

# Lake Region Electric Cooperative | 2023 Annual Report



## Officers and Directors

**Scott Manes**  
President

**Lynn Lamons**  
Vice-President

**Randall Shankle**  
Secretary

**Jack Teague**  
Asst Secretary

**James Walls**  
Trustee

**Gary Cooper**  
Trustee

**Dianna Mayfield**  
Trustee

**John Lee**  
CEO

## REVENUE AND EXPENSE STATEMENT as of December 31

2023

### REVENUES

Electric Energy Sales	\$51,902,525
Other Operating Revenue	\$3,153,120
<b>Total Operating Revenue</b>	<b>\$55,055,645</b>

### EXPENSES

Purchased Power	\$29,658,590
Interest On Debt CFC	\$3,546,305
Depreciation / Amortization	\$4,512,340
Operation / Maintenance	\$8,009,208
Consumer Accounting / Collecting / Information	\$2,434,953
Administrative /General	\$5,270,369
Other Operating Deductions	\$1,346,243
<b>Total Expenses</b>	<b>\$54,778,008</b>

### MARGINS

Operating Margins	\$277,637
Other Margins and Capital Credits	\$2,728,719
Non-Utility Margins	\$1,212,043
Non-Operating Revenue	\$2,851,660
<b>Total Margins</b>	<b>\$7,070,059</b>

## BALANCE SHEET as of December 31

2023

### ASSETS

Cash on Hand	\$1,037,380
Investments	\$12,296,259
Investments in Associated Organizations	\$30,352,714
Accounts Receivable	\$3,514,172
Inventory	\$3,428,739
Advanced Payments on Insurance	\$215,906
Other Current Assets & Misc Deferred Debts	\$10,453,345
Net Utility Plant	\$110,467,433
<b>Total Assets</b>	<b>\$171,765,948</b>

### LIABILITIES

Debt to CFC	\$95,472,837
Accounts Payable	\$4,247,616
Other Current and Accrued Liability	\$3,221,655
Deposits and Advances	\$3,204,646
Misc Deferred Credits	\$2,128,282
<b>Total Liabilities</b>	<b>\$108,275,036</b>

### MEMBERS' Equity

Membership Fees	\$107,950
Total Margins	\$657,575
Capital Credits	\$61,842,294
Other Equities	\$883,093
<b>Total Net Worth</b>	<b>\$63,490,912</b>
<b>Total Liabilities and Net Worth</b>	<b>\$171,765,948</b>

## SYSTEM STATISTICS as of December 31

2023

### ITEM

Average number of meters billed per month	26,210
Average number of meters per mile of line	8.2163
Total miles of power line in operation	3,190
Total kWh bought by cooperative	480,901,241
Total Cost of Power bought by cooperative	\$29,658,590
Average Cost per kWh bought by cooperative	\$0.0617
Power (kWh) required for system operation	459,388,659
System Peak Demand	127,264
Month of system peak demand	August

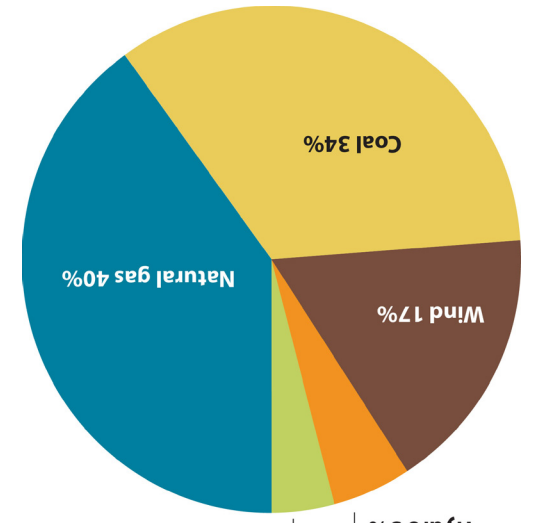
**LAKE REGION**  
ELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative 

**LAKE REGION**  
Technology & Communications 

Your electricity is generated using various fuels and technologies: coal, natural gas, hydropower, wind, and energy efficiency. This allows for flexibility while providing reliable and affordable electricity.

Associated Electric Cooperative (our wholesale power supplier) is part of a three-tiered system united by the common purpose of serving electric cooperative members with affordable and reliable electricity. Associated is owned by six generation and transmission cooperatives (G&Ts) that formed it in 1961 to provide them a wholesale power supply. Fifty-one distribution cooperatives own these six G&Ts in Missouri, southeast Iowa, and northeast Oklahoma. More than 910,000 member consumers own these local distribution electric cooperatives.



Ensuring reliable, economical power supply

- Wagoner
- Tahlequah
- Hubert
- Coweta
- Keys
- Porter
- Locust Grove
- Peggs
- Grandview
- Lowery
- Fort Gibson
- Norwood
- Oaks Mission
- Briggs
- Inola/Gregory
- Shady Grove
- Okay
- Woodall
- Kansas
- Haskell
- Broken Arrow
- Catoosa
- Chouteau/Mazie
- Westville
- Webber Falls
- Muskogee
- Wickliffe
- Leach
- Gore
- Tenkiller

LREC has long been a supporter of school districts within our coverage territory. Electric cooperatives are not-for-profit businesses, which does not mean LREC is tax-exempt. Electric co-ops pay gross receipts tax to the Oklahoma Tax Commission every year. The Tax Commission distributes 95 percent of these funds to schools based on the number of miles of cooperative electric lines in each school district. In 2021, Lake Region Electric Cooperative (LREC) paid **\$1,008,166** in gross receipts tax. These funds benefited 33 local schools in LREC's service territory.

Electric cooperatives and their members contribute more tax dollars to local school districts than other utilities on a percentage basis.

Supporting our Schools. Co-op tax dollars contribute \$1,008,166 to local education

Lake Region Technology and Communications subsidiary of LREC has connected over 12,300 homes and businesses to our fiber internet network. This new fiber network also creates a smart grid connecting our substations and offices. Our high-speed fiber broadband has become essential the past couple of years for our members working from home and for students attending virtual school. We also worked with our local school districts to ensure their students had a way to connect to the internet to complete their coursework. Lake Region installed free wifi locations at Hubert Park, Norris Park in Tahlequah, and Keys and Lowery School property.

**The Power to Connect**

LREC has been building networks to power northeast Oklahoma farms, homes, and businesses to improve the quality of life every day since 1949. We are committed to promoting the efficient use of electricity to meet the growing energy requirements of our members. Educating members about the efficient use of energy resources, helping them manage energy costs, and helping protect natural resources. Our goal is always to help members save money on their electricity without sacrificing comfort and convenience.

**The Power to Innovate**

LREC has provided energy solutions and worked to improve the quality of life for our members for the past 75 years. Seven cooperative principles guide us: voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.

**The Power of Our People**

**Co-op Power**

**Gross Receipt Tax**

**Diverse Fuels**

**Dear Valued Member,**

LREC wrapped up fiscal year 2023 (FY 2023) maintaining a healthy financial position. We had 12.78% higher energy sales as compared to 2022 and 6.65% higher than projections. Additional Sales did not generate adequate revenues to cover all the operating expenses of the cooperative. LREC ended the year with an operating gain of \$277,638. However, the addition of the non-operating revenues enabled us to end the year with \$7,070,060 in total margins.

In December of 2023 the board approved a patronage capital retirement/refund of \$1,417,743 to the members, bringing the total funds refunded to the members to \$28,741,257.

Audit completed by Briscoe, Burke and Grigsby.

Excellent customer service, strong financial condition and rate stability have been among the top drivers directing Lake Region Electric Cooperative's long-range planning and day-to-day operations. We are pleased to announce that we have met or exceeded those goals for 2023.

Sincerely,

John Lee, CEO

*John Lee*

Scott Manes, Board President

*Scott Manes*



Contact Us:

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www.LakeRegionFiber.com



*Celebrating 75 years of service!*

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