



# LAKE REGION ELECTRIC COOPERATIVE



**OUR MISSION:**  
PROVIDE OUR  
MEMBERS WITH **SAFE,**  
**RELIABLE,** AND  
**AFFORDABLE ENERGY** AND  
LEAD BY OFFERING  
INNOVATIVE SERVICES  
**TO GROW THE  
COOPERATIVE**

## Agenda

- **Invocation**
- Call to Order
- Establish Quorum
- Appoint Recording Secretary
- Adopt Agenda/Approve Minutes
- Election Process
- **Presentations**
- Tom Jennen, LREC Board Chair
- Mike Brasel,  
District 3 Director & GRE Board Chair
- Jon Brekke,  
VP & Chief Supply Officer, GRE
- Joel Janorschke, CEO
- Election Results
- Questions
- **Adjourn**

89th  
**Annual Meeting**  
April 30, 2026

# Summary of Consolidated Financial Statements for LREC & LRES for 2025

## STATEMENT OF OPERATIONS

December 31<sup>st</sup>, 2025 and 2024

### Operating Revenues

	Dec. 31, 2025	Dec. 31, 2024
Electric	\$62,380,320	\$57,324,175
Natural Gas	\$1,983,872	\$1,656,596
<b>Total Operating Revenues</b>	<b>64,364,192</b>	<b>58,980,771</b>

### Operating Expenses

Cost of Energy	41,651,412	36,525,632
Distribution Expense - Operations	3,328,404	3,371,184
Distribution Expense - Maintenance	4,731,415	4,617,221
Consumer Account Expense	1,455,655	1,492,272
Customer Service and Information Expense	862,201	840,350
Administrative and General Expense	3,066,603	2,979,165
Depreciation	5,049,499	5,086,657
Interest on Long-Term Debt	2,440,880	2,144,666
Taxes & Other	382,422	342,360
<b>Total Operating Expenses</b>	<b>62,968,491</b>	<b>57,399,507</b>

### Operating Margins After Fixed Charges

Generation, Transmission, and Other Capital Credits	1,395,701	1,581,264
	3,965,034	1,401,719

### Net Operating Margins

	5,360,735	2,982,983
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Interest Income	246,275	243,461
Other Non-Operating Income	344,392	229,141
Total Non-Operating Margins	590,667	472,602

### Net Margins

	<b>\$5,951,402</b>	<b>\$3,455,585</b>
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## BALANCE SHEET

December 31<sup>st</sup>, 2025 and 2024

### Assets

	Dec. 31, 2025	Dec. 31, 2024
<b>Utility Plant</b>		
Electric Plant in Service	\$175,813,928	\$168,363,936
Natural Gas Plant in Service	5,810,921	5,717,690
Construction Work in Progress	1,901,068	1,478,774
<b>Total Utility Plant</b>	<b>183,525,917</b>	<b>175,560,400</b>
Less Accumulated Provision for Depreciation	67,512,930	64,695,964
<b>Net Utility Plant</b>	<b>116,012,987</b>	<b>110,864,436</b>

### Other Assets and Investments

Investments in Associated Organizations	34,834,292	31,280,794
Other Investments	523,944	1,994,597
<b>Total Other Assets and Investments</b>	<b>35,358,236</b>	<b>33,275,391</b>

### Current Assets

Cash and Cash Equivalents	4,485,829	939,283
Accounts Receivable, Net	7,085,894	6,286,775
Materials and Supplies Inventory – Electric	3,485,094	2,690,548
Materials and Supplies Inventory – Natural Gas	368,734	345,548
Prepaid Expenses	343,666	432,278
<b>Total Current Assets</b>	<b>15,769,217</b>	<b>10,694,432</b>

### Deferred Debits

	821,223	1,096,041
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### Total Assets

	<b>\$167,961,663</b>	<b>\$155,930,300</b>
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### Equities and Liabilities

	Dec. 31, 2025	Dec. 31, 2024
<b>Equities</b>		
Patronage Capital	\$61,817,883	\$59,319,211
Other Equities	13,592,788	11,698,232
<b>Total Equities</b>	<b>75,410,671</b>	<b>71,017,443</b>

### Long-Term Debt

	76,465,606	68,510,774
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### Current Liabilities

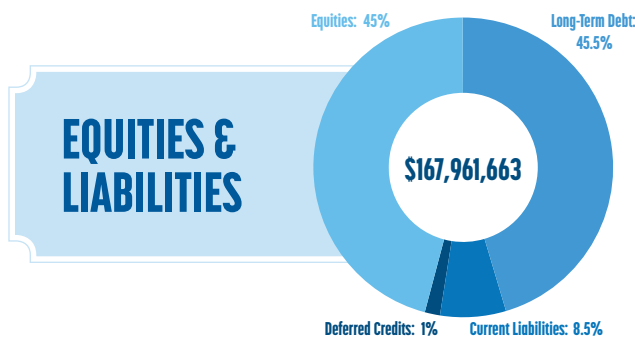
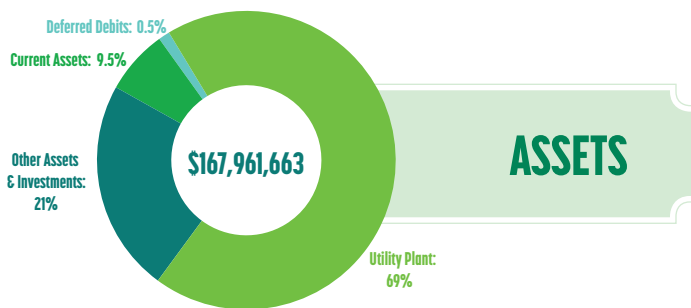
Line of Credit	0	500,000
Current Maturities of Long-Term Debt	3,757,000	3,071,000
Accounts Payable - General	1,590,175	1,349,154
Accounts Payable - Billed Power Costs	7,345,579	6,495,670
Consumer Deposits	351,981	350,881
Other Current and Accrued Liabilities	1,590,869	1,742,939
<b>Total Current Liabilities</b>	<b>14,635,604</b>	<b>13,509,644</b>

### Deferred Credits

	1,449,782	2,892,439
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### Total Equities and Liabilities

	<b>\$167,961,663</b>	<b>\$155,930,300</b>
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Above are the consolidated financial statements of **Lake Region Electric Cooperative** (*electric*) and **Lake Region Energy Services** (*natural gas*).

# Minutes of the Annual Meeting of Members of Lake Region Electric Cooperative • April 24, 2025

## WELCOME AND INVOCATION

The Annual Meeting of Members of Lake Region Electric Cooperative (LREC) was convened at Life Church, located in Fergus Falls, Minnesota at 6:30 p.m. on April 24, 2025. Chairman Tom Jennen thanked everyone for joining the annual meeting and requested that those in attendance stand for the Pledge of Allegiance. Director, Jim Gronbeck, provided the Invocation.

## CALL TO ORDER

Chairman Jennen called the meeting to order at 6:33 p.m.

## APPOINTMENTS, QUORUM, AND DOCUMENTS

Since LREC Board Secretary Cecil "Bud" Hensel was not able to attend, Chairman Jennen appointed Vice Chair Kurt Krueger to act as Secretary for the duration of the meeting. Vice Chair Kurt Krueger certified the official Notice of the Annual Meeting was published in the cooperative's newsletter. Krueger informed the members that the cooperative's bylaws state that 50 members constitute a quorum. Krueger declared that a quorum for the meeting had been established.

Chairman Jennen appointed LREC Executive Assistant Candace Roesch to serve as the recording secretary.

Chairman Jennen asked whether there was a motion to adopt the agenda as the official order for the meeting.

*Motion was made to approve the agenda as the official order for the meeting. Said motion was seconded; the members voted to approve said agenda and the MOTION CARRIED.*

## MINUTES

Vice Chair Krueger stated the *Minutes of the 2024 Annual Meeting* had been made avail-

able (1) in the handout received by the members at the meeting; (2) on LREC's website; and (3) by a link provided to those livestreaming the meeting.

*Vice Chair Krueger made a motion to adopt the 2024 Annual Meeting minutes as written. Said motion was seconded. Upon said motion being seconded, the members voted to approve the said motion and the MOTION CARRIED.*

## ELECTION OF DIRECTORS

Attorney Chad Felstul described the procedure for the election of directors. Felstul presented the candidates elected by acclamation as unopposed candidates:

- Gary Olson – **District 9**
- Charlie Blixt – **District 6**

No voting was required.

Felstul placed in nomination the contested election in:

### District 3

- Mike Brasel – *Incumbent*
- Perry Swanz

Felstul stated that the members of the Credentials and Elections Committee are Amy Strom, Nicki Stetz, and himself, as appointed by the LREC Board of Directors.

This year, all ballots were submitted to Survey & Ballot Systems, who counted all mailed-in ballots and electronic ballots. Results will be reported at the end of the meeting.

## BOARD CHAIR REPORT

Chairman Jennen expressed his gratitude for serving on the LREC Board as elected by Members. Jennen stated

the purpose of the board is to make sure the cooperative is healthy and functioning well, exists for the benefit of its members, and members always come first.

Jennen also expressed his appreciation for LREC's employees and introduced the rest of the LREC Board.

## INTERIM CEO REPORT

Interim CEO Dan Husted thanked the Board for their confidence in selecting him to serve LREC. Husted continued with comments on his role as Interim CEO will be to provide stability by maintaining continuity with the practices that have led to LREC's progress.

## VP REPORTS

Vice President of Engineering and Operations Al Fazio reported on LREC's Reliability; Vice President of Business Solutions Dylan Aafedt reported on Member Satisfaction and Engagement.

## RESULTS OF THE ELECTION

The total number of ballots collected totaled 549. 403 mailed-in ballots were collected and total number of electronic ballots was 146. No walk-in ballots were collected by the Credentials and Elections Committee.

Attorney Chad Felstul reported on the voting results for the District 3 Director election. The results are as follows:

- 402 votes for Mike Brasel
- 147 votes for Perry Swanz

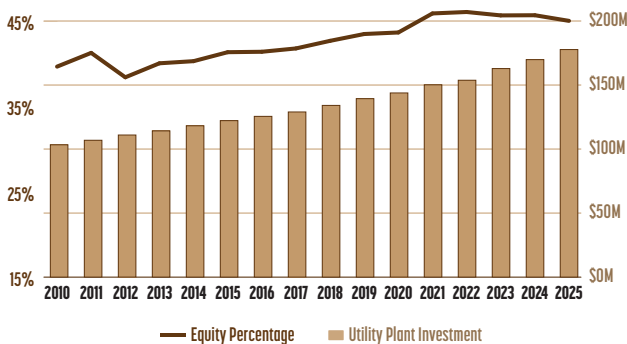
## QUESTIONS

Directors and staff answered questions received during the meeting.


## MEETING ADJOURNED

The meeting was adjourned at 7:08 p.m.

## EQUITY & PLANT INVESTMENT



## WHERE DOES YOUR DOLLAR GO?



	2025	2024
Cost of Energy	\$0.66	\$0.64
Operations & Maintenance	\$0.13	\$0.14
Depreciation	\$0.08	\$0.09
Administrative & General	\$0.05	\$0.05
Interest & Taxes	\$0.05	\$0.04
Member Account Records	\$0.02	\$0.02
Energy Services & Information	\$0.01	\$0.02
<b>Total</b>	<b>\$1.00</b>	<b>\$1.00</b>



## Your Board of Directors

District 1

Kurt Kruger, *Vice Chair*

*kkruger@lrec.coop*

District 2

Cecil "Bud" Hensel, *Secretary/Treasurer*

*chensel@lrec.coop*

District 3

Mike Brasel, *GRE Board of Directors Rep.*

*mbrasel@lrec.coop*

District 4 - Vacant at time of printing

District 5

Patrick Meyers

*pmeyers@lrec.coop*

District 6

Charlie Blixt

*cblixt@lrec.coop*

District 7

Tom Jennen, *Chair*

*tjennen@lrec.coop*

District 8

Jim Gronbeck

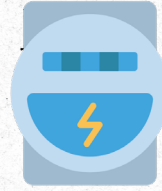
*jgronbeck@lrec.coop*

District 9

Gary Olson

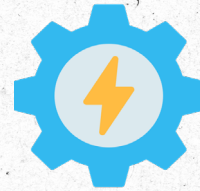
*garyolson@lrec.coop*

# By The Numbers\* 2025



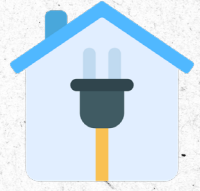
478,461,128

Kilowatt  
Hours Sold



326

New Services



30,469

Total  
Services  
in Place



5,901

Total Miles  
of Line



15,927

Trees Trimmed

198.3

Miles of  
Line Cleared



99.98%

Reliability

\*Source: LREC Dec. 2025 Operating Summary/System Arborist/EOY Results



Lake  
Region  
Electric  
Cooperative

## Here to serve you!

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LREC is an equal opportunity employer and provider.