



Otsego Electric Cooperative, Inc.



A Touchstone Energy® Cooperative



## FINANCIAL HIGHLIGHTS - FISCAL YEAR 2020

2021 Annual Meeting

August 18, 2021

At the close of 2020 Otsego Electric Cooperative (OEC) owned and operated 777 miles of electric transmission and distribution plant providing service to 4,822 electric locations, a net increase of 34 new services.

Through its wholly owned subsidiary, OEConnect, LLC., OEC owned and operated 735 miles of fiber optic cable plant providing service to 2,614 internet account subscribers, a net increase of 1,785 new services.

### **Operations:**

Combined operating revenues were \$8.2 million dollars with a gross margin of \$6.7 million in 2020, an increase of \$1.2 million. Total service costs less purchased power cost and access expense was \$6.2 million, an increase of \$1.3 million. Operating margins were \$455,000 and non-operating margins were \$110,000.

### **Assets:**

Total combined utility plant was \$56.1 million, an increase of \$14.8 million, led by fiber optic cable construction and a reclassification of grant funding related to the fiber projects. Total assets and other debits were \$51.6 million, an increase of \$9.8 million. Investments held in associated organizations were \$1.1 million and current assets were \$5.3 million at the end of the fiscal year.

### **Liabilities:**

Combined total liabilities at the end of 2020 were \$39.7 million an increase of \$9.2 million. Increases were driven by a reclassification of grant funding related to the fiber projects. Total debt obligations increased by \$800,000 to \$24.7 million. Total current and accrued liabilities excluding debt obligations decreased by \$475,000 to \$1.2 million.

### **Member Equity:**

Total combined margins and equities were \$11.9 million, an increase of \$565,000.

A copy of our independent auditor's member financial report has been attached for further details of operations.

Sincerely,  
Edward Clarke, Treasurer  
Otsego Electric Cooperative, Inc. & OEConnect, LLC.

OTSEGO ELECTRIC COOPERATIVE, INC.

Members' Financial Report as of December 31, 2020

ASSETS

Electric plant, at cost	\$ 56,068,522
Less: Accumulated depreciation	(15,096,357)
Investments - Related organizations	1,118,488
Cash for general purposes	611,269
Accounts receivable - Net	795,073
Other receivables	2,701,816
Plant material and supplies	756,366
Prepaid expenses	447,845
Other current assets	2,831
Deferred charges	4,147,769

TOTAL ASSETS \$ 51,553,622

LIABILITIES

Mortgages payable	\$ 20,134,128
Capital leases	115,600
Line of credit	4,445,000
Accounts payable	829,534
Accrued expenses	277,300
Customer deposits	58,812
Deferred credits	13,795,395
Total liabilities	<u>39,655,769</u>

EQUITIES

Patronage capital	11,294,011
Other equities	603,842
Total equities	<u>11,897,853</u>

TOTAL LIABILITIES AND EQUITIES \$ 51,553,622

RESULTS OF OPERATIONS

	2020	2019
Operating revenues	\$ 8,228,611	\$ 6,899,494
Capital credits received	110,125	94,537
Non-operating margins	3,951	67,829
Total revenues	<u>8,342,687</u>	<u>7,061,860</u>
System operation and maintenance	3,856,075	3,203,945
Consumer services	639,730	437,611
Administrative and general	1,113,939	993,017
Depreciation and amortization	1,200,693	990,383
Interest	927,796	666,127
Other deductions	39,107	34,193
Total expenses	<u>7,777,340</u>	<u>6,325,276</u>
Net margin	565,347	736,584
Capital credits retired	-	-
INCREASE IN PATRONAGE CAPITAL	<u><u>\$ 565,347</u></u>	<u><u>\$ 736,584</u></u>