



MESSAGE FROM THE GENERAL MANAGER

# Lineman Appreciation Day

**A**pril is a special month for your co-op as we recognize Lineman Appreciation Day on April and are holding your 84th annual meeting at the Larry Miller Intermediate School in New Concord on April 9. Registration starts at 9:30 a.m. and the business meeting begins at noon. I hope to see many of you at the meeting.

I think it is only fitting to pay tribute to the men who have worked so hard during the winter ice storm and other bad weather events this past year to be recognized and appreciated for the sacrifices they and their families make to keep the power on. The February ice storm is still fresh in our minds as some lost power for up to 72 hours — longer than any of us like to be without electricity. I appreciate the cooperation from many of our members who assisted our linemen to get around to find and fix the power lines. The February ice storm brought crews here from other Ohio cooperatives, line contractors, and tree trimmers. Thank you to those employees behind the scenes who were busy assisting

our linemen in many other ways, from stocking and loading supplies to handling phone calls and leading outside crews to areas that needed repaired.

Ice storms are very good at showing us where areas of vulnerability are on the system. Trees are always a culprit with a windstorm or an ice storm. Much of the damage comes from trees outside our right-of-way. We strive to keep our rights-of-way cleared on a normal four- to five-year rotation. Thanks to all who have been cooperative in working with GMEC to maintain our electric system rights-of-way. We will always respect your property, but we also have a responsibility to maintain the integrity of our system.

Thanks again to all the linemen from Guernsey-Muskingum Electric Cooperative and for all those members that have supported their efforts out in the field.



Brian Hill  
GENERAL MANAGER/CEO



## BENEFITS OF TREE TRIMMING

**Clearing trees and overgrown vegetation is vital to provide safe, reliable power to our consumer-members.**

We clear certain areas in our service territory, known as rights-of-way, to:

- **Keep power lines clear of tree limbs**
- **Restore power outages more quickly**
- **Keep crews and members of our community safe**
- **Reduce unexpected costs for repairs**

**Vegetation management improves service reliability for you - our members!**



GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE  
**CURRENTLY SPEAKING**

# BRING THE FAMILY!

Guernsey-Muskingum Electric  
Cooperative, Inc.

84th annual meeting

**Saturday, April 9, 2022**

Larry W. Miller Intermediate School,  
13125 John Glenn School Road, New Concord

Registration begins at 9:30 a.m.

Business meeting begins at noon





You have an opportunity, as an owner of your electric co-op, to directly participate in shaping the future. Join your fellow consumer-members in electing three members to the board of directors, hearing firsthand updates from your co-op leaders, and learning about special programs offered by your cooperative. Mark your calendar now! There will be something for everyone.

**Every registered member receives:**

- Free LED lightbulb
- Free lunch
- Hot dogs grilled by linemen

**Door prizes (must be present to win):**

- Electric appliances
- Electric grill
- Energy credits
- 2-foot triple tap cord (at end of business meeting)

## Annual meeting mainstage entertainment

This year we are happy to have Two by Two as your mainstage entertainment at the 84th annual meeting of members, performing from 11 a.m. to noon.

Giving new life to traditional folk and gospel as well as bringing their own originals, this guitar/piano/vocal duo plays everywhere from wineries to festivals, churches to restaurants, retirement homes to prisons, and caves to open fields. They call central Ohio home but love traveling to parts unknown, sharing the good music and great vibes.





## YOUR RIGHTS AND RESPONSIBILITIES

**THE ANNUAL MEETING:** Provisions regarding the annual meeting are in your cooperative's Code of Regulations. An annual meeting shall be held each year for the purpose of electing directors and transacting all appropriate and necessary business. Each member must be given written or printed notice stating the place, day, and hour of the meeting.

**ELECTION OF BOARD MEMBERS:** The provisions for electing members of the board of directors also are included in the cooperative's Code of Regulations. One or more member-consumers are eligible for nomination to each available position on the board. Nominees must reside in the cooperative district they are nominated to represent. All nominations are made from the floor at the annual meeting.

**VOTING:** Each member shall be entitled to one vote and no more upon each matter submitted to a vote at the meeting. All questions shall be decided by a vote of a majority of the members present at the meeting. The spouse of a member not present may vote on behalf of such member at the meeting.

**REQUIREMENTS FOR MEMBERSHIP:** Any person, whether a natural person or firm, association, corporation, partnership, body public, or subdivision thereof, will become a member of Guernsey-Muskingum Electric Cooperative, Inc. (hereinafter called the "cooperative") upon receipt of electric service from the cooperative, provided that he/she has first: (a) made a written application for membership therein; (b) agreed to purchase from the cooperative electric power and/or energy as specified; (c) agreed to comply with and be bound by the Articles of Incorporation and Code of Regulations of the cooperative and any rules and regulations adopted by the board of directors of the cooperative.

**THE CODE OF REGULATIONS:** The cooperative Code of Regulations is available to all members on the cooperative website, [www.gmenergy.com](http://www.gmenergy.com); additional copies of the code are available at the cooperative office to any member upon request.

If you are disabled and need special accommodations at the annual meeting, please call Kim Swinehart at 800-521-9879.

### ELECTIONS

One director from each of the following districts will be elected for a three-year term:

District 3 – includes Muskingum County townships of Blue Rock, Brush Creek, Clay, Harrison, and Meigs; Noble County townships of Brookfield and Sharon; and Morgan County townships of Bloom, Bristol, Manchester, Meigsville, and York.

District 5 – includes Tuscarawas County townships of Clay, Oxford, Perry, Rush, Salem, and Washington; Guernsey County township of Wheeling; and Harrison County township of Freeport.



# LINEWORKER APPRECIATION DAY – APRIL 11

Join us in celebrating our linemen who work day and night, in the freezing cold, intense heat, rain, snow, wind, and ice to keep the power on for Guernsey-Muskingum members. They are your “first responders” when the lights go out.

You may have noticed that the days of the matching blue shirts are gone. We have recently changed uniform suppliers and are allowing our linemen to choose their own attire as long as they meet all safety requirements.



Seated: Adam Young, Haven Holdcroft, Matt Weaver, Dalton Hosom, Adam Steer; standing: Logan Untied, Chad Forker, Austin Prouty, Hunter Jarrett, John Alford, Louis DeLorenzo, Dale Goodwin, and Operating Superintendent Rob Weber; not pictured: Bill Neptune, Tim Riley.

## Energy Efficiency Tip of the Month

When streaming content, use the smallest device that makes sense for the number of people watching. Avoid streaming on game consoles, which use 10 times more power than streaming through a tablet or laptop.

Streaming content with electronic equipment that has earned the ENERGY STAR rating will use 25% to 30% less energy than standard equipment.



Brian Hill  
GENERAL MANAGER/CEO



Shirley Stutz  
CHAIRMAN

2021 was a good financial year for Guernsey-Muskingum Electric Cooperative (GMEC), as operating margins exceeded budget with a \$1,399,172 operating margin, which was less than 2020 but still adequate to meet our obligations. The year was rather average for sales with the COVID-19 pandemic and many businesses struggling with supply chain delays and finding enough employees to keep their businesses fully staffed.

2021 showed some growth in new services, with 199 versus the 191 new services in 2020. These are important, as new services offer the opportunity to spread cost over more members and more kilowatt-hours, which helps to keep rates stable for all members. The new accounts range from new homes to small businesses, seasonal cabins, and everything in between.

The cooperative's revenues must support our maintenance and operations activities. In addition, the operating margins must be substantial enough to provide capital for the plant improvements that are needed throughout our service territory. This enables us to continue to supply the safe and reliable service that our members deserve. The margins that we had in 2021 will ultimately be returned to the members over future years, but in 2021, we used these funds to improve your electric facilities while minimizing the amount of money we needed to borrow. In 2021, we spent just under \$3.5 million on total plant construction and improvements including new services, power line rebuilds, pole replacements, and substation upgrades.

Our right-of-way program continues to be a priority, as we spent about \$2.8 million to clear trees and brush in 2021. We extend a special thank you to members who worked with us to keep our rights-of-way clear to help keep the power on. Most of our right-of-way work is bid out and performed on the unit basis rather than by the hour. This allows GMEC to control some cost with limited surprises, outside of storms — none of us can control the weather. This is a huge component in our budget that continues to put pressure on our rates. Please help us keep your power on by not planting trees under or near the power lines.

GMEC is a not-for-profit utility owned by those it serves — you, the members. Any money remaining after expenses (known as margins) is returned to you as capital credits. In 2021, your board of directors continued the policy of refunding capital credits to members or the estates of deceased members. 2021 was another record year, as over \$1.26 million of patronage was returned to our members, with most members receiving these as a credit (reduction) on their December electric bill. Since our inception, GMEC has returned nearly \$20 million to members and former members! This is a real example of your ownership in your cooperative. 2021 provided the cooperative with many challenges beyond electric issues, and we are hopeful that 2022 will be a blessing to all.

# Balance sheets

December 31, 2021 and 2020  
(see independent auditors' report)

**ASSETS (NOTES 1 AND 2)**

	<u>2021</u>	<u>2020</u>
<b>ELECTRIC PLANT: (Note 3)</b>		
In Service - at cost	\$ 91,441,514.91	\$ 88,036,364.75
Construction Work in Progress	497,596.94	374,408.10
Subtotal	<u>\$ 91,939,111.85</u>	<u>\$ 88,410,772.85</u>
Less Accumulated Provision for Depreciation and Amortization	(22,695,211.17)	(21,419,879.84)
Net Electric Plant	<u>\$ 69,243,900.68</u>	<u>\$ 66,990,893.01</u>
<b>OTHER ASSETS AND INVESTMENTS:</b>		
Investments in Associated Organizations (Note 4)	\$ 17,071,990.69	\$ 17,332,010.89
Other Investments - Nonutility Property	48,923.31	52,028.61
Total Other Assets and Investments	<u>\$ 17,120,914.00</u>	<u>\$ 17,384,039.50</u>
<b>CURRENT ASSETS:</b>		
Cash & Cash Equivalents	\$ 1,645,890.77	\$ 4,704,681.84
Cash - Construction Funds		
Accounts Receivable (less accumulated provision for uncollectible accounts of \$66,927.64 in 2021 and \$102,785.88 in 2020)	3,750,663.86	3,675,003.23
Unbilled Revenue (Note 13)	1,368,797.77	1,344,394.04
Other Current Assets	38,487.27	36,586.75
Materials and Supplies	1,585,713.06	580,652.23
Prepayments	274,782.38	38,528.45
Total Current Assets	<u>\$ 8,664,335.11</u>	<u>\$ 10,379,846.54</u>
<b>DEFERRED CHARGES (Note 5)</b>	<u>\$ 567,847.50</u>	<u>\$ 666,045.00</u>
<b>TOTAL ASSETS</b>	<u>\$ 95,596,997.29</u>	<u>\$ 95,420,824.05</u>

(The accompanying notes are an integral part of this statement)

**EQUITIES AND LIABILITIES (NOTE 1)**

	<u>2021</u>	<u>2020</u>
<b>EQUITIES:</b>		
Patronage Capital (Note 6)	\$ 49,180,811.60	\$ 47,871,548.87
Other Equities (Note 7)	418,895.06	418,895.06
Total Equities	<u>\$ 49,599,706.66</u>	<u>\$ 48,290,443.93</u>
<b>LONG-TERM DEBT:</b>		
RUS Mortgage Notes Less Current Maturities (Note 8)	\$ 28,443,706.35	\$ 29,451,285.22
CFC Mortgage Notes Less Current Maturities (Note 8)	9,822,807.17	10,704,180.56
Total Long-Term Debt	<u>\$ 38,266,513.52</u>	<u>\$ 40,155,465.78</u>
<b>CURRENT LIABILITIES:</b>		
Current Maturities of Long-Term Debt	\$ 1,880,712.00	\$ 1,816,084.00
Accounts Payable - Purchased Power	1,840,772.15	1,820,891.48
Accounts Payable - Other	1,386,743.55	894,709.46
Consumer Deposits	594,106.55	552,817.16
Accrued Taxes	1,240,433.90	1,213,173.39
Other Current Liabilities	456,561.14	420,770.70
Total Current Liabilities	<u>\$ 7,399,329.29</u>	<u>\$ 6,718,446.19</u>
<b>CONTINGENT LIABILITIES (Note 10)</b>		
<b>DEFERRED CREDITS (Note 11)</b>	<u>\$ 331,447.82</u>	<u>\$ 256,468.15</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>\$ 95,596,997.29</u>	<u>\$ 95,420,824.05</u>

(The accompanying notes are an integral part of this statement)

# Statements of revenue and patronage capital

For the years ended December 31, 2021 and 2020  
(see independent auditors' report)

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>	\$ 37,148,930.69	\$ 35,035,409.61
<b>OPERATING EXPENSES:</b>		
Cost of Power	\$ 21,564,460.41	\$ 19,828,222.67
Transmission Expense	7,005.84	6,891.30
Distribution - Operation	2,077,183.81	2,059,718.65
Distribution - Maintenance	4,128,986.82	3,591,147.95
Consumer Accounts Expense	938,962.34	863,528.23
Customer Service & Information Expense	277,322.27	387,185.07
Administrative and General	1,968,576.33	1,657,028.57
Depreciation and Amortization	2,331,391.22	2,244,170.48
Taxes	1,103,272.00	1,077,252.00
Interest on Long-Term Debt	1,337,092.61	1,427,692.56
Other Interest Expense	15,505.36	14,347.65
Total Operating Expenses	<u>\$ 35,749,759.01</u>	<u>\$ 33,157,185.13</u>
Operating Margins Before Capital Credits	\$ 1,399,171.68	\$ 1,878,224.48
<b>BUCKEYE CAPITAL CREDITS</b>	851,202.48	1,039,885.15
<b>OTHER CAPITAL CREDITS</b>	72,955.09	70,187.55
Net Operating Margins	\$ 2,323,329.25	\$ 2,988,297.18
<b>NONOPERATING MARGINS:</b>		
Interest and Dividend Income	\$ 44,496.72	\$ 81,248.12
Miscellaneous Nonoperating Income (Expense)	146,419.99	(12,991.68)
Total Nonoperating Margins	<u>\$ 190,916.71</u>	<u>\$ 68,256.44</u>
<b>NET MARGINS FOR PERIOD</b>	\$ 2,514,245.96	\$ 3,056,553.62
<b>PATRONAGE CAPITAL - Beginning of Year</b>	47,871,548.87	45,972,577.05
Retirement of Capital Credits	(1,261,271.00)	(1,170,727.72)
Capital Credits Reassignable	<u>56,287.77</u>	<u>13,145.92</u>
<b>PATRONAGE CAPITAL- End of Year</b>	\$ 49,180,811.60	\$ 47,871,548.87

(The accompanying notes are an integral part of this statement)

**RECONCILIATION OF NET MARGINS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES:**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Consumers	\$ 37,048,866.33	\$ 35,250,757.87
Interest and Dividend Income	44,709.93	81,272.57
Capital Credits	1,218,765.25	952,725.96
Cash Provided by Operating Activities	<u>\$ 38,312,341.51</u>	<u>\$ 36,284,756.40</u>
Cash Paid to Suppliers and Employees	\$ 31,162,551.30	\$ 28,633,682.07
Interest and Taxes Paid	2,691,709.03	2,729,478.07
Cash Disbursed for Operating Activities	<u>33,854,260.33</u>	<u>31,363,160.14</u>
Net Cash from Operating Activities	<u>\$ 4,458,081.18</u>	<u>\$ 4,921,596.26</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Construction and Acquisition of Plant	\$ (3,785,475.67)	\$ (2,574,136.99)
Proceeds from Disposal of Plant	(654,543.65)	(1,295,495.50)
Investment in Associated Organizations	(34,587.48)	38,184.81
Other Nonoperating Income (Expense)	2,040.42	(12,591.41)
Net Cash Used by Investing Activities	<u>\$ (4,472,566.38)</u>	<u>\$ (3,844,039.09)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net Change in Consumer Deposits	\$ 41,289.39	\$ 36,053.00
Payments on Long-Term Debt	(1,824,324.26)	(1,159,928.67)
Patronage Capital Credits Retired	(1,261,271.00)	(1,170,727.72)
Proceeds from Long-Term Debt - PPP Loan		704,826.25
Net Cash from Financing Activities	<u>\$ (3,044,305.87)</u>	<u>\$ (1,589,777.14)</u>
<b>NET INCREASE IN CASH</b>	<u>\$ (3,058,791.07)</u>	<u>\$ (512,219.97)</u>
<b>CASH - BEGINNING OF YEAR</b>	<u>\$ 4,704,681.84</u>	<u>\$ 5,216,901.81</u>
<b>CASH - END OF YEAR</b>	<u>\$ 1,645,890.77</u>	<u>\$ 4,704,681.84</u>
<b>NONCASH FINANCING ACTIVITIES</b>		
Paycheck Protection Program Loan Forgiveness		\$ 704,826.25

(The accompanying notes are an integral part of this statement)

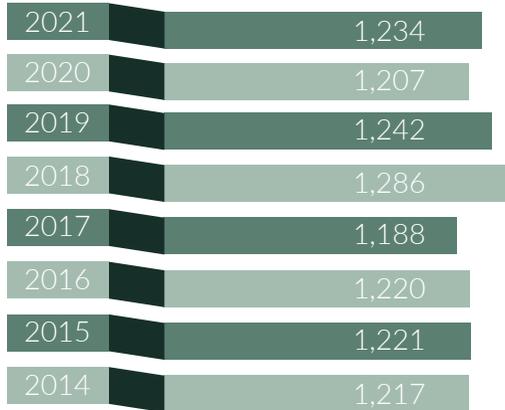
	<b>2021</b>	<b>2020</b>
<b>NET MARGINS</b>	<u>\$ 2,514,245.96</u>	<u>\$ 3,056,553.62</u>
<b>ADJUSTMENTS TO RECONCILE NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Depreciation and Amortization	\$ 2,331,391.22	\$ 2,244,170.48
Buckeye Power, Inc. and Other Capital Credits (Noncash)	294,607.68	(119,161.93)
Provision for Uncollectible Accounts Receivable	(35,858.24)	(132,402.74)
Paycheck Protection Program Loan Forgiveness		(507,830.70)
(Increase) Decrease In:		
Customer and Other Accounts Receivable	(39,802.39)	321,403.29
Unbilled Revenue	(24,403.73)	26,347.71
Current and Accrued Assets - Other	(1,240,109.98)	92,777.18
Deferred Charges	98,197.50	147,065.62
Increase (Decrease) In:		
Accounts Payable	511,914.76	(362,882.88)
Accrued Taxes	27,260.51	42,998.14
Current and Accrued Liabilities - Other	35,790.44	63,233.69
Deferred Credits	74,979.67	61,371.99
Miscellaneous Nonoperating (Income) Expense	(146,419.99)	12,991.68
Capital Credits Reassignable	56,287.77	13,145.92
Total Adjustments	<u>\$ 1,943,835.22</u>	<u>\$ 1,903,227.45</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 4,458,081.18</u>	<u>\$ 4,959,781.07</u>

(The accompanying notes are an integral part of this statement)

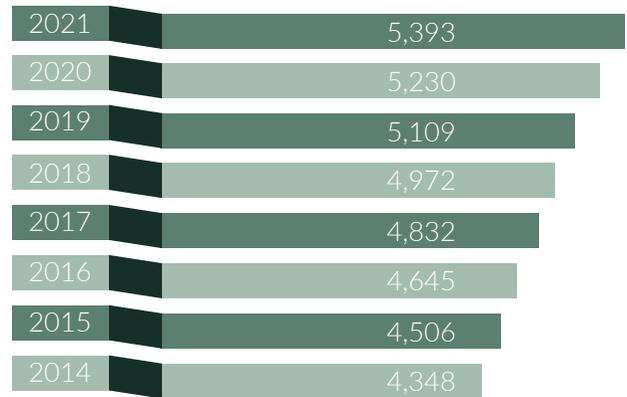


# Guernsey-Muskingum Electric Cooperative TRENDS

**Average Monthly Use (kWh—all consumers)**



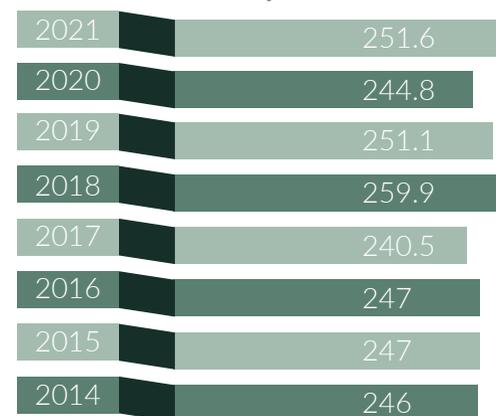
**Plant Investment (dollars per consumer)**



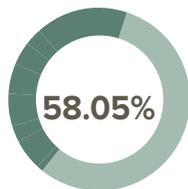
**Consumers Served**



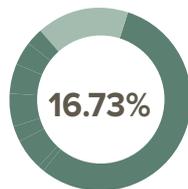
**kWh Sold Annually (in millions)**



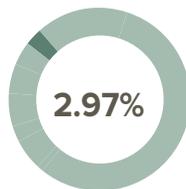
Cost of Purchased Power



Line Operation & Maintenance



Tax Expense



Interest on Long-Term Debt



Administrative General



Depreciation



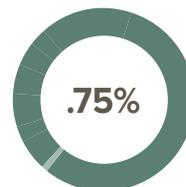
Consumers Accounting & Collecting



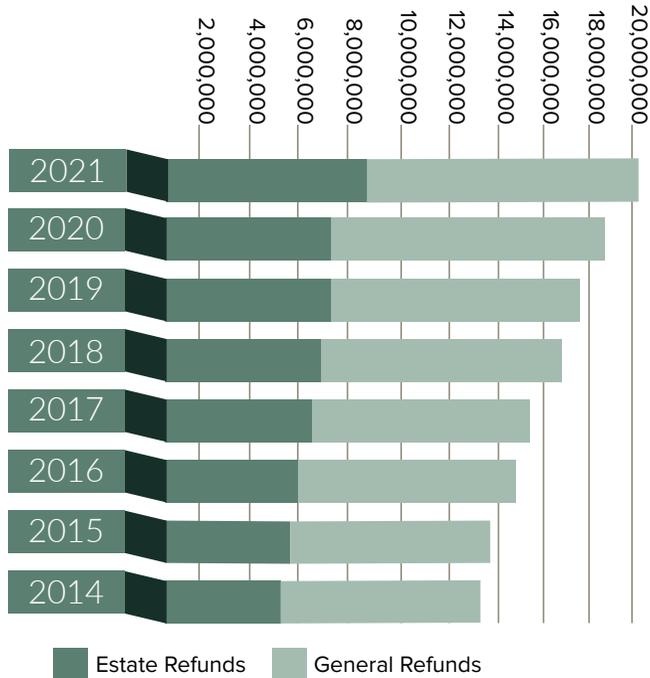
Operating Margin



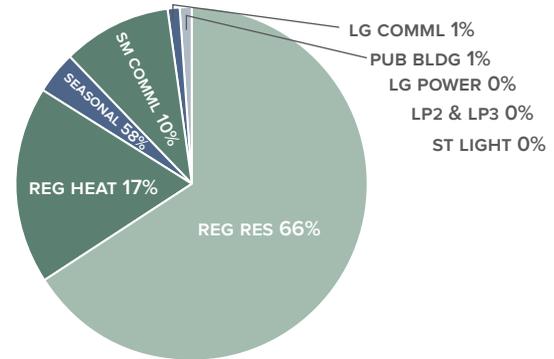
Consumer Services Expenses



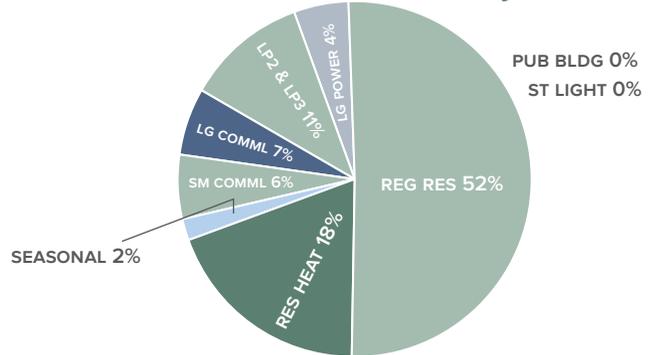
## Cumulative Capital Refunded



## 2021 Percent of Accounts by Class



## 2021 Percent of Revenue by Class



# Technical scholarships available

For adult residential members or high school seniors

You could be eligible for a technical scholarship from Ohio's Electric Cooperatives!

The OEC technical scholarship offers up to \$2,000 to electric cooperative members or children of members who are pursuing technical training after high school. This program is open to all adults!

**OHIO'S ELECTRIC COOPERATIVES**

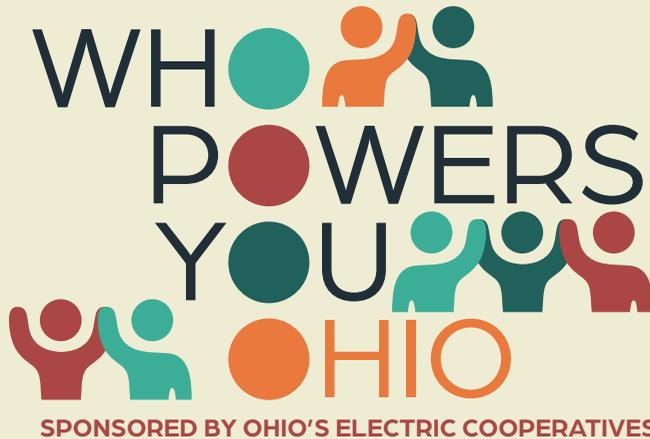
Your Touchstone Energy® Cooperatives

For more information and an application, go to [ohioec.org/technicalscholarship](http://ohioec.org/technicalscholarship).

**Deadline for application is April 30.**



# GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING



SPONSORED BY OHIO'S ELECTRIC COOPERATIVES

## Nominate a **bright light** in your community

*Inspired by a cooperative member making a difference in your community? Tell their story and they could win \$500!*

Visit [ohioec.org/wpvo](http://ohioec.org/wpvo) between May 1 and June 4 to submit a photo of your nominee and tell us why that person inspires you and how they make a difference in your cooperative community. Deadline for entries: June 4.

Six nominees will be chosen (based on their positive impact to their electric cooperative community) to receive \$500.

Visit [ohioec.org/wpvo](http://ohioec.org/wpvo) for full contest rules.



## TO OUR COOPERATIVE COMMUNITY

### GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE, INC.

#### CONTACT

800-521-9879 | [www.gmenergy.com](http://www.gmenergy.com)

#### OFFICE

17 S. Liberty St.  
New Concord, OH 43762

#### OFFICE HOURS

Monday–Friday, 7:30 a.m.–4:30 p.m.

This institution is an equal opportunity provider and employer.

#### ELECTRIC RATES

Farm and Home Service rate schedule R-1\*  
Service Availability Charge — \$24/mo.  
First 500 kWh/month — 13.169¢/kWh  
Over 500 kWh/month — 11.845¢/kWh

Net Billing Residential R-1 NB\* and  
Net Metering Residential R-1 NM\*  
Service Availability Charge — \$42/mo.  
First 2,000 kWh/mo. — 11.645¢/kWh  
Over 2,000 kWh/mo. — 11.845¢/kWh

#### Seasonal Residential Service rate schedule S-1\*

Service Availability Charge — \$384/yr.  
First 800 kWh/yr. — 20.769¢/kWh  
800 to 6,000 kWh/yr. — 11.645¢/kWh  
Over 6,000 kWh/yr. — 11.845¢/kWh  
(Minimum annual charge — \$384/yr.  
for service between March 1, 2022,  
and Feb. 28, 2023)

Commercial Service rate schedule C-1\*  
Service Availability Charge — \$26/mo.  
First 1,500 kWh/mo. — 13.569¢/kWh  
Over 1,500 kWh/mo. — 11.845¢/kWh

\*Rider T — Kilowatt-Hour Tax applies to all rate schedules and must be added to the rates shown.

First 2,000 kWh/mo. — 0.465¢/kWh  
Next 13,000 kWh/mo. — 0.419¢/kWh  
Over 15,000 kWh/mo. — 0.363¢/kWh

#### BOARD OF DIRECTORS

Shirley Stutz Chairman	John Enos Jay Gray
Matt Carpenter Vice Chairman	Duane Parks Maureen Riley
Ed Bay Secy.-Treasurer	Directors

Brian Hill  
General Manager/CEO

Joseph P. Boeckman  
Counsel

