I would like to present the Volunteer Energy Cooperative Annual Report for the fiscal year 2017-2018. We have chosen to focus this annual report on connecting the communities we serve.

Over the years, connecting both residential and industrial community members, we have been privileged to be a part of ordinary hero’s lives, as well as companies founded on respect, integrity, and courage. We have witnessed VEC employees rise to the challenges in the communities where they live, and generations of VEC families work to impact their service areas.

Connecting communities to electricity has been our business for the last 82 years, and now we are faced with the same desire for connection to broadband internet services. We will apply the cooperative principals that have guided our company historically to meet this need in our rural communities while remaining fiscally responsible to our co-op consumer members.

I hope you enjoy both the look back into the history of connecting communities to electricity as well as the plans for the future through our support of youth leaders, the Vision 2020 Plan and the broadband initiative.

Rody Blevins
President/CEO
Connecting Communities at the Speed of Light

VEC Broadband

Since the mid-1990s, the internet has had a revolutionary impact on culture, commerce, and technology, including the rise of near-instant communication. The research and education communities have continued to develop and use advanced networks, increasing the amounts of data that can be transmitted. Today’s data transmission speeds can exceed 10 Gigabits per second.

In 1993, the internet represented only 1 percent of the information flowing through two-way networks, but by the year 2000 it represented 51 percent, and by the year 2007, 97 percent. Today, over 3.2 billion people are connected to the internet, representing over half of the world’s population. Sadly that figure also means that about half of the world’s population does not have access to the internet. In the United States, about 76 percent of American’s have internet access. The majority of those who do not, live in rural communities.

That brings us to the original mission of Volunteer Energy Cooperative, to provide access to a service that others are unable or unwilling to provide. With the vast majority of VEC members living in rural Tennessee communities, the VEC board of directors made the decision that we should be the vehicle that connects internet accessibility to the unserved VEC community. The passage of the Tennessee Broadband Accessibility Act in 2017 finally allowed the idea to become a reality.

In December 2017, VEC installed fiber optic cable in North Bradley County and initiated its broadband service, partnering with Twin Lakes Telephone Cooperative to provide access to 137 homes. In early 2018, the broadband service was expanded to include an additional 228 homes. Moreover, ongoing construction will extend the service again to add another 251 homes.

As the service continues to grow, VEC looks for ways to fund the cooperative’s broadband efforts, not only to make it more financially feasible but to expedite its expansion to those who continue to wait. In September 2018, VEC was awarded a $1 million matching grant from the Appalachian Regional Commission (ARC). This grant will be utilized to provide access to 730 homes in the Birchwood Community of Hamilton and Meigs counties.

While we understand that there are many of our members who are in desperate need of internet connectivity, we must approach the task responsibly. VEC has established a crowd fiber website, which is being used to coordinate our efforts. The site tabulates the locations of those members awaiting service and helps determine which areas to build into next. If you have not signed up on the crowd fiber site, please visit www.vec-twinlakes.com.

For those who continue to wait for service, please remember that we are working as quickly and efficiently as we can. The installation of fiber costs the cooperative over $22,000 per mile of line and requires weeks of time to install for each mile. We are working diligently, and we continue to look for every opportunity to attain funding to expedite the spread of our broadband service.
East Tennessee is known for the beautiful Smoky Mountains and tree covered vistas. Those mountains are not only beautiful but full of natural resources including limestone. Over a hundred years ago a small company began in Crab Orchard utilizing this natural limestone. While it started as a surface mining operation, it soon moved underground.

In the 1950s, Mr. Battle Rhodes operated the company under the name Southern States Limestone. In the late 60s Southern States was bought by Rhodes Hart and renamed Franklin Industrial Minerals. It remained Franklin until 2006 when the privately held Belgium Company, Lhoist purchased the company.

Lhoist core values of respect, integrity, and courage fit perfectly into the East Tennessee community of Crab Orchard. The limestone plant has 60 employees in Crab Orchard. This site produces multiple types of products made of high purity ground limestone including industrial mineral filler for glass, fiberglass, and asphalt shingles, as well as a calcium supplement for animal feed. They also produce the limestone for the scrubbers in flue gas desulfurization; flue gas desulfurization is the process to remove sulfur dioxide from the exhaust flue gases of coal-fired power plants.

Kris Scarbrough, Lhoist plant manager, shared that having a diverse but stable product market has helped reinforce the community atmosphere for their employees. Many of their employees are generational with parents and grandparents who worked for Franklin Industrial Minerals. Also, the stability creates a challenge to find ways to reduce cost while maintaining consistency.
Scarborough shared that electrical consumption is the No. 1 variable cost affecting their industry. Without reliable power, they cannot operate, and without low-cost power, they could not be competitive. Partnering with Volunteer Energy Cooperative (VEC) whose mission is reliable, safe energy at a competitive cost gives Lhoist Crab Orchard an edge for competing in a global market.

Recently VEC and Lhoist Crab Orchard were collaborating on a project to rework the plant’s electric grid. This rework will increase capacity as well as update and streamline the infrastructure. Scarborough and staff coordinated with VEC Crossville engineering department to order the right size transformers, lines, and other materials which helped keep the project on time and at cost.

One definition of community is shared attributes and shared connections. VEC provides reliable, safe and reasonably priced electricity, and Lhoist uses the dependable, low-cost power to produce quality products at a globally competitive price.
Volunteer Energy Cooperative (VEC) has deep historical roots in Meigs County, Tennessee. In the early 1930s, only four out of every one hundred farms in Tennessee were served with any form of electricity. Except for a few privately owned Delco battery power systems, the citizens of Meigs County lived and worked under primitive conditions when compared to their counterparts in the larger towns and cities. In May 1935 the Meigs County Power Association, Incorporated was formed which became Meigs County Electric Membership Corporation, and then in 1939 Volunteer Electric Cooperative (VEC). This foundation in Meigs County eventually spread throughout southeast Tennessee, and today VEC is the second largest electric cooperative in the state.

From the beginning of the Cooperative's incorporation, the spirit of service embodied the members. Mrs. Grizella Scott of Meigs County was one of the very first members, joining the Meigs County Electric Membership Cooperative Aug. 22, 1936. Joining a cooperative in 1936 was typical of the Scott family's community-focused lifestyle. A member of the Scott/Allen Family would reside in this location and be a member of VEC until the present day.

The Scott family had resided in Meigs County since 1844 when the widow of Joseph Scott was forced to stop in Meigs County during a trip to Texas. Her son John contracted typhoid on the voyage, and they feared for his life. This same son, John, would eventually marry Nancy Finley Allen of Meigs County and establish the Scott family in their current location.

The Scott family has a long history of military service beginning with Colonel John Scott (b. 1749) commissioned by North Carolina Governor William Blount and Territorial Governor John Sevier (who would be the first Governor of Tennessee). Colonel Scott’s son Joseph would fight under Andrew Jackson in the Battle of Horse Shoe Bend during
the War of 1812. Joseph’s son John would serve in the War with Mexico. Also, Robert (Bob) Scott served in World War I, his son Ernie Scott served in World War II, and Wayne Scott, son of Ernie, would serve in Vietnam. Wayne’s wife Carolyn worked for VEC from 1969 until 2010 in the Decatur Service Center.

Joseph Marion Scott was one of three children of John and Nancy Finley Scott and would marry Grizella. Joseph Marion Scott attended what would be Tennessee Wesleyan College and taught school in Meigs County. He also served as a Superintendent of Schools in Meigs County and one term as a Meigs County trustee. He represented Rhea and Meigs counties in the Tennessee Legislature in 1897, and was a mail carrier from 1904-1920.

The Scott Family history of service did not stop but continues in the present day. Several members of the Scott family currently reside on the Scott Allen farm including Steve and Julie Scott. The current farm includes 113 of the original 319.25 acres. Steve Scott moved into the original home place in 1998 and began renovations in 2003. Steve added four rooms and approximately 1,350 square feet which included a second floor. This past July the farm was awarded Century Farm Status by the Center for Historic Preservation at Middle Tennessee State University.

Steve Scott, grandson of Ernie Scott, is the Superintendent of Right of Way for VEC. Steve graduated with a degree in Forestry from the University of Tennessee at Knoxville and is a certified Arborist. Growing up in a community where he can trace his roots from the early 1800s, Scott feels the responsibility of taking care of the land while being committed to preparing for the future. Serving not only his community but all 17 counties in the VEC service area, Scott can take the long view. Planning for the land, preparing for the Cooperative’s need for reliability, and maintaining community safety are daily priorities for Steve Scott.
This scholarship program began in 2003 as a way to honor Willis A. Shadow and J. W. Lillard, founders of the Meigs County Power Association which would ultimately become Volunteer Energy Cooperative. Four $2,000 scholarships are awarded to high school seniors each year by VEC using an independent panel of judges.

Hannah Caitlyn Asberry, daughter of Scott and Bobbie Joe Kirby, is a 2018 graduate of Alvin C. York Agricultural Institute and the winner of the Jamestown Service Area Lillard-Shadow Scholarship. She plans to attend Tennessee Technological University in Cookeville and will be pursuing a degree in Nursing. Hannah graduated fourth in her class with a 4.0 GPA.

Stone Memorial High School graduate and Crossville Service Area Lillard-Shadow scholarship recipient Jordan Ann Houston plans to attend Tennessee Tech University. Jordan is the daughter of Kenneth and Vickie Houston. She graduated from Stone Memorial with a 4.0 and intends to pursue a degree in Biochemistry. Jordan has a history of serving others as she participated with Kids on the Rise, was a 4-H T een Leader, Beta Club President, HOSA Club President and on the SMHS Cheer Squad. While on the cheer squad she volunteered with the Special Olympics, Relay for Life, House of Hope and St. Jude. Her teachers described Jordan as a genuinely kind person who seeks to include others in projects, and who is respected by peers and faculty alike.

Rhea County High School graduate Isabelle Grace Marshall is the Decatur Service Area winner of the Lillard Shadow Scholarship. The daughter of Joni Ann Marshall, Isabelle graduated with 4.0. She will be attending the University of Southern California to major in International Business and Entrepreneurship. Isabelle has a history of volunteering including but not limited to Rhea County Animal Hospital, Rhea County Sheriff’s Department Toy Drive, JROTC Canned Food Drive, and the Ronald McDonald House Charities.

The Cleveland Service Area Lillard-Shadow scholarship winner was Kelby Fritts, daughter of Rhonda McKnight, and a 2018 graduate of Polk County High School. Tragically, Kelby died in August. Kelby was an amazing student and community leader. Her loss is felt deeply. A donation in her memory was made to the Lillard Shadow Scholarship fund.

Matthew Stuckey, Walker Valley High School graduate, was awarded the Cleveland Area Scholarship. Matthew is the son of Karen Stuckey and graduated in the top of his class with a 4.0 grade point average. Matthew will be attending the University of Tennessee at Knoxville and plans to pursue a degree in Mechanical Engineering. Matthew was involved in many community service activities and school clubs including the National FFA Organization where he served as regional president, Constitution Bowl, Beta Club and Skills USA.
Alexie Inman and Cole McClellan, Stone Memorial High School seniors, were sponsored by Volunteer Energy Cooperative and joined 44 other high school juniors from across Tennessee who attended the 2018 TECA Youth Leadership Summit. Delegates to the annual event received a hands-on look at state government, learned networking and leadership skills and developed a better understanding of their local electric cooperatives.

While in Nashville, Alexie and Cole visited the State Capitol Building where they were welcomed by members of the Tennessee General Assembly. Alan Whittington, the assistant chief clerk of the Senate, explained the process required to pass legislation and students debated and voted on a mock bill. In addition to lawmakers, they also heard from Tennessee leaders like Caty Davis, Ms. Tennessee 2018; Adam Hammond, anchor for Nashville NewsChannel5; and Trooper Jeffrey Buchanan with the Tennessee Executive Protection Detail.

Senator Paul Bailey stopped between committee meetings to take a photo with VEC YLS delegates Alexie Inman and Cole McClellan at Stone Memorial High School.

Each year Volunteer Energy Cooperative (VEC) sends a group of rising seventh- and eighth-grade students to 4-H Electric Camp on the University of Tennessee campus. VEC’s camps join hundreds of other students from across the state in discovering the world of electricity by participating in various camp learning centers that provided activities where 4-Hers were able to “learn by doing.”
Students from Bradley, McMinn, Fentress, and Rhea counties spent a week in our nation’s capital this summer as delegates of the 2018 Washington Youth Tour. Andrew Bentley, Madelon Dill, Erica Massaro and Brandon Newell joined nearly 140 other students from across Tennessee on the weeklong trip that began Friday, June 8.

The annual event, sponsored by Volunteer Energy Cooperative and the Tennessee Electric Cooperative Association, provides young leaders with an opportunity to explore the nation’s capital, learn about government and cooperatives and develop their leadership skills. Students were selected for the trip by writing short stories titled “Electric Cooperatives – Going Beyond the Wires” that explain how co-ops provide communities with much more than electric power.

“The Youth Tour is an incredible opportunity for these students to experience history up close and personal,” says David Murphy, vice president of marketing and economic development. “Delegates experience a whirlwind of a week, visiting museums, monuments and other landmarks.”

“We take great pride in recognizing the best and brightest from across the state,” said Todd Blocker, vice president of member
relations for the Tennessee Electric Cooperative Association and tour director. “By recognizing their accomplishments through programs like the Washington Youth Tour, we show these leaders of tomorrow that their hometown electric co-op is more than a utility provider; these students are active members of their community and fully invested in its prosperity.”

The group was welcomed to the U.S. Capitol by Senators Lamar Alexander and Bob Corker and members of the Tennessee congressional delegation who posed for photos and answered questions.

President Lyndon Johnson inspired the Washington Youth Tour in 1957 when he encouraged electric cooperatives to send youngsters to the nation’s capital. In the years since more than 6,000 young Tennesseans have been delegates on the Washington Youth Tour.
Although the first land in this area was deeded in 1800 to Conrad Pile, a friend of Davy Crockett and great-great-great-grandfather of Sergeant Alvin York, the Jamestown community was established in 1823. Named after a local politician James Fentress it was built on the site of a semi-permanent Cherokee village and was previously named Sand Springs for the many natural springs in the area. There is a remaining spring located in the Mark Twain City Park northeast of the county courthouse. This spring is said to have provided water to the family of John Clemens, father of Samuel L. Clemens (Mark Twain) before they moved to Missouri. John Clemens served as the first circuit court clerk and is credited for drawing the plans for the first courthouse and jail.

Jamestown has a legacy of heroes arising from the ordinary people. Farmers turned war heroes; hunters turned politicians, and the list goes on. One of the Jamestown community heroes is James Brooks. Mr. Brooks was born in 1932 into a family of grocers. The Brooks’ grocery and cash stores provided the Jamestown community with fresh food and a place to cash checks. They had stores in Fentress, White and Morgan counties. Mr. Brooks has also ranched and farmed since he was a young boy. When he was in grade school, he asked Sargent Alvin York, the hero of World War 1 and his neighbor, if he could use part of his property to raise pigs. Sargent York was more than delighted to allow him to use the land.

Mr. Brooks went into the family grocery business and also partnered in the Brooks Golf and Country Club. He worked in the family business until the early 80s. In 1981 he was shot repeatedly during an armed robbery of his grocery store. The
robber did not anticipate that not only would Mr. Brooks resist but his sister and niece who had been working would fight back and stop the robbery. The robber was caught and went to prison for life. The injuries Brooks sustained in the assault resulted in his retiring from both the grocery and country club.

Not one to sit still, Brooks continued to farm and raise cattle. Mr. Brooks used his knowledge of the community to serve on several different boards. He served on the Lenoir Bank board for 24 years and joined Volunteer Electric Cooperative (VEC) board of directors in 1990. Mr. Brooks served on VEC’s board for 17 years and held the position of Vice Chairman for two years. During his time on the board, Brooks saw the services provided by VEC expand to include propane and natural gas necessitating a name change to Volunteer Energy Cooperative, and he saw a leadership change from Bill Buchanan to today’s CEO and President Rody Blevins.

Brooks saw the growth of VEC during his lifetime in the Jamestown area as integral to the survival of the community. Adding a second substation increased reliability and capacity. Running electricity to the remote farms and homes throughout Fentress and Pickett counties enabled families to work longer and communities to connect over a distance that prior was prohibitive. Connecting a community with electricity evened the playing field for the farmers and the towns’ folks.

Mr. Brooks has fond memories of calling the local VEC office regarding an outage and speaking to Butch Campbell the young son of the Service Area Manager Claude Campbell. In the early years of VEC, being an area manager meant your whole family was involved. That same Butch Campbell now serves on the VEC board of directors representing Jamestown.

Campbell has fond memories of sleeping through storms on the counters at the Jamestown service center, riding with his dad to check on lines and speaking to consumer members about problems. When his dad started in Jamestown in 1946, he was the only full-time employee. VEC had purchased the distribution rights to the area five years earlier from the Tennessee Valley Authority and would begin to run lines to the rural areas throughout the county. Claude Campbell would work at the Jamestown Service Center until 1978. Board Member Butch Campbell stated that the most significant change he saw upon joining the board in 2008 was the changes in equipment and emphasis on safety. The improvements in equipment impacted the linemen as well as the new safety measures. All of these upgrades made the job safer and the mission of reliability achievable for the lineman - today’s ordinary heroes.
This month John Selvidge, the Cleveland Service Area Manager, will retire after a 33-year career. John began his career in the energy industry in 1977 working at Dillard Smith as an apprentice lineman. He joined Volunteer Energy Cooperative (VEC) in the Georgetown office as a lineman in 1986. Promoted to line foreman in 1991 and then to the superintendent of safety and construction in 1997, John pursued education and completed a bachelor’s degree in Business Management and an associate degree in Civil Engineering.

While working for VEC, John joined Tennessee Valley Public Power Association (TVPPA) Education & Training Services as an instructor. Working with apprentice linemen, he taught and eventually wrote a portion of the curriculum. Utilizing his lineman experience at VEC, substation training and time as Job Training & Safety (JT&S) certified safety coordinator, he instructs the current generation of lineman from all over the valley.

Hardest Challenge:
John became the Cleveland Service Area Manager in 2006. Shortly after he assumed this role, VEC embarked on the daunting goal of updating our meter communication system to AMI. This effort to provide our consumer members with reliable and accessible information was a challenge that John met head-on. During this time of change, John faced negative publicity and frustrated members. Finding solutions when AMI revealed previous incorrect readings, John developed plans with individual consumer members. John worked to connect the vision of VEC’s upgrade to the real needs of his consumer members and neighbors. This work with his community impacted John, and he has stated, “… the six weeks of the changeover was the hardest challenge in my career.”
Career Satisfaction
During John’s time with VEC, several natural disasters hit our service area, but the event he felt most strongly was the tornadoes of 2011. While the number of customers affected was less than during other disasters, the tornado damage was to his community. He genuinely felt the responsibility for their recovery and safety. John worked tirelessly coordinating with other utilities, hundreds of line workers, and community emergency personnel. Ensuring his worker’s safety and the crowd of contractors and first responders is a point of career satisfaction for Selvidge. “Seeing the qualified workers do their very best even when their own homes were among the damaged, both encouraged and challenged me to keep them safe until everyone could go home,” said John.

Co-op Difference
John has enjoyed his time in the energy industry and especially working for a cooperative. While working for Municipalities or Investor Owned Utilities can be more lucrative, his co-op career has allowed him to remain people minded, and community focused. The nonprofit aspect has ensured his focus has been on the membership versus politics or investor profits. Being a co-op member has guaranteed he feels the impact of system outages, rate changes, and other issues co-op membership faces.

The Future
John is looking forward to retirement. He has plans to travel and spend more time with his wife, four children, and three grandchildren. Being John though, he plans to continue to work with the TVPPA Education and Training and is in negotiations with SELCAT. Staying busy is as important to John as his cap collection and Jimmy Buffet.
In 2003 Volunteer Energy Cooperative (VEC) Engineering and the Executive team realized that the growth of the Fairfield Glade Community in Cumberland County had created a need to expand the power available. After contacting Tennessee Valley Authority (TVA) regarding increasing the existing power transmission lines to a 161 kVA, VEC realized TVA could not do the upgrade for several years. VEC reviewed the need, did a long-term cost analysis and determined that it would be long-term cost effective to build the 161 kVA line and upgrade the existing Fairfield Substation. The upgrade to the substation allowed VEC to support the housing growth of Fairfield Glade. VEC completed the update to the substation and 161 kVA line in 2006 which provided power to over 7,000 homes.

In the last 12 years, the Fairfield Glade community continued to grow and expand. The growth resulted in the transportation department’s decision to widen Peavine Road. The addition of a lane on Peavine Road created both need and an opportunity for VEC. The road construction required VEC to move their 161 kVA lines. The expansion also presented an opportunity to combine the needed line move with an already planned new substation, West Fairfield. Coordinating it with the movement of the lines enabled both short term and long term savings.

The West Fairfield substation is also part of the VEC 2020 plan to increase system reliability. This substation will serve the northern portion of Fairfield Glade including the Dartmoor Lake area and provides an additional 42MVA to support 4,000 - 5,000 new homes.

Building the West Fairfield Substation increased the reliability of the power grid in Cumberland County, increased the total capacity available, and provided a needed redundancy to alleviate outage time.

VEC is very serious about power reliability. In the last 17 years, VEC has upgraded (and sometimes built new) more than 26 of the 33 substations in operation. This effort was kicked off by President and CEO Rody Blevins when he was vice president of engineering and continued in his role as CEO. He and Matthew Teague, vice president of engineering, have worked toward a complete system upgrade as outlined in Vision 2020.
Vision 2020 is the Volunteer Energy Cooperative strategic plan for system and technology upgrades. It includes equipment and technology improvements to keep the electric system strong. The goals are to improve power reliability, develop better communication with our members, and develop better training tools for employees.

Components of the Vision 2020 plan, include power system technology upgrades, completing the Supervisory Control and Data Acquisition (SCADA) system, communications and network server upgrades.

Substation Upgrades

Upgrade Control Panels: Lantana and Crossville are complete. Sugar Grove was completed in August of this year. Fredonia has components in stock that are ready for installation. Ten Mile is scheduled for next year with Harrison Bay and McDonald following in the next two years.

Regulator & Recloser Controls: All recloser controls have been upgraded to an electro-mechanical type. All Substation Regulator Controls will be completed by end of 2018.

Substation Breakers: The breakers in the Lantana and Ten Mile stations have been upgraded. Ravenscroft will be completed this fall with Fredonia, Crossville, Harrison Bay and McDonald scheduled next.

SCADA Enhancements

All substations are now being monitored by the SCADA system.

Communications

Aclara (AMR) Servers - Complete
Email Servers - Complete
Digital Two-Way Radios - Complete

Expand Fiber System (Substation)

The Sugar Grove extension was completed this year. The Fairfield lines are in progress, and the fiber to the Fredonia Sub is in the planning.

Upgrade Security and Document Retention

Security: We have installed PTZ cameras at some substations, digital exterior cameras at the service centers, and replaced one lobby camera with a digital one. We have more to complete but we are getting closer.

Document Retention: Digital Archives are at 75% with all the completed contracts, Engineering, Accounting, IT, Decatur, Crossville, Brydstown, Monterrey and Jamestown. Still remaining are the Benton, Cleveland and Georgetown offices.

Upgrade Employee/Member Access to Data

• Completed the implementation of Meter Data Management System and the SmartHub Deployment.
• Updated the VEC website to function on mobile devices.
• Added an Instagram Account (@volunteerenergycoop) to our current Social Media platform. It is performing similar to Facebook in metrics. Both the Twitter account (@VEC_TN) and the LinkedIn business page are still in use. The Facebook page exceeded 7,693 followers this year.
• Completed the update to employee desktop computers.
Your Change Changes Things

The VECustomers Share program, begun in 2001, has surpassed $6.4 million in grants to community organizations. The following is just a sample of the groups that received grant funding in 2017-18.

Volunteer Energy Cooperative

- 5 Loaves Food Pantry
- 5th Grade Enrichment - Space Camp
- 5th/6th Homestead Elementary- US Space & Rocket Center Fieldtrip
- Agape Preschool at Monterey UMC
- American Cancer Society
- American Legion Ladies Auxiliary #81
- American Legion Post 68
- American Red Cross of SETN
- Anchor Point Foundation
- BASIC of Tennessee INC
- Benton Elementary Junior Beta Club
- Benton Fall Festival Booster Club
- Benton Food Fund Booster Club
- Benton UM Food My Sheep
- Better Living Center
- Boys & Girls Club of Ocoee Region
- Bradley County Scottish Rite
- Brown Middle School PTO
- Byrdstown Masonic Lodge # 496
- Calhoun Cheerleaders
- Camp Belle Aire Association, Inc.
- CASA of Bradley and Polk County
- Cumberland County Community Band
- Character Counts Community Initiative
- Cherokee Removal Memorial Park
- Chilhowee Middle Cross Country
- Chilhowee Middle Softball Boosters
- Clarkrange High Boys Basketball
- Clarkrange Volunteer Fire Department
- Creative Story Project
- Crossville 1st Nazarene Christmas Toy Store
- Crossville Lions Club Charities, Inc.
- Crossville Quilts of Valor Quilters #927
- Cumberland Adult Reading Council
- Cumberland Historical Society
- Cumberland County Blog
- Cumberland County Fair Association
- Cumberland House of Hope
- Cumberland Masonic Lodge # 496
- Cumberland Masonic Lodge # 496
- Cumberland Middle School Boosters
- Cumberland Middle School Tower Association
- Decatur Civitan Club
- Downtown Summer Nights
- Eagle Dugout Club
- Fair Park Senior Center
- Fairfield Glade Bass Club
- Family Cornerstones
- Family Resource Agency, INC
- Fentress County Children’s Center
- Fentress County Fair Association
- Fentress County Food Bank
- Foundation House Ministries
- Friends of Pickett Library Christmas Market
- Friends of the Art Circle Public Library
- Gamble Road Wildgame Dinner
- God’s Helping Hands, New Shepherd Hills Baptist Church
- Good Faith Clinic
- Greasy Creek Food Bank
- Greenwood Education Foundation
- Hands on of The Harvest
- Happy Hearts Seniors
- Harrison-Ooltewah Education Foundation
- Homestead Bulldogs Booster Club
- Hospice of Cumberland County INC
- Hwy 58 Volunteer Fire Dept.
- Junior Achievement of Ocoee Region
- Kiwanis Club of Spring City
- Knights of Columbus #6099
- Lady Waves Soccer Club
- Lake Forest Wrestling
- Little Crab Lodge #614
- Luminary School Backpack Committee
- Manha House Ministries
- Maple Grove Senior Adults
- Martin Elementary Jr Beta Club
- Martin Elementary Jr Cross Country
- McMinn Educational & Community Foundation
- McMinn Living Heritage Museum
- McMinn Rescue Squad
- McMinn Senior Citizens, INC
- Meigs Baseball Boosters
- Meigs FFA Alumni
- Meigs Historical Society
- Meigs County Lions Club
- Meigs County Ministries
- Meigs County Quest for Success
- Meigs County Retired Teachers
- Meigs County High Golf Boosters
- Meigs High Tennis Boosters
- Meigs Middle & High Choir Boosters
- Meigs North & South Guidance
- Mended Hearts Chapter 127
- Midway High Boy’s & Girls Basketball
- Midway High School Band Boosters
- Midway Middle School Beta Club
- Midway Middle School Football Boosters
- Midway Middle Support & Outreach
- Midway Middle Wave Service Club
- Midway Quarterback Club
- Midway Youth Cheerleading
- Midway Youth Development
- Monterey FBC Fall Festival
- Monterey FCCLA
- Monterey Food Bank
- Monterey High School Band
- Monterey High Cheerleading Boosters
- Monterey High Volleyball Parents
- Monterey Jr. High Boys Basketball
- Monterey Volunteer Fire Department
- Morgan Scott Project
- Mt. Zion Historical Church Committee
- National Fire Safety Council, INC
- New Life Community Kitchen
- Ocoee Theatre Guild
- Ooltewah High Band Boosters
- Others In Mind
- Paint Polk Pink
- Paint Rock Outreach Committee
- Panther Page Turners
- People Helping People
- Pickett Historical/Genealogy Society
- Pleasant Hill Elementary Band Booster
- Pleasant Hill Historical Society of Cumberlands
- Polk County Fair
- Polk County High Golf Booster Club
- Polk County High Soccer Boosters
- Polk County High Volleyball Club
- Rhea Alliance
- Rhea County 4-H
- Rhea County High Soccer
- Ronald McDonald House Charities
- Salem BC- Indigent Food Pantry
- Senior Citizens of Cumberland County
- Special Spaces Chattanooga
- Spirit Horse Therapeutic Riding
- Spring City Youth Athletic Association
- Stone Memorial Health Committee
- Teens TARGETED, Inc.
- Tennessee 4-H Club Foundation, Inc.
- Tennessee 4-H Club Foundation, Inc.
- Cumberland County
- The Bay View Arabian Team
- TN Immigrant & Refugee Coalition
- Town of Byrdstown 5K Committee
- Toystop For Children
- Valley View Storehouse Food Ministry
- Walker Valley Volleyball Boosters
- Wesley UMC Sack Pack Program
- West Polk Baptist Association
- Wilson Athletic Booster Club
- YMCA of Metropolitan Chattanooga
# FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2018

## Balance Sheet as of June 30, 2018

### Assets

- **Electric plant in service**: $460,300,687
  - Less depreciation: $221,828,040
  - **Total**: $238,472,648
- **Other property and investments**: 13,969,590
- **Current and accrued assets**
  - Cash and temporary cash investments: $50,527,998
  - Accounts receivable: 16,386,600
  - Materials and supplies: 3,371,323
  - Prepayments: 766,360
  - Other current assets: 1,692,224
  - **Total**: $72,734,505
- **Deferred debits**
  - Receivables-conservation: 4,735,476
  - Other deferred debits: 736,808
  - **Total**: 5,472,283
- **Total assets**: $330,649,027

## Capital and Liabilities

### Capital

- **Membership certificates**: $449,875
- **Earnings reinvested in system assets**: 263,871,095
- **Total**: 264,320,970

### Liabilities

- **Long term debt**: 17,696,110
- **Other noncurrent liabilities**: 8,211,257

## Deferred debits

- Receivables-conservation: 4,735,476
- Other deferred debits: 736,808
- **Total**: 5,472,283

## Deferred credits

- 13,911,223

### Total assets

- **Total**: $330,649,027

### Operating Revenue

- **Sale of electric energy**
  - Residential: $154,909,235
  - Commercial: 23,627,033
  - Industrial: 56,614,925
  - Street and other lighting: 4,103,206
- **Total sale of electric energy**: 239,254,398
- **Other revenue**: 6,391,173
- **Total operating revenue**: 245,645,571

### Operating Expenses

- **Cost of power purchased from TVA**: $187,757,203
- **Distribution and transmission expense**: 14,809,653
- **Customer accounts expense**: 3,948,739
- **Customer service, sales and information expense**: 488,211
- **Administrative and general expense**: 8,557,608
- **Depreciation**: 15,934,482
- **Taxes**: 3,047,591
- **Interest expense**: 1,168,359
- **Total operating expense and interest**: 235,892,174

### Operating Income

- **Operating Income**: 9,753,397
- **Other income**: 1,180,168
- **Total net income**: $10,933,565

### Earnings Reinvested in System Assets

- **Beginning of fiscal year**: 252,937,530
- **End of fiscal year**: 263,871,095
SEVEN COOPERATIVE PRINCIPLES

1) Open and Voluntary Membership: VEC is a voluntary organization open to all people able to use its services and willing to accept the responsibilities of membership without gender, social, racial, political, or religious discrimination.

2) Democratic Member Control: VEC is a democratic organization controlled by its members – those who buy the goods or use the services of the cooperative – who actively participate in setting policies and making decisions. A member-elected board of directors set the policy and procedures that govern the cooperative.

3) Members’ Economic Participation: Members contribute equally to, and democratically control, the capital of the cooperative.

4) Autonomy and Independence: VEC is an autonomous, self-help organization controlled by its members. If VEC enters into agreements with other organizations or raises capital from external sources, it is done based on terms that ensure democratic control by the members and maintains the cooperative’s autonomy.

5) Education, Training, and Information: VEC provides education and training for members, elected representatives, managers, and employees so they can contribute effectively to the development of the cooperative.

6) Cooperation Among Cooperatives: VEC serves its members most effectively by working together through local, national, regional, and international structures.

7) Concern for Community: While focusing on members’ needs, VEC works for the sustainable development of communities through policies and programs accepted by the members.

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