

2022 ANNUAL REPORT

Crosstown substation energized in 2022.



Celebrating 75 years of Service

In 2022 Citizens Electric Corporation celebrated its 75-year anniversary serving you, the members! That 75-year history has been marked by an ever-shifting landscape for the electric utility industry, however, our dedication to our membership has remained unchanged. As we reflect on 2022 there are several highlights that we want to share with you.

Supply Chain & Inflation Pressures

The supply chain challenge that we began to encounter in 2021 only heightened in 2022. Citizens Electric experienced large increases in material costs and long lead-times for deliveries. By evaluating and substituting alternate materials, carefully re-prioritizing projects and strategically increasing specific warehouse stock items, we were able to maintain normal workflow. Because we anticipate this problem continuing throughout 2023 and beyond, this remains top-of-mind for us since it directly affects our service to you.

As many continue to endure the inflationary pressures of rising costs, Citizens Electric Corporation has also faced similar pressure from escalating power supply costs. Our financial prudence helped us absorb the bulk of the mounting power supply costs in 2022. Unfortunately, the pressure became too great and our eight-year run of holding rates stable finally ended when we implemented a purchase power cost adjustment at the end of 2022. This only represents the third time in 15 years that we have utilized this adjustment. We understand that no one likes rate increases; neither do we! Moving forward, we are working to position ourselves to help stabilize future increasing power supply costs.

Improvement Projects

Even though cost pressures continue to increase, reliability remains a cornerstone of our service. 2022 saw several transmission infrastructure projects break ground while others were beginning to be planned and designed. We continue to collaborate on projects with our generation and transmission provider, Wabash Valley Power Alliance, working to bring enhancements, upgrades, and rebuilds to all areas of our service territory. The transmission system is the backbone of service reliability, and we are excited to bring these projects to our membership in the coming years.

Lastly, we want our membership to know what a wonderful group of employees we have here working for you! They are intelligent, hard-working people who are dedicated to supporting the membership. Please join us in thanking all of the employees who retired at the end of 2022. This group represented nearly 300 years of service to you! We are grateful to have worked with them and wish them the best in their retirement.

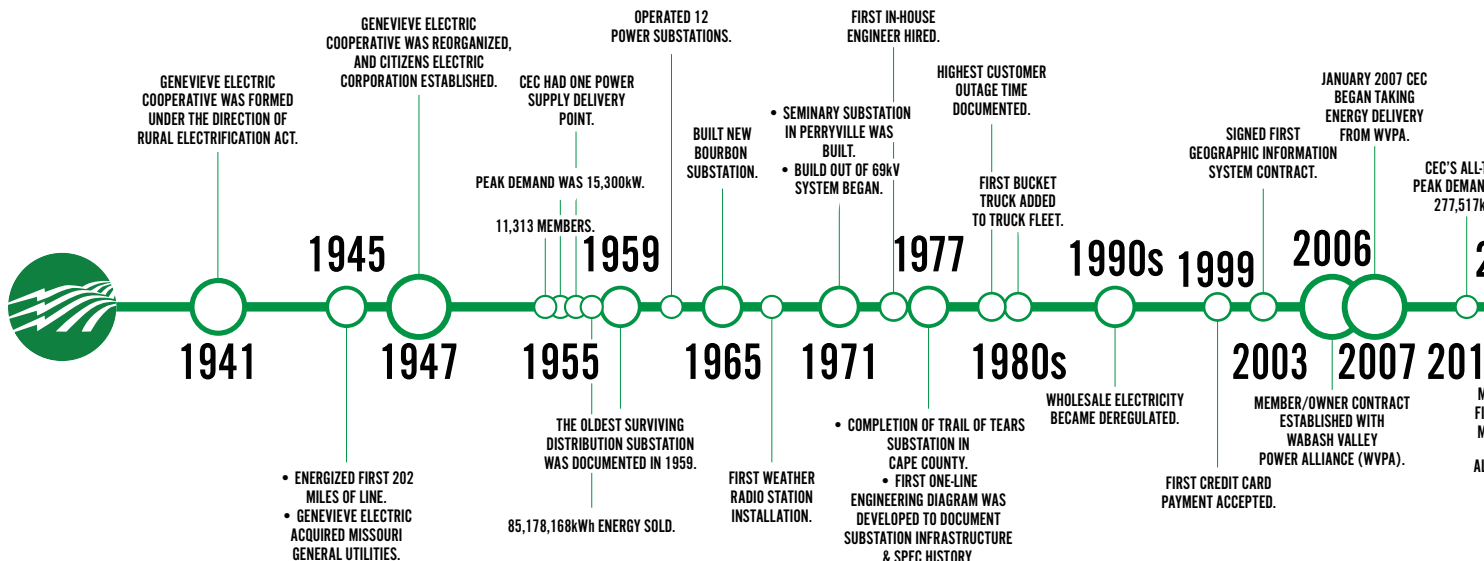
Citizens Electric Corporation is here to serve you, our members. We have a 75-year history of providing our membership with reliable service at an affordable price, and we are committed to continuing that for the next 75 years.



1947



2022



2022 BOARD OF DIRECTORS



William Odneal
President



Doyle Oehl
Vice President



Rodney Scherer
WVPA Director



Mark Wengert
Secretary



Derek Miesner
Treasurer



Richard DeWilde



Don Fulford



Thomas Keim



Rex Meyr Sr.

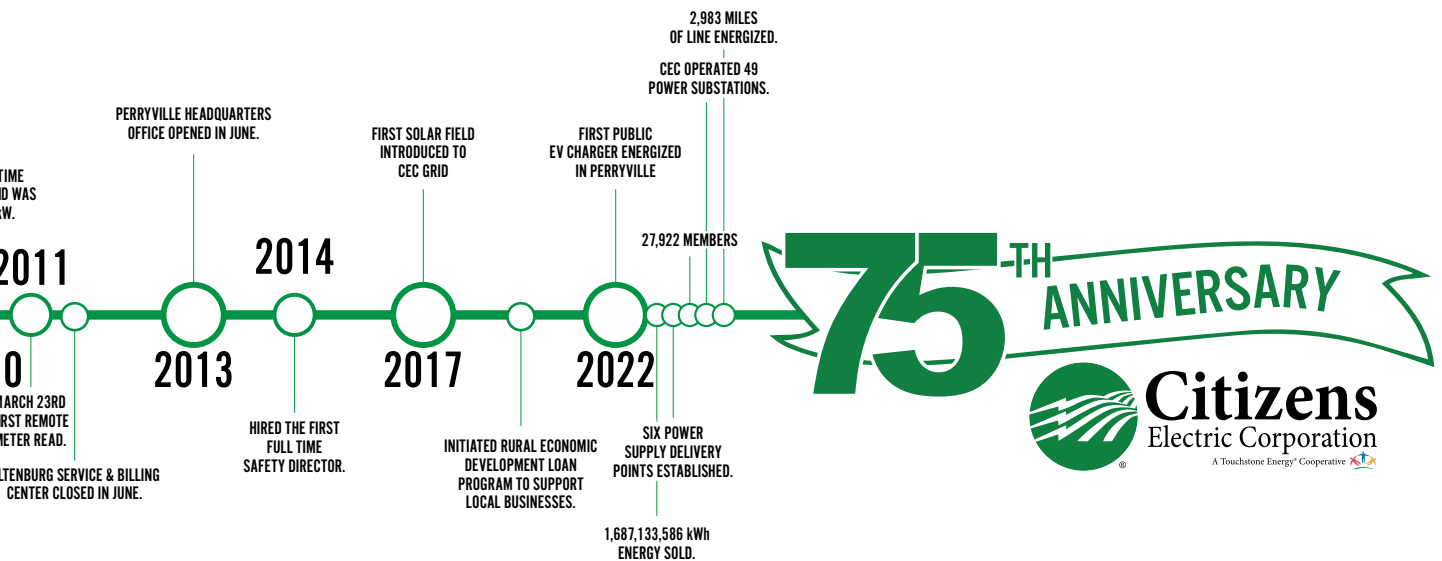


Glen Weible

EXECUTIVE LEADERSHIP TEAM



From left to right: **Angi Herman**, Manager of Human Resources, **Jason Cates**, VP of Engineering, **Steve Elsea**, Manager of Member Services, **Van Robinson**, Chief Executive Officer, **Curt Iffert**, VP of Operations, **Zach Deneke**, Supervisor of Information Technology, **Joan Huck**, Manager of Finance





\$13,826

DONATED BY MEMBERS
TO OPERATION ROUNDUP



\$3.5 MILLION

CAPITAL CREDITS
RETURNED TO MEMBERS



\$8,000

AWARDED TO HIGH
SCHOOL SENIORS
IN SCHOLARSHIPS

CONTRIBUTED
\$31,942
SPONSORING
LOCAL EVENTS



\$7,345
AWARDED TO HIGH
SCHOOL STUDENTS TO
ATTEND YOUTH TOUR
& CYCLE

\$216,525
ISSUED IN REBATES
TO MEMBERS

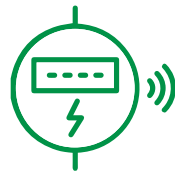


THE COOPERATIVE DIFFERENCE

Citizens Electric is part of an exciting future full of potential for its members. Major changes on the horizon will dramatically reshape the electric industry, and electric cooperatives have the flexibility and adaptability to capitalize on the moment. Our Strategic Planning Goals are the result of a coordinated effort by Citizens Electric staff and its Board of Directors to identify critical focal points and make them a priority in setting goals and future planning.

A long-range plan that outlines the cooperative's vision for maintaining its strength in the quickly evolving electric industry while taking advantage of new opportunities is set every twenty-five years and evaluated every three to four years. Citizens Electric began advancing many of its key priorities in 2022, such as a new, enhanced technology launch in November, energizing Crosstown substation, adding the 49th substation to its infrastructure portfolio in December and breaking ground on a new substation, Wittenberg, in November. Many of these projects are part of the plan, directing the cooperative's steps to ensure its future for safe, reliable power, keeping the members top of mind.

Inspected and performed maintenance
and repairs on 9,733 poles.



Connected 411 new meters for
business and new residents.



Wittenberg Substation Groundbreaking 2022



Gilster-Mary Lee Perryville Distribution Center

IN YOUR COMMUNITY

Citizens Electric has long been a proud partner and supporter of its communities' local events that bring out residents to celebrate with one another. In 2022, the cooperative offered support to help communities resume normal activities after two years of pandemic restrictions that limited large gatherings - and opportunities to meet with members.

Citizens Electric provided key sponsorship and event support to many charitable organizations, such as area schools, Chambers, Rotary Clubs, and healthcare organizations. The cooperative provided support of regional fairs, such as the East Perry Fair and Ste. Genevieve County Community Fair; local community heritage celebrations, like Pecanapalooza in Ste. Genevieve, and Bikers on the Square in Perryville, in addition to many other unique and iconic community events. Cooperative representatives passed out candy at local parades, and the operations team members helped roll out Rudolph the Red-Nosed Bucket Truck in a holiday parade. From Thanksgiving food drives to Easter egg hunts, Citizens Electric is always looking for fun and creative ways to engage with its members and support its communities.



BALANCE SHEET

ASSETS

UTILITY PLANT

ELECTRIC PLANT
LESS ACCUMULATED DEPRECIATION

2022	2021
\$196,610,383	\$191,887,247
\$73,539,766	\$68,779,581
\$123,070,617	\$123,107,666

INVESTMENTS

INVESTMENTS IN RELATED COOPERATIVES
RURAL ECONOMIC DEVELOPMENT LOAN (REDL) RECEIVABLE

\$29,890,410	\$29,099,047
\$1,684,572	\$1,584,870
\$31,574,982	\$30,683,917

CURRENT ASSETS

CASH AND CASH EQUIVALENTS
RECEIVABLES, LESS PROVISION FOR UNCOLLECTIBLE ACCOUNTS
OF \$10,416 IN 2022 AND \$5,209 IN 2021
MATERIALS
PREPAYMENTS
CURRENT PORTION OF REDL RECEIVABLE
CURRENT PORTION OF DEFERRED DEBITS
TOTAL CURRENT ASSETS

\$15,324,297	\$19,117,072
\$15,047,382	\$12,110,085
\$4,608,048	\$3,365,126
\$460,512	\$458,004
\$282,010	\$226,410
\$-	\$2,279,947
\$35,722,249	\$37,556,644

DEFERRED DEBITS

\$253,930	\$124,849
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TOTAL ASSETS

\$190,621,778	\$191,473,076
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LIABILITIES AND CAPITAL

CAPITAL EQUITIES

MEMBERSHIPS
PATRONAGE CAPITAL
OTHER EQUITIES

\$83,785	\$87,770
\$117,304,923	\$118,193,142
\$101,660	\$101,660
\$117,490,368	\$118,382,572

LONG-TERM LIABILITIES

\$52,730,225	\$54,951,037
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ACCUMULATED POST RETIREMENT BENEFIT OBLIGATION

\$1,899,207	\$1,852,383
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DEFERRED CREDITS

\$1,000	\$886,156
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CURRENT LIABILITIES

CURRENT MATURITIES OF LONG-TERM DEBT
ACCOUNTS PAYABLE
ACCRUED EXPENSES
CONTRACT LIABILITIES
TOTAL CURRENT LIABILITIES

\$2,533,862	\$2,851,575
\$13,336,489	\$10,249,314
\$1,330,911	\$1,059,268
\$1,299,716	\$1,240,771
\$18,500,978	\$15,400,928


TOTAL LIABILITIES AND CAPITAL

\$190,621,778	\$191,473,076
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The financial reports listed herein are based on the year-end audits by Kerber, Eck and Braeckel, LLP of Marion, IL, for 2022 and 2021. These audits determined the financial books of Citizens Electric Corporation were maintained in accordance with generally accepted accounting principles. The auditors have determined these reports represent fairly the financial position of the Corporation as of December 31, 2022 and 2021. Any CEC member interested in reviewing an audit report is welcome to visit the office, and we will be happy to make the report available to you.


TOTAL REVENUE

(THOUSANDS)

	2018	\$120,700
	2019	\$112,281
	2020	\$115,036
	2021	\$124,635
	2022	\$153,098


TOTAL ASSETS

(THOUSANDS)

	2018	\$205,075
	2019	\$189,609
	2020	\$161,013
	2021	\$191,473
	2022	\$190,622

ENERGY SALES - KWH

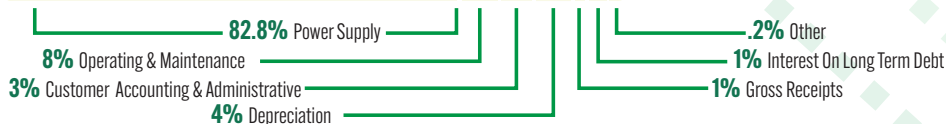
(THOUSANDS)

	2018	1,691,889
	2019	1,645,496
	2020	1,675,478
	2021	1,666,994
	2022	1,687,134

STATEMENT OF EARNINGS & PATRONAGE CAPITAL

	2022	2021
OPERATING REVENUE		
ELECTRIC ENERGY REVENUE	\$152,961,619	\$124,529,476
MISCELLANEOUS ELECTRIC REVENUE	\$136,805	\$105,896
TOTAL OPERATING REVENUE	\$153,098,424	\$124,635,372
OPERATING EXPENSES		
COST OF POWER PURCHASED	\$126,620,262	\$98,142,885
OPERATING EXPENSES-DISTRIBUTION	\$7,145,080	\$6,687,313
MAINTENANCE OF DISTRIBUTION PLANT	\$3,997,148	\$3,389,611
ACCOUNTING AND COLLECTION EXPENSES	\$1,393,300	\$1,235,847
OTHER CUSTOMER EXPENSES	\$551,778	\$490,360
ADMINISTRATIVE AND GENERAL	\$3,454,454	\$3,100,103
DEPRECIATION	\$6,485,962	\$6,214,180
TAXES	\$1,485,197	\$1,485,568
TOTAL OPERATING EXPENSES	\$151,133,181	\$120,745,867
OPERATING MARGIN BEFORE INTEREST CHARGES	\$1,965,243	\$3,889,505
INTEREST ON DEBT	\$1,811,880	\$1,918,186
OPERATING MARGIN BEFORE CAPITAL CREDITS	\$153,363	\$1,971,319
CAPITAL CREDITS AND PATRONAGE DIVIDENDS	\$1,198,703	\$1,231,926
OPERATING MARGIN	\$1,352,066	\$3,203,245
INTEREST REVENUE	\$330,038	\$78,944
OTHER REVENUE	\$(6,246)	\$737,856
NET MARGIN	\$1,675,858	\$4,020,045
OTHER COMPREHENSIVE INCOME		
AMORTIZATION OF GAIN ON POST-RETIREMENT BENEFIT OBLIGATION	\$885,156	\$885,156
TOTAL NET MARGINS	\$2,561,014	\$4,905,201
PATRONAGE CAPITAL - BEGINNING OF YEAR	\$118,193,142	\$116,745,878
RETIREMENT OF CAPITAL CREDITS	\$(3,520,086)	\$(3,572,868)
UNCLAIMED CAPITAL CREDITS	\$70,853	\$114,931
PATRONAGE CAPITAL - END OF YEAR	\$117,304,923	\$118,193,142

YOUR ENERGY DOLLAR



TOTAL PLANT ASSETS

(THOUSANDS)



2018	\$177,279
2019	\$182,391
2020	\$187,427
2021	\$191,887
2022	\$196,610

MILES OF LINE



2018	2,900
2019	2,972
2020	2,968
2021	2,975
2022	2,983

NUMBER OF MEMBERS SERVED



2018	27,231
2019	27,308
2020	27,571
2021	27,873
2022	27,406



The first public EV charger was added to the Citizens Electric system in 2022.

We value our members.

Contact us | 877-876-3511 Connect with us | cecmo.com

