

# ★ Illinois Electric Cooperative ★ *Annual Meeting 2024*

## Treasurer's Report

First, I would like to invite all members to attend your cooperative's Annual Meeting. Your attendance is important to us. We hope you can make it and we look forward to seeing you in Winchester on June 8th.

As your treasurer, it is my duty to report to the membership about the financial condition of the cooperative at our annual meetings. Our mission has always been to improve the quality of life of the members we serve. That is done in part by striving to provide the most reliable and safe electric and internet service possible. Important decisions must be made balancing the need for improvements and expansion of current services with the costs required for those improvements and additional offerings. Our past decisions have led to a more reliable electric system and the ability to provide internet service to a growing number of our members. While improving the systems, your cooperative maintains a sound financial position.

Providing reliable service requires constant investment in the systems. Most of those investments are financed through the USDA's Rural Utility Services Program. Borrowing from the USDA assures the lowest possible interest rates, which has become critical in our current, higher interest rate environment. Even with the lowest available rates we have seen our long-term interest expense increase by \$600,000 from where it was in 2022. Borrowing from the federal government always produces a higher administrative burden, but borrowing from other sources would substantially increase interest expense and put more upward pressure on rates.

As with all lenders, we are required to meet certain financial ratios. In 2023, your cooperative met all its lenders' financial ratio requirements. Net operating margins were slightly below the previous two years at \$2.9 million. Of those margins, your cooperative retired approximately \$1 million to current and former members.

On the balance sheet, total equities are \$58.7 million, representing 38% of total assets. Equity was slightly higher than in 2022 but is lower than most cooperatives nationally.

The audited financial statements for the year ending December 31, 2023, are contained in the annual meeting announcement, and are posted on our website. If you have any detailed questions about the financial statements, please feel free to contact our office anytime.

We look forward to serving you in the future, as we have for over 80 years, and providing the quality of services you have come to expect.

We hope you can attend the 2023 Annual Meeting. Your attendance is appreciated.

*Jim Freeman,  
Treasurer*

**Join us for our 2024 Annual Meeting on Saturday, June 8th at the Winchester Grade School! We'll be giving away four \$500 and twenty \$100 door prizes. You could also win one of eleven \$500 prizes for your favorite charity. Each member will receive a \$15 credit at our drive-through registration from 8:00-10:00 a.m.**

**Working to improve the quality of life in the communities we serve since 1936.**

[www.e-co-op.com](http://www.e-co-op.com)

# Audited, Condensed Balance Sheets, December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Utility Plant	\$155,728,515	\$145,761,007
Less Accumulated Depreciation	<u>(32,761,576)</u>	<u>(29,096,279)</u>
Net Utility Plant	122,966,939	116,664,728
Other Assets and Investments	<u>19,655,039</u>	<u>19,000,328</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	3,236,710	2,840,171
Accounts and Notes Receivable	5,098,370	4,884,059
Current Portion of Notes Receivable	337,983	351,671
Inventory	3,104,156	3,028,338
Other	<u>310,880</u>	<u>292,876</u>
Total Current	12,088,099	11,397,115
Deferred Debits	<u>176,452</u>	<u>168,566</u>
<b>Total Assets</b>	<u><u>\$154,886,529</u></u>	<u><u>\$147,230,737</u></u>
<b>Liabilities and Equities</b>		
Patronage Capital	\$32,575,351	\$31,298,935
Other	<u>26,172,252</u>	<u>23,541,634</u>
Total Equities	58,747,603	54,840,569
<b>Long-term Debt, Net of Current Maturities</b>	81,907,565	74,940,919
Accumulated Provision for Post Retirement Benefit Obligation	2,920,904	2,975,274
<b>Current Liabilities</b>		
Current Maturities of Long-term Debt	3,543,024	3,235,776
Notes and Accounts Payable	6,301,537	9,834,199
Other	<u>1,287,739</u>	<u>1,224,615</u>
Total Current Liabilities	11,132,300	14,294,590
Deferred Credits	<u>178,157</u>	<u>179,385</u>
<b>Total Equities and Liabilities</b>	<u><u>\$154,886,529</u></u>	<u><u>\$147,230,737</u></u>

## Audited, Consolidated Statement of Operations, Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Total	\$42,738,948	\$39,731,546
Cost of Power	19,687,613	18,430,702
Operations and Maintenance	6,796,997	6,841,798
Consumer Accounts	750,624	652,829
Administrative and General	3,486,082	3,187,704
Depreciation	5,810,428	5,112,466
Other Interest	<u>294,758</u>	<u>226,375</u>
Total Operating Expenses	<u>36,826,502</u>	<u>34,451,874</u>
Operating Margin Before Fixed Charges	5,912,446	5,279,672
Interest on Long-Term Debt	<u>2,992,715</u>	<u>1,995,732</u>
Operating Margins After Fixed Charges	2,919,731	3,283,940
Capital Credits	<u>1,211,631</u>	<u>1,195,252</u>
Net Operating Margins	4,131,362	4,479,192
Non-Operating Margins	<u>399,329</u>	<u>272,293</u>
Total Margins	<u>\$4,530,691</u>	<u>\$4,751,485</u>

# Bylaw Change to Be Voted on at 2024 Annual Meeting

**Proposed amendment to Article Four, Section 3 of the Bylaws pertaining to “Qualification and Tenure” of Directors. The following is presented to the membership for consideration.**

### Current Language

*No member shall be eligible to become or remain a Director or to hold a position of trust in the Cooperative unless he/ she has met all of the following qualifications: (1) he/she is an actual consumer of goods and services provided by the Cooperative, and; (2) he/ she actually resides in the district for which he/she has been nominated for or otherwise seek election in. Residing in the district requires that he/she have a residence or house within the district in which he/she stays full-time on a regular basis and for which he/she is registered to vote in the town, village, or city in which they reside.*

### Proposed Language

*No member shall be eligible to become or remain a Director or to hold a position of trust in the Cooperative unless they meet all of the qualifications in this Section 3, including that they are an actual consumer of goods and services provided by the Cooperative, and that they actually reside in the district for which they are nominated or otherwise seek election. For purposes of this Section 3, residing in the district and receiving goods and services of the Cooperative requires the following: (1) that their primary residence (one at which they reside 183 days or more in the calendar year) is located in the district; (2) that they are eligible to vote in the precinct in which the primary residence is located; and (3) that the primary residence receives electric service from the Cooperative.*

The co-op’s complete bylaws can be found on our website at [www.e-co-op.com](http://www.e-co-op.com).

# Proxy

I, \_\_\_\_\_, a member of Illinois Electric  
(please print)  
Cooperative, do hereby appoint \_\_\_\_\_ to be my Proxy  
(please print)  
for all matters to come before the membership at the Annual Meeting of  
Members to be held June 8, 2024.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

This institution is an equal opportunity provider and employer.