

MCREA 2023 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 2023 Annual Report.

Morgan County REA is a not-for-profit electric cooperative that 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 administration of assets and financial responsibilities of the cooperative.

Because we are a member-owned electric cooperative, it is the responsibility of MCREA'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 would like to personally extend an invitation to our members to attend MCREA's 87th Annual Meeting on Tuesday, March 19 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.**

The MCREA Board of Directors and



DAVID FRICK

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 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, 2023

Counties served	Adams, Arapahoe, Logan, Morgan, Washington, Weld
Number of employees	37
Year organized.	1937
RUS borrower number	Colorado 15 Morgan
Power source	Tri-State Generation & Transmission Association, Inc.
Monthly board meeting	4th Monday
Total members	4,951
Meters served	9,561
Overhead line	2,670 miles
Underground line	209 miles
Transmission line	53 miles
Total miles of line	2,932 miles
Meters per mile	3.26
Annual revenue	\$43,968,057
Annual wholesale power cost	\$29,049,309
Total energy purchased by members (kWh)	380,665,552
Average residential usage per month (kWh)	1,032
Annual avoided cost per kWh	\$0.0397
Total plant in service	\$81,415,433
Property taxes	\$1,119,790
Interest paid	\$1,543,710

* 2023 preliminary unaudited numbers

MCREA'S 87TH ANNUAL MEETING




Tuesday, March 19, 2024
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 19 @ 6PM

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



Morgan County REA Board of Directors



Cary 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 Peggram
District I



Kyle Eiring
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, 2023, 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, 2023, 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, 2023
Total utility plant	\$ 83,056,032
Accumulated provision for depreciation	\$ 15,437,061
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Net utility plant	\$ 67,618,971
Non-utility plant	\$ 152,280
Investment in associated organizations - patronage capital	\$ 20,119,418
Investment in associated organizations - other	\$ 1,818,487
Cash	\$ 2,603,308
Temporary investments	\$ 9,815,277
Notes and accounts receivable – net	\$ 3,496,673
Materials and supplies	\$ 4,350,457
Prepayments	\$ 37,098
Current and accrued assets	\$ 13,719
Deferred debits	\$ 753,046
	<hr/>
Total assets	\$ 110,778,734
LIABILITIES	
Margins and equities	\$ 51,066,177
Long-term debt – RUS	\$ 34,837,957
Long-term debt – other	\$ 14,644,717
Accumulated operating provisions	\$ 2,329,153
Notes and accounts payable	\$ 2,629,023
Other current and accrued liabilities	\$ 5,271,707
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Total liabilities and other credits	\$ 110,778,734

* 2023 preliminary unaudited numbers

2023 FINANCIAL INFORMATION*

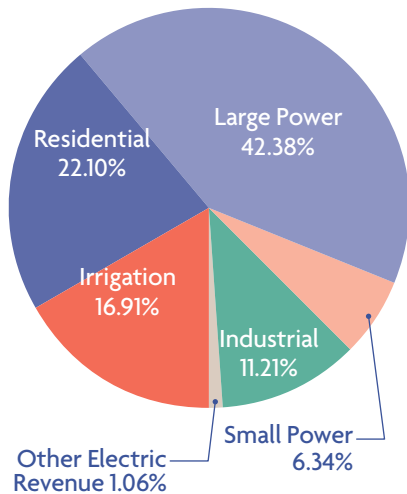
Operating Statement

Revenue by Class	2022	2023
Residential	\$ 9,934,615	\$ 9,718,575
Irrigation	\$ 9,508,989	\$ 7,435,520
Small power	\$ 2,787,910	\$ 2,788,859
Large power	\$ 16,823,437	\$ 18,635,217
Industrial	\$ 4,637,593	\$ 4,928,747
U.S. Air Force	\$ 258,793	\$ 254,693
Other electric revenue	\$ 155,802	\$ 206,447
Total operating revenue	\$44,107,139	\$ 43,968,057

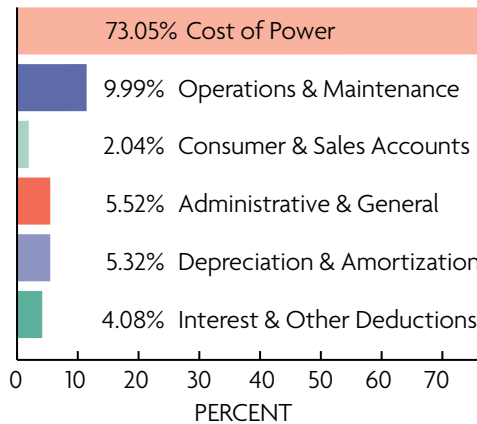
Expenditures by account	2022	2023
Cost of purchased power	\$ 29,210,166	\$ 29,049,309
Operation and maintenance	\$ 4,440,778	\$ 3,971,861
Consumer and sales accounts	\$ 762,189	\$ 812,058
Administrative and general	\$ 2,199,228	\$ 2,194,871
Depreciation and amortization	\$ 2,072,818	\$ 2,114,045
Interest and other deductions	\$ 1,651,078	\$ 1,625,671
Total cost of electric service	\$ 40,336,257	\$ 39,767,815

Operating margin	\$ 3,770,882	\$ 4,200,243
Non-operating margin	\$ 312,573	\$ 764,768
Other capital credits and dividends	\$ 365,100	\$ 419,242
Tri-State G&T capital credits (allocated)	-	\$ 219,730
Extraordinary items	-	-
Net margin or patronage capital	\$ 4,448,555	\$ 5,603,983

2023 ELECTRIC ENERGY REVENUE BY CLASS*



EXPENDITURES IN 2023*



* 2023 preliminary unaudited numbers

Current MCREA Staff & Employees

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



This institution is an equal opportunity provider and employer.

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 Mark Gilliland and Susan Cook! 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 19, 2024. Here is some background information about each of the candidates.



DISTRICT ONE: CARY WICKSTROM

Cary Wickstrom from Orchard is currently serving as Director from District I and Board President. Cary is self-employed in a diversified farming, ranching, and cattle feeding operation. Raised in this area, Cary is a graduate of Colorado State University with a degree in Agricultural Business.

Cary is not new to the cooperative business model, having served on the boards of the Wiggins, Horizon, and M & M co-ops. Cary helped start and was the first president of the Colorado Conservation Tillage Association, is a past board member and president of the Colorado Wheat Administrative Committee, and has served on the U.S. Wheat Board. In addition to the MCREA board, he is currently a member of the Farm Bureau, Colorado Livestock Association, CSU Ram Club, and CSU Beef Club. Wickstrom has also served on the Weldon Valley School District Board of Education. (Thomas Backer, acct. #xxx9100)

Cary has two daughters, Leigha and Tara, and lists time with his family and friends, travel, snow skiing, and water skiing as hobbies and interests.



DISTRICT TWO: TERRY TORMOHLEN

Terry Tormohlen lives south of Fort Morgan and is currently serving as Director from District II. Terry recently received the Board Leadership Certificate from the National Rural Electric Association (NRECA).

Terry and his wife Connie own Countryside Pullets LLC, a contract chicken grower for Opal Foods in Roggen. Terry is currently serving as secretary/treasurer for Colorado Egg Producers. He was also appointed by the Secretary of Agriculture to serve on the Colorado Foundation for Agriculture Committee.

Terry and his wife, Connie have two daughters, Jasmine Oliver and Briette Tormohlen, along with a son, Adam Tormohlen. Terry enjoys assisting with ag education promotion, music, and reading. He truly enjoys keeping up with his grandchildren.



DISTRICT THREE: BRIAN PABST

Brian Pabst from Hillrose is currently serving as a Director from District III. Brian is self-employed, owning and operating an irrigated farm in the Hillrose area, and also does custom farming work for several local neighbors.

Brian is currently serving as a director of the Fort Morgan Local Sugar Beet Growers Association. He is also a current state director and past president of the Colorado Sugar Beet Growers Association, and is serving as co-chair of Western Sugar's joint research committee. Now retired, Pabst was a member of the Hillrose/Snyder Volunteer Fire Department for twenty-two years. He served as an officer of the department for eighteen years – seven of those years as chief of the department. (Eric Carlson, acct. #xxx8700)

Brian and his wife Kim have three grown daughters — Mandi Zwetzig, Kallianne Renton, and Allyson Pabst — and seven grandchildren. He lists family time, camping, hunting, and riding ATV's as his hobbies.

