



## OFFICIAL NOTICE OF THE ANNUAL MEETING OF VERNON ELECTRIC COOPERATIVE

**Date:** Saturday, March 27, 2021  
**Place:** Online  
**Time:** 9:00 a.m. Pre-registration is required by March 26 at 12:00 p.m. See [www.vernonelectric.org](http://www.vernonelectric.org) for details.

Call to Order – Bernadine Hornby,  
President

### Agenda

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 to the office of the Cooperative on or before 12:00 noon, Wednesday, March 17, 2021.
- Such other business as may come before this meeting or any adjournment thereof.

We sincerely hope that you are able to attend.

Dated February 26, 2021

A handwritten signature in black ink that reads "David Dregne".

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 2020 on a strong note, despite the challenges brought on by the COVID pandemic. 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 the pandemic 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 2020 and early indication is that rates will continue to remain stable through 2021. The strong margins in 2020 allowed for a \$100,000 power cost adjustment that was credited back to you, the members, on your December power bill.

Keeping to our cooperative principles, this month we are refunding \$455,500 in capital credits to current and former members. Over the years, Vernon Electric has returned more than \$20.3 million to our members. Members will see their refund as a bill credit on this month's electric bill.

2020 was a year of challenges for our employees, who not only maintained the operations of the cooperative throughout the pandemic but continued to implement innovative changes to keep our cooperative a leader in the industry.

- State-of-the-art technology advancements the cooperative has implemented played a huge part in the ability to adapt new work practices due to

COVID. There is very little paper used in the office, as almost all work documents are electronic and can be accessed by employees wherever they have Wi-Fi.

- Our line crew did not miss a beat through the pandemic. There was an increase in the number of new services in 2020 and the crew is ahead of 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 they 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 Energy Cooperative News* to help keep you informed. The number of members logging on and utilizing the SmartHub software continued to grow also. Members are utilizing SmartHub to pay their bills, track their energy use, receive outage status notifications, and view account and cooperative information.

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 85th Annual Meeting on Saturday, March 27. Visit our website at [www.vernonelectric.org](http://www.vernonelectric.org) for more information. Keep in mind that preregistration for the meeting is required.

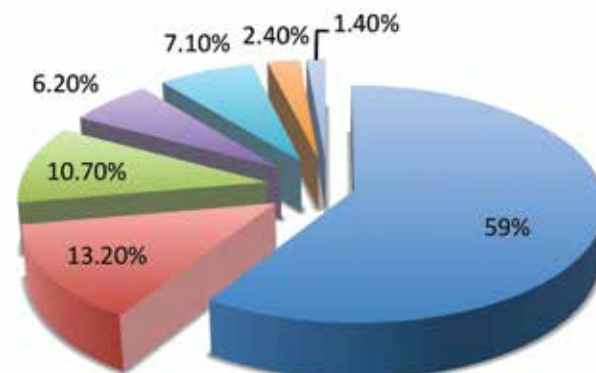
## BALANCE SHEET

WHAT WE HAVE	2020	2019
UTILITY PLANT, at cost		
Intangible plant	\$808	\$808
Distribution plant	57,522,055	55,630,323
General plant	10,347,506	10,175,844
Electric plant in service	67,870,369	65,806,975
Construction work in progress	1,071,668	116,824
TOTAL UTILITY PLANT	\$68,942,037	\$65,923,799
Less accumulated provision for depreciation	(18,058,273)	(16,577,132)
NET UTILITY PLANT	\$50,883,764	\$49,346,667
OTHER PROPERTY AND INVESTMENT		
Non-Utility Property	\$194,522	\$194,522
Investments in Associated Organizations	9,648,724	\$9,717,400
Other Investments	143,858	144,688
Special Funds	1,307,133	1,039,665
TOTAL OTHER PROPERTY AND INVESTMENTS	\$11,294,237	\$11,096,275
CURRENT ASSETS		
Cash, general	\$94,179	\$173,081
Short-term investments	2,828,197	400,957
Accounts receivable	2,012,062	2,194,245
Material and supplies inventory	490,254	496,877
Other current and accrued assets	91,860	95,059
TOTAL CURRENT ASSETS	\$5,516,552	\$3,360,219
DEFERRED DEBITS	\$267,801	\$409,628
<b>TOTAL ASSETS</b>	<b>\$67,962,354</b>	<b>\$64,212,789</b>
WHAT WE OWE	2020	2019
LONG-TERM DEBT, less current maturities		
RUS mortgage note	\$27,747,925	\$31,697,545
National Rural Utility Cooperative Finance	1,160,829	1,509,701
Co Bank	447,424	539,551
WCCU	826,300	
RUS Cushion of Credit	(0)	(6,565,200)
TOTAL LONG TERM DEBT	\$30,182,478	\$27,181,597
CURRENT LIABILITIES		
Current maturities of long-term debt	\$1,172,988	\$1,444,051
Accounts payable	1,378,769	1,457,256
Notes payable	0	0
Other current accrued liabilities	980,447	1,062,907
TOTAL CURRENT LIABILITIES	\$3,532,204	\$3,964,214
REGULATORY LIABILITIES	\$1,088,867	\$946,674
DEFERRED CREDITS	54,602	105,387
ACCUMULATIVE OPERATING PROVISIONS	246,154	211,898
TOTAL LIABILITIES	\$35,104,305	\$32,409,770
WHAT WE OWN		
EQUITIES AND MARGINS		
Patronage Capital	\$25,462,558	\$24,965,632
Other equities	7,395,491	6,837,387
TOTAL EQUITIES AND MARGINS	\$32,858,049	\$31,803,019
<b>TOTAL EQUITIES, MARGINS AND LIABILITIES</b>	<b>\$67,962,354</b>	<b>\$64,212,789</b>

## STATEMENT OF REVENUE AND EXPENSES

OPERATING REVENUES	2020	2019
Electric Energy Revenue	\$21,497,275	\$21,549,618
Other Electric Revenue	(369,254)	100,151
TOTAL OPERATING REVENUES	\$21,128,021	\$21,649,769
OPERATING EXPENSES		
Cost of purchased power	\$11,987,225	\$12,328,988
Distribution expense – operations	1,431,824	1,412,942
Distribution expense – maintenance	1,245,897	1,568,501
Consumer account expense	320,926	313,973
Customer Service	81,805	84,263
Sales expense	83,265	117,914
Administration and general expense	1,465,375	1,346,107
Depreciation expense	2,181,008	2,099,766
Taxes	293,263	299,147
Other deductions	0	(13,023)
Interest on long-term debt	1,263,894	1,351,891
TOTAL OPERATING EXPENSE	\$20,354,482	\$20,910,469
<b>OPERATING MARGINS</b>	<b>\$773,539</b>	<b>\$739,300</b>
NON-OPERATING MARGINS		
Interest income	\$322,016	\$402,704
Other non-operating income	32,557	41,887
Dairyland Power Co-op capital credits	436,086	444,686
Other capital credits	69,066	75,062
<b>TOTAL MARGINS</b>	<b>\$1,633,264</b>	<b>\$1,703,639</b>

## DOLLARS SPENT 2020



Purchased Power	Administration
Operations & Maintenance	Customer Related
Depreciation	Taxes
Interest	



# VEC DIRECTOR DISTRICTS



Dan Korn



Dan Giese



Richard Nemec



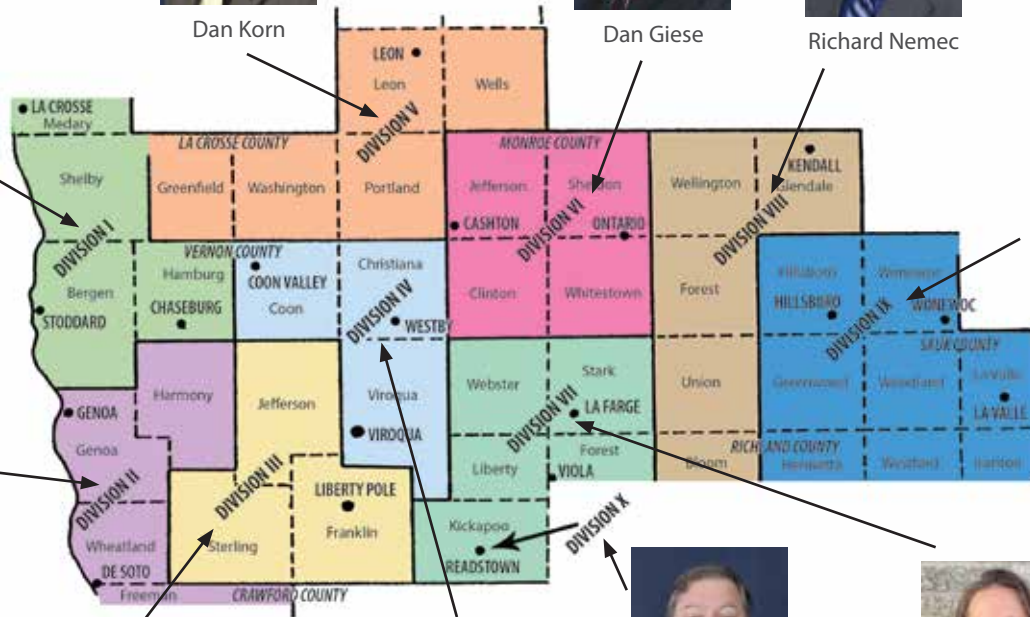
Jerry Kramer



James Goodman



David Olson



Bernadine Hornby



Orlan Bakkum



David Dregne



Samantha Laskowski



## SCHOLARSHIP WINNERS

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

- **Aquinas** – Claire Morgan
- **Brookwood HS** – Garrett Anderson
- **Cashton HS** – Darci Erickson, Annie Schreier, and Carly Butzler
- **Central HS** – Austin Beitlich, Whitney Mislivecek, and Samantha Tunks
- **De Soto HS** – Jordan Young
- **Hillsboro HS** – Paige Verbsky
- **Kickapoo HS** – Emma Oliver
- **La Farge HS** – Hunter Fowell
- **Viroqua HS** – Lydia Olson
- **Westby HS** – Nicole Klum, Amber Levendoski, Isabella Nedland, Joseph Roethel, and Cailey Russell
- **At-Large** – Adam Gorski
- **WWTC** – Non-Traditional - Elizabeth Johnson

### Craig Buros, CEO and General Manager

110 Saugstad Road, Westby, WI 54667  
608-634-3121 • 800-447-5051  
email: info@vernonelectric.org  
website: www.vernonelectric.org

### David Maxwell, Editor



Your Touchstone Energy® Cooperative