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# 2011 Annual Report

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*These poles have roots*

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## Clark Electric Cooperative

Annual Meeting  
Loyal American Legion Hall  
**Thursday April 12, 2012**  
Starting at 9:30 a.m.





# Notice of the Annual Meeting of the Membership of Clark Electric Cooperative Thursday, April 12, 2012

The 75th annual meeting of the members of Clark Electric Cooperative will be held at the American Legion Hall in the city of Loyal, Clark County, Wisconsin on **Thursday, April 12, 2012** beginning at 9:30 a.m.

Action will be taken on the following items of business:

1. Report of Officers, Directors, Employees and Guests.
2. Election of three (3) board members, Charles Bena, Anthony Jarocki, and Howard Schultz whose terms will be expiring.
3. The selection of delegates to Dairyland Power Cooperative Annual Meeting.
4. Such other business that may come before the meeting.

Dated this 20th day of March, 2012.

*Wilmer Griepentrog*  
/S/Wilmer Griepentrog  
President

## Note: Nominations and Election

Nominations will be received from the floor at the annual meeting of members. If there is more than one nominee, election shall be by ballot and majority vote. In the event no candidate receives a majority of the votes cast on the first ballot, then all but the two persons receiving the greatest number of votes cast shall be dropped from the ballot on the second and succeeding ballots.



## Rules Of Order For Official Business Meeting

1. The meeting will be conducted in accordance with the current edition of Robert's Rules of Order and under the following special Rules of Order.
2. Members wishing to speak are to give their name(s) and Town location in which they are members.
3. During nomination and election proceedings for director, candidates will be allowed to speak for four minutes; and one member supporting his/her candidacy will also be allowed to speak for four minutes.
4. Resolutions must have been submitted to the Board of Directors prior to the Annual Meeting to give the Board an opportunity to make a recommendation to the membership.
5. Other than individuals on the Annual Meeting program, only members will be allowed to speak for four minutes on each issue and for one time only except that an additional two minutes may be granted by  $\frac{2}{3}$  majority of the vote at the meeting
6. No signs or handouts will be permitted within the building of the place of the meeting, except such handouts as required for the official conduct of the Annual Meeting.
8. No demonstrations shall be held within the building of the place of the meeting.





**F**or 75 years, our cooperative members have been connected by more than poles and wire. Our roots go deep because the most important connections have been between people.

We dedicate this annual report to our cooperative's founding members for their vision and commitment to electrify our rural region. The people of Clark, Chippewa, Jackson, Marathon, Taylor and Wood counties built a strong organization through cooperation. It is our responsibility to continue this legacy.



## Vision, Mission & Value Statement

### Our Vision

Members are the reason for our existence. We strive to be recognized and respected by our membership as providing the highest level of quality service and value through accountability, innovation, integrity, and commitment to community.

### Our Mission

To provide reliable, competitively priced energy and related services to our customers and maximum value to our members consistent with the wise use of resources and technology. We will work with our members to improve the social and economic well being of the region.

### Our Organizational Values

- ▲ We will strive to provide services that exceed our member's expectations, emphasizing honesty, quality, and sound business principles.
- ▲ Encourage the wise use of our energy resources.
- ▲ As we conduct our business, we will be responsible members of our community, good stewards of the environment, and follow safety practices while focusing on continuous improvement of our processes and services.
- ▲ Reference the Seven Cooperative Principles as our guide to our business platform.
- ▲ Practice fiscal responsibility.
- ▲ Working together, we have the power to make a difference.

### *Moments in time...*



*Wisconsin Power Cooperative, which generated the power supplied to Clark Electric's first section of line in 1938, was the first generating cooperative in the nation.*





# Abbreviated Minutes of The 2011 Annual Meeting

The 74<sup>th</sup> Annual Meeting was held on April 13, 2011, and was called to order at 9:30 a.m. by President, Wilmer Griepentrog.

Ronald Schmidt gave the invocation.

National Anthem was presented.

Ronald Schmidt gave the Pledge of Allegiance.

The roll call was dispensed with as members registered at the door and a quorum to conduct business was present.

The Rules of Order for Official Business Meeting were adopted.

It was moved and seconded to approve the Agenda as printed in the 2010 Annual Report.

The Notice of Annual Meeting and Proof of Due Mailing were read.

Minutes of the 2010 annual meeting were approved as mailed.

The Board of Directors, former directors, and guests were introduced.

The President's report was approved as printed in the report.

The Treasurer and General Manager's reports were accepted as given.

Nominations were open for a director to succeed Jeremy Baxter (Holway) whose term was expiring. It was moved and seconded to cast a unanimous ballot for Jeremy Baxter. Motion carried.

Nominations were open for a director to succeed Wilmer Griepentrog (Sherman) whose term was expiring. It was moved and seconded to cast a unanimous ballot for Wilmer Griepentrog. Motion carried.

Beata Kalies, Wisconsin Electric Cooperative Association, presented Tracy Nelson, administrative assistant, with an award for excellence in the Reporting of Co-op Information category for the local pages in the Wisconsin Energy Newsletter.

Mr. Brian Rude, Vice-President of External and Member

Relations for Dairyland Power Cooperative, reviewed operations at the Generation and Transmission Cooperative.

Recessed for a Break at 11:00 a.m.

Reconvened into Regular Session at 11:15 a.m.

It was moved and seconded to compensate the member delegates the same per diem as last year and to use the IRS standard rate for mileage.

It was moved and seconded to leave the number of member delegates to the Dairyland Power Cooperative Annual Meeting the same.

It was moved and seconded to approve the member delegates as nominated and that the Board of Directors appoint the remaining delegates to attend the Dairyland Annual Meeting, if needed, at the next scheduled board meeting. Motion carried.

Answered questions from the Question Box.

There was no unfinished business.

There was no new business.

Moved and seconded to adjourn at 11:30 a.m.

## Moments in time...



*Mr. and Mrs. Arthur Bobb, seated, lived on the farm that was first to be connected to the energized lines of Clark Electric. Standing behind them are their son and daughter-in-law, Mrs. and Mrs. Kenneth Bobb, and seated in front are their grandchildren Anita, Danny, and Carolyn. Kenneth was elected to the board of directors of Clark Electric Cooperative in 1958 and re-elected to his second three year term in June 1961. Cruel fate visited the family a month later when he died in a car accident. Mrs. Bobb died a few days later from injuries suffered in the same accident.*



*Wallace J. Landry was the driving force behind the organization of Clark Electric Cooperative.*



# President and General Manager's Report

It is our privilege, on behalf of the Board of Directors, Management, and Employees of Clark Electric Cooperative to provide this annual report for year ended December 31, 2011. The Cooperative's financial report for year-end 2011 & 2010 is contained in this booklet. Please take a few minutes to review the information contained herein.

The United Nations has designated 2012 as the International Year of Cooperatives, the theme of which is "Cooperative Enterprises Build a Better World". Cooperatives are a model of self-reliance and an example of people working together to improve their quality of life.

It is indeed appropriate that the United Nations has designated 2012 as the year of cooperatives because at Clark Electric Cooperative, we too are celebrating our 75<sup>th</sup> anniversary of providing electric service to our members this year. Cooperative enterprises build a better world is certainly true of Rural Electrification and Clark Electric Cooperative. We would like to highlight some history and provide some insight into your organization, Clark Electric Cooperative.

Prior to the 1930's, American agriculture had long been struggling. Very few farms had access to electricity. Rural life was extremely difficult and very labor intensive. Cows were milked and watered by hand. Milking was done by the dim light of kerosene lanterns. Water was pumped by hand and food was cooked over wood stoves. Laundry was done outside with a large tub of water suspended over fire to heat it. Children studied by the small circle of light cast by kerosene lamps. Outside the small circles of light, the rooms of a farmhouse were dark.

Seventy-five years ago, Americans were struggling to recover from the effects of the Great Depression. The

lack of electricity made life an even greater struggle for rural citizens. Many of the agricultural leaders of that era declared that widespread farm electrification would be a primary force in rural rehabilitation, both economically and socially. On May 11, 1935, by Executive Order 7037, President Roosevelt created the Rural Electrification Administration. The Administration was endowed with \$100,000,000 for rural electrification. It was expected that the electric industry, investor owned utilities that electrified urban centers, would embrace the program and begin some sort of rural electrification program. Unfortunately, investor-owned utilities saw no profit in providing electricity to sparsely populated areas. So, when it became evident that the power companies held little or no interest in building their lines into the rural community, farm folks began to talk in terms of organizing themselves into a cooperative corporation to do the job. This is where our story begins.

In the mid 1930's, there were three electric cooperatives being organized in Clark County; Willard Electric Cooperative - in the Willard area, Big Four Cooperative Electrical Association - in the Spencer vicinity, and Clark Electric Cooperative. Willard Electric Cooperative came first. The Articles of Incorporation were filed March 27, 1936, making it the second electric cooperative to be chartered by the state. The Big Four was third, just three days later on March 30, 1936. (The first electric cooperative in the state of Wisconsin was Richland Electric Cooperative, the only one of the three still existing today).

In terms of unofficial organizational meetings, Big Four preceded Willard with a session at Spencer on January 10, 1936. The meeting, attended by some 300 farmers, was arranged by the leadership of the Big Four Co-op Oil Company. Willard's first unofficial organization meeting was

held March 19, 1936, after a long period of person to person work by organizers.

Clark Electric Cooperative was organized independently and chartered on April 1, 1937. The first annual meeting of the newly formed cooperative was held April 12, 1937. Vern G. Howard was chosen as the first president of Clark Electric Cooperative. Martin Klarich was elected vice president and Wallace J. Landry was elected secretary-treasurer. The remaining original directors were L.T. Klein, C.F. Baldwin, Ed Klein, Rex Cooper, Gustave H. Voight, and Milton F. Page.

Throughout this period of time, The Big Four and Willard Electric Cooperative retained their status and identity. However, it was becoming apparent to the leaders of the REA movements in the county that one large cooperative project would be more satisfactory than the numerous smaller cooperatives in each of several communities that had originally been visualized. On June 26, 1937, representatives of these two pioneering cooperatives, along with representatives of Clark Electric Cooperative, met at the village hall in Loyal. Representatives from the Big Four and Willard Boards of Directors quickly approved resolutions to sell their respective assets to Clark Electric Cooperative. The Clark Board voted to purchase. Thus, it took only this brief session to consolidate the leadership of these three electric cooperatives into a more effective structure. The charters of the Big Four and Willard Electric Cooperatives, among the first three to be issued in Wisconsin, were forfeited to the Secretary of State on January 1, 1938.

*(continued on page 6...)*



Today, we are now celebrating 75 years of providing service to our members. It is not by accident that we are holding this year's Annual Meeting on April 12, 2012, exactly 75 years to the day of our first Annual Meeting. We will be celebrating the history of Clark Electric Cooperative all year long with a monthly column in the *Wisconsin Energy Cooperative News* entitled Moments in Time that reflects upon our success, challenges, and obstacles from 1937 to today. We hope you enjoy our story.

### 2011 Year End Results

Clark Electric Cooperative continues to report solid financial performance. The Board of Directors is committed to maintaining Clark Electric Cooperative in a strong financial position. The positive performance for 2011 continues the trend of maintaining a progressive, yet sound organization. Clark Electric Cooperative's equity position remains one of the strongest in Wisconsin while electric rates remain among the most competitive in the Cooperative segment of the Wisconsin electric industry. The result of this sound financial positioning has allowed the Cooperative to once again retire allocated capital credits to our membership. During 2011, the Board of Directors approved total retirements of \$ 762,029. This brings the total dividends retired to our members to over \$18,292,857.

### Financial Statistics

Total electric energy sales increased moderately with a 2.17% increase from the 2010 level to 174,894,932 kWh sold. By way of comparison, the 2011 level is still 2.91% below kWh sales in 2008. However, as a result of taking significant steps to address our challenges in 2011 combined with a continued aggressive cost containment program, the Cooperative helped to offset ever increasing cost which resulted in a positive operating margins of \$ 805,119 compared to \$ 1,036,812 in 2010. The Operating

Times Interest Earned Ratio (TIER) decreased to 3.64 from 4.56 in 2010. Our Equity Ratio decreased slightly from last year's level of 75.86% of total assets to the 2011 year end level of 74.89% of total assets.

The Cooperative utilized the second half of the RUS portion of our long term financing option. In addition, the cooperative utilized short term line of credit to supplement our capital needs. The continued amortization of Debt Service of Long Term Debt, and the recent requisition of the RUS financing, resulted with a year end Debt to Total Assets Ratio of 17.99% as compared to 17.06% in 2010.

Finally, it is important to note that Clark Electric Cooperative has met or exceeded vital statistical tests as required by our lenders, the Rural Utilities Service and the National Rural Utilities Cooperative Finance Corporation. In addition, our financial condition is audited every year by an independent auditing firm. The audit confirms and reports on the financial condition, controls, and procedures used by Clark Electric Cooperative.

### Operations

Each year the Cooperative performs a host of maintenance programs designed to help maintain our continuity of service and keep the electric system operating efficiently. Major maintenance programs include pole testing, reclosure maintenance, regulator maintenance, vegetation management, tree trimming, and overhead/underground line inspection. The year 2011 was marked by a number of summer storms that drove the System Average Interruption Duration Index (SAIDI), a system reliability index, to 4.50, down slightly from the 2010 level of 4.68. The five year average is 3.33. The 2011 index is below the RUS established threshold while the 5 year average is well below the Rural Utilities Service established threshold.

The Cooperative invested approximately \$ 1,642,928 in new distribution plant during 2011. This represents new construction/replacement of electric lines and infrastructure, new service extensions, and member service upgrades. In addition, a total of 72 new services were added as compared to 54 new services during 2010.

### Commitment to Community

One of Clark Electric Cooperative's core values is commitment to community. During this past year Cooperative personnel visited schools, area fire departments, and other community events to discuss electrical education and safety. Our youth programs continue with our scholarship program and our youth leadership program. The scholarship program, a program designed for graduating seniors located throughout our service area is funded with unclaimed capital credits. To date the Cooperative has awarded in excess of \$ 140,000 since 1995. The Youth Leadership program focuses on leadership training and education about Cooperatives. These outreach programs continue to be well received and are tangible examples of our commitment to our area young people.

In 2004, Clark Electric Appliance and Satellite, Inc. established the Adler - Clark Electric Community Commitment Foundation. The purpose of the Foundation is to strengthen local communities by helping not-for-profit and community organizations fund projects that will enhance the quality of life of local residents of this area. In seven years of operation, the Foundation has awarded \$ 187,075 for community enrichment projects in our local communities throughout our service area. The Foundation will continue to be a strong community resource for many years to come.



## The Future

As we look to the future, we note that many challenges lie ahead. One of the major challenges we face is in the area of increased wholesale power cost. As you are all aware, we have experienced significant increases in wholesale power cost since 2006. Last year we experienced a 2.8% increase in rate from the 2010 level. Unfortunately, we are again expecting an increase in wholesale charges of approximately 3.0%. Wholesale power costs accounts for 71.67% of Clark Electric Cooperative's total cost of providing electric service and is a major cost driver of your bill.

There are several key areas that are having a significant impact on our wholesale power costs. Individually, each of these factors is significant, but collectively they present substantial challenges. The main contributing factors to the increased costs in 2012 are environmental improvements due to CSAPR, recent environmental generation control installations (i.e. scrubbers), cost of fuel and planned major maintenance at Weston 4 and Genoa 3 facilities.

Dairyland Power Cooperative (DPC) is making major investments in environmental controls and renewable energy resources. DPC is in the midst of a \$ 400 million plan to meet new state and federal environmental regulations. In addition, DPC is also aggressively expanding its renewable facilities. While renewable energy requirements vary in the states Dairyland serves, Dairyland's Board of Directors have been aggressive in acquiring renewable resources and our power provider is ahead of all current state mandates. In 2011, more than 11% of Dairyland's Class A retail sales came from renewable energy resources. DPC is slightly ahead of current mandates and continues to expand its power supply with prudent investments in renewable energy resources. The

largest renewable resource is a 40 MW facility using biomass as its fuel, which came online in the fall of 2010. This is a converted coal to biomass facility that uses wood waste to create energy. DPC's other renewable energy resources include hydro, wind, landfill gas, and several manure digesters. These expansions of DPC's renewable energy resources are positive additions relating to our environment and will help Dairyland meet future regulatory requirements. However, this also increases the overall cost to provide members with electricity causing immediate upward rate pressures.

The cost of fuel to operate DPC's power plants - mainly coal - and its transportation (rail and barge), accounts for DPC's largest annual expense. DPC plants used approximately 2.4 million tons of coal in 2011. While this remains Dairyland's largest expense, there has been significant decline in coal usage at Dairyland's facilities last year due to decreased operating hours since joining the Midwest ISO.

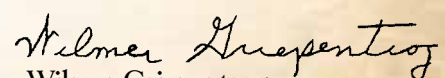
Finally, we would like to provide a quick update in regards to some recent rule making from the U.S. Environmental Protection Agency (EPA). One such rule is the Cross-State Air Pollution Rule (CSAPR) which was released last July and scheduled for implementation on January 1, 2012. Dairyland is already in the midst of a \$ 400 million environmental improvement plan which would meet the requirements of the prior rule (Clean Air Interstate Rule) addressing similar concerns, but the advent of CSAPR changed the rules in the middle of the game. Dairyland evaluated options to ensure compliance with CSAPR and found it would be impossible to get the planned equipment permanently installed by the deadline and could be very costly to purchase power elsewhere since many other utilities were in the same situation. CSAPR

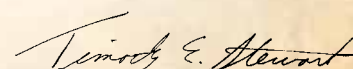
was initially estimated to cost Dairyland approximately \$ 10.2 million in 2012 alone, but a federal court implemented a stay on the new rule on the last business day of 2011. This is good news as it has provided a bit of a reprieve and reduced planned expenses for 2012. The bad news is the uncertainty is still there - uncertainty as to when the rule may be implemented, and perhaps what new rule proposal might replace it.

While DPC is facing financial obstacles in the coming years, it is essential that our wholesale power provider continues to maintain a strong financial position and invests in projects to meet our future energy needs.

As our nation and many in our community face trying economic times, it is essential that fiscal issues continue to be diligently and effectively addressed by our wholesale power supplier. Clark Electric Cooperative and Dairyland Power Cooperative will continue to strive to stabilize cost and provide our membership with a reliable, competitively priced energy supply.

In closing, be assured that the Board of Directors, Management and Employees of your Cooperative will continue to pursue and improve methods to bring you safe, dependable power and other related services. Clark Electric Cooperative is your organization, and we are dedicated to serving our membership in the most practical, cost effective manner. We approach the future with confidence and the knowledge that the commitment and dedication to service, membership owned, and not-for-profit operation will enable us to focus on you, our customer and owner. It is an honor and a privilege to be of service to you.

  
Wilmer Griepentrog  
President

  
Timothy E. Stewart  
CEO/GM



## Clark Electric Board of Directors



**Wilmer Griepentrog**  
President  
1999 - Present  
Town of Sherman



**Ronald Schmidt**  
Vice President  
1996 - Present  
Town of Brighton



**Charles Bena**  
Secretary/Treasurer  
2003 - Present  
Town of Mead



**Anthony Jarocki**  
Director  
1997 - Present  
Town of Hixon



**Clarence Hoesly**  
Director  
1998 - Present  
Town of York



**Howard Schultz**  
Director  
2003 - Present  
Town of Weston



**Jeremy Baxter**  
Director  
2005 - Present  
Town of Holway

### *Moments in time...*



The first picture of record of a board of directors of Clark Electric Cooperative was taken June 11, 1940, following the annual meeting held on that date. Standing, left to right, are Wallace J. Landry, secretary-treasurer; William A. Dallman, manager; L.T. Klein; Rex Copper; Vern G. Howard, president; and John Barth. Seated, left to right, are Ed Klein; Martin Klarich, vice president; J.H. Langfeldt; and Gustave Voight. All except Langfeldt and Barth were elected as original members of the board on April 12, 1937



# Statement of Cash Flows

## Increase (Decrease) in Cash and Equivalents

### Cash Flows From Operating Activities

	<b>2011</b>	<b>2010</b>
Net Margins	\$ 1,708,460	\$ 1,846,534
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation and Amortization	959,036	949,103
G&T Capital Credits	(686,045)	(445,010)
Gain on Equity in Subsidiary/Sale of Investments	(158,308)	(344,279)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	86,447	(120,547)
Notes Receivable	48,094	70,421
Materials and Supplies	(54,178)	28,686
Other Current and Accrued Assets	(12,207)	(41,602)
Accounts Payable	106,503	(17,176)
Other Current and Accrued Liabilities	(6,261)	(142,926)
Net Cash Provided by Operating Activities	1,991,541	1,783,204

### Cash Flows From Investing Activities

Capital Expenditures	(1,862,057)	(1,588,877)
Investments in Associated Organizations and Other Assets	137,771	252,532
Dividend Received	0	200,000
Net Cash Provided by (used in) Investing Activities	(1,724,286)	(1,136,345)

### Cash Flows From Financing Activities

Long-term Borrowing	1,400,000	600,000
Payments on Long-term Debt	(432,529)	(293,905)
Advance Payments on Long Term Debt	(310,623)	
Capital Credits Retired	(697,104)	(884,691)
Changes in Other Equities and Consumer Deposits	(9,908)	78,253
Net Cash Provided by (used in) Financing Activities	(50,164)	(500,343)

### NET INCREASES IN CASH AND CASH EQUIVALENTS

**217,091**      **146,516**

### CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

**811,893**      **665,377**

### CASH AND CASH EQUIVALENTS, END OF YEAR

**\$1,028,984**      **\$ 811,893**



# Balance Sheet - December 31, 2011

## Assets and other Debits

	Dec 2011	Dec 2010
Total Plant in Service	\$ 31,329,560	\$ 30,197,529
Construction Work in Progress	25,140	27,934
Total Utility Plant	31,354,700	30,225,463
Accumulated Depreciation & Amortization	7,969,377	7,743,162
<b>Net Utility Plant</b>	<b>23,385,323</b>	<b>22,482,301</b>
Investments in Subsidiary Companies	4,693,180	4,551,904
Investments Associated Organizations - Patronage Capital	6,408,888	5,872,510
Investments Associated Organizations - Other General Funds	493,378	493,378
Other Funds	168,131	162,032
Special Funds	-	-
<b>Total - Other Property and Investments</b>	<b>11,763,577</b>	<b>11,079,824</b>
Cash - General Funds	467,143	781,162
Temporary Investments	748,750	210,577
Notes Receivable - Net	78,585	126,679
Accounts Receivable - Net Sales of Energy	1,928,345	2,030,495
Accounts Receivable - Net Other	37,048	21,344
Materials and Supplies Electric and Other	312,368	258,190
Prepayments	169,574	157,365
Interest & Dividends Recievable	5,097	5,097
<b>Total Current and Accrued Assets</b>	<b>3,746,910</b>	<b>3,590,909</b>
Other Deferred Debits	19,151	42,781
Accumulated Deferred Income Taxes		
<b>Total Assets</b>	<b>\$ 38,914,961</b>	<b>\$ 37,195,815</b>

## Liabilities and Other Credits

	Dec 2011	Dec 2010
Patronage Capital	\$ 19,453,247	\$ 18,849,637
Patronage Capital - Non Assignable	2,772,269	2,306,610
Operating Margins - Current Year	1,438,197	1,430,548
Non-Operating Margins	270,263	415,981
Other Margins and Equities	5,209,264	5,214,523
<b>Total Margins and Equities</b>	<b>\$ 29,143,240</b>	<b>\$ 28,217,299</b>
Long Term Debt - REA (net)	4,099,604	3,237,637
Long Term Debt - Economic Development	37,500	82,500
Long Term Debt - (NRUCFC)	2,601,593	2,739,756
<b>Total Long Term Debt</b>	<b>\$ 6,738,697</b>	<b>\$ 6,059,893</b>
Notes Payable	-	-
Accounts Payable	1,568,516	1,462,013
Consumers Deposits	96,525	101,688
Other Current and Accrued Liabilities	1,103,614	1,055,944
Current Maturities-Long Term Debt	264,369	286,326
<b>Total Current and Accrued Liabilities</b>	<b>\$ 3,033,024</b>	<b>\$ 2,905,971</b>
Deferred Credits	-	12,652
<b>Total Liabilities and Other Credits</b>	<b>\$ 38,914,961</b>	<b>\$ 37,195,815</b>



# Statement of Operations

Item	Dec 2011	Dec 2010
Operating Revenue	\$ 19,000,652	\$ 18,388,777
Cost of Power	13,041,984	12,404,413
Transmission Expense		
Distribution Expense-Operation	1,142,001	1,163,837
Distribution Expense-Maintenance	1,288,979	1,040,979
Consumer Account Expense	444,026	472,952
Consumer Service & Info Expense	127,143	147,266
Sales Expense	36,373	38,138
Administrative and General Expense	656,019	641,997
Total Operations Expense	\$ 3,694,541	\$ 3,505,169
<b>Total Operation &amp; Maintenance Expense</b>	<b>\$ 16,736,525</b>	<b>\$ 15,909,582</b>
Depreciation & Amortization Expense	959,036	949,103
Tax Expense - Property	190,082	190,901
Tax Expense Other	434	6,200
Interest Long Term Debt	304,488	291,010
Interest Expense- Other	1,127	1,542
Other Deductions	3,841	3,627
Total Fixed Expenses	1,459,008	1,442,383
<b>Total Cost of Electric Service</b>	<b>\$ 18,195,533</b>	<b>\$ 17,351,965</b>
<b>Patronage Capital &amp; Margins</b>	<b>\$ 805,119</b>	<b>\$ 1,036,812</b>
<b>Non-Operating Margins</b>		
Interest Income	52,261	40,639
Non-Operating Margins - Other	165,035	324,068
Generation & Transmission Capital Credits	633,078	393,736
Other Capital Credits	52,967	51,274
Total Non-Operating Margins	903,341	809,717
<b>Patronage Capital - Margins</b>	<b>\$ 1,708,460</b>	<b>\$ 1,846,529</b>

## Moments in time...

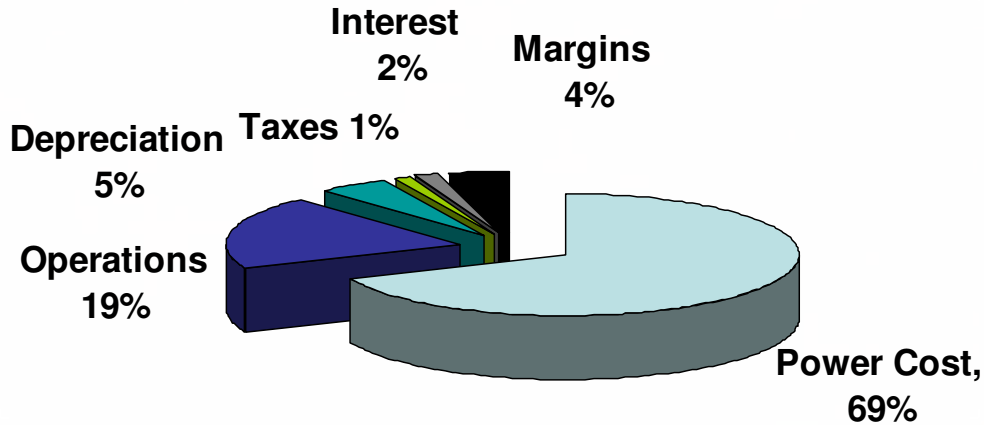


Wallace Landry reviews newspaper clippings proclaiming approval of construction loans to Clark Electric in the amount of \$850,000.

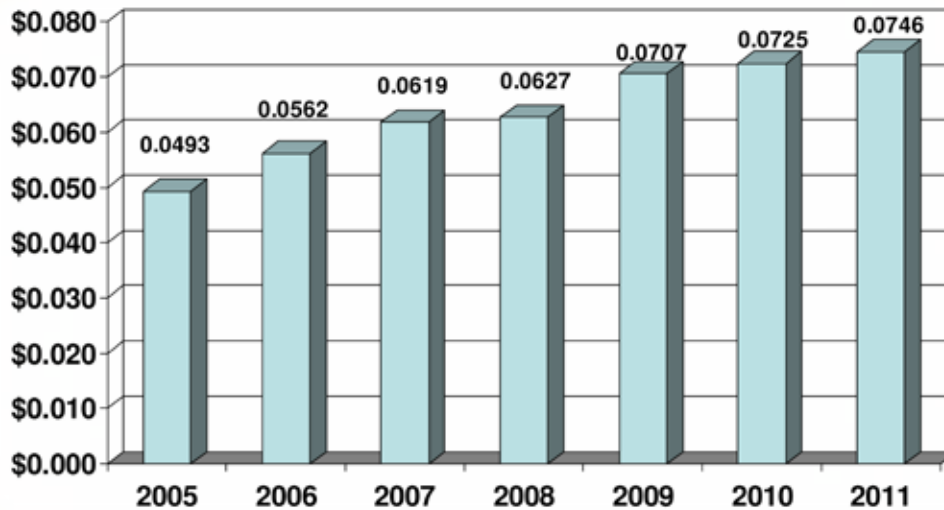


In 1937, office quarters were rented in the Hoehne Building in Greenwood to give first visible evidence that Clark Electric Cooperative was an established business. In August 1940, when this picture was taken, the office staff had grown to four. Left to right are Sylvania Kokley, Marie Kunce, Manager William Dallman, and Bookkeeper Harland Bergemann.

# How The Dollar Was Spent In 2011



## Power Cost/kWh Sold



## Comparative Operating Statistics

	2011	2010
Miles of Line	1,974	1,971
Number of Meters Served	8,919	8,904
Electric Services per Mile of Line	4.52	4.52
Total KWH Purchased from Dairyland Power Cooperative	185,681,697	181,565,760
Total KWH Sold by Clark Electric Cooperative	174,894,932	171,172,345
Percent Increase (decrease) In Purchases	2.267%	-0.264%
Percent Increase (decrease) In Sales	2.175%	0.094%
Average Line Loss	5.809%	5.724%
Cost per KWH Purchased (Cents per KWH)	7.024	6.832
Revenue per KWH Sold (Cents per KWH)	10.864	10.743
Number of KWH's Used per Meter per Year	19,609	19,224
Revenue per Mile of Line per Month	\$ 802	\$ 777
Average Bill per Meter per Month	\$ 178	\$ 172
Total Capital Credits Refunded this Year	\$ 762,029	\$ 854,390
Total Capital Credits Refunded to Date	\$ 18,292,857	\$ 17,530,828





## Employees

### Management

### Years of Service

Tim Stewart, CEO/General Manager.....	7 years
Donna L. Abel, Office Manager.....	50 years
Mike Ruff, Director of Operations.....	19 years

### Office Staff

Linda McAley, Accounting/Data Processing Supervisor.....	38 years
Sandy Herrick, Operations Aide.....	33 years
Tracy Nelson, Administrative Assistant.....	25 years
Pat Krause, Member Accounts Representative.....	20 years
Bobbi Toburen, Member Accounts Representative.....	18 years
Amber Reddy, Member Accounts Representative.....	15 years
Cathy Langreck, Member Accounts Representative.....	13 years

### Operations Staff

Rick Suda, Line Superintendent.....	30 years
Kevin Sterland, Ass't. Line Superintendent.....	19 years
Gary French, Metering.....	32 years
Dan Sturz, Metering.....	26 years
Jeff Block, Lineman.....	25 years
Warren Luedtke, Lineman.....	22 years
Mike Hackel, Lineman.....	18 years
Josh Burns, Lineman.....	9 years
Chad Steffen, Lineman.....	9 years
Scott Bailen, Lineman.....	9 years
Jim Mertens, Master Electrician.....	7 years
Matt Wiese, Lineman.....	6 years
Pat Susa, Warehouse Utility Man.....	6 years
Jarred Martens, Lineman.....	5 years
Kent Weigel, Lineman.....	5 years

### Appliance and Satellite, Inc. Staff

Rita Sladich, Executive Vice President of Operations.....	34 years
Michelle Walde, Appliance Assistant Manager, Sales.....	16 years
Ryan Nielsen, Appliance/Geothermal Technician.....	11 years
Greg Shaw, Appliance/Geothermal Technician.....	9 years

# Chairman of The Board Report

## Clark Electric Appliance & Satellite, Inc.

Clark Electric Appliance & Satellite Inc. completed its 17th year as a subsidiary of Clark Electric Cooperative. We continue to be a leader in the marketplace by offering quality products and services to our customers.

By most measures, 2011 was a challenging yet successful year. Total year end assets were \$ 5,238,846 and total earnings were positive at \$156,069. Clark Electric Appliance and Satellite Inc. continues to experience growth in our electro-technologies solutions. Customer demand for geothermal heating and cooling systems, storage heat systems and mini-boiler systems remain strong as consumers strive to eliminate a dependency on fossil fuel heating. With the "Go-Green" eco-friendly products consumers desire today, combined with friendly tax credits and efficiency incentives, the interest in our geothermal installations remain strong. However, we note that many newcomers are now starting to offer geothermal systems. I'm pleased to note that we have been installing the heat pump systems for over 20 years. Homeowners continue to turn to safe, energy efficient sources of electric heat, coupled with off peak heat rates, to provide an economic solution to high heating costs. Now is the opportune time to check for energy efficiency rebates and incentives that will help customers meet rising energy costs. Please call our office or visit our website for details.

2011 marked an end of an era for us at Clark Electric Appliance and Satellite Inc. It is hard to believe that after offering DirecTV services for over 17 years we are no longer offering this service. Many of you may recall that prior to the launch of DirecTV the majority of the rural area used

rabbit ears and had to accept just our local channels. Today, it is rare to see a home in rural America that does not have the little dish mounted to it. The memories of the excitement and enthusiasm of our customers as we brought to them access to affordable home entertainment is still vivid in our minds. We are proud to have been a part of "history in the making" when we helped bring satellite TV to our rural areas. We have worked hard to offer the best value in television service and the highest level of customer care. Over the years DirecTV has added new programming packages, popular channels, high-definition programming and DVR services to enhance your television viewing experience. As you may recall, our business relationship with DirecTV has undergone various changes throughout the years. Unfortunately, after being able to provide this service, DirecTV elected to expire the Servicer Agreement that allowed Clark Electric Appliance and Satellite Inc. to service your DirecTV account. Our relationship formally ended with DirecTV in August of 2011. With this expiration, many new challenges will occur in our business platform as DirecTV was a significant product line in our portfolio of services offered.

Wildblue, (a high speed internet access via satellite system) was first introduced to the marketplace in 2005. Since the initial offering, response has been strong. Now, in 2012 we are introducing the next generation of high speed internet. It's called EXEDE, powered by ViaSat. This is true high speed satellite internet that offers up to 12 MBPS download speed, 3 MBPS upload speed. This represents a significant capacity leap in satellite technology. We are excited about expanding this high speed internet option to the rural areas. We are

confident that EXEDE will revitalize our internet offering and should grow our subscriber base.

Our First Call Medical Monitoring System is another one of our core products. The First Call program has promoted independent living amongst our senior citizens and homebound customers. With 24 hour monitoring, family members have peace of mind that the First Call provides. The total number of monitoring systems grew approximately 6.64% last year. We believe that this program will continue to be well received in the marketplace and presents a growth opportunity for the organization.

Appliance Sales and Repairs have experienced a negative trend for several years. Increasing competition, a slowing economy, and ever increasing costs will continue to put pressure on this product line.

Clark Electric Appliance & Satellite exists today because of our customers. As we move into the future, we continue to look at and provide products that will meet and exceed our customers' expectations. As a relatively small company, we are able to relate to our consumers' needs and pressures. We pride ourselves in being local with the ability to provide personal service to you, the consumer. We thank you for your support in the past and look forward to continuing to provide service to you in the future. If you have not visited our showroom at 111 East Miller in Greenwood, we invite you to do so. For a small company, we have a lot to offer you for your home.

Cooperatively Yours,

*Wilmer Griepentrog*  
Wilmer Griepentrog  
Chairman of the Board



# Clark Electric Appliance & Satellite, Inc.

## Board of Directors



Wilmer  
Griepentrog  
Chairman



Tim Stewart  
President



John Zuelke  
Vice President



Clarence Hoesly  
Secretary /  
Treasurer



Henry Janexich  
Director



Patricia Nelson  
Director



Dr. John Scaletta  
Director

## Subsidiary Operations

### Operations

Income	\$ 1,817,147	\$ 2,664,647
Cost of Sales	939,062	1,339,479
Overhead Expense	629,296	791,213
<b>Gross Profit</b>	<b>248,789</b>	<b>533,955</b>
Less: Taxes	92,720	189,677
<b>Net Profit</b>	<b>156,069</b>	<b>344,278</b>

### Assets

Building/Equipment	1,485,017	1,483,548
Franchise/NRTC Capital	2,012,092	1,795,274
Current & Accrued Assets	1,741,737	2,311,375
<b>Total Assets</b>	<b>5,238,846</b>	<b>5,590,197</b>

### Liabilities & Equity

Equity	4,693,181	4,551,897
Debt	100,000	-
Current Liabilities	445,665	1,038,300
<b>Total Liabilities &amp; Equity</b>	<b>\$ 5,238,846</b>	<b>\$ 5,590,197</b>



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## **Please Bring This Book With You To The Annual Meeting**

**This Book Contains the Official Notice of  
Annual Meeting, Financial Report and Statistics.**

# **Clark Electric Cooperative**

## **2011 Annual Meeting**

**Thursday, April 12, 2012 • 9:30 a.m.  
American Legion Hall • Loyal, WI**

### **Agenda**

**Reports from Officers, Directors,  
Manager, and Guests**

**Election of Directors to the Board of Directors**

**Selection of Delegates to Dairyland Power  
Cooperative Annual Meeting**

**Such other business that may come  
before the meeting.**

**3 early bird winners will be drawn before  
the start of the meeting at 9:30 a.m.**

**Winners announced following adjournment**

**(You must be present to win!)**

**Drawing for other prizes  
following adjournment**



*Photo Source: NRECA*

