

2015 PRESIDENT AND GENERAL MANAGER'S REPORT

Co-op Membership: Our Power Is Your Power

We offer plans to help you take control of your electric bill.

Last year at about 5 p.m. on Oct. 2, just two days before our Annual Meeting, a powerful thunderstorm swept through our service area. By 6 p.m. more than 6,000 Farmers Electric Cooperative members were without power.

It didn't take long for our hard working crews to begin to roll out and do what they do best. They surveyed the damage that Mother Nature caused and quickly began repairs to get the lights back on. Our crews worked through the night restoring power and by sunrise 90 percent of the members who went to bed without power had it restored.

At Farmers EC we are committed to providing you with safe and reliable electric service. We take great pride in getting the lights back on as quickly and as safely as possible in the aftermath of a storm, but our commitment to you doesn't stop there. We also are committed to providing you with the information you need to keep your electric bill affordable.

We want to help you keep your electric bill consistent when the weather isn't. We've found that Budget Billing is the perfect solution. With our Budget Billing plan, you can average out your monthly electric bill so you can budget more easily and avoid surprises. You essentially pay an average amount every month; no big surprises! We want to help you make the most of your comfort, your power, and your budget all year long.

Free home energy audits are another way we are committed to helping you keep electric bills affordable. Anyone who says becoming energy efficient is easy, is probably not being completely accurate. That's where the FREE in-home energy audit comes in.

One of our energy efficiency experts—we call them energy auditors—will chat with

you over the phone and then make an appointment to inspect your home. Once onsite, our auditor will check for air leaks, look at your ductwork and insulation, and determine the temperature of the air coming out of the vents, among other things. Best of all, the energy auditor will make recommendations on how to improve your home's energy efficiency.

Through Touchstone Energy, we offer an online energy audit. This online tool calculates energy consumption based on a detailed description of your home, its appliances, and its geographic location. Choose to answer as few as 19 questions or you can input all the details of your home's energy usage. Click the energy savings home tour at TogetherWeSave.com.

At Farmers EC we are committed to helping you save money on the things that save energy. We feel like we have the most robust energy efficiency program of any utility around. In all, we offer nine energy efficiency rebates for 2015 and they are all a little easier to find now on our newly redesigned website. Just click the Rebates and Incentives link on our homepage at FarmersElectric.coop to get started.

One of the simplest ways to keep electric bills affordable is to switch from old-fashioned incandescent bulbs to energy-efficient light-emitting diodes (LEDs). We included these bulbs as part of our energy efficiency rebate program. We will reimburse you up to \$100 for LEDs you buy in 2015. Here's why we offer a rebate on these bulbs: According to Energy.gov, replacing your home's five most frequently used light bulbs with LED models that have earned the ENERGY STAR, you can save \$75 each year.

We also give a \$50 rebate for HVAC tune ups. The more you narrow the gap between indoor and outdoor temperatures, the less

your HVAC system has to work. An HVAC tune up will get your system running efficiently so it doesn't have to work so hard to close the gap between the indoor and the outdoor temperatures.

We want to help you keep your electric bill affordable. So go ahead: sign up for budget billing, schedule a FREE home energy audit, or ask about our rebate program. Call your cooperative today at 903-455-1715 and we'll be glad to help you.



DAVID MAGNESS
Board President



MARK STUBBS
General Manager

YOU'RE IN POWER

78TH ANNUAL CO-OP MEETING • OCT 3

PRIZES & GIVEAWAYS

GRAND PRIZE
2006 CHEVY
MALIBU



SAVE THE DATE ROCKWALL ISD

PERFORMING ARTS CENTER
1201 T L TOWNSEND DRIVE, ROCKWALL

REGISTRATION OPENS @ 8AM
MEETING BEGINS @ 10AM

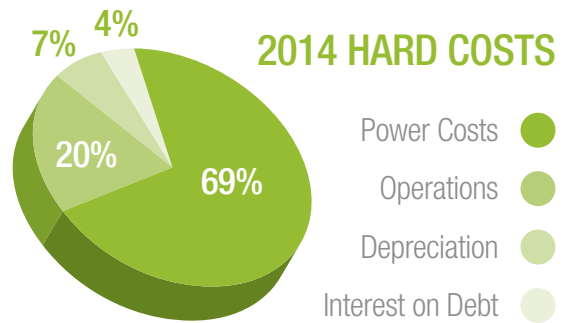
Members should check their mailboxes in September for their ballots to vote in the election of representatives for the co-op's board of directors. Attendees also will have the chance to win prizes, including the grand prize—a vehicle from the Farmers Electric Co-op fleet. There will also be free health booths and refreshments. See you there.



A Touchstone Energy® Cooperative 

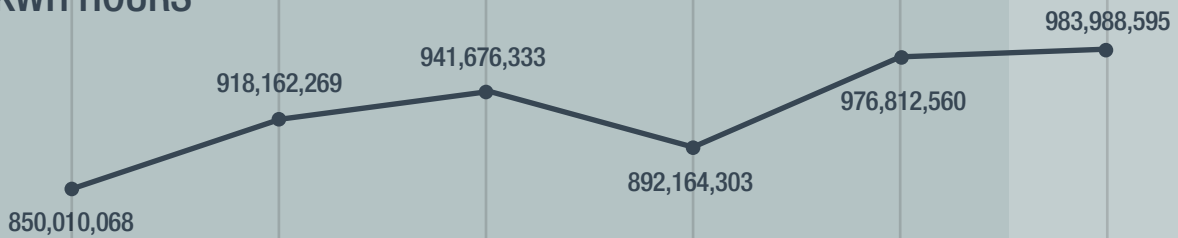
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How your dollars were spent in 2014

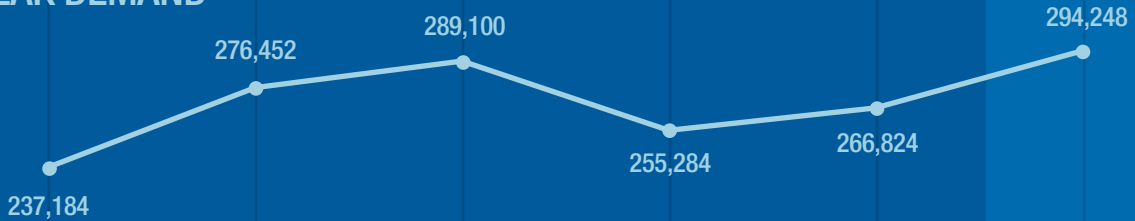


2009 2010 2011 2012 2013 2014

KWH HOURS



PEAK DEMAND



NUMBER OF ELECTRIC METERS SERVED



NEW METERS (NET)



Balance Sheet

ASSETS:	<u>2014</u>	<u>2013</u>
Total Cost of Electric System	\$265,825,519	\$253,361,201
Less Accumulated Depreciation	<u>63,618,014</u>	<u>59,891,968</u>
Net Value of System	202,207,505	193,469,233
Investments in Associated Organizations	25,665,852	20,780,740
Cash, Investments & Cash Related Items	1,364,509	3,062,695
Accounts and Notes Receivable	15,351,584	17,064,643
Construction Materials & Related Items	61,041	81,229
Prepaid - Insurance, Office Supplies, etc.	647,207	531,938
Deferred Costs	<u>3,587,500</u>	<u>5,122,573</u>
TOTAL ASSETS	<u>\$248,885,198</u>	<u>\$240,113,051</u>
LIABILITIES:		
Mortgage Notes	115,559,057	109,871,443
Notes Payable - Line of Credit	3,250,000	0
Purchased Power Payable	7,006,091	8,209,872
Taxes, Interest, Other Payables	8,605,160	9,750,836
Deferred Credits	664,450	802,837
EQUITIES:		
Membership Fees	788,828	763,378
Patronage Capital	<u>113,011,612</u>	<u>110,714,685</u>
TOTAL LIABILITIES AND EQUITY	<u>\$248,885,198</u>	<u>\$240,113,051</u>

Income and Expense Report

INCOME:	<u>2014</u>	<u>2013</u>
Sale of Electric Service	\$121,762,337	\$113,593,198
Power Cost Recovery Write-off	(5,000,000)	0
Other Income (Interest & Miscellaneous)	200,600	190,282
Patronage Capital Credit Income	<u>6,420,347</u>	<u>5,384,497</u>
TOTAL INCOME	<u>\$123,383,284</u>	<u>\$119,167,977</u>
EXPENSES:		
Electric Power Purchased	80,213,323	70,738,097
Operations	22,984,188	20,850,173
Depreciation	7,815,988	7,540,991
Taxes	3,414	1,096
Interest on Debt	<u>5,201,947</u>	<u>4,517,313</u>
TOTAL EXPENSES	<u>116,218,860</u>	<u>103,647,670</u>
GROSS MARGINS	<u>7,164,424</u>	<u>15,520,307</u>
NET MARGINS - INCOME	<u>\$7,164,424</u>	<u>\$15,520,307</u>
Capital Credit Refund Paid to Members	<u>\$4,867,498</u>	<u>\$2,455,240</u>



YOU'RE IN POWER.

OPERATING IN THE FOLLOWING COUNTIES:

Collin, Dallas, Delta, Fannin, Franklin, Hopkins, Hunt, Kaufman, Rains, Rockwall, Van Zandt, and Wood

FARMERS EC OFFICES:

Greenville Main Office M-F 8AM to 5PM
Farmers Electric Cooperative
2000 East I-30, Greenville, TX 75402

Sulphur Springs M-F 8AM to 5PM
Farmers Electric Cooperative
301 N. Hillcrest, Sulphur Springs, TX 75482

Wylie M-F 8AM to 5PM
Farmers Electric Cooperative
108 West Marble, Wylie, TX 75098

PAYMENT OPTIONS:

Online at farmersselectric.coop
By telephone
Bank Draft and Credit Card
MoneyGram
Fidelity Express
In person at any Farmers EC office

COOPERATIVE SERVICES:

Budget Billing
Home Energy Audits
Energy-Efficiency Rebates
Scholarships and Youth Programs
Co-op Connections Card Discounts
PowerUP Prepaid Program
Operation Round Up

CONTACT:

903 455 1715 local
800 541 2662 toll-free
farmersselectric.coop