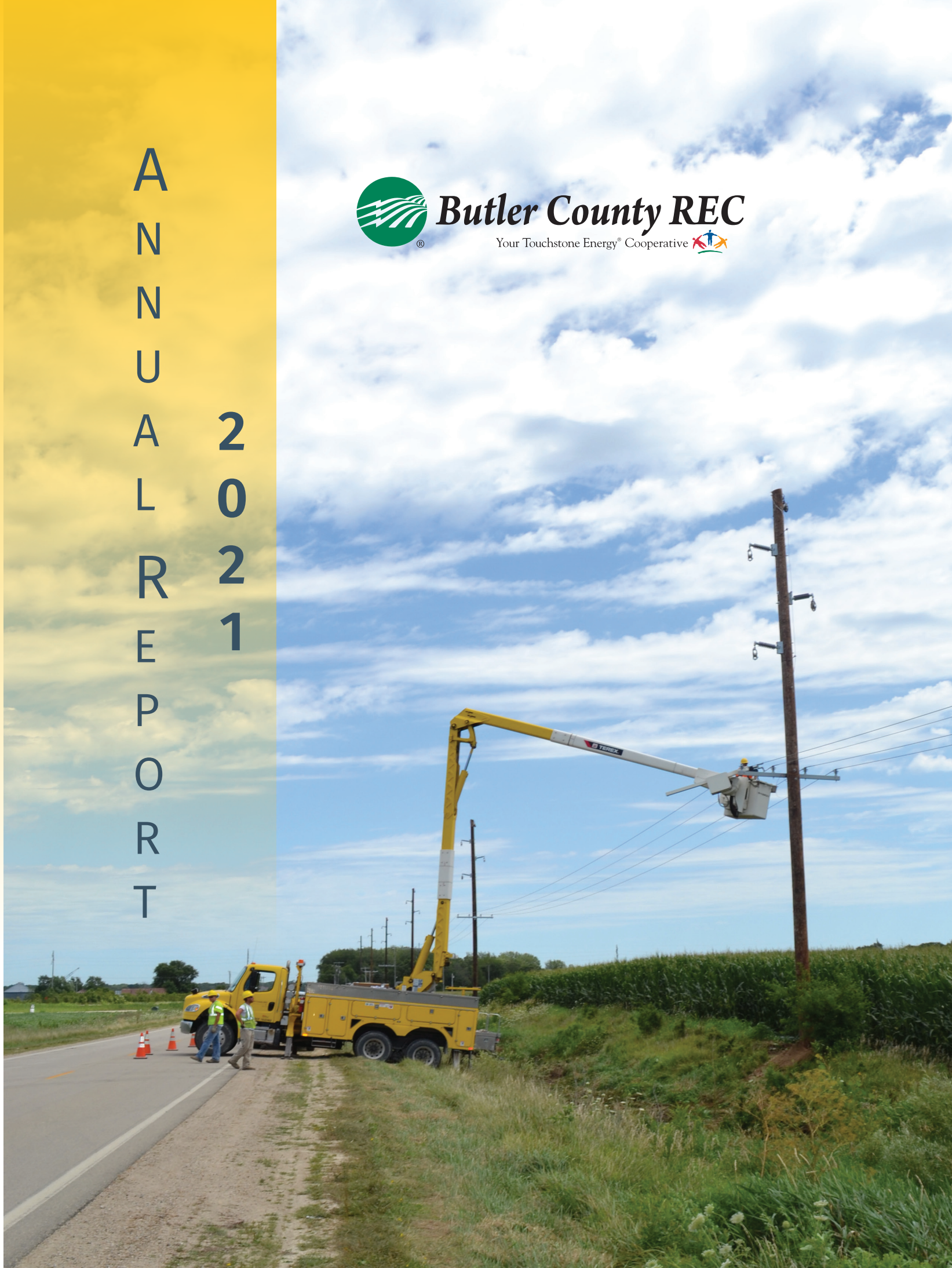


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Butler County REC

Your Touchstone Energy® Cooperative 



LETTER TO MEMBERS

*Duane
Rieckenberg,
president, board
of directors*



*Craig Codner,
CEO*

When our members consider all that has changed since 1936, the year Butler County REC was founded to supply power to rural homes, we want you to remember one constant—the cooperative's commitment to you, our members. That commitment is the basis for all of our decisions.

FINANCIAL COMMITMENT

Your board of directors elected to return \$1,213,691.29 in patronage to members and allocate \$1,692,154.42 to keep the cooperative financially sound. We are proud to return excess margins to our members to demonstrate part of the cooperative difference.

In addition, we were able to implement a negative Energy Cost Adjustment (ECA) for our members, another indication of financial stability.

ECONOMIC DEVELOPMENT COMMITMENT

Our commitment to the communities we serve, and beyond, includes our USDA loan programs. In 2021, we loaned funds to Butler-Grundy Development Alliance, Allison, for a land purchase; Farm Bureau, Clarksville, for a building purchase; and Sarge's Distillery, LLC, Fredericksburg, for a startup business.

Butler Logistics Park continues to grow and we look forward to continuing to participate in the park's success. Shell Rock Soy Processing is in the midst of building their facility, while others look toward expansion.

SYSTEM COMMITMENT

Building and maintaining our system is important to provide power continuity for our members.

Through the Construction Work Plan, line crews rebuilt 11.23 miles of line. In addition, they built or rebuilt 4.84 miles of line through work orders, installed 1.12 miles of underground line, completed 190 work orders, and set 494 poles.

In 2021, your board approved a new metering system to be installed in 2022 that will make it easier for you to track your usage; receive usage information every 15 minutes in SmartHub, rather than the current 24 hours; and provide you more accurate and reliable information. In addition, our line crews will be able to isolate and respond more quickly to outages. We are excited for the possibilities with the new system.

EMPLOYEE COMMITMENT

The employees of Butler County REC not only say that safety is our top priority, we live it. We received top ratings for our Rural Electric Safety Achievement Program audit from the Iowa Association of Electric Cooperatives (IAEC), and were named one of the top two cooperatives in the state for safety. In addition, our employees had another year of no-lost time accidents.

Two employees are enjoying retirement after a lengthy career with Butler County REC. Tom Wubbena, crew chief, retired after 43 years of service to our members, and Mike Boomgarden, energy services advisor, after 31 years.

We welcomed two new employees in 2021. Bryce Bruns, apprentice lineman, and Tyler Opperman, energy services advisor, joined our cooperative family.

Three employees also celebrated 25 years of service. Craig Codner, CEO; John Groen, GIS coordinator; and Lori Roose, accounting clerk, were honored at the IAEC annual meeting.

Volunteering time and donating funds are important to the employees and your board. Eight employees donated 760 hours to their communities and funding and items were donated to almost 60 organizations, including \$1,400 to our Charity of the Year—Royal Family KIDS Camp, Sumner. Our Charity of the Year funding included employee donations of \$550. Employees also donated hats, mittens, and scarves to Cedar Valley Friends of the Family, Waverly, and food to the Waverly food pantry.

BOARD COMMITMENT

As a cooperative member, your voice translates into action. We encourage you to become involved in your cooperative—vote for your board of directors or consider being a nominee for upcoming elections in your area.

Nine of your fellow community members are seated on the Butler County REC board, and it is important that the directors are educated on a number of topics. To aid in that education, directors participate in leadership development courses and receive certification through our national organization, the National Rural Electric Cooperative Association (NRECA). Each of your board members holds certifications from NRECA. Last year, Allyn Harms, Clarksville, received his Director Gold credential, requiring previous certifications and additional credits. Steve Boevers, Readlyn, also earned his board leadership certificate this past year.

Longevity on the board is important, as well. Director Gerald Schmitt has served eight terms on the board and also received his 25-year service award at the IAEC annual meeting.

In 2022, we are excited to announce that we will be holding member appreciation events. Watch for more information in your *InTouch* newsletter and on Facebook and our website for the gatherings to take place later this year.

The board and employees of Butler County REC are committed to serving the membership, as evidenced by how decisions are made—always with you in mind. We look forward to continuing this tradition in 2022 and beyond.

INCOME STATEMENT

REVENUE

Sale of Electricity

Miscellaneous Electric Revenue

TOTAL REVENUE

EXPENSES

Cost of Power

Operations & Maintenance Expense

Consumer Account Expense

Customer Service & Sales Expense

Administrative & General Expense

Depreciation

Taxes

Other Deductions

Interest on Long-Term Debt

TOTAL EXPENSES

MARGINS

Operating Margins

Non-Operating Margin – Interest

Non-Operating Margin – Other

Corn Belt & Other Patronage Capital

TOTAL MARGINS

BALANCE SHEET

ASSETS

Cash

Patronage Capital from Associated Cooperatives

Investments in Associated Organizations

Investments in Economic Development Projects

Accounts Receivable

Materials & Supplies on Hand

Deferred Debits

CURRENT ASSETS

Total Cost of the System

less Depreciation Reserve

FIXED ASSETS

TOTAL ASSETS

LIABILITIES

Patronage Capital

Non-Operating Margins

Other Margins & Equities

MARGINS & EQUITIES

Accounts Payable

Notes Payable

Consumer Deposits

Other Current & Accrued Liabilities

CURRENT & ACCRUED LIABILITIES

Long-Term Debt – RUS & Economic Development

Long-Term Debt – CFC

TOTAL LONG-TERM DEBT

Deferred Credits

TOTAL LIABILITIES

2021

2020

\$29,519,978

\$28,282,233

\$29,519,978

\$28,282,233

\$21,316,130

\$19,997,590

1,979,585

1,774,111

445,747

412,330

588,492

641,830

1,680,037

1,557,999

1,833,156

1,764,579

25,031

23,774

6,055

4,660

1,038,242

1,040,468

\$28,912,475

\$27,217,341

\$607,502

\$1,064,892

135,261

261,493

15,732

55,870

1,633,659

1,785,222

\$2,392,154

\$3,167,477

2021

2020

\$14,379,920

\$8,831,242

14,509,130

13,826,576

702,292

697,089

4,977,764

4,692,081

2,888,444

2,842,160

1,203,274

594,537

287,792

476,892

\$38,948,616

\$31,960,577

54,979,574

55,548,254

(16,792,755)

(17,644,113)

\$38,186,819

\$37,904,141

\$77,135,435

\$69,864,718

\$12,966,716

\$11,868,190

1,783,504

2,102,584

17,050,351

17,113,591

\$31,800,571

\$31,084,365

2,166,933

\$1,940,762

5,000

5,000

181,330

179,810

1,160,346

1,230,284

\$3,513,609

\$3,355,856

\$39,944,872

\$34,020,576

551,511

711,621

\$40,496,383

\$34,732,197

1,324,872

692,300

\$77,135,435

\$69,864,718



CORN BELT POWER COOPERATIVE

REPORT

*Ken Kuyper,
executive vice
president and
general manager*



*David Onken, president,
board of directors; president,
board of directors, Raccoon
Valley Electric Cooperative*

This year, Corn Belt Power Cooperative will celebrate the 75th anniversary of filing the organization's articles of incorporation. The theme for the year is "Powerfully Present." The theme embraces our history and the work we do for the betterment of future generations.

Just like our founders did almost 75 years ago on August 28, 1947, our job is to lay the groundwork for future generations of cooperative members. However, while doing that, we must also engage and respond to today's membership.

2021, much like 2020, was full of challenges. In February, due to historic, prolonged low temperatures, we witnessed our first-ever energy emergency alert (EEA) Level 3. Utilities across the Midwest, including Corn Belt Power Cooperative, implemented load control measures and curtailments to some accounts on Feb. 15 and 16. Southwest Power Pool (SPP), handed down these load curtailment orders, leaving Corn Belt Power and its member-cooperatives little time to act.

This unprecedented event raises many questions about the future of power generation across the United States. Corn Belt Power continues to refine its processes to help mitigate future energy emergency alerts. Furthermore, we're working with our industry partners, including SPP, to address the root causes of the event.

Corn Belt Power remains strong financially. In 2021, we received another "A" rating from our ratings agencies. Again, we were able to keep rates stable, while also returning \$5.5 million in our annual quick roll to members. Furthermore, in December, Basin Electric returned \$30 million to members. Corn Belt Power's share amounted to just more than \$2.1 million. We returned all our share to our member-cooperatives. These accomplishments are indicative of strong financial metrics and bode well for future rate stability.

Our membership in SPP regional market continues to produce positive economic results. We aggressively continue upgrading and rebuilding our electric system as a byproduct of that relationship. System improvements increase system reliability and provide for future load growth.

Corn Belt Power upgraded more than 40 miles of its transmission infrastructure in 2021. The Algona-Hancock-Klemme line saw 28.52 miles of line rebuild. In total, when complete, more than 40 miles on that stretch of line will be rebuilt. Corn Belt Power crews began construction on the Whalen Substation inside the Butler Logistics Park. This substation will serve a new soy processing facility inside the park.

Elsewhere across the system, our electrical maintenance department remained busy. Crews upgraded busses and switches at Pocahontas, Galbraith and Burt switching stations. Corn Belt Power replaced transformers at Bradford, Eagle and Lake Cornelia. Our system improvement and upgrade plan includes replacement of regulators, which took place at Meadowbrook, Bauman South, Rembrandt and Pocahontas.

Our power supply department continued improvement and maintenance work at Wisdom Station in 2021. Wisdom Station Unit Two underwent a borescope inspection, which indicated a few coating issues in the combustion section of the generator. Later in the year, the unit received a combustion inspection in December. The plant maintenance came at the right time, as Wisdom Station Unit Two ran continuously on fuel oil during the February winter weather event. The plant used more than 900,000 gallons of fuel oil to keep Unit Two online in the SPP market during the event. Crews also replaced Wisdom Station Unit One's firewalls in the transformer bay.

Training the future leaders of Corn Belt Power is a goal that remains unchanged. Our second LEAD class graduated in 2021. The LEAD program helps develop and identify future leaders.

As part of the LEAD program, graduates must complete and/or pitch a project to Corn Belt Power's management. In 2021, we saw several of those projects come to fruition, including an all-employee training day and a new lighting system at Wisdom Station. Brittany Dickey, a graduate of the inaugural LEAD class in 2019, created an employee engagement committee. The committee put on an all-employee training day in October, where employees received updates from all of Corn Belt Power's department. Employees also heard from guest speakers on the topics of safety and leadership. Jon Naber, a 2021 LEAD graduate, helped to install a new lighting system at the cooperative's Wisdom Station plant. This lighting system enhances safety for operators and employees while they do rounds and work in and outside of the plant. We are confident in LEAD and what it fosters in the employees who commit to growing their own leadership and development through the program.

Finally, we'd also like to thank our former employees and board members for their years of dedicated service. Without their foresight and leadership, we wouldn't be where we are today. We hope to carry on the tradition of being Powerfully Present, as they were during their time.

We also thank our current Corn Belt Power board of directors and employee group. The board's flexibility and decision-making and our employees' steadfast adherence to Corn Belt Power's mission and values will help navigate us through trying times and into a brighter future.

2021 BUTLER COUNTY REC FACTS

Total miles of line energized: 1,825.33
Total number of consumers: 5,080
Average number of consumers per mile of line: 2.78

Total kWhs purchased by cooperative: 300,236,782
Total kWhs used by members: 294,244,173
Deferred patronage distribution: \$1,213,691.29