

MCREA 2022 ANNUAL REPORT

BY DAVID FRICK GENERAL MANAGER

On behalf of the board of directors, management staff and employees of Morgan County Rural Electric Association, Inc., we are pleased to bring you the 2022 Annual Report.

Morgan County Rural Electric Association is a not-for-profit electric cooperative and is dedicated to serving members by providing safe, reliable energy with a strong tradition and vision for the future. Under the cooperative business model, we are proud to be owned by those we serve. A member-elected board of directors guides the MCREA staff on the administration of assets and financial responsibilities of the cooperative.

Because we are a member-owned electric cooperative, it is the responsibility of Morgan County REA's board and management staff to provide our members with an annual report detailing the Association's economic and operational condition. We encourage our membership to review the following pages, which contain comprehensive information about the state of your electric cooperative.

I want to personally extend an invitation to our members to attend Morgan County REA's 86th Annual Meeting on Tuesday, March 21, 2023, at 6 p.m. via Telephone Town Hall. **You can register for this year's meeting by clicking the banner on our website at mcrea.org.**



DAVID FRICK

The MCREA Board of Directors and management staff look forward to reviewing the past year with you, discussing the future plans for our cooperative, and answering any questions you may have.

On behalf of the board of directors, staff and employees at Morgan County REA, we express our thanks to our members for your continued support of our electric cooperative and we look forward to our annual meeting later this month.


MCREA STATISTICAL INFORMATION*

As of December 31, 2022

Counties served	Adams, Arapahoe, Logan, Morgan, Washington, Weld
Number of employees	36
Year organized	1937
RUS borrower number	Colorado 15 Morgan
Power source	Tri-State Generation & Transmission Association, Inc.
Monthly board meeting	4th Monday
Total members	4,898
Meters served	9,379
Overhead line	2,669 miles
Underground line	206 miles
Transmission line	53 miles
Total miles of line	2,928 miles
Meters per mile	3.2
Annual revenue	\$44,107,139
Annual wholesale power cost	\$29,210,166
Total energy purchased by members (kWh)	382,390,732
Average residential usage per month (kWh)	1,074
Annual avoided cost per kWh	\$0.04049
Total plant in service	\$78,709,780
Property taxes	\$1,167,164
Interest paid	\$1,567,026

* 2022 preliminary unaudited numbers

MCREA'S 86TH ANNUAL MEETING



Tuesday, March 21, 2023
6p.m. | Telephone Town Hall

TO REGISTER, CLICK THE BANNER AT MCREA.ORG

ENTER YOUR

- NAME
- TELEPHONE NUMBER
- SERVICE ADDRESS

\$

REGISTERING FOR THIS YEAR'S MEETING WILL ENTER YOU TO WIN GIFT CARDS!

ANSWER THE PHONE MARCH 21 @ 6PM

Listen for your chance to win an electric leaf blower and cash prizes!

Morgan County REA Board of Directors



Cary L. Wickstrom
President, District I



Brian Pabst
Vice President, District III



Terry Tormohlen
Secretary, District II



Terry Linker
Treasurer, District III



Jim Bostron
District I



Timothy A. Pegram
District I



Randy Graff
District II



David Arndt
District II



Larry Hoozee
District III

FROM TERRY LINKER TREASURER, DISTRICT III

All consumer-members of the Association are encouraged to carefully examine this annual report. Included are the balance sheet as of December 31, 2022, and the statements of revenue and expense for the same year. Also shown are the trends of the previous year.

In my opinion, the financial report fairly presents the financial position of Morgan County Rural Electric Association for the year ending December 31, 2022, and is in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year.

Terry Linker
Treasurer

BALANCE SHEET*

ASSETS

	DECEMBER 31, 2022
Total utility plant	\$78,709,780
Accumulated provision for depreciation	\$14,441,092
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Net utility plant	\$64,268,688
Non-utility plant	\$160,295
Investment in associated organizations - patronage capital	\$19,979,848
Investment in associated organizations - other	\$1,767,355
Cash	\$4,672,176
Temporary investments	\$12,987,172
Notes and accounts receivable – net	\$3,111,352
Materials and supplies	\$2,784,406
Prepayments	\$33,254
Current and accrued assets	\$13,719
Deferred debits	\$827,264
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Total assets	\$110,605,529

LIABILITIES

Margins and equities	\$49,848,650
Long-term debt – RUS	\$36,151,752
Long-term debt – other	\$15,730,291
Accumulated operating provisions	\$2,492,932
Notes and accounts payable	\$3,379,758
Other current and accrued liabilities	\$3,002,146
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Total liabilities and other credits	\$110,605,529

* 2022 preliminary unaudited numbers

2022 FINANCIAL INFORMATION*

Operating Statement

Revenue by Class	2021	2022
Residential	\$9,550,976	\$9,934,615
Irrigation	\$9,103,430	\$9,508,989
Small power	\$2,785,525	\$2,787,910
Large power	\$15,435,276	\$16,823,437
Industrial	\$6,505,235	\$4,637,593
U.S. Air Force	\$263,036	\$258,793
Other electric revenue	\$185,097	\$155,802
Total operating revenue	\$43,828,575	\$44,107,139

Expenditures by account	2021	2022
Cost of purchased power	\$28,902,797	\$29,210,166
Operation and maintenance	\$4,327,654	\$4,440,778
Consumer and sales accounts	\$743,789	\$762,189
Administrative and general	\$2,082,427	\$2,199,228
Depreciation and amortization	\$2,093,302	\$2,072,818
Interest and other deductions	\$1,585,458	\$1,651,078
Total cost of electric service	\$39,735,427	\$40,336,257

Operating margin	\$4,093,148	\$3,770,882
Non-operating margin	\$252,226	\$312,573
Other capital credits and dividends	\$328,306	\$365,100
Tri-State G&T capital credits (allocated)	\$685,694	\$-
Extraordinary items	\$-	\$-
Net margin or patronage capital	\$5,359,374	\$4,448,555

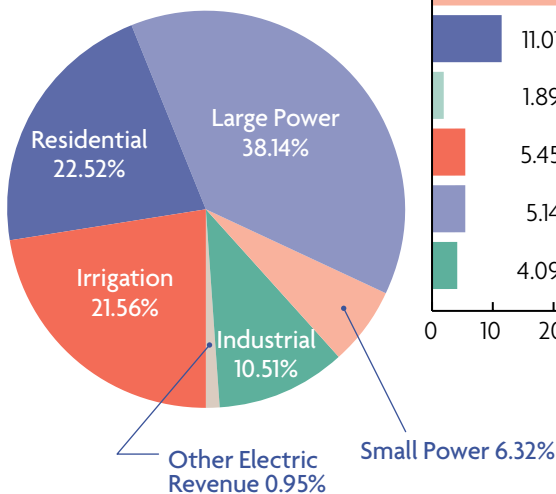
Current MCREA Staff & Employees

- | | |
|-------------------|-----------------|
| Sergio Baquera | Brent Kliesen |
| Rob Baranowski | Angie Larson |
| Curtis Berg | Cheryl Lewis |
| Kristie Binder | Kevin Martens |
| Chuck Blackwelder | Alan Mason |
| Brad Boppre | Di McKenzie |
| Josh Bristol | Travis Petrino |
| Andron Brown | Maddie Pollart |
| Zeque Chenoweth | Rodney Rhoades |
| Curtis Covelli | Dean Segelke |
| Tanner Dowdell | Robb Shaver |
| Ryan Dunker | Steve Sundet |
| Cirildo Estrada | Stacy Syphers |
| David Frick | Colton Unrein |
| Amanda Green | Travis Varelman |
| Tim Hishinuma | Fabian Vigil |
| Suzi Iungerich | Tammy Walker |
| Tucker Jochim | Roger Wunsch |

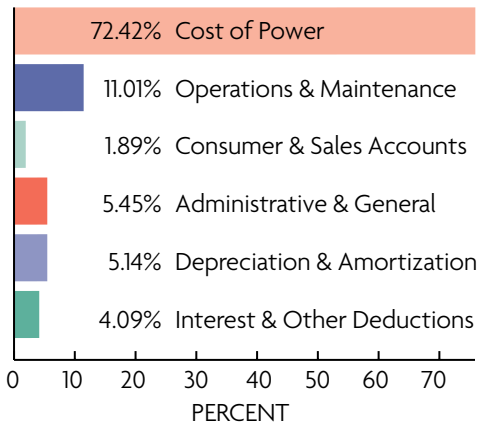


This institution is an equal opportunity provider and employer.

2022 ELECTRIC ENERGY REVENUE BY CLASS*



EXPENDITURES IN 2022*



* 2022 preliminary unaudited numbers

Win \$25 Off Your Electric Bill

Each month, Morgan County REA gives two lucky members a chance at a \$25 bill credit, just by reading *Colorado Country Life*. Congratulations **Curtis Baumgartner** and **Nick Vallejo**! You each saw your names in the January magazine and received a bill credit. There are two more MCREA member names and their account numbers hidden somewhere in this issue. If you find your name and account number call MCREA member services at 970-867-5688 by March 31 to claim a \$25 credit on your next bill.

MEET MCREA'S CANDIDATES FOR BOARD DIRECTOR

These three candidates have submitted petitions to serve on the Morgan County REA Board of Directors. Board elections will take place at the MCREA Annual Meeting on March 21, 2023. Here is some background information about each of the candidates.

DISTRICT ONE



Tim Peggram has served on the board of directors for Morgan County REA since 2003. He earned his Credentialed Cooperative Director Certificate (CCD) through the National Rural Electric Cooperative Association in 2005, the Board Leadership Certificate (BLC) in 2009, and the Director Gold credential in 2016. He is a former president, vice president, and treasurer of the MCREA Board. Tim has also served as president of Western United Supply Corporation, and is a current member of the board of directors of Mid-West Electric Consumers Association, where he previously served as board chairman. (Stacie Ritchey, acct. #xxx1400)

Living in the Wiggins area since his teenage years, Tim earned his associate degree from Northeastern Junior College in agribusiness and studied at the University of Northern Colorado before returning to farming. He raises irrigated corn, alfalfa and wheat and operates a cow/calf operation. Tim has also been very involved in the Wiggins school and community by coaching basketball for thirty years, and is an active member of Summit Baptist Church in Wiggins.

Tim and his wife Eileen have five children and six grandchildren.

DISTRICT TWO



David Arndt was first elected to the MCREA Board of Directors in 1993. He fulfilled one term as treasurer in 1994, and served as board president from 2006 to 2010.

During his tenure, David has earned the Credentialed Cooperative Director Certificate (CCD) through the National Rural Electric Cooperative Association by completing 5 one-day courses, including Director Duties and Liabilities, Understanding the Electric Business, Board Roles and Relationships, Strategic Planning, and Financial Decision Making. He has also been awarded the Board Leadership Certificate (BLC) through the national association.

David and his wife, Pam, farm in the Weldona area. They have four grown children and fourteen grandchildren. David is a past president of the Morgan County Fair Board and has been active with several youth organizations in our area.

DISTRICT THREE



Terry Linker is seeking his third term on the MCREA Board of Directors, where he is currently serving as board treasurer. He is employed by Nutrien Ag Solutions in Fort Morgan, and has served as president of the Lower Platte and Beaver Canal Company. Terry has also served on two other water boards for Jackson Lake and the Lower South Platte Conservancy District, and is interested in water laws and regulations. (Gene Shaver, acct. #xxx1200)

In his spare time, Terry enjoys local sporting events, fishing, watching college football, and traveling to see different parts of the world. He has four children and seven grandchildren.

SAVE THE DATE

2023

MEMBER APPRECIATION PICNIC

JUNE 15 5-7 PM

Morgan County REA | 734 BARLOW ROAD FORT MORGAN