



Seeing the road ahead



# **SERVING our MEMBERS and COMMUNITIES**

## CONTENTS

3 | Message to Members

4 | Financial Statements

5 | Operation Report

6 | Board of Trustees

7 | Community

# a MESSAGE to our MEMBERS



Lowell Hobbs  
*President*

## Dear ECE Member,

Everything that can be said about the year 2020 already has been. The pandemic and economic fallout have battered our members and communities. Phrases like “unprecedented times,” and “the new normal,” came raining upon us from every direction.

As your electric cooperative, we have been seeking insight in the storm. The outside world challenged our mission in ways we could not have predicted. But with the leadership of our member-owners, we persisted.

First and foremost, it is clear to us that our members deserve a high quality of life. We strive to do everything in our power as an electric cooperative to ensure our members are living with dignity. In 2020, that meant looking at alternative financial assistance options for members who suddenly, through no fault of their own, couldn’t make their electric payment. It also meant expanding our Give-A-Watt program, where generous members who could spare a dime, gave to fellow members down on their luck.

This year we saw our members come to rely on internet connection more and

more to work from home and attend school online. We are proud to be ahead of schedule in our rollout of high-speed fiber internet connection. Our fiber project is set to be complete by 2023. We have already seen how reliable internet connection has changed the lives of some of our members and helped teachers in our service area keep their students from falling behind.

We also found insight around the idea that we can’t continue to rely on old systems to address modern problems. When our members go without power, it can be life threatening. It is our responsibility to invest in technologies that help us keep the lights on and get power restored quickly. It is right there in the mission you, our members, set out for us: to provide safe, reliable, and affordable energy. So, we are investing in the integration of our fiber and electrical lines into one system, allowing us to respond rapidly to outages and other dangers.

One thing that has always been clear to us is that our community matters. Through Operation Roundup, East Central members gave \$130,261 to individuals and non-profit organizations in need. Even though our youth programs went virtual, we still awarded \$31,000 in academic scholarships to high school juniors and seniors

in our service area and gave three Google Chromebooks to our young Energy Camp participants.

And to members, in 2020, we were able to return \$1,064,147 in profit to your pocket books, in the form of capital credits.

When we can clearly see the reality around us, it is easier to prepare for the road ahead. Our Board of Trustees, fellow members elected by you, worked diligently to outline a strategic plan that will guide us forward.

Your continued participation in the workings of this electric cooperative keep us all steering in the right direction.

Respectfully Yours,

A handwritten signature in black ink that reads "Lowell Hobbs".

A handwritten signature in black ink that reads "Tim Smith".



Tim Smith  
*General Manager*

# FINANCIAL OUTLOOK



## Your Net Worth Continues to Grow

Membership Fees  
**▲ 2.50% since 2019**  
 \$176,785

Capital Credits & Other Equities  
**▲ 0.80% since 2019**  
 \$92,343,612

Total Liabilities and Equities  
**▲ 23.92% since 2019**  
 \$247,525,100

## Member Equity



**36.5%**

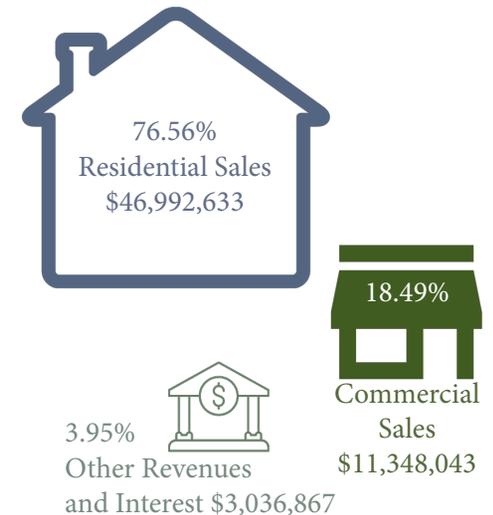
The portion of our total assets owned by our members.

**In The Green.** Your East Central Electric trustees remain committed to maintaining the financial integrity and strength of your cooperative in a way that balances competitive rates with reliable and safe service. Developing work plans and long range forecasts help us weather unexpected downturns without sacrificing the excellent service and reliability you've come to expect from your co-op.

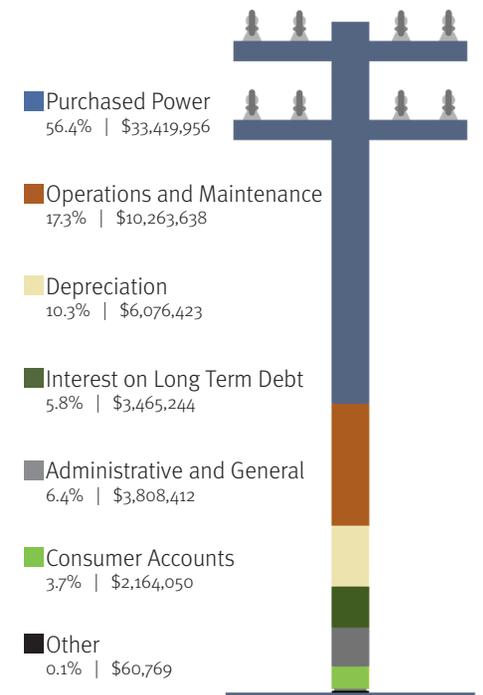
	2020	2019
<b>YOUR COOPERATIVE OWNS:</b>		
Electric Plant	\$243,889,785	\$206,941,809
Less Depreciation	59,397,286	58,211,153
Net Utility Plant	184,492,499	148,730,656
Cash and Investments	8,369,602	3,372,198
Patronage Capital Assoc. Organization	36,503,293	31,267,931
CFC Investment Certificates	1,291,825	1,327,320
Accounts Receivable	6,528,704	6,524,290
Other Assets	10,339,177	8,523,394
<b>Total Assets</b>	<b>\$247,525,100</b>	<b>\$199,745,789</b>
<b>YOUR COOPERATIVE OWES:</b>		
Long Term Debt (RUS)	\$16,872,555	\$17,193,606
Long Term Debt (CFC)	—	139,119
Long Term Debt (FFB)	73,654,360	49,051,028
Long Term Debt (CoBank)	20,431,292	20,280,993
Consumer Deposits	3,049,823	2,885,979
Other Liabilities	40,996,673	18,413,982
<b>Total Liabilities</b>	<b>\$155,004,703</b>	<b>\$107,964,707</b>

The books and financial statements of East Central Oklahoma Electric Cooperative, Inc. are audited each year as of December 31. An audit for the year ended December 31, 2020, has been completed by the firm of Briscoe, Burke & Grigsby LLP, Certified Public Accountants, Tulsa, OK. The Comparative Financial Statements shown here are for the years ended December 31, 2019 and 2020. East Central Electric's balance sheet reflects a 23.92 percent increase in assets. Capital credits and membership fees increased by \$739,315, which gave our members an equity level of 36.5 percent.

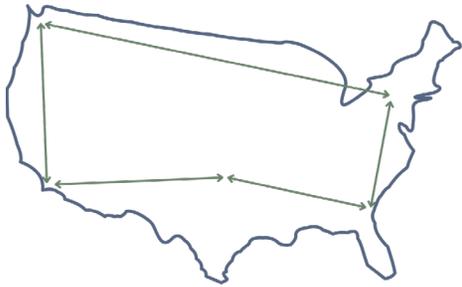
## Where the dollar comes from



## Where your dollar goes



# OPERATIONS



6,317

Miles of Line

You could fly from Okmulgee to Los Angeles to Seattle to Albany to Savannah and back to Okmulgee in fewer miles.

35,099



Meters

Each meter represents a member like you, working together to keep our communities powered and safe.



11.9 ¢

per kWh

The residential average you pay for power is below the national average of 13.2 ¢ per kWh.

99.94%



Reliability

Providing reliable power requires investments in right of way maintenance and system upgrades.

## OPERATING REPORT:

	2020	2019
Electric Sales	\$61,377,543	\$61,233,661
Less Cost of Purchased Power	33,419,956	34,796,328
Net Sales	27,957,587	26,437,332
Operating Expenses	16,236,100	15,895,744
Interest on Debt	3,465,244	2,740,759
Depreciation	6,076,423	5,760,046
Other Deductions	60,769	84,161
Total Expenses (Excluding Cost of Power)	25,838,536	24,480,709
Net Income from Electric Sales	2,119,052	1,956,623
Other Income	3,271,108	2,778,460
Total Margins and Capital Credits	\$5,390,160	\$4,735,083



88

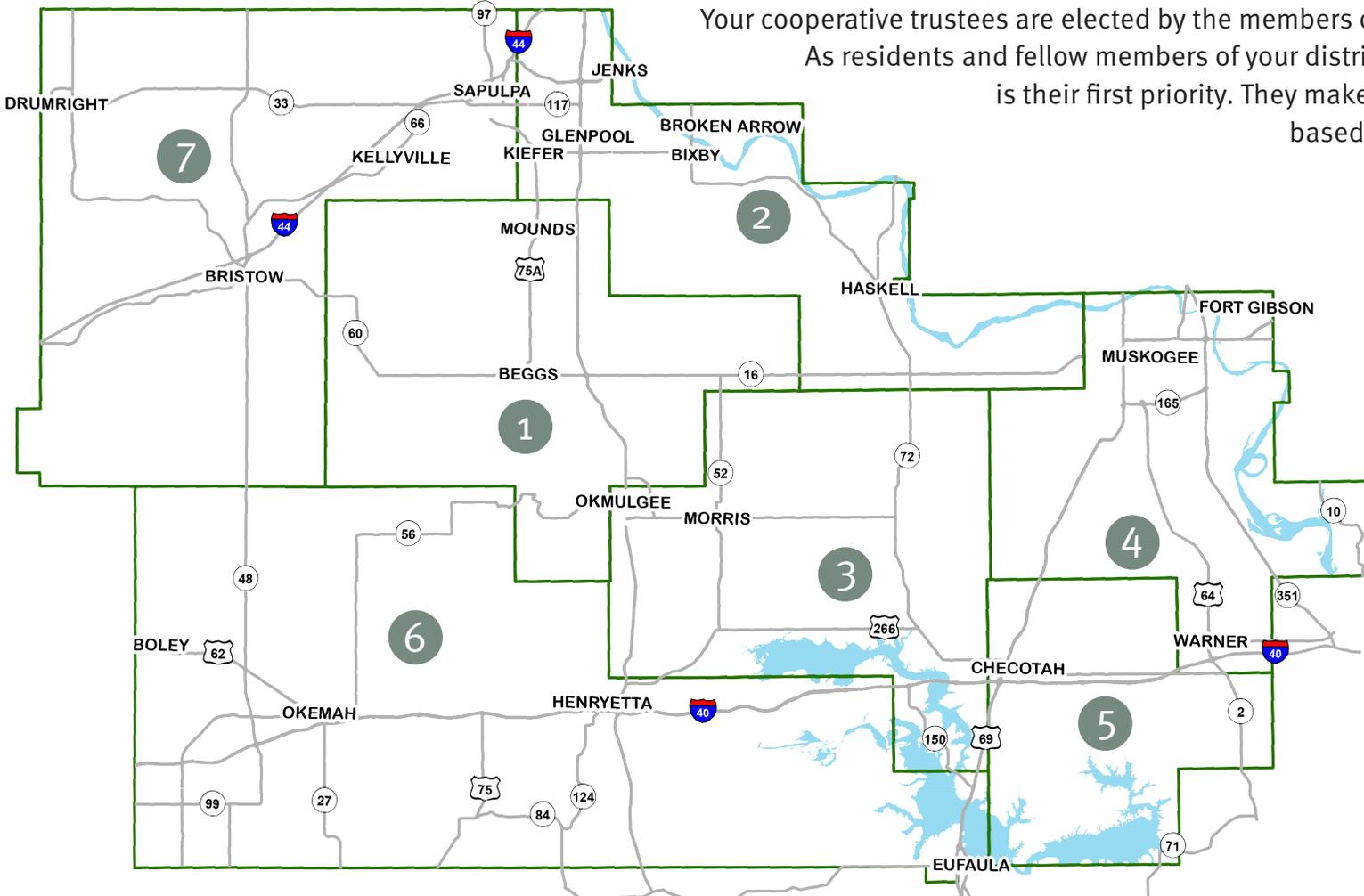
Employees

East Central Electric employs close to 100 local people. Many of our employees are members like you.



# DEMOCRATIC CONTROL

Your cooperative trustees are elected by the members of East Central Electric Cooperative. As residents and fellow members of your district, representing neighbors like you is their first priority. They make decisions for our collective future, based on the needs of members like you.



Democratic, local control ensures your co-op remains focused on local needs, and is one of your co-op's guiding principles.

You can contact your trustee any time you have a question or concern.



918-756-0833



info@ecoec.com

You can also stay up-to-date on the latest co-op news at [ecoec.com](http://ecoec.com)



**Lowell Hobbs**  
President  
District 2  
Haskell



**Larry Harvey**  
Vice President  
District 1  
Beggs



**Dwight Luther**  
Sec. Treasurer  
District 7  
Bristow



**Jim Hall**  
Asst. Sec. Treasurer  
District 6  
Nuyaka



**Max Shoemake**  
District 3  
Morris



**Michael Vernnon**  
District 4  
Muskogee



**In Memoriam**  
Jan. 1941 - Feb. 2021  
**Ed Kloeckler**  
District 5  
Checotah  
Admired family man, rancher,  
and community leader

# CONCERN for COMMUNITY

## Operation Roundup



In a year most noted for causing global uncertainty, the members of East Central Electric stayed certain of their most treasured cooperative value: Commitment to Community.

With an average member contribution of

**48¢** a month, ECE members gave

**\$130,261**

in grants to **79** applicants in 2020.

Since Operation Roundup began in 2006

**\$1,956,056**

has been given to individuals and charities in need, from kind East Central Electric members simply rounding up their electric bill to the nearest whole dollar.



## Give-A-Watt

**\$1,408** donated

to 30 member accounts by members and employees in 2020.

**\$7,908** has been given since 2015.

## Youth Tour



In 2020, Youth Tour went virtual.

**5** high school juniors from communities across our service area each received a

**\$2,000**

scholarship and the opportunity to learn leadership and career readiness skills from national experts.

## Energy Camp



**3** eighth graders from communities in the East Central

Electric coverage area participated in a virtual Energy Camp last year. In lieu of bringing the kids to a physical camp, each kid who completed the camp received a free Google Chromebook.

## Scholarships

**\$21,000** awarded to **21** kids through Operation Roundup.



## Safety Programs

Electricity is a powerful tool for moving the world forward, but it's also a dangerous one. That is why we prioritize safety training for our employees, our members, and our community.

In 2020 our entire staff attended **12** safety meetings. Our lineworkers took

**10** additional safety courses.

Despite having in-person gatherings closed down, we were still able to reach

**1,050** children in **3** school districts with a video we produced about electrical safety and socially distanced live safety demonstrations.

## Renewable Options

Every ECE member, regardless of income level, geographic location, home design or home ownership can have access to clean, solar energy through our Community Solar program. You can learn more about our solar program at:

<https://bit.ly/3dZ1Qyq>



## Energy Savings



Saving energy around your home is good for everyone. You can feel it in your pocket book and in the air you breath.

That's why East Central Electric offers our members rebates when you purchase energy efficient appliances and discounts on Marathon water heaters.

You can learn more about our rebates at: [ecoec.com/content/rebates](http://ecoec.com/content/rebates)



## Member Return on Investment

East Central Electric sets rates to cover the cost of doing business. We don't exist to generate profits for stockholders. Instead, every dollar we make as a profit is returned to you, our members, in the form of capital credits.

Since 1963, East Central Electric has returned more than

**\$27,945,954**

to our members. In 2020, the co-op

returned **\$1,064,147.**



**East Central**  
ELECTRIC COOPERATIVE

— powering —

**ec**  **LINK**

P.O. BOX 1178  
OKMULGEE, OK 74447  
918-756-0833

[www.ecoec.com](http://www.ecoec.com)

An equal opportunity provider  
and employer