



# 2021 ANNUAL REPORT



# BOARD OF DIRECTORS



**WILLIAM ODNEAL**  
President



**MARION KERTZ**  
Vice President



**DOYLE OEHL**  
Secretary



**MARK WENGERT**  
Treasurer



**RICHARD DEWILDE**  
Director



**DONALD FULFORD**  
Director



**THOMAS KEIM**  
Director



**REX MEYR SR.**  
Director



**DEREK MIESNER**  
Director



**RODNEY SCHERER**  
Director

# MANAGEMENT



**VAN ROBINSON**  
Chief Executive  
Officer



**JASON CATES**  
Vice President  
of Engineering



**CURT IFFERT**  
Vice President  
of Operations



**JOAN HUCK**  
Manager of  
Finance



**STEVE ELSEA**  
Manager of  
Member Services



**ANGI HERMAN**  
Manager of  
Human Resources



**ZACH DENEKE**  
I.T. Supervisor

# A LETTER TO OUR VALUED MEMBER-OWNERS

Reflecting on Citizens Electric Corporation in 2021, it is important to first recognize our hard-working employees who have successfully faced many challenges. As the lingering effects of the pandemic and shifting guidelines from public health officials continued throughout the year, the health and safety of all stakeholders remained a top priority. Every decision we made centered around how to best protect the public and our employees while still providing exceptional service to our members. We sincerely appreciate everyone's ability to adapt and persevere in these unusual times.

Global supply chain issues and inflation caused an economic shift that greatly affected the cost and availability of goods. Citizens Electric absorbed over \$3 million of unexpected power supply costs in 2021. While the price of electrical equipment and other materials rose dramatically, we managed to absorb these increases as well. As you can see, we remained committed to keeping rates stable for our members. In fact, 2021 marked the sixth year in a row that rates did not increase in spite of ongoing cost pressures.

Maintaining a reputation of reliability and stability continued to be a priority for Citizens Electric. Although some outages are an unavoidable reality, the average outage time for our members, excluding two major weather events, totaled a mere 72 minutes in 2021. That means our last two years rank among the most reliable in our history. We take pride in ensuring that members experience as little outage time as possible, and you responded in our annual member survey with a 95% satisfaction rating for your reliability. Additionally, Citizens Electric focused on reliability, sustainability, safety, and cost-conscious service in the following ways:

- Invested over \$6 million in electrical infrastructure to reinforce and upgrade our system
- Returned over \$3.5 million of capital credit refunds to members, bringing the total refunds over the past 28 years to \$42.8 million
- Achieved zero recordable injuries: a safety milestone for CEC employees
- Assisted members' business growth and expansion projects
- Provided over \$320,000 in energy efficiency rebates to our members
- Acknowledged your views in our annual member survey

Our commitment to you is to keep Citizens Electric financially strong and to provide reliable, affordable electric service. That's what we achieved in 2021, and that's the cooperative difference.

Sincerely,

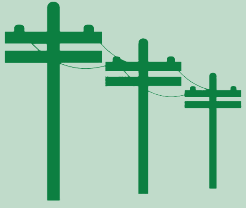


Bill Odneal  
Board President



Van Robinson  
Chief Executive Officer

# 2021 REVIEW & ACCOMPLISHMENTS



OPERATED  
**2,811 MILES**  
OF OVERHEAD AND  
UNDERGROUND LINES



**1.7 MILLION MWhs**  
TOTAL ENERGY SOLD TO MEMBERS



**27,661**  
RESIDENTIAL  
MEMBERS SERVED



**399**  
NEW  
MEMBERS  
CONNECTED

**\$323,426**

ISSUED IN  
REBATES TO  
MEMBERS



**\$3.5 MILLION**

CAPITAL CREDITS  
RETURNED TO  
MEMBERS



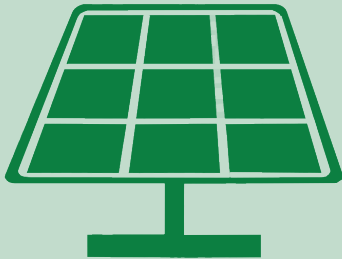
**\$8,000**

AWARDED TO HIGH  
SCHOOL SENIORS  
IN SCHOLARSHIPS

ACCOMMODATED

**158**

COMMUNITY  
SHARED SOLAR  
MEMBERS



**\$13,880**

DONATED BY MEMBERS  
TO OPERATION ROUNDUP



**6** COUNTIES  
SERVED



**\$2,000**

AWARDED TO HIGH  
SCHOOL JUNIORS TO  
ATTEND YOUTH TOUR

**48** SUBSTATIONS  
MAINTAINED



OVER  
**99.9%**

RELIABILITY RATE

CONTRIBUTED

**\$31,942**

SPONSORING  
LOCAL EVENTS



# POWERING LIVES. EMPOWERING YOU.



**\$13 MILLION**  
UTILITY EQUIPMENT ASSETS



**30,029**  
CALLS ANSWERED  
BY MEMBER SERVICE  
REPRESENTATIVES




**79** FULL TIME  
EMPLOYEES



AVERAGE  
MEMBER  
OUTAGE  
LASTED  
**72**  
MINUTES



**0** RECORDABLE  
INCIDENTS

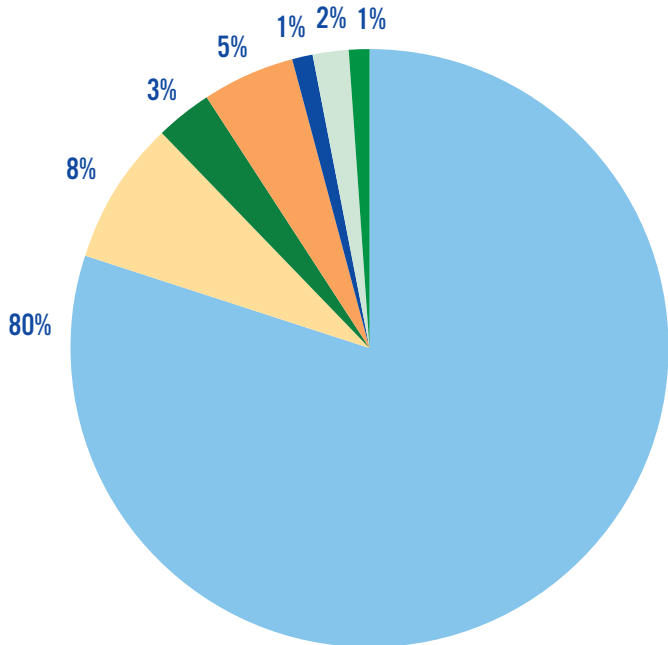


**9.3** METERS PER  
MILE OF LINE

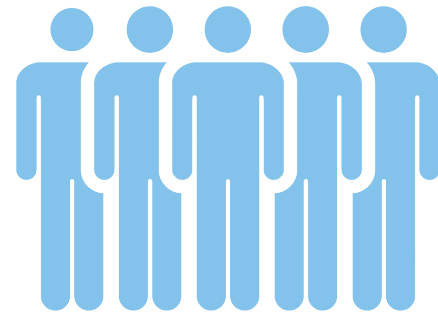


UTILITY  
PLANT  
ASSETS  
**\$176 MILLION**

## CEC COSTS

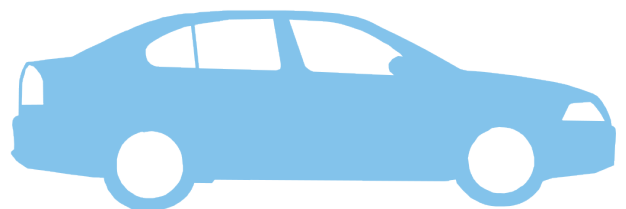


- POWER SUPPLY EXPENSES
- OPERATING & MAINTENANCE
- CUSTOMER ACCOUNTING & ADMINISTRATIVE
- DEPRECIATION
- GROSS RECEIPTS
- INTEREST ON LONG TERM DEBT
- OTHER



**95% Satisfaction**

reported with reliability of  
electric service provided to members



**1 in 6 Members**

indicate interest in purchasing an  
electric vehicle in the next 5 years

# BALANCE SHEETS

## Assets

### UTILITY PLANT

Electric Plant

Less accumulated depreciation

### INVESTMENTS

Investments in related cooperatives

Rural Economic Development Loan (REDL) receivable

Cash and cash equivalents

Receivables, less provision for uncollectible accounts of \$5,209 in 2021 and \$2,892 in 2020

Materials

Prepayments

Current portion of REDL Receivable

Current portion of deferred debits

Total current assets

### DEFERRED DEBITS

Total assets

### FOR THE YEARS ENDED DECEMBER 31

	2021	2020
	\$191,887,247	\$187,427,425
	\$68,779,581	\$64,615,519
	\$123,107,666	\$122,811,906
	\$29,099,047	\$28,091,875
	\$1,584,870	\$894,068
	\$30,683,917	\$28,985,943
	\$19,117,072	\$19,057,130
	\$12,110,085	\$12,062,150
	\$3,365,126	\$3,128,731
	\$458,004	\$472,322
	\$226,410	\$126,000
	\$2,279,947	\$2,279,947
	\$37,556,644	\$37,126,280
	\$124,849	\$2,423,928
	\$ 191,473,076	\$191,348,057

## Liabilities and Capital

### CAPITAL EQUITIES

Memberships

Patronage capital

Other equities

### LONG-TERM LIABILITIES

### ACCUMULATED POSTRETIREMENT BENEFIT OBLIGATION

### DEFERRED CREDITS

### CURRENT LIABILITIES

Current maturities of long-term debt

Accounts Payable

Accrued expenses

Contract Liabilities

Total current liabilities

### DEFERRED CREDITS

Total liabilities and capital

	\$87,770	\$88,485
	\$118,193,142	\$116,745,878
	\$101,660	\$101,660
	\$118,382,572	\$116,936,023
	\$54,951,037	\$57,001,664
	\$1,852,383	\$1,772,218
	\$886,156	\$2,573,173
	\$2,851,575	\$2,595,665
	\$10,249,314	\$8,178,576
	\$1,059,268	\$1,107,115
	\$1,240,771	\$1,183,623
	\$15,400,928	\$13,064,979
	191,473,076	191,348,057

The financial reports listed herein are based on the year-end audits by Kerber, Eck and Braeckel, LLP of Marion, IL for 2021 and 2020. These audits determined the financial books of Citizens Electric Corporation were maintained in accordance with generally accepted accounting principles. The auditors have determined these reports represent fairly the financial position of the Corporation as of December 31, 2021 and 2020. Any CEC member interested in reviewing an audit report is welcome to visit the office, and we will be happy to make the report available to you.

# STATEMENTS OF EARNINGS AND PATRONAGE CAPITAL

FOR THE YEARS ENDED DECEMBER 31

	2021	2020
OPERATING REVENUE		
Electric energy revenue	\$124,529,476	\$112,281,161
Miscellaneous electric revenue	\$105,896	\$106,561
Total operating revenue	\$124,635,372	\$112,387,722
OPERATING EXPENSES		
Cost of power purchased	\$98,142,885	\$82,624,881
Operating expenses-distribution	\$6,687,313	\$5,987,464
Maintenance of distribution plant	\$3,389,611	\$3,956,586
Accounting and collection expenses	\$1,235,847	\$1,305,410
Other customer expenses	\$490,360	\$452,756
Administrative and general	\$3,100,103	\$3,297,737
Depreciation	\$6,214,180	\$6,049,823
Taxes	\$1,485,568	\$1,418,226
Total operating expenses	\$120,745,867	\$105,092,883
Operating margin before interest charges	\$3,889,505	\$7,294,839
Interest on debt	\$1,918,186	\$1,997,867
Operating margin before capital credits	\$1,971,319	\$5,296,972
Capital credits and patronage dividends	\$1,231,926	\$2,193,904
Operating margin	\$3,203,245	\$7,490,876
Interest revenue	\$78,944	\$139,901
Other revenue	\$737,856	\$12,998
NET margin	\$4,020,045	\$7,643,775
OTHER COMPREHENSIVE INCOME		
Amortization of gain on post-retirement benefit obligation	\$885,156	\$885,156
TOTAL NET MARGINS	\$4,905,201	\$8,528,931
Patronage capital - beginning of year	\$116,745,878	\$113,097,498
Retirement of capital credits	(\$3,572,868)	(\$5,002,243)
Unclaimed capital credits	\$114,931	\$121,692
Patronage capital - end of year	\$118,193,142	\$116,745,878

# STATEMENTS OF CASHFLOWS

FOR THE YEARS ENDED DECEMBER

	2021	2020
Cash flows from operating activities		
Net margin	\$4,020,045	\$7,643,775
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation	\$6,214,180	\$6,049,823
Amortization	\$3,165,103	\$3,165,103
Patronage capital credits	(\$1,203,592)	(\$2,145,390)
Interst income received RUS cushion of credit	(\$164)	(\$246)
Changes in		
Receivables	(\$47,935)	\$366,908
Prepaid expenses	\$14,318	(\$46,143)
Materials	(\$236,395)	(\$71,787)
Accounts payable	\$2,070,738	(\$560,837)
Accrued liabilities	(\$47,847)	(\$210,580)
Accumulated provision for pension and benefits	\$80,165	\$102,253
Deferred credits and debits	(\$1,667,885)	(\$188,650)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	\$12,360,731	\$14,104,229
Cash flows from financing activities		
Investment in plant	(\$6,509,940)	(\$7,335,897)
REDL Program Receivables	(\$791,212)	(\$1,020,068)
Patronage capital credits	\$196,420	\$419,163
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(\$7,104,732)	(\$7,936,802)
Cash flows from financing activities		
Long-term borrowing	\$979,932	\$1,020,069
Principal paments on long-term debt	(\$2,774,485)	(\$2,510,562)
Capial refunds to members	(\$3,572,868)	(\$5,002,243)
Change in membership deposits	\$57,148	(\$1,220)
Unclaimed capital credits/donated capital/other equities	\$114,216	\$121,252
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	(\$5,196,057)	(\$6,372,704)
Increase (decrease) in cash and cash equivalents	\$59,942	(\$205,277)
Cash and cash equivalents at beginning of year	\$19,057,130	\$19,262,407
Cash and cash equivalents at end of year	\$19,117,072	\$19,057,130
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$1,918,186	\$1,997,867



# Our Mission

**TO PROVIDE OUR MEMBERS  
WITH SAFE AND RELIABLE  
ELECTRICITY AT A COST THAT  
IS STABLE AND COMPETITIVE  
WITH OUR NEIGHBORS.**