

DEAR CARROLL ELECTRIC MEMBER:

The board of directors invites you to participate in this year's official business and survey. It's important to hear from the membership. The survey provides a compass for setting strategic goals. The direction of the Cooperative really comes down to three simple things: safe, reliable, and affordable power. That's the mission of the Cooperative and that's the focus of the board.



Last year, we heard from around 12,000 members. We'd like to hear from more of you this year. Several appreciation prizes are being offered for those who will take a few minutes to complete the survey.

Thank you for supporting the Cooperative and sharing your feedback. Our professionals are ready to serve you every day.

A handwritten signature in black ink.

Chairman of the Board, Dr. Alan Hunnicutt, DVM

Board of Directors

Vice Chairman, Carla Hathorn

Secretary/Treasurer, Winfred Prier

Neff Basore

David Glass

Kristy Noble-Tesch

Bobby Raulston

Randy Shinn

Joe Spivey

NOTICE OF OFFICIAL BUSINESS

The Official Business of the Cooperative is being conducted in accordance with the Article II of the bylaws:

SECTION 1. Written Notice. Each Cooperative member actively receiving electric service, as of the day of record, shall have notice of official business matters as well as an opportunity to vote on such matters. The day of record shall be no more than 45 days prior to the date notice is mailed. Notice of the official business of the membership shall conform to Ark. Code Ann. §23-18-320(d)(1) and (2) and shall be deemed to be delivered when deposited for mailing to the address as it appears on the records of the Cooperative.

SECTION 2. Quorum. No less than four percent of the Cooperative's membership on the day of record, casting a ballot or exercising a proxy, shall constitute a quorum for the transaction of official business.

SECTION 3. Official Business. The official business of the membership shall include:

- (a) Amendments, if any, to the Cooperative's articles of incorporation.
- (b) The election of director(s) to the Cooperative's board of directors.
- (c) Other proposals by the Cooperative's board of directors which comply with Ark. Code Ann. §23-18-320, other relevant rules, regulations, and laws which govern the Cooperative and the provisions herein.
- (d) Member initiated proposals which comply with Ark. Code Ann. §23-18-320, other relevant rules, regulations, and laws which govern the Cooperative, and the provisions herein. Properly presented member-initiated proposals shall: precisely describe the action to be considered; be supported by the number of members described in Ark. Code Ann. §23-18-320(c); be submitted on exact forms provided by the Cooperative at its principal office in Berryville, Ark.; contain the original, dated signatures alongside the printed name, address, member number, and telephone number appearing on the Cooperative's member records. Any signature obtained prior to the Cooperative's most recent annual meeting shall be excluded. The Cooperative's attorney shall evaluate the proposal's compliance with relevant rules, regulations, and laws which govern the Cooperative and shall validate the authenticity and number of signatures submitted with the proposal. Unless the proposal calls for a special meeting of the members as provided by Ark. Code Ann. §23-18-320(c), a validated proposal shall only be considered with the Cooperative's annual member meeting, provided the proposal is submitted between 120 and 180 days in advance of the annual member meeting.

The only Official Business coming before the membership this year is the election of directors, which is being conducted by mail ballot. Ballots may be returned from April 26, 2022 through noon on May 26, 2022. Your participation in this process is appreciated.

A handwritten signature in black ink.

Secretary-Treasurer, Winfred Prier



**Carroll Electric
Cooperative Corporation**

Reliable | Affordable | Local

Reliability reaches a new high!

2021 ANNUAL REPORT





Report from the President/ CEO

Rob Boaz

Thank you for taking time to read this year's annual report. I am pleased to share with you some of the highlights from last year.

✓ RELIABILITY

Another reliability record was set last year! Excluding major outage events, the Cooperative experienced its all-time best reliability in 2021. Our team's focus on this priority is something in which you can take great satisfaction.



RELIABLE

99.990%

Under normal operating conditions, Carroll Electric experienced its best reliability in 2021 since its inception.

BEST YEAR EVER!

✓ AFFORDABILITY

During 2021, the Cooperative's cost of electric service remained below the national average. However, the cost of the February 2021 Winter Storm was significant. Even though these power generation costs (from fuel and regional markets) are being spread out over several months, this is illustrative of exactly why Carroll Electric opposes the increasing dependence on natural gas as a "dispatchable" (controllable) source of power generation. See carrollecc.com/on-the-record for more information.

Still, Carroll's rates came in at 17% below the national average. Using America's residential retail rate, 1,300 kilowatt-hours of average monthly usage would result in an average bill of \$178.36/month. At Carroll Electric's rate, this comes to only \$148.20/month. This translates to a savings of \$362/year.



✓ MEMBER PARTICIPATION & SATISFACTION

Thank you for the confidence expressed in the Cooperative through the 2021 Member Survey. Member input into this process as well as other outreach programs is a valuable planning tool. Almost 12,000 members participated in the survey and 7,000 responded to the first issue of On the Record. Compared

to what we know about electric cooperative's nationwide, these levels of participation are uniquely high.



Despite 2021's challenges, member satisfaction remained at 96%.

✓ OUR FUTURE

There are many challenges in front of our industry. Your feedback remains critical to navigating the future. Please take time to complete the enclosed survey. Also, please know our team welcomes your feedback throughout the entire year.



Whatever challenges our industry faces, Carroll Electric will be here to serve you. On behalf of our entire team, we consider it a privilege to do so.

Sincerely,

President / CEO

MEMBER VOICES

We are so glad Carroll Electric has a proactive plan for keeping the power lines free of debris. We formerly lived in a rural area and were without power for days due to falling limbs on power lines.

—ROBERT FROM BELLA VISTA, ARK.

Our service went uninterrupted throughout the entire cold spell in February and few areas or states could make that claim. Thank you for doing your jobs well and taking care of your members!

—AMBER FROM GARFIELD, ARK.

The lineman did a great job of restoring our outage in less than an hour.

—CHARLES FROM BERRYVILLE, ARK.

Thank you for the professionalism shown by your employees.

—BRUCE FROM DECATUR, ARK.



2021 ANNUAL REPORT

REVENUE AND EXPENSE STATEMENT <small>As of December 31</small>		
	2021	2020
REVENUES		
Electric Energy Sales	\$226,641,842	\$180,092,489
Other Electric Revenue	6,472,724	7,813,212
Total Operating Revenue	\$233,114,566	\$187,905,701
EXPENSES		
Purchased Power	\$151,829,842	\$108,237,291
Interest on Debt to RUS / CFC / CoBank	11,732,338	11,039,786
Operation / Maintenance	29,717,080	25,422,588
Depreciation / Amortization	21,433,364	19,660,761
Administrative / General	15,572,756	14,721,318
Consumer Accounting / Collecting / Information	2,361,631	4,452,065
Miscellaneous	137,627	142,435
Total Expenses	\$232,784,638	\$183,676,244
MARGINS		
Operating Margins	\$329,928	\$4,229,457
Other Margins and Capital Credits	4,659,142	4,434,155
Non-operating Revenues	1,453,633	1,503,900
Total Margins	\$6,442,703	\$10,167,512
<small>*As reported to Rural Utilities Service</small>		

BALANCE SHEET <small>As of December 31</small>		
ASSETS		
Cash on Hand	\$1,232,466	\$894,638
Investments	4,534,829	1,125,788
Investments in Associated Organizations	64,023,635	62,382,438
Accounts Receivable	16,014,877	17,085,004
Inventory	14,055,398	10,552,700
Prepayments on Insurance, etc.	61,820	325,458
Interest & Miscellaneous Deferred Debits	37,151,456	16,115,135
Net Utility Plant	619,496,580	579,138,195
Total Assets	\$756,571,061	\$687,619,356
LIABILITIES		
Debt to Rural Utilities Services / CFC / CoBank	\$447,274,743	\$382,128,281
Accounts Payable	3,109,997	10,156,031
Other Current & Accrued Liabilities	19,120,733	15,668,524
Deposits & Advances	7,481,228	6,758,317
Miscellaneous Deferred Credits	13,265,334	9,269,203
Total Liabilities	\$490,252,035	\$423,980,356
MEMBERS' EQUITY		
Membership Fees	\$2,172,560	\$2,090,745
Total Margins	6,442,703	10,167,512
Patronage Capital	243,607,169	236,136,432
Other Equities	14,096,594	15,244,312
Total Net Worth	266,319,026	263,639,001
Total Liabilities & Net Worth	\$756,571,061	\$687,619,356
<small>As reported to Rural Utilities Service</small>		

THE REVENUE DOLLAR <small>As of December 31</small>		
HOW WAS IT EARNED		
Residential / Farm	\$159,077,487	\$128,424,480
Commercial / Industrial	66,803,181	51,063,130
Street / Highway Lighting	761,174	604,878
Miscellaneous	6,472,724	7,813,212
Total	\$233,114,566	\$187,905,701
HOW IT WAS USED		
Purchased Power	\$151,829,842	\$108,237,291
Interest on Debt to RUS / CFC / CoBank	11,732,338	11,039,786
Operation / Maintenance	29,717,080	25,422,588
Depreciation / Amortization	21,433,364	19,660,761
Administrative / General	15,572,756	14,721,318
Consumer Accounting / Collecting / Information	2,361,631	4,452,065
Operating Deductions	137,627	142,435
Operating Margins	329,928	4,229,457
Total	\$233,114,566	\$187,905,701



Included in this mailing is an important survey. All members who return the completed survey by May 26, 2022, will be entered into a drawing in which 25 random members will be selected to receive prizes ranging from \$50 to \$1,500.

To double your chance to win, return both the survey and the election ballot. Your responses are important to us. Thank you!

Return your survey to win one of 25 prizes

GRAND PRIZE
\$1,500
TOWARD ELECTRIC BILLS

Additional Prizes
\$500 (1 winner)
\$250 (2 winners)
\$50 (21 winners)

