

FINANCIAL RECORDS

The Cooperative's financial records for 2019 were audited by Kraft, Miles and Tatum, 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 2019 are included in this annual report to the members. The Cooperative ended 2019 with an operating margin of 1,881,994, which was lower than the previous year.

Ozark Border Electric Cooperative was organized in 1938 and since then has grown to an efficient cooperative with over \$252 million in assets while providing 707 million kWh annually to its members. In the early years, affordability was more important than reliability. Today, the Cooperative provides service to more than 39,700 meters, and maintains 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 2019, Ozark Border's annual operating expense was \$400 per consumer. In addition, OBEC serves 446 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.

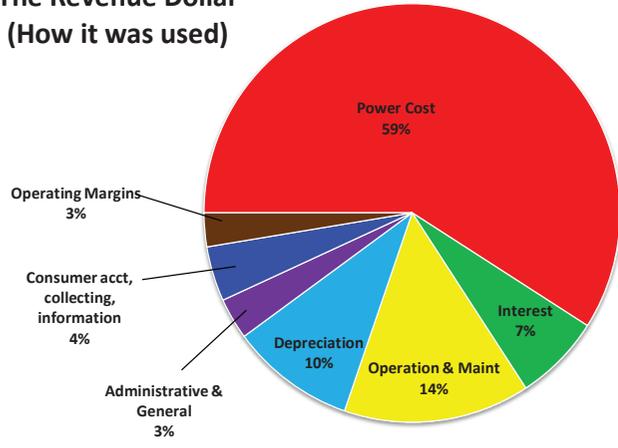
The Cooperative last increased rates in September 2016. This is the only rate increase the Cooperative has had since April 2012, and there will not be a rate increase in 2020.

We would like to thank the members for making 2019 a successful year. We appreciate the opportunity to provide your electric service and we look forward to working with you in the future.

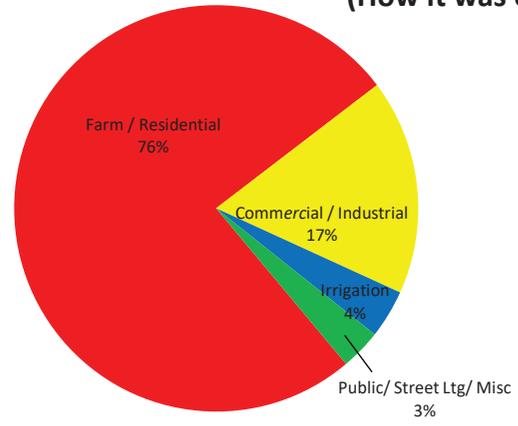
David Schremp, CPA
General Manager

Statement of Operations			
As of December 31,	2019	2018	2017
Operating Revenue	<u>\$72,497,659</u>	<u>\$73,025,921</u>	<u>\$67,996,286</u>
Cost of purchased power	42,812,704	44,728,196	41,460,961
Distribution expense	10,498,383	9,006,305	9,108,704
Customer accts and service exp	3,076,291	2,984,502	3,031,594
Administrative and general expense	2,329,320	2,254,329	2,172,010
Depreciation expense	7,010,361	6,812,740	6,604,435
Interest Expense	<u>4,888,606</u>	<u>4,772,356</u>	<u>4,752,346</u>
Total Cost of Electric Service	<u>\$70,615,665</u>	<u>\$70,558,428</u>	<u>\$67,130,050</u>
Operating Margins (LOSS)	<u>\$1,881,994</u>	<u>\$2,467,493</u>	<u>\$866,236</u>
Nonoperating Margins	<u>\$821,268</u>	<u>\$738,302</u>	<u>\$706,269</u>
G&T Capital Credits	<u>\$1,960,110</u>	<u>\$2,142,697</u>	<u>\$1,897,754</u>
Balance Sheet			
As of December 31,	2019	2018	2017
Assets			
Net utility plant	\$179,224,627	\$176,371,678	\$172,352,512
Investments in assoc	46,141,187	45,214,277	44,052,050
Cash on hand	575,953	932,701	410,367
Temporary investments	9,863,718	4,207,415	4,263,673
Accounts receivable	8,458,248	6,419,610	6,702,371
Inventory	4,015,014	4,197,062	4,032,712
Other assets	<u>4,661,483</u>	<u>4,617,390</u>	<u>1,682,417</u>
Total Assets	<u>\$252,940,230</u>	<u>\$241,960,133</u>	<u>\$233,496,102</u>
Liabilities & Members' Equity			
Memberships	\$766,790	\$785,925	\$803,710
Patronage Capital	86,865,373	79,753,785	76,922,797
Total Margins	<u>4,663,372</u>	<u>5,348,501</u>	<u>3,900,615</u>
Total margins & equities	<u>\$92,295,535</u>	<u>\$85,888,211</u>	<u>\$81,627,122</u>
Long-term Debt to RUS & CFC	\$146,419,253	\$145,482,336	\$143,964,454
Accounts payable	3,956,141	3,909,067	4,064,733
Consumer deposits	4,047,135	3,961,913	3,839,793
Other current liabilities	<u>6,222,166</u>	<u>2,718,606</u>	<u>0</u>
Total liabilities	<u>\$160,644,695</u>	<u>\$156,071,922</u>	<u>\$151,868,980</u>
Total Liabilities and Equities	<u>\$252,940,230</u>	<u>\$241,960,133</u>	<u>\$233,496,102</u>

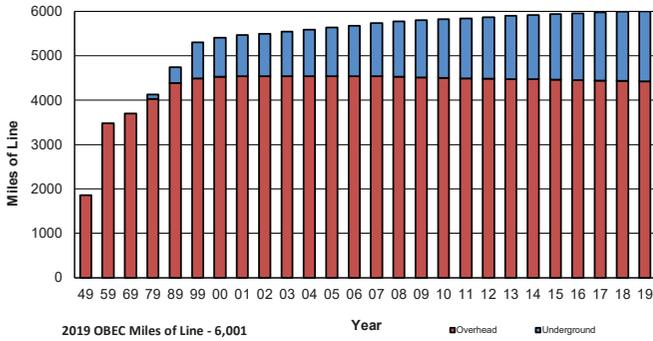
**The Revenue Dollar
(How it was used)**



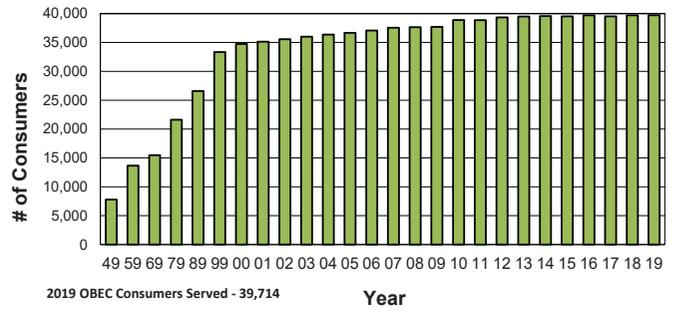
**The Revenue Dollar
(How it was earned)**



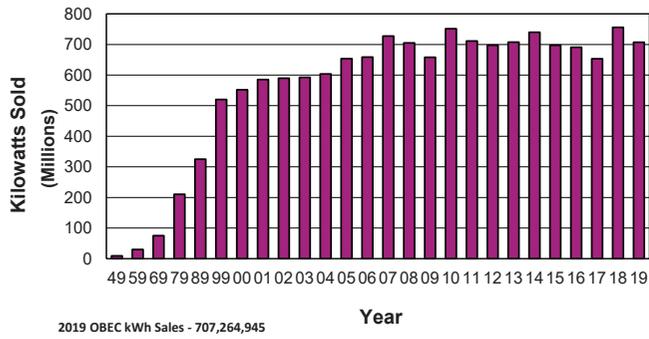
Miles of Line



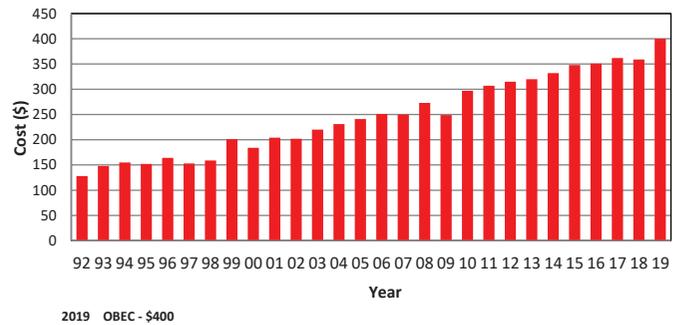
Consumers Served



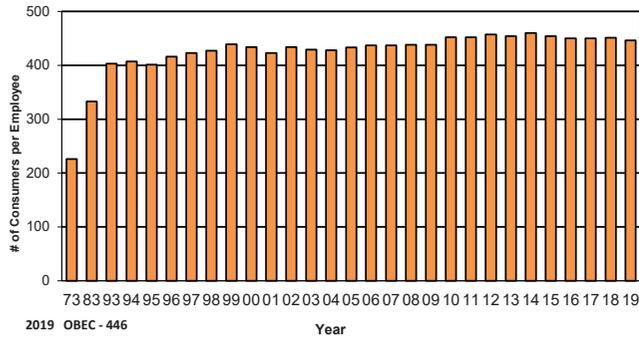
KWH Sales per Year



Operating Cost per Consumer



Consumers per Full-Time Employee



Investment per Consumer

