



CKenergy Electric Cooperative, Inc.

2017

Annual Report

2018 Annual Meeting
July 27, 2018
Pioneer Cellular Event Center
Weatherford, Oklahoma

Letter from the CEO



Clint Pack, CEO

Most 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.

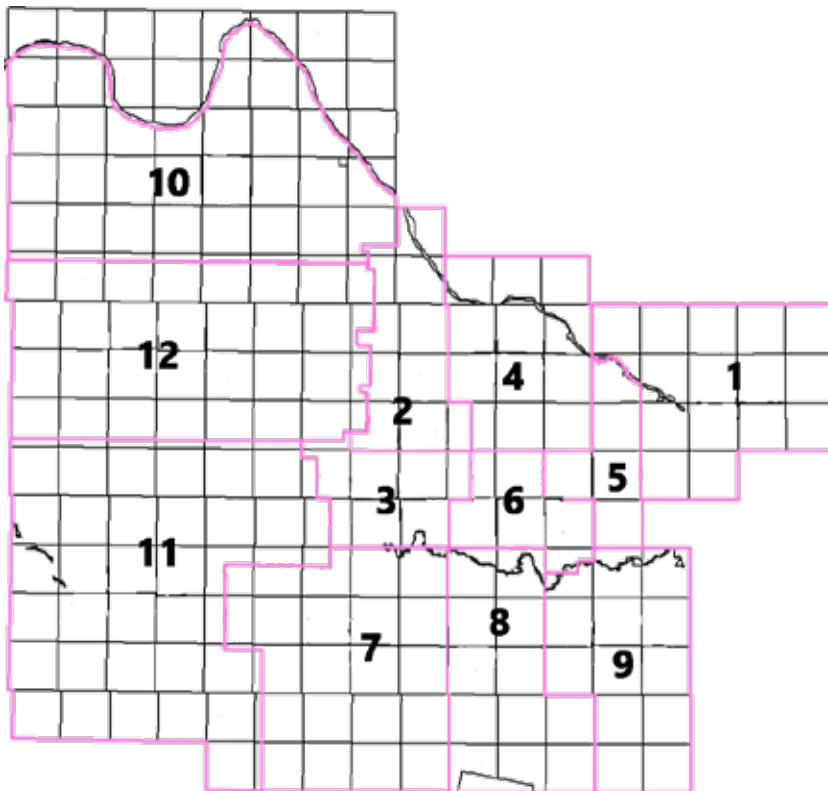
CKenergy is controlled by members who actively participate in setting policies and making decisions. This is why we value your participation in our annual meeting, held Friday, July 27th, and in other co-op events. CKenergy has numerous ongoing programs that impact the community. Every summer, for example, 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, July 27th at our Annual Meeting in Weatherford, OK, at the Pioneer Cellular Event Center located on the SWOSU campus.

Board of Trustees



Back row L-R: Don Payne, Jack Sawatzky, Mark Slem, Gary Brewster, Dr. Fred Reuter, & Greg Little. Front row L-R: Jack McLemore, Walter Hrbacek, Herman Myers, Robert Travis, John Schaufele, & Glenn Propps.



Officers

Glenn Propps, District 4
President

Jack Sawatzky, District 12
Vice President

Dr. Fred Reuter, District 1
Secretary-Treasurer

Members

Jack McLemore, District 2

Greg Little, District 3

Mark Slem, District 5

Gary Brewster, District 6

Don Payne, District 7

Walter Hrbacek, District 8

Herman Myers, District 9

Robert Travis, District 10

John Schaufele, District 11

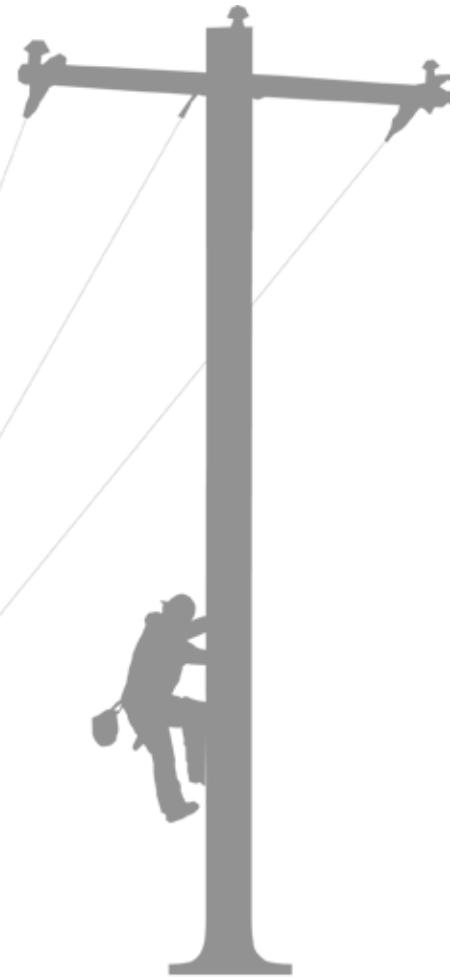
Cooperative Facts

Approximately 7,300 sq. miles in territory
7,739 miles of line
Average 3.28 members per mile of line
Approximately 150,559 poles across territory
25,397 active meters
Average usage for April 2018- 2,164 Kwh
95 Full Time employees

Headquartered in Binger
District offices in 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.



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, JULY 27TH, 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.

On Friday, July 27th, the CKEC Cordell district office will be closing at 3:00 p.m. for Annual Meeting.

Offices in Binger, Anadarko, & Mustang will remain open until 5:00 p.m.

In the event of an outage, please call:

**1-800-868-8243 or
1-888-832-3362.**

Giving Back



There 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 **\$123,142.11** in grants for 2017.

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.

2017 Tax Disbursement for Schools based on miles of electric line.

	CKEC Tax
Anadarko	\$ 47,147.93
Apache/Boone	\$ 8,113.99
Arapaho	\$ 62,065.20
Banner	\$ 4,520.28
Binger/Oney	\$ 75,264.56
Burns Flat/ Dill City	\$ 34,310.06
Cache	\$ 2,661.43
Calumet	\$ 147.58
Canute	\$ 13,796.32
Carnegie	\$ 60,481.61
Cement	\$ 21,115.67
Clinton	\$ 33,023.28
Cordell	\$ 83,530.75
Cyril	\$ 24,999.20
El Reno	\$ 10,111.77
Elgin	\$ 7,926.25
Fletcher	\$ 16,454.43
Ft. Cobb/Broxtton	\$ 45,587.55
Geary	\$ 2,626.61
Gracemont	\$ 36,087.66
Hammon	\$ 14,826.07
Hinton	\$ 75,509.98
Hobart	\$ 23,611.27
Hydro/Eakly	\$ 63,343.68
Indiahoma	\$ 291.85
Lawton	\$ 38.14
Leedey	\$ 24,849.96
Lone Wolf	\$ 26,871.32
Lookeba/Sickles	\$ 40,185.10
Maple	\$ 14,046.71
Minco	\$ 17,049.73
Mt. View/Gotebo	\$ 64,021.89
Mustang	\$ 45,789.85
Riverside	\$ 9.95
Sentinel	\$ 35,487.39
Snyder	\$ 28,811.43
Sterling	\$ 3,944.89
Taloga/Oakwood	\$ 23,022.61
Thomas/Fay/Custer	\$ 78,440.04
Union City	\$ 25,664.14
Verden	\$ 14,829.39
Weatherford	\$ 41,286.15
Yukon	\$ 180.75

Total: \$1,282,084.40

Cooperative Financials

Balance Sheet

What we have:

	2016	2017
Lines, Buildings, Equipment	\$161,929,133	\$169,195,203
Less: Reserve for Depreciation	-\$44,023,085	-\$46,796,174
Net Value of Property	\$117,906,048	\$122,399,029
Cash on Hand & Temp. Investments	\$9,661,110	\$8,258,786
Investments & Capital Credits Due from Associated Organizations	\$27,003,385	\$27,321,946
Owed to us for Electrical Service & Loans	\$14,077,289	\$5,426,179
Material & Supplies in Stock	\$583,853	\$1,443,923
Deferred Debits, Other Assets & Prepayments	\$14,494,669	\$10,934,597
TOTAL ASSETS	\$183,726,354	\$175,784,460

What We Owe:

Other Long Term Debt	\$41,072,130	\$23,986,496
Economic Development Loan	\$766,163	\$682,829
Rural Utility Service (RUS)	\$57,276,041	\$81,662,833
Notes Payable	\$20,312,623	\$312,623
Consumer Meter Deposits	\$777,302	\$822,353
Accounts Payable	\$790,946	\$1,244,232
Operating Provisions	\$3,162,920	\$3,283,500
Other Deferred Credits & Liabilities	\$5,388,933	\$5,955,227
TOTAL OWED	\$129,547,058	\$117,950,093

Our Net Worth:

Membership Fees	\$73,905	\$73,715
Patronage Capital & Other Equity	\$54,105,391	\$57,760,652
Total Equity	\$54,179,296	\$57,834,367
Total Liabilities & Net Worth	\$183,726,354	\$175,784,460

Income Statement

Revenue Received:

Farms & Rural Homes	\$29,907,690
Town & Seasonal Residential	\$822,219
Large Power & Commercial	\$29,954,197
Public St. Light & Hwy. Light	\$68,807
Irrigation Accts.	\$3,400,124
Penalties & other Operating Revenue	\$1,537,468

TOTAL OPERATING REVENUE \$65,690,505

Cost of Electric Service:

Purchased Power	\$37,010,455
Line Operations & Maintenance	\$11,585,098
Consumer Accounting & Collecting	\$2,589,520
Power Sales Expense	\$720,202
Administrative & General Expense	\$2,962,446
Depreciation	\$4,795,254
Taxes	\$1,282,852
Interest on Long Term Debt	\$3,507,816
Other Deductions & Short Term Interest	\$204,768

TOTAL COST OF ELECTRIC SERVICE \$64,658,411

Patronage Capital & Operating Margins \$1,032,094

Plus Non-Operating Margins Including Earned Interest \$972,382

G & T Capital Credits \$1,071,534

Equity Investments \$0

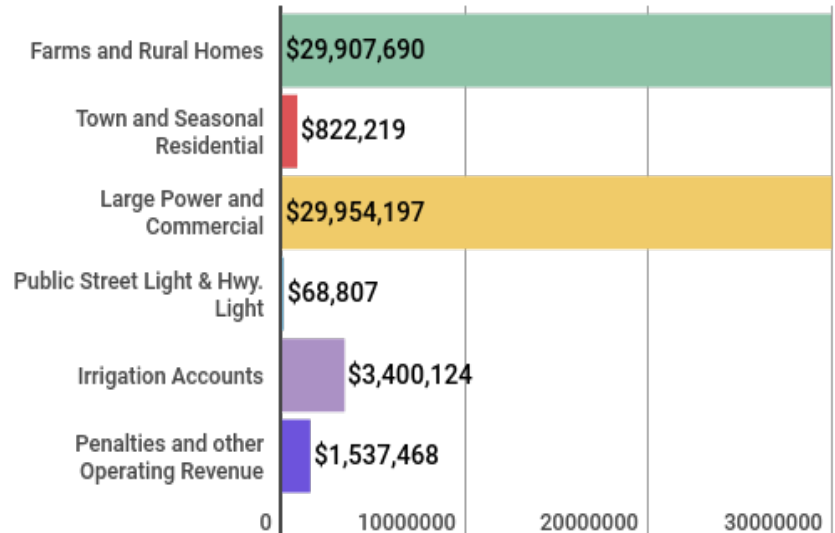
Capital Credits \$0

Other Capital Credits \$467,060

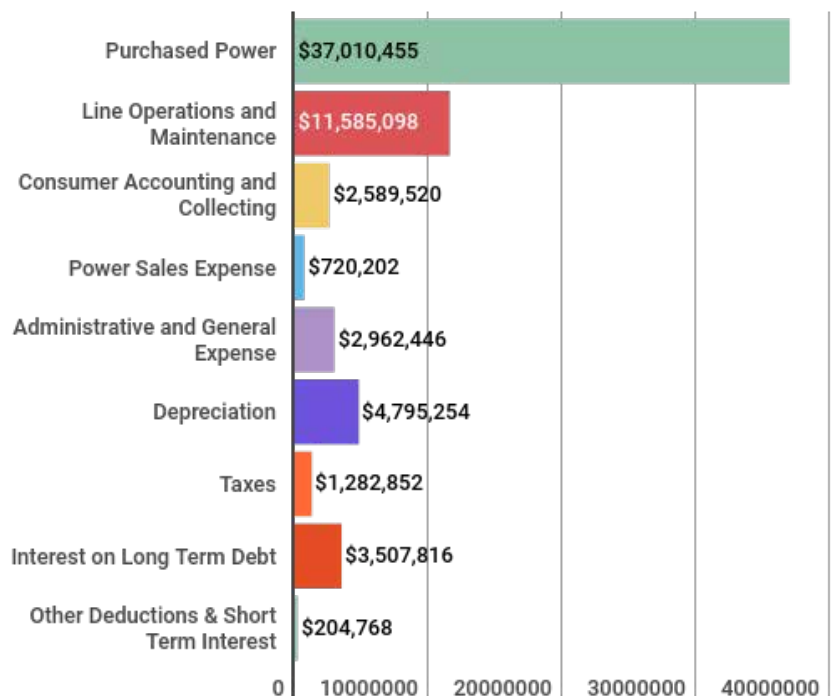
Extraordinary Items \$0

TOTAL PATRONAGE CAPITAL & MARGINS \$3,543,070

Where the Dollar Comes From



Where the Dollar Goes



2018 Annual Meeting

CKenergy's Annual Meeting is fast approaching! This year's meeting will be held on Friday, July 27, 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 a brand new lawn tractor, possibly walk away with some extra cash (\$50- \$150), and will also be able to enjoy the musical talent of Graystone Bluegrass Revival. That's not to mention the registration gifts you will receive and the always delicious meal provided by Adventures in Catering out of Mustang, 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!

This year's registration gifts will include a CKenergy ball cap, a lapthrow afghan, and a \$20 credit that will be applied to your electric bill!



Graystone Bluegrass Revival

Annual Meeting Agenda

CKenergy Electric Cooperative, Inc.
 July 27, 2018
 Pioneer Cellular Event Center
 Weatherford, Oklahoma

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

Call To Order Glenn Propps,
 Board of Trustees President

Invocation

Pledge of Allegiance

National Anthem

CEO Report.....Clint Pack,
 CKEC CEO

Prize Drawings CKEC Employees



OFFICIAL MEMBER REGISTRATION CARD 2018

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

3rd Annual Meeting of Members
 Friday, July 27, 2018

PLEASE UPDATE YOUR CONTACT INFORMATION

Name: _____

Address: _____

Phone # _____ Cell # _____

CKEC Acct # _____

Email: _____

Grand Prize



This year's grand prize is a Kubota Z122RKW 21.5 HP Kawasaki with a 42" inch cut.