



REPORT FROM:

Chairman of the Board and Chief Executive OfficerClark Schoonover,
Chairman of the BoardShane Larson,
Chief Executive Officer

In 1936, a group of ordinary Wisconsin neighbors came together to solve a problem. Electricity was available in urban areas, but private power companies didn't see the opportunity to profit by powering rural areas and farms. Rock Energy's founders created an electric cooperative, borrowed funds from the Rural Electrification Administration, and began a legacy of service that continues today.

While we're proud to say we've been in business for 87 years, we recognize that our success is because generations of members and employees have focused on the future of our communities, instead of dwelling on the past. That's exactly what your directors and cooperative staff are focused on today, as we face big challenges during these transformative times for the utility industry.

Last year and now in 2023, we continue to face an entire set of new challenges, including a rise in inflation, high natural gas costs, supply chain problems, and many more issues. Yet, despite any ongoing issues, you can be rest-assured that Rock Energy employees will always be here to make sure the lights are on for ALL of our members.

With that said, in this issue, we are providing you with important information about our upcoming annual meeting (April 24, 2023), along with a snapshot of our 2021 and 2022 cooperative business and financial picture. We hope you can join us at our annual meeting on April 24!

In closing, we are proud to say that we continue to be focused on serving you, our members, every day, while planning for an even brighter future.



TRADITION



SERVICE



RELIABILITY



SAFETY

87th Annual Meeting**Monday, April 24, 2023**

- Eclipse Center in Beloit.
- Registration opens at 4:30 p.m. (day of event)
- Business only meeting begin at 5:30 p.m.

Other activities will include:

- 2023 REC Scholarship recipient recognition
- Director elections for districts 6, 7, and 8
- Prize giveaways

To RSVP: Call 866-752-4550 by April 17

**SERVING OUR
MEMBERS**



**SERVING OUR
COMMUNITY**

2022 IN REVIEW

ACE AWARD

Marian Trescher, a lifelong public servant whose commitment to community has had an exceptional impact on the electric cooperative world and beyond, was the recipient of the 2022 Ally of Cooperative Electrification (ACE) award.



GIVING BACK

Rock Energy awarded the South Beloit Fire Department with a grant that utilizes unclaimed capital credits to benefit the community. From left to right: Shane Larson, Rock Energy CEO; Max Rude, Firefighter/Paramedic; David Palmer, former acting Fire Chief; Dave Phillip, Firefighter/Paramedic; and Clark Schoonover, Rock Energy Board Chairman.

Samantha Hopkins



Emma Steinke



ROCK ENERGY YOUTH

At the 2022 Youth Leadership Congress (YLC), two Rock Energy youth members, Samantha Hopkins and Emma Steinke (Alternate), were elected to the 2023 board. Both Steinke and Hopkins will be heading to Washington DC to take part in the annual 2023 NRECA trip, and they will also be returning to YLC in 2023 as team leaders.



Pictured here, a Rock Energy crew replaces a power pole in a Rockton, IL neighborhood last November. This work, at times, is necessary in order to ensure the reliability of energy for our members.



DAIRY BREAKFAST

The 2022 Rock County Dairy Breakfast was held June 4 at Glacier Edge Dairy Farm in Milton, on Rock Energy lines. Pictured above is the Metcalf family who operate the farm. From left to right, Lauren, Jane, Terry, Kristen and Corey. About 3,700 people stopped by to enjoy the food and festivities. *Photo by Sara Willems*



Rock Energy Cooperative

Statements of Revenue & Patronage Capital

(subject to audit)

	Years Ended December 31,	
	2021	2022
Operating Revenue	\$ 58,953,988	\$ 68,990,737
Operating Expenses:		
Cost of Power	37,199,960	49,121,679
Distribution- Operations	1,808,488	2,117,439
Distribution- Maintenance	3,838,851	4,356,393
Member Accounts	1,159,635	1,228,275
Member Service & Information	362,086	384,116
Administrative & General	2,541,076	2,759,854
Depreciation	5,025,559	5,249,282
Taxes	479,636	446,170
Other Deductions	188,090	180,600
Total Operating Expenses	52,603,381	65,843,808
Operating Margins -before Fixed Charges	6,350,607	3,146,929
Fixed Charges:		
Interest on Long-Term Debt	2,725,794	2,480,535
Interest on Short-Term Debt	27,203	112,950
Total Fixed Charges	2,752,997	2,593,485
Operating Margins -after Fixed Charges	3,597,610	553,444
Patronage Capital Allocations	349,722	342,558
Net Operating Margins	3,947,332	896,002
Non-Operating Income:		
Interest Income	222,473	255,064
Equity Investments & Other	1,307,953	2,804,502
Total Non-Operating Income	1,530,426	3,059,566
Net Margins for Period	5,477,758	3,955,568
Patronage Capital- Beginning of Period	45,435,041	49,313,062
	50,912,799	53,268,630
Retirement of Capital Credits	1,599,737	2,119,562
Patronage Capital- End of Period	\$ 49,313,062	\$ 51,149,068

Balance Sheets

(subject to audit)

	As of December 31,	
	2021	2022
ASSETS		
Utility Plant:		
In Service	\$ 153,658,160	\$ 160,429,407
Construction Work in Process	1,640,817	1,195,064
	155,298,977	161,624,471
Less: Accumulated Depreciation	51,154,472	55,528,577
Net Utility Plant	104,144,505	106,095,894
Investments:		
Associated Organizations	4,862,437	5,033,409
Other Investments	3,041,256	3,260,519
Total Investments	7,903,693	8,293,928
Current Assets:		
Cash & Temporary Investments	130,267	88,713
Accounts Receivable	4,733,658	6,082,693
Inventory, Materials & Supplies	1,764,210	3,005,667
Other current assets	361,360	351,731
Total Current Assets	6,989,495	9,528,804
Deferred Debits	2,150,297	1,748,706
Total Assets	\$ 121,187,990	\$ 125,667,332
EQUITIES & LIABILITIES		
Equities:		
Patronage Capital	\$ 49,313,062	\$ 51,149,068
Other Equities	1,583,808	1,757,078
Total Equities	50,896,870	52,906,146
Long-Term Obligations	57,726,212	54,676,182
Current Liabilities:		
Current Maturities of Long-Term Debt	2,949,144	3,015,188
Notes Payable- Line of Credit	-	4,900,000
Accounts Payable	4,680,215	5,767,548
Member Deposits	551,360	545,028
Accrued Taxes	601,956	645,113
Other Current Liabilities	2,344,583	2,588,446
Total Current Liabilities	11,127,258	17,461,323
Deferred Credits	1,437,650	623,681
Total Equities & Liabilities	\$ 121,187,990	\$ 125,667,332

86th Annual Meeting Minutes

Rock Energy Cooperative 86th Annual Meeting – September 19, 2022

Chairman Clark Schoonover welcomed all in attendance at the 86th annual meeting of Rock Energy Cooperative on Monday, September 19, 2022, at the Eclipse Center in Beloit, WI. He called the meeting to order at 6 p.m. A quorum was declared with 26 voting members in attendance. Introductions of the directors, CEO, and attorney were made.

The reading of the notice of the meeting was waived by unanimous consent. The minutes of the previous annual meeting were approved as printed. The year-end financial reports were printed in the September magazines and placed on their seats for review by those present.

Chairman Schoonover and CEO Larson reported on a shortened (business only) meeting again this year. Larson stated a one-word description for the past year would be “Volatility”. Natural gas has had a 300% increase in cost over the last 2 ½ years. The supply chain has slowed anywhere from 6 months to 2 years for deliveries of necessary supplies. These factors have impacts on our rates. REC has a great team of employees and a terrific board doing what is right for the members. Chairman Schoonover thanked members for attending. He stated \$1.2 million in capital credits was returned to members in 2022. REC continues to do well financially.

Attorney Niles Berman conducted the election of directors. The reading of the nominating committee minutes was waived by unanimous consent. The minutes were approved as printed in the magazines. The candidates were:

- District 2: Marian Trescher, incumbent
- District 4: Todd Thompson, absent this evening
- District 9: Wendell Boyer, incumbent

Since all the candidates were uncontested, pursuant to the Bylaws a voice vote was taken. All three were elected unanimously.

There was no unfinished business.

No new business was presented.

Two door prize drawings were awarded. The member winners received an \$86 credit on their Rock Energy bill in honor of the 86th annual meeting.

The meeting adjourned at 6:17 p.m.

Respectfully submitted, Marian Trescher, Secretary

Nominating Committee Minutes

Rock Energy Cooperative Nominating Committee Minutes February 7, 2023

The nominating committee of the Rock Energy Cooperative met at Cooperative Headquarters on February 7, 2023. The meeting was called to order at 10:00 am.

THOSE IN ATTENDANCE:

Bill Fischer - Board Member
Shane Larson - CEO

Nominating Committee Members:

Lora Conrad - District 6
Kenneth Malten - District 8
Penny Hansen - District 7

ELECTION OF COMMITTEE CHAIRPERSON:

A motion was made, seconded, and carried unanimously, to elect Penny Hansen as Committee Chairperson.

ELECTION OF COMMITTEE SECRETARY:

A motion was made, seconded, and carried unanimously, to elect Lora Conrad as Committee Secretary.

NOMINATING COMMITTEE DUTIES:

CEO Larson reviewed cooperative policies dealing with board positions and nominations. A handout was provided mailed to each committee member outlining director duties and qualifications.

NAMES PLACED IN NOMINATION:

After discussion, the committee voted to place the following members in nomination at the 2023 Annual meeting:

- District 6: Clark Schoonover
- District 7: Derik Roth
- District 8: Ron Richards

Being no future business for the committee, the meeting adjourned at 10:30 am.

Lora Conrad, Committee Secretary

Shane Larson, CEO

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866-752-4550

Jonas Berberich, Editor



NOTICE OF ANNUAL MEETING

Rock Energy Cooperative

April 24, 2023 • 5:30 p.m.

NOTICE IS HEREBY GIVEN that the annual meeting of Rock Energy Cooperative will be held at the Eclipse Center, Beloit, Wisconsin, on Monday, the 24th day of April, 2023, at 5:30 p.m. for the purpose of transacting whatever business may lawfully come before it.



The order of business pursuant to the Bylaws shall be as follows:

1. Call to Order. Quorum Determination
2. Reading of Notice of Meeting
3. Approval of Minutes of Previous Annual Meeting
4. Reports of Officers, Directors, and Committees
5. Election of Three (3) Directors
6. Unfinished Business
7. New Business
8. Adjournment

Dated this 31st day of March, 2023.

Marian Trescher, Secretary, Rock Energy Cooperative

87th ANNUAL MEETING PROGRAM

Doors Open..... 4:30 p.m.

Annual Meeting..... 5:30 p.m.

Please note the following:

- The event date is subject to change pending any unforeseen COVID-related mandates.
- This year's event will be a business meeting only.
- No dinner will be served, and there will be no kids' activities.
- Members must attend this meeting if they wish to vote on co-op business items.
- Only one ballot per member will be issued at time of registration.
- Proxy and absentee voting are not allowed.

Activities also include:

- 2023 REC Scholarship recipient recognition
- Director elections for districts 6, 7, and 8
- Prize giveaways

MEET YOUR DIRECTOR CANDIDATES

DISTRICT 6 Beloit and Rock townships (WI) / Rockton Township (IL)



CLARK SCHOONOVER

Clark Schoonover lives in South Beloit and has been a co-op member since 2007. He has served on the board since October 2014, when he was appointed to fill a vacancy.

"I have learned a great deal about the energy distribution business as well as the co-op business model," said Schoonover. "Each month the board is apprised of the financial and operational condition of the cooperative. I look forward to ensuring that Rock Energy continues to remain fiscally strong, while providing safe and reliable service to our members."

Schoonover has taken the necessary classes to achieve Credentialed Cooperative Director, Board Leadership, and Director Gold ratings from the National Rural Electric Cooperative Association. If re-elected, he said he will be committed to sustaining this achievement through continuous training.

Schoonover is a lifelong South Beloit resident and is a retired engineering test technician at Collins Aerospace (formerly Sundstrand), in Rockford, where he worked for almost 48 years.

"As a past board member and president on the South Beloit Library Board and South Beloit Police and Fire Commission, and now with over eight years on the Rock Energy Board, my comfort level in shaping policies which best serve our members' interests has grown tremendously. I have been honored to serve as board Chairman since September of 2021. This position of trust means a lot to me, and I find the job of leading such a fine group of directors both honoring and humbling. Our members should feel both proud and comfortable with the highly competent and professional staff that handles the day-to-day operations of Rock Energy. I am proud of my association with these people, and I would feel very honored by being blessed to serve another term."

DISTRICT 7 Newark and Plymouth Townships (WI)

Derik Roth lives in Plymouth Township with his wife, Cindy. Roth and his family have resided in the area for over 30 years. He has a Bachelor of Science degree from UW-Eau Claire.

Roth has been retired for 4 years following a 31-year career with UPS. Roth's father-in-law, Bill Dietsch, served on the Rock Energy board for two decades. He said he would like to build onto and continue his father-in-law's faithful and successful service to the members as a director on the Rock Energy Board.

"During Bill's time on the board, we had many talks about the electric industry. He took pride in being on the board and spoke fondly of the co-op. I would be honored to follow in his footsteps."



DERIK ROTH

MEET YOUR DIRECTOR CANDIDATES (continued)

DISTRICT 8

Avon, Spring Grove, Spring Valley Townships (WI) /
Durand, Laona, Rock Grove, Rock Run, Shirland Townships (IL)



RON RICHARDS

Ronald Richards lives in Davis, IL with his wife, Diana. He has been a Rock Energy Cooperative member since 2007, has served as a director on the board since 2011, and is currently the board treasurer.

Richards is a retired accountant with more than 40 years of business experience, about 20 years in the not-for-profit sector and the balance in manufacturing. He served nine years in the Indiana Army Nation Guard as company commander. He is an active member of Faith Community Church in Davis, IL.

During his twelve years of co-op service, Richards has completed the necessary National Rural Electric Cooperative Association training to receive the Cooperative Director Certificate, Board Leadership Credentials, and Director Gold Program Certificate. In addition, he has served on the Scholarship, Legislative, and Purchasing Committees.

"I believe that as your representative on the board, and with my background in business and accounting, I can continue to assist in guiding Rock Energy into the future with strength and integrity, and provide quality service to our members. I would appreciate the opportunity to continue to serve as your representative from District 8."

Districts up for election are:

- **District 6:** Beloit and Rock Townships in Wisconsin and Rockton Township in Illinois.
- **District 7:** Newark and Plymouth Townships in Wisconsin.
- **District 8:** Avon, Spring Grove, and Spring Valley Townships in Wisconsin; and Durand, Laona, Rock Grove, Rock Run, and Shirland Townships in Illinois.

