

2021 Annual Meeting



**Presented
Saturday, August 28, 2021**



POWERING LIVES AND EMPOWERING THE COMMUNITIES WE SERVE.

PRESIDENT'S & MANAGER'S REPORT

It is our privilege on behalf of Consumers Energy's directors, management, and employees to report on some of the activities and financial position of the cooperative for the year 2020 and to provide information for 2021 to date.

The cooperative's Board of Directors and management continue to focus on Consumers Energy's core electric distribution business. A cost-conscious approach is used in managing the cooperative. This has contributed to positive financial performance and margins that are reflected in Consumers Energy's 2021 year-to-date financial statements.

Consumers Energy is a cooperative, and its members are the owners of this company. The amount a member pays for electricity and services provided by the cooperative that is not needed to operate Consumers Energy is paid back in the future to members as patronage capital credits. For the 2020 calendar year, the board chose to pay back patronage capital credits in the amount of \$750,000.

The cooperative has 22 full-time employees, two part-time employees, and three apprentice interns. We are most grateful to them for the effort and dedication they put forth to provide the membership with reliable electricity and energy advice. While we focus on the needs of our members, we also address the needs of our employees so the work in the office and out in the field can be performed safely and efficiently.

There are nine members serving on the cooperative's Board of Directors. The board annually holds 12 regular meetings and occasional special meetings. The directors also attend training seminars and meetings of affiliated state, regional, and national organizations and serve as the cooperative's delegates. Their participation in these meetings help the cooperative have a well-informed Board of Directors.

The financial report listed in this annual report provides the facts of the financial position of Consumers Energy as of December 31, 2020. The 2020 audit of the cooperative's financial statements was successfully completed by our auditor, Eide Bailly LLP, in February of this year. Please contact the cooperative office with any questions you might have in regard to this report.

We wish to extend our thanks to each member for the support and cooperation provided to Consumers Energy this past year.



Scan this QR code to view the current Board of Directors including contact information.



Bill Hobson
Board President



Bridget Itzen
CEO/General Manager

AGENDA:

- Call to Order
- Pledge of Allegiance & Invocation
- Introductions
- Reading of Notice of Meeting
- Minutes of Last Year's Meeting
- Treasurer's Report
- Report of Nominating Committee
- IAEC's Chuck Soderberg
- President's Report
- Manager's Report
- Report of Election
- Recognition of Retiring Board Members
- Adjournment
- Drawing for Bill Credit Prizes

How to use QR codes in this Annual Report:

- 1** Open your camera and point your smart device at the QR code.
- 2** Wait for camera to recognize and scan the QR code.
- 3** Click banner or notification when it appears on your screen.
- 4** Information associated with the QR code will automatically load.



TRY IT NOW!

MINUTES OF THE ANNUAL MEETING OF MEMBERS OF CONSUMERS ENERGY COOPERATIVE, held at the offices of the cooperative on August 29, 2020, at 10:00 a.m.

The 82nd Annual Meeting of the Members of Consumers Energy Cooperative was held at the offices of Consumers Energy in Marshalltown, Iowa, at 10:00 a.m. on Saturday, August 29, 2020, as a "drive-in" meeting. A quorum of members being present, the meeting was approved for the transacting of the business of the Cooperative. Notice of the meeting was given to all members by mail in the manner prescribed by law. A list of members present at the meeting is attached to these minutes.

The Pledge of Allegiance was led by President Bill Hobson, and the invocation was delivered by retiring Director Allan Armbrecht.

The meeting was called to order by President Bill Hobson, who acted as Chairman of the meeting. President Hobson introduced all current board members and guests. President Hobson introduced General Manager Jim Kidd.

The Secretary, Pat VonAhnen, announced that the members of Consumers Energy Cooperative had been properly notified of the time and place of the Annual Meeting pursuant to Iowa Code § 499.27 and the By-Laws of the Cooperative. The Notice of Meeting was read by the Secretary. A copy of the Notice of Meeting and Affidavit of Mailing is also attached to these minutes.

The Secretary offered to provide the members with a copy of the minutes of the prior Annual Meeting upon request.

The Treasurer, Pat VonAhnen, presented the Treasurer's report. The Treasurer provided information to the members concerning the Statement of Operations for the year ending December 31, 2019, and the Financial Report – Balance Sheet dated December 31, 2019.

President Hobson stated that the next order of business was the election of directors and the Report of the Nominating Committee. President Hobson introduced Loyd Nelson who presented the Report of the Nominating Committee, nominating members of the Cooperative for three (3) director positions for three-year terms each, to be elected at the Annual Meeting. The director candidates were introduced to the members. A copy of the Report of the Nominating Committee is attached.

President Hobson announced that the vote would then be taken for the election of directors. Members were asked to vote by written ballot. Inspectors of Election were duly appointed and were instructed to collect the members' ballots and to count the votes and report the results to the members later in the meeting.

President Hobson introduced Bill Cherrier, Executive Vice President and CEO of CIPCO, who made remarks to the members. President Hobson then gave the President's Report to the members. General Manager Jim Kidd presented his report to the members about storm recovery efforts.

President Hobson introduced Loyd Nelson, Chairperson of the Election and Credentials Committee, who also acted as the Chairperson of the Inspectors of Election. The Chairperson of the Inspectors of Election presented the Report of Election. The Chairperson of the Inspectors of Election reported that the vote for directors was as follows:

THREE-YEAR TERM

DISTRICT # 1: MARSHALL, JASPER, and TAMA COUNTIES:

Patricia (Pat) VonAhnen

DISTRICT #2: STORY COUNTY:

Steve Quick

DISTRICT #3: POLK COUNTY:

Cody Rognes

President Hobson directed the Secretary to attach the Certificate of Inspectors of Election signed by the Inspectors of Election to the Minutes of the Meeting and stated that the members were duly elected as directors of the Cooperative to hold office for the term specified and until their successors have been elected and qualified.

President Hobson recognized retiring members of the Board, Allan Armbrecht and Terry Benskin.

There being no other business to come before the Annual Meeting, the meeting was adjourned at approximately 10:45 a.m. by President Hobson.

A drawing for bill credit door prizes followed adjournment of the meeting, and all members in attendance received an attendance prize.

**Consumers Energy
Financial Report
Balance Sheet
December 31, 2020 and 2019**

	2020	2019
Assets		
Cash & Temporary Investments	4,086,782	4,164,238
Investments in Associated Organizations	8,757,104	8,516,963
Current Assets	4,206,601	4,534,385
Other Assets	1,957,707	1,189,225
Total Utility Plant	55,303,495	51,930,505
Less Accumulated Depreciation	21,852,677	21,187,944
Net Utility Plant	33,450,818	30,742,561
Total Assets	52,459,012	49,147,372
Liabilities		
Current Liabilities	4,839,219	4,710,918
Long-Term Debt	22,078,308	20,594,079
Other Liabilities & Credits	38,564	33,539
Operating Margins Prior Years	17,713,584	16,851,348
Patronage Capital	5,262,655	4,306,589
Margins	2,526,682	2,650,899
Total Liabilities & Equity	52,459,012	49,147,372

Statement of Operations

For the years ended December 31, 2020 and 2019

	2020	2019
Operating Revenues	19,400,595	21,080,915
Operating Expenses		
Cost of Purchased Energy	10,693,882	12,261,089
Cost of Operations & Maintenance	4,317,233	4,367,956
Depreciation	1,617,123	1,578,552
Taxes	289,698	289,429
Interest Expense	1,029,836	1,010,633
Total Expense	17,947,772	19,507,659
Margins from Operations	1,452,823	1,573,256
Patronage Capital received from		
Associated Organizations	1,060,826	1,034,200
Nonoperating Margins	13,033	43,443
Total Margins	2,526,682	2,650,899

Congratulations, **SUZANNE!**



CAROL GILBERT, NOMINATOR; SARA WILSON, BALLARD EDUCATION FOUNDATION BOARD PRESIDENT; SUZANNE ASKELSEN, SHINE THE LIGHT WINNER; BRIDGET ITZEN, CONSUMERS ENERGY CEO; OTTIE MAXEY, BALLARD COMMUNITY SCHOOL DISTRICT SUPERINTENDENT

Scan this QR code to view the winners of the 2021 Shine the Light contest!



Consumers Energy member Suzanne Askelson was nominated by her mother, Carol Gilbert, who is a member of Midland Power Cooperative. Suzanne was recognized for her work with the Ballard Education Foundation. She was part of the new foundation's steering committee and served as the first president for four years. A mother of six, she makes it a priority to serve in her community.



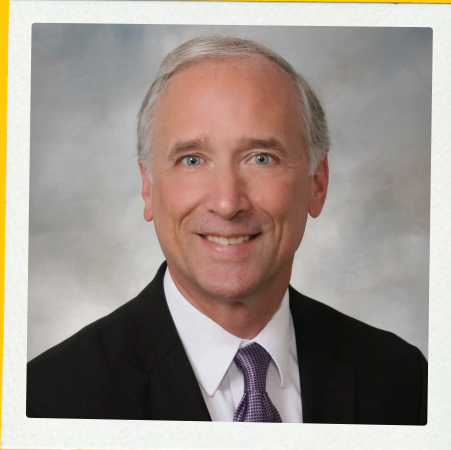
Shine the Light is a new statewide contest to celebrate Iowa's local volunteers this summer!

Shine the Light is an opportunity for members and employees of Iowa's locally owned electric cooperatives to nominate someone who has made a positive difference in their community, following Cooperative Principle #7: Concern for Community.

The Iowa volunteer you nominate next summer could be one of the winners who will each receive a donation for their charity or community organization.

ABOUT CHUCK:

Chuck joined IAEC in 2015 as the association's fifth executive vice president. Prior to IAEC, Chuck was employed by Northwest Iowa Power Cooperative (NIPCO) for 36 years, where he served as the vice president of planning and legislative services since 2002. He brings a vast array of skills and experience in leadership, management, member service, program development and communications. Chuck also served in the Iowa House where he represented the 5th district from 2005 to 2015. He sat on several committees in the Iowa House including the Commerce and Environmental Protections Committees, and he also served as the chair of the Appropriations Committee.



IAEC'S MISSION:

IAEC serves, supports, and advocates for our members by providing expertise and collaborative leadership.

ABOUT IAEC:

The Iowa Association of Electric Cooperatives is a trade association established to support the interests of member-owned electric cooperatives, including 39 distribution co-ops and nine generation and transmission co-ops. Formed in 1942, IAEC aims to unify and empower Iowa's electric cooperatives through legislative representation, regulatory oversight, training and education services, safety programs, communications support, and advocacy.

Owned by the member-consumers we serve, Iowa's community-focused electric cooperatives power the lives of 650,000 Iowans throughout all 99 counties and are committed to delivering power that is safe, reliable, affordable, and environmentally responsible.



Check out this NRECA video about bringing life-changing electricity to rural villagers in Central America. Chuck will talk about this program during his speech at the 2021 Annual Meeting.



CONSUMERS ENERGY'S
PROGRAMS & SERVICES

Use your smartphone camera to scan these QR codes to learn more about these awesome programs and services offered by Consumers Energy!
For more information, contact the Member Services Department at **800-696-6552** or **info@consumersenergy.coop**.

SmartHub

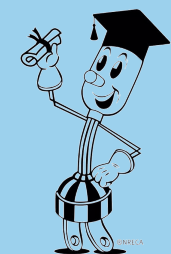


SmartHub allows members to schedule payments, view usage, have instant access to the cooperative's outage map, get account notifications, contact co-op staff, and more!

Access SmartHub online or download the app!

Scholarships

Consumers Energy offers **\$1,000** scholarships for academic and lineworker students pursuing post-secondary education.



Youth Tour + Iowa Youth Leadership Academy



Consumers Energy annually awards an ALL-EXPENSES-PAID trip to Washington, D.C., for high school students who are dependents of members!

Look for details on the Iowa Youth Leadership Academy in next month's newsletter, and visit www.IowaYouthTour.com for more information!

Rebates

Consumers Energy offers a variety of rebates for residential, commercial, and agricultural members.



Water Heaters




Consumers Energy stocks and sells select Marathon and Ruud energy-efficient electric water heaters with exclusive pricing for members only.

POWERING LIVES AND EMPOWERING THE COMMUNITIES WE SERVE.



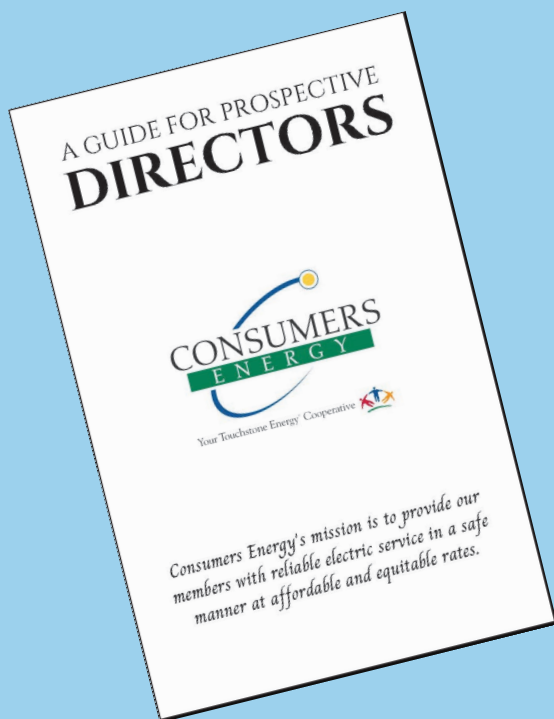
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Interested in becoming a director for Consumers Energy?

Included with your attendance gift at the 2021 Annual Meeting is a brochure that gives an overview of what being a director for Consumers Energy entails.

Please contact Consumers Energy if you would like more information on how you can be involved!

**Looking for something to do while you wait
for the Annual Meeting to start?**

**Check out these fun games and activities
on Consumers Energy's Website!**

