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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION <div style="text-align: right;">KS0042</div>
	PERIOD ENDED December 2021
INSTRUCTIONS - See help in the online application.	BORROWER NAME <div style="text-align: right;">The Lane-Scott Electric Cooperative, Inc.</div>

This information is analyzed and used to determine the submitter’s financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII
(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Richard McLeon

4/18/2022
DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	16,137,299	18,976,716	17,053,549	1,643,585
2. Power Production Expense				
3. Cost of Purchased Power	9,219,252	11,294,294	10,301,102	850,255
4. Transmission Expense	2,133			
5. Regional Market Expense				
6. Distribution Expense - Operation	1,474,902	1,018,864	1,019,731	212,805
7. Distribution Expense - Maintenance	931,974	1,245,835	700,000	254,309
8. Customer Accounts Expense	211,622	225,551	180,408	47,620
9. Customer Service and Informational Expense	47,090	67,611	37,445	5,750
10. Sales Expense	61,443	71,976	47,576	22,852
11. Administrative and General Expense	1,286,157	1,453,814	1,189,915	285,109
12. Total Operation & Maintenance Expense (2 thru 11)	13,234,573	15,377,945	13,476,177	1,678,700
13. Depreciation and Amortization Expense	1,650,032	1,844,094	1,729,870	155,082
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,337,470	1,338,205	1,238,422	112,393
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	1,971	146	2,513	12
19. Other Deductions	40,819	23,031	12,600	3,633
20. Total Cost of Electric Service (12 thru 19)	16,264,865	18,583,421	16,459,582	1,949,820
21. Patronage Capital & Operating Margins (1 minus 20)	(127,566)	393,295	593,967	(306,235)
22. Non Operating Margins - Interest	240,315	160,696	261,098	3,432
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(65,313)	(122,093)	27,500	(13,036)
26. Generation and Transmission Capital Credits	392,903	1,405,537		41,186
27. Other Capital Credits and Patronage Dividends	47,965	57,380	83,807	7,617
28. Extraordinary Items		619,088		619,088
29. Patronage Capital or Margins (21 thru 28)	488,304	2,513,903	966,372	352,052

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PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	55	56	5. Miles Transmission		
2. Services Retired	51	50	6. Miles Distribution – Overhead	2,035.37	2,038.73
3. Total Services in Place	6,045	6,049	7. Miles Distribution - Underground	7.66	7.66
4. Idle Services (Exclude Seasonals)	246	257	8. Total Miles Energized (5 + 6 + 7)	2,043.03	2,046.39
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	58,926,015		30. Memberships	0	
2. Construction Work in Progress	1,004,116		31. Patronage Capital	21,272,283	
3. Total Utility Plant (1 + 2)	59,930,131		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	19,410,940		33. Operating Margins - Current Year	393,295	
5. Net Utility Plant (3 - 4)	40,519,191		34. Non-Operating Margins	2,661,908	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	208,376	
7. Investments in Subsidiary Companies	230,144		36. Total Margins & Equities (30 thru 35)	24,535,862	
8. Invest. in Assoc. Org. - Patronage Capital	12,349,958		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	33,234,898	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	221,958		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	6,389,766	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	4,338,233	
14. Total Other Property & Investments (6 thru 13)	13,253,022		43. Total Long-Term Debt (37 thru 41 - 42)	35,286,431	
15. Cash - General Funds	135,302		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	100		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	25		46. Total Other Noncurrent Liabilities (44 + 45)	0	
18. Temporary Investments	5,599,781		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	1,209,779	
20. Accounts Receivable - Sales of Energy (Net)	1,398,249		49. Consumers Deposits	112,956	
21. Accounts Receivable - Other (Net)	212,610		50. Current Maturities Long-Term Debt	2,306,570	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	473,727		52. Current Maturities Capital Leases	0	
24. Prepayments	42,428		53. Other Current and Accrued Liabilities	1,239,767	
25. Other Current and Accrued Assets	178,091		54. Total Current & Accrued Liabilities (47 thru 53)	4,869,072	
26. Total Current and Accrued Assets (15 thru 25)	8,040,313		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	0	
28. Other Deferred Debits	2,878,839		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,691,365	
29. Total Assets and Other Debits (5+14+26 thru 28)	64,691,365				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KS0042
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2021
PART D. NOTES TO FINANCIAL STATEMENTS	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION KS0042
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2021
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION KS0042			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2021			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	53,814,746	1,148,869	229,197		54,734,418		
2. General Plant	2,603,949	57,781	159,565	638,004	3,140,169		
3. Headquarters Plant	2,759,693				2,759,693		
4. Intangibles	494				494		
5. Transmission Plant	1,229,049				1,229,049		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	(2,299,804)			(638,004)	(2,937,808)		
8. Total Utility Plant in Service (1 thru 7)	58,108,127	1,206,650	388,762	0	58,926,015		
9. Construction Work in Progress	284,441	719,675			1,004,116		
10. Total Utility Plant (8 + 9)	58,392,568	1,926,325	388,762	0	59,930,131		
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	172,901	511,094	7,297	398,728	5,470	(6,029)	281,065
2. Other	155,230	179,147	0	10,230	133,767	2,281	192,661
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	98,400	311,400	.600	81,000	491,400		
2. Five-Year Average	48,000	62,400	9,000	174,600	294,000		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	21	4. Payroll - Expensed				1,196,069	
2. Employee - Hours Worked - Regular Time	46,373	5. Payroll - Capitalized				367,378	
3. Employee - Hours Worked - Overtime	2,236	6. Payroll - Other				507,066	
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			390,140	1,900,824		
	b. Special Retirements			61,000	1,135,715		
	c. Total Retirements (a + b)			451,140	3,036,539		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power			214,250			
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			11,831			
	c. Total Cash Received (a + b)			226,081			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	21,175	2. Amount Written Off During Year	\$	998		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %				4. Anticipated Loan Default %			
2. Actual Loan Delinquency %				5. Actual Loan Default %			
3. Total Loan Delinquency Dollars YTD	\$				6. Total Loan Default Dollars YTD	\$	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					BORROWER DESIGNATION KS0042				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December 2021				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Sunflower Electric Power Corp (KS0053)	18315			172,292,520	13,703,987	7.95	7,119,916	2,177,012
2	Wheatland Electric Coop, Inc (KS0051)	20510				6,000	0.00		
	Total				172,292,520	13,709,987	7.96	7,119,916	2,177,012

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PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			
2			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION KS0042	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2021	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	Hineman	Radio Tower Site	750
2	Peck	Substation Site	150
	TOTAL		900

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2021	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 7/20/2021	2. Total Number of Members 2,596	3. Number of Members Present at Meeting 143	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 51,573	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2021		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)				
2	National Rural Utilities Cooperative Finance Corporation	5,213,010	251,897	555,994	807,891
3	CoBank, ACB	1,176,756	28,521	972,854	1,001,375
4	Federal Financing Bank	33,234,898	788,443	634,870	1,423,313
5	RUS - Economic Development Loans				
6	Payments Unapplied	4,338,233			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	Farm Credit Services - Truck Leases	0	948	310,413	311,361
	TOTAL	35,286,431	1,069,809	2,474,131	3,543,940

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2021		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	2,221	2,227	
	b. kWh Sold			23,771,689
	c. Revenue			3,052,169
2. Residential Sales - Seasonal	a. No. Consumers Served	1,143	1,146	
	b. kWh Sold			2,090,993
	c. Revenue			428,215
3. Irrigation Sales	a. No. Consumers Served	333	332	
	b. kWh Sold			8,381,209
	c. Revenue			1,048,718
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,856	1,851	
	b. kWh Sold			49,159,049
	c. Revenue			5,745,205
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	177	181	
	b. kWh Sold			68,365,457
	c. Revenue			7,714,065
6. Public Street & Highway Lighting	a. No. Consumers Served	13	13	
	b. kWh Sold			431,352
	c. Revenue			58,086
7. Other Sales to Public Authorities	a. No. Consumers Served	48	49	
	b. kWh Sold			364,378
	c. Revenue			52,199
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served	1	1	
	b. kWh Sold			9,517,922
	c. Revenue			873,957
10. Total No. of Consumers (lines 1a thru 9a)		5,792	5,800	
11. Total kWh Sold (lines 1b thru 9b)				162,082,049
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				18,972,614
13. Transmission Revenue				
14. Other Electric Revenue				4,103
15. kWh - Own Use				75,731
16. Total kWh Purchased				172,292,519
17. Total kWh Generated				
18. Cost of Purchases and Generation				11,294,294
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				32,358

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.				PERIOD ENDED December 2021		
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers <i>(a)</i>	Amount Invested <i>(b)</i>	Estimated MMBTU Savings <i>(c)</i>	No. of Consumers <i>(d)</i>	Amount Invested <i>(e)</i>	Estimated MMBTU Savings <i>(f)</i>
1. Residential Sales (excluding seasonal)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total						

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</p>	<p>BORROWER DESIGNATION KS0042</p> <p>PERIOD ENDED December 2021</p>
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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Patronage Capital-Rural Data Processing	2,643			
	Patronage Capital-Kansas Electric Coop	22,242		1,812	
	Patronage Capital-NiSC	68,330		4,897	
	Patronage Capital-Garden City Coop	4,057		(11)	X
	Patronage Capital-S & T Telephone Coop Assn	102,255			X
	Midwest Energy	586		(208)	X
	Patronage Capital-NRUCFC		220,608	10,254	X
	NRUCFC-Capital Term Certificates		221,958		
	Membership-NRUCFC		1,000		
	Membership-NRECA	10			
	Membership-Midwest ACA	25			
	Membership-Sunflower Electric Power Corp.	100			
	Membership-NiSC	50			
	Membership-KEC	10			
	Membership-S & T Telephone Coop Assn	5			
	Common Stock-Federated Rural Electric Ins.	160,879		9,913	
	Membership-SEP Corporation	1,000			
	Sunflower Electric Power Corp.	303,000			
	Building & Land Fund-KEC	19,222			
	Membership-NRTC	1,000			
	Golden Belt Telephone	32,604		5,363	X
	Sunflower Electric Power Corp	5,363			
	Patronage Capital - Co-Bank		20,346		
	Patronage Capital-Sunflower Electric Power Corp		11,192,092	1,191,287	
	Patronage Capital-HLS-Federated Rural Electric Ins			(35,516)	
	Patronage Capital-HLS-S&T Telephone Coop Assn	7,401			X
	Patronage Capital-HLS-Pioneer Electric	52			
	Patronage Capital-HLS-Lane-Scott Electric	971			X
	Patronage Capital-HLS-New-Mac Electric	471			
	Patronage Capital-HLS-Intercounty Electric	130			
	Patronage Capital-HLS-Midwest Energy	346			
	Patronage Capital-HLS-Webster Electric	77			
	Patronage Capital-HLS-Barry Electric	87			
	MKEC - G&T Patronage Capital		435,561	(77,923)	
	MKEC LLC	423,039			
	Totals	1,155,955	12,091,565	1,109,868	
4	Other Investments				
	Lane County Area Development Corp	5,000			X
	Garden City Coop	500			X
	Beeler Coop	1			X
	Totals	5,501			
6	Cash - General				
	First National Bank-Dighton, Ks		8,424		
	First State Bank-Healy, Ks	26,607	100,000		
	Working Funds	270			
	First State Bank-Healy, Ks.-Revolving Loan Fund				
	Totals	26,877	108,424		
7	Special Deposits				
	City of Dighton-Meter Deposit	25			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2021	
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.			
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)			
	Totals	25	
8	Temporary Investments		
	First National Bank-Dighton, Ks		65,891
	First State Bank-Healy, Ks	42,438	100,000
	NRUCFC Commercial Paper		5,391,452
	Totals	42,438	5,557,343
9	Accounts and Notes Receivable - NET		
	Accts Rec-Resale & Electrician Service	(3,644)	
	Accts Rec-Contributions in aid of construction	216,254	
	Totals	212,610	
11	TOTAL INVESTMENTS (1 thru 10)	1,443,406	17,757,332
			1,109,868

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2021			
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PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2021			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					2.41 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				

2022-Line 25 - Non-Operating Margins

		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	
Rev.-Electrician & Mat.	415.1	\$41,610.26	\$39,180.92	\$58,583.01										\$139,374.19	415.1
Exp.-Electrician & Mat.	416.1/11	\$44,296.05	\$40,880.21	\$51,002.11										\$136,178.37	416.1/11
		(\$2,685.79)	(\$1,699.29)	\$7,580.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,195.82	
Rev.-Appliance Repair	415.2	\$13,226.33	\$35,074.50	\$11,957.94										\$60,258.77	415.2
Exp.-Appliance Repair	416.2/21	\$28,823.68	\$28,034.21	\$20,145.35										\$77,003.24	416.2/21
		(\$15,597.35)	\$7,040.29	(\$8,187.41)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$16,744.47)	
Rev.-Member Damages	415.3	\$0.00	\$315.00	\$0.00										\$315.00	415.3
Exp.-Member Damages	416.3	\$0.00	\$0.00	\$0.00										\$0.00	416.3
		\$0.00	\$315.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$315.00	
Finance Charges	415.5	\$144.44	\$214.36	\$94.92										\$453.72	415.5
MARGIN-Retail		(\$18,138.70)	\$5,870.36	(\$511.59)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$12,779.93)	
Misc. Income	421.0	\$0.00	\$0.00	\$0.00										\$0.00	421.0
Gain on Disposal	421.1	\$0.00	\$0.00	\$0.00										\$0.00	421.1
Loss on Disposal	421.2	\$0.00	\$0.00	\$0.00										\$0.00	421.2
NET NON-OP MARGIN		(\$18,138.70)	\$5,870.36	(\$511.59)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$12,779.93)	

	Current Month				YTD Total			
	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev	Billed Hours	Unbilled Hours	Hourly Rate	Total Unbilled Rev
Kalo	155	38	\$ 85.00	\$ 3,230.00	368	192	\$ 85.00	\$ 16,320.00
Michael	172.5	31.5	\$ 85.00	\$ 2,677.50	433.5	135.5	\$ 85.00	\$ 11,517.50
Mark	148	49	\$ 85.00	\$ 4,165.00	434.5	120	\$ 85.00	\$ 10,200.00
	475.5	118.5		\$ 10,072.50	1236	447.5		\$ 38,037.50

80.05%

73.42%

Operations Report April 2022

- **Maintenance**

Finished changing out broken poles from March 21 blizzard.
Finished clean up from March Blizzard.
Retired idler services in Ness, Lane and Hodgeman Co.
Retired underbuild on double circuit west of the Ness City 115 sub.
Fixed lights system wide.
Dropped lines for Ehmke Seed to move a grain bin.
Sprayed all the LSE native substations, north lot and pole yard. Waiting on calm weather to finish spraying the rest of the subs.
Monthly sub checks.
Changed out poles in McCracken, Utica, North Norton 3 phase and Dan Wehkamps.
Trimmed trees in McCracken, Shields, and north of Dighton.
Replaced anchors at Leland Moore's and Scott Park.
Energized underground and transformer in Scott Park for new camper addition.
Fixed floaters, broken jumpers and insulators system wide.
Refused transformers and side taps system wide.

- **New Connects**

Built new 3 phase connect for Palomino, Rider of The Storm lease.
Set new pad mount transformer and trenched new primary line underground at BTI in Ness City for new air conditioning load.
Built new single-phase line to water well at Peach Grove.
Built new single phase connect for Andrew Flax new house.
Set pole and built new single phase connect for Tom Bennet's new shed.
Built 4 spans of new single phase to Sunflower radio tower by Twin Springs substation.

- **Metering**

Changed out nonresponsive meters system wide.
Reset and updated firmware in meters.
Working on replacing batteries in all the collectors.

- **Other**

Cleaned and serviced trucks.
KEC monthly safety meeting.
Helped Mark trench new gas lines for generators.
Kasey and Leighton attended NEC training in Salina.

INFORMATION TECHNOLOGY REPORT

IT/COMPLIANCE PROJECTS COMPLETED AS OF APRIL 2022

1. Trustee website URL node directory update.
2. NRECA Cooperative IT Mentoring Program enrollment and program schedule.
3. MDM – Analytics training.
4. Domain disk cleaner.
5. Assisted Nate Burns AppSuite storm outage mapping data reviewed and updated settings.
6. Assisted Nate Burns OMS mapping programming, storm mode settings, and testing.
7. Reviewed CIS account purge process.
8. Reviewed OMS and MapWise logging methods.
9. PC desk mounts installed.
10. Backup storage issues resolved.
11. USDA account issues resolved.
12. DNP cancel cutoff CSR notifications set up.
13. Microsoft Active Directory training.
14. Troubleshooting employee software and device issues.
15. AppSuite Compass 1.87 version updates. Lineman enhancement feature upgrade notice.
16. Reviewed 2.53 iVue upgrade features.
17. Mapping and domain server Veritas backup hotfix patching.
18. AppSuite MapView TPK imagery and data file monthly update.

IT/COMPLIANCE PROJECTS IN PROGRESS AS OF APRIL 2022

1. Review board room conference and accessory set up ordered.
2. Researching network switch transitioning.

IT DEPARTMENT

CYBERSECURITY COMPLIANCE REPORT

*CYBERSECURITY/IT PROJECTS **COMPLETED** AS OF APRIL 2022*

1. Researched Spring framework "Spring4shell" vulnerability and if it impacted our vendors.
2. Employee cybersecurity awareness alert email concerning another cooperative incident and precautions.
3. Implemented KnowBe4 Second Chance extension add on provides the person one last chance to choose to go on with their action or not if an accidental click has occurred.



4. Amazon account phone scam attempt.
5. Reviewed cyber grid vulnerability awareness.
6. NRECA Cybersecurity Incident Response Plan Development Workshop
7. Call Capture Secure Payment IVR server upgrade and maintenance to version 2.48.2-3.
8. ASP iVue server monthly patching and updates.
9. Office 365 threat management daily review and risk mitigation.
10. Manage Engine Desktop Central patch management daily review and risk mitigation.
11. Cyber Detect Rapid 7 asset vulnerability management and risk mitigation.
12. Cyber Detect Insight end user vulnerability management and risk mitigation.
13. Cyber Detect Nexpose vulnerability scan.
14. US Payment KIOSK monthly server patching and software upgrade.
15. Operations and domain server backups and alert warning daily review.
16. Applications and windows updates and patching.

*CYBERSECURITY/IT PROJECTS **IN PROGRESS** AS OF APRIL 2022*

1. Cybersecurity operating policy.
2. Cybersecurity training operating policy.
3. Cybersecurity wire fraud operating policy.
4. Researching Microsoft P1 license securities versus P2 securities.
5. Aruba wireless network access point and device replacement.
6. Cyber Defense Firewall full management upgrade.
7. Cyber Patch full management upgrade.

Member Services Report

May 2022

1. Continuing Education Scholarship recipients are:
 - a. Taylor Cable, Ness City HS, entering Electric Power Technology Program at Pratt.
 - b. Alexa Reinhardt, Ness City HS, Elementary Education at Sterling College.
 - c. Jena Ratliff, Ness City HS, Pre-Law/Criminal Justice, Sterling College
 - d. Amy Foos, Ness City HS, Elementary Education, Wichita State University
 - e. Dylan Bruntz, Ag Business, completing his 1st yr at FHSU
 - f. Emma Borell, Dighton HS, Teaching, FHSU
2. CoBank Sharing Success Grant: (\$500 LSEC / \$500 CoBank). The following applications were submitted to CoBank for approval. Once approved I will let them know they've been selected and schedule our PR stops!
 - a. American Legion Riders Post 392, Bazine, KS: The grant will be used to help fund their annual poker run fundraiser to bring awareness towards veterans' suicide prevention. Specifically, the grant will help them fund and bring in more bikers for the event by providing them with breakfast and expand their marketing of the event. Money that was raised last year for the event was donated to Operation Comfort Warrior; an organization that provides their wounded warriors with comfort items they need that's not provided by the government.
 - b. Ransom VFW Post 7972: The grant would be used for the Western Plains Honor Flight to help area Veterans of Ness, Trego, Lane, Gove, Graham, Hodgeman, Ford, Rush, and Ellis counties go to Washington D.C. for the Honor Flight to see the monuments. High School students from local high schools serve as guardians for these Veterans and get an education of history and life from the experience.
 - c. Ness City Leisure Years Center: The grant will be used for new LED lighting throughout the center.
 - d. Lane County Fire Department: The grant will be used to enhance their gran bin rescue equipment with additional ropes and updated safety harnesses.
3. The Annual Food Drive Event is underway. We are again partnering with local elementary schools to help stock our local Lane and Ness County's food pantries before summer. This year Ness City, Western Plains (Ransom and Bazine), and Dighton will be participating! Each school will participate in a classroom challenge to see which grade collects the most items. The class at each school who wins gets \$100 towards that classroom for supplies for the next school year and a pizza party, and a treat provided to all students for participating.

4. Board of Trustee elections: Advertising for nominees for the positions up for re-election this year. The application period to be considered by the nominating committee will be up to May 27. Advertising in May in KCL, social media, local chambers, and local newspapers.
5. Bylaw Booklets with revisions are being printed.
6. I attended and helped Sunflower Electric with the Electro-rally in Scott City.
7. A Electro-rally newspaper article about our Dighton team ran in the Dighton Herald.
8. Cooperative Youth Leadership Camp: An article ran in the Dighton Herald and Ness News for our two attendees this year.
9. Normal monthly KCL, social media posts, website updates, new member e-mail series, newsletter e-blast.

April Warehouse Report

Total Inventory Dollars on Hand for April:

Line Material--\$232,235

Inventory Turns—1.469

Resale Material--\$226,657

Inventory Turns—0.786

Resale material \$ amount will drop after billing goes through as several Generac generators were installed this month.

Generac Update:

Calls for quotes have slowed but calls for us to come service Generac generators seem to be increasing. Lead times are still 40 weeks or more, with the transfer switches taking the longest to receive. We did see another price increase across the board from Generac in April. We currently are waiting on 8 generator packages to ship in.

Inventory to be Billed/Future Margins:

8 Generac generators: \$90,000 average gross/\$20,000 average net margin

12,000' Duct: \$30,500 gross/\$10,000 net margin

1500' 1/0 Duct: \$5,284 gross/\$1750 net margin

Electrician Update:

The electricians were able to install 4 Generac generators in the month of April which will help our on-hand inventory dollars. The Lane County Feeders New Mill project is ramping up, with more time being spent out there by the guys. We have received some larger ticket items that have been on order for quite some time for this job and they will be billed out in April. These items will significantly boost our margins for the month, as we will make around \$15,000 in margin off one item in particular.

HVAC Update:

For Mark, it has been a mix of heater and A/C calls as the weather keeps going back & forth. A few season checks were completed in April and several calls were received on our warmer days to come and service our member's air conditioners. A new water heater was installed and multiple quotes were given out to members for new HVAC systems.

Line Material:

As it is with everything, certain items on the line side are getting increasingly difficult to locate. Pole quotes consistently come in with a 3-5 week lead time and anything made with fiberglass has pushed out to over 40 weeks. Transformers are only getting worse as well, with the last quote received putting rebuilt transformers 71-73 weeks out from time of order. Communication, planning, and diligence will be needed to ensure we keep an adequate inventory of these hard-to-get items.

LANE-SCOTT ELECTRIC COOPERATIVE, INC. POLICY

Dated: November 1, 2021

Policy No.: 113

SUBJECT: Capital Credits

I. OBJECTIVE:

The objective of this Capital Credits Policy ("Policy") is to state the general policy of Lane-Scott Electric Cooperative, Inc., ("Cooperative") for allocating and retiring capital credits.

II. POLICY:

The Cooperative shall allocate and retire capital credits in a manner that:

- A. is consistent with state and federal law;
- B. is consistent with operating on a cooperative basis under federal tax law;
- C. is fair and reasonable to the Cooperative's patrons and former patrons;
- D. provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; and
- E. protects the Cooperative's financial condition. Subject to law, the Cooperative's Articles of Incorporation, and the Cooperative's Bylaws, the allocation and retirement of capital credits are at the sole discretion of the Cooperative's Board of Trustees ("Board").

III. PROCEDURE:

- A. Board Approval. The Cooperative shall allocate and retire capital credits according to the manner, method, timing, and amount approved by the Board.
- B. Operating Margin Allocations. As required by the Cooperative's bylaws, for electric energy sales provided by the Cooperative on a cooperative basis during a fiscal year, the Cooperative shall allocate on a patronage basis to each patron during the fiscal year, the Cooperative's operating margins from providing the electric energy sales during the fiscal year. Capital credits allocated and credited to the Cooperative by its affiliated G&T cooperative in connection with the furnishing of electric energy to the Cooperative will be separately allocated on a patronage basis.
- C. Operating Margin Loss Allocations. For electric energy sales provided by the Cooperative on a cooperative basis, the Cooperative shall offset operating losses with the Cooperative's operating earnings from providing the electric energy sales during the next succeeding future fiscal year(s).
- D. Non-Operating Allocations. As approved by the Board, the Cooperative may use, retain, or equitably allocate the Cooperative's Non-Operating earnings.
- E. Non-Operating Loss Allocations. The Cooperative shall offset non-operating losses with the Cooperative's non-operating earnings during any fiscal year.
- F. General Capital Credits Retirements. The Cooperative will generally retire capital credits with the goals of:

1. maintaining an adequate equity level as determined by the Board;
2. retiring some capital credits each year, provided the financial condition will not be impaired thereby with the goal of working toward and maintaining an equity level of 40%;
3. retiring capital credits on a first-in, first-out full payment method of rotation;
4. retiring capital credits on a regular rotation;
5. communicating and promoting the cooperative principles;
6. fostering loyalty and support among patrons and former patrons; and
7. maximizing public relations and political goodwill. Notwithstanding the foregoing, affiliated G&T cooperative capital credit allocations will not be retired and paid in whole or in part until retired and paid by the G&T cooperative.

G. Special Capital Credits Retirements.

1. The Cooperative may specially retire capital credits allocated to a patron or former patron:
 - a. upon the death of an individual patron or former individual patron, subject to board approval; or
 - b. upon a former patron failing to pay an amount owed to the Cooperative when the Board, in its sole judgment, determines the indebtedness owed to the Cooperative by a patron is uncollectible.
2. The Cooperative may not specially retire capital credits allocated to a patron or former patron:
 - a. during or after the dissolution, liquidation, or cessation of existence of an entity patron or former entity patron. No capital credits held in the name of a trust may be approved for the payment to a trustee, unless the trust was revocable by the member-grantor at death, or the trust was includable in the member-grantor's estate for federal estate tax purposes.;
 - b. during or after the reorganization, merger, or consolidation of an entity patron or former entity patron;
 - c. upon a patron or former patron reaching a certain age; or
 - d. upon a patron becoming a former patron. No payment shall be made to any person until the time to admit a will to probate and the time to file creditor's claims has expired.
3. Payment shall be made directly to those entitled thereto under a decree of descent or under an affidavit of heirship, an example of which is attached.
4. Requests for payment of capital credits to estates of deceased patrons will be paid twice yearly, in June and December, upon approval by the Board of Trustees.

H. Recoupment, Offset, Setoff. After retiring, and before paying, capital credits allocated to a patron or former patron, the Cooperative shall recoup, offset, or setoff any amount owed to the Cooperative by the patron or former patron, including any interest or late payment fees, by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed to the Cooperative, regardless of a statute of limitation or other time limitation.

IV. LIMITATIONS

Forfeiture of Capital Credits. The Cooperative shall not require or enter into contracts through which a patron or former patron forfeits the right to the allocation or retirement of capital credits as a condition of receiving or having received electric service.

V. Responsibility

The General Manager shall ensure that this policy is implemented.

ATTESTED _____

Secretary

Seal

Previous Revisions: August 13, 2018, January 8, 2018, July 28, 1997, February 24, 1997, May 24, 1993, August 1966, July 1966, and January 1962.

AFFIDAVIT OF DEATH AND HEIRSHIP

STATE OF KANSAS, COUNTY OF _____, SS:

I, _____, of lawful age, being first duly sworn, upon my oath depose and say:

1. During the lifetime of _____, I was related to him/her as a _____, and I am one of the heirs-at-law the following named persons, to-wit:
2. That said decedent died in the city of _____, on the _____ day of _____, leaving as his/her sole and only heirs-at-law the following named persons, to-wit:

If percent of distribution are not specified, capital credits will be paid equally to each heir listed.

A. Spouse: Name _____
Address _____
Percent of distribution _____

B. Living Children: Name _____
 Address _____
 Percent of distribution _____
 Name _____
 Address _____
 Percent of distribution _____

If additional space is needed, attach a separate sheet listing name, address & percent of distribution

C. Others: Name _____
 Address _____
 Percent of distribution _____

3. The decedent had no spouse or children or adopted children, or issue of deceased children, natural or adopted, or other heirs, who survived him, other than the above-named persons.
4. That more than six (6) months has expired after the decedent's death, and no administration of the estate has been commenced and that none is anticipated.
5. That decedent did not have a Will.
6. That all debts of decedent have been paid in full; that no taxes are due the United States or the State of Kansas by reason of the death of the decedent.
7. That during his lifetime, the decedent was a member of Lane-Scott Electric Cooperative, Inc., and this affidavit is submitted in support of application for payment of capital credits and refunds which might be due the deceased member by reason of his membership in said Cooperative.

DATE: _____ Affiant (Name) _____
 Mailing Address _____
 City, State & Zip _____

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Seal

Notary Public