

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047
2006
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2006 calendar year, or tax year beginning 2006, and ending

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C Name of organization: CARROLL ELECTRIC COOPERATIVE CORPORATION
Number and street (or P O box if mail is not delivered to street address): BOX 4000
Room/suite:
City or town, state or country, and ZIP + 4: BERRYVILLE, AR 72616

D Employer identification number: 71-0027635
E Telephone number: (501) 423-2161
F Accounting method: Cash [X] Accrual [] Other (specify) []

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes [] No [X]
H(b) If "Yes," enter number of affiliates:
H(c) Are all affiliates included? Yes [] No []
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes [] No [X]

G Website WWW.CARROLLECC.COM

J Organization type (check only one) [X] 501(c)(12) (insert no) 4947(a)(1) or 527

K Check here [] if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number

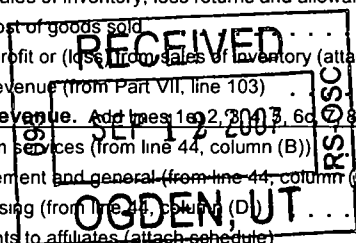
M Check [X] if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 126,459,328.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions)

Table with 21 rows and 4 columns: Description, Sub-column (a-d), Line number, and Amount. Includes Revenue (1-12), Expenses (13-17), and Net Assets (18-21).

SCANNED SEP 26 2007



For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2006)

P 16

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See the instructions)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach schedule)	302,022.			
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach schedule)				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26 Salaries and wages of employees not included on lines 25a, b, and c				
27 Pension plan contributions not included on lines 25a, b, and c	167,057.			
28 Employee benefits not included on lines 25a - 27	19,271.			
29 Payroll taxes				
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies				
34 Telephone				
35 Postage and shipping				
36 Occupancy				
37 Equipment rental and maintenance				
38 Printing and publications				
39 Travel				
40 Conferences, conventions, and meetings				
41 Interest	6,393,393.			
42 Depreciation, depletion, etc (attach schedule)	7,241,355.			
43 Other expenses not covered above (itemize)				
a STMT 2	101,544,877.			
b				
c				
d				
e				
f				
g				
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	115,667,975.			

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,
 (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	1,253,019.	45	1,174,056.
	46 Savings and temporary cash investments	20,532,000.	46	14,750,000.
	47 a Accounts receivable	47a 12,567,661.		
	b Less: allowance for doubtful accounts	47b	12,936,184.	47c 12,567,661.
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51 a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		2,814,943.	52 3,815,789.
	53 Prepaid expenses and deferred charges	STMT 3	25,762.	53 44,395.
	54 a Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments - other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
	55 a Investments - land, buildings, and equipment: basis	55a 302,261,519.		
	b Less: accumulated depreciation (attach schedule)	55b 79,895,485.	197,915,306.	55c 222,366,034.
	56 Investments - other (attach schedule)	STMT 4	44,827,462.	56 47,125,157.
	57 a Land, buildings, and equipment: basis	57a		
b Less: accumulated depreciation (attach schedule)	57b		57c	
58 Other assets, including program-related investments (describe <input type="checkbox"/> STMT 5)		3,150,660.	58 5,191,499.	
59 Total assets (must equal line 74) Add lines 45 through 58		283,455,336.	59 307,034,591.	
Liabilities	60 Accounts payable and accrued expenses		60	11,451,395.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		105,053,923.	64b 117,436,625.
	65 Other liabilities (describe <input type="checkbox"/> STMT 6)		7,112,225.	65 10,063,404.
66 Total liabilities. Add lines 60 through 65		123,617,543.	66 136,322,587.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		44,540.	71 44,540.
	72 Retained earnings, endowment, accumulated income, or other funds		159,793,253.	72 170,667,464.
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		159,837,793.	73 170,712,004.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		283,455,336.	74 307,034,591.

Part VI Other Information (continued)

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? 82a Yes No X
82 b If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) 82b N/A
83 a Did the organization comply with the public inspection requirements for returns and exemption applications? 83a X
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? 83b X
84 a Did the organization solicit any contributions or gifts that were not tax deductible? 84a X
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 84b N/A
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? 85a N/A
85 b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A
85 c Dues, assessments, and similar amounts from members 85c N/A
85 d Section 162(e) lobbying and political expenditures 85d N/A
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A
85 h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h N/A
86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12 86a N/A
86 b Gross receipts, included on line 12, for public use of club facilities 86b N/A
87 501(c)(12) orgs Enter a Gross income from members or shareholders 87a 124,703,854.
87 b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b 1,755,474.
88 b At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88a X
88 b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI 88b X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 N/A, section 4912 N/A, section 4955 N/A
89 b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b N/A
89 c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 N/A
89 d Enter Amount of tax on line 89c, above, reimbursed by the organization N/A
89 e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e X
89 f All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f X
89 g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 89g X
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2006 (See instructions) 90b 268
91 a The books are in care of ROB BOAZ Telephone no 501-423-2161
Located at HWY 62 WEST BERRYVILLE, AR ZIP + 4 72616-4000
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 91b Yes No X
If "Yes," enter the name of the foreign country
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country ▶ _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 | _____ N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a ELECTRICITY SALES					124,703,854.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	1,690,632.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b MISC ELEC-RELATED					64,842.
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				1,690,632.	124,768,696.
105 Total (add line 104, columns (B), (D), and (E))					126,459,328.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	PAYS EXPENSES OF PROVIDING ELECTRICITY TO MEMBER CONSUMERS
103B	PAYS EXPENSES OF PROVIDING ELECTRICITY-RELATED SERVICES (CONNECTIONS/DISCONNECTIONS, ELECTRICAL SUPPLIES, ETC.)

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: Rob Boaz Date: 9-6-2007

Type or print name and title: Rob Boaz Pres/CEO

Paid Preparer's Use Only

Preparer's signature: John Rowland, CPA Date: 9/5/07 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: BKD, LLP
P.O. BOX 3667
LITTLE ROCK, AR 72203-3667

Preparer's SSN or PTIN (See Gen Inst X): P00372697
EIN: 44-0160260
Phone no: 501-372-1040

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

=====

DESCRIPTION

AMOUNT

CHANGE IN MEMBERSHIPS & RETIRE PATR CAP

82,858.

TOTAL

82,858.

=====

FORM 990, PART II - OTHER EXPENSES
=====

DESCRIPTION -----	TOTAL -----
COST OF PURCHASED POWER	81,403,498.
TRANSMISSION EXPENSE	345,412.
DISTRIBUTION EXPENSE-OPERATION	4,164,520.
DISTRIBUTION EXPENSE-MAINT.	10,009,791.
CONSUMER ACCOUNTS EXPENSE	2,481,842.
CUSTOMER SERVICE	620,352.
ADMINISTRATIVE & GENERAL	2,469,461.
OTHER DEDUCTIONS	50,001.

TOTALS	101,544,877.
	=====

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

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DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PREPAID EXPENSES	25,762.	44,395.
TOTALS	25,762.	44,395.

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FORM 990, PART IV - INVESTMENTS - OTHER

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DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PATR CAPITAL ASSOC COOPS	42,099,718.	44,440,937.
OTHER - ASSCC COOPS	2,223,828.	2,201,685.
OTHER INVESTMENTS	503,916.	482,535.
	-----	-----
TOTALS	44,827,462.	47,125,157.
	=====	=====

FORM 990, PART IV - OTHER ASSETS
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SPECIAL DEPOSITS	1,546.	1,546.
OTHER CURRENT ASSETS	3,149,114.	5,189,953.
	-----	-----
TOTALS	3,150,660.	5,191,499.
	=====	=====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
OTHER PAYABLES	4,252,335.	4,862,345.
CUSTOMER DEPOSITS	2,438,236.	2,883,050.
OTHER DEFERRED CREDITS	370,889.	449,386.
OTHER NONCURRENT LIABILITIES	50,765.	1,868,623.
	-----	-----
TOTALS	7,112,225.	10,063,404.
	=====	=====

CARROLL ELECTRIC COOPERATIVE CORPORATION

71-0027635

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ALAN HUNNICUTT BOX 4000 BERRYVILLE, AR 72616	DIRECTOR 7.00	16,585.	12,148.	NONE
CHARLES BURDINE BOX 4000 BERRYVILLE, AR 72616	PRESIDENT 13.50	32,920.	12,064.	NONE
WINFRED PRIER BOX 4000 BERRYVILLE, AR 72616	SECRETARY/TREASURER 4.00	9,390.	12,076.	NONE
J NEFF BASORE BOX 4000 BERRYVILLE, AR 72616	DIRECTOR 2.25	5,480.	12,148.	NONE
WILLIE DEWEESE BOX 4000 BERRYVILLE, AR 72616	DIRECTOR EMERITUS	6,190.	6,922.	NONE
CARLA HATHORN BOX 4000 BERRYVILLE, AR 72616	DIRECTOR 5.50	13,085.	12,148.	NONE
LENORA SUE SULLIVAN	DIRECTOR 3.00	7,130.	11,977.	NONE

CARROLL ELECTRIC COOPERATIVE CORPORATION

71-0027635

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

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NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
BOX 4000 BERRYVILLE, AR 72616				
JOSEPH R SPIVEY BOX 4000 BERRYVILLE, AR 72616	DIRECTOR 4.50	11,170.	12,148.	NONE
CHARLES R SHINN BOX 4000 BERRYVILLE, AR 72616	DIRECTOR 2.75	6,350.	12,148.	NONE
KRISTY NOBLE BOX 4000 BERRYVILLE, AR 72616	DIRECTOR 4.75	11,400.	12,148.	NONE
ROBERT BOAZ BOX 4000 BERRYVILLE, AR 72616	PRESIDENT/CEO 60.00	182,322.	51,130.	NONE
GRAND TOTALS		302,022.	167,057.	NONE