

# We are weathering the economic storm and growing

While 2020 was an unprecedented year for Clay Electric and as a country with the impacts of COVID-19, 2021 brought both the continued issues of the pandemic as well as a new set of challenges.

Supply chain disruptions and fuel and commodity price increases were a couple of obstacles impacting our industry the last year. Despite these challenges, I am extremely proud of how our employees responded by delivering excellent customer service and maintaining the cooperative's financial and operational strength. Clay Electric also saw extensive growth in 2021, adding 10,000 accounts billed from December 2020 to December 2021. We now serve more than 190,000 meters, but our core value of providing you — our members — with reliable and affordable electric service while providing excellent customer service has not changed. In 1990, we eclipsed the 100,000 members mark, making the 200,000 mark a short leap away. We were proactive in preparing our workforce and infrastructure for growth and are able to accommodate the additional load.

You may have seen crews working on our infrastructure the past year. Significant work projects were completed in at least six substations to improve reliability and/or increase capacity. Aging insulators on the transmission system in the Orange Park District were replaced for reliability purposes, and 80 miles of distribution lines were upgraded to strengthen feeder ties, improve system reliability and increase system capacity. These projects included converting wood poles to concrete where justifiable.

Unfortunately, just like the weather, we cannot control or prepare for everything. Rising natural gas prices forced us to raise our rates in 2021. We work hard to maintain our costs and provide affordable electricity, but large increases in the cost of fuel to generate power made the rate change

unavoidable. Our cost for 1,000 kWh of power remains among the lowest in the state, and as soon as the prices to generate power go down, so will the cost of our power.

Remember, we're a not-for-profit cooperative, which means we provide service to you at cost. Many of you receive a Capital Credits refund credit or check every year. These refunds are a reflection of our not-for-profit status, and certainly a benefit of being served by a cooperative.

Speaking of member benefits, 2021 was our 10th year of providing you with the Co-op Connections Card program. As a co-op, we believe our commitment to you goes beyond power distribution. Our Connections Card program is a moneysaving tool we are proud to offer you.

We also continue to help hundreds of members a year with energy efficiency and conservation information. We offer free home energy surveys to all members to assist you with recommendations that can help you get the most out of your energy dollars. To help you make energy-efficient upgrades to your home, we provide rebates.

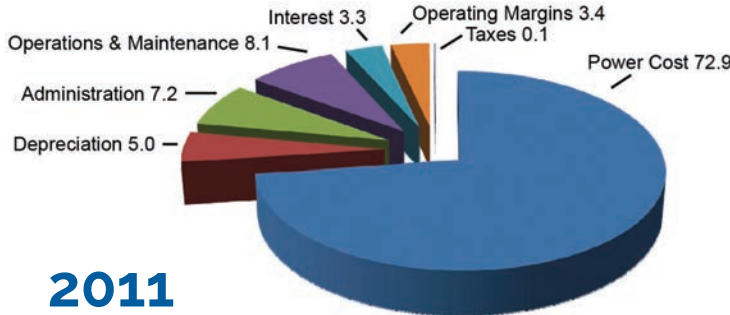
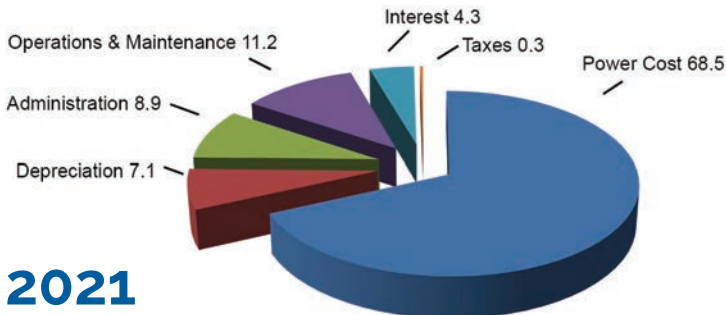
Beyond electricity, part of our mission is to improve the quality of life of our members and their communities. Operation Round Up, a program that generates and collects charitable donations that are used to benefit organizations in the co-op's service area, launched in October 2016. At the end of 2021, a little more than \$4.4 million had been distributed in the 14 counties we serve. Almost \$1 million was donated last year alone. Employees also put their own time and money toward many important causes.

These initiatives are important and allow us to continue to provide you the most affordable electricity, while also strengthening our communities through programs and services. We understand we cannot thrive unless you thrive, so we do all we can to make sure our community is strong.

We're honored you're a member of our cooperative and we have been able to power homes in our area since 1937. We look forward to your continued engagement in the co-op and to having the privilege to serve you today, tomorrow and beyond.



## How each dollar was spent



## REVENUE AND EXPENSE STATEMENTS

Years Ending December 31	2021	2020
<b>REVENUES</b>		
Energy Sales.....	\$ 356,434,376	\$ 365,796,693
Other Electric Revenues.....	9,747,405	5,934,101
Total Operating Revenues .....	\$ 366,181,781	\$ 371,730,794
<b>EXPENSES</b>		
Purchased Power.....	\$ 249,630,524	\$ 244,749,907
Transmission and Generation.....	1,361,430	1,989,994
Operations.....	18,518,780	17,169,470
Maintenance.....	22,476,156	20,919,246
Customer Accounting.....	11,140,590	11,620,723
Customer Service & Information.....	3,211,052	3,101,833
Administrative & General.....	18,285,583	15,732,235
Depreciation.....	26,127,770	24,770,932
Taxes.....	1,129,203	1,015,335
Interest.....	15,628,587	15,623,541
Other Deductions .....	90,954	129,361
Total Expenses.....	\$ 367,600,629	\$ 356,822,577
<b>MARGINS</b>		
Operating Margins.....	\$ (1,418,848)	\$ 14,908,218
Non-Operating Margins.....	672,222	177,873
Capital Credits from Associated Organizations.....	7,209,965	7,247,138
Total Margins.....	\$ 6,463,339	\$ 22,333,229

## BALANCE SHEETS

As of December 31	2021	2020
<b>ASSETS</b>		
Cash/Cash Equivalents.....	\$ 276,598	\$ 1,323,637
Investments.....	117,270,643	111,925,429
Accounts Receivable.....	19,331,223	23,467,619
Inventory.....	15,198,855	12,275,731
Other Current & Accrued Assets.....	21,109,781	23,205,342
Prepayments.....	227,604	633,336
Deferred Debits.....	46,979,682	40,057,496
Net Utility Plant.....	581,573,162	562,300,226
Total Assets.....	\$ 801,967,548	\$ 775,188,816
<b>LIABILITIES</b>		
Notes Payable .....	\$ 343,827,974	\$ 331,891,684
Accounts Payable.....	32,124,835	32,549,749
Customer Deposits.....	13,001,705	13,222,779
Other Current & Accrued Liabilities.....	10,710,996	11,545,594
Deferred Credits & Miscellaneous Reserves .....	9,692,432	8,981,605
Total Liabilities.....	\$ 409,357,942	\$ 398,191,411
<b>MEMBER EQUITIES</b>		
Membership Fees.....	\$ 778,985	\$ 762,105
Accumulated Other Comprehensive Income.....	13,910,527	4,803,898
Capital Credits.....	377,920,094	371,431,402
Total Equities.....	\$ 392,609,606	\$ 376,997,405
Total Liabilities and Equities.....	\$ 801,967,548	\$ 775,188,816

## YEAR-END STATISTICS

	2011	2021	2020
Average Number of Members			
Receiving Service Per Month.....	166,160	183,532	180,390
Total kWh Purchased by Cooperative Members.....	3,108,367,055	3,365,979,389	3,416,338,610
Average Monthly Residential kWh Usage.....	1,236	1,175	1,193
Total kWh Purchased by Cooperative.....	3,231,715,607	3,518,980,014	3,561,879,301
Cost of Power Purchased by Cooperative.....	259,905,845	249,630,524	244,749,907
Average Cost per kWh Purchased by Cooperative.....	.0804	0.0709	0.0687
Clay Peak Demand in Kilowatts (kW).....	870,497	845,206	817,928
Month of Clay Peak Demand.....	January	February	December