

# A Powerful Year.

**Robert M. Hill**  
Chairman

**Don Crabbe**  
President/CEO

## JANUARY

## FEBRUARY

## MARCH

## APRIL

## MAY

## JUNE



Safety is the top priority at First Electric. All employees attend safety meetings to educate and remind them of safe working practices.



Through Operation Round-Up, scholarship, Youth Tour and community volunteerism, we help our members and the communities we serve!

When a March storm hit central Arkansas, we were prepared. Our crews replaced 62 poles in 36 hours in the Heber Springs area. We always say that when things are at their worst, our crews are at their best.

April 26, 2017 marked First Electric's 80th anniversary. We've transformed from a small office of only three employees and 107 members to 217 employees and more than 93,000 member accounts!



We "Flipped the Switch" on our 1-megawatt solar field. The array has the ability to power over 150 homes during peak production.



Our annual meeting and director elections happen in June each year. It provides our membership with important cooperative updates, financial information and the ability to elect local directors.

**\$48.18**  
average amount for capital credit

**9,946**  
miles of distribution lines

**\$957,000**  
donations given by Operation Round-Up since 1998

**93,502**  
member accounts served

**99.96%**  
time members have power

**199,945**  
power poles

## Cooperative Principles

The cooperative business model centers around seven principles that guide First Electric Cooperative.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community

## Board of Directors

**Robert Hill**, Chairman, Perryville  
**Larry Wood**, Vice Chairman, Lonoke  
**Robert Maertens**, Secretary-Treasurer, Benton  
**Tom Hasty**, Almyra  
**Tracy Hudspeth**, Drasco  
**Rick Love**, Jacksonville  
**David Luebke**, Scott  
**Todd Prothro**, Rose Bud  
**Karissa Rushing**, Benton



# Annual Report 2017

## JULY

## AUGUST

## SEPTEMBER

## OCTOBER

## NOVEMBER

## DECEMBER

Construction of the Nimrod substation which serves western Perry County was in full swing. This will be the cooperative's 48th substation. Reliability is important to First Electric and its members – maintenance, vegetation management and new construction are key to reliability.



This year marked the 10th anniversary of the Energy Efficiency Makeover Contest sponsored by the Electric Cooperatives of Arkansas. Ten winning First Electric members received LED lighting makeovers.



Crews were sent to South Carolina and Georgia to aid in power restoration efforts caused by Hurricane Irma.

Since 1945 National Co-op Month has been celebrated. The co-op business model is service driven, not profit driven. Thank you for your membership to First Electric!



Scott Davis' magic show "Making Accidents Disappear" and the high voltage safety trailer were used to educate thousands of children and adults about the dangers of electricity.



This year capital credit retirement topped over \$9 million bringing the total to \$95.6 million as of 2017. Our Board is to thank for their leadership in placing the cooperative in a strong position to give back to our members.

**18**  
counties served

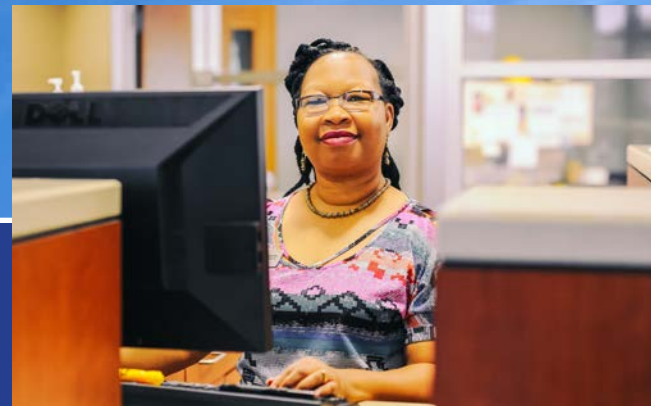
**\$121.85**  
average monthly residential bill

**6,328**  
businesses served

**\$116,500**  
in scholarships awarded since 2002

**13,441**  
square miles in region

**12,617**  
members enrolled in Operation Round-Up



**First Electric  
Cooperative**

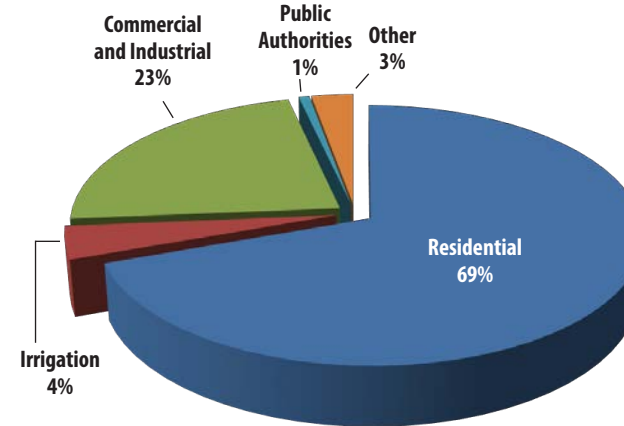
# Condensed Balance Sheet

Assets	2017	2016
Electric Plant	\$ 512,986,467	\$ 505,265,866
Less Accumulated Depreciation	\$ 163,550,569	\$ 156,618,627
Net Utility Plant	\$ 349,435,898	\$ 348,647,239
Other Assets	\$ 104,238,669	\$ 106,359,504
Current Assets	\$ 35,944,655	\$ 35,004,095
<b>Total Assets</b>	<b>\$489,619,222</b>	<b>\$490,010,838</b>
<b>Liabilities and Members' Equity</b>		
Members' Equity	\$ 247,689,242	\$ 242,814,398
Long-term Debt	\$ 190,516,979	\$ 198,256,172
Current Liabilities	\$ 24,295,831	\$ 24,179,769
Other Liabilities	\$ 27,117,170	\$ 24,760,499
<b>Total Liabilities and Members' Equity</b>	<b>\$489,619,222</b>	<b>\$490,010,838</b>

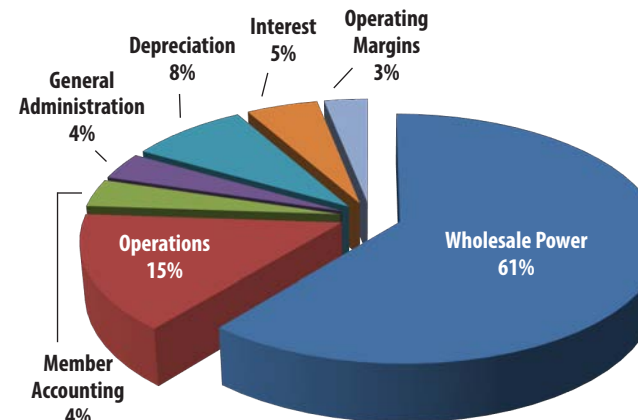
# Condensed Operating Statement

	2017	2016
<b>Operating Revenues</b>	<b>\$180,725,020</b>	<b>\$180,942,854</b>
Power Cost	\$ 110,212,611	\$ 108,549,366
Operations and Maintenance	\$ 40,323,164	\$ 37,605,023
Depreciation	\$ 15,261,026	\$ 14,971,115
Taxes	\$ 7,555	\$ 7,493
Interest	\$ 9,275,671	\$ 9,451,078
<b>Total Operating Expenses</b>	<b>\$ 175,080,027</b>	<b>\$ 170,584,075</b>
<b>Margins from Operations</b>	<b>\$ 5,644,993</b>	<b>\$ 10,358,779</b>
<b>Non-Operating Margins</b>	<b>\$ 7,221,144</b>	<b>\$ 5,828,845</b>
<b>Net Margins</b>	<b>\$ 12,866,137</b>	<b>\$ 16,187,624</b>

# Where the Dollar Comes From



# Where the Dollar Goes



# System Statistics

	2017	2016
Number of member accounts served	93,502	93,316
Miles of power line in operation	9,946	9,881
Number of accounts per mile of line	9.40	9.44
Total kWh bought by co-op members	1,838,345,129	1,910,046,327
Average monthly residential kWh usage	1,122	1,186
Average monthly residential bill	\$ 121.85	\$ 121.77
Average residential revenue per kWh	\$ 0.1086	\$ 0.1027
Total kWh purchased by cooperative	1,924,792,239	2,004,213,589
Total cost of power purchased by co-op	\$ 110,212,611	\$ 108,549,366
Number of employees	217	224
Number of distribution substations	45	44

## Counties served, property taxes paid

County	2017	2016
Arkansas County	\$ 232,647	\$ 273,259
Cleburne County	\$ 412,507	\$ 401,375
Conway County	\$ 71,629	\$ 69,783
Faulkner County	\$ 15,120	\$ 14,675
Garland County	\$ 1,934	\$ 1,947
Grant County	\$ 6,703	\$ 6,462
Independence County	\$ 2,340	\$ 2,258
Jefferson County	\$ 77,390	\$ 75,443
Lonoke County	\$ 594,841	\$ 578,525
Monroe County	\$ 7,301	\$ 7,051
Perry County	\$ 245,782	\$ 239,497
Prairie County	\$ 62,972	\$ 61,714
Pulaski County	\$ 493,021	\$ 455,905
Saline County	\$ 550,110	\$ 526,951
Stone County	\$ 9,819	\$ 9,596
Van Buren County	\$ 305	\$ 298
White County	\$ 298,621	\$ 290,708
Yell County	\$ 1,198	\$ 1,171
<b>Total property taxes paid</b>	<b>\$ 3,084,240</b>	<b>\$ 3,016,618</b>