



2022

ANNUAL REPORT





OUR MISSION:

SCREC will provide safe, dependable electric energy and related services to its members in an environmentally sound and fiscally responsible manner.

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ABOUT SCREC:

Sullivan County Rural Electric Cooperative serves over 6,000 meters in its service territory. There are approximately 3,200 members in Sullivan County, 200 in southern Bradford County, and 2,700 in Lycoming County.

Approximately 56% of the services are residential, 38% are seasonal, and 6% are commercial or industrial. The co-op maintains over 900 miles of line with 19 employees based in Forksville.

STAFF:

- John Lykens, CEO
- Diane White, Executive Assistant
- Jeff Truesdale,
Manager of Electric Operations
- Dennis Klem,
Manager of Finance & Administration

2022 DEPARTMENT HIGHLIGHTS

THE YEAR OF RETIREMENTS:

2022 may go down in SCREC history as the "Year of Retirements," with four long-time employees saying farewell to their co-op duties. Together, they had over 130 years of service to SCREC's members.

- The first to retire was member services representative Tom Eberlin, who retired in May after 30 years;
- Craig Harting retired in June after serving as CEO for 32 years;
- John Zelewicz, *Penn Lines* writer and crew dispatcher, retired in July after 36 years with the co-op; and
- 38-year employee Walt Tubach retired in December as Manager of Electric Operations.

Everyone at SCREC wishes them all a great, well-deserved retirement!



Walt Tubach, four years into his 38-year career at SCREC in 1988.



32-year CEO Craig Harting leading an Annual Meeting.

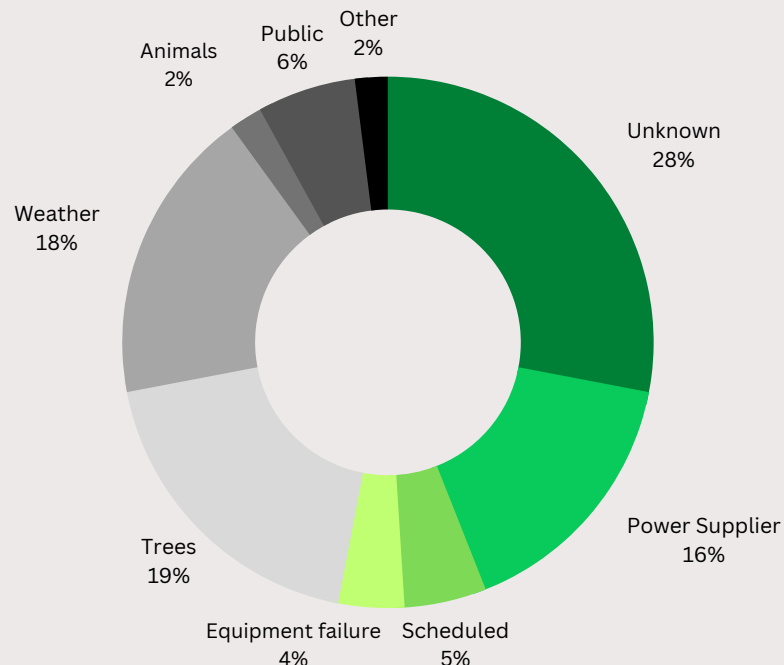
OPERATIONS



HIGHLIGHTS:

- Maintained 900 miles of line and 22,000 poles
- 698 outages in 2022:
 - 20.3 hours per member
 - In 2021 there were 824 outages
- Contracted tree crew Spako's Tree Services cleared 160 miles of rights-of-way
 - Trimmed 5,475 trees
 - Cut/removed 7,643 trees
- Inspected 2,504 poles for safety
 - 140 were replaced
- Manager of Electric Operations Walt Tubach retired on December 29, 2022
 - Jeff Truesdale replaced Walt's position as Manager

2022 OUTAGE CAUSES:



FINANCE & ADMINISTRATION

HIGHLIGHTS:

- Total cost of purchased power was \$3,317,000
- Total sales reached 55,429,000 KWh
- Average KWh per month:
 - Residential: 919 KWh
 - Seasonal: 266 KWh
- Karen Beinlich was elected to fulfill the vacant District 2 Director position
 - 45-year Director Wayne Gavitt retired from the position in 2021 (see more on page 10)
- Capital Credit returns were mailed on October 20, 2022:
 - 4,072 checks
 - \$167,057.15
 - Covered the remaining half of 1994 and all of 1995 and 1996
- Rate increase took effect in June
 - Last increase was in 2017
 - 1.8% increase in monthly bills
- CEO Craig Harting retired in June
 - John Lykens was hired to succeed Craig

HOW YOUR 2022 DOLLAR WAS USED:



MEMBER SERVICES



HIGHLIGHTS:

- SCREC celebrated its 85th anniversary
- The 2022 Annual Meeting was held virtually via Zoom on May 17
- Youth Tour 2022 was **not** held in-person
 - Instead, students received a \$500 scholarship (meet the selected students below)
- Set up an informational booth at the Sullivan County Fair
- Volunteered at PA Bowhunters Festival
- Hosted a Co-op Owners for Political Action evening with guest speakers from PREA
- John Zelewicz (*Penn Lines* writer) and Tom Eberlin (member services representative) both retired
 - Sarah Parrish hired as Cooperative Communicator

2022 YOUTH TOUR STUDENTS



Matthias Albert

Montoursville High School



Rocky Finnegan

Sullivan County High School

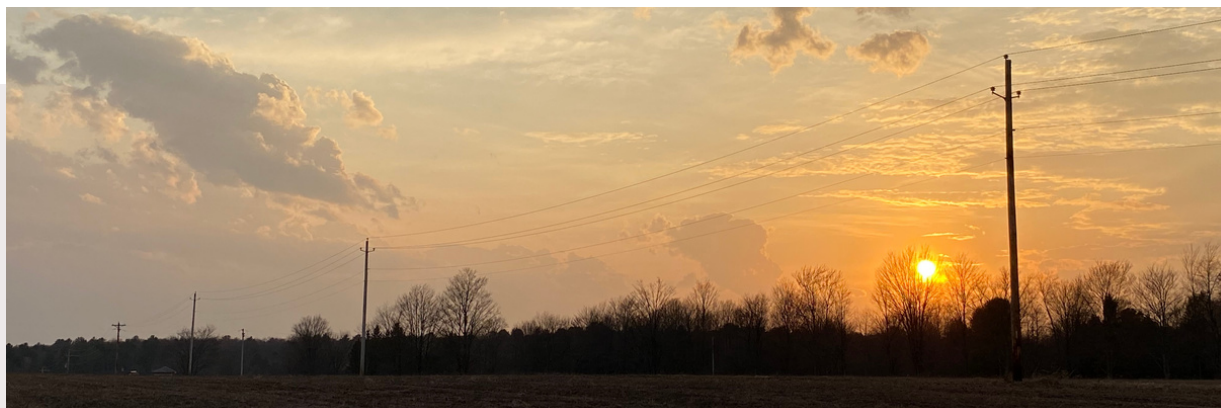


Brianna Trueman

Montoursville High School

BALANCE SHEET

	ASSETS	12/31/2022	12/31/2021
ELECTRIC PLANT:			
In service - at cost		35,498,099	34,733,080
Construction work in progress		59,947	84,741
Total Electric Plant		35,558,046	34,817,821
Less accumulated depreciation		(15,516,742)	(14,906,093)
Net Electric Plant		20,041,304	19,911,728
OTHER ASSETS AND INVESTMENTS:			
Deferred Charges		0	60,705
Investments in associated organizations		3,376,212	3,052,820
Total Other Assets and Investments		3,376,212	3,113,525
CURRENT ASSETS:			
Cash - general funds		52,008	110,291
Accounts receivable, less provision for uncollectable accounts of \$30,000 and \$35,000, respectively		1,065,441	1,056,395
Materials and supplies (at average cost)		367,255	258,340
Other assets		73,078	74,704
Total Current Assets		1,557,782	1,499,730
Total Assets		24,975,298	24,524,983
EQUITIES AND LIABILITIES			
EQUITIES			
Patronage capital		5,077,695	4,663,908
Permanent capital		5,698,131	5,259,829
Other equities		108,876	66,368
Total Equities		10,884,702	9,990,105
LONG-TERM DEBT:			
CFC mortgage notes, less current maturities		8,666,830	8,058,705
Farmer MAC mortgage notes, less current maturities		3,144,815	3,676,760
Total Long-Term Debt		11,811,645	11,735,465



BALANCE SHEET (continued)**CURRENT LIABILITIES:**

Current maturities of long-term debt	831,871	834,652
Credit Line - CFC	75,000	450,000
Cash Overdrafts	209,339	277,998
Accounts Payable		
Purchased power	315,562	300,644
Other	113,037	94,250
Consumer deposits and prepayments	87,072	70,834
Other current and accrued liabilities	580,690	690,783
Total Current Liabilities	<u>2,212,571</u>	<u>2,719,161</u>
 Total Liabilities	 <u>14,024,216</u>	 <u>14,454,626</u>

DEFERRED CREDITS

	<u>66,380</u>	<u>80,252</u>
 Total Equities and Liabilities	 <u>24,975,298</u>	 <u>24,524,983</u>



STATEMENTS OF REVENUE AND EXPENSES

OPERATING REVENUES:		12/31/2022	12/31/2021
	Sales Revenue	9,865,512	9,510,512
	Gain on disposition of assets	11,950	136,028
	Total Operating Revenues	<u>9,877,462</u>	<u>9,646,540</u>
OPERATING EXPENSES:			
	Cost of power	3,316,818	3,218,031
	Distribution - operations	213,873	248,302
	Distribution - maintenance	2,217,307	2,103,798
	Consumer accounts	125,889	140,121
	Customer service and information	449,818	373,211
	Administration and general	1,291,642	1,139,616
	Depreciation	1,058,328	1,034,323
	Taxes	16,891	16,459
	Interest - other	15,374	5,788
	Total Operating expenses	<u>8,705,940</u>	<u>8,279,649</u>
	Operating margin Before Fixed Charges	1,171,522	1,366,891
FIXED CHARGES:			
	Interest on long-term debt	<u>527,909</u>	<u>556,211</u>
	Operating margin After Fixed Charges	643,613	810,680
OTHER OPERATING MARGINS:			
	G&T and other capital credits	<u>427,815</u>	<u>587,342</u>
NET OPERATING MARGIN		<u>1,071,428</u>	<u>1,398,022</u>



DIRECTOR DISTRICTS:

DIRECTOR	COUNTY	TOWNSHIP(S)
Ann Henderson, Chair	Bradford Sullivan	Canton Fox
Karen Beinlich	Sullivan	Elkland, Hillsgrove
James Lambert	Bradford Sullivan	Overton Forks, Forksville Borough
Jeff Hamilton	Bradford Sullivan	Albany Cherry, Laporte, Laporte Borough
Kathy Robbins, Secretary/Treasurer	Lycoming Sullivan	Franklin, Jordan, Penn Davidson, Shrewsbury
Jay Lewis	Lycoming	Mill Creek, Shrewsbury, Wolf
David Rakestraw	Lycoming	Upper Fairfield
David Aumen	Lycoming	Plunketts Creek
Stephan Brady, Vice Chair	Lycoming	Cascade, Gamble, Lewis

THANK YOU

SCREC EMPLOYEES:

- **Kendall Achey** - *Lineman*
- **Nolan Chase** - *Lineman*
- **Diane Cusson** - *Accounts Payable*
- ***Tom Eberlin**
- ***Craig Harting**
- **Darrick Higley** - *Lineman*
- **Dave Kepner** - *Lineman*
- **Dennis Klem** - *Manager of Finance and Administration*
- **Alex Laudermilch** - *Lineman*
- **Tom Livezey** - *Lineman*
- **John Lykens** - *CEO*
- **Todd Molyneux** - *Lineman*
- **Sarah Parrish** - *Cooperative Communicator*
- **Chad Phillips** - *Lineman*
- **Kim Phillips** - *Office Secretary*
- **Jeff Spako** - *Operations Assistant I*
- **Jeff Truesdale** - *Manager of Electric Operations*
- ***Walt Tubach**
- **Diane White** - *Executive Assistant*
- **Lori Williams** - *Billing Clerk*
- **Tyler Worthen** - *Lineman*
- ***John Zelewicz**
- ***Employee retired in 2022**



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