

President/CEO

Covid-19 has changed the way we all go about our day-to-day activities. It has also changed the way we will be having your MJM 2021 Annual Meeting on Friday, June 4, 2021. This year the board and staff have a new and exciting way for you to attend the meeting. We are taking precautions to make your Annual Meeting safe so you can attend the meeting. We are going to have our first ever drive-thru Annual Meeting. You will see the Board of Directors and familiar employees' faces directing you through the route at the new MJM headquarters at 18300 Shipman Road, Carlinville.

Through this pandemic our Cooperative employees have been making the needed changes to serve you and uphold the safe, reliable, and sustainable electric service you are accustomed to. We appreciate our Members' patience and understanding as COVID slowed the progress of meeting with our Members as we normally do throughout the year.

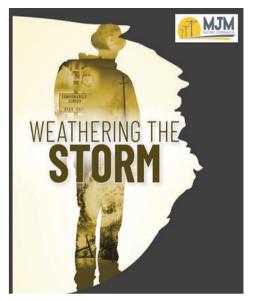
Things are always changing here at MJM. Paul Bartlett, who has been one of your board of directors from 1987 to 2021 retired on February 25, 2021. Paul has been representing MJM for 34 years! Paul's term expired this year, but he retired before his official term was up. Therefore, Charles Huebener was appointed to fill his seat. Charles has been an active member of the MAC (Member Advocate Committee) and we are pleased to see that he wants to continue to be an ambassador and advocate for MJM and continue on as a director.

The financial position of your Cooperative is solid and in 2020 we ended the year with \$2,592,103 in total margins. Our energy sales decreased mainly due to fewer KWH sales in the large commercial sector while residential helped offset some of that loss. Due to the way Members used their power during the Pandemic caused a historically low demand billing by our wholesale supplier (WVPA). This allowed

MJM to give a \$500,000 margin rebate back to Members on their January 1st, 2021 bills.

Because of COVID, your coop took steps to cease disconnections for non-payment and suspended the imposition of late payment fees for the months of March through July and have temporarily implemented more flexible credit and collections procedures to assist Members in remaining connected. MJM did experience a loss of Revenue from late penalty and disconnect fees of approximately \$55,000 during this period.

We continue to see a decrease in our line loss (KWH purchased less KWH sold) which was down 1% from 2019 to 5.41% (a savings of \$110,904). This



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is below the IL Co-op average of 5.85% and directly related to the aggressive ROW maintenance program, removing inactive accounts, and performing line upgrades.

Expenses were down for the year because in-person meetings and training could not occur due to the pandemic. Many were held via Zoom, but several were also cancelled. ROW clearing and spraying costs were down almost \$400,000 compared to previous years because the territories in this cycle due for maintenance were not as extensive.

Interest expense was down as a result of being approved for funding of \$705,920 through the Small Business Administration from the Paycheck Protection Program (PPP). Monies were used to help fund payroll costs, including benefits, pay for mortgage interest, rent, utilities, and worker protection costs related to COVID-19. \$1Million was in the budget to be borrowed, but due to the PPP funding it did not become necessary. The PPP funds were forgiven thus the money was booked as income to MJM. This gain of income was offset by the loss on the disposal of the old MJM headquarters' buildings (\$288,000) that were auctioned off on October 24th, 2020.

The Board of Directors approved the retirement of deferred patronage capital credits again last year in the total amount of \$659,163. These credits were distributed on Members' October 1, 2020 bills if you were an active Member and by checks if you were an inactive Member. Your Cooperative has paid a grand total of \$4,367,846 back to the Members, one of the benefits of being a Member.

Our current debt balance includes rolling the bridge line-of-credit on the new headquarters into long-term debt. Even though an additional \$1.5 Million was borrowed since 2019, \$1.3 Million has also been paid back. MJM was scheduled to move into the new headquarters and open its doors on April 23, 2020. Due to COVID, that was put off to July 22, 2020. A ribbon cutting ceremony was not able to take place, therefore, on July 22, 2021 exactly one year after the move in date, a ceremony will transpire.

The March 7, 2020 annual meeting was held the week before the country was shut down. Our vision for roaring into the 20's was to be innovative in addressing industry challenges, forward thinking in system maintenance and improvements, invest in our community and above-all, member-focused. To mention a few of our successes a new logo was created, a new headquarters completed, an Operation Round Up program was developed, a new Member Advocate Group was formed, 3 towers were installed on MJM properties for operational enhancements and future expansion of internet services, and pursuit of offering our Members other types of services continues to progress.

MJM remains committed to our mission and building for the future.

W. Kay Schultz, Board Chairman Laura Cutler, President/CEO

