

DEAR MEMBER,

Once again, Craighead Electric Cooperative Corporation continued its commitment to member service in a financially responsible manner.

Our total margins of \$5,083,283 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 46% at the end of the year. Members were refunded \$1,621,208.46 in cash to redeem patronage capital credits. The redemption brings the total capital credits refunded to members to \$23,407,609.

Thomas, Speight & Noble, CPA's, audited our financial records. You are welcome to examine that report.

System statistics of interest include: average meters served, 31,094, a net increase of 302 meters; more than 4,865 miles of power lines; 574,186,311 kWh used by members, down 29,839,122 kWh from the previous year; a system peak demand of 142,808 kilowatts, recorded in the month of September; and a net plant valuation of \$190,528,114 at year's end.

Additional financial data and operations information is available in this annual report.

If you have any questions concerning your electric cooperative, we are happy to answer them.

Terry Rorex, Board Chairman

Keith Mosbey, Vice Board Chairman

Len B. Nall, Secretary-Treasurer

Brian Duncan, C.E.O.

This institution is an equal opportunity provider and employer.

OFFICIAL NOTICE: ANNUAL MEETING

Notice is hereby given that the Annual Membership Meeting of Craighead Electric Cooperative Corporation will be held on Friday, August 28, 2020, at the headquarters in Jonesboro, Craighead County, Arkansas, beginning at 1:00 p.m., for the following purposes:

1. To pass on reports for the previous fiscal year;
2. To elect one (1) director for the cooperative, to serve a term of six (6) years; and,
3. To transact such other business as may properly come before the meeting.

Len B. Nall, Secretary-Treasurer

Dated at Jonesboro, Arkansas, this 29th day of July 2020.



**Craighead Electric
Cooperative Corporation**

Member Driven • Service Focused • It's What We Do Everyday

PROGRAM

Registration: 12:30 - 1:00 p.m.

Business Session: 1:00 p.m.

This is a business session only.

No attendance prizes will be awarded and there will be no entertainment.



**2019
ANNUAL REPORT**



**Craighead Electric
Cooperative Corporation**

Member Driven • Service Focused • It's What We Do Everyday

ONE MISSION. ONE PURPOSE. ONE COOPERATIVE AT A TIME.



THE POWER OF OUR PEOPLE

Craighead Electric Cooperative is much more than just the "local electric company." The board of directors and employees of Craighead Electric Cooperative are guided by seven cooperative principles: voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community. These principles guide Craighead Electric Cooperative and the state's other electric cooperatives. As a not-for-profit business, Craighead Electric Cooperative is motivated to serve local members, not out-of-state stockholders.

THE POWER TO SERVE YOUR HOME

Craighead Electric Cooperative is committed to promoting the efficient use of electricity to meet the growing energy requirements of members. Educating members about the efficient use of energy resources helps members manage energy costs and helps protect natural resources. Our goal is to help members save money without sacrificing comfort or convenience.

THE POWER TO SERVE AS YOUR VOICE

Our business model has guided Craighead Electric Cooperative through many years of growth and change. And, since the formation of your local electric cooperative, we have worked as advocates for our members. Craighead Electric Cooperative knows this is more important than ever as we work together to provide you with reliable, affordable electricity in a responsible manner.

THE POWER TO SERVE YOUR COMMUNITY

More than 75 years ago, Arkansas' electric cooperatives took on a great challenge to not just be in the business of electricity, but to serve the greater purpose of making lives and communities better. Craighead Electric Cooperative sponsors community fundraising and assists with economic development and service events, while employees devote hundreds of volunteer hours to projects.

THE POWER TO SERVE YOUR FARM AND BUSINESS

Craighead Electric Cooperative works with new and existing businesses to support economic opportunities and improve the quality of life throughout its service area. Craighead Electric Cooperative's directors and employees serve as advocates for the farms and businesses with their local, state and federal officials.

THE POWER TO SERVE YOUTH PROGRAMS

Craighead Electric Cooperative helps prepare today's youth for leadership by partnering with 4-H and FFA, and sponsoring the Washington, D.C. Youth Tour and STEM-oriented educational programs.

THE POWER TO SERVE ARKANSAS

Collectively, Arkansas' local electric cooperatives represent the largest private business in Arkansas and serve more than 1.2 million members. This success is powered by board members and employees who understand and implement the member-owned business model which allows them to focus on serving the needs of their members. This mission and structure is the essence and lifeblood of the electric cooperative business model and community. Employees of Craighead Electric Cooperative are your friends and neighbors, and your local energy partners.





**ONE MISSION.
ONE PURPOSE.
ONE COOPERATIVE
AT A TIME.**

OFFICERS & DIRECTORS

Terry Rorex
Chairman

Keith Mosbey
Vice Chairman

Len B. Nall
Secretary-Treasurer

Dwight England
Director

Steve Kueter
Director

Bill Elliott, Jr.
Director

Bobby Wade
Director

Brian Duncan
C.E.O.

Our mission is to responsibly deliver safe, reliable and affordable energy. Our dedicated employees are focused on providing world class service and extraordinary member care, because that's what a cooperative is supposed to do.

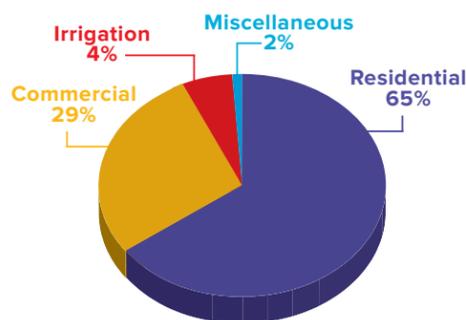


Member Driven • Service Focused • It's What We Do Everyday

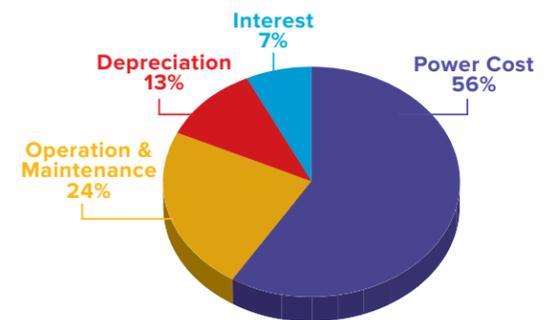
CONDENSED BALANCE SHEET			2019	2018
ASSETS				
Electric Plant		\$248,862,280	\$211,672,263	
Less Accumulated Depr.		(58,334,165)	(54,102,846)	
Net Utility Plant		\$190,528,115	\$157,569,417	
Other Assets		\$27,090,481	\$25,235,250	
Current Assets		\$30,957,358	\$40,148,668	
TOTAL ASSETS		\$248,575,954	\$222,953,335	
Members' Equity		\$115,016,505	\$111,543,775	
Long-Term Debt		\$114,397,619	\$92,222,279	
Current Liabilities		\$8,457,012	\$9,446,877	
Other Liabilities		\$10,704,818	\$9,740,404	
TOTAL LIABILITIES AND MEMBERS' EQUITY		\$248,575,954	\$222,953,335	

CONDENSED OPERATING STATEMENT			2019	2018
OPERATING REVENUES				
		\$58,005,353	\$65,353,226	
EXPENSES				
Power Cost		\$31,677,605	\$34,631,621	
Operation and Maintenance		\$13,383,370	\$14,818,960	
Depreciation		\$7,019,038	\$6,560,786	
Interest		\$3,977,529	\$3,830,760	
TOTAL OPERATING EXPENSE		\$56,057,542	\$59,842,127	
MARGINS				
Margins from Operations		\$1,947,811	\$5,511,099	
Non-Operating Margins		\$2,450,050	\$2,678,049	
Other Margins and Capital Credits		\$685,421	\$1,137,954	
NET MARGINS		\$5,083,282	\$9,327,102	

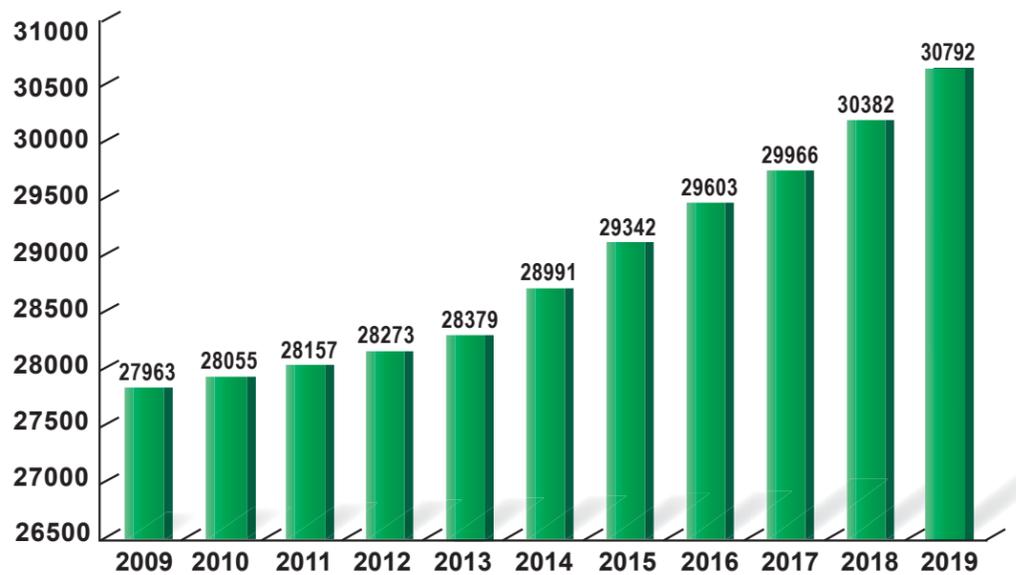
WHERE THE DOLLAR COMES FROM



WHERE THE DOLLAR GOES



MEMBER ACCOUNTS



AVERAGE NUMBER OF METERS PER MILE OF LINE

