



As we celebrated an astounding 82 years of success for your cooperative last year, let us take a glance at how far we have come. Collectively, we continued our hard work to accomplish our goals and, in doing so, focused on our mission statement: “To safely provide our members exceptional, courteous and

reliable services at a competitive cost.” As we often communicate with all Community Electric Cooperative stakeholders, we are not in the power business but rather the “people business.” As a team, we strive to consistently place our attention on four main points: Safety, Reliability, Member Satisfaction and Financial Accountability. For us, it is all about you, the member!

regarding outages in 2020. We saw four Major Events logged: February – ice; July – an animal outage in Box Elder Substation; August – tornado damage from Tropical Storm Isaias; December (Christmas Day) – tornado activity. We also saw five events from power suppliers causing some extended outage times throughout the year, which correlated with our Major Events. A few abnormal weather-related outages in April and August caused increased outage activity. Even through all that, our system was up and running 98% of the time. Weather-related events were the cause of 65% of all outages, 9% unknown causes, 8% driven by animals, 7% caused by equipment failures and 11% capturing all others.

MEMBER SATISFACTION

Favorable service reliability numbers, along with a stable rate structure and team member responsiveness, led to a very high level of member satisfaction for your cooperative. How do we determine this? Engaging with our members during regular business hours, after hours, and anytime we are involved in the cooperative business. We listen to you, the member/owner. Your feedback is crucial to us in measuring this objective. Many of you were contacted as part of a member satisfaction survey conducted on our behalf by Cooperative Insights (formerly TSE Services), and we appreciate your help in answering the survey questions. The results of this survey indicate an excellent approval rating compared to other Virginia cooperatives and those nationally! We are very proud of this recognition, and we will strive to make it even higher in the future. Remember, we are YOUR cooperative and work not only to meet but to exceed your membership experience expectations.

FINANCIAL ACCOUNTABILITY

To summarize our 2020 year-end audited financials, we ended the year with a consolidated net margin of

Office Closure

Community Electric Cooperative will be closed on Monday, July 5, in observance of Independence Day. If you experience a power outage or emergency during this time, please report it by calling 1-855-700-2667 or by using our SmartHub app. Have a happy and safe holiday.

CONTACT US

52 W. Windsor Boulevard, P.O. Box 267
Windsor, VA 23487-0267

Phone 757-242-6181 Website comelec.coop

After-hours Outages
1-855-700-2667



Office Hours
Monday-Friday, 8 a.m.-5 p.m.

President/CEO
Steven A. Harmon

Local Pages Editor
Jessica Parr

Community Electric Cooperative is an Equal
Opportunity Provider and Employer.

SAFETY

Safety is a core value of Community Electric Cooperative and remains duly recognized as part of our DNA. Regarding safety, the most intense topic for 2020 was the COVID-19 pandemic. Much like all corporate America, the pandemic created the necessity to be flexible, adjust from our regular routines, and modify many aspects of our day-to-day operations. Thankfully, we did so successfully without the occurrence of significant incidents. Also, in 2020 we successfully sought to renew and were awarded recertification as a safety-accredited cooperative through the National Rural Electric Cooperative Association. This process ensures that CEC employees are following the proper safety procedures in the office and the field to keep themselves, their co-workers and the general public safe.

RELIABILITY

In reviewing our reliability goals, we experienced a challenging year

Annual Meeting Program

Aug. 10 at 7 p.m.

Due to the continued precautions of the COVID-19 pandemic and efforts to keep everyone safe, we are choosing not to promote a large gathering this year. To keep infections in our area low from the highly contagious virus, we plan to hold a short (15-20 minute) business meeting only to address the pertinent business of the cooperative, but of course, in a manner that adheres to the established CDC guidelines.

GUIDELINES

- All members are encouraged to tune in via Facebook Live.
- Any member wishing to attend in person is asked to provide a seven-day notice to annualmeeting@comelec.coop to allow for appropriate preparations to be made.
- Also, if you have questions suitable for this meeting, please submit them to annualmeeting@comelec.coop seven days before the meeting.
- We will be enforcing social distancing guidelines and other precautionary measures such as wearing masks for non-vaccinated members, proper personal hygiene, etc.

AGENDA

1. Welcome
2. Meeting Called to Order
3. Moment of Silence
4. Invocation
5. Notice of Meeting and Date of Mailing
6. Statement of Roll Call
7. Reports (in written form and available upon request)
8. Minutes of Last Meeting
9. Election of Directors
10. Old Business
11. New Business
12. Adjournment

\$1,192,117, which was extremely higher than the budgeted margin of \$121,806 and significantly higher than our 2019 net margin of \$649,371. Our balance sheet grew to \$55,794,850. This is an increase of \$1,925,501 from the 2019 total consolidated assets of \$53,869,349. We had a great year, especially considering the significant impacts of the COVID-19 pandemic, the RECORE dividend declaration, and the patronage capital refunds to our membership.

With the outstanding success of RECORE, we saw several positive effects on the financial affairs of both entities. In December of 2020, RECORE declared and paid a dividend for the sixth consecutive year (\$500,000) to the cooperative. Many of the additional financial highlights are shown on the next page for your review.

CAPITAL CREDITS

In recognition of our strong financial position, the board of directors approved a continuation of the cooperative's practice of retiring capital credits on a meaningful basis. During 2020, capital credit retirements were made on a general basis of \$321,995 and to estates for \$52,728, bringing the total retired during 2020 to \$374,723. These 2020 retirements brought the cumulative amount returned by your cooperative, since its inception, to an amount above \$19 million. Very soon, your board of directors will review the Cooperative's current financial position and a projection of its financials through 2021, and will consider additional general retirements of capital credits to be accomplished later in the year.

ANNUAL MEETING

Community Electric Cooperative's 2021 annual meeting will be held at the CEC headquarters (warehouse facility), very similar to last year. Due to the pandemic, we are choosing, once again, not to promote a large gathering. As we often express, CEC's core value of safety includes that of our valued membership our board, and our staff. To reduce the risk of exposure to the highly contagious virus, we plan to hold a short (15-20 minute) business meeting only

to address the pertinent business of the cooperative, but of course, in a manner that adheres to the established CDC guidelines. These guidelines include social distancing and other preventive measures such as wearing masks, proper personal hygiene, etc. Any member wishing to attend in person is asked to provide a seven-day notice to annualmeeting@comelec.coop to allow for appropriate preparations to be made.

Also, if you have questions suitable for this meeting, please submit them to annualmeeting@comelec.coop seven days before the meeting as well. This year, we will omit oral reports, door prizes, entertainment, exhibits and refreshments (all reports from the cooperative leadership will be made available in written form upon request). However, we will make remote participation in the meeting available for all members by livestreaming the meeting via the CEC Facebook page. If your schedule permits, please plan to join us on Facebook this year at 7 p.m. Tuesday, Aug. 10.

Respectfully submitted,



Jeannette S. Everett,
Chairman

Steven A. Harmon,
President
and CEO



Notice to the Membership

In accordance with Article IV, Section 4 of the Bylaws of Community Electric Cooperative, a Nominating Committee appointed by the Board of Directors met June 4, 2021, at the cooperative's office in Windsor, Va. The meeting was called to order by the duly elected chairman, Donald C. Cross, who kept the minutes thereof. The chairman then announced that the following were present:

Richard B. Brinkley, Jr.	Jane T. Joyner
Peter C. Crocker	Gayle B. Brown
D. Wayne Ellis	William W. Day
Ashby B. Brown	William F. Seiling
Donald C. Cross	

being all members of the Nominating Committee.

In accordance with the Bylaws, the Nominating Committee nominated the following candidates for directors for three (3) year terms to be voted upon by the membership of the cooperative at the Annual Meeting to be held Tuesday, Aug. 10, 2021, at the cooperative's headquarters in Windsor, Va.

City of Suffolk - Michael A. Faulk

Isle of Wright County - Kara D. Hearn

Southampton County - Douglas A. Chesson

Donald C. Cross, Chairman
June 4, 2021

Treasurer's Report as of Dec. 31, 2020

Operating Report

	2020	2019
OPERATING REVENUE	\$24,997,316	\$26,315,322
Purchased Power	14,965,303	16,648,930
Operating & Maintenance Expense	2,720,127	3,165,099
Administrative & Amortization Expense	3,593,873	3,405,784
Depreciation & Amortization Expense	2,139,908	2,048,027
Other	363,878	142,451
Interest on Long Term Debt	<u>710,420</u>	<u>806,028</u>
TOTAL OPERATING EXPENSES	\$24,493,509	\$26,216,319
OPERATING MARGINS	\$503,807	\$99,003
Non-Operating Margins - Interest & Other	395,097	174,569
Patronage Capital Allocated from Associated Organizations	<u>293,213</u>	<u>375,799</u>
NET MARGINS	\$1,192,117	\$649,371

Balance Sheet

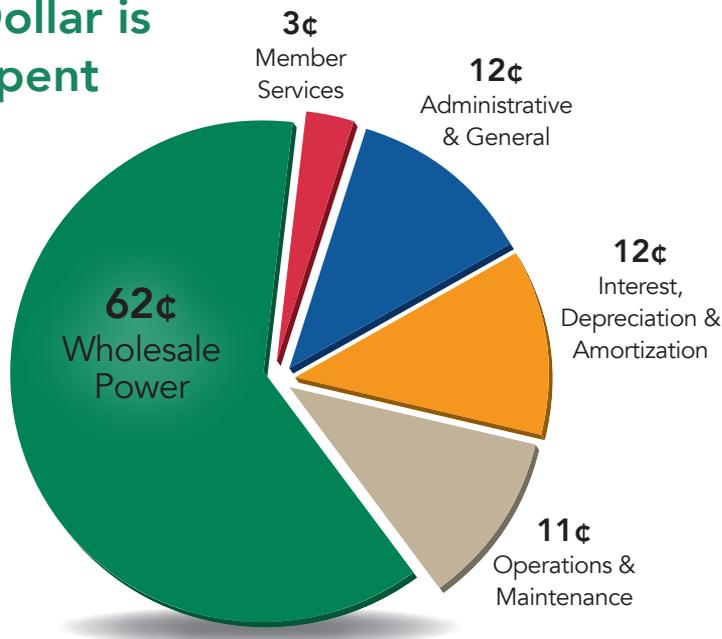
ASSETS (OWNED)

Electric Plant in Service	\$57,866,508	\$55,984,323
Non-Utility Property	3,448,120	3,356,191
Accumulated Depreciation	(26,612,516)	(24,902,131)
Cash and Temporary Investments	1,041,920	364,415
Investments in Associated Organizations	12,933,514	12,460,537
Accounts Receivable	3,225,203	3,111,919
Material & Supplies	2,036,954	1,566,643
Other Assets	<u>1,855,147</u>	<u>1,927,452</u>
TOTAL ASSETS	\$55,794,850	\$53,869,349

EQUITIES and LIABILITIES (OWED)

Memberships	\$57,210	\$56,435
Patronage Capital and Other Equities	28,470,378	27,556,341
Long-Term Debt	21,958,808	16,550,390
Line of Credit	0	4,600,000
Accounts Payable	1,787,180	2,007,841
Customer Deposits	533,276	554,718
Other Liabilities	<u>2,987,998</u>	<u>2,543,624</u>
TOTAL EQUITIES and LIABILITIES	\$55,794,850	\$53,869,349

How Your Dollar is Spent



Respectfully submitted,

Diana F. Beale
Secretary-Treasurer

Cooperative Equity Level

