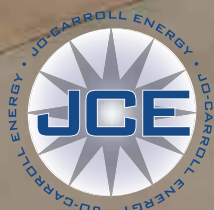


POWERING YOU THROUGH



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 

2021 Annual Report

Notice of Jo-Carroll Energy Annual Meeting of Members

Tuesday, Aug. 3, 2021 | 6 p.m.

River Ridge Middle School Gymnasium, Hanover, Illinois

The 82nd Annual Meeting of Members of Jo-Carroll Energy will be held at the River Ridge Middle School gymnasium, 4141 Illinois 84, Hanover, Illinois, with registration beginning at 4 p.m.

Action will be taken on the following:

- The report of officers, directors and committees;
- Report of director elections;
- The motion for acclamation of election for two [2] directors of the cooperative;
- All other business which may come before the meeting or an adjournment or adjournments thereof;

Dated this 29th day of June, 2021.

Our Vision

Jo-Carroll Energy exists to enhance the quality of life for our members.



Cover Design: Brooke Michael, JCE Communications & Marketing Coordinator

Cover Photo: The cover of the annual report features JCE employees Ryan Randecker, Brad Travis and Mike Hoppman.

JO-CARROLL ENERGY 2021 ANNUAL MEETING PROGRAM AND AGENDA

Tuesday, Aug. 3 | River Ridge Middle School Gym | 4141 Illinois 84, Hanover, IL

[All times are approximate]

4 p.m.

Member Registration

6 p.m.

Business Session

- Welcome from District 7 Director & Chairman David Senn, Board Chairman
- Call to Order David Senn, Board Chairman
- Approval of Annual Meeting Agenda David Senn, Board Chairman
- Invocation Russell Holesinger, District 8 Director
- Pledge of Allegiance David Senn, Board Chairman
- Introduction of Jo-Carroll Energy Directors and
Recognition of Former Directors David Senn, Board Chairman
- Introduction of Special Guests and Employees. Mike Casper, President & CEO
- Approval of Minutes of 2020 Annual Meeting. David Senn, Board Chairman
- Report of Director Elections. Terry Kurt, general counsel
- Election of Directors by Acclamation Terry Kurt, general counsel
- Consideration of Bylaw Amendments Terry Kurt, general counsel
- Chairman Presentation David Senn, Board Chairman
- President & CEO Presentation. Mike Casper, President & CEO
- Dairyland Power Cooperative Special Presentation Brent Ridge, DPC President & CEO
- Acceptance of President & CEO Reports and Financial Statements David Senn, Board Chairman
- Questions & Answers. Mike Casper, President & CEO
- Unfinished Business David Senn, Board Chairman
- New Business David Senn, Board Chairman
- Adjourn. David Senn, Board Chairman

Special Presentations

Director's Scholarships Drawing & Presentations

Student applicants and at least one parent or guardian must be in attendance for the Director's Scholarships

Prize Drawings

10 - \$25 Bill Credits

4 - \$50 Bill Credits

1 - Home Energy Audit

Drawn from question entries submitted to the co-op

Drive-thru boxed dinner to follow the meeting

Check our website and social media for updates on the meeting and meal.

The second cooperative principle: Democratic Member Control

Jo-Carroll Energy Board of Directors

Locally owned and operated. That's one thing that sets your cooperative apart from other types of utilities. Jo-Carroll Energy is guided by a board of directors who are members of the cooperative, elected by members to serve 3-year terms.

Board Officers



David Senn
Chairman

Board member since 2007
President since 2013
District 7 representative



Russell Holesinger
Vice Chairman

Board member since 2009
District 8 representative



Marcia Stanger
Secretary

Board member since 2005
District 3 representative



Robert Kuhns
Treasurer

Board member since 2014
District 10 representative

Board members



Joe Mattingley

Board member since 2006
District 2 representative



Dan Tindell

Board member since 2017
District 4 representative



Pat Smith

Board member since 2006
District 5 representative



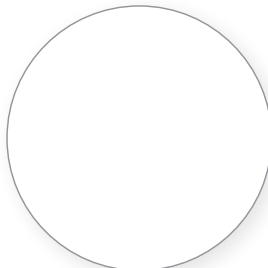
Tom Lundy

Board member since 1990
District 6 representative



Larry Carroll

Board member since 2011
District 9 representative



District 1 – Vacant
To be appointed

Director elections

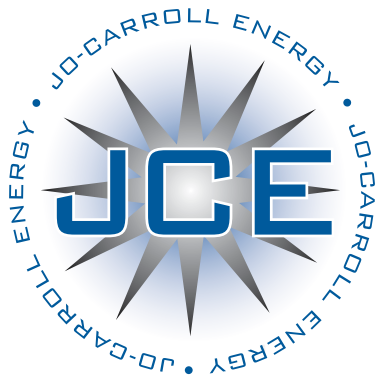
Four director posts are up for election in 2021. Both Districts 5 and 7 will have contested elections.

When only one candidate files in a district, no ballots are mailed, and the election is by a motion of acclamation at the annual meeting.

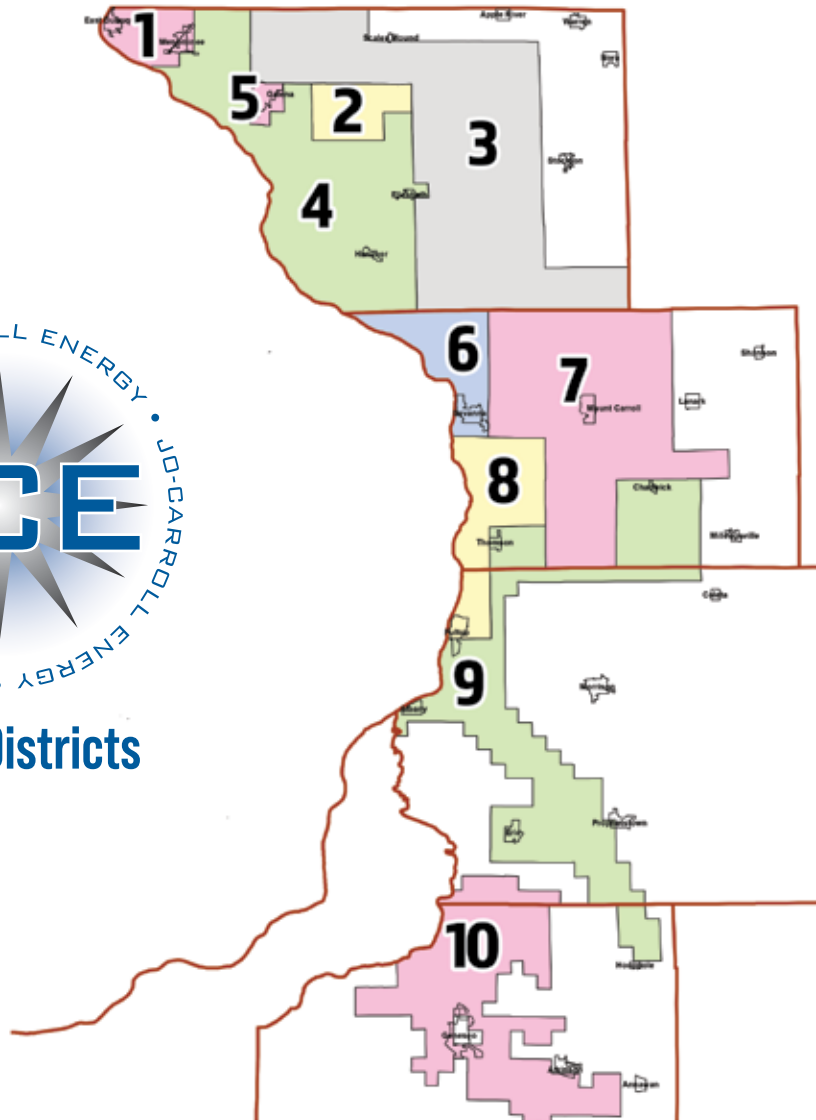
If more than one candidate files for the director position in a district or districts, an election by ballot is held for only those districts.

Ballot packets and information will be sent to members in those districts in early July.

Candidate biographies and more information on the election process can be found in the July Hi-Lines and on jocarroll.com.



Board Districts



JCE mourns loss of board director

Martin "Marty" Werner, Jo-Carroll Energy District 1 director, passed away on Thursday, April 1.

A JCE board member since 2007, Werner dedicated 14 years to serving the members of the cooperative. During his years on the board, he served as treasurer as well as on the executive, resolutions, audit and governance committees.

Dedicated to his community, Werner also served as a member of the East Dubuque City Council, previously served on the Jo Daviess County Board and was a retired member of the East Dubuque Volunteer Fire Department.

He served in the U.S. Army during the Vietnam War from 1966-1968 in the Armored Division at Fort Hood, Texas and the Missile Unit in Germany. He was employed at the John Deer Dubuque Works from 1971 until 2001 when he retired. He was a member of U.A.W. Local #94. He also operated Marty's Auto Repair for 25 years.

You're invited to attend the Jo-Carroll Energy Annual Meeting on Tuesday, Aug. 3



DAVID SENN

Chairman, Jo-Carroll Energy Board of Directors

Powering you through

2020—a year to remember, OR forget. Let's not forget, but use it and learn from the obstacles we all faced.

COVID closed many doors, and yet gave us opportunities to learn and improve. Face-to-face meetings of course are still the best way to communicate, but the virtual world has exploded.

Meetings that once took hours of travel can now be conducted from a desk or armchair. This has created a need for high-speed internet. Jo-Carroll Energy has accepted the challenge and is in the process of expanding fiber to the home and business. We have applied for and received some grants that will help us bring this much needed service to our members.

The response has been positive, and we are seeing families moving into the areas where the installation has been completed.

Other obstacles we will all face: a country that wishes to move away from carbon emissions, new sources of energy, improved efficiencies, cyber security and our ugly old friend, inflation. Combined, they create a problem of ever-increasing costs in an environment of declining energy usage. Your board and management are well aware of the looming hurdles. Together with you, our members, we will find solutions that will align with our goals of reliable and affordable energy for the future.

Thank you, and I look forward to seeing you at our annual meeting.

Please join us on Tuesday, Aug. 3 at the River Ridge schools as we meet to discuss the business of your co-op.

Powering you through

Together we have powered through a lot of storms, both literally and figuratively, over the past decades. Providing reliable, affordable and sustainable services is our primary goal.

Getting the power back on, natural gas and internet services flowing are critical to your well-being. We appreciate your patience when they aren't, but always know that your local, not for profit, member-owned cooperative is doing everything we can to safely get service back to you as quickly as possible.

Building connections with you and our communities is another primary goal, not only through our expanding high-speed internet and other related services, but through our direct involvement in the communities we serve and live.

As of this printing more than 3,000 homes and businesses are connected through our Sand Prairie internet services. We continue to seek additional funding to add to the more than \$20 million of funds that have been awarded to broaden fiber in rural areas.

If you are interested and have not expressed interest, please do so at www.connectsp.com. You can also follow our progress on the “fiber communities” page. We are doing everything within our power to build out fiber as quickly as possible, but it will take several years. We ask that you please be patient.

Building a brighter, sustainable future is another primary goal. Through our development of community solar projects, working with our members to interconnect solar, as well as preparing for the future of electric vehicles, we are following our core value of environmental stewardship.

Growth is an essential component of providing affordable services. It is simple economics. The more members, the wider our fixed costs can be spread, which help stabilize future rate increases. Although we serve a relatively small number, approximately 19,500 members — 27,000 accounts — over a large region, we are proud to provide you reliable service, as well as other value-added services, such as high-speed internet.

We will continue listen to you and work towards providing more affordable services.



MIKE CASPER

Jo-Carroll Energy
President & CEO

WEATHERING THE STORM

COVID-19 Pandemic

One thing is certain - our commitment to our members and communities

Jo-Carroll Energy is deeply committed to providing affordable and reliable energy and internet services to our members. While 2020 may be remembered as the year of businesses closing to the public, social distancing and masking up, we look back on the year as a time when we worked with our members to weather the storm.

As a co-op, a community focus is what drives us as we respond to evolving challenges and local concerns.



Temporarily **suspended** service disconnections for nonpayment of bills

Suspended late payment fees

Rates were **frozen in 2020**

2 weeks Transitioned most of our team to working from home

\$30,000 grant for JCE's Neighbor to Neighbor Care Program

8  **Sand Prairie**
Connecting our members to the world.
HOT SPOTS

"Parking lot" hot spots were made available to anyone who needed them to assist our members stay connected whether downloading and uploading schoolwork, connecting with coworkers while working from home or staying in touch with friends and family.

2020 statistics

WEATHERING THE STORM

August 10, 2020

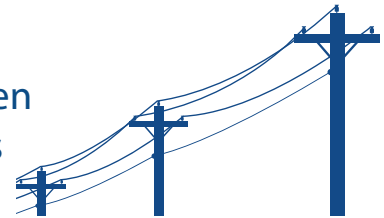
A powerful line of storms known as a derecho raced through the Jo-Carroll Energy service territory leaving a trail of damage and members without power in its wake.

Over the next three days, JCE crews and emergency assistance from sister co-ops worked around the clock to restore power for our members.

80-100
mph wind gusts

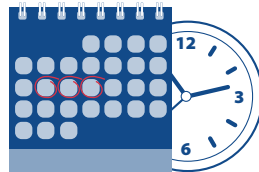


15 broken poles



4,300

members without power



3 DAYS

days of outages



24/7

restoration efforts

Cooperation Among Cooperatives

JCE requested Restoration of Power in an Emergency (ROPE) assistance from Dairyland Power Cooperative

6 crews from



Adams-Columbia
Electric Cooperative

2 crews from



Richland Electric
Cooperative
Your Touchstone Energy Cooperative

2 crews from



2 crews from



CITY of
GENESEO

From a member:

"Thank you so very much! We were without for 24 hours but cannot complain...we are the lucky ones apparently...we see how hard you all are working. On our way to town there were very few alleys or roads that didn't have a power truck or two or three doing their best!"

2020 statistics

BUILDING CONNECTIONS

As a cooperative, we do more than build infrastructure.
We build connections.

Whether completing another solar farm to connect members to new sources of renewable energy or building another mile of fiber to connect our members to the world, we're working to energize our communities.



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 

AN ENERGY AND BROADBAND COOPERATIVE



serving approximately

19,500 MEMBERS



maintain
2,361 miles of
electric line

average
8.56 members per mile
of electric line

Chadwick : Completed 3-phase spacer cable rebuild and reconductor project along 1st Street

Demmon & Clark Road : Completed 2.1 miles of single phase conversion of overhead to underground

Thomson : ¾ mile 3-phase spacer cable rebuild and reconductor project along Highway 84

Morrison Road : complete rebuild project of two miles of three phase overhead line

Timberlake Road : 1.34 mile conversion of 3-phase overhead to underground conductor

York, Danisco and Metform Substations : Convert to 69 kV source to improve system reliability



306 miles of
natural gas lines

average
18.76 members per mile
of natural gas line

Albany : working on valve isolation zones

Savanna : natural gas main replacements along
Washington Street

Burns Road : secondary feed into Fenton Road station

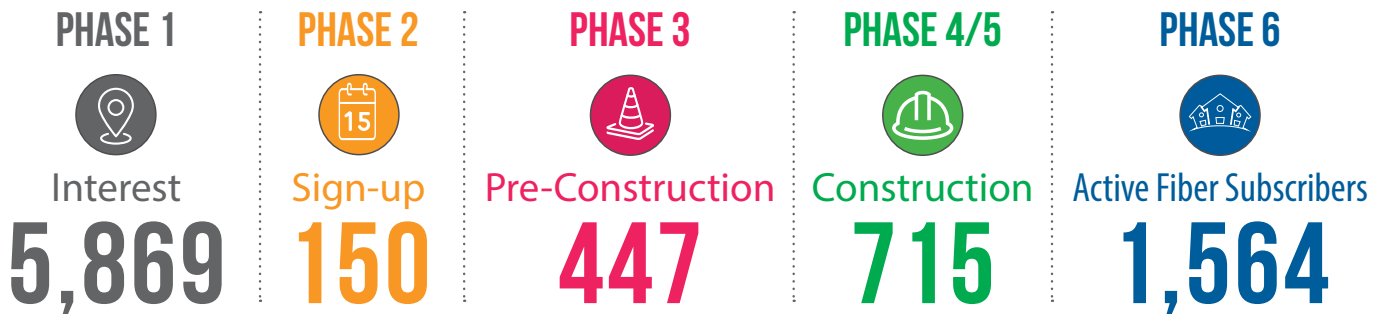
**COOPERATIVE
PROJECTS ENHANCE
RELIABILITY, SAFETY**

2020 statistics

BUILDING CONNECTIONS



Sand Prairie
Connecting our members to the world®



250 Miles of mainline fiber

150 Miles of drop fiber



1,451
Wireless subscribers



1,564
Fiber subscribers



\$16.5M
in grant funds for fiber

Our Sand Prairie broadband division continues to build fiber in areas awarded grants and with high member interest. Although the grants we receive will accelerate fiber build out, it could take up to five years to complete build out in these areas. This is a large build-out area, and there are a lot of moving parts. We are building our fiber network as fast as we can.



jocarroll.com
connectSP.com



Jo-Carroll Energy
Sand Prairie Internet

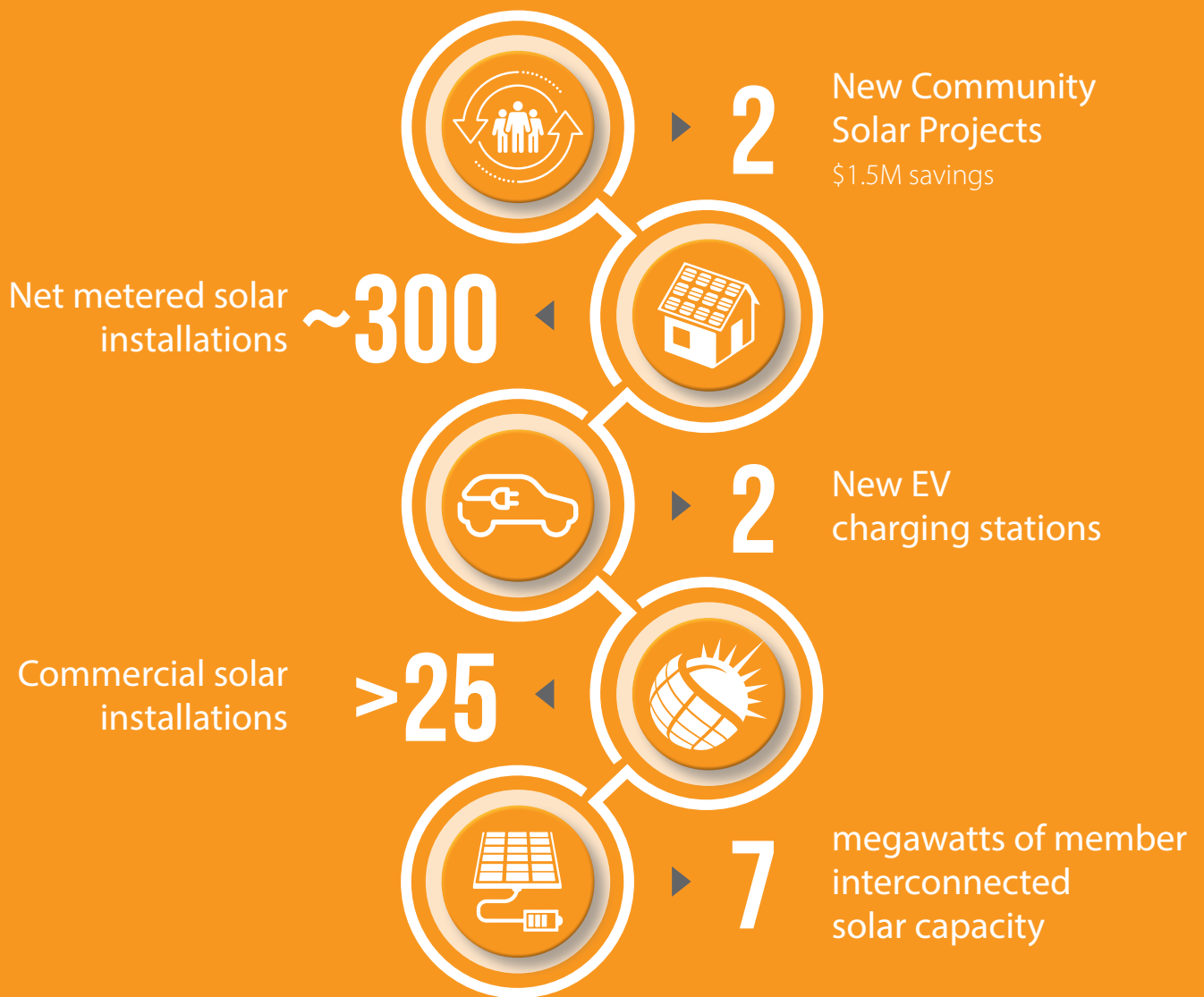
As of 6/1/2021

WORKING FOR A BRIGHTER FUTURE

Our members inspire us to find new solutions,
so we can provide safe, reliable energy and
broadband services now and into the future.

As a co-op, we are shaped by the people we serve. Created from the ground-up by the people who live here we have an interest in seeing our communities thrive.

Distributed Energy Resources



2020 statistics

WORKING FOR A BRIGHTER FUTURE



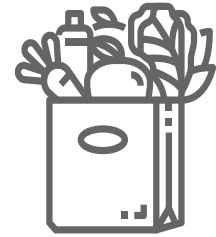
\$13,000
in scholarships

Jo-Carroll Energy's Scholarship Program was started in 2003. Today, the program offers scholarships in five different categories totaling up to \$25,000 in possible scholarship awards.

\$5,000
to area food pantries

Albany
Elizabeth
Erie

Geneseo
Hanover
East Dubuque



Helping Hands
Savanna/Mt. Carroll
Thomson/Fulton
United Churches of Galena



\$5,500
to area fire &
ambulance districts

\$6,250
to educational &
community organizations



CoBANK SHARING SUCCESS GRANTS

\$3,100



Savanna Police Department
Watchguard video camera system

\$1,250



Antique Engine & Tractor Show
Interactive agriculture learning exhibit Geneseo

Each grant from Jo-Carroll Energy was matched by CoBank as part of its Sharing Success program

\$3,100



Chadwick Fire Department
Positive pressure fan & tools

\$2,300



Jo Daviess County Workshop
Accessible doors

\$39,500 total contributions

All scholarships, grants & donations are made from Unclaimed Capital Credits. 2020 statistics



MINUTES OF THE 2020 ANNUAL MEETING OF THE MEMBERS OF JO-CARROLL ENERGY, INC.

The Annual Meeting of the Members of Jo-Carroll Energy was held outside as a drive-in meeting and by video conference at the pavilion at Terrapin Park, Elizabeth, Ill., at 11 a.m. on Saturday, August 22, 2020, pursuant to notice, duly given.

Chairman of the Board David Senn gave a welcome to the attendees on behalf of the Board of Directors and the entire Jo-Carroll Energy staff. Chairman Senn stated that there would be a question-and-answer session at the end of the meeting.

Chairman Senn acknowledged that this was the 81st Annual Meeting of Jo-Carroll Energy Members. Senn noted that there was a quorum present, which included attendees in vehicles, listening to the annual meeting on the radio and watching the live broadcast online. Senn called the meeting to order at 11:00 a.m.

The Chairman then called for approval of the Annual Meeting Agenda. A motion was made, seconded and carried by waving a hand from a vehicle or a flash of car lights from the members present to approve the Annual Meeting Agenda, as printed.

The Chairman gave the invocation.

The Chairman led the Pledge of Allegiance.

The Chairman introduced the Board of Directors who attended the meeting via video conference, noting the district each Director represented, and identified the officers of the Cooperative.

The Chairman also introduced Mike Casper, President & CEO; Chris Allendorf, Vice President of External Relations and General Counsel; and the representatives present from the Association of Illinois Electric Cooperatives.

Cooperative President and CEO Mike Casper provided a safety moment, highlighting the cooperative's culture of safety.

The Chairman stated that the minutes of the 2019 annual meeting were included with the official meeting notice and asked for a motion to approve them.

A motion was made, seconded and carried by waving a hand or a flash of car lights from the members to approve the minutes as they were printed in the annual meeting booklet.

Vice President of External Relations and General Counsel, Chris Allendorf then explained that in accordance with the bylaws, and in light of the fact that there was only one candidate for director districts 3,6, & 9, no ballots were mailed for those districts. Allendorf asked for a motion to elect Directors Marcy Stanger



of Apple River, incumbent director for District 3, Tom Lundy of Savanna, incumbent director for District 6, and Larry Carroll of Thomson, incumbent director for District 9, to three-year terms, by acclamation. A motion to elect Stanger, Lundy and Carroll by acclamation for three-year terms was made, seconded, and approved by waving a hand from a vehicle or by a flash of car lights from the members present. The Chairman declared the 3 candidates to be duly elected to three-year terms.

Vice President of External Relations and General Counsel Chris Allendorf explained that there were no amendments this year to the Bylaws of the cooperative.

Chairman Senn addressed the members with his report. Senn noted that during the pandemic, the cooperative continued to find ways to improve and enhance services that are provided to the members. As an example, today's annual meeting was a representation

demonstrating that we can adapt and engage in new ways. Senn also highlighted the importance of providing high-speed internet and fiber to the members, which Jo-Carroll Energy continues to expand upon.

In his Annual Report, Mike Casper, president and CEO, highlighted the importance of keeping the focus on the strategic objectives of maintaining affordable rates with the expectation that rates will continue to stabilize. Casper noted that by leveraging grant dollars to grow the fiber business unit, the added revenue from more fiber members and savings from operational efficiencies could potentially help to stabilize rates across all business units. Casper also discussed the community solar program that will become available at the end of the month.

The Chairman asked for a motion to accept the officers' written and oral reports as well as the financial statements. A motion was made, seconded and carried

by waving a hand from a vehicle or a flash of car lights from the members present to accept these reports as written and conveyed.

The President and CEO then answered questions from the members, alternating between questions from the members present and written questions submitted by members prior to the start of the meeting.

The Chairman reported that there was no unfinished business.

The Chairman then asked if there was any new business. There was none.

The Chairman asked if there was any other business, and hearing none, adjourned the meeting at 11:40 a.m. with the awarding of attendance prizes to follow.

Dated: August 22, 2020

Respectfully submitted,
Marcia Stanger, Secretary

Balance Sheet

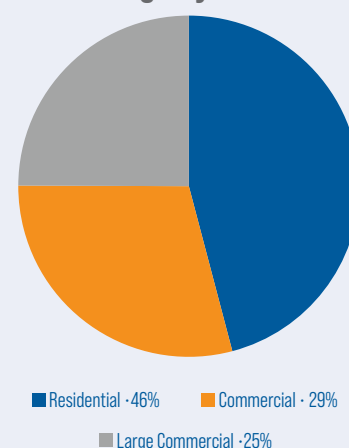
Year Ended December 31, 2019 and 2020

Assets	2019	2020
Utility Plant:		
Utility Plant In Service (cost)	\$156,492,667	\$164,222,176
Construction In Progress	5,363,636	7,884,285
Subtotal	161,856,303	172,106,461
Less: Accumulated Depreciation	56,149,844	60,253,652
Net Utility Plant	105,706,459	111,852,809
Investments:		
Non-Utility Plant (net)	122,689	245,079
Investments	13,506,522	14,286,533
Total Investments	13,629,211	14,531,612
Current Assets:		
Cash and Cash Equivalents	7,577,132	2,441,661
Temporary Investments	-	-
Notes Receivable	121,715	121,715
Accounts Receivable	3,564,802	3,257,514
Materials Inventory	2,702,013	2,903,533
Prepayment	439,808	405,098
Other Current Assets	2,146,930	2,566,815
Total Current Assets	16,552,400	11,696,336
Deferred Debits	15,751,142	11,756,665
Total Assets	\$151,639,212	\$149,837,422
Equities & Liabilities		
Equities & Margins:		
Memberships	\$5,530	\$5,530
Patronage Capital	\$26,969,753	\$26,469,711
Other Margins & Equities	9,911,250	10,236,063
Total Equities and Margins	36,886,533	36,711,304
Long-Term Debt:		
CFC Mortgage Notes	86,821,610	83,979,722
USDA Economic Dev Loan	667,362	545,647
Other Non Current Liability	8,595,572	6,648,505
Postretirement Benefits:	1,447,163	1,346,093
Current Liabilities:		
Notes Payable	-	6,500,000
Accounts Payable	4,517,499	3,787,749
Current Maturities of Long Term Debt	4,786,576	4,884,521
Postretirement Benefits	102,698	85,966
Customer Deposits	370,871	373,955
Other Current Liabilities	1,344,940	1,507,221
Total Current Liabilities	11,122,584	17,139,412
Deferred Credits	6,098,388	3,466,739
Total Equities & Liabilities	\$151,639,212	\$149,837,422

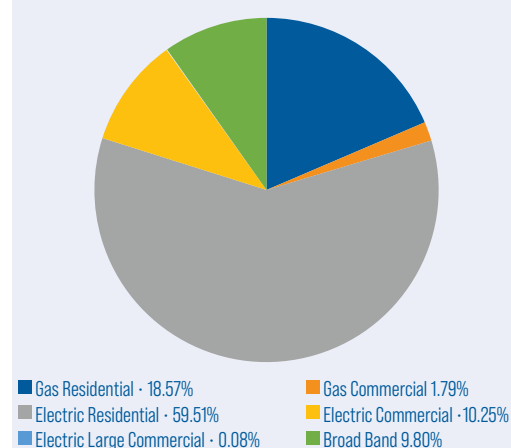
Percentage of 2020 Gas Members by Class



Percentage of 2020 KWh Usage by Class



Percentage of 2020 Services by Class



Statement of Revenue and Patronage Capital

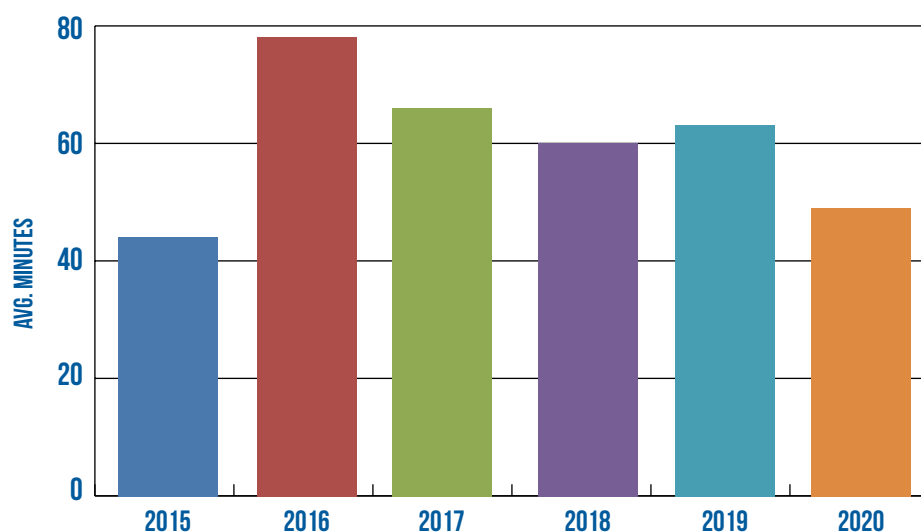
Year Ended December 31, 2019 and 2020

	2019	2020
Operating Revenues	\$60,509,937	\$59,354,753
Cost of Power	\$36,029,818	\$35,775,028
Operating Expenses:		
Distribution Expense - Operations	4,007,403	3,921,479
Distribution Expense - Maintenance	3,663,477	4,222,885
Customer Accounts Expense	1,545,619	1,626,378
Customer Service Expense	887,504	863,380
Sales Expense	184,235	231,814
Administrative and General Expense	4,370,380	4,754,169
Depreciation Expense	4,773,983	4,765,419
Taxes	142,654	137,935
Interest - Long Term	4,102,452	3,850,836
Interest - Short Term	-	38,395
Other Deductions	26,281	112,115
Total Operating Expense	59,733,806	60,299,833
Net Operating Margins	776,131	(945,080)
Non-operating Margins:		
Interest Income	217,708	44,721
Gain on Disposal of Equipment	24,094	12,370
Other Non-Operating Margin	4,872	27,591
Patronage Capital from:		
Generation & Transmission	1,070,555	1,081,421
Other Cooperatives	386,842	361,067
Extraordinary Items	-	-
Net Margins for Period	\$2,480,202	\$582,090

Reliability Report

System Average Interruption
Duration Index

Not Including Major Event Days



COOPERATIVE GROWTH



>30 new natural gas members
Burns Road expansion

600+ new fiber subscribers connected

>\$400k new generated annual revenue from fiber

90 new miles of mainline fiber

88 new miles of drop fiber

2020 statistics

NEW SERVICES

PHONE SERVICES HOME & BUSINESS

Sand Prairie Phone works like a traditional phone landline, except the phone service is delivered by Voice over Internet Protocol (VoIP) via our fiber internet. For a fraction of the cost and twice the clarity of a traditional landline, you can have peace of mind and a quality phone line available in your home. Calling features (at no additional cost) include: Unlimited calling, voicemail, call waiting, caller ID, three-way calling, local and responsive support & other features.

INTERNET SECURITY HOME & BUSINESS

Easily protect your home from online security threats and undesirable content. Our network security is a cloud-based, AI-driven content filtering and threat protection service, that can be deployed and configured in minutes, with no software installation necessary.

NETWORK SECURITY BUSINESS

The security landscape has changed drastically in the last few years. Nowadays, having a basic and outdated security approach just won't cut it. Cybercriminals will stop at nothing to capture your data or hold it for ransom. More sophisticated threats are emerging, and your business may not be prepared.

For full details on our new services visit connectSP.com

**JO-CARROLL ENERGY
ANNUAL MEETING
AUG. 3 • 6 P.M.**

**RIVER RIDGE MIDDLE SCHOOL GYM
HANOVER, ILLINOIS**

REGISTRATION BEGINS AT 4 P.M.

**MEMBER APPRECIATION
DRIVE-THRU DINNER**

7 P.M.

BOXED MEALS

**Registration Card
IMPORTANT**

**Bring this card with you for the
2021 Annual Meeting of Members**



Jo-Carroll Energy

Your Touchstone Energy® Cooperative



**Wednesday, August 3, 2021
River Ridge Schools
4141 Illinois 84, Hanover, IL**

ATTENDANCE



In-Person Attendance

Jo-Carroll Energy's 2021 Annual Meeting will be a 1-hour business session beginning at 6 p.m. Registration begins at 4 p.m. Drawing for our 2021 Director's Scholarships will be held at the end of the business session. A drive-thru boxed meal will be held immediately following the meeting at approximately 7 p.m.

The cooperative will follow any guidelines in place by the Centers for Disease Control and Prevention (CDC) and the Illinois Department of Health (IDPH) requirements for public gatherings. At this time, we do not anticipate having to limit in-person attendance; any updates will be posted on the cooperative website at jocarroll.com and on our social media.

RSVPs are requested but not required, and can be done by calling 800-858-5522, ext. 1208.



Virtual Attendance

As a precaution and per the positive response received last year, JCE will livestream its annual meeting. Visit www.jocarroll.com/annual-meeting for more information.




Radio Broadcast

The annual meeting will be broadcast on WCCI 100.3FM.



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 

P.O. Box 390
Elizabeth, IL 61028

PRSRT STD
U.S. POSTAGE
PAID
Springfield, IL
Permit No. 609

**JO-CARROLL ENERGY
ANNUAL MEETING
AUG. 3 • 6 P.M.**

RIVER RIDGE MIDDLE SCHOOL GYM

HANOVER, ILLINOIS

REGISTRATION BEGINS AT 4 P.M.

**MEMBER APPRECIATION
DRIVE-THRU DINNER**

7 P.M.

BOXED MEALS

Registration Card

This label above will be used in registration and awarding of Annual Meeting prizes.



Elizabeth Headquarters

P.O. Box 390
793 U.S. Route 20 West
Elizabeth, Illinois 61028

Savanna Office

103 Chicago Avenue
Savanna, Illinois 61074

Geneseo Office

1004 S. Chicago St.
Geneseo, Illinois 61254



800-858-5522



jocarroll.com | connectSP.com