



**KEEPING YOUR
FUTURE BRIGHT**

Clark Electric Cooperative

Annual Meeting

Loyal American Legion Hall

Wednesday April 13, 2011

Starting at 9:30 a.m.

**2010
ANNUAL REPORT**



Notice of the Annual Meeting of the Membership of Clark Electric Cooperative

Wednesday, April 13, 2011

The 74th 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 **Wednesday, April 13, 2011** 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 two (2) board members, Jeremy Baxter and Wilmer Griepentrog 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 21st day of March, 2011.

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 for their recommendation prior to the Annual Meeting.
5. Only members will be allowed to speak for four minutes on each issue and for one time only, except that an additional four minutes may be granted by unanimous consent.
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.
7. No demonstrations shall be held within the building of the place of the meeting.





Abbreviated Minutes of The 2010 Annual Meeting

The 73rd Annual Meeting was held on April 10, 2010, and was called to order at 9:30 a.m. by President, Wilmer Griepentrog.

Ronald Schmidt gave the invocation.

Clarence Hoesly 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 Annual Report.

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

Minutes of the 2009 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 Clarence Hoesly (York). It was moved and seconded to cast a unanimous ballot for Clarence Hoesly. Motion carried.

Nominations were open for a director to succeed Ronald Schmidt (Brighton). It was moved and seconded to cast a unanimous ballot for Ronald Schmidt. Motion carried.

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 11:40 a.m.



President's Report

It is my 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, 2010. The Cooperative's financial report for year-end 2010 & 2009 is contained in this booklet. Please take a few minutes to review the information contained herein.

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 2010 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 2010, the Board of Directors approved total retirements of \$854,390. This brings the total dividends retired to our members to over \$17,530,828.

Financial Statistics

The continuing economic recession, combined with more moderate weather, led to a slight increase in electric sales during the year. Total electric energy sales remained fairly stagnant with a 0.09% increase from the 2009 level to 171,172,345 kWh sold. By way of comparison, the 2010 level is still 4.97% below

kWh sales in 2008. However, as a result of taking significant steps to address our challenges in 2010 combined with a continued aggressive cost containment program, the Cooperative helped to offset ever increasing cost which resulted in a positive operating margins of \$ 1,036,811 compared to \$ 893,673 in 2009. The total cost of providing electric service LESS power cost increased by 2.11%. However, total cost of providing electric service LESS power cost has **increased 0.63% from the 2007 level**. This cost component measure is significant as this primarily measures the distribution cost component (local costs). The Operating Times Interest Earned Ratio (TIER) increased to 4.56 from 4.12 in 2010. Our Equity Ratio increased moderately from last year's level of 75.39% of total assets to the 2010 year end level of 75.86% of total assets.

The Cooperative utilized the second ½ of the NRUCFC 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 CFC financing, resulted with a year end Debt to Total Assets Ratio of 17.06% as compared to 16.82% in 2009.

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 2010 was marked by a number of summer storms that drove The System Average Interruption Duration Index (SAIDI), a system reliability index, to 4.68. The 2010 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 \$ 1,596,815 in new distribution plant during 2010. This represents new construction and replacement of electric lines, new service extensions, and member service upgrades. In addition, a total of 54 new services were added as compared to 85 new services during 2009.

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. 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 six years of operation, the Foundation has awarded \$ 162,750 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 2.91% increase in rate from the 2009 level. Unfortunately we are again expecting an increase in

wholesale charges of approximately 4.5%. Wholesale power costs accounts for approximately 71.50% 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 contributing to the increased costs are; the recent environmental improvements at generating stations, increased costs of renewable energy from Stoneman biomass plant, increasing rail transportation costs at Weston 4, and environmental policy and rulemakings.

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. Projections through 2025 indicate

that DPC is on track to meet aggressive state renewable energy standards and a 25% renewable energy goal. In 2010 more than 7 percent of DPC sales came from renewable energy resources. That number has been growing and is expected to be approximately 12 percent in 2011. The largest new renewable resource is a 40 MW facility using biomass as its fuel, which came online in the fall 2010. This is a converted coal to biomass facility that uses wood waste to create energy. DPC is slightly ahead of current mandates and continues to expand its power supply with prudent investments in renewable energy resources. DPC renewable energy resources include hydro, wind, landfill gas, and several manure digesters. To date, DPC has been able to acquire renewable resources at a relatively moderate premium over the average cost of production. However, with increasing equipment costs and demand for renewable energy, DPC is seeing that premium increase dramatically. These expansions of DPC's renewable energy resources

(continued on page 6...)



“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.”

President's Report *(continued from page 5)*

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 2.9 million tons of coal in 2010. The cost of both rail and barge transportation has risen sharply in the past five years. The costs increases are driven by rising diesel fuel costs as well as expenses incurred by rail and barge lines to replace older railroad and barge equipment. In addition to increased costs relative to barge freight shipping, we believe there continues to be issues relative to the captive rail shipping. Senator Herb Kohl has again introduced legislation which would help make rail service more competitive and aid captive rail customers like DPC.

Finally, I would like to provide a legislative update. As DPC plans for power supply for years to come, it is essential that we have regulatory certainty to properly allocate funds, time and effort efficiently throughout their operations. DPC is aligning with the National Rural


Electric Cooperative Association (NRECA) on initiatives to work with Congress and the Administration on streamlined rule-making that protects the environment while ensuring cooperative members still receive a reliable and affordable supply of electricity. The major issues are as follows: The climate change bill debated in Congress for the past two years did not pass. However, The U.S. Environmental Protection Agency (EPA) has replaced the proposal with a variety of other regulations including the Clean Air Transport Rule, Coal Ash Recycling and Greenhouse Gas Rulemaking. All of these rules could result ultimately in higher costs on your electric bill. Addressing greenhouse gas emissions is a complex challenge. There is no silver bullet technology that can be adapted to retrofit existing power plants to reduce or eliminate CO₂ emissions. Reducing our carbon foot print will require the adoption of a number of strategies in the short term and the development of new technology in the longer term. Our position is clear, we believe that legislation should be national in scope, that state by state policies will not adequately address the greenhouse gas issue.

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



Clark Electric Board of Directors



Wilmer Griepentrog

*President
1999 - Present
Town of Sherman*



Ronald Schmidt

*Vice President
1996 - Present
Town of Brighton*



Clarence Hoesly

*Secretary/Treasurer
1998 - Present
Town of York*



Anthony Jarocki

*Director
1997 - Present
Town of Hixon*



Howard Schultz

*Director
2003 - Present
Town of Weston*



Charles Bena

*Director
2003 - Present
Town of Mead*



Jeremy Baxter

*Director
2005 - Present
Town of Holway*

Statement of Cash Flows

Increase (Decrease) in Cash and Equivalents

Cash Flows From Operating Activities

| | 2010 | 2009 |
|--|--------------|--------------|
| Net Margins | \$ 1,846,534 | \$ 1,563,645 |
| Adjustments to reconcile net margin to net cash provided by operating activities | | |
| Depreciation and Amortization | 949,103 | 933,532 |
| G&T Capital Credits | (445,010) | (356,007) |
| Gain on Equity in Subsidiary | (344,279) | (281,905) |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | (120,547) | (31,035) |
| Notes Receivable | 70,421 | 71,643 |
| Materials and Supplies | 28,686 | 50,877 |
| Other Current and Accrued Assets | (41,602) | (838) |
| Accounts Payable | (17,176) | 14,076 |
| Other Current and Accrued Liabilities | (142,926) | (46,687) |
| Net Cash Provided by Operating Activities | 1,783,204 | 1,917,301 |

Cash Flows From Investing Activities

| | | |
|--|-------------|-------------|
| Capital Expenditures | (1,588,877) | (1,412,215) |
| Investments in Associated Organizations and Other Assets | 252,532 | 45,056 |
| Dividend Received | 200,000 | 200,000 |
| Net Cash Provided by (used in) Investing Activities | (1,136,345) | (1,167,159) |

Cash Flows From Financing Activities

| | | |
|---|-----------|-----------|
| Long-term Borrowing | 600,000 | 600,000 |
| Payments on Long-term Debt | (293,905) | (267,303) |
| Capital Credits Retired | (884,691) | (764,884) |
| Changes in Other Equities and Consumer Deposits | 78,253 | 24,669 |
| Net Cash Provided by (used in) Financing Activities | (500,343) | (407,518) |

NET INCREASES IN CASH AND CASH EQUIVALENTS

146,516 **342,624**

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

665,377 **322,753**

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 811,893 **\$ 665,377**



 CPAs, Consultants & Advisors

www.larsonallen.com

Balance Sheet - December 31, 2010

Assets and other Debits

| | Dec 2010 | Dec 2009 |
|--|----------------------|---------------------|
| Total Plant in Service | \$ 30,197,529 | \$ 29,573,160 |
| Construction Work in Progress | 27,934 | (15,215) |
| Total Utility Plant | 30,225,463 | 29,557,945 |
| Accumulated Depreciation & Amortization | 7,743,162 | 7,715,416 |
| Net Utility Plant | 22,482,301 | 21,842,529 |
| Investments in Subsidiary Companies | 4,551,904 | 4,348,558 |
| Investments Associated Organizations - Patronage Capital | 5,872,510 | 5,569,629 |
| Investments Associated Organizations - Other General Funds | 493,378 | 493,378 |
| Other Funds | 162,032 | 157,117 |
| Special Funds | - | 120,342 |
| Total - Other Property and Investments | 11,079,824 | 10,689,024 |
| Cash - General Funds | 781,162 | 243,385 |
| Temporary Investments | 210,577 | 586,173 |
| Notes Receivable - Net | 126,679 | 197,100 |
| Accounts Receivable - Net Sales of Energy | 2,030,495 | 1,913,233 |
| Accounts Receivable - Net Other | 21,344 | 18,058 |
| Materials and Supplies Electric and Other | 258,190 | 286,876 |
| Prepayments | 157,365 | 115,769 |
| Interest & Dividends Receivable | 5,097 | 5,097 |
| Total Current and Accrued Assets | 3,590,909 | 3,365,691 |
| Other Deferred Debits | 42,781 | 24,377 |
| Accumulated Deferred Income Taxes | | |
| Total Assets | \$ 37,195,815 | \$35,921,621 |

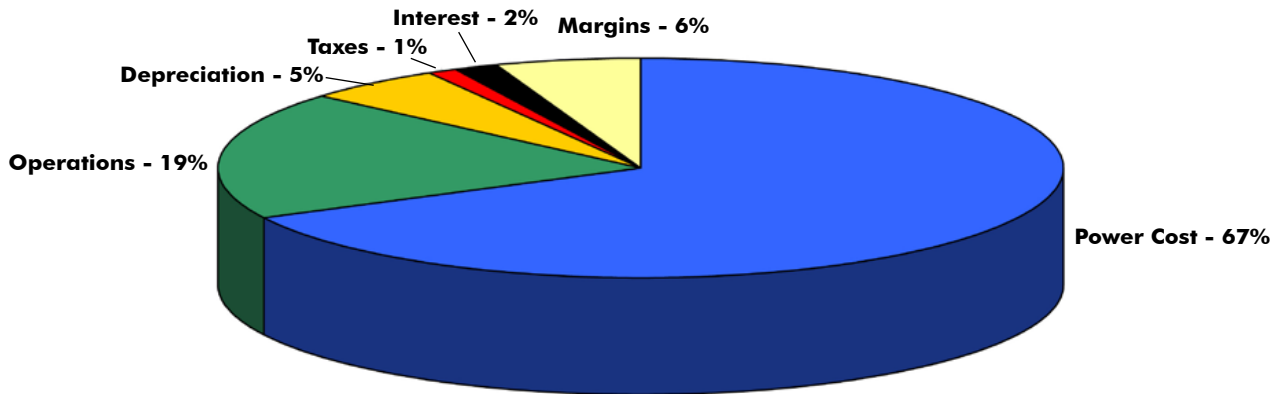
Liabilities and Other Credits

| | Dec 2010 | Dec 2009 |
|--|----------------------|---------------------|
| Patronage Capital | \$ 18,849,637 | \$ 18,470,888 |
| Patronage Capital - Non Assignable | 2,306,610 | 1,877,956 |
| Operating Margins - Current Year | 1,430,548 | 1,202,839 |
| Non-Operating Margins | 415,981 | 360,806 |
| Other Margins and Equities | 5,214,523 | 5,167,982 |
| Total Margins and Equities | \$ 28,217,299 | \$ 27,080,471 |
| Long Term Debt - REA (Net) | 3,237,637 | 3,367,160 |
| Long Term Debt - Economic Development | 82,500 | 143,482 |
| Long Term Debt - (NRUCFC) | 2,739,756 | 2,242,190 |
| Total Long Term Debt | \$ 6,059,893 | \$ 5,752,832 |
| Notes Payable | - | - |
| Accounts Payable | 1,462,013 | 1,497,089 |
| Consumers Deposits | 101,688 | 102,696 |
| Other Current and Accrued Liabilities | 1,055,944 | 1,073,816 |
| Current Maturities-Long Term Debt | 286,326 | 287,753 |
| Total Current and Accrued Liabilities | \$ 2,905,971 | \$ 2,961,354 |
| Deferred Credits | 12,652 | 126,964 |
| Total Liabilities and Other Credits | \$ 37,195,815 | \$35,921,621 |

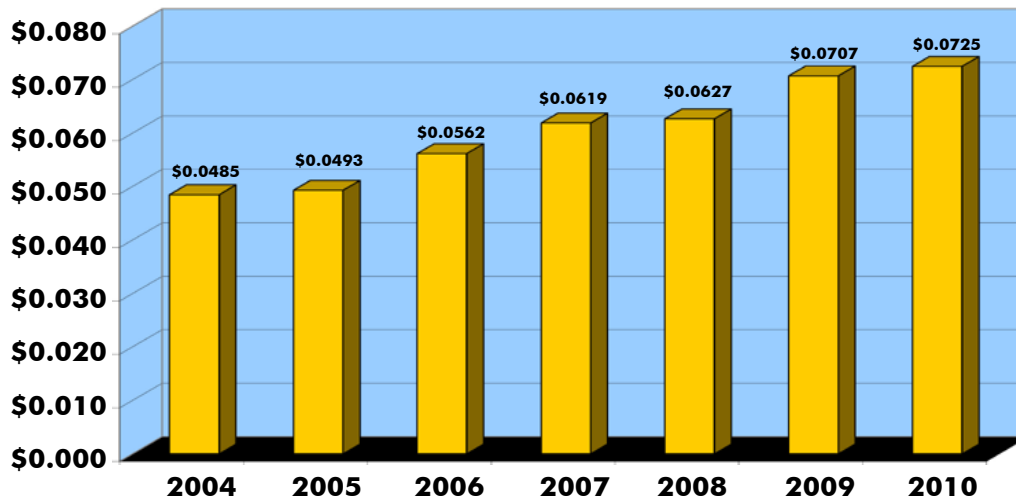
Statement of Operations

| Item | Dec 2010 | Dec 2009 |
|--|----------------------|---------------------|
| Operating Revenue | \$ 18,388,777 | \$ 17,824,651 |
| Cost of Power | 12,404,413 | 12,085,591 |
| Transmission Expense | | |
| Distribution Expense-Operation | 1,163,837 | 1,150,818 |
| Distribution Expense-Maintenance | 1,040,979 | 929,079 |
| Consumer Account Expense | 472,952 | 439,794 |
| Consumer Service & Info Expense | 147,266 | 205,481 |
| Sales Expense | 38,138 | 39,745 |
| Administrative and General Expense | 641,997 | 680,503 |
| Total Operations Expense | \$ 3,505,169 | \$ 3,445,420 |
| Total Operation & Maintenance Expense | \$ 15,909,582 | \$15,531,011 |
| Depreciation & Amortization Expense | 949,103 | 933,532 |
| Tax Expense - Property | 190,901 | 184,352 |
| Tax Expense Other | 6,200 | (10,137) |
| Interest Long Term Debt | 291,010 | 286,589 |
| Interest Expense- Other | 1,542 | 2,764 |
| Other Deductions | 3,627 | 2,866 |
| Total Fixed Expenses | 1,442,383 | 1,399,966 |
| Total Cost of Electric Service | \$ 17,351,965 | \$16,930,977 |
| Patronage Capital & Margins | \$ 1,036,812 | \$ 893,674 |
| Non-Operating Margins | | |
| Interest Income | 40,639 | 45,770 |
| Non-Operating Margins - Other | 324,068 | 268,194 |
| Generation & Transmission Capital Credits | 393,736 | 309,165 |
| Other Capital Credits | 51,274 | 46,842 |
| Total Non-Operating Margins | 809,717 | 669,971 |
| Patronage Capital - Margins | \$ 1,846,529 | \$ 1,563,645 |

How The Dollar Was Spent In 2010



Power Cost/kWh Sold



Comparative Operating Statistics

| | 2010 | 2009 |
|--|---------------|---------------|
| Miles of Line | 1,971 | 1,971 |
| Number of Meters Served | 8,904 | 8,888 |
| Electric Services per Mile of Line | 4.52 | 4.51 |
| Total KWH Purchased from Dairyland Power Cooperative | 181,565,760 | 182,046,888 |
| Total KWH Sold by Clark Electric Cooperative | 171,172,345 | 171,011,961 |
| Percent Increase (decrease) In Purchases | -0.264% | -4.524% |
| Percent Increase (decrease) In Sales | 0.094% | -5.063% |
| Average Line Loss | 5.724% | 6.062% |
| Cost per KWH Purchased (Cents per KWH) | 6.832 | 6.639 |
| Revenue per KWH Sold (Cents per KWH) | 10.743 | 10.423 |
| Number of KWH's Used per Meter per Year | 19,224 | 19,241 |
| Revenue per Mile of Line per Month | \$ 777 | \$ 754 |
| Average Bill per Meter per Month | \$ 172 | \$ 167 |
| Total Capital Credits Refunded this Year | \$ 854,390 | \$ 805,693 |
| Total Capital Credits Refunded to Date | \$ 17,530,828 | \$ 16,676,438 |



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.



Employees

Management

Years of Service

| | |
|--|----------|
| Tim Stewart, CEO/General Manager..... | 6 years |
| Donna L. Abel, Office Manager..... | 50 years |
| Mike Ruff, Director of Operations..... | 18 years |

Office Staff

| | |
|--|----------|
| Linda McAley, Accounting/Data Processing Supervisor..... | 37 years |
| Sandy Herrick, Operations Aide..... | 32 years |
| Tracy Nelson, Administrative Assistant..... | 24 years |
| Pat Krause, Member Accounts Representative..... | 19 years |
| Bobbi Toburen, Member Accounts Representative..... | 17 years |
| Amber Reddy, Member Accounts Representative..... | 14 years |
| Cathy Langreck, Member Accounts Representative..... | 12 years |

Operations Staff

| | |
|---|----------|
| Rick Suda, Line Superintendent..... | 29 years |
| Kevin Sterland, Ass't. Line Superintendent..... | 18 years |
| Gary French, Metering..... | 31 years |
| Dan Sturz, Metering..... | 25 years |
| Jeff Block, Lineman..... | 24 years |
| Warren Luedtke, Lineman..... | 21 years |
| Mike Hackel, Lineman..... | 17 years |
| Josh Burns, Lineman..... | 8 years |
| Chad Steffen, Lineman..... | 8 years |
| Scott Bailen, Lineman..... | 8 years |
| Jim Mertens, Master Electrician..... | 6 years |
| Matt Wiese, Lineman..... | 5 years |
| Pat Susa, Warehouse Utility Man..... | 5 years |
| Jarred Martens, Lineman..... | 4 years |
| Kent Weigel, Lineman..... | 4 years |

Appliance and Satellite, Inc. Staff

| | |
|---|----------|
| Rita Sladich, Executive Vice President of Operations..... | 33 years |
| Michelle Walde, Appliance Assistant Manager, Sales..... | 15 years |
| Sarah Shaw, Appliance Sales Representative..... | 14 years |
| Ryan Nielsen, Appliance/Geothermal Technician..... | 10 years |
| Greg Shaw, Appliance/Geothermal Technician..... | 8 years |

Chairman of The Board Report

Clark Electric Appliance & Satellite, Inc.

Clark Electric Appliance & Satellite Inc. completed its 16th 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 measurers, 2010 was a challenging yet successful year. Total assets grew 5.83% to \$5,590,197 and total earnings were positive at \$344,278. Clark Electric Appliance and Satellite 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 Econar 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.

It is hard to believe that DirecTV is now in its 17th year. 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 has elected to expire the Servicer Agreement that allowed Clark Electric Appliance and Satellite Inc. to service your DirecTV account. While we will miss servicing your DirecTV account, we’re confident that our customers will continue to enjoy their DirecTV programming in this new environment and will receive excellent customer care from DirecTV. This transition will take place in the summer to fall time frame. Those of you who receive DirecTV service will receive more information from us in the future.

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. I am pleased to say that Wildblue has become one of our core products with almost 650 subscribers in our service area. We are excited that a new satellite will be launched this year that promises a dramatic increase in speed. The speed delivered will revitalize our internet offering and should grow our subscriber base. We hope to be offering the higher speeds in the 4th quarter of this year.

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 24.50% 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 consumer 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
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 Janezich
Director



Patricia Nelson
Director



Dr. John Scaletta
Director

Subsidiary Operations

Operations

| | 2010 | 2009 |
|-------------------|----------------|----------------|
| Income | \$2,664,647 | \$3,468,144 |
| Cost of Sales | 1,339,479 | 2,218,648 |
| Overhead Expense | 791,213 | 782,565 |
| Gross Profit | 533,955 | 466,931 |
| Less: Taxes | 189,677 | 185,026 |
| Net Profit | 344,278 | 281,905 |

Assets

| | | |
|--------------------------|------------------|------------------|
| Building/Equipment | 1,483,548 | 1,582,701 |
| Franchise/NRTC Capital | 1,795,274 | 1,392,223 |
| Current & Accrued Assets | 2,311,375 | 2,307,067 |
| Total Assets | 5,590,197 | 5,281,991 |

Liabilities & Equity

| | | |
|---------------------------------------|--------------------|--------------------|
| Equity | 4,551,897 | 4,348,551 |
| Debt | - | - |
| Current Liabilities | 1,038,300 | 933,440 |
| Total Liabilities & Equity | \$5,590,197 | \$5,281,991 |



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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

2010 Annual Meeting

Wednesday, April 13, 2011 • 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

5 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