

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

**E-01891A**

Garkane Energy Cooperative, Inc.  
PO Box 465  
Loa, UT 84747

**RECEIVED**  
**MAY 06 2019**  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION – DIRECTOR'S OFFICE

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

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**ANNUAL REPORT**  
**Electric**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2018</b>
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FOR COMMISSION USE

<b>ANN 01</b>	<b>18</b>
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5-7-19

**COMPANY INFORMATION**

<b>Company Name (Business Name)</b> <u>GARKANE ENERGY COOPERATIVE, INC</u>			
<b>Mailing Address</b> <u>120 WEST 300 SOUTH / PO BOX 465</u>			
(Street)			
<u>LOA</u>	<u>UT</u>	<u>84747</u>	
(City)	(State)	(Zip)	
<u>(435) 836-2795</u>	<u>(435) 836-2497</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>marcus.lewis@garkane.com</u>			
<b>Local Office Mailing Address</b> <u>SAME AS ABOVE</u>			
(Street)			
(City) (State) (Zip)			
Local Customer Service Phone No. (Include Area Code)		(1-800 or other long distance Customer Service Phone No.)	
<b>Email Address</b> _____		<b>Website address</b> <u>www.GarkaneEnergy.com</u>	

**MANAGEMENT INFORMATION**

<input type="checkbox"/> <b>Regulatory Contact:</b>			
<input checked="" type="checkbox"/> <b>Management Contact:</b> <u>MARCUS LEWIS</u> <u>CFO</u>			
(Name) (Title)			
<u>120 WEST 300 SOUTH / PO BOX 465</u>	<u>LOA</u>	<u>UT</u>	<u>84747</u>
(Street)	(City)	(State)	(Zip)
<u>(435) 836-2795</u>	<u>(435) 836-2497</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>marcus.lewis@garkane.com</u>			
<b>On Site Manager:</b> <u>DAN MCCLENDON - CEO</u>			
(Name)			
<u>120 WEST 300 SOUTH / PO BOX 465</u>	<u>LOA</u>	<u>UT</u>	<u>84747</u>
(Street)	(City)	(State)	(Zip)
<u>(435) 836-2795</u>	<u>(435) 836-2497</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>dan.mcclendon@garkane.com</u>			

**Statutory Agent:** JENNIFER A. CRANSTON

(Name)

2575 E. CAMELBACK ROAD, SUITE 1100 PHOENIX

AZ

85016

(Street)

(City)

(State)

(Zip)

(602) 530-8000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:** JENNIFER A. CRANSTON

(Name)

2575 E. CAMELBACK ROAD, SUITE 1100 PHOENIX

AZ

85016

(Street)

(City)

(State)

(Zip)

(602) 530-8000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** jennifer.cranston@gknet.com

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)         | <input checked="" type="checkbox"/> Association/Co-op (A)                 |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |  |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE            |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL               |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA                |
| <input type="checkbox"/> STATEWIDE  |                                   |  |

**SERVICES AUTHORIZED TO PROVIDE**

Check the following box/es for the services that you are authorized to provide:

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

**Other** (Specify) \_\_\_\_\_

**STATISTICAL INFORMATION**

**Retail Information**

	Number of Arizona Customers	Number of kWh Sold in Arizona
Residential	1,105	19,999,036
Commercial	218	9,670,405
Industrial		
Public Street and Highway Lighting	<b>6</b>	<b>60,222</b>
Irrigation	32	1,612,709
<b>Total Retail</b>	1,361	31,342,372

**Wholesale Information**

	Number of Customers	Number of kWh Sold
Resale	43	3,074,254
Short-term Sales (durations of less than one year)		
<b>Total Wholesale</b>	43	3,074,254

Total MWh Sold	<u>34,417</u>	MWh
Maximum Peak Load	<u>9.6</u>	MW

COMPANY NAME: \_\_\_\_\_

**UTILITY SHUTOFFS / DISCONNECTS**

<b>MONTH</b>	<b>Termination without Notice R14-2-211.B</b>	<b>Termination with Notice R14-2-211.C</b>	<b>OTHER</b>
JANUARY		7	
FEBRUARY		15	
MARCH		20	
APRIL		16	
MAY		21	
JUNE		21	
JULY		7	
AUGUST		26	
SEPTEMBER		17	
OCTOBER		7	
NOVEMBER		10	
DECEMBER		12	
<b>TOTALS →</b>		179	

OTHER (description):

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**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF UTAH

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	WAYNE COUNTY
NAME (OWNER OR OFFICIAL) TITLE	MARCUS V LEWIS
COMPANY NAME	GARKANE ENERGY COOPERATIVE, INC.

RECEIVED  
UTILITIES DIVISION  
2019 MAY -6 A 10:10  
ARIZONA CORPORATION  
COMMISSION

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2018

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

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2018 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>3,972,976</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 319,809  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

*Marcus V Lewis*  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
(435)836-2735  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

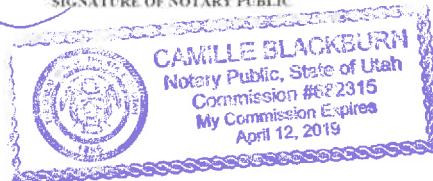
THIS 29 DAY OF

(SEAL)

COUNTY NAME	Wayne
MONTH	March 2019

*Camille Blackburn*  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 4-12-19



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

RECEIVED  
UTILITIES DIVISION  
2019 MAY -6 A 10:10  
ARIZONA CORPORATION  
COMMISSION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) WAYNE COUNTY	
NAME (OWNER OR OFFICIAL) MARCUS V LEWIS	TITLE CFO
COMPANY NAME GARKANE ENEGY COOPERATIVE, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2018

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

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2018 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>2,443,925</u>
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(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 253,303 IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

*Marcus V Lewis*  
SIGNATURE OF OWNER OR OFFICIAL

(435)836-2795  
TELEPHONE NUMBER

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

THIS 29 DAY OF

(SEAL)

MY COMMISSION EXPIRES 4-12-19

NOTARY PUBLIC NAME <i>Camille Blackburn</i>	
COUNTY NAME <i>Wayne</i>	
MONTH <i>3 - 29</i>	YEAR <i>2019</i>

*Camille Blackburn*  
SIGNATURE OF NOTARY PUBLIC



## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the Company year-end (Calendar Year 2018) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**



**GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2018 AND 2017**

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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, 2018 and 2017, and the related statements of revenue and patronage capital and cash flows for the years then ended, which collectively comprise the Corporation's financial statements as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### ***Management's Responsibility for the Financial Statements***

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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

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 at December 31, 2018 and 2017, 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.

*Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Garkane Energy Cooperative, Inc. and Subsidiary's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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 February 16, 2019, 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

February 16, 2019  
Richfield, Utah

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# **BASIC FINANCIAL STATEMENTS**

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**GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
December 31, 2018 and 2017

<b>ASSETS</b>	2018	2017
Utility Plant:		
Electric Plant in Service, At Cost	\$123,962,874	\$112,007,553
Construction Work-in-Progress	2,427,378	10,446,224
Total	126,390,252	122,453,777
Less: Accumulated Depreciation	(52,434,940)	(49,290,317)
Net Utility Plant	73,955,312	73,163,460
Property and Investments, At Cost:		
Non-Utility Property - Net	2,953,983	2,910,595
Investments in Associated Companies	2,006,699	1,962,735
Other Investments	76,675	61,629
Total Property and Investments, At Cost	5,037,357	4,934,959
Current Assets:		
Cash in Banks	3,265,305	1,849,657
Accounts Receivable	4,960,553	4,286,401
Allowance for Doubtful Accounts	(122,301)	(129,019)
Materials and Supplies (Average Cost)	3,575,481	2,880,318
Other Current Assets	1,090,264	1,051,736
Total Current Assets	12,769,302	9,939,093
<b>TOTAL ASSETS</b>	<b>\$ 91,761,971</b>	<b>\$ 88,037,512</b>
<b>EQUITIES AND LIABILITIES</b>		
Equities and Margins:		
Patrons Capital	\$ 51,312,610	\$ 49,906,271
Long-Term Debt:		
Other Long-Term Debt	487,650	501,992
CFC Mortgage Notes	29,484,968	27,102,428
Total Noncurrent Liabilities	29,972,618	27,604,420
Other Noncurrent Liabilities:		
Accumulated Operating Provisions	47,737	35,824
Deferred Income Tax Liability	433,261	427,656
Total Other Noncurrent Liabilities	480,998	463,480
Current Liabilities:		
Accounts Payable	2,554,423	2,585,259
Customer Deposits	564,261	681,974
Current Maturities of Long-Term Debt	1,781,802	2,508,880
Other Current and Accrued Liabilities	2,874,620	2,158,386
Total Current Liabilities	7,775,106	7,934,499
Deferred Credits	2,220,639	2,128,842
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>\$ 91,761,971</b>	<b>\$ 88,037,512</b>

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, 2018 and 2017

	2018	2017
<b>Operating Revenues:</b>		
Electricity Sales	\$25,158,086	\$24,695,133
Propane Sales	3,357,731	2,700,601
Total Operating Revenues	28,515,817	27,395,734
<b>Operating Expenses:</b>		
Power Production	247,820	226,052
Cost of Purchased Power	9,543,135	9,222,189
Cost of Propane Sales	2,394,214	1,722,757
Transmission Expenses	569,751	207,256
Distribution Expenses - Operation	1,005,466	688,649
Distribution Expenses - Maintenance	1,805,817	1,593,970
Consumer Accounts	815,057	766,527
Customer Service Informational Expense	171,087	123,024
Sales Expenses	121,584	108,508
Administrative and General Expense	4,719,034	5,643,433
Depreciation and Amortization Expense	3,438,764	3,187,293
Taxes	735,347	734,275
Interest on Long-Term Debt	1,153,602	1,125,799
Other Interest	16,582	20,956
Other Deductions	29,093	26,808
Total Operating Expenses and Interest	26,766,353	25,397,496
Net Operating Margins (Deficit)	1,749,464	1,998,238
<b>Non-Operating Margins:</b>		
Interest Income	21,706	37,201
Gain (Loss) on Disposition of Property	76,247	(136,759)
Amortized Gain On RUS Loan Discount	54,948	54,948
Amortized Gain From Impact Fees	310,151	311,897
Miscellaneous Non-Operating Income	13,350	6,819
Net Income From Other Operations	32,198	50,702
Total Non-Operating Margins	508,600	324,808
<b>Other Capital Credits and Allocations</b>	142,747	138,247
Net Income Before Taxes	2,400,811	2,461,293
<b>Provision for Income Taxes</b>	(13,156)	(54,010)
Net Margins for Period	2,387,655	2,407,283
Patronage Capital - Beginning of Year	49,906,271	47,700,573
Prior Period Adjustment	-	205,207
Retirement of Capital Credits	(981,316)	(406,792)
Patronage Capital - End of Year	\$51,312,610	\$49,906,271

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, 2018 and 2017

	2018	2017
<b>Cash Flows from Operating Activities:</b>		
Net Margins	\$ 2,297,671	\$ 2,560,849
Adjustments to Reconcile Net Margins for Cash Flows:		
Depreciation and Amortization	3,438,764	3,187,293
Gain or (Loss) on Disposal of Assets	47,975	(138,745)
Provision for Income Tax	(13,156)	(54,010)
Amortization of Deferred Gains & Impact Fees Collected	(365,099)	
Increase (Decrease) in Operating Assets:		
Accounts Receivable	(680,870)	123,489
Inventory	(695,163)	(73,780)
Other Current and Accrued Assets	(38,529)	20,598
Increase (Decrease) in Operating Liabilities:		
Customer Deposits	(117,714)	(92,817)
Accounts Payable	(30,836)	266,650
Accrued Liabilities	716,234	145,591
	<u>4,559,277</u>	<u>5,945,118</u>
<b>Cash Flows From Noncapital Financing Activities:</b>		
Increase (Decrease) Deferred Credits	91,797	(311,803)
Increase (Decrease) Deferred Tax Liability	5,605	46,556
Increase (Decrease) Accumulated Operating Provisions	11,913	14,993
	<u>109,315</u>	<u>(250,254)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Proceeds from Sale of Equipment	28,272	9,349
Subsidiary Earnings and Dividends	(100,000)	(50,000)
	<u>(71,728)</u>	<u>(40,651)</u>
<b>Cash Flows From Investing Activities:</b>		
Change in Property, Plant and Equipment	(4,606,991)	(5,714,279)
Interest and Dividends	21,706	37,201
Other Investments	(55,735)	(53,653)
	<u>(4,641,020)</u>	<u>(5,730,731)</u>
<b>Cash Flows From Financing Activities:</b>		
Margins and Equities	(981,316)	(244,130)
Long-Term Borrowing	4,150,000	800,000
Long-Term Debt Retirement	(1,708,880)	(1,681,904)
	<u>1,459,804</u>	<u>(1,126,034)</u>
Increase (Decrease) in Cash and Investments	1,415,648	(1,202,552)
Cash and Investments - Beginning of Year	1,849,657	3,052,209
Cash and Investments - End of Year	<u>\$ 3,265,305</u>	<u>\$ 1,849,657</u>
<b>Supplemental Information for Statement of Cash Flows:</b>		
Interest Paid	\$ 1,138,558	\$ 1,150,050
Income Tax Paid	\$ 6,986	\$ 7,454

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, 2018 and 2017

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note describes various significant accounting policies related to the Garkane Energy Cooperative, Inc. (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). However, an accrual was made at year-end (2016) to account for the portion of January's revenue that should have been included in December's revenue. Beginning in 2017, a revenue accrual will be made monthly to account for this difference.

**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 taxes as required by local laws. The subsidiary, Garkane Propane, Inc., is a taxable entity subject to federal and state income taxes. Tax years 2015, 2016, and 2017 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 February 16, 2019.

**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.

	2018	2017
Patronage Capital, Beginning of Year	\$ 49,906,271	\$ 47,700,573
Additions:		
Operating margins (losses)	1,931,549	1,998,238
Other Capital Credits		138,247
Nonoperating Margins	467,349	324,808
Prior Period Adjustment	-	205,207
Retired Capital Credits-Gain	1,913	-
Deductions:		
Retirement of Patronage	(981,316)	(406,792)
Provision for Income Taxes	(13,156)	(54,010)
Patronage Capital, End of Year	\$ 51,312,610	\$ 49,906,271

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 56.43% for 2018 and 56.69% for 2017 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>2018</u>	<u>2017</u>
Patronage Capital Credits - CFC	0.0	Varies	\$ 969,001	\$ 915,749
Capital Term Certificates - CFC	0.0 - 5.0	2080	985,698	994,986
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	50,000	50,000
Total			<u>\$ 2,006,699</u>	<u>\$ 1,962,735</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, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Production Plant	\$ 7,110,189	\$ 7,110,189
Transmission Plant	29,041,068	20,432,301
Distribution Plant	69,561,176	66,937,387
General Plant	<u>18,250,441</u>	<u>17,527,676</u>
Total Electric Plant in Service	123,962,874	112,007,553
Construction Work-in-Progress	<u>2,427,378</u>	<u>10,446,224</u>
Total	<u>\$126,390,252</u>	<u>\$122,453,777</u>
Accumulated Depreciation	\$ (52,434,940)	\$ (49,290,317)
Annual Depreciation	\$ 3,243,734	\$ 3,037,947

**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 INVESTMENTS**

Garkane has the following other investments:

	<u>2018</u>	<u>2017</u>
Deferred Compensation - Homestead Funds	\$ 47,737	\$ 35,824
Zions Bank - Unclaimed Capital Credit Checks	9,399	9,382
Round-up Special Fund	19,539	16,423
	<u>19,539</u>	<u>16,423</u>
Total Other Investments	<u>\$ 76,675</u>	<u>\$ 61,629</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>2018</u>	<u>2017</u>
Demand Deposits	\$ 3,264,152	\$ 1,848,203
Petty Cash	1,153	1,454
	<u>1,153</u>	<u>1,454</u>
Total Deposits and Investments	<u>\$ 3,265,305</u>	<u>\$ 1,849,657</u>
Balance Sheet Presentation:		
Current Assets, Cash	<u>\$ 3,265,305</u>	<u>\$ 1,849,657</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 \$3,265,305 at December 31, 2018 and \$1,849,657 at December 31, 2017. Significant concentrations of deposits exceed federally insured deposit limits. As of December 31, 2018, \$2,645,090 of the bank balances of \$3,923,035 was uninsured and at risk. As of December 31, 2017, \$1,180,259 of the bank balances of \$2,320,299 was uninsured and at risk. The repurchase agreement of \$1,533,906 and \$890,417, at December 31, 2018 and 2017 respectively hold highly rated bonds, government securities, etc. for the collateral on this account, however this account is not insured by FDIC.

**NOTE 7 - DEFERRED CREDITS**

The following is a summary of deferred credits as of December 31, 2018 and 2017.

	2018	2017
Uncashed Capital Credit Checks	\$ 138,763	\$ -
Unamortized Impact Fees	1,456,251	1,252,442
Energy Efficient Grant	436,616	632,442
Unamortized Gain on Reacquired Debt	189,009	243,958
	\$ 2,220,639	\$ 2,128,842

**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:

	Principal	Interest	Total
2019	\$ 14,342	\$ 9,688	\$ 24,030
2020	14,619	9,412	24,031
2021	14,901	9,130	24,031
2022	15,188	8,842	24,030
2023-2027	15,481	8,549	24,030
2024-2028	82,006	38,145	120,151
2029-2033	90,231	29,920	120,151
2034-2038	99,281	20,870	120,151
2039-2043	109,239	10,912	120,151
2044	46,704	1,356	48,060
	<u>501,992</u>	<u>146,824</u>	<u>648,816</u>
Total	<u>\$ 501,992</u>	<u>\$ 146,824</u>	<u>\$ 648,816</u>

**National Rural Utilities Cooperative Finance Corporation:**

Garkane has 36 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 2019 to 2048. Current year-end interest rates range between 3.10% 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:

	Principal	Interest	Total
2019	\$ 1,767,460	\$ 1,327,304	\$ 3,094,764
2020	1,814,010	1,256,951	3,070,961
2021	1,847,250	1,182,027	3,029,277
2022	1,736,607	1,106,195	2,842,802
2023-2027	1,481,345	1,039,448	2,520,793
2024-2028	7,674,371	4,230,799	11,905,170
2029-2033	7,396,974	2,604,574	10,001,548
2034-2038	4,586,165	1,201,648	5,787,813
2039-2043	1,702,671	529,875	2,232,546
2044-2048	1,245,575	171,962	1,417,537
	<u>31,252,428</u>	<u>14,650,783</u>	<u>45,903,211</u>
Total	<u>\$ 31,252,428</u>	<u>\$ 14,650,783</u>	<u>\$ 45,903,211</u>

**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, 2018 and 2017. As of December 31, 2018 and 2017, the balance owed on the credit line was \$0 and \$800,000 respectively. Applicable interest rates are charged on the current line of credit when advanced to Garkane. In addition to the line of credit mentioned above, Garkane has \$7,850,000 of unadvanced loan funds available from CFC at year-end. There was one new loan issued in 2018 of \$1,500,000, and \$1,850,000 of the line of credit was converted to long-term debt with CFC.

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

	Balance Dec 31, 2017	Additions	Deletions	Balance Dec 31, 2018	Current Portion
KCWCD Note	\$ 516,062	\$ -	\$ 14,070	\$ 501,992	\$ 14,342
36 CFC Notes	29,597,238	3,350,000	1,694,810	31,252,428	1,767,460
Total LT Debt	<u>\$30,113,300</u>	<u>\$ 3,350,000</u>	<u>\$ 1,708,880</u>	<u>\$ 31,754,420</u>	<u>\$ 1,781,802</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 2018 and 2017 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 2018 or 2017.

Garkane recognized expense related to the Plan in 2018 and 2017 of \$1,466,948 and \$1,301,421 respectively, representing full service costs. All past service costs have been fully funded or accrued. The expected contribution for the year 2019 reflecting inflation is \$1,449,375. Expected contributions amounts beyond 2019 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, HSA account, or any combination including cash at 75% of value. The amount of the sell-back related to this plan was \$58,147 in 2018 and \$73,785 in 2017. Accrued personal leave and compensated absences for years ending December 31, 2018 and 2017 are \$1,320,646 and \$1,247,483 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 - 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, directors, officers, and manager liabilities up to \$10,000,000 per occurrence. An all risk blanket policy for automobile and general liability of \$2,000,000 and a commercial umbrella policy of \$12,000,000 are maintained. Garkane also maintains an all risk blanket for buildings and personal property. Worker's Compensation Fund of Utah insures Garkane for bodily injury by accident or disease caused by or aggravated by the conditions of employment.

**NOTE 12 - CURRENT LIABILITIES**

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

	2018	2017
Accounts Payable	\$ 672,168	\$ 906,257
Accounts Payable - Purchased Power	1,876,900	1,651,922
Accrued Property Tax	55,000	55,000
Post Retirement Benefits Payable	-	5,000
Payroll and Payroll Taxes	432,460	4,842
Sales, Use and Franchise Taxes	298,870	206,838
Compensated Absences	1,370,277	1,304,939
Customer Deposits	564,261	681,974
Patronage Capital Refunds	433,964	417,760
Dividends Payable	100,000	-
Uncashed Capital Credit Checks	5,354	22,079
Interest Payable	184,050	169,008
	\$ 5,993,304	\$ 5,425,619

**NOTE 13 - ACCUMULATED OPERATING PROVISIONS**

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

	2018	2017
Deferred Compensation	\$ 47,737	\$ 35,824
	\$ 47,737	\$ 35,824

**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 wholly owned for profit 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 five 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.

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

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. The Lease Agreement calls for Garkane Propane to pay Garkane Energy \$3,525 per month for rented facilities.

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

**Changes in Investment Subsidiary:**

	<u>2018</u>	<u>2017</u>
Investment in Subsidiary, Beginning of Year	\$ 3,321,518	\$ 2,996,683
Prior Period Adjustment - Deferred Tax	-	205,208
Additions:		
Net profit from subsidiary operations	41,919	169,627
Deductions:		
Dividend paid to parent company	<u>(100,000)</u>	<u>(50,000)</u>
Investment in Subsidiary, End of Year	<u>\$ 3,263,437</u>	<u>\$ 3,321,518</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:**

	2018	2017
<b>Assets:</b>		
Current & Other Assets	\$ 1,140,827	\$ 1,075,189
Net Property, Plant and Equipment	2,953,983	2,910,595
Total Assets	\$ 4,094,810	\$ 3,985,784
<b>Liabilities and Stockholders Equity:</b>		
<b>Liabilities:</b>		
Current Liabilities	\$ 398,112	\$ 236,609
Deferred Income Tax Liability	433,261	427,656
Total Liabilities	831,373	664,265
<b>Stockholders Equity:</b>		
Capital Stock	1,478,229	1,478,229
Retained Earnings	1,785,208	1,843,290
Total Stockholders Equity	3,263,437	3,321,519
Total Liabilities and Stockholders Equity	\$ 4,094,810	\$ 3,985,784

**Statement of Income and Retained Earnings:**

	2018	2017
Operating Income	\$ 3,452,749	\$ 2,794,248
Cost of Sales	(2,416,932)	(1,744,104)
Gross Profit	1,035,817	1,050,144
Operating Expenses	(1,013,261)	(829,721)
Non-Operating Income (Expense)	32,519	3,215
Provision for Federal Income Taxes	(13,156)	(54,010)
Total Expenses	(993,898)	(880,516)
Net Profit	41,919	169,628
Retained Earnings - Beginning of Year, Restated	1,843,289	1,723,661
Dividends Paid	(100,000)	(50,000)
Retained Earnings - End of Year	\$ 1,785,208	\$ 1,843,289

**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:**

	2018	2017
Cash Flows from Operating Activities	\$ 310,119	\$ 40,764
Cash Flows from Noncapital Financing Activities	5,605	46,556
Cash Flows From Capital and Related Fin Activities	(210,146)	(622,507)
Cash Flows from Investing Activities	(95,753)	(48,771)
 Increase (Decrease) In Cash and Investments	 9,825	 (583,958)
 Cash and Investments - Beginning of Year	 454,644	 1,038,602
 Cash and Investments - End of Year	 \$ 464,469	 \$ 454,644

**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.

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**COMBINING FINANCIAL  
STATEMENTS**

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**GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY**  
**COMBINING BALANCE SHEET**  
**December 31, 2018**

	Garkane Energy	Subsidiary Garkane Propane	Consolidated	Eliminations		Consolidated After Eliminations
				DR	CR	
<b>ASSETS</b>						
Utility Plant:						
Electric Plant in Service, at Cost	\$ 123,962,874	\$ -	\$ 123,962,874	\$ -	\$ -	\$ 123,962,874
Construction Work-in-Progress	2,427,378	-	2,427,378	-	-	2,427,378
Total Utility Plant, at Cost	126,390,252	-	126,390,252	-	-	126,390,252
Less: Accumulated Depreciation	(52,434,940)	-	(52,434,940)	-	-	(52,434,940)
Total Utility Plant - Net	73,955,312	-	73,955,312	-	-	73,955,312
Property and Investments (At Cost):						
Investment in Wholly Owned Subsidiary	3,263,437	-	3,263,437	-	3,263,437 A	-
Non-Utility Property - Net	-	2,953,983	2,953,983	-	-	2,953,983
Investments in Associated Companies	2,006,699	-	2,006,699	-	-	2,006,699
Other Investments	76,675	-	76,675	-	-	76,675
Deferred Debits	-	4,210	4,210	-	-	4,210
Total Property and Investments, at Cost	5,346,811	2,958,193	8,300,794	-	3,263,437	5,041,567
Current Assets:						
Cash in Banks	2,800,836	464,469	3,265,305	-	-	3,265,305
Accounts Receivable	4,417,019	543,534	4,960,553	-	-	4,960,553
Allowance for Doubtful Accounts	(95,172)	(27,129)	(122,301)	-	-	(122,301)
Materials and Supplies	3,435,997	139,484	3,575,481	-	-	3,575,481
Other Current Assets	1,069,795	16,259	1,086,054	-	-	1,086,054
Total Current Assets	11,628,475	1,136,617	12,765,092	-	-	12,765,092
<b>TOTAL ASSETS</b>	<b>\$ 90,930,598</b>	<b>\$ 4,094,810</b>	<b>\$ 95,021,198</b>	<b>\$ -</b>	<b>\$ 3,263,437</b>	<b>\$ 91,761,971</b>
<b>EQUITIES AND LIABILITIES</b>						
Equities and Margins:						
Patronage Capital	\$ 41,605,872	\$ -	\$ 41,605,872	\$ 3,263,437 A	\$ -	\$ 38,342,435
Current Operating Margin	1,876,475	-	1,876,475	-	-	1,876,475
Accumulated Non-Operating Margins	7,830,263	3,263,437	11,093,700	-	-	11,093,700
Total Equities and Margins	51,312,610	3,263,437	54,576,047	3,263,437	-	51,312,610
Long-Term Liabilities:						
Other Long-Term Debt	487,650	-	487,650	-	-	487,650
CFC Mortgage Notes	29,484,968	-	29,484,968	-	-	29,484,968
Total Long-Term Liabilities	29,972,618	-	29,972,618	-	-	29,972,618
Other Noncurrent Liabilities:						
Accumulated Operating Provisions	47,737	-	47,737	-	-	47,737
Deferred Income Tax Liability	-	433,261	433,261	-	-	433,261
Total Other Noncurrent Liabilities	47,737	433,261	480,998	-	-	480,998
Current Liabilities:						
Accounts Payable	2,366,945	187,478	2,554,423	-	-	2,554,423
Customer Deposits	550,126	14,135	564,261	-	-	564,261
Current Maturities of Long-Term Debt	1,781,802	-	1,781,802	-	-	1,781,802
Other Current and Accrued Liabilities	2,678,121	196,499	2,874,620	-	-	2,874,620
Total Current Liabilities	7,376,994	398,112	7,775,106	-	-	7,775,106
Deferred Credits	2,220,639	-	2,220,639	-	-	2,220,639
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>\$ 90,930,598</b>	<b>\$ 4,094,810</b>	<b>\$ 95,025,408</b>	<b>\$ 3,263,437</b>	<b>\$ 3,263,437</b>	<b>\$ 91,761,971</b>

A - Eliminates inter-company accounts      \$ 3,263,437

**GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY**  
**COMBINING STATEMENT OF REVENUE AND PATRONAGE CAPITAL**  
**For the Year Ended December 31, 2018**

	Garkane Energy	Subsidiary Garkane Propane	Consolidated	Eliminations		Consolidated After Eliminations
				DR	CR	
<b>Operating Revenue and Patronage Capital</b>	<u>\$ 25,158,086</u>	<u>\$ 3,452,749</u>	<u>\$ 28,610,835</u>	<u>\$ 95,018</u>	<u>\$ -</u>	<u>\$ 28,515,817</u>
<b>Operating Expenses:</b>						
Power Production	247,820	-	247,820	-	-	247,820
Cost of Purchased Power	9,543,135	-	9,543,135	-	-	9,543,135
Cost of Propane Sales	-	2,416,932	2,416,932	-	22,718 <sup>1</sup>	2,394,214
Transmission Expenses	569,751	-	569,751	-	-	569,751
Distribution Expenses - Operation	1,005,466	-	1,005,466	-	-	1,005,466
Distribution Expenses - Maintenance	1,805,817	-	1,805,817	-	-	1,805,817
Consumer Accounts	815,057	-	815,057	-	-	815,057
Customer Service Informational Expense	171,087	-	171,087	-	-	171,087
Sales Expenses	121,584	-	121,584	-	-	121,584
Administrative and General Expense	3,973,103	818,231	4,791,334	-	72,300 <sup>1</sup>	4,719,034
Depreciation and Amortization Expense	3,243,734	195,030	3,438,764	-	-	3,438,764
Taxes	735,347	-	735,347	-	-	735,347
Interest on Long-Term Debt	1,153,602	-	1,153,602	-	-	1,153,602
Other Interest	16,582	-	16,582	-	-	16,582
Other Deductions	29,093	-	29,093	-	-	29,093
<b>Total Operating Expenses and Interest</b>	<u>23,431,178</u>	<u>3,430,193</u>	<u>26,861,371</u>	<u>-</u>	<u>95,018</u>	<u>26,766,353</u>
<b>Net Operating Margins (Deficit)</b>	<u>1,726,908</u>	<u>22,556</u>	<u>1,749,464</u>	<u>95,018</u>	<u>(95,018)</u>	<u>1,749,464</u>
<b>Non-Operating Margins:</b>						
Interest Income	20,734	972	21,706	-	-	21,706
Gain (Loss) on Disposition of Property	47,975	28,272	76,247	-	-	76,247
Amortized Gain on RUS Loan Discount	54,948	-	54,948	-	-	54,948
Amortized Gain from Impact Fees	310,151	-	310,151	-	-	310,151
Miscellaneous Non-Operating Income	10,075	3,275	13,350	-	-	13,350
Net Income From Municipal Operations	32,198	-	32,198	-	-	32,198
<b>Total Non-Operating Margins</b>	<u>476,081</u>	<u>32,519</u>	<u>508,600</u>	<u>-</u>	<u>-</u>	<u>508,600</u>
<b>Other Capital Credits and Allocations</b>	<u>142,747</u>	<u>-</u>	<u>142,747</u>	<u>-</u>	<u>-</u>	<u>142,747</u>
<b>Net Income Before Taxes</b>	<u>2,345,736</u>	<u>55,075</u>	<u>2,400,811</u>	<u>95,018</u>	<u>(95,018)</u>	<u>2,400,811</u>
<b>Provision for Federal Income Taxes</b>	<u>-</u>	<u>(13,156)</u>	<u>(13,156)</u>	<u>-</u>	<u>-</u>	<u>(13,156)</u>
<b>Net Income for Period</b>	<u>2,345,736</u>	<u>41,919</u>	<u>2,387,655</u>	<u>95,018</u>	<u>(95,018)</u>	<u>2,387,655</u>
<b>Patronage Capital - Beg. of Year</b>	<u>49,906,271</u>	<u>1,843,289</u>	<u>51,749,560</u>	<u>-</u>	<u>-</u>	<u>51,749,560</u>
<b>Capital Credits Refunds</b>	<u>(981,316)</u>	<u>-</u>	<u>(981,316)</u>	<u>-</u>	<u>-</u>	<u>(981,316)</u>
<b>Earnings from Subsidiary</b>	<u>41,919</u>	<u>-</u>	<u>41,919</u>	<u>-</u>	<u>-</u>	<u>41,919</u>
<b>Dividends from Subsidiary</b>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
<b>Eliminate Subsidiary Retained Earnings</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,785,208)</u>
<b>Patronage Capital - End of Year</b>	<u>\$ 51,312,610</u>	<u>\$ 1,785,208</u>	<u>\$ 53,097,818</u>	<u>\$ 95,018</u>	<u>\$ (95,018)</u>	<u>\$ 51,312,610</u>
(1) Sales of Propane to Parent	\$ 22,718					
Lease Payments to Parent	42,300					
Administrative Fee	30,000					
<b>Total</b>	<u>\$ 95,018</u>					



**GARKANE ENERGY COOPERATIVE, INC. AND SUBSIDIARY**  
**COMBINING STATEMENT OF CASH FLOWS**  
For The Year Ended December 31, 2018

	Garkane Energy	Subsidiary Garkane Propane	Consolidated
<b>Cash Flows from Operating Activities:</b>			
Net Margins	\$2,275,115	\$ 22,556	\$2,297,671
Adjustments to Net Margin for Cash Flow:			
Depreciation and Amortization	3,243,734	195,030	3,438,764
Gain (loss) on Disposal of Assets	47,975	-	47,975
Provision for Income Tax	-	(13,156)	(13,156)
Amortization of Deferred Gains & Impact Fees Collected	(365,099)	-	(365,099)
Increase (Decrease) in Operating Assets:			
Accounts Receivable	(562,633)	(118,237)	(680,870)
Inventory	(709,570)	14,407	(695,163)
Other Current and Accrued Assets	(86,546)	48,017	(38,529)
Increase (Decrease) in Operating Liabilities			
Customer Deposits	(117,213)	(501)	(117,714)
Accounts Payable	(80,460)	49,624	(30,836)
Accrued Liabilities	603,855	112,379	716,234
Net Cash Provided By Operating Activities	<u>4,249,158</u>	<u>310,119</u>	<u>4,559,277</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Increase (Decrease) in Deferred Credits	91,797	-	91,797
Increase (Decrease) in Deferred Tax Liability	-	5,605	5,605
Increase (Decrease) in Accumulated Operating Provisions	11,913	-	11,913
Net Cash Provided By Noncapital Financing Activities	<u>103,710</u>	<u>5,605</u>	<u>109,315</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Subsidiary Earnings and Dividends	-	(100,000)	(100,000)
Proceeds from Sale of Equipment	-	28,272	28,272
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(71,728)</u>	<u>(71,728)</u>
<b>Cash Flows From Investing Activities:</b>			
Increase in Property, Plant and Equipment	(4,368,573)	(238,418)	(4,606,991)
Interest and Dividends	20,734	972	21,706
Other Patronage Allocations	-	3,275	3,275
(Increase) Decrease in Investment in Associated Companies	(43,964)	-	(43,964)
(Increase) Decrease in Other Investments	(15,046)	-	(15,046)
Net Cash Used in Investing Activities	<u>(4,406,849)</u>	<u>(234,171)</u>	<u>(4,641,020)</u>
<b>Cash Flows From Financing Activities:</b>			
Margins and Equities	(981,316)	-	(981,316)
Long-Term Borrowing	4,150,000	-	4,150,000
Long-Term Debt Retirement	(1,708,880)	-	(1,708,880)
Net Cash Used in Financing Activities	<u>1,459,804</u>	<u>-</u>	<u>1,459,804</u>
Increase (Decrease) in Cash and Investments	1,405,823	9,825	1,415,648
Cash and Investments - Beginning of Year	1,395,013	454,644	1,849,657
Cash and Investments - End of Year	<u>\$2,800,836</u>	<u>\$ 464,469</u>	<u>\$3,265,305</u>
<b>Supplemental Information for Statement of Cash Flows:</b>			
Interest Paid	\$ 1,138,558	\$ -	\$ 1,138,558
Income Tax Paid	\$ -	\$ 6,996	\$ 6,996

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## **COMPLIANCE SECTION**

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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 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, 2018 and 2017, 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 February 16, 2019.

### **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

February 16, 2019  
Richfield, Utah

NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION  
FINANCIAL AND STATISTICAL REPORT

BORROWER NAME Garkane Energy Cooperative  
BORROWER DESIGNATION UT006  
ENDING DATE 12/31/18

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	 <p>Needs Attention Please Review Matches</p>	<p>NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</p>
<p><i>Marvin J. Lee</i> 03-19-19 Signature of Office Manager or Accountant Date</p>		
<p><i>Clayton</i> 3/20/19 Signature of Manager Date</p>		

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	24,695,133	25,158,086	25,233,182	2,596,103
2. Power Production Expense	226,052	247,820	269,018	30,904
3. Cost of Purchased Power	9,222,189	9,543,134	9,428,015	1,017,604
4. Transmission Expense	207,256	569,751	501,290	67,294
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	688,649	1,005,466	1,117,686	56,445
7. Distribution Expense - Maintenance	1,593,970	1,805,817	2,059,272	130,819
8. Consumer Accounts Expense	766,527	815,057	744,136	56,419
9. Customer Service and Informational Expense	123,024	171,087	158,371	11,736
10. Sales Expense	108,508	121,584	94,366	7,930
11. Administrative and General Expense	5,035,358	3,973,103	3,535,039	633,001
12. Total Operation & Maintenance Expense (2 thru 11)	17,971,533	18,252,819	17,907,193	2,012,152
13. Depreciation & Amortization Expense	3,037,947	3,243,734	3,238,600	292,836
14. Tax Expense - Property & Gross Receipts	687,319	663,117	650,000	55,000
15. Tax Expense - Other	46,956	72,230	63,110	13,731
16. Interest on Long-Term Debt	1,125,799	1,153,602	1,194,824	128,681
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	20,956	16,582	21,500	1,373
19. Other Deductions	26,808	29,093	25,000	0
20. Total Cost of Electric Service (12 thru 19)	22,917,318	23,431,177	23,100,227	2,503,773
21. Patronage Capital & Operating Margins (1 minus 20)	1,777,815	1,726,909	2,132,955	92,330
22. Non Operating Margins - Interest	35,972	20,734	36,000	2,840
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	278,803	446,615	378,153	31,257
26. Generation & Transmission Capital Credits	6,819	6,819	6,819	6,819
27. Other Capital Credits & Patronage Dividends	138,246	142,747	139,000	9,151
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	2,237,655	2,343,824	2,692,927	142,397

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	141	573	5. Miles Transmission	307	406
2. Services Retired	35	25	6. Miles Distribution Overhead	1,396	1,404
3. Total Services In Place	14,390	14,938	7. Miles Distribution Underground	690	717
4. Idle Services (Exclude Seasonal)	1,070	1,332	8. Total Miles Energized (5+6+7)	2,393	2,527

**NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION  
FINANCIAL AND STATISTICAL REPORT**

**BORROWER NAME**

Garkane Energy

**BORROWER DESIGNATION**

UT006

**ENDING DATE**

12/31/2018

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	123,962,874	29. Memberships	0
2. Construction Work in Progress	2,427,378	30. Patronage Capital	42,073,221
<b>3. Total Utility Plant (1+2)</b>	<b>126,390,252</b>	31. Operating Margins - Prior Years	-467,349
4. Accum. Provision for Depreciation and Amort	52,434,940	32. Operating Margins - Current Year	1,876,475
<b>5. Net Utility Plant (3-4)</b>	<b>73,955,312</b>	33. Non-Operating Margins	467,349
6. Nonutility Property - Net	0	34. Other Margins & Equities	7,362,914
7. Investment in Subsidiary Companies	3,263,437	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>51,312,610</b>
8. Invest. in Assoc. Org. - Patronage Capital	969,001	36. Long-Term Debt CFC (Net)	29,484,968
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	487,650
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,037,698	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>29,972,618</b>
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	0	40. Accumulated Operating Provisions - Asset Retirement Obligations	47,737
13. Special Funds	76,675	<b>41. Total Other Noncurrent Liabilities (39+40)</b>	<b>47,737</b>
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>5,346,811</b>	42. Notes Payable	0
15. Cash-General Funds	2,800,836	43. Accounts Payable	2,366,945
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	550,126
17. Special Deposits	0	45. Current Maturities Long-Term Debt	1,781,802
18. Temporary Investments	0	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	3,075,725	48. Other Current & Accrued Liabilities	2,678,121
21. Accounts Receivable - Net Other	1,246,121	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>7,376,994</b>
22. Renewable Energy Credits	0	50. Deferred Credits	2,220,639
23. Materials & Supplies - Electric and Other	3,435,997	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>90,930,598</b>
24. Prepayments	884,287	<b>ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION</b>	
25. Other Current & Accrued Assets	6,346	Balance Beginning of Year	27,263,355
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>11,449,312</b>	Amounts Received This Year (Net)	2,769,389
27. Deferred Debits	179,163	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>30,032,744</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>90,930,598</b>		

**PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT:**

**NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION  
FINANCIAL AND STATISTICAL REPORT**

**BORROWER NAME** Garbano Energy  
**BORROWER DESIGNATION** UT006  
**ENDING DATE** 12/31/2018

<b>PART E. CHANGES IN UTILITY PLANT</b>						
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)	
1 Distribution Plant Subtotal	66,937,388	2,736,538	112,750	0	69,561,176	
2 General Plant Subtotal	12,940,323	897,494	203,382	0	13,634,435	
3 Headquarters Plant	4,587,352	28,653	0	0	4,616,005	
4 Intangibles	0	0	0	0	0	
5 Transmission Plant Subtotal	20,432,301	8,609,892	1,124	0	29,041,069	
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	5,935,672	0	0	0	5,935,672	
10 Production Plant - Other	1,174,517	0	0	0	1,174,517	
11 All Other Utility Plant	0	0	0	0	0	
12 SUBTOTAL: (1 thru 11)	112,007,553	12,272,577	317,256	0	123,962,874	
13 Construction Work in Progress	10,428,397	-8,001,019	0	0	2,427,378	
14 TOTAL UTILITY PLANT (12+13)	122,435,950	4,271,558	317,256	0	126,390,252	

**CFC NO LONGER REQUIRES SECTIONS "P", "J", AND "M" DATA**  
Those sections refer to data on "Materials and Supplies" (F), "Energy Efficiency and Conservation Loan Program" (D), and "Annual Meeting and Board Data" (M).

<b>PART H. SERVICE INTERRUPTIONS</b>						
ITEM	Avg. Minutes per Consumer by Cause Power Supplier (a)	Avg. Minutes per Consumer by Cause Major Event (b)	Avg. Minutes per Consumer by Cause Planned (c)	Avg. Minutes per Consumer by Cause All Other (d)	TOTAL (e)	
1. Present Year	0.00	0.00	47.54	344.24	391.78	
2. Five-Year Average	3.60	184.41	18.16	186.28	392.45	

<b>PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS</b>						
ITEM	1. Number of Full Time Employees	4. Payroll - Expensed	5. Payroll - Capitalized	6. Payroll - Other	PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE	
1. Employee - Hours Worked - Regular Time	129,698	129,698	129,698	129,698	1. Amount Due Over 60 Days:	
3. Employee - Hours Worked - Overtime	3,262	3,262	3,262	3,262	2. Amount Written Off During Year:	
					1. Amount Due Over 60 Days:	
					17,963	
					72,236	
					10,015,295	
					6,819	
					142,747	
					149,566	

**NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION  
FINANCIAL AND STATISTICAL REPORT**

**BORROWER NAME** Garbana Energy  
**BORROWER DESIGNATION** UT006  
**ENDING DATE** 12/31/2018

<b>PART L. KWH PURCHASED AND TOTAL COST</b>										
	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 (i)
1	DESERET G&T			0 None	244,687,017	9,543,134	3.90	0	474,000	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
<b>21</b>	<b>TOTALS</b>				<b>244,687,017</b>	<b>9,543,134</b>	<b>3.90</b>	<b>0</b>	<b>474,000</b>	<b>0</b>



<b>NATIONAL RURAL UTILITIES          COOPERATIVE FINANCE CORPORATION          FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Garkane Energy
	<b>BORROWER DESIGNATION</b>	UT006
	<b>ENDING DATE</b>	12/31/2018

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

COMMENTS	
1	
2	
3	
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<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Garkane Energy
	<b>BORROWER DESIGNATION</b>	UT006
	<b>ENDING DATE</b>	12/31/2018

<b>PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)</b>		
<i>LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")</i>		
	<b>NAME OF LESSOR</b>	<b>RENTAL THIS YEAR</b>
1.		\$0
2.		\$0
3.	<b>TOTAL</b>	<b>\$0</b>

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

<b>PART O. LONG-TERM DEBT SERVICE REQUIREMENTS</b>						
	<b>NAME OF LENDER</b>	<b>BALANCE END OF YEAR</b>	<b>BILLED THIS YEAR</b>			<b>CFC USE ONLY (d)</b>
			<b>INTEREST (a)</b>	<b>PRINCIPAL (b)</b>	<b>TOTAL (c)</b>	
1	National Rural Utilities Cooperative Finance Corporation	29,470,626	1,143,777	1,767,460	2,911,237	
2	NCSC	0	0	0	0	
3	Farmer Mac	0	0	0	0	
4	KCWCD Power Installation Agreement	501,992	9,824	14,342	24,166	
5		0	0	0	0	
6		0	0	0	0	
7		0	0	0	0	
8		0	0	0	0	
9		0	0	0	0	
10	Principal Payments Received from Ultimate Recipients of IRP Loans			0		
11	Principal Payments Received from Ultimate Recipients of REDL Loans			0		
12	<b>TOTAL (Sum of 1 thru 9)</b>	<b>\$29,972,618</b>	<b>\$1,153,601</b>	<b>\$1,781,802</b>	<b>\$2,935,403</b>	

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Garkane Energy
	<b>BORROWER DESIGNATION</b>	UT006
	<b>ENDING DATE</b>	12/31/2018

**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	11,128	11,352	11,240	
	b. KWH Sold				119,743,374
	c. Revenue				12,682,161
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	69	68	69	
	b. KWH Sold				6,820,119
	c. Revenue				619,501
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,569	1,594	1,582	
	b. KWH Sold				76,184,034
	c. Revenue				7,434,190
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	1	1	1	
	b. KWH Sold				20,863,125
	c. Revenue				1,415,295
6. Public Street & Highway Lighting	a. No. Consumers Served	30	30	30	
	b. KWH Sold				392,504
	c. Revenue				69,590
7. Other Sales to Public Authority	a. No. Consumers Served	556	561	559	
	b. KWH Sold				18,629,094
	c. Revenue				2,027,553
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
<b>10. TOTAL No. of Consumers (lines 1a thru 9a)</b>		<b>13,353</b>	<b>13,606</b>	<b>13,481</b>	
<b>11. TOTAL KWH Sold (lines 1b thru 9b)</b>					<b>242,632,250</b>
<b>12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)</b>					<b>24,248,290</b>
13. Transmission Revenue					536,756
14. Other Electric Revenue					373,040
15. KWH - Own Use					676,672
16. TOTAL KWH Purchased					244,687,017
17. TOTAL KWH Generated					21,853,267
18. Cost of Purchases and Generation					10,360,705
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					50,768

NATIONAL RURAL UTILITIES  
 COOPERATIVE FINANCE CORPORATION  
 FINANCIAL AND STATISTICAL REPORT

BORROWER NAME	Garkane Energy
BORROWER DESIGNATION	UT006
ENDING DATE	12/31/18

**PART 5. ENERGY EFFICIENCY PROGRAMS**

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

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		BORROWER NAME		Garkane Energy
		BORROWER DESIGNATION		UT006
		ENDING DATE		12/31/2018
(All investments refer to your most recent CFC Loan Agreement)				
<b>7a - PART 1 - INVESTMENTS</b>				
DESCRIPTION (a)		INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)
<b>2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>				
5	Garkane Propane, Inc.	3,263,437		
6	NRUCFC - Patronage Capital Credits		969,001	
7	NRUCFC - Membership, CTC, Capital Securities		1,037,698	
8				
Subtotal (Line 5 thru 8)		3,263,437	2,006,699	0
<b>3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS</b>				
9				
10				
11				
12				
Subtotal (Line 9 thru 12)		0	0	0
<b>4. OTHER INVESTMENTS</b>				
13				
14				
15				
16				
Subtotal (Line 13 thru 16)		0	0	0
<b>5. SPECIAL FUNDS</b>				
17	Unclaimed Capital Credits	9,399		
18	Operation Round-up Fund	19,539		
19	Deferred Compensation - Homestead Funds	47,737		
20				
Subtotal (Line 17 thru 20)		76,675	0	0
<b>6. CASH - GENERAL</b>				
21	SBSU - General Funds & Petty Cash	1,911,275		
22	Cache Valley Bank - General & Payroll Funds	556,401		
23	Wells Fargo Bank - Vision Care Fund	54,373		
24	Zions Bank - General & Capital Credit Funds	278,787		
Subtotal (Line 21 thru 24)		2,800,836	0	0
<b>7. SPECIAL DEPOSITS</b>				
25				
26				
27				
28				
Subtotal (Line 25 thru 28)		0	0	0
<b>8. TEMPORARY INVESTMENTS</b>				
29				
30				
31				
32				
Subtotal (Line 29 thru 32)		0	0	0
<b>9. ACCOUNT &amp; NOTES RECEIVABLE - NET</b>				
33	Disconnected Consumers A/R	153,837		
34	Misc Accounts Receivable	1,092,284		
35				
36				
Subtotal (Line 33 thru 36)		1,246,121	0	0
<b>10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED</b>				
37				
38				
39				
40				
Subtotal (Line 37 thru 40)		0	0	0
<b>Total</b>		<b>7,387,069</b>	<b>2,006,699</b>	<b>0</b>

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Garkane Energy
	<b>BORROWER DESIGNATION</b>	UT006
	<b>ENDING DATE</b>	12/31/2018

(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
<b>TOTALS (Line 1 thru 5)</b>			<b>0</b>	<b>0</b>	<b>0</b>

**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
<b>TOTALS (Line 1 thru 5)</b>			<b>0</b>	<b>0</b>	<b>0</b>

**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)	<b>7,387,069</b>
2	LARGER OF (a) OR (b)	<b>25,656,305</b>
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)	<b>18,958,538</b>
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)	<b>25,656,305</b>

General Ledger  
CFC Form 7

INCOME STATEMENT FOR DEC 2018

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	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	10,119,969.83	10,491,619.97	1,204,102.60	1,060,797.27
0 440.31 RESIDENTIAL SALES - ARIZONA	2,225,841.75	2,190,541.48	222,838.97	299,199.23
0 441.0 IRRIGATION SALES - UTAH	475,944.30	483,072.68	2,328.70	3,182.55
0 441.1 IRRIGATION SALES - ARIZONA	139,992.72	136,428.47	1,400.47	950.63
0 442.1 SM COMMERCIAL & INDUSTRIAL SALES -	6,308,749.36	6,458,391.76	710,727.35	453,669.67
0 442.11 SM COMMERCIAL & INDUSTRIAL SALES -	883,268.35	975,798.14	59,393.12	99,586.03
0 442.2 LARGE COMMERCIAL & INDUSTRIAL SAL	1,510,770.55	1,415,295.48	116,775.18	139,456.91
0 442.21 LARGE COMMERCIAL & INDUSTRIAL SAL	0.00	0.00	0.00	0.00
0 444.0 PUBLIC STREET & HIGHWAY LIGHTING -	58,838.50	57,588.91	4,920.20	4,868.67
0 444.1 PUBLIC STREET & HIGHWAY LIGHTING -	12,006.47	12,001.24	1,015.65	997.20
0 445.0 OTHER SALES TO PUBLIC AUTHORITIES -	1,765,421.20	1,706,740.30	145,972.67	131,139.97
0 445.1 OTHER SALES TO PUBLIC AUTHORITIES -	316,625.37	320,812.24	21,128.48	30,761.23
0 450.0 FORFEITED DISCOUNTS -- COLLECTION F	54,246.69	45,148.04	3,806.82	4,166.85
0 451.0 MISC SERVICE REVENUE - UT CONNECT F	65,631.26	66,893.29	4,456.36	5,166.85
0 451.1 MISC SERVICE REVENUE - AZ CONNECT F	22,742.78	17,585.76	977.50	1,666.74
0 454.0 RENT FROM ELECTRIC PROPERTY	52,170.00	55,677.00	9,356.00	4,583.48
0 454.01 RENT REVENUE FROM HOME RENTAL PR	0.00	0.00	0.00	0.00
0 456.0 OTHER ELECTRIC REVENUE	103,352.88	183,140.06	34,611.78	6,250.22
0 456.01 ELECTRIC REVENUE FROM WHEELING C	573,955.76	536,755.79	52,010.70	43,751.87
0 456.02 OTHER ELECT REV - SCC SERVICE AGREE	0.00	0.00	0.00	0.00
0 456.03 MISC REVENUE GENERLINK SALES	5,605.00	4,595.00	280.00	666.74
<b>Total for Line 1:</b>	<b>24,695,132.77</b>	<b>25,158,085.61</b>	<b>2,596,102.55</b>	<b>2,290,862.11</b>
2. Power Production Expense				
0 535.0 OPERATION SUPERVISION & ENGINEERIN	0.00	0.00	0.00	0.00
0 536.0 WATER POWER RIGHTS & PERC LICENSE	9,049.29	19,970.57	14,519.19	4,737.15
0 536.1 BOULDER PLANT - FERC LICENSE/COMPL	0.00	0.00	0.00	0.00
0 537.0 HYDRAULIC EXPENSES	0.00	0.00	0.00	0.00
0 538.0 ELECTRIC EXPENSE	159,000.00	175,000.08	14,583.34	13,250.55
0 539.0 MISC HYDRAULIC POWER GENERATION	4,041.51	653.82	42.00	491.74
0 540.0 RENTS	0.00	0.00	0.00	0.00
0 542.0 MAINTENANCE OF STRUCTURES	0.00	2,052.02	0.00	0.00
0 543.0 MAINT RESERVOIRS, DAMS & WATERWA	3,576.27	12,221.30	0.00	0.00
0 544.0 MAINT OF ELECTRIC PLANT	23,179.21	28,948.39	1,506.01	0.00

General Ledger  
CFC Form 7

INCOME STATEMENT FOR DEC 2018

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
2. Power Production Expense				
0 545.0 MAINT MISC HYDRAULIC PLANT	399.37	0.00	0.00	0.00
0 546.0 OPER, SUPERVISION & ENGINEERING	0.00	0.00	0.00	0.00
0 547.0 FUEL	0.00	0.00	0.00	0.00
0 548.0 GENERATION EXPENSES	14,013.20	985.55	253.80	0.00
0 549.0 MISC OTHER GENERATING EXPENSE				7,669.40
0 550.0 RENTS - GENERATOR SITE LEASE	0.00	0.00	0.00	0.00
0 553.0 MAINT OF GENERATING & ELECTRIC EQ	12,792.98	7,988.40	0.00	0.00
<b>Total for Line 2:</b>	226,051.83	247,820.13	30,904.34	338.65
3. Cost of Purchased Power				
0 555.0 PURCHASED POWER	9,188,291.51	9,489,135.44	1,011,240.83	845,438.31
0 555.1 PURCHASED POWER - GREENWAY PROG	0.00	0.00	0.00	0.00
0 555.2 ENERGY EFFICIENCY - LED LIGHT CREDI	0.00	0.00	0.00	0.00
0 555.21 ENERGY EFFICIENCY - WATER HEATER R	0.00	0.00	0.00	0.00
0 556.0 SYSTEM CONTROL & LOAD DISPATCHIN	33,897.42	53,999.12	6,363.48	3,934.91
0 557.0 OTHER EXPENSES	0.00	0.00	0.00	0.00
<b>Total for Line 3:</b>	9,222,188.93	9,543,134.56	1,017,604.31	849,373.22
4. Transmission Expense				
0 560.0 OPER SUPERVISION & ENGINEERING	0.00	0.00	0.00	0.00
0 561.0 LOAD DISPATCHING	10,478.57	16,471.78	5,214.40	1,602.48
0 562.0 STATION EXPENSES	35,071.46	79,182.37	7,047.09	6,746.42
0 563.0 OVERHEAD LINE EXPENSES	19,337.43	87,086.46	32,242.91	11,343.76
0 566.0 MISC TRANSMISSION EXPENSES	4,122.26	17,506.41	5,908.74	567.39
0 567.0 RENTS	0.00	0.00	0.00	0.00
0 570.0 MAINT OF STATION EQUIP	124,008.60	319,198.20	16,453.48	10,007.22
0 571.0 MAINT OF OVERHEAD LINES	14,238.10	50,305.68	426.87	24,409.34
<b>Total for Line 4:</b>	207,256.42	569,750.90	67,293.49	54,676.61
5. Regional Market Operations Expense				
6. Distribution Expense - Operation				
0 580.0 OPERATION SUPERVISION & ENGINEERIN	70,130.61	89,983.74	7,471.23	4,473.41
0 581.0 LOAD DISPATCHING	18,447.04	21,182.65	5,588.63	123.14
0 582.0 STATION EXPENSE	12,087.61	39,504.17	6,752.81	1,721.53
0 583.0 OVERHEAD LINE EXPENSE	59,980.20	63,056.23	5,228.92	4,446.77
0 584.0 UNDERGROUND LINE EXPENSE	50,234.59	70,429.39	2,111.01	6,453.41
0 585.0 STREET LIGHTING & SIGNAL SYSTEM EX	5,408.65	2,176.15	327.76	245.71



General Ledger  
CFC Form 7

INCOME STATEMENT FOR DEC 2018

Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
6. Distribution Expense - Operation					
0 586.0 METER EXPENSE	145,620.69	259,894.56	223,053.24	18,930.15	15,328.11
0 586.01 METER EXPENSE - TURKLE METERS	14,521.44	15,921.48	12,150.03	0.00	2,410.92
0 586.02 METER EXPENSE - PLX METER	-1.23	0.01	133,669.80	-19,589.56	15,995.68
0 586.03 METER EXPENSE - PREPAID METERS	1,733.92	1,536.83	1,680.03	80.92	0.00
0 586.04 METER EXPENSE - TIME OF USE METERS	0.00	0.00	21,069.68	-242.30	1,150.98
0 587.0 CUSTOMER INSTALLATION EXPENSE	824.86	5,422.49	1,037.40	0.00	0.00
0 588.0 MISC DISTRIBUTION EXPENSE	274,676.62	398,628.75	368,137.64	29,585.20	29,512.78
0 588.01 NET METERING-APPLICATIONS/INSTALL	0.00	0.00	0.00	0.00	0.00
0 589.0 RENTS, RIGHTS OF WAY	34,983.68	37,729.05	45,087.10	200.00	3,750.11
<b>Total for Line 6:</b>	<b>688,648.68</b>	<b>1,005,465.50</b>	<b>1,117,686.25</b>	<b>56,444.77</b>	<b>85,612.55</b>
7. Distribution Expense - Maintenance					
0 590.0 MAINT SUPERVISION & ENGINEERING	79,827.08	111,121.85	99,197.08	8,894.19	4,563.80
0 592.0 MAINT OF STATION EQUIP	113,546.33	229,817.19	148,355.79	21,416.61	11,391.87
0 593.0 MAINT OF OVERHEAD LINES	333,185.36	310,403.74	416,442.18	12,967.04	55,877.85
0 593.01 MAINT OF OVERHEAD LINES - TREE TRIM	458,727.46	182,555.91	614,835.22	31,113.40	36,521.21
0 594.0 MAINT OF UNDERGROUND LINES	125,869.52	186,330.57	152,017.66	11,569.10	8,573.29
0 594.01 MAINT URD LOCATES	145,759.70	224,834.92	180,872.48	8,959.93	9,580.76
0 595.0 MAINT OF LINE TRANSFORMERS	41,094.70	48,513.18	64,633.96	3,439.58	4,881.30
0 596.0 MAINT OF STREET LIGHTING & SIGNAL SYS	66,500.17	61,665.89	83,302.49	3,253.06	18,471.01
0 597.0 MAINTENANCE OF METERS	63,582.31	151,944.75	112,304.06	8,447.01	12,232.03
0 597.01 MAINT OF METERS - TURKLE	13,870.48	19,112.55	14,179.33	808.12	0.00
0 597.02 MAINTENANCE OF METERS - PLX	79,536.62	172,301.90	73,251.30	15,090.30	357.35
0 597.03 MAINTENANCE OF METERS - PRE-PAID	1,907.96	1,127.68	853.74	0.00	0.00
0 597.04 MAINTENANCE OF METERS - TOU	14,684.94	28,208.74	12,127.22	2,709.66	0.00
0 598.0 MAINT OF MISC DISTRIBUTION PLANT	55,877.29	77,878.23	86,899.05	2,151.35	7,394.39
<b>Total for Line 7:</b>	<b>1,593,969.92</b>	<b>1,805,817.10</b>	<b>2,059,271.56</b>	<b>130,819.35</b>	<b>169,844.86</b>
8. Customer Accounts Expense					
0 901.0 CUSTOMER ACCOUNTS EXPENSE	36,992.35	47,164.30	59,647.49	2,788.75	4,981.40
0 902.0 METER READING EXPENSE	196,024.35	187,113.43	277,782.69	9,832.22	21,721.71
0 902.01 ANNUAL METER READING EXPENSE	0.00	3,746.64	0.00	0.00	0.00
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	283,400.97	336,260.54	406,705.75	26,796.29	25,635.20
0 903.01 CUSTOMER RECORDS & COLLECT EXP - C	250,109.79	240,599.71	0.00	17,001.51	0.00

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INCOME STATEMENT FOR DEC 2018

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
8. Customer Accounts Expense				
0 904.01 UNCOLLECTIBLE ACCOUNTS	766,527.46	815,056.65	56,418.77	52,338.31
<b>Total for Line 8:</b>				
9. Customer Service and Informational Expense				
0 905.01 RATE ANALYSIS - LABOR	260.00	0.00	0.00	0.00
0 907.0 CUSTOMER SERVICES - SUPERVISION	0.00	0.00	0.00	0.00
0 908.0 CUSTOMER ASSISTANCE EXPENSES	98,210.70	124,883.47	8,845.04	7,771.02
0 908.03 CUSTOMER ASSISTANCE - IRP	0.00	0.00	0.00	0.00
0 909.0 INFO & INSTRUCTIONAL ADVERTISING E	14,160.44	21,499.80	2,034.37	876.75
0 910.0 MISC CUST SERVICE & INFO EXPENSE	10,392.63	24,703.77	856.33	699.34
<b>Total for Line 9:</b>	123,023.77	171,087.04	11,735.74	9,347.11
10. Sales Expense				
0 912.0 DEMONSTRATING & SELLING EXPENSES	-55.57	0.00	0.00	0.00
0 912.01 DEM & SELL EXP - ANNUAL MEETINGS	39,304.58	34,142.41	807.22	268.37
0 912.02 DEM & SELL EXP - MEMBER APPRECIATI	11,391.07	5,487.79	484.37	348.55
0 912.03 DEM & SELL EXP-EMPLOYEE/DIRECTOR	14,639.38	26,414.01	484.37	161.03
0 912.04 DEM & SELL EXP-KEY ACCOUNTS	9,948.14	9,299.37	3,088.22	268.37
0 913.0 ADVERTISING EXPENSES	1,308.53	2,592.14	644.54	0.00
0 916.01 MISC SALES EXPENSES - URECA	31,971.74	43,648.76	2,421.60	805.12
0 916.02 MISC SALES EXPENSES - WASHINGTON D	0.00	0.00	0.00	0.00
<b>Total for Line 10:</b>	108,507.87	121,584.48	7,930.32	1,851.44
11. Administrative and General Expense				
0 920.0 ADMINISTRATIVE & GENERAL SALARIES	781,697.88	1,254,790.82	285,478.15	138,119.88
0 920.01 ADMIN & GEN SALARY-WORKERS COMP	1,757.43	1,681.89	0.00	0.00
0 921.01 OFFICE SUPPLIES & EXPENSES	128,116.71	202,769.39	13,621.58	11,492.31
0 921.02 OFFICE SUPPLIES & EXPENSE - TELEPHO	121,827.41	143,865.65	14,163.99	10,042.07
0 921.03 OFF SUPPLIES & EXPENSE - POSTAGE/FRE	23,824.27	35,829.38	194.74	6,458.37
0 921.04 SOFTWARE RENEWAL	81,641.78	91,422.17	27,720.55	11,875.44
0 921.06 SMALL TOOLS	0.00	0.00	0.00	0.00
0 921.07 OFFICE EXPENSE-LICENSES & SUBSCRIPT	0.00	0.00	0.00	0.00
0 923.01 OUTSIDE SERVICES EMPLOYED - AUDITO	12,800.00	14,887.50	1,537.50	0.00
0 923.02 OUTSIDE SERVICES EMPLOYED - ATTOR	34,863.05	17,787.33	500.00	4,166.85
0 923.03 OUTSIDE SERVICES EMPLOYED - ENGINE	0.00	0.00	0.00	0.00
0 923.04 OUTSIDE SERVICES EMPLOYED - MISC	88,351.84	72,635.48	5,792.75	7,346.96
0 924.01 PROPERTY INSURANCE EXPENSE	233,398.50	222,095.12	18,291.40	19,709.25

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INCOME STATEMENT FOR DEC 2018

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
11. Administrative and General Expense				
0 925.01 INJURIES & DAMAGES	55,593.54	100,414.98	42,904.59	4,059.02
0 925.02 INJURIES & DAMAGES - ST INSURANCE F	36,993.26	0.00	0.00	0.00
0 926.01 EMPLOYEE BENEFITS - NRECA GROUP LI	136,622.66	16,394.97	8,158.71	0.00
0 926.02 EMPLOYEE PENSIONS & BNFITS - HEALTH	742,559.45	82,651.33	16,589.45	0.00
0 926.03 EMPLOYEE PENSIONS & BNFITS - NRECA R	1,042,829.59	2,020.62	0.00	0.00
0 926.04 EMPLOYEE PENSIONS & BNFITS - NRECA S	0.00	250.00	0.00	0.00
0 926.05 EMPLOYEE PENSIONS & BNFITS - CREDIT U	0.00	0.00	0.00	0.00
0 926.06 EMPLOYEE PENSIONS & BNFITS - POSTRET	0.00	0.00	0.00	0.00
0 926.07 EMPLOYEE BENEFITS - CLOTHING ALLO	62,773.23	45,589.08	7,091.14	0.00
0 926.08 EMPLOYEE BENEFITS - VISION CARE EXP	35,722.50	37,850.94	7,884.58	4,129.98
0 926.09 MEDICAL SAVINGS ACCOUNT EXPENSE	0.00	0.00	0.00	2,625.00
0 926.1 DAY CARE SAVINGS ACCOUNT EXPENSE	0.00	0.00	0.00	0.00
0 926.11 EMPLOYEE BENEFITS - DEFERRED COMP	0.00	0.00	0.00	0.00
0 928.0 REGULATORY COMMISSION EXPENSE	10,701.75	6,878.65	0.00	0.00
0 930.0 MISC GENERAL EXPENSES - ADM	91,067.08	126,896.21	17,744.64	0.00
0 930.01 MISC GENERAL EXPENSE - DIRECTORS	0.00	-3,455.43	0.00	0.00
0 930.02 MISC GENERAL EXPENSES - TRAINING	589,608.45	774,318.33	95,225.23	43,727.95
0 930.03 MISC GEN EXP - US BANK VISA CARDS	0.00	70.02	0.00	0.00
0 930.04 MISC GENERAL EXPENSES - MEMBERSHI	47,441.89	38,306.77	0.00	4,791.85
0 930.05 MISC GENERAL EXPENSES - ADVERTISIN	52,457.76	56,403.75	9,545.15	4,166.85
0 930.06 MISC GENERAL EXPENSES - TRAVEL	94,451.90	94,922.55	9,754.31	9,752.45
0 930.07 MIS GEN EXP - SPONSORSHIPS, PROMO A	7,112.85	7,885.20	161.38	470.30
0 930.2 DIRECTORS EXPENSE - BOARD MEETING	25,564.14	34,470.88	3,337.35	2,818.30
0 930.21 DIRECTORS EXPENSE - ANNUAL MEETIN	50.00	2,193.75	0.00	0.00
0 930.22 DIRECTORS EXPENSE - STRATEGIC PLAN	4,521.04	5,790.12	0.00	0.00
0 930.23 DIRECTORS EXPENSE - OTHER MEETINGS	6,389.86	10,458.18	1,264.95	2,700.00
0 930.24 DIRECTORS EXPENSE - TRAINING/CONFE	46,555.66	29,147.83	0.00	0.00
0 930.25 DIRECTORS EXPENSE - BENEFITS	146,049.26	120,749.53	11,326.22	12,375.00
0 930.26 DIRECTORS EXPENSE - MISCELLANEOUS	4,979.89	5,483.84	3,575.70	6,700.00
0 931.0 RENTS	0.00	0.00	0.00	0.00
0 932.0 MAINTENANCE OF GENERAL PLANT	281,500.51	318,973.57	31,136.40	22,675.03
0 932.01 MAINT OF GENERATOR - BARNEY TOP	5,532.51	672.50	0.00	452.62
<b>Total for Line 11:</b>	<b>5,035,357.65</b>	<b>3,973,102.90</b>	<b>633,000.46</b>	<b>335,205.44</b>
12. Total Operation & Maintenance Expense (2 thru 11)	17,971,532.53	18,252,819.26	2,012,151.55	1,577,067.63

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INCOME STATEMENT FOR DEC 2018

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
13. Depreciation & Amortization Expense				
0 403.2 DEPREC OF OTHER PRODUCTION PLT - U	31,918.26	31,918.26	2,659.86	2,659.91
0 403.21 DEPREC EXP - IRC DIESEL GENERATORS -	15,857.76	15,857.76	1,321.47	1,321.55
0 403.3 DEPREC OF HYDRAULIC PRODUCTION PL	0.00	0.00	0.00	0.00
0 403.31 DEPREC OF HYDRAULIC PLT - BOULDER -	50,238.73	50,153.28	4,179.44	6,485.12
0 403.32 DEPREC OF HYDRAULIC PLT - L BOULDE	34,300.02	34,300.07	2,858.32	3,162.87
0 403.5 DEPREC OF TRANSMISSION PLANT - UT	470,030.84	482,944.06	47,928.85	59,583.91
0 403.51 DEPREC OF TRANSMISSION PLT - BOULD	0.00	0.00	0.00	877.99
0 403.52 DEPREC OF TRANSMISSION PLANT - AZ	0.00	0.00	0.00	748.02
0 403.6 DEPREC OF DISTRIBUTION PLANT - UT	1,732,336.83	1,831,560.00	166,815.71	148,112.25
0 403.61 DEPREC OF DISTRIBUTION PLANT - AZ	171,216.67	187,633.62	15,699.81	15,991.11
0 403.7 DEPRECIATION OF GENERAL PLANT - UT	532,048.23	609,367.00	51,372.94	48,170.53
0 403.8 DEPRECIATION EXPENSE - LP GAS EQUIP	0.00	0.00	0.00	0.00
<b>Total for Line 13:</b>	<b>3,037,947.34</b>	<b>3,243,734.05</b>	<b>292,836.40</b>	<b>287,113.26</b>
14. Tax Expense - Property				
0 408.1 PROPERTY TAX EXPENSE	687,318.81	663,117.26	55,000.00	54,169.05
<b>Total for Line 14:</b>	<b>687,318.81</b>	<b>663,117.26</b>	<b>55,000.00</b>	<b>54,169.05</b>
15. Tax Expense - Other				
0 408.2 FEDERAL UNEMPLOYMENT TAX EXPENS	4.85	0.00	0.00	0.00
0 408.3 FICA TAX EXPENSE	140.76	-0.16	-0.11	42.50
0 408.4 STATE UNEMPLOYMENT TAX EXPENSE	0.01	-0.03	0.00	0.00
0 408.5 STATE SALES & USE TAX EXPENSE	32,125.01	52,898.63	12,433.59	2,550.11
0 408.6 OTHER TAX EXPENSE	14,685.90	19,331.19	1,297.30	2,666.74
<b>Total for Line 15:</b>	<b>46,956.53</b>	<b>72,229.63</b>	<b>13,730.78</b>	<b>5,259.35</b>
16. Interest on Long-Term Debt				
0 427.1 INTEREST ON REA LONG-TERM DEBT	0.00	0.00	0.00	0.00
0 427.2 INTEREST ON NRUCFC LONG-TERM DEBT	1,112,364.18	1,095,046.66	112,064.02	98,004.29
0 427.21 INTEREST ON KCWCD LT-DEBT	10,093.20	9,824.24	807.37	807.37
0 427.22 INTEREST ON NRUCFC LINE OF CREDIT	3,341.50	48,730.63	15,809.25	750.00
<b>Total for Line 16:</b>	<b>1,125,798.88</b>	<b>1,153,601.53</b>	<b>128,680.64</b>	<b>99,561.66</b>
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00
18. Interest Expense - Other				
0 431.0 OTHER INTEREST EXPENSE	20,955.95	16,581.60	1,373.46	1,791.74
<b>Total for Line 18:</b>	<b>20,955.95</b>	<b>16,581.60</b>	<b>1,373.46</b>	<b>1,791.74</b>
19. Other Deductions				

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Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
19. Other Deductions				
0 425.0 MISCELLANEOUS AMORTIZATION	0.00	0.00	0.00	0.00
0 426.1 DONATIONS	26,807.95	28,204.64	0.00	2,083.37
0 426.11 SCHOLARSHIP AWARDS & DONATIONS	0.00	0.00	0.00	0.00
0 426.4 EXPENDITURES FOR CIVIC & POLITICAL	0.00	888.68	0.00	0.00
0 426.5 OTHER DEDUCTIONS	0.00	0.00	0.00	0.00
0 428.1 AMORTIZATION OF LOSS ON REACQUIRE	0.00	0.00	0.00	0.00
0 430.0 INTEREST EXPENSE - SHORT-TERM DEBT	0.00	0.00	0.00	0.00
<b>Total for Line 19:</b>	<u>26,807.95</u>	<u>29,093.32</u>	<u>0.00</u>	<u>2,083.37</u>
20. Total Cost of Electric Service (12 thru 19)	22,917,317.99	23,431,176.65	2,503,772.83	2,027,046.06
21. Patronage Capital & Operating Margins (1 minus 20)	1,777,814.78	1,726,908.96	92,329.72	263,816.05
22. Non Operating Margins - Interest				
0 419.0 INTEREST AND DIVIDEND INCOME	35,972.04	20,733.68	2,839.51	3,000.11
<b>Total for Line 22:</b>	<u>35,972.04</u>	<u>20,733.68</u>	<u>2,839.51</u>	<u>3,000.11</u>
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other				
0 415.0 REVENUE FROM CONTRACT WORK - FRE	85,508.54	56,652.51	2,329.78	2,500.11
0 415.01 REVENUE FROM MISC SALES & CONTRA	0.00	0.00	0.00	0.00
0 415.02 REVENUE FROM KANE CO WATER CONSE	3,212.21	3,085.53	200.00	250.00
0 415.03 REV FROM SALES OF FIREPLACES & HEA	0.00	0.00	0.00	0.00
0 415.04 NET FROM INSTALLING NET METERING S	0.00	0.00	0.00	0.00
0 415.05 REVENUE FROM FREDONIA ELECT UPGR	0.00	0.00	0.00	0.00
0 415.06 REVENUE FROM ENERGY EFFICIENCY PR	152,379.44	195,826.42	9,399.14	13,837.49
0 415.07 REVENUE FROM SOUTH CENTRAL COMM	5,191.80	1,332.80	0.00	0.00
0 415.08 REVENUE FROM CONTRACT WORK - FRE	0.00	0.00	0.00	0.00
0 415.09 REVENUE FROM EMERY TELCOM	0.00	0.00	0.00	0.00
0 415.1 REV FROM SALES OF HOME SURGE PROT	-43,739.44	-40,971.59	300.00	0.00
0 416.0 COST & EXPENSE OF CONTRACT WORK -	-153.22	-295.46	-1,640.05	-3,511.58
0 416.01 COST OF SALES & EXPENSE OF MISC CON	-774.92	-767.91	0.00	0.00
0 416.02 EXPENSE FOR KANE CO WATER CONSER	0.00	0.00	-186.93	-41.63
0 416.03 COST OF MERCHANDISING FIREPLACES	1,456.87	-2,456.36	0.00	0.00
0 416.04 COST TO INSTALL NET METERING SERVI	0.00	0.00	-80.95	-727.60
0 416.05 COST & EXP OF FREDONIA ELECT UPGRD	0.00	0.00	0.00	0.00
0 416.06 COST OF ENERGY EFFICIENCY PROGRAM	-152,379.44	-195,286.42	-8,859.14	-13,678.82

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INCOME STATEMENT FOR DEC 2018

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
25. Non Operating Margins - Other				
0 416.07 COST OF SALES & EXPENSE - SOUTH CEN	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
0 416.1 COST OF HOME SURGE PROTECTORS	0.00	-995.93	-888.73	0.00
0 418.0 NONOPERATING RENTAL INCOME	0.00	1,500.00	0.00	0.00
0 421.0 NONOPERATING INCOME - UT IMPACT FEE	281,733.98	280,349.66	23,529.12	23,750.99
0 421.01 NONOPERATING INCOME - AZ IMPACT FEE	30,163.40	29,801.07	2,576.07	2,200.11
0 421.1 GAIN ON DISPOSITION OF PROPERTY	21,450.91	48,886.81	0.00	2,625.11
0 421.11 MISC NONOPERATING INCOME - GAIN RU	54,948.24	54,948.24	4,579.02	0.00
0 421.2 LOSS ON DISPOSITION OF PROPERTY	-160,195.65	-912.00	0.00	4,670.84
<b>Total for Line 25:</b>	<b>278,802.72</b>	<b>446,615.58</b>	<b>31,257.33</b>	<b>31,875.02</b>
26. Generation and Transmission Capital Credits				
0 423.0 GENERATION & TRANSMISSION COOP CA	6,819.00	6,819.00	6,819.00	568.25
<b>Total for Line 26:</b>	<b>6,819.00</b>	<b>6,819.00</b>	<b>6,819.00</b>	<b>568.25</b>
27. Other Capital Credits and Patronage Dividends				
0 424.0 OTHER CAPITAL CRS & PATRONAGECAPI	138,246.62	142,746.69	9,151.00	11,583.81
<b>Total for Line 27:</b>	<b>138,246.62</b>	<b>142,746.69</b>	<b>9,151.00</b>	<b>11,583.81</b>
28. Extraordinary Items				
0 434.0 EXTRAORDINARY INCOME	0.00	0.00	0.00	0.00
0 434.1 GAIN ON CURTAILMENT	0.00	0.00	0.00	0.00
0 435.0 EXTRAORDINARY ITEMS	0.00	0.00	0.00	0.00
0 435.1 EXTRA-ORDINARY DEDUCTIONS	0.00	0.00	0.00	0.00
<b>Total for Line 28:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
29. Patronage Capital or Margins (21 thru 28)				
Operating - Margin	2,237,655.16	2,343,823.91	142,396.56	310,843.24
Non Operating - Margin	1,922,880.40	1,876,474.65	108,299.72	275,968.11
Times Interest Earned Ratio - Operating	314,774.76	467,349.26	34,096.84	34,875.13
Times Interest Earned Ratio - Net	2.58	2.50		
Times Interest Earned Ratio - Modified	2.99	3.03		
	2.86	2.90		

# General Ledger CFC Form 7

**PARAMETERS ENTERED:**

Period: DEC 2018  
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: 1  
Financial And Statistical Data: No  
Compare: Budget

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BALANCE SHEET FOR DEC 2018

	Last Year	This Year	Variance
<b>ASSETS AND OTHER DEBITS</b>			
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	201,466.86	201,466.86	0.00
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	691,257.01	691,257.01	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 ACCESSORY ELECTRIC EQUIPMENT - L BO	82,299.21	82,299.21	0.00
0 335.01 MISC POWER PLANT EQUIP - BOULDER #2	20,792.88	20,792.88	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	585,300.00	0.00
0 344.5 IRC GENERATORS - AZ	317,155.53	317,155.53	0.00
0 345.0 ACCESSORY ELECTRIC EQUIPMENT - OTH	272,061.12	272,061.12	0.00
0 350.0 LAND & LAND RIGHTS - TRANSMISSION P	2,335,669.45	2,339,973.24	4,303.79
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, HENRIEVILLE SUB TRAN	1,070,596.39	1,072,962.20	2,365.81
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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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	1,905.85	1,905.85	0.00
0 354.0 STEEL TOWERS, FIXTURES - TRANS PLT -	0.00	0.00	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	8,648,528.05	13,607,093.21	4,958,565.12
0 355.01 POLES & FIXTURES - BOULDER #2219 - UT	124,637.48	124,637.48	0.00
0 355.1 POLES & FIXTURES - TRANS PLT - AZ	152,451.47	152,451.47	0.00
0 356.0 OH CONDUCTORS & DEVICES - TRANS PL	5,668,165.58	9,311,698.59	3,643,533.01
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	598,974.94	598,974.94	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	6,458.50	12,798.74	6,340.24
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 - PAHREAH 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	258,451.24	258,451.24	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	599,958.00	614,103.78	14,145.78
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	1,874,046.14	1,878,761.40	4,715.26
0 362.25 STATION EQUIP - TWIN CITIES SUB - UT	1,627,083.30	1,641,229.08	14,145.78
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
0 364.0 POLES, TOWERS, FIXTURES - DIST PLT - U	9,624,353.71	9,894,862.57	270,508.86
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 -	10,792,388.83	11,037,001.62	244,612.79
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	160,563.96	257,293.50	96,729.54
0 366.1 UNDERGROUND CONDUIT - DIST PLT - AZ	10,588.09	10,588.09	0.00
0 367.0 UG CONDUCTORS & DEVICES - DIST PLT -	4,139,320.53	4,467,495.41	328,174.88
0 367.1 UG CONDUCTORS & DEVICES - DIST PLT -	110,379.77	110,379.77	0.00
0 368.0 LINE TRANSFORMERS - DIST PLANT - UT	11,514,219.33	12,084,982.01	570,762.68
0 368.1 LINE TRANSFORMERS - DIST PLANT - AZ	882,782.17	913,888.11	31,105.94
0 369.0 SERVICES - DIST PLANT - UT	3,108,352.16	3,755,112.71	646,760.55
0 369.1 SERVICES - DIST PLANT - AZ	362,573.63	362,573.63	0.00
0 370.0 METERS - DIST PLANT - UT	3,492,680.47	3,513,788.66	21,108.19
0 370.01 METERS - DIST PLANT 15 YR - UT	832,764.61	1,178,278.98	345,514.37
0 370.02 METERS - DIST PLANT 15 YR - AZ	40,357.71	40,357.71	0.00
0 370.1 METERS - DIST PLANT - AZ	282,700.39	310,783.06	28,082.67
0 371.0 INSTALL ON CUST PREMISES - DIST PLT -	119,313.11	120,393.68	1,080.57
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	99,756.71	99,756.71	0.00

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1. Total Utility Plant in Service			
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	4,587,352.22	4,616,005.13	28,652.91
0 391.0 OFFICE FURNITURE & EQUIP - GEN PLT -	1,381,041.34	1,513,366.67	132,325.33
0 392.1 TRANSPORT EQUIP - AUTO'S - UT	39,181.29	39,181.29	0.00
0 392.2 TRANSPORT EQUIP - LIGHT TRUCKS - UT	2,323,815.46	2,582,927.23	259,111.77
0 392.3 TRANSPORT EQUIP - HEAVY TRUCKS - UT	47,343.50	47,343.50	0.00
0 392.4 TRANSP EQUIP - TRAILERS, SNOWMOBILE	1,200,976.23	1,244,063.39	43,087.16
0 393.0 STORES EQUIPMENT - GENERAL PLANT -	0.00	0.00	0.00
0 394.0 TOOLS, SHOP, GARAGE EQUIP - GEN PLT	136,364.83	138,704.50	2,339.67
0 395.0 LABORATORY EQUIP - GEN PLANT - UT	567,439.88	619,705.85	52,265.97
0 396.0 POWER OPERATED EQUIP - GEN PLT - UT	5,578,824.70	5,578,824.70	0.00
0 397.0 COMMUNICATION EQUIP - GEN PLT - UT	282,235.73	361,996.83	79,761.10
0 397.01 COMMUNICATION EQUIP - BOULDER #221	0.00	0.00	0.00
0 397.02 COMMUNICATION EQUIP - SCADA SYS - U	399,612.89	406,873.76	7,260.87
0 398.0 MISCELLANEOUS EQUIPMENT - GEN PLT -	697,046.53	815,007.47	117,960.94
<b>Total for Line 1:</b>	<b>112,007,552.55</b>	<b>123,962,874.10</b>	<b>11,955,321.55</b>
2. Construction Work in Progress			
0 107.2 CONSTRUCTION WORK IN PROGRESS	10,424,259.48	2,397,059.57	-8,027,199.91
0 107.3 CONST. WORK-IN-PROGRESS - SPECIAL E	21,964.96	30,317.94	8,352.98
<b>Total for Line 2:</b>	<b>10,446,224.44</b>	<b>2,427,377.51</b>	<b>-8,018,846.93</b>
3. Total Utility Plant (1 + 2)	<b>122,453,776.99</b>	<b>126,390,251.61</b>	<b>3,936,474.62</b>
4. Accum. Provision for Depreciation and Amort.			
0 108.2 ACC PROV FOR DEPREC-OTHER PRODUCT	-555,251.55	-587,169.81	-31,918.26
0 108.21 ACC PROV FOR DEPREC - IRC GENERATO	-171,793.08	-187,650.84	-15,857.76
0 108.31 ACC PROV FOR DEPREC BOULDER HYDR	-2,589,407.33	-2,639,560.61	-50,153.28
0 108.32 ACC PROV FOR DEPREC - LOW BOULDER	-786,280.52	-820,580.59	-34,300.07
0 108.33 GAINLOSS RETIREMENT OF BOULDER H	0.00	0.00	0.00
0 108.5 ACCUM PROV DEPREC - TRANS PLANT - U	-9,251,236.73	-9,745,819.26	-494,582.53
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 -	-322,656.74	-322,656.74	0.00
0 108.53 GAINLOSS RETIREMENT TRANS PLANT - U	0.00	0.00	0.00
0 108.54 GAINLOSS RETIREMENT TRAN PLT - ARI	0.00	0.00	0.00
0 108.6 ACC PROV FOR DEPREC - DIST PLANT - U	-24,187,963.33	-25,895,134.43	-1,707,171.10
0 108.61 ACC PROV FOR DEPREC - DIST PLANT - A	-2,922,204.45	-3,109,838.07	-187,633.62

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4. Accum. Provision for Depreciation and Amort.			
0 108.62 ACC PROV DEP-NET LOSS/GAIN WO SYS U	2,710,068.19	2,778,492.48	68,424.29
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	-1,716,098.70	-1,841,123.14	-125,024.44
0 108.71 ACC PROV FOR DEPREC - GEN OFF PLT - U	-1,096,661.20	-1,197,136.01	-100,474.81
0 108.72 ACC PROV FOR DEPREC TRANS EQUIP AU	-34,921.47	-35,641.47	-720.00
0 108.73 ACC PROV FOR DEP TRANS EQUIP LT TRK	-1,514,181.60	-1,593,579.32	-79,397.72
0 108.74 ACC PROV FOR DEP TRANS EQUIP-HEAV	-47,343.50	-47,343.50	0.00
0 108.75 ACC PROV FOR DEP TRANS EQUIP TRAILE	-884,595.77	-941,908.18	-57,312.41
0 108.76 ACC PROV FOR DEPREC-TOOLS,GARAGE,	-88,243.70	-96,607.28	-8,363.58
0 108.77 ACC PROV FOR DEPREC- LAB EQUIP - UT	-464,297.90	-490,993.64	-26,695.74
0 108.78 ACC PROV FOR DEPREC - COMM EQUIP -	-252,097.02	-267,068.98	-14,971.96
0 108.79 ACC PROV FOR DEP - COMM EQUIP BOUL	0.00	0.00	0.00
0 108.8 RETIREMENT WORK-IN-PROGRESS	74,666.62	125,756.73	51,090.11
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	-573,265.93	-611,348.23	-38,082.30
0 108.91 ACC PROV FOR DEP - HEAVY EQUIPMENT	-4,040,633.91	-4,317,787.64	-277,153.73
0 108.92 ACC PROV FOR DEPREC - STORES EQUIP -	0.00	0.00	0.00
0 108.93 ACC PROV FOR DEPREC - SCADA EQUIP -	-277,628.01	-291,952.50	-14,324.49
<b>Total for Line 4:</b>	<b>-49,290,316.65</b>	<b>-52,434,940.05</b>	<b>-3,144,623.40</b>
5. Net Utility Plant (3 - 4)	73,163,460.34	73,955,311.56	791,851.22
6. Non-Utility Property (Net)	0.00	0.00	0.00
<b>Total for Line 6:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
7. Invest. in Subsidiary Companies			
0 123.12 INVESTMENT 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	1,843,289.98	1,785,208.41	-58,081.57
<b>Total for Line 7:</b>	<b>3,321,518.53</b>	<b>3,263,436.96</b>	<b>-58,081.57</b>
8. Invest. in Assoc. Org. - Patronage Capital			
0 123.0 INVEST ASSOC ORGANIZATION - NRUCFC	915,748.67	969,001.49	53,252.82
<b>Total for Line 8:</b>	<b>915,748.67</b>	<b>969,001.49</b>	<b>53,252.82</b>
9. Invest. in Assoc. Org. - Other - General Funds			
0 123.01 INVEST IN ASSOC ORGANIZATION - LPAC	0.00	0.00	0.00

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9. Invest. in Assoc. Org. - Other - General Funds	0.00	0.00	0.00
<b>Total for Line 9:</b>			
10. Invest. in Assoc. Org. - Other - Nongeneral Funds			
0 123.22 INVESTMENTS IN CAPITAL TERM CERTIFI	994,986.47	985,697.77	-9,288.70
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
<b>Total for Line 10:</b>			
11. Invest. in Economic Development Projects	1,046,986.47	1,037,697.77	-9,288.70
<b>Total for Line 11:</b>			
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
0 128.0 OTHER SPEC FUNDS-UNCLAIMED CAPTL	9,381.46	9,398.85	17.39
0 128.01 OTHER SPECIAL FUNDS - ROUNDUP PROG	16,423.55	19,539.09	3,115.54
0 128.1 SPECIAL FUNDS - DEF COMP - CARL ALBR	0.00	0.00	0.00
0 128.12 SPECIAL FUNDS - DEF COMP - MARION CH	0.00	0.00	0.00
0 128.13 SPECIAL FUNDS - DEF COMP - IRA M A VA	35,824.27	47,737.14	11,912.87
<b>Total for Line 13:</b>			
14. Total Other Property & Investments (6 thru 13)	61,629.28	76,675.08	15,045.80
15. Cash - General Funds	5,345,882.95	5,346,811.30	928.35
0 131.0 CASH - CACHE VALLEY BANK-GENERAL	247,016.94	556,151.58	309,134.64
0 131.01 CASH - ZHONS BANK - HATCH - GENERAL	116,345.01	93,510.08	-22,834.93
0 131.02 CASH - SBSU TWIN CITIES FUND ACCOUNT	43,210.71	28,970.19	-14,240.52
0 131.1 CASH - GENERAL FUND - SBSU	652,571.47	1,486,471.74	833,900.27
0 131.11 CASH - PAYROLL ACCOUNT	703.73	250.00	-453.73
0 131.12 CAPITAL CREDIT ALLOCATION FUND	159,052.48	185,276.64	26,224.16
0 131.13 CASH - GENERAL FUND - ONLINE PAYME	53,378.05	104,893.87	51,515.82
0 131.14 CASH - CREDIT CARD PAYMENT ACCOUNT	93,850.24	289,094.02	195,243.78
0 131.15 CASH - HEALTH & VISION CARE FUND	27,530.35	54,373.17	26,842.82
0 131.4 TRANSFER OF CASH - CLEARING ACCOUNT	0.00	0.00	0.00
0 131.99 CASH - CLEARING ACCT	0.00	791.73	791.73
0 135.0 WORKING FUND - PETTY CASH	1,354.02	1,053.00	-301.02
<b>Total for Line 15:</b>			
16. Cash - Construction Funds - Trustee	1,395,013.00	2,800,836.02	1,405,823.02
0 131.2 CASH - REA CONSTRUCTION FUND	0.00	0.00	0.00

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16. Cash - Construction Funds - Trustee			
17. Special Deposits	0.00	0.00	0.00
18. Temporary Investments	0.00	0.00	0.00
0 136.0 TEMPORARY CASH INVESTMENTS	0.00	0.00	0.00
<b>Total for Line 16:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
19. Notes Receivable (Net)			
20. Accounts Receivable - Sales of Energy (Net)			
0 142.0 CONSUMER ACCTS RECEIVABLE - ELECT	2,759,308.29	3,166,468.90	407,160.61
0 142.99 A/R DISC ACCTS WITH CREDIT BALANCE	-3,438.44	4,428.27	7,866.71
0 144.1 ACCUM. PROV. FOR UNCOLLECTABLE CO	-95,172.24	-95,172.24	0.00
<b>Total for Line 18:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total for Line 19:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
21. Accounts Receivable - Other (Net)			
0 142.1 CONSUMER ACCTS RECEIVABLE - RETUR	19,114.30	18,527.41	-586.89
0 142.11 CONSUMER ACCTS RECEIVABLE - DISCO	139,132.80	153,836.94	14,704.14
0 143.0 OTHER ACCOUNTS RECEIVABLE	70,908.11	143,422.80	72,514.69
0 143.1 OTHER ACCOUNTS RECEIVABLE - EMPLO	0.00	0.00	0.00
0 143.11 ACCOUNTS RECEIVABLE OTHER - MISC	765,152.00	748,486.00	-16,666.00
0 143.12 ACCTS RECEIVABLE - MISC CLEARING AC	0.00	9,151.00	9,151.00
0 143.13 EMPLOYEES ACCTS RECEIVABLE - AFLA	0.00	0.00	0.00
0 143.15 ACCOUNTS RECEIVABLE OTHER - CEO/G	0.00	172.99	172.99
0 143.2 MISC ACCTS RECEIVABLE - SKYLINE LU	0.00	0.00	0.00
0 143.21 ACCTS RECEIVABLE - AIC CONTRACTS	1,776.83	-756.89	-2,533.72
0 143.22 A/R OTHER - SOLAR PROJECT (DESERET)	45,807.70	0.00	-45,807.70
0 143.23 A/R OTHER - URECA	0.00	53.93	53.93
0 143.24 A/R OTHER - SOLAR PROJECT #2	0.00	15,803.31	15,803.31
0 143.25 A/R OTHER - WASHINGTONDC YOUTH TO	0.00	2,160.46	2,160.46
0 143.3 ACCTS RECEIVABLE OTHER - GARKANE P	56,624.74	155,263.38	98,638.64
0 143.4 ACCTS RECEIVABLE - FIREPLACE & HEAT	0.00	0.00	0.00
0 143.5 ACCOUNTS RECEIVABLE-WORK FOR OTH	0.00	0.00	0.00
0 143.9 CLEARING ACCOUNT VOID BAD CHECKS	0.00	0.00	0.00
<b>Total for Line 21:</b>	<b>1,098,516.48</b>	<b>1,246,121.33</b>	<b>147,604.85</b>
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other			

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23. Material and Supplies - Electric & Other			
0 154.0 MATERIALS & SUPPLIES	2,683,325.12	3,282,292.89	598,967.77
0 155.0 MERCHANDISE	42,046.40	42,046.40	0.00
0 163.0 STORES EXPENSE UNDISTRIBUTED	1,055.90	111,657.55	110,601.65
<b>Total for Line 23:</b>	<b>2,726,427.42</b>	<b>3,435,996.84</b>	<b>709,569.42</b>
24. Prepayments			
0 165.0 PREPAYMENTS	746,976.89	711,319.86	-35,657.03
0 165.01 PREPAYMENTS - SUBSTATION PLX	76,495.13	76,495.13	0.00
0 165.1 PREPAID INSURANCE	78,805.12	71,645.00	-7,160.12
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
0 165.15 PREPAID WORKERS COMP	12,850.98	6,165.81	-6,685.17
0 165.16 PREPAID SOFTWARE LICENSE - PARTNER	0.00	18,661.50	18,661.50
0 165.2 PREPAID ENERGY EFFICIENCY PROGRAM	233.57	0.00	-233.57
0 165.3 PREPAID HSA CONTRIBUTIONS	0.00	0.00	0.00
<b>Total for Line 24:</b>	<b>915,361.69</b>	<b>884,287.30</b>	<b>-31,074.39</b>
25. Other Current and Accrued Assets			
0 171.0 INTEREST & DIVIDEND RECEIVABLES - C	18,271.83	6,746.16	-11,525.67
0 171.1 INTEREST & DIVIDEND RECEIVABLE - OT	0.00	-400.00	-400.00
<b>Total for Line 25:</b>	<b>18,271.83</b>	<b>6,346.16</b>	<b>-11,925.67</b>
26. Total Current and Accrued Assets (15 thru 25)	8,814,288.03	11,449,312.58	2,635,024.55
27. Deferred Debits			
0 183.0 PREM SURVEY & INVESTIGATION - MISC	0.00	0.00	0.00
0 183.01 PREM INVEST CHGS - LAKE POWELL PIPE	1,952.36	1,952.36	0.00
0 183.02 PRELIMINARY SUR & INVESTIGATION - W	13,699.87	13,699.87	0.00
0 183.03 PRELIMINARY COSTS - PANGUITCH CIT	554.68	554.68	0.00
0 183.04 PRELIMINARY INVESTIGATION - ARMAN	7,703.35	7,703.35	0.00
0 183.05 PRELIMINARY INVESTIGATION - NATURA	0.00	1,265.00	1,265.00
0 183.06 PRELIMINARY-MCRAE/BUCKSKIN SUB V	0.00	0.00	0.00
0 184.1 CLEARING ACCT. - TRANSPORTATION EX	57.01	146,910.32	146,853.31
0 184.11 CLEARING ACCT - PAYROLL DECUCTION	0.00	0.00	0.00
0 184.12 CLEARING ACCT. - CASH FROM THE SALE	0.00	0.00	0.00
0 184.13 CLEARING ACCT. - WORK ORDER REFUN	323.27	323.27	0.00
0 184.2 CLEARING ACCOUNT - HEALTH INSURAN	0.00	0.00	0.00
0 184.22 CLEARING ACCT - EMPLOYEES CONTR. 40	0.00	0.00	0.00
0 184.23 CLEARING ACCT - NRECA LOAN - EMPLO	0.00	0.04	0.04

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	Last Year	This Year	Variance
27. Deferred Debits			
0 184.24 CLEARING ACCT - EMPLOYEE MISC PAYR	-125.08	-216.33	-91.25
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	-200.00	-5,222.41	-5,022.41
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	482.50	482.50
0 184.32 CLEARING ACCOUNT - DENTAL INSURAN	6,517.92	8,122.89	1,604.97
0 184.33 CLEARING ACCOUNT - NRECA R&S	0.00	0.00	0.00
0 184.4 CLEARING ACCT - POST RET BENFIITS	0.00	-3,233.22	-3,233.22
0 184.5 CLEARING ACCT. - WORK ORDERS	-5,800.00	-18,111.82	-12,311.82
0 184.51 CLEARING ACCT. - KCWCD REIMBURSEM	0.00	0.00	0.00
0 184.6 OTHER DEFERRED DEBITS - UNCLAIMED	24,932.21	24,932.21	0.00
<b>Total for Line 27:</b>	<b>49,615.59</b>	<b>179,162.71</b>	<b>129,547.12</b>
28. Total Assets and Other Debits (5 + 14 + 26 + 27)	<b>87,373,246.91</b>	<b>90,930,598.15</b>	<b>3,557,351.24</b>



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LIABILITIES AND OTHER CREDITS

	Last Year	This Year	Variance
29. Memberships	0.00	0.00	0.00
30. Patronage Capital			
0 201.1 PATRON'S CAPITAL CREDITS	34,683,989.15	35,480,489.64	796,500.49
0 201.2 PATRONAGE CAPITAL ASSIGNABLE	7,903,199.48	8,469,206.70	566,007.22
<b>Total for Line 30:</b>	<b>42,587,188.63</b>	<b>43,949,696.34</b>	<b>1,362,507.71</b>
31. Operating Margins - Prior Years			
0 998.2 PROFIT CLEARING NON-OPERATING	-314,774.76	-467,349.26	-152,574.50
<b>Total for Line 31:</b>	<b>-314,774.76</b>	<b>-467,349.26</b>	<b>-152,574.50</b>
32. Operating Margins - Current Year			
0 998.1 PROFIT CLEARING OPERATING	-1,922,880.40	-1,876,474.65	46,405.75
Current Fiscal Margins	1,922,880.40	1,876,474.65	-46,405.75
<b>Total for Line 32:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
33. Non-Operating Margins			
0 219.1 OPERATING MARGINS	0.00	0.00	0.00
Current Fiscal Margins	314,774.76	467,349.26	152,574.50
<b>Total for Line 33:</b>	<b>314,774.76</b>	<b>467,349.26</b>	<b>152,574.50</b>
34. Other Margins and Equities			
0 208.1 DONATED CAPITAL	0.00	0.00	0.00
0 216.1 UNDISTRIBUTED SUBSIDIARY EARNINGS	2,043,289.98	2,085,208.41	41,918.43
0 217.0 RETIRED CAPITAL CREDITS - GAIN	0.00	1,912.97	1,912.97
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
<b>Total for Line 34:</b>	<b>7,319,082.33</b>	<b>7,362,913.73</b>	<b>43,831.40</b>
35. Total Margins & Equities (29 thru 34)	49,906,270.96	51,312,610.07	1,406,339.11
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	39,102,427.83	37,334,967.86	-1,767,459.97
0 224.13 CFC NOTES EXECUTED - DEBIT	-12,000,000.00	-7,850,000.00	4,150,000.00
<b>Total for Line 36:</b>	<b>27,102,427.83</b>	<b>29,484,967.86</b>	<b>2,382,540.03</b>
37. Long-Term Debt - Other (Net)			
0 224.02 OTHER LONG TERM DEBT - KCWCD	501,992.06	487,650.27	-14,341.79

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	Last Year	This Year	Variance
37. Long-Term Debt - Other (Net)			
0 228.29	501,992.06	487,650.27	-14,341.79
0 228.3	27,604,419.89	29,972,618.13	2,368,198.24
0 228.34	0.00	0.00	0.00
<b>Total for Line 37:</b>			
38. Total Long-Term Debt (36 + 37)			
0 228.29	0.00	0.00	0.00
0 228.3	0.00	0.00	0.00
0 228.34	35,824.27	47,737.14	11,912.87
<b>Total for Line 40:</b>			
41. Total Other Noncurrent Liabilities (39 + 40)	35,824.27	47,737.14	11,912.87
42. Notes Payable	0.00	0.00	0.00
43. Accounts Payable			
0 232.1	768,402.91	464,258.15	-304,144.76
0 232.11	1,651,923.14	1,876,901.49	224,978.35
0 232.12	5,353.66	5,353.66	0.00
0 232.13	16,724.74	20,432.04	3,707.30
0 232.14	0.00	0.00	0.00
0 232.15	0.00	0.00	0.00
0 232.16	5,000.00	0.00	-5,000.00
<b>Total for Line 43:</b>	2,447,404.45	2,366,945.34	-80,459.11
44. Consumers Deposits			
0 235.0	666,438.36	549,225.51	-117,212.85
0 235.1	900.00	900.00	0.00
<b>Total for Line 44:</b>	667,338.36	550,125.51	-117,212.85
45. Current Maturities Long-Term Debt			
0 233.0	1,694,809.73	1,767,459.97	72,650.24
0 233.01	14,070.24	14,341.79	271.55
0 233.02	800,000.00	0.00	-800,000.00
<b>Total for Line 45:</b>	2,508,879.97	1,781,801.76	-727,078.21
46. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
47. Current Maturities Capital Leases			
<b>Total for Line 47:</b>	0.00	0.00	0.00
48. Other Current and Accrued Liabilities			
0 236.1	55,000.00	55,000.00	0.00
ACCURED PROPERTY TAXES			

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BALANCE SHEET FOR DEC 2018

	Last Year	This Year	Variance
48. Other Current and Accrued Liabilities			
0 236.2 ACCRUED FEDERAL UNEMPLOYMENT TA	0.00	0.00	0.00
0 236.3 ACCRUED FICA TAX	0.00	0.00	0.00
0 236.4 ACCRUED STATE UNEMPLOYMENT TAX	161.48	89.31	-72.17
0 236.47 ACCRUED MUNICIPAL ENERGY SALES TA	30,209.81	59,623.08	29,413.27
0 236.5 ACCRUED UTAH STATE SALES TAX	68,807.29	126,747.30	57,940.01
0 236.51 ACCRUED UTAH RESORT TAX PAYABLE	0.00	0.00	0.00
0 236.52 ACCRUED ARIZONA STATE SALES TAX	19,448.32	18,955.15	-493.17
0 236.53 ACCRUED MOHAVE CO UTILITY GROSS R	65,229.10	65,592.29	363.19
0 237.2 ACCRUED INTREST NRUCFU LOAN	92,822.33	112,064.02	19,241.69
0 237.21 ACCRUED INTREST KCWCD LOAN	4,979.98	4,844.22	-135.76
0 237.22 ACCRUED INTEREST - NRUCFC LINE OF C	0.00	0.00	0.00
0 237.3 ACCRUED INTEREST ON CONSUMER DEP	71,205.41	67,141.63	-4,063.78
0 238.1 PATRONAGE CAPITAL & PATRONAGE RE	364,346.12	385,914.57	21,568.45
0 238.11 PATRONAGE CAPITAL CREDITS RETIRED	53,408.91	48,043.83	-5,365.08
0 238.99 PATRONAGE CAP CREDITS RETIRED CLE	5.18	5.18	0.00
0 241.0 FEDERAL WITHHOLDING TAX	0.00	0.00	0.00
0 241.1 STATE WITHHOLDING TAX	0.00	0.00	0.00
0 242.2 ACCRUED PAYROLL	-250.00	412,045.16	412,295.16
0 242.3 EMPLOYEES ACCRUED PERSONAL LEAVE	1,136,384.56	1,204,227.56	67,843.00
0 242.31 ACCRUED LIABILITY FOR COMPENSATED	111,098.26	116,418.17	5,319.91
0 242.32 DONATED PERSONAL LEAVE BANK - SPE	1,410.02	1,410.02	0.00
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
<b>Total for Line 48:</b>	<b>2,074,266.77</b>	<b>2,678,121.49</b>	<b>603,854.72</b>
49. Total Current & Accrued Liabilities (42 thru 48)	7,697,889.55	7,376,994.10	-320,895.45
50. Deferred Credits			
0 253.0 OTHER DEFERED CRS-UNCLAIMED CAPT	0.00	138,762.60	138,762.60
0 253.1 CONSUMER DONATION - WARM PROGRA	0.00	0.00	0.00
0 253.2 DEFERRED CREDITS - IMPACT FEES UTAH	1,116,251.79	1,318,209.39	201,957.60
0 253.3 DEFERRED CREDITS - IMPACT FEES ARIZ	136,190.60	138,041.53	1,850.93
0 253.4 DEFERRED CREDITS - ENERGY EFFICIENC	632,442.11	436,615.69	-195,826.42
0 253.5 DEFERRED CREDITS - STORES SPREAD	0.00	0.00	0.00
0 257.0 UNAMORTIZED GAIN ON REACQUIRED D	243,957.74	189,009.50	-54,948.24
<b>Total for Line 50:</b>	<b>2,128,842.24</b>	<b>2,220,638.71</b>	<b>91,796.47</b>
51. Total Liab. & Other Credits (35+38+41+49+50)	87,373,246.91	90,930,598.15	3,557,351.24

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BALANCE SHEET FOR DEC 2018

	Last Year	This Year	Variance
ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION			
Balance Beginning of Year	-24,019,141.82		
Amounts Received This Year (Net)	-2,545,546.25		
TOTAL Contributions-In-Aid-Of-Construction	<u>-26,564,688.07</u>		

ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION

Balance Beginning of Year  
Amounts Received This Year (Net)  
TOTAL Contributions-In-Aid-Of-Construction

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**PARAMETERS ENTERED:**

Period: DEC 2018  
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: 1  
Financial And Statistical Data: No  
Compare: Budget