BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
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8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

June 17, 2025

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

We have audited the financial statements of Anza Electric Cooperative, Inc. (the Cooperative) for the year ended March 31, 2025, and have issued our report thereon dated June 17, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 2, 2024. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting polices used by the Cooperative are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The most sensitive estimates affecting the financial statements are as follows:

Management's estimates related to unbilled revenue are based on industry accepted guidelines and the revenue calculations are within those guidelines. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for credit losses and lives used to calculate depreciation on distribution plant in service. Management's estimate for the allowance for credit losses is based on an evaluation of past due accounts. Management's estimate of the depreciation life used is based on industry accepted guidelines and the lives selected are within those guidelines. We evaluated the key factors and assumptions used to develop accumulated depreciation and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are disclosed in Notes 3, 11, 12, 13, 14, 18, and 21 and relate to plant in service, long-term debt, short-term financing, post-retirement benefits and subsequent events.

The disclosures in the financial statements are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The journal entries as a result of our audit are attached.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 17, 2025.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Cooperative’s financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Cooperative’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Anza Electric Cooperative, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

| | |
|---|---|
| Client: | ***Anza Electric Cooperative, Inc.*** |
| Engagement: | ***2025 Anza Electric Coop*** |
| Period Ending: | ***3/31/2025*** |
| Workpaper: | ***Adjusting Journal Entries*** |

| Account | Description | W/P # | DEBIT | CREDIT |
|---|---|---|---|---|
| **Adjusting Journal Entry JE # 1** | | | | |
| To adjust various equity accounts to agree to audited Form 7's and Meridian Reports. | | | | |
| 201.100 | PATRONS CAPITAL CREDITS | | 1,449.44 | |
| 219.700 | FIBR - OPERATING MARGINS | | 7,451.95 | |
| 201.710 | FIBR - PATRONAGE CAP ASSIGNABLE | | | 7,451.95 |
| 208.000 | DONATED CAPITAL | | | 1,449.44 |
| **Total** | | | **8,901.39** | **8,901.39** |
| **Adjusting Journal Entry JE # 2** | | | | |
| To record unbilled revenue for March 2025 based on 1/2 of April 2025 Energy Sales. | | | | |
| 173.000 | ACCRUED UNBILLED REVENUE | | 578,238.00 | |
| 201.300 | PATRONAGE CAPITAL - UNBILLED REVENUE | | | 495,588.00 |
| 449.000 | UNBILLED REVENUE | | | 82,650.00 |
| **Total** | | | **578,238.00** | **578,238.00** |
| **Adjusting Journal Entry JE # 3** | | | | |
| To correct CFC Loan Advance Note 9016-014 to correct account. | | | | |
| 231.300 | COBANK LINE OF CREDIT | | 700,000.00 | |
| 224.140 | LT NOTE EXEC-CFC-WKPLN17-20-DBIT | | | 700,000.00 |
| **Total** | | | **700,000.00** | **700,000.00** |
| **Adjusting Journal Entry JE # 4** | | | | |
| To reclass BESS Storage Capacity AZG&T Non-Tariff charges billed by AZG&T, not paid by AEC to all be in power costs grouping. | | | | |
| 421.000 | MISC NON-OPERATING INCOME | | 4.38 | |
| 421.000 | MISC NON-OPERATING INCOME | | 429,468.00 | |
| 555.000 | PURCHASED POWER | | 429,468.00 | |
| 186.000 | MISC DEFERRED DEBITS | | | 429,468.00 |
| 419.000 | INTEREST & DIVIDENDS - SAVINGS | | | 4.38 |
| 555.200 | SUNANZA BESS AZG&T CREDIT OFFSET | | | 429,468.00 |
| **Total** | | | **858,940.38** | **858,940.38** |
| **Adjusting Journal Entry JE # 5** | | | | |
| To record additional payables relating to FY 2025 found in subsequent check disbursements. Of this amount $78,188.70 relates to retainage only. | | | | |
| 107.200 | CONSTRUCTION WORK IN PROGRESS | | 117,756.20 | |
| 232.100 | ACCTS PAYABLE | | | 117,756.20 |
| **Total** | | | **117,756.20** | **117,756.20** |
| **Adjusting Journal Entry JE # 6** | | | | |
| To adjust various Investment in Associated Accounts to Year End Confirmations and Record AEPCO Patronage Allocation for the year. | | | | |
| 123.130 | AEPCO PATRONAGE CAPITAL CREDITS | | 71,497.67 | |
| 123.170 | COBANK PATRONAGE CAPITAL CREDITS | | 10,481.51 | |
| 123.800 | INVEST STOCK PURCHASE FEDERATED | | 241.52 | |
| 123.100 | NRUCFC PATRONAGE CAPITAL CREDITS | | | 989.21 |
| 123.150 | ARKANSAS ELECTRIC CERT 06-0006 | | | 241.52 |
| 423.000 | GEN & TRANSM COOP CAPITAL CREDIT | | | 71,497.67 |
| 424.000 | OTHER CAP CR & PATRONAGE DIVID | | | 9,492.30 |
| **Total** | | | **82,220.70** | **82,220.70** |

| | |
|---|---|
| Client: | ***Anza Electric Cooperative, Inc.*** |
| Engagement: | ***2025 Anza Electric Coop*** |
| Period Ending: | ***3/31/2025*** |
| Workpaper: | ***Adjusting Journal Entries*** |

| Account | Description | W/P # | DEBIT | CREDIT |
|---|---|---|---|---|
| **Adjusting Journal Entry JE # 7** | | | | |
| To True-Up APBO for Post-Retirement Benefit Obligation to Actuary Study for 3/31/25 Balances. | | | | |
| 215.000 | OTHER COMPREHENSIVE INCOME/LOSS | | 127,157.00 | |
| 228.300 | ACCUM PROV PENSIONS & BENEFITS | | | 115,568.00 |
| 926.000 | EMPLOYEE BENEFITS | | | 11,589.00 |
| **Total** | | | **127,157.00** | **127,157.00** |
| **Adjusting Journal Entry JE # 8** | | | | |
| To reclass Generac Generators Sales out of A/R to Income Statement for Purchases of Generators donated by Ameresco. | | | | |
| 143.000 | ACCTS RECEIVABLE - OTHER (EE) | | 36,545.00 | |
| 421.000 | MISC NON-OPERATING INCOME | | | 36,545.00 |
| **Total** | | | **36,545.00** | **36,545.00** |
| **Adjusting Journal Entry JE # 9** | | | | |
| To adjust Deferred Comp. Homestead Funds to actual balances at 3/31/25. | | | | |
| 128.100 | OTHER SPECIAL FUND-HOMESTEAD DEF | | 63,215.19 | |
| 228.310 | ACCUM PROV-DEFERRED COMP OFFSET | | | 63,215.19 |
| **Total** | | | **63,215.19** | **63,215.19** |

**CALIFORNIA 41 ANZA**

**ANZA ELECTRIC COOPERATIVE, INC.**

**ANZA, CALIFORNIA**

**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

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

# CALIFORNIA 41 ANZA

# ANZA ELECTRIC COOPERATIVE, INC.

# ANZA, CALIFORNIA

## FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

## FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

## AND

## REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**CALIFORNIA 41 ANZA**
**ANZA ELECTRIC COOPERATIVE, INC.**
**ANZA, CALIFORNIA**

**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION**
**FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

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LUBBOCK, TEXAS 79423-1954

# 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, 2025 and 2024, 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, 2025 and 2024, 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 2025 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. We conducted our 2024 audit in accordance with 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.



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

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.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025 on our consideration of the Cooperative'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 solely 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 the effectiveness of the Cooperative's 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 the Cooperative's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

June 17, 2025

**ANZA ELECTRIC COOPERATIVE, INC.**

**Exhibit A**

## BALANCE SHEETS
## MARCH 31, 2025 AND 2024

### ASSETS

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| UTILITY PLANT AT COST | | |
| Electric Plant in Service | $ 42,115,555 | $ 41,544,456 |
| Fiber Plant in Service | 12,225,645 | 11,455,492 |
| Construction Work in Progress | 5,479,118 | 1,980,125 |
| Electric Plant Held for Future Use | 7,202 | 7,202 |
| | $ 59,827,520 | $ 54,987,275 |
| Less: Accumulated Provision for Depreciation | 23,697,601 | 22,520,743 |
| | $ 36,129,919 | $ 32,466,532 |
| OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE | | |
| Investments in Associated Organizations | $ 5,155,402 | $ 5,068,543 |
| Other Investments | 330,465 | 267,250 |
| | $ 5,485,867 | $ 5,335,793 |
| CURRENT ASSETS | | |
| Cash - General | $ 710,018 | $ 500,964 |
| Cash - Restricted | 320 | 20,623 |
| Temporary Cash Investments | 776,517 | 659,635 |
| Accounts Receivable (Less Allowance for Credit Losses of $98,759 in 2025 and $96,816 in 2024) | 727,437 | 721,680 |
| Accrued Unbilled Revenue | 578,238 | 503,645 |
| Materials and Supplies | 1,570,516 | 1,427,266 |
| Other Current and Accrued Assets | 169,375 | 166,886 |
| | $ 4,532,421 | $ 4,000,699 |
| DEFERRED CHARGES | $ 760,173 | $ 534,370 |
| TOTAL ASSETS | $ 46,908,380 | $ 42,337,394 |

### EQUITIES AND LIABILITIES

| | | |
|---|---|---|
| EQUITIES | | |
| Memberships | $ 995 | $ 1,045 |
| Patronage Capital | 16,549,437 | 15,962,176 |
| Other Equities | 1,787,034 | 1,496,828 |
| Accumulated Other Comprehensive Income | 196,240 | 323,397 |
| | $ 18,533,706 | $ 17,783,446 |
| LONG-TERM DEBT | | |
| CFC Mortgage Notes Less Current Maturities | $ 18,785,669 | $ 16,005,970 |
| CoBank Mortgage Notes Less Current Maturities | 2,411,752 | 2,985,160 |
| Finance Leases - Less Current Maturities | 335,668 | 188,410 |
| | $ 21,533,089 | $ 19,179,540 |
| ACCUMULATED PROVISION FOR POST-RETIREMENT BENEFITS | | |
| Benefits to Retirees | $ 408,006 | $ 307,498 |
| CURRENT LIABILITIES | | |
| Current Maturities of Long-Term Debt | $ 1,370,327 | $ 1,214,022 |
| Current Portion of APBO | 61,000 | 28,000 |
| Line of Credit | 1,200,000 | 250,000 |
| Accounts Payable - Purchased Power | 637,503 | 598,535 |
| Accounts Payable - Other | 117,485 | 145,458 |
| Consumers' Deposits and Prepayments | 1,328,913 | 1,329,078 |
| Accrued Employee Compensated Absences | 499,258 | 512,225 |
| Other Current and Accrued Liabilities | 287,508 | 246,732 |
| | $ 5,501,994 | $ 4,324,050 |
| DEFERRED CREDITS | $ 931,585 | $ 742,860 |
| TOTAL EQUITIES AND LIABILITIES | $ 46,908,380 | $ 42,337,394 |

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, 2025 AND 2024**

| | Years Ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2025 | | 2024 | | Increase |
| | Amount | % | Amount | % | (Decrease) |
| OPERATING REVENUES | | | | | |
| Residential | $ 11,208,329 | 66.3 | $ 12,472,566 | 70.1 | $ (1,264,237) |
| Irrigation | 86,493 | 0.5 | 70,119 | 0.4 | 16,374 |
| Commercial and Industrial | 3,051,891 | 18.1 | 2,918,411 | 16.4 | 133,480 |
| Public Buildings and Other Authorities | 5,395 | 0.0 | 4,729 | 0.0 | 666 |
| Rent from Electric Property | 69,652 | 0.4 | 64,923 | 0.4 | 4,729 |
| Broadband Access | 2,274,973 | 13.5 | 2,181,165 | 12.3 | 93,808 |
| Other Operating Revenues | 207,909 | 1.2 | 69,129 | 0.4 | 138,780 |
| Total Operating Revenues | $ 16,904,642 | 100.0 | $ 17,781,042 | 100.0 | $ (876,400) |
| OPERATING EXPENSES | | | | | |
| Purchased Power | $ 6,016,065 | 35.6 | $ 7,562,570 | 42.5 | $ (1,546,505) |
| Cost of Broadband Access | 190,134 | 1.1 | 190,294 | 1.1 | (160) |
| Transmission | 47,101 | 0.3 | 42,778 | 0.2 | 4,323 |
| Distribution - Operation | 2,016,182 | 11.9 | 1,972,018 | 11.1 | 44,164 |
| Distribution - Maintenance | 606,230 | 3.6 | 536,735 | 3.0 | 69,495 |
| Customer Accounts | 1,412,850 | 8.4 | 1,191,119 | 6.7 | 221,731 |
| Customer Service and Information | 496,449 | 2.9 | 330,139 | 1.9 | 166,310 |
| Administrative and General | 2,678,121 | 15.8 | 2,774,452 | 15.6 | (96,331) |
| Depreciation and Amortization | 1,739,121 | 10.3 | 1,698,898 | 9.6 | 40,223 |
| Other Interest and Deductions | 37,346 | 0.2 | 17,468 | 0.1 | 19,878 |
| Total Operating Expenses | $ 15,239,599 | 90.1 | $ 16,316,471 | 91.8 | $ (1,076,872) |
| OPERATING MARGINS - BEFORE FIXED CHARGES | $ 1,665,043 | 9.9 | $ 1,464,571 | 8.2 | $ 200,472 |
| FIXED CHARGES | | | | | |
| Interest on Long-Term Debt | 1,006,195 | 6.0 | 865,921 | 4.9 | 140,274 |
| OPERATING MARGINS (LOSS) - AFTER FIXED CHARGES | $ 658,848 | 3.9 | $ 598,650 | 3.3 | $ 60,198 |
| Capital Credits | 129,800 | 0.8 | 187,108 | 1.1 | (57,308) |
| NET OPERATING MARGINS | $ 788,648 | 4.7 | $ 785,758 | 4.4 | $ 2,890 |
| NON-OPERATING MARGINS | | | | | |
| Interest Income | $ 275,134 | 1.6 | $ 42,759 | 0.2 | $ 232,375 |
| Other | 36,545 | 0.2 | | 0.0 | 36,545 |
| | $ 311,679 | 1.8 | $ 42,759 | 0.2 | $ 268,920 |
| NET MARGINS | $ 1,100,327 | 6.5 | $ 828,517 | 4.6 | $ 271,810 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | | | |
| Current Year APBO Valuation Adjustment | (100,305) | | | | |
| Post-Retirement Benefit Amortization | (26,852) | | (26,449) | | |
| COMPREHENSIVE INCOME | $ 973,170 | | $ 802,068 | | |
| Post-Retirement Benefit Adjustment | 127,157 | | 26,449 | | |
| PATRONAGE CAPITAL - BEGINNING OF PERIOD | 15,962,176 | | 15,859,730 | | |
| Patronage Capital Retired | (211,960) | | (216,195) | | |
| Transferred to Other Equities | (301,106) | | (509,876) | | |
| PATRONAGE CAPITAL - END OF PERIOD | $ 16,549,437 | | $ 15,962,176 | | |

See accompanying notes to financial statements.

**ANZA ELECTRIC COOPERATIVE, INC.**

**Exhibit C**

**STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Margins | $ 1,100,327 | $ 828,517 |
| Adjustments to Reconcile Net Margins to Net Cash From Operating Activities | | |
| Depreciation and Amortization | 1,820,014 | 1,821,165 |
| Capital Credits | (129,800) | (187,108) |
| Deferred Charges | (225,803) | (332,467) |
| Deferred Credits | 188,725 | 100,192 |
| Accounts Receivable | (80,350) | 266,235 |
| Inventories and Other Current Assets | (145,739) | 41,317 |
| Payables and Accrued Expenses | 38,639 | (314,163) |
| Accumulated Provision for Pensions/Benefits | 17,940 | 17,944 |
| Net Cash From Operating Activities | $ 2,583,953 | $ 2,241,632 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to Utility Plant | $ (4,957,734) | $ (2,991,075) |
| Plant Removal Costs In Excess of Salvage Credits | (208,567) | (164,662) |
| Other Property and Investments | (20,274) | (93,165) |
| Net Cash From Investing Activities | $ (5,186,575) | $ (3,248,902) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Advances on Long-Term Debt from CFC | $ 3,450,000 | $ 2,500,000 |
| Payments on Long-Term Debt to CoBank | (563,847) | (537,710) |
| Payments on Long-Term Debt to CFC | (592,222) | (531,439) |
| Line of Credit - Net | 950,000 | |
| Payments on Finance Leases | (112,766) | (87,190) |
| Retirement of Patronage Capital | (211,960) | (216,195) |
| Memberships - Net | (50) | (195) |
| Donated Capital | (10,900) | 4,262 |
| Net Cash From Financing Activities | $ 2,908,255 | $ 1,131,533 |
| CHANGE IN CASH AND CASH EQUIVALENTS | $ 305,633 | $ 124,263 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | 1,181,222 | 1,056,959 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | $ 1,486,855 | $ 1,181,222 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for: | | |
| Interest on Long Term Debt | $ 986,927 | $ 867,509 |
| Income Taxes | $ 0 | $ 0 |
| Non-Cash Investing/Financing Activities - Farm Credit Finance Leases | $ 317,100 | $ 0 |

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

The allowance for credit losses represents an estimate of the expected credit losses inherent in trade 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, 2025 and 2024 were as follows:

| | March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Beginning Balance | $ 96,816 | $ 108,634 |
| Recoveries | 1,943 | 2,055 |
| Write Offs | | (13,873) |
| | $ 98,759 | $ 96,816 |

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, 2025 and 2024, related to this adjustment clause were $739,706 and $2,116,987, 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, 2025 and 2024 amounted to $578,238 and $503,645, 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 2024, due to inflationary increases factored in for the 2022 year, the Cooperative implemented new rates designed to increase revenues approximately 7.38%. In October 2024, the Cooperative implemented a 4.5 cent per kWh increase.

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, 2025 and 2024, deposits on hand totaled $1,328,913 and $1,329,078, 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, 2025 | March 31, 2024 |
|---|---|---|
| Intangible Plant | $ 419,468 | $ 419,468 |
| Production Plant | 1,376,273 | 1,376,273 |
| Transmission Plant | 3,188,603 | 3,189,248 |
| Distribution Plant | 34,364,100 | 33,895,689 |
| Fiber Plant | 12,225,645 | 11,455,492 |
| General Plant | 2,767,111 | 2,663,778 |
| Total Utility Plant in Service | $ 54,341,200 | $ 52,999,948 |
| Construction Work in Progress | 5,479,118 | 1,980,125 |
| Electric Plant Held for Future Use | 7,202 | 7,202 |
| Total Utility Plant | $ 59,827,520 | $ 54,987,275 |

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, 2025 and 2024, 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, 2025 and 2024 was $1,820,014 and $1,821,165, respectively, of which $1,739,121 and $1,698,898 was charged to expense, and $80,893 and $122,267 was allocated to other accounts.

**ANZA ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

## 4. Investments in Associated Organizations

Investments in associated organizations consisted of:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Capital Term Certificates - CFC | $ 128,932 | $ 128,932 |
| Patronage Capital - CFC | 242,832 | 229,557 |
| Patronage Capital - AZ G&T | 4,425,013 | 4,361,483 |
| Other | 358,625 | 348,571 |
| | $ 5,155,402 | $ 5,068,543 |

## 5. Temporary Cash Investments

Temporary cash investments consisted of:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Certificates of Deposits | $ 776,517 | $ 609,316 |
| AZ G&T Note Participation Program | | 50,319 |
| | $ 776,517 | $ 659,635 |

## 6. Materials and Supplies

Materials and supplies consisted of:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Construction Materials and Supplies | $ 1,341,203 | $ 1,137,704 |
| Fiber Materials and Supplies | 207,397 | 259,386 |
| Other | 21,916 | 30,176 |
| | $ 1,570,516 | $ 1,427,266 |

**ANZA ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

## 7. Deferred Charges

Deferred Charges consisted of:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Preliminary Survey and Investigation Charges | $ 94,543 | $ 531 |
| Deferred Employee Health Savings Contributions | 111,560 | 97,682 |
| Dues | 25,397 | 18,232 |
| Minor Material Software System Integration Charges | 277,702 | 317,858 |
| Miscellaneous Deferred Charges | 250,971 | 100,067 |
| | $ 760,173 | $ 534,370 |

## 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, 2025 and 2024. Patronage capital totaling $211,960 and $216,195 was retired during 2024 and 2023, respectively.

## 9. Patronage Capital

Patronage Capital consisted of:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Assigned | $ 28,728,706 | $ 28,193,871 |
| Assignable | 1,526,919 | 1,262,446 |
| | $ 30,255,625 | $ 29,456,317 |
| Less: Retired and Discounted | 13,706,188 | 13,494,141 |
| | $ 16,549,437 | $ 15,962,176 |

## 10. Other Equities (Deficits)

Other Equities (Deficits) consisted of:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Donated Capital | $ 1,787,034 | $ 1,797,935 |
| ConnectAnza Unallocated Deficits | | (301,107) |
| | $ 1,787,034 | $ 1,496,828 |

## 11. Mortgage Notes – CFC

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

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| 2.48% to 6.74% Notes | $ 19,436,716 | $ 16,578,939 |
| Less: Current Maturities | (651,047) | (572,969) |
| | $ 18,785,669 | $ 16,005,970 |

Principal and interest installments on the above CFC debt are due quarterly. As of March 31, 2025, annual maturities of long-term debt due CFC for the next five years are as follows:

| Year Ending March 31, | |
|---|---|
| 2026 | $ 651,047 |
| 2027 | 683,229 |
| 2028 | 716,888 |
| 2029 | 681,337 |
| 2030 | 642,618 |

There are no amounts of CFC unadvanced long term loan funds available at March 31, 2025.

## 12. Mortgage Notes – CoBank

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

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| 2.48% to 4.56% Note | $ 2,985,278 | $ 3,537,534 |
| Less: Current Maturities | (573,526) | (552,374) |
| | $ 2,411,752 | $ 2,985,160 |

Principal and interest installments on the above CoBank debt are due monthly. As of March 31, 2025, annual maturities of long-term debt due CoBank for the next five years are as follows:

| Year Ending March 31, | |
|---|---|
| 2026 | $ 573,526 |
| 2027 | 595,649 |
| 2028 | 618,660 |
| 2029 | 437,291 |
| 2030 | 295,972 |

## 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, 2025 |
|---|---|
| Asset: | |
| Leased Vehicles | $ 758,908 |
| Less: Accumulated Depreciation | 131,521 |
| | $ 627,387 |
| | |
| Lease Payable: | |
| 2026 | $ 145,754 |
| 2027 | 142,351 |
| 2028 | 85,639 |
| 2029 | 56,877 |
| 2030 | 50,801 |
| Present Value of Minimum Lease Payments | $ 481,422 |
| Less: Current Maturities | 145,754 |
| Non-Current Maturities | $ 335,668 |

## 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 $1,200,000 (CoBank) and $0 (CFC) and $250,000 (CoBank) and $0 (CFC) at March 31, 2025 and 2024, respectively.

## 15. Deferred Credits

Deferred Credits consisted of:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Special Equipment Installation Charges | $ 324,674 | $ 414,739 |
| Unapplied Contributions in Aid of Construction | 211,329 | 8,545 |
| Uncashed Capital Credit Checks | 65,117 | 52,326 |
| Deferred Compensation | 330,465 | 267,250 |
| | $ 931,585 | $ 742,860 |

## 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 2025 and in 2024 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 $1,170,213 in 2025 and $1,084,527 in 2024. There have been no significant changes that affect the comparability of 2025 and 2024 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, 2024 and 2023 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 $74,602 and $72,724 for the years ended March 31, 2025 and 2024, 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 2021.

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, 2025 and 2024.

## 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 2017, at age 62. |
| Cost Sharing: | <u>Medical/Prescription Drug/Vision and Dental</u><br>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.<br><br><u>Dependents</u><br>The Cooperative pays 80% of the premium for Medical and prescription coverage for dependents, and 100% of the cost of vision and dental.<br><br><u>HRA</u><br>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. |

The weighted average discount rate used to develop the accumulated post-retirement benefit obligation was 4.75% in 2025 and 2024. The assumed health care cost trend rates for medical, drugs, and dental/vision is 7.00% for the next year, declining to an ultimate level of 4.25% in 2035 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, 2025 | March 31, 2024 |
|---|---|---|
| (I) Net Post-Retirement Benefit Cost | | |
| Service Cost | $ 27,547 | $ 27,547 |
| Interest Cost | 17,245 | 16,846 |
| Amortization | (26,852) | (26,449) |
| Post-Retirement Benefit Expense | $ 17,940 | $ 17,944 |
| (II) Accumulated Post-Retirement Benefit Obligation (APBO) | | |
| APBO Balance at Beginning of Year | $ 335,498 | $ 327,105 |
| Actuarial (Gain)/Loss/Plan Service Cost Remeasure | 100,305 | |
| Service/Interest | 44,792 | 44,393 |
| Benefits Paid | (11,589) | (36,000) |
| Post-Retirement Benefit Liability at End of Year | $ 469,006 | $ 335,498 |
| (III) Funded Status of the Post-Retirement Benefit Plans | | |
| Accumulated Post-Retirement Benefit Obligation (APBO) | $ 469,006 | $ 335,498 |
| Estimated Value of Plan Assets at Year End | | |
| Accumulated Post-Retirement Benefit Obligation in Excess of Plan Assets | $ 469,006 | $ 335,498 |
| (IV) Presentation | | |
| Short-Term Portion of Obligation | $ 61,000 | $ 28,000 |
| Long-Term Portion of Obligation | 408,006 | 307,498 |
| | $ 469,006 | $ 335,498 |
| (V) Accumulated Other Comprehensive Income | | |
| Unamortized Actuarial Gain | $ 196,240 | $ 323,397 |
| Other Comprehensive Income | $ 196,240 | $ 323,397 |

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 $12,031.

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

| | |
|---|---|
| 2026 | $ 61,000 |
| 2027 | 60,000 |
| 2028 | 54,000 |
| 2029 | 61,000 |
| 2030 | 44,000 |
| 2031-2035 | 245,000 |

## 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 2025 and 2024 were $81,977 and $81,977, respectively.

In addition, pursuant to the Cooperative's participation in the RDOF program at March 31, 2025 and 2024 the Cooperative had a Letter of Credit with CoBank in the amount of $245,932 and $163,955, 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, 2025 and 2024, the Cooperative reflected $637,503 and $598,535 due AZ G&T for power purchases. Also at March 31, 2025 and 2024, the Cooperative reflected a patronage capital investment in AZ G&T of $4,425,013 and $4,361,483, 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.

The Cooperative has entered into a construction contract to remodel the headquarters building in Anza, California. Total costs are estimated at $2,000,000, of which $1,500,000 have been billed to date.

Subsequent to year end, The Cooperative obtained a $20,000,000 work plan loan facility with CoBank.

Subsequent to year end, The Cooperative entered into a settlement and release agreement related to historical wildfire damages within the Cooperative's service territory. Pursuant to the terms of the agreement, The Cooperative will receive $490,000 in fiscal year 2026.

Management has evaluated subsequent events through June 17, 2025, the date which the financial statements were available for issue.

## SUPPLEMENTARY INFORMATION

**ANZA ELECTRIC COOPERATIVE, INC.**

**Schedule 1**

**BALANCE SHEETS BY DIVISION**
**MARCH 31, 2025**

## ASSETS

| | Anza Electric | ConnectAnza | Combined | Interdivision Eliminations | Total |
|---|---|---|---|---|---|
| UTILITY PLANT AT COST | | | | | |
| Electric Plant in Service | $ 42,115,555 | $ | $ 42,115,555 | $ | $ 42,115,555 |
| Fiber Plant in Service | | 12,225,645 | 12,225,645 | | 12,225,645 |
| Construction Work in Progress | 4,729,322 | 749,796 | 5,479,118 | | 5,479,118 |
| Electric Plant Held for Future Use | 7,202 | | 7,202 | | 7,202 |
| | $ 46,852,079 | $ 12,975,441 | $ 59,827,520 | $ 0 | $ 59,827,520 |
| Less: Accumulated Provision for Depreciation and Amortization | 20,808,159 | 2,889,442 | 23,697,601 | | 23,697,601 |
| | $ 26,043,920 | $ 10,085,999 | $ 36,129,919 | $ 0 | $ 36,129,919 |
| OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE | | | | | |
| Investments in Associated Organizations | $ 5,155,402 | $ | $ 5,155,402 | $ | $ 5,155,402 |
| Other Investments | 330,465 | | 330,465 | | 330,465 |
| | $ 5,485,867 | $ 0 | $ 5,485,867 | $ 0 | $ 5,485,867 |
| CURRENT ASSETS | | | | | |
| Cash - General | $ 710,018 | $ | $ 710,018 | $ | $ 710,018 |
| Cash - Restricted | 320 | | 320 | | 320 |
| Temporary Cash Investments | 776,517 | | 776,517 | | 776,517 |
| Accounts Receivable (Less Allowance for Credit Losses of $98,759) | 637,840 | 89,597 | 727,437 | | 727,437 |
| Accrued Unbilled Revenue | 578,238 | | 578,238 | | 578,238 |
| Materials and Supplies | 1,371,001 | 199,515 | 1,570,516 | | 1,570,516 |
| Other Current and Accrued Assets | 141,915 | 27,460 | 169,375 | | 169,375 |
| | $ 4,215,849 | $ 316,572 | $ 4,532,421 | $ 0 | $ 4,532,421 |
| DEFERRED CHARGES | $ 679,583 | $ 80,590 | $ 760,173 | $ 0 | $ 760,173 |
| INTERDIVISION RECEIVABLES | $ 7,957,069 | $ 0 | $ 7,957,069 | $ (7,957,069) | $ 0 |
| TOTAL ASSETS | $ 44,382,288 | $ 10,483,161 | $ 54,865,449 | $ (7,957,069) | $ 46,908,380 |

## EQUITIES AND LIABILITIES

| | | | | | |
|---|---|---|---|---|---|
| EQUITIES | | | | | |
| Memberships | $ 995 | $ | $ 995 | $ | $ 995 |
| Patronage Capital | 16,306,075 | 243,362 | 16,549,437 | | 16,549,437 |
| Other Equities/(Deficits) | 1,787,034 | | 1,787,034 | | 1,787,034 |
| Accumulated Other Comprehensive Income | 196,240 | | 196,240 | | 196,240 |
| | $ 18,290,344 | $ 243,362 | $ 18,533,706 | $ 0 | $ 18,533,706 |
| LONG-TERM DEBT | | | | | |
| CFC Mortgage Notes Less Current Maturities | $ 18,785,669 | $ | $ 18,785,669 | $ | $ 18,785,669 |
| CoBank Mortgage Notes Less Current Maturities | 1,055,187 | 1,356,565 | 2,411,752 | | 2,411,752 |
| Finance Leases - Less Current Maturities | 335,668 | | 335,668 | | 335,668 |
| | $ 20,176,524 | $ 1,356,565 | $ 21,533,089 | $ 0 | $ 21,533,089 |
| ACCUMULATED PROVISION FOR POST-RETIREMENT BENEFITS | | | | | |
| Benefits to Retirees | $ 408,006 | $ 0 | $ 408,006 | $ 0 | $ 408,006 |
| CURRENT LIABILITIES | | | | | |
| Current Maturities of Long-Term Debt | $ 1,017,816 | $ 352,511 | $ 1,370,327 | $ | $ 1,370,327 |
| Current Portion of APBO | 61,000 | | 61,000 | | 61,000 |
| Line of Credit | 1,200,000 | | 1,200,000 | | 1,200,000 |
| Accounts Payable - Purchased Power | 637,503 | | 637,503 | | 637,503 |
| Accounts Payable - Other | 117,485 | | 117,485 | | 117,485 |
| Consumers' Deposits and Prepayments | 1,028,361 | 300,552 | 1,328,913 | | 1,328,913 |
| Accrued Employee Compensated Absences | 499,258 | | 499,258 | | 499,258 |
| Other Current and Accrued Liabilities | 217,190 | 70,318 | 287,508 | | 287,508 |
| | $ 4,778,613 | $ 723,381 | $ 5,501,994 | $ 0 | $ 5,501,994 |
| DEFERRED CREDITS | $ 728,801 | $ 202,784 | $ 931,585 | $ 0 | $ 931,585 |
| INTERDIVISION PAYABLES | $ 0 | $ 7,957,069 | $ 7,957,069 | $ (7,957,069) | $ 0 |
| TOTAL EQUITIES AND LIABILITIES | $ 44,382,288 | $ 10,483,161 | $ 54,865,449 | $ (7,957,069) | $ 46,908,380 |

**ANZA ELECTRIC COOPERATIVE, INC.**

**Schedule 2**

**STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND PATRONAGE CAPITAL**
**FOR THE YEAR ENDED MARCH 31, 2025 BY DIVISION**

| | Anza Electric | ConnectAnza | Combined |
|---|---|---|---|
| OPERATING REVENUES | | | |
| Residential | $ 11,208,329 | $ | $ 11,208,329 |
| Irrigation | 86,493 | | 86,493 |
| Commercial and Industrial | 3,051,891 | | 3,051,891 |
| Public Buildings and Other Authorities | 5,395 | | 5,395 |
| Rent from Electric Property | 69,652 | | 69,652 |
| Broadband Access | | 2,274,973 | 2,274,973 |
| Change in Unbilled Revenue | 74,593 | | 74,593 |
| Other Operating Revenues | 51,339 | 81,977 | 133,316 |
| Total Operating Revenues | $ 14,547,692 | $ 2,356,950 | $ 16,904,642 |
| OPERATING EXPENSES | | | |
| Purchased Power | $ 6,016,065 | $ | $ 6,016,065 |
| Cost of Broadband Access | | 190,134 | 190,134 |
| Transmission | 47,101 | | 47,101 |
| Distribution - Operation | 1,627,382 | 388,800 | 2,016,182 |
| Distribution - Maintenance | 598,114 | 8,116 | 606,230 |
| Customer Accounts | 1,380,807 | 32,043 | 1,412,850 |
| Customer Service and Information | 164,852 | 331,597 | 496,449 |
| Administrative and General | 2,368,621 | 309,500 | 2,678,121 |
| Depreciation and Amortization | 1,266,788 | 472,333 | 1,739,121 |
| Other Interest and Other Deductions | 37,346 | | 37,346 |
| Total Operating Expenses | $ 13,507,076 | $ 1,732,523 | $ 15,239,599 |
| OPERATING MARGINS/(LOSS) - BEFORE FIXED CHARGES | $ 1,040,616 | $ 624,427 | $ 1,665,043 |
| FIXED CHARGES | | | |
| Interest on Long-Term Debt | 926,236 | 79,959 | 1,006,195 |
| OPERATING MARGINS (LOSS)- AFTER FIXED CHARGES | $ 114,380 | $ 544,468 | $ 658,848 |
| Capital Credits | 129,800 | | 129,800 |
| NET OPERATING MARGINS /(LOSS) | $ 244,180 | $ 544,468 | $ 788,648 |
| NON-OPERATING MARGINS | | | |
| Interest Income | $ 275,134 | $ | $ 275,134 |
| Other | 36,545 | | 36,545 |
| | $ 311,679 | $ 0 | $ 311,679 |
| NET MARGINS/(LOSS) | $ 555,859 | $ 544,468 | $ 1,100,327 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | |
| Current Year APBO Valuation Adjustment | (100,305) | | (100,305) |
| Post-Retirement Benefit Amortization | (26,852) | | (26,852) |
| COMPREHENSIVE INCOME/(LOSS) | $ 428,702 | $ 544,468 | $ 973,170 |
| Post-Retirement Benefit Adjustment | 127,157 | | 127,157 |
| PATRONAGE CAPITAL - BEGINNING OF PERIOD | 15,962,176 | | 15,962,176 |
| Patronage Capital Retired | (211,960) | | (211,960) |
| Transferred to Other Equities | | (301,106) | (301,106) |
| PATRONAGE CAPITAL - END OF PERIOD | $ 16,306,075 | $ 243,362 | $ 16,549,437 |

**ANZA ELECTRIC COOPERATIVE, INC.**

**Schedule 3**

**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 |
| CASF Grant Receivable | | | 0 | | 0 |
| 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 4**

**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 | | 187,108 |
| NET OPERATING MARGINS /(LOSS) | $ 275,882 | $ 509,876 | $ 785,758 |
| NON-OPERATING MARGINS | | | |
| Interest Income | $ 42,759 | $ | $ 42,759 |
| PPP Loan Forgiveness | | | 0 |
| | $ 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 5**

**UTILITY PLANT**
**FOR THE YEAR ENDED MARCH 31, 2025**

| CLASSIFIED ELECTRIC PLANT IN SERVICE | Balance 4/1/2024 | Additions and Transfers | Retirements and Transfers | Balance 3/31/2025 |
|---|---|---|---|---|
| Intangible Plant | $ 419,468 | $ | $ | $ 419,468 |
| Production Plant | | | | |
| Land and Land Rights | $ 1,049,122 | $ | $ | $ 1,049,122 |
| Structures and Improvements | 327,151 | | | 327,151 |
| Total | $ 1,376,273 | $ 0 | $ 0 | $ 1,376,273 |
| Transmission Plant | | | | |
| Land and Land Rights | $ 1,751 | $ | $ | $ 1,751 |
| Station Equipment | 61,151 | | | 61,151 |
| Poles, Towers, and Fixtures | 1,455,792 | | 23,992 | 1,431,800 |
| Overhead Conductors and Devices | 1,670,554 | 25,525 | 2,178 | 1,693,901 |
| Total | $ 3,189,248 | $ 25,525 | $ 26,170 | $ 3,188,603 |
| Distribution Plant | | | | |
| Land and Land Rights | $ 112,532 | $ | $ | $ 112,532 |
| Station Equipment | 4,954,620 | | | 4,954,620 |
| Poles, Towers, and Fixtures | 6,460,131 | 290,248 | 18,356 | 6,732,023 |
| Overhead Conductors and Devices | 7,030,720 | 205,532 | 12,972 | 7,223,280 |
| Underground Conductors and Devices and Conduit | 6,823,163 | 72,201 | 13,001 | 6,882,363 |
| Line Transformers | 6,418,055 | 20,070 | 4,829 | 6,433,296 |
| Services | 19,908 | | | 19,908 |
| Meters | 1,801,737 | 18,854 | 93,049 | 1,727,542 |
| Installations on Consumers' Premises | 274,823 | 9,405 | 5,692 | 278,536 |
| Total | $ 33,895,689 | $ 616,310 | $ 147,899 | $ 34,364,100 |
| General Plant | | | | |
| Land and Land Rights | $ 125 | $ | $ | $ 125 |
| Structures and Improvements | 969,545 | 34,466 | 131,057 | 872,954 |
| Office Furniture and Equipment | 251,277 | 6,504 | 7,286 | 250,495 |
| Transportation and Power-Operated Equipment | 916,692 | 317,100 | 111,471 | 1,122,321 |
| Store Equipment | 80,617 | 4,883 | | 85,500 |
| Tools, Shop, and Garage Equipment | 101,321 | 900 | 10,706 | 91,515 |
| Laboratory Equipment | 217,138 | | | 217,138 |
| Communications Equipment | 101,292 | | | 101,292 |
| Miscellaneous Equipment | 25,771 | | | 25,771 |
| Total | $ 2,663,778 | $ 363,853 | $ 260,520 | $ 2,767,111 |
| Total Classified Electric Plant in Service | $ 41,544,456 | $ 1,005,688 | $ 434,589 | $ 42,115,555 |
| Construction Work in Progress | 1,980,125 | 3,498,993 | | 5,479,118 |
| Fiber Plant | 11,455,492 | 770,153 | | 12,225,645 |
| Electric Plant Held for Future Use | 7,202 | | | 7,202 |
| Total Utility Plant | $ 54,987,275 | $ 5,274,834 | $ 434,589 | $ 59,827,520 |

**ANZA ELECTRIC COOPERATIVE, INC.**

**Schedule 6**

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION**
**FOR THE YEAR ENDED MARCH 31, 2025**

| | Balance 4/1/2024 | Accruals | Retirements | Balance 3/31/2025 |
|---|---|---|---|---|
| Production Plant | $ 118,976 | $ 15,936 | $ | $ 134,912 |
| Transmission Plant | $ 1,899,808 | $ 87,444 | $ | $ 1,987,252 |
| Distribution Plant | $ 16,518,827 | $ 1,063,312 | $ 276,471 | $ 17,305,668 |
| General Plant | | | | |
| Structures and Improvements | $ 500,251 | $ 26,720 | $ 129,457 | $ 397,514 |
| Office Furniture and Fixtures | 139,885 | 19,481 | 7,107 | 152,259 |
| Transportation and Power-Operated Equipment | 582,528 | 78,494 | 111,471 | 549,551 |
| Store Equipment | 16,881 | 3,879 | | 20,760 |
| Tools, Shop, and Garage Equipment | 59,703 | 4,312 | 8,811 | 55,204 |
| Laboratory Equipment | 119,808 | 15,608 | | 135,416 |
| Communications Equipment | 22,744 | 9,280 | | 32,024 |
| Miscellaneous Equipment | 27,125 | | | 27,125 |
| Total General Plant | $ 1,468,925 | $ 157,774 | $ 256,846 | $ 1,369,853 |
| Total Classified Electric Plant in Service | $ 20,006,536 | $ 1,324,466 | $ 533,317 | $ 20,797,685 |
| Fiber Plant | 2,433,120 | 474,734 | 19,910 | 2,887,944 |
| Amortization of Intangible Plant | 140,406 | 20,814 | | 161,220 |
| Retirement Work in Progress | (59,319) | | 89,929 | (149,248) |
| | $ 22,520,743 | $ 1,820,014 | $ 643,156 | $ 23,697,601 |
| | | (1) | (2) | |

| | |
|---|---|
| (1) Charged to Depreciation and Amortization Expense | $ 1,739,121 |
| Charged to Clearing Accounts | 80,893 |
| | $ 1,820,014 |

| | |
|---|---|
| (2) Cost of Units Retired | $ 434,589 |
| Add: Cost of Removal | 214,280 |
| Less: Salvage and Other Credits | (5,713) |
| Net Loss Due to Retirement | $ 643,156 |

**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 | 464,947 | 127,183 |
| 2002 | | 660,073 | 471,878 | 188,195 |
| 2003 | | 360,341 | 274,491 | 85,850 |
| 2004 | | 413,286 | 251,779 | 161,507 |
| 2005 | | 567,598 | 313,432 | 254,166 |
| 2006 | | 606,127 | 317,348 | 288,779 |
| 2007 | | 746,202 | 276,195 | 470,007 |
| 2008 | | 948,058 | 137,977 | 810,081 |
| 2009 | | 560,632 | 60,084 | 500,548 |
| 2010 | | 527,575 | 138,781 | 388,794 |
| 2011 | | 732,742 | 181,838 | 550,904 |
| 2012 | | 510,232 | 151,424 | 358,808 |
| 2013 | | 549,773 | 140,853 | 408,920 |
| 2014 | | 770,444 | 79,759 | 690,685 |
| 2015 | | 1,212,188 | 166,779 | 1,045,409 |
| 2016 | | 1,168,413 | 127,681 | 1,040,732 |
| 2017 | | 1,765,409 | 216,116 | 1,549,293 |
| 2018 | | 996,633 | 58,132 | 938,501 |
| 2019 | | 1,191,786 | 43,057 | 1,148,729 |
| 2020 | | 1,801,524 | 44,813 | 1,756,711 |
| 2021 | | 1,181,256 | 14,670 | 1,166,586 |
| 2022 | | 562,147 | 3,292 | 558,855 |
| 2023 | | 534,835 | 1,560 | 533,275 |
| 2024 | 695,159 | | | 695,159 |
| 2025 | 253,522 | | | 253,522 |
| | $ 948,681 | $ 28,728,706 | $ 13,706,188 | $ 15,971,199 |
| | | | Unbilled Revenue Assignable | 578,238 |
| | | | | $ 16,549,437 |

**ANZA ELECTRIC COOPERATIVE, INC.**

**Schedule 8**

**FIVE YEAR COMPARATIVE DATA**

| | For the Years Ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| OPERATING REVENUES | $ 16,904,642 | $ 17,781,042 | $ 17,480,231 | $ 15,591,793 | $ 14,490,372 |
| OPERATING EXPENSES | | | | | |
| Purchased Power | $ 6,016,065 | $ 7,562,570 | $ 8,548,244 | $ 6,245,171 | $ 4,651,737 |
| Cost of Broadband Access | 190,134 | 190,294 | 182,319 | 115,662 | 212,050 |
| Transmission | 47,101 | 42,778 | 46,735 | 79,490 | 97,447 |
| Distribution - Operation | 2,016,182 | 1,972,018 | 1,767,701 | 1,818,161 | 1,447,417 |
| Distribution - Maintenance | 606,230 | 536,735 | 842,319 | 640,055 | 636,048 |
| Customer Accounts | 1,412,850 | 1,191,119 | 1,084,412 | 1,112,762 | 969,333 |
| Customer Service and Information | 496,449 | 330,139 | 268,491 | 166,295 | 358,328 |
| Administrative and General Expenses | 2,678,121 | 2,774,452 | 2,454,025 | 2,505,302 | 1,966,990 |
| Depreciation and Amortization | 1,739,121 | 1,698,898 | 1,603,356 | 1,426,122 | 1,331,305 |
| Other Interest and Deductions | 37,346 | 17,468 | 8,065 | 7,429 | 14,280 |
| Total Operating Expenses | $ 15,239,599 | $ 16,316,471 | $ 16,805,667 | $ 14,116,449 | $ 11,684,935 |
| OPERATING MARGINS - Before Fixed Charges | $ 1,665,043 | $ 1,464,571 | $ 674,564 | $ 1,475,344 | $ 2,805,437 |
| FIXED CHARGES | | | | | |
| Interest on Long-Term Debt | 1,006,195 | 865,921 | 762,211 | 596,253 | 547,732 |
| OPERATING MARGINS/(DEFICITS) - After Fixed Charges | $ 658,848 | $ 598,650 | $ (87,647) | $ 879,091 | $ 2,257,705 |
| Capital Credits | 129,800 | 187,108 | 327,905 | 316,977 | 292,845 |
| NET OPERATING MARGINS | $ 788,648 | $ 785,758 | $ 240,258 | $ 1,196,068 | $ 2,550,550 |
| NON-OPERATING MARGINS | | | | | |
| PPP Loan Forgiveness | | | | 620,900 | |
| Other | 36,545 | | | | |
| Interest Income | 275,134 | 42,759 | 34,571 | 27,072 | 24,583 |
| NET MARGINS | $ 1,100,327 | $ 828,517 | $ 274,829 | $ 1,844,040 | $ 2,575,133 |
| Miscellaneous Statistics | | | | | |
| Meters at End of Year | 4,786 | 4,843 | 4,855 | 4,949 | 4,930 |
| kWh Sales (000) | 55,582 | 62,095 | 71,955 | 76,294 | 71,395 |
| Times Interest Earning Ratio | 2.09 | 1.96 | 1.36 | 4.09 | 5.70 |
| Equity to Total Assets | 39.5 | 42.0 | 42.3 | 45.3 | 48.1 |
| Equity to Total Capitalization | 44.7 | 46.6 | 47.4 | 50.8 | 54.7 |

## COMPLIANCE & INTERNAL CONTROL SECTION

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

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 Anza Electric Cooperative, Inc. (the Cooperative), as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Cooperative's financial statements, and have issued our report thereon dated June 17, 2025.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing 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 the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative'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 or significant deficiencies may exist that were not identified.



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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Cooperative'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 financial statements. 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 Cooperative'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 Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Certified Public Accountants

Lubbock, Texas

June 17, 2025