LCEC

LEA COUNTY ELECTRIC COOPERATIVE





COMMITMENT

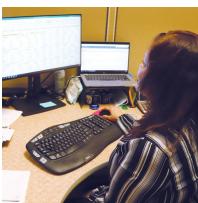
Providing high value, low cost, and safe reliable service.















TO: All Members of Lea County Electric Cooperative, Inc.

Notice is hereby given that the combined 2020/2021 Annual Meeting of Members of Lea County Electric Cooperative, Inc. will be held Friday, April 23, 2021, at the hours of 8:00 a.m. through 5:00 p.m., MDT, at 1300 W. Avenue D, Lovington, New Mexico, the Lea County Electric Cooperative's main office. The meeting will be conducted in a drive-through process that will minimize contact and adhere to the COVID Safe Business Practices as well as comply with the current Public Health Orders. In addition, follow the bylaws of the Cooperative and conduct Co-op business as well as ratify the 2020 elected Trustees, elect 2021 Trustee, and the transaction of such other business as may come before the meeting. Registration of members will be held on Friday, April 23, 2021, from 8:00 a.m. to 5:00 p.m., MDT.

The business session of the meeting will be streamed live on the Lea County Electric Facebook page at 6:00 p.m., MDT, at which the following will be addressed: 1) the establishment of a quorum; 2) a reading of the secretary's Notice of the meeting and proof of mailing to members; 3) approval of minutes of the 2019 Annual Meeting; presentation and consideration of reports from officers, trustees, and committees; 4) a ratification from the members of two Trustees, one from District One and one from District Six for the year 2020 Annual Meeting; and 5) an election by the membership of a Trustee from District Five for the year 2021 Annual Meeting.

Pursuant to Article IV, Section 4 of the Bylaws, a Committee on Nominations, was appointed, and met on March 10, 2020, at 5:30 p.m. for the purpose of placing in nomination candidates for the election of two Trustees; one from District One and one from District Six for the 2020 meeting. A list of said

NOTICE OF ANNUAL MEETING

nominations of Trustees was prepared and posted at the office of Lea County Electric Cooperative, Inc., 1300 West Avenue D, Lovington, New Mexico, and each district office. In addition, a Committee on Nominations was appointed and met on March 09, 2021, at 5:30 p.m. for the purpose of placing in nomination candidate(s) for the election of one Trustee from District Five for the 2021 meeting. A list of said nominations for Trustee has been prepared and posted at the office of Lea County Electric Cooperative, Inc. at 1300 West Avenue D, Lovington, New Mexico, and each district office.

According to the bylaws, other nominations may be made by petition signed by 15 or more members acting together, no less than 20 days prior to the date of the annual meeting of members. A list of any nominations by petition will likewise be prepared and posted. All nominations, including those by the Committee on Nominations and those by petition, will be submitted to and acted upon by the membership at the Annual Meeting. A statement of the number of Trustees to be elected and the names and addresses of the candidates (the nominations made by the Committee on Nominations and nominations made by petition, if any, being listed separately as required in the bylaws) will be mailed to the members with this Notice of the Annual Meeting.

Article III, Section 5 of the Bylaws states in part: Each person who otherwise qualifies and who wishes to vote shall register for the member meeting and shall be entitled to only one vote on each matter submitted to a vote at a Meeting of the Members. Voting persons other than members who are natural persons shall be allowed by the presentation to the Cooperative, prior to or upon registration at each Member Meeting, of satisfactory evidence entitling the person presenting the same to vote. Voting authorization forms are available at the Cooperative's main office at 1300 West Avenue D, Lovington, New Mexico, and at the district offices in Tatum and Plains or by calling 575-396-3631.

IN WITNESS WHEREOF, this Notice has been issued by the Secretary-Treasurer of the Lea County Electric Cooperative, Inc., and its corporate seal hereon impressed this 26th day of March 2021.

Daul Au Si

Dan Hardin, Secretary-Treasurer

BOARD OF DIRECTORS



JOHN GRAHAM President Spouse: Jeanine Board Member since 2012 Representing District 1 Occupation: Businessman/ Newspaper Publisher



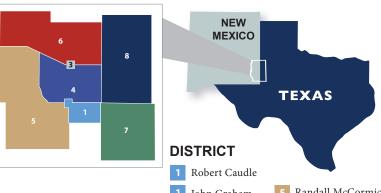
ROBERT CAUDLE Vice-President Spouse: Joyce Board Member since 1984 Representing District 1 Occupation: Landman



DAN HARDIN Secretary-Treasurer Spouse: Sandy Board Member since 2004 Representing District 4 Occupation: Finance



KENNETH WALLACE Spouse: Elaine Board Member since 2013 Representing District 1 Occupation: Businessman/Oil & Gas Services



5 Randall McCormick John Graham Kenneth Wallace 6 CJ Kinsolving Travis Glenn 7 Charles W. Garner II Dan Hardin 8 Jason Swann



TRAVIS GLENN Spouse: Tonya Board Member since 2016 Representing District 3 Occupation: Businessman



RANDALL McCORMICK Spouse: Sandra Board Member since 2016 Representing District 5 Occupation: Businessman



CJ KINSOLVING Spouse: Kaitlin Board Member since 2015 Representing District 6 Occupation: Ranching



CHARLES W. GARNER II Spouse: Christy Board Member since 2014 Representing District 7 Occupation: Farming & Ranching



JASON SWANN Spouse: Erin Board Member since 2018 Representing District 8 Occupation: Banking





JOHN GRAHAM

BOBBY FERRIS

2020 was undoubtedly a unique year for everyone. The COVID-19 pandemic brought unforeseen changes in the way we do business at Lea County Electric Cooperative, Inc. (LCEC). In the spring, LCEC enhanced personal hygiene training to employees concerning COVID-19, closed lobbies, and canceled non-essential business travel. As the pandemic's seriousness continued, the board of trustees postponed the Annual Meeting scheduled in April, expecting to reschedule later in 2020. When the board of trustees met in October and reviewed New Mexico Governor Michelle Lujan Grisham's latest executive order 2020-004, the board of trustees had no choice but to cancel the 2020 meeting during the 2020 calendar year. This year the 2020 and 2021 Annual Meetings will be combined and will take place on Friday, April 23, 2021. This decision was made in an effort to comply with the executive order and to ensure the safety of our members. Lobbies were closed and reopened throughout the year with everyone's safety in mind and to comply with everchanging rules. Our commitment remained the same in serving you with safe, affordable, reliable, member-driven electricity. LCEC employees' willingness to work with the constant changes was evident and did not stop the productivity or reliability our members have come to expect. We are pleased to inform you that the reliability factor for 2020 was 99.96%.

The pandemic caused a significant shift in energy usage patterns. Total energy sales decreased by approximately 9%. Meters served decrease from 16,300 to 16,260. Operating revenue from all sources totaled \$89 million and margins were \$1.9 million for 2020. The Co-op was able to achieve this through sound business practices guided by management and the board of trustees.

To improve service to you, we continue to upgrade our infrastructure and use technology to its fullest extent. Upgrades to our aging infrastructure continued throughout the year. The Advanced Metering Infrastructure (AMI) installation for residential services was completed improving outage response. The Information Technology Communications (IT) department converted communications at six substations from microwave radio to fiber cable, reducing maintenance and total cost of ownership. LCEC finalized plans to transition from analog Land Mobile Radio (LMR) to a digital solution with expected completion in 2021. LMR will improve radio coverage resulting in a reliable communication method for field

MESSAGE FROM MANAGEMENT

crews throughout our service territory. The installation of Automatic Vehicle Location (AVL) technology was completed giving LCEC real-time visibility and control over field operations and equipment.

We continue to be committed to training employees on potential cyber threats and avoiding situations that might put our organization's data at risk. The IT department implemented a new Cyber Security Awareness Program for all co-op employees. LCEC increased its electronic communication efforts to share social media content as well as connect and engage with members. Facebook, along with Twitter, allows us to provide instant updates and outage information. Be sure to look us up, follow and stay tuned as our team works on providing you with easy to access information.

Besides providing quality electric service, we strive to be a great civic partner through education, youth, and community outreach. During the pandemic, LCEC, and all NMRECA (Statewide) cooperatives, purchased 260 gallons of sanitizer from Boot Hill Distillery in Dodge City, Kansas as part of the combined efforts between Western Farmers Electric Cooperative, TriState, and Statewide. We received 20 gallons. Due to the abundance, we donated much of the allotment to local entities, including the City of Lovington, City of Plains, Lea County GoodLife Assisted Living, Lovington Health Care, Town of Tatum, and Yoakum County. LCEC awarded 17 new one-time scholarships of \$7,500 to area students and continued funding 30 recipients in the recurring scholarship program. Regrettably, the Government-In-Action Youth Tour (YT) was canceled by the National Rural Electric Cooperative Association (NRECA) because of the pandemic. LCEC chose to award this year's YT delegates a \$5,000 scholarship for their efforts to go towards their college education. Three local non-profit organizations received \$5,000 each through the Sharing Success program that LCEC is in alliance with CoBank. In addition, LCEC's Donation/ Grant program contributed over \$16,000 to schools, groups, or organizations located in our service area. During the month of December, LCEC issued to current and past members capital credit checks totaling over \$3.4 million for those with service in 1997. LCEC has retired over \$54 million in capital credits.

On behalf of the board of trustees, management, and employees, we would like to thank you, the member, for your patience in accepting the changes in how we do business. As we adapt to our ever-changing world and make plans for what lies ahead, one thing that remains constant is our commitment to serving you.

John Graham
President,
Board of Trustees

Bobby Ferris Executive Vice President & General Manager

Bolly Fund

STATEMENTS OF INCOME

LEA COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENTS OF INCOME, COMPREHENSIVE INCOME, AND PATRONAGE CAPITAL FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

			Year	s Ended December 31,		
	2020	2019	Increa			
	Amount	% Amount	% (Decrea	ase) Amount	% Amount	% (Decrease)
OPERATING REVENUES						
Residential	\$ 10,239,974	11.4 \$ 10,433,219	10.9 \$ (193		10.9 \$ 10,253,762	
Irrigation	13,742,740	15.5 12,715,669	13.3 1,027		13.3 13,738,222	
Commercial and Industrial	60,429,972	68.0 74,994,540	78.3 (14,564		78.3 72,670,710	
Public Buildings and Other Authorities	1,045,467	1.2 1,213,322		,855) 1,213,322	1.3 1,231,33	
Accrued Unbilled Revenue Power Cost (Over) Under Collected	(835,562)	(0.9) 105,299 4.1 (4,385,938)	(4.6) 8,021	,861) 105,299	0.1 (448,607 (4.6) 1,997,273	
Other Operating Revenues	3,635,563 602,750	4.1 (4,385,938) 0.7 671,309		,501 (4,385,938) ,559) 671,309	0.7 819,45	
Total Operating Revenues	\$ 88,860,904	100.0 \$ 95,747,420	100.0 \$ (6,886		100.0 \$ 100,262,142	
Iotal Operating Revenues	\$ 00,000,904	100.0 \$ 95,747,420	100.0 \$ (0,000	,510) \$ 95,747,420	100.0 \$ 100,202,142	100.0 \$ (4,514,722)
OPERATING EXPENSES						
Purchased Power	\$ 66,340,347	74.7 \$ 71.676.969	74.9 \$ (5,336	.622) \$ 71.676.969	74.9 \$ 75,619,429	75.4 \$ (3,942,460)
Transmission	957,563	1.1 808,319		,244 808,319	0.8 830,88	
Distribution - Operation	4,785,802	5.4 5,724,481		,679) 5,724,481	6.0 4,663,922	
Distribution - Maintenance	1,369,158	1.5 1,178,477		,681 1,178,477	1.2 1,527,877	
Customer Accounts	924,123	1.0 1,025,503		,380) 1,025,503	1.1 995,51	
Customer Service and Information	42,524	0.0 65,799		,275) 65,799	0.1 70,916	
Sales	17,305	0.0 41,076		,771) 41,076	0.0 26,594	
Administrative and General	4,172,740	4.7 4,338,468		,728) 4,338,468	4.5 4,315,320	
Depreciation and Amortization	4,625,463	5.2 4,480,023		,440 4,480,023	4.7 4,249,043	
Cost of Removal	2,378,226	2.7 2,330,820		,406 2,330,820	2.4 2,258,238	
Interest Credit - Cost of Removal	_,-,-,			_,		
Restricted Funds Earnings	(917,610)	(1.0) (980,157)	(1.0) 62	,547 (980,157)	(1.0) (931,033	3) (0.9) (49,124)
Taxes	67,725	0.1 78,561		,836) 78,561	0.1 69,474	
Other Interest and Deductions	116,541	0.1 122,541		,000) 122,541	0.1 65,528	
Total Operating Expenses	\$ 84,879,907	95.5 \$ 90,890,880	94.9 \$ (6,010	,973) \$ 90,890,880	94.9 \$ 93,761,708	93.6 \$ (2,870,828)
OPERATING MARGINS - Before Fixed Charges	\$ 3,980,997	4.5 \$ 4,856,540	5.1 \$ (875	.543) \$ 4,856,540	5.1 \$ 6,500,434	6.4 \$ (1,643,894)
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FIXED CHARGES						
Interest on Long-Term Debt	1,881,580	2.11,941,382	2.0 (59	,802) 1,941,382	2.0 1,998,187	2.0 (56,805)
OPERATING MARGINS - After						
Fixed Charges	\$ 2,099,417	2.4 \$ 2,915,158	3.1 \$ (815	,741) \$ 2,915,158	3.1 \$ 4,502,247	4.4 \$ (1,587,089)
Capital Credits	2,046,684	2.3 2,053,116	(6	2,053,116	2.1 2,175,555	5 2.2 (122,439)
NET OPERATING MARGINS	\$ 4,146,101	4.7 \$ 4,968,274	5.2 \$ (822	,173) \$ 4,968,274	5.2 \$ 6,677,802	2 6.6 \$ (1,709,528)
NET OF ERATING WARGING	4,140,101	4.7 \$ 4,908,274	022	,173) \$ 4,900,274	5.2 \$ 0,077,802	0.0 \$ (1,709,328)
NONOPERATING ITEMS						
Interest Income	\$ 1,046,653	1.2 \$ 1,321,784	1.4 \$ (275	,131) \$ 1,321,784	1.4 \$ 835,85	3 0.8 \$ 485,931
Gain (Loss) on Sale of Property	16,805	0.0 18,778		,973) 18,778	0.0 (2,270	
(,	\$ 1,063,458	1.2 \$ 1,340,562		,104) \$ 1,340,562	1.4 \$ 833,583	
	- 1,000,000			1,01,01		
NET MARGINS	\$ 5,209,559	5.9 \$ 6,308,836	6.6 \$ (1,099	,277) \$ 6,308,836	6.6 \$ 7,511,385	7.4 \$ (1,202,549)
						
OTHER COMPREHENSIVE INCOME (LOSS)						
Current Year APBO Valuation Adjustment	(3,669)	527,953		527,953	(368,075	5)
Post-Retirement Benefit Amortization	(64,268)	(49,907)		(49,907)	(61,038	3)
		· · · · · · · · · · · · · · · · · · ·			-	
COMPREHENSIVE INCOME	\$ 5,141,622	\$ 6,786,882		\$ 6,786,882	\$ 7,082,272	2
Post-Retirement Benefit Adjustment	67,937	(478,046)		(478,046)	429,113	3
•		,		, -,,		
PATRONAGE CAPITAL - BEGINNING						
OF YEAR	96,232,598	95,163,596		95,163,596	92,931,463	3
Patronage Capital Retired	(3,853,875)	(5,239,834)_		(5,239,834)	(5,279,252	<u>2)</u>
PATRONAGE CAPITAL - END OF YEAR	\$ 97,588,282	\$ 96,232,598		\$ 96,232,598	\$ 95,163,596	
I ATTOMAGE ON TIME - END OF TEAR	Ψ 31,300,202	Ψ 30,232,390		Ψ 30,232,396	Ψ 33,103,380	<u>_</u>

BALANCE SHEETS

LEA COUNTY ELECTRIC COOPERATIVE, INC.

BALANCE SHEETS DECEMBER 31, 2020, 2019 AND 2018

ASSETS

	2020	-	2019		2018
UTILITY PLANT AT COST		-		_	
Utility Plant in Service	\$ 225,986,394	\$	215,506,570	\$	204,539,255
Construction Work in Progress Contributions in Aid of Construction	4,649,655		7,141,314		5,203,478
Contributions in Aid of Construction	\$\frac{(50,799,738)}{179,836,311}	s ⁻	(47,613,513) 175,034,371	s ⁻	(41,682,100) 168,060,633
Less: Accumulated Provision for Depreciation	74,490,351	Ψ	73,735,376	Ψ	72,321,227
2000.7 localitation 1 Totalon for Doproduction	\$ 105,345,960	\$ -	101,298,995	\$ -	95,739,406
		_		_	
OTHER PROPERTY AND INVESTMENTS		_		_	
Non-Utility Property (At Cost) Investments in Associated Organizations	\$ 46,482 33,199,056	\$	46,482 31,252,866	\$	46,482 29,284,981
Other Investments	5,278,077		2,631,691		6,587,939
Special Funds - Restricted	37,950,661		37,035,320		36,072,793
Employee Benefit Funds - Restricted	2,409,046		2,028,595		1,684,108
Post-Retirement Benefits	2,577,298		2,150,824		1,474,642
OLIDDENT ACCETO	\$ 81,460,620	\$_	75,145,778	\$_	75,150,945
CURRENT ASSETS Cash	\$ 743.442	\$	573,255	\$	971,520
Temporary Investments - Cash Equivalents	11,400,444	Ψ	13,923,680	Ψ	7,487,958
Temporary Investments - Other	,,		2,786,000		6,982,000
Accounts and Notes Receivable (Less allowance for uncollectibles	12,615,012				
of \$244,646 in 2019 and \$341,686 in 2018)			12,177,924		12,352,387
Accrued Unbilled Revenue	341,462		7,643,993		7,538,694
Materials and Supplies Other Current and Accrued Assets	2,823,957 346,536		2,760,877 352,416		2,883,552 421,763
Other Guiterit and Accided Assets	\$ 35,079,284	s ⁻	40,218,145	s -	38,637,874
	<u> </u>	-	,,	-	
DEFERRED DEBITS	\$ 865,818	\$_	999,168	\$_	1,181,794
TOTAL ASSETS	\$ 222,751,682	\$_	217,662,086	\$_	210,710,019
EQUITIES AND LIABIL	ITIES				
	LITIES				
EQUITIES AND LIABIL EQUITIES Memberships	\$ 36,700	\$	36,320	\$	35,865
EQUITIES Memberships Patronage Capital	\$ 36,700 97,588,282	\$	96,232,598	\$	95,163,596
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income	\$ 36,700 97,588,282 693,596	\$	96,232,598 761,533	\$	95,163,596 283,487
EQUITIES Memberships Patronage Capital	\$ 36,700 97,588,282 693,596 2,096,696		96,232,598 761,533 2,096,696		95,163,596 283,487 2,096,696
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities	\$ 36,700 97,588,282 693,596	\$ \$_	96,232,598 761,533	\$ \$_	95,163,596 283,487
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274		96,232,598 761,533 2,096,696 99,127,147		95,163,596 283,487 2,096,696 97,579,644
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities	\$ 36,700 97,588,282 693,596 2,096,696	\$_	96,232,598 761,533 2,096,696	\$_	95,163,596 283,487 2,096,696
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477	\$_	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137	\$_	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273	\$_	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495	\$_	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245)	\$ <u></u>	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676)	\$ _ \$	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276)
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273	\$_	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495	\$_	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245)	\$ <u></u>	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676)	\$ _ \$	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276)
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021	\$ _ \$ _ \$ _	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297	\$_ \$_ \$_	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021	\$ _ \$ _ \$ _	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297	\$_ \$_ \$_	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000	\$ _ \$ _ \$ _ \$ _	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015	\$ _ \$ _ \$ _ \$ _	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000 5,867,038	\$ _ \$ _ \$ _ \$ _	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015 2,116,366	\$ _ \$ _ \$ _ \$ _	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315 894,746
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other Power Cost - Over Collected	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000 5,867,038 1,595,362	\$ _ \$ _ \$ _ \$ _	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015 2,116,366 4,889,462	\$ _ \$ _ \$ _ \$ _	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315 894,746 503,524
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Other Power Cost - Over Collected Consumer Deposits	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000 5,867,038 1,595,362 2,980,794	\$ _ \$ _ \$ _ \$ _	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015 2,116,366 4,889,462 2,459,610	\$ _ \$ _ \$ _ \$ _	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315 894,746 503,524 2,455,506
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other Power Cost - Over Collected	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000 5,867,038 1,595,362	\$ _ \$ _ \$ _ \$ _	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015 2,116,366 4,889,462	\$ _ \$ _ \$ _ \$ _	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315 894,746 503,524
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other Power Cost - Over Collected Consumer Deposits Other Current and Accrued Liabilities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000 5,867,038 1,595,362 2,980,794 1,667,018 \$ 14,440,212	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015 2,116,366 4,889,462 2,459,610 1,654,767 19,528,220	\$ - \$ - \$ - \$ - \$	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315 894,746 503,524 2,455,506 1,620,440 13,355,531
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other Power Cost - Over Collected Consumer Deposits Other Current and Accrued Liabilities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000 5,867,038 1,595,362 2,980,794 1,667,018 \$ 14,440,212 \$ 4,930,455	\$ - \$ - \$ - \$ - \$ -	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015 2,116,366 4,889,462 2,459,610 1,654,767 19,528,220 5,320,458	\$ - \$ - \$ - \$ - \$ \$ - \$ \$ - \$	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315 894,746 503,524 2,455,506 1,620,440 13,355,531 4,665,982
EQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income Other Equities LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities FFB Notes Less Current Maturities CFC Mortgage Notes Less Current Maturities CoBank Mortgage Notes Less Current Maturities RUS Advance Payments COST OF REMOVAL LIABILITY CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other Power Cost - Over Collected Consumer Deposits Other Current and Accrued Liabilities	\$ 36,700 97,588,282 693,596 2,096,696 \$ 100,415,274 \$ 57,306,516 1,075,477 1,289,273 (1,036,245) \$ 58,635,021 \$ 44,330,720 \$ 2,330,000 5,867,038 1,595,362 2,980,794 1,667,018 \$ 14,440,212	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	96,232,598 761,533 2,096,696 99,127,147 990,099 59,106,242 1,267,137 1,563,495 (11,817,676) 51,109,297 42,576,964 2,552,000 5,856,015 2,116,366 4,889,462 2,459,610 1,654,767 19,528,220	\$ - \$ - \$ - \$ - \$	95,163,596 283,487 2,096,696 97,579,644 1,119,403 60,944,695 1,436,512 1,819,491 (11,302,276) 54,017,825 41,091,037 2,486,000 5,395,315 894,746 503,524 2,455,506 1,620,440 13,355,531

STATEMENTS OF CASH FLOWS

LEA COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018

				December 31,		
	_	2020		2019		2018
CASH FLOWS FROM OPERATING ACTIVITIES Net Margins Adjustments To Reconcile Net Income to Net Cash	\$	5,209,559	\$	6,308,836	\$	7,511,385
Provided by (Used in) Operating Activities Depreciation Cost of Removal Accruals - Gross Post-Retirement Benefits Capital Credits Power Cost Recovery Deferred Debits		5,037,996 2,378,226 (814,792) (2,046,684) (3,635,562) 133,350		4,884,889 2,330,820 (482,525) (2,053,116) 4,385,938 182,626		4,731,704 2,258,238 (56,109) (2,175,555) (1,997,273) 246,391
Deferred Credits Accounts and Notes Receivable Inventories and Prepaid Expenses Payables and Other Accrued Liabilities Net Cash From Operating Activities	s ⁻	(390,003) 398,474 (57,200) (1,571,908) 4,641,456	_{\$} -	654,476 69,164 192,022 1,720,751 18,193,881	_{\$} -	2,473,299 (4,147,074) (79,079) (2,410,493) 6,355,434
CASH FLOWS FROM INVESTING ACTIVITIES Additions to Utility Plant Cost of Removal Incurred Contributions and Other Additions to Cost of Removal Salvage and Other Credits Other Property and Investments Net Cash From Investing Activities	\$ \$_	(9,162,993) (713,062) 88,592 78,032 (3,461,233) (13,170,664)	\$ \$ \$_	(10,472,377) (889,912) 45,019 27,899 7,274,952 (4,014,419)	\$ \$ \$_	(9,449,649) (417,570) 104,018 112,958 (1,686,723) (11,336,966)
CASH FLOWS FROM FINANCING ACTIVITIES Payments on Long-Term Debt to RUS - Scheduled Payments on Long-Term Debt to RUS - Advance Payments Payments on Long-Term Debt to FFB Payments on Long-Term Debt to CFC Payments on Long-Term Debt to CoBank Advance on Long-Term Debt from FFB Payments on Behalf of Retirees Retirement of Patronage Capital Memberships Net Cash From Financing Activities	\$ \$_	(1,153,099) 10,781,431 (11,891,726) (176,660) (256,222) 10,000,000 (60,070) (3,853,875) 380 3,390,159	\$ \$_	(123,304) (515,400) (1,790,453) (169,375) (243,996) (60,098) (5,239,834) 455 (8,142,005)	\$ \$_	(124,626) (547,598) (1,706,861) (365,735) (526,241) 8,312,763 (76,616) (5,279,252) 225 (313,941)
CHANGE IN CASH AND CASH EQUIVALENTS	\$	(5,139,049)	\$	6,037,457	\$	(5,295,473)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR CASH AND CASH EQUIVALENTS - END OF YEAR	- \$_	14,496,935 9,357,886	\$_	8,459,478 14,496,935	\$_	13,754,951 8,459,478



Annual Meeting Registration Card

P.O. Drawer 1447 Lovington, New Mexico 88260

A Touchstone Energy® Cooperative

"Owned By Those We Serve"

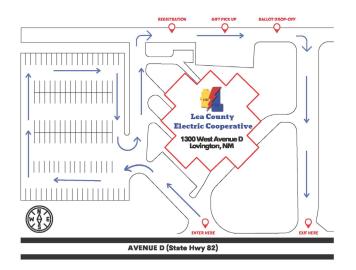
BE SURE TO BRING THIS CARD WITH YOU TO REGISTER!

71st & 72nd Annual Meeting Drive-Through

Due to COVID-19, Lea County Electric Cooperative will hold a non-traditional, drive-through Annual Meeting this year.

MEETING FORMAT WILL COMPLY WITH COVID-19 SAFE BUSINESS PRACTICES

Friday, April 23, 2021 at 8:00 a.m. to 5:00 p.m. (MDT) LCEC Main Office at 1300 W. Avenue D, Lovington, NM 88260



GRAND PRIZE



Registration is also available at Tatum and Plains office lobbies during business hours.

Register at any LCEC office to receive a registration gift, vote, and be entered to win the grand prize! Lovington, NM office will host a drive-through registration process. Tatum, NM, and Plains, TX offices will have lobbies open for registration. Registering at any office will make you eligible to be entered to win the grand prize.

The business portion will be streamed live on Facebook at 6:00 p.m. (MDT)

This institution is an equal opportunity provider and employer.