CALIFORNIA 41 ANZA

ANZA ELECTRIC COOPERATIVE, INC.

ANZA, CALIFORNIA

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

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Independent Auditor's Report

Board of Directors
Anza Electric Cooperative, Inc.
Anza, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Anza Electric Cooperative, Inc. which comprise the balance sheets as of March 31, 2024 and 2023, and the related statements of income, comprehensive income and patronage capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Anza Electric Cooperative, Inc. as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Cooperative's financial statements as a whole. The schedules of divisional balance sheets, statements of income, comprehensive income and patronage capital, utility plant, accumulated provision for depreciation and amortization, patronage capital and five year comparative data are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

June 13, 2024

ANZA ELECTRIC COOPERATIVE, INC.

Exhibit A

BALANCE SHEETS
MARCH 31, 2024 AND 2023

ASSETS

	March 31, 2024	March 31, 2023
UTILITY PLANT AT COST		
Electric Plant in Service	$ 41,544,456	$ 38,871,818
Fiber Plant in Service	11,455,492	10,995,288
Construction Work in Progress	1,980,125	2,772,739
Electric Plant Held for Future Use	7,202	7,202
	$ 54,987,275	$ 52,647,047
Less: Accumulated Provision for Depreciation	22,520,743	21,515,087
	$ 32,466,532	$ 31,131,960
OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE		
Investments in Associated Organizations	$ 5,068,543	$ 4,939,353
Other Investments	267,250	152,166
	$ 5,335,793	$ 5,091,519
CURRENT ASSETS		
Cash - General	$ 500,964	$ 447,676
Cash - Restricted	20,623	14,844
Temporary Cash Investments	659,635	594,439
Accounts Receivable (Less Allowance for Credit Losses of $96,816 in 2024 and $108,634 in 2023)	721,680	921,213
Accrued Unbilled Revenue	503,645	570,347
Materials and Supplies	1,427,266	1,523,001
Other Current and Accrued Assets	166,886	112,468
	$ 4,000,699	$ 4,183,988
DEFERRED CHARGES	$ 534,370	$ 201,903
TOTAL ASSETS	$ 42,337,394	$ 40,609,370

EQUITIES AND LIABILITIES

EQUITIES		
Memberships	$ 1,045	$ 1,240
Patronage Capital	15,962,176	15,859,730
Other Equities	1,496,828	982,689
Accumulated Other Comprehensive Income	323,397	349,846
	$ 17,783,446	$ 17,193,505
LONG-TERM DEBT		
CFC Mortgage Notes Less Current Maturities	$ 16,005,970	$ 14,094,724
CoBank Mortgage Notes Less Current Maturities	2,985,160	3,536,449
Finance Leases - Less Current Maturities	188,410	282,884
	$ 19,179,540	$ 17,914,057
ACCUMULATED PROVISION FOR POST-RETIREMENT BENEFITS		
Benefits to Retirees	$ 307,498	$ 291,105
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 1,214,022	$ 1,135,844
Current Portion of APBO	28,000	36,000
Line of Credit	250,000	250,000
Accounts Payable - Purchased Power	598,535	758,821
Accounts Payable - Other	145,458	233,801
Consumers' Deposits and Prepayments	1,329,078	1,508,683
Accrued Employee Compensated Absences	512,225	427,333
Other Current and Accrued Liabilities	246,732	217,553
	$ 4,324,050	$ 4,568,035
DEFERRED CREDITS	$ 742,860	$ 642,668
TOTAL EQUITIES AND LIABILITIES	$ 42,337,394	$ 40,609,370

See accompanying notes to financial statements.

ANZA ELECTRIC COOPERATIVE, INC.

Exhibit B

STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND PATRONAGE CAPITAL
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

	Years Ended March 31,				
	2024		2023		Increase
	Amount	%	Amount	%	(Decrease)
OPERATING REVENUES					
Residential	$ 12,472,566	70.1	$ 12,573,926	72.0	$ (101,360)
Irrigation	70,119	0.4	67,833	0.4	2,286
Commercial and Industrial	2,918,411	16.4	2,550,392	14.6	368,019
Public Buildings and Other Authorities	4,729	0.0	3,284	0.0	1,445
Rent from Electric Property	64,923	0.4	60,194	0.3	4,729
Broadband Access	2,181,165	12.3	1,992,055	11.4	189,110
Other Operating Revenues	69,129	0.4	232,547	1.3	(163,418)
Total Operating Revenues	$ 17,781,042	100.0	$ 17,480,231	100.0	$ 300,811
OPERATING EXPENSES					
Purchased Power	$ 7,562,570	42.5	$ 8,548,244	48.9	$ (985,674)
Cost of Broadband Access	190,294	1.1	182,319	1.0	7,975
Transmission	42,778	0.2	46,735	0.3	(3,957)
Distribution - Operation	1,972,018	11.1	1,767,701	10.1	204,317
Distribution - Maintenance	536,735	3.0	842,319	4.8	(305,584)
Customer Accounts	1,191,119	6.7	1,084,412	6.2	106,707
Customer Service and Information	330,139	1.9	268,491	1.5	61,648
Administrative and General	2,774,452	15.6	2,454,025	14.0	320,427
Depreciation and Amortization	1,698,898	9.6	1,603,356	9.2	95,542
Other Interest and Deductions	17,468	0.1	8,065	0.0	9,403
Total Operating Expenses	$ 16,316,471	91.8	$ 16,805,667	96.0	$ (489,196)
OPERATING MARGINS - BEFORE FIXED CHARGES	$ 1,464,571	8.2	$ 674,564	4.0	$ 790,007
FIXED CHARGES					
Interest on Long-Term Debt	865,921	4.9	762,211	4.4	103,710
OPERATING MARGINS (LOSS) - AFTER FIXED CHARGES	$ 598,650	3.3	$ (87,647)	(0.4)	$ 686,297
Capital Credits	187,108	1.1	327,905	1.9	(140,797)
NET OPERATING MARGINS	$ 785,758	4.4	$ 240,258	1.5	$ 545,500
NON-OPERATING MARGINS					
Interest Income	$ 42,759	0.2	$ 34,571	0.2	$ 8,188
	$ 42,759	0.2	$ 34,571	0.2	$ 8,188
NET MARGINS	$ 828,517	4.6	$ 274,829	1.7	$ 553,688
OTHER COMPREHENSIVE INCOME					
Current Year APBO Valuation Adjustment			341,610		
Post-Retirement Benefit Amortization	(26,449)		(10,318)		
COMPREHENSIVE INCOME	$ 802,068		$ 606,121		
Post-Retirement Benefit Adjustment	26,449		(331,292)		
PATRONAGE CAPITAL - BEGINNING OF PERIOD	15,859,730		16,362,388		
Patronage Capital Retired	(216,195)		(328,618)		
Transferred to Other Equities	(509,876)		(448,869)		
PATRONAGE CAPITAL - END OF PERIOD	$ 15,962,176		$ 15,859,730		

See accompanying notes to financial statements.

ANZA ELECTRIC COOPERATIVE, INC.

Exhibit C

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

	March 31, 2024	March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	$ 828,517	$ 274,829
Adjustments to Reconcile Net Margins to Net Cash From Operating Activities		
Depreciation and Amortization	1,821,165	1,748,724
Capital Credits	(187,108)	(327,905)
Deferred Charges	(332,467)	11,050
Deferred Credits	100,192	64,909
Accounts Receivable	266,235	(417,591)
Inventories and Other Current Assets	41,317	(140,946)
Payables and Accrued Expenses	(314,163)	302,437
Accumulated Provision for Pensions/Benefits	17,944	82,200
Net Cash From Operating Activities	$ 2,241,632	$ 1,597,707
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Utility Plant	$ (2,991,075)	$ (4,301,546)
Plant Removal Costs In Excess of Salvage Credits	(164,662)	(53,341)
Other Property and Investments	(93,165)	90,081
Net Cash From Investing Activities	$ (3,248,902)	$ (4,264,806)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on Long-Term Debt from CFC	$ 2,500,000	$ 3,550,000
Payments on Long-Term Debt to CoBank	(537,710)	(513,049)
Payments on Long-Term Debt to CFC	(531,439)	(502,868)
Line of Credit - Net		250,000
Payments on Finance Leases	(87,190)	(104,015)
Retirement of Patronage Capital	(216,195)	(328,618)
Memberships - Net	(195)	(125)
Donated Capital	4,262	74,175
Net Cash From Financing Activities	$ 1,131,533	$ 2,425,500
CHANGE IN CASH AND CASH EQUIVALENTS	$ 124,263	$ (241,599)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,056,959	1,298,558
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,181,222	$ 1,056,959
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest on Long Term Debt	$ 867,509	$ 735,606
Income Taxes	$ 0	$ 0
Non-Cash Investing/Financing Activities - Farm Credit Finance Leases	$ 0	$ 290,830

See accompanying notes to financial statements.

ANZA ELECTRIC COOPERATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Anza Electric Cooperative, Inc. (the Cooperative) is a non-profit company organized to provide electric service at the retail level to primarily residential and commercial accounts in a designated service area. Power delivered at retail is purchased wholesale from Arizona G&T Cooperatives (AZ G&T) and related entities of which the Cooperative is a member. The Cooperative also has a broadband division, ConnectAnza, which provides broadband services within its service territory. Divisional revenues earned in excess of costs incurred are allocated based on divisional patronage to the members of the Cooperative and are reflected as patronage capital on the balance sheets.

System of Accounts

Although the Cooperative is no longer an RUS borrower, its accounting records are maintained in accordance with the RUS Uniform System of Accounts (USOA) prescribed for RUS electric borrowers.

Electric and Fiber Plant, Maintenance, and Depreciation

Electric and fiber plant is stated at the original cost of construction, which includes the cost of contracted services, direct labor, materials, and overhead items. Contributions from others toward the construction of electric plant are credited to the applicable plant accounts.

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 electric and fiber plant and such cost, together with cost of removal less salvage, is charged to the accumulated provision for depreciation.

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 operating expense and other accounts.

Inventories

Materials and supplies inventories are valued at average unit cost.

Accounting Policies for Trade Receivables

The Cooperative recognizes accounts receivable for energy delivered and billed in the normal course of business. The Cooperative allows 15 days from the date of the bill for payment to be received or the service is disconnected.

ANZA ELECTRIC COOPERATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

Allowance for Credit Losses

With the adoption of ASC 326 during the year ended March 31, 2024, the term allowance for uncollectible accounts was changed to allowance for credit losses. The allowance for credit losses represents an estimate of the expected credit losses inherent in receivables as of the balance sheet date. Additions to the allowance for credit losses, if any, are made by recording charges to expenses in the income statement. Recoveries consist of consumer payments and application of general retirements for members with outstanding balances. Changes in the allowance for credit losses during the years ended March 31, 2024 and 2023 were as follows:

	Allowance for Credit Losses	Allowance for Uncollectibles
Beginning Balance	$ 108,634	$ 104,981
Accruals		
Recoveries	2,055	3,653
Write Offs	(13,873)	
	$ 96,816	$ 108,634

Revenues from Contracts with Customers

The Cooperative's service territories and Rules and Regulations are under the jurisdiction of the Public Utility Commission of California. The Cooperative's rates are set by its Board of Directors. The Cooperative’s tariffs include power cost adjustment clauses that enable it to collect from its customers wholesale power costs that exceed base rate amounts. The amounts collected during the years ended March 31, 2024 and 2023, related to this adjustment clause were $2,116,987 and $1,572,589, respectively.

Substantially all operating revenues and customer accounts receivables are derived from contracts with customers. Performance obligations related to the sale of energy and fiber services are satisfied as energy and fiber services are delivered to customers. The Cooperative recognizes electric revenue that corresponds to the price of the energy delivered to the customer. The measurement of energy sales to customers is generally based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and the corresponding unbilled revenue is recognized. The Cooperative has calculated that its unbilled revenue for delivered power usage which has not been billed to customers at March 31, 2024 and 2023 amounted to $503,645 and $570,347, respectively. The measurement of fiber sales to customers is generally billed monthly in advance at a fixed rate. Therefore, there will not be any material unbilled fiber amounts at the end of the year.

In January 2023, the Cooperative implemented new rates. The rates were designed to increase revenues approximately 6.93% based on an adjusted 12/31/2021 test year. In January 2024, due to inflationary increases factored in for the 2022 year, the Cooperative implemented new rates designed to increase revenues approximately 7.38%.

Group Concentration of Credit Risk

The Cooperative's headquarters facility is located in Anza, California. The service area includes members in the area surrounding Anza. The Cooperative records a receivable for electric and broadband revenues as billed on a monthly basis. The Cooperative requires a deposit from most new members upon connection, which is applied to unpaid bills and fees in the event of default. As of March 31, 2024, and 2023, deposits on hand totaled $1,329,078 and $1,508,683, respectively.

The Cooperative maintains cash balances at banks in the surrounding area. The cash balances are insured by the Federal Deposit Insurance Corporation. Deposits at times exceed insured amounts.

Patronage Capital Certificates

Patronage capital from associated organizations is recorded at the stated amount of the certificates.

Leases

The Cooperative has adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification Section 842, Leases (FASB ASC 842).

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Cooperative considers cash – general, cash – restricted, and temporary cash investments to be cash and cash equivalents.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 reporting period. Actual results could differ from those estimates.

2. Assets Pledged

All assets are pledged as security for the long-term debt due CoBank and the National Rural Utilities Cooperative Finance Corporation (CFC).

3. Utility Plant

The major classes of utility plant are as follows:

	March 31, 2024	March 31, 2023
Intangible Plant	$ 419,468	$ 419,468
Production Plant	1,376,273	593,401
Transmission Plant	3,189,248	3,276,191
Distribution Plant	33,895,689	31,946,141
Fiber Plant	11,455,492	10,995,288
General Plant	2,663,778	2,636,617
Total Utility Plant in Service	$ 52,999,948	$ 49,867,106
Construction Work in Progress	1,980,125	2,772,739
Electric Plant Held for Future Use	7,202	7,202
Total Utility Plant	$ 54,987,275	$ 52,647,047

Provision has been made for depreciation of transmission plant at a straight-line composite rate of 2.75%. The straight-line composite rate for depreciation of distribution plant was 3.00% for the years ended March 31, 2024 and 2023, except for digital meters which are depreciated at 6.67%.

General plant depreciation rates have been applied on a straight-line basis and are as follows:

Structures and Improvements	2.50% - 14.29%
Office Furniture and Fixtures and Data Processing	5.00% - 20.00%
Transportation and Power-Operated Equipment	14.29% - 10.00%
Store Equipment	4.00% - 20.00%
Tools, Shop, and Garage Equipment	5.00% - 20.00%
Laboratory Equipment	4.00% - 20.00%
Communication Equipment	6.67% - 25.00%
Miscellaneous Equipment	10.00% - 25.00%

Fiber plant depreciation rates have been applied on a straight-line basis and are as follows:

Fixtures and Computer Equipment	10.00% - 33.33%
Communication Equipment	20.00%
Tools, Shop, Lab Equipment	10.00% - 50.00%
Transportation Equipment	6.67% - 14.29%
Fiber Cable	4.00%

Depreciation and amortization for the years ended March 31, 2024 and 2023 was $1,821,165 and $1,748,724, respectively, of which $1,698,898 and $1,603,356 was charged to expense, and $122,267 and $145,368 was allocated to other accounts.

4. Investments in Associated Organizations

Investments in associated organizations consisted of:

	March 31, 2024	March 31, 2023
Capital Term Certificates - CFC	$ 128,932	$ 128,932
Patronage Capital - CFC	229,557	204,189
Patronage Capital - AZ G&T	4,361,483	4,279,599
Other	348,571	326,633
	$ 5,068,543	$ 4,939,353

5. Temporary Cash Investments

Temporary cash investments consisted of:

	March 31, 2024	March 31, 2023
Certificates of Deposits	$ 609,316	$ 594,439
AZ G&T Note Participation Program	50,319	
	$ 659,635	$ 594,439

6. Materials and Supplies

Materials and supplies consisted of:

	March 31, 2024	March 31, 2023
Construction Materials and Supplies	$ 1,137,704	$ 1,236,482
Fiber Materials and Supplies	259,386	260,305
Other	30,176	26,214
	$ 1,427,266	$ 1,523,001

ANZA ELECTRIC COOPERATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

7. Deferred Charges

Deferred Charges consisted of:

	March 31, 2024	March 31, 2023
Preliminary Survey and Investigation Charges	$ 531	$ 3,389
Deferred Employee Health Savings Contributions	97,682	96,443
Dues	18,232	17,182
Minor Material Software System Integration Charges	317,858	
Miscellaneous Deferred Charges	100,067	84,889
	$ 534,370	$ 201,903

8. Return of Capital

The mortgage agreements contain provisions that must be met for the Cooperative to make patronage capital retirements. These provisions include minimum equity, debt service, and earnings ratios. The Cooperative is in compliance with these provisions at March 31, 2024 and 2023. Patronage capital totaling $216,195 and $328,618 was retired during 2023 and 2022, respectively.

9. Patronage Capital

Patronage Capital consisted of:

	March 31, 2024	March 31, 2023
Assigned	$ 28,193,871	$ 27,631,724
Assignable	1,262,446	1,503,119
	$ 29,456,317	$ 29,134,843
Less: Retired and Discounted	13,494,141	13,275,113
	$ 15,962,176	$ 15,859,730

10. Other Equities (Deficits)

Other Equities (Deficits) consisted of:

	March 31, 2024	March 31, 2023
Donated Capital	$ 1,797,935	$ 1,793,672
ConnectAnza Unallocated Deficits	(301,107)	(810,983)
	$ 1,496,828	$ 982,689

11. Mortgage Notes – CFC

Following is a summary of long-term debt due CFC and maturing at various times through 2054:

	March 31, 2024	March 31, 2023
2.48% to 6.74% Notes	$ 16,578,939	$ 14,610,378
Less: Current Maturities	(572,969)	(515,654)
	$ 16,005,970	$ 14,094,724

Principal and interest installments on the above CFC debt are due quarterly. As of March 31, 2024, annual maturities of long-term debt due CFC for the next five years are as follows:

Year Ending March 31,	
2025	$ 572,969
2026	600,003
2027	630,021
2028	661,449
2029	620,680

There are $3,450,000 of unadvanced long term loan funds available.

12. Mortgage Notes – CoBank

Following is a summary of long-term debt due CoBank and maturing at various times through 2039:

	March 31, 2024	March 31, 2023
2.48% to 4.56% Note	$ 3,537,534	$ 4,069,449
Less: Current Maturities	(552,374)	(533,000)
	$ 2,985,160	$ 3,536,449

Principal and interest installments on the above CoBank debt are due monthly. As of March 31, 2024, annual maturities of long-term debt due CoBank for the next five years are as follows:

Year Ending March 31,	
2025	$ 552,374
2026	573,653
2027	595,786
2028	618,808
2029	642,756

13. Finance Lease Equipment

The Cooperative has accounted for four vehicle leases through Farm Credit Leasing Services Corporation as finance leases. The interest rates for these assets range from 1.4% for 60 month leased vehicles to 3.1% for 36 month leased vehicles. The balance of the asset and liability related to these leases is as follows:

	March 31, 2024
Asset:	
Leased Vehicles	$ 441,808
Less: Accumulated Depreciation	80,110
	$ 361,698
Lease Payable:	
2025	$ 88,679
2026	84,298
2027	79,791
2028	19,914
2029	4,407
Present Value of Minimum Lease Payments	$ 277,089
Less: Current Maturities	88,679
Non-Current Maturities	$ 188,410

14. Short-Term Borrowing

The Cooperative has a $3,000,000 line-of-credit for short-term financing with CFC, which is available as an uncommitted facility, and a $2,000,000 line-of-credit with CoBank at variable interest rates. The balance outstanding on these agreements was $250,000 (CoBank) and $0 (CFC) and $250,000 (CoBank) and $0 (CFC) at March 31, 2024 and 2023, respectively.

15. Deferred Credits

Deferred Credits consisted of:

	March 31, 2024	March 31, 2023
Special Equipment Installation Charges	$ 423,284	$ 444,304
Uncashed Capital Credit Checks	52,326	46,198
Deferred Compensation	267,250	152,166
	$ 742,860	$ 642,668

16. Pension Benefits

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

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

The Cooperative contributions to the RS Plan in 2024 and in 2023 represented less than five percent of the total contributions made to the RS Plan by all participating employers. The Cooperative made contributions to the RS Plan of $1,084,527 in 2024 and $922,612 in 2023. There have been no significant changes that affect the comparability of 2024 and 2023 contributions.

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

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

The employees also participate in a 401(k) plan, a defined contribution plan provided through NRECA. The Cooperative makes monthly contributions to the plan. The cost for the Cooperative was $72,724 and $64,843 for the years ended March 31, 2024 and 2023, respectively.

17. Income Tax Status

The Cooperative is exempt from federal income taxes under Internal Revenue Code Section 501(c)(12). IRS Form 990 is being filed. The Cooperative's federal and state income tax returns are subject to audit by federal and state agencies.

The Cooperative has adopted the “uncertain tax positions” provisions of accounting principles generally accepted in the United States of America. The primary tax position of the Cooperative is its filing status as a tax exempt entity. The Cooperative determined that it is more likely than not that its tax positions will be sustained upon examination by the Internal Revenue Service (IRS), or other State taxing authority, and that all tax benefits are likely to be realized upon settlement with taxing authorities.

The Cooperative files income tax returns in the U.S. federal jurisdiction. The Cooperative is no longer subject to federal income tax examinations by federal taxing authorities for years before 2020.

The Cooperative recognizes interest accrued related to income tax activities in interest expense and penalties in operating expenses. There were no penalties or interest recognized during the years ended March 31, 2024 and 2023.

18. Benefits to Retirees

The Cooperative provides post-retirement benefits for retired employees. A description of the plan follows:

Plan Types:	Post-Retirement Medical, Prescription Drug, Dental and Vision Coverage
Eligibility:	Employees hired before 2017 can retire at the earlier of age 62 or any age with 30 years of service. Employees hired after at age 62.
Cost Sharing:	<u>Medical/Prescription Drug/Vision and Dental</u> For the balance of the calendar year in which the employee retired, the Cooperative pays the same percentage of the premium as when the employee was active. In the second year after retirement, the Cooperative pays 50% of the premium declining to 25% in the third year after retirement. Thereafter the retiree must obtain other insurance. <u>Dependents</u> The Cooperative pays 80% of the premium for Medical and prescription coverage for dependents, and 100% of the cost of vision and dental. <u>HRA</u> For retirees who become eligible for Medicare, or enroll in a plan on the Exchange, the Cooperative’s contribution equals the average of the active employee’s premium amount for the year of retirement.

NOTES TO FINANCIAL STATEMENTS

The weighted average discount rate used to develop the accumulated post-retirement benefit obligation was 4.75% in 2024 and 2023. The assumed health care cost trend rates for medical, drugs, and dental/vision is 7.25% for the next year, declining to an ultimate level of 5.00% in 2033 and later years.

Amounts recognized in the Cooperative's financial statements and a reconciliation of the obligation follows and are currently based on an actuarial study.

	March 31, 2024	March 31, 2023
(I) Net Post-Retirement Benefit Cost		
Service Cost	$ 27,547	$ 68,030
Interest Cost	16,846	24,488
Amortization	(26,449)	(10,318)
Post-Retirement Benefit Expense	$ 17,944	$ 82,200
(II) Accumulated Post-Retirement Benefit Obligation (APBO)		
APBO Balance at Beginning of Year	$ 327,105	$ 576,198
Actuarial (Gain)/Loss/Plan Service Cost Remeasure		(341,610)
Service/Interest	44,393	92,517
Benefits Paid	(36,000)	
Post-Retirement Benefit Liability at End of Year	$ 335,498	$ 327,105
(III) Funded Status of the Post-Retirement Benefit Plans		
Accumulated Post-Retirement Benefit Obligation (APBO)	$ 335,498	$ 327,105
Estimated Value of Plan Assets at Year End		
Accumulated Post-Retirement Benefit Obligation in Excess of Plan Assets	$ 335,498	$ 327,105
(IV) Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income		
Net Actuarial Gain	$ 312,061	$ 341,610
Prior Service and Other Items	11,336	8,236
Other Comprehensive Gain	$ 323,397	$ 349,846

The estimated actuarial prior service cost and gain for the post-retirement benefit plan that will be amortized from accumulated other comprehensive income into net post-retirement benefit cost over the next fiscal year is expected to be $26,449.

Estimated future benefit payments for the next 10 years are as follows:

2025	$ 28,000
2026	22,000
2027	21,000
2028	23,000
2029	27,000
2030-2034	112,000

19. Broadband Activities

The Cooperative has been awarded Rural Digital Opportunity Funds (RDOF) in the amount of $819,774. If the Cooperative continues to meet the terms of service provided, the RDOF funds will be recognized straight line over a ten year period, 2022-2031. Amounts recognized in 2024 and 2023 were $81,977 and $81,977, respectively.

In addition, pursuant to the Cooperative's participation in the RDOF program at March 31, 2024 and 2023 the Cooperative had a Letter of Credit with CoBank in the amount of $163,955 and $0, respectively.

20. Related Party Transactions

The Cooperative purchases wholesale power from AZ G&T under a long-term contract. The Cooperative is represented on the Board of Directors of AZ G&T. At March 31, 2024 and 2023, the Cooperative reflected $598,535 and $758,821 due AZ G&T for power purchases. Also at March 31, 2024 and 2023, the Cooperative reflected a patronage capital investment in AZ G&T of $4,361,483 and $4,279,599, respectively.

21. Litigation, Commitments, and Subsequent Events

The Cooperative may be involved in various claims and litigation arising in the course of business. Although management is unable to predict the outcome of such proceedings, management and the Cooperative's legal counsel do not believe that the resolution of any claims or litigation involving the Cooperative will have a material adverse effect on the Cooperative's results of operations and financial condition.

Management has evaluated subsequent events through June 13, 2024, the date which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 1

BALANCE SHEETS BY DIVISION
MARCH 31, 2024

ASSETS

	Anza Electric	ConnectAnza	Combined	Interdivision Eliminations	Total
UTILITY PLANT AT COST					
Electric Plant in Service	$ 41,544,456	$	$ 41,544,456	$	$ 41,544,456
Fiber Plant in Service		11,455,492	11,455,492		11,455,492
Construction Work in Progress	1,079,098	901,027	1,980,125		1,980,125
Electric Plant Held for Future Use	7,202		7,202		7,202
	$ 42,630,756	$ 12,356,519	$ 54,987,275	$ 0	$ 54,987,275
Less: Accumulated Provision for Depreciation and Amortization	20,086,124	2,434,619	22,520,743		22,520,743
	$ 22,544,632	$ 9,921,900	$ 32,466,532	$ 0	$ 32,466,532
OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE					
Investments in Associated Organizations	$ 5,068,543	$	$ 5,068,543	$	$ 5,068,543
Other Investments	267,250		267,250		267,250
	$ 5,335,793	$ 0	$ 5,335,793	$ 0	$ 5,335,793
CURRENT ASSETS					
Cash - General	$ 500,964	$	$ 500,964	$	$ 500,964
Cash - Restricted	20,623		20,623		20,623
Temporary Cash Investments	659,635		659,635		659,635
Accounts Receivable (Less Allowance for Credit Losses of $96,816)	682,183	39,497	721,680		721,680
Accrued Unbilled Revenue	503,645		503,645		503,645
Materials and Supplies	1,167,880	259,386	1,427,266		1,427,266
Other Current and Accrued Assets	139,047	27,839	166,886		166,886
	$ 3,673,977	$ 326,722	$ 4,000,699	$ 0	$ 4,000,699
DEFERRED CHARGES	$ 531,120	$ 3,250	$ 534,370	$ 0	$ 534,370
INTERDIVISION RECEIVABLES	$ 8,122,334	$ 0	$ 8,122,334	$ (8,122,334)	$ 0
TOTAL ASSETS	$ 40,207,856	$ 10,251,872	$ 50,459,728	$ (8,122,334)	$ 42,337,394

EQUITIES AND LIABILITIES

EQUITIES					
Memberships	$ 1,045	$	$ 1,045	$	$ 1,045
Patronage Capital	15,962,176		15,962,176		15,962,176
Other Equities/(Deficits)	1,797,934	(301,106)	1,496,828		1,496,828
Accumulated Other Comprehensive Income	323,397		323,397		323,397
	$ 18,084,552	$ (301,106)	$ 17,783,446	$ 0	$ 17,783,446
LONG-TERM DEBT					
CFC Mortgage Notes Less Current Maturities	$ 16,005,970	$	$ 16,005,970	$	$ 16,005,970
CoBank Mortgage Notes Less Current Maturities	1,275,020	1,710,140	2,985,160		2,985,160
Finance Leases - Less Current Maturities	188,410		188,410		188,410
	$ 17,469,400	$ 1,710,140	$ 19,179,540	$ 0	$ 19,179,540
ACCUMULATED PROVISION FOR POST-RETIREMENT BENEFITS					
Benefits to Retirees	$ 307,498	$ 0	$ 307,498	$ 0	$ 307,498
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	$ 875,581	$ 338,441	$ 1,214,022	$	$ 1,214,022
Current Portion of APBO	28,000		28,000		28,000
Line of Credit	250,000		250,000		250,000
Accounts Payable - Purchased Power	598,535		598,535		598,535
Accounts Payable - Other	145,458		145,458		145,458
Consumers' Deposits and Prepayments	1,013,908	315,170	1,329,078		1,329,078
Accrued Employee Compensated Absences	512,225		512,225		512,225
Other Current and Accrued Liabilities	181,682	65,050	246,732		246,732
	$ 3,605,389	$ 718,661	$ 4,324,050	$ 0	$ 4,324,050
DEFERRED CREDITS	$ 741,017	$ 1,843	$ 742,860	$ 0	$ 742,860
INTERDIVISION PAYABLES	$ 0	$ 8,122,334	$ 8,122,334	$ (8,122,334)	$ 0
TOTAL EQUITIES AND LIABILITIES	$ 40,207,856	$ 10,251,872	$ 50,459,728	$ (8,122,334)	$ 42,337,394

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 2

STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND PATRONAGE CAPITAL
FOR THE YEAR ENDED MARCH 31, 2024 BY DIVISION

	Anza Electric	ConnectAnza	Combined
OPERATING REVENUES			
Residential	$ 12,472,566	$	$ 12,472,566
Irrigation	70,119		70,119
Commercial and Industrial	2,918,411		2,918,411
Public Buildings and Other Authorities	4,729		4,729
Rent from Electric Property	64,923		64,923
Broadband Access		2,181,165	2,181,165
Change in Unbilled Revenue	(66,702)		(66,702)
Other Operating Revenues	53,854	81,977	135,831
Total Operating Revenues	$ 15,517,900	$ 2,263,142	$ 17,781,042
OPERATING EXPENSES			
Purchased Power	$ 7,562,570	$	$ 7,562,570
Cost of Broadband Access		190,294	190,294
Transmission	42,778		42,778
Distribution - Operation	1,547,473	424,545	1,972,018
Distribution - Maintenance	500,906	35,829	536,735
Customer Accounts	1,161,027	30,092	1,191,119
Customer Service and Information	98,713	231,426	330,139
Administrative and General	2,470,949	303,503	2,774,452
Depreciation and Amortization	1,254,792	444,106	1,698,898
Other Interest and Other Deductions	17,468		17,468
Total Operating Expenses	$ 14,656,676	$ 1,659,795	$ 16,316,471
OPERATING MARGINS/(LOSS) - BEFORE FIXED CHARGES	$ 861,224	$ 603,347	$ 1,464,571
FIXED CHARGES			
Interest on Long-Term Debt	772,450	93,471	865,921
OPERATING MARGINS (LOSS)- AFTER FIXED CHARGES	$ 88,774	$ 509,876	$ 598,650
Capital Credits	187,108	0	187,108
NET OPERATING MARGINS /(LOSS)	$ 275,882	$ 509,876	$ 785,758
NON-OPERATING MARGINS			
Interest Income	$ 42,759	$	$ 42,759
	$ 42,759	$ 0	$ 42,759
NET MARGINS/(LOSS)	$ 318,641	$ 509,876	$ 828,517
OTHER COMPREHENSIVE INCOME			
Post-Retirement Benefit Amortization	(26,449)		(26,449)
COMPREHENSIVE INCOME/(LOSS)	$ 292,192	$ 509,876	$ 802,068
Post-Retirement Benefit Adjustment	26,449		26,449
PATRONAGE CAPITAL - BEGINNING OF PERIOD	15,859,730		15,859,730
Patronage Capital Retired	(216,195)		(216,195)
Transferred to Other Equities		(509,876)	(509,876)
PATRONAGE CAPITAL - END OF PERIOD	$ 15,962,176	$ 0	$ 15,962,176

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 3

BALANCE SHEETS BY DIVISION
MARCH 31, 2023

ASSETS

	Anza Electric	ConnectAnza	Combined	Interdivision Eliminations	Total
UTILITY PLANT AT COST					
Electric Plant in Service	$ 38,871,818	$	$ 38,871,818	$	$ 38,871,818
Fiber Plant in Service		10,995,288	10,995,288		10,995,288
Construction Work in Progress	2,115,555	657,184	2,772,739		2,772,739
Electric Plant Held for Future Use	7,202		7,202		7,202
	$ 40,994,575	$ 11,652,472	$ 52,647,047	$ 0	$ 52,647,047
Less: Accumulated Provision for Depreciation and Amortization	19,543,063	1,972,024	21,515,087		21,515,087
	$ 21,451,512	$ 9,680,448	$ 31,131,960	$ 0	$ 31,131,960
OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE					
Investments in Associated Organizations	$ 4,939,353	$	$ 4,939,353	$	$ 4,939,353
Other Investments	152,166		152,166		152,166
	$ 5,091,519	$ 0	$ 5,091,519	$ 0	$ 5,091,519
CURRENT ASSETS					
Cash - General	$ 447,676	$	$ 447,676	$	$ 447,676
Cash - Restricted	14,844		14,844		14,844
Temporary Cash Investments	594,439		594,439		594,439
Accounts Receivable (Less Allowance for Credit Losses of $108,634)	886,884	34,329	921,213		921,213
Accrued Unbilled Revenue	570,347		570,347		570,347
CASF Grant Receivable					
Materials and Supplies	1,262,696	260,305	1,523,001		1,523,001
Other Current and Accrued Assets	95,445	17,023	112,468		112,468
	$ 3,872,331	$ 311,657	$ 4,183,988	$ 0	$ 4,183,988
DEFERRED CHARGES	$ 196,157	$ 5,746	$ 201,903	$ 0	$ 201,903
INTERDIVISION RECEIVABLES	$ 8,070,205	$ 0	$ 8,070,205	$ (8,070,205)	$ 0
TOTAL ASSETS	$ 38,681,724	$ 9,997,851	$ 48,679,575	$ (8,070,205)	$ 40,609,370

EQUITIES AND LIABILITIES

EQUITIES					
Memberships	$ 1,240	$	$ 1,240	$	$ 1,240
Patronage Capital	15,859,383		15,859,383		15,859,383
Other Equities/(Deficits)	1,793,672	(810,963)	982,709		982,709
Accumulated Other Comprehensive Income	349,846		349,846		349,846
	$ 18,004,141	$ (810,963)	$ 17,193,178	$ 0	$ 17,193,178
LONG-TERM DEBT					
CFC Mortgage Notes Less Current Maturities	$ 14,094,724	$	$ 14,094,724	$	$ 14,094,724
CoBank Mortgage Notes Less Current Maturities	1,460,960	2,075,489	3,536,449		3,536,449
Finance Leases - Less Current Maturities	282,884		282,884		282,884
	$ 15,838,568	$ 2,075,489	$ 17,914,057	$ 0	$ 17,914,057
ACCUMULATED PROVISION FOR POST-RETIREMENT BENEFITS					
Benefits to Retirees	$ 291,105	$ 0	$ 291,105	$ 0	$ 291,105
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	$ 810,344	$ 325,500	$ 1,135,844	$	$ 1,135,844
Current Portion of APBO	36,000		36,000		36,000
Line of Credit	250,000		250,000		250,000
Accounts Payable - Purchased Power	758,821		758,821		758,821
Accounts Payable - Other	233,801		233,801		233,801
Consumers' Deposits and Prepayments	1,205,113	303,570	1,508,683		1,508,683
Accrued Employee Compensated Absences	427,333		427,333		427,333
Other Current and Accrued Liabilities	185,255	32,298	217,553		217,553
	$ 3,906,667	$ 661,368	$ 4,568,035	$ 0	$ 4,568,035
DEFERRED CREDITS	$ 640,896	$ 1,772	$ 642,668	$ 0	$ 642,668
INTERDIVISION PAYABLES	$ 0	$ 8,070,205	$ 8,070,205	$ (8,070,205)	$ 0
TOTAL EQUITIES AND LIABILITIES	$ 38,681,377	$ 9,997,871	$ 48,679,248	$ (8,070,205)	$ 40,609,043

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 4

STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND PATRONAGE CAPITAL
FOR THE YEAR ENDED MARCH 31, 2023 BY DIVISION

	Anza Electric	ConnectAnza	Combined
OPERATING REVENUES			
Residential	$ 12,573,926	$	$ 12,573,926
Irrigation	67,833		67,833
Commercial and Industrial	2,550,392		2,550,392
Public Buildings and Other Authorities	3,284		3,284
Rent from Electric Property	60,194		60,194
Broadband Access		1,992,055	1,992,055
Change in Unbilled Revenue	88,587		88,587
Other Operating Revenues	61,983	81,977	143,960
Total Operating Revenues	$ 15,406,199	$ 2,074,032	$ 17,480,231
OPERATING EXPENSES			
Purchased Power	$ 8,548,244	$	$ 8,548,244
Cost of Broadband Access		182,319	182,319
Transmission	46,735		46,735
Distribution - Operation	1,372,719	394,982	1,767,701
Distribution - Maintenance	728,122	114,197	842,319
Customer Accounts	1,073,159	11,253	1,084,412
Customer Service and Information	119,960	148,531	268,491
Administrative and General	2,198,715	255,310	2,454,025
Depreciation and Amortization	1,192,411	410,945	1,603,356
Other Interest and Other Deductions	6,653	1,412	8,065
Total Operating Expenses	$ 15,286,718	$ 1,518,949	$ 16,805,667
OPERATING MARGINS/(LOSS) - BEFORE FIXED CHARGES	$ 119,481	$ 555,083	$ 674,564
FIXED CHARGES			
Interest on Long-Term Debt	655,997	106,214	762,211
OPERATING MARGINS (LOSS)- AFTER FIXED CHARGES	$ (536,516)	$ 448,869	$ (87,647)
Capital Credits	327,905		327,905
NET OPERATING MARGINS /(LOSS)	$ (208,611)	$ 448,869	$ 240,258
NON-OPERATING MARGINS			
Interest Income	$ 34,571	$	$ 34,571
	$ 34,571	$ 0	$ 34,571
NET MARGINS/(LOSS)	$ (174,040)	$ 448,869	$ 274,829
OTHER COMPREHENSIVE INCOME			
Current Year APBO Valuation Adjustment	341,610		341,610
Post-Retirement Benefit Amortization	(10,318)		(10,318)
COMPREHENSIVE INCOME/(LOSS)	$ 157,252	$ 448,869	$ 606,121
Post-Retirement Benefit Adjustment	(331,292)		(331,292)
PATRONAGE CAPITAL - BEGINNING OF PERIOD	16,362,388		16,362,388
Patronage Capital Retired	(328,618)		(328,618)
Transferred to Other Equities		(448,869)	(448,869)
PATRONAGE CAPITAL - END OF PERIOD	$ 15,859,730	$ 0	$ 15,859,730

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 5

UTILITY PLANT
FOR THE YEAR ENDED MARCH 31, 2024

CLASSIFIED ELECTRIC PLANT IN SERVICE	Balance 4/1/2023	Additions and Transfers	Retirements and Transfers	Balance 3/31/2024
Intangible Plant	$ 419,468	$	$	$ 419,468
Production Plant				
Land and Land Rights	$ 266,250	$ 782,872	$	$ 1,049,122
Structures and Improvements	327,151			327,151
Total	$ 593,401	$ 782,872	$ 0	$ 1,376,273
Transmission Plant				
Land and Land Rights	$ 1,751	$	$	$ 1,751
Station Equipment	61,151			61,151
Poles, Towers, and Fixtures	1,559,569	74,990	178,767	1,455,792
Overhead Conductors and Devices	1,653,720	21,334	4,500	1,670,554
Total	$ 3,276,191	$ 96,324	$ 183,267	$ 3,189,248
Distribution Plant				
Land and Land Rights	$ 112,532	$	$	$ 112,532
Station Equipment	4,914,536	40,084		4,954,620
Poles, Towers, and Fixtures	5,751,767	762,644	54,280	6,460,131
Overhead Conductors and Devices	6,424,533	708,615	102,428	7,030,720
Underground Conductors and Devices and Conduit	6,706,224	171,784	54,845	6,823,163
Line Transformers	5,959,723	508,527	50,195	6,418,055
Services	19,908			19,908
Meters	1,821,633	118,028	137,924	1,801,737
Installations on Consumers' Premises	235,285	47,575	8,037	274,823
Total	$ 31,946,141	$ 2,357,257	$ 407,709	$ 33,895,689
General Plant				
Land and Land Rights	$ 125	$	$	$ 125
Structures and Improvements	953,995	26,200	10,650	969,545
Office Furniture and Equipment	246,254	7,316	2,293	251,277
Transportation and Power-Operated Equipment	920,058	21,272	24,638	916,692
Store Equipment	80,617			80,617
Tools, Shop, and Garage Equipment	98,604	4,907	2,190	101,321
Laboratory Equipment	210,985	7,098	945	217,138
Communications Equipment	100,208	2,249	1,165	101,292
Miscellaneous Equipment	25,771			25,771
Total	$ 2,636,617	$ 69,042	$ 41,881	$ 2,663,778
Total Classified Electric Plant in Service	$ 38,871,818	$ 3,305,495	$ 632,857	$ 41,544,456
Construction Work in Progress	2,772,739	(792,614)		1,980,125
Fiber Plant	10,995,288	478,194	17,990	11,455,492
Electric Plant Held for Future Use	7,202			7,202
Total Utility Plant	$ 52,647,047	$ 2,991,075	$ 650,847	$ 54,987,275

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 6

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION
FOR THE YEAR ENDED MARCH 31, 2024

	Balance 4/1/2023	Accruals	Retirements	Balance 3/31/2024
Production Plant	$ 103,040	$ 15,936	$	$ 118,976
Transmission Plant	$ 1,809,639	$ 90,169	$	$ 1,899,808
Distribution Plant	$ 16,199,042	$ 1,045,528	$ 725,743	$ 16,518,827
General Plant				
Structures and Improvements	$ 484,901	$ 26,000	$ 10,650	$ 500,251
Office Furniture and Fixtures	120,269	21,909	2,293	139,885
Transportation and Power-Operated Equipment	521,380	85,786	24,638	582,528
Store Equipment	13,638	3,243		16,881
Tools, Shop, and Garage Equipment	56,588	5,305	2,190	59,703
Laboratory Equipment	105,023	15,730	945	119,808
Communications Equipment	13,750	10,159	1,165	22,744
Miscellaneous Equipment	27,125			27,125
Total General Plant	$ 1,342,674	$ 168,132	$ 41,881	$ 1,468,925
Total Classified Electric Plant in Service	$ 19,454,395	$ 1,319,765	$ 767,624	$ 20,006,536
Fiber Plant	1,970,524	480,586	17,990	2,433,120
Amortization of Intangible Plant	119,592	20,814		140,406
Retirement Work in Progress	(29,424)		29,895	(59,319)
	$ 21,515,087	$ 1,821,165	$ 815,509	$ 22,520,743
		(1)	(2)	

(1) Charged to Depreciation and Amortization Expense	$ 1,698,898
Charged to Clearing Accounts	122,267
	$ 1,821,165

(2) Cost of Units Retired	$ 650,847
Add: Cost of Removal	166,949
Less: Salvage and Other Credits	(2,287)
Net Loss Due to Retirement	$ 815,509

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 7

PATRONAGE CAPITAL

Year	Assignable	Assigned	Retired and Discounted	Balance
1961-2000	$	$ 9,769,302	$ 9,769,302	$
2001		592,130	464,821	127,309
2002		660,073	471,710	188,363
2003		360,341	177,422	182,919
2004		413,286	243,161	170,125
2005		567,598	310,163	257,435
2006		606,127	313,628	292,499
2007		746,202	272,140	474,062
2008		948,058	135,609	812,449
2009		560,632	58,931	501,701
2010		527,575	135,776	391,799
2011		732,742	177,233	555,509
2012		510,232	147,157	363,075
2013		549,773	136,918	412,855
2014		770,444	76,680	693,764
2015		1,212,188	157,284	1,054,904
2016		1,168,413	118,556	1,049,857
2017		1,765,409	203,096	1,562,313
2018		996,633	51,397	945,236
2019		1,191,786	36,302	1,155,484
2020		1,801,524	30,457	1,771,067
2021		1,181,256	6,352	1,174,904
2022		562,147	46	562,101
2023	534,835			534,835
2024	223,966			223,966
	$ 758,801	$ 28,193,871	$ 13,494,141	$ 15,458,531
			Unbilled Revenue Assignable	503,645
				$ 15,962,176

ANZA ELECTRIC COOPERATIVE, INC.

Schedule 8

FIVE YEAR COMPARATIVE DATA

	For the Years Ended March 31,				
	2024	2023	2022	2021	2020
OPERATING REVENUES	$ 17,781,042	$ 17,480,231	$ 15,591,793	$ 14,490,372	$ 12,639,254
OPERATING EXPENSES					
Purchased Power	$ 7,562,570	$ 8,548,244	$ 6,245,171	$ 4,651,737	$ 5,629,476
Cost of Broadband Access	190,294	182,319	115,662	212,050	205,851
Transmission	42,778	46,735	79,490	97,447	35,981
Distribution - Operation	1,972,018	1,767,701	1,818,161	1,447,417	1,297,665
Distribution - Maintenance	536,735	842,319	640,055	636,048	455,166
Customer Accounts	1,191,119	1,084,412	1,112,762	969,333	846,933
Customer Service and Information	330,139	268,491	166,295	358,328	144,804
Administrative and General Expenses	2,774,452	2,454,025	2,505,302	1,966,990	1,759,008
Depreciation and Amortization	1,698,898	1,603,356	1,426,122	1,331,305	1,251,249
Other Interest and Deductions	17,468	8,065	7,429	14,280	36,567
Total Operating Expenses	$ 16,316,471	$ 16,805,667	$ 14,116,449	$ 11,684,935	$ 11,662,700
OPERATING MARGINS - Before Fixed Charges	$ 1,464,571	$ 674,564	$ 1,475,344	$ 2,805,437	$ 976,554
FIXED CHARGES					
Interest on Long-Term Debt	865,921	762,211	596,253	547,732	547,207
OPERATING MARGINS/(DEFICITS) - After Fixed Charges	$ 598,650	$ (87,647)	$ 879,091	$ 2,257,705	$ 429,347
Capital Credits	187,108	327,905	316,977	292,845	356,453
NET OPERATING MARGINS	$ 785,758	$ 240,258	$ 1,196,068	$ 2,550,550	$ 785,800
NON-OPERATING MARGINS					
PPP Loan Forgiveness			620,900		
Interest Income	42,759	34,571	27,072	24,583	25,747
NET MARGINS	$ 828,517	$ 274,829	$ 1,844,040	$ 2,575,133	$ 811,547
Miscellaneous Statistics					
Meters at End of Year	4,843	4,855	4,949	4,930	4,810
kWh Sales (000)	62,095	71,955	76,294	71,395	60,924
Times Interest Earning Ratio	1.96	1.36	4.09	5.70	2.48
Equity to Total Assets	42.0	42.3	45.3	48.1	45.1
Equity to Total Capitalization	46.6	47.4	50.8	54.7	51.7

COMPLIANCE & INTERNAL CONTROL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS
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LUBBOCK, TEXAS 79423-1954

LETTER TO BOARD OF DIRECTORS REGARDING POLICIES CONCERNING AUDITS OF CFC AND COBANK BORROWERS

Board of Directors
Anza Electric Cooperative, Inc.
Anza, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Anza Electric Cooperative, Inc. (the Cooperative) as of March 31, 2024 and the related statements of income, patronage capital, and comprehensive income, and cash flows for the year then ended, and have issued our report thereon dated June 13, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Cooperative failed to comply with the terms of Article V of the National Rural Utilities Cooperative Finance Corporation Loan Agreement and CoBank Loan Agreement insofar as they relate to accounting matters. However, our audits were not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Boards of Directors and management of Anza Electric Cooperative, Inc. and the National Rural Utilities Cooperative Finance Corporation and CoBank and is not intended to be and should not be used by anyone other than these specified parties.

Bolinger, Segars, Gilbert & Moss L.L.P

Certified Public Accountants

Lubbock, Texas

June 13, 2024

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS