ANNUAL REPORT 2021

Guthrie County REC

A Touchstone Energy® Cooperative

YOU HAVE THE POWER

The core job of your cooperative may be to keep the lights on, but our passion is serving our member-consumers. Last year at this time we were reflecting on a year of great challenges, the likes of which our co-op has never seen. But those challenges made us stronger in our resilience and, as a result, we ushered in 2021 with a renewed sense of community and commitment to our longstanding promise of providing you with electric service that is safe, reliable and affordable.

The investments we make in the communities we serve benefit us, too, because we also live and work here. For us, it means upgrading our equipment - trucks, poles, wires and substations - to make sure you have the electricity you need when you need it. It also means supporting our youth with scholarships, providing tips and incentives to help us save energy, and providing electrical safety education. Whether tested by severe weather events or a pandemic, our co-op puts people first not just during tough times, but all the time. Our charitable efforts, staff volunteer service hours and other locally-focused projects have supported libraries, schools, gardens and more over the years.

As a local business, we are proud of our role in helping bring good things to our community. While the larger environment in which we operate is constantly changing, one thing remains constant. Working together with you, the member-consumers we serve, we'll continue to be a catalyst for good.

Cozy Nelsen, CEO

BOARD OF DIRECTORS

STEVE BIRELINE
President
District 6

JONI REES
Vice President
District 8

JULIE KILEY
Sec./Treas.
District 1

BOB BATSCHELET
Asst. Sec./Treas.
District 4

RON BRISTLE
District 3

JASON FETT
District 7

JIM MAZOUR
District 2

DON SCHWARTZ
District 5

ANDREW VAN AERNAM
District 9

OUR COMMITMENT TO YOU

SERVICE

In 2021, Guthrie County REC:

- built 7 miles of line around the Woodward substation;
- built 7 miles of line around the Perry substation;
- built 6 miles of line around the Panora substation;
- built 5 miles of line around the Yale substation; and
- acquired a new bucket truck as earmarked in the 2021 capital budget (pictured).

Rebuilding line improves the reliability of the power you receive from Guthrie County REC. The 2021 Freightliner from Altec allows our linemen to safely build electric lines, fix security lights and maintain rights-of-way.

GROWTH

In 2021, Guthrie County REC worked with several utilities to convert the Perry substation from 34 kVa to 69 kVa to better handle increasing electric load. This work included updating and replacing the highside switch and breaker bypass switches, which are ways we protect and control power coming through the substation. This conversion increases the reliability and modernization of an aged system. Guthrie County REC also hired three new apprentice linemen to fill vacancies from retirements and promotions.

COMMUNITY SUPPORT

Guthrie County REC awarded $3,000 in college scholarships to three deserving students in the AC/GC, Coon Rapids-Bayard, and Panorama school districts whose parents are cooperative members.

Guthrie County REC linemen participated in Farm Safety Day. Teaching opportunities allow our linemen to demonstrate the lineman's job, talk about schooling and training, teach electrical safety practices and educate students about the electric cooperative.

Guthrie County REC donated $5,000 to the Bayard United Methodist Church, along with contributions from board member Don Schwartz, and his wife Carolyn, with a match from the CoBank Sharing Success Program, to help offset the cost of a new roof for the church and parsonage (pictured).

Guthrie County REC donated $2,200 to the Woodward Public Library, along with contributions from board member Julie Kiley and her husband, John, and a match by CoBank's Sharing Success Program, to help with new shelving for the library.

SMART & STABLE GROWTH

FINANCIAL

In 2021, the Guthrie County REC Board of Directors:

- allocated $1,195,948.90 of the 2020 margin to GCREC members. The margin is divided into four categories, and allocated as follows: patronage dividends $1,000,000, reserve for contingency losses and expenses $100,000, and statutory surplus $95,948.90.
- approved a pay out of dividends totaling $1,000,000 to members who received electric service in 2005, 2009 (partial), 2011 (partial) and 2020 (partial).

ECONOMIC DEVELOPMENT

Guthrie County REC granted a $150,000 revolving loan fund to Little Panthers Daycare in Panora for an expansion project that will accommodate 15 more children and two additional full-time employees. Little Panther Daycare was one of the original recipients of the REC's revolving loan fund 20 years ago. Guthrie County REC is proud to stay involved and lend funds for this much-needed expansion.

In December 2021, Guthrie County REC granted another $150,000 revolving loan fund to Guthrie County Quality Meats to assist the new business with building its facility that will include a frozen locker, retail store, butcher services, delivery, packaging and processing. The business is slated to open in early 2022 in Guthrie Center.

GIVING BACK

Guthrie Co. REC CEO Cozy Nelsen, left, and Board Member Julie Kiley, right, present a check to Woodward Library Director Myrna Griffith.

Journeyman Lineman Keith Hise demonstrates electrical safety on the farm for local students.

Guthrie Co. REC granted a $150,000 revolving loan fund to Little Panthers Daycare in Panora for an expansion project.

AUDITED FINANCIALS AS OF DECEMBER 31, 2020

OPERATING STATEMENT

	2020	2019
Operating Revenue & Patronage Capital	$14,218,177	$14,288,724
Cost of Purchase Power	$9,772,669	$10,138, 430
Distribution Expense - Operation	1,347,854	1,320,753
Distribution Expense - Maintenance	209,600	236,549
Customer Account Expense	134,885	132,716
Customer Service & Informational Expense	70,578	106,397
Administrative & General Expense	801,790	831,917
Total Operation & Maintenance Expense	**$12,337,377**	**$12,766,762**

kWh Sales	kWh Purchases	Line Loss	Number of Meters
2020: 179,035,383	2020: 184,567,540	2020: 0.048054	2020: 4,987
2019: 183,534,549	2019: 190,013,915	2019: 0.054793	2019: 4,934

Miles of Energized Line	Avg. Monthly kWh Residential Usage
2020: 1,402	2020: 1,494 kWh
2019: 1,400	2019: 1,563 kWh

AUDITED FINANCIALS AS OF DECEMBER 31, 2020

OPERATING STATEMENT

	2020	2019
Depreciation & Amortization Expense	$1,097,885	$1,047,106
Tax Expense - Other	13,982	13,549
Interest on Long-Term Debt	607,442	637,184
Other Deductions	172	762
Total Cost of Electric Service	**$14,056,859**	**$14,465,363**
Patronage Capital & Operating Margins	**161,319**	**-176,639**
Non Operating Margins - Interest	$53,405	$166,148
Non Operating Margins - Other	107,696	44,520
Generation & Transmission Capital Credits	829,947	738,612
Other Capital Credits & Patraonge Dividends	43,582	37,449
Extraordinary Items	0	0
Patronage Capital or Margins	**$1,195,949**	**$810,090**

AUDITED FINANCIALS AS OF DECEMBER 31, 2020

BALANCE SHEET - ASSETS

	2020	2019
Total Utility Plant in Service	$36,261,701	$35,048,157
Construction Work in Progress	388,169	602,539
Total Utility Plant	36,649,870	35,650,696
Accumulated Provision for Depreciation & Amortization	15,069,669	14,240,088
Net Utility Plant	21,580,200	21,410,608
Total Other Property & Investments	5,570,154	4,825,728
Cash	516,812	284,810
Temporary Investments	2,229,000	3,168,000
Accounts Receivable	1,775,339	1,460,216
Materials & Supplies - Electric & Other	587,908	607,535
Prepayments	82,066	106,622
Other Current & Accrued Assets	-1,210	12,974
Total Current & Accrued Assets	5,189,914	5,640,157
Other Deferred Debts	214,908	151,655
Total Assets & Other Debts	**$32,555,176**	**$32,028,148**

AUDITED FINANCIALS AS OF DECEMBER 31, 2020

BALANCE SHEET - LIABILITIES

	2020	2019
Memberships	$2,670	$2,670
Patronage Capital	4,714,271	4,471,715
Operating & Non Operating Margins	1,195,949	810,090
Other Margins & Equities	9,283,720	8,958,670
Total Margins & Equities	15,196,611	14,513,145
Long-term Debt - RUS	7,660,456	7,904,081
Long-term Debt - Other	6,745,789	7,289,326
Long-term Debt - RUS Econ. Dev. (Net)	839,397	580,000
Total Long-term Debt	15,245,642	15,773,407
Accounts Payable	952,739	928,811
Consumer Deposits	48,471	48,078
Other Current & Accrued Liabilities	562,395	528,481
Total Current & Accrued Liabilities	1,563,606	1,505,371
Other Deferred Credits	549,317	236,225
Total Liabilities & Other Credits	**$32,555,176**	**$32,028,148**

Guthrie County REC

A Touchstone Energy® Cooperative

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