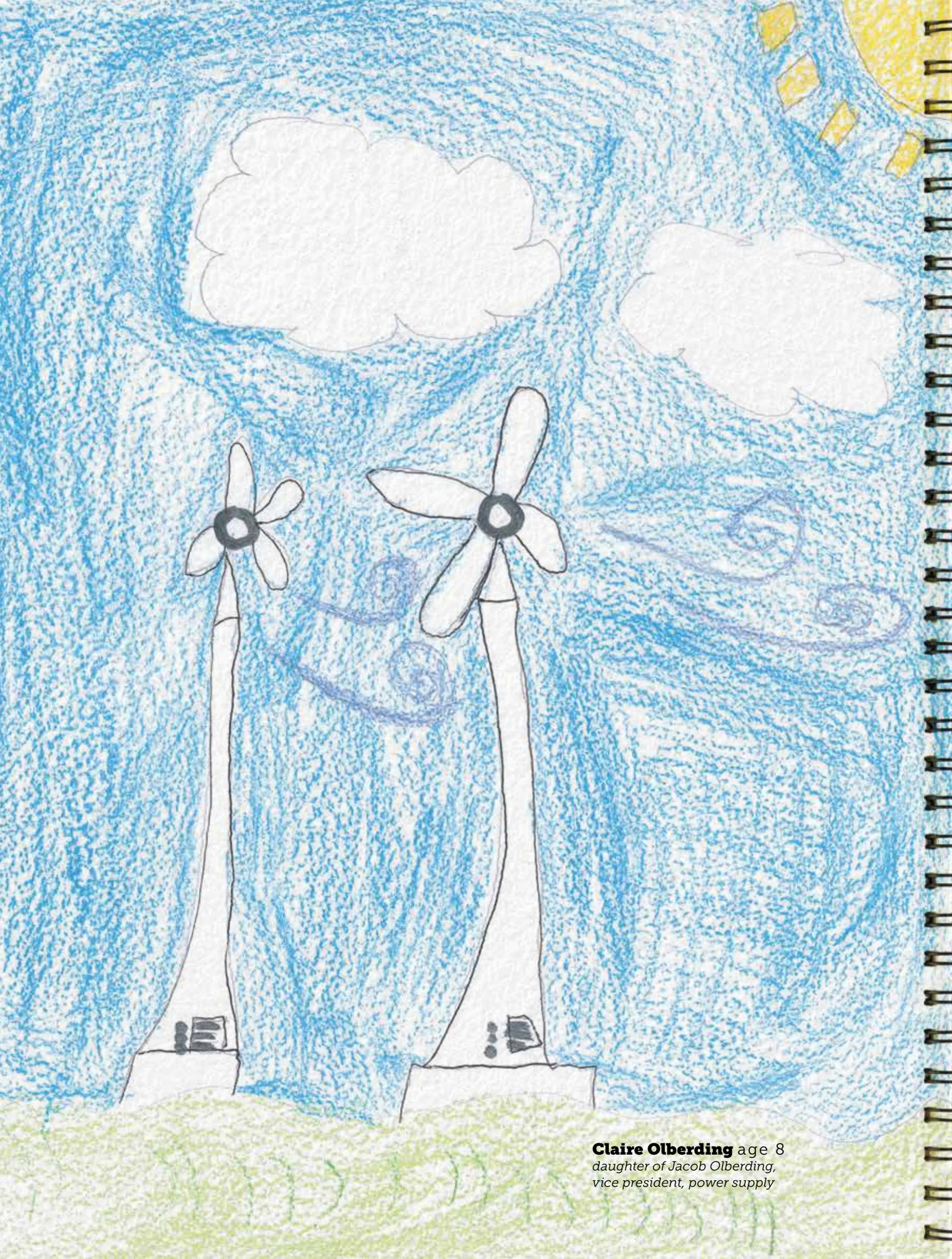


The
REPORT
of Resilience

CORN BELT POWER COOPERATIVE
2020 Annual Report





Claire Olberding age 8
daughter of Jacob Olberding,
vice president, power supply

Lucas Marchun age 5
nephew of Marena Fritzer,
marketing director



2020 wasn't easy.

If an artist were to illustrate 2020, it might not be the most appealing creation to some, while others may awe at its beauty. Either way, we choose to look for the good. A global pandemic, extreme weather and other events gave colorful strokes and form to Corn Belt Power Cooperative's year.

Art can be a form of creative expression. And then there's the art of doing something extremely well – at mastery or skilled levels – like the level at which our employees operate on a daily basis to provide members with affordable and reliable power. An expression of our employees' mastery skill can also be recognized in the art of their resilience amidst 2020's adversity. Webster defines *resilience* as, "the ability to recover from or adjust to misfortune or change."

We adjusted the way we worked. Amidst it all, our cooperative employees and members showed resilience with continued top-of-the-line service to rural Iowans.

We boosted cleaning efforts and worked virtually where possible. Crews adopted staggered work shifts for health and safety reasons while trying to reduce the spread of COVID-19.

Our crews spent days restoring power to those who lost it during destructive storms. The same crews continue to build and maintain a robust system to enhance the quality of life in the areas we serve.

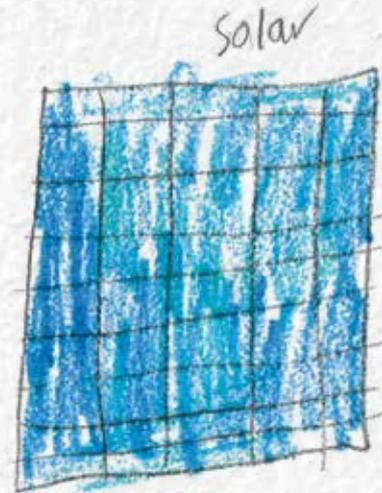
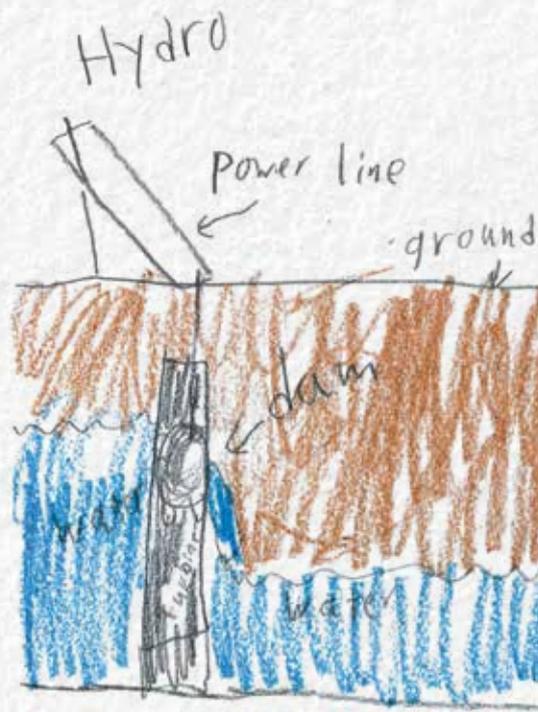


Corn Belt Power crews string fiber wire along the Plover to Whittemore Junction line seven miles south of Emmetsburg June 2.

Wisdom Station continues to see an increase in operation hours. Employees at the plant upgraded infrastructure to ensure future reliability.

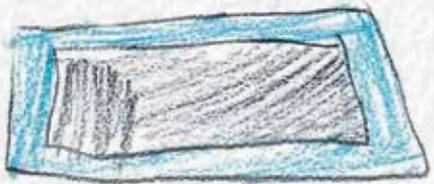
Conquering the year has been a team effort, including our families, so we asked the children and grandchildren of our employees to share their artwork with us. We asked them to illustrate what their family member does at work, an electric cooperative landscape, or what they think of when they think of power. Despite the challenges we face, our service continues, and we love how our young, aspiring artists captured that. We hope you enjoy their artwork in our report as much as they enjoyed creating it.

Challenging circumstances do not define our year, but the resilience of our people and reliable service does. When viewed through the lens of resilience, the events that color and illustrate our year transform 2020 into a masterpiece of artful ingenuity and teamwork.

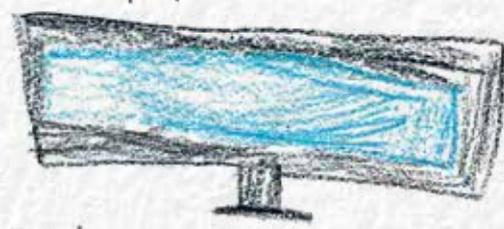


Electricity

ipad



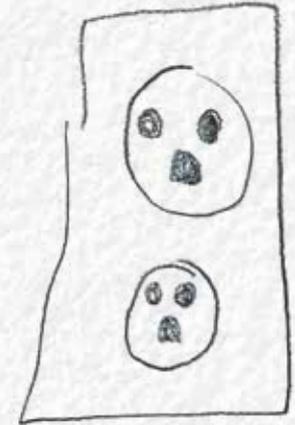
TV



light bulb



out let



Claire Olberding age 8
daughter of Jacob Olberding,
vice president, power supply

Luke Olberding age 10
son of Jacob Olberding,
vice president, power supply



Corn Belt Power electrical maintenance crews construct the Donald Feldman Switching Station near Shell Rock, Iowa inside the Butler Logistics Park. The new station will help serve the area's growing load.

Corn Belt Power transmission crews replace 9 broken poles June 19 along the Sac City to Odebolt line 6 miles south of Early, Iowa following a destructive summer storm.

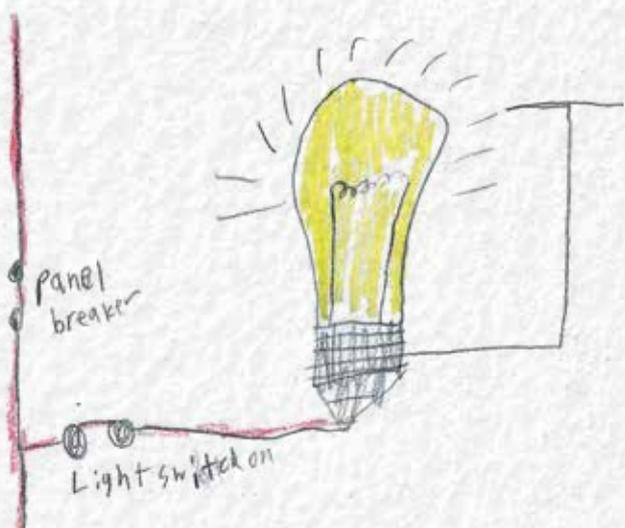


executive report

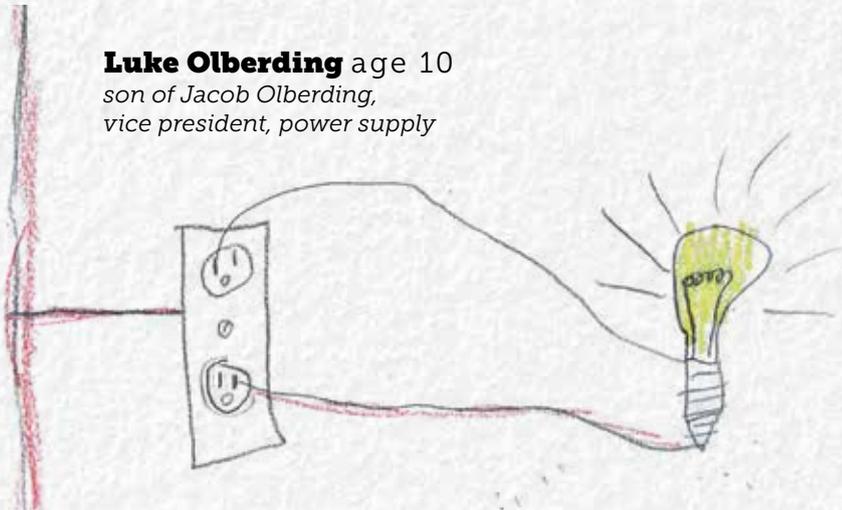


Kipton Curless age 9
*grandson of Denny Evans,
foreman/field engineering*





Luke Olberding age 10
son of Jacob Olberding,
vice president, power supply

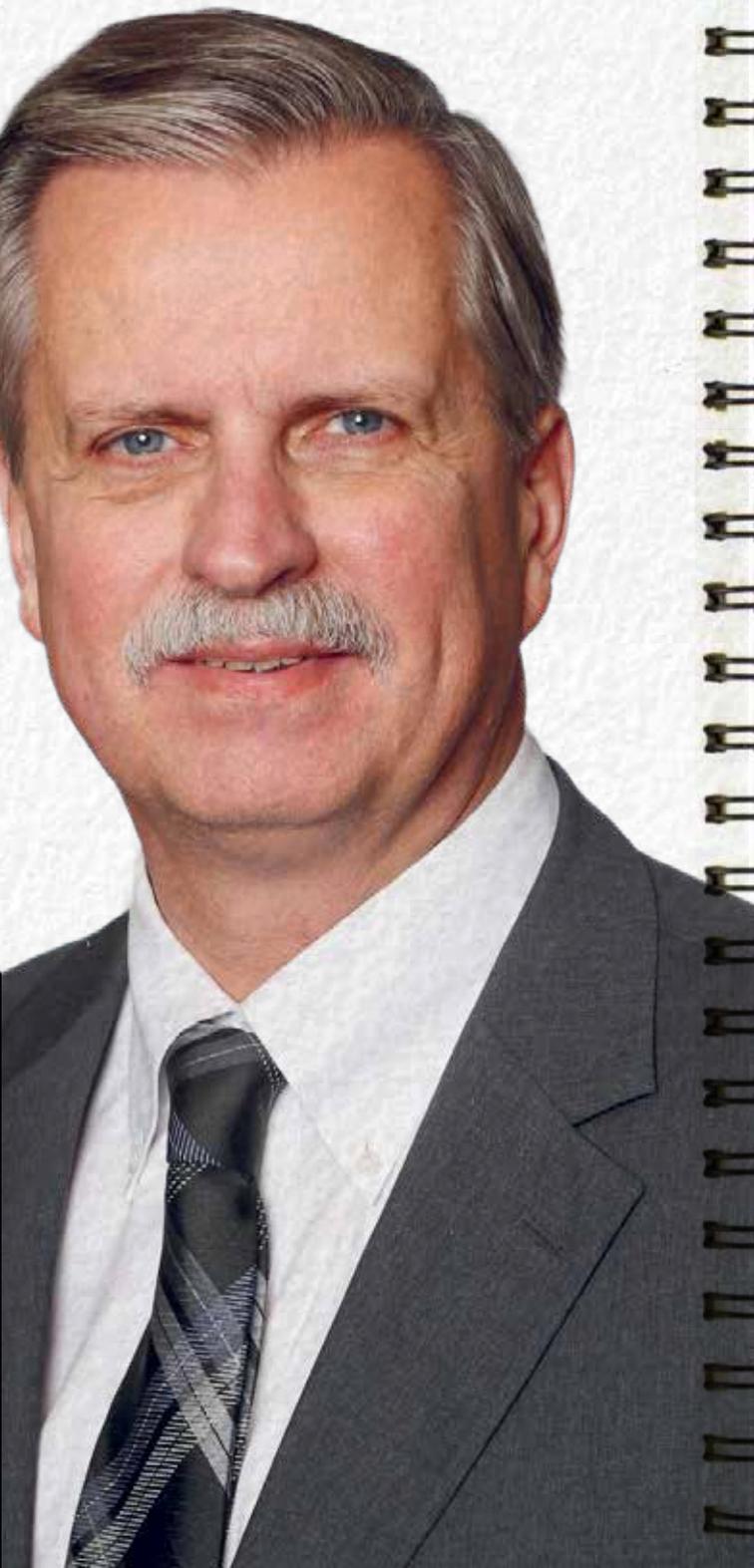


David Onken

President, Corn Belt Power Cooperative
Board of Directors

Kenneth H. Kuyper

Executive Vice President and General Manager





From Mother Nature's destruction to the COVID-19 global pandemic, 2020 was a challenging year. "The Art of Resilience" sums up how Corn Belt Power navigated a difficult year with adjustment, artful ingenuity and skilled teamwork.

**Despite the challenges, our mission remained the same:
TO ENHANCE THE QUALITY OF LIFE OF THOSE WE SERVE.**

Our membership in the Southwest Power Pool regional market continues to produce positive economic results. We are able to aggressively upgrade and rebuild our electric system as a byproduct of that relationship. Building and maintaining our robust transmission system continues to power us and our members forward.

Corn Belt Power upgraded more than 70 miles of its transmission infrastructure in 2020. The Pocahontas to Whittemore line rebuild, completed by Corn Belt Power crews, consists of 24 miles of new 336 aluminum conductor steel-reinforced cable.

System improvements increase system reliability and provide for future load growth, like the projects we completed in the Butler Logistics Park. Corn Belt Power crews constructed the new Bauman Substation and Feldman Switching Station to power TrinityRail and other loads inside the park.

Our power supply department reported Wisdom Station Unit 2 reached record start times and operation hours in 2020. The year's energy production fell just shy of a record setting year. The low, stable natural gas price makes Wisdom Unit 2 a competitive peaking resource within the Southwest Power Pool. Unit 2 is fast-starting and operational on short notice when needed to support transmission system reliability.



Avery Zinnel age 7
daughter of Ashly Zinnel,
accountant III



Corn Belt Power transmission crews build new line along highway 3 east of Pocahontas Dec. 14.



The 2020-built Feldman Switching Station and Bauman Substation help power TrinityRail and future Butler Logistics Park load.



Wisdom Station's Wayne Wolthuizen, left, shift operator, and Cody Montgomery, control operator, control Wisdom Unit 2 during a September 2020 run.

We were pleased to announce the commissioning of Wisdom Station's new 150-kilowatt solar facility in 2020.

After months of planning, the facility became fully functional in October 2020. The project features two different photovoltaic panel arrangements, a fixed-tilt array and an array of single-axis tracking panels. The panels take up space once occupied by the plant's coal pile. Wisdom Station converted to an all-natural gas burning facility in 2014.

We witnessed Duane Arnold Energy Center's (DAEC) closure in August, following the devastating derecho that swept across Iowa. Because of our strong relationship with Basin Electric Power Cooperative, we can withstand this closure. Before joining Basin Electric as a Class A member, DAEC made up a large portion of our generation mix. Since joining Basin Electric, our 10 percent share of DAEC has made up less than two percent of our power supply.

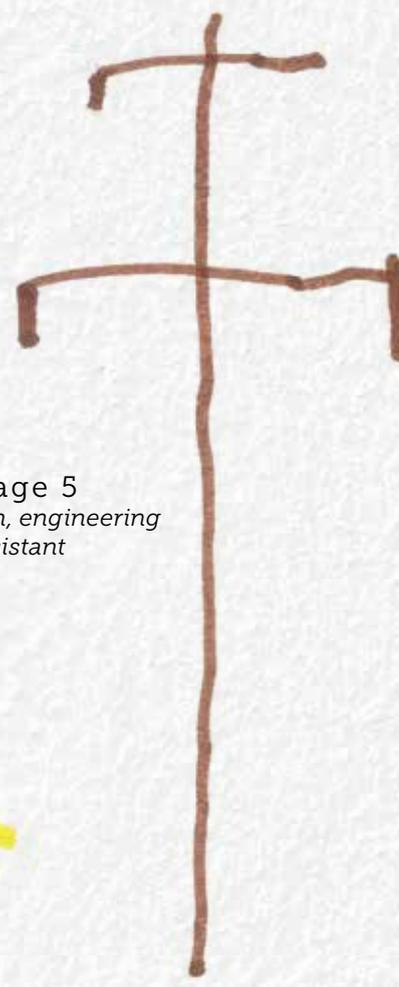
Corn Belt Power commissioned its new Wisdom Station 150-kilowatt solar array in July.



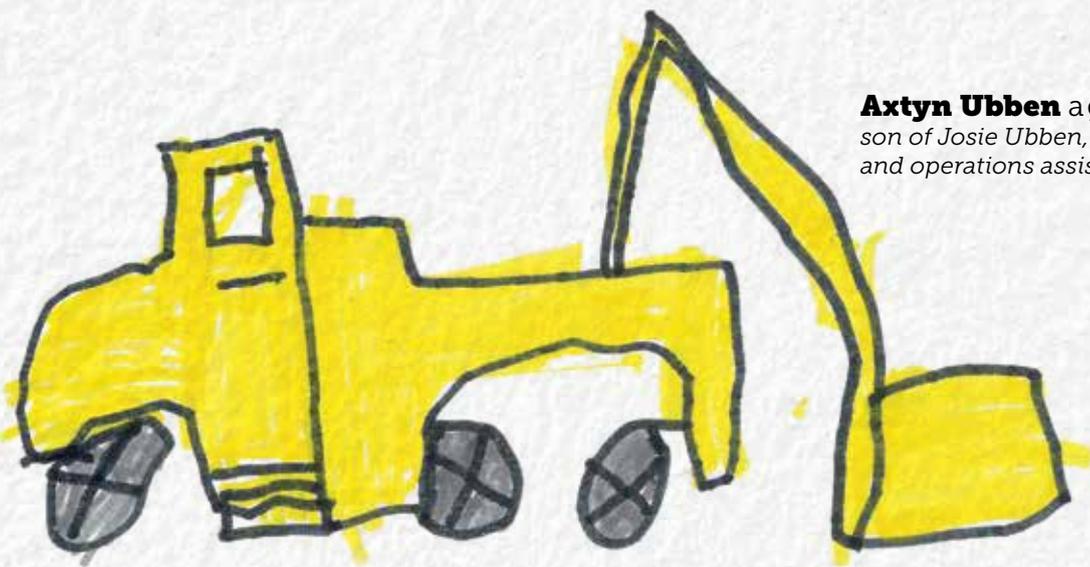
Bryson Kampen age 11
son of Travis Kampen,
communications technician

In 2020, Corn Belt Power's main office location also received updates with new flooring, an updated reception area and information technology systems. Employees continued to refine the support systems that allow Corn Belt Power to supply our members with safe, reliable and affordable electricity.

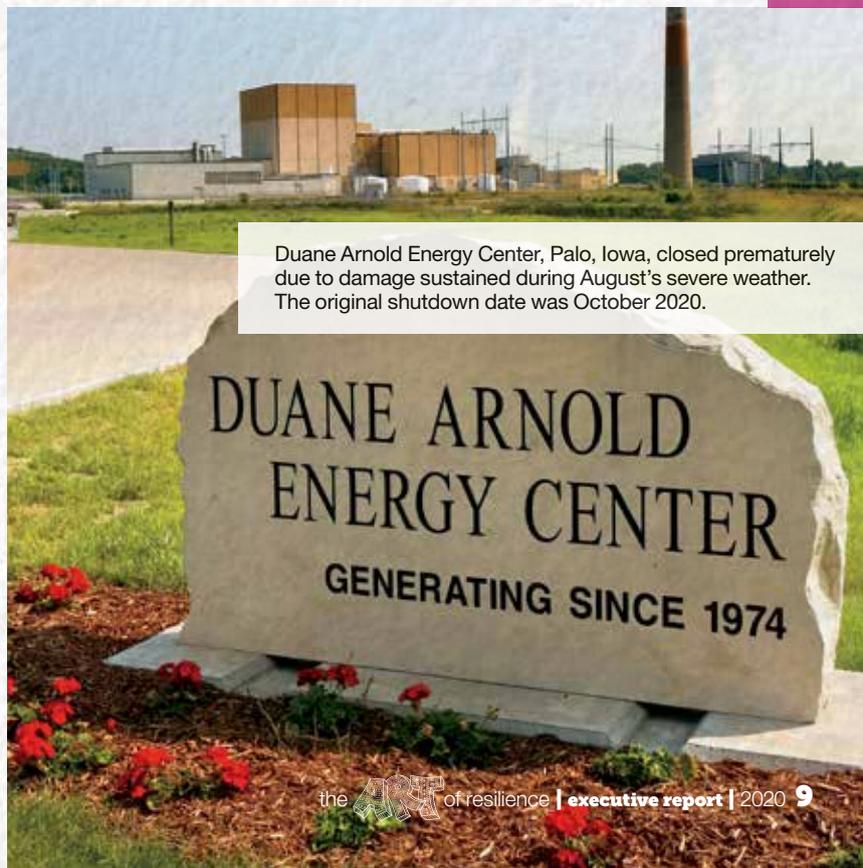
Corn Belt Power upgraded its supervisory control and data acquisition system (SCADA) in December. The upgrade increased SCADA system reliability along with the number of servers providing additional system redundancies. Along with other cooperatives in the state of Iowa, we joined NRECA's Rural Cooperative Cybersecurity Capabilities Program. The program will help Corn Belt Power identify its virtual and physical security strengths as well as detect system threats and vulnerabilities. We're pleased to leverage that information to keep our systems steadfast and secure.



Axtyn Ubben age 5
son of Josie Ubben, engineering and operations assistant



Corn Belt Power employees work in the cooperative's training room in January 2020, while contractors install flooring at Corn Belt Power's Humboldt headquarters.



Duane Arnold Energy Center, Palo, Iowa, closed prematurely due to damage sustained during August's severe weather. The original shutdown date was October 2020.

DUANE ARNOLD
ENERGY CENTER
GENERATING SINCE 1974



Corn Belt Power's Leadership Exploration and Development (LEAD) class tours Wisdom Station power plant Jan. 2021. The second LEAD class began session in 2020.

Training the future leaders of Corn Belt Power is a goal that remains unchanged. We welcomed our second class of employees to our Leadership Exploration and Development (LEAD) course in 2020. Corn Belt Power will lose years of experience over the next decade due to retirements. The LEAD program helps develop and identify future leaders. We are confident in LEAD and what it fosters in the employees who commit to growing their own leadership and development through the program.

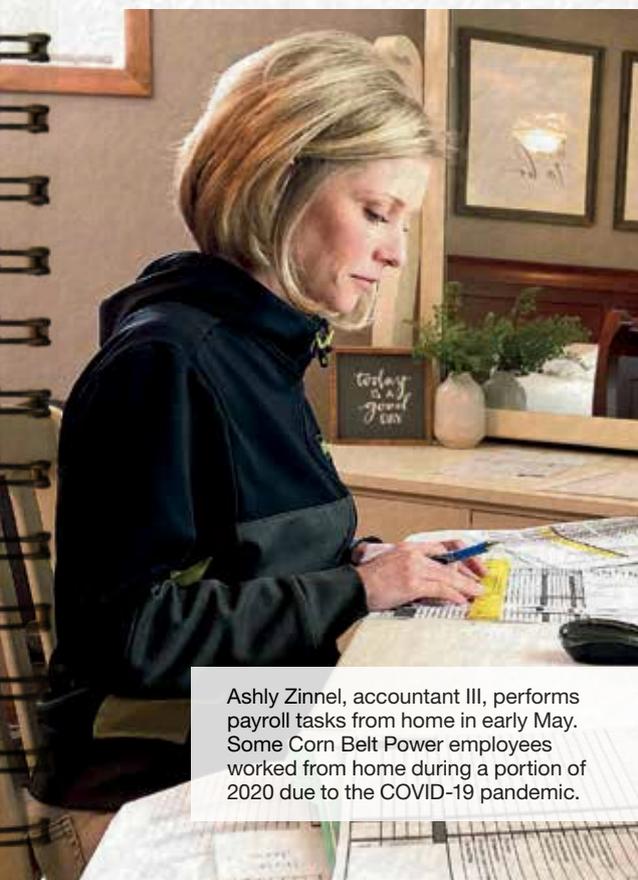




Scott Greene, custodian/groundskeeper, sanitizes door handles as part of the cooperative's enhanced cleaning procedures due to the coronavirus.



Co-op employees meet virtually during the pandemic.



Ashly Zinnel, accountant III, performs payroll tasks from home in early May. Some Corn Belt Power employees worked from home during a portion of 2020 due to the COVID-19 pandemic.

We'd like to take a moment to thank our employees for their adaptability and for powering on with resilience to serve our members and communities.

Whether on an outside crew, at Wisdom Station, in the office, warehouse or mechanic shop, our employees never wavered from Corn Belt Power's mission. They are the epitome of our four core values: integrity, accountability, teamwork and commitment.

Part of our employees' resilience can be seen in overcoming change in our work environments. Employees exemplified this by boosting cleaning efforts, wearing masks, keeping their distance, staying home when ill, working staggered shifts, hosting virtual meetings and at times working from home. Thanks to our IT department, employees were equipped with the technology needed to safely and securely carry-on virtual work where possible.

We are proud to lead a resilient and highly trained team of professionals who work together to serve our members, especially amongst such unprecedented adversity. Thank you to our employees and their families who helped us adjust and endure 2020.

We'd also like to thank our former employees and board members for their years of dedicated service as well as our current Corn Belt Power board of directors. Through "The Art of Resilience," the board's flexibility and decision-making continue to help guide our cooperative through difficult times and into a brighter future.

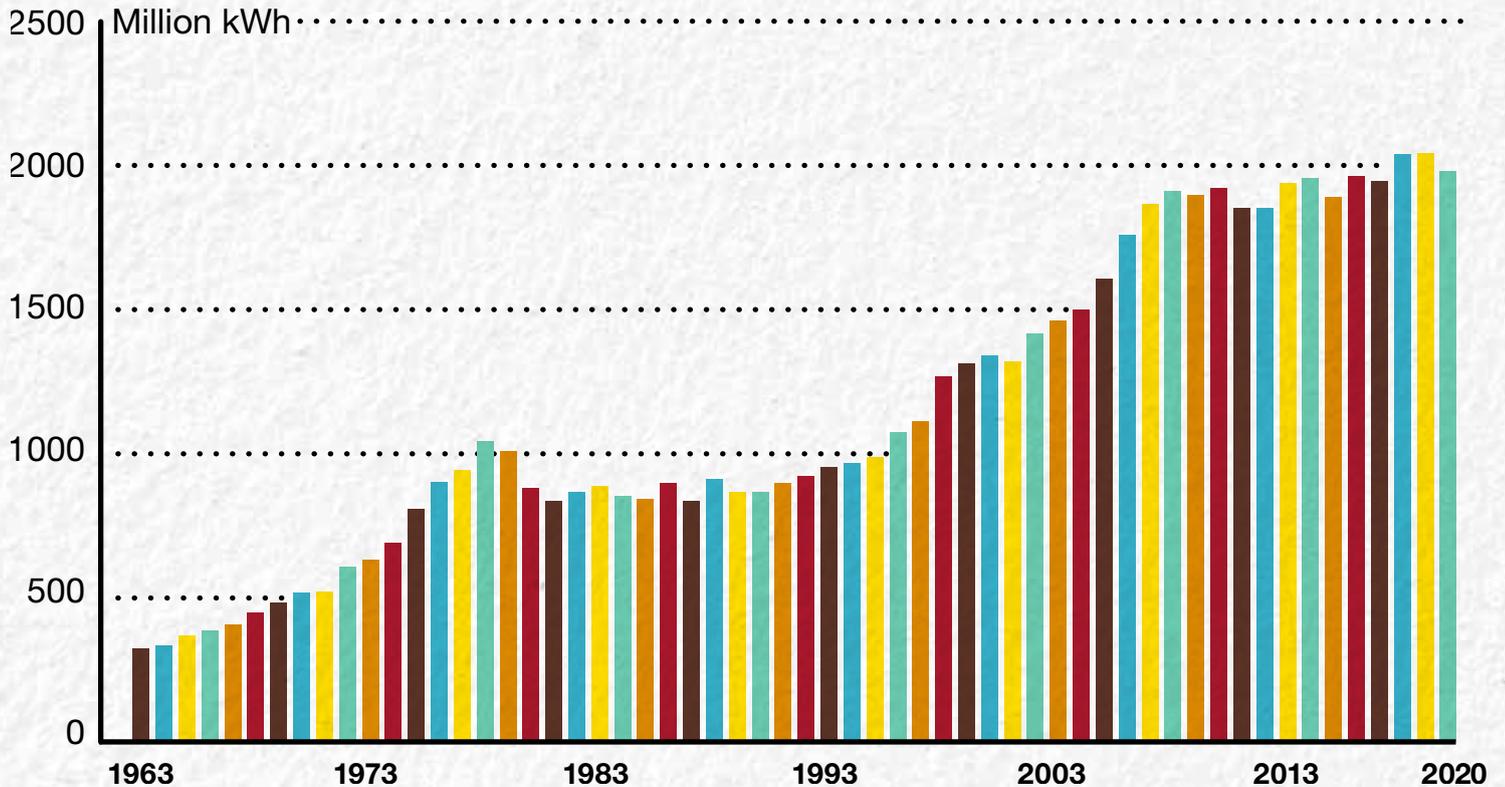
David Onken
President, Corn Belt Power Cooperative Board of Directors

Ken Kuyper
Executive Vice President and General Manager

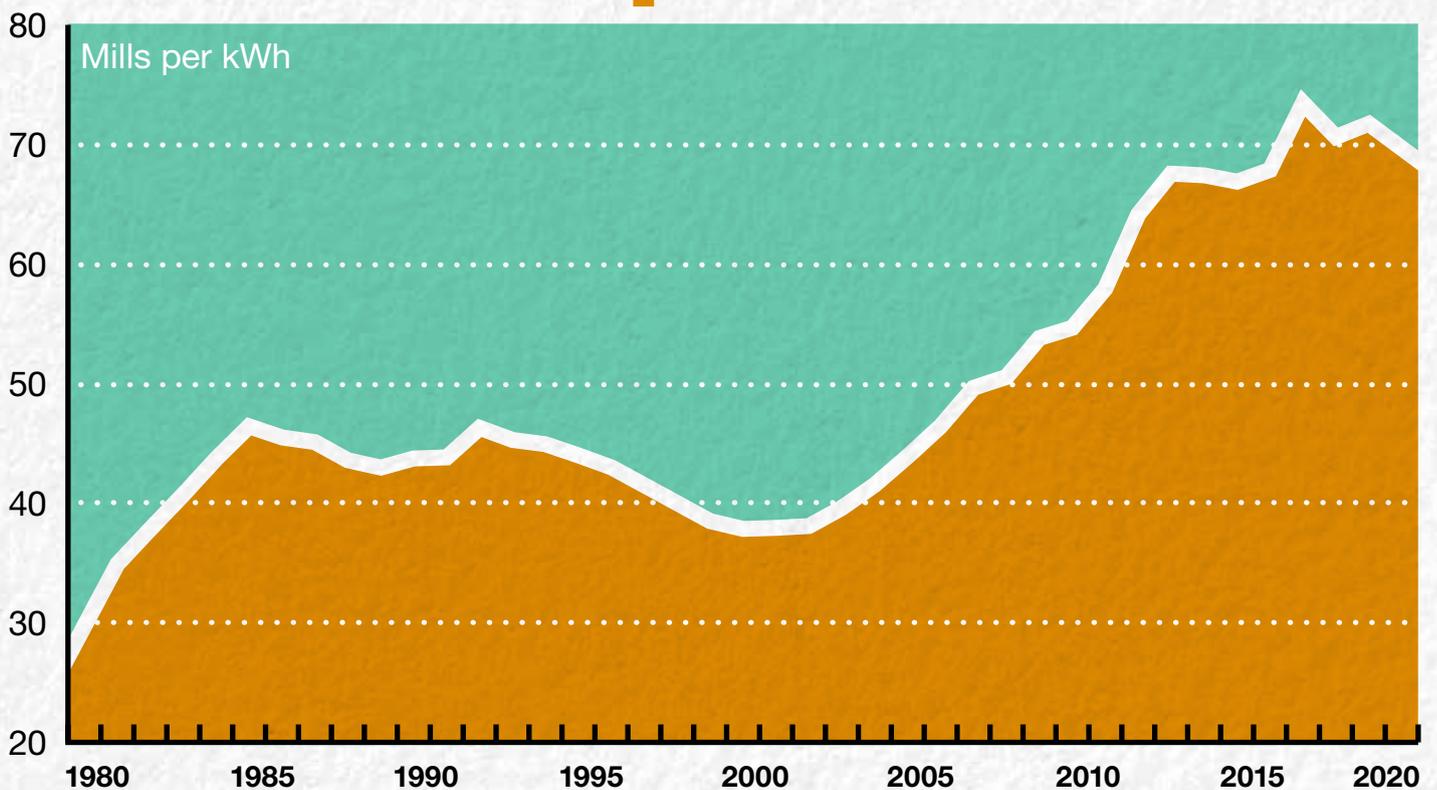


Lucas Marchun age 5
nephew of Marena Fritzler,
marketing director

total sales

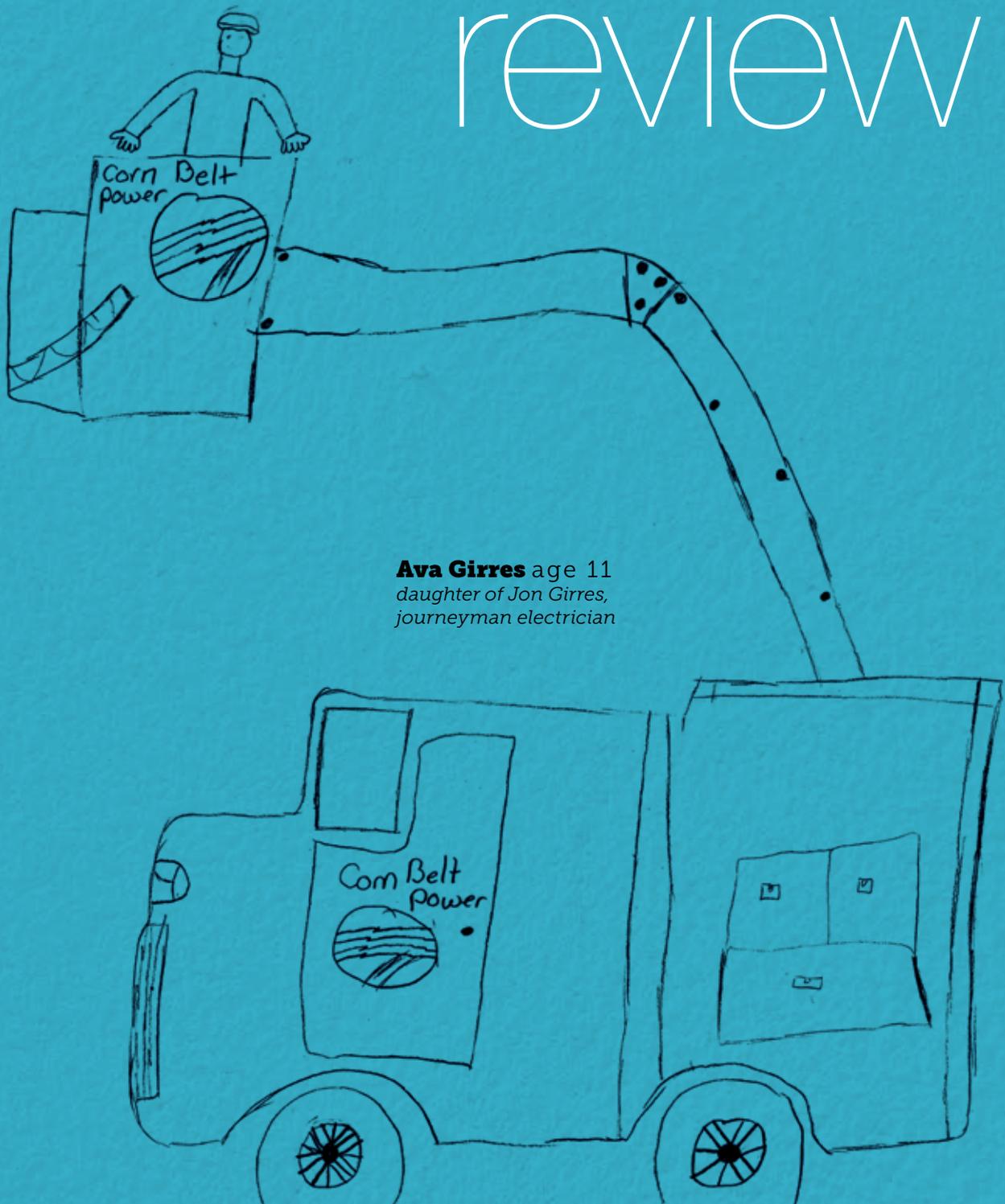


Member Cooperative Rates 2020



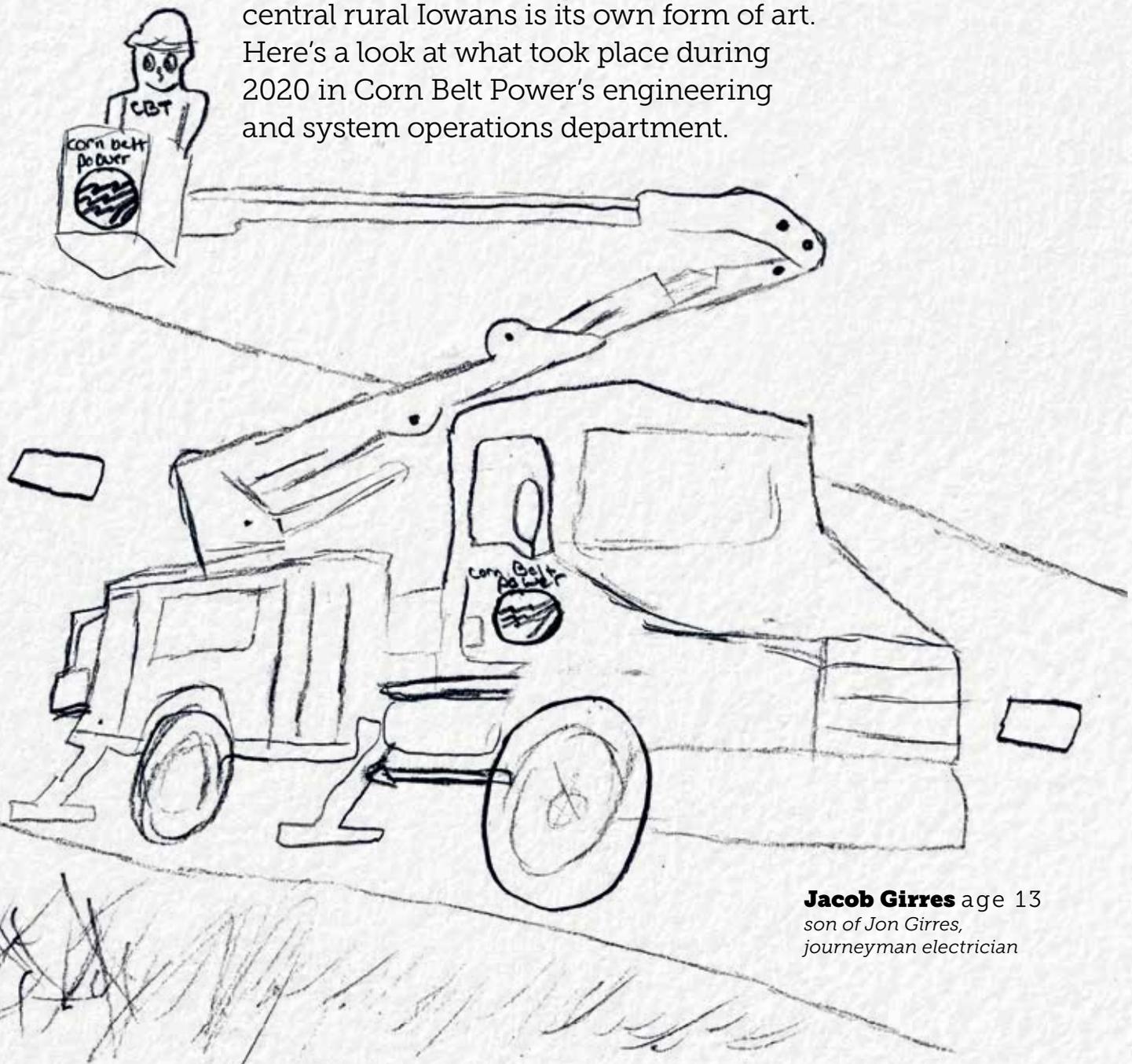
Average member system cost, including substation charge; calculated average member co-op rate reflects power sold to municipals and others served by the cooperatives.

year in review



Ava Girres age 11
daughter of Jon Girres,
journeyman electrician

There's a certain art to powering Corn Belt Power's electric system. Some would say engineering and system operations is just a bunch of science and math. Others may argue engineering, building, maintaining and repairing a system that powers north central rural Iowans is its own form of art. Here's a look at what took place during 2020 in Corn Belt Power's engineering and system operations department.



Jacob Girres age 13
son of Jon Girres,
journeyman electrician

Corn Belt Power transmission crews repair a line of 10 broken poles in the Hampton Tap after a June 21 storm. This 161 kilovolt transmission line is located four miles south of Hampton, Iowa.



Storms rip through Iowa

Numerous storms damaged Corn Belt Power's system and others across Iowa in 2020.

On June 21, unfavorable weather broke 10 poles along Corn Belt Power's 161 kilovolt line four miles south of Hampton. June storms in the Early area also resulted in damage. The cooperative's robust transmission system kept outage times at a minimum during these events.

On Monday, August 10, a powerful weather event known as a derecho — a line of intense storms, packing 100-plus mile per hour winds — devastated parts of central Iowa.

The storm left thousands without power and caused hundreds of millions of dollars in damage. Corn Belt Power sustained little damage with 16 broken poles in our co-op service territory. Other systems weren't as lucky. Central Iowa Power Cooperative (CIPCO) sustained heavy damage as well. A total of more than 2,000 power poles were broken statewide.

After quickly repairing the damage to our own system, Corn Belt Power sent 16 employees to assist CIPCO with their restoration effort.

At the height of the outage event, more than 60,000 cooperative member accounts were without power. Within 72 hours, two-thirds of those accounts were restored. More than 20 cooperatives from across the region assisted with statewide restoration efforts.

Corn Belt Power's Ethan Miller, Devin Chesler, Ethan Petersen, Jeff Codner, Shane Darr, Mark Saxton, Reed Dreyer, Connor Almond, Ryan Conlon, Travis Hefty, Mike Devers, Justin Hinners, Matt Wittrock, Adam Bird, Dean Jensen and Randy Rohr assisted CIPCO with their restoration efforts.

Following restoration efforts, CIPCO honored Corn Belt Power and its crews with a board resolution of gratitude for helping restore power to their members.



Crews frame new poles following storm damage near Early.



Corn Belt Power, CIPCO and contractors rebuild downed transmission line near Homer, Iowa as part of statewide mutual aid restoration following the Aug. 10 derecho that swept across Iowa.



The derecho that blew across Iowa led to many broken poles in the CIPCO service territory.



Corn Belt Power's derecho mutual aid crew (named in story above).



Electrical maintenance crews construct the Feldman Switching Station July 7.



The new Bauman Substation will serve load inside the growing Butler Logistics Park.

Crews power TrinityRail

In August, Corn Belt Power crews powered the TrinityRail Maintenance Services expansion in the Butler Logistics Park.

Our crews constructed the new Bauman Substation and Feldman Switching Station to power the new load. While the new infrastructure is adjacent to the growing commercial and industrial park, it isn't a dedicated service to TrinityRail. The new substation and switching station will also deliver power to the immediate area.

With the expansion, the company plans to employ more than 250 people in 350,000 square feet of building space that sits on 230 acres.

Kennedy Curless age 6
granddaughter of Denny Evans,
foreman/field engineering



2020 TRANSMISSION WORK COMPLETED

Reconductor jobs

- Belmond ITC to Sheffield: 13.52 miles
- Pocahontas to Whittemore Junction: 23.67 miles

New line builds

- Buck Creek to Sumner: 9.25 miles
- Tall Corn to Railway: 5.18 miles
- Shell Rock Ethanol to Donald Feldman Southwest Station DC line: 0.49 miles
- Donald Feldman Southwest Station to Bauman Substation: 0.66 miles
- Bauman Substation to Iowa Northern Substation: 0.63 miles

Line rebuilds

- Garner Tap: 5.49 miles
- Algona-Hancock to Klemme: 12.97 of 41.5 miles complete in 2020, job continues in 2021

Total: 71.86 miles of new/improved transmission line

New transformer installed at Burt Switching Station

As hundreds of generation stations create electricity, thousands of miles of transmission and distribution line then deliver that power to homes, but not before transformers lower the voltage of that electricity to a level safe for home use.

In June, Corn Belt Power upgraded the Burt Switching Station and transformer inside the station. Delta Star began manufacturing Burt's new 84 megavolt-ampere transformer in May of 2019. The new transformer weighs more than 120,000 pounds empty. When filled with more than 9,000 gallons of oil, the transformer weighs 213,305 pounds.

Corn Belt Power didn't replace the Burt transformer due to age or damage, rather replaced it for a larger capacity unit due to load growth in the Corn Belt Power system.

Crews rebuild Pocahontas to Whittemore line

In December, the cooperative's transmission crews finished a 24-mile reconductoring project between Pocahontas and Whittemore.

Crews replaced 60 to 70 percent of the poles on the existing 24-mile stretch of line. The original line was constructed in 1950.

In addition to new poles, crews installed more robust wire. The new 336 aluminum conductor steel-reinforced cable (ACSR) provides more system reliability.



Crews place a new transformer at the Burt Substation in June.



Joseph Albright and Peyton Vote, apprentice electricians, install new switches inside the Burt Substation.

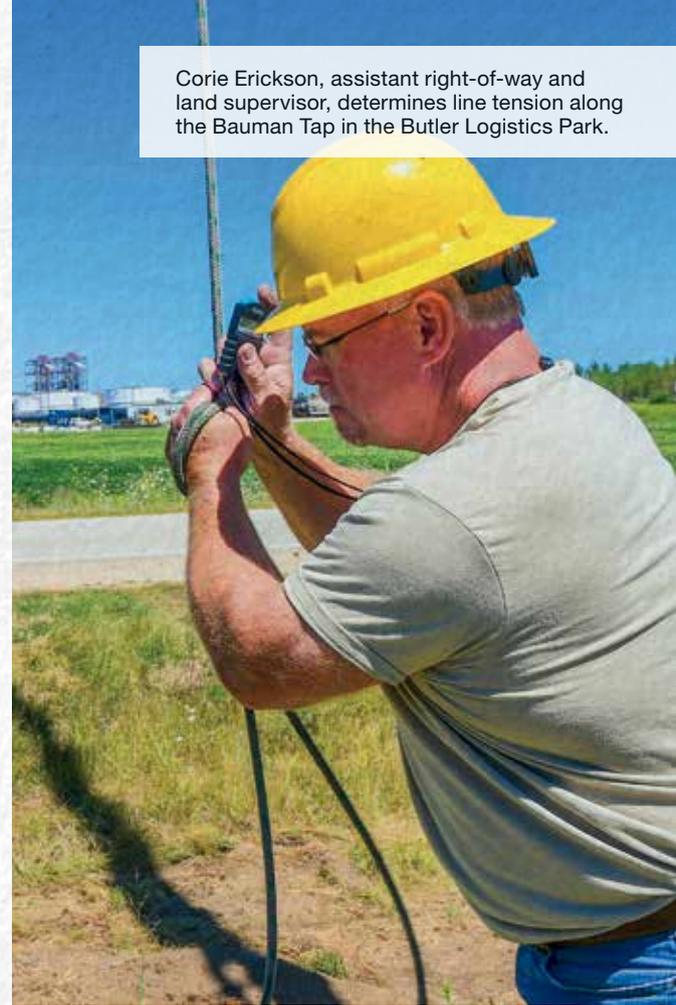
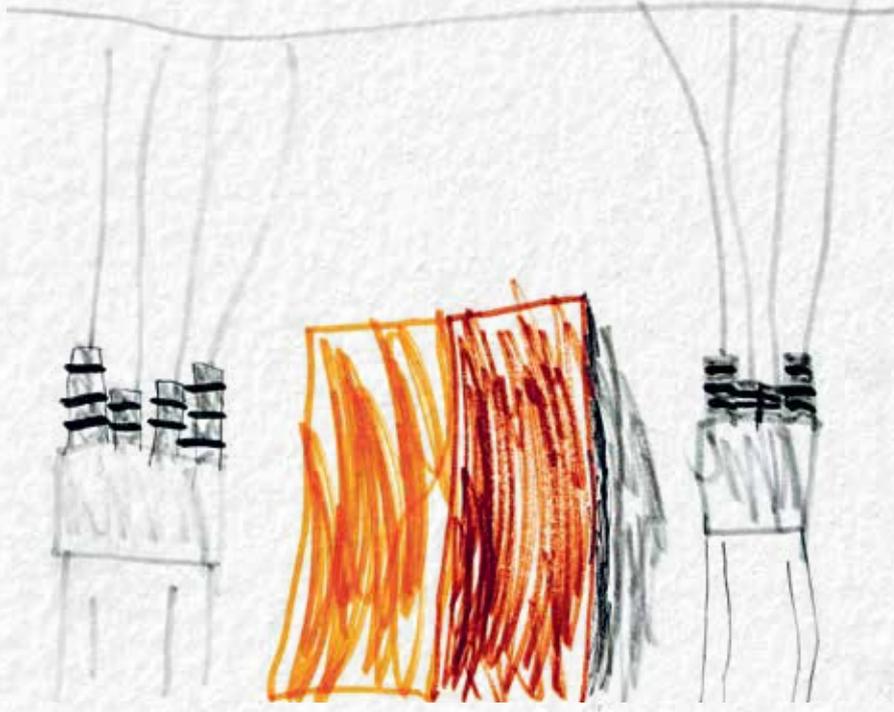


Travis is by Jozzylynn Hefty

Jozzylynn Hefty age 8
daughter of Travis Hefty,
line foreman

corn Belt
Power

Mitch Howey age 6
son of Jacob Howey,
communications technician

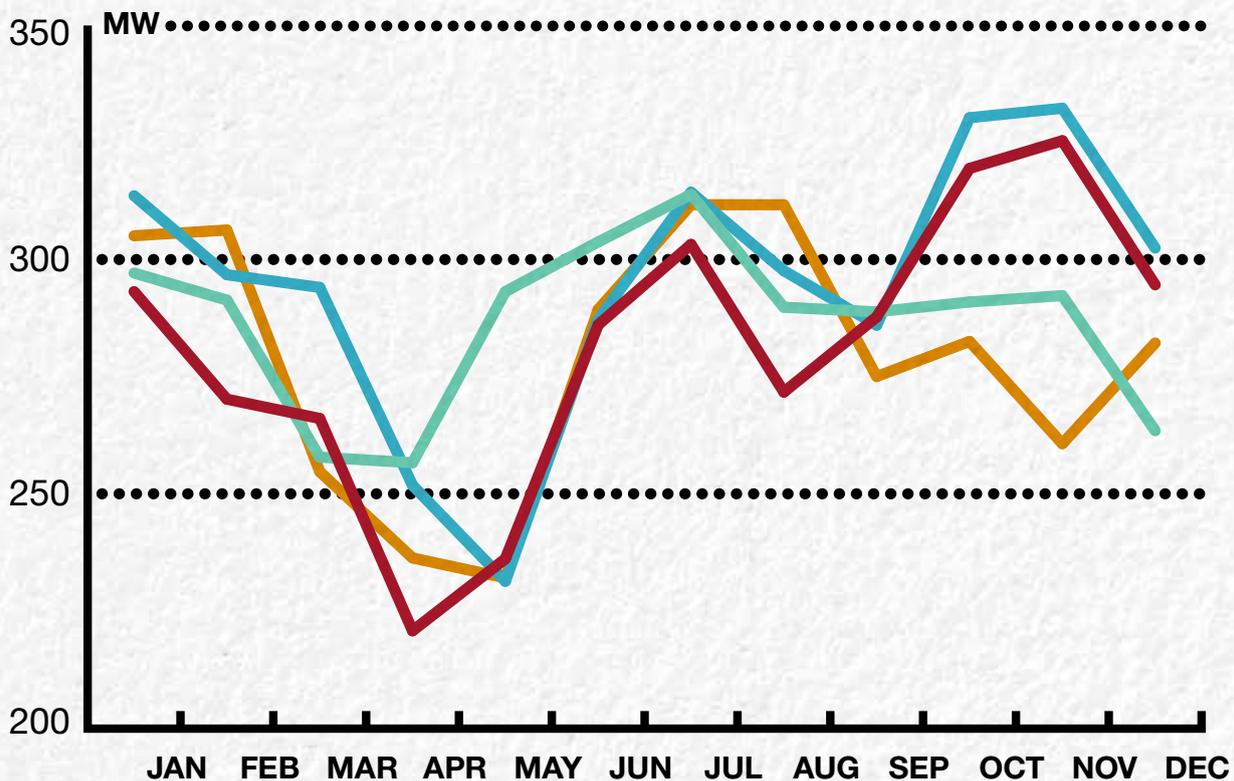


Corie Erickson, assistant right-of-way and land supervisor, determines line tension along the Bauman Tap in the Butler Logistics Park.

Corn Belt Power System Peak Demand - Monthly

Corn Belt Power system peak (RECs + NIMECA/Webster City) x 1.0075 at time of Corn Belt Power 30-minute system peak.

- 2017
- 2018
- 2019
- 2020





Eric Hankey, SCADA technician, managed the Dec. 2020 SCADA system upgrade.

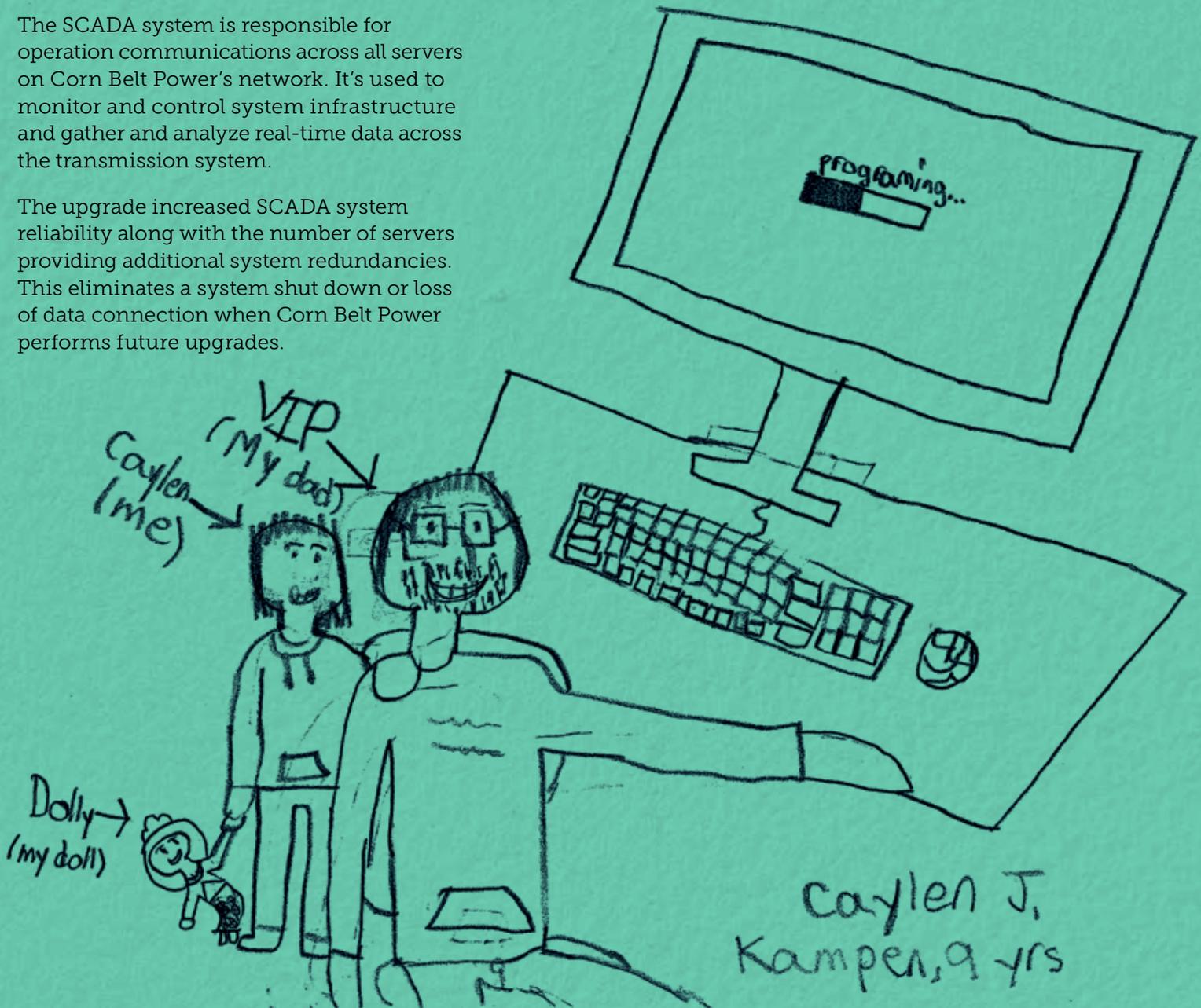
SCADA reliability increased with new system upgrade

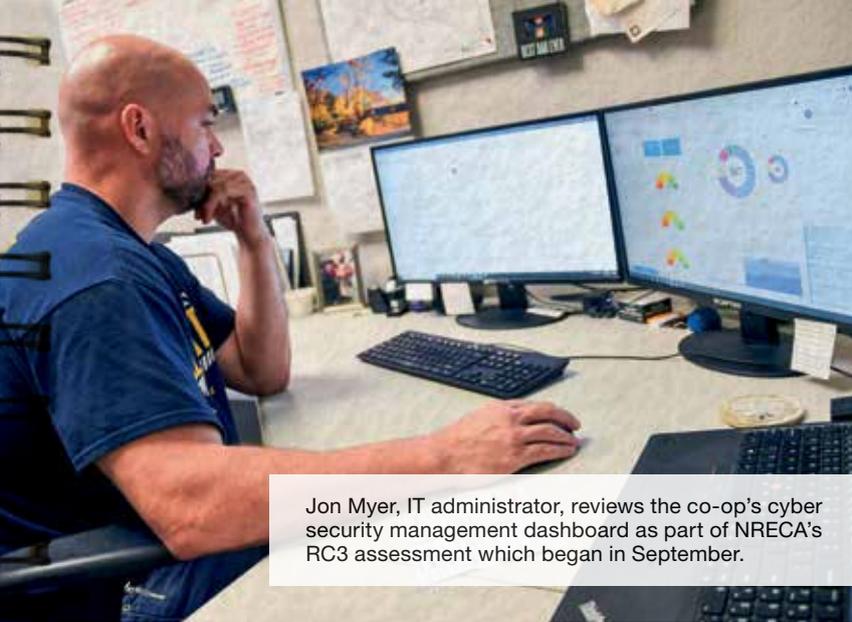
Corn Belt Power's supervisory control and data acquisition system (SCADA) received an upgrade in December 2020.

The SCADA system is responsible for operation communications across all servers on Corn Belt Power's network. It's used to monitor and control system infrastructure and gather and analyze real-time data across the transmission system.

The upgrade increased SCADA system reliability along with the number of servers providing additional system redundancies. This eliminates a system shut down or loss of data connection when Corn Belt Power performs future upgrades.

Caylen Kampen age 9
daughter of Travis Kampen,
communications technician





Jon Myer, IT administrator, reviews the co-op's cyber security management dashboard as part of NRECA's RC3 assessment which began in September.



Crews place a new microwave shelter inside an existing MidAmerican tower site in May 2020.

Staying cyber safe

In September 2020, Corn Belt Power and electric cooperatives across the state of Iowa entered in to the National Rural Electric Cooperative Association's Rural Cooperative Cybersecurity Capabilities Program (RC3).

NRECA began RC3 in July 2016 after receiving funding from the Department of Energy's Office of Electricity Delivery and Energy Reliability. The program will offer online education, training materials and vulnerability assessment tools; reduced-cost access to cybersecurity training programs; information sharing; and an opportunity to participate in RC3's cybersecurity research.

The program will help Corn Belt Power identify its virtual and physical security strengths as well as detect system threats and vulnerabilities.

Southwest microwave system expansion

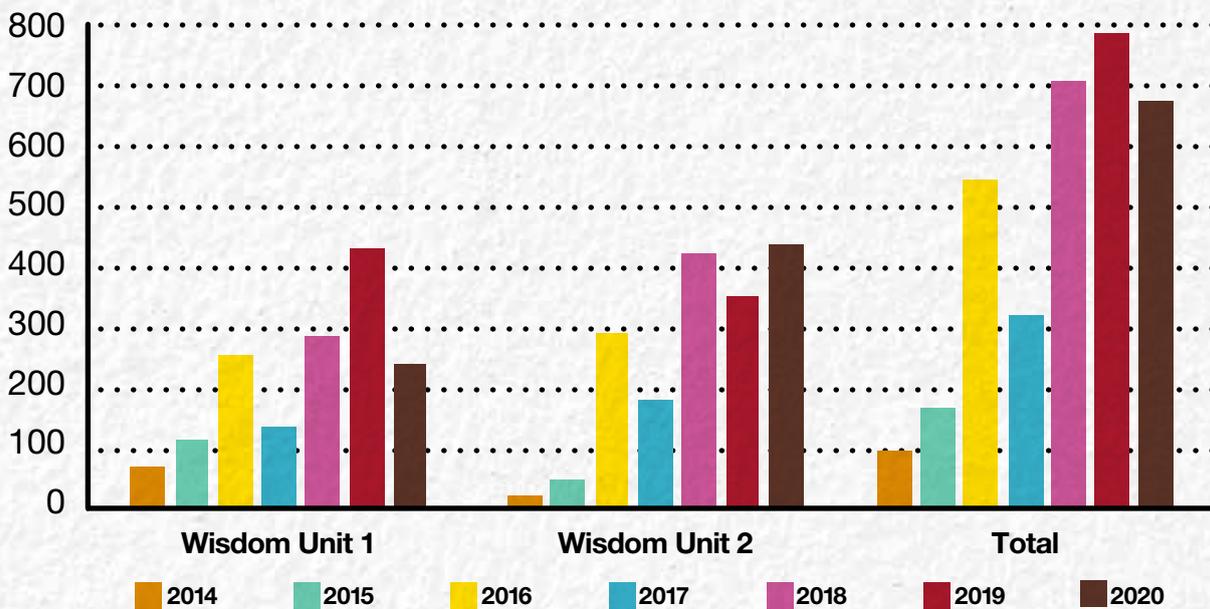
In 2020, Corn Belt Power set a new microwave shelter inside an existing MidAmerican Energy microwave tower site in Sac County. MidAmerican Energy and the cooperative agreed to place Corn Belt Power antennas on the tower and make use of optical ground wire (fiber), that benefits both entities. Shelter placement is part of the Southwest microwave system expansion project.

The project includes two new towers and fiber at other locations in the cooperative's service territory.



Avery Zinnel age 7
daughter of Ashly Zinnel,
accountant III

Wisdom Station Annual Operating Hours



2020 Wisdom Solar Production Chart

Total Energy (kWh)

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
7,388	11,507	11,232	14,880	12,243	16,424	17,341	16,927	12,934	11,375	10,455	8,327	151,033
						13,073	16,552	10,706	11,637	9,046	6,484	67,498

■ Wisdom - Fixed Tilt
 ■ Wisdom - Single Axis Tracker

*The single-axis tracking array began generating electricity in July.

Iowa Choice Renewables installs single-axis tracking solar panels in July at Wisdom Station.



Embracing our eARThly generation sources

Corn Belt Power continues to diversify its generation mix. In 2020, the cooperative and its members saw Duane Arnold Energy Center's closure and the commission of a new solar facility at its Wisdom Station plant.

Wisdom solar facility opens

After months of planning, Corn Belt Power's Wisdom Station solar facility became fully functional in October 2020.

The 150-kilowatt project features two different types of photovoltaic panel arrangements, a fixed-tilt array and an array of single-axis tracking panels.

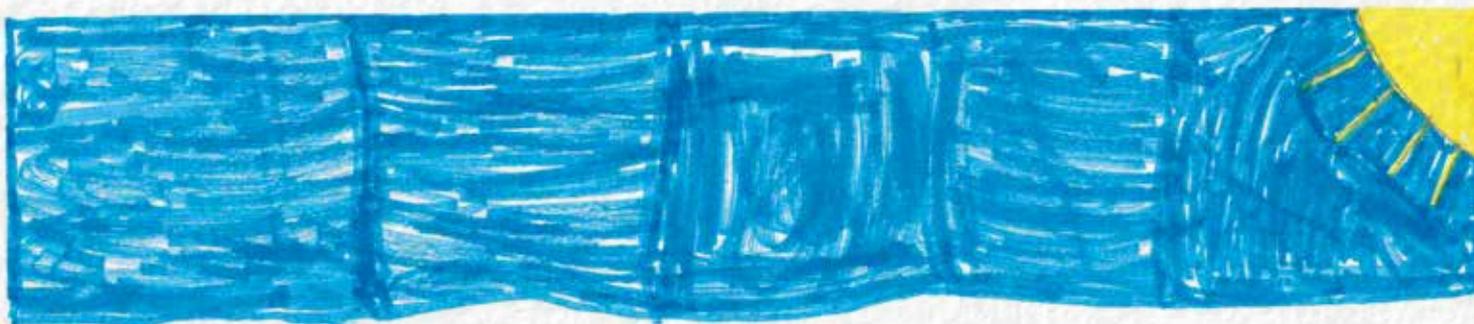
The panels take up space once occupied by the plant's coal pile. Wisdom Station converted to an all-natural gas burning facility in 2014.

There are 600 total panels at Corn Belt Power's Wisdom Station with 75-kilowatts of generation on each of the fixed-tilt and single-axis tracking arrays.

A fixed-tilt array is an array in which the panels never move and are pointed in one direction at all times. The single-axis tracking panels will move with the sun to maximize energy generation.

Iowa Choice Renewables, a company established and run by a group of electric cooperatives in rural Iowa, installed the system.

This project adds 150 kilowatts of solar generation to the seven megawatts of nameplate capacity already on Corn Belt Power's system.



Draven Dickey age 7
son of Brittany Dickey,
development finance director



Duane Arnold Energy Center (DAEC), Palo, Iowa, ceased operation in August 2020. Corn Belt Power's 10-percent stake in the plant amounted to 1.6 percent of power supplied to members. Corn Belt Power's relationship with Basin Electric Power Cooperative and its diverse energy portfolio mitigated the loss of DAEC.

Duane Arnold Energy Center closes in 2020

In 1969, Corn Belt Power Cooperative, Central Iowa Power Cooperative and Iowa Electric Light and Power Company, broke ground on the construction of a 550 megawatt capacity nuclear power plant - the Duane Arnold Energy Center (DAEC) near Palo, Iowa. At the time and ever since then, Corn Belt Power has been a 10-percent stakeholder in the plant.

The construction on the nuclear power plant spanned several years, with commercial operation commencing in February 1975. It was Iowa's largest single construction project at the time.

The plant's consistent and reliable operating strategy, along with \$1 billion in additional

investments over the years, led to a series of upgrades increasing DAEC's capacity from 550 megawatts to 614 megawatts, today's generating capacity.

Before Corn Belt Power joined Basin Electric Power Cooperative as a Class A member, DAEC made up a large portion of energy supplied to Corn Belt Power members. Since joining Basin Electric, Corn Belt Power's generation mix has diversified. Corn Belt Power's 10 percent stake or 62 megawatts made up 1.6 percent of power supplied to members.

DAEC sustained damage during August's derecho storm. Following the storm, the plant ceased operations ahead of their scheduled October 2020 shutdown.

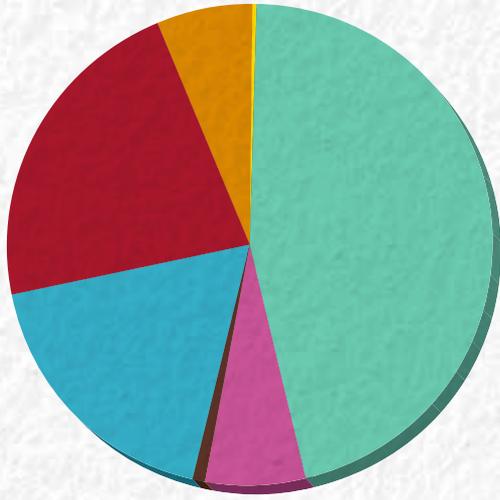
2020 Energy Supplied*

* Supplied by Corn Belt Power to Basin Electric and NIMECA

	Location	Fuel	MWH	MWH	Capacity Factor
			2019	2020	2020
WISDOM 1	Spencer, Iowa	Natural Gas/Fuel Oil	3,583	1,595	0.50%
WISDOM 2	Spencer, Iowa	Natural Gas/Fuel Oil	8,048	9,818	2.80%
DAEC	Palo, Iowa	Nuclear	523,572	290,486	54.01%
WALTER SCOTT 3	Council Bluffs, Iowa	Coal	147,590	85,933	37.41%
WALTER SCOTT 4	Council Bluffs, Iowa	Coal	237,631	144,137	36.73%
NEAL 4	Sioux City, Iowa	Coal	176,031	87,492	13.73%
CROSSWIND	Ayrshire, Iowa	Wind	65,489	69,620	37.85%
HANCOCK	Hancock County, Iowa	Wind	22,794	27,785	28.27%
ILEC WIND	Superior/Lakota, Iowa	Wind	69,830	75,204	40.88%

Corn Belt Power Generation Mix 2020*

Delivered to member systems



COAL	46.1%
PURCHASE.....	21.8%
RENEWABLE OTHER	18.1%
NATURAL GAS	6.6%
RENEWABLE HYDRO	6.4%
NUCLEAR	0.9%
OIL/DIESEL	0.1%
TOTAL	100%

*Estimated percentages comprise Basin Electric Power Cooperative's and Western Area Power Administration's generation supplies. This information does not allow any cooperative member to claim environmental attributes of power supply since some renewable energy certificates are sold to improve the economics of the renewable generation.

For more information, contact Ryan Cornelius, vice president, corporate relations, Corn Belt Power Cooperative, 1300 13th St. North, Humboldt, IA 50548, (515) 332-7726; ryan.cornelius@cbpower.coop

Crews upgrade Wisdom Station technology

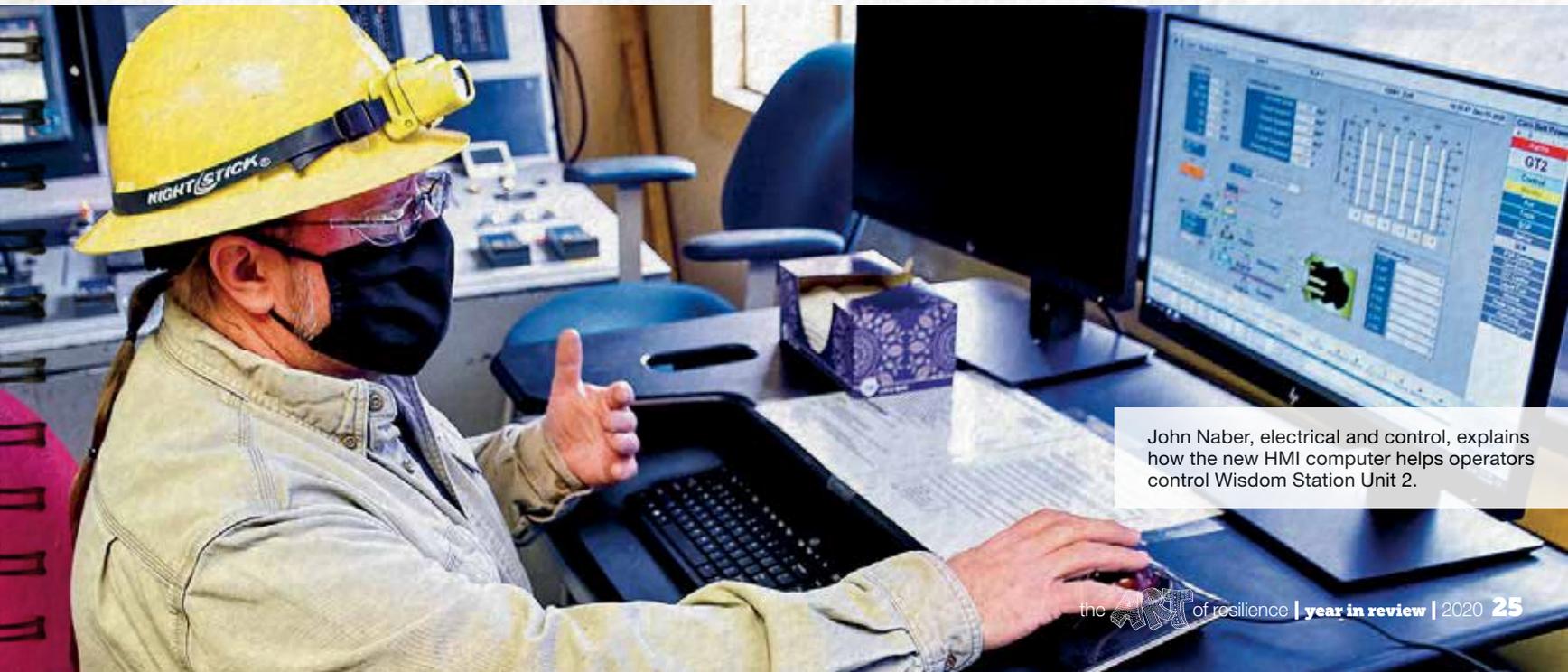
With Corn Belt Power's Wisdom Station running more, the need for system upgrades is ever-present.

Crews replaced three human-machine interface computers (HMIs), one data historian computer and other associated network switches in December. Wisdom Station operators use HMI computers to monitor and control Wisdom Unit 2.

It's important to make sure the technology on-site at Wisdom Station is maintained and upgraded. Without it, Wisdom Station control operator's jobs are more difficult. Wisdom Station technicians use

the HMI computers to access and troubleshoot unit operations. Operators use the computers to monitor and control the unit. The data historian computer compiles and stores operational data for Wisdom Unit 2. This data is used for trending operational data points, allowing Wisdom Station personnel to keep an eye out for any emerging issues and to troubleshoot existing issues.

By completing this project in a planned, budgeted manner, Corn Belt Power reduced the risk associated with a more costly, unplanned outage if the computers were to fail unexpectedly.

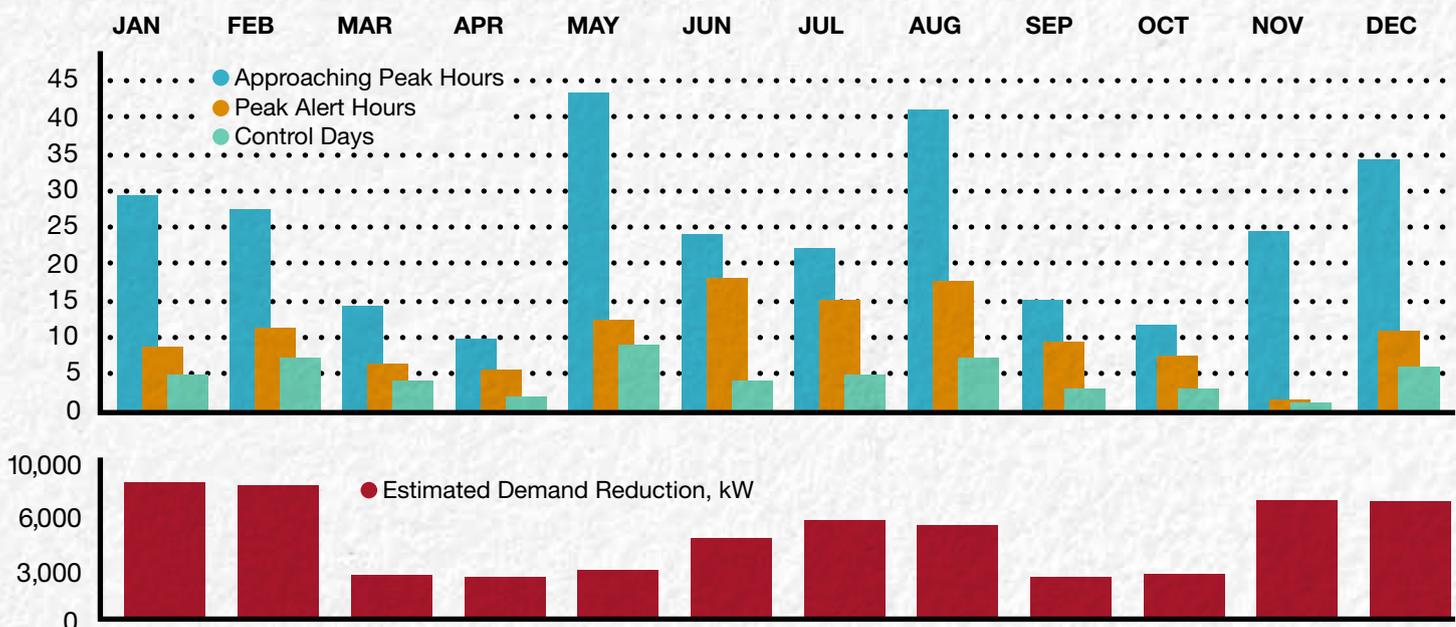


John Naber, electrical and control, explains how the new HMI computer helps operators control Wisdom Station Unit 2.



Corver Thompson age 7
 grandson of Dan Shiflett,
 right-of-way/land superintendent

2020 Load Management Statistics



People are at the heart of our service



What is art? By definition, it can be an expression or application of human creative skill and imagination, typically in a visual form such as painting, drawing or sculpture. Art can appeal to our senses and connect with human emotion. Our appeal to human connections through quality member service is at the heart of Corn Belt Power operations.

2020 MIB Conference educates building professionals

Sponsored by the Touchstone Energy Cooperatives of Iowa, the annual Momentum is Building conference promotes residential energy efficiency, building concepts and provides valuable CEU training for electricians, plumbers and HVAC professionals. In 2020, 20 vendors and exhibitors attended the conference to share new trends and products related to residential energy efficiency. Attendees also learned about digital marketing, safety and other business related topics.

The conference also serves to educate the next generation of professionals as several construction students from Indian Hills Community College and Iowa Central Community College attended.

"Iowa Nice Guy" Scott Siepker closed out the conference as the final keynote speaker.

Corn Belt Power hosts Orientation Days

More than 30 directors and employees from Corn Belt Power and its member systems attended Orientation Days on Jan. 30 or 31 in Humboldt, learning about all aspects of the cooperative's G&T operations.

Those present learned about Corn Belt Power's relationship with Basin Electric Power Cooperative and heard Corn Belt Power department briefs from power supply, engineering and operations, corporate relations, finance and administration and business development. Attendees also heard from Corn Belt Power's information technology department and toured the cooperative's server room and control center for a firsthand look at operations.

The goal of Orientation Days is to provide new employees and directors basic information on Corn Belt Power and how its systems integrate across departments.

Corn Belt Power hosts its orientation event once every two years. Typically, the event is held in January.



The Touchstone Energy Cooperatives of Iowa host the annual Momentum is Building conference in February in Des Moines.



Brian Gibson, former chief system operator, conducts a tour of the cooperative's control center during January's Corn Belt Power Orientation Days. New co-op employees and directors from across Corn Belt Power's system come to the biannual event to learn more about the organization.

Pandemic safety measures turn Corn Belt Power's annual meeting virtual

Like nearly all cooperatives that had annual meetings scheduled in 2020, Corn Belt Power canceled its in-person annual meeting and opted for a digital version for the safety of meeting attendees.

Corn Belt Power hosted its annual meeting following its board meeting on Friday, April 3. The event had been scheduled for Wednesday, April 8 in Fort Dodge with guest speaker Jason Redman.

"This was not a decision we wanted to make, however, the health of our members, employees, and industry colleagues is critical," said Ken Kuyper, executive vice president and general manager, Corn Belt Power. "We did our best to preserve the democratic process by having the annual meeting around the same time we do each year. With so many of our directors and other colleagues farming during the spring and summer months, the meeting was impossible to postpone."

During the meeting, directors and others in attendance heard from Ken Kuyper, executive vice president and general manager, Corn Belt Power; John Ward, the cooperatives attorney; and Karen Berte, senior vice president of finance and administration. Ward conducted the election of directors. Berte presented the 2019 financial report.

During the annual meeting, Scott Stecher, Prairie Energy, was re-elected to another three-year term on Corn Belt Power's board of directors. His seat was the only seat up for election at the year's meeting.

Officers remained the same:

Scott Stecher, *President*

Dale Schaefer, *Vice President*

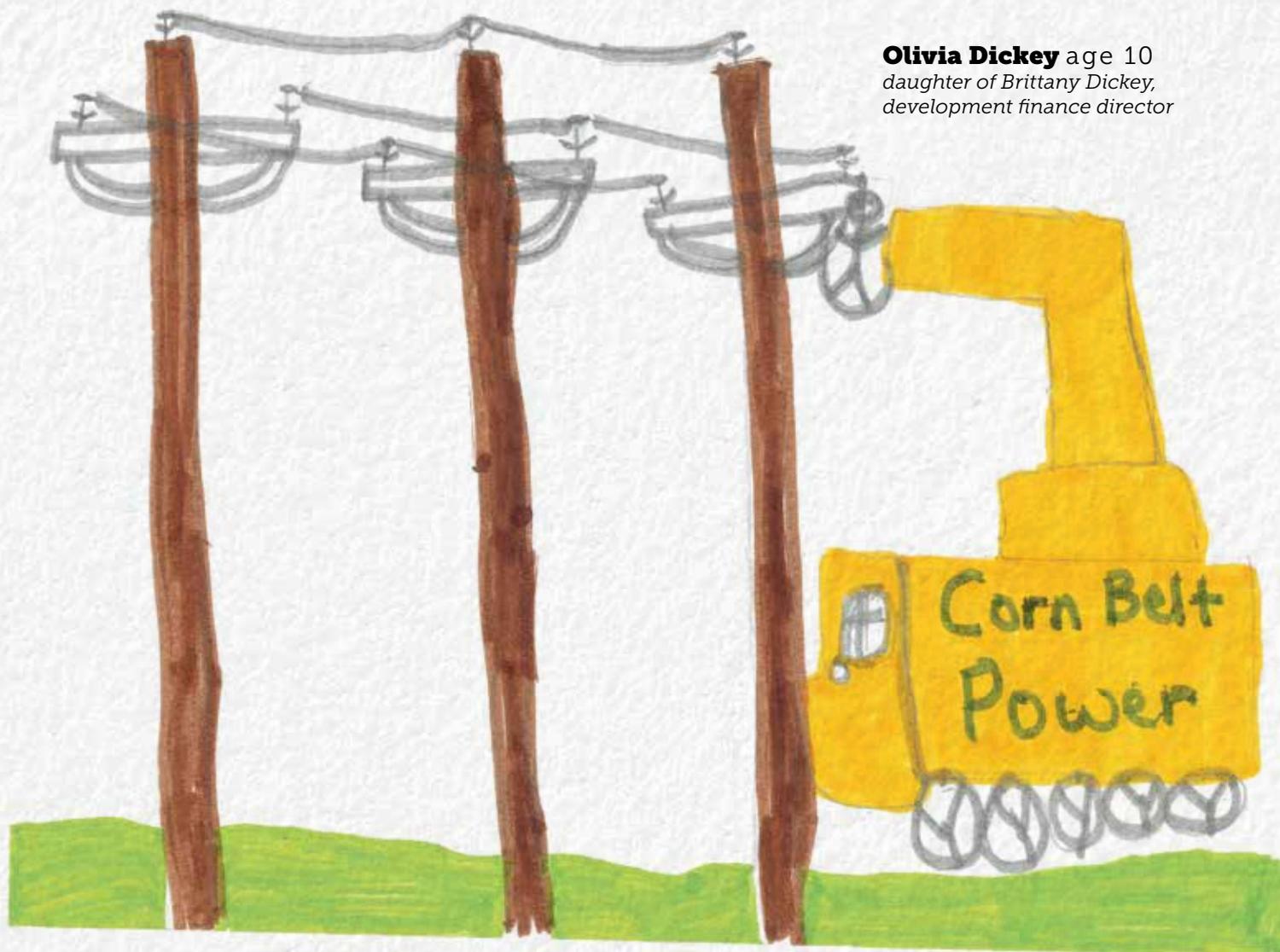
Jerry Beck, *Secretary*

Dave Onken, *Treasurer*

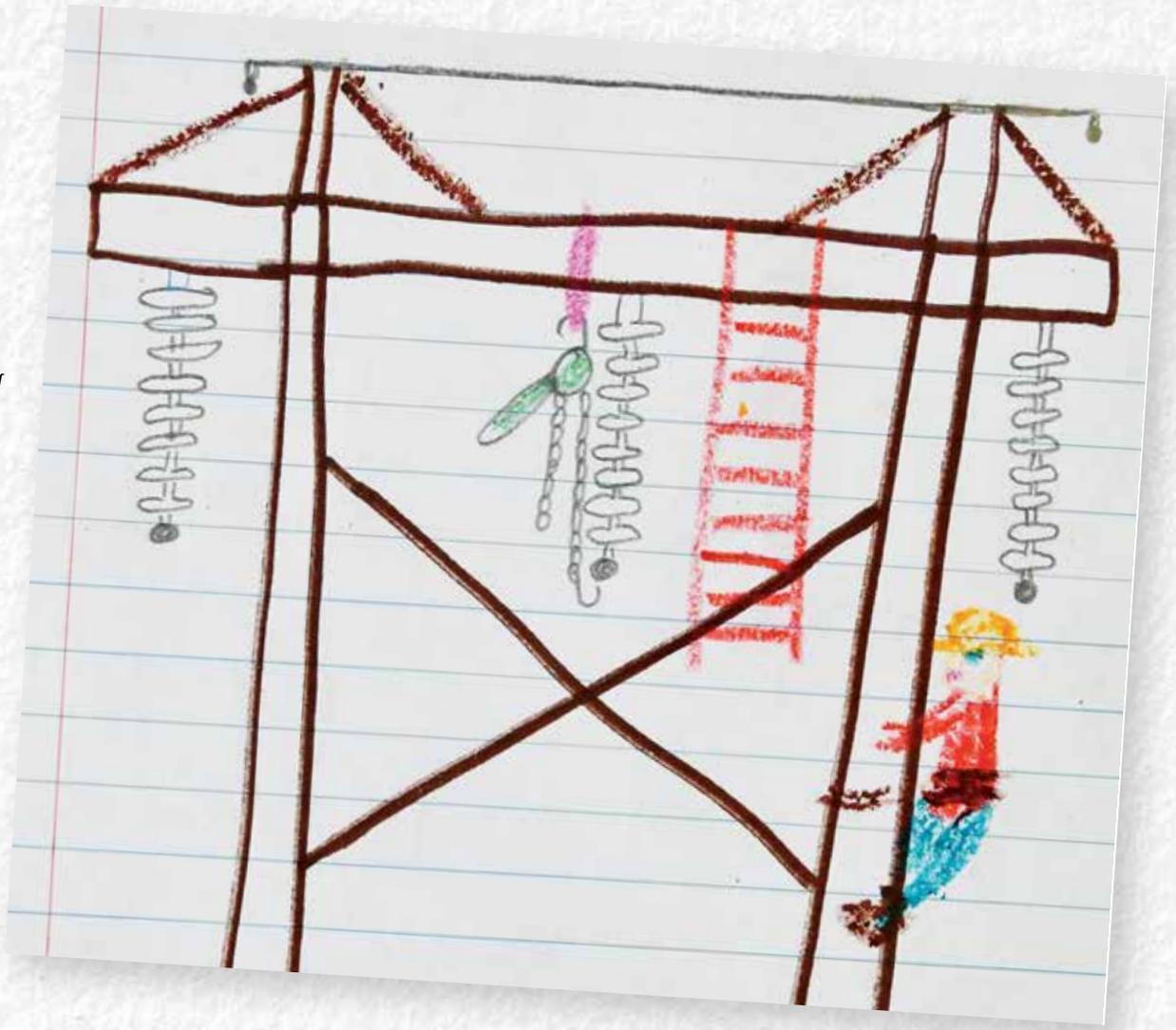
Larry Rohach, *Assistant Secretary/Treasurer*

Olivia Dickey age 10

daughter of Brittany Dickey,
development finance director



**Kipton, Kennedy
and Heath Curless**
grandkids and son-in-law
of Denny Evans,
foreman/field engineering



Stecher resigns from board

In June, Corn Belt Power received word that longtime board president Scott Stecher resigned from Prairie Energy Cooperative's board of directors. This also meant that he would no longer serve as Corn Belt Power's board president.

Following his resignation, Prairie Energy Cooperative appointed Ted Hall as its delegate to Corn Belt Power's board of directors. Hall was elected to Prairie Energy's board in June 2006.

Following Stecher's resignation, the Corn Belt Power board reorganized at its June 26 meeting. Board officers are as follows:

David Onken, *President, Raccoon Valley Electric Cooperative*

Dale Schaefer, *Vice President, Franklin REC*

Jerry Beck, *Secretary, Iowa Lakes Electric Cooperative*

Larry Rohach, *Treasurer, Grundy County REC*

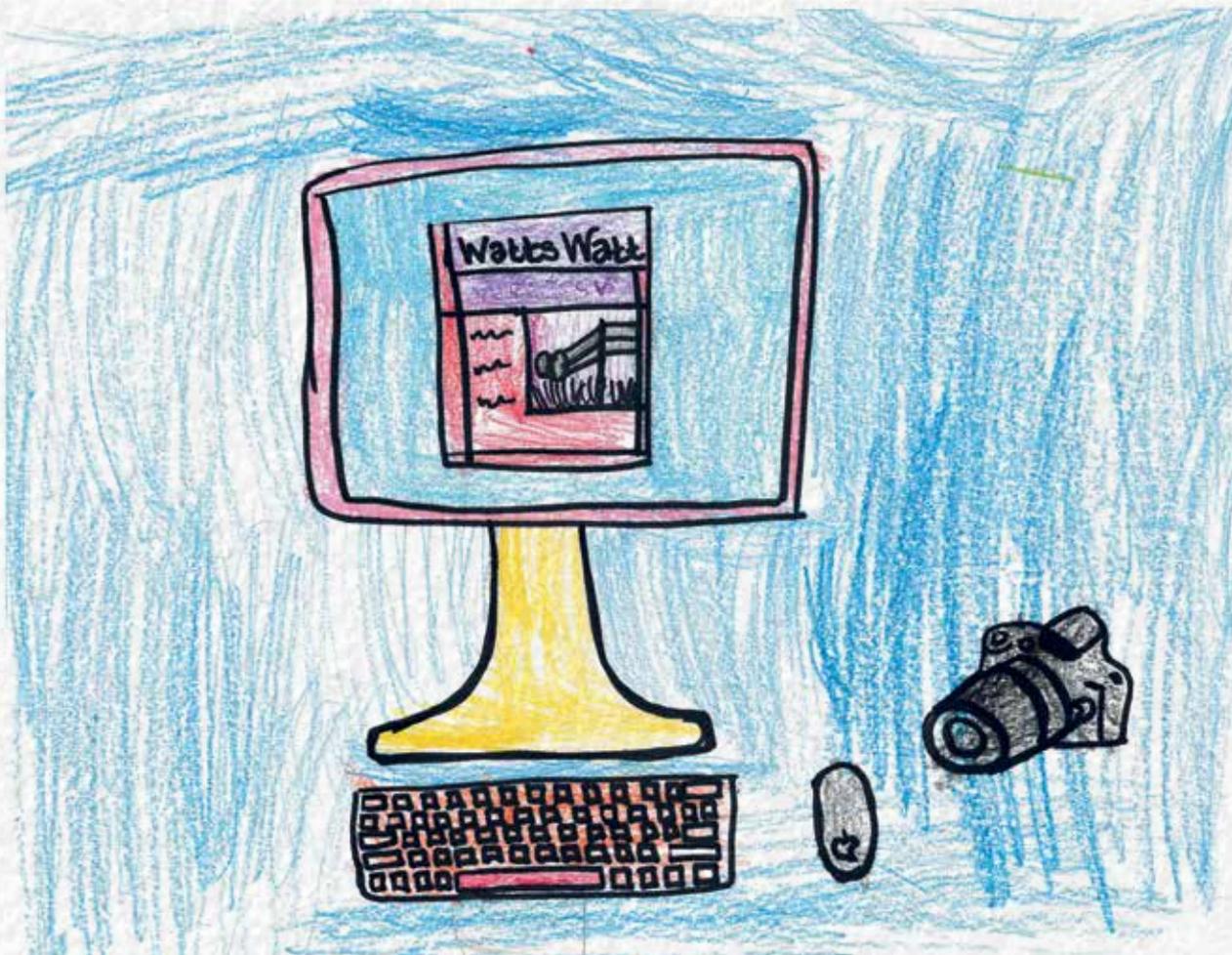
Gary Poppe, *Assistant Secretary/Treasurer, Butler County REC*

Scott Stecher



Ted Hall





Lucas Marchun
 age 5
 nephew of
 Marena Fritzler,
 marketing director



Larry Rohach, third from left, director, Corn Belt Power and Grundy County REC representatives meet with Rep. Pat Grassley, fourth from left, at the 2020 Iowa Legislators Welcome Back Reception Jan. 14.

Cooperatives welcome legislators back

Nearly 200 directors, managers and employees from Iowa's electric cooperatives discussed industry priorities with more than 80 state legislators on January 14 during the annual Welcome Back Legislative Reception in downtown Des Moines.

The event provided an opportunity for cooperative representatives to meet with legislators at the beginning of the state legislative session to discuss Iowa's electric cooperatives' shared commitments to reliability, safety and affordability.

Guests included: Secretary of State Paul Pate, Iowa Utilities Board Member Nick Wagner and Iowa Department of Revenue Director Kraig Paulsen.

The Iowa Association of Electric Cooperatives, in conjunction with the Iowa Biotechnology Association, the Iowa Institute for Cooperatives, the Iowa Communications Alliance and FUEL Iowa, hosted the annual reception.

Co-ops urge Congress to provide food and ethanol industry relief

Corn Belt Power joined more than 30 cooperatives serving members across the Upper Midwest and signed a letter urging Congress members to provide economic relief for rural America. The letter was addressed to members of Congress from Minnesota, South Dakota, North Dakota, Iowa and Nebraska.

The letter called Congress to support additional stimulus package relief for food and ethanol processing plants, and the farmers and ranchers who serve them – most of whom are also electric cooperative members. The electric cooperatives represented on the letter, combined, serve over three million consumers across the region.

"We are respectfully requesting much-needed economic relief for rural America, which continues to suffer from the impacts of the coronavirus pandemic," the letter stated.

"Rural electric cooperatives were created to provide electricity to farms and rural communities and have continued to expand this essential service as rural America has grown and prospered. Our member-owners have invested in not only the electric infrastructure through their cooperative to serve these areas, but also in helping to develop the rural economy in which they live. These investments have allowed for diversification into biofuels, food processing and other business development opportunities."

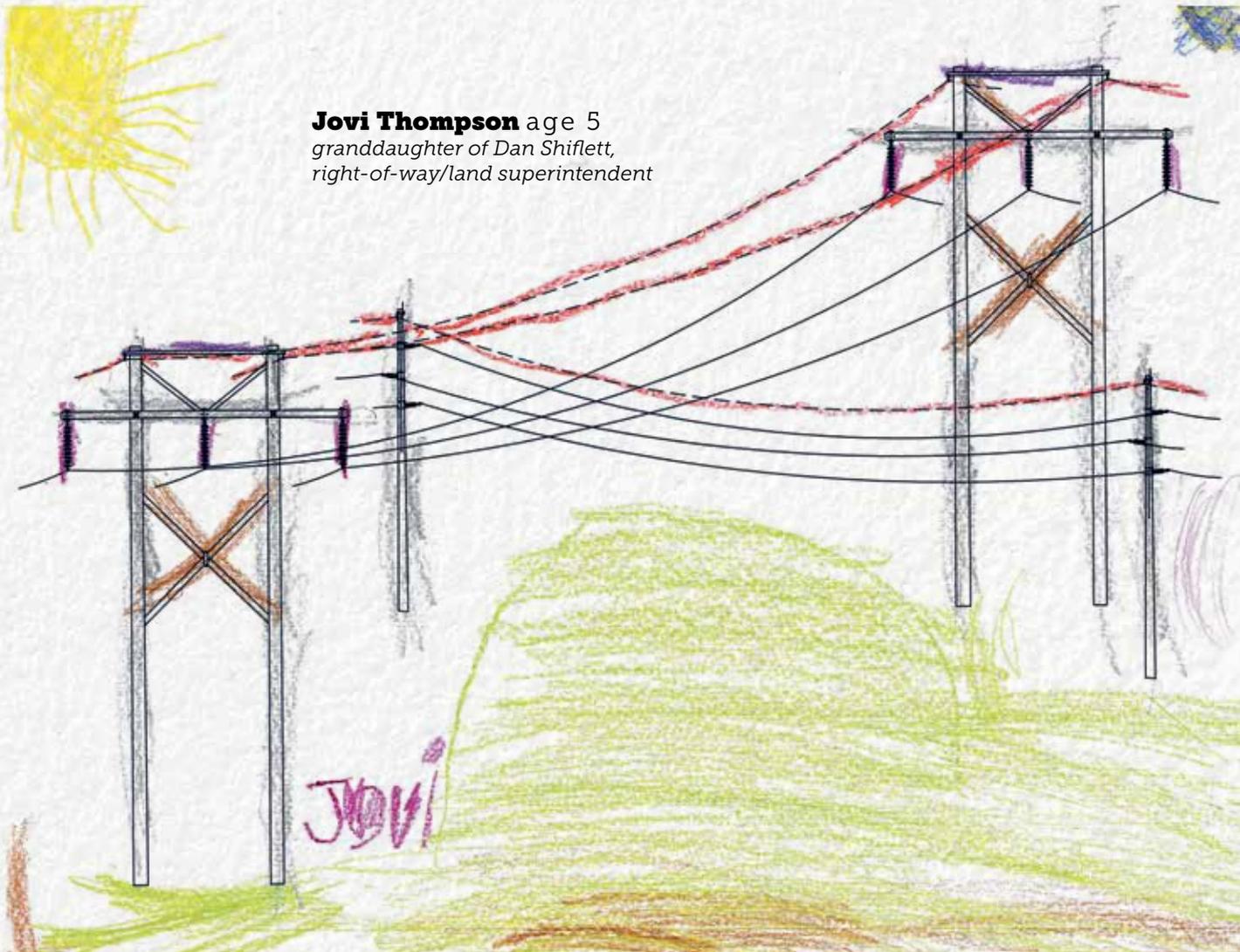
The steep nationwide drop in liquid fuel demand has resulted in a major economic impact on biofuels processing plants across the country. Estimates show as much as half of U.S. ethanol production has been idled. In addition, the pandemic has forced several food processing facilities to either idle or shut down. These events have left producers of several agricultural commodities without a market for their product, forcing some to euthanize animals or destroy their products. The pandemic compounded the impacts of low commodity prices and extreme weather events that together had already created a struggling farm and rural economy.



Chuck Sodererg, left, IAEC, and Ken Kuyper, Corn Belt Power, discuss issues at a meet and greet with Sen. Chuck Grassley at Prairie Energy Cooperative.



Iowa Senator Chuck Grassley, left, discusses issues facing co-op members with Todd Foss, Prairie Energy Cooperative.



Jovi Thompson age 5
granddaughter of Dan Shiflett,
right-of-way/land superintendent



Lucas Marchun

age 5
nephew of
Marena Fritzler,
marketing director

**Corn Belt Power helps host
Touchstone Energy Virtual Tour**

Touchstone Energy national staff “traveled” to Iowa on a virtual road trip on Thursday, November 12. Iowa’s generation and transmission cooperatives with help from Iowa Association of Electric Cooperatives organized the statewide virtual event.

Those in attendance met Jana Adams, Touchstone Energy Cooperative’s new executive director.

Among other highlights, attendees also learned about the Best In Class Model, discovered resources to increase member engagement, got a sneak peek at the National Survey on the Cooperative Difference and learned about Co-op Web Builder’s latest features from Touchstone Energy staff.

New LEAD class begins

Over the next several years, Corn Belt Power Cooperative will lose hundreds of years of experience and knowledge to retirements. Corn Belt Power is not alone. Cooperatives across the country are facing the same issue as many leaders see retirement on the near horizon and that’s why training the next crop of cooperative leaders is important.

After the success of the first class, Corn Belt Power chose to offer a second round of its Leadership Exploration and Development program in 2020. LEAD is a program that helps further develop leadership skills in existing employees. The program was created in conjunction with Kathy Peterson of PeopleWorks, Inc.

Throughout the year, participants learn about topics such as setting goals, leading change, managing stress and dealing with difficult conversations. Those in the program attend sessions about cooperative financials, generating sources, electric rates and the cooperative business model.

Connor Almond, Courtney Christensen, Eric Hankey, Jim Mertz, John Naber, Jon Myer, and Rod Stephas make up the 2020 class.



From left: Jon Myer, Eric Hankey, Rod Stephas, Courtney Christensen, John Naber, Jim Mertz and Connor Almond make up Corn Belt Power’s second-ever LEAD class. The class began in 2020 and will continue into 2021. Participants navigated blindly through a mousetrap maze without shoes as a part of a trust, communication and listening exercise Dec. 14.



Avery Zinnel age 7
daughter of Ashly Zinnel,
accountant

WINDMILL



Emma Bush age 2
granddaughter of Carla Hofmaster,
environmental and safety coordinator



Stella Cornelius age 4
daughter of Ryan Cornelius
vice president, corporate relations



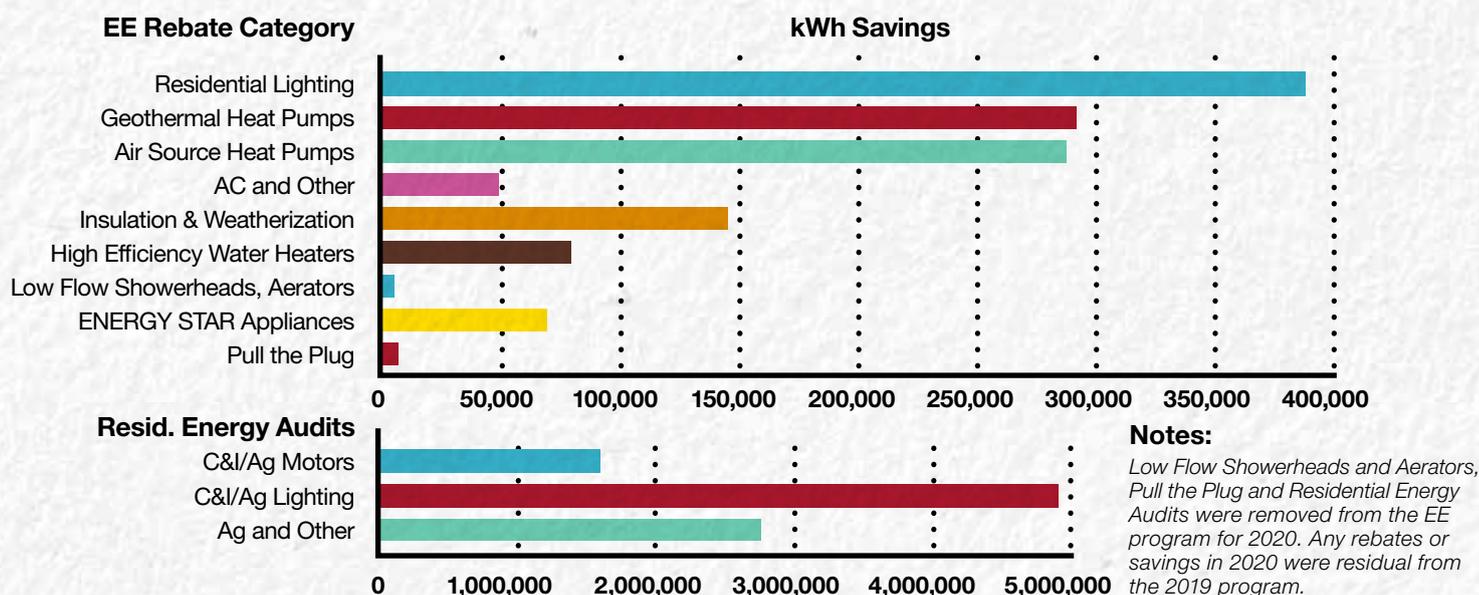
Corn Belt Power crews string 10.64 miles of new conductor along the Plover to Whittemore line seven miles south of Emmetsburg June 2. This project is part of the 24-mile line rebuild from Pocahontas to Whittemore Junction.

2020 Sales to Corn Belt Power Member Cooperatives

Includes sales to member cooperatives for special loads and municipals

COOPERATIVE	2019 KWH BILLED BY CORN BELT POWER	2020 KWH BILLED BY CORN BELT POWER
BOONE VALLEY ELECTRIC COOPERATIVE	10,396,841	10,627,981
BUTLER COUNTY REC	284,400,338	280,520,505
CALHOUN COUNTY ELECTRIC COOPERATIVE ASSOCIATION	46,634,570	47,134,348
FRANKLIN REC	67,019,813	65,611,529
GRUNDY COUNTY REC	72,784,678	90,549,586
IOWA LAKES ELECTRIC COOPERATIVE	615,194,836	544,700,275
MIDLAND POWER COOPERATIVE	340,500,208	337,046,949
NIMECA/WEBSTER CITY	107,964,678	106,652,474
PRAIRIE ENERGY COOPERATIVE	329,292,233	349,121,581
RACCOON VALLEY ELECTRIC COOPERATIVE	146,984,833	121,900,032

2020 - EE Rebate Deemed Savings



2020 New and Expanding Loads

BUTLER COUNTY REC

Flint Hills Resources – Shell Rock – 4.5 MW
 TrinityRail – Shell Rock – 390 KW
 Bins, Housing, Livestock – 337 KW

CALHOUN COUNTY ELECTRIC COOPERATIVE ASSOCIATION

Bins, Livestock, Housing – 200 KW

FRANKLIN REC

Bins, Livestock, Housing – 202 KW

GRUNDY COUNTY REC

Bins, Livestock, Housing – 225 KW

IOWA LAKES ELECTRIC COOPERATIVE

Iowa Lakes Regional Water Treatment Plant – Osgood – 500 KW
 Calcium Products – Gilmore City – 750 KW
 Equity Homes – 500 KW
 Bins, Livestock, Housing – 1,960 KW

PRAIRIE ENERGY COOPERATIVE

ReNewtrients – Clarion – 900 KW
 Bins, Livestock, Housing – 797 KW

RACCOON VALLEY ELECTRIC COOPERATIVE

Bins, Livestock, Housing – 566 KW

MIDLAND POWER COOPERATIVE

Bins, Livestock, Housing – 700 KW

Total Load Growth: 12,527 KW / 12.527 MW

2020 Revolving Loan Fund Activity

REDL&G: Rural Economic Development Loan & Grant
REDG: Rural Economic Development Grant
REDL: Rural Economic Development Loan
IRP: Intermediary Relending Program
RLF: Revolving Loan Fund

LOANS CLOSED:

- **J&J Custom Meats, Whittemore**
 - New meat locker created 3 jobs
 - Corn Belt Power loaned \$150,000 from RLF
 - Iowa Lakes Electric loaned \$250,000 from RLF
 - Midland Power loaned \$150,000 from RLF
- **Calhoun County Economic Development Corporation, Rockwell City**
 - New Calhoun County Business Park to be located at Highways 20 and 4
 - Land purchased in 2020, construction on Phase 1 to begin in 2021
 - Corn Belt Power loaning \$500,000 from RLF
 - Calhoun County ECA loaning \$100,000 from RLF
 - Iowa Lakes Electric loaning \$250,000 from RLF
 - Butler County REC loaning \$150,000 from RLF
- **IGL Construction, Spencer**
 - Cleaned up a former mobile home park to create Westfield Development
 - 57 new homes, approximately 1,000 square feet, 2-3 bedrooms and a garage
 - Corn Belt Power loaned \$500,000 from RLF
 - Iowa Lakes Electric loaned \$500,000 from RLF

- **Humboldt County Memorial Hospital, Humboldt**
 - 37,740 square foot building addition for new clinic space, wellness hub and conference room/staff education area
 - 8-9 new employees per year over the next few years
 - Corn Belt Power loaned \$360,000 from new USDA REDG
 - Midland Power loaned \$1,000,000 from new USDA REDL
- **St. Mary's School, Humboldt**
 - School renovation and expansion project adding new classrooms
 - New classrooms include a new STEM lab, music room, resource room and library
 - Corn Belt Power loaned \$360,000 from new USDA REDG
 - Midland Power loaned \$1,000,000 from new USDA REDL
- **Humboldt County Development Association, Humboldt**
 - Purchased 135 acres for future industrial park expansion
 - Located to the North of the existing Northwest Industrial Park
 - Corn Belt Power loaned \$252,500 from RLF
 - Midland Power loaned \$252,500 from RLF



New Spencer housing development



St. Mary's Catholic school renovation and expansion



Everly Dickey age 4
 daughter of Brittany Dickey,
 development finance director

We value **PARTNERSHIPS** with our members and their communities

TrinityRail expansion to increase local job offerings

In August, Corn Belt Power transmission crews powered TrinityRail Maintenance's expansion.

With the expansion, the company plans to employ more than 250 people in 350,000 square feet of building space that sits on 230 acres. Railcar facility services will range from repairs and maintenance, to coatings, cleaning, inspections and testing. The facility will be near the Iowa Northern shortline railroad, which provides transloading services and supports the local grain and renewable energy industries. The new facility will enable TrinityRail to internally service and maintain approximately half of its 123,000 owned and managed railcars.



New Bauman Substation constructed to support TrinityRail and surrounding area load.



Calhoun County Electric Cooperative Association closed on its first industrial park in 2020, located at the intersection of Highways 4 and 20.

Calhoun County Electric Cooperative Association closes on first industrial park

After years of in-depth research and careful planning, Calhoun County Electric Cooperative Association finally has a business park. Corn Belt Power Cooperative partnered with the cooperative, Calhoun County Board of Supervisors and Calhoun County Economic Development Corporation to locate the project at the intersection of Highways 20 and 4.

Phase one amounts to 21.72 acres near Sparky's One Stop at the intersection of Highways 20 and 4. With help from the partnership, infrastructure buildout is set to begin in the spring of 2021.

Studies show that the area is primed to attract warehousing and distribution businesses. Those businesses are set to support travelers and logistics in the region.

The investment in a business park will help stabilize future rates for electric cooperative member-owners.

There is an option to purchase 96.08 acres in the future, provided phase one is successful. In total, the project could be as large as 116 acres.

Jacob Marchun
age 3
nephew of
Marena Fritzler,
marketing director





Kroll Bond Rating Agency affirms Corn Belt Power's 'A' financial rating

Corn Belt Power received an affirmation of its 'A' rating in

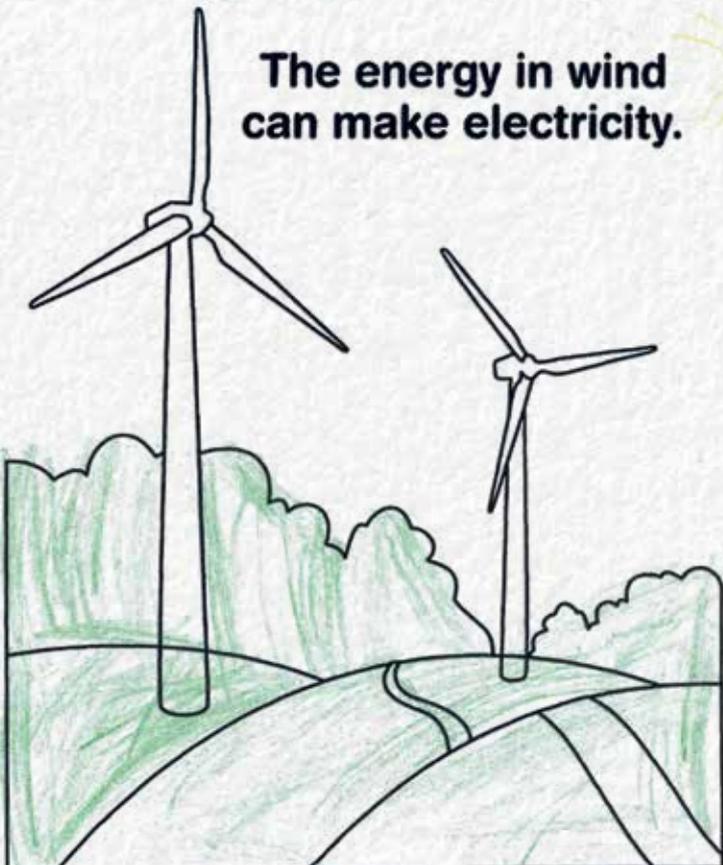
December from Kroll Bond Rating Agency.

The rating reflects Corn Belt Power's relatively strong "all-requirements" wholesale power contracts with its members and its "all-requirements" power supply contract with Basin Electric Power Cooperative. Both the power purchase and power supply contracts extend to 2075.

KBRA noted the economy in Corn Belt Power's service territory is strong and stable. According to KBRA, the regional rural economy is supportive of demand. Regional unemployment has historically remained well below the national average and has shown relatively low volatility during periods of economic stress. A recent trend of regional economic development is expected to support increased electricity sales and a stable load. Corn Belt Power expects to add 20.5 megawatts of new and/or expanded load in 2020 as businesses and industries in the region continue to expand.

WIND POWER

The energy in wind can make electricity.



KBRA NOTED THE FOLLOWING CREDIT CONSIDERATIONS:

Credit Positives:

- Corn Belt Power members are required to purchase essentially all power requirements from Corn Belt Power subject to take and pay contracts extending through 2075.
- Corn Belt Power is not state-regulated. It sets its own rates which it can implement within a monthly period. Corn Belt Power's firm service territory boundaries are statutorily set.

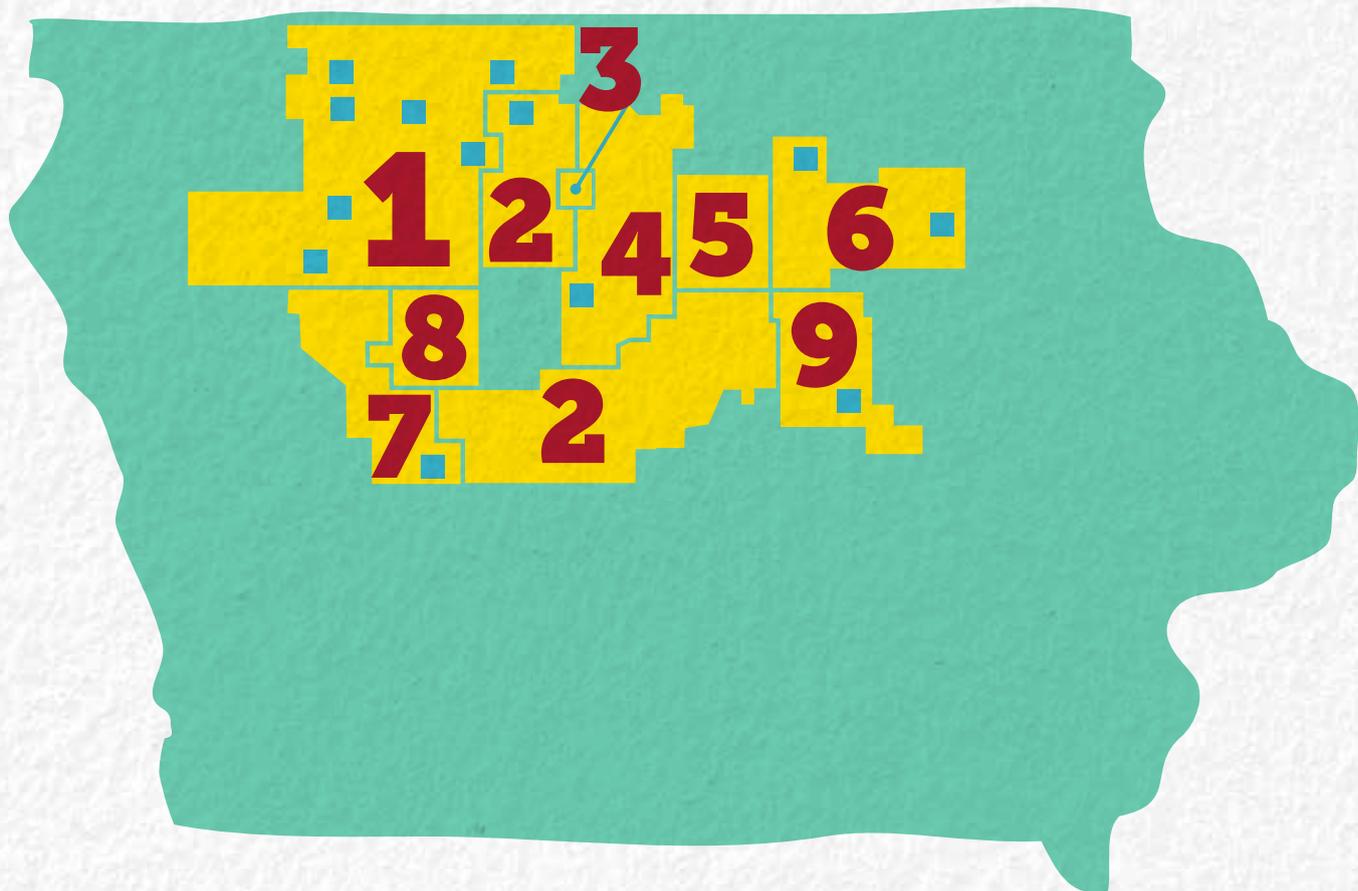
Credit Challenges:

- Although Corn Belt Power and Basin Electric have taken steps to diversify their respective energy portfolios, both remain highly dependent on coal-fired power.
- The total number of ultimate customers is small (approx. 34,000 in FY 2019) relative to Corn Belt Power's peers.

Rating Sensitivities:

- On-going load growth that results in consistently stronger financial metrics would be a positive credit factor.
- Significant reductions in average cost to members resulting from generation efficiencies on the part of Basin Electric and/or Corn Belt Power would be a positive credit factor.
- Debt service and TIER that are consistently lower than 1.1x and 1.2x, respectively would be a negative credit factor.
- Regulatory costs that necessitate non-competitive or unaffordable rate increases would be a negative credit factor.

Michael Bush age 6
grandson of Carla Hofmaster,
environmental and safety coordinator



- 1. Iowa Lakes Electric Cooperative
- 2. Midland Power Cooperative
- 3. Boone Valley Electric Cooperative
- 4. Prairie Energy Cooperative
- 5. Franklin REC
- 6. Butler County REC
- 7. Raccoon Valley Electric Cooperative

- 8. Calhoun County Electric Cooperative Association
- 9. Grundy County REC
- North Iowa Municipal Electric Cooperative Association (NIMECA)
(Serving municipal utilities of Algona, Alta, Bancroft, Coon Rapids, Graettinger, Grundy Center, Laurens, Milford, New Hampton, Spencer, Sumner, Webster City and West Bend)

Human Resources Update

NEW HIRES

- Joseph Albright • apprentice electrician
- John Capesius • apprentice lineman
- Jonathon McCaslin • apprentice electrician
- Tyler Mortenson • control operator
- Lucas Nostrom • apprentice electrician
- Neil Smith • operations engineer
- Peyton Vote • apprentice electrician

RETIREMENTS

- Dan Amato • shift operator
- Steve Curry • meter technician
- Chris Shillington • communications technician

PROMOTIONS/UPDATES

- Jon Behounek • system operator to chief system operator
- Chris Bruening • system operator to outage coordinator
- Jacob McCullough • journeyman electrician to system operator
- Shawn Ruberg • apprentice electrician to meter technician
- Mitchell Thompson • journeyman electrician to system operator
- Wayne Wolthuizen • control operator to shift operator

IN MEMORIUM

- Justin Hinnners • journeyman lineman

Board of Directors



David Onken
President, Raccoon Valley Electric Cooperative



Dale Schaefer
Vice President, Franklin REC



Jerry Beck
Secretary, Iowa Lakes Electric Cooperative



Larry Rohach
Treasurer, Grundy County REC



Gary Poppe
Assistant Secretary/Treasurer, Butler County REC



Charles Gilbert
Basin Electric Power Cooperative Representative, Midland Power Cooperative



Brad Honold
North Iowa Municipal Electric Cooperative Association



LaVerne Arndt
Calhoun County Electric Cooperative Association



Ted Hall
Prairie Energy Cooperative

Department Heads



Ken Kuyper
Executive Vice President and General Manager



Karen Berte
Senior Vice President, Finance and Administration



Kevin Bornhoft
Vice President, Engineering and System Operations



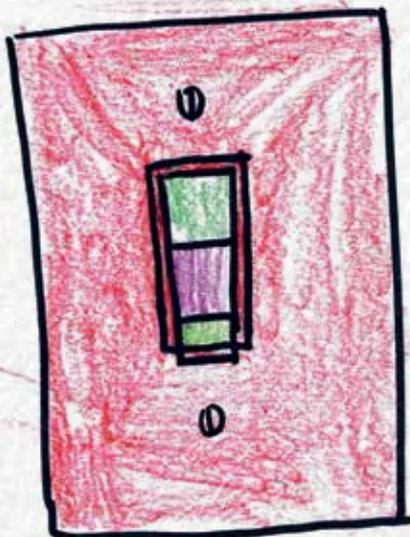
Ryan Cornelius
Vice President, Corporate Relations



Jacob Olberding
Vice President, Power Supply



Jim Vermeer
Vice President, Business Development



POWER

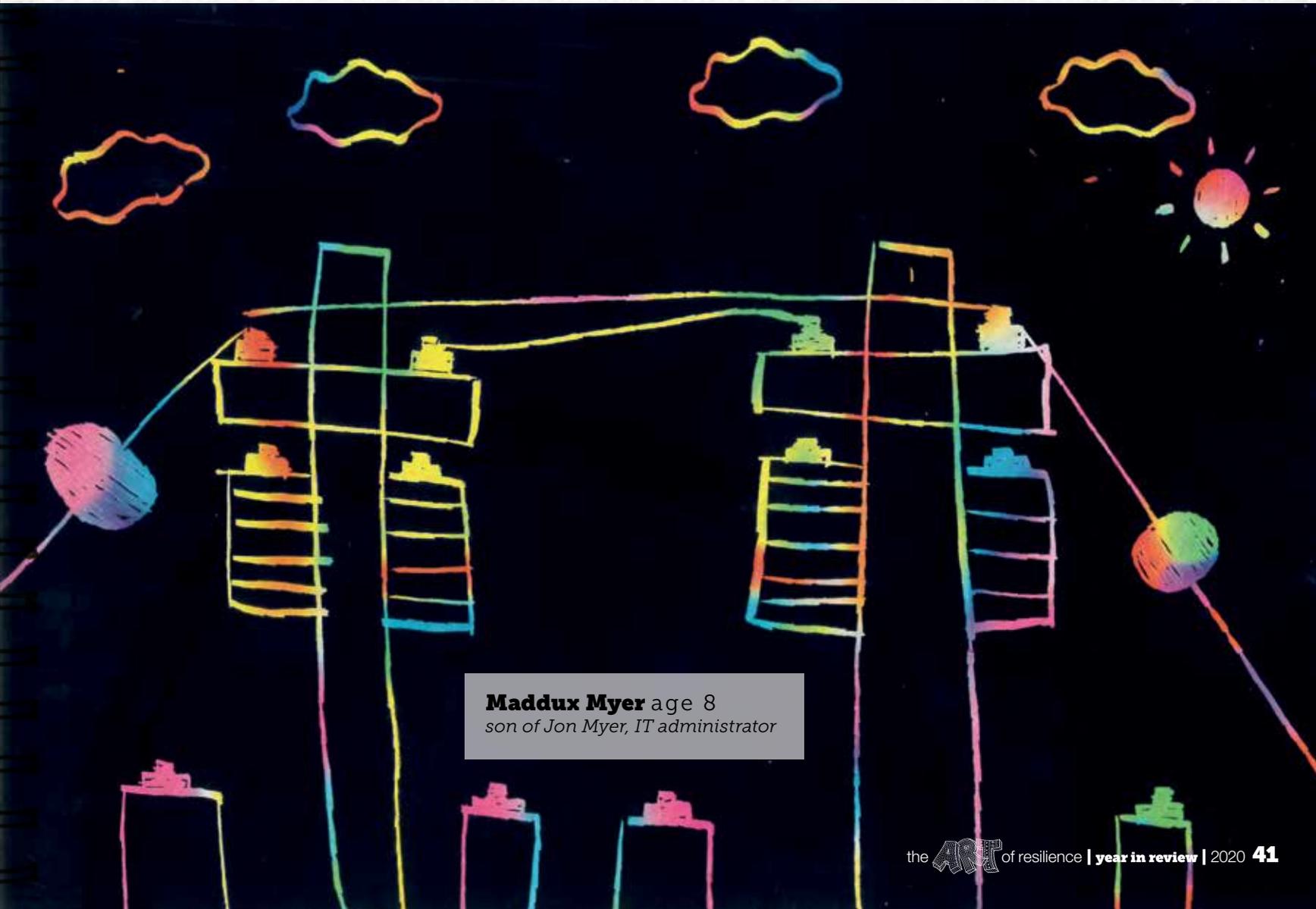
Lucas Marchun age 5
nephew of Marena Fritzier,
marketing director



Hank Vitzthum age 8
grandson of Karen Berte, senior vice
president, finance and administration



June Vitzthum age 6
granddaughter of Karen Berte, senior vice
president, finance and administration



Maddux Myer age 8
son of Jon Myer, IT administrator

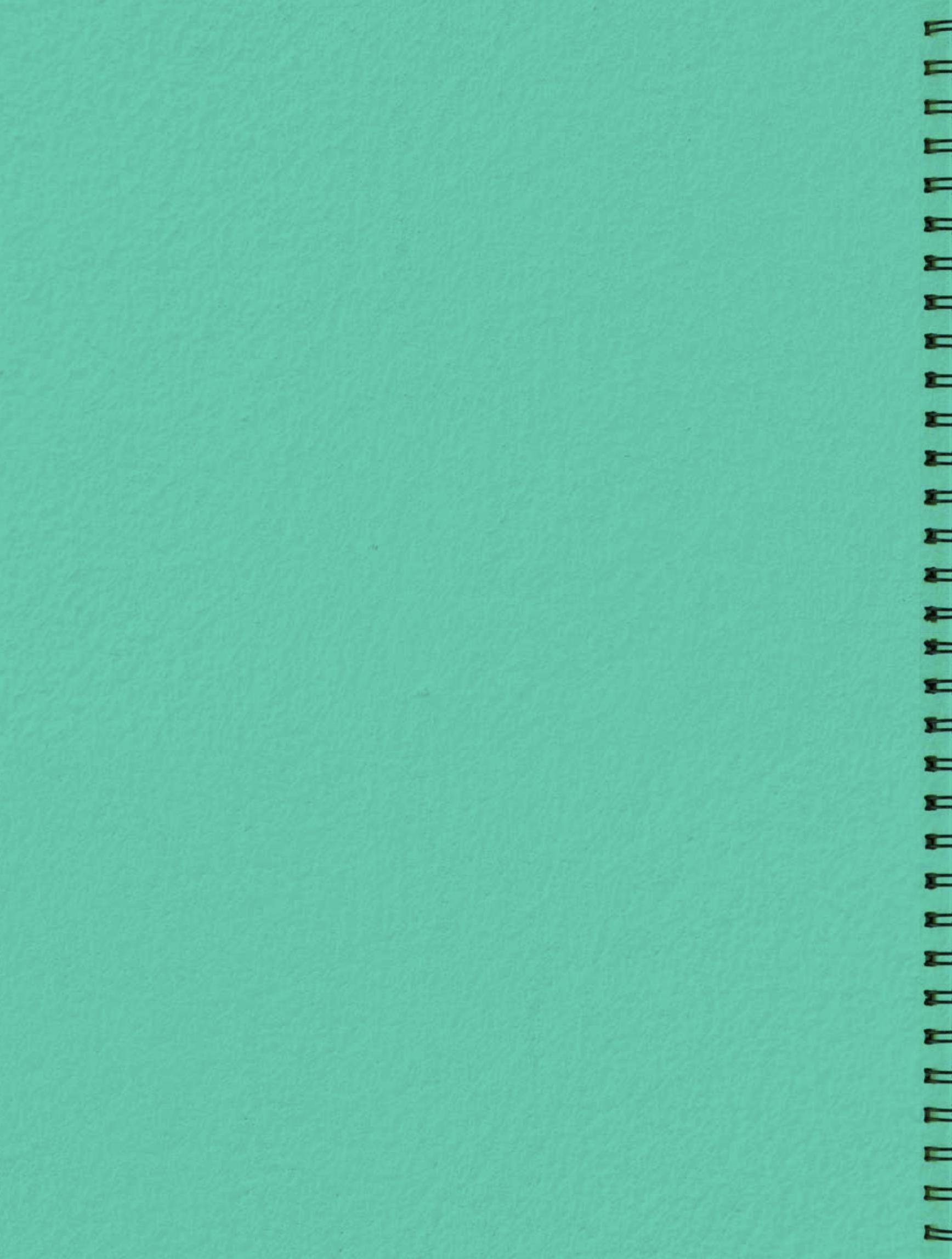


C

orn Belt Power Cooperative is a generation and transmission electric cooperative owned by its member systems. Corn Belt Power provides electricity to nine member cooperatives and one member municipal cooperative that serve farms, rural residences, small towns and commercial and industrial members in 41 counties in northern Iowa.

financial report





Independent Auditors' report

The Board of Directors
Corn Belt Power Cooperative:

Report On The Financial Statements

We have audited the accompanying financial statements of Corn Belt Power Cooperative (the Cooperative), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of revenue and expenses, comprehensive income, membership capital, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Cooperative's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corn Belt Power Cooperative as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 5, 2021 on our consideration of the Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of those reports is solely to describe the scope of our testing and not to provide an opinion on the effectiveness of the Cooperative's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

KPMG LLP
Kansas City Missouri
March 5, 2021

Balance Sheets

DECEMBER 31, 2020 AND 2019

ASSETS	2020	2019
ELECTRIC PLANT:		
In service	\$ 569,442,215	555,227,449
Less, accumulated depreciation	(317,850,297)	(293,305,725)
	251,591,918	261,921,724
Construction work in progress	11,266,367	7,403,849
Nuclear fuel, net of amortization	-	3,530,441
	262,858,285	272,856,014
OTHER PROPERTY AND INVESTMENTS:		
Nonutility property	158,958	158,958
Investment in the National Rural Utilities Cooperative Finance Corporation (NRUCFC)	4,859,922	4,806,905
Decommissioning funds	67,315,770	61,454,828
Other investments	82,903,303	74,650,733
Special funds	1,246,882	45,600,291
Notes receivable	7,490,290	7,244,443
Other assets	2,177,731	1,773,839
	166,152,856	195,689,997
DEFERRED CHARGES:		
DAEC regulatory asset	-	873,272
Decommissioning regulatory asset	2,595,144	6,457,470
Bond refinancing regulatory asset	1,063,606	1,130,782
	3,658,750	8,461,524
CURRENT ASSETS:		
Cash and cash equivalents	10,610,685	5,537,313
Special funds	3,700,000	5,700,000
Member accounts receivable	12,132,165	13,078,748
Other receivables	5,902,678	2,454,196
Inventories:		
Fuel	6,436,778	4,350,011
Materials and supplies	9,104,495	10,365,124
Prepayments	213,440	429,463
	48,100,241	41,914,855
	\$ 480,770,132	518,922,390

Balance Sheets

DECEMBER 31, 2020 AND 2019

MEMBERSHIP CAPITAL AND LIABILITIES	2020	2019
MEMBERSHIP CAPITAL:		
Memberships, at \$100 per membership	\$ 1,100	1,100
Deferred patronage dividends, restricted	98,887,347	93,429,651
Other equities	61,950,406	60,751,267
Accumulated other comprehensive income	386,456	162,506
	161,225,309	154,344,524
LONG-TERM DEBT:		
Federal Financing Bank	107,689,948	159,320,966
Revenue bonds	12,631,667	13,235,000
NRUCFC	90,083,648	78,790,813
CoBank	2,502,500	3,272,500
USDA Intermediary Relending Program	6,259,553	5,838,425
	219,167,316	260,457,704
Less, current maturities of long-term debt	13,824,699	16,548,391
	205,342,617	243,909,313
OTHER LONG-TERM LIABILITIES:		
DAEC decommissioning liability	69,691,957	67,917,292
Ash landfill retirement obligation	3,019,404	3,008,096
Deferred compensation plan	135,104	69,684
	72,846,465	70,995,072
CURRENT LIABILITIES:		
Current maturities of long-term debt	13,824,699	16,548,391
Short-term debt	-	17,000,000
Accounts payable	11,327,139	6,652,629
Accrued property and other taxes	2,678,822	3,058,709
Deferred credits	12,825,831	5,708,704
Accrued interest and other	699,250	705,048
	41,355,741	49,673,481
	\$ 480,770,132	518,922,390

See accompanying notes to financial statements.

Statements of Revenue and Expenses

DECEMBER 31, 2020 AND 2019

	2020	2019
OPERATING REVENUE:		
Sale of electric energy	\$ 135,862,371	140,312,190
Other	18,289,094	17,267,683
Total operating revenue	154,151,465	157,579,873
OPERATING EXPENSES:		
Operation:		
Steam and other power generation	21,610,823	30,749,752
Purchased power, net	64,880,927	56,384,328
Transmission	4,915,434	5,433,815
Sales	2,466,734	2,938,281
Administrative and general	5,938,783	5,012,016
Maintenance:		
Steam and other power generation	5,007,091	7,572,335
Transmission	1,773,467	1,830,440
General plant	158,298	145,827
Depreciation and decommissioning	28,086,278	31,475,831
Gain on the disposition of property	(1)	(13,292)
Total operating expenses	134,837,834	141,529,333
Net operating revenue	19,313,631	16,050,540
INTEREST AND OTHER DEDUCTIONS:		
Interest on long-term debt	9,436,211	10,540,460
Interest during construction	(27,695)	(76,242)
Other interest and deductions	287,241	635,650
Total interest and other deductions	9,695,757	11,099,868
Net operating margin	9,617,874	4,950,672
NONOPERATING MARGIN:		
Interest and dividend income	1,940,535	2,685,127
Patronage income	5,757,536	4,856,092
Other, net	(3,963,400)	227,259
Total nonoperating margin	3,734,671	7,768,478
Net margin	\$ 13,352,545	12,719,150

See accompanying notes to financial statements.

Statements of Comprehensive Income

DECEMBER 31, 2020 AND 2019

	2020	2019
Net margin	\$ 13,352,545	12,719,150
Change in unrealized gain in fair value of debt securities	223,950	317,065
Comprehensive income	\$ 13,576,495	13,036,215

Statements of Cash Flows

DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin	\$ 13,352,545	12,719,150
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and decommissioning	28,086,278	31,475,831
Amortization of nuclear fuel	3,530,441	4,548,271
Undistributed patronage earnings from other investments	(5,599,137)	(4,856,092)
Changes in current assets and liabilities:		
Receivables	(5,261,366)	(3,296,763)
Inventories	(826,138)	68,985
Prepayments	216,023	150,484
Other - deferred charges	132,596	(1,077,044)
Accounts payable	3,995,275	(1,200,115)
Accrued property and other taxes	(379,887)	(33,296)
Deferred credits	7,117,127	2,000,822
Accrued interest and other	(5,798)	(37,864)
Net cash provided by operating activities	44,357,959	40,462,369
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to electric plant, net	(20,055,175)	(17,043,933)
Disposal of nuclear fuel	-	8,921
Sale of nonutility plant	-	(13,289)
Distributions from decommissioning fund	-	167,500
Distributions from special funds	44,426,307	2,172,987
Additions to special funds	(72,898)	(2,282,558)
Additions to other investments, other assets, investments in NRUCFC, and notes receivable	(1,197,469)	(631,618)
Deductions to other investments, other assets, investments in NRUCFC, and notes receivable	1,265,232	1,690,930
Net cash provided by (used in) investing activities	24,365,997	(15,931,060)

See accompanying notes to financial statements.

Statements of Cash Flows

DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	15,600,000	14,102,500
Repayment of long-term debt	(56,890,388)	(29,382,450)
Funds advanced short-term borrowings	-	4,000,000
Funds repaid short-term borrowings	(17,000,000)	(3,000,000)
Patronage dividends paid	(6,956,304)	(5,820,349)
Net cash used in financing activities	(65,246,692)	(20,100,299)
Net increase in cash, cash equivalents, and restricted cash	3,477,264	4,431,010
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT:		
Beginning of year	13,011,152	8,580,142
End of year	\$ 16,488,416	13,011,152
RECONCILIATION TO CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Cash and cash equivalents	\$ 10,610,685	5,537,313
Special funds/commercial paper	3,700,000	5,700,000
Revolving loan funds	2,177,731	1,773,839
	\$ 16,488,416	13,011,152
NONCASH INVESTING AND FINANCING ACTIVITY:		
Construction work in progress included in accounts payable	\$ 679,235	175,959

Statements of Membership Capital

DECEMBER 31, 2020 AND 2019

	Total	Membership	Deferred patronage dividends	Other Equities		Accumulated other comprehensive income (loss)
				Statutory surplus	Reserve for contingent losses	
Balance, December 31, 2018	\$ 148,174,731	1,100	87,441,000	18,237,677	41,595,414	899,540
Cumulative-effect change in accounting principle	(1,054,099)	-	-	-	-	(1,054,099)
2019 net margin	12,719,150	-	11,800,974	918,176	-	-
Revenue deferred patronage dividends	8,026	-	8,026	-	-	-
Change in net unrealized gain in fair value of debt securities	317,065	-	-	-	-	317,065
Patronage dividends paid	(5,820,349)	-	(5,820,349)	-	-	-
Balance, December 31, 2019	154,344,524	1,100	93,429,651	19,155,853	41,595,414	162,506
2020 net margin	13,352,545	-	12,153,406	1,199,139	-	-
Revenue deferred patronage dividends	260,594	-	260,594	-	-	-
Change in net unrealized gain in fair value of debt securities	223,950	-	-	-	-	223,950
Patronage dividends paid	(6,956,304)	-	(6,956,304)	-	-	-
Balance, December 31, 2020	\$ 161,225,309	1,100	98,887,347	20,354,992	41,595,414	386,456

See accompanying notes to financial statements.

Notes to Financial Statements

DECEMBER 31, 2020 AND 2019

(1) Organization

Corn Belt Power Cooperative (the Cooperative) is a Rural Utilities Service (RUS) financed generation and transmission cooperative created and owned by nine distribution cooperatives and one municipal cooperative association. Electricity supplied by the Cooperative serves farms, small towns and commercial and industrial businesses in northern Iowa.

The Cooperative's Board of Directors (Board of Directors) is composed of one representative from each member cooperative and is responsible for, among other things, establishing rates charged to the member cooperatives.

(2) Significant Accounting Policies

The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts as prescribed by the RUS. The financial statements and the accompanying notes to the financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies are as follows:

(a) Cash and Cash Equivalents

For the purpose of reporting the statements of cash flows, the Cooperative considers investments purchased with an original maturity of three months or less to be cash equivalents, except for cash held for investing as part of the decommissioning fund, relending program, and special funds which are restricted for use. These restricted cash and cash equivalents are included in footnotes 2(c), 2(d) and 2(g).

(b) Inventories

Inventories consist of fuel (primarily coal), emission allowances and materials and supplies carried at cost. The cost for inventories is determined on a weighted-average cost basis.

The 1990 Clean Air Act (the Act) established the requirement for fossil fuel electric generating plants to hold sulfur dioxide (SO₂) emission allowances under the Acid Rain Program (ARP). In 2015, the Cross-State Air Pollution Rule (CSAPR) established an additional SO₂ allowance requirement along with adding nitrogen oxide (NO_x) annual and seasonal allowances. The Act and CSAPR allocate a certain number of emission allowances to owners of fossil fuel generating plants that are affected by the rules and established corresponding ARP SO₂, CSAPR SO₂, CSAPR NO_x annual and CSAPR NO_x seasonal emission allowance trading programs. Emission allowances that have been granted to the Cooperative as a result of the Act and CSAPR do not have any cost, and therefore, the use of these emission allowances does not result in expense. From time to time, the Cooperative will purchase a quantity of each type of emission allowance to ensure an adequate number of allowances are held. The purchased allowances are combined with the allocated allowances to derive an average allowance cost each year for each type of emission allowance. Emission allowances purchased are capitalized in inventory and are charged to fuel expense as they are used in operations.

(c) Other Investments

Other investments consist of funds held in trust (mainly from patronage income), cash held for the Cooperative's intermediary relending program (note 9), and common and preferred stock. These equity investments do not have readily determinable fair values and are accounted for at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment. No impairment or observable price changes were recorded during 2020 or 2019.

(d) Special Funds

Special funds are funds set aside to cover future expenses, pay regulatory liabilities or pay future debt payments. Debt investments held in special funds are reported at fair value. Remaining deposits are recorded at their original cost as their cost approximates fair value due to the nature of the deposit. At December 31, 2020 and 2019, special funds included commercial paper of \$3,700,000 and \$5,700,000, respectively.

(e) Notes Receivable

The Cooperative determines any impairment of notes receivable based on various factors that ultimately are used to calculate collectability. As part of the review, the Cooperative reviews the terms of the original note, nature of the transaction, history of repayment, and knowledge of borrower's financial strength. No impairments were indicated for the years ended December 31, 2020 and 2019.

Notes to Financial Statements

DECEMBER 31, 2020 AND 2019

(f) Regulatory Matters

The Cooperative's utility operations are subject to provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 980, *Regulated Operations*. Therefore, its utility operations recognize the effects of rate regulation by the Board of Directors and, accordingly, have recorded regulated assets to reflect the impact of regulatory items for which future rates will be increased to recover and regulated liabilities for revenue deferred at the discretion of the Board of Directors. The regulatory assets are included within deferred charges and the regulatory liabilities are included within deferred credits on the balance sheets.

(g) Decommissioning of Duane Arnold Energy Center (DAEC)

The Cooperative recognizes and estimates an asset retirement obligation (ARO) for its 10% share of the estimated cost to decommission DAEC. A Nuclear Regulatory Commission (NRC) estimate of the decommissioning costs of DAEC was performed in 2015 and updated in 2018. This report estimated the Cooperative's share of the decommissioning costs of DAEC to be approximately \$83,357,100 (in 2018 U.S. dollars). The Cooperative is providing for overall nuclear decommissioning costs using a funding method designed to accumulate a decommissioning reserve sufficient to cover the Cooperative's share of decommissioning costs by 2020. In 2020, DAEC was shut down in accordance with the decommissioning plan.

The total fair value of the decommissioning funds accumulated at December 31, 2020 was \$67,315,770, of which \$42,357,224 has been placed in a fund legally restricted for use in decommissioning DAEC. The remaining \$24,958,546, while not legally restricted, has been designated by the Cooperative for use in decommissioning DAEC. The total fair value of the decommissioning funds accumulated at December 31, 2019 was \$61,454,828, of which \$38,957,598 was placed in a fund legally restricted for use in decommissioning DAEC. The remaining \$22,497,229, while not legally restricted, was designated by the Cooperative for use in decommissioning DAEC.

Decommissioning investments classified as equity securities are reported at fair value with realized and unrealized gains and losses included as a component of regulatory assets. Decommissioning investments classified as available-for-sale debt securities are reported at fair value with unrealized gains and losses included as a component of comprehensive income. As of December 31, 2020 and 2019, available-for-sale securities consisted of the following:

	Amortized cost	Unrealized gains	Unrealized losses	Fair value
2020:				
Corporate bonds	\$ 11,366,392	352,056	-	11,718,448
Foreign investments in government funds	532,259	34,400	-	566,659
	\$ 11,898,651	386,456	-	12,285,107
2019:				
Corporate bonds	\$ 11,330,657	196,343	47,022	11,479,978
Foreign investments in government funds	387,024	13,185	-	400,209
	\$ 11,717,681	209,528	47,022	11,880,187

Realized gains and losses from equity securities and available-for-sale securities are determined on a specific-identification basis. Realized gains/(losses) on investments classified as equity securities and available-for-sale securities were \$2,165,082 and \$3,477,364 for 2020 and 2019, respectively. These gains/(losses) on available-for-sale securities result in a reclassification from accumulated other comprehensive income (AOCI) to the decommissioning regulatory asset.

The following tables show the gross unrealized losses and fair value of the Cooperative's available-for-sale investments with unrealized losses aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31.

	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2020:						
Corporate bonds	\$ -	-	-	-	-	-
	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
2019:						
Corporate bonds	\$ 6,671,889	(47,022)	-	-	6,671,889	(47,022)

In evaluation of the other-than-temporary impairment, the Cooperative considers its intent and ability to hold these investments for a period of time sufficient to allow for the anticipated recovery in the market value of these investments, which may be maturity, the severity of the decline, and the length of time and the extent to which fair value has been below cost. The Cooperative does not consider these investments to be other-than-temporarily impaired at December 31, 2020 or 2019. At December 31, 2020, unrealized gains on equity securities was approximately \$12 million.

(h) Electric Plant

Electric plant is stated at original cost, which includes payroll and related benefits and interest during the period of construction.

Costs in connection with repairs of properties and replacement of items less than a unit of property are charged to maintenance expense. Additions to and replacements of units of property are charged to electric plant accounts.

Depreciation is provided using straight-line method and RUS-prescribed lives. These provisions, excluding nuclear facilities, were equivalent to a composite depreciation rate on gross plant of 2.47% for 2020 and 2019.

Under a joint-ownership agreement, the Cooperative has a 10% undivided interest in the DAEC, a nuclear-fueled generating station, which was placed in service in 1974. Beginning in 2018, the Cooperative began depreciating its interest in the DAEC on a straight-line basis through 2025. In 2019, the Cooperative was notified the plant would close October 2020. In August 2020, a storm damaged the plant to the extent it stopped operations permanently and as a result the remaining \$5,104,892 DAEC plant asset was charged to depreciation expense in 2020. The composite depreciation rate on gross plant for DAEC was 13.45% and 16.39% for 2020 and 2019, respectively.

Along with other regional utilities, the Cooperative owns a percentage of the power plants and transmission listed in footnote 12. The Cooperative records the proportionate share of expenses based upon ownership.

(i) Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Cooperative first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. There were no impairments of long-lived assets for the years ended December 31, 2020 and 2019.

(j) Nuclear Fuel

The cost of nuclear fuel is amortized to steam and other power generation expenses based on the quantity of heat produced for the generation of electric energy. Such amortization was \$3,530,441 and \$4,548,271 for 2020 and 2019, respectively.

(k) Accumulated Other Comprehensive Income

Accumulated other comprehensive income represents the net unrealized gain on available-for-sale debt securities held for decommissioning of DAEC and special funds.

Notes to Financial Statements

DECEMBER 31, 2020 AND 2019

(l) Operating Revenue

Operating revenue with customers is reflected on the statements of revenue and expenses as sale of electric energy in accordance with FASB ASC 606, *Revenue from Contracts with Customers*. Electric energy is earned from the production, sale, and transmission of electricity. Revenue is recognized upon the transfer or control of promised goods or services to customers in an amount that reflects the consideration to which is expected to be entitled in exchange for those goods or services. As the performance obligations are generally satisfied over time and use the same method to measure progress, the performance obligations meet the criteria to be considered a series. Revenue is recognized using an output method, as energy is delivered as this best depicts the transfer of goods or services to the customer. Demand, transmission, and energy charges are assessed for each members' proportionate share of electricity usage based on kWh delivered. Accounts receivable represents the unconditional right to consideration. The Cooperative bills customers on a monthly basis in the month following the delivery of the goods or services. Based on the terms of customer contracts, payment is generally received at or shortly after delivery of the goods or services. Member accounts receivable relates to revenue under contracts with the Cooperative's members.

(m) Cost of Power

The Cooperative recognizes the cost of electric energy produced or purchased when energy is delivered to customers.

(n) Major Maintenance Activities

The Cooperative incurs maintenance costs on its major equipment. Repair and maintenance costs are expensed as incurred.

(o) Interest During Construction

Interest during construction represents the cost of funds used for construction and nuclear fuel refinement. The average rate was 2.28% and 3.51% for 2020 and 2019, respectively, and is based on the Cooperative's costs of financing.

(p) Income Taxes

The Cooperative is exempt from federal and state income taxes under sections 501(c)(12) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the Cooperative's financial statements. The Cooperative recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(3) Agreements with Basin Electric Power Cooperative

On September 1, 2009, the Cooperative became a Class A member of Basin Electric Power Cooperative (Basin Electric). As part of this agreement, energy and capacity needs of the Cooperative above the Western Area Power Administration allocation and a 50 MW power purchase agreement with Basin Electric are to be provided by Basin Electric at Class A member rates. Further, the Cooperative sells the energy from its generation facilities at cost to Basin Electric, but continues to own and be responsible for those facilities. During 2020 and 2019, respectively, as part of these agreements, the Cooperative purchased \$97,384,003 and \$104,342,185 of power and sold \$66,143,296 and \$82,137,379 of power to Basin Electric, which is recorded in purchased power, net, in the statements of revenue and expenses.

(4) Fair Value Measurements

ASC Topic 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Cooperative has the ability to access at the measurement date.

Level 2 - Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

Notes to Financial Statements

DECEMBER 31, 2020 AND 2019

The following tables present assets and liabilities that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

	Fair value measurements at December 31, 2020 using			
	December 31 2020	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Special funds:				
Cash and cash equivalents	\$ 9,718	9,718	-	-
Commercial paper	3,700,000	-	3,700,000	-
Certificates of deposit	24,990	-	24,990	-
Corporate bonds	11,656	-	11,656	-
Common and preferred stock and funds	123,448	123,448	-	-
Obligations of the U.S. government and agencies	1,077,070	-	1,077,070	-
Decommissioning funds:				
Corporate bonds	11,718,448	-	11,718,448	-
Common and preferred stock and funds	37,138,317	37,138,317	-	-
Foreign investments in government funds	566,659	566,659	-	-
Foreign investments in common stock	17,353,832	17,353,832	-	-
Cash and cash equivalents	538,514	538,514	-	-
Total	\$ 72,262,652	55,730,488	16,532,164	-

	Fair value measurements at December 31, 2019 using			
	December 31 2019	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Special funds:				
Cash and cash equivalents	\$ 398	398	-	-
Commercial paper	5,700,000	-	5,700,000	-
Certificates of deposit	26,832	-	26,832	-
Cushion of Credit - cash	44,425,309	44,425,309	-	-
Corporate bonds	6,691	-	6,691	-
Common and preferred stock and funds	62,993	62,993	-	-
Obligations of the U.S. government and agencies	1,078,068	-	1,078,068	-
Decommissioning funds:				
Corporate bonds	11,479,978	-	11,479,978	-
Common and preferred stock and funds	30,718,733	30,718,733	-	-
Foreign investments in government funds	400,210	400,210	-	-
Foreign investments in common stock	18,152,606	18,152,606	-	-
Cash and cash equivalents	703,301	703,301	-	-
Total	\$ 112,755,119	94,463,550	18,291,569	-

Fair value of the Cooperative's financial instruments is determined using the methods and assumptions as set forth below. While the Cooperative believes that its valuation methods are appropriate and consistent with those of other market participants, use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value at the reporting date. There were no changes in valuation methodology from 2019 to 2020.

Cash and cash equivalents - Cash equivalents consist of demand deposit accounts and investments with original maturities of three months or less when purchased. These are recorded at fair market using quoted market prices. These are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Commercial paper - Investments in commercial paper are reported at fair value plus accrued interest at the reporting date. These investments are classified as Level 2.

Cushion of credit - Cushion of credit funds consist of advance payments to Federal Finance Bank (FFB) and is valued based on the amount of cash held in the account. The cushion of credit funds earned 5% and were restricted for payment of debt obligations. As such, these funds are classified as Level 1.

Certificates of deposit - Certificates of deposit approximate fair value based on estimates using current market rates offered for deposits with similar remaining maturities and are classified as Level 2 securities.

Corporate bonds and government obligations - Fixed income securities and government and agency obligations are valued based upon observable market prices on the reporting date. When quoted prices of identical investment securities in active markets are not available, the fair values for the investment securities are obtained primarily from pricing services; one evaluated price is received for each security. The fair values provided by the pricing services are estimated using matrix pricing or other pricing models, where the inputs are based on observable market inputs or recent trades of similar securities. Such investment securities are generally classified as Level 2.

Common and preferred stock - Investments in publicly traded equity securities and mutual funds are measured at fair value using quoted market prices. These are classified as Level 1 if they are traded in an active market for which closing market prices are readily available.

(5) Investment in the NRUCFC, Notes Receivable, and Other Investments

The Cooperative has investments in the following:

	2020	2019
Common and preferred stock	\$ 473,979	465,268
Funds held in trust	77,238,646	71,756,293
Restricted other assets	7,068,409	4,203,011
Investment in NRUCFC	4,859,922	4,806,905
Economic development notes receivable	7,490,290	7,244,443
	\$ 97,131,246	88,475,920

The above investments are included in the accompanying balance sheets as follows:

	2020	2019
Investment in NRUCFC	\$ 4,859,922	4,806,905
Notes receivable	7,490,290	7,244,443
Other investments	82,903,303	74,650,733
Other assets	2,177,731	1,773,839
	\$ 97,431,246	88,475,920

The Cooperative has an investment of \$4,859,922 and \$4,806,905 at December 31, 2020 and 2019, respectively, with the NRUCFC. This investment is required in order to allow the Cooperative to borrow funds from NRUCFC. The investment earns interest of 5.0% on \$2,000,000, which matures in 2044, 5.0% on \$2,195,507, which matures between 2070 and 2080, and 3.0% on \$121,789, which matures in 2025. The remaining balance of \$542,626 does not earn interest.

Notes receivable consist of notes to member cooperatives and other businesses to assist in economic development of qualifying industrial sites, speculative buildings, rural housing, and certain joint venture projects. Interest rates on these notes receivable range from 0% to 3%. The majority of these notes are generally due under 10-year agreements with payments due monthly on a ratable basis. There are no notes receivable past due or in default as of December 31, 2020 or 2019. The Cooperative reviews the need for reserve for uncollected accounts based on payment activity, historical collection rates, and collateral on the note. The Cooperative has determined no reserves were necessary at December 31, 2020 or 2019.

Notes to Financial Statements

DECEMBER 31, 2020 AND 2019

Funds held in trust consist mainly of deferred patronage dividends related to the Cooperative's membership in other cooperatives. At December 31, 2020 and 2019, \$76,337,879 and \$70,923,176, respectively, relates to the Cooperative's deferred patronage dividends related to Basin Electric.

(6) Deferred Patronage Dividends and Other Equities

In accordance with the Iowa Code, the Board of Directors is required to allocate a portion of the current year's net margin to statutory surplus until the statutory surplus equals 30% of total membership capital. No additions can be made to statutory surplus whenever it exceeds 50% of total membership capital. In 2020 and 2019, the Board of Directors appropriated \$1,199,139 and \$918,176 of net margins to statutory surplus, respectively.

The equity-designated reserve for contingent losses in the statements of membership capital is an appropriation of equity by the Board of Directors. The Board of Directors appropriated \$0 of net margin to reserve for contingent losses in 2020 and 2019. There is no statutory restriction of this equity.

The Board of Directors is permitted by the Iowa Code to allocate the current year's net margin to deferred patronage dividends upon meeting certain requirements and is required to make such allocations if the net margin for the year exceeds specified maximums. The Board of Directors has appropriated \$12,414,000 and \$11,809,000 of the 2020 and 2019 net margins, respectively, to deferred patronage dividends. Deferred patronage dividends are eligible to be paid in the future as determined by the Board of Directors under certain conditions.

Under the conditions of the Cooperative's indenture, deferred patronage dividends cannot be retired without approval of the RUS and the NRUCFC unless the remaining equity meets certain tests. The Cooperative met these tests at December 31, 2020 and 2019.

(7) Deferred Regulatory Debits and Credits

Regulatory assets are recorded for expenses that are deferred and will be recovered through rates charged to members in future periods. Such deferrals are approved by the Board of Directors. The Cooperative does not earn a return on these regulatory assets. Regulatory credits are established for revenue that has been deferred as approved by the Board of Directors. These amounts will be included in income in the year that they are applied to future costs or otherwise returned to members through a reduction in rates.

As of December 31, 2020 and 2019, deferred regulatory debits and credits consisted of the following:

	2020	2019
Deferred regulatory debits:		
DAEC regulatory asset	\$ -	873,272
Decommissioning regulatory asset	2,595,144	6,457,470
Bond refinancing regulatory asset	1,063,606	1,130,782
	\$ 3,658,750	8,461,524
Deferred regulatory credits:		
Deferred credit	\$ 12,825,831	5,708,704

DAEC Regulatory Asset - In 2008, the Cooperative, with Board of Directors' approval, established a regulatory asset in conjunction with the deferral of depreciation costs related to the DAEC until the extension of the plant license had been approved by the NRC. The plant license was approved in December 2010, and accordingly, the Cooperative began amortizing the assets over the remaining life of the license through 2034. In 2019, the Board of Directors approved a change in the amortization of the regulatory asset to correspond with the current purchased power agreement NextEra Energy has with Interstate Power and Light Company, which ended in 2020 (note 2f).

Decommissioning Regulatory Asset - In connection with the costs related to decommissioning of DAEC, the Cooperative has established a regulatory asset in conjunction with recording of the decommissioning liability. This regulatory asset is the difference between the decommissioning liability and the fair value of the investments in the decommissioning funds.

Bond Refinancing Regulatory Asset - In 2019, the Cooperative refinanced its outstanding Webster City revenue bonds. Bond refinancing costs, discount, and the loss on refinancing costs of \$1,175,565 were set up as a regulatory asset and will be amortized over the life of the bonds.

Deferred Credit - In 2019, the Board of Directors approved a deferral of \$2,000,000 of member revenue, which was returned to the members in 2020. In 2018, the Board of Directors established a deferred credit of \$3,700,000. The revenue deferral was set aside in a cash account to cover expenditures through 2023. In 2020, \$8,100,000 was recorded as a deferred credit to reflect the pending settlement with Missouri River Energy Services on the grandfathered agreements and the settlement on the Annual Transmission Revenue Settlement, see discussion in footnote 11.

(8) Short-Term Debt

The Cooperative had two separate credit agreements with both NRUCFC and CoBank, each providing \$50,000,000 of available financing. In October 2020 the Cooperative signed a five year credit facility with NRUCFC for \$100,000,000. The Cooperative has drawn down on its credit facilities \$0 and \$17,000,000 as of December 31, 2020 and 2019, respectively.

(9) Long-Term Debt

The Cooperative executed an Indenture of Mortgage, Security Agreement and Financing Statement, dated as of August 30, 2013 (Indenture) between the Cooperative, as Grantor, to U.S. Bank National Association, as Trustee. The Indenture provides secured note holders with a prorated interest in substantially all owned assets. Secured debt includes FFB, CoBank and certain parts of NRUCFC loans.

Long-term debt consists of mortgage notes payable to the United States of America acting through the RUS from the FFB, NRUCFC, CoBank, revenue bonds issued due to agreements with Webster City, and notes borrowed through the USDA Intermediary Relending Program (IRP Notes) and Rural Economic Development Loan and Grant (REDLG Loans) Program. The proceeds of these IRP Notes and REDLG Loans are then lent to other eligible businesses within certain approved counties in the Cooperative's service area. Substantially all the assets, rent, income, revenue, and net margin of the Cooperative are pledged as collateral for the long-term debt of the Cooperative, except for IRP Notes and REDLG Loans, which are not secured by assets of the Cooperative.

Long-term debt has the following components:

	2020	2019
Mortgage notes due in quarterly installments:		
FFB 1.63%-4.692%, due 2021-2039	\$ 107,689,948	159,320,966
CoBank 3.47%, due 2021-2024	2,502,500	3,272,500
NRUCFC 2.90%-4.40%, due 2021-2050	88,613,445	76,895,776
NRUCFC 2.95%, due 2021-2024	1,470,203	1,895,037
	<u>200,276,096</u>	<u>241,384,279</u>
Revenue bonds 2.85%-4.20%, due 2021-2036	12,631,667	13,235,000
USDA Intermediary Relending Program - 0%-1%, due 2021-2042	6,259,553	5,838,425
	<u>\$ 219,167,316</u>	<u>260,457,704</u>

Maturities of long-term debt for the next five years are as follows:

Year	
2021	\$ 13,824,699
2022	13,856,479
2023	13,890,715
2024	12,989,002
2025	12,703,335
Thereafter	151,903,086
	<u>\$ 219,167,316</u>

Restrictive covenants required the Cooperative to set rates that would enable it to maintain a margin for interest ratio of 1.10. The Cooperative is also required to maintain a debt service coverage (DSC) ratio of 1.00 and a minimum membership capital balance of \$70,000,000, excluding accumulated other comprehensive income, and achieve either an average equity ratio of not less than 10% or have been assigned a credit rating of BBB- or higher. As of December 31, 2020, the Cooperative was in compliance with its covenants on long-term debt with respect to these financial ratios.

During 2020, the Cooperative prepaid FFB debt related to the DAEC nuclear plant, penalty free. Per RUS instructions this debt payment is being excluded from the DSC ratio calculation.

Since 1979, the Cooperative has had a long-term agreement with Webster City under which Webster City agreed to provide certain generation and transmission facilities to the Cooperative and the Cooperative has agreed to guarantee repayment of financing issued by Webster City to pay for these facilities and the continued improvement of these facilities. The Cooperative has recorded these assets in electric plant and has reflected the debt associated with this guarantee as long-term debt. Further, as part of the agreement, the Cooperative provided Webster City its wholesale power at rates consistent with rates charged to other Cooperative members. In September 2011, the Cooperative and Webster City entered into a new agreement to continue their relationship until December 2055.

Notes to Financial Statements

DECEMBER 31, 2020 AND 2019

During 2019, Webster City refinanced its outstanding revenue bonds of \$12,765,000 by issuing new bonds of \$13,900,000, reducing its interest rate. Bond refinancing costs, discount, and the loss on refinancing costs of \$1,175,565 will be amortized over the life of the bonds as a regulatory asset. The life of the old bonds and new bonds were the same.

USDA Rural Development requires all IRP and REDLG loans to be fully insured. The Cooperative maintains IRP and REDLG accounts with Bank Iowa. In March 2017, the Cooperative and Bank Iowa entered into a deposit placement agreement to place funds over the Federal Deposit Insurance Corporation (FDIC) limit into deposit accounts at receiving depository institutions. The destination institutions will be depository institutions at which deposit accounts are insured by FDIC up to the maximum deposit insurance amounts.

During 2020 and 2019, the Cooperative borrowed \$300,000 and \$202,500 of funds from the USDA, respectively.

(10) Special Funds

Special funds consist of money the RUS requires to be set aside for deferral of revenue (note 7), future removal of the Wisdom Unit 1 ash landfill, issuance of revenue bonds (note 9), deferred pension, and RUS Cushion of Credit.

	2020	2019
Ash landfill fund	\$ 34,708	27,230
Deferred pension	135,104	69,684
Deferred credit fund	3,700,000	5,700,000
Revenue bonds fund	1,077,070	1,078,068
RUS Cushion of Credit	-	44,425,309
	\$ 4,946,882	51,300,291

(11) Commitments and Contingencies

In 2002, the Cooperative entered into a power purchase agreement to purchase 11.49% of the monthly generation from the Hancock County Wind Energy Center up to 11.22 megawatts. This agreement is effective through December 31, 2022, and rates are firm for the life of the contract.

In 2007, the Cooperative entered into a power purchase agreement to purchase the monthly generation from Crosswind Energy, LLC up to 21 megawatts. This agreement is effective through June 15, 2022, and rates are firm for the life of the contract.

In 2008, the Cooperative entered into a power purchase agreement to purchase the monthly generation from Iowa Lakes Electric Cooperative's two wind farms, both of which started generating in 2009. The agreement was amended in 2011, and the price is fixed for each of the years from 2020 to 2028. The Cooperative is only obligated to pay for power that is actually received and the projects are not dispatchable.

The Cooperative is a party to a Federal Energy and Regulatory Commission (FERC) rate dispute case to determine its annual transmission revenue requirements as a member of SPP related to how the Cooperative's grandfathered agreements are incorporated into the rate. The Cooperative reached a settlement for \$8,100,000 with one other transmission owner in Zone 19 of SPP in its FERC case. The judge has certified the settlement and FERC commission has approved it. In 2020, the Cooperative recorded a liability of \$8,100,000 and offsetting receivables of \$3,732,525 for amounts in the settlement attributable to other parties. Regulatory liabilities for revenue deferred to cover expenses related to the settlement were also recorded in 2020.

(12) Joint Plant Ownership

Under joint ownership agreements with other utilities, the Cooperative had undivided interests at December 31, 2020 in electric plant, including construction work in progress, as shown below:

		Total electric plant	Accumulated depreciation	Unit accredited capacity (MW)	Cooperative's share (%)
Wisdom Unit 2	\$	18,365,242	7,806,552	80	43.8
Neal #4		88,250,212	49,700,255	644	11.3
Walter Scott #3		33,625,605	17,344,297	697	3.8
DAEC		126,906,295	124,010,205	-	10.0
Walter Scott #4		73,155,841	24,423,595	817	5.6
Walter Scott #4 - transmission		4,976,169	1,642,136	-	4.3
Lehigh Webster - transmission		5,120,639	2,018,209	-	27.0
Neal #3 Grimes-Lehigh - transmission		654,234	265,683	-	3.8

Each participant provided its own financing for its share of the unit. The Cooperative's share of direct expenses of the jointly owned units is included in the operating and maintenance expenses on the statements of revenue and expenses.

During 2006, the Cooperative; one of its members, North Iowa Municipal Electric Cooperative Association (NIMECA); and the city of Spencer, a NIMECA member, entered into a long-term generation use agreement of approximately 5 megawatts of the Cooperative's capacity in the Wisdom Unit 2 generation facilities. The plant statistics have been reduced to reflect the agreement.

(13) Asset Retirement Obligation

The Cooperative has ARO arising from regulatory requirements to perform certain asset retirement activities at the time of decommissioning DAEC and disposing of certain electric plant. The liability was initially measured at fair value and subsequently is adjusted for accretion expense and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's remaining useful life.

The Cooperative recognizes and estimates an ARO for its 10% share of the estimated cost to decommission DAEC. During 2018, an NRC estimate of the decommissioning costs was updated. This report estimated the Cooperative's share of the costs to be approximately \$83,357,100 (in 2018 U.S. dollars). The following table presents the activity for the AROs for the years ended December 31, 2020 and 2019:

	2020	2019
Balance at January 1	\$67,917,292	64,749,000
Changes in estimates, including timing	-	167,500
Accretion expense	3,161,000	3,196,000
Obligations incurred	(1,386,335)	(195,208)
Balance at December 31	\$ 69,691,957	67,917,292

The Cooperative also recognizes a liability for its share of the estimated cost to remove the ash landfills at Walter Scott #3 and Neal #4. A reconciliation of the changes in the ARO is depicted below:

	2020	2019
Balance at January 1	\$ 3,008,096	1,959,858
Changes in estimates, including timing	11,308	912,592
Accretion expense	-	146,415
Obligations incurred	-	(10,769)
Balance at December 31	\$ 3,019,404	3,008,096

Notes to Financial Statements

DECEMBER 31, 2020 AND 2019

(14) Nuclear Insurance Program

Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, DAEC maintains \$450 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to \$13.3 billion of liability insurance coverage per incident at any nuclear reactor in the United States. The Cooperative's assessment on its 10% ownership in DAEC is approximately \$13.8 million per nuclear incident.

Pursuant to provisions in various nuclear insurance policies, the Cooperative could be assessed retroactive premiums in connection with future accidents at a nuclear facility owned by a utility participating in the particular insurance plan. In addition, the Cooperative could be assessed annually approximately \$2.0 million related to coverage for excess property damage if the insurer's losses relating to an accident exceed its reserves. While assessment also may be made for losses in certain prior years, the Cooperative is not aware of any losses in such years that it believes are likely to result in an assessment.

In the unlikely event of a catastrophic loss at DAEC, the amount of insurance available may not be adequate to cover property damage, decontamination, and premature decommissioning. Uninsured losses, to the extent not recovered through rates, would be borne by the Cooperative and Basin Electric, through the power purchase agreement, and could have a materially adverse effect on the Cooperative's financial position and results of operations.

(15) Benefit Plans

The Retirement Security (RS) Plan, sponsored by NRECA, is a defined-benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is considered a multi-employer plan under the accounting standards. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multi-employer plan compared with a single-employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative's contributions to the Retirement Security (RS) Plan in 2020 and 2019 represented less than 5% of the total contributions made to the RS Plan by all participating employers. The Cooperative made contributions to the RS Plan of \$1,546,301 and \$1,538,349 in 2020 and 2019, respectively (including prepayment discussed below).

For the RS Plan, a "zone status" determination is not required, and therefore, not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employers. In total, the RS Plan was over 80% funded on January 1, 2020 and 2019 based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

The Cooperative also provides a 401(k) plan, available to all employees, with the Cooperative matching 40% of the employees' contributions up to 5% of the employees' wages. For the years ended December 31, 2020 and 2019, the Cooperative contributed \$152,559 and \$149,309, respectively, to the 401(k) plan.

In 2018, the Cooperative offered key employees a deferred compensation plan available through NRECA. The plan permits qualifying employees to defer a portion of their salary until future years. The accumulated deferred compensation balance is not available to the employees until termination, retirement, or death. All amounts of compensation deferred under the plan and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Cooperative (not restricted to the payment of benefits under the plan), subject only to the claim of general creditors. Participants' rights under the plan are equal to those of general creditors of the Cooperative in an amount equal to the fair market value of the deferred account for each participant. The related assets and liabilities total \$135,104 and \$69,684 as of December 31, 2020 and 2019, respectively, are reported as contract value, which approximates fair value.

(16) NIMECA Combined Transmission System

In 1989, the Cooperative and one of its members, NIMECA, entered into a joint transmission agreement that allows several members of NIMECA an individual undivided ownership interest in and access to the Cooperative's transmission system. The Cooperative will continue to operate and maintain the system. NIMECA members will reimburse the Cooperative for the proportionate share of operating expenses of the system and will contribute proportionately for all future capital additions of the system.

(17) Environmental Matters

The EPA CSAPR was in effect January 1, 2015. This rule regulates interstate emissions of NOx and SO2 contributing to nonattainment areas of fine particulate and ozone. In 2015, EPA proposed a more stringent NOx seasonal Phase II. The NOx seasonal Phase II of the rule was finalized in 2016 and became effective in May 2017. The effects on the Cooperative are minimal due to the number of hours its coal plants operate during the year.

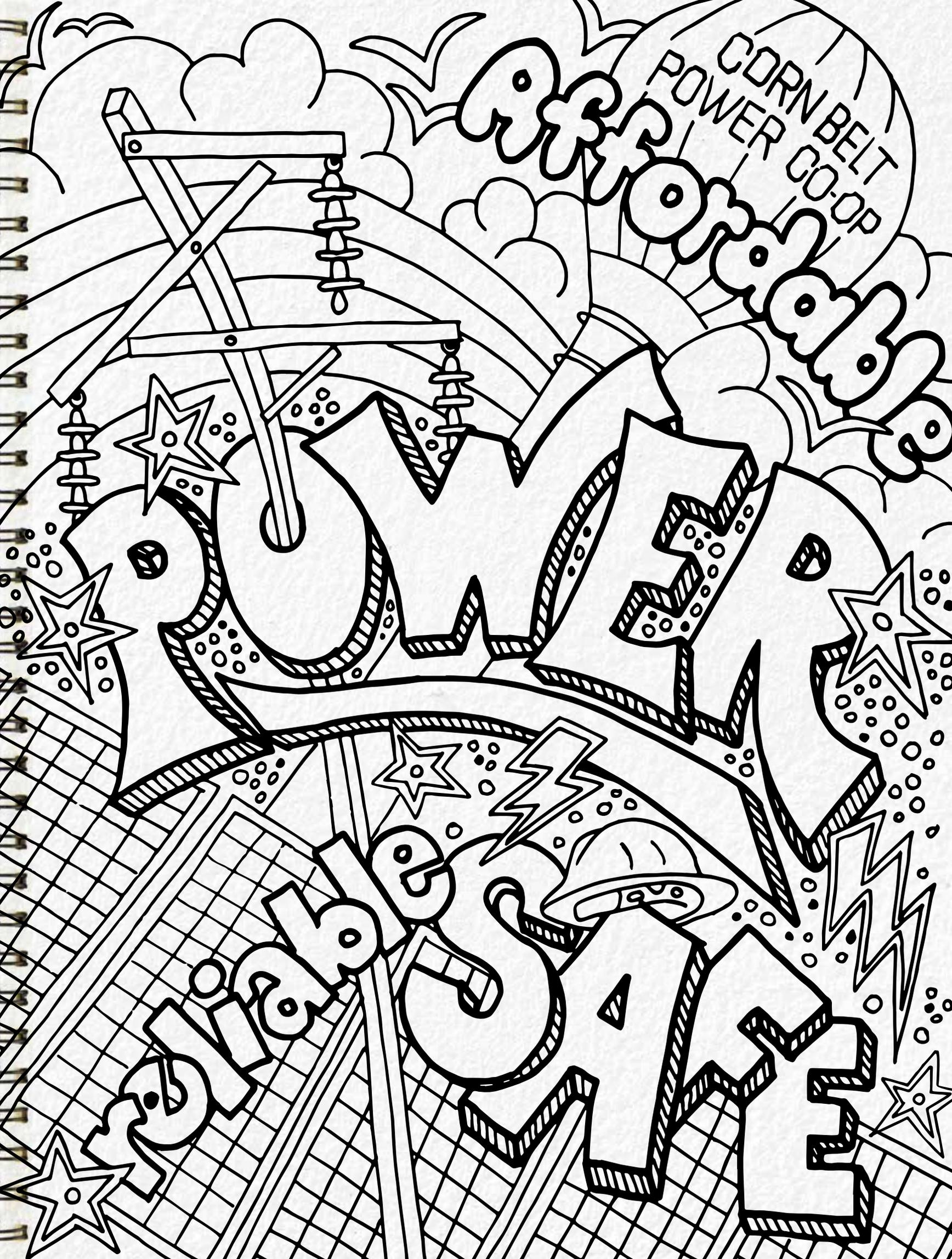
In January 2021 the U.S. Court of Appeals for the D.C. Circuit struck down the Affordable Clean Energy (ACE) rule. This ruling allows the current administration to begin developing new CO2 emissions reduction rules. Impacts due to new CO2 regulations won't be known until details of those new regulations are released, but are expected to be more significant than they would have been under the ACE rule. Adverse impacts that CO2 regulations would have on Corn Belt's generating resources are significantly mitigated by power purchase agreements in place with Basin Electric.

(18) Other Matters

The outbreak of the COVID-19 pandemic has resulted in governments and customers enacting emergency measures to combat the spread of the virus. These measures have included the implementation of travel bans, self-imposed quarantine periods, social distancing, additional safety protocols, and temporary customer facility shutdowns. To-date, the Cooperative has not experienced any material adverse impacts. It is not currently possible to estimate the length, severity, or financial impact of these developments in the future. Any prolonged restrictive measures put in place in order to contain the outbreak of the virus could adversely affect the Cooperative's financial results.

(19) Subsequent Events

The Cooperative has evaluated subsequent events from the balance sheet date through March 5, 2021, the date at which the financial statements were available to be issued and noted no additional items to disclose.

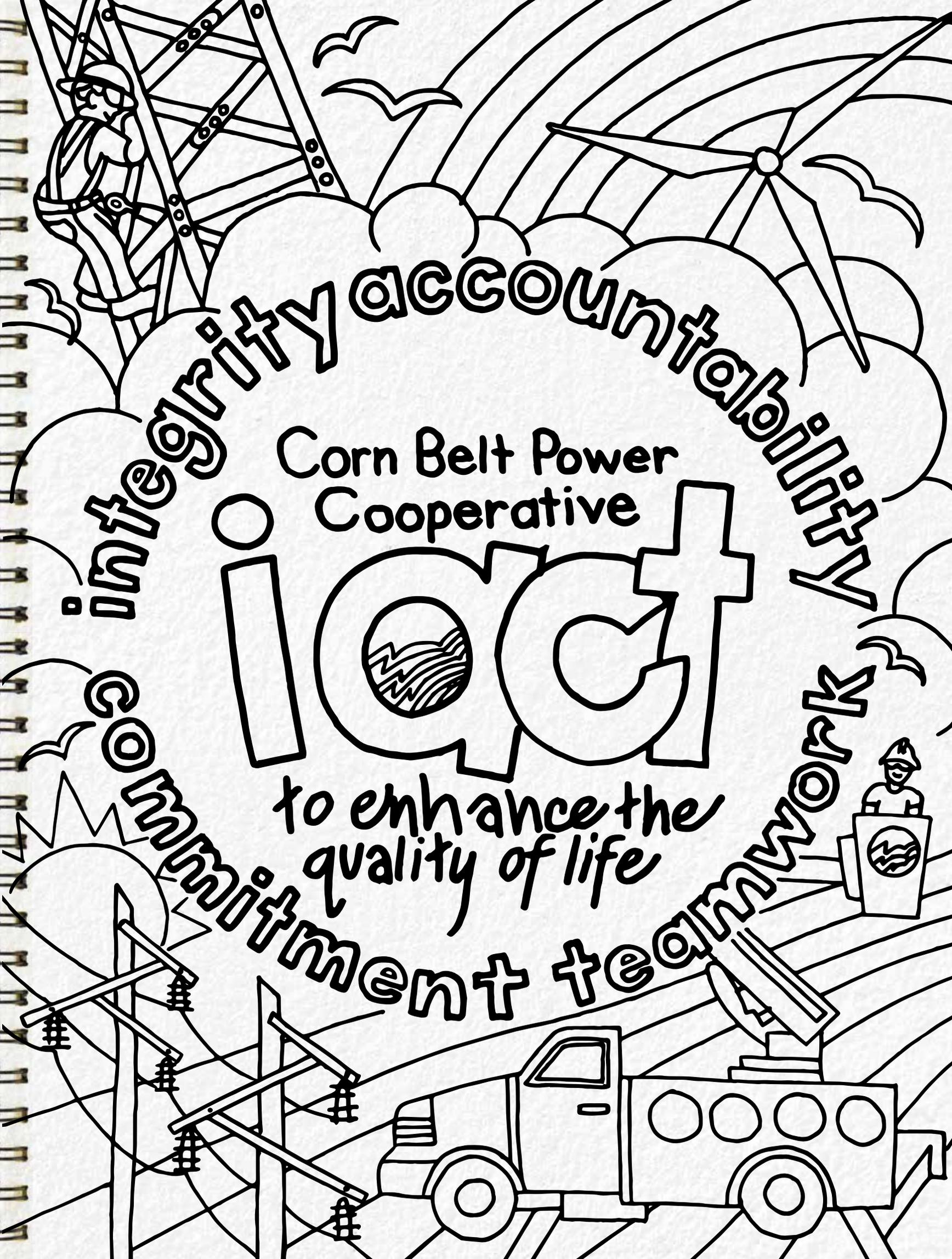


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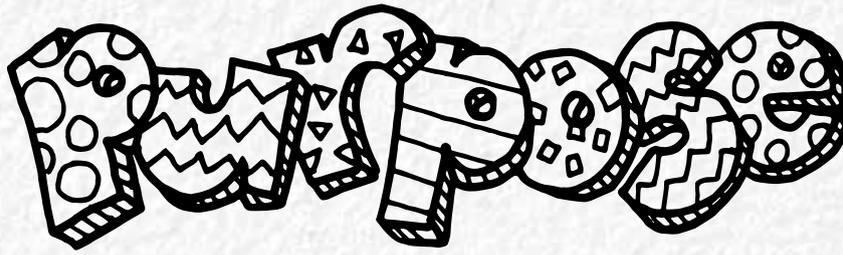
to enhance the
quality of life

integrity accountability
commitment teamwork

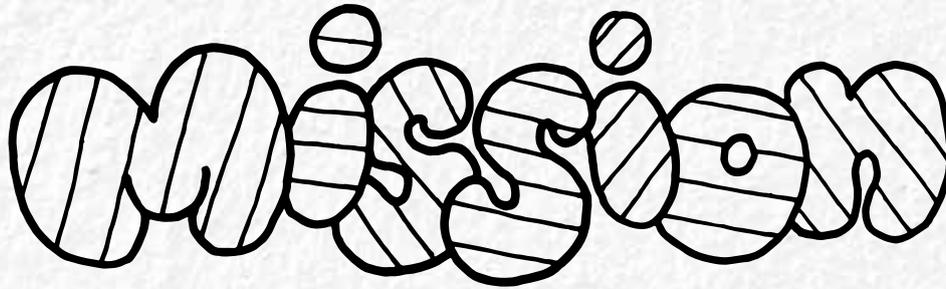
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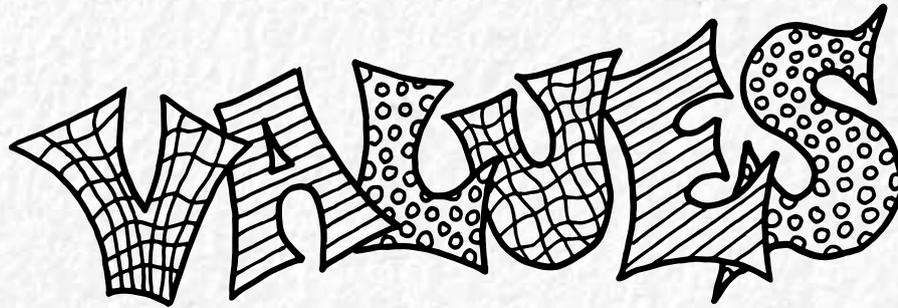
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Corn Belt Power Cooperative enhances the quality of life for members, employees and communities.



Responsibly provide reliable, safe and affordable electricity. Support member cooperatives' success.
Enhance employees' effectiveness.
Improve communities' vitality.



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