

PRESIDENT AND CEO MESSAGE

We look forward to your attendance at this year's annual meeting. For those of you who are unable to attend, there will be an option to register for our live stream of the meeting.

As you can see from the financial statements, LYREC is in sound financial condition. We have been detailed with the budget over the years, and it shows by having a strong financial position. Financially, the cost to operate and maintain the reliability of our electric grid has increased substantially. Over the past 4 years, we have adapted to the shift in cost and pulled all the levers to ensure our budget and reliability are not drastically affected. The board and staff must ensure that we have the necessary finances in place to react when a disturbance happens, which is reflected in our financial statement.

Our operations department had another outstanding year. We are proud of the work we put into our system to maintain a very high standard of reliability. We measure our success by outages and the trend over the past 10 years with a decline in outage calls. We have also improved the reliability by upgrading lines that allow us to backfeed members when we do have outages and isolate the impact area. We recently teamed up with 5 area cooperatives to apply for state and federal grants targeting grid resiliency. Our hope is that we are awarded funding to help with offsetting costs toward numerous projects that help all members of LYREC.

Our commitment to the communities we serve is one of the most important principles we have and the

cornerstone of LYREC. The board and staff of LYREC are engaged with the communities and civic groups in many ways. We are especially proud of our safety demonstration trailer. Since unveiling this trailer 5 years ago, we have performed safety demonstrations to hundreds of kids and adults at numerous events in Montana and North Dakota. We have also teamed up with other cooperatives to help educate their members on the importance of safety around electrical facilities. Another area we are proud of is the participation and support for the Operation Round Up program. This program has injected funds into community projects across our service territory and we all play a little part through this program in supporting our area.

Our power suppliers, Upper Missouri Power Cooperative, Basin Electric Power Cooperative, and Western Area Power Administration, continue to play a very large role in our rate design and future decisions. Our power suppliers are experiencing a shift in the industry that affects how LYREC plans for the future. As part of the strategic discussion, we are looking at all aspects of our business, and the adjustments that will need to be made due to the changes with our power suppliers. As cooperatives, we have seen these challenges before, and moving forward with our membership's support, we are confident that we will make the right decisions and continue to supply safe, reliable power at an affordable cost.

Please consider joining us for the June 5th annual meeting.

OFFICIAL NOTICE OF ANNUAL MEETING

The annual membership meeting of Lower Yellowstone Rural Electric Cooperative will be a hybrid meeting this year. The in-person meeting will be held at the Richland County Fairgrounds Event Center in Sidney, Richland County, Montana, at 6:00 p.m. on Wednesday, the 5th day of June 2024. The meeting invite for the virtual meeting will be posted on LYREC's website and social media pages closer to the event. Each member account joining either in person or virtually, and staying through the business meeting, will receive a \$50 bill credit.

The following business will be transacted:

- The reports of officers, trustees, and committees.
- Report of trustee election
- All other business which may come before the meeting.

The following members have been nominated for trustee positions by the Nominating Committee.

- Jim Vitt – District 1
- Colin Gartner – District 2

The Nominating Committee met on March 5th, 2024. Following the committee's work, they nominated only one candidate per district; accordingly, the election of trustees will be by acclamation. Jim Vitt will be reelected to represent District 1, and Colin Gartner will be reelected to represent District 2.

PLEASE BRING THIS PAMPHLET TO THE ANNUAL MEETING. THERE WILL BE NO REGISTRATION CARDS.

LYREC

LOWER YELLOWSTONE RURAL ELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative



88TH ANNUAL MEETING NOTICE & REPORT



JUNE 5
REGISTRATION AND DINNER:
5 – 5:45PM
BUSINESS MEETING:
6 PM



We are pleased to have Jessie Veeder showcase her talents during this year's annual meeting. Jessie has been a symbol of folk music in Western North Dakota since she released her first original album when she was only sixteen years old. Jessie has launched a music and writing career that has her

telling the story of rural living through the captivating lens of a woman who lives it every day.

Veeder is a regular performer at the National Cowboy Poetry Gathering in Elko Nevada and large regional festivities. She is the recent recipient of the Governor's Award for the Arts in Individual Achievement, was named North Dakota's Favorite Folk Artist and is the recipient of the North Dakota Ambassador Award.

LYREC line workers attend Career Exploration Day at West Side Elementary school in Sidney, MT.



BALANCE SHEET

Equities and Liabilities	
Equities	
Patronage Capital	42,017,786
Net Margins	4,985,598
Non-operating Margins	148,974
Other equities	3,084,368
Total Equities	\$ 50,236,726
Long Term Debt	45,682,041
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Current Liabilities	
Notes Payable	0
Accounts Payable	2,455,953
Consumer Deposits	98,058
Current Maturities - Long Term Debt	0
Other Current Liabilities	1,364,698
Total Current Liabilities	\$ 3,918,709
Deferred Credits	302,604
Total Equities and Liabilities	\$ 100,140,080
Property Taxes Paid in 2023	
<i>County</i>	
Richland	733,404
Roosevelt	44,470
Dawson	15,690
Williams	5,381
State of North Dakota	77,342
Total 2023 Property Taxes Paid	\$ 876,287



◀ The Hunter substation was energized December 2023.

Assets	
Utility Plant	
Electric Plant in Service	107,487,840
Construction Work in Progress	5,141,282
Total Utility Plant	112,629,122
Less Provision for Depreciation	-35,432,683
Net Utility Plant	\$ 77,196,439
Other Property	
Investments & Special Funds	
Non-Utility Property	7,600
Investments in Associated Utilities	13,889,537
Total Other Property and Investments	\$ 13,897,137
Current Assets	
Cash-General Fund	897,016
Temporary Investments	632,570
Accounts Receivable (Energy)	3,357,353
Accounts Receivable (Other)	17,042
Material & Supplies	4,052,778
Prepayments	89,745
Total Current Assets	9,046,504
TOTAL ASSETS	\$ 100,140,080

SCHOLARSHIPS

LYREC will be awarding several college scholarships at the June 5 annual meeting. This year for a chance to win a scholarship, you will need to:

- Make a short video answering the following questions: If you could have any superpower, what would it be? What would you do with the power? Would there be any disadvantages to your superpower?
- You must also either sketch a picture of your superhero or superheroine or dress how you envision him or her to look. If you chose a sketch, include it in your video, otherwise shoot your video wearing your costume.



For a scholarship application, or more information on the scholarship go to lyrec.com/scholarships.

All entries are due May 29th at 5 p.m. The scholarship winners will be announced at LYREC's annual meeting. Applicants are encouraged to attend.

**** Any individual applicant can receive a maximum of 2 annual meeting scholarships. ****

OPERATION ROUND UP

In 2023, the Operation Round Up Program donated \$9,100 to the following twelve nonprofit and community organizations:

- Savage Sunrise Manor – *Microwave & mini fridge for resident rooms*
- Senior Companion Program – *Gas and meals for volunteer senior companions*
- Action for Eastern MT Aging Services – *Emergency bags for elderly*
- Mondak Seniors – *Computer equipment for Fairview Senior Center*
- The Zone (Zion Lutheran Church) – *Summer lunch program for children*
- Fort Union Association – *Traditional dancers and singers for Indian Art Festival*
- Sunrise Women's Clinic – *Exam Chair*
- Fairview Volunteer Fire Department – *SEEK FirePro Units*
- East Fairview Elementary School – *Corps of Discovery Science program*
- ABATE – *Christmas gifts for less fortunate children*
- Rau Elementary School – *Cement for new basketball court*
- Fairview School – *Band trip to Denver, CO*

On behalf of the Operation Round Up Board, thank you for helping make our community a better place to work and live.

SMARTHUB

Manage your electric account right from your smart phone or tablet with SmartHub.

- View and pay bills
- Set up recurring & stored payments
- Manage your account
- Communicate directly with LYREC



UPDATE CONTACT INFORMATION

It is important that LYREC has your preferred phone number for emergency situations. To update your contact information, call our office at 406-488-1602 or send an email to lyrec@lyrec.coop.



◀ "Indian Art Festival 2023 was a successful event at Fort Union Trading Post National Historic Site featuring many live demonstrations of indigenous music, dance, traditional games and skills. Fort Union Association is very grateful for the support of Operation Round Up of this annual educational exposition," says Sabrina Ramey/Fort Union Association board member.



Corps of Discovery: "Operation Round Up funds have allowed us to provide students with the latest hardware, software, and technical skills. Access to modern technology and technical skills is vital to students in today's world, as it prepares them for future careers and helps bridge the digital divide," says Melissa Elletson/Business Manager East Fairview School. ▶



▲ The Zone is an independent, community effort to feed hungry children and youth in the Fairview area during the summer when school is out, and food insecurity is at the highest. It is sponsored by Zion Lutheran, Community Presbyterian and Fairview schools.