



To: **Board of Trustees and Attorney**

A regular meeting of the Board of Trustees has been scheduled for April 28, 2025, at 7:00 p.m.

Proposed Agenda:

1. Call to Order
2. Reading and Approval of Minutes
3. Presentation of Check Register
4. Presidents Report
5. Attorneys Report
  - a. Nominating Committee Report
6. Sunflower EPC Report
7. KEC Report
8. General Managers Report
  - a. Strategic Plan Quarterly Review
  - b. General Manager Evaluation materials (provided separately)
9. Old Business
10. New Business
  - a. 2024 Financial Audit – Randy Robbins, CPA, BSGM
  - b. 2024 Capital Credit Allocation – Joselyn Walker, MA
  - c. Sunflower EPCorp 2025 Annual Meeting Delegate and Alternate
  - d. Sunflower Electric Holdings Annual Meeting Delegate and Alternate
11. Safety Program Report
12. Executive Session (if requested).
13. Adjourn

Upcoming Events:

KEC Board meeting	Wichita	May 7-8
LSEC Board Meeting	Dighton	May 19
Sunflower Annual Meeting	Ulysses	May 21

## Electronic Document Index

#	item	author	document	Board Packet
2	Minutes	Joe	Minutes	3-6
3	Check Register(s)	Diana	AP / Check Register	7-11
4	Presidents Report	Dick		
5	Attorneys Report	Joe		
6	Sunflower Report	Sunflower	SEPC Board Summary	
			Member billing summary	12
7	KEC Report			
8	CEO / GM Report	Richard	Report	13-16
			Strategic plan Assessment	17-20
			GM / CEO Expense Report	21-24
			Per Diem Request	25
	<u>Financials</u>	Jocelyn	Form 7	26-27
	<u>Operations / Engineering</u>	Dal	Monthly Report	28-29
			Maintenance Inspection Log	30
	<u>Information Technology</u>	Carrie	Monthly Report	31
	<u>Cybersecurity-Compliance</u>	Carrie	Monthly Report	32
	<u>Communications / Member Service</u>	Ann Marie	Board Report	33
	<u>Human Resources</u>	Diana	HR Report	34
	<u>Warehouse</u>	Scott	Warehouse Report	35
9	Old Business			
10	New Business			
a.	2023 Financial Audit	Randy Robbins	Final Audit Report	36-64
			SAS 114 Report	65-68
			2024 YE Form 7 – Audited and Certified	69-84
b.	2023 Capital Credit Allocation	Jocelyn Walker		85-86
c.	SEPC Delegate and Alternate			87-89
d.	SEHC Delegate and Alternate			90-92
11	Safety Program Report	Chris	Safety Program Monthly Report	93
		Chris	Safety Meeting minutes	94-95
		Chris	Safety Council Meeting	

**MINUTES OF THE REGULAR MARCH 2025  
MEETING OF THE BOARD OF TRUSTEES  
OF THE LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**CALL TO ORDER**

A regular meeting of the Board of Trustees of the Lane-Scott Electric Cooperative, Inc., was held on Monday, March 24, 2025, in the offices of the cooperative at 410 South High Street, Dighton, Kansas. President Richard Jennison called the meeting to order at 6:59 p.m. In addition to President Richard Jennison, the other trustees in attendance were: Rad Roehl, Gerome Copeland, Randy Evans, Eric Doll, Chad Griffith, James Jordan, and Craig Ramsey. Also present Richard McLeon IV, Ann Marie Jennings and Joseph Gasper, Attorney. Susan Nuss was absent.

**COMMUNICATIONS DEPARTMENT UPDATE**

Ann Marie Jennings presented an update on the Communication Department. Highlights of her presentation are as follows:

- Social media that LSEC utilizes is Facebook, Instagram, and YouTube. LSEC has 1,405 Facebook followers up 123 from last year.
- Ann Marie reviewed the Facebook reach and reviewed the monthly reach chart. January showed the largest reach due to the blizzard.
- The website continues to show an upward trend in monthly users.
- SmartHub users increased to 979 members. 85% of the enrolled users use the program.
- The new bill and its features were reviewed.
- A review of the various educational devices to explain the new demand rate were reviewed.
- The member Monday giveaway had 125 entries.
- The streaming TV advertising was used in March through August for advertising in LSEC zip codes. The cost was \$2,000. The ads ran longer due to a mistake on the advertiser.
- *A motion to approve the appointment of Jay Schmalzried, Lex Bush, Ben Cramer, Dan Wehkamp, Doug Vieux, Randy Scheurman, John Beaton, Lane Copeland, and Kenney Schlegel to the 2025 LSEC nominating committee was made, duly seconded and carried.*
- The food options were presented to the board and discussed.
- *A motion to approve the pulled pork and sliced sausage option from John Ross Catering at a cost of \$19.00 per plate was made, duly seconded, and carried.*

- The board discussed the location of the annual meeting and alternative locations. Attorney Gasper discussed the status of the proposed agreement with the Lane-County Fair Board.
- *A motion to adopt the recommendation of staff to keep the location of the annual meeting at the Lane-County Fairgrounds and to draft an agreement for the annual meeting with the Lane-County Fair board was made, duly seconded, and carried.*

Ann Marie left the meeting upon completion of her presentation.

## **MINUTES OF PRIOR MEETING**

President Jennison called for action on the minutes of the prior meeting held on February 24, 2025. *Hearing no corrections to the minutes, President Jennison declared the minutes stand approved as printed.*

## **CASH DISBURSEMENTS**

President Jennison called for questions regarding the check list for the month.

There were no questions on the checks.

## **PRESIDENT'S REPORT**

President Jennison had no current items to report.

## **ATTORNEY'S REPORT**

Attorney Gasper provided an update on the deposition schedule on the Salmans court case.

## **REPORT OF SUNFLOWER DELEGATE**

A copy of the Sunflower report was included in the board packet and emailed to the trustees.

- There were no additions to the Sunflower Report

## **KEC REPORT**

Craig Ramsey reported that House Bill 2149 began as a consumer protection bill and ended up becoming a distributive generation bill. KEC had a team working on the matter and was able to get many of their ideas in the bill. Overall it is relatively positive for the coops.

The KEC audit was approved.

Chris Terhune serves as the chairman of the KEC safety committee.

## **MANAGER'S REPORT**

Manager McLeon commented on the following matters:

- The credit card statements were presented to the Trustees for review.
- The Manager expense report was presented to the Trustees for review.
- Revenues remain up and wholesale power costs are slightly. This has produced \$385,692 in Total Revenues with \$670,555 in Distribution Revenue.
- Reliability was outstanding with only 2 consumer hours of outage time in February.
- Safety remains a top priority with no incidents reported.
- The distribution revenue is above the five-year average for the month.
- GM expense reports:
  1. February 28, 2025. The \$37.44 expense is lunch with Dal Hawkinson. We periodically drive the system to look at construction projects, potential projects, and for coaching on leadership and interpersonal skills.
  2. March 5 and 6, 2025. This is the KEC Board Meeting. The Board approved a Per Diem of \$102.00 at the January Board meeting. Travel and lodging totaled \$445.85 with \$295.40 due to GM / CEO.
  3. March 8-13, 2025. The NRECA Annual Meeting. The Board approved a Per Diem of \$473.00 at the January Board meeting. Travel and lodging totaled \$2,661.88 with \$756.47 due to GM / CEO.
  4. March 19-20, 2025. The SEPC Board (Hays) and KEC Managers Meeting (Topeka). The Board approved a Per Diem of \$102.00 at the January Board Meeting. The 3/19 blizzard moved the Sunflower Board Meeting to a TEAMS meeting, and Richard cancelled his RSVP to the Topeka meeting due to the storm. GM has repaid the per diem to the Cooperative.
- \$1,623 of capital expenditures have been made from the budget.
- Manager McLeon discussed some confusion over the interpretation of Policy 203 and requested guidance from the board on their intent. The board discussed and recommended that a travel expense of \$300 should not be paid for the same day that a formal meeting day is paid, and that

subsistence is paid upon request. The policy will be revised to reflect the direction of the board.

- RSM meeting with KDEM and FEMA about July windstorm. LSEC has submitted our invoices, time sheets, and material sheets and are waiting on FEMA for next steps.
- Another Generac unit was sold in the retail department.
- The storm outage was caused by the transmission. Overall LSEC made it through the storm well.

## **RECEIPT OF MANAGER'S REPORT**

*The board received the Manager's report as indicated herein, and there were no follow-up questions.*

## **SAFETY REPORT**

A safety report was included in the board packet.

## **OLD BUSINESS**

There was no old business before the board.

## **NEW BUSINESS**

### **1. GM/CEO Succession Plan**

- Manager McLeon presented the GM/CEO Succession to the board for their review.

## **ADJOURNMENT**

*A motion to adjourn the meeting was made, seconded, and carried at 8:41 p.m., on Monday, March 24, 2025.*

04/14/2025 9:11:35 AM

# Accounts Payable Check Register

Page 1

03/12/2025 To 04/09/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
3495 03/12/2025	WIRE	124	GOLDEN BELT TELEPHONE	Monthly Invoice	404.77
52520 03/17/2025	CHK	1	LANE COUNTY REGISTER OF DEEDS	Tower Lease amd Easement filing	131.00
52521 03/17/2025	CHK	1	BAZINE AMERICAN LEGION	Raffle Donation	150.00
52522 03/17/2025	CHK	1	DISTRICT HONOR GUARD	SWKS Military Funeral Services	200.00
52523 03/17/2025	CHK	1	WESTERN PLAINS HIGH SCHOOL	Yearbook Ad	100.00
52524 03/17/2025	CHK	5	CHARLES B. SINCLAIR ESTATE	Check Rewrite	451.31
52525 03/17/2025	CHK	20	BASIN ELECTRIC POWER COOP	Dspatch Fee for February	2,121.94
52526 03/17/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	67,500.00
52527 03/17/2025	CHK	45	BUMPER TO BUMPER OF DIGHTON	Monthly Invoice	534.35
52528 03/17/2025	CHK	105	CITY OF NESS CITY	February Pay Station & Postage	674.04
52529 03/17/2025	CHK	220	LANDIS+GYR TECHNOLOGY, INC	Feb SAAS Fee	1,495.00
52530 03/17/2025	CHK	294	AIRGAS USA LLC	Nitrogen	145.12
52531 03/17/2025	CHK	427	DIGHTON HERALD LLC	Advertising	485.00
52532 03/17/2025	CHK	473	SCOTT BRIAND	PCB/SPCC Workshop	102.00
52533 03/17/2025	CHK	602	TK ELEVATOR CORPORATION	Elevator Repair	9,662.28
52534 03/17/2025	CHK	603	HARVEST PRODUCTION, INC	Touchstone videos	588.00
52535 03/17/2025	CHK	803	ALTEC INDUSTRIES, INC	Truck #191	7,973.07
52536 03/17/2025	CHK	903	NISC	Monthly Invoice	15,133.10
52537 03/17/2025	CHK	1225	CINTAS CORPORATION	Monthly Invoice-Ness City	61.36
52538 03/17/2025	CHK	1293	DAL HAWKINSON	PCB/SPCC Workshop	102.00
3497 03/18/2025	WIRE	1229	SCHABEN SANITATION	Monthly Invoice-Dighton	561.42
52539 03/20/2025	CHK	15	ERIC DOLL	February Board Mtg and Nov Board Trainin	795.90
52540 03/20/2025	CHK	63	RICHARD JENNISON	February Board Meeting	368.20
52541 03/20/2025	CHK	179	RAD ROEHL	February Board Meeting	362.60
52542 03/20/2025	CHK	202	CHAD GRIFFITH	February Board Meeting	402.50
52543 03/20/2025	CHK	450	RANDALL G EVANS	Sunflower Mtg & February Board Mtg	700.70

04/14/2025 9:11:35 AM

# Accounts Payable Check Register

Page 2

03/12/2025 To 04/09/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52544 03/20/2025	CHK	568	SUSAN NUSS	February Board Meeting	432.60
52545 03/20/2025	CHK	588	GEROME L COPELAND	February Board Meeting	400.40
3503 03/26/2025	WIRE	264	KS DEPT OF REVENUE - USE TAX	Use Tax	15,084.98
3504 03/26/2025	WIRE	263	KS DEPT OF REVENUE - SALES TAX	Sales Tax	21,850.53
52546 03/27/2025	CHK	1	NESS CITY ROTARY CLUB	Meals and dues	64.00
52547 03/27/2025	CHK	23	FEDERATED RURAL ELECTRIC	Work Comp Policy	4,171.00
52548 03/27/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	7,475.33
52549 03/27/2025	CHK	79	POSTMASTER	Marketing Mail Fee	350.00
52550 03/27/2025	CHK	105	CITY OF NESS CITY	Franchise Fee	5,620.23
52551 03/27/2025	CHK	135	CITY OF BAZINE	Franchise Fee	1,909.78
52552 03/27/2025	CHK	160	SHULL OIL COMPANY	Monthly Fuel Invoice	6,538.89
52553 03/27/2025	CHK	392	TRUCK CENTER COMPANIES	Truck #150 and #200	1,093.69
52554 03/27/2025	CHK	459	YESTERDAYS BODY SHOP	Repair Windshield on #201	32.55
52555 03/27/2025	CHK	537	CONSTELLATION NEWENERGY-GAS DI	Monthly Invoice	2,196.96
52556 03/27/2025	CHK	559	RAINMAKER THINKING, INC.	Rainmaker training-leadership	75,000.00
52557 03/27/2025	CHK	562	RENSENHOUSE	RETAIL MATERIAL	891.00
52558 03/27/2025	CHK	601	JAYHAWK OILFIELD SUPPLY INC	Monthly Invoice	121.98
52559 03/27/2025	CHK	648	MERCHANT JT&S	Book 3-Taylor Cable	550.00
52560 03/27/2025	CHK	790	SUNBELT SOLOMON	LINE MATERIAL	3,472.00
52561 03/27/2025	CHK	1285	TIFCO INDUSTRIES	Shop Towels	320.72
3496 03/28/2025	WIRE	586	NETWORK COMPUTING SOLUTIONS	IT-Outside Services and software	6,385.08
3498 03/28/2025	WIRE	101	ATMOS ENERGY	Monthly Invoice	274.95
3501 03/28/2025	WIRE	1239	CULLIGAN OF DODGE CITY	Monthly Invoice	128.52
3502 03/28/2025	WIRE	183	HIBU INC	Yellowbook	17.00
3499 04/01/2025	WIRE	44	NEX-TECH WIRELESS, LLC	Monthly Invoice	938.59
3500 04/01/2025	WIRE	1187	MIDWEST ENERGY	Monthly Invoice	284.29



04/14/2025 9:11:35 AM

# Accounts Payable Check Register

Page 3

03/12/2025 To 04/09/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52562 04/01/2025	CHK	15	ERIC DOLL	March Board Mtg and ACRE/KCRE	199.00
52563 04/01/2025	CHK	25	LANE-SCOTT ELECTRIC COOPERATIVE,	Payroll Transfer	74,000.00
52564 04/01/2025	CHK	38	MICHAEL POLLOCK	Battery for customer generator	179.97
52565 04/01/2025	CHK	55	NESS COUNTY NEWS	Subscription	90.00
52566 04/01/2025	CHK	63	RICHARD JENNISON	March Board meeting	368.20
52567 04/01/2025	CHK	73	STANION WHOLESALE ELEC CO INC	RETAIL MATERIAL	48,503.06
52568 04/01/2025	CHK	107	CINTAS CORPORATION #449	Monthly Invoice-Dighton	590.72
52569 04/01/2025	CHK	179	RAD ROEHL	March Board Meeting	362.60
52570 04/01/2025	CHK	182	G.E.M.S. INC	Monthly Invoice	872.92
52571 04/01/2025	CHK	202	CHAD GRIFFITH	March Board Meeting	402.50
52572 04/01/2025	CHK	269	ANIXTER INC	LINE MATERIAL	36,947.40
52573 04/01/2025	CHK	279	IT1 CONSULTING	Adobe Software	214.00
52574 04/01/2025	CHK	306	BORDER STATES INDUSTRIES INC	LINE MATERIAL	16,452.00
52575 04/01/2025	CHK	317	JOHN DEERE FINANCIAL	Monthly Invoice-chainsaw	89.83
52576 04/01/2025	CHK	362	C&E DOORS LLC	Garage Doors	820.80
52577 04/01/2025	CHK	380	GRAINGER	Monthly Invoice	591.41
52578 04/01/2025	CHK	406	RICHARD MCLEON	Mtg Expenses-KEC and NRECA	1,051.87
52579 04/01/2025	CHK	428	WILSON BOHANNAN PADLOCK COMP	Padlocks	202.46
52580 04/01/2025	CHK	444	HAYS CAR & TRUCK ALIGNMENT, INC.	Truck #191	1,171.26
52581 04/01/2025	CHK	450	RANDALL G EVANS	March Board Mtg	350.70
52582 04/01/2025	CHK	455	TANNER RIDER	Towing-Storm	100.00
52583 04/01/2025	CHK	520	CENTURY BUSINESS TECHNOLOGIES, I	Copier Contract	86.58
52584 04/01/2025	CHK	562	RESENHOUSE	RETAIL MATERIAL	134.79
52585 04/01/2025	CHK	570	JAMES W JORDAN	Feb/March Board Mtg-KEC-NRECA	5,869.64
52586 04/01/2025	CHK	588	GEROME L COPELAND	March Board Meeting	400.40
52587 04/01/2025	CHK	601	JAYHAWK OILFIELD SUPPLY INC	Monthly Invoice	75.58

04/14/2025 9:11:35 AM

# Accounts Payable Check Register

Page 4

03/12/2025 To 04/09/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52588 04/01/2025	CHK	773	BRETZ, INC.	Tire repair #173	96.00
52589 04/01/2025	CHK	803	ALTEC INDUSTRIES, INC	Parts #110	878.31
52590 04/01/2025	CHK	1225	CINTAS CORPORATION	Cabinet Supplies-Ness	839.89
52591 04/01/2025	CHK	1285	TIFCO INDUSTRIES	Monthly Invoice	101.62
52592 04/01/2025	CHK	1293	DAL HAWKINSON	Mtg Expense-NRECA	161.38
52593 04/01/2025	CHK	1300	CRAIG RAMSEY	Feb/March Board Mtg-KEC-NRECA	8,697.00
52594 04/01/2025	CHK	1303	LANE COUNTY IMPLEMENT, INC	Monthly Invoice	24.20
3507 04/02/2025	WIRE	59	NRECA	NRECA 2025 1st Qtr 401k Employer Expense	1,289.50
3509 04/03/2025	WIRE	1290	WEX BANK	Monthly Fuel Invoice	608.96
3508 04/04/2025	WIRE	168	ONLINE INFORMATION SERVICES, INC	Utility Exchange Report	123.42
3506 04/07/2025	WIRE	586	NETWORK COMPUTING SOLUTIONS	Monthly Invoice-IT	419.08
3510 04/07/2025	WIRE	468	U.S. BANK	Monthly Credit Card Invoice	16,691.80
3511 04/07/2025	WIRE	62	NRECA GROUP BENEFITS TRUST	NRECA - April Group Ins	2,678.73
3512 04/07/2025	WIRE	1224	NRECA RETIREMENT & SECURITY	NRECA RS - Group Insurance	57,008.04
3513 04/07/2025	WIRE	180	NRECA	NRECA Grp adm fee - April ins	233.01
3505 04/09/2025	WIRE	1267	AFLAC	Monthly Premiums	1,248.05
52595 04/09/2025	CHK	1	CAMP CHRISTY	Donations	150.00
52596 04/09/2025	CHK	1	CAMP LAKESIDE	Donation	150.00
52597 04/09/2025	CHK	1	KLOG C/O KANSAS ELECTRIC COOPER	Dues	200.00
52598 04/09/2025	CHK	1	LANE COUNTY HISTORICAL SOCIETY	Donation	25.00
52599 04/09/2025	CHK	1	LANE COUNTY RODEO	DONATION	100.00
52600 04/09/2025	CHK	1	OTA-PLATEPAY	Toll	16.20
52601 04/09/2025	CHK	40	KANSAS ELECTRIC COOPERATIVES	Monthly Invoice	3,257.38
52602 04/09/2025	CHK	45	BUMPER TO BUMPER OF DIGHTON	parts	760.72
52603 04/09/2025	CHK	55	NESS COUNTY NEWS	Advertising	150.40
52604 04/09/2025	CHK	107	CINTAS CORPORATION #449	Mat - soap	92.54

04/14/2025 9:11:35 AM

# Accounts Payable Check Register

Page 5

03/12/2025 To 04/09/2025

Bank Account: 2 - FIRST STATE BANK

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
52605 04/09/2025	CHK	172	TYNDALE COMPANY, INC.	Clothing Allowance-Kasey	110.01
52606 04/09/2025	CHK	238	ILLINOIS MUTUAL	Premium	108.48
52607 04/09/2025	CHK	311	ELDRIDGE FENCING INC	Ness City South Gate	655.68
52608 04/09/2025	CHK	366	DIANA KUHLMAN	HR Summitt	238.00
52609 04/09/2025	CHK	392	TRUCK CENTER COMPANIES	Truck #200 & #150	602.83
52610 04/09/2025	CHK	439	BOLINGER, SEGARS, GILBERT & MOSS,	2024 Audit	18,000.00
52611 04/09/2025	CHK	473	SCOTT BRIAND	Clothing Allowance	255.74
52612 04/09/2025	CHK	484	FLATLANDS GARAGE LLC	tire rotation	446.00
52613 04/09/2025	CHK	578	L&R LAWN CARE & SUPPLY	parts - resale	333.63
52614 04/09/2025	CHK	599	MITCH'S TRASH SERVICE	March Trash	75.00
52615 04/09/2025	CHK	1016	KANSAS ONE-CALL SYSTEM INC	Locate Fees	91.77
52616 04/09/2025	CHK	1244	PROTECTIVE EQUIPMENT TESTING	Gloves and sleeves tested	961.46
52617 04/09/2025	CHK	1251	TECHLINE, LTD	LINE MATERIAL	7,066.16
52618 04/09/2025	CHK	1306	KCRE	KCRE Donation-Eric Doll	100.00

Total Payments for Bank Account - 2 : (118) 581,984.41

Total Voids for Bank Account - 2 : (0) 0.00

Total for Bank Account - 2 : (118) 581,984.41

Grand Total for Payments : (118) 581,984.41

Grand Total for Voids : (0) 0.00

Grand Total : (118) 581,984.41

Sunflower Electric Power Corp. - March 2025, Member Billing Summary								
WHM - MEMBER REVENUE	Lane-Scott	Pioneer	Southern Pioneer	Prairie Land	Victory	Western	Wheatland	Total
Demand Coincident Peak, kW	19,040	117,147	100,103	72,479	137,605	43,470	105,538	595,382
Demand NCP, kW	21,148	103,330	101,334	87,787	140,903	46,367	105,994	606,863
Wholesale Energy Usage, kWh	12,881,661	79,896,571	61,245,226	47,739,806	81,020,150	29,426,360	58,636,797	370,846,571
RTP Marginal Usage, kWh			1,840		(63,018)			(61,178)
Coincident Peak Load Ratio Share, %	3.20%	19.70%	16.80%	12.20%	23.10%	7.30%	17.70%	100.00%
Coincident Load Factor, %	90.90%	91.70%	82.20%	88.50%	79.10%	91.00%	74.70%	83.70%
Metering Points	10	26	25	28	23	25	34	171
CP Demand Rate, \$/kW	7.36	7.65	7.36	7.36	7.36	7.36	7.36	7.40
NCP Demand Rate, \$/kW	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24
CP Demand Charge, \$	140,134.40	895,885.04	736,758.08	533,445.44	1,012,772.80	319,939.20	776,759.68	4,415,694.64
NCP Demand Charge, \$	68,519.52	334,789.20	328,322.16	284,429.88	456,525.72	150,229.08	343,420.56	1,966,236.12
Demand Charge, \$	208,653.92	1,230,674.24	1,065,080.24	817,875.32	1,469,298.52	470,168.28	1,120,180.24	6,381,930.76
Energy Rate, ¢/kWh	0.7334	0.7203	0.7334	0.7334	0.7334	0.7334	0.7334	0.7306
Energy Charge, \$	94,474.10	575,466.64	449,172.49	350,123.74	594,201.78	215,812.92	430,042.27	2,709,293.94
RTP Marginal Usage Charge, \$			71.05		(2,369.98)			(2,298.93)
HLF Rider Net Charge, \$	6,814.20	7,133.52	(59,102.37)	12,743.67	64.95	15,566.09	16,779.91	-
EDR Rider Net Charge, \$	3,805.80	(5,071.84)	18,094.50	(53,797.86)	10,951.72	8,693.82	17,323.86	-
ECA Rate (ECA-02), ¢/kWh	0.9490	0.9490	0.9490	0.9490	0.9490	0.9490	0.9490	0.9490
ECA Charge, \$	122,246.96	758,218.46	581,217.19	453,050.76	768,881.22	279,256.16	556,463.20	3,519,333.96
Meter Rate, \$/Meter	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Meter Charge, \$	1,050.00	2,730.00	2,625.00	2,940.00	2,415.00	2,625.00	3,570.00	17,955.00
Schedule 1	3,602.30	19,606.86	17,069.56	13,633.42	20,108.68	7,824.50	20,674.35	102,519.67
Schedule 11 Regional	32,736.64	178,181.55	155,123.26	123,896.56	182,741.85	71,106.77	187,882.52	931,669.15
Schedule 11 Zonal	30,441.33	165,688.46	144,246.90	115,209.64	169,929.03	66,121.17	174,709.27	866,345.80
Schedule 12	1,594.49	8,678.63	7,555.54	6,034.59	8,900.74	3,463.37	9,151.13	45,378.49
Schedule 1a	5,230.51	28,469.04	24,784.90	19,795.64	29,197.67	11,361.12	30,019.03	148,857.91
Schedule 9 SEPC	97,877.09	532,733.14	463,792.72	370,430.09	546,367.70	212,597.40	561,737.46	2,785,535.60
Msc. Transmission	6,498.52	35,372.22	30,795.39	24,595.72	36,276.01	14,111.32	37,292.52	184,941.70
Transmission Charge, \$	177,980.88	968,729.90	843,368.27	673,595.66	993,521.68	386,585.65	1,021,466.28	5,065,248.32
Billing Adjustments, \$ (LRR Rider, PGS)		(61,614.74)	(190.11)	-	(152,573.69)		-	(214,378.54)
ECIR Credit, \$			(15,553.57)					(15,553.57)
Community Solar Adjustments, \$		59.50		13.98	(41.04)		(916.80)	(884.36)
Net Charges, \$ *	615,025.86	3,476,325.68	2,884,782.70	2,256,545.27	3,684,350.16	1,378,707.92	3,164,908.96	17,460,646.59
3-2-1 Credits, \$		(7,215.27)	(138.28)	(11,699.90)	(1,627.52)			(20,680.97)
Total Charges, \$	615,025.86	3,469,110.41	2,884,644.42	2,244,845.37	3,682,722.64	1,378,707.92	3,164,908.96	17,439,965.62
Average all-in ¢/kWh	4.774	4.342	4.710	4.702	4.549	4.685	5.397	4.704
Non-Member energy charges:			<div>↓</div> <div>↑</div> <div>→</div> <div>↑</div> <div>↓</div>	Basis for Changes from Previous Month				
Non-Member energy charges:	\$	\$/kWh		<div>1. Holcomb Capacity Factor was 46.0% for the month.</div> <div>2. Smoky Hills #1 WF Capacity Factor was 46.0% for the month.</div> <div>3. Shooting Star capacity factor was 12.5% for the month.</div> <div>4. Smoky Hills #2 WFCapacity Factor was 47.9% for the month</div> <div>5. Johson Corner Solar Capacity Factor was 16.8% for the month</div>				
10 West Cities	551,423.23	0.0467						
4 East Cities	73,131.86	0.0564						
KEPCo	120,343.64							
KMEA - EMP2 (Local Access)	69,338.38							
KMEA - City of Meade - (Local Access)	9,474.53							
AP & NH other contracted services	298,656.98							
KPP - OATT, L.A.C. & MA Charges	15,911.79							
Note:			↑ = Increase      ↓ = Decrease      → = Little Effect					
* Victory and So. Pioneer numbers do not include the full requirement cities.								

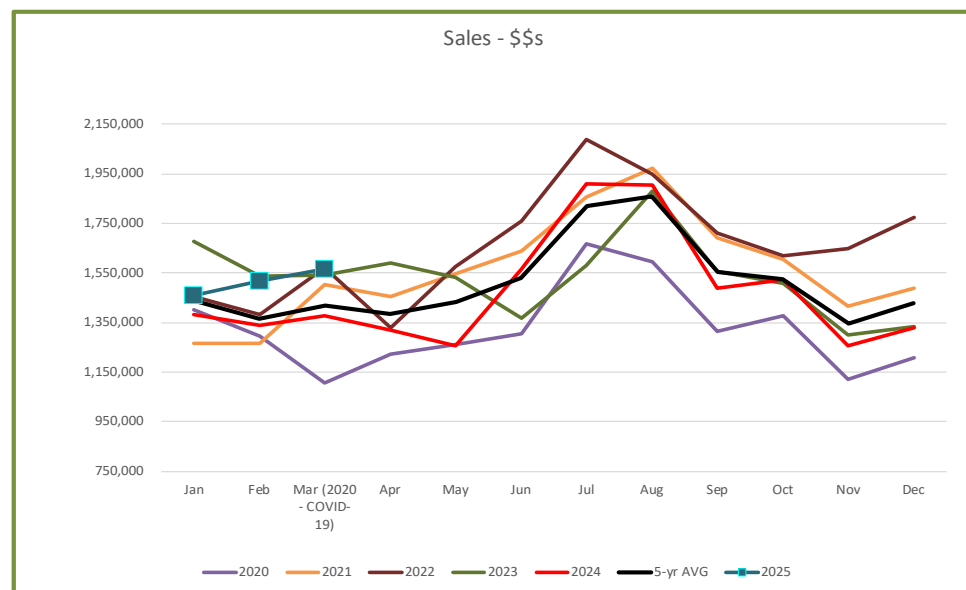
## 8. General Manager / C.E.O. Report

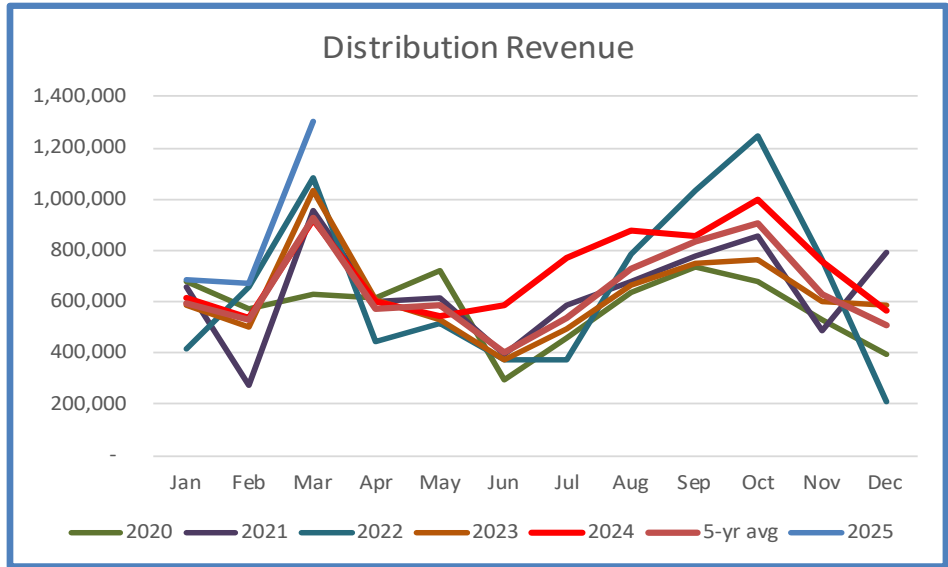
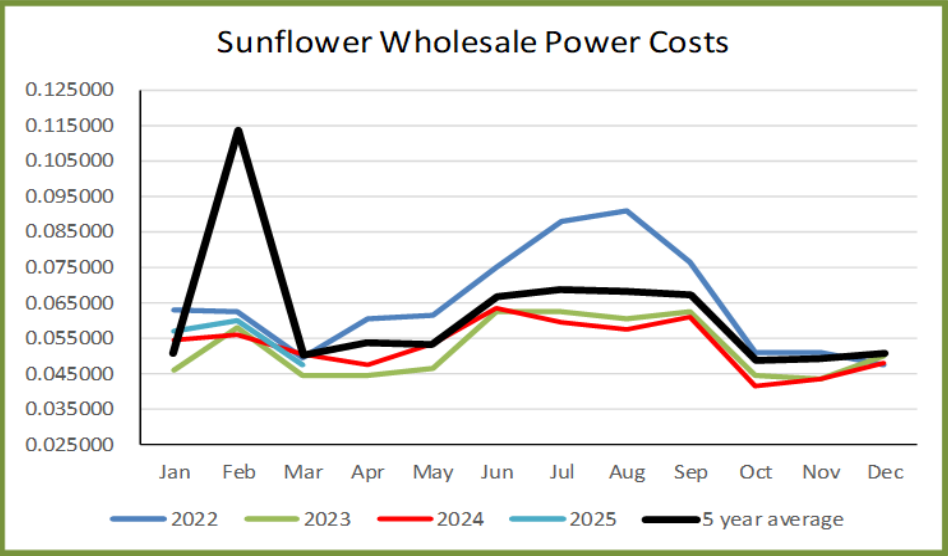
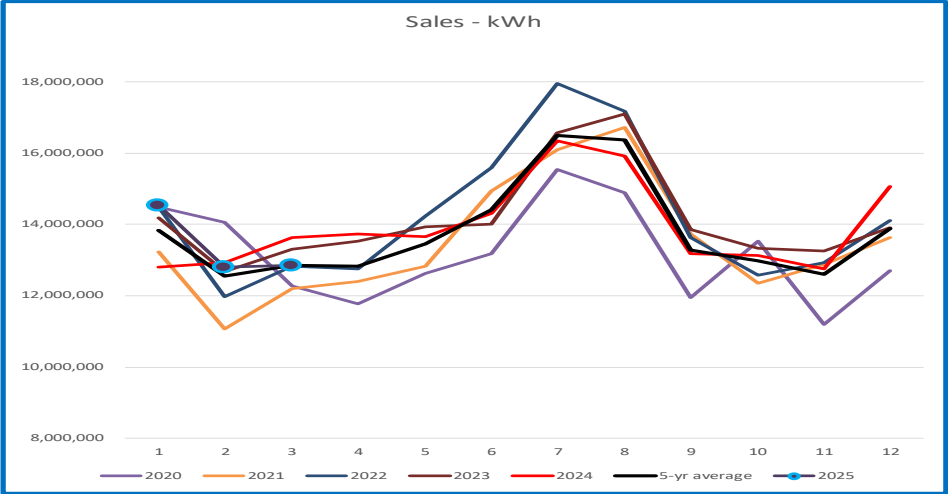
### Rates, Reliability, and Safety Dashboard

**Executive Summary:** We are starting well.

1. Total Revenues remain good with total YTD sales 10.98% above 2024 levels. Revenues are a little skewed in March because that is when we bill Irrigation Horsepower charges. This adds around \$300,000 in additional revenue. YTD Wholesale power costs are outpacing revenues at 12.17% above 2024. So, distribution revenue lags by only \$87,815 (or about 4.6%).
2. The 1<sup>st</sup> quarter combination of an additional \$462,102 in revenues, \$117,276 in lower purchased power expense, and reducing staffing by two, has produced a 1<sup>st</sup> quarter Operating Margin of \$986,103. Additional employees have been hired so we expect operating margins will reduce moving forward.
3. Reliability was affected by the March blizzard that de-energized 3,245 meters and cost 15,989 consumer hours of outage time. Major storms and Power Supplier interruptions account for 97.5% of our 2025 outages.

metric	2021	2022	2023	2024	2025	measures
SAIDI	8.19	3.36	1.64	6.67	2.94	Interruption DURATION / average for every member (hrs)
SAIFI	2.56	1.33	1.02	1.10	0.64	Interruption FREQUENCY / Average # of Interruptions per customer
CAIDI	3.20	2.53	5.60	6.07	4.60	Customer Avg Interruption Duration Index - IF you are out, how long (hrs).
ASAI	99.91%	99.96%	99.94%	99.92%	99.97%	Average Service Availability Index





- Credit Card records. (Are available for the Boards review.)
- General Manager Expense Reports.
  1. April 10, 2025. We try to conduct regular Safety Inspections of the crew. This involves me, Dal, Kasey, and Chris “showing up” on a crew site and conducting a spot inspection. We are trying to get these on a quarterly basis, but scheduling gets difficult. This receipt is for lunch at Louie’s in Ness City.
  2. April 15 and 16, 2025. This is mileage for my personal vehicle. April 15<sup>th</sup> was the Ness City Rotary while the 16<sup>th</sup> was a Sunflower meeting in Hays. Diana had the Buick attending an KEC HR meeting.
- Strategic Plan Update.
  - We moved the 2023 strategic plan completion rate to 90% in the first quarter. Greatest strides were made in:
    - NRECA Cyber Goals Program (20%) and
    - Conducting an advanced cyber audit (20%).
  - CFC has scheduled November 4-5, 2025, for our next Strategic Planning Session. Jim Gossett is scheduled as our facilitator. Previous facilitators were:
    - Aaron Stallings – February 12-13, 2019
    - Aaron Stallings – December 13-14, 2022
- Manager Per Diem Requests. May 7-8, 2025. KEC Committees and Board Meeting in Wichita, KS.
- Departments / Sections. (Notable items are below. Full reports follow and are in the Supplemental file)
  - 1) Accounting and Finance.
    - March 2025 Operating Margin = \$633,087, Total Margin = \$986,103
    - Cash Balance - \$6,522,296
    - Rolling 12-month Metrics:
      - TIER – 3.08 (1.25 min.), OPTIER – 2.18 (1.1 min.), DSC – 2.18 (1.25 min.), ODSC – 2.12 (1.1 min.), MDSC – 2.22 (1.35 min.)
      - Equity as a % of Assets – 41.04%. and as a % of Capitalization – 43.69%
      - General Funds Level – 11.39%
      - Current Ratio – 2.68%
  - 2) Operations Report (Dal).
    - The Blizzard was the big event.
    - Changed out 40 poles.
    - Built over ½ mile new construction.
    - Worked on service order flow between billing and engineering.
  - 3) Information Technology and Cybersecurity (Carrie).

- Fiserv electronic payment services reported three unusual account activity via online member payments. The funds will be held until review is completed. Proof was provided that the electronic transactions were legit, and the payment method and amounts were legit. Fiserv are reviewing the transactions and will release once review is approved.
- Reviewing our online credit card payment settings and researching possible options or methods for electronic payment processing.
- Reviewing office staff processes and procedures and analyzing the use of iVue software. Scheduling customized trainings for a business process consultation lite and general overall trainings.

4) Safety (Chris).

- Working with Carrie on Emergency Response Plan.
- Changing out rubber gloves and rubber sleeves.
- Filed Annual Performance Measurements Completion Report with NRECA.
- Looking into options and ideas for digital tailgate sheet.

5) Communications (Ann Marie).

- Scholarship Applications: Received 42 applications. We have a 4-person selection committee reviewing and ranking the applications.
- CoBank Grants: We received 16 applications. There is also a selection committee who is reviewing and ranking them.
- Working on Annual Meeting and Trustee elections.

6) Human Resources (Diana).

- Gathered Audit information for auditors.
- Reviewed applications and set up interviews for Lineman/Apprentice Lineman
- Completed NRECA Compliance Audit and Non-Discrimination Testing Questionnaire.
- Completed & Submitted Sales and Use Tax.
- Trained Cashier on daily deposits and balancing the EFT's.

7) Retail Services / Warehouse Report (Scott).

- Generac. Two units installed and two new units sold.
- Electrician. We are focusing on the jobs list and bidding a new grain bin.
- Line Materials. Things got tight during the blizzard but we were able to keep up with Construction.

Respectfully submitted,

Richard McLeon, M.B.A., M.Sc.  
General Manager / CEO



2023-2025 Strategic Plan Updates					2023			2024				2025				last period changes	
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.					Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct		
1	Demonstrate leadership in employee and public safety.					42	67	75	77	87	87	88	91	92	0	0	1
A	Continuously review options for safety improvement.				CT	52	75	83	92	100	100	100	100	100			0
	1 KEC On-Site Regulatory Report 2022				CT	75	100	100	100	100	100	100	100	100			0
	2 KEC On-Site Regulatory Report 2023				CT	0	25	50	75	99	99	100	100	100			0
	3 RESAP/Supervisor Self-Assessment 2022				CT	80	100	100	100	100	100	100	100	100			0
B	Explore improved field communication technology.				CT	23	65	85	85	88	88	88	94	96			3
	1 Antennae installation at both towers.				CT	82	99	100	100	100	100	100	100	100			0
	2 Sonic Walls installed.				CB	0	99	99	100	100	100	100	100	100			0
	3 Radios installed and training completed.				CT	0	50	100	100	100	100	100	100	100			0
	4 Evaluate area coverage.				CT	10	10	40	40	50	50	50	75	85			10
C	Develop improved record keeping.				CT	60	63	65	67	73	73	77	81	81			0
	1 SafetyAmp electronic safety inspection forms				CT	65	69	75	80	80	80	87	97	98			1
	2 SDS Program - review and explore digital options				CT	75	80	80	80	100	100	100	100	100			0
	3 OSHA SHARP Program Recommendations				CT	40	40	40	40	40	40	45	45	45			0
D	Safety Program Continuous Improvement				CT	33	65	65	67	67	68	72	74	75			2
	1 Safety Demo Trailer.				CT	40	95	95	96	96	96	99	100	100			0
	2 Evaluate process for data anyltics review.				CT	25	35	35	37	38	40	45	47	50			3
2	Identify, assess, and mitigate cyber security risks.					17	31	36	50	55	59	59	72	78			6
A	Research and implement cybersecurity mitigation strategies.				CB	19	67	79	80	86	88	91	91	94			3
	1 Domain/GIS Server Security upgrades				CB	50	85	95	98	100	100	100	100	100			0
	2 Veeam Backup				CB	95	100	100	100	100	100	100	100	100			0
	3 Domain Server Replacement Backup				CB	0	90	100	100	100	100	100	100	100			0
	4 NRECA Cyber Goals Program				CB	0	35	35	35	50	50	50	50	70			20
	5 MicroSoft Email Impersonations, Employee Email Account Reviews, and Security Permissions Reviewed				CB	0	100	100	100	100	100	100	100	100			0
	6 Insight VM - Vulnerability Management Transition				CB	0	100	100	100	100	100	100	100	100			0
	7 Federated Insurance Wire Transfer Procedure				RM	0	20	100	100	100	100	100	100	100			0
	8 Identity an Access Management (2-stage or DUO-type) system				CB	5	5	5	5	35	55	75	80	85			5
B	Identify and make necessary investments in hardware, software, and facilities.				CB	30	35	35	50	65	75	75	67	73			7

2023-2025 Strategic Plan Updates					2023			2024				2025				last period changes
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.					Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct	
C	Establish a cybersecurity training and awareness regimen for employees and members.	CB	20	35	45	100	100	100	100	100	100					0
D	Develop a comprehensive policy.	RM	10	15	15	15	15	15	15	20	20					0
E	Conduct an advanced audit.	CB	5	5	5	5	10	15	15	80	100					20
3	Evaluate advanced rate options for the future.		5	9	18	36	93	100	100	100	100	0	0			0
A	Analyze formulary rate structure.	RM	2	3	5	38	100	100	100	100	100					0
	1 Identify metric to use	RM	4	5	10	50	100	100	100	100	100					0
	2 Identify level	RM	0	0	0	25	100	100	100	100	100					0
B	Develop 3-part rate options.	RM	7	15	30	35	85	100	100	100	100					0
	1 Assure MDM system is gathering / collecting data.	NB	14	20	20	30	70	85	100	100	100					0
	2 Evaluate 2024 Sunflower bifurcated rate structure.	RM	0	10	40	40	100	100	100	100	100					0
4	Develop a comprehensive succession plan for the Board, CEO, and staff.		31	53	71	83	87	88	89	95	97	0	0			3
A	Develop job descriptions, education options for employees.	DK	16	55	77	93	94	94	94	100	100					0
	1 Review and update all employee job descriptions	RM	10	90	100	100	100	100	100	100	100					0
	2 Implement Leadership training for all supervisors	RM	0	15	100	100	100	100	100	100	100					0
	3 Implement Myers-Briggs and Emotional Intelligence training for all employees.	DK	0	100	100	100	100	100	100	100	100					0
	4 Consolidate all training records with HR	DK	0	100	100	100	100	100	100	100	100					0
	5 Substation Technician Apprenticeship program	CT	0	15	50	50	50	50	50	100	100					0
	6 Cooper Regulator Training Program	BM	0	0	20	100	100	100	100	100	100					0
	7 Lineman Apprenticeship Program	CT	65	75	100	100	100	100	100	100	100					0
	8 Staking Certification Program	DH	67	100	100	100	100	100	100	100	100					0
	9 SHRM HR Certification program	DK	0	0	25	85	100	100	100	100	100					0
B	Develop emergency, interim, and long-term plans for CEO and staff.	RM	58	60	60	83	88	93	95	95	98					3
	1 CEO Plan	RM	100	100	100	100	100	100	100	100	100					0
	2 Staff Plan	RM	15	20	20	65	75	85	90	90	95					5
C	Evaluate appropriate human resource needs for the cooperative.	RM	22	33	68	73	82	83	83	88	92					3
	1 Review and update all work flow processes for efficiency.	all	15	25	40	40	45	50	50	65	75					10
	2 Review employee benefits package and options	DK	10	15	80	80	100	100	100	100	100					0

2023-2025 Strategic Plan Updates			2023			2024				2025				last period changes	
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.			Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct		
3 Review potential retirement impacts			RM	40	60	85	100	100	100	100	100	100			0
D	Evaluate board nomination process, term options and election process as appropriate.		AMJ	30	65	78	83	83	83	83	95	100			5
1 Implementation of electronic voting process			AMJ	20	95	100	100	100	100	100	100	100			0
2 Board candidate application process			RM	70	100	100	100	100	100	100	100	100			0
3 Research Board term options			RM	0	0	35	50	50	50	50	85	100			15
5	Enhance operational excellence by implementing appropriate technology options and processes.			12	35	45	58	64	69	77	80	83	0	0	3
A	Evaluate and implement processes for data analytics for decision making.		CB	21	53	73	87	92	94	94	95	95			0
1 Mobile Radio Firewalls			CB	25	100	100	100	100	100	100	100	100			0
2 Mosaic - GM Dashboard			CB	50	50	50	50	75	75	50	50	50			0
3 AppSuite cause codes review			CB	100	100	100	100	100	100	100	100	100			0
4 Work Management Suite			CB	5	50	98	98	100	100	100	100	100			0
5 HR iVue Connect			CB	5	60	98	98	100	100	100	100	100			0
6 AppSuite Document Vault			CB	5	25	40	100	100	100	100	100	100			0
7 ASP Trustgrid			CB	5	10	15	100	100	100	100	100	100			0
8 InTunes - MSoft mobile mgmt and device security			CB	0	0	95	98	100	100	100	100	100			0
9 Employee review / evaluation program			DK	0	40	40	40	50	65	90	98	100			2
10 Review data anyltics/forecasting for Wage/Salary tables			DK	10	90	90	90	90	95	95	100	100			5
B	Analyze options for AMI utilization in the future.		DH	8	17	17	37	42	53	67	68	73			5
1 Connecting primary fiber to most collectors.			DH	0	0	0	10	15	25	35	37	40			3
2 Establish an annual meter (%) exchange program.			DH	0	10	10	10	10	25	50	55	65			10
3 Utilizing our distributed automation system.			DH	20	25	25	25	25	25	50	50	60			10
4 Better synchronization between AMI and MDM.			DH	20	40	40	40	60	90	100	100	100			0
5 Replacing all collectors nearing life end.			DH	0	10	10	100	100	100	100	100	100			0
C	Develop analysis and options around emerging technologies such as DER and Electric Vehicles.		RM	9	36	46	49	58	60	70	76	80			4
1 Review Tariff for Line Extension gaps.			RM	15	80	100	100	100	100	100	100	100			0
2 Analyze MDM system for ability to "mine" demand information.			NB	0	20	20	30	60	70	100	100	100			0
3 Explore EV charging and DER installation options.			SB	10	20	35	35	40	40	45	70	85			15
4 Explore Generac PowerCell technology and training			SB	10	25	30	30	30	30	35	35	35			0

2023-2025 Strategic Plan Updates	2023			2024				2025				last period changes
This Strategic Plan approved by the LSEC Board of Trustees February 6, 2023.	Feb	July	Oct	Jan	Apr	July	Oct	Jan	Apr	July	Oct	
Overall completion rate (%)	21	39	49	61	77	81	83	87.5	90.0	0	0	2.5

## GM / CEO Expense Sheet Summary

date	item	LSEC Credit Card	GM expense	total expense	Total Due GM
10-Apr	Crew Safety Inspections with OPNS leadership. I bought Dal, Kasey, and Chris lunch in Ness City.	80.31	0.00	80.31	0.00
15-Apr	POV - Diana had Unit 105	0.00	45.50	45.50	45.50
16-Apr	POV - Diana had Unit 106	0.00	124.60	124.60	124.60
totals		80.31	170.10	250.41	170.10

# The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee Richard McLeon

Purpose of Trip Crew Safety inspection with Operations leadership

## Section 1

DATE		Sun ___/___	Mon ___/___	Tues ___/___	Wed ___/___	Thurs 10-Apr	Fri ___/___	Sat ___/___	TOTAL
Mile./Personal Veh.									
Mileage Rate		0.700	0.700	0.700	0.700	0.700	0.700	0.700	
Total Mileage Exp.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
									0
									0
Gas/Oil	Co.								0.00
	Emp.								0.00
Car Rental	Co.								0.00
	Emp.								0.00
Taxi/Limo	Co.								0.00
	Emp.								0.00
Tolls/Parking	Co.								0.00
	Emp.								0.00
Airfare	Co.								0.00
	Emp.								0.00
Lodging	Co.								0.00
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.					80.31			80.31
	Emp.								0.00
Dinner	Co.								0.00
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
									0.00
TOTAL EXPENSES		\$0.00	\$0.00	\$0.00	\$0.00	\$80.31	\$0.00	\$0.00	\$80.31

## Section 2

Reimbursement Summary

Total Expense from Section 1

Less: Company Credit Card

Less: Other

Less: Other

Net due to Employee

\$80.31
80.31
0.00
0.00
\$0.00

All expenses on this report were actually incurred by me while performing company business.

GM / CEO



Date

4/15/2025

## Section 3

Expense Allocation

Acct. #	Amount
Total	

notes:

Lunch at Louies with:  
Dal, Kasey, Chris, and me.

Presented to LSEC Board of Trustees:

4/28/2025

Lous-  
Chris, Del, Casey, me

**Louie's Bar & Grill**  
917 South Pennsylvania Avenue  
Ness City, KS  
United States, 67560  
Tel: +1 7857986612  
Printed April 10, 2025 at 1:55 PM

**Order Number: 97348**

Type: Authorize

Date/Time: 4/10/25 1:55 PM

Server: Admin POS

Card Number: XXXXXXXXXXXXX5708

Account Type: Visa

TranID #: 1974060254

Entry: Contactless

Response Code: 00

Approval Code: 062372

Terminal ID: 0006

Merchant ID: 4445063819320

VISA CREDIT

A00000000031010

APPROVED - THANK YOU

**Subtotal: \$68.31**

Tip: 12.00

Total: 80.31

Tip Guide:

15%=\$10.25 18%=\$12.30 20%=\$13.66

Important - retain this copy for your records

\*\*\* CUSTOMER COPY \*\*\*

**Louie's Bar & Grill**  
917 South Pennsylvania Avenue  
Ness City, KS  
United States, 67560  
Tel: +1 7857986612  
Printed April 10, 2025 at 1:54 PM

April 10, 2025 at 1:54 PM

**Table:** 5, 4 guests

**Party Name:** 13

**Server:** Jaime

**Tax 3 #:**

Reuben	\$12.99
Reuben	\$12.99
Western Cheeseburger	\$14.99
Reuben	\$12.99
3 x Tea	\$9.00

Food Total \$62.96

Sub Total \$62.96

Sales Tax 8.5% \$5.35

**Total \$68.31**

Thank You  
Please Come Again!

Tip Guide:

15%=\$10.25 18%=\$12.30 20%=\$13.66

Printed from iPad using TouchBistro Pro

# The Lane-Scott Electric Cooperative, Inc. Expense Report

Employee Richard McLeon

Purpose of Trip	Ness City Rotary and Sunflower Board Meeting
-----------------	--

## Section 1

DATE		Sun	Mon	Tues	Wed	Thurs	Fri	Sat	TOTAL
		___ / ___	___ / ___	15-Apr	16-Apr	___ / ___	___ / ___	___ / ___	
				Rotary	Sunflower				
Mile./Personal Veh.				65	178				
Mileage Rate		0.700	0.700	0.700	0.700	0.700	0.700	0.700	
Total Mileage Exp.		\$0.00	\$0.00	\$45.50	\$124.60	\$0.00	\$0.00	\$0.00	\$170.10
									0
									0
Gas/Oil	Co.								0.00
	Emp.								0.00
Car Rental	Co.								0.00
	Emp.								0.00
Taxi/Limo	Co.								0.00
	Emp.								0.00
Tolls/Parking	Co.								0.00
	Emp.								0.00
Airfare	Co.								0.00
	Emp.								0.00
Lodging	Co.								0.00
	Emp.								0.00
Breakfast	Co.								0.00
	Emp.								0.00
Lunch	Co.								0.00
	Emp.								0.00
Dinner	Co.								0.00
	Emp.								0.00
Phone	Co.								0.00
	Emp.								0.00
Misc.	Co.								0.00
	Emp.								0.00
									0.00
TOTAL EXPENSES		\$0.00	\$0.00	\$45.50	\$124.60	\$0.00	\$0.00	\$0.00	\$170.10

## Section 2

Reimbursement	Total Expense from Section 1
Summary	Less: Company Credit Card
	Less: Other
	Less: Other
	Net due to Employee

\$170.10
0.00
0.00
0.00
\$170.10

### Section 3

## Expense Allocation

Acct. #	Amount
Total	

All expenses on this report were actually incurred by me while performing company business.

GM / CEO

Date

4/22/2025

*notes:*

Diana used Unit 105 to attend a KEC HR meeting.

Presented to LSEC Board of Trustees: 4/28/2025



employee: Richard McLeon  
occasion: KEC Board Meeting - Wichita, KS

**Per Diem only**

date	locations	amount
7-May	travel day and KEC Committee meetings	\$ 51.00
8-May	Board meeting and travel day	51.00

Total Per Diem: **\$ 102.00**

*prepared by:* Richard McLeon *date* 4/8/2025

*submitted:* Submitted to the LSEC Board of Trustees 4/28/2025

*signature:* \_\_\_\_\_

Office Use

*check number:* \_\_\_\_\_

*issued to employee:* \_\_\_\_\_

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION KS0042
	PERIOD ENDED March 2025
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.

INSTRUCTIONS - See help in the online application.

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.

\_\_\_\_\_  
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	4,530,905	5,215,608	4,723,403	1,946,381
2. Power Production Expense				
3. Cost of Purchased Power	2,450,770	2,333,495	2,640,851	643,920
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	357,384	214,374	287,841	86,631
7. Distribution Expense - Maintenance	302,057	262,444	324,854	87,862
8. Customer Accounts Expense	63,949	74,447	71,461	21,173
9. Customer Service and Informational Expense	13,858	17,977	18,872	5,007
10. Sales Expense	20,327	20,657	25,108	7,379
11. Administrative and General Expense	437,155	507,025	496,044	193,700
12. Total Operation & Maintenance Expense (2 thru 11)	3,645,500	3,430,419	3,865,031	1,045,672
13. Depreciation and Amortization Expense	505,765	515,434	525,232	172,181
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	291,693	279,733	269,568	94,435
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	1,344	1,880	1,325	656
19. Other Deductions	1,996	2,039	6,000	350
20. Total Cost of Electric Service (12 thru 19)	4,446,298	4,229,505	4,667,156	1,313,294
21. Patronage Capital & Operating Margins (1 minus 20)	84,607	986,103	56,247	633,087
22. Non Operating Margins - Interest	98,604	65,223	93,000	20,724
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(4,245)	(20,444)	35,183	(2,352)
26. Generation and Transmission Capital Credits		232,170		
27. Other Capital Credits and Patronage Dividends	10,849	25,696	20,000	20,364
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	189,815	1,288,748	204,430	671,823

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>			BORROWER DESIGNATION  KS0042		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED  March 2025		
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	6	9	5. Miles Transmission		
2. Services Retired	0	0	6. Miles Distribution – Overhead	2,031.47	2,030.02
3. Total Services in Place	6,052	6,071	7. Miles Distribution - Underground	8.92	9.17
4. Idle Services (Exclude Seasonals)	323	355	8. Total Miles Energized (5 + 6 + 7)	2,040.39	2,039.19
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	64,781,059		30. Memberships	0	
2. Construction Work in Progress	879,962		31. Patronage Capital	23,063,614	
3. Total Utility Plant (1 + 2)	65,661,021		32. Operating Margins - Prior Years	601,522	
4. Accum. Provision for Depreciation and Amort.	23,600,059		33. Operating Margins - Current Year	986,104	
5. Net Utility Plant (3 - 4)	42,060,962		34. Non-Operating Margins	3,255,412	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	267,398	
7. Investments in Subsidiary Companies	252,175		36. Total Margins & Equities (30 thru 35)	28,174,050	
8. Invest. in Assoc. Org. - Patronage Capital	12,677,809		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	29,454,463	
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)	4,219,125	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	13,602,904		43. Total Long-Term Debt (37 thru 41 - 42)	33,673,588	
15. Cash - General Funds	493,373		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	5,806,840		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	878,633	
20. Accounts Receivable - Sales of Energy (Net)	1,936,229		49. Consumers Deposits	194,116	
21. Accounts Receivable - Other (Net)	138,554		50. Current Maturities Long-Term Debt	1,381,106	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	708,520		52. Current Maturities Capital Leases	0	
24. Prepayments	129,588		53. Other Current and Accrued Liabilities	705,133	
25. Other Current and Accrued Assets	69,463		54. Total Current & Accrued Liabilities (47 thru 53)	3,158,988	
26. Total Current and Accrued Assets (15 thru 25)	9,282,692		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	167,728	
28. Other Deferred Debits	227,796		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	65,174,354	
29. Total Assets and Other Debits (5+14+26 thru 28)	65,174,354				

# Operations Report March 2025

- **Maintenance**

Refused transformers and side taps.  
Worked locate tickets system wide.  
Fixed lights system wide.  
Changed out bad meters.  
Fixed phase floaters across the system due to high winds.  
Retired connects for American Warrior, Tara Stahle, and Shakespeare Oil.  
Changed out bad transformer at Verizon Wireless tower.  
Fixed broken anchors in Utica and on the Rupp Tap.  
Changed out 2 bad arresters on the Jennison 3-phase.  
Fixed broken jumpers at Cramer Farms and on the 4-mile Rd circuit.  
Monthly sub checks.  
KEC safety meeting.  
Cover up line at Poky Feeders.  
Fixed secondary connections at Dan Moomaw's, Doug Moore's, and Kurt Huelskamp's.

- **Pole Change Outs**

Changed out 1, broken single phase junction pole on the Union School tap.  
Changed out 1, bad 3-phase pole on the Scott City 3-phase.  
Changed out 4, red tagged 3-phase poles on the FIML circuit.  
Changed out 30, 34.5 poles between Ness City and Bazine.  
Changed out 4, 3-phase southeast of Brownell.

- **New Construction**

Built ½ mile of new single-phase line and connect for Eric Weeks' new house.  
Built a new single phase connect for Gary Sargent's water well.  
Built 2 new single phase connects for Pioneer Oil Whipple and Gantz lease.

- **Engineering**

Worked with NISC on getting all the mapping software set up on Nate's new computer.  
Finalized underground designs with Sunflower for the Scott Park substation.  
Built staking sheets on red tagged poles.  
Updated SRS call list with new employee information.  
Worked on service flow between billing and engineering.  
Worked on mapping additions and made projects as built.  
Finished final design on the Weskan Grain addition.  
Met with KDEM about FEMA projects.

- **Blizzard**

Early Wednesday morning, our system was hit with a blizzard that brought heavy snow and winds of 60+ MPH. The damage started with a burn down on the Brookover circuit out of the Manning substation. After Myron and Blake repaired the burn down, they drove to the office in Dighton and waited for the storm to let up. The crew arrived to work at normal time and that's when the snow was the heaviest, they waited for the storm to let up before they started to

restore the outages. Most of the damage was east of Ness City along the highway. We lost 30, 34.5 poles with a single phase under build. With the ability to feed this circuit from both directions, we were able to get all the houses back on in 2 days leaving 11 poles left to replace when it dries out. We also have 3 broken poles on the Brownell circuit that we will set at a later date. Outside of the broken poles, the rest of the damage was phase floaters and meter cans. I am very proud of our Lane Scott team. We worked very well and efficient through this storm. A special thank you need to go out to Richie Braun, Brett Corsair, John Irvin and Tanner Rider for the use of their tractors. Our jobs would not be possible without the great members we serve.

# 2025

**Maintenance Inspection Log** - to be completed monthly and copy submitted to Richard before the monthly Board meeting.

[illegible]

## **INFORMATION TECHNOLOGY REPORT**

### EXECUTIVE SUMMARY

- Reviewing office staff processes and procedures and analyzing the use of iVue software. Scheduling customized trainings for a business process consultation lite and general overall trainings.

### **Projects:**

- Business Process Consultation – Financials
  - 1<sup>st</sup> Stage: Processes Overview is complete.
  - 2<sup>nd</sup> Stage: Project Analysis and prioritizing project platform integrations, processes, and implementation.
- Technical devices and hardware yearly review:
  - Analyze devices for compatibility and updating issues.
  - Asset retention rotation.
  - Installing and setting up office equipment for billing, cashier, and CEO.
- Rainmaker Learning
- Miscellaneous User Technical Assistance

## **CYBERSECURITY**

### EXECUTIVE SUMMARY

- Fiserv electronic payment services reported three unusual account activity via online member payments. The funds will be held until review is completed. Proof was provided that the electronic transactions were legit, and the payment method and amounts were legit. Fiserv are reviewing the transactions and will release once review is approved.
- Reviewing our online credit card payment settings and researching possible options or methods for electronic payment processing.

### **Projects Completed:**

- Patch Management – Live integration for everyone scheduled for April 7<sup>th</sup>.
- New employees and resigning employees are being reviewed and updating security permission access, setting up or removing user software access, and device set up.



## April Board Meeting – Communication & Member Service Board Report

1. Scholarship Applications: Received 42 applications. We have a 4-person selection committee reviewing and ranking the applications.
2. CoBank Grants: We received 16 applications. There is also a selection committee who is reviewing and ranking them.
3. I have sent letters to the schools to see who would like to participate again in our Classroom Challenge to Fill the Pantries for Summer.

The concept of the food drive is for each school to see which classroom can collect the most non-perishable items to fill the food bank in their county. The winning classroom in each school who collects the most gets \$100 for their classroom and a picnic lunch from Lane-Scott towards the end of the school year.

4. Messaging in April Includes:
  - a. Board of Trustee Nominations
  - b. Unclaimed Capital Credits
  - c. Farm Safety / Line Clearance
  - d. Announcing Youth Tour Winners
  - e. Other Safety Messages: Work Zone Awareness Week, Safe Digging, Distracted Driving
  - f. Lineman Appreciation Month
  - g. SmartHub Text Outage Notifications
5. Created a window static cling Overhead Line Clearance message. This will be handed out at the Annual Meeting to go along with our safety theme and to distribute later especially to large equipment using members.
6. Working on the Annual Meeting.
7. Monthly KCL, social media posts, website updates, new member e-mail series, newsletter e-blast, chamber communications, sponsorship/donation requests, communication plan updates, spending report.

## April Board Meeting – Human Resources Report-March Duties

1. Gathered Audit information for auditors.
2. Set in Interviews for Apprentice Lineman
3. Completed & Submitted Sales and Use Tax
4. Trained Cashier on daily deposits and balancing the EFT's.

### Other Job Duties:

5. Outage calls caused by Blizzard.
6. Completed the end of month Labor Distribution Report.
7. Completed and submitted the Compliance One and No Time Lost reports.
8. Normal monthly duties, employee assistance, customer service, payroll, FLSA reports, payroll taxes, 401(k) distributions, Health Insurance, Group Insurance, and RS distributions.
9. Scheduled trainings and reservations for employees and directors.
10. Sent out electronic evaluations to employees with an anniversary hire date in April and their supervisors.
11. Attended Staff meetings.
12. Attended monthly Safety meeting.
13. Organized and attended the Rainmaker Training zoom meeting.
14. Prepared office work calendar for office staff.
15. Help Jocelyn balance accounts.

## **March Warehouse Report**

### **Total Inventory Dollars on Hand for March:**

Line Material--\$537,714

Inventory Turns—1.017

Resale Material--\$173,774

Inventory Turns—0.728

### **Generac Update:**

The Generac side remained steady throughout March. Two new units were installed along with two new units being sold. Service calls increased after the blizzard and subsequent power outages. About half went down in the blizzard and the other half were not running before. The owners just hadn't noticed. At the close of March, we only have one outstanding quote for a new generator, which will be followed up on in April.

### **Electrician Update:**

March was very busy for Michael and he made great strides on checking jobs off the list. He is currently working on a new grain bin estimate for a member. If this job is accepted, we will have to call in our contractor to help. Along with what was on the job list, Michael did a great job after the blizzard getting to emergency calls. Some of these were torn down secondary lines and power issues in homes.

### **Line Material:**

The blizzard tested our inventory levels with around 33 poles coming down. We were able to quickly get what we didn't have and never had to wait on material for the rebuilding process. With Spring upon us, I am watching inventory levels closely and staying in touch with vendors to stay ahead of any unforeseen shortages.

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**DIGHTON, KANSAS**

**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**LUBBOCK, TEXAS**

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**DIGHTON, KANSAS**

**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.  
DIGHTON, KANSAS**

**FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**TABLE OF CONTENTS**

	<u>Statement Identification</u>	<u>Page No.</u>
Independent Auditor's Report		1
Financial Statements		
Balance Sheets	Exhibit A	4
Statements of Income and Patronage Capital	Exhibit B	5
Statements of Cash Flows	Exhibit C	6
Notes to Financial Statements		7
Supplementary Information		
Electric Plant	Schedule 1	17
Accumulated Provision for Depreciation	Schedule 2	18
Other Property and Investments	Schedule 3	19
Patronage Capital	Schedule 4	20
FFB, CFC, and CoBank Mortgage Notes	Schedule 5	21
Administrative and General Expenses	Schedule 6	22
Compliance and Internal Control		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		23

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**Independent Auditor's Report**

Board of Directors  
Lane-Scott Electric Cooperative, Inc.  
Dighton, Kansas

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Lane-Scott Electric Cooperative, Inc. which comprise the balance sheets as of December 31, 2024 and 2023, the related statements of income and patronage capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lane-Scott Electric Cooperative, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lane-Scott Electric Cooperative, Inc. (the Cooperative) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the Cooperative's financial statements as a whole. The schedules of electric plant, accumulated provision for depreciation, other property and investments, patronage capital, FFB, CFC and CoBank mortgage notes, and administrative and general expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.



The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2025 on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lane-Scott Electric Cooperative, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

*Bolinger, Segars, Gilbert & Moss L.L.P.*

Certified Public Accountants

Lubbock, Texas

April 17, 2025

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Exhibit A

**BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**

**ASSETS**

	December 31,	
	2024	2023
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 67,221,084	\$ 65,917,645
Construction Work in Progress	834,251	1,113,182
Electric Plant Acquisition Adjustment - Net of Accumulated Amortization	(1,241,927)	(1,341,684)
	\$ 66,813,408	\$ 65,689,143
Less: Accumulated Provision for Depreciation	24,836,219	23,543,489
	\$ 41,977,189	\$ 42,145,654
OTHER PROPERTY AND INVESTMENTS - AT COST OR STATED VALUE		
Investments in Associated Organizations	\$ 13,799,086	\$ 13,706,851
Other Investments	5,501	5,501
	\$ 13,804,587	\$ 13,712,352
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 855,071	\$ 434,224
Short-Term Investments	5,308,184	6,319,326
Accounts Receivable - Energy (Less allowance for credit losses of \$54,269 and \$56,579 for 2024 and 2023, respectively)	1,394,999	1,411,374
Property Tax Adjustment - Undercollected	32,190	69,663
Materials and Supplies at Average Cost	725,822	703,772
Other Current and Accrued Assets	184,118	224,667
Total Current Assets	\$ 8,500,384	\$ 9,163,026
DEFERRED CHARGES	\$ 159,936	\$ 845,141
TOTAL ASSETS	\$ 64,442,096	\$ 65,866,173

**EQUITIES AND LIABILITIES**

EQUITIES		
Patronage Capital	\$ 24,231,710	\$ 23,654,624
Other Equities	2,772,630	2,281,875
Total Equities	\$ 27,004,340	\$ 25,936,499
LONG-TERM DEBT		
FFB Mortgage Notes Less Current Maturities	\$ 30,090,966	\$ 30,517,501
CFC Mortgage Notes Less Current Maturities	3,907,142	4,321,496
Total Long-Term Debt	\$ 33,998,108	\$ 34,838,997
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,407,000	\$ 1,932,904
Accounts Payable - Purchased Power	742,741	733,724
Accounts Payable - Other	144,753	326,160
Power Cost Adjustment - Overcollected	211,328	793,424
Consumer Deposits	162,800	106,856
Accrued Taxes	362,405	376,464
Accrued Interest	17,730	267,399
Accrued Employee Compensated Absences	219,953	197,426
Total Current Liabilities	\$ 3,268,710	\$ 4,734,357
DEFERRED CREDITS	\$ 170,938	\$ 356,320
TOTAL EQUITIES AND LIABILITIES	\$ 64,442,096	\$ 65,866,173

See accompanying notes to financial statements.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Exhibit B

STATEMENTS OF INCOME AND PATRONAGE CAPITAL  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	December 31,				
	2024		2023		Increase
	Amount	%	Amount	%	(Decrease)
OPERATING REVENUES					
Residential	\$ 3,076,327	16.6	\$ 3,156,838	17.7	\$ (80,511)
Irrigation	1,077,398	5.8	1,118,261	6.3	(40,863)
Small and Large Commercial	12,463,932	67.3	13,164,003	73.8	(700,071)
Building & Lighting	125,669	0.7	120,268	0.7	5,401
Sales for Resale	1,186,079	6.4	1,147,816	6.4	38,263
Power Cost Recovery	582,096	3.1	(988,271)	(5.5)	1,570,367
Property Tax Adjustment	(37,473)	(0.2)	64,274	0.4	(101,747)
Other Sales to Public Authorities	54,545	0.3	59,159	0.3	(4,614)
Total Operating Revenues	<u>\$ 18,528,573</u>	<u>100.0</u>	<u>\$ 17,842,348</u>	<u>100.0</u>	<u>\$ 686,225</u>
OPERATING EXPENSES					
Purchased Power	\$ 9,954,804	53.7	\$ 10,346,476	58.0	\$ (391,672)
Distribution - Operation	1,176,649	6.4	1,051,121	5.9	125,528
Distribution - Maintenance	1,204,706	6.5	1,062,231	6.0	142,475
Customer Accounts	275,935	1.5	258,175	1.4	17,760
Customer Service and Information	81,314	0.4	69,604	0.4	11,710
Selling Expenses	92,526	0.5	104,865	0.6	(12,339)
Administrative and General	1,932,023	10.4	1,952,613	10.9	(20,590)
Depreciation	2,133,365	11.5	2,054,939	11.5	78,426
Amortization of Purchase Premium	(99,758)	(0.5)	(99,758)	(0.6)	0
Other Interest	6,142	0.0	5,374	0.0	768
Other Deductions	18,118	0.1	24,588	0.1	(6,470)
Total Operating Expenses	<u>\$ 16,775,824</u>	<u>90.5</u>	<u>\$ 16,830,228</u>	<u>94.3</u>	<u>\$ (54,404)</u>
OPERATING MARGINS - Before Fixed Charges	<u>\$ 1,752,749</u>	<u>9.5</u>	<u>\$ 1,012,120</u>	<u>5.7</u>	<u>\$ 740,629</u>
FIXED CHARGES					
Interest on Long-Term Debt	<u>\$ 1,157,703</u>	<u>6.2</u>	<u>\$ 1,216,985</u>	<u>6.8</u>	<u>\$ (59,282)</u>
OPERATING MARGINS (LOSS) - After Fixed Charges	<u>\$ 595,046</u>	<u>3.2</u>	<u>\$ (204,865)</u>	<u>(1.2)</u>	<u>\$ 799,911</u>
G&T Capital Credits	547,152	3.0	501,621	2.8	45,531
Other Capital Credits	<u>25,898</u>	<u>0.1</u>	<u>32,481</u>	<u>0.2</u>	<u>(6,583)</u>
NET OPERATING MARGINS	<u>\$ 1,168,096</u>	<u>6.3</u>	<u>\$ 329,237</u>	<u>1.8</u>	<u>\$ 838,859</u>
NON-OPERATING MARGINS					
Interest Income	\$ 365,970	2.0	\$ 400,256	2.2	\$ (34,286)
Non-Operating Income - Other	48,147	0.3	79,279	0.4	(31,132)
Gain on Disposition of Property	<u>21,573</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>21,573</u>
	<u>\$ 435,690</u>	<u>2.4</u>	<u>\$ 479,535</u>	<u>2.6</u>	<u>\$ (43,845)</u>
NET MARGINS	<u>\$ 1,603,786</u>	<u>8.7</u>	<u>\$ 808,772</u>	<u>4.4</u>	<u>\$ 795,014</u>
PATRONAGE CAPITAL - BEGINNING OF YEAR	23,654,624		23,902,703		
Transfer to Other Equity - Non-operating Margins	(435,690)		(479,535)		
Patronage Capital Retirements	<u>(591,010)</u>		<u>(577,316)</u>		
PATRONAGE CAPITAL - END OF YEAR	<u>\$ 24,231,710</u>		<u>\$ 23,654,624</u>		

See accompanying notes to financial statements.

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Exhibit C

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	\$ 1,603,786	\$ 808,772
Adjustments to Reconcile Net Margins to Net Cash From Operating Activities		
Depreciation	2,312,268	2,200,138
Electric Plant Acquisition Amortization	(99,758)	(99,758)
Capital Credits	(573,050)	(534,102)
Deferred Charges	685,205	1,086,407
Deferred Credits	(185,382)	356,320
Power Cost Adjustment	(582,096)	988,271
Property Tax Adjustment	37,473	45,023
Accounts Receivable	(170,167)	368,677
Inventories and Other Current Assets	18,499	(395,095)
Payables and Other Current Liabilities	(357,645)	127,153
Net Cash From Operating Activities	\$ 2,689,133	\$ 4,951,806
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Utility Plant	\$ (1,895,538)	\$ (2,810,000)
Plant Removal Costs Less Salvage and Other Credits	(148,508)	(300,007)
Investments in Associated Organization	480,815	458,468
Other Investments	1,011,142	(1,191,950)
Net Cash From Investing Activities	\$ (552,089)	\$ (3,843,489)
CASH FLOWS FROM FINANCING ACTIVITIES		
RUS Advance Payment Activity - Net	\$ 566,581	\$ 1,909,784
Payments on Long-Term Debt - CFC	(398,354)	(493,514)
Payments on Long-Term Debt - FFB	(1,222,116)	(951,870)
Payments on Long-Term Debt - CoBank	(312,904)	(863,852)
Other Equities	30,810	(4,853)
Retirement of Patronage Capital	(380,214)	(339,527)
Net Cash From Financing Activities	\$ (1,716,197)	\$ (743,832)
CHANGE IN CASH AND CASH EQUIVALENTS	\$ 420,847	\$ 364,485
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	434,224	69,739
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 855,071	\$ 434,224
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest on Long-Term Debt	\$ 1,414,869	\$ 1,233,869
Income Taxes	\$ 0	\$ 0
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION		
Gains on Discounted Capital Credit Retirements	\$ 24,255	\$ 60,408

See accompanying notes to financial statements.

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**1. Nature of Operations and Summary of Significant Accounting Policies**

**Nature of Operations**

Lane-Scott Electric Cooperative, Inc. (the Cooperative) is a non-profit company organized to provide electric service at the retail level to primarily residential and commercial accounts in a designated service area. Power delivered at retail is purchased wholesale from Sunflower Electric Power Corporation (SEPC) of which the Cooperative is a member. Net operating margins are allocated to members of the Cooperative and are reflected as patronage capital equity in the balance sheets.

**System of Accounts**

The accounting records of the Cooperative are maintained in accordance with the Rural Utilities Service (RUS) Uniform System of Accounts (USOA) as prescribed for RUS electric borrowers.

**Electric Plant, Other Plant, Maintenance, and Depreciation**

All plant is stated at the original cost of construction which includes the cost of contracted services, direct labor, materials, and overhead items. Contributions from others toward the construction of plant are credited to the applicable plant accounts.

When property, which represents a retirement unit, is replaced or removed, the average cost of such property as determined from the continuing property records is credited to electric plant and such cost, together with cost of removal less salvage, is charged to the accumulated provision for depreciation.

Maintenance and repairs, including the renewal of minor items of plant not comprising a retirement unit, are charged to the appropriate maintenance accounts, except that repairs of transportation and service equipment are charged to clearing accounts and redistributed to operating expense and other accounts.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, cash and temporary cash investments are considered cash and cash equivalents.

At December 31, 2024 and 2023, cash and cash equivalents consisted of:

	December 31,	
	2024	2023
Money Market Temporary Investments	\$ 453,751	\$ 277,133
Cash and Working Funds	341,186	157,091
Short-Term Investments	60,134	
Total Cash and Cash Equivalents	\$ 855,071	\$ 434,224

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Accounts Receivable**

In the normal course of business, the Cooperative recognizes accounts receivable for energy delivered and billed. The Cooperative considers a service delinquent if a payment is not received by the specified due date.

**Allowance for Credit Losses**

The allowance for credit losses represents an estimate of the expected credit losses inherent in trade receivables as of the balance sheet date. Additions to the allowance for credit losses, if any, are made by recording charges to expenses in the income statement. Recoveries consist of consumer payments and application of general retirements for members with outstanding balances. The delinquent accounts deemed uncollectible are written off upon approval of the Board of Directors. Changes in the allowance for credit losses during the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Balance, Beginning of Year	\$ 56,579	\$ 39,728
Write-Offs		(5,989)
Recoveries	<u>(2,310)</u>	<u>22,840</u>
Balance, End of Year	<u>\$ 54,269</u>	<u>\$ 56,579</u>

**Inventories**

Materials and supplies inventories are valued at average unit cost.

**Electric Revenues from Contracts with Customers**

Substantially all operating revenues and customer accounts receivables are derived from contracts with customers. Performance obligations related to the sale of energy are satisfied as energy is delivered to customers. The Cooperative recognizes revenue that corresponds to the price of the energy delivered to the customer. The measurement of energy sales to customers is generally based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated, and the corresponding unbilled revenue is recognized. During 2020, the Cooperative updated their meter reading to read the customers' meters on the last day of the month and includes all billing through December 31 in its customer accounts receivable. Therefore, there is no accrued unbilled revenue for delivered power usage which has not been billed to customers.

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

The Cooperative's tariffs for electric service include adjustment clauses under which billings to customers are adjusted to reflect changes in the cost of purchased power and property taxes. In order to match power cost and related revenues, these amounts to be billed or credited to consumers in subsequent periods are recognized on the balance sheets as Power Cost Adjustment – Undercollected (Overcollected) and Property Tax Adjustment – Undercollected (Overcollected) and as an increase (decrease) of classified operating revenues on the statements of income and patronage capital. The Cooperative had overcollected power cost of (\$211,328) and (\$793,424) at December 31, 2024 and 2023, respectively. Also, the Cooperative had undercollected property taxes of \$32,190 and \$69,663 at December 31, 2024 and 2023, respectively.

The Cooperative does not recognize a separate financing component of its collections from customers as contract terms are short-term in nature. The Cooperative presents its revenues net of any excise or sales taxes.

**Federal Income Taxes**

The Cooperative is exempt from federal income taxes under Section 501(c)(12) of the Internal Revenue Code. More than 85% of the gross income is collected from members.

The Cooperative follows the “uncertain tax positions” provisions of accounting principles generally accepted in the United States of America. The primary tax position of the Cooperative is its filing status as a tax exempt entity. The Cooperative determined that it is more likely than not that its tax positions will be sustained upon examination by the Internal Revenue Service (IRS) and that all tax benefits are likely to be realized upon settlement with taxing authorities. The Cooperative files income tax returns in the U.S. federal jurisdiction and Kansas. The Cooperative is no longer subject to examinations by federal and state taxing authorities for years before 2021.

There were no penalties or interest recognized during years ended December 31, 2024 and 2023.

**Group Concentration of Credit Risk**

The Cooperative's headquarters facility is located in Dighton, Kansas. The service area includes members located in all or parts of an eight county area in Southcentral Kansas. The Cooperative records a receivable for electric revenues as billed on a monthly basis. The Cooperative may require a deposit from new members upon connection which is applied to unpaid bills and fees in the event of default. The deposit accrues interest annually and is returned to residential accounts along with accrued interest after one year of prompt payments. As of December 31, 2024 and 2023, deposits on hand totaled \$162,800 and \$106,856.

The Cooperative maintains its cash balances in institutions insured by the Federal Deposit Insurance Corporation (FDIC). The cash balances exceeded applicable insurance coverage at times during the year.

**Patronage Capital Certificates**

Margins are allocated to members annually, based on billings and usage of electricity. Distributions to members are made at the discretion of the Board of Directors in accordance with the bylaws, subject to the restrictions contained in long-term debt obligations.

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Patronage capital from associated companies is recorded at the stated amount of the certificates. At the end of each year, the Cooperative receives a final allocation amount from Sunflower Electric Power Corporation. The Cooperative records the allocations as G & T capital credit income. The G & T patronage income recognized for the years ending December 31, 2024 and 2023 was \$547,152 and \$501,621, respectively.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications**

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's financial statement presentation. The reclassifications have no effect on net margins of the prior year.

**2. Assets Pledged**

All assets are pledged as security for the long-term debt due to and under management of Federal Financing Bank (FFB) and National Rural Utilities Cooperative Finance Corporation (CFC).

**3. Plant**

The major classes of plant consisted of the following:

	December 31,	
	2024	2023
Intangible Plant	\$ 494	\$
Transmission Plant		1,229,543
Distribution Plant	60,844,877	58,374,077
General Plant	6,375,713	6,314,025
Total Plant in Service	\$ 67,221,084	\$ 65,917,645
Construction Work in Progress	834,251	1,113,182
Electric Plant Acquisition Adjustment	(2,937,808)	(2,937,808)
Acquisition Adjustment Amortization	1,695,881	1,596,124
Total Plant	\$ 66,813,408	\$ 65,689,143



**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Provision for depreciation of plant is computed using straight-line rates as follows:

Transmission Plant	3.08%
Distribution Plant	3.08% - 8.33%
General Plant	
Structures and Improvements	3.34%
Office Furniture and Fixtures	6.00%
Transportation Equipment	25.00%
Tools, Shop, and Garage Equipment	6.00%
Power-Operated Equipment	10.00%
Communications Equipment	5.00%
Miscellaneous Equipment	6.00% - 20.00%
Laboratory Equipment	6.00%

Depreciation for the years ended December 31, 2024 and 2023 was \$2,312,268 and \$2,200,138, of which \$2,133,365 and \$2,054,939 was charged to depreciation expense and \$178,903 and \$145,199 was allocated to other accounts. The Cooperative, along with five other Kansas electric cooperatives, formed MKEC during the year ended December 31, 2005 to acquire the assets and customers of Aquila, Inc. – Kansas operations. In April of 2007, the Cooperative took responsibility for the billing and collection associated with the customers within its share of the new territories. On December 31, 2007, the Cooperative also took ownership of the electric plant assets involved in the transaction. The acquired assets, associated accumulated depreciation, and discount for amounts paid below the net book value of the assets were recorded on the books of the Cooperative. The discount was classified as an electric plant acquisition adjustment and is being amortized over a 30-year period supported by an engineering study conducted by an independent engineering consultant.

During the years ended December 31, 2024 and 2023, the Cooperative recognized amortization income of \$99,758 and \$99,758, respectively, associated with the electric plant acquisition adjustment.

The acquired transmission and distribution plant assets are depreciated based on the Acquila, Inc. original depreciation rates that were approved by the Kansas Corporation Commission.

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**4. Investments in Associated Organizations**

Investments in associated organizations consisted of the following:

	December 31,	
	2024	2023
CFC		
Capital Term Certificates	\$ 221,958	\$ 221,958
Patronage Capital	242,639	239,220
Sunflower Electric Power Corporation		
Patronage Capital	12,128,124	11,998,935
Mid-Kansas Electric Company, Inc.		
Patronage Capital	326,777	353,973
Capital Contribution	57,847	57,847
Contributed Capital	365,193	365,193
Kansas Electric Cooperatives		
Patronage Capital	36,284	36,284
Federated Rural Insurance		
Patronage Capital	185,625	184,335
NISC		
Patronage Capital	74,237	70,231
S&T Telephone		
Patronage Capital	103,289	103,289
Other	57,113	75,586
	<u>\$ 13,799,086</u>	<u>\$ 13,706,851</u>

**5. Materials and Supplies**

Materials and supplies consisted of the following:

	December 31,	
	2024	2023
Electric Inventory	\$ 562,667	\$ 510,017
Resale Inventory	163,155	193,755
	<u>\$ 725,822</u>	<u>\$ 703,772</u>

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

**6. Deferred Charges**

Deferred charges consisted of the following:

	December 31,	
	2024	2023
MKEC Pre-Acquisition Costs	\$ 113,463	\$ 122,725
Work Plans		64,612
Winter Storm Deferral		614,039
Cost of Service Study Deferral	32,528	16,736
Other	13,945	27,029
	<u>\$ 159,936</u>	<u>\$ 845,141</u>

The pre-acquisition costs are related to the investment in MKEC. The original cost was \$277,870 and is to be amortized over 30 years. Amortization expense was \$9,263 for the years ended December 31, 2024 and 2023.

In February 2021, the Cooperative incurred additional power cost associated with Winter Storm Uri. The Cooperative elected to defer \$3,197,628 in additional power costs and recognize the expense over a period of 42 months. The amount amortized to power cost as of December 31, 2024 and 2023 was \$614,992 and \$931,786, respectively.

**7. Return of Capital**

Under the provisions of the mortgage agreements, until the equities and margins equal or exceed 30.00% of the total assets of the Cooperative, the return to patrons of capital contributed by them is limited generally to 25% of the patronage capital or margins received by the Cooperative in the prior calendar year. The equity and margins of the Cooperative represent 41.9% of the total assets at the balance sheet date. The Cooperative retired \$591,010 and \$577,316 during the years ended December 31, 2024 and 2023, respectively.

**8. Patronage Capital**

	December 31,	
	2024	2023
Assigned	\$ 27,842,226	\$ 27,340,605
Retired	(4,606,232)	(4,015,218)
Assignable	<u>995,716</u>	<u>329,237</u>
	<u>\$ 24,231,710</u>	<u>\$ 23,654,624</u>

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

NOTES TO FINANCIAL STATEMENTS

9. Other Equities

	December 31,	
	2024	2023
Other Equities	\$ 105	\$ 105
Non Operating Margins	2,386,992	1,951,302
Retired Capital Credits - Gain	385,533	330,468
	<u>\$ 2,772,630</u>	<u>\$ 2,281,875</u>

10. FFB Mortgage Notes

The following is a summary of long-term debt due to FFB and maturing at various times through 2047:

	December 31,	
	2024	2023
Fixed Rate Notes - 1.01% - 4.52%	\$ 31,083,966	\$ 32,306,083
Advance Payments		(566,582)
	<u>\$ 31,083,966</u>	<u>\$ 31,739,501</u>
Less: Current Maturities	993,000	1,222,000
	<u>\$ 30,090,966</u>	<u>\$ 30,517,501</u>

Principal and interest installments on the above notes are due quarterly. Annual maturities of long-term debt due FFB for the next five years are as follows:

2025	\$ 993,000
2026	1,175,000
2027	1,243,000
2028	1,264,000
2029	1,281,000

11. CFC Mortgage Notes

The following is a summary of long-term debt due to CFC and maturing at various times through 2034:

	December 31,	
	2024	2023
Fixed Rate Notes - 4.05% - 4.30%	\$ 4,321,142	\$ 4,719,496
Less: Current Maturities	414,000	398,000
	<u>\$ 3,907,142</u>	<u>\$ 4,321,496</u>

-15-  
**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Principal and interest installments on the above notes are due quarterly. Annual maturities of long-term debt due CFC for the next five years are as follows:

2025	\$	414,000
2026		431,000
2027		448,000
2028		466,000
2029		485,000

**12. Short-Term Borrowing**

The Cooperative has a \$4,000,000 line of credit for short-term financing with CFC at a variable interest rate. The Cooperative had \$0 and \$0 outstanding on this line of credit as of December 31, 2024 and 2023, respectively.

The Cooperative has a \$1,000,000 line of credit for short-term financing with CoBank at a variable interest rate. The Cooperative had \$0 and \$0 outstanding on this line of credit as of December 31, 2024 and 2023, respectively.

**13. Deferred Credits**

	December 31,	
	2024	2023
Deferred Install Cost on Meters	\$ 170,938	\$ 356,320

**14. Litigation, Commitments and Contingencies**

There is no litigation currently pending against the Cooperative which would have a material effect on the financial position of the Cooperative.

Under its wholesale power agreement, the Cooperative is committed to purchase its electric power and energy requirements from SEPC until March 31, 2052.

**15. Pension Benefits**

**Narrative Description**

The National Rural Electric Cooperative Association (NRECA) Retirement Security Plan (RS Plan) is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is considered a multi-employer plan under the accounting standards. The RS Plan sponsor's Employer Identification Number is 53-0116145 and the RS Plan Number is 333.

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

A unique characteristic of a multi-employer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

**Plan Information**

The Cooperative's contributions to the RS Plan in 2024 and 2023 represented less than five percent of the total contributions made to the RS Plan by all participating employers. The Cooperative made contributions to the RS Plan of \$673,866 and \$651,527 in 2024 and 2023, respectively. There have been no significant changes that affect the comparability of 2024 and 2023 contributions. Pension expense for the years ended December 31, 2024 and 2023, including amortization of RS prepayment, was \$673,866 and \$731,877, respectively. The RS prepayment was fully amortized in year 2023.

For the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80% funded on January 1, 2024 and January 1, 2023 based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

The Cooperative also provides a NRECA sponsored 401(k) savings deferred contribution plan for all employees. The Cooperative's contribution for the years ended December 31, 2024 and 2023 was \$88,626 and \$75,980, respectively.

**16. Related Parties**

The Cooperative is a member of SEPC which provides electric power and energy to its members. The Cooperative obtains all of its wholesale purchased power from SEPC which amounted to \$9,954,804 and \$10,346,476 for the years ended December 31, 2024 and 2023, respectively. Amounts included in accounts payable purchased power as of December 31, 2024 and 2023 were \$742,741 and \$733,724 due to SEPC.

**17. Subsequent Events**

The Cooperative has evaluated subsequent events through April 17, 2025, the date which the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Schedule 1

ELECTRIC PLANT  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Balance 1/1/2024	Transfers & Additions	Retirements	Balance 12/31/2024
CLASSIFIED ELECTRIC PLANT IN SERVICE				
Intangible Plant				
Organization	\$ 494	\$	\$	\$ 494
Transmission Plant				
Land and Land Rights	3,785	(3,785)		0
Structures and Improvements	29,361	(29,361)		0
Substation Equipment	679,350	(654,191)	25,159	0
Poles, Towers, and Fixtures	195,639	(195,639)		0
Overhead Conductors and Devices	320,914	(320,914)		0
Total	\$ 1,229,049	\$ (1,203,890)	\$ 25,159	\$ 0
Distribution Plant				
Land and Land Rights	\$ 72,036	\$ 3,785	\$	\$ 75,821
Structures and Improvements	58,333	(58,333)		0
Substation Equipment	10,890,420	719,142	19,574	11,589,988
Poles, Towers, and Fixtures	15,995,560	1,323,189	251,563	17,067,186
Overhead Conductors and Devices	19,167,700	591,321	78,460	19,680,561
Underground Conduit	14,916			14,916
Underground Conductors and Devices	607,416	84,868		692,284
Line Transformers	6,908,535	223,873	39,562	7,092,846
Services	1,033,602	68,288	43,353	1,058,537
Meters	3,452,734	7,190	60,011	3,399,913
Installations on Consumer Premises	24,543			24,543
Street Lighting	148,282			148,282
Total	\$ 58,374,077	\$ 2,963,323	\$ 492,523	\$ 60,844,877
General Plant				
Land and Land Rights	\$ 36,728	\$	\$	\$ 36,728
Structures and Improvements	2,782,714			2,782,714
Office Furniture and Equipment	472,261		1,381	470,880
Transportation Equipment	988,970	410,000	158,652	1,240,318
Tools, Shop, and Garage Equipment	95,079		9,940	85,139
Laboratory Equipment	56,399		906	55,493
Power Operated Equipment	1,498,239		176,167	1,322,072
Communications Equipment	175,242	1,298		176,540
Miscellaneous Equipment	208,393	3,738	6,302	205,829
Total	\$ 6,314,025	\$ 415,036	\$ 353,348	\$ 6,375,713
Total Classified Electric Plant in Service	\$ 65,917,151	\$ 2,174,469	\$ 871,030	\$ 67,221,084
Construction Work in Progress for All Plant	1,113,182	(278,931)		834,251
Total Utility Plant	\$ 67,030,333	\$ 1,895,538	\$ 871,030	\$ 68,055,335



LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Schedule 2

ACCUMULATED PROVISION FOR DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Balance 1/1/2024	Depreciation Accruals	Retirements and Transfers	Balance 12/31/2024
Transmission Plant	\$ 1,014,031	\$ 14,262	\$ 1,028,293	\$ 0
Distribution Plant	\$ 18,823,272	\$ 1,966,404	\$ (267,859)	\$ 21,057,535
General Plant				
Structures and Improvements	\$ 1,313,563	\$ 91,274	\$	\$ 1,404,837
Office Furniture & Equipment	372,020	27,855	1,381	398,494
Transportation Equipment	876,731	94,811	158,652	812,890
Shop Equipment	73,073	2,931	7,692	68,312
Lab Equipment	27,731	2,892	906	29,717
Communications Equipment	50,572	10,111		60,683
Power Operated Equipment	977,504	84,092	153,379	908,217
Miscellaneous Equipment	141,014	17,636	5,461	153,189
Total General Plant	\$ 3,832,208	\$ 331,602	\$ 327,471	\$ 3,836,339
Total Classified Electric Plant in Service	\$ 23,669,511	\$ 2,312,268	\$ 1,087,905	\$ 24,893,874
Retirement Work in Progress	(126,022)		(68,367)	(57,655)
	\$ 23,543,489	\$ 2,312,268	\$ 1,019,538	\$ 24,836,219
		(1)	(2)	
(1) Charged to Depreciation Expense		\$ 2,133,365		
Charged to Clearing Accounts		178,903		
		\$ 2,312,268		
(2) Cost of Units Retired			\$ 871,030	
Add: Cost of Removal			200,971	
Less: Salvage Value and Other Credits			52,463	
Loss Due to Retirement			\$ 1,019,538	

**LANE-SCOTT ELECTRIC COOPERATIVE, INC.**

**Schedule 3**

**OTHER PROPERTY AND INVESTMENTS  
DECEMBER 31, 2024 AND 2023**

	December 31,	
	<u>2024</u>	<u>2023</u>
INVESTMENTS IN ASSOCIATED ORGANIZATIONS		
Patronage Capital/Memberships		
Sunflower Electric Power Corporation	\$ 12,128,124	\$ 11,998,935
Mid-Kansas Electric Company, Inc.	326,777	353,973
Kansas Electric Cooperatives	36,284	36,284
National Rural Utilities Cooperative Finance Corporation	242,639	239,220
National Information Solutions Cooperative	74,237	70,231
S&T Telephone	103,289	103,289
Federated Rural Electric Insurance	185,625	184,335
Memberships/Other	57,113	75,586
Capital Term Certificates		
National Rural Utilities Cooperative Finance Corporation	221,958	221,958
Other Contributions		
Mid-Kansas Electric Company, Inc. - Contributed Capital	<u>423,040</u>	<u>423,040</u>
Total Investments in Associated Organizations	\$ <u>13,799,086</u>	\$ <u>13,706,851</u>
OTHER INVESTMENTS	\$ <u>5,501</u>	\$ <u>5,501</u>
	\$ <u><u>13,804,587</u></u>	\$ <u><u>13,712,352</u></u>

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Schedule 4

PATRONAGE CAPITAL  
DECEMBER 31, 2024

Calendar Year	Capital Credits Assigned	Capital Credits Assignable	Capital Credits Retired	Capital Credits Unretired
1961 - 1999	\$ 3,606,193	\$	\$ 3,606,193	\$
2000	551,489		331,806	219,683
2001	586,236		70,023	516,213
2002	894,126		109,253	784,873
2003				
2004	445,083		46,205	398,878
2005	654,424		65,242	589,182
2006	249,740		24,083	225,657
2007	957,265		84,037	873,228
2008	760,877		54,797	706,080
2009	812,994		63,622	749,372
2010				
2011	1,254,442		56,265	1,198,177
2012	1,397,098		396	1,396,702
2013	1,985,150		520	1,984,630
2014	2,044,950		50	2,044,900
2015	794,168		14	794,154
2016	1,498,558		18,470	1,480,088
2017	1,849,728		13,995	1,835,733
2018	1,503,392		25,780	1,477,612
2019	1,748,693		21,549	1,727,144
2020	392,903		392	392,511
2021	2,054,840		8,585	2,046,255
2022	1,298,256		4,955	1,293,301
2023	501,621			501,621
2024		995,716		995,716
	<u>\$ 27,842,226</u>	<u>\$ 995,716</u>	<u>\$ 4,606,232</u>	<u>\$ 24,231,710</u>

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Schedule 5

FFB, CFC, AND COBANK MORTGAGE NOTES  
DECEMBER 31, 2024

Note Number	Advance Date	Date of Maturity	Interest Rate	Principal Amount	Unadvanced	Principal Repayments	Net Obligation
<b>FFB Mortgage Notes</b>							
FFB-1-1	2/23/2010	12/31/2043	4.52%	\$ 3,151,710	\$	\$ 114,407	\$ 3,037,303
FFB-1-2	9/7/2010	1/3/2045	3.49%	685,930		27,960	657,970
FFB-1-3	1/21/2011	1/3/2045	4.24%	863,784		50,811	812,973
FFB-1-4	9/7/2011	1/3/2045	2.84%	2,455,595		144,447	2,311,148
FFB-1-5	3/13/2012	1/3/2045	2.78%	508,660		29,921	478,739
FFB-2-1	12/19/2013	12/31/2047	3.58%	5,264,721		143,063	5,121,658
FFB-2-2	12/19/2013	12/31/2047	3.58%	2,833,610		77,000	2,756,610
FFB-2-3	9/3/2014	12/31/2047	2.90%	2,152,974		58,505	2,094,469
FFB-2-4	9/3/2015	12/31/2047	2.69%	827,615		30,877	796,738
FFB-2-5	2/8/2016	12/31/2047	2.34%	1,083,800		42,221	1,041,579
FFB-2-6	9/22/2016	12/31/2047	2.09%	829,376		33,339	796,037
FFB-2-7	3/2/2018	12/31/2047	2.96%	625,752		22,559	603,193
FFB-2-8	4/25/2018	12/31/2047	3.08%	2,622,472		93,141	2,529,331
FFB-2-9	4/9/2019	12/31/2047	2.73%	895,534		33,217	862,317
FFB-2-10	7/31/2019	12/31/2047	2.34%	2,238,896		87,272	2,151,624
FFB-2-11	11/22/2019	12/31/2047	2.04%	1,176,750		47,583	1,129,167
FBB-2-12	5/12/2020	12/31/2047	1.09%	3,604,302		163,580	3,440,722
FBB-2-13	7/16/2020	12/31/2047	1.01%	484,602		22,214	462,388
Total FFB				\$ 32,306,083	\$ 0	\$ 1,222,117	\$ 31,083,966
<b>CFC Mortgage Notes</b>							
9004-014	6/15/2012	11/30/2025	4.05%	414,321			414,321
9004-015	6/15/2012	11/30/2026	4.15%	430,682			430,682
9004-016	6/15/2012	11/30/2027	4.20%	448,025			448,025
9004-017	6/15/2012	11/30/2028	4.20%	465,886			465,886
9004-018	6/15/2012	11/30/2029	4.20%	485,073			485,073
9004-019	6/15/2012	11/30/2030	4.25%	471,789			471,789
9004-020	6/15/2012	11/30/2031	4.25%	472,394			472,394
9004-021	6/15/2012	11/30/2032	4.30%	491,740			491,740
9004-022	6/15/2012	11/30/2033	4.30%	484,496			484,496
9004-023	6/15/2012	11/30/2034	4.30%	156,736			156,736
Total CFC				\$ 4,321,142	\$ 0	\$ 0	\$ 4,321,142

LANE-SCOTT ELECTRIC COOPERATIVE, INC.

Schedule 6

ADMINISTRATIVE AND GENERAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	December 31,		Increase
	2024	2023	(Decrease)
Administrative and General Salaries	\$ 752,502	\$ 672,586	\$ 79,916
Office Supplies and Expense	82,126	150,643	(68,517)
Outside Services Employed	120,410	85,220	35,190
Employee Education and Training	390,531	425,568	(35,037)
Directors' Fees and Expenses	87,633	72,060	15,573
Annual Meeting Expense	175,292	196,012	(20,720)
Capital Credits Expense	20,203	15,492	4,711
Dues to Associated Organizations	75,940	92,902	(16,962)
Miscellaneous General Expense	60,382	42,463	17,919
Regulatory Commission Expense	2,135	1,956	179
Maintenance of General Plant	164,869	197,711	(32,842)
	<u>\$ 1,932,023</u>	<u>\$ 1,952,613</u>	<u>\$ (20,590)</u>

## **COMPLIANCE AND INTERNAL CONTROL**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Lane-Scott Electric Cooperative, Inc.  
Dighton, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lane-Scott Electric Cooperative, Inc. (the Cooperative), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Cooperative's basic financial statements, and have issued our report thereon dated April 17, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lane-Scott Electric Cooperative, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, material weaknesses and significant deficiencies may exist that were not identified

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Cooperative's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cooperative's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

April 17, 2025



**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

April 17, 2025

Board of Directors  
Lane-Scott Electric Cooperative, Inc.  
Dighton, Kansas

We have audited the financial statements of Lane-Scott Electric Cooperative, Inc. (the Cooperative) for the year ended December 31, 2024, and have issued our report thereon dated April 17, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 3, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Cooperative are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year. We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of useful lives used to calculate depreciation. Management's estimate of the depreciation life used is based on industry accepted guidelines and the lives selected are within those guidelines.
- Management's estimate of the allowance for credit losses. Management's estimate for the allowance for credit losses is based on historical sales, historical loss levels, and an analysis of the collectability of individual accounts.

We evaluated the key factors and assumptions used to develop the accumulated depreciation and depreciation expense, and allowance for credit losses estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Attached to this letter are the misstatements identified during the audit.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 17, 2025.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Cooperative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Cooperative's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the accompanying information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the accompanying information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the use of the Board of Directors and management of Lane-Scott Electric Cooperative, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Balinger, Legars, Gilbert & Moss LLP*

Certified Public Accountants

Client: **43976 - Lane-Scott Electric Cooperative, Inc.**  
Engagement: **43976 - 2024 Lane-Scott Electric Cooperative, Inc.**  
Period Ending: **12/31/2024**  
Trial Balance: **017 - Annual Trial balance - 2 Year**  
Workpaper: **017 - Adjusting Journal Entry Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entry JE # 1</b>				
To adjust PCRF				
448.100.0	PCA REVENUE OVER / (UNDER)		63,260.02	
242.990.0	ACCRUED ECA OVER COLLECTED			63,260.02
<b>Total</b>			<b>63,260.02</b>	<b>63,260.02</b>
<b>Adjusting Journal Entry JE # 2</b>				
To reverse depreciation transfer through I/S				
403.500.0	DEPR EXPENSE-TRANSMISSION PLANT		1,023,070.68	
421.200.0	LOSS ON DISPOSITION OF PROPERTY		19,938.41	
108.500.0	ACCUMULATED DEPR - TRANSMISSION PLANT			19,938.41
403.600.0	DEPR EXPENSE-DISTRIBUTION PLANT			1,023,070.68
<b>Total</b>			<b>1,043,009.09</b>	<b>1,043,009.09</b>
<b>Adjusting Journal Entry JE # 3</b>				
To true up patronage to Sunflower confirmation				
123.100.0	PATRONAGE CAPITAL-ASSOC ORGAN		193,474.34	
423.000.0	G & T CAPITAL CREDITS			193,474.34
<b>Total</b>			<b>193,474.34</b>	<b>193,474.34</b>
<b>Adjusting Journal Entry JE # 4</b>				
To reclass property tax collections to appropriate revenue classes.				
448.000.0	PROPERTY TAX ADJUSTMENT		74,844.78	
440.100.0	RESIDENTIAL SALES			12,747.82
440.200.0	RESIDENTIAL SALES-SEASONAL			94.04
441.000.0	IRRIGATION SALES			4,497.51
442.000.0	LARGE INDUSTRIAL SALES			13,229.37
442.100.0	GENERAL SERVICE-SMALL SALES			22,359.10
442.200.0	GENERAL SERVICE-LARGE SALES			16,441.16
444.000.0	PUBLIC STREET & HIGHWAY LIGHTING			262.51
445.000.0	PUBLIC BLDG.&PUBLIC AUTH. SALES			262.09
447.100.0	NON-DOMESTIC			2,098.88
447.200.0	SALES FOR RESALE-OTHER			2,852.30
<b>Total</b>			<b>74,844.78</b>	<b>74,844.78</b>
<b>Adjusting Journal Entry JE # 5</b>				
To move all of 2023 nonoperating margins to other equities				
201.200.0	PATRONAGE CAPITAL ASSIGNABLE-LSEC		443.08	
219.200.0	NONOPERATING MARGINS - LSEC			443.08
<b>Total</b>			<b>443.08</b>	<b>443.08</b>
<b>Adjusting Journal Entry JE # 100</b>				
To reclass current maturities of LTD				
224.960.0	CURRENT MATURITY - FFB		993,000.00	
224.980.0	CURRENT MATURITY - CFC		414,000.00	
224.970.0	FFB CURRENT MATURITY			993,000.00
224.990.0	CFC CURRENT MATURITY			414,000.00
<b>Total</b>			<b>1,407,000.00</b>	<b>1,407,000.00</b>

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION KS0042
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	PERIOD ENDED December 2024 (Prepared with Audited Data)
	BORROWER NAME The Lane-Scott Electric Cooperative, Inc.
INSTRUCTIONS - See help in the online application.	

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)	
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.	<input type="checkbox"/> 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	4/24/2025
	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	17,842,791	18,535,047	18,928,065	1,276,556
2. Power Production Expense				
3. Cost of Purchased Power	10,346,476	9,954,804	10,634,980	775,045
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	1,051,121	1,176,649	1,100,691	143,934
7. Distribution Expense - Maintenance	1,062,231	1,204,706	1,167,984	61,856
8. Customer Accounts Expense	258,175	275,935	274,588	31,136
9. Customer Service and Informational Expense	69,604	81,314	72,302	5,192
10. Sales Expense	104,865	92,526	105,359	8,328
11. Administrative and General Expense	1,952,613	1,932,023	1,798,256	171,589
12. Total Operation & Maintenance Expense (2 thru 11)	14,845,085	14,717,957	15,154,160	1,197,080
13. Depreciation and Amortization Expense	1,955,181	2,033,608	1,987,303	170,592
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,216,985	1,157,703	1,175,272	95,367
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	5,374	6,142	5,319	682
19. Other Deductions	24,588	18,113	23,809	189
20. Total Cost of Electric Service (12 thru 19)	18,047,213	17,933,523	18,345,863	1,463,910
21. Patronage Capital & Operating Margins (1 minus 20)	(204,422)	601,524	582,202	(187,354)
22. Non Operating Margins - Interest	400,256	365,970	388,827	24,305
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	78,836	63,245	72,289	(21,987)
26. Generation and Transmission Capital Credits	501,621	547,152		193,474
27. Other Capital Credits and Patronage Dividends	32,481	25,898	78,566	5,468
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	808,772	1,603,789	1,121,884	13,906

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 2024		
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	28	50	5. Miles Transmission		0.00
2. Services Retired	55	64	6. Miles Distribution – Overhead	2,031.47	2,030.02
3. Total Services in Place	6,046	6,064	7. Miles Distribution - Underground	8.92	9.17
4. Idle Services (Exclude Seasonals)	305	346	8. Total Miles Energized (5 + 6 + 7)	2,040.39	2,039.19
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	64,283,277		30. Memberships	0	
2. Construction Work in Progress	834,251		31. Patronage Capital	23,063,614	
3. Total Utility Plant (1 + 2)	65,117,528		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	23,140,338		33. Operating Margins - Current Year	601,522	
5. Net Utility Plant (3 - 4)	41,977,190		34. Non-Operating Margins	2,953,566	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	385,638	
7. Investments in Subsidiary Companies	252,175		36. Total Margins & Equities (30 thru 35)	27,004,340	
8. Invest. in Assoc. Org. - Patronage Capital	12,879,492		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	445,461		38. Long-Term Debt - FFB - RUS Guaranteed	30,090,996	
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)	3,906,821	
12. Other Investments	5,501		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	13,804,587		43. Total Long-Term Debt (37 thru 41 - 42)	33,997,817	
15. Cash - General Funds	341,061		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	5,822,144		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	887,494	
20. Accounts Receivable - Sales of Energy (Net)	1,236,414		49. Consumers Deposits	162,800	
21. Accounts Receivable - Other (Net)	158,510				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	1,407,291	
23. Materials and Supplies - Electric & Other	725,821		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	139,642		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	76,666		53. Other Current and Accrued Liabilities	811,415	
26. Total Current and Accrued Assets (15 thru 25)	8,500,383		54. Total Current & Accrued Liabilities (47 thru 53)	3,269,000	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	159,935		56. Other Deferred Credits	170,938	
29. Total Assets and Other Debits (5+14+26 thru 28)	64,442,095		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	64,442,095	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KS0042
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2024
<b>PART D. NOTES TO FINANCIAL STATEMENTS</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KS0042
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2024
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION KS0042			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2024			
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	58,374,078	5,265,961	3,311,715	516,553	60,844,877		
2. General Plant	3,494,584	415,036	353,347		3,556,273		
3. Headquarters Plant	2,819,440				2,819,440		
4. Intangibles	494				494		
5. Transmission Plant	1,229,049		1,229,049		0		
6. Regional Transmission and Market Operation Plant	0				0		
7. All Other Utility Plant	(2,937,808)				(2,937,808)		
8. Total Utility Plant in Service (1 thru 7)	62,979,837	5,680,997	4,894,111	516,553	64,283,276		
9. Construction Work in Progress	1,113,182	(278,931)			834,251		
10. Total Utility Plant (8 + 9)	64,093,019	5,402,066	4,894,111	516,553	65,117,527		
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	510,015	537,613	10,844	491,457	3,631	(720)	562,664
2. Other	193,755	179,155		14,487	193,098	(2,171)	163,154
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	25.200	342.600	0.000	33.000	400.800		
2. Five-Year Average	44.520	144.720	1.440	77.040	267.720		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	22	4. Payroll - Expensed				1,557,435	
2. Employee - Hours Worked - Regular Time	40,827	5. Payroll - Capitalized				448,650	
3. Employee - Hours Worked - Overtime	3,364	6. Payroll - Other				383,823	
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			464,802	3,278,403		
	b. Special Retirements			126,208	1,450,508		
	c. Total Retirements (a + b)			591,010	4,728,911		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power			417,961			
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			24,455			
	c. Total Cash Received (a + b)			442,416			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	29,792	2. Amount Written Off During Year		\$	2,630	
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  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KS0042
INSTRUCTIONS - See help in the online application	PERIOD ENDED December 2024

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			177,120,102	9,285,813	5.24	2,661,795	2,148,216
2	Wheatland Electric Coop, Inc (KS0051)	20510				54,000			
	Total				177,120,102	9,339,813	5.27	2,661,795	2,148,216

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 2024	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1	Cust Chg, WHM, Trans, WHM-HLF		
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 2024	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	AEF Trust	Land	750
	TOTAL		750

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0042	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2024	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 7/17/2024	2. Total Number of Members 2,572	3. Number of Members Present at Meeting 130	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 165	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 58,499	8. Does Manager Have Written Contract? Y

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 2024		
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	3,906,821	192,752	398,354	591,106
3	CoBank, ACB	0	1,044	0	1,044
4	Federal Financing Bank	30,090,996	925,594	1,020,186	1,945,780
5	RUS - Economic Development Loans				
6	Payments Unapplied				
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				
	TOTAL	33,997,817	1,119,390	1,418,540	2,537,930

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION KS0042		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2024		
<b>PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY</b>				
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	2,216	2,217	
	b. kWh Sold			23,561,054
	c. Revenue			3,053,765
2. Residential Sales - Seasonal	a. No. Consumers Served	1,104	1,110	
	b. kWh Sold			2,158,099
	c. Revenue			525,324
3. Irrigation Sales	a. No. Consumers Served	337	337	
	b. kWh Sold			8,557,107
	c. Revenue			1,077,399
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,818	1,827	
	b. kWh Sold			47,395,383
	c. Revenue			5,356,256
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	183	177	
	b. kWh Sold			76,049,485
	c. Revenue			7,107,709
6. Public Street & Highway Lighting	a. No. Consumers Served	12	12	
	b. kWh Sold			379,942
	c. Revenue			62,885
7. Other Sales to Public Authorities	a. No. Consumers Served	47	47	
	b. kWh Sold			404,376
	c. Revenue			62,784
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			8,983,672
	c. Revenue			683,282
10. Total No. of Consumers (lines 1a thru 9a)		5,718	5,728	
11. Total kWh Sold (lines 1b thru 9b)				167,489,118
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				17,929,404
13. Transmission Revenue				
14. Other Electric Revenue				605,642
15. kWh - Own Use				82,080
16. Total kWh Purchased				177,120,108
17. Total kWh Generated				
18. Cost of Purchases and Generation				9,954,804
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				32,446

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>				BORROWER DESIGNATION      KS0042		
INSTRUCTIONS - See help in the online application.				PERIOD ENDED      December   2024		
<b>PART P. ENERGY EFFICIENCY PROGRAMS</b>						
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						
<b>10. Total</b>						



<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p><b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</b></p>	<p>BORROWER DESIGNATION KS0042</p> <p>PERIOD ENDED December 2024</p>
--	--

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)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Patronage Capital-Rural Data Processing	2,643			
	Patronage Capital-Kansas Electric Coop	17,062			
	Patronage Capital-NiSC	74,237		4,007	
	Patronage Capital-Garden City Coop	4,057			X
	Patronage Capital-S & T Telephone Coop Assn	103,290			X
	Midwest Energy	586			X
	Patronage Capital-NRUCFC		242,639	3,419	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.	185,625		1,290	
	Membership-SEP Corporation	1,000			
	Sunflower Electric Power Corp.	5,363			
	Building & Land Fund-KEC	19,222			
	Membership-NRTC	1,000			
	Golden Belt Telephone	36,091		871	X
	Sunflower Electric Power Corp	303,000			
	Patronage Capital - Co-Bank		1,000	(19,346)	
	Patronage Capital-Sunflower Electric Power Corp		11,819,761	129,190	
	Patronage Capital-HLS-Federated Rural Electric Ins				
	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		326,777	(27,196)	
	MKEC LLC	423,039			
	Totals	1,185,950	12,613,135	92,235	
<b>4</b>	<b>Other Investments</b>				
	Lane County Area Development Corp	5,000			X
	Garden City Coop	500			X
	Beeler Coop	1			X
	Totals	5,501			
<b>6</b>	<b>Cash - General</b>				
	First National Bank-Dighton, Ks		1,182		
	First State Bank-Healy, Ks	239,578	100,000		
	Working Funds	300			
	First State Bank-Healy, Ks.-Revolving Loan Fund				
	Totals	239,878	101,182		
<b>7</b>	<b>Special Deposits</b>				
	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 2024	
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		85,690
	First State Bank-Healy, Ks	368,136	
	NRUCFC Commercial Paper		5,368,318
	Totals	368,136	5,454,008
9	Accounts and Notes Receivable - NET		
	Accts Rec-Resale & Electrician Service	41,480	
	Accts Rec-Contributions in aid of construction	117,030	
	Totals	158,510	
11	TOTAL INVESTMENTS (1 thru 10)	1,958,000	18,168,325 92,235

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 2024			
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 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 2024		
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]					3.01 %
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				

## 10. b. 2024 Capital Credit Allocation

The Allocation of Capital Credits is addressed in the LSEC Bylaws, Article VII, Section 2. **Patronage Capital in Connection with Furnishing Cooperative Services** and in Board Policy 113 **Capital Credits**.

Board Policy 113 addresses Allocations as follows:

**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.*

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

- 1) is consistent with state and federal law;*
- 2) is consistent with operating on a cooperative basis under federal tax law;*
- 3) is fair and reasonable to the Cooperative's patrons and former patrons;*
- 4) provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; and*
- 5) 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").*

### **EXPECTATIONS:**

- 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.*

The Bylaws and Policy draw a distinction between Operating Margins and Non-Operating Margins. Operating Margins are allocated while Non-Operating Margins allocations are at the discretion of the Board.

The 2024 BSGM Audit report identifies 2024 items as follows:

Line 21. Operating Margins – After Fixed Charges	\$ 601,524
Line 22. Non-Operating Margins – Interest Income	\$ 365,970
Line 25. Non-Operating Margins – Other <i>plus</i> Gain (Loss) on Disposition of Property	\$ 63,245
Line 26. Generation and Transmission Capital Credits	\$ 547,152
Line 27. Other Capital Credits and Patronage Dividends	\$ 25,898
Line 28. Extraordinary Items	\$ 0

According to Policy:

	Operating Margins Allocated	G&T Capital Credits (allocated separately)	Non-Operating Margins (option to allocate)
2023 Net Operating Loss	(171,941)		
Line 21 - 2024	601,524		
Line 22			365,970
Line 25			63,245
Line 26		547,152	
Line 27	25,898		
Line 28			0
<b>Totals</b>	<b>455,481</b>	<b>547,152</b>	<b>429,215</b>

The Board has the option to allocate or retain Non-Operating Margins. We request that the Board retain the \$429,215 of non-Operating margins to build to equity.

Further, recognizing that this allocation request is prepared in advance of the final audit statement, and that the auditors use estimates in the preparation of Audit Statements, and state “Actual results could differ from those estimates.” (*Page 12 of 31*) The actual dollar allocation amounts will be taken from the audited financial statements as approved by the Board of Trustees and may vary from the amounts listed below. Any material difference will be reviewed by the staff and the Auditors and presented to the Board of Trustees.

**Therefore, the staff requests that the Board approve:**

- 1. Apply the 2023 Operating Loss of (\$171,941) to offset the 2024 allocation, and**
- 2. Allocate \$455,481 for 2024 patronage capital, and**
- 3. Allocation of \$547,152 in 2024 Generation and Transmission Capital Credits, and**
- 4. That the Cooperative retain (no allocation) all Non-Operating Margins (\$429,215).**

#### **10. c. Sunflower Electric Power Corporation Annual Meeting**

Sunflower EPC requests that the Lane-Scott Board of Trustee appoint a Voting Delegate and Alternate to the Sunflower Electric Power Corporation Annual Meeting to be held May 21, 2025, in Ulysses, KS.

Richard Jennison was appointed Annual Meeting Delegate to the 2024 SEPC Annual Meeting by the LSEC Board. Richard McLeon was appointed Alternate Delegate.

## Memorandum

**To:** Sunflower Electric Power Corporation Member Managers  
Sunflower Electric Holdings, Inc. Member Managers

**From:** Brent A. Mitchell, Secretary

**Date:** March 25, 2025

**Subject:** **2025 Annual Meetings**

---

Attached are forms to be completed by each Member designating its delegate and alternate for Sunflower Electric Power Corporation, Sunflower Electric Holdings, Inc., annual meeting and other Member meetings during the year. The annual meetings are scheduled for **Wednesday, May 21, 2025, hosted by Pioneer Electric Cooperative, Inc., held at 1850 W. Oklahoma, Ulysses, Kansas.** We ask that the Secretary, General Manager, or CEO, as the case may be, of each Member certify to their delegate and alternate choices not less than 15 days prior to the Annual Meeting. Please complete and return your cooperative's form **no later than May 1, 2025** by mail or email.

Your annual meeting delegate and alternate delegate for each company does not need to be the same as your director(s) and alternate director(s) who are designated for the monthly Board of Directors meetings.

The annual meeting notices will be sent to all the Members, delegates, and alternate delegates on or before May 5, 2025. The time of the meeting as well as other pertinent information will be set forth therein.

If you have any questions, please call me at (316) 265-9311.

Hard copies will follow this email.



**CERTIFICATION OF DELEGATE AND ALTERNATE DELEGATE**

**ANNUAL MEETING OF MEMBERS  
OF  
SUNFLOWER ELECTRIC POWER CORPORATION**

Wednesday, May 21, 2025

MEMBER SYSTEM NAME: Lane-Scott Electric Cooperative, Inc.

Name of **DELEGATE**: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

EMAIL: \_\_\_\_\_

Name of **ALTERNATE**: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

EMAIL: \_\_\_\_\_

This certifies that the above named persons have been duly authorized to represent this Member System as Delegate and Alternate Delegate for the Annual Meeting of Members of Sunflower Electric Power Corporation, to be held Wednesday, May 21, 2025 and such other meetings of Members called by the Corporation.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title:

PLEASE RETURN THIS CERTIFICATION TO:

Brent A. Mitchell

Sunflower Electric Power Corporation

PO Box 1020

Hays, KS 67601-1020

[mhubbard@sunflower.net](mailto:mhubbard@sunflower.net)

**10. d. Sunflower Electric Holdings, Inc. Annual Meeting**

Sunflower EPC requests that the Lane-Scott Board of Trustee appoint a Voting Delegate and Alternate to the Sunflower Electric Holdings, Inc. Annual Meeting to be held May 21, 2025, in Ulysses, KS.

Richard Jennison was appointed Delegate to the 2024 SEH Annual Meeting by the LSEC Board. Richard McLeon was appointed Alternate Delegate.

## Memorandum

**To:** Sunflower Electric Power Corporation Member Managers  
Sunflower Electric Holdings, Inc. Member Managers

**From:** Brent A. Mitchell, Secretary

**Date:** March 25, 2025

**Subject:** **2025 Annual Meetings**

---

Attached are forms to be completed by each Member designating its delegate and alternate for Sunflower Electric Power Corporation, Sunflower Electric Holdings, Inc., annual meeting and other Member meetings during the year. The annual meetings are scheduled for **Wednesday, May 21, 2025, hosted by Pioneer Electric Cooperative, Inc., held at 1850 W. Oklahoma, Ulysses, Kansas.** We ask that the Secretary, General Manager, or CEO, as the case may be, of each Member certify to their delegate and alternate choices not less than 15 days prior to the Annual Meeting. Please complete and return your cooperative's form **no later than May 1, 2025** by mail or email.

Your annual meeting delegate and alternate delegate for each company does not need to be the same as your director(s) and alternate director(s) who are designated for the monthly Board of Directors meetings.

The annual meeting notices will be sent to all the Members, delegates, and alternate delegates on or before May 5, 2025. The time of the meeting as well as other pertinent information will be set forth therein.

If you have any questions, please call me at (316) 265-9311.

Hard copies will follow this email.

**CERTIFICATION OF DELEGATE AND ALTERNATE DELEGATE**

ANNUAL MEETING OF MEMBERS  
OF  
**SUNFLOWER ELECTRIC HOLDINGS, INC.**

Wednesday, May 21, 2025

MEMBER SYSTEM NAME: Lane-Scott Electric Cooperative, Inc.

Name of **DELEGATE**: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

EMAIL: \_\_\_\_\_

Name of **ALTERNATE**: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

EMAIL: \_\_\_\_\_

This certifies that the above named persons have been duly authorized to represent this Member System as Delegate and Alternate Delegate for the Annual Meeting of Members of Sunflower Electric Holdings, Inc., to be held Wednesday, May 21, 2025 and such other meetings of Members called by the Corporation.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary:

PLEASE RETURN THIS CERTIFICATION TO:

Brent A. Mitchell  
Board Counsel  
Sunflower Electric Holdings, Inc.  
PO Box 1020  
Hays, KS 67601-1020  
[mhubbard@sunflower.net](mailto:mhubbard@sunflower.net)

# SAFETY PROGRAM

**Safety Monthly Summary:** Working with Carrie on Emergency Response Plan. Changing out rubber gloves and rubber sleeves. Filed Annual Performance Measurements Completion Report with NRECA. Looking into options and ideas for digital tailgate sheet.

## *SAFETY PROJECTS **COMPLETED** AS OF April 2025*

- Rubber gloves changed out.
- Rubber sleeves changed out.
- Hot Arms All Tested.
- KEC Safety Meeting: Hearing Conservation Program and Decibel Testing of Equipment, Accident Investigation. Admin.: Violence in the workplace.
- FCC radios: Mobile Radio: Installing sonic wall on Twin Springs Tower.

Ann Jennings's submitted report:

- Farm Safety- Line Clearance: KCL Magazine, E-mail, Publishing in Newspaper, Web Banners on coop & Smart Hub website, social media.
- Spring Planting Tips: social media.
- Work Zone Awareness: social media.
- Distracted Driving: social media.
- Safe Digging: 2 social media posts.

Diana Kuhlman submitted reports:

- Attended Monthly Safety Meeting.
- Coordinate Monthly Drug Testing.
- Set up Drug testing for new employees.
- No Time Lost Reporting.

## *SAFETY PROJECTS **IN PROGRESS** AS OF March 2025*

1. SafetyAmp Inspection digital form: Completing inspection form for trencher.
2. FCC radios: Sunflower tower study on east side of LSE territory for better coverage and redundancy.
3. New weather resistant jackets and pants options being discussed and priced.
4. Safety Council Yearly Walk through items to resolve. -99% completed
5. RESAP Onsite Observation.
  - Sub Station Circuits are being identified.
  - URD cables being identified and labeled. In Progress.
  - Pad mount and switch cabinet signage in progress of being updated (June).

LANE-SCOTT ELECTRIC COOPERATIVE, INC.  
SAFETY MEETING  
March 12th, 2025

Chris Terhune called the meeting to order at 9:05 a.m.

**Minutes were read:** Dellon Shelton made a motion to approve February 20th, 2025, minutes. Seconded by Taylo Cable. Minutes were read and approved as printed.

**Present:** Ben Mann, Chad Rupp, Chris Terhune, Leighton Ayers, Dellon Shelton, Blake McVicker, Taylor Cable, Nate Burns, Scott Briand, Micheal Pollock, Carrie Borell, Ann Jennings, Diana Kuhlman, Jocelyn Walker, Cindy Fuentes-Ummel, and Lillie Koehn.

**Absent:** Richard McLeon, Kasey Jenkinson, Dal Hawkinson, Kevin Bradstreet, Myron Seib, Blake McVicker, and Micheal Pollock.

**Guest:**

**Truck report of inspections:**

105	Taylor Cable	OK
110	Blake McVicker	OK
112	Dellon Shelton	OK
123	Micheal Pollock	OK
132	Taylor Cable	OK
135	Nate Burns	OK
136	Kevin Bradstreet	OK
143	Scott Briand	OK
145	Dal Hawkinson	OK
150	Kasey Jenkinson	OK
173	Chad Rupp	OK
191	Micheal Pollock	OK
200	Ben Mann	OK
201	Blake McVicker	OK
305	Blake McVicker	OK
2401	Blake McVicker	OK
2402	Chris Terhune	OK

**Trailer and Equipment report of inspections:**

502	Blake McVicker	OK
507	Blake McVicker	OK
515	Blake McVicker	OK
504	Blake McVicker	OK
505	Chris Terhune	OK
508	Chad Rupp	OK
509	Chris Terhune	OK
513	Chris Terhune	OK
516	Chris Terhune	OK
700	Chris Terhune	OK
701	Chris Terhune	OK
702	Chris Terhune	OK
512	Scott Briand	OK
514	Scott Briand	OK

**Warehouse, building, and pole yard inspections:**

Ness City Warehouse	Blake McVicker	OK
Ness Pole Yard & Transformer Dock	Blake McVicker	OK
Warehouse	Scott Briand	OK

Pole Yard & Transformer Dock  
Office

Scott Briand  
Diana Kuhlman

OK  
Elevator is out of order.

**Personal Tools:** All Passed

**Gloves Monthly Test Results:** All Passed

**Line Hoses Annual Test Results:** N/A

**Blankets Annual Test Results:** N/A

**Sleeves Quarterly Test Results:** N/A

**Substation and Regulator Report:**

- ♦ Ben Mann: Subs have all been inspected. Labeling on URD cabinets and pad mounts is underway.

**PCB Report:** None to Report

**Line Clearance:** Nothing to report on.

**Accident and Near Misses:** Nothing to report on.

**Old Business:** Nothing to report on.

**New Business:**

- ♦ Jocelyn Walker: Unclaimed capital credits will be sent out.
- ♦ Nate Burns: Weskan Grain Elevator build is back on. Looking into new design ideas.
- ♦ Carrie Borell: Researching options for digital tailgate sheets, NISC has one that will integrate with AppSuite. Discussion was had about scam QR Codes and Toll free texts.
- ♦ Ann Jennings: Thanks for the votes for helping decide on the annual meeting prize. Three Trustees will not be running for reelection, Eric Doll, Rad Roehl, Chad Griffith. The deadline to register for the LSE Scholarship is March 28<sup>th</sup>, 2025. The deadline for CoBank business grants is April 4<sup>th</sup>, 2025.
- ♦ Diana Kuhlman: New receptionist Lillie Koehn was welcomed to the LSE team.
- ♦ Chris Terhune: TK Elevator is on sight to replace the packing seals in the elevator lift cylinders. North pole yard gate has been repaired.
- ♦ Derrik Gilsdorf: Cover his history in the line field. Bloodborne Pathogens/ Hazard Communications, Emergency Preparedness, Prevention of back injuries was discussed.

Meeting adjourned.

---

Chris Terhune  
Safety Coordinator

---

Carrie Borell  
Safety Administrator