

POWERING

through
2020



**Butler Rural Electric
Cooperative, Inc.**

Your Touchstone Energy® Partner 

YOUR ELECTRIC COOPERATIVE

Butler Rural Electric Cooperative is a member-owned, not-for-profit electric cooperative. We provide electricity to **11,896 members** in portions of **Butler, Hamilton, Preble, and Montgomery counties** and **employ 46 people**. The cooperative's service territory is divided into nine districts, which are shown below.

DISTRICT 1

Oxford and Israel townships
957 members

DISTRICT 2

Milford Township
1,019 members

DISTRICT 3

Somers Township
490 members

DISTRICT 4

Gratis and German townships
668 members

DISTRICT 5

Wayne and Madison townships
1,874 members

DISTRICT 6

Reily Township
805 members

DISTRICT 7

Hanover and St. Clair townships
1,170 members

DISTRICT 8

Morgan and Harrison townships
2,270 members

DISTRICT 9

Ross, Fairfield, Crosby, and Colerain townships
2,315 members



Our mission

To be a dynamic, progressive organization guided by cooperative principles and to provide energy and other value-added services to members. The cooperative will participate in its community, providing leadership and support to improve the quality of life for all of its citizens.

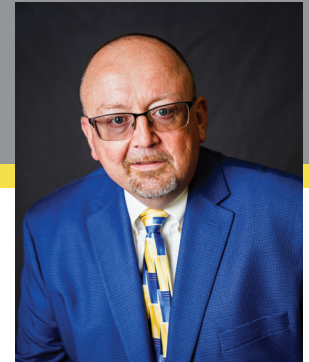
A MESSAGE FROM OUR GENERAL MANAGER

Through the unique and unexpected challenges of 2020, Butler Rural Electric Cooperative never stopped working for our members. When the COVID-19 pandemic hit, we adapted, implementing important protocols to keep our members and employees safe. Our lineworkers were steadfast — keeping the lights on for members and local businesses, including grocery stores and schools. And when our communities needed support, we helped them by finding new and creative ways to give back.

The cooperative provides safe, reliable, and affordable power to our members while providing jobs, sponsoring community events, and paying over \$3 million in taxes, which directly benefits schools and services in the co-op's service territory. The board of trustees was happy to announce that there was no rate increase in 2020. The cooperative hasn't increased our rates since 2017. We are committed to providing reliable electricity at a reasonable cost while ensuring that a well-maintained and financially stable organization exists to serve your needs in the future.

We provide members with a diverse portfolio of energy to keep electricity affordable and reliable. In 2020, we installed an electric vehicle charging station at our office to encourage the increased adoption of electric vehicles. To keep our system as reliable as possible, we invested in new technology and in system upgrades. In 2020, the average outage time per member was 107 minutes. This is significantly lower than outage times experienced by customers of investor-owned utilities and municipals who are without power for an average of 160 minutes each year.

Thanks to our partnership with Cincinnati Bell, 1,171 members now have access to fiber internet. While some members will not have access to internet following our project with Cincinnati Bell, we hope our partnership will help reduce the cost of fiber expansion in the future. We will continue to look for ways to make fiber available to all members.



Tom Wolfenbarger
GENERAL MANAGER

Realizing the need to help local organizations, the volunteer Community Connection Board of Trustees awarded special grants to local businesses to aid in costs associated with the coronavirus in April. In addition to these grants, Community Connection awarded over \$70,000 to local organizations. These grants assisted fire departments and emergency management services, non-profit organizations, and schools.

In 2020, we surveyed members on their satisfaction with the cooperative. The American Customer Satisfaction Index gave the cooperative a score of 89, meaning overall satisfaction with the cooperative is excellent. We understand the cooperative would not exist without your support. Your high expectations, combined with feedback and suggestions from our members, help us provide you with exceptional service. Please know we welcome your thoughts and opinions about the cooperative. Sharing them helps us serve you better.

Having been through this unprecedented journey, we look forward to 2021 with confidence that we're stronger now because of it. Thank you for your membership and continued trust in Butler Rural Electric Cooperative.

YOUR BOARD OF TRUSTEES

Butler Rural Electric Cooperative is owned by the members we serve and democratically governed by those same members. The board of trustees are cooperative members who manage the business and affairs of the cooperative. Trustees meet each month to make decisions concerning the cooperative's best interest by setting policies and approving budgets. Board members are active in our community and attend many of the cooperative's events.

Cooperative members elect three trustees each year to serve three-year terms. Members vote for trustees each spring and can vote online, through SmartHub, or by mail. Board members are nominated by district and are elected at-large. The board of trustees make decisions that affect the entire membership and represent the interests of all members.

Board members want to hear from you. Feel free to give them feedback or ask them questions about the cooperative.

Thomas McQuiston
President
DISTRICT 3
t.mcquiston@butlerrural.coop
513-796-2983

Robert Hoelle
Vice President
DISTRICT 5
b.hoelle@butlerrural.coop
513-726-5356

David Evans
Secretary and Treasurer
DISTRICT 1
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James Meador
DISTRICT 2
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Jay Hasbrook
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Ronald Kolb
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Michael Tilton
DISTRICT 7
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Robert Spaeth
DISTRICT 8
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513-738-2495

William Foster Jr.
DISTRICT 9
b.foster@butlerrural.coop
513-738-3748

11,896
MEMBERS

1,099
MILES OF ELECTRIC LINE

46
EMPLOYEES



Back row, from left, Michael Tilton, William Foster Jr., Ronald Kolb, James Meador, Jay Hasbrook, and Robert Spaeth. Front row, from left, David Evans, Thomas McQuiston, and Robert Hoelle.

Celebrating 2020 BOARD MEMBER SERVICE AWARDS

Tom McQuiston 40 years | **Ronald Kolb** 30 years | **Robert Hoelle** 20 years | **David Evans** 15 years | **Jim Meador** 15 years

NO RATE INCREASE IN 2020

We are always working to keep our in-house costs down while holding down energy costs. At the same time, we continue to provide members with safe, reliable, and affordable electric service. Because of these efforts, the cooperative is in a strong financial position.

The cooperative's board of trustees was proud to announce that there was no rate increase in 2020. Board members work to ensure rates are fair while making sure the co-op maintains a reliable electric system. The cooperative continues to make every effort to minimize the impact of costs on our members. The cooperative has not had a rate increase since 2017 and does not plan to have one until 2022.



The cooperative hasn't had a rate increase since 2017 and does not plan to have one until 2022.

BILLING OPTIONS



2,951

MEMBERS USING AUTO PAY



2,645

PAPERLESS BILLING SUBSCRIBERS

Thanks to paperless billing, 29,874 bills were not printed and mailed in 2020, **saving the cooperative \$29,874.**

DID YOU KNOW?



Investor owned utilities like Duke Energy have an average of 38 customers per mile of electric line.



Butler Rural Electric Cooperative has an average of 10 members per mile of electric line, resulting in slightly higher costs for the cooperative.

RELIABLE ELECTRIC SERVICE



92
NEW SERVICES INSTALLED



6.7
MILES OF ELECTRIC LINE UPGRADED



185
MILES OF TREES TRIMMED



1,717 POLES TESTED
102 POLES REPLACED



AVERAGE OUTAGE TIME
PER MEMBER:

107 MINUTES*

Customers of investor-owned utilities
and municipals are without power for
an average of 160 minutes each year.

*excludes major outages

MAJOR POWER OUTAGES

JANUARY 11 Wind caused tree to fall, breaking an electric pole and taking down a wire.

MARCH 20 Lightning damaged insulator in the Oxford Substation and damaged an electric pole.

MAY 25 Power supply outage.

JUNE 10 Weather- and wind-related outages throughout the cooperative's system.

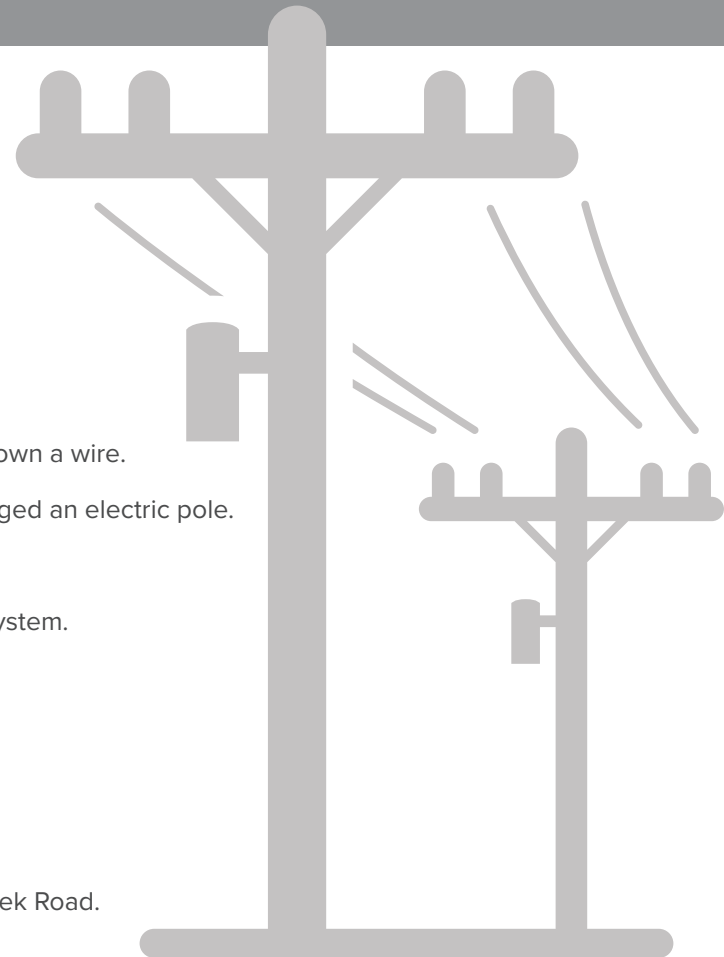
JUNE 30 Tree fell and broke wire.

NOVEMBER 1 System-wide outages from wind damage.

NOVEMBER 15 System-wide outages from wind damage.

DECEMBER 1 Equipment failure at the Milford Substation.

DECEMBER 15 Power supply outage caused by a car accident on Indian Creek Road.



TOTAL COST OF SERVICE

Butler Rural Electric Cooperative spent over **\$30 million** to provide power and services to members in 2020.

\$16,375,488 was used to purchase the power our members use.

\$5,829,481 was used for operations and maintenance of our electric system and the utility plant.



NEW LOOK FOR THE CO-OP'S VEHICLES

Butler Rural Electric Cooperative's trucks received an updated look in 2020 to separate our vehicles from other companies with similar logos. The new designs were completed and installed locally by Signery2 in Hamilton.

WORKING SAFELY



3,595,903

MILES DRIVEN BY EMPLOYEES
IN 2020 WITHOUT AN INCIDENT



SAFETY MANUAL

Reviewed and updated

OVER \$2.5 MILLION IN CAPITAL CREDITS RETIRED

Thanks to financial planning and holding down costs, the board of trustees approved the retirement of capital credits again in 2020. Members receive capital credits because they are more than customers; they are owners of Butler Rural Electric Cooperative. Capital credits represent ownership in the cooperative and are one of the most unique and rewarding benefits members enjoy.



EXCELLENT MEMBER SATISFACTION

A survey of our members shows that the American Customer Satisfaction Index score, or ACSI score, for the cooperative is an 89. This means that overall satisfaction with the cooperative is excellent and is higher than many well-know businesses like Apple and Coca-Cola. We strive to provide all members with exceptional service and welcome feedback and suggestions from our members. Your thoughts and opinions about Butler Rural Electric Cooperative help us serve you better.

ELECTRIC VEHICLE CHARGER INSTALLED AT COOPERATIVE'S OFFICE

In June, the cooperative installed an electric vehicle charging station in our parking lot. Since then, the station has delivered 736 kWh of electricity, **offsetting 1,147 lbs. of carbon dioxide emissions**, which is the same as:



58.6 GALLONS OF
GASOLINE CONSUMED



CHARGING A CELL
PHONE **66,365 TIMES**



1,291 MILES DRIVEN
IN AN AVERAGE CAR

1,171

MEMBERS HAVE ACCESS
TO FIBER INTERNET

In 2020, we were proud to announce our partnership with Cincinnati Bell, allowing Cincinnati Bell to expand its fiber network and begin delivering high-speed Fiber Optics Internet to members.

We understand some members will not have access to internet after the project is complete. Our hope is that the project will help reduce the cost of fiber expansion in the future. We will continue to look for ways to make fiber available to all members.

COOPERATIVE EMPLOYEES

Julie Abbott

Director of Administration

Scott Alvey

Mechanic

Denis Armstead

Electrician

Derk Beckett

Manager of Electrical Services

Tricia Blevins

Associate Accountant

Emily Bourne

Member Services Representative

Lisa Broermann

Accountant

Matthew Brown

Electrical Engineer

Ray Brunner

Operations and Construction
Coordinator

Debbie Carley

Engineering and Operations Coordinator

Daniel Chaney

Operations Specialist

Bob Conrad

Lead Lineworker

Andy Denny

Member Services Representative

Seth Fricke

Lineworker

Steve Fritzsche

Lineworker

Laura Fryer

Information Technology Administrator

Jade Guthrie

Communications Representative

Kara Hendrickson

Marketing and Key Accounts Manager

Jeremy Hill

Line Crew Foreman

Larry Hornung

Manager of Physical Facilities

Rhett Hughes

Field Data Technician

Mick Johnson

Lineworker

Noah Krall

Lineworker

Stephanie Lancaster

Marketing Coordinator

Curt Loewenstine

Field Data Technician

Kevin Maddock

Line Crew Foreman

Cheryl Mathews

Member Services Representative

Lori Maynard

Information Systems Administrator

Jeff McGraw

SCADA and Substation Engineer

Bob McIntosh

Electrician

Mason Miller

Custodian

Missy Moore

Human Services Administrator

Jesse Moreland

Lineworker

Mike Murray

Director of Operations

Adam Osborn

Manager of Safety and Compliance

Judie Persinger

Director of Accounting and Finance

Greg Phillips

Director of Corporate Services

Kim Phipps

Human Services Coordinator

Riley Salyers

Custodian

Lisa Staggs Herrmann

Director of Member and Community
Relations

Andrew Strait

Lineworker

Rodney Taylor

Inventory Clerk

Darlene Thompson

Manager of Member Services

Levi Tipton

Lineworker

Tom Wolfenbarger

General Manager

Charlie Young

Manager of Engineering

MICHAEL L. SIMS RETIRES

Michael L. Sims retired in April after working at Butler Rural Electric Cooperative for over 44 years. He began his career at the cooperative in 1976 and became the general manager in 1982. Mike served on several statewide and national boards and was honored with many awards, including the Touchstone Energy® Distinguished Service Award, the brand's highest honor, and the Live United Award from the United Way of Oxford.

During his career at the cooperative, Mike represented the members, employees, and trustees in a positive and esteemed manner. Throughout the many hours Mike dedicated to the members, employees, and trustees of Butler Rural Electric Cooperative, he has earned the respect and admiration of us all. We are grateful for all Mike helped the cooperative accomplish.

Mike's successor, Tom Wolfenbarger, was named general manager in July. Tom started his career at the cooperative in 1999 and has been instrumental in establishing and refining many of the cooperative's engineering and metering systems. Tom has been involved in the cooperative's operations and engineering departments and was essential in establishing the cooperative's partnership with Cincinnati Bell to bring high-speed fiber internet to cooperative members.



Michael L. Sims

Celebrating 2020 EMPLOYEE SERVICE AWARDS

25 YEARS

Judie Persinger
Kim Phipps

20 YEARS

Scott Alvey
Daniel Chaney

15 YEARS

Matthew Brown
Ray Brunner

10 YEARS

Kara Hendrickson
Larry Hornung

5 YEARS

Jade Guthrie
Cheryl Matthews



Service Project: Osprey Tower Installed near Acton Lake in Hueston Woods State Park

In the fall, an osprey tower was installed near Acton Lake in Hueston Woods State Park. The Avian Research and Education Institute purchased the pole for the tower and the installation was completed by the cooperative's lineworkers **Jeremy Hill, Noah Krall, and Levi Tipton.**

MEMBERS DONATE **OVER \$70,000** TO LOCAL ORGANIZATIONS

8,486 members and **32 cooperative employees** donated to local non-profit organizations this year through Butler Rural Community Connection. Community Connection gives grants to local non-profit organizations in Butler, Preble, Hamilton, and Montgomery counties. We hope the lives of our members have been touched by Community Connection. We are thankful for the continued support of members and employees who donate to the program. Thank you for improving our community.

The organizations below received Community Connection grants in 2020. **Organizations in bold received special grants to aid in costs associated with the coronavirus in April.** Their dedication made a difference during difficult times.

Animal Friends Humane Society
Badin High School Engineering
Department
Big Brothers Big Sisters
Bogan Elementary School
Butler Soil and Water Conservation
College Corner Union School
Community First Solutions
Crosby Elementary School
Darrtown Memorial Day Association
Fairfield Child Development Center
Family Resource Center
Freestore Food Bank
Girl Scouts of Western Ohio
Great Miami Valley YMCA
Hanover Township
Harrison Schools
Help Me Grow Program
Home is the Foundation
Hope's Closet
Kramer Elementary School

League of Women Voters of Oxford
Madison Local Schools
Madison Township Fire Department
Make-a-Difference Kids Club
New Haven Family Worship Center
Oxford Empty Bowls
Oxford Museum Association
Oxford Parks and Recreation
Oxford Seniors Meals on Wheels
The Oxford United Methodist Church
PARACHUTE: Butler County
Play in the Park
**Power to the People (Open Hands Food
Pantry)**
Prayer Quilt Ministry
Preble Shawnee Local Schools
Preble Soil and Water Conservation
District
Queen of Peace School
Reily Township Historical Society
Reily Township Trustees
Ross and Morgan Ministries

Ross Local Schools
Safe Haven Farms
SELF — Supporting Low Income Families
Seven Mile Elementary School
Shared Harvest Food Bank
Soroptimist International of Middletown
Southwest Ohio Family Farm Safety
St. Clair Township Fire Department
Talawanda Middle School
Talawanda/Butler Tech FCCLA
Talawanda Oxford Pantry and Social
Services
The Coleraine Historical Society
Trenton Fire Department
Twin Valley Local Schools
Union County 4-H Association
Union County College Corner Joint School
District
Wayne Township Fire Department
Wayne Township Road Department
West Elkton Intermediate

SUPPORTING OUR COMMUNITY



SCHOLARSHIPS

\$18,500 invested in education through the cooperative's scholarships.



HOLIDAY HARVEST FOOD DRIVE

\$1,200 donated to local food banks, along with food, personal care items, and clothes from members and employees.



GIVING BACK

Cooperative employees **delivered gifts** to the residents and staff at Woodland Country Manor, a nursing facility that is a commercial member of the cooperative.



90,930

WEBSITE VISITS



77,109

SMARTHUB SESSIONS

REBATES & PROGRAMS

26 members received a **geothermal rebate**

33 members received a **dual fuel rebate**

18 members received an **air-source heat pump rebate**

1,250 members **lease Marathon water heaters** from the cooperative

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Butler Rural Electric Cooperative, Inc.
Oxford, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Butler Rural Electric Cooperative, Inc., which comprise the balance sheets as of September 30, 2020 and 2019, and the related statements of revenue and expenses, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order

to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Butler Rural Electric Cooperative, Inc. as of September 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have issued our report dated November 21, 2019, on our consideration of Butler Rural Electric Cooperative, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Butler Rural Electric Cooperative, Inc.'s internal control over financial reporting and compliance.

BHM CPA Group, Inc.

Circleville, Ohio
November 20, 2020

BALANCE SHEET

September 30, 2020 and 2019

ASSETS

	2020	2019
Utility Plant		
Electric plant in service	\$89,635,088	\$86,482,452
Construction work in progress	<u>361,847</u>	<u>766,509</u>
	89,996,935	87,248,961
Less: Accumulated provision for depreciation and amortization	<u>(22,916,822)</u>	<u>(21,570,279)</u>
NET UTILITY PLANT	<u>67,080,113</u>	<u>65,678,682</u>
Investments and Other Assets		
Investments in associated organizations	15,152,815	14,925,008
Investments in non utility property, net of accumulated depreciation of \$944,973 (\$870,310 for 2019)	366,969	357,252
Mortgage and notes receivable	512,109	588,884
Deferred charges	<u>1,282,587</u>	<u>304,391</u>
TOTAL INVESTMENTS AND OTHER ASSETS	<u>17,314,480</u>	<u>16,175,535</u>
Current Assets		
Cash and cash equivalents	3,322,286	4,440,420
Accounts receivable, net of allowance for doubtful accounts of \$67,556 (\$26,562 in 2019)	2,610,431	2,757,112
Accounts receivable – other	99,739	52,248
Interest receivable	10,099	10,127
Materials and supplies	532,659	561,199
Other current and accrued assets	<u>1,794,008</u>	<u>1,541,113</u>
TOTAL CURRENT ASSETS	<u>8,369,222</u>	<u>9,362,219</u>
TOTAL ASSETS	<u>\$92,763,815</u>	<u>\$91,216,436</u>

BALANCE SHEET

September 30, 2020 and 2019

LIABILITIES AND EQUITIES

	2020	2019
Equities		
Patronage capital	\$41,813,683	\$42,200,536
Memberships	<u>118,770</u>	117,880
Other equities	<u>42,048,473</u>	<u>116,020</u>
TOTAL EQUITIES		<u>42,434,436</u>
Long-Term Liabilities		
Mortgage notes payable – CFC	1,164,601	1,338,380
Mortgage notes payable – FFB	30,021,002	26,802,298
Mortgage notes payable – CoBank	13,014,363	13,709,112
Accrued postretirement benefits	<u>395,783</u>	<u>415,475</u>
TOTAL LONG-TERM LIABILITIES	<u>44,595,749</u>	<u>42,265,265</u>
Current Liabilities		
Current maturities of long-term debt	1,584,080	1,577,804
Accounts payable – purchased power	1,309,922	1,337,389
Accounts payable – other	507,053	657,112
Provision for pensions and benefits	56,100	56,100
Consumer deposits	267,448	288,946
Accrued taxes	1,110,511	1,092,529
Other current liabilities	<u>1,284,479</u>	<u>1,506,855</u>
TOTAL CURRENT LIABILITIES	<u>6,119,593</u>	<u>6,516,735</u>
TOTAL LIABILITIES AND EQUITIES	<u>\$92,763,815</u>	<u>\$91,216,436</u>

STATEMENT OF REVENUE AND EXPENSES

September 30, 2020 and 2019

	2020	2019
OPERATING REVENUES	<u>\$33,512,808</u>	<u>\$33,926,598</u>
Operating Expenses		
Cost of power	16,375,488	16,422,667
Transmission expense	24,415	25,348
Distribution expense – operations	2,560,273	2,614,977
Distribution expense – maintenance	2,808,147	2,574,393
Consumer accounts	724,068	776,993
Consumer service and information expense	797,860	783,157
Administrative and general	3,176,046	3,134,738
Maintenance of general plant	436,646	408,061
Depreciation of utility plant	2,750,685	2,674,614
Taxes	<u>953,440</u>	<u>983,633</u>
TOTAL OPERATING EXPENSES	<u>30,607,068</u>	<u>30,398,581</u>
OPERATING MARGINS BEFORE FIXED CHARGES	2,905,740	3,528,017
Interest on long-term debt	<u>1,564,816</u>	<u>1,522,188</u>
OPERATING MARGINS AFTER FIXED CHARGES	1,340,924	2,005,829
Capital credits	<u>945,581</u>	<u>1,598,064</u>
OPERATING MARGINS	2,286,505	3,603,893
Non-Operating Margins (Expense)		
Interest income	97,452	116,731
Other income (expense)	<u>42,774</u>	<u>(46,429)</u>
TOTAL NON-OPERATING MARGINS	<u>140,226</u>	<u>70,302</u>
NET MARGINS FOR PERIOD	<u>\$2,426,731</u>	<u>\$3,674,195</u>

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Years Ended September 30, 2020 and 2019

	PATRONAGE CAPITAL			<u>Memberships</u>	<u>Other Equities</u>
	<u>Assignable</u>	<u>Assigned</u>	<u>Total</u>		
Balance, October 1, 2018	\$2,624,157	\$38,674,256	\$41,298,413	\$117,690	\$116,020
Net margins for year	3,674,195	—	3,674,195	—	—
Assignment of prior year's patronage capital	(4,574,598)	4,574,598	—	—	—
Change in membership	—	—	—	190	—
Capital credits reassigned	123,647	—	123,647	—	—
Retirement of patronage capital	—	(2,895,719)	(2,895,719)	—	—
Balance, September 30, 2019	1,847,401	40,353,135	42,200,536	117,880	116,020
Net margins for year	2,426,731	—	2,426,731	—	—
Assignment of prior year's patronage capital	(2,579,292)	2,759,292	—	—	—
Change in membership	—	—	—	890	—
Capital credits reassigned	117,341	—	117,341	—	—
Retirement of patronage capital	—	(2,930,925)	(2,930,925)	—	—
Balance, September 30, 2020	<u>\$1,632,181</u>	<u>\$40,181,502</u>	<u>\$41,813,683</u>	<u>\$118,770</u>	<u>\$116,020</u>

New Teen Center opens thanks to Community Connection grant

The Attic Teen Center opened at the TRI Community Center in Oxford this summer, giving sixth through 12th grade students a place to learn remotely and spend time after school. The space features video games, a study area, an air hockey table, and an indoor foam basketball game. The Attic was opened with help from a Community Connection grant.



STATEMENT OF CASH FLOWS

For the Years Ended September 30, 2020 and 2019

CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
Net margins	\$2,426,731	\$3,674,195
Adjustments to reconcile net margins to net cash provided by operating activities:		
Depreciation and amortization	3,177,258	3,041,954
Noncash capital credits	(945,581)	(1,598,064)
Gain on disposition of property	(19,545)	—
Changes in assets and liabilities:		
Accounts, notes and other receivables (net)	175,993	366,183
Materials and supplies	28,540	(87,721)
Other assets	(252,895)	(859,194)
Deferred charges	(1,078,721)	(3,696)
Accounts payable	(177,526)	362,476
Accrued taxes and other liabilities	(204,394)	61,577
Consumer deposits	(21,498)	10,181
Accrued postretirement benefits	<u>(19,692)</u>	<u>(35,166)</u>
Net cash provided by operating activities	<u>3,088,670</u>	<u>4,932,725</u>

CASH FLOW FROM INVESTING ACTIVITIES

	2020	2019
Extension and replacement of plant, net of salvage and removal costs	(4,470,077)	(3,420,320)
Proceeds from disposition of property	86,121	31,032
Investments in other cooperatives	(84,380)	(114,005)
Investment in nonutility property	(226,421)	—
Proceeds from redemption of capital credits	<u>944,195</u>	<u>553,285</u>
Net cash used by investing activities	<u>(3,750,562)</u>	<u>(2,950,008)</u>

STATEMENT OF CASH FLOWS

For the Years Ended September 30, 2020 and 2019

CASH FLOW FROM FINANCING ACTIVITIES

	2020	2019
Proceeds from long-term debt	3,982,000	5,672,788
Payments on long-term debt	(1,625,548)	(1,469,981)
Proceeds and reclassifications of patronage capital and memberships (net)	118,231	123,837
Patronage capital credits retired	<u>(2,930,925)</u>	<u>(2,895,719)</u>
Net cash provided by financing activities	<u>(456,242)</u>	<u>1,430,925</u>
Net decrease in cash and cash equivalents	(1,118,134)	3,413,642
Cash and cash equivalents at beginning of year	<u>4,440,420</u>	<u>1,026,778</u>
Cash and cash equivalents at end of year	<u>\$3,322,286</u>	<u>\$4,440,420</u>



**Butler Rural Electric
Cooperative, Inc.**

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