

PUBLISHED FOR THE MEMBERS OF VERDIGRIS VALLEY ELECTRIC CO-OP

2022 ANNUAL REPORT

Verdigris Valley Electric Cooperative



VVEC

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 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

Fax: 202-690-7442

Email: 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 \$0.35 per month.

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Making A Difference



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 2022, VVEC and KAMO together paid over \$2 million in taxes to area school systems.

PARTNERING WITH EDUCATION FOR A BRIGHTER FUTURE

School District	VVEC	KAMO	TOTAL
Oklahoma Union Schools	\$ 118,507.75	\$ 70,117.57	\$ 188,625.32
Owasso Schools	\$ 115,764.65		\$ 115,764.65
Oologah Schools	\$ 113,108.93		\$ 113,108.93
Caney Valley Schools	\$ 110,666.65	\$ 100,836.15	\$ 211,502.80
Collinsville Schools	\$ 84,834.95	\$ 54,020.88	\$ 138,855.83
Skiatook Schools	\$ 77,261.53	\$ 48,374.38	\$ 125,635.91
Bowring Schools	\$ 70,488.41		\$ 70,488.41
Nowata Schools	\$ 66,893.59		\$ 66,893.59
Barnsdall Schools	\$ 64,492.55	\$ 39,019.75	\$ 103,512.30
Dewey Schools	\$ 62,740.84		\$ 62,740.84
Sequoyah Schools	\$ 58,514.17		\$ 58,514.17
Sperry Schools	\$ 53,687.15	\$ 1,053.45	\$ 54,740.60
Bartlesville Schools	\$ 51,716.92		\$ 51,716.92
Copan Schools	\$ 39,063.16		\$ 39,063.16
Justus Schools	\$ 34,218.07		\$ 34,218.07
Avant Schools	\$ 31,922.90	\$ 42,390.79	\$ 74,313.69
Foyil Schools	\$ 29,800.89		\$ 29,800.89
Pawhuska Schools	\$ 27,720.49	\$ 41,758.72	\$ 69,479.21
Claremore Schools	\$ 27,574.70		\$ 27,574.70
South Coffeyville Schools	\$ 25,461.37		\$ 25,461.37
Chelsea Schools	\$ 24,782.74	\$ 463.52	\$ 25,246.26
Hominy Schools	\$ 24,086.82	\$ 106,735.46	\$ 130,822.28
Sand Springs Schools	\$ 22,605.60	\$ 36,449.33	\$ 59,054.93
Verdigris Schools	\$ 17,014.77		\$ 17,014.77
Catoosa Schools	\$ 15,641.57		\$ 15,641.57
Prue Schools	\$ 14,742.38	\$ 10,703.04	\$ 25,445.42
Anderson Schools	\$ 12,186.92		\$ 12,186.92
Tulsa Schools	\$ 11,573.18		\$ 11,573.18
Osage Hills Schools	\$ 7,396.52		\$ 7,396.52
Inola Schools	\$ 4,796.02	\$ 13,391.97	\$ 18,187.99
Chouteau Mazie Schools	\$ 862.25	\$ 18,624.98	\$ 19,487.23
	\$ 1,420,128.44	\$ 583,939.99	\$ 2,004,068.43

CONSOLIDATED BALANCE SHEET

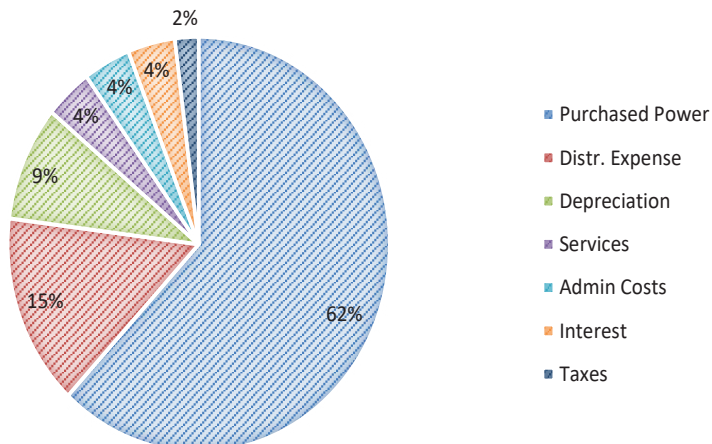
What We Own (Assets)

Electric Plant	\$ 213,578,829	
Less Depreciation	\$ (59,182,386)	154,396,443
Cash & Cash Equivalents		2,092,777
Investment		44,836,167
Accounts Receivable		7,574,508
Materials & Supplies		1,872,812
Prepayment, Other Accrued Assets & Deferred Debits		138,809
		210,911,516

What We Owe (Liabilities)

Long Term Debt	\$	107,817,731
Consumer Deposits	\$	3,241,955
Accounts Payable	\$	5,544,602
Deferred Credits	\$	1,081,196
Other Liabilities	\$	3,622,780
Membership Fees	\$	902,060
Patronage Capital, Other Equities	\$	88,701,192
	\$	210,911,516

COST OF POWER

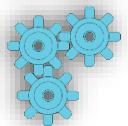


POWER USE BY ACCOUNT TYPE

RESIDENTIAL 79%



INDUSTRIAL 14%



COMMERCIAL 7%



CONSOLIDATED STATISTICS OF OPERATIONS

<i>What We Received:</i>	<u>2021</u>	<u>2022</u>
Operating Revenue & Patronage Capital	\$ 73,277,365	\$ 77,772,090
<i>How It Was Spent</i>		
Operating expenses:		
Cost of Power	\$ 44,730,736	\$ 46,719,697
Distribution expense - operation	\$ 3,155,990	\$ 2,792,971
Distribution expense - maintenance	\$ 7,619,252	\$ 7,978,541
Consumer accounts	\$ 2,520,515	\$ 2,312,083
Customer service and Information	\$ 293,742	\$ 609,724
Administration and general	\$ 3,169,833	\$ 3,693,162
Depreciation and amortization	\$ 6,613,014	\$ 6,955,459
Taxes	\$ 1,429,366	\$ 1,517,032
Interest on LTD	\$ 2,852,185	\$ 2,854,290
Other Interest & Deductions	\$ -	\$ -
Total Cost of Electric Service	\$ 72,384,633	\$ 75,432,959
<i>What We Have Left:</i>		
Operating Margins & Pat Cap	\$ 892,732	\$ 2,339,131
Non-Operating Margins	\$ 2,214,885	\$ 295,543
Other Capital Credits & Patronage Dividends	\$ 3,287,667	\$ 2,715,472
Total Operating & Non-Operating Margins	\$ 6,395,284	\$ 5,350,146

Consolidated Cooperative Summary		
	<u>2021</u>	<u>2022</u>
Number of Meters	38,307	38,794
Peak Demand (kW)	192,350	212,252
Date and Time of Peak	7/31/21 @ 6 PM	07/26/2022 @ 6 PM
Total Energy Sales (kWh)	705,116,082	769,566,309
Total Asset Value	\$ 207,857,118	\$ 210,911,516
New Plant	\$ 11,720,420	\$ 14,660,110
Total Revenue	\$ 73,277,365	\$ 77,772,090
Operating Margins	\$ 892,732	\$ 2,339,131
Total Taxes Paid	\$ 1,429,366	\$ 1,517,032
LTD as Percent of Plant	53.61%	48.77%
Times Interest Earned Ratio (TIER)	3.24	2.87



Jim Brackett
918-720-4531



Jack Bogart
918-371-9587



Vernon Lewis
918-521-5461



John Hibdon
918-847-2320



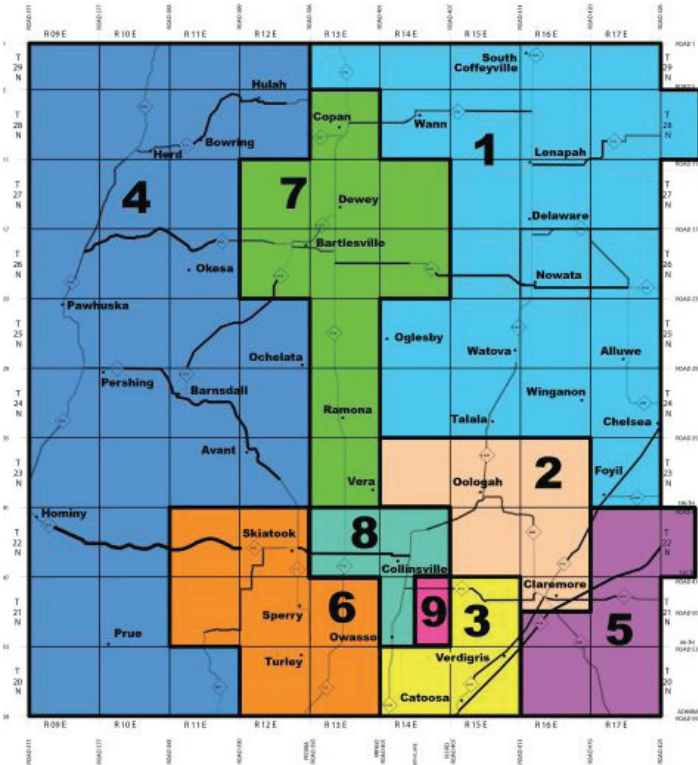
Jimmy Lambert
918-760-7029



Dennis Lenox
918-289-5961



Chuck Huerter
918-914-1498



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 1,3, and 5, as indicated on the map. Any member residing in these districts and meeting qualifications stipulated in the bylaws is eligible to seek election to the board.



Ken Howard
918-724-9965



Buddy McCarty
918-272-5134



Alice Houston
General Manager



Stephen Riley
Corporate Counsel

Corporate Profile

Verdigris Valley Electric Cooperative is:

- A distribution co-op providing electric service to residential, commercial and industrial consumers
- Headquartered in Collinsville, Oklahoma
- Incorporated October 24, 1938
- Serves 38,794 meters; is Oklahoma's third largest electric cooperative (based on the number of meters)
- Maintains 4,906 miles of electric line
- Serves members in Nowata, Osage, Rogers, Tulsa and Washington counties
- Ninety employees cover the co-op's more than 3,132-square-mile service territory daily
- VVEC has warehouse and maintenance facilities in Nowata and Bartlesville, Oklahoma
- A non-profit corporation wholly-owned by the members it serves
- Governed by a nine-member board of trustees who are elected by members residing in the districts they represent
- Trustee terms of office are for three years; three trustee positions are up for election each year

Minutes

VVEC 2022 Annual Meeting of Members Thursday, October 20, 2022

The 84th Annual Meeting of Members of Verdigris Valley Electric Cooperative, Incorporated was held at the Bartlesville Community Center, Bartlesville, Oklahoma, on the 20th day of October, 2022, at 7:00 p.m. after due and proper notice to the members as required by the bylaws of the Cooperative.

Chuck Huerter, 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 1528. There were 182 members present.

Approved:

Jack Bogart
President

VVEC Board of Trustees

Dennis Lenox
Secretary

VVEC Board of Trustees

Official Notice

2023 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 12, 2023, at the Bartlesville Community Center, 300 SE Adams Blvd, Bartlesville, Oklahoma. If a quorum is present, action will be taken on the following matters:

Reading of the minutes

Reports of Officers, Trustees, and Committees

All other business which may properly come before the meeting or any adjournment thereof.

Dated this 14th day of September 2023

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 12, 2023, 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)

(Secretary)

(Corporate Seal)

7 CO-OP

PRINCIPLES



- ***VOLUNTARY & OPEN MEMBERSHIP***
- ***DEMOCRATIC MEMBER CONTROL***
- ***MEMBERS' ECONOMIC PARTICIPATION***
- ***AUTONOMY & INDEPENDENCE***
- ***EDUCATION, TRAINING & INFORMATION***
- ***COOPERATION AMONG COOPERATIVES***
- ***CONCERN FOR COMMUNITY***