

FINANCIAL RECORDS

The Cooperative's financial records for 2022 were audited by Kelso Lynch, Certified Public Accountants, and were reported to the Rural Utilities Service. If anyone has questions about the financial reports or the operations of the Cooperative, please contact the Cooperative's business office at 1(800) 392-0567 in Poplar Bluff, Missouri. Business hours are Monday through Friday, 8:00 A.M. to 4:30 P.M.

The Cooperative's statement of operations and balance sheet for the year 2022 are included in this annual report to the members. The Cooperative ended 2022 with an operating margin of 324,766 which was down from the previous year.

Ozark Border Electric Cooperative was organized in 1938 and since then has grown to an efficient cooperative with over \$259 million in assets while providing over 735 million kWh annually to its members. In the early years, affordability was more important than reliability. Today, the Cooperative provides service to more than 40,000 meters, and maintains over 6,000 miles of power line. We understand that both affordable and reliable power are very important to today's members.

Like most other electric cooperatives, Ozark Border Electric Cooperative struggled in its early years. Over the years, cooperation of members, hard work by employees and prudent decisions by boards of directors have helped make the cooperative financially stable. In 2022, Ozark Border's annual operating expense was \$447 per consumer. In addition, OBEC serves 447 consumers per full-time employee. OBEC has one of the lowest annual operating costs of electric cooperatives in Missouri as well as one of the highest consumers per full-time employee in the state.

We would like to thank the members for making 2022 a successful year. We appreciate the opportunity to provide your electric service and we look forward to working with you in the future.

David Schremp, CPA
General Manager

Statement of Operations

As of December 31,

	2022	2021	2020
Operating Revenue	\$ 74,999,971	\$ 72,626,208	\$ 69,791,479
Cost of purchased power	44,438,692	42,273,950	40,329,099
Distribution expense	12,361,201	10,694,479	9,654,535
Customer accts and service exp	3,142,654	3,179,239	2,681,486
Administrative and general expense	2,629,707	2,444,157	1,948,719
Depreciation expense	7,496,481	7,309,383	7,155,480
Interest Expense	4,606,470	4,597,537	4,811,100
Total Cost of Electric Service	<u>\$ 74,675,205</u>	<u>\$70,498,745</u>	<u>\$66,580,419</u>
Operating Margins (LOSS)	<u>\$324,766</u>	<u>\$2,127,463</u>	<u>\$3,211,060</u>
Nonoperating Margins	<u>\$586,036</u>	<u>\$499,211</u>	<u>\$541,051</u>
G&T Capital Credits	<u>\$1,169,289</u>	<u>\$2,277,079</u>	<u>\$1,850,712</u>

Balance Sheet

As of December 31,

	2022	2021	2020
Assets			
Net utility plant	\$ 189,270,780	\$ 183,975,607	\$ 182,283,851
Investments in assoc organizations	48,110,958	48,096,403	46,903,056
Cash on hand	1,563,455	1,031,139	365,944
Temporary investments	2,639,765	1,540,437	6,441,490
Accounts receivable	7,287,265	7,626,379	7,988,929
Inventory	5,072,846	4,085,268	3,813,935
Other assets	5,203,485	5,233,418	4,761,259
Total Assets	<u>\$259,148,554</u>	<u>\$251,588,651</u>	<u>\$252,558,464</u>
Liabilities & Members' Equity			
Memberships	\$ 716,349	\$ 731,600	\$ 749,310
Patronage Capital	98,385,470	95,007,345	90,504,773
Total Margins	2,080,092	4,903,753	5,620,854
Total margins & equities	<u>\$101,181,911</u>	<u>\$100,642,698</u>	<u>\$96,874,937</u>
Long-term Debt to RUS & CFC	\$ 140,116,945	\$ 133,422,842	\$ 140,004,500
Accounts payable	5,477,219	5,760,738	4,483,106
Consumer deposits	4,459,883	4,344,343	4,201,668
Other current liabilities	7,912,596	7,418,030	6,994,253
Total liabilities	<u>\$157,966,643</u>	<u>\$150,945,953</u>	<u>\$155,683,527</u>
Total Liabilities and Equities	<u>\$259,148,554</u>	<u>\$251,588,651</u>	<u>\$252,558,464</u>