

7 Cooperative Principles

... we live by

1 Voluntary & Open Membership

We're a voluntary organization, open to all persons. We are 95,580 member accounts strong serving 18 counties in central and southeast Arkansas.



2 Democratic Member Control

We are a democratic organization controlled by our members. Our annual meeting is held each June where one to two directors are elected to serve on your board.



3 Members' Economic Participation

Excess revenue collected is assigned back to members based on the amount of electricity used during the year. In 2018, over \$9.5 million in capital credits were returned.



4 Autonomy & Independence

We exist to serve the needs of our members. Our goal is to provide safe and reliable power.



5 Education, Training & Information

We provide education and training for our members and employees so we can continue the development of our cooperative. In 2018, we taught 5,510 people how to work and play safely around electricity.



6 Cooperation Among Cooperatives

We serve our members and other electric cooperatives when needed. We come to the aid of our fellow cooperatives to help to restore power during natural disasters.



7 Concern for Community

Our members help the communities we serve by donating over \$1.04 million through Operation Round-Up since 1998. In 2018, 16,564 members enrolled funded nine scholarships and 46 nonprofit projects.



First Electric's history runs deep, as the first electric cooperative established in the state. Incorporated on April 26, 1937, by Franklin D. Roosevelt's rural electrician act, we are a not-for-profit electric distribution cooperative.

First Electric energized its first power lines April 15, 1938, near Jacksonville, with three employees and served 150 members.

Today, we serve 95,580 member accounts throughout parts of 18 counties in central and southeast Arkansas. The cooperative's headquarters is located in Jacksonville, with four full-service offices in Bryant, Heber Springs, Perryville and Stuttgart.

First Electric owns and maintains more than 9,900 miles of distribution power lines, over 200,000 power poles and 46 substations. We are the second largest distribution cooperative in Arkansas and one of the 33 largest of the nation's more than 900 electric cooperatives.

Our mission is to improve quality of life which is accomplished by following the seven cooperative principles. By incorporating the principles into our daily business practices, it sets us apart from other utilities.

Thank you for your membership to the cooperative, we look forward to serving you in coming years.

Don Crabbe
President/CEO

Rick Love
Board Chairman

Board of Directors

Rick Love, Chairman, Jacksonville

Tracy Hudspeth, Vice Chairman, Drasco

Robert Maertens, Secretary/Treasurer, Benton

Tom Hasty, Almyra

Todd Prothro, Rose Bud

Robert Hill, Perryville

Karissa Rushing, Benton

David Luebke, Scott

Larry Wood, Lonoke



8 1 0 2 Annual Report



First Electric
Cooperative

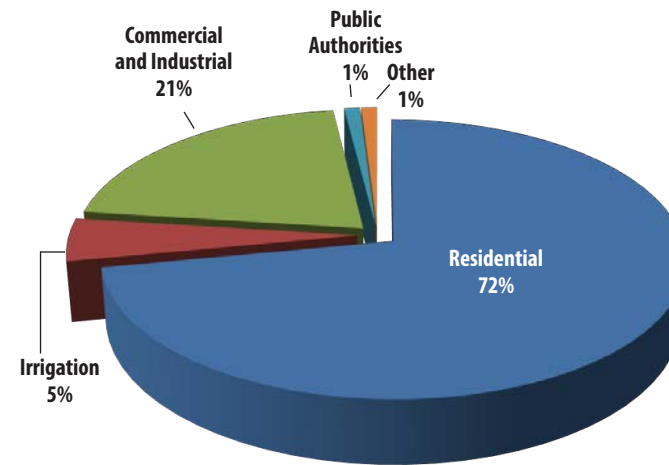
Condensed Balance Sheet

Assets	2018	2017
Electric Plant	\$ 522,337,909	\$ 512,986,467
Less Accumulated Depreciation	\$ 171,881,803	\$ 163,550,569
Net Utility Plant	\$ 350,456,106	\$ 349,435,898
Other Assets	\$ 102,556,188	\$ 104,238,669
Current Assets	\$ 41,332,227	\$ 35,944,655
Total Assets	\$ 494,344,521	\$ 489,619,222
Liabilities and Members' Equity		
Members' Equity	\$ 262,404,947	\$ 247,689,242
Long-term Debt	\$ 181,718,390	\$ 190,516,979
Current Liabilities	\$ 23,198,137	\$ 24,295,831
Other Liabilities	\$ 27,023,047	\$ 27,117,170
Total Liabilities and Members' Equity	\$ 494,344,521	\$ 489,619,222

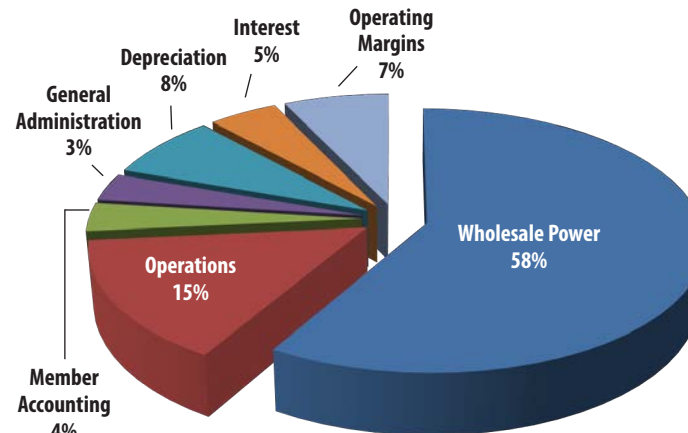
Condensed Operating Statement

	2018	2017
Operating Revenues	\$ 194,533,948	\$ 180,725,020
Power Cost	\$ 113,747,622	\$ 110,212,611
Operations and Maintenance	\$ 42,670,690	\$ 40,323,164
Depreciation	\$ 15,199,222	\$ 15,261,026
Taxes	\$ 7,655	\$ 7,555
Interest	\$ 9,097,311	\$ 9,275,671
Total Operating Expenses	\$ 180,722,500	\$ 175,080,027
Margins from Operations	\$ 13,811,448	\$ 5,644,993
Non-Operating Margins	\$ 7,811,046	\$ 7,221,144
Net Margins	\$ 21,622,494	\$ 12,866,137

Where the Dollar Comes From



Where the Dollar Goes



System Statistics

	2018	2017
Number of member accounts served	95,580	93,502
Miles of power line in operation	9,994	9,946
Number of accounts per mile of line	9.56	9.40
Total kWh bought by co-op members	2,020,916,190	1,838,345,129
Average monthly residential kWh usage	1,279	1,122
Average monthly residential bill	\$ 133.41	\$ 121.85
Average residential revenue per kWh	\$ 0.1043	\$ 0.1086
Total kWh purchased by cooperative	2,118,387,873	1,924,792,239
Total cost of power purchased by co-op	\$ 113,747,622	\$ 110,212,611
Number of employees	214	217
Number of distribution substations	46	45

Counties served, property taxes paid

County	2018	2017
Arkansas County	\$ 280,786	\$ 232,647
Cleburne County	\$ 418,319	\$ 412,507
Conway County	\$ 73,619	\$ 71,629
Faulkner County	\$ 15,501	\$ 15,120
Garland County	\$ 1,804	\$ 1,934
Grant County	\$ 7,112	\$ 6,703
Independence County	\$ 2,382	\$ 2,340
Jefferson County	\$ 78,504	\$ 77,390
Lonoke County	\$ 615,625	\$ 594,841
Monroe County	\$ 7,965	\$ 7,301
Perry County	\$ 258,833	\$ 245,782
Prairie County	\$ 63,823	\$ 62,972
Pulaski County	\$ 517,831	\$ 493,021
Saline County	\$ 667,672	\$ 550,110
Stone County	\$ 9,987	\$ 9,819
Van Buren County	\$ 310	\$ 305
White County	\$ 302,996	\$ 298,621
Yell County	\$ 1,216	\$ 1,198
Total property taxes paid	\$ 3,324,285	\$ 3,084,240