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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: MI0029

PERIOD ENDED: December 2023

BORROWER NAME: The Ontonagon County Rural Electrification Ass

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

_____ _____
DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (*a*)	THIS YEAR (*b*)	BUDGET (*c*)	(*d*)
1. Operating Revenue and Patronage Capital	6,667,377	6,747,531	6,656,442	620,777
2. Power Production Expense				
3. Cost of Purchased Power	2,170,246	2,150,233	2,170,246	186,292
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	271,285	305,576	478,622	25,868
7. Distribution Expense - Maintenance	1,210,820	1,354,845	1,112,183	99,879
8. Customer Accounts Expense	305,695	189,391	306,871	17,880
9. Customer Service and Informational Expense	81,732	46,953	81,732	1,400
10. Sales Expense				
11. Administrative and General Expense	809,227	1,053,356	825,140	82,478
12. Total Operation & Maintenance Expense (*2 thru 11*)	4,849,005	5,100,354	4,974,794	413,797
13. Depreciation and Amortization Expense	892,746	969,657	892,543	82,807
14. Tax Expense - Property & Gross Receipts	343,000	304,898	310,000	140,241
15. Tax Expense - Other				
16. Interest on Long-Term Debt	670,040	722,091	670,040	57,122
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	192	49		
19. Other Deductions	36,188	5,296	37,218	50
20. Total Cost of Electric Service (*12 thru 19*)	6,791,171	7,102,345	6,884,595	694,017
21. Patronage Capital & Operating Margins (*1 minus 20*)	(123,794)	(354,814)	(228,153)	(73,240)
22. Non Operating Margins - Interest	31,882	32,972	42,111	
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	33,335	46,295	33,335	11,715
25. Non Operating Margins - Other	55,774	17,078	56,483	
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	94,984	78,970	94,984	
28. Extraordinary Items				
29. Patronage Capital or Margins (*21 thru 28*)	92,181	(179,499)	(1,240)	(61,525)

UNITED STATES DEPARTMENT OF AGRICULTURE
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BORROWER DESIGNATION
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PERIOD ENDED
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PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR (*a*)	YEAR-TO-DATE THIS YEAR (*b*)	ITEM	YEAR-TO-DATE LAST YEAR (*a*)	YEAR-TO-DATE THIS YEAR (*b*)
1. New Services Connected	58	83	5. Miles Transmission	0.00	0.00
2. Services Retired	3	55	6. Miles Distribution – Overhead	811.95	812.80
3. Total Services in Place	6,019	6,054	7. Miles Distribution - Underground	163.92	166.05
4. Idle Services (*Exclude Seasonals*)	645	609	**8. Total Miles Energized** ***(5 + 6 + 7)***	975.87	978.85

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	36,584,805	30. Memberships	22,740
2. Construction Work in Progress	1,751,068	31. Patronage Capital	7,991,966
3. Total Utility Plant ***(1 + 2)***	38,335,873	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	13,530,370	33. Operating Margins - Current Year	(265,873)
5. Net Utility Plant ***(3 - 4)***	24,805,503	34. Non-Operating Margins	86,374
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	32,497
7. Investments in Subsidiary Companies	0	**36. Total Margins & Equities** ***(30 thru 35)***	7,867,704
8. Invest. in Assoc. Org. - Patronage Capital	413,390	37. Long-Term Debt - RUS (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	807,751	38. Long-Term Debt - FFB - RUS Guaranteed	7,085,281
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	70,027	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	9,817,710
12. Other Investments	0	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	0	42. Payments – Unapplied	0
14. Total Other Property & Investments ***(6 thru 13)***	1,291,168	**43. Total Long-Term Debt** ***(37 thru 41 - 42)***	16,902,991
15. Cash - General Funds	242,914	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	96,973	45. Accumulated Operating Provisions and Asset Retirement Obligations	141,796
17. Special Deposits	0	**46. Total Other Noncurrent Liabilities** ***(44 + 45)***	141,796
18. Temporary Investments	0	47. Notes Payable	900,000
19. Notes Receivable (Net)	0	48. Accounts Payable	56,612
20. Accounts Receivable - Sales of Energy (Net)	631,321	49. Consumers Deposits	14,800
21. Accounts Receivable - Other (Net)	46,071		
22. Renewable Energy Credits	39,875	50. Current Maturities Long-Term Debt	712,092
23. Materials and Supplies - Electric & Other	530,280	51. Current Maturities Long-Term Debt - Economic Development	0
24. Prepayments	21,654	52. Current Maturities Capital Leases	0
25. Other Current and Accrued Assets	0	53. Other Current and Accrued Liabilities	475,231
26. Total Current and Accrued Assets ***(15 thru 25)***	1,609,088	**54. Total Current & Accrued Liabilities** ***(47 thru 53)***	2,158,735
27. Regulatory Assets	0	55. Regulatory Liabilities	(14,623)
28. Other Deferred Debits	70,415	56. Other Deferred Credits	719,571
29. Total Assets and Other Debits ***(5+14+26 thru 28)***	27,776,174	**57. Total Liabilities and Other Credits** ***(36 + 43 + 46 + 54 thru 56)***	27,776,174

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PART D. NOTES TO FINANCIAL STATEMENTS

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PART D. CERTIFICATION LOAN DEFAULT NOTES

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PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (*a*)	ADDITIONS (*b*)	RETIREMENTS (*c*)	ADJUSTMENTS AND TRANSFERS (*d*)	BALANCE END OF YEAR (*e*)
1. Distribution Plant	29,565,639	878,953	44,620		30,399,972
2. General Plant	3,200,597	1,092,232	31,300		4,261,529
3. Headquarters Plant	527,073	7,592			534,665
4. Intangibles	1,349				1,349
5. Transmission Plant	0				0
6. Regional Transmission and Market Operation Plant	0				0
7. All Other Utility Plant	0				0
8. Total Utility Plant in Service (*1 thru 7*)	33,294,658	1,978,777	75,920		35,197,515
9. Construction Work in Progress	3,081,234	57,124			3,138,358
10. Total Utility Plant (*8 + 9*)	36,375,892	2,035,901	75,920		38,335,873

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (*a*)	PURCHASED (*b*)	SALVAGED (*c*)	USED (NET) (*d*)	SOLD (*e*)	ADJUSTMENT (*f*)	BALANCE END OF YEAR (*g*)
1. Electric	386,577	301,648	7,732	165,676			530,281
2. Other	0						0

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				
	POWER SUPPLIER (*a*)	MAJOR EVENT (*b*)	PLANNED (*c*)	ALL OTHER (*d*)	TOTAL (*e*)
1. Present Year	2.611	2.681	4.415	5.612	15.319
2. Five-Year Average	5.300	30.280	.139	6.900	42.619

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	18	4. Payroll - Expensed	966,293
2. Employee - Hours Worked - Regular Time	29,208	5. Payroll – Capitalized	264,113
3. Employee - Hours Worked - Overtime	1,527	6. Payroll - Other	243,006

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (*a*)	CUMULATIVE (*b*)
1. Capital Credits - Distributions	a. General Retirements		
	b. Special Retirements		
	c. Total Retirements (*a + b*)		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	400	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	52,793	
	c. Total Cash Received (*a + b*)	53,193	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	$ 29,109	2. Amount Written Off During Year	$ 18,527

ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %	
2. Actual Loan Delinquency %		5. Actual Loan Default %	
3. Total Loan Delinquency Dollars YTD	$	6. Total Loan Default Dollars YTD	$

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PART K. kWh PURCHASED AND TOTAL COST

No	ITEM (a)	SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	kWh PURCHASED (e)	TOTAL COST (f)	AVERAGE COST (Cents/kWh) (g)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT (h)	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES (i)
1	Wolverine Electric Coop Inc	800318			28,829,525	1,810,371	6.28		
2	Upper Peninsula Power Company	19578				331,609			
3	Wisconsin Electric Power Co	20847				8,253			
	Total				28,829,525	2,150,233	7.46		

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PART K. kWh PURCHASED AND TOTAL COST

No	Comments
1	
2	
3	

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PART L. LONG-TERM LEASES

No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

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PART M. ANNUAL MEETING AND BOARD DATA

1. Date of Last Annual Meeting	2. Total Number of Members	3. Number of Members Present at Meeting	4. Was Quorum Present?
6/17/2023	5,121	69	Y
5. Number of Members Voting by Proxy or Mail	**6. Total Number of Board Members**	**7. Total Amount of Fees and Expenses for Board Members**	**8. Does Manager Have Written Contract?**
	7	$ 73,025	N

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION**	BORROWER DESIGNATION MI0029
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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)				
2	National Rural Utilities Cooperative Finance Corporation	3,930,468	212,925	170,898	383,823
3	CoBank, ACB	5,887,242	303,919	393,676	697,595
4	Federal Financing Bank	7,085,281	160,432	198,542	358,974
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	16,902,991	677,276	763,116	1,440,392

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PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (*a*)	AVERAGE NO. CONSUMERS SERVED (*b*)	TOTAL YEAR TO DATE (*c*)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	3,386	3,371	
	b. kWh Sold			18,780,683
	c. Revenue			4,710,087
2. Residential Sales - Seasonal	a. No. Consumers Served	1,335	1,331	
	b. kWh Sold			2,216,952
	c. Revenue			1,056,233
3. Irrigation Sales	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	240	236	
	b. kWh Sold			4,900,233
	c. Revenue			946,354
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
6. Public Street & Highway Lighting	a. No. Consumers Served	136	134	
	b. kWh Sold			99,371
	c. Revenue			15,934
7. Other Sales to Public Authorities	a. No. Consumers Served	24	20	
	b. kWh Sold			60,283
	c. Revenue			18,923
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. Total No. of Consumers (*lines 1a thru 9a*)		5,121	5,092	
11. Total kWh Sold (*lines 1b thru 9b*)				26,057,522
12. Total Revenue Received From Sales of Electric Energy (*lines 1c thru 9c*)				6,747,531
13. Transmission Revenue				
14. Other Electric Revenue				
15. kWh - Own Use				
16. Total kWh Purchased				28,829,525
17. Total kWh Generated				
18. Cost of Purchases and Generation				2,150,233
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident_X_ Coincident____				5,700

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PART P. ENERGY EFFICIENCY PROGRAMS

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers *(a)*	Amount Invested *(b)*	Estimated MMBTU Savings *(c)*	No. of Consumers *(d)*	Amount Invested *(e)*	Estimated MMBTU Savings *(f)*
1. Residential Sales (excluding seasonal)	186	30,054	1,123	2,344	556,421	9,000
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	33	10,524	327	193	120,054	2,612
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	219	40,578	1,450	2,537	676,475	11,612

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS**	BORROWER DESIGNATION MI0029 PERIOD ENDED December 2023

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

No	DESCRIPTION (a)	INCLUDED ($) (b)	EXCLUDED ($) (c)	INCOME OR LOSS ($) (d)	RURAL DEVELOPMENT (e)
2	**Investments in Associated Organizations**				
	Federated Rural Electric Insurance	67,359			
	National Information Solutions	48,302			
	NRUCFC Pat. Cap Member Cert & CTC's	70,027	77,085		
	RESCO				
	Settler's Cooperative, Inc.				
	American Transmission Company	661,840			
	CoBank	269,582			
	Cooperative Response Center				
	NRUCFC-Membership				
	CFC Daily Liquidity Fund	96,973			
	Lake Superior Credit Union				
	Totals	1,214,083	77,085		
6	**Cash - General**				
	Checking, Saving & Working Funds		242,914		
	Totals		242,914		
9	**Accounts and Notes Receivable - NET**				
	Various	46,071			
	Totals	46,071			
11	TOTAL INVESTMENTS (1 thru 10)	1,260,154	319,999		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS**	BORROWER DESIGNATION MI0029 PERIOD ENDED December 2023

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT ($) (c)	LOAN BALANCE ($) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE **FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS**	BORROWER DESIGNATION MI0029 PERIOD ENDED December 2023

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

SECTION III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]	3.29 %

SECTION IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT ($) (c)	LOAN BALANCE ($) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				