

Lake Region Electric Cooperative | 2025 Annual Report

REVENUE AND EXPENSE STATEMENT as of December 31

2025

REVENUES

Electric Energy Sales	\$58,715,988
Other Operating Revenue	\$1,462,155
Total Operating Revenue	\$60,178,143

EXPENSES

Purchased Power	\$34,760,835
Interest On Debt CFC	\$4,032,534
Depreciation / Amortization	\$5,227,062
Operation / Maintenance	\$7,784,563
Consumer Accounting / Collecting / Information	\$2,765,760
Administrative /General	\$6,256,011
Other Operating Deductions	\$1,669,041
Total Expenses	\$62,495,806

MARGINS

Operating Margins	(\$2,317,663)
Other Margins and Capital Credits	\$3,829,100
Non-Utility Margins	\$124,343
Non-Operating Revenue	(\$1,752,169)
Total Margins	(\$116,389)

BALANCE SHEET as of December 31

2025

ASSETS

Cash on Hand	\$2,025,478
Investments	(8,396,278)
Investments in Associated Organizations	\$36,538,430
Accounts Receivable	\$9,096,589
Inventory	\$2,283,409
Advanced Payments on Insurance	\$308,667
Other Current Assets & Misc Deferred Debts	\$9,148,028
Net Utility Plant	\$141,540,489
Total Assets	\$192,544,812

LIABILITIES

Debt to CFC	\$119,641,009
Accounts Payable	\$3,770,844
Other Current and Accrued Liability	\$2,381,547
Deposits and Advances	\$3,362,981
Misc Deferred Credits	\$1,548,919
Total Liabilities	\$130,705,300

MEMBERS' Equity

Membership Fees	\$110,060
Total Margins	\$793,594
Capital Credits	\$60,042,724
Other Equities	\$893,134
Total Net Worth	\$61,839,512
Total Liabilities and Net Worth	\$192,544,812

SYSTEM STATISTICS as of December 31

2025

ITEM

Average number of meters billed per month	26,755
Average number of meters per mile of line	8.3013
Total miles of power line in operation	3,223
Total kWh bought by cooperative	488,007,118
Total Cost of Power bought by cooperative	\$34,760,835
Average Cost per kWh bought by cooperative	\$0.0712
Power (kWh) required for system operation	462,999,586
System Peak Demand	134,717
Month of system peak demand	February



Scott Manes
President

Lynn Lamons
Vice-President

Randall Shankle
Secretary

Jack Teague
Asst Secretary

James Walls
Trustee

Gary Cooper
Trustee

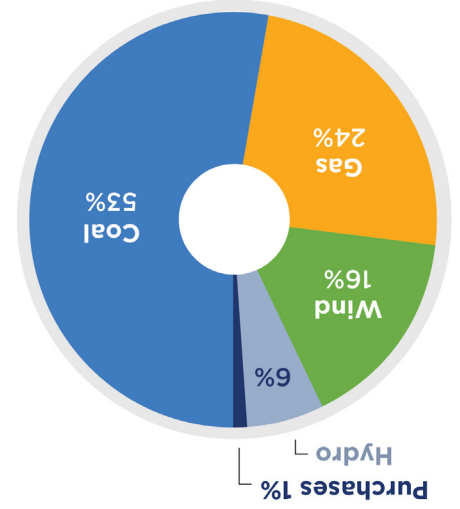
Dianna Mayfield
Trustee

Glen Clark
CEO



Your electricity is generated using various fuels and technologies: coal, natural gas, hydropower, wind, and purchased power. 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

2025 Resources for Member Load

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 2025, Lake Region Electric Cooperative (LREC) paid **\$1,187,199** 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 \$1,187,199 to local education

Lake Region Technology and Communications subsidiary of LREC has connected nearly 15,000 homes and businesses to our fiber internet network. This fiber network also creates a smart grid connecting our substations and offices. Our high-speed fiber broadband has become essential 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 Hulbert 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 77 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 LREC Member,

LREC wrapped up fiscal year 2025 (FY 2025). We had 0.42% higher energy sales compared to 2024, but 4.54% lower than projected. Additional sales did not generate adequate revenues to cover all the operating expenses of the cooperative. LREC ended the year with an operating loss of \$2,317,663. However, the addition of the non-operating revenues reduced the overall loss, resulting in a net loss of \$116,388 for the year.

Due to the loss of margins at the close of 2025, our board was unable to allocate any patronage capital. However, our total funds returned to members to date are \$29,966,196.

Audit completed by Briscoe, Burke, and Grigsby.

In a time of unseen inflation and rising power and labor costs, Lake Region Electric Cooperative remains focused on delivering safe, reliable, and affordable energy. Our board of directors, management, and staff are fully committed to our members. You can rest assured that we will persevere through these challenging times.

Sincerely,
 Glen Clark, CEO
Glen Clark
 Scott Manes, Board President
Scott Manes



Contact Us:
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www.LakeRegionFiber.com



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