

# THE CIRCUIT!

August Financial Edition 2020

*A publication for our Members  
in Atoka•Bryan•Choctaw  
Coal•Johnston Counties*



## 2020-A Year of Interruptions!

By James Fox-SEC General Manager



James Fox, SEC General Manager

When 2019 wrapped up, we thought we had a clear picture of what was in store for 2020; Oh how wrong we were! What seemed to be an easy transition into the New Year, soon became interrupted by a worldwide pandemic and national confusion. Immediately, the routine of the day-to-day business changed: Never before had SEC closed its lobby to the public, and never before had SEC cancelled an Annual Meeting!

The August edition of the “Circuit” Newsletter has always provided the Annual Meeting Official Notice. However, back in April SEC’s Board of Trustees were presented with an unprecedented decision to make concerning the 2020 Annual Meeting of the Membership. After evaluating all the information that was available at the time from sources like the CDC

and the Oklahoma State Department of Health, the Trustees decided to follow suit of other electric cooperatives and cancel the Annual Meeting.

Inside this publication is SEC’s Annual Report to the Members. You will see our prior year Financials; our Gross Receipt Tax distribution to area school districts; our Operation and Maintenance Expenses; and the annual disclosure of the 2019 Capital Credit Allocation. All of these records point to the fact that your co-op **remains on very stable financial ground.**

Not only was the day-to-day operation of the Co-op significantly altered, but our Youth Programs took a huge setback as well. The O.Y.E. Youth Leadership Summit was cancelled. (We still awarded two nice scholarships to those scheduled to participate.) Energy Camp was cancelled. (We still provided a virtual camp and some very nice gifts.) Youth Tour was cancelled. (We still provided an alternative program.) So we are proud to end this edition of the circuit with a look at the 2020 Youth Tour participants – a well deserving group of young people who were able to receive an altered but positive experience.

We appreciate the membership of SEC for their continued support, patience and encouragement as we navigate this ever-changing landscape. Please know that our commitment remains unaltered. SEC will continue to deliver a high level of quality service to each and every member/owner of the Co-op.\*\*\*

SOUTHEASTERN ELECTRIC COOPERATIVE, INC.

STATEMENT OF REVENUE AND PATRONAGE CAPITAL  
December 31, 2019

BALANCE SHEET  
December 31, 2019

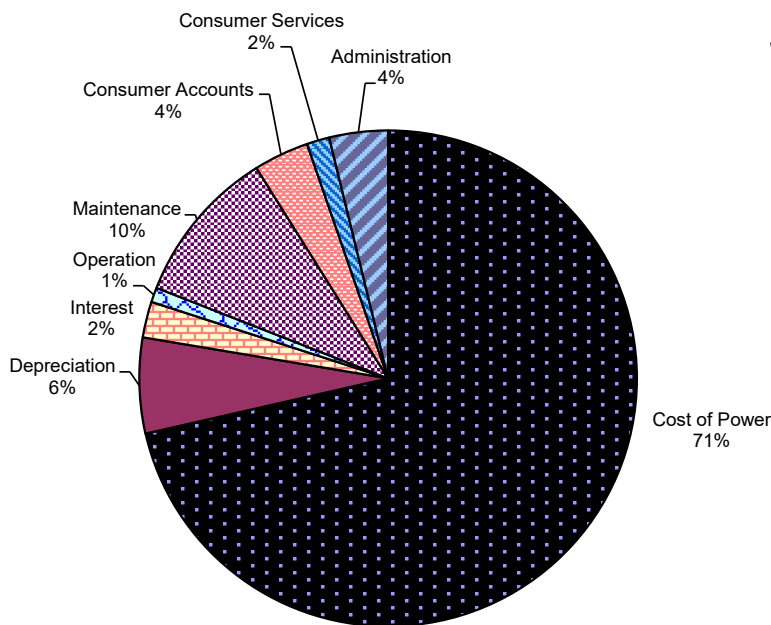
	<u>2019</u>	<b>ASSETS</b>	<u>2019</u>
<b>Operating revenues</b>	<b>\$ 34,264,840</b>	<b>Utility Plant</b>	
<b>Operating expenses:</b>		Electric plant in service-at cost	\$ 64,968,600
Cost of power	23,258,949	Construction work in progress	3,669,950
Distribution expense-operations	311,214		<b>68,638,550</b>
Distribution expense-maintenance	3,314,426	Less accumulated provision for depreciation and amortization	18,627,637
Consumer accounts	1,169,772		
Customer service and information	80,006		
Sales	319,007	<b>Net utility plant</b>	<b>50,010,913</b>
Administrative and general	1,315,028		
Depreciation	2,030,865	Investments in associated organizations	13,214,848
Interest	763,267	Other investments	-
Other interest and deductions	<u>6,560</u>		<b>13,214,848</b>
<b>Total operating expenses</b>	<b>32,569,094</b>	<b>Current Assets:</b>	
<b>Net operating margins</b>	<b>1,695,746</b>	Cash	2,997,635
<b>Nonoperating margins:</b>		Temporary cash investments	-
Interest income	283,073	Accounts receivable-less allowance for doubtful accounts	1,456,740
Other revenue	<u>(1,534)</u>	Accounts receivable unbilled	852,498
<b>Total nonoperating margins</b>	<b>281,539</b>	Material and Supplies (at average cost)	682,611
<b>Net operating &amp; nonoperating margins</b>	<b>1,977,285</b>	Other current and accrued assets	96,227
Generation & transmission capital credits & other Cooperative capital credits	598,566		
<b>Total capital credits</b>	<b>598,566</b>	<b>Total current assets</b>	<b>6,085,711</b>
<b>Net margins for year</b>	<b>2,575,851</b>	Deferred Debits	385,808
Patronage capital-beginning of year	36,561,911		
Retirement of patronage capital	(763,552)	<b>TOTAL ASSETS</b>	<b>\$ 69,697,280</b>
<b>Patronage capital-end of year</b>	<b>38,374,210</b>	<b>LIABILITIES AND MEMBERS' EQUITY</b>	<u>2019</u>
		<b>Equities and margins:</b>	
		Memberships	\$ 55,255
		Patronage capital	38,374,210
		Other equities	1,434,974
		<b>Total equities and margins</b>	<b>39,864,439</b>
		<b>Long-term debt:</b>	
		Long-term debt less current maturities	22,807,908
		<b>Current Liabilities:</b>	
		Current maturities of long-term debt	1,279,000
		Accounts Payable	2,933,714
		Consumer Deposits	416,310
		Accrued liabilities	2,120,239
		<b>Total current liabilities</b>	<b>6,749,263</b>
		Deferred credits	275,670
		<b>TOTAL LIABILITIES and MEMBERS' EQUITY</b>	<b>\$ 69,697,280</b>

## Area Schools Benefit From 2019 Taxes

### Southeastern Electric and Western Farmers Electric Cooperatives paid **\$1,220,335.37** in taxes for area schools.

Listed below are the area school districts receiving gross receipts taxes that Southeastern Electric Cooperative and Western Farmers Electric Cooperative paid the Oklahoma Tax Commission in 2019. These taxes are based on the miles of line in each school district. The state keeps five percent and remits the balance to the school districts.

Achille	\$127,794.90	Durant	\$35,835.03
Atoka	\$61,348.87	Harmony	\$95,620.14
Bennington	\$64,469.69	Lane	\$67,038.80
Boswell	\$58,208.86	Milburn	\$20,612.16
Caddo	\$73,898.46	Rock Creek	\$150,979.97
Calera	\$37,572.79	Silo	\$123,217.31
Caney	\$35,802.22	Stringtown	\$13,054.93
Coalgate	\$107,758.60	Tishomingo	\$33,465.23
Colbert	\$39,971.14	Tushka	\$38,241.12
Coleman	\$25,958.48	Wapanucka	\$9,486.67



## Where Your Money Goes

Cost of Power.....	\$23,258,949
Depreciation.....	\$2,030,865
Interest.....	\$763,267
Operation.....	\$311,214
Maintenance.....	\$3,314,426
Consumer Accounts.....	\$1,169,772
Consumer Services.....	\$480,619
Administration.....	\$1,239,982
 Total.....	 \$32,569,094

### Capital Credit Allocation

The Patronage Capital Credit Allocation Notice is issued in accordance with the Bylaws of Southeastern Electric Cooperative. The total amount allocated from Southeastern Electric Cooperative for the calendar year of 2019 is \$1,961,423.00. The allocation factor is .07757310 for residential accounts, .11169197 for irrigation accounts, .08221074 for small commercial accounts, .07296019 for large commercial, and .00110307 for large power accounts.

To determine your amount of capital credit allocation, multiply the allocation factor by the total amount of your electric bill for 2019. The amount of your allocation is available from the Cooperative upon request.

This amount is not available as either cash or credit on your electric bill. Refund of this amount, in full or in part, at any time in the future, shall be based on the decision of the Board of Trustees that the financial condition of the Cooperative shall not be impaired by making such refund. This notice is for your information only. If you cease to be a Member, please keep us advised of your current address.

# COVID Cancels Youth Tour

COVID-19 has affected all of our daily lives in one way or another. From the way that a business operates to how we do our personal grocery shopping, there is no shortage of the impact. However, for these three local high school Juniors, the pandemic cancelled one huge trip of a life time: the 2020 Oklahoma Youth Tour.



The Oklahoma Youth Tour is a seven-day all expense paid trip to Washington, D.C. Eleventh graders from around the SEC service territory entered the contest by submitting a multimedia presentation over the topic of “What Makes An Electric Cooperative Unique”. SEC selected three individuals to attend Youth Tour on behalf of the Cooperative.

Those chosen were (*pictured left-top to bottom*) Alexander Robinson from Rock Creek High School, Max Bledsoe from Colbert High School and Daniel Cullum from Silo High School.



While on any normal year, these three students would be shuttled off for a week in June with the promises of excitement, leadership and for the experience of a lifetime. Unfortunately, this year had different plans in store.

Multiple SEC events were cancelled due to the looming pandemic. Youth Tour was among those events. The SEC Board of Trustees made the decision to still honor these bright students by awarding each of them with a \$2,000 Scholarship.



SEC knows that these young adults will move on to grow into exemplary adults and role models, with a future of success and knowledge.

While we have no idea what the future holds for any of our programs that involve social interaction-we are hopeful and staying positive that our youth programs will return in 2021. We want to let the students, parents and teachers in our service territories know that we are doing everything we can to keep everyone informed of the latest updates on these programs. Remember to “Like” and “Follow” our Facebook page to stay in the know with your Cooperative!