



MESSAGE FROM THE GENERAL MANAGER

Cooperative updates

As you read in our March issue of this magazine, our normal annual meeting has been postponed until July 13 and will be held at the Guernsey County Fairgrounds. The financial report is in this issue, and if you have any questions please call. Despite the pandemic that started in 2020, your cooperative had a relatively good financial year. In this issue, we also recognize our scholarship winners. It is truly amazing to see the level of competitiveness and hard work among the scholarship participants each year. I wish we could assist even more of our youth with their financial needs.

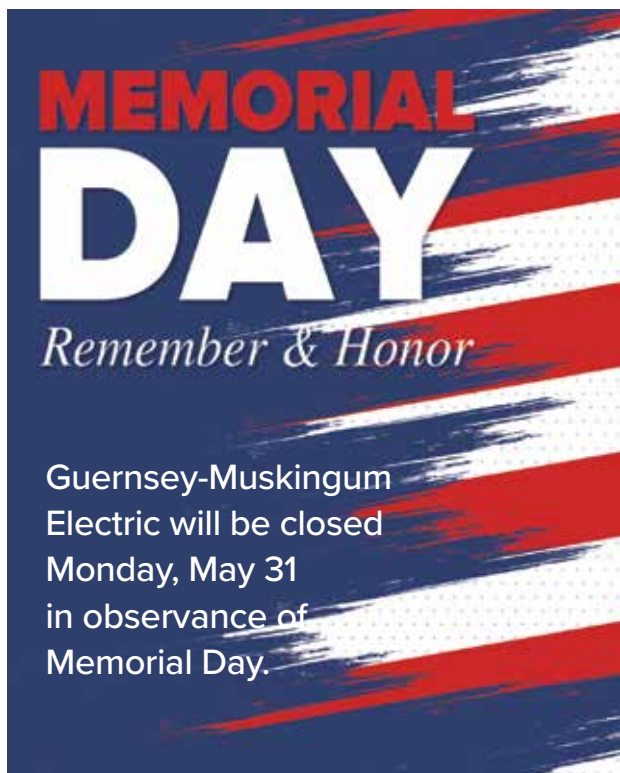
May is a month that we honor our mothers on May 9. I was blessed to have a mother who sacrificed so much for me and our family over the years. I want to take this time to wish all mothers a very special happy Mother's Day from Guernsey-Muskingum Electric. Thank you for keeping the lights on in so many young hearts throughout our service territory. A loving mother shapes the hearts and minds of her children and grandchildren and deserves

the utmost respect from all of us. Thank you all, and may God bless each of you.

Lastly, I want to make sure to honor all those who have served and still serve and defend our country in the military. Memorial Day is and should be a special time for all of us to reflect on the soldiers and their families that have made the ultimate sacrifice. No matter the differences in this country, may we as Americans always stand, honor, and respect those who have served. May God bless America and all those who serve our country.



Brian Hill
GENERAL MANAGER/CEO





Congratulations

SCHOLARSHIP WINNERS

Children of Members scholarship winners

Each year since 1954, Guernsey-Muskingum Electric Cooperative has sponsored scholarship awards to high school seniors. The cooperative awards six scholarships ranging from \$600 to \$1,100.

On Feb. 20, 18 students from 13 high schools competed for the scholarships with points given for scholastic record, personal achievement, school and community activities, and a personal interview. Judges for this year were Dr. Howard Beazel, Dr. Barb Hansen, and Jack Taylor.

The first-place winner, receiving a \$1,100 scholarship, was **Raegan Feldner**, the daughter of Jason and Jeannette Feldner of Caldwell. Raegan attends Shenandoah High School.

The second-place winner, receiving a \$1,000 scholarship, was **Shilynn Williamson**, the daughter of Dave and Carrie Williamson of New Concord. Shilynn attends John Glenn High School.

The third-place winner, receiving a \$900 scholarship, was **Kobe Lower**, the son of Shawn and Angela Lower of Newcomerstown. Kobe attends Newcomerstown High School.

The fourth-place winner, receiving an \$800 scholarship, was **Keegan Busse**, the son of Mike and Julie Busse of Blue Rock. Keegan attends Philo High School.

The fifth-place winner, receiving an \$700 scholarship, was **Mason McDaniel**, the son of Kimberly Ann McDaniel of Dresden. Mason attends Tri-Valley High School.

The sixth-place winner, receiving an \$600 scholarship, was **Elena Bell**, the daughter of George Bell and Christine Bell of Cambridge. Elena attends Meadowbrook High School.



Raegan Feldner



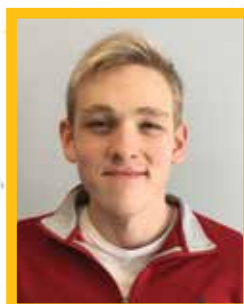
Shilynn Williamson



Kobe Lower



Keegan Busse



Mason McDaniel



Elena Bell

Kackley Scholarship winner

Established in 2020, the GMEC Scholarship in Honor of Jerry Kackley was created by the Kackley family to give back to the Guernsey-Muskingum members who supported him and his family through the years. Jerry was employed at the cooperative for 27 years before retiring in 2019 after a cancer diagnosis. After a courageous, hard-fought battle, he passed away a few months later.

We are pleased to announce that **Shilynn Williamson** has been awarded the 2021 GMEC Scholarship in Honor of Jerry Kackley. Shilynn, the daughter of Dave and Carrie Williamson, is a senior at John Glenn High School. She was chosen from applicants who were judged on community involvement, academics, leadership, a letter of reference, and a personal essay describing how they hope to make a positive impact in their life through their goals, future plans, and everyday interactions with others.



Shilynn Williamson

Touchstone Energy Achievement Scholarship

We are pleased to announce that **Brooklyn Poland** and **Madison Ross** have each been awarded the Touchstone Energy Achievement Scholarship for 2021. The Touchstone Energy Achievement Scholarship was created to reward those students who have committed themselves to the pursuance of a college education despite unique personal challenges.

Brooklyn, a senior at Claymont High School, is the daughter of Kendra Poland and the late Chad Poland of Uhrichsville. Madison, a senior at Philo High School, is the daughter of Chad and Sara Wilson of Blue Rock.



Brooklyn Poland



Madison Ross



GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING

ANNUAL REPORT 2020

Report from management



Brian Hill
GENERAL MANAGER/CEO



Jay Gray
CHAIRMAN

2020 was a good financial year for Guernsey-Muskingum Electric Cooperative (GMEC), as operating margins exceeded budget with a \$1,872,224 operating margin, slightly behind 2019. The year was rather average for sales with the COVID-19 pandemic and many businesses shutting down or reducing operations throughout the year. There was a federal program that helped keep Guernsey-Muskingum from raising rates in 2020 for our residential consumers. When 2020 came to an end, total margins were \$980,757 better than budget.

2020 showed some growth in new services with 191. In 2019, there were 179 new services. 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. Many of our newest and largest commercial members in the last few years can be attributed to the development of the Utica Shale in our part of the state, and this continues to benefit all our members.

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 2020 will ultimately be returned to the members over future years but, in 2020, we used these funds to improve your electric facilities while minimizing the amount of money we needed to borrow. Again in 2020 we

spent just over \$3.8 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 \$2.5 million to clear trees and brush in 2020. 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 a 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. The good news is that even with this huge cost impact, our residential rates are largely unchanged for several years now.

GMEC is a not-for-profit utility owned by those it serves — you, the members. After expenses, any money remaining (known as “margins”) are returned to you as capital credits. In 2020, your board of directors continued the policy of refunding capital credits to members or the estates of deceased members. 2020 was another record year, as over \$1.18 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 \$19 million to members and former members! This is a real example of your ownership in your cooperative. 2020 provided the cooperative with many challenges beyond electric issues, and we are hopeful that 2021 will be a blessing to all.

Balance sheets

December 31, 2020 and 2019
(see independent auditors' report)

ASSETS (NOTES 1 AND 2)

	2020	2019
ELECTRIC PLANT: (Note 3)		
In Service - at cost	\$ 88,036,364.75	\$ 85,744,950.58
Construction Work in Progress	374,408.10	337,939.39
Subtotal	<u>\$ 88,410,772.85</u>	<u>\$ 86,082,889.97</u>
Less Accumulated Provision for Depreciation and Amortization	<u>(21,419,879.84)</u>	<u>(20,520,063.15)</u>
Net Electric Plant	<u>\$ 66,990,893.01</u>	<u>\$ 65,562,826.82</u>
OTHER ASSETS AND INVESTMENTS:		
Investments in Associated Organizations (Note 4)	\$ 17,332,010.89	\$ 17,212,848.96
Other Investments - Nonutility Property	<u>52,028.61</u>	<u>55,133.91</u>
Total Other Assets and Investments	<u>\$ 17,384,039.50</u>	<u>\$ 17,267,982.87</u>
CURRENT ASSETS:		
Cash & Cash Equivalents	\$ 4,704,681.84	\$ 5,216,901.81
Cash - Construction Funds	-	-
Accounts Receivable (less accumulated provision for uncollectible accounts of \$102,785.88 in 2020 and \$235,188.62 in 2019)	3,675,003.23	3,864,003.78
Unbilled Revenue (Note 13)	1,344,394.04	1,370,741.75
Other Current Assets	36,586.75	34,675.42
Materials and Supplies	580,652.23	672,201.54
Prepayments	<u>38,528.45</u>	<u>38,562.35</u>
Total Current Assets	<u>\$ 10,379,846.54</u>	<u>\$ 11,197,086.65</u>
DEFERRED CHARGES (Note 5)	<u>\$ 666,045.00</u>	<u>\$ 813,110.62</u>
TOTAL ASSETS	<u><u>\$ 95,420,824.05</u></u>	<u><u>\$ 94,841,006.96</u></u>

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

EQUITIES AND LIABILITIES (NOTE 1)

EQUITIES:		
Patronage Capital (Note 6)	\$ 47,871,548.87	\$ 45,972,577.05
Other Equities (Note 7)	418,895.06	418,895.06
Total Equities	<u>\$ 48,290,443.93</u>	<u>\$ 46,391,472.11</u>
LONG-TERM DEBT:		
RUS Mortgage Notes Less Current Maturities (Note 8)	\$ 29,451,285.22	\$ 29,819,819.14
CFC Mortgage Notes Less Current Maturities (Note 8)	<u>10,704,180.56</u>	<u>11,551,510.31</u>
Total Long-Term Debt	<u>\$ 40,155,465.78</u>	<u>\$ 41,371,329.45</u>
CURRENT LIABILITIES:		
Current Maturities of Long-Term Debt	\$ 1,816,084.00	\$ 1,760,149.00
Note Payable - Short-Term	-	-
Accounts Payable - Purchased Power	1,820,891.48	1,702,716.93
Accounts Payable - Other	894,709.46	1,375,766.89
Consumer Deposits	552,817.16	516,764.16
Accrued Taxes	1,213,173.39	1,170,175.25
Other Current Liabilities	<u>420,770.70</u>	<u>357,537.01</u>
Total Current Liabilities	<u>\$ 6,718,446.19</u>	<u>\$ 6,883,109.24</u>
CONTINGENT LIABILITIES (Note 10)	-	-
DEFERRED CREDITS (Note 11)	<u>\$ 256,468.15</u>	<u>\$ 195,096.16</u>
TOTAL EQUITIES AND LIABILITIES	<u><u>\$ 95,420,824.05</u></u>	<u><u>\$ 94,841,006.96</u></u>

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



GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING

Statements of revenue and patronage capital

For the years ended December 31, 2020 and 2019
(see independent auditors' report)

Statements of cash flows

For the years ended December 31, 2020 and 2019
(see independent auditors' report)

	2020	2019
OPERATING REVENUES	\$35,035,409.61	\$ 35,078,486.78
OPERATING EXPENSES:		
Cost of Power	\$ 19,828,222.67	\$ 19,384,276.49
Transmission Expense	6,891.30	10,120.26
Distribution - Operation	2,059,718.65	2,151,804.18
Distribution - Maintenance	3,591,147.95	3,175,753.20
Consumer Accounts Expense	863,528.23	1,159,289.84
Customer Service & Information Expense	387,185.07	412,310.15
Administrative and General	1,657,028.57	2,039,152.16
Depreciation and Amortization	2,244,170.48	2,179,450.88
Taxes	1,077,252.00	1,101,399.00
Interest on Long-Term Debt	1,427,692.56	1,512,953.93
Other Interest Expense	14,347.65	13,186.36
Total Operating Expenses	<u>\$ 33,157,185.13</u>	<u>\$ 33,139,696.45</u>
Operating Margins Before Capital Credits	\$ 1,878,224.48	\$ 1,938,790.33
BUCKEYE CAPITAL CREDITS	1,039,885.15	933,602.41
OTHER CAPITAL CREDITS	<u>70,187.55</u>	<u>75,244.41</u>
Net Operating Margins	\$ 2,988,297.18	\$ 2,947,637.15
NONOPERATING MARGINS:		
Interest and Dividend Income	\$ 81,248.12	\$ 210,374.40
Miscellaneous Nonoperating Income (Expense)	<u>(12,991.68)</u>	<u>(4,475.54)</u>
Total Nonoperating Margins	<u>\$68,256.44</u>	<u>\$205,898.86</u>
NET MARGINS FOR PERIOD	\$ 3,056,553.62	\$ 3,153,536.01
PATRONAGE CAPITAL - Beginning of Year	45,972,577.05	42,559,953.08
Retirement of Capital Credits	(1,170,727.72)	(1,116,986.40)
Capital Credits Reassignable	13,145.92	-
Unbilled Revenue - Cumulative Effect January 1, 2019 - (Note 13)	<u>-</u>	<u>1,376,074.36</u>
PATRONAGE CAPITAL - End of Year	<u>\$ 47,871,548.87</u>	<u>\$ 45,972,577.05</u>

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

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

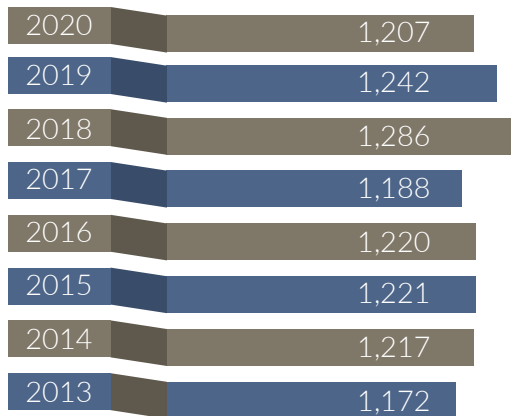
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Consumers	\$ 35,250,757.87	\$ 35,284,872.84
Interest and Dividend Income	81,272.57	210,374.39
Capital Credits	952,725.96	640,877.94
Cash Provided by Operating Activities	<u>\$36,284,756.40</u>	<u>\$ 36,136,125.17</u>
Cash Paid to Suppliers and Employees	\$28,633,682.07	\$ 27,284,856.00
Interest and Taxes Paid	2,729,478.07	2,889,958.69
Cash Disbursed for Operating Activities	<u>31,363,160.14</u>	<u>30,174,814.69</u>
Net Cash from Operating Activities	<u>\$ 4,921,596.26</u>	<u>\$ 5,961,310.48</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Construction and Acquisition of Plant	\$ (2,574,136.99)	\$ (2,130,442.88)
Proceeds from Disposal of Plant	(1,295,495.50)	(1,383,833.56)
Investment in Associated Organizations	38,184.81	(374.35)
Other Nonoperating Income (Expense)	<u>(12,591.41)</u>	<u>(4,475.54)</u>
Net Cash Used by Investing Activities	<u>\$(3,844,039.09)</u>	<u>\$(3,519,126.33)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Change in Consumer Deposits	\$ 36,053.00	\$ 33,557.95
Payments on Long-Term Debt	(1,159,928.67)	(164,825.60)
Payments on Short-Term Debt	-	-
Patronage Capital Credits Retired	(1,170,727.72)	(1,116,986.40)
Proceeds from Long-Term Debt - PPP Loan	704,826.25	-
Proceeds from Short-Term Debt	-	-
Net Cash from Financing Activities	<u>\$ (1,589,777.14)</u>	<u>\$ (1,248,254.05)</u>
NET INCREASE IN CASH	\$ (512,219.97)	\$ 1,193,930.10
CASH - BEGINNING OF YEAR	<u>\$ 5,216,901.81</u>	<u>\$ 4,022,971.71</u>
CASH - END OF YEAR	<u>\$ 4,704,681.84</u>	<u>\$ 5,216,901.81</u>
NONCASH FINANCING ACTIVITIES		
Paycheck Protection Program Loan Forgiveness	\$ 704,826.25	
NET MARGINS \$	3,056,553.62	\$ 3,153,536.01
ADJUSTMENTS TO RECONCILE NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation and Amortization	\$ 2,244,170.48	\$ 2,179,450.88
Buckeye Power, Inc. and Other Capital Credits (Noncash)	(157,346.74)	(367,968.88)
Provision for Uncollectible Accounts Receivable	(132,402.74)	143,739.64
Paycheck Protection Program Loan Forgiveness (Increase) Decrease In:	(507,830.70)	
Customer and Other Accounts Receivable	321,403.29	57,313.81
Unbilled Revenue	26,347.71	5,332.61
Current and Accrued Assets - Other	92,777.18	(129,215.87)
Deferred Charges	147,065.62	162,302.36
Increase (Decrease) In:		
Accounts Payable	(362,882.88)	729,467.45
Accrued Taxes	42,998.14	12,498.67
Current and Accrued Liabilities - Other	63,233.69	22,801.03
Deferred Credits	61,371.99	(12,422.77)
Miscellaneous Nonoperating (Income) Expense	12,991.68	4,475.54
Capital Credits Reassignable	<u>13,145.92</u>	<u>-</u>
Total Adjustments	<u>\$ 1,865,042.64</u>	<u>\$ 2,807,774.47</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 4,921,596.26</u>	<u>\$ 5,961,310.48</u>

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

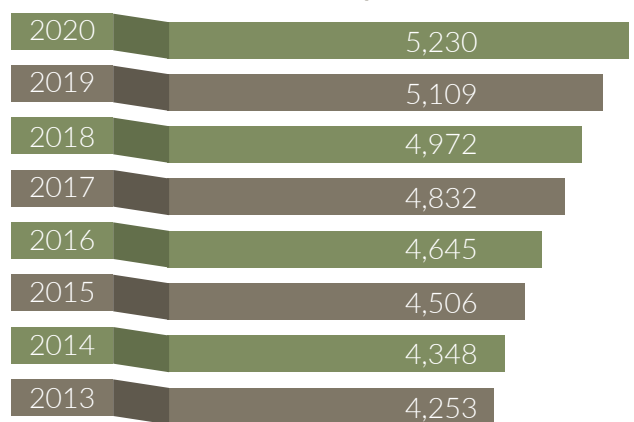
Guernsey-Muskingum Electric Cooperative

TRENDS

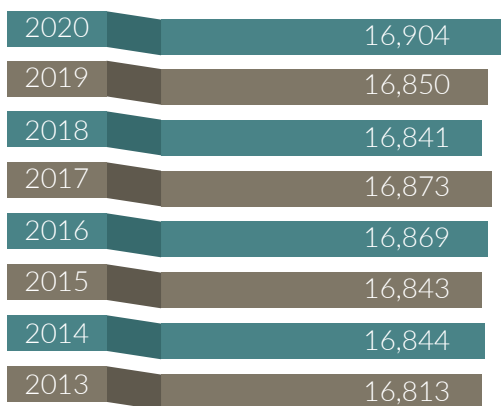
Average Monthly Use (kWh-all consumers)



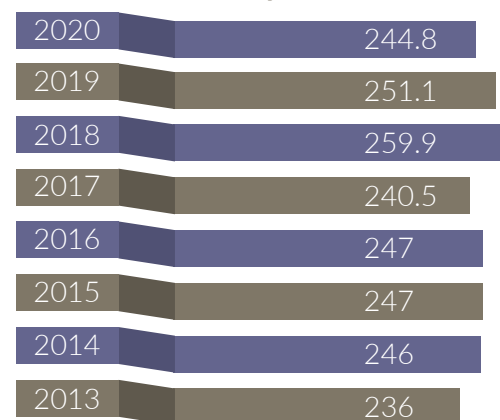
Plant Investment (dollars per consumer)



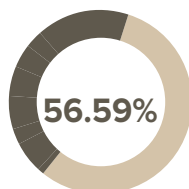
Consumers Served



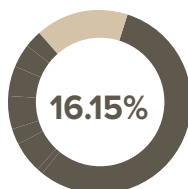
kWh Sold Annually (in millions)



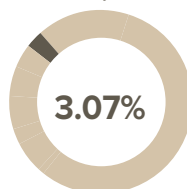
Cost of Purchased Power



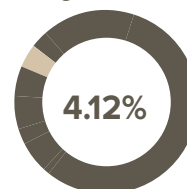
Line Operation & Maintenance



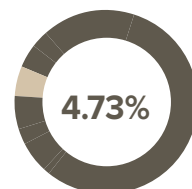
Tax Expense



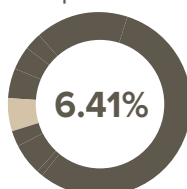
Interest on Long-Term Debt



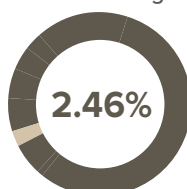
Administrative General



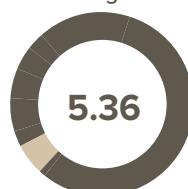
Depreciation



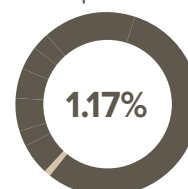
Consumers Accounting & Collecting



Operating Margin



Consumer Services Expenses





GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING

HAPPY *Retirement* Frank Wells retires



Frank Wells retired from the cooperative in March 2021 after 27 years of service. Frank began his employment in June 1992 as a lineman. After a short hiatus from the cooperative world, Frank rejoined us in October 2011. Thank you, Frank, for your years of dedicated service to the cooperative.



Welcome Eli Lewis



Eli Lewis began employment with Guernsey-Muskingum Electric Cooperative in March 2021 as an engineering mapping coordinator. Eli is a graduate of West Muskingum High School and Muskingum University, where he earned a Bachelor of Arts degree in health and fitness and minored in mathematics. He brings work experience from Genesis Healthcare System.

We welcome Eli to the cooperative family.

Welcome TO THE TEAM

Is your name and account number here?

If it is, call the cooperative's office and receive a FREE home change-out to LED lightbulbs (limit six bulbs). Thanks for reading the local pages of *Ohio Cooperative Living* magazine.

#25-0421-01-00.....Stephen Baker
#29-0432-24-08.....Dustin D DeVoll
#51-0961-75-00.....Harold Rice III
#50-0081-23-01.....Ty Caldwell

#60-0431-40-00.....Robert L Main
#24-0283-05-04.....Victor Velazquez



GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE, INC.

CONTACT

800-521-9879 | 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 — 12.669¢/kWh
Over 500 kWh/month — 11.345¢/kWh

Net Metering Residential R-1 NM*
Service Availability Charge — \$42/mo.
First 2,000 kWh/mo. — 11.145¢/kWh
Over 2,000 kWh/mo. — 11.345¢/kWh
Seasonal Residential Service rate schedule S-1*
Service Availability Charge — \$384/yr.
First 800 kWh/yr. — 20.269¢/kWh
800 to 6,000 kWh/yr. — 11.145¢/kWh
Over 6,000 kWh/yr. — 11.345¢/kWh
(Minimum annual charge — \$384/yr. for service between March 1, 2021, and Feb. 28, 2022)

Commercial Service rate schedule C-1*
Service Availability Charge — \$26/mo.
First 1,500 kWh/mo. — 13.069¢/kWh
Over 1,500 kWh/mo. — 11.345¢/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

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

Brian Hill
General Manager/CEO
Joseph P. Boeckman
Counsel

