

Since 1940  
**WISCONSIN**  
**ENERGY**  
*Cooperative*  
March 2022 **NEWS**



**GLOBE TROT  
WITHOUT LEAVING  
WISCONSIN**

**SLOW COOKER RECIPES**

**GET YOUR DUCTS IN A ROW**

**VEC VIRTUAL ANNUAL  
MEETING MARCH 26;  
ANNUAL REPORT INSIDE**





# OFFICIAL NOTICE OF THE ANNUAL MEETING OF VERNON ELECTRIC COOPERATIVE

**Date:** Saturday, March 26, 2022 at 9:00 a.m.

**Place:** Online

**Pre-registration:** Online before Friday, March 25 at 12:00 p.m. by going to [www.vernonelectric.org/annual-meeting](http://www.vernonelectric.org/annual-meeting)

- Call to Order – Bernadine Hornby, President
- Establishment of Quorum
- Notice of Meeting and Proof of Mailing – David Dregne, Secretary
- CEO & General Manager’s Report – Craig Buros
- Scholarships
- Review Committee Report
- Election Committee Report
- Old and New Business
- Adjournment
- Drawing for Attendance Prizes

**Following are items of business that may be acted upon at the business meeting:**

- Action upon Policy Resolution submitted by members. All such Policy Resolutions must be filed at the office of the Cooperative on or before 12:00 noon, Wednesday, March 16, 2022.
- Such other business as may come before this meeting or any adjournment thereof.

We sincerely hope that you are able to attend.

Dated February 23, 2022

David Dregne, Secretary







# PRESIDENT'S REPORT

By Bernadine Hornby, Board President

As your board president, I am pleased to once again report that Vernon Electric Cooperative ended 2021 on a strong note. Employees have been extremely successful in adopting new and innovative work practices. The goal has been to keep members and employees healthy, with a mission of “Keeping the Lights On.”

Finances remained strong throughout 2021 as we saw both lower power costs from Dairyland Power and lower controllable expenses, an industry benchmark in which your cooperative is already amongst the leaders. This resulted in no rate increase in 2021 and rates will continue to remain stable through 2022. The strong margins in 2021 allowed for a \$124,000 power cost adjustment that was credited back to you, the members, on your October, November, and December power bill.

Keeping to our cooperative principles, this month we are refunding \$552,545 in capital credits to current and former members. Over the years, Vernon Electric has returned more than \$21 million to our members. **Members will see their refund as a bill credit on this month's electric bill.**

2021 was a continued year of challenges for our employees who not only maintained the operations and supply chain issues of the cooperative throughout the pandemic but continued to implement innovative changes to keep our cooperative a leader in the industry.

- COVID has continued to present challenges which, in some cases, can be viewed as opportunities. There has been nearly a sea-change in how we do business because of the pandemic. But COVID has forced us to quickly embrace new technologies and work habits like online meetings, paperless workflow, and working from anywhere. Portable laptops, e-tablets, and smart phones have become essential tools that are here to stay. We're thankful for an excellent IT department who works hard to keep our computers running and our online presence safe.
- Our line crew continues to perform above and beyond the line of duty. Two lineworkers, Matt Hirschfield and Mike Berger, saved the life of one of our members in November by performing CPR skills they learned in their monthly safety training. There was an increase in the number of new services in 2021 and the crew is on schedule on their construction work plan. They were also able to stay on schedule with required maintenance programs including overhead and underground line inspection, upgrades of

sectionalizing equipment, pole testing and replacements, and have significantly reduced costs in the area of right-of-way maintenance.

- Email communications from our members continued to grow this past year, and we continued to publish the bill stuffer newsletter, *Watt's New*, and the *Wisconsin Electric Cooperative News* to help keep you informed. The number of members accessing their account details online through SmartHub continued to grow, with about half of our membership using our online services. Members are utilizing SmartHub to pay their bills, track their energy use, receive outage status notifications, and view account and cooperative information. Our Facebook page has over 2,000 followers and remains a great communication tool for keeping our members up to date during critical situations, like major power outages due to storms.
- Our energy efficiency incentives and load management programs continue to save our members money on new products and their energy bills. We continue to partner with Wisconsin's Focus on Energy program.
- Commitment to Community is one of our seven Cooperative Principles which we practice by supporting local food pantries, fire departments, and emergency medical services. We award thousands of dollars in scholarships and support economic development with grants and low-interest loans.
- Beneficial electrification, including electric vehicle technologies, is emerging. Vernon Electric has become part owner of CHARGE EV, a growing network of electric vehicle charging stations across the rural Midwest. We are expanding charging infrastructure, exploring home charging rates and investing in infrastructure that will allow our members to electrify their transportation.

Our directors and employees are committed to working for the best interest of our members, keeping the cooperative a leader in the industry, being engaged with our communities, and providing reliable electricity to our members and communities through superior customer service and energy solutions, at fair and reasonable prices.

I hope you can join us online at our 86th Annual Meeting on Saturday, March 26. Visit our website at [www.vernonelectric.org](http://www.vernonelectric.org) for more information. Keep in mind that preregistration for the meeting is required.



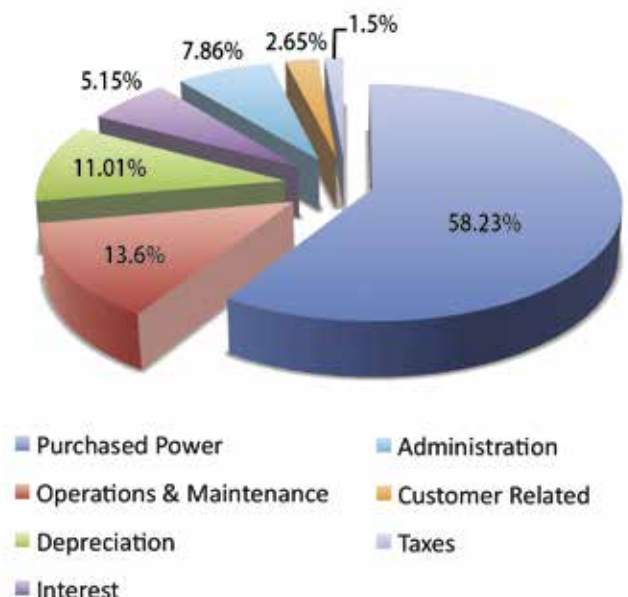
## BALANCE SHEET

WHAT WE HAVE	2021	2020
UTILITY PLANT, at cost		
Intangible plant	\$808	\$808
Distribution plant	60,108,751	57,522,055
General plant	10,121,900	10,347,506
Electric plant in service	70,231,459	67,870,369
Construction work in progress	139,855	1,071,668
TOTAL UTILITY PLANT	\$70,371,314	\$68,942,037
Less accumulated provision for depreciation	(18,877,097)	(18,058,273)
NET UTILITY PLANT	\$51,494,217	\$50,883,764
OTHER PROPERTY AND INVESTMENT		
Non-Utility Property	\$194,522	\$194,522
Investments in Associated Organizations	10,292,222	9,648,724
Other Investments	148,256	143,858
Special Funds	2,800,089	1,307,133
TOTAL OTHER PROPERTY AND INVESTMENTS	\$13,435,089	\$11,294,237
CURRENT ASSETS		
Cash, general	\$43,101	\$94,179
Short-term investments	3,894,426	2,828,197
Accounts receivable	2,072,719	2,012,062
Material and supplies inventory	652,453	490,254
Other current and accrued assets	102,742	91,860
TOTAL CURRENT ASSETS	\$6,765,441	\$5,516,552
DEFERRED DEBITS	\$148,778	\$267,801
<b>TOTAL ASSETS</b>	<b>\$71,843,525</b>	<b>\$67,962,354</b>
WHAT WE OWE	2021	2020
LONG-TERM DEBT, less current maturities		
RUS mortgage note	\$30,256,494	\$27,747,925
National Rural Utility Cooperative Finance	878,045	1,160,829
Co Bank	383,363	447,424
Economic Revolving Loan Grant	250,000	0
WCCU	00000	826,300
TOTAL LONG TERM DEBT	\$31,767,902	\$30,182,478
CURRENT LIABILITIES		
Current maturities of long-term debt	\$1,318,907	\$1,172,988
Accounts payable	1,234,545	1,378,769
Other current accrued liabilities	1,493,185	980,447
TOTAL CURRENT LIABILITIES	\$4,046,637	\$3,532,204
REGULATORY LIABILITIES	\$1,739,289	\$1,088,867
DEFERRED CREDITS	6,739	54,602
ACCUMULATIVE OPERATING PROVISIONS	292,238	246,154
TOTAL LIABILITIES	\$37,852,805	\$35,104,305
WHAT WE OWN		
EQUITIES AND MARGINS		
Patronage Capital	\$26,125,079	\$25,462,558
Other equities	7,865,641	7,395,491
TOTAL EQUITIES AND MARGINS	\$33,990,720	\$32,858,049
<b>TOTAL EQUITIES, MARGINS AND LIABILITIES</b>	<b>\$71,843,525</b>	<b>\$67,962,354</b>

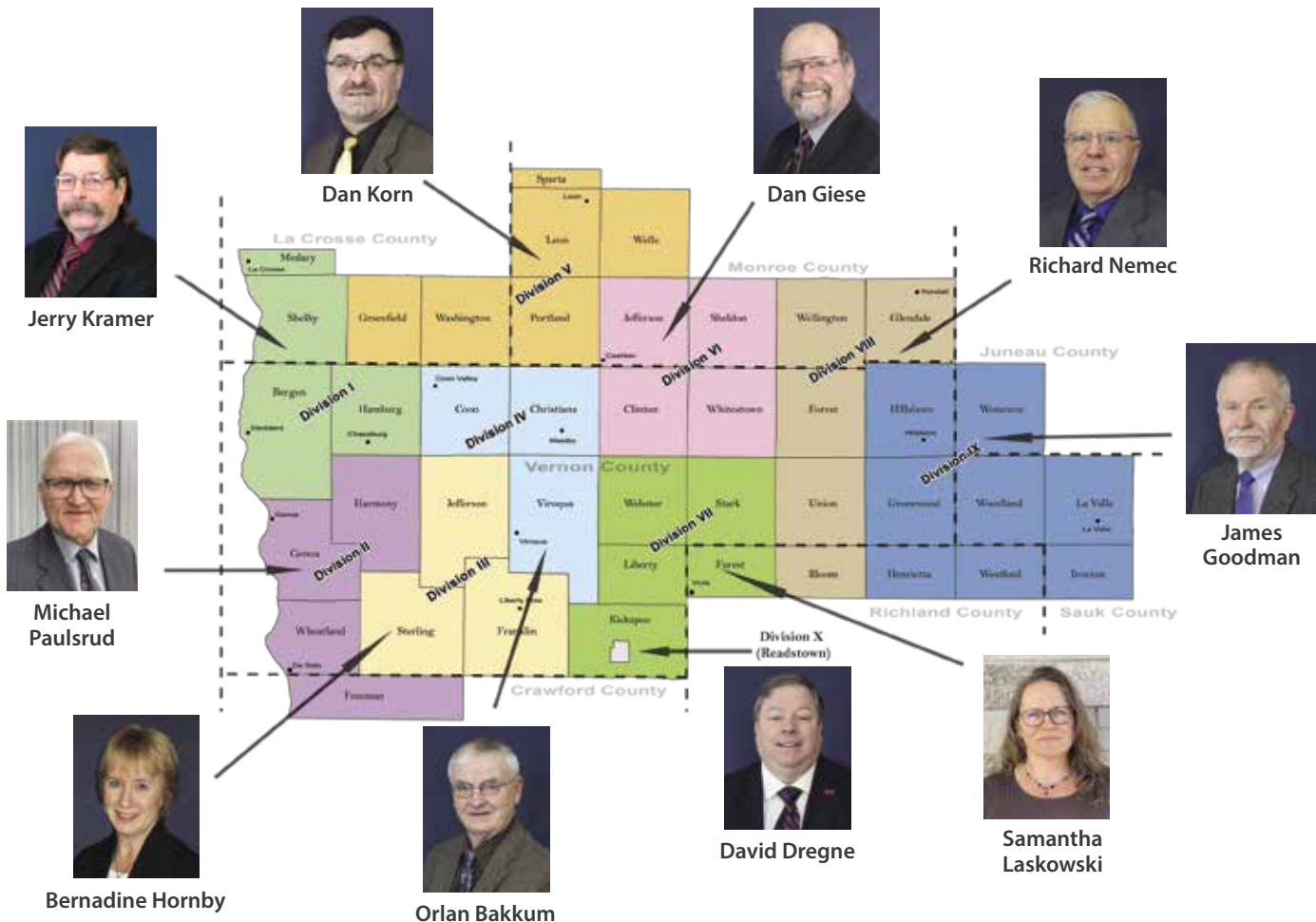
## STATEMENT OF REVENUE AND EXPENSES

OPERATING REVENUES	2021	2020
Electric Energy Revenue	\$21,597,753	\$21,497,275
Other Electric Revenue	(516,555)	(369,254)
TOTAL OPERATING REVENUES	\$21,081,198	\$21,128,021
OPERATING EXPENSES		
Cost of purchased power	\$11,686,833	\$11,987,225
Distribution expense – operations	1,526,828	1,431,824
Distribution expense – maintenance	1,201,891	1,245,897
Consumer account expense	305,099	320,926
Customer Service	136,510	81,805
Sales expense	91,040	83,265
Administration and general expense	1,578,140	1,465,375
Depreciation expense	2,275,624	2,181,008
Taxes	301,697	293,263
Other deductions	(66,772)	0
Interest on long-term debt	1,033,843	1,263,894
TOTAL OPERATING EXPENSE	\$20,070,733	\$20,354,482
<b>OPERATING MARGINS</b>	<b>\$1,010,465</b>	<b>\$773,539</b>
NON-OPERATING MARGINS		
Interest income	\$74,390	\$322,016
Other non-operating income	41,094	32,557
Dairyland Power Co-op capital credits	527,216	436,086
Other capital credits	107,464	69,066
<b>TOTAL MARGINS</b>	<b>\$1,760,629</b>	<b>\$1,633,264</b>

## DOLLARS SPENT 2021



# VEC DIRECTOR DISTRICTS



## CONGRATULATIONS, SCHOLARSHIP WINNERS



Congratulations to each of the following students awarded a \$750 scholarship from Vernon Electric Co-op's Federated Youth Foundation.

- **Cashton HS** – Paige Hoeft, Courtnee Peterson
- **Central HS** – Liam VandeZande, Ava Blegen, Lily Robinson
- **De Soto HS** – Michelle Berra, Tanner Pedretti
- **Hillsboro HS** – Matthew Morris
- **Kickapoo HS** – Steele Johnson (\$1,000 Lineworker Scholarship), Emilee Swanson
- **La Farge HS** – Abigail Schreck
- **Sparta HS** – Carson Greeno
- **Viroqua HS** – Brody Steele (\$1,000 Lineworker Scholarship), Celia Amrhein, Ashley Williams
- **Westby HS** – Autumn Ward, Genevieve Henline
- **Wonewoc-Union Center HS** – Kyleigh Neuschwander-McDermott
- **At-Large** – Kiara Beck
- **Non-Traditional** – Damian Pasch

**Craig Buros, CEO & General Manager**

110 Saugstad Road, Westby, WI 54667  
608-634-3121 • 608-447-5051  
email: [info@vernonelectric.org](mailto:info@vernonelectric.org)  
website: [www.vernonelectric.org](http://www.vernonelectric.org)

**David Maxwell, Editor**

**VERNON**  
**Electric**  
COOPERATIVE – WESTBY, WISCONSIN

Your Touchstone Energy® Cooperative