

2024 ANNUAL REPORT

81ST ANNUAL MEMBERSHIP MEETING



Welcome to the 81st Annual Membership Meeting of the Steuben Rural Electric Cooperative. Please join us as we celebrate the 81st anniversary of the Cooperative.

I would like to present our members with the Steuben Rural Electric Cooperative 2024 Annual Report. The purpose of this report is to inform our membership on the status of your cooperative. The business meeting, which usually lasts about one hour, will proceed as presented in the agenda found on the last page. Directors for Districts 1, 2, and 9 are scheduled for election during this meeting and will be elected to serve a three-year term. Pork BBQ sandwich dinners will be available for those members that pre-ordered following the close of the business meeting and the raffle drawings. Each registered member will receive a \$30.00 credit on your November billing

statement upon registering and attending this year's meeting. Feel free to share your favorite memories or stories with your fellow members, directors, and employees.

Board President - James McCormick

STEUBEN RURAL ELECTRIC COOPERATIVE CELEBRATES 81 YEARS

President Franklin D. Roosevelt signed an executive order on May 11, 1935 creating the Rural Electric Administration (REA), a branch of the U.S. Department of Agriculture. The REA was formed to provide Federal loans for the construction of electrical distribution systems to serve isolated rural areas of the United States.

Steuben Electric Association, Inc. was formed under the Transportation Corporations Law in July of 1941 and converted to an electric distribution cooperative in May of 1942 with the filing of Articles of conversion under the Rural Electric Cooperative Laws of New York.

At the time the Articles of Conversion were filed, the Cooperative had 503 miles of line and 1,300 members. With the assistance of funds borrowed from the Rural Electrification Administration, now known as Rural Utilities Services (RUS), to build its electric lines, the first line was energized in 1944. Today, 80 years after energizing the first line, the Cooperative has 1,183 miles of line and serves 6,436 homes, farms, and small businesses.

Steuben Rural Electric Cooperative, Inc. and the Chautauqua-Cattaraugus Electric Cooperative, Inc. began discussing the possibility of merging in April of 1969 and the merger was completed in 1970, resulting in SREC becoming the largest of the four New York Cooperatives.

The directors and employees are proud to serve each Cooperative member, continue to practice the 7 Cooperative Principles and strive to achieve the mission statement.



MINUTES OF THE OCTOBER 19, 2024 ANNUAL MEETING

The 80th Annual Meeting of the Steuben Rural Electric Cooperative, Inc. was convened at the Campbell-Savona High School, 8455 County Route 125, Campbell, New York and was live streamed to the Pine Valley Central High School, 7755 NY-83, South Dayton, New York on Saturday, October 19, 2024, as designated by the Bylaws, Article III, Meeting of Members, Section 1, Annual Meeting.

Call to Order: President McCormick called the meeting to order at 11:00 a.m.

Invocation: Pastor George Coon, of the Lindley Community Church, delivered the invocation.

Quorum: Attorney Robert Tyson declared that a quorum was present. Two hundred and ninety-two members registered.

Introductions: President McCormick introduced the Board of Directors, Cooperative Attorney, and management employees: James McCormick, President, District 1; Janice Hoad, Secretary, District 2; Edward Borkowski, Director, District 3; Walter Longwell, Director, District 4; Gerald Chase Jr., Director, District 5; Gordon Foster, Treasurer, District 6; Robert Nichols, Vice-President, District 7; Randy Stankey, Director, District 8; William Moss, III, Director, District 9; Robert Tyson, Cooperative Attorney; Bryant Dillon, General Manager; and Kristen Cleveland, Executive Secretary.

Special Guests: President McCormick introduced the special guests in the audience: Lincoln Nichols, Steuben Rural Electric Cooperative 2024 Student Delegate; Tim and Annie Schultz, Owners of Well-Connect; Zachary Mullen, Owner of Value Geo-Thermal; Ross Gill, Director of Delaware County Electric Cooperative; and William Moss, former Director of Steuben Rural Electric Cooperative.

Welcome: President McCormick welcomed the members and guests to the meeting and expressed how great it was to see all the members. He further stated this year we are live streaming the meeting to our Cherry Creek District Members at the Pine Valley Central High School in South Dayton.

Appreciation to Employees: President McCormick expressed his appreciation to the employees assisting at the meeting and appreciates everything they do to keep the Cooperative functioning smoothly and providing great service to our members.

Bill Credit Announcement: President McCormick announced the members who registered and attended today's meeting will receive a \$30.00 credit towards their electric bills, which will appear on their November billing statement.

Meeting Notice and Proof of Publication: Pursuant to the Bylaws, Article III, Section 3, Secretary Janice Hoad declared that the notice of the meeting, stating the place, day and hour and the purpose or purposes for which the meeting was called was mailed to all members at the United States Post Office in O'Fallon, Missouri on September 17, 2024.

Minutes of the October 14, 2023 Meeting: A motion was made, seconded, and adopted to waive the readings of the October 14, 2023 meeting minutes and accept them as published.

President's Report: The President, Mr. McCormick highlighted the cooperative's 80th anniversary, reflecting on its mission of providing reliable and affordable electricity to underserved rural communities. A key focus of the report was the cooperative's strong financial position, evidenced by the return of over \$400,000 in patronage capital to members. Mr. McCormick emphasized the cooperative's commitment to community resilience, noting the challenges posed by recent flooding in Steuben County and the cooperative's swift response to restore essential services. Looking forward, Mr. McCormick discussed the impact of New York State's Climate Leadership and Community Protection Act (CLCPA), which aims to achieve a carbon-free electricity grid by 2040. While recognizing the environmental benefits of the transition to renewable energy, Mr. McCormick expressed concerns about grid reliability. The cooperative plans to carefully navigate these changes while advocating for policies that ensure both sustainability and reliability. Mr. McCormick closed by expressing deep appreciation for the employees, members, and board of directors, whose efforts have contributed to the cooperative's success and will continue to guide it into the future.

General Manager's Report: The General Manager, Mr. Dillon highlighted several key events and accomplishments from the past year. A major challenge was the August flooding in the Southern Tier of Steuben County, which caused widespread damage to the cooperative's electric distribution system. Despite difficult conditions, the cooperative's linemen and staff worked tirelessly to restore power more quickly than expected. The flooding underscored the importance of the cooperative's ongoing infrastructure upgrades, including the replacement of nearly 20 miles of distribution lines and the installation of new substation transformers. These efforts aim to enhance the resilience and reliability of the electric system, especially in the face of increasingly severe weather events. The report also emphasized progress in three FEMA hazard mitigation projects, which focus on relocating and underground vulnerable distribution lines.

MINUTES OF THE OCTOBER 19, 2024 ANNUAL MEETING

Despite delays in securing FEMA funding, one project is in the construction phase, with two more set to follow. Additionally, vegetation management has been a critical focus, particularly in addressing the threat posed by the Emerald Ash Borer, which has consumed a significant portion of the budget. With new technologies and equipment, the cooperative is looking to further improve system reliability and reduce outage risks. Mr. Dillon praised the dedication of the staff and reaffirmed the commitment to serving its members with reliable, safe, and affordable service.

Secretary and Treasurer Reports: A motion was made, seconded, and adopted to accept the 2023 Secretary and Treasurer reports as published.

Nominating Committee Minutes June 26, 2024: Attorney Tyson read the Nominating Committee Report. The committee met on June 26, 2024, to select a slate of candidates for election to the Board of Directors in the districts scheduled for election.

Introduction of Candidates for Election to the Board of Directors: Attorney Tyson introduced the candidates who were nominated for a three-year term to the Board of Directors: District 5: Canisteo, Jasper, Troupsburg and Woodhull – Gerald Chase Jr.; District 7: Addison, Erwin, Corning, Tuscarora and Lindley – Robert V. Nichols; and District 8: Cattaraugus County – Randy Stankey.

Nominations by Petition: Attorney Tyson stated there were no director candidates brought forth by way of petition.

Close Nominations & Call for Vote: Attorney Tyson called to close the nominations and call for vote for Districts 5, 7, and 8.

Election Results: Attorney Tyson stated since there was no more than 1 candidate nominated in any 1 district, he called for a motion for the secretary to cast one ballot to elect the candidates for District 5, 7, and 8 for a three-year term on the Cooperative's Board of Directors.

Attorney Tyson called for and received a motion, and second to approve the nominated candidates for Districts 5, 7, and 8. The motion was adopted.

Attorney Tyson declared Gerald Chase Jr., Robert V. Nichols, and Randy Stankey duly elected to the position of director for Districts 5, 7, and 8 respectively.

Attendance & Proxy Announcement: Attorney Tyson stated there were 292 members in attendance and zero proxies received. Attorney Tyson thanked all members for participating in this year's annual meeting and election of the current slate of directors.

Service Awards: Bryant Dillon, General Manager and James McCormick, Board President recognized the following employees for their years of service for 2024: Ernie Jessup, Stores & Facilities Attendant, 35 years of service; Justin Young, Lineman 1st Class, 20 years of service; Bryant Dillon, General Manager, 10 years of service; Katie Smith, Senior Branch Clerk, 10 years of service; Richard Pendle, Crew Chief, 5 years of service, Susan Roche, Finance Manager, 5 years of service; and Gerald Chase Jr., Director, 5 years of service.

Unfinished Business: President McCormick announced there was no unfinished business to bring before the membership.

New Business: President McCormick advised there was no new business to bring before the membership.

Adjournment: Mr. Dillon announced the pulled pork BBQ dinners will be distributed to those members who reserved dinners in the cafeteria following the adjournment of our meeting. In addition, he stated the drawings for the raffle and four mums will follow the adjournment of our meeting. Mr. Dillon called for and received a motion, and second to adjourn the meeting at 11:49 a.m. The motion was adopted.

Raffle Drawings: Mr. Dillon, General Manager announced the winners for the raffle drawings for the Char-Broil Electric Grill and Grill Cover, and the six mums in the Campbell-Savona location. Katie Smith announced the winners for the raffle drawings in the Pine Valley location.

Respectfully submitted,
Janice L. Hoad
Secretary

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Steuben Rural Electric Cooperative, Inc.
9 Wilson Avenue
Bath, New York

Opinion

We have audited the financial statements of Steuben Rural Electric Cooperative, Inc., which comprise the balance sheet as of December 31, 2024 and 2023, and the related statements of revenue and expenses, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Steuben Rural Electric Cooperative, Inc., as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Steuben Rural Electric Cooperative, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Steuben Rural Electric Cooperative, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with *GAAS* and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with *GAAS* and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Steuben Rural Electric Cooperative, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Steuben Rural Electric Cooperative, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2025, on our consideration of Steuben Rural Electric Cooperative, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Steuben Rural Electric Cooperative, Inc.'s internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

Fiore, Fedeli, Snyder, Carothers, LLP
State College, Pennsylvania
April 10, 2025

STATEMENT OF NONDISCRIMINATION

Steuben Rural Electric Cooperative, Inc., is an equal opportunity provider and employer. In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, domestic violence victim status, family/parental status, salary history, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found on-line at: http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.



DIRECTOR & EMPLOYEE SERVICE AWARDS 2025

James McCormick, Director - 45 Years of Service
Joshua Gauss, Operations Manager- 25 Years of Service
Michael Green, Utility Laborer - 25 Years of Service
Kristen Cleveland, Executive Secretary - 15 Years of Service
Kevin Hunt, Lineman 1st Class- 5 Years of Service
Trenton LaBarr, Lineman 1st Class - 5 Years of Service

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

	<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Electric Plant			
In Service - At Cost		\$57,732,170	\$55,280,530
Construction in Progress		<u>\$2,396,444</u>	<u>\$1,005,987</u>
Total Electric Plant		<u>\$60,128,614</u>	<u>\$56,286,517</u>
Less:			
Provision for Depreciation		\$21,556,943	\$21,028,573
Retirement Work in Progress		<u>(\$208,847)</u>	<u>(\$11,264)</u>
Subtotal		<u>\$21,348,096</u>	<u>\$21,017,309</u>
Total Electric Plant - Net		<u>\$38,780,518</u>	<u>\$35,269,208</u>
Other Assets			
Investments in Associated Organizations		<u>\$2,106,154</u>	<u>\$2,008,696</u>
Total Other Assets		<u>\$2,106,154</u>	<u>\$2,008,696</u>
Current Assets			
Cash and Cash Equivalents		\$634,791	\$761,007
Accounts Receivable - Net		\$1,876,159	\$1,611,591
Other Accounts Receivable		\$653,082	\$719,306
Inventory		\$601,140	\$827,216
Prepaid Expenses		<u>\$217,538</u>	<u>\$454,475</u>
Total Current Assets		<u>\$3,982,710</u>	<u>\$4,373,595</u>
Noncurrent Assets			
Other Regulatory Assets		\$670,610	\$814,694
Miscellaneous Deferred Debits		<u>\$26,717</u>	<u>\$32,549</u>
Total Noncurrent Assets		<u>\$697,327</u>	<u>\$847,243</u>
TOTAL ASSETS		<u>\$45,566,709</u>	<u>\$42,498,742</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>			
Members' Equity		<u>2024</u>	<u>2023</u>
Memberships		\$362,980	\$356,055
Patronage Capital		\$16,606,744	\$16,558,373
Other Equities		<u>\$2,391,218</u>	<u>\$2,254,635</u>
Total Members' Equity		<u>\$19,360,942</u>	<u>\$19,169,063</u>
Long-Term Debt - Net		<u>\$21,959,124</u>	<u>\$21,243,080</u>
Current Liabilities			
Long-Term Debt - Current Maturities		\$1,171,813	\$1,090,809
Line of Credit		\$1,000,000	\$0
Accounts Payable		\$1,452,733	\$335,933
Customer Deposits		\$13,815	\$16,115
Other Liabilities		<u>\$319,046</u>	<u>\$373,027</u>
Total Current Liabilities		<u>\$3,957,407</u>	<u>\$1,815,884</u>
Noncurrent Liabilities			
Other Postretirement Benefits		<u>\$289,236</u>	<u>\$270,715</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY		<u>\$45,566,709</u>	<u>\$42,498,742</u>

A copy of the full audit report may be obtained by contacting the Bath District Office.

STATEMENTS OF REVENUE, EXPENSES & PATRONAGE CAPITAL FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues	<u>\$12,672,704</u>	<u>\$11,134,725</u>
Operation and Maintenance Expenses		
Cost of Purchased Power	\$2,947,221	\$2,341,433
Distribution Expense - Operation	\$1,855,795	\$1,695,580
Distribution Expense - Maintenance	\$2,959,907	\$2,175,056
Customer Accounts Expense	\$531,552	\$537,997
Customer Service and Information Expense	\$224,306	\$162,214
Administrative and General Expense	\$1,293,973	\$1,338,773
Total Operation and Maintenance Expenses	<u>\$9,812,754</u>	<u>\$8,251,053</u>
Other Operating Expenses		
Depreciation Expense	\$1,443,585	\$1,401,602
Interest Expense - Long Term Debt	\$763,861	\$673,834
Interest Expense - Other	\$41,519	\$53,313
Miscellaneous Expenses	<u>\$150,762</u>	<u>\$159,431</u>
Total Other Operating Expenses	<u>\$2,399,727</u>	<u>\$2,288,180</u>
Total Cost of Electric	<u>\$12,212,481</u>	<u>\$10,539,233</u>
Net Operating Margins	<u>\$460,223</u>	<u>\$595,492</u>
Non-Operating Margins		
Interest Income	\$70,590	\$70,390
Other Capital Credits and Patronage Dividends	\$69,582	\$63,335
Miscellaneous Non-Operating Income	<u>\$190</u>	<u>\$13,275</u>
Net Non-Operating Margins	<u>\$140,362</u>	<u>\$147,000</u>
Net Margins	<u>\$600,585</u>	<u>\$742,492</u>
Patronage Capital - Beginning	<u>\$16,558,373</u>	<u>\$16,361,256</u>
Less: Retirement of Patronage Capital	<u>(\$552,214)</u>	<u>(\$545,375)</u>
Patronage Capital - Ending	<u>\$16,606,744</u>	<u>\$16,361,256</u>

A copy of the full audit report may be obtained by contacting the Bath District Office.

NOMINATING COMMITTEE REPORT 2025

A meeting of the Nominating Committee was held at the main office of the Cooperative, 9 Wilson Avenue, Bath, New York on Wednesday, June 25, 2025 at 4:56 p.m.

The committee members present were Robert Spears, District 2; Brian Elliott, District 3; Melinda Morgan, District 5; Willard Caudill, District 6; Mary Ellen Baker, District 7; Patricia Bromley, District 8; and Nicholas D. France, District 9. Also, in attendance were Janice Hoad, Director/Board Secretary and Kristen Cleveland, Executive Secretary. Absent was Curt R. Williamson, District 1; and Carl Albers, District 4.

Mrs. Cleveland welcomed everyone to the meeting and thanked them for taking time from their schedules to participate on the Nominating Committee.

A motion was made by Melinda Morgan and seconded by Patricia Bromley to elect Willard Caudill as Committee Chair. The motion was adopted.

A motion was made by Patricia Bromley and seconded by Willard Caudill to elect Mary Ellen Baker as Recording Secretary. The motion was adopted.

The meeting was turned over to Willard Caudill to conduct the remainder of the nomination process.

The following candidates were nominated for a three-year term on the Cooperative’s Board of Directors:

District 1 Nominee(s): James R. McCormick

District 2 Nominee(s): Janice L. Hoad

District 9 Nominee(s): William H. Moss III

A motion was made by Melinda Morgan and seconded by Patricia Bromley to accept the nominations for the districts scheduled for director election. The motion was adopted. The names of the nominees will be submitted to the General Manager for verification of district.

The Nominating Committee certified to the Board of Directors, as required by the Bylaws that they made a prudent effort to nominate at least two nominees from each district. A diligent search was made for candidates in Districts 1, 2, and 9 and they were able to find only one candidate willing to be nominated for the position of director from Districts 1, 2, and 9.

A motion was made by Melinda Morgan and seconded by Nicholas France to adjourn the meeting at 5:10 p.m. The motion was adopted.

Respectfully submitted,

Mary Ellen Baker
Recording Secretary

Please be sure to thank the members of the Nominating Committee for a job well done again this year. A great deal of time is spent and effort made to present appropriate candidates for the position of Director to the Steuben Rural Electric Cooperative, Inc.

- District 1 - Curt R. Williamson, Greenwood, NY
- District 2 - Robert Spears, Cameron, NY
- District 3 - Brian Elliott, Savona, NY
- District 4 - Carl W. Albers, Bath, NY
- District 5 - Melinda Morgan, Woodhull, NY

- District 6 - Willard A. Caudill, Cameron Mills, NY
- District 7 - Mary Ellen Baker, Lindley, NY
- District 8 - Patricia Bromley, South Dayton, NY
- District 9 - Nicholas D. France, Forestville, NY

*Thank
You!*

DIRECTOR ELECTIONS - MEET THE BOARD CANDIDATES

Districts 1, 2, and 9 are scheduled for election for a three-year term on the Cooperative's Board of Directors. Your nominating committee met on June 25, 2025, and have nominated the following as candidates for your Board of Directors to be voted on at your Annual Meeting October, 18, 2025.

DISTRICT 1

Wayland, Cohocton, Fremont, Avoca, Hornellsville, Hartsville, Greenwood, W. Union



JAMES R. MCCORMICK

Mr. McCormick and his wife, Karen, reside on their farm in Greenwood, New York. He has been a Cooperative member for 52 years and Director for 48 years and currently serves as President of the Steuben Rural Electric Board and Vice-President of the New York State Rural Electric Cooperatives Association. They have two grown children and five grandchildren.

Mr. McCormick is a graduate of Greenwood Central School and has an Associates Degree from SUNY-Morrisville and is a US Army Veteran. He retired as Senior Vice President and loan officer from Steuben Trust Company. Mr. McCormick is a member of the Immaculate Conception Church in Wellsville and is a former member and president of the Allegany County United Way and Jones Memorial Hospital.

DISTRICT 2

Cameron, Howard



JANICE L. HOAD

Mrs. Hoad currently resides in Cameron Mills, New York and has been a Cooperative member for 26 years. She has been a Cooperative Director since 2008 and currently serves as Secretary of the Steuben Rural Electric Cooperative Board.

Mrs. Hoad obtained her AS Degree from Corning Community College, BS and MS Degree from Alfred University. She is a retired math teacher from Canisteo-Greenwood High School District since 2014.

Mrs. Hoad is a member of the National Fallen Firefighter Foundation and past 4H Leader but remains active in 4H with her grandchildren.

DISTRICT 9

Chautauqua County



WILLIAM H. MOSS III

Mr. Moss and his wife, Joanne, reside in South Dayton, New York. He has been a Cooperative member for 40 years and a Cooperative Director since 2013. William and Joanne have two grown sons, Ben and David and two grandchildren.

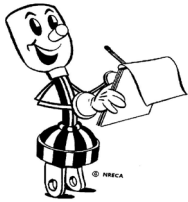
Mr. Moss is a graduate of Forestville Central School and currently operates a 100 cow dairy farm. In addition to operating the dairy farm, he drives school bus at Forestville Central School and performs custom work for area farmers.

Mr. Moss is a trustee of Forestville Methodist Church and belongs to the Dairy Farmers of America Milk Co-op. He also enjoys motorcycling in his free time.





Janice Hoad
Secretary



REPORT OF THE SECRETARY 2024

Last year's Annual Meeting was held at the Campbell-Savona High School in Campbell, New York, and live-streamed to the Cherry Creek members at the Pine Valley Central School in South Dayton, New York on October 19, 2024. Total attendance was 292 members. There were no proxies submitted. The directors elected to three-year terms were Gerald Chase Jr., District 5 (Canisteo, Jasper, Troupsburg & Woodhull); Robert V. Nichols, District 7 (Addison, Erwin, Corning, Tuscarora & Lindley); and Randy Stankey, District 8 (Cattaraugus County). The Board held regular, committee, and special meetings, according to the Bylaws of the Cooperative.

As of January 1, 2024, there were a total of 5,383 active members representing 6,436 active metering points. For the period January 1, 2024 through December 31, 2024, the Cooperative had 63 new connects and 54 service retirements/new idle services. The Board accepted 279 new memberships during 2024. The Cooperative ended 2024 with a total of 5,407 active members and 6,445 active meters. All membership records and minutes from all meetings are up-to-date and on file at the office. We welcome suggestions from the members on any item of Cooperative affairs.

REPORT OF THE TREASURER 2024



Gordon Foster
Treasurer

You have been provided with excerpts from the independent auditor's report on our financial Statements for the years ended December 31, 2024 and 2023. According to the report, the Cooperative's operating revenues rose by 13.8%, increasing from \$11,134,725 in 2023 to \$12,672,704 in 2024. This growth was driven by higher kWh sales and a 6.75% rate increase that took effect in January 2024 following a public hearing process. The rate adjustment, announced in the fall of 2023, was necessary due to two primary factors: inflationary pressures and increased line worker wages amid a nationwide shortage of qualified personnel. Energy costs, passed through directly from our power provider, increased by approximately \$600,000, largely as a result of higher electricity sales. Operations and maintenance expenses, which are included in the total cost of electric service, rose by 24% year-over-year. This increase reflects the cost of calling in mutual aid crews three times during 2024 due to wind and flooding events, as well as higher compensation for line workers. Net Margins for 2024 decreased by \$142,000 compared to 2023. These margins were allocated to members in April 2025 as patronage capital, based on each member's proportionate contribution to the Cooperative's revenues. Throughout 2024, the Cooperative continued its commitment to timely patronage capital retirements, returning \$552,214 to our membership.

NOMINATIONS

It shall be the duty of the Board of Directors to appoint, not less than forty-five (45) days nor more than one hundred twenty (120) days before the date of the meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than nine (9) members who shall be selected from different sections of the project area so as to insure equitable representation.

No member of the Board of Directors or any relative of a director may serve on such committee. The committee, to provide equitable representation, shall prepare and post at the principal office of the Cooperative, at least twenty (20) days before the meeting a list of nominations for directors. The committee shall make a prudent effort to nominate at least two (2) nominees from each district of the Cooperative scheduled for election. In the event that less than two (2) nominees are nominated by the committee, the committee shall certify to the Board of Directors that a diligent search was made for candidates and that less than two (2) persons were found who were willing to be nominated for the position of director from that district.

Any fifteen (15) or more members acting together may make nominations by petition not less than fifteen (15) days prior to the meetings, and the Cooperative shall post such nominations, under the direction of the Secretary of the Board of Directors, at the same place where the list of nominations made by the committee is posted. Under the direction of the Secretary of the Board of Directors, the Cooperative shall mail with the notice of the meeting or separately, but at least seven (7) days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of candidates specifying separately the nominations made by petition, if any. Additional nominations made by petition shall be for the respective districts scheduled for election. The nominee in each district receiving the highest number of votes cast shall be deemed elected to the Board of Directors.

BOARD OF DIRECTORS

OFFICERS



JAMES MCCORMICK
PRESIDENT
DISTRICT 1



ROBERT NICHOLS
VICE PRESIDENT
DISTRICT 7



JANICE HOAD
SECRETARY
DISTRICT 2



GORDON FOSTER
TREASURER
DISTRICT 6

DIRECTORS



EDWARD BORKOWSKI
DISTRICT 3



WALTER LONGWELL
DISTRICT 4



GERALD CHASE JR
DISTRICT 5



RANDY STANKEY
DISTRICT 8

DIRECTOR QUALIFICATIONS



WILLIAM MOSS III
DISTRICT 9

In order to be elected to the Board as a Director, candidates must meet the following qualifications (see Bylaws, Article IV Directors, Section 2 Qualifications & Tenure): Directors shall be elected by ballot at each annual meeting of the members, by and from the members, to serve until the third succeeding annual meeting of the members or until their successor shall have been elected and shall have qualified. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who: (A) Is not a member and bona fide resident of the district within the Cooperative for which the director was elected to serve; (B) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, equipment or supplies to the Cooperative; (C) Is an employee of the Cooperative or has been an employee of the Cooperative within five (5) years from the date of the annual meeting at which the nomination will come to a vote; (D) Is unable to read, write and speak in the English language; (E) Is not able to enter into a legally binding contract; (F) Is a convicted felon; (G) Has had bills owed to the Cooperative delinquent for more than ninety (90) days within the past two (2) years.

ADDRESS

Bath District
9 Wilson Avenue Bath, NY, 14810
Phone: 607-776-4161
Phone: 800-843-3414

Cherry Creek District
5966 South Rd, Cherry Creek, NY, 14723
Phone: 716-296-5651
Phone: 800-883-8236

ANNUAL MEETING AGENDA

1. CALL MEETING TO ORDER AT 11:00 AM JAMES MCCORMICK
2. INVOCATIONPASTOR GEORGE COON
3. PLEDGE OF ALLEGIANCE JAMES MCCORMICK
4. NO SMOKING ANNOUNCEMENT JAMES MCCORMICK
5. FIRE EMERGENCY ANNOUNCEMENT JAMES MCCORMICK
6. CELL PHONE REMINDER JAMES MCCORMICK
7. PROOF OF QUORUM ROBERT TYSON, ESQ
8. INTRODUCTIONS OF DIRECTORS/MANAGEMENT JAMES MCCORMICK
9. SPECIAL GUEST INTRODUCTIONS JAMES MCCORMICK
10. WELCOME MESSAGE JAMES MCCORMICK
11. APPRECIATION TO EMPLOYEES JAMES MCCORMICK
12. BILL CREDIT ANNOUNCEMENT JAMES MCCORMICK
13. MEETING NOTICE AND PUBLICATION JANICE HOAD
14. APPROVAL OF MINUTES OF 2024 MEMBERSHIP MEETING JAMES MCCORMICK
15. PRESIDENT’S REPORT JAMES MCCORMICK
16. GENERAL MANAGER’S REPORT BRYANT DILLON
17. SECRETARY & TREASURER REPORTS JAMES MCCORMICK
18. NOMINATING COMMITTEE REPORT ROBERT TYSON, ESQ
19. ELECTION OF DIRECTORS ROBERT TYSON, ESQ
20. NOMINATIONS BY PETITION ROBERT TYSON, ESQ
21. CLOSE NOMINATIONS ROBERT TYSON, ESQ
22. CALL FOR VOTE & ELECTION RESULTS ROBERT TYSON, ESQ
23. ATTENDANCE AND PROXY ANNOUNCEMENT ROBERT TYSON, ESQ
24. EMPLOYEE SERVICE AWARDS BRYANT DILLON/JAMES MCCORMICK
25. UNFINISHED BUSINESS JAMES MCCORMICK
26. NEW BUSINESS JAMES MCCORMICK
27. ADJOURNMENT BRYANT DILLON
28. RAFFLE DRAWING BRYANT DILLON