkane has the following other property and investments:

	<u>2023</u>	<u>2022</u>
Deferred Compensation	\$ 26,340	\$ 10,637
Zions Bank - Unclaimed Capital Credit Checks	55,774	57,985
Round-up Special Fund and Employee Assistance	26,723	22,145
Deferred Debits	<u>1,535,829</u>	<u>880,698</u>
Total Other Investments	<u>\$ 1,644,666</u>	<u>\$ 971,465</u>

NOTE 6 - DEPOSITS AND INVESTMENTS

Deposits and investments of Garkane have various levels of risk, insurance, collateral, etc. The following summarizes Garkane's deposits and investments.

	<u>2023</u>	<u>2022</u>
Demand Deposits	\$ 4,270,215	\$ 3,666,643
Petty Cash	<u>1,172</u>	<u>1,440</u>
Total Deposits and Investments	<u>\$ 4,271,387</u>	<u>\$ 3,668,083</u>
Balance Sheet Presentation:		
Current Assets, Cash and Investments	<u>\$ 4,271,387</u>	<u>\$ 3,668,083</u>

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
 Continued

NOTE 6 - DEPOSITS AND INVESTMENTS (CONTINUED)

All cash and temporary cash investments may be liquidated on demand. Cash and cash equivalents consist of cash on hand and in checking accounts, repurchase agreement (sweep) accounts, certificates of deposit, and money market funds. The carrying amounts for cash and cash equivalents, which approximate fair market value, were \$4,271,387 at December 31, 2023 and \$3,668,083 at December 31, 2022. Significant concentrations of deposits exceed federally insured deposit limits. As of December 31, 2023, \$949,725 of the bank balances of \$4,486,677 was uninsured and at risk. As of December 31, 2022, \$415,844 of the bank balances of \$4,064,527 was uninsured and at risk. The repurchase agreement has an ending balance of \$2,160,487 and \$2,359,434, at December 31, 2023 and 2022. In 2022 the account owned highly rated bonds, government securities, etc. for the collateral on those accounts, however this account was not insured by FDIC. In 2023 this account is now FDIC insured through SBSU's partnership with The Promontory Network.

NOTE 7 - DEFERRED CREDITS

The following is a summary of deferred credits as of December 31, 2023 and 2022.

	2023	2022
Uncashed Capital Credit Checks	\$ 950,490	\$ 23,889
Unamortized Impact Fees	1,646,727	1,579,628
	\$ 2,597,217	\$ 1,603,517

NOTE 8 - LONG TERM DEBT

Kane County Water Conservancy District - Johnson Canyon - 3 Phase Upgrade/ Cooperative Power Installation Agreement:

The Kane County Water Conservancy District (KCWCD) entered into a cooperative power installation agreement with Garkane Energy (Garkane) in December 2012. This installation agreement included two parts. The first part included the upgrade to three-phase power of Garkane's primary overhead power distribution line near Johnson Canyon. The second part included the underground installation of three-phase power on Johnson Canyon road. Garkane was responsible for the overhead portion and KCWCD was responsible for the underground portion of this project. The installation of the project was completed in January of 2015. The total cost of the project was \$829,825.47. KCWCD agreed to pay for the entire underground portion of the cooperative power installation agreement, which amounted to one-third of the entire project (\$276,331.88). The balance of the cooperative power installation agreement or (two-thirds of the project) was paid for and financed by KCWCD in the form of a \$553,493.59 loan to Garkane to be repaid over 30 years, 1.93% interest, with annual payments of \$24,030.24. Interest began to accrue upon energization of the project, which was in the summer of 2016.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 8 - LONG TERM DEBT (CONTINUED)

The following is a summary of the principal and interest to be paid to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 15,780	\$ 8,250	\$ 24,030
2025	16,085	7,945	24,030
2026	16,395	7,635	24,030
2027	16,712	7,319	24,030
2028	17,034	6,996	24,030
2029-2033	90,231	30,784	120,151
2034-2038	99,281	20,870	120,151
2039-2043	109,239	10,912	120,151
2044-2045	46,705	1,356	96,122
	<u>\$ 427,462</u>	<u>\$ 102,067</u>	<u>\$ 576,725</u>
Total			

National Rural Utilities Cooperative Finance Corporation:

Garkane has 39 mortgage notes with the National Rural Utilities Cooperative Finance Corporation (CFC). These notes are fixed interest rates or renewable terms with maturity dates ranging from years 2024 to 2053. Current year-end interest rates range between 3.45% and 5.3%. Payments to service debt obligations are made quarterly. Substantially all assets are pledged as security for long-term debt to CFC. Garkane has an agreement with the United States Department of Agriculture Division of Rural Utility Services to guarantee the debt.

The following is a summary of the principal and interest to be paid to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,736,082	\$ 1,667,464	\$ 3,403,546
2025	1,768,710	1,593,495	3,362,205
2026	1,802,787	1,488,077	3,290,864
2027	1,823,676	1,441,140	3,264,816
2028	1,815,504	1,363,853	3,179,357
2029-2033	8,978,898	5,654,123	14,633,021
2034-2038	6,618,473	3,835,452	10,453,925
2039-2043	4,312,413	2,592,043	6,904,456
2044-2048	4,607,525	1,481,921	6,089,446
2049-2050	2,694,885	408,458	3,103,343
	<u>\$ 36,158,953</u>	<u>\$ 21,526,026</u>	<u>\$ 57,684,979</u>
Total			

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 8 - LONG TERM DEBT (CONTINUED)

Garkane has a line of credit with CFC. The authorized amount was \$5,000,000 at December 31, 2023 and 2022. As of December 31, 2023 and 2022, the balance owed on the credit line was \$2,000,000 and \$4,000,000 respectively. Applicable interest rates are charged on the current line of credit when advanced. There were two new loans issued during 2023 of \$6,500,000.

The following is a summary of changes in long-term debt:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023	Current Portion
CFC Line of Credit	\$ 4,000,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
KCWCD Note	442,943	-	15,481	427,462	15,780
39 CFC Notes	31,299,546	6,500,000	1,640,594	36,158,952	1,736,082
Total LT Debt	<u>\$ 35,742,489</u>	<u>\$ 6,500,000</u>	<u>\$ 3,656,075</u>	<u>\$ 38,586,414</u>	<u>\$ 3,751,862</u>

NOTE 9 - PENSION AND POSTRETIREMENT BENEFITS

Garkane provides pension benefits to its employees. Retirement benefits are provided through NRECA Retirement Program for all full-time employees with at least one year of employment with the Association.

a. Defined Benefit Retirement Plan

Pension benefits are provided through the National Rural Electric Cooperative Association's (NRECA) multi-employer defined benefit pension plan, designed to provide employees a certain benefit level upon retirement. In this multi-employer 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 the Plan assets are not determined or allocated separately by individual employer in the PPA funding target and PPA actuarial value of assets on those dates. Because the provision of the PPA do not apply to the 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.

The benefit level for 2023 and 2022 was an age 62 plan with a 1.7% benefit level for all employees, multiplied by the highest five years salary average multiplied by the years of service. There were no changes to this plan in 2023 or 2022.

Garkane recognized consolidated expense related to the Plan in 2023 and 2022 of \$2,061,556 and \$2,018,743 respectively, representing full service costs. All past service costs have been fully funded or accrued. The expected consolidated contribution for the year 2024 reflecting inflation is \$2,323,144. Expected contributions amounts beyond 2024 are not available.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 9 - PENSION AND POSTRETIREMENT BENEFITS (CONTINUED)

b. *Personal Leave*

Garkane combined sick leave, vacation leave, and holiday pay into one category entitled personal leave. The accumulated personal leave maximum account balance is 800 hours. Upon termination or retirement Garkane will pay 100% of the unused amount of the accrued liability at the employee's current wage rate. In the event of death, 100% of the unused amount will be paid to the designated beneficiaries of the employee. During the month of January employees can elect to sell back to Garkane 50% of their unused leave up to 100 hours. Employees with more than 520 unused hours can sell back up to 150 hours. Employees can contribute the sell-back amount fully to their 401K, Deferred Compensation Plan (through Homestead Funds), HSA account, or any combination including cash at 75% of value. The amount of the sell-back related to this plan was \$96,693 in 2023 and \$87,808 in 2022. Accrued personal leave and compensated absences for years ending December 31, 2023 and 2022 are \$1,919,559 and \$1,744,544 respectively.

NOTE 10 - COMMITMENTS

a. *Deseret Power*

Under its current wholesale power contract, Garkane is committed to purchase all of its electric power requirements from Deseret Generation and Transmission Cooperative (Deseret) under the terms and conditions of the Deseret Obligations Restructuring Agreement (ORA) dated October 16, 1996. Garkane still retains ownership of its Western Area Power Administration (WAPA) contract. This contract was assigned to Deseret in 2001 but can be taken back on a thirty day notice. Garkane retains ownership in its own hydro-generation facilities; however, Deseret includes these two resources in their total resource pool. Deseret credits Garkane for these two sources on Garkane's bill from the gross amount purchased from Deseret under the terms and conditions of Rate Schedule A as contained in the Resource Integration Agreement between Deseret and Garkane effective April 1, 1996, and the Wholesale Power Contract effective April 1, 1996.

b. *Intermountain Power Agency Agreement*

Under the terms of the power sales contract with the Intermountain Power Agency (IPA), the Association has contracted to receive up to a 1.267% share of the total power output from the Intermountain Power Project (IPP) and has joined with other Utah municipal and cooperative electric suppliers and entered into a joint contract with various California Cities (Burbank, Glendale, Pasadena, and Los Angeles) to purchase the excess power not used by the Utah suppliers. Deseret Power also has the right to withdraw the member allocation or portion thereof; if necessary, in providing power needs to the member. The Association would be responsible, in the event of a shutdown of the IPP plant, for 1.267% of the debt service associated with the plant as well as 1.267% of the maintenance of the facility. This responsibility would be effective two years after such a shutdown.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - CURRENT LIABILITIES

Current liabilities at year-end consist of the following categories.

	<u>2023</u>	<u>2022</u>
Accounts Payable	\$ 917,042	\$ 1,550,480
Accounts Payable - Purchased Power	2,242,071	2,706,346
Customer Deposits Payable	624,462	588,448
Accrued Property Tax	86,929	115,255
Payroll and Payroll Taxes	160,579	134,113
Sales, Use and Franchise Taxes	277,126	295,732
State and Federal Income Tax Payable	69,870	-
Compensated Absences	1,967,855	1,745,954
Patronage Capital Refunds	1,384,581	1,972,191
Dividends Payable	100,000	100,000
Interest Payable	<u>161,227</u>	<u>143,188</u>
Total	<u>\$ 7,991,742</u>	<u>\$ 9,351,707</u>

NOTE 12 - ACCUMULATED OPERATING PROVISIONS

Accumulated non-current liabilities at year-end consist of the following categories.

	<u>2023</u>	<u>2022</u>
Deferred Compensation	<u>\$ 26,340</u>	<u>\$ 10,637</u>
Total	<u>\$ 26,340</u>	<u>\$ 10,637</u>

NOTE 13 - RISK MANAGEMENT

Garkane is exposed to various risks of loss related to torts; theft or damage to assets; errors and omissions; injuries to employees and natural disasters. The Company addresses these risks with insurance. The Federated Rural Electric Insurance Corporation insures for general, automobile, personal injury, errors or omissions up to \$2,000,000 per occurrence. A policy for directors, officers and manager liabilities up to \$10,000,000 per aggregate is also maintained. In addition, the company maintains an all-risk blanket policy for automobile and general liability of \$2,000,000 and a commercial umbrella policy of \$15,000,000. Lastly, the Company maintains an all-risk blanket policy for buildings and personal property. Worker's Compensation Fund of Utah insures Garkane for bodily injury by accident of disease caused by or aggravated by the conditions of employment.

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 14 - GARKANE PROPANE, INC., SUBSIDIARY OF GARKANE ENERGY COOPERATIVE

Garkane Propane, Inc., is a subsidiary of Garkane Energy Cooperative, Inc. Garkane Propane, Inc. was organized under the laws of the State of Utah on November 8, 2002, and business began on January 1, 2003. The Company has eight full-time employees. Their office and operations are located in Hatch, Utah.

On December 16, 2002, a Services Agreement, Subscription Agreement, Lease Agreement, Security Agreement, Revolving Credit Agreement and Promissory Note were approved and executed by Garkane Energy Cooperative, Inc.'s Board of Directors and the Board of Directors of Garkane Propane, Inc.

Upon creation of Garkane Propane, Inc., assets were then transferred from Garkane Energy to Garkane Propane. A schedule of assets transferred to the subsidiary as of January 1, 2003, referred to as Exhibit A of the Subscription Agreement, had a book value of \$1,530,864 and liabilities of \$52,636. These assets and liabilities were transferred for 750 shares of Garkane Propane, Inc. stock. The stock certificate is on file with Garkane Energy.

The Services Agreement calls for various administrative services (accounting, management, etc.) to be performed by Garkane Energy at a cost of \$2,500 per month until December 2022 when the rate was increased to \$2,700 per month. The Lease Agreement calls for Garkane Propane to pay Garkane Energy \$5,025 per month for rented equipment and facilities. This rate was increased in December 2022 to \$5,425 per month. This agreement is valid through November 30, 2027. This agreement is reviewed each November and may be renegotiated.

The following are changes to the Garkane Propane's investment and condensed financial statements.

Changes in Investment Subsidiary:

	<u>2023</u>	<u>2022</u>
Investment in Subsidiary, Beginning of Year	\$ 3,056,370	\$ 3,157,617
Additions:		
Net profit (Loss) from subsidiary operations	565,996	(101,247)
Deductions - Dividend Paid	<u>(100,000)</u>	<u>-</u>
Investment in Subsidiary, End of Year	<u>\$ 3,522,366</u>	<u>\$ 3,056,370</u>

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 14 - GARKANE PROPANE, INC., SUBSIDIARY OF GARKANE ENERGY COOPERATIVE (CONTINUED)

Balance Sheet:

	2023	2022
Assets:		
Current & Other Assets	\$ 1,661,426	\$ 1,443,147
Net Property, Plant and Equipment	3,051,687	3,063,362
Total Assets	\$ 4,713,113	\$ 4,506,509
Liabilities and Stockholders Equity:		
Liabilities:		
Current Liabilities	\$ 647,910	\$ 1,031,329
Deferred Income Tax Liability	542,837	418,810
Total Liabilities	1,190,747	1,450,139
Stockholders Equity:		
Capital Stock	1,478,229	1,478,229
Retained Earnings	2,044,137	1,578,141
Total Stockholders Equity	3,522,366	3,056,370
Total Liabilities and Stockholders Equity	\$ 4,713,113	\$ 4,506,509

Statement of Income and Retained Earnings:

	2023	2022
Operating Income	\$ 6,837,163	\$ 6,560,904
Cost of Sales	(4,143,234)	(4,615,870)
Gross Profit	2,693,929	1,945,034
Operating Expenses	(2,064,282)	(2,046,261)
Non-Operating Income (Expense)	(5,836)	(20)
Provision for Federal Income Taxes	(57,815)	-
Total Expenses	(2,127,933)	(2,046,281)
Net Profit	565,996	(101,247)
Retained Earnings - Beginning of Year	1,578,141	1,679,388
Dividends Paid	(100,000)	-
Retained Earnings - End of Year	\$ 2,044,137	\$ 1,578,141

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 14 - GARKANE PROPANE, INC. SUBSIDIARY OF GARKANE ENERGY COOPERATIVE (CONTINUED)
Statement of Cash Flows:

	2023	2022
Cash Flows from Operating Activities	\$ 644,936	\$ 380,424
Cash Flows from Noncapital Financing Activities	124,027	(35,683)
Cash Flows From Capital and Related Fin Activities	(248,259)	(255,216)
Cash Flows from Financing and Investing Activities	(99,030)	1,036
 Increase (Decrease) In Cash and Investments	 421,674	 90,561
 Cash and Investments - Beginning of Year	 368,005	 277,444
 Cash and Investments - End of Year	 \$ 789,679	 \$ 368,005

NOTE 15 - ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

**COMBINING FINANCIAL
STATEMENTS**

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
COMBINING BALANCE SHEET
December 31, 2023

	Garkane Energy	Subsidiary Garkane Propane	Consolidated	Eliminations		Consolidated After Eliminations
				DR	CR	
ASSETS						
Utility Plant:						
Electric Plant in Service, at Cost	\$ 151,201,207	\$ -	\$ 151,201,207	\$ -	\$ -	\$ 151,201,207
Construction Work-in-Progress	(360,996)	-	(360,996)	-	-	(360,996)
Total Utility Plant, at Cost	150,840,211	-	150,840,211	-	-	150,840,211
Less: Accumulated Depreciation	(70,693,936)	-	(70,693,936)	-	-	(70,693,936)
Total Utility Plant - Net	80,146,275	-	80,146,275	-	-	80,146,275
Property and Investments (At Cost):						
Investment in Wholly Owned Subsidiary	3,522,366	-	3,522,366	-	3,522,366 A	-
Non-Utility Property - Net	-	3,051,687	3,051,687	-	-	3,051,687
Investments in Associated Companies	2,166,880	-	2,166,880	-	-	2,166,880
Other Investments	109,612	-	109,612	-	-	109,612
Deferred Debits	1,535,829	-	1,535,829	-	-	1,535,829
Total Property and Investments, at Cost	7,334,687	3,051,687	10,386,374	-	3,522,366	6,864,008
Current Assets:						
Cash in Banks	3,481,708	789,679	4,271,387	-	-	4,271,387
Accounts Receivable	6,592,281	755,315	7,347,596	-	-	7,347,596
Allowance for Doubtful Accounts	(95,172)	(74,036)	(169,208)	-	-	(169,208)
Materials and Supplies	6,860,086	91,705	6,951,791	-	-	6,951,791
Other Current Assets	353,739	98,763	452,502	-	-	452,502
Total Current Assets	17,192,642	1,661,426	18,854,068	-	-	18,854,068
TOTAL ASSETS	\$ 104,673,604	\$ 4,713,113	\$ 109,386,717	\$ -	\$ 3,522,366	\$ 105,864,351
EQUITIES AND LIABILITIES						
Equities and Margins:						
Patronage Capital	\$ 45,842,107	\$ -	\$ 45,842,107	\$ 3,522,366 A	\$ -	\$ 42,319,741
Current Operating Margin	2,320,608	-	2,320,608	-	-	2,320,608
Accumulated Non-Operating Margins	7,957,086	3,522,366	11,479,452	-	-	11,479,452
Total Equities and Margins	56,119,801	3,522,366	59,642,167	3,522,366	-	56,119,801
Long-Term Liabilities:						
Other Long-Term Debt	411,681	-	411,681	-	-	411,681
CFC Mortgage Notes	34,422,871	-	34,422,871	-	-	34,422,871
Total Long-Term Liabilities	34,834,552	-	34,834,552	-	-	34,834,552
Other Noncurrent Liabilities:						
Accumulated Operating Provisions	26,340	-	26,340	-	-	26,340
Deferred Income Tax Liability	-	542,837	542,837	-	-	542,837
Total Other Noncurrent Liabilities	26,340	542,837	569,177	-	-	569,177
Current Liabilities:						
Accounts Payable	2,858,886	300,227	3,159,113	-	-	3,159,113
Customer Deposits	610,527	13,935	624,462	-	-	624,462
Current Maturities of Long-Term Debt	3,751,862	-	3,751,862	-	-	3,751,862
Other Current and Accrued Liabilities	3,874,419	333,748	4,208,167	-	-	4,208,167
Total Current Liabilities	11,095,694	647,910	11,743,604	-	-	11,743,604
Deferred Credits	2,597,217	-	2,597,217	-	-	2,597,217
TOTAL EQUITIES AND LIABILITIES	\$ 104,673,604	\$ 4,713,113	\$ 109,386,717	\$ 3,522,366	\$ -	\$ 105,864,351
A - Eliminates inter-company equities.	<u>\$ 3,522,366</u>					

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
COMBINING STATEMENT OF REVENUE AND PATRONAGE CAPITAL
For the Year Ended December 31, 2023

	Garkane Energy	Subsidiary Garkane Propane	Consolidated	Eliminations		Consolidated After Eliminations
				DR	CR	
Operating Revenue and Patronage Capital	\$ 30,665,736	\$ 6,837,163	\$ 37,502,899	\$ 611,036	\$ -	\$ 36,891,863
Operating Expenses:						
Power Production	304,690	-	304,690	-	-	304,690
Cost of Purchased Power	12,390,448	-	12,390,448	-	-	12,390,448
Cost of Propane Sales	-	4,143,234	4,143,234	-	69,688	4,073,546
Transmission Expenses	882,039	-	882,039	-	-	882,039
Distribution Expenses - Operation	1,204,330	-	1,204,330	-	-	1,204,330
Distribution Expenses - Maintenance	1,927,567	-	1,927,567	-	-	1,927,567
Consumer Accounts	760,789	-	760,789	-	-	760,789
Customer Service Informational Expense	251,871	-	251,871	-	-	251,871
Sales Expenses	186,758	-	186,758	-	-	186,758
Administrative and General Expense	5,007,007	1,804,348	6,811,355	-	534,542	6,276,813
Depreciation and Amortization Expense	4,228,146	259,934	4,488,080	-	-	4,488,080
Taxes	495,614	-	495,614	-	-	495,614
Interest on Long-Term Debt	1,478,573	6,806	1,485,379	-	6,806	1,478,573
Other Interest	1,537	-	1,537	-	-	1,537
Other Deductions	41,862	-	41,862	-	-	41,862
Total Operating Expenses and Interest	29,161,231	6,214,322	35,375,553	-	611,036	34,764,517
Net Operating Margins (Deficit)	1,504,505	622,841	2,127,346	611,036	(611,036)	2,127,346
Non-Operating Margins:						
Interest Income	47,030	970	48,000	-	-	48,000
Gain (Loss) on Disposition of Property	133,196	-	133,196	-	-	133,196
Amortized Gain from Impact Fees	354,698	-	354,698	-	-	354,698
Miscellaneous Non-Operating Income	60,746	-	60,746	-	-	60,746
Net Income From Municipal Operations	38,363	-	38,363	-	-	38,363
Total Non-Operating Margins	634,033	970	635,003	-	-	635,003
Other Capital Credits and Allocations	182,070	-	182,070	-	-	182,070
Net Income Before Taxes	2,320,608	623,811	2,944,419	611,036	(611,036)	2,944,419
Provision for Federal Income Taxes	-	(57,815)	(57,815)	-	-	(57,815)
Net Income for Period	2,320,608	565,996	2,886,604	611,036	(611,036)	2,886,604
Patronage Capital - Beg. of Year	54,784,392	1,578,141	56,362,533	-	-	56,362,533
Capital Credits Refunds	(1,551,195)	-	(1,551,195)	-	-	(1,551,195)
Earnings (Loss) from Subsidiary	565,996	(100,000)	465,996	-	-	465,996
Eliminate Subsidiary Retained Earnings	-	-	-	-	-	(2,044,137)
Patronage Capital - End of Year	\$ 56,119,801	\$ 2,044,137	\$ 58,163,938	\$ 611,036	\$ (611,036)	\$ 56,119,801
(1) Sales of Propane to Parent	\$ 69,688					
Lease Payments to Parent	65,100					
Labor	437,042					
Interest Paid	6,806					
Administrative Fee	32,400					
Total	\$ 611,036					

GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2023

	Garkane Energy	Subsidiary Garkane Propane	Consolidated
Cash Flows from Operating Activities:			
Patronage Capital or Margins	\$ 2,320,608	\$ 629,647	\$2,950,255
Adjustments to Net Margin for Cash Flow:			
Depreciation and Amortization	4,228,146	259,934	4,488,080
Loss on Disposal of Assets	(813,578)	-	(813,578)
(Increase) Decrease in Operating Assets:			
Accounts Receivable	(752,360)	164,268	(588,092)
Inventory	(1,906,078)	89,095	(1,816,983)
Prepayments, Accrued Assets, and Deferred Debits	(814,148)	(49,968)	(864,116)
Increase (Decrease) in Operating Liabilities			
Accumulated Operating Provisions	15,703	-	15,703
Accounts Payable	(629,871)	(467,842)	(1,097,713)
Other Current and Accrued Liabilities	(382,690)	26,608	(356,082)
Other Deferred Credits	993,700	-	993,700
Net Cash Provided By Operating Activities	<u>2,259,432</u>	<u>651,742</u>	<u>2,911,174</u>
Cash Flows from Noncapital Financing Activities:			
Increase (Decrease) in Deferred Tax Liability	-	124,027	124,027
Net Cash Provided By Noncapital Financing Activities	<u>-</u>	<u>124,027</u>	<u>124,027</u>
Cash Flows From Financing Activities:			
Dividends Paid (Received)	100,000	(100,000)	-
Other Property and Investments	(616,371)	970	(615,401)
Net Cash Used for Capital and Related Financing Activities	<u>(516,371)</u>	<u>(99,030)</u>	<u>(615,401)</u>
Cash Flows From Capital and Related Activities:			
Increase in Property, Plant and Equipment	(6,424,221)	(248,259)	(6,672,480)
Construction Work-In-Progress	2,968,050	-	2,968,050
Net Cash Used in Investing Activities	<u>(3,456,171)</u>	<u>(248,259)</u>	<u>(3,704,430)</u>
Cash Flows From Financing and Investing Activities:			
Margins and Equities	(985,200)	-	(985,200)
Long-Term Debt Proceeds	4,748,138	-	4,748,138
Long-Term Debt Retirement	(1,904,212)	-	(1,904,212)
Interest on Long-Term Debt	-	(6,806)	(6,806)
Customer Deposits	36,014	-	36,014
Net Cash Used in Financing Activities	<u>1,894,740</u>	<u>(6,806)</u>	<u>1,887,934</u>
Increase (Decrease) in Cash and Investments	181,630	421,674	603,304
Cash and Investments - Beginning of Year	<u>3,300,078</u>	<u>368,005</u>	<u>3,668,083</u>
Cash and Investments - End of Year	<u>\$ 3,481,708</u>	<u>\$ 789,679</u>	<u>\$4,271,387</u>
Supplemental Information for Statement of Cash Flows:			
Interest Paid	<u>\$ 1,460,534</u>	<u>\$ 6,806</u>	<u>\$ 1,467,340</u>

COMPLIANCE SECTION

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Garkane Energy Cooperative, Inc. and Subsidiary
PO Box 465
Loa, Utah 84747

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Garkane Energy Cooperative, Inc. and Subsidiary, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Garkane Energy Cooperative, Inc. and Subsidiary's financial statements, and have issued our report thereon dated March 18, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Garkane Energy Cooperative, Inc. and Subsidiary's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Garkane Energy Cooperative, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Garkane Energy Cooperative, Inc. and Subsidiary's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Garkane Energy Cooperative, Inc. and Subsidiary's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kimball & Roberts, PC

Certified Public Accountants

March 18, 2024
Richfield, Utah

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General Ledger CFC Form 7

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INCOME STATEMENT FOR DEC 2023

Division: 1 ELECTRIC

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	19,282,997	24,499,180	18,614,774	1,242,542	713,391
2. Power Production Expense	0	0	0	0	0
3. Cost of Purchased Power	11,104,468	16,406,280	10,766,875	735,513	240,845
4. Transmission Expense	47,548	46,863	49,645	5,760	2,934
5. Regional Market Operations Expense	0	0	0	0	0
6. Distribution Expense - Operation	797,889	850,655	811,660	57,282	49,278
7. Distribution Expense - Maintenance	1,627,617	1,891,537	1,641,320	91,639	119,019
8. Customer Accounts Expense	972,109	866,329	1,009,591	73,081	73,616
9. Customer Service and Informational Expense	0	0	0	0	0
10. Sales Expense	0	0	0	0	0
11. Administrative and General Expense	2,153,483	2,525,304	2,206,319	208,537	148,023
12. Total Operation & Maintenance Expense (2 thru 11)	16,703,113	22,586,967	16,485,410	1,171,811	633,715
13. Depreciation & Amortization Expense	1,692,182	1,668,790	1,617,209	146,037	134,767
14. Tax Expense - Property	0	0	0	0	0
15. Tax Expense - Other	0	0	0	0	0
16. Interest on Long-Term Debt	1,036,370	1,213,775	1,200,429	117,840	98,250
17. Interest Charged to Construction - Credit	0	0	0	0	0
18. Interest Expense - Other	57,358	163,055	135,449	1,896	32,904
19. Other Deductions	0	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	19,489,022	25,632,588	19,438,497	1,437,584	899,636
21. Patronage Capital & Operating Margins (1 minus 20)	-206,026	-1,133,407	-823,723	-195,042	-186,245
22. Non Operating Margins - Interest	21,457	21,921	20,461	632	204
23. Allowance for Funds Used During Construction	0	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0	0
25. Non Operating Margins - Other	-90,569	7,319	0	0	0
26. Generation and Transmission Capital Credits	0	135,799	0	0	0
27. Other Capital Credits and Patronage Dividends	555,639	222,478	555,639	9,795	0
28. Extraordinary Items	0	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	280,501	-745,890	-247,624	-184,615	-186,041
Operating - Margin	-206,026	-1,133,407	-823,723	-195,042	-186,245
Non Operating - Margin	486,526	387,517	576,099	10,427	204
Times Interest Earned Ratio - Operating	0.80	0.07			
Times Interest Earned Ratio - Net	1.27	0.39			
Times Interest Earned Ratio - Modified	0.73	0.09			

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General Ledger

CFC Form 7

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PARAMETERS ENTERED:

Period: DEC 2023
Standard Financial: CFC Form 7
Group By: Division
Division: [1]
Department: All
Format: Summary
Include Departments: No
Round To Whole Dollars: Yes
Report Basis: Calendar Year
Budget Revision: Highest
Financial And Statistical Data: No
Compare: Budget

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BALANCE SHEET FOR DEC 2023

Division: 1 ELECTRIC

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	59,072,763	61,618,596	2,545,832
2. Construction Work in Progress	1,057,788	2,916,225	1,858,436
3. Total Utility Plant (1 + 2)	60,130,551	64,534,820	4,404,269
4. Accum. Provision for Depreciation and Amort.	-29,120,759	-30,240,855	-1,120,096
5. Net Utility Plant (3 - 4)	31,009,792	34,293,966	3,284,173
6. Non-Utility Property (Net)	37,105	36,141	-964
7. Invest. in Subsidiary Companies	0	0	0
8. Invest. in Assoc. Org. - Patronage Capital	12,585,953	12,734,252	148,299
9. Invest. in Assoc. Org. - Other - General Funds	1,611,379	1,666,273	54,893
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0	0	0
11. Invest. in Economic Development Projects	0	0	0
12. Other Investments	220,620	301,870	81,251
13. Special Funds	0	0	0
14. Total Other Property & Investments (6 thru 13)	14,455,056	14,738,536	283,480
15. Cash - General Funds	-519,119	683,677	1,202,796
16. Cash - Construction Funds - Trustee	0	0	0
17. Special Deposits	0	0	0
18. Temporary Investments	0	0	0
19. Notes Receivable (Net)	347,222	4,689,676	4,342,453
20. Accounts Receivable - Sales of Energy (Net)	2,493,328	-853,602	-3,346,930
21. Accounts Receivable - Other (Net)	7,712,945	1,571,628	-6,141,317
22. Renewable Energy Credits	0	0	0
23. Material and Supplies - Electric & Other	1,148,795	1,445,114	296,319
24. Prepayments	205,221	223,339	18,118
25. Other Current and Accrued Assets	263,551	225,700	-37,851
26. Total Current and Accrued Assets (15 thru 25)	11,651,944	7,985,532	-3,666,412
27. Deferred Debits	4,560,596	5,250,823	690,228
28. Total Assets and Other Debits (5 + 14 + 26 + 27)	61,677,388	62,268,857	591,468

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General Ledger CFC Form 7

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BALANCE SHEET FOR DEC 2023

Division: 1 ELECTRIC

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
29. Memberships	28,915	29,460	545
30. Patronage Capital	29,018,847	29,513,703	494,857
31. Operating Margins - Prior Years	0	0	0
32. Operating Margins - Current Year	-206,026	-1,133,407	-927,381
33. Non-Operating Margins	486,526	170,361	-316,166
34. Other Margins and Equities	10,796	12,913	2,117
35. Total Margins & Equities (29 thru 34)	29,339,058	28,593,030	-746,029
36. Long-Term Debt - CFC (Net)	21,482,163	24,535,506	3,053,343
37. Long-Term Debt - Other (Net)	2,168,750	1,997,886	-170,864
38. Total Long-Term Debt (36 + 37)	23,650,913	26,533,392	2,882,479
39. Obligations Under Capital Leases	0	481,775	481,775
40. Accumulated Operating Provisions	0	0	0
41. Total Other Noncurrent Liabilities (39 + 40)	0	481,775	481,775
42. Notes Payable	2,000,000	0	-2,000,000
43. Accounts Payable	1,446,473	1,322,525	-123,948
44. Consumers Deposits	433,068	381,401	-51,667
45. Current Maturities Long-Term Debt	0	0	0
46. Current Maturities Long-Term Debt - Econ. Devel.	0	0	0
47. Current Maturities Capital Leases	0	0	0
48. Other Current and Accrued Liabilities	4,807,876	4,956,735	148,858
49. Total Current & Accrued Liabilities (42 thru 48)	8,687,417	6,660,660	-2,026,757
50. Deferred Credits	0	0	0
51. Total Liab. & Other Credits (35+38+41+49+50)	61,677,388	62,268,857	591,468
ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION			
Balance Beginning of Year	-1,832,439		
Amounts Received This Year (Net)	-1,285,041		
TOTAL Contributions-In-Aid-Of-Construction	-3,117,480		

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General Ledger

CFC Form 7

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PARAMETERS ENTERED:

Period: DEC 2023
Standard Financial: CFC Form 7
Group By: Division
Division: [1]
Department: All
Format: Summary
Include Departments: No
Round To Whole Dollars: Yes
Report Basis: Calendar Year
Budget Revision: Highest
Financial And Statistical Data: No
Compare: Budget