

## Financials | 2019

### How Are We Doing?

With nearly 14,000 members, our financial position remains solid. We know affordable rates are important to you and we strive to keep them as low as possible. We manage our operating costs by running your cooperative as efficiently as possible. That doesn't mean we sacrifice quality.

#### How do MLEC's operating expenses compare to other electric cooperatives?

Our 2019 operating expenses of \$7.1 million equated to \$460 per account. In 2018, the cost was \$399. We ranked 653 out of 814 co-ops. Only 161 cooperatives have a lower cost. MLEC is the 9<sup>th</sup> lowest out of the 43 co-ops in Minnesota.

Membership in MLEC is a powerful thing. It means we are owned by you—our members. It means you have an energy expert you can trust to look out for its members' best interests, not its own bottom line. It is an honor to be your electric cooperative, and we'll continue to work to make sure we deliver reliable, affordable, and safe electricity to your homes and business every day.

### Financial Highlights

#### STATEMENTS OF MARGINS

	2019	2018
Electric Revenue	28,320,790	25,785,929
Cost of Power	(15,801,308)	(15,536,133)
Gross Margin	12,519,482	10,249,796
Operating Expenses (Including depreciation & interest)	(11,826,110)	(9,348,899)
Other Non-Operating Income	730,757	730,691
Net Margin	1,424,129	1,631,588

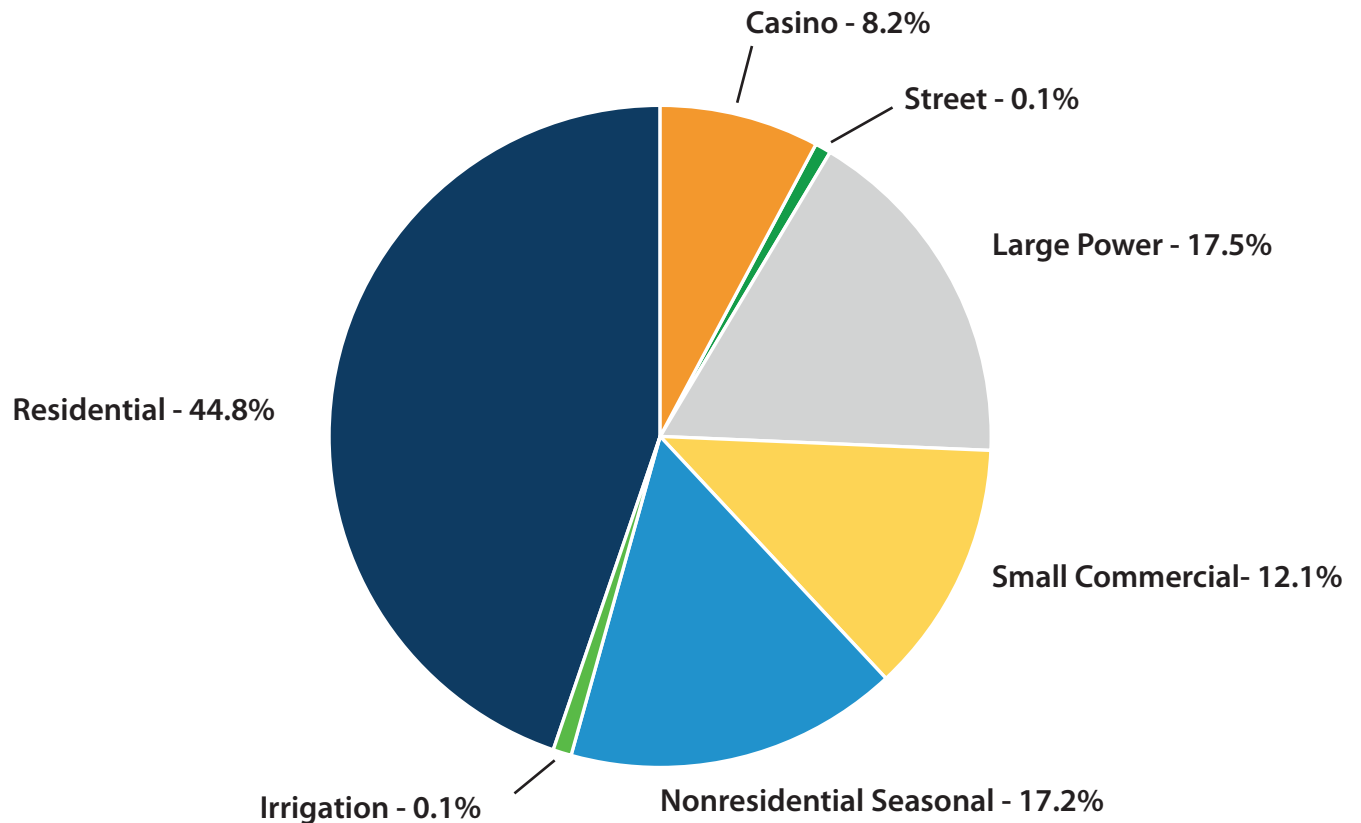
#### BALANCE SHEETS December 31, 2018 and 2019

ASSETS	2019	2018
Utility Plant		
Total utility plant	74,694,203	69,233,710
Less accumulated depreciation	(28,384,134)	(25,765,728)
Total utility plant, net	46,310,069	43,467,982
Other Property and Investments		
Non-Utility Property	2,925,644	2,049,746
Investments in associated organizations	14,186,688	14,009,546
Other Investments	142,563	194,973
Total other Property and Investments	17,254,895	16,254,265
Current Assets		
Cash and cash equivalents	8,735,716	5,305,257
Accounts Receivable-net	2,918,772	2,677,115
Current Portion of Economic Development Loans	42,967	37,875
Materials and supplies	883,370	818,967
Prepaid Expenses	30,370	3,955
Other	5,956	6,058
Total current assets	12,617,151	8,849,227
Regulatory Assets	2,236,577	2,494,039
<b>TOTAL ASSETS</b>	<b>78,418,692</b>	<b>71,065,513</b>

**Members' Equity and Liabilities**

	<b>2019</b>	<b>2018</b>
Members' Equity (Capital Credits)	30,041,052	29,518,851
Long term Debt-Less Current Maturities	42,160,987	35,382,125
Other Long-Term Liabilities	-	-
Current Liabilities		
Accounts payable	3,007,609	2,648,748
Current portion of Long-Term Debt	1,265,000	1,186,068
Customer deposits	238,012	255,744
Accrued Liabilities	264,332	246,987
Other	435,316	348,233
	<u>5,210,269</u>	<u>4,685,780</u>
Deferred Credits		
Customer Energy Prepayments	281,593	217,954
Other	724,791	1,260,803
Total Deferred Credits	<u>1,006,384</u>	<u>1,478,757</u>
<b>TOTAL MEMBERS' EQUITY AND LIABILITIES</b>	<u><u>78,418,692</u></u>	<u><u>71,065,513</u></u>

**2019 kWh Sold**



## Comparative Operating Statistics

	2019	2018
Miles of Line Energized	1,986	1,986
Number of Services in Place	16,315	16,238
Number of Services Built	77	105
Number of Services Retired	47	62
Number of Services Not Energized	943	904
Number of Members Served (Wt Avg)	15,339	15,266
Total kWhs Purchased	218,634,468	217,765,775
Total kWhs Sold	204,563,340	203,219,997
Total kWhs Use by Cooperative	688,161	661,993
Total kWhs Unaccounted for	13,336,383	13,883,785
Percent of Line Loss	6.10	6.38
Total Cost of Purchased Power	15,801,308	15,536,134
Average Cost per kWh Purchased	0.0723	0.0713
Total Sales of Electricity	27,137,344	25,708,014
Average Income per kWh Sold	0.1327	0.1265

## How Was Your Dollar Used?

