

EMPOWERED BY MEMBERS, DRIVEN BY INNOVATION

ANNUAL REPORT

Served by those we serve...



SWRE Employees:

Pictured L to R: (Back Row)- Ken Simmons, Bob Reid, Austin Huff, Mike Wolfe, James Stephens, Calvin Flood, James Auldridge, Kelby Boyd, Keith Jonas, Chandler Lingle. (Second Row)- Tyler Weathers, Justin Marsh, Jimmy Westover, Jim McPherson, Al Davis, Gabe Guerra, Barry Holt, Jack Mitchell. (Front Row)- Keith Bonham, Johnnie Partida, Gina McNeil, Haley Hoover, Vikki McLaughlin, Chris Petty, Cyndi Moellering, Becca McPherson, Gerald Simpson, David Ball Not pictured: Traci Balderas, Rick Risinger



YOU'RE INVITED: 2019 Annual Meeting

AUGUST 29, 7PM WESTERN OKLAHOMA STATE COLLEGE AUDITORIUM

Members of Southwest Rural Electric Associatio will meet in Altus on Thursday, August 29, for the organization's 82nd Annual Meeting.

The event will be held at the Western Oklahoma State College Auditorium, 2801 N. Main Street, A tus, Oklahoma.

Because SWRE is a cooperative, its customers ar also its members. All SWRE members from throu out the co-op's service territory in Texas and Okla homa are encouraged to attend.

Registration will begin at 2:00 p.m. and conclude 6:55 p.m.

Annual meeting gifts will be given to all member at registration. All SWRE members who register a this year's meeting will receive a \$25 credit on the SWRE utility bill (One credit per membership).

Since registration will open at 2 p.m., even those members who register during the afternoon but c not stay for the meeting will receive the gift items including the \$25 bill credit.

SWRE's charitable foundation, Operation Round Up, will be offering food for a small donation to t

SWRE members who receive electric service in Districts 1 and 7 will hold district meetings this fall.

DISTRICT #1: Board Member: Don Ellis

September 19, 2019, 6:30 p.m. Senior Citizen Center 401 South Main St Roosevelt, OK

on	foundation. WOSC Shooting Sports will be serving
ne	the food that will be available from 4-5:30 p.m.
	The event will begin with cowboy movies shown in-
a	side the auditorium from 2pm and continue until the
Al-	beginning of the live entertainment at 6 p.m. The
	Altus-based band, "Higher Ground" will be perform-
re	ing an hour long show.
ugh-	The SWRE business session will begin promptly at
la-	7:00 p.m.
	Immediately following the brief business meeting, a
le at	drawing will be held with more than 100 prizes to be
	given away, including a programmable thermostat,
ers	a GoPro kit, a drone and much more! Please note:
at	prizes were incorrectly listed in the previous edition
eir	of this newsletter, the traditional \$500 energy certifi-
	cate will not be offered in lieu of the grand prize 2014
e	4WD half-ton Ford Supercab.
can-	Members must be present at the drawing to claim
s,	the prizes.
	The drawing prizes will include 46 energy certifi-
nd	cates that can be applied toward SWRE utility bills.
the	

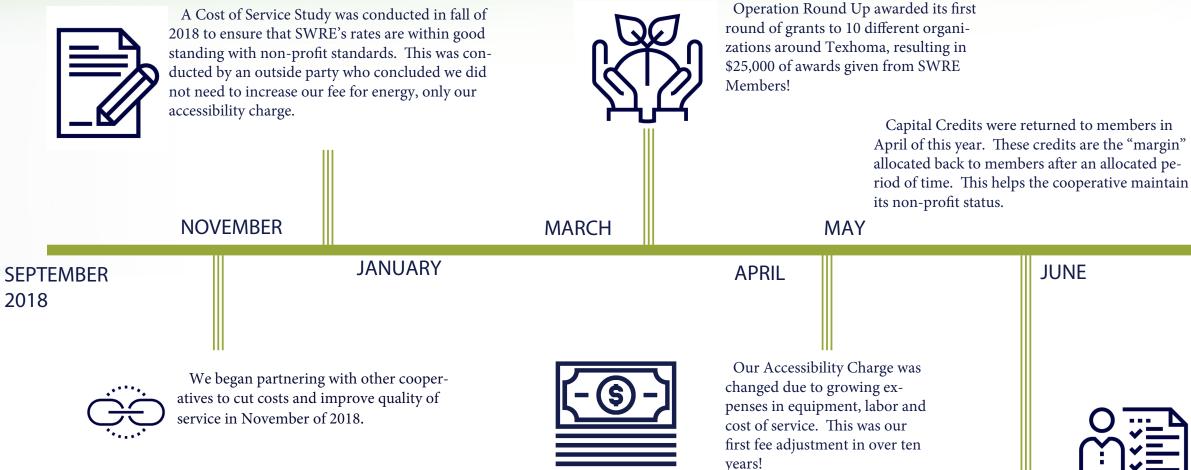
District Meetings

DISTRICT #7:

Board Member: Dan White

September 16, 2019, 6:30 p.m. Northside School 18040 Highway 287 Vernon, TX

2018-2019 IN REVIEW



Innovation & Change

Our cooperative has been rapidly changing over the past twelve months. From implementing new technologies, to using innovation and cooperation to cut costs and deliver better service to our members, rest assured we have been actively serving you every step of the way.





AUGUST 2019



billing cycle.

Bill Cycle Changes were implemented in May of 2019. In order to more efficiently manage time and expense, all members were moved from three billing cycles to one

Financial Report





REVENUES Residential Sales \$ 6,323,477 \$ 6,861,660 Seasonal Sales 1,440,001 1,454,906 Commercial Sales 6,593,772 6,644,731 Irrigation Sales 1,653,948 2,164,615 Other Sales 294,126 304,670 Other Rev & Income 522,070 487,203 TOTAL REVENUE \$ 16,827,394 \$ 17,917,785 COST OF ELECTRIC SERVICES Expenses Controlled by Other Entities \$ 9,442,204 Depreciation & Amortization 1,477,646 1,528,467 Interest Expense 1,265,090 1,265,055 TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 Current Assets \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 <th>Operating Statement</th> <th></th> <th>2017</th> <th></th> <th>2018</th> <th></th>	Operating Statement		2017		2018				
Seasonal Sales 1,440,001 1,454,906 Commercial Sales 6,593,772 6,644,731 Irrigation Sales 1,653,948 2,164,615 Other Sales 294,126 304,670 Other Rev & Income 522,070 487,203 TOTAL REVENUE \$ 16,827,394 \$ 17,917,785 COST OF ELECTRUE Expenses Controlled by Other Entities 7074,177,646 1,528,467 Interest Expense 1,477,646 1,528,467 1,265,090 Interest Expense 1,265,090 1,265,055 FOTAL \$ 1,1580,314 \$ 12,235,726 Expenses Controlled by SWRE 0peration & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 \$ 5,276,524 TOTAL MARGINS \$ 54,775,299 \$ 56,268,805 0ther Property & Investments 7,566,535 7,662,012 Current Assets 23,91,143 2,175,267 \$ 405,535 472,633 <td< th=""><th colspan="9"></th></td<>									
Commercial Sales 6,593,772 6,644,731 Irrigation Sales 1,653,948 2,164,615 Other Sales 294,126 304,670 Other Rev & Income 522,070 487,203 TOTAL REVENUE \$ 16,827,394 \$ 17,917,785 COST OF ELECTRUE Expenses Controlled by Other Entities 7074,147,646 1,528,467 Interest Expense 1,265,090 1,265,055 7074,1 \$ 12,235,726 Expenses Controlled by SWRE 1,126,091 \$ 1,223,726 5 Expenses Controlled by SWRE 945,544 857,922 Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL MARGINS \$ 5,222,406 \$ 5,276,524 TOTAL MARGINS \$ 16,802,720 \$ 17,512,250 S TOTAL MARGINS \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 23,91,143 2,175,267 Cash & Te	Residential Sales	\$	6,323,477	\$	6,861,660				
Irrigation Sales 1,653,948 2,164,615 Other Sales 294,126 304,670 Other Rev & Income 522,070 487,203 TOTAL REVENUE \$ 16,827,394 \$ 17,917,785 COST OF ELECTRIC SERVICES Expenses Controlled by Other Entities 9,442,204 Depreciation & Amortization 1,477,646 1,528,467 Interest Expense 1,265,090 1,265,055 TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 Administrative & General 1,112,833 1,349,286 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 Current Assets 7,566,535 7,662,012 Current Assets 555,735 472,633 Receivables 2,319,143 2,175,267 Materials 2,25,381 2,39,444 Prepayments 66,555	Seasonal Sales		1,440,001		1,454,906				
Other Sales 294,126 304,670 Other Rev & Income 522,070 487,203 TOTAL REVENUE \$ 16,827,394 \$ 17,917,785 COST OF ELECTRIC SERVICES Expenses Controlled by Other Entities	Commercial Sales		6,593,772		6,644,731				
Other Rev & Income 522,070 487,203 TOTAL REVENUE \$ 16,827,394 \$ 17,917,785 COST OF ELECTRIC SERVICES Expenses Controlled by Other Entities \$ 9,442,204 Depreciation & Amortization 1,477,646 1,528,467 Interest Expenses 1,265,090 1,265,055 TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE 945,544 857,922 Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 FOTAL \$ 5,222,406 \$ 17,512,250 TOTAL MARGINS \$ 14,853 7,56,535 Balance Sheet 2017 2018 Current Assets 7,566,535 7,662,012 Current Assets 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL MARGINS \$ 3,17,1,366 \$ 2,980,698 Other Property & Investments 555,735 4	Irrigation Sales		1,653,948		2,164,615				
TOTAL REVENUE \$ 16,827,394 \$ 17,917,785 COST OF ELECTRIC SERVICES Expenses Controlled by Other Entities Cost of Power \$ 8,837,578 \$ 9,442,204 Depreciation & Amortization 1,477,646 1,528,467 Interest Expense 1,265,055 1,265,055 TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE 9445,544 857,922 Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 Balance Sheet 2017 2018 Current Assets 7,566,535 7,662,012 Current Assets 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980	Other Sales		294,126		304,670				
COST OF ELECTRIC SERVICES Expenses Controlled by Other Entities 5 9,442,204 Depreciation & Amortization 1,477,646 1,528,467 Interest Expense 1,265,090 1,265,055 TOTAL \$ 1,177,646 1,528,467 Interest Expense 1,265,090 1,265,055 12,235,726 Expenses Controlled by SWRE 0peration & Maintenance \$ 3,164,029 \$ 1,2235,726 Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 \$ TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 2012 2018 Current Assets 7,566,535 7,662,012 2012 Current Assets 2,319,143 2,175,267 33 Gash & Temp Cash Investments 555,735 472,633 36,048,29 5,418 TOTAL S 3,171,366	Other Rev & Income		522,070		487,203				
Expenses Controlled by Other Entities \$ 8,837,578 \$ 9,442,204 Depreciation & Amortization 1,477,646 1,528,467 Interest Expense 1,265,090 1,265,055 TOTAL \$ 1,1580,314 \$ 1,2235,726 Expenses Controlled by SWRE 0peration & Maintenance \$ 3,164,029 \$ 3,069,316 Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 2017 2018 Current Assets 7,566,535 7,666,012 2017 2018 Current Assets 2,319,143 2,175,267 3 3,94,44 Prepayments 555,735 472,633 4,252 5,418 Gother Current & Accrued Assets 4,552 5,	TOTAL REVENUE	\$	16,827,394	\$	17,917,785	-			
Cost of Power \$ 8,837,578 \$ 9,442,204 Depreciation & Amortization 1,477,646 1,528,467 Interest Expense 1,265,090 1,265,055 TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE 0peration & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 FOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 Current Assets 7,566,535 7,662,012 Current Assets 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 2,319,143 2,175,267 Materials 255,735 472,633 Receivables 4,552 5,418 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred D									
Depreciation & Amortization 1,477,646 1,528,467 Interest Expense 1,265,090 1,265,055 TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE 0peration & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 TOTAL MARGINS \$ 24,674 \$ 405,535 Balance Sheet 2017 2018 Assets 7,566,535 7,662,012 Current Assets 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 2,25,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits TOTAL ASSETS \$ 66,555 87,936	Expenses Controlled by Other Entities								
Interest Expense 1,265,090 1,265,055 TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 TOTAL MARGINS \$ 24,674 \$ 405,535 Balance Sheet 2017 2018 Current Assets Utility Plant \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,252,335 \$ 67,486,4955 LIABILITIES \$ 2,7723,808 \$ 28,145,239 Deferred Debits \$ 2,7723	Cost of Power	\$	8,837,578	\$	9,442,204				
TOTAL \$ 11,580,314 \$ 12,235,726 Expenses Controlled by SWRE 3,164,029 \$ 3,069,316 Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 TOTAL MARGINS \$ 24,674 \$ 405,535 Balance Sheet 2017 2018 Litlity Plant Other Property & Investments 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 225,381 2,39,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES \$ 27,723,808 \$ 2,8,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities	Depreciation & Amortization		1,477,646		1,528,467				
Expenses Controlled by SWRE 3,164,029 \$ 3,069,316 Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES TOTAL MARGINS \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 Administrative & General Utility Plant \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 IOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 \$ 66,224,335 \$ 67,486,495 ILABILITIES 24,52,165 4	Interest Expense		1,265,090		1,265,055				
Operation & Maintenance \$ 3,164,029 \$ 3,069,316 Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 TOTAL MARGINS \$ 24,674 \$ 405,535 Balance Sheet 2017 2018 Litlity Plant \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,525 \$ 7,486,495 LIABILITIES \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	TOTAL		11,580,314	\$	12,235,726	-			
Consumer Accounts 945,544 857,922 Administrative & General 1,112,833 1,349,286 IOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 S 24,674 \$ 405,535 Balance Sheet 2017 2018 Consumer Accounts Administrative & General TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Balance Sheet 2017 2018 Current Assets Other Property & Investments 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 IOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,525 \$ 67,486,495 IABILITIES \$ 2,723,808 \$ 28,145,239 Deferred Debits	Expenses Controlled by SWRE					-			
Administrative & General 1,112,833 1,349,286 TOTAL \$ 5,222,406 \$ 5,276,524 TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 TOTAL MARGINS \$ 24,674 \$ 405,535 Balance Sheet 2017 2018 LUtility Plant \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 22,319,143 2,175,267 Materials 225,381 2,39,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL ASSETS 2,175,267 8 Deferred Debits 7,11,356 \$ 2,980,698 Deferred Debits 7,11,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES 2,7723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Operation & Maintenance	\$	3,164,029	\$	3,069,316				
State State State State TOTAL COST ELECTRIC SERVICES TOTAL MARGINS State 10,802,720 State 10,512,250 Balance Sheet 24,674 State 405,535 Balance Sheet 2017 2018 Automation of the property & Investments Cash & Temp Cash Investments 55,735 56,268,805 Other Property & Investments 555,735 472,633 Receivables 2,319,143 2,175,267 Materials 2225,381 2,39,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL ASSETS 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 \$ TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 TOTAL ASSETS \$ 66,224,335 \$ 2,8145,239 Deferred Debits 711,135 574,980 \$ 2,8145,239 Information & Equities \$ 2,7723,808 \$ 2	Consumer Accounts		945,544		857,922				
TOTAL COST ELECTRIC SERVICES \$ 16,802,720 \$ 17,512,250 Solution \$ 24,674 \$ 405,535 Balance Sheet 2017 2018 ASSETS Utility Plant \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 2017 2018 Cash & Temp Cash Investments 555,735 472,633 Receivables 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL ASSETS \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Administrative & General		1,112,833		1,349,286				
TOTAL MARGINS \$ 24,674 \$ 405,535 Balance Sheet 2017 2018 ASSETS 2019 \$ 56,268,805 Utility Plant \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 7,566,535 7,662,012 Current Assets 2,319,143 2,175,267 Materials 225,381 2,39,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,163 \$ 574,980 Deferred Debits 711,135 574,980 \$ 66,224,335 \$ 67,486,495 LIABILITIES \$ 27,723,808 \$ 28,145,239 28,145,239 Long-Term Debt 36,048,429 35,145,901 21,45,355 4,195,355	TOTAL	\$	5,222,406	\$	5,276,524				
Balance Sheet 2017 2018 ASSETS Utility Plant \$ 54,775,299 \$ 56,268,805 Other Property & Investments 7,566,535 7,662,012 Current Assets 7,566,535 7,662,012 Cash & Temp Cash Investments 555,735 472,633 Receivables 2,319,143 2,175,267 Materials 225,381 2,39,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 \$ 66,224,335 \$ 67,486,495 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 54,145,239 LIABILITIES * 7,723,808 \$ 2,8,145,239 2,9,145,901 Long-Term Debt 2,452,165 4,195,355 4,195,355 5,145,901	TOTAL COST ELECTRIC SERVICES		16,802,720	\$	17,512,250	-			
ASSETSUtility Plant\$54,775,299\$56,268,805Other Property & Investments7,566,5357,662,012Current Assets555,735472,633Cash & Temp Cash Investments2,319,1432,175,267Materials22,319,1432,175,267Materials2225,3812,39,444Prepayments66,55587,93687,936Other current & Accrued Assets4,5525,418TOTAL\$3,171,366\$2,980,698Deferred Debits711,1355574,980TOTAL ASSETS\$66,224,335\$67,486,495Total Margins & Equities\$2,7723,808\$28,145,239Long-Term Debt236,048,429535,145,901Current Liabilities22,452,1654,195,355	TOTAL MADOINC		A 4 4 - 4		105 505	-			
ASSETSUtility Plant\$54,775,299\$56,268,805Other Property & Investments7,566,5357,662,012Current Assets555,735472,633Cash & Temp Cash Investments2,319,1432,175,267Materials22,319,1432,175,267Materials2225,3812,39,444Prepayments66,55587,93687,936Other current & Accrued Assets4,5525,418TOTAL\$3,171,366\$2,980,698Deferred Debits711,1355574,980TOTAL ASSETS\$66,224,335\$67,486,495Total Margins & Equities\$2,7723,808\$28,145,239Long-Term Debt236,048,429535,145,901Current Liabilities22,452,1654,195,355	IUIAL MAKGINS	\$	24,674	\$	405,535	-			
Utility Plant\$54,775,299\$56,268,805Other Property & Investments7,566,5357,662,012Current Assets7,566,535472,633Cash & Temp Cash Investments555,735472,633Receivables2,319,1432,175,267Materials225,381239,444Prepayments66,55587,936Other current & Accrued Assets4,5525,418TOTAL\$3,171,366\$2,980,698Deferred Debits711,135574,980TOTAL ASSETS\$66,224,335\$ILABILITIES27,723,808\$28,145,239Long-Term Debt36,048,42935,145,901Current Liabilities2,452,1654,195,355		\$		\$					
Other Property & Investments 7,566,535 7,662,012 Current Assets 555,735 472,633 Cash & Temp Cash Investments 555,735 472,633 Receivables 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES & CHTAL \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet			\$					
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Cash & Temp Cash Investments 555,735 472,633 Receivables 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES * 57,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 35,145,901 Current Liabilities 2,452,165 ¥,195,355	Balance Sheet ASSE' Utility Plant	ГS	2017 54,775,299		2018 56,268,805				
Receivables 2,319,143 2,175,267 Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE' Utility Plant Other Property & Investments	ГS	2017 54,775,299		2018 56,268,805				
Materials 225,381 239,444 Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES * 574,980 \$ 574,980 Total Margins & Equities \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE' Utility Plant Other Property & Investments <u>Current Assets</u>	ГS	2017 54,775,299 7,566,535		2018 56,268,805 7,662,012				
Prepayments 66,555 87,936 Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES * 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE' Utility Plant Other Property & Investments <u>Current Assets</u> Cash & Temp Cash Investments	ГS	2017 54,775,299 7,566,535 555,735		2018 56,268,805 7,662,012 472,633				
Other current & Accrued Assets 4,552 5,418 TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES & CAPITAL 28,145,239 Total Margins & Equities \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE' Utility Plant Other Property & Investments <u>Current Assets</u> Cash & Temp Cash Investments Receivables	ГS	2017 54,775,299 7,566,535 555,735 2,319,143		2018 56,268,805 7,662,012 472,633 2,175,267				
TOTAL \$ 3,171,366 \$ 2,980,698 Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES Z7,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE' Utility Plant Other Property & Investments <u>Current Assets</u> Cash & Temp Cash Investments Receivables Materials	ГS	2017 54,775,299 7,566,535 555,735 2,319,143 225,381		2018 56,268,805 7,662,012 472,633 2,175,267 239,444				
Deferred Debits 711,135 574,980 TOTAL ASSETS \$ 66,224,335 \$ 67,486,495 LIABILITIES 27,723,808 \$ 28,145,239 Total Margins & Equities \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE' Utility Plant Other Property & Investments <u>Current Assets</u> Cash & Temp Cash Investments Receivables Materials Prepayments	ГS	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555		2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936				
TOTAL ASSETS\$ 66,224,335\$ 67,486,495LIABILITIESCAPITALTotal Margins & Equities\$ 27,723,808\$ 28,145,239Long-Term Debt36,048,42935,145,901Current Liabilities2,452,1654,195,355	Balance Sheet ASSE Utility Plant Other Property & Investments <u>Current Assets</u> Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets	ГS \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552	\$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418	-			
LIABILITIES & CAPITAL Total Margins & Equities \$ 27,723,808 \$ 28,145,239 Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE' Utility Plant Other Property & Investments <u>Current Assets</u> Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets TOTAL	ГS \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552 3,171,366	\$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418 2,980,698	-			
Total Margins & Equities\$ 27,723,808\$ 28,145,239Long-Term Debt36,048,42935,145,901Current Liabilities2,452,1654,195,355	Balance Sheet ASSE Utility Plant Other Property & Investments Current Assets Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets TOTAL Deferred Debits	ГS \$ \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552 3,171,366 711,135	\$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418 2,980,698 574,980	-			
Long-Term Debt 36,048,429 35,145,901 Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE Utility Plant Other Property & Investments Current Assets Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets TOTAL Deferred Debits TOTAL ASSETS	FS \$ \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552 3,171,366 711,135 66,224,335	\$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418 2,980,698 574,980				
Current Liabilities 2,452,165 4,195,355	Balance Sheet ASSE Utility Plant Other Property & Investments Current Assets Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets TOTAL Deferred Debits TOTAL ASSETS LIABILITIES &	ΓS \$ \$ \$ \$ \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552 3,171,366 711,135 66,224,335	\$ \$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418 2,980,698 574,980 67,486,495	-			
	Balance Sheet ASSE Utility Plant Other Property & Investments Current Assets Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets TOTAL Deferred Debits TOTAL ASSETS LIABILITIES & Total Margins & Equities	ΓS \$ \$ \$ \$ \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552 3,171,366 711,135 66,224,335 APITAL 27,723,808	\$ \$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418 2,980,698 574,980 67,486,495 28,145,239				
TOTAL LIABILITIES & CAPITAL \$ 66,224,402 \$ 67,486,495	Balance Sheet ASSE Utility Plant Other Property & Investments Current Assets Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets TOTAL Deferred Debits TOTAL ASSETS LIABILITIES & Total Margins & Equities Long-Term Debt	ΓS \$ \$ \$ \$ \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552 3,171,366 711,135 66,224,335 APITAL 27,723,808 36,048,429	\$ \$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418 2,980,698 574,980 67,486,495 28,145,239 35,145,901	-			
	Balance Sheet ASSE Utility Plant Other Property & Investments Current Assets Cash & Temp Cash Investments Receivables Materials Prepayments Other current & Accrued Assets TOTAL Deferred Debits TOTAL ASSETS LLABILITIES & Total Margins & Equities Long-Term Debt Current Liabilities	FS \$ \$ \$ \$ \$ \$ \$ \$	2017 54,775,299 7,566,535 555,735 2,319,143 225,381 66,555 4,552 3,171,366 711,135 66,224,335 APITAL 27,723,808 36,048,429 2,452,165	\$ \$ \$	2018 56,268,805 7,662,012 472,633 2,175,267 239,444 87,936 5,418 2,980,698 574,980 67,486,495 28,145,239 35,145,901 4,195,355	-			

SWRE By-Law Updates to be Considered

As you are aware, the SWRE Board of Trustees continuously seeks opportunities to better serve you, the member/owners. As a part of this effort, the Board of Trustees periodically reviews membership data including the apportionment of districts. As a result, the Board of Trustees is recommending a reduction in the number of districts served from nine to seven as well as the reapportionment of each of the seven districts. This recommendation requires a By-Law amendment that must be approved by you the member/owners, by vote at our Annual Meeting in August.

I always want to try to answer the "why" question. So, why make this change? First, advances in technology and communication systems allow for a smaller board size without jeopardizing individualized representation or the overall quality of governance. Second, the average number of board members for electric cooperatives our size across the region and country is seven. Finally, these changes align with the Board of Trustees ongoing mission of maintaining the lowest possible rates.

As I'm sure you can imagine, a great deal of time, effort, and thoughtful consideration has been given to this process to ensure equitable representation of the membership, including the number of members per district and geographic boundaries. You should feel confident that your Board of Trustees, Staff and Management will continue to represent you and your needs with the same commitment you have come to expect.

These By-Law updates will be presented to the membership during SWRE's Annual Meeting. A quorum of SWRE's membership is required to make any amendment, therefore I sincerely hope you will make every effort to attend the Annual Meeting, exercise your rights as a member/owner, and vote in support of this By-Law amendment recommendation.

The Annual Meeting will be held at Western Oklahoma State College in Altus, Oklahoma, on August 29, 2019. For more details on the schedule for the annual meeting see page 3.

The proposed updates are shown in red on the following page. The complete SWRE By-Laws are available on www.swre.com or at the main office in Tipton, Oklahoma.

> Ken Simmons Manager/CEO

CEO Message



Manager/CEO, Ken Simmons

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Southwest Rural Electric

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SWRE By-Law Updates to be Considered

ARTICLE IV TRUSTEES

SECTION 1 OF ARTICLE IV GENERAL POWERS

I. The business and affairs of the cooperative shall be directed by a board of seven trustees who shall exercise all of the powers of the cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

SECTION 2 OF ARTICLE IV VOTING DISTRICTS

I. The territory served or to be served by the cooperative shall be divided into seven districts, each of which shall contain approximately the same number of members. Each district shall be represented by one trustee. The seven districts shall be as follows:

A. District No.1: Beginning at the southeast corner of Section 36, Township 1 North, Range 16 West of the Indian Meridian, thence West 22 miles to a point on the Northfork of the Red River; thence upstream in a generally northern direction to a point at the southern boundary of Section 36, Township 5 North, Range 19 West I.M.; thence north approximately one-half mile to the northern boundary of the SWRE service area; thence easterly and southerly along those respective SWRE boundaries to the point of beginning.

B. District No.2: Everything west of the North Fork of Red River, east of a line beginning at the north-west corner of Section 2, Township 4 North, Range 20 West of the I.M. and extending south 15 miles to the southwest corner of Section 14, Township 2 North, Range 20 West I.M.; thence east approximately 10.5 miles to the North Fork of the Red River.

C. District No.3: All of the SWRE service area west and north of a line described as follows: Beginning at the northeast corner of the Southeast Quarter of Section 15, Township 4 North, Range 20 West; thence south 12.5 miles to the southeast corner of Section 15, Township 2 North, Range 20 West; thence West approximately 7.25 miles to the Salt Fork of the Red River.

D. District No.4: Reapportioned

E. District No.5: All of the remaining SWRE service areas in Oklahoma not included in Districts 1 through 3, inclusive, further described as all of the SWRE service area in Oklahoma south and east of a line described as follows: Beginning at the Northeast corner of Section 1, Township 1 South, Range 16 West I.M.; thence west 22.5 miles; thence North upstream on the Northfork of Red river to Northwest corner of Section 21, Township 2 North, Range 18 West; thence West 17.5 miles to the Saltfork of Red River; thence South along Salt Fork to Red River: thence South and East along Red River to Eastern boundary in Oklahoma.

F. District No. 6: Everything West and South of a line beginning at a point on the intersection of the South boundary of cooperative territory 1 mile south of the intersection of CR 1763 and U.S. Highway No.183; thence North along the Centerline of U.S. Highway No 183 to the Centerline of U.S. Highway No 287; thence west along the U.S. Highway No 287 to a point on the Pease River; thence Westerly along the Pease River to the Western Boundary in Texas.

G. District No.7: Everything West and North of a line described as follows: Beginning at a point where the south bank of Red River intersects with U.S. Highway 183; thence Southerly along the U.S. Highway No.183 to the U.S. Highway No. 287 intersection; thence westerly along the U.S. Highway No. 287 to a point on the Pease River; thence Southwesterly along the Pease River to the western boundary of the cooperative in Texas.

H. District No.8: Everything East and South of a line beginning at a point on the intersection of the South boundary of cooperative territory 1 mile south of intersection of CR 1763 and U.S. Highway No.183; thence North along the Centerline of U.S. Highway No 183 to the Centerline of U.S. Highway No 287; thence East along U.S. Highway No.287 to the intersection of U.S. Highway No. 183; thence North to the Red River; thence East along the Red River to the Eastern boundary of the cooperative in Texas.

I. District No.9: Reapportioned

II. Not less than 60 days before any district meeting of members at which trustees are to be elected, the board of trustees shall, if such action is considered necessary or desirable by it, reapportion the various districts following in so far as possible county and township lines in doing so.

SECTION 3 OF ARTICLE IV ELECTION OF TRUSTEES BY DISTRICTS

I. Trustees shall be divided into three groups. Trustees representing district 1 and 7 shall be elected in a given year. Those trustees representing Districts 2, 5 and 8 shall be elected in the next succeeding year. Those trustees representing districts 3 and 6 shall be elected in the next subsequent year and thereafter in that sequence.

