

**Briscoe, Burke & Grigsby LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

Letter to Board of Directors Regarding  
Policies Concerning Audits of CFC Borrowers

Board of Directors  
Lake Region Electric Cooperative, Inc. and Subsidiaries  
Hulbert, Oklahoma

We have audited the consolidated balance sheets of Lake Region Electric Cooperative, Inc. and Subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of revenue and patronage capital, comprehensive income, and cash flows for the years then ended, and have issued our report dated March 28, 2025.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 consolidated financial statements are free of material misstatement.

In connection with our audits, nothing came to our attention that caused us to believe that the Cooperative failed to comply with the terms of Article V of the National Rural Utilities Cooperative Finance Corporation Loan Agreement insofar as they relate to accounting matters. However, our audits were not directed primarily toward obtaining knowledge of such noncompliance.

During our audits for the years ending December 31, 2024 and 2023 you requested us to review your construction work order and general plant expenditures. Based on our review of construction work orders and other plant accounting records it is our opinion that CFC loan funds were expended for the purposes contemplated in the Loan Agreement with CFC.

This report is intended solely for the information and use of the Boards of Directors and management of Lake Region Electric Cooperative, Inc. and Subsidiaries and the National Rural Utilities Cooperative Finance Corporation and is not intended to be and should not be used by anyone other than these specified parties.

*Briscoe, Burke - Grigsby LLP*  
Certified Public Accountants

March 28, 2025  
Tulsa, Oklahoma

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CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control over Financial Reporting  
And on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards

Board of Directors  
Lake Region Electric Cooperative, Inc. and Subsidiaries  
Hulbert, Oklahoma

We have audited, in accordance with the 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, the consolidated financial statements of Lake Region Electric Cooperative, Inc. and Subsidiaries, as of and for the years ended December 31, 2024 and 2023 and the related notes to the consolidated financial statements, which collectively comprise Lake Region Electric Cooperative, Inc. and Subsidiaries' basic consolidated financial statements, and have issued our report thereon dated March 28, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Lake Region Electric Cooperative, Inc. and Subsidiaries' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in *internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake Region Electric Cooperative, Inc. and Subsidiaries' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

March 28, 2025  
Tulsa, Oklahoma