

## Dear Member,

Once again, Craighead Electric Cooperative Corporation continued its commitment to member service in a financially responsible manner.

Our total margins of \$3,809,085 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 47.8 percent at the end of the year. Members were refunded \$1,434,300 in cash to redeem patronage capital credits. The redemption brings the total capital credits refunded to members to \$20,622,327.

Thomas, Speight & Noble, CPA's audited our financial records. You are welcome to examine that report.

System statistics of interest include: average meters served, 30,382, a net increase of 416 meters; more than 4,821 miles of power lines; 531,201,058 kWh used by members, down 3,740,635 kWh from the previous year; a system peak demand of 147,091 kilowatts, recorded in the month of August; and a net plant valuation of \$151,336,246 at year's end.

Additional financial data and operations information is available in this annual report.

If you have any questions concerning your electric cooperative, we are happy to answer them.

Terry Rorex, Chairman

Keith Mosbey, Vice Chairman

Len B. Nall, Secretary-Treasurer

Brian Duncan, CEO

This institution is an equal opportunity provider and employer.

## Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of Craighead Electric Cooperative Corporation will be held on Friday, August 24, 2018, at the headquarters in Jonesboro, Craighead County, Arkansas, beginning at 1:00 p.m., for the following purposes:

1. To pass on reports for the previous fiscal year;
2. To elect one director for the cooperative, to serve a term of six (6) years; and,
3. To transact such other business as may properly come before the meeting.

Len B. Nall  
Secretary-Treasurer

Dated at Jonesboro, Arkansas, this 25th day of July 2018.



**Craighead Electric  
Cooperative Corporation**

Your Touchstone Energy® Cooperative 

Member Driven • Service Focused • It's what we do everyday

### Program

Registration: 12:30 - 1:00 p.m.

Business Session: 1:00 p.m.

This will be a business session only.

No attendance prizes will be awarded and there will be no entertainment.

## 2017 Annual Report

# THE POWER TO SERVE



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# THE POWER TO SERVE

Craighead Electric Cooperative is much more than just the "local electric company." The cooperative business model centers around seven principles: voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community. These principles guide Craighead Electric Cooperative and the state's other electric cooperatives. As a not-for-profit business, Craighead Electric Cooperative is motivated to serve local members, not out-of-state stockholders.

### The Power to Serve Your Home

Craighead Electric Cooperative is committed to promoting the efficient use of electricity to meet the growing energy requirements of members. Educating members about the efficient use of energy resources helps members manage energy costs and helps protect natural resources. A comprehensive resource list is available at [www.smartenergytips.org](http://www.smartenergytips.org). Our goal is to help members save money without sacrificing comfort or convenience.

### The Power to Serve As Your Voice

Our business model has guided Craighead Electric Cooperative through many years of



growth and change. And, since the formation of your local electric cooperative, we have worked as advocates for our members. Craighead Electric Cooperative knows this is more important than ever as we work together to provide you with reliable, affordable electricity in a responsible manner.

### The Power to Serve Your Community

More than 75 years ago, the Arkansas' electric cooperatives took on a great challenge to not just be in the business of electricity, but to serve the greater purpose of making lives and communities better. Craighead Electric Cooperative sponsors community fundraising and assists with economic development and service events, while employees devote hundreds of volunteer hours to projects.

### The Power to Serve Your Farm and Business

Craighead Electric Cooperative works with new and existing businesses to support economic opportunities and improve the quality of life throughout its service area. Craighead Electric Cooperative's directors and employees serve as advocates for the farms and businesses with their local, state and federal officials.

### The Power to Serve Youth Programs

AECC helps prepare today's youth for leadership by partnering with 4-H and FFA, and sponsoring the Washington, D.C. Youth Tour and STEM-oriented educational programs.

### The Power to Serve Arkansas

Collectively, Arkansas' local electric cooperatives represent the largest private business in Arkansas and serve more than 1.2 million members. This success is powered by board members and employees who understand and implement the member-owned business model which allows them to focus on serving the needs of their members. This mission and structure is the essence and lifeblood of the electric cooperative business model and community. Employees of Craighead Electric Cooperative are your friends and neighbors, and your local energy partners.



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# 2017 Annual Report Craighead Electric Cooperative Corporation

# THE POWER TO SERVE

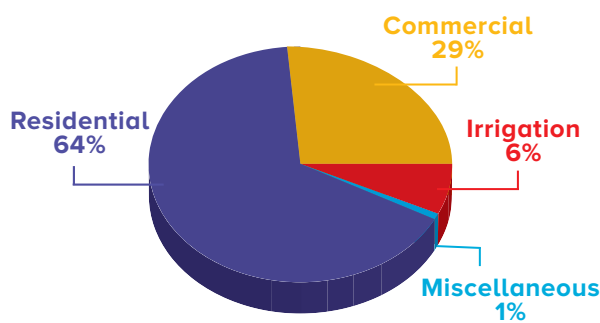
## CONDENSED BALANCE SHEET

	2017	2016
<b>ASSETS</b>		
Electric Plant	\$200,803,654	\$192,105,634
Less Accumulated Depr.	\$(49,467,409)	\$(45,809,857)
Net Utility Plant	\$151,336,245	\$146,295,777
Other Assets	\$25,302,514	\$25,271,279
Current Assets	\$37,637,456	\$33,369,317
<b>TOTAL ASSETS</b>	<b>\$214,276,215</b>	<b>\$204,936,373</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' Equity	\$102,442,157	\$100,263,062
Long-Term Debt	\$93,522,890	\$87,628,763
Current Liabilities	\$9,434,329	\$8,619,543
Other Liabilities	\$8,876,839	\$8,425,005
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$214,276,215</b>	<b>\$204,936,373</b>

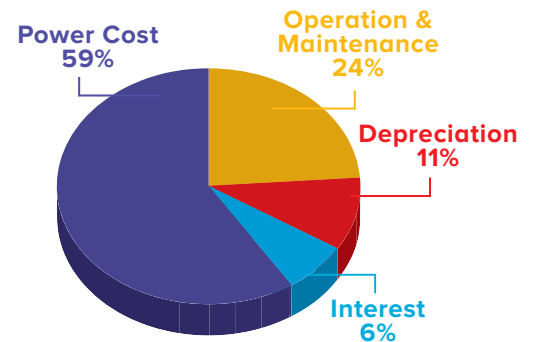
## CONDENSED OPERATING STATEMENT

	2017	2016
<b>OPERATING REVENUES</b>	<b>\$56,066,093</b>	<b>\$55,988,475</b>
<b>EXPENSES</b>		
Power Cost	\$33,018,475	\$31,441,695
Operation and Maintenance	\$13,391,103	\$12,331,629
Depreciation	\$6,169,196	\$5,912,830
Interest	\$3,525,125	\$3,912,929
<b>Total Operating Expense</b>	<b>\$56,103,899</b>	<b>\$53,599,083</b>
<b>MARGINS</b>		
Margins from Operations	\$(37,806)	\$2,389,392
Non-Operating Margins	\$2,625,602	\$1,524,027
Other Margins and Capital Credits	\$1,221,289	\$691,116
<b>Net Margins</b>	<b>\$3,809,085</b>	<b>\$4,604,535</b>

WHERE THE DOLLAR COMES FROM



WHERE THE DOLLAR GOES



## OFFICERS & DIRECTORS

**Terry Rorex**  
Chairman

**Keith Mosbey**  
Vice Chairman

**Len B. Nall**  
Secretary-Treasurer

**Dwight England**  
Director

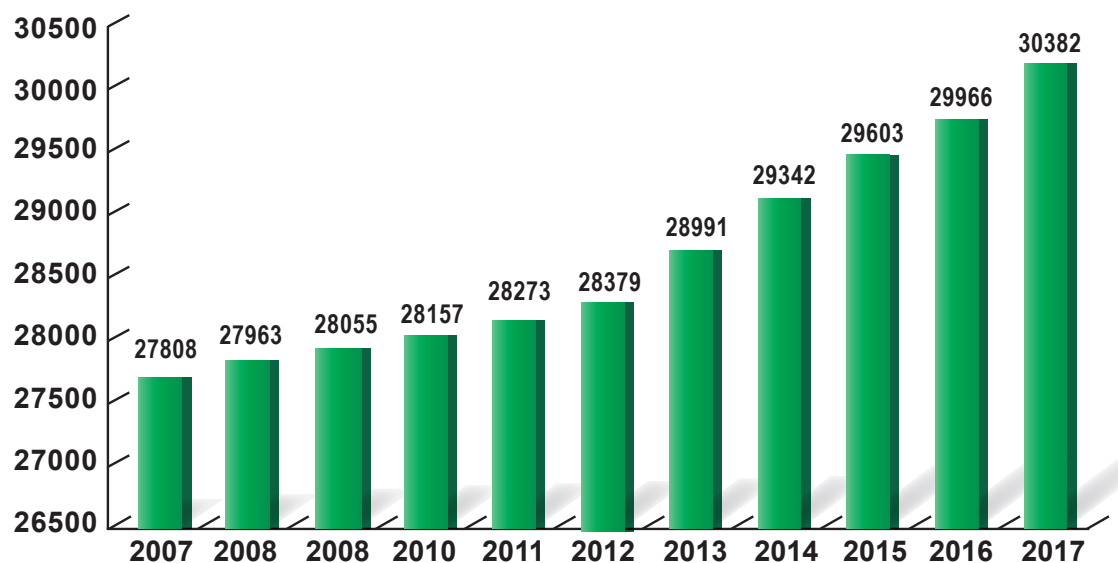
**Steve Kueter**  
Director

**Bill Elliott, Jr.**  
Director

**Bobby Wade**  
Director

**Brian Duncan**  
CEO

## MEMBER ACCOUNTS



## AVERAGE RESIDENTIAL REVENUE PER KWH SOLD

