

In a dark year, your co-op was continuing to shine

Every year brings new challenges and opportunities for our co-op. Nonetheless, no one expected we would begin 2020 by facing a global pandemic that would change how we do business and go through our day-to-day lives.

We worked quickly to make the necessary adjustments to co-op operations to reduce the effect on you, our members. We suspended disconnects due to nonpayment for several months, and lowered the cost of power in April 2020 to ease economic burdens on families. We were also able to assist members again around the holidays by reducing electric bills.



These decisions were made while we continued to invest in infrastructure improvements, which leads to greater levels of reliability on our electric grid. We are in a strong position

financially and will continue to be in the future because of the amount of time we invest in thinking about what comes next. We are forecasting our rates to remain stable this year, which will keep our cost for 1,000 kWh of power among the lowest in the state. We continually strive to maintain costs and provide competitive rates.

Remember, we're a not-for-profit cooperative, which means we provide service to you at cost. Many of you receive a Capital Credits refund credit or check every year. These refunds are a reflection of our not-for-profit status, and they're certainly a benefit of being served by a co-op. In March 2020, \$12 million was returned to members. We also retired \$12 million in Capital Credits in December 2020 to help those still recovering from COVID-19. These Capital Credits would have been retired in March of this year.

Speaking of member benefits, 2020 was our ninth year of providing you with the Co-op Connections Card program. As a co-op, we believe our commitment to you goes beyond power distribution. Our participation in the program is a moneysaving tool we are proud to offer you. Our members

have saved more than \$214,000 on prescription drug costs alone since the program began in 2012.

We also continue to help hundreds of members a year with energy efficiency and energy conservation information. We offer free home energy surveys to all members to assist you with recommendations that can help you get the most out of your energy dollars. To help you make energy-efficient upgrades to your home, we provide rebates.

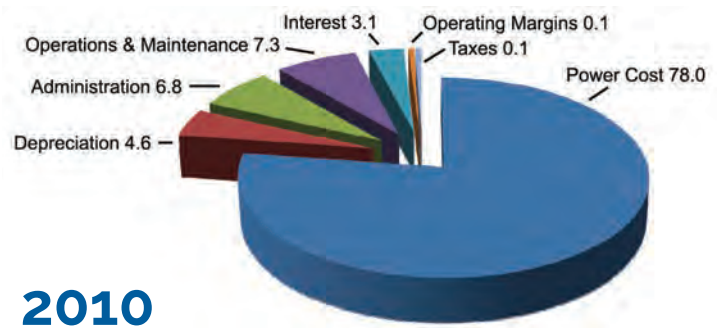
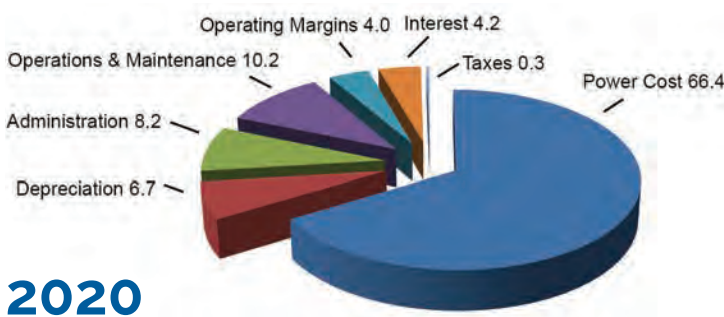
The co-op is doing its part as well to assess what can be improved on our system. We have installed new equipment on transmission lines and in our substations, and in 2020, our Advanced Metering Infrastructure (AMI) system was completed. AMI is a meter system that offers you a number of exciting benefits. Advanced meters use digital technology to read your electric use and communicate it to us over a secure wireless network. With advanced meters, we're able to turn power on and off remotely and perform other customer service tasks much more quickly than before. You also have more information about how much power you use and when, giving you more control.

Beyond electricity, part of our mission includes improving the quality of life of our members and communities. Operation Round Up, a program that generates and collects charitable donations that are used to benefit organizations in the co-op's service area, launched in October 2016. At the end of 2020, a little more than \$3.6 million had been distributed in the 14 counties we serve. Almost \$1 million was donated last year alone.

All of these initiatives are important and allow us to continue to provide you the most affordable electricity, while also strengthening our communities through programs and services. We understand we cannot thrive unless you thrive, so we do all we can to make sure our community is strong.

This focus began long before the pandemic and remains a guiding light for the co-op's strategic planning. COVID-19 remains a challenge in our country, but the opportunity to continue improving and expanding our service shines through brighter than ever before.

How each dollar was spent



REVENUE AND EXPENSE STATEMENTS

Years Ending December 31	2020	2019
REVENUES		
Energy Sales.....	\$ 365,796,693	\$ 354,830,435
Other Electric Revenues.....	5,934,101	9,886,848
Total Operating Revenues	\$ 371,730,794	\$ 364,717,283
EXPENSES		
Purchased Power.....	\$ 244,749,907	\$ 248,083,510
Transmission and Generation.....	1,989,994	1,594,629
Operations.....	17,169,470	17,071,679
Maintenance.....	20,919,246	19,824,980
Customer Accounting.....	11,620,723	14,166,294
Customer Service & Information.....	3,101,833	2,990,485
Administrative & General.....	15,732,235	14,744,355
Depreciation.....	24,770,932	22,967,088
Taxes.....	1,015,335	949,838
Interest.....	15,623,541	15,181,199
Other Deductions	129,361	33,962
Total Expenses.....	\$ 356,822,577	\$ 357,608,019
MARGINS		
Operating Margins.....	\$ 14,908,218	\$ 7,109,264
Non-Operating Margins.....	177,873	4,367,412
Capital Credits from Associated Organizations.....	7,247,138	7,883,491
Total Margins.....	\$ 22,333,229	\$ 19,360,167

BALANCE SHEETS

As of December 31	2020	2019
ASSETS		
Cash/Cash Equivalents.....	\$ 1,323,637	\$ 920,348
Investments.....	111,925,429	106,326,202
Accounts Receivable.....	23,467,619	24,250,840
Inventory.....	12,275,731	6,905,315
Other Current & Accrued Assets.....	23,205,342	20,979,497
Prepayments.....	633,336	668,948
Deferred Debits.....	40,057,496	40,537,995
Net Utility Plant.....	562,300,226	545,933,753
Total Assets.....	\$ 775,188,816	\$ 746,522,898
LIABILITIES		
Notes Payable	\$ 331,891,684	\$ 298,647,034
Accounts Payable.....	32,549,749	27,150,943
Customer Deposits.....	13,222,779	13,572,304
Other Current & Accrued Liabilities.....	11,545,594	14,007,791
Deferred Credits & Miscellaneous Reserves	8,981,605	8,947,601
Total Liabilities.....	\$ 398,191,411	\$ 362,325,673
MEMBER EQUITIES		
Membership Fees.....	\$ 762,105	\$ 747,190
Accumulated Other Comprehensive Income.....	4,803,898	10,883,622
Capital Credits.....	371,431,402	372,566,413
Total Equities.....	\$ 376,997,405	\$ 384,197,225
Total Liabilities and Equities.....	\$ 775,188,816	\$ 746,522,898

YEAR-END STATISTICS

	2010	2020	2019
Average Number of Members			
Receiving Service Per Month.....	166,078	180,390	178,812
Total kWh Purchased by Cooperative Members.....	3,367,388,950	3,416,338,610	3,349,588,672
Average Monthly Residential kWh Usage.....	1,320	1,193	1,178
Total kWh Purchased by Cooperative.....	3,540,398,503	3,561,879,301	3,502,209,415
Cost of Power Purchased by Cooperative.....	293,497,375	244,749,907	248,083,510
Average Cost per kWh Purchased by Cooperative.....	.0829	0.0687	0.0708
Clay Peak Demand in Kilowatts (kW).....	979,450	817,928	777,780
Month of Clay Peak Demand.....	January	December	May