

CKenergy Electric Cooperative, Inc.

# Annual Report

2018



# From the CEO

*“Coming together is a beginning; keeping together is progress; working together is success.”*

*- Henry Ford*



**Clint Pack, CKenergy CEO**

**M**ost consumers would not equate active involvement with their electric company with helping their community. But CKenergy Electric Cooperative, Inc. is not an ordinary utility company. We're a co-op, and our business model is meant to serve the members and the community in which it operates – not to make a hefty profit for investors five states away. CKenergy's customers are more than consumers; they are members of the cooperative. And herein lies the difference.

Our core purpose and mission is to provide safe, reliable and affordable power to our members. But as a co-op, we are motivated by service to the community,

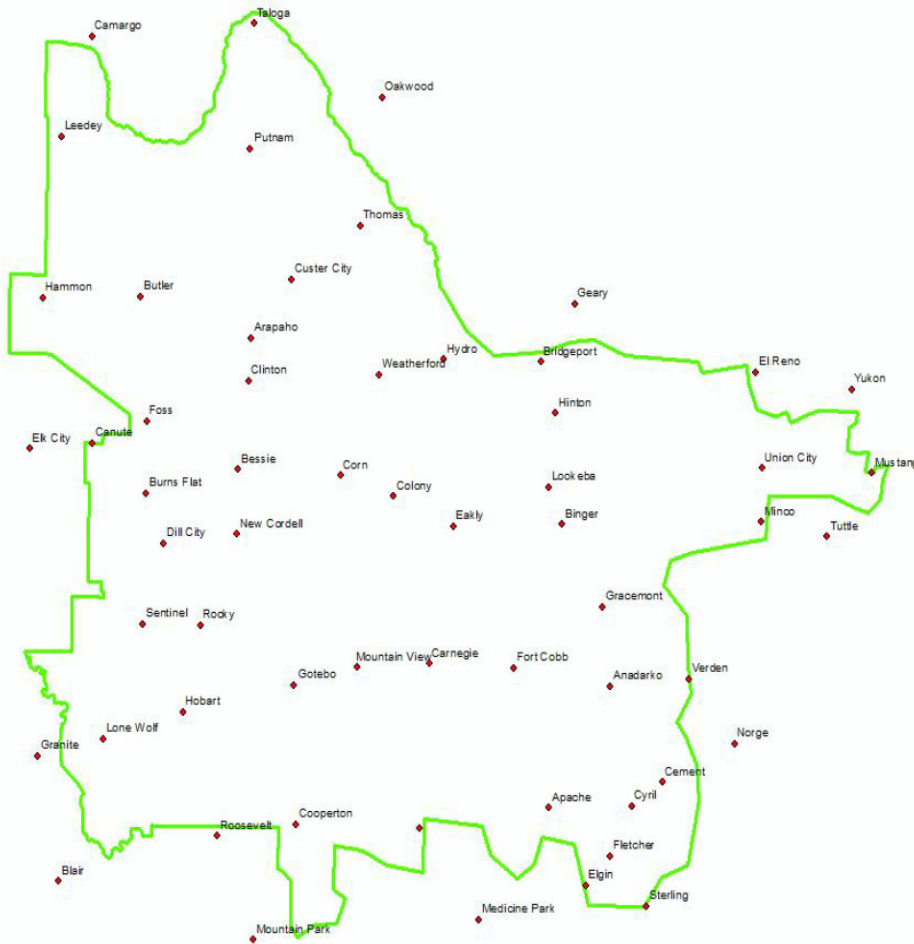
rather than profits. After meeting our annual expenses, we invest the extra money back into the co-op and the wider community. We depend on the guidance and perspective of our members and board to help set priorities for the co-op and guide governance decisions. Our board of directors is comprised of members who live and work in our service area, for they are in a position to know where community investments are most needed.

CKenergy is controlled by members who actively participate in setting policies and making decisions. This is why we value your participation in our annual meeting, held Friday, August 9th, and in other co-op events. CKenergy has numerous ongoing programs that impact the community. Every summer, for example, we participate in Youth Tour and take local high school students to the nation's capital to meet with lawmakers, enabling students to learn firsthand how our democracy works. We have a scholarship program and we also provide the opportunity for 8th grade students to spend a week learning the ins and outs of cooperatives and developing leadership skills at Youth Power Energy Camp. We are also dedicated to supporting community organizations through monetary donations, volunteering, or supplying the labor for certain projects. But the decisions and criteria for determining these programs are based on member guidance and feedback.

We recognize the vital role CKenergy plays in energizing our local economy. But to continue to innovate and more effectively serve the community, we rely on you, our members, to provide guidance. We value your perspective, and we cannot operate effectively and help our community thrive without you. We hope to see you on Friday, August 9th at our Annual Meeting in Weatherford, OK, at the Pioneer Cellular Event Center located on the SWOSU campus.

# CKenergy Electric Cooperative, Inc.

# Your Electric Co-Op



- Approximately 7,300 sq. miles in territory
- 7,776.36 miles of line
- Average 3.30 members per mile of line
- Approximately 151,775 poles across territory
- 25,665 active meters
- 14,915 cooperative members
- Average usage for April 2019- 2,065 Kwh
- 96 Full Time employees

Headquarters: Binger

District offices: Anadarko, Cordell, & Mustang.

Counties served: Blaine, Caddo, Canadian, Comanche, Custer, Dewey, Grady, Kiowa, Roger Mills, & Washita.

Outage numbers: 1-800-868-8243 or 1-888-832-3362.

*Since the 1930's, not-for-profit electric cooperatives have had a proud history of providing power to their members.*

*Throughout our years of service, our sincere commitment to providing safe, reliable electricity and quality service has remained tantamount.*

Board  
Of  
*Directors*



Glenn Propps  
President  
Sickles, OK  
*District 4*



Jack Sawatzky  
Vice President  
Cordell, OK  
*District 12*



Fred Reuter  
Secretary- Treasurer  
El Reno, OK  
*District 1*



Tony Setzer  
Colony, OK  
*District 2*



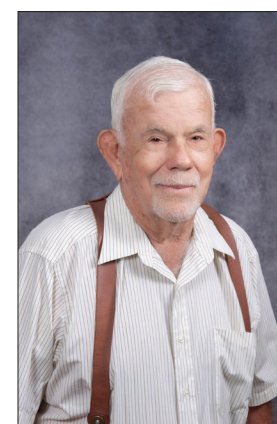
Greg Little  
Carnegie, OK  
*District 3*



Mark Slem  
Gracemont, OK  
*District 5*



Gary Brewster  
Fort Cobb, OK  
*District 6*



Herman Myers  
Anadarko, OK  
*District 9*



Don Payne  
Mountain View, OK  
*District 7*



Robert Travis  
Thomas, OK  
*District 10*



Walter Hrbacek  
Apache, OK  
*District 8*



John Schaufele  
Lone Wolf, OK  
*District 11*

CKenergy is not owned by far-away investors, and it is not run by an appointed board of directors.

We are run by a democratically elected board of directors – a board who is given the privilege to serve because of **your vote.**

# Board District Map



## OFFICIAL NOTICE

THIS IS THE OFFICIAL NOTICE OF THE ANNUAL MEETING OF THE MEMBERS OF CKENERGY ELECTRIC COOPERATIVE, INC. PURSUANT TO THE BY-LAWS YOU ARE HEREBY NOTIFIED THAT THE 2018 ANNUAL MEETING OF THE MEMBERS OF CKENERGY ELECTRIC COOPERATIVE WILL BE HELD FRIDAY, AUGUST 9TH, AT THE PIONEER CELLULAR EVENT CENTER, 900 N 7TH ST., WEATHERFORD, OK, AT 7:00 P.M.

THE PURPOSE OF THIS MEETING IS TO PRESENT:

1. THE OPERATING STATEMENT AND FINANCIAL REPORT.
2. THE REPORTS OF THE PRESIDENT AND CEO.
3. OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

**REGISTRATION & MEAL BEGIN AT 5:00 P.M.**

# Plug in to *WIN!*

**W**estern Farmer's Electric Cooperative (WFEC) in Anadarko, Oklahoma is sponsoring "Plug in to WIN," this year at our Annual Meeting.

"Plug in to WIN," is an educational initiative to help us, and other electric co-ops, teach members about the possible benefits and savings of electric vehicles. It is also an opportunity for our members to win a \$100 gift card during the prize drawing the night of Annual Meeting. If you are the lucky winner, you will be automatically be entered into a drawing for \$5,000 this fall.

### To Enter:

- You must be 18 years of age or older and a member of CKenergy
- Only one entry per household
- All information on entry form must be legible and correct.
- Entry form must be submitted at the WFEC booth at Annual Meeting.

*For more contest information, contact us at 405-656-2322 or make sure to visit the WFEC booth at Annual Meeting.*



**Someone gets  
the chance to win  
\$5,000! Is it YOU?**

*Please fill out and present this card at the WFEC Booth.*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone # \_\_\_\_\_ Cell # \_\_\_\_\_

CKEC Acct # \_\_\_\_\_

Email: \_\_\_\_\_

# Cooperative *Financials*

## Balance Sheet 2018

	2017	2018
<b>What we have:</b>		
Lines, Buildings, Equipment	\$169,195,203	\$177,256,826
Less: Reserve for Depreciation	-\$46,796,174	-\$53,578,538
<b>Net Value of Property</b>	<b>\$122,399,029</b>	<b>\$123,678,288</b>
Cash on Hand & Temp. Investments	\$8,258,786	\$11,123,799
Investments & Capital Credits Due from Associated Organizations	\$27,321,946	\$27,615,272
Owed to us for Electrical Service & Loans	\$5,426,179	\$5,675,214
Material & Supplies in Stock	\$1,443,923	\$987,833
Deferred Debits, Other Assets & Prepayments	\$10,934,597	\$9,684,439
<b>TOTAL ASSETS</b>	<b>\$175,784,460</b>	<b>\$178,764,845</b>
<b>What We Owe:</b>		
Other Long Term Debt	\$23,986,496	\$21,582,035
Economic Development Loan	\$682,829	\$560,717
Rural Utility Service (RUS)	\$81,662,833	\$80,805,568
Notes Payable	\$312,623	\$312,623
Consumer Meter Deposits	\$822,353	\$946,569
Accounts Payable	\$1,244,232	\$653,910
Operating Provisions	\$3,283,500	\$3,329,473
Other Deferred Credits & Liabilities	\$5,955,227	\$9,878,899
<b>TOTAL OWED</b>	<b>\$117,950,093</b>	<b>\$118,069,794</b>
<b>Our Net Worth:</b>		
Membership Fees	\$73,715	\$74,245
Patronage Capital & Other Equity	\$57,760,652	\$60,620,806
<b>Total Equity</b>	<b>\$57,834,367</b>	<b>\$60,695,051</b>
<b>Total Liabilities &amp; Net Worth</b>	<b>\$175,784,460</b>	<b>\$178,764,845</b>

## Statement of Income & Expenses

	2017	2018
<b>Revenue Received:</b>		
Farms & Rural Homes	\$29,907,690	\$32,597,170
Town & Seasonal Residential	\$822,219	\$885,969
Large Power & Commercial	\$29,954,197	\$30,625,157
Public St. Light & Hwy. Light	\$68,807	\$68,296
Irrigation Accts.	\$3,400,124	\$4,426,838
Penalties & other Operating Revenue	\$1,537,468	\$1,684,101
<b>TOTAL OPERATING REVENUE</b>	<b>\$65,690,505</b>	<b>\$70,287,531</b>
<b>Cost of Electric Service:</b>		
Purchased Power	\$37,010,455	\$38,887,760
Line Operations & Maintenance	\$11,585,098	\$9,621,996
Consumer Accounting & Collecting	\$2,589,520	\$2,795,088
Power Sales Expense	\$720,202	\$828,035
Administrative & General Expense	\$2,962,446	\$3,169,972
Depreciation	\$4,795,254	\$8,750,562
Taxes	\$1,282,852	\$1,374,689
Interest on Long Term Debt	\$3,507,816	\$3,615,073
Other Deductions & Short Term Interest	\$204,768	\$20,691
<b>TOTAL COST OF ELECTRIC SERVICE</b>	<b>\$64,658,411</b>	<b>\$69,063,866</b>
Patronage Capital & Operating Margins	\$1,032,094	\$1,223,665
Plus Non-Operating Margins Including Earned Interest	\$972,382	\$139,562
G & T Capital Credits	\$1,071,534	\$1,105,537
Equity Investments	\$0	\$0
Other Capital Credits	\$467,060	\$341,369
Extraordinary Items	\$0	\$0
<b>TOTAL PATRONAGE CAPITAL &amp; MARGINS</b>	<b>\$3,543,070</b>	<b>\$2,810,133</b>

## 2019 Capital Credit Allocations

At the end of June, CKenergy retired – or paid by cash or bill credit – \$5,670,293.64 to 11,873 members like you across portions of 10 counties served by the co-op. CKenergy allocates margins annually and that amount becomes your capital credits. Your capital credits are based on how much electricity you've purchased throughout the year. If the cooperative is in a good financial standing, CKenergy may retire capital credits for a period determined by the Board of Directors.

# Giving *Back*



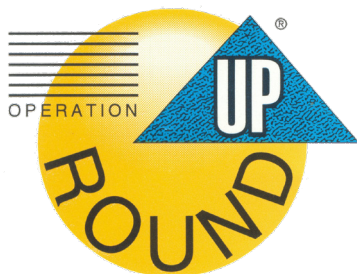
**T**here are many benefits to being a member of an electric cooperative, including the significant positive impact it can have on your community.

Electric cooperatives are known for their dedication to the betterment of the communities in which they are located. A couple of ways that we are proud to give back to our communities are through gross receipts tax to local school districts and Operation Round Up.

On a percentage basis, electric cooperatives contribute more tax dollars to local school districts than do other utilities. In Oklahoma, a 2 percent gross receipts tax on revenue is paid by both the wholesale and retail level.

Investor-owned utilities pay ad valorem taxes instead of a gross receipts tax. Only a percent of this tax goes to school districts with which they own property. Municipal utilities contribute no tax money to public schools in Oklahoma.

As a member of CKenergy Electric Cooperative, you have the opportunity to participate in the Operation Roundup program. The program works by allowing co-op members to round up their monthly electric bills to the nearest dollar amount. The spare change is transferred to CKenergy's Operation Round Up fund and dispersed to local charitable causes.



Our foundation approved a total of **\$97,329.90** in grants for 2018.

Those funds were used to improve the lively hood of individuals, fund school programs, help volunteer fire departments purchase new equipment, and so much more!

We are proud to be able to provide a program like Operation Round Up that is actively improving lives and communities in our service territory. For more information about Operation Round Up contact us at 405-656-2322.

## 2018 Tax Disbursement for Schools *based on miles of electric line.*

	CKEC Tax
Anadarko	\$ 50,260.74
Apache/Boone	\$ 40,698.55
Arapaho	\$ 66,213.64
Banner	\$ 4,821.78
Binger/Oney	\$ 80,249.15
Burns Flat/ Dill City	\$ 36,695.74
Cache	\$ 2,838.94
Calumet	\$ 157.42
Canute	\$ 14,716.50
Carnegie	\$ 64,717.23
Cement	\$ 22,467.43
Clinton	\$ 35,285.99
Cordell	\$ 89,148.03
Cyril	\$ 26,693.11
El Reno	\$ 10,915.33
Elgin	\$ 8,449.61
Fletcher	\$ 17,580.20
Ft. Cobb/Broxtton	\$ 48,895.22
Geary	\$ 2,830.10
Gracemont	\$ 38,416.79
Hammon	\$ 15,818.47
Hinton	\$ 81,000.89
Hobart	\$ 26,429.56
Hydro/Eakly	\$ 67,763.12
Indiahoma	\$ 311.31
Lawton	\$ 51.30
Leedey	\$ 26,786.86
Lone Wolf	\$ 28,672.41
Lookeba/Sickles	\$ 42,794.59
Maple	\$ 14,990.67
Minco	\$ 18,133.84
Mt. View/Gotebo	\$ 68,235.39
Mustang	\$ 49,760.17
Riverside	\$ 10.61
Sentinel	\$ 37,859.61
Snyder	\$ 30,733.08
Sterling	\$ 4,208.00
Taloga/Oakwood	\$ 24,685.52
Thomas/Fay/Custer	\$ 84,126.38
Union City	\$ 27,821.62
Verden	\$ 15,868.00
Weatherford	\$ 45,039.21
Yukon	\$ 297.16

**Total: \$1,373,449.28**



**C**Kenergy's Annual Meeting is fast approaching! This year's meeting will be held on Friday, August 9th, at the Pioneer Cellular Event Center in Weatherford, OK. Member registration and the meal begin at 5:00 p.m., with the entertainment, business meeting, and prize drawings following after.

By attending, CKEC members will be entered to win one of five Electric Bicycles up for grabs, possibly walk away with some extra cash (\$50- \$150), and will also be able to enjoy the musical talent of South Wind Band. That's not to mention the registration

gifts you will receive and the always delicious meal provided by Roadhouse Catering, Fort Cobb, OK. There will also be children's entertainment going on throughout the evening. Your little ones will be able to enjoy their very own registration gifts and prize drawings, two different bounce house obstacle courses, and a train ride! All attendees are welcome to cool off with a refreshing SnoCone, too.

This year's registration gifts will include a CKenergy ball cap, ice cream scoop, collapsible collander, spatula, and a \$20 credit that will be applied to your electric bill!

# Agenda

CKenergy Electric Cooperative, Inc.  
 August 9, 2019  
 Pioneer Cellular Event Center  
 Weatherford, Oklahoma

5:00 p.m. .... Registration & Meal  
 5:30p.m. .... Musical Entertainment  
 7:00 p.m. .... Business Meeting

Call To Order ..... Board Delegate  
 Invocation .....  
 Pledge of Allegiance  
 National Anthem .....  
 CEO Report.....Clint Pack, CKEC  
 CEO  
 Prize Drawings ..... CKEC Employees



## OFFICIAL MEMBER REGISTRATION CARD 2019

*Please fill out and present this card at the registration table.*

4th Annual Meeting of Members  
 Friday, August 9, 2019

### PLEASE UPDATE YOUR CONTACT INFORMATION

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone # \_\_\_\_\_ Cell # \_\_\_\_\_

CKEC Acct # \_\_\_\_\_

Email: \_\_\_\_\_

## Grand Prize



This year's grand prize is a selection of Electric Bicycles. Members can win either a 20" BMX style or a 26" Off-Road type bike. Each has a 500 watt motor and a range of 20-30 miles per charge.