

# TREASURER'S REPORT



Robert E. Moore, Treasurer

I, Robert E. Moore, am the duly elected, qualified, and acting Treasurer of M.J.M. Electric Cooperative, Inc. The financial statements in the annual report are based upon a complete and independent audit of the Cooperative's books and records for year ending December 31, 2023 and was performed by Kelso Lynch, P.C., P.A. and completed in April of 2024.

As part of obtaining reasonable assurance about whether the Cooperative's financial statements are free of material misstatement, the auditors examine records relating to the receipt of loan funds and the construction and acquisition of property, plant, and equipment. During the year, MJM received \$945,000 in long-term advances from the National Rural Utilities Cooperative Finance Corporation (CFC) on loans controlled by MJM's banker, the CFC Mortgage and Loan Agreement and were able to make long term debt payments of \$1,279,960. Plant additions totaled \$4,148,661.

MJM had strong positive margins for the year ending 2023 and was able to meet the Debt Service Coverage ratio required by its lender, CFC. As a not-for-profit, any margins, or revenues remaining after all expenses have been paid, are returned to Members in proportion to their usage of the co-op's services through capital credit allocations and retirements. In 2023, MJM's Board elected to do a general capital credit retirement for all of 1984; amounting to \$545,119. They also continued to retire capital credits for estates.

2023 margins will be allocated back to the Members in the form of capital credits on Members' July 1, 2024 bill and appear as equity on the Balance Sheet. Equity is used to help meet the expenses of the co-op, such as paying for new equipment to serve Members and repaying debt. Capital credits represent each Member's share of the cooperative's margins and ownership of the co-op. Capital credits help by reducing the amount of funds that must be borrowed.

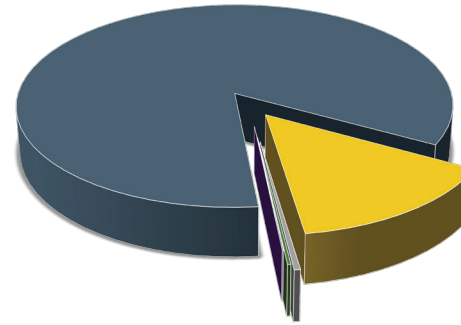
A summary of the financials is found on page 15 - 17 of this annual meeting booklet. Further explanation of the financials is discussed in the Board Chairman and President/CEO's report found on pages 6 & 7. A copy of the audit report is available for your inspection at the MJM office.

Sincerely,  
Robert E. Moore, Treasurer

# INCOME AND EXPENSES

	2022	2023
<b>Statement of Income</b>		
Residential	\$18,422,478	\$18,382,358
Public Highways and Buildings	\$13,071	\$18,331
Small Commercial	\$3,158,797	\$3,399,128
Other Sales to Public Authorities	\$44,895	\$44,820
Other Revenue	\$199,031	\$165,558
<b>Total Electric and Other Revenue</b>	<b>\$21,838,272</b>	<b>\$22,010,195</b>

## PERCENT OF REVENUE



- RESIDENTIAL: 83.5%
- COMMERCIAL: 15.4%
- OTHER REVENUE: 0.8%
- PUBLIC AUTHORITIES: 0.2%
- PUBLIC HWYS. & BLDGS.: 0.1%

	2022	2023
<b>Statement of Expenses</b>		
Cost of Power	\$12,353,133	\$11,882,067
Administrative and General	\$1,253,451	\$1,257,301
Operations and Maintenance	\$3,124,401	\$3,893,541
Transmission Expense	\$80,816	\$71,618
Consumer Accounting, Collecting	\$286,221	\$292,412
Interest on Debt	\$1,217,345	\$1,327,817
Taxes	\$53,883	\$48,821
Member Service and Information	\$143,244	\$174,435
Depreciation of Plant	\$2,044,416	\$2,076,842
<b>Total Operating Expense</b>	<b>\$20,556,910</b>	<b>\$21,024,853</b>

## EXPENSE PER DOLLAR:

- 58 1/4 cents = Cost of Power
- 16 1/4 cents = Op. & Maint.
- 10 1/4 cents = Plant Depreciation
- 6 1/4 cents = Admin. & General
- 6 cents = Interest on Debt
- 1 1/4 cents = Cons Acct./Collect
- 1 cent = Member Service & Info
- 1/2 cent = Transmission

# MARGINS

	2022	2023
<b>Total Income</b>	<b>\$21,838,272</b>	<b>\$22,010,195</b>
<b>Total Operating Expense</b>	<b>\$20,556,910</b>	<b>\$21,024,853</b>
Net Margins	\$1,281,362	\$985,342
Non-Operating Margins	\$191,037	\$86,309
Capital Credits from G&T and Others	\$377,396	\$867,556
<b>Total Margins</b>	<b>\$1,849,795</b>	<b>\$1,939,207</b>

# COMPARATIVE BALANCE SHEET

December	2022	2023
<b>What we own</b>		
The total cost of our system	\$72,701,668	\$76,850,219
We estimate it has depreciated	(21,925,958)	(23,588,428)
Which leaves a net value of	50,775,710	53,261,791
We have cash in the bank amounting to	250,274	136,536
Members owe us (current billing)	1,922,595	1,722,014
Our stock of materials and supplies is worth	950,579	1,014,113
We have made prepayments of	177,745	259,467
We also have a regulatory asset of	305,469	196,166
Interest earned	5,953	15,351
And investments in associated organizations	7,950,973	8,690,391
Investments of economic development	556,127	330,299
<b>Making our total assets</b>	<b>\$62,895,425</b>	<b>\$65,622,128</b>
<b>What we owe</b>		
We owe our lenders for long term debt	28,094,225	27,628,714
We owe for short term debt	1,512,675	3,059,453
We have an obligation for taxes, interest, etc.	424,037	480,000
Memberships and consumer deposits	1,199,186	1,209,144
Members' capital credits	27,390,567	28,411,490
Other deferred credits and misc. liabilities	648,332	741,026
Margins and other equities	3,626,403	4,092,301
<b>Making our total equities and liabilities</b>	<b>\$62,895,425</b>	<b>\$65,622,128</b>

## FIVE - YEAR OPERATING STATISTICS

	2019	2020	2021	2022	2023
Average Number of Meters Billed (all rates)	9,386	9,409	9,465	9,513	9,509
New Services Connected	77	89	88	58	62
Services Retired	55	70	57	33	18
Total Services in Place	10,397	10,421	10,452	10,477	10,522
Idle Services	1,019	984	960	970	1,003
Total Miles of Line Energized	2,117	2,116	2,114	2,116	2,119
Total kWh Purchased	144,288,677	137,812,646	142,124,291	147,438,756	139,113,072
Total kWh Sold and used by MJM	134,905,214	129,640,269	134,336,309	139,722,275	133,983,466
Percent of Line Loss	6.503%	5.93%	5.48%	5.76%	4.68%
<b>Farm and Residential Rate:</b>					
Average Monthly kWh Usage	1,028	1,016	1,035	1,057	990
Average Bill per Member per Month	\$158.05	\$154.91	\$151.59	\$166.65	\$166.25
Average Members per Mile	4.43	4.45	4.47	4.49	4.49
<b>Capital Credits Refunded Cumulative To Date</b>	<b>\$3,708,705</b>	<b>\$4,367,869</b>	<b>\$4,994,439</b>	<b>\$5,175,952</b>	<b>\$5,796,298</b>

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