



East Central
ELECTRIC COOPERATIVE



2022 Annual Report



SERVING our MEMBERS and COMMUNITIES

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Message to Members | 3



Dear ECE Member,

In the 85-year history of East Central Oklahoma Electric Cooperative, we have come full circle — building a 6,400 mile electric grid from the ground up and connecting our members to reliable, high-speed internet through ecoLINK fiber.

Our story began with a handful of local farmers and ranchers who wanted to improve the quality of life available to rural Oklahomans. When big corporations refused to provide power because they couldn't turn a profit, the rural folks made it happen by working together to provide electricity where no one else would. Neighbors talked to neighbors, community meetings were held, and on

November 15, 1938, East Central Oklahoma Electric Cooperative was formed.

In the intervening decades, the co-op grew from one small substation at Bald Hill to 23 substations spanning a 3,000 square mile service area and connecting over 36,000 meters to electric power.

In 2018, members of East Central Oklahoma Electric Cooperative had a similar realization to the one they had decades prior. Internet access was not shared equally. Rural communities were being passed over for high-speed internet connection because big companies could not make a profit. And so, by working together, we made it happen again. In early 2019, construction began to bring ecoLINK fiber optic internet and phone services to rural homes and businesses.

2022 proved to be a milestone year for our co-op. In July we celebrated 10,000 ecoLINK installations. We surpassed 36,000 meters connected to the electric grid. And we were able to return approximately \$1 million in would-be profits to our co-op members in the form of capital credits, reaching a milestone of over \$30 million returned to our member's pockets since 1963.

We've always gone the extra mile for our members, and in 2023, as we celebrate the 85th anniversary of our co-op, we will also be celebrating the completion of our fiber project.

East Central Electric Cooperative was built by our membership, belongs to our membership,

and continues to be led by our membership. We have truly come full circle, all thanks to you, our members.

Respectfully Yours,

A handwritten signature in dark ink, appearing to read "Lowell Hobbs".

Lowell Hobbs, Board President

A handwritten signature in dark ink, appearing to read "Tim Smith".

Tim Smith, General Manager



4 | Financial Statements



	2022	2021
YOUR COOPERATIVE OWNS:		
Electric Plant	\$328,686,352	\$288,254,712
Less Depreciation	63,321,840	60,418,080
<hr/>		
Net Utility Plant	265,364,512	227,836,632
Cash and Investments	10,303,386	6,682,068
Patronage Capital Assoc. Organization	40,862,791	38,125,353
CFC Investment Certificates	1,267,375	1,267,375
Accounts Receivable	7,374,167	6,037,087
Other Assets	10,886,267	12,308,671
<hr/>		
Total Assets	\$336,058,498	\$292,257,186
YOUR COOPERATIVE OWES:		
Long Term Debt (RUS)	\$15,275,504	\$16,084,777
Long Term Debt (CFC)	—	—
Long Term Debt (FFB)	123,059,289	74,581,310
Long Term Debt (CoBank)	649,866	19,819,509
Consumer Deposits	3,939,167	3,369,342
Other Liabilities	96,947,078	87,649,261
<hr/>		
Total Liabilities	\$239,870,904	\$201,504,199

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, 2022, 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, 2021 and 2022. East Central Electric's balance sheet reflects 14.99 percent increase in assets. Capital credits and membership fees increased by \$5,434,607, which gave our members an equity level of 28.6 percent.

WHERE THE DOLLAR COMES FROM



24.76%
Commercial
Sales
\$19,120,903



10.63% Other Revenues
and Interest \$8,212,678

Member
Equity

28.6%

Number of
New Members

291

Capital Credits
& Equities

\$96,004,319

Total Liabilities
& Equities

\$336,058,498

WHERE THE DOLLAR GOES

■ Purchased Power
56.6% | \$40,802,853

■ Operations and
Maintenance
14.8% | \$10,652,982

■ Depreciation
9.6% | \$6,906,731

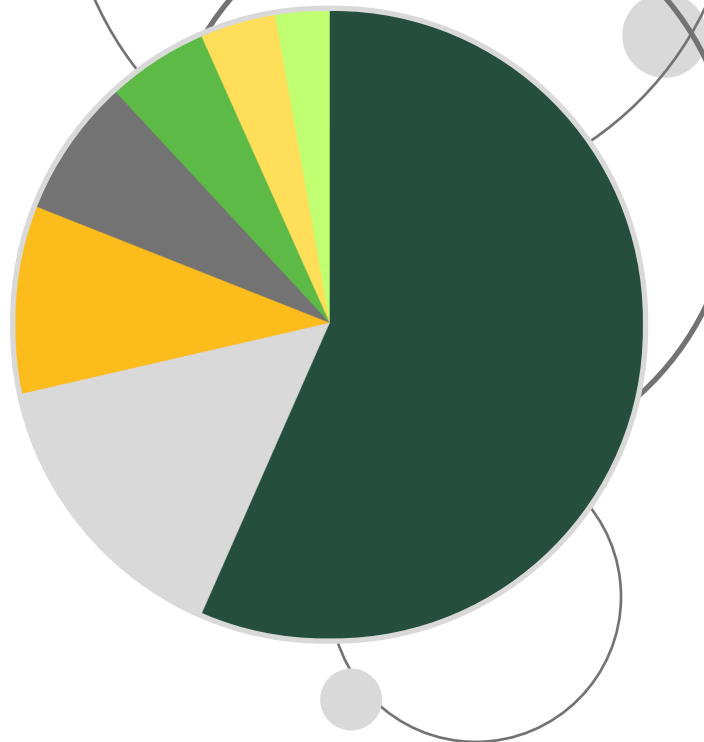
■ Administrative and
General
7.1% | \$5,134,795

■ Interest on Long
Term Debt
5.2% | \$3,720,055

■ Other
3.9% | \$2,846,598

■ Consumer Accounts
2.8% | \$2,003,643

Financial Statements | 5



6 | Operating Report



6,398 Miles of Line • 36,632 Meters • 5.73 Meters per Mile • 917,165 Miles Driven • 11.60¢ per kWh • 99.94% Reliability Rate



	2022	2021
OPERATING REPORT:		
Electric Sales	\$77,240,001	\$68,345,694
Less Cost of Purchased Power	40,802,853	38,499,901
<hr/>		
Net Sales	36,437,148	29,845,793
Operating Expenses	17,791,420	16,287,266
Interest on Debt	3,720,055	4,038,705
Depreciation	6,906,731	6,506,799
Other Deductions	2,846,598	30,982
<hr/>		
Total Expenses (Excluding Cost of Power)	31,264,804	26,863,752
Net Income from Electric Sales	5,172,344	2,982,041
Other Income	4,312,199	3,629,497
<hr/>		
Total Margins and Capital Credits	\$9,484,543	\$6,611,538



In September, 2018, the East Central Electric Board of Trustees approved a landmark decision to extend fiber internet to our members.

Our fiber subsidiary ecoLINK was founded in February, 2019, and the first customer was connected in December of that year.

On July 25, 2022, Christi Stuart of Beggs helped us reach a new milestone, as our ten-thousandth ecoLINK installation.

The story is reminiscent of the one we tell about our co-op's founding.

The luxuries of high-speed internet were seemingly off-limits to rural America.

Even with the promise of government-funding, the big telecom companies

couldn't see a profit in building connections to the scattered residents of the heartland.

So, we the people, banded together and made it happen for ourselves.

Thanks to ecoLINK fiber, where you choose to call home is no longer a limiting factor in access to new technology, on-demand medical care, or distance learning.

We went the extra mile, when others wouldn't. We truly have come full circle.

Total Miles of
Fiber Built
4,115

Members Passed
87%

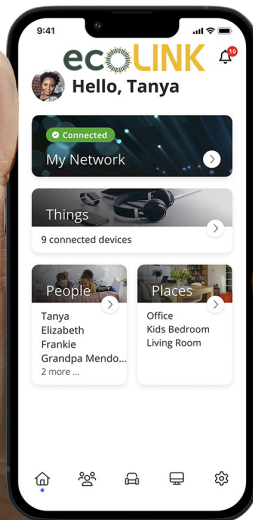
Total Installs
11,819
Take Rate
48.5%

ecoLINK+ App
Blocked
Web Threats
57,000

“

I love it! No buffering. It's fast. Price is right. I tell everybody about your service. ecoLINK is the best internet around. I have tried others but they aren't as good as ecoLINK. Even my friends are jealous and are hoping they can get it soon.”

**-Clifford Spray
of Checotah**





Co-op members make a voluntary contribution each month by rounding up the change at the end of their bill. That change funds Operation Roundup, a program to support local charitable organizations, civic groups, youth programs, community services, and needy families.

Operation Roundup grant recipients in 2022 included:

- Checotah Methodist Mission
- The Right Path Riding Academy
- Okmulgee County Homeless Shelter
- McIntosh County Youth & Family Resource Center
- Wilson Fire Department
- 180 Disaster Relief
- Mercy Mission
- Junior Achievement of Oklahoma
- Town of Grayson
- Bristow Social Services
- Slick Volunteer Fire Department
- Graham Dustin Public Schools
- Crossroads Ranch Ministries
- Okmulgee County Sharks

Granted in 2022
\$131,050

Average Member Contribution
48¢

Scholarship Recipients
20

Granted since 2006
\$2,279,810

10 | Community

East Central Electric invests in our local communities by attending events, hosting tours, and providing safety and energy education programs that benefit our members and the public.

In 2022, this included:

Record-Setting
Give-A-Watt
Season

\$2,653 Donated
32 Electric Bills Paid



Ag Students
Sponsored
75

Economic
Development Events
7

Fire Department
Visits
5

Youth Tour
Participants
6

Energy Camp
Participants
6

Capital Credits

East Central Electric Cooperative is a not-for-profit organization, owned by our members.

Any profit we would make is returned to our members as capital credit.



\$1,116,743
returned in 2022

\$30,157,468
returned since 1963

Board of Trustees | 11



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 Vernon

District 4

Muskogee



Jay Emerson

District 5

Checotah

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



918-756-0833



info@ecoec.com

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

Stay Up-to-Date

www.ecoec.com





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