

PUBLISHED FOR THE MEMBERS OF VERDICRIS VALLEY ELECTRIC CO-OP

KEEPING THE LIGHTS ON

VVEC 2021 ANNUAL REPORT

POWER CIRCUIT



Official Notice

Minutes

2022 Annual Meeting of Members Verdigris Valley Electric Cooperative, Inc.

The Annual Meeting of Members of Verdigris Valley Electric Cooperative, Incorporated will be held Thursday, October 20, 2022, at the Bartlesville Community Center, 300 SE Adams Blvd, Bartlesville, Oklahoma. If a quorum is present, action will be taken on the following matters:

1. Reading of the minutes
2. Reports of Officers, Trustees and Committees.
3. All other business which may properly come before the meeting or any adjournment thereof.

Dated this Thursday, September 8, 2022.

Dennis Lenox
Secretary
VVEC Board of Trustees

VVEC 2021 Annual Meeting of Members

The 83rd Annual Meeting of Members of Verdigris Valley Electric Cooperative, Incorporated was held at the Bartlesville Community Center, Bartlesville, Oklahoma on the 21st Day of October, 2021, at 7:00 p.m. after due and proper notice to the members as required by the bylaws of the Cooperative.

John Hibdon, Trustee, announced there was not a quorum of members registered for the meeting, and no official business could be conducted. The number of members required for a quorum was 1509. There were 138 members present.

Approved:

Jimmy Lambert	Ken Howard
President	Secretary
VVEC Board of Trustees	VVEC Board of Trustees

Non-Discrimination

Power Circuit

Statement of Non-Discrimination

This institution is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call 866-632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed request or complaint form or letter to the U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or by fax 202-690-7442 or e-mail at program.intake@usda.gov.

Power Circuit

Power Circuit is published monthly by Verdigris Valley Electric Cooperative, Collinsville, Oklahoma for its members in Tulsa, Rogers, Washington, Nowata, and Osage counties. Periodical postage paid at Tulsa, Oklahoma and other additional mailing offices. Subscription price is \$0.21 per month.

POSTMASTER - Send address changes to: Power Circuit, P.O. Box 219, Collinsville OK 74021

Volume 81, Issue 10

Giving Back to the Community

VVEC provides financial support to school systems in our service territory through the payment of gross receipts tax. The 2 percent gross receipts tax is collected from members' monthly electric bills at the instruction of the Oklahoma Tax Commission. The amount of tax is distributed by the miles of electric line the co-op has in each school district. KAMO Power, VVEC's wholesale power supplier, also pays gross receipts taxes. In 2021, VVEC and KAMO together paid over \$1.7 million in taxes to area school systems.

PARTNERING WITH EDUCATION FOR A BRIGHTER FUTURE

School District	VVEC	KAMO	Total
Anderson Schools	\$ 10,059.56		\$ 10,059.56
Avant Schools	\$ 26,283.07	\$ 40,387.53	\$ 66,670.60
Barnsdall Schools	\$ 53,180.38	\$ 37,175.80	\$ 90,356.18
Bartlesville Schools	\$ 42,793.68		\$ 42,793.68
Bowring Schools	\$ 59,396.98		\$ 59,396.98
Caney Valley Schools	\$ 91,025.03	\$ 96,070.94	\$ 187,095.97
Catoosa Schools	\$ 12,873.76		\$ 12,873.76
Chelsea Schools	\$ 20,407.14	\$ 441.61	\$ 20,848.75
Chouteau Mazie Schools	\$ 713.16	\$ 17,744.82	\$ 18,457.98
Claremore Schools	\$ 22,562.28		\$ 22,562.28
Collinsville Schools	\$ 69,724.83	\$ 51,468.01	\$ 121,192.84
Copan Schools	\$ 32,354.87		\$ 32,354.87
Dewey Schools	\$ 51,701.71		\$ 51,701.71
Foyil Schools	\$ 24,588.94		\$ 24,588.94
Hominy Schools	\$ 19,905.97	\$ 101,691.47	\$ 121,597.44
Inola Schools	\$ 3,947.37	\$ 13,368.84	\$ 17,316.21
Justus Schools	\$ 28,075.72		\$ 28,075.72
Nowata Schools	\$ 54,959.25		\$ 54,959.25
Oklahoma Union Schools	\$ 98,019.83	\$ 66,804.03	\$ 164,823.86
Oologah Schools	\$ 92,848.52		\$ 92,848.52
Osage Hills Schools	\$ 6,122.73		\$ 6,122.73
Owasso Schools	\$ 93,779.36		\$ 93,779.36
Pawhuska Schools	\$ 22,868.44	\$ 39,785.33	\$ 62,653.77
Prue Schools	\$ 12,185.61	\$ 10,197.25	\$ 22,382.86
Sand Springs Schools	\$ 18,637.14	\$ 34,726.86	\$ 53,364.00
Sequoyah Schools	\$ 48,129.56		\$ 48,129.56
Skiatook Schools	\$ 63,612.23	\$ 46,088.36	\$ 109,700.59
South Coffeyville Schools	\$ 21,063.72		\$ 21,063.72
Sperry Schools	\$ 44,312.68	\$ 1,003.67	\$ 45,316.35
Tulsa Schools	\$ 9,567.17		\$ 9,567.17
Verdigris Schools	\$ 13,829.26		\$ 13,829.26
	\$1,169,529.95	\$556,954.52	\$1,726,484.47

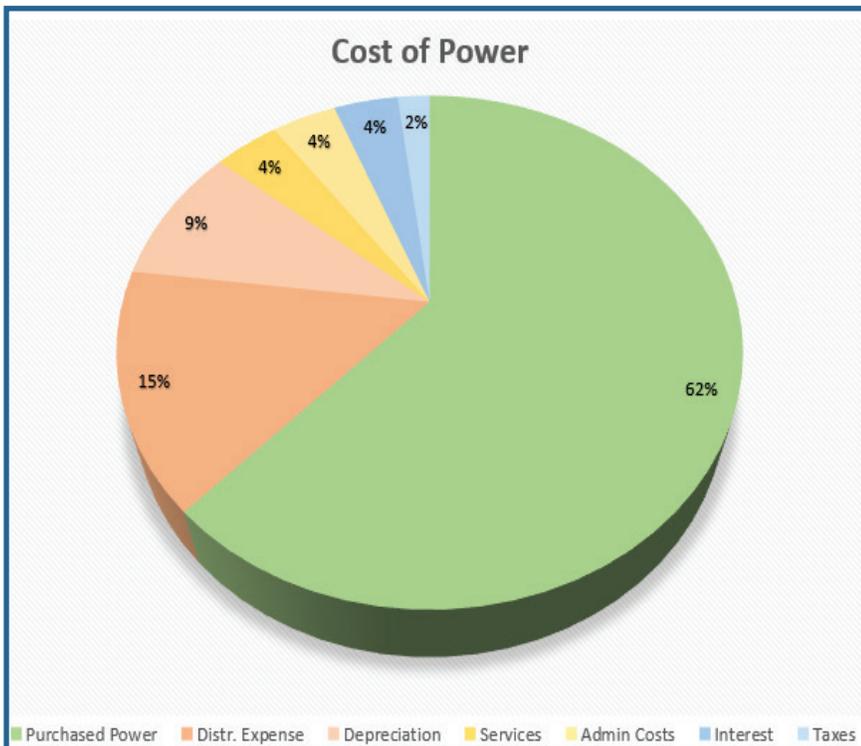
Consolidated Balance Sheet

What We Own (ASSETS)

Electric Plant	\$200,883,775	\$146,748,406
Less Depreciation	(54,135,369)	9,836,511
Cash & Cash Equivalents		42,888,050
Investments		6,348,175
Accounts Receivable		1,423,652
Materials & Supplies		612,324
Prepayment, Other Accrued Assets & Deferred Debits		
Total		\$207,857,118

What We Owe (LIABILITIES & EQUITIES)

Line of Credit		\$0
Long Term Debt		111,420,851
Consumer Deposits		3,022,244
Accounts Payable		4,506,508
Deferred Credits		778,717
Other Liabilities		3,260,565
Membership Fees		897,785
Patronage Capital, Other Equities		83,970,448
Total		\$207,857,118



POWER USE BY TYPE OF ACCOUNT



80%
Residential



13%
Industrial



7%
Commercial

Comparative Statistics of Operation

What We Received

	2021	2020
Operating Revenue & Patronage Capital	\$73,277,365	\$70,367,576

How It Was Spent (Expenses)

Cost of Power	\$44,730,736	\$42,505,473
Distribution Expense-Operations	\$3,155,990	\$2,849,832
Maintenance Expense	\$7,619,252	\$7,683,839
Consumer Accounts Expense	\$2,520,515	\$2,861,843
Customer Service & Information Expenses	\$293,742	\$259,103
Administration & General Expenses	\$3,169,833	\$3,022,639
Depreciation & Amortization	\$6,613,014	\$6,274,614
Taxes	\$1,429,366	\$1,372,707
Interest Expenses-Long Term Debt	\$2,852,185	\$2,781,329
Other Interest & Deductions	-	-

Total Cost of Electric Service	\$72,384,633	\$69,611,379
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What We Have Left (Margins)

Operating Margins & Partronage Capital	\$892,732	\$756,197
Non-Operating Margins	\$2,214,885	\$558,092
Other Capital Credits & Patronage Dividends	\$3,287,667	\$3,071,115

Total Operating & Non-Operating Margins	\$6,395,284	\$4,385,404
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Consolidated Cooperative Summary of 2021

	2021	2020
Number of Meters	38,307	37,627
Peak Demand (kW)	192,350	179,994
Date & Time of Peak	7/31/21 @ 6 pm	8/09/20 @ 6 pm
Total Energy Sales (kWh)	705,116,082	662,524,639
Total Asset Value	\$207,857,118	\$193,782,28
New Plant	\$11,720,420	\$11,048,514
Total Revenues	\$73,277,365	\$70,367,576
Operating Margins	\$892,732	\$756,197
Total Taxes Paid	\$1,429,366	\$1,372,707
Long Term Debt as Percent of Plant	53.61%	51.36%
Times Interest Earned Ratio (TIER)	3.24	2.57



Jim Bracket



Jack Bogart



Vernon Lewis



John Hibdon



Jimmy Lambert

SERVICE AREA & BOARD DISTRICTS

VVEC bylaws provide for trustee elections following the annual meeting in a period no sooner than 14 days after the meeting and no later than 30 days. District meetings will be held in November for Districts 7,8, and 9, as indicated on the map below. Any member residing in these districts and meeting qualifications stipulated in the bylaws is eligible to seek election to the board.



Dennis Lenox



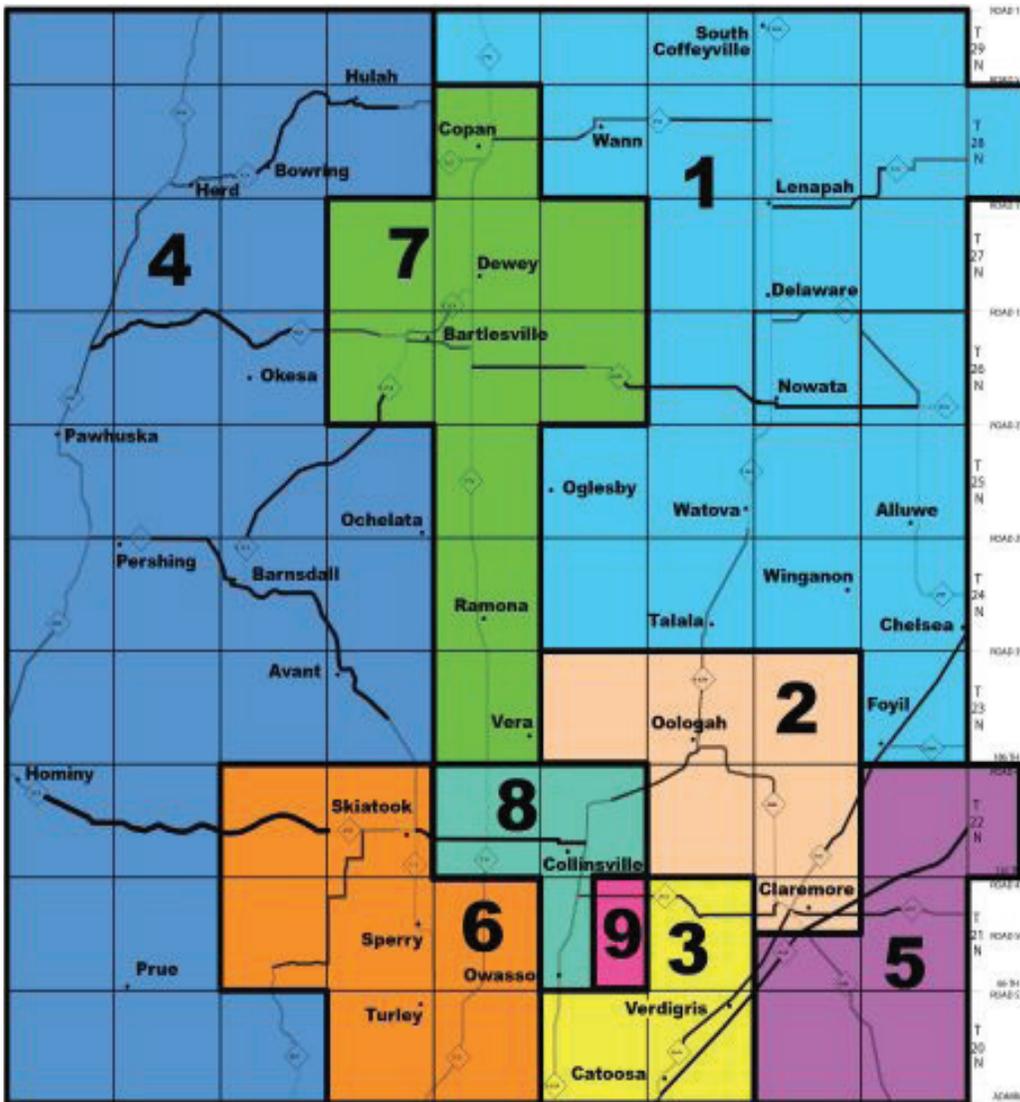
Chuck Huerter



Ken Howard



Buddy McCarty



ANNUAL MEETING SCHEDULE OF EVENTS

Thursday, October 20, 2022

**Bartlesville Community Center
300 SE Adams Blvd.
Bartlesville, OK 74003**

5:00 p.m.

Member registration
Food trucks
Receive registration gifts
Entertainment by The Thomas Martinez Band

7:00 p.m.

Registration closes
Business session opens
Prize drawings
Adjourn

Bring electric bill to register



Alice Houston
General Manager



Stephen Riley
Corporate Counsel

The books and financial statements of Verdigris Valley Electric Cooperative, Inc. are audited each year as of December 31. An audit for the year ended December 31, 2021, has been completed by the firm of Briscoe, Burke, & Grigsby, LLP, Certified Public Accountants, Tulsa, Oklahoma.

*Dennis Lenox,
Secretary,
VVEC Board of Trustees*

ORGANIZATION CERTIFICATE

ORGANIZATIONS MUST PRESENT OFFICIAL REGISTRATION FORM

In order to be included in the Annual Meeting quorum count and to eligible to vote, all commercial accounts, schools, churches, public buildings, and towns holding a membership with Verdigris Valley Electric Cooperative, must present an ORGANIZATION CERTIFICATE. Such organizations are encouraged to use the accompanying registration form. This form indicates the bearer to be the official voting representative of the organization. The form must be completed in full and presented by the bearer at the time of registration at Annual Meeting.

BE IT RESOLVED THAT _____ who is a member or officer of said organization, is hereby designated official representative by

_____ to vote at the Annual Meeting of Members of Verdigris Valley Electric Cooperative, Inc., to be held on October 20, 2022, and any adjournments thereof held within thirty (30) days of said date, on all matters which at said meeting of members may properly come before them; the action of said representative and all that he or she may do in this behalf is hereby ratified and confirmed as the act of

(Name of Organization)

(President)

(Corporate Seal)

(Secretary)



SEVEN CO-OP PRINCIPLES

- 1 Voluntary & Open Membership
- 2 Democratic Member Control
- 3 Members' Economic Participation
- 4 Autonomy & Independence
- 5 Education, Training & Information
- 6 Cooperation Among Cooperatives
- 7 Concern for Community