

Dear Member,

Once again, Woodruff Electric Cooperative Corporation continued its commitment to member service in a financially responsible manner. Margins in the amount of \$6,437,966 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 45.05 percent at the end of the year. Members were refunded \$1,443,470 in cash to redeem patronage capital credits. The 2018 redemption brings the total capital credits returned to members to \$18,697,050.

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

System statistics of interest include: average meters served, 19,592, a net increase of 31 meters; more than 4,923 miles of power lines; 454,516,542 kilowatt-hours used by members, up 71,527,329 kilowatt-hours from the previous year; a system peak demand of 164,558 kilowatts, recorded in the month of July; and a net plant valuation of \$143,952,087 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.

*W. Wayne Beadles*  
W. Wayne Beadles, Chairman

*J.N. Bickerstaff*  
J.N. Bickerstaff, Secretary

*Michael L. Swan*  
Michael L. Swan, President / CEO

Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of Woodruff Electric Cooperative will be held on Tuesday, July 23, 2019, at the headquarters in Forrest City, St. Francis County, Arkansas, beginning at 7:00 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 nine years; and,
- 3. To transact such other business as may properly come before the meeting.

*J.N. Bickerstaff*  
J.N. Bickerstaff, Secretary

Dated at Forrest City, Arkansas, this eighth day of July, 2019.



Program

Registration: 6:00 - 7:00 p.m.  
Business Session: 7:00 p.m.

This will be a business session only.  
No attendance prizes will be awarded and there will be no entertainment.

2018 Annual Report



A POWERFUL HISTORY OF POWERING YOUR FUTURE.



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Members Matter

Woodruff Electric Cooperative and its wholesale energy provider, Arkansas Electric Cooperative Corporation (AECC), were founded by visionary Arkansas electric cooperative members to ensure that electric cooperative members would have access to reliable and affordable power. The electric cooperative pioneers formed Woodruff Electric Cooperative because the quality of life and future of electric cooperative members depended on them.

Although energy policies, demographics and governmental regulations have changed in the past six decades, one thing has remained constant — Woodruff Electric Cooperative’s continued commitment to its members. As a member-owned and member-driven organization, the policies and decisions made by Woodruff Electric Cooperative have one focus: Members Matter.

Across Arkansas, 17 locally owned member distribution cooperatives provide electricity to approximately 500,000 homes, farms and businesses in Arkansas and surrounding states. These members account for approximately 1.2 million residents in the state of Arkansas, representing almost every community and spanning the geographic footprint of Arkansas’ mountains, valleys, rivers, streams and farmland.

Strategic Vision

Since its founding, Woodruff Electric Cooperative has utilized a consistent, long-term, strategic vision to ensure that members have access to reliable electric service at a reasonable price in a responsible manner. Woodruff Electric Cooperative



works to ensure members have access to the most economical electric service possible through AECC, which has a diverse generation portfolio that includes coal, natural gas, hydroelectric assets and long-term power purchase agreements that include wind, solar and biomass energy sources. Decisions by the Woodruff Electric Cooperative board of directors and leadership team are based on the ultimate short-term and long-term benefits to Arkansas electric cooperative members.

Service

Woodruff Electric Cooperative and the state’s other 16 electric distribution cooperatives assist the communities they serve by not only delivering power to businesses, farms and homes across Arkansas, but by helping to grow their communities through economic development efforts and supporting the business expansions and community initiatives. The cooperatives sponsor community fundraising, development and service events while employees devote hundreds of volunteer hours to projects.

Electric cooperative directors and employees know that strong communities coupled with reliable, affordable electric service provide the fuel for economic growth and a sustained quality of life. Woodruff Electric Cooperative directors and employees serve as advocates for our communities and our members by constantly striving to assist Arkansans in every possible manner.

We are Arkansas

As members of 17 distinct electric cooperatives across the state, Arkansas’ more than 1.2 million electric cooperative members are more than just customers. They own their local electric cooperative.

As part of the structure of democratically controlled cooperatives, member directors have a vote in policy decisions and the electric cooperative leaders answer directly to their members.

Collectively, Arkansas’ electric cooperatives represent the largest private business in Arkansas. This success has been powered by board members and employees who understand and implement the membership structure and philosophical vision that electric utility cooperatives exist wholly to serve their members. This mission and structure is the essence and lifeblood of the electric cooperative business model and community. Employees and members are also friends and neighbors. At Woodruff Electric Cooperative members matter because that is who we are, We are Arkansas.





A POWERFUL  
HISTORY OF  
POWERING YOUR  
FUTURE.

OFFICERS & DIRECTORS

W. Wayne Beadles  
Chairman

J. Byron Ponder  
Vice Chairman

J.N. Bickerstaff  
Secretary

Jerry Brown  
Director

Chris Burrow  
Director

Jack F. Caperton III  
Director

A.B. Thompson Jr.  
Director

J.A. Wampler  
Director

Joseph W. Whittenton III  
Director

Michael L. Swan  
President/CEO



Woodruff Electric  
Cooperative Corporation  
Your Local Energy Partner

2018 Annual Report  
Woodruff Electric Cooperative Corporation

REVENUE AND EXPENSE STATEMENT* As of December 31	2018	2017	2016
REVENUES			
Electric energy sales	\$49,514,938	\$41,426,819	\$46,830,967
Other electric revenue	587,013	1,144,711	800,688
Total Operating Revenue	\$50,101,951	\$42,571,530	\$47,631,655
EXPENSES			
Purchased power	\$24,267,033	\$23,593,479	\$25,439,699
Interest on debt to RUS / CFC	3,918,180	4,090,483	4,430,625
Depreciation / amortization	5,294,358	5,005,921	4,735,058
Operation / maintenance	7,497,237	6,848,552	7,880,426
Consumer accounting / collecting / information	1,399,667	1,345,443	1,463,828
Administrative / general	3,006,156	2,767,639	2,761,476
Other Interest Expense	99,336	4,701	4,470
Other operating deductions	42,859	38,201	29,824
Total Expenses	\$45,524,826	\$43,694,419	\$46,745,406
MARGINS			
Operating margins	\$4,577,125	\$(1,122,889)	\$886,249
Other margins and capital credits	1,838,224	1,856,491	1,445,197
Non-operating revenues	22,617	637,340	710,281
Total Margins	\$6,437,966	\$1,370,942	\$3,041,727
* As reported to Rural Utilities Service			

BALANCE SHEET* As of December 31	2018	2017	2016
ASSETS			
Cash on hand	\$7,861,022	\$8,348,375	\$13,372,927
Investments	\$1,986,303	\$1,985,250	\$1,953,328
Investments in associated organizations	\$16,628,082	\$16,690,786	\$16,668,749
Accounts receivable	\$3,112,212	\$2,515,888	\$2,992,506
Inventory	\$1,285,842	\$1,189,714	\$1,499,430
Advance payments on insurance, etc.	\$324,690	\$320,237	\$209,512
Interest & miscellaneous deferred debits	\$1,359,726	\$1,766,128	\$1,190,340
Net utility plant	\$143,952,087	\$141,659,737	\$136,447,034
Total Assets	\$176,509,964	\$174,476,115	\$174,333,826
LIABILITIES			
Debt to RUS, CFC, and COBANK	\$90,304,695	\$93,301,216	\$93,460,582
Notes Payable			
Accounts payable	\$2,266,523	\$2,640,335	\$2,784,578
Other current & accrued liabilities	\$2,858,095	\$2,575,501	\$2,592,740
Deposits & advances	\$1,558,033	\$1,529,496	\$1,419,084
Obligations Under Current Leases			
Total Liabilities	\$96,987,346	\$100,046,548	\$100,256,984
MEMBERS' EQUITY			
Membership fees	\$206,255	\$206,860	\$206,230
Total margins	\$6,437,966	\$1,370,942	\$3,041,727
Capital credits	\$70,176,375	\$70,248,905	\$68,355,342
Other equities	\$2,702,022	\$2,602,860	\$2,473,543
Total Net Worth	\$79,522,618	\$74,429,567	\$74,076,842
Total Liabilities & Net Worth	\$176,509,964	\$174,476,115	\$174,333,826
* As reported to Rural Utilities Service			

THE REVENUE DOLLAR As of December 31	2018	2017	2016
HOW IT WAS EARNED			
Farm / residential	\$20,022,684	\$17,818,545	\$18,528,759
Commercial / industrial	13,257,006	12,954,857	12,702,370
Irrigation pumps	15,103,242	9,506,731	14,422,155
Other sales to public authorities			
Street / highway lighting	50,735	52,826	51,763
Sales for Resales - Other	1,081,271	1,093,860	1,125,920
Other electric revenue	587,013	1,144,711	800,688
Total	\$50,101,951	\$42,571,530	\$47,631,655
HOW IT WAS USED			
Power cost	\$24,267,033	\$23,593,479	\$25,439,699
Interest	4,017,516	4,095,184	4,435,095
Operation / maintenance	7,497,237	6,848,552	7,880,426
Depreciation/ amortization	5,294,358	5,005,921	4,735,058
Administrative / general	3,006,156	2,767,639	2,761,476
Consumer accounting / collecting / information	1,399,667	1,345,443	1,463,828
Taxes			
Miscellaneous	42,859	38,201	29,824
Operating margins	4,577,125	(1,122,889)	886,249
Total	\$50,101,951	\$42,571,530	\$47,631,655

SYSTEM STATISTICS As of December 31	2018	2017	2016
Average number of meters billed per month	19,592	19,561	19,636
Average number of meters per mile of line	3.98	3.98	4.00
Average miles of power line in operation	4,923	4,910	4,905
Total kWh bought by cooperative members	454,516,542	382,989,213	436,731,924
Average monthly kWh usage by all members	1,933	1,632	1,853
Average monthly residential kWh usage	1,300	1,121	1,217
Average monthly revenue per member billed	210.61	176.49	198.75
Average revenue per kWh sold to members	10.89 Cents	10.82 Cents	10.72 Cents
Average revenue per residential kWh sold	10.48 Cents	10.77 Cents	10.34 Cents
Average power cost adjustment per kWh sold	2.7 Mills	12.4 Mills	10.2 Mills
Total kWh bought by cooperative	479,901,259	409,890,676	468,046,683
Total cost of power bought by cooperative	\$24,267,033	\$23,593,479	\$25,439,699
Average cost per kWh bought by cooperative	51 Mills	58 Mills	54 Mills
Power (kWh) required for system operation	1,223,695	1,166,045	1,182,193
System peak demand (kW)	164,558	146,091	168,709
Month of system peak demand	July	July	July
Total capital borrowed from RUS/CFC/COBANK	\$7,500,000	\$ –	\$13,000,000
Total amount repaid to RUS/CFC/COBANK	\$3,783,798	\$3,975,427	\$8,393,285
Total interest paid to RUS/CFC/COBANK	\$3,923,892	\$4,104,159	\$4,440,290
Counties served and property taxes paid:			
Cross County	\$224,395	\$220,994	\$213,980
Lee County	168,178	166,278	164,260
Monroe County	145,492	137,023	134,554
Phillips County	114,429	96,544	95,443
Prairie County	10,141	10,009	9,876
St Francis County	357,904	363,875	348,200
Woodruff County	165,316	163,086	160,716
Total property taxes paid	1,185,855	1,157,809	1,127,029
Other taxes paid by the cooperative			
Total taxes paid by the cooperative	\$1,185,855	\$1,157,809	\$1,127,029