

Financial Report

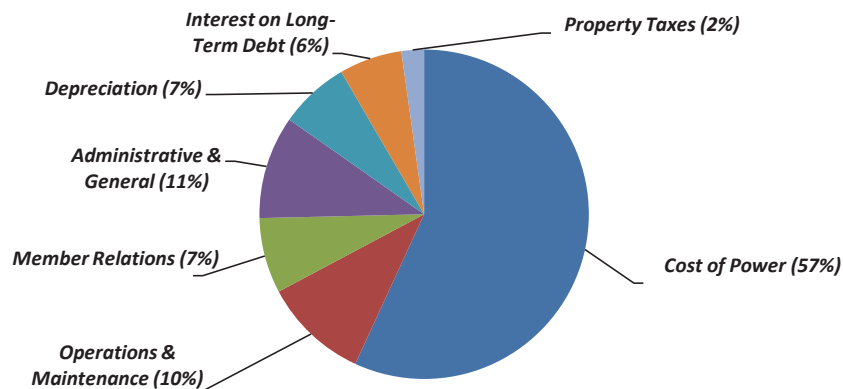
Balance Sheets at December 31, 2017 and 2016

	2017	2016
Assets		
Net Utility Plant	\$ 16,915,538	\$ 15,810,218
Other Assets and Investments	4,040,771	4,033,012
Current Assets	2,272,643	2,517,540
Deferred Debits	50,290	12,797
Total Assets	\$ 23,279,242	\$ 22,373,567
Liabilities		
Long-Term Debt	\$ 8,148,340	\$ 8,144,394
Current Liabilities	2,250,117	2,179,071
Deferred Credits	6,582	6,582
Equity		
Margins and Equity	12,874,203	12,043,520
Total Liabilities and Equity	\$ 23,279,242	\$ 22,373,567

Income Statements for the Years Ended December 31, 2017 and 2016

	2017	2016
Operating Revenues	\$ 6,921,825	\$ 6,985,829
Operating Expenses		
Cost of Power	3,596,049	3,719,306
Operations and Maintenance Expense	702,276	679,668
Member Relations Expense	538,557	560,292
Administrative and General Expense	662,130	715,738
Depreciation Expense	434,193	451,248
Interest Expense	390,477	410,717
Operating Margins Before Capital Credits	\$ 598,143	\$ 448,860
Capital Credits	343,441	347,774
Net Operating Margins	\$ 941,584	\$ 796,634
Non-Operating Income	96,706	309,093
Net Margins	\$ 1,038,290	\$ 1,105,727

Total Cost of Electric Service for the Year Ended December 31, 2017



Total Cost of Electric Service: \$6,323,682

Pella Cooperative Electric

A Touchstone Energy® Partner



83rd Annual Meeting

April 2, 2019



Meeting Agenda

7:00 p.m.

Welcome

Duane Ver Ploeg, Board President

Invocation

Bryce Arkema, At Large Director

Pledge of Allegiance

Duane Ver Ploeg, Board President

Secretary's Report

Bryce Arkema, At Large Director

Introductions

Jon K. Miles, Chief Executive Officer

Report of the Nominating Committee

?????, Chairman of the Nominating Committee

Election of Directors

Fred Dorr, Attorney (Wasker, Dorr, Wimmer & Marcouiller, P.C.)

Panel Discussion

Youth Tour Report

Daniel Kennyon

Results of the Election

Unfinished Business

Adjournment

7:45 p.m.

Door Prize Drawing

2 - Tablets, 1 - Flat Screen TV, 6 - Gift Certificates

Meet the Candidates



Steve Inskeep, District 3 Incumbent

Steve and his wife Kim have been PCEA member since 2013. They have 2 sons, Shawn and Jason; and 4 grandchildren. Steve retired after 35 years as General Manager of Knoxville Water Works. Other activities and committees; President of the Knoxville Board of Education, Chairman of the Iowa Section of the American Water Works Association, Chairman of United Methodist Church of Knoxville Board of Trustees, Secretary of the Knoxville Reserve Police Department and a member of the Knoxville Industrial Development

Commission. Steve enjoys family, travel and his grandchildren's activities band, softball, and swimming. Gardening and home improvement projects are a few other hobbies Steve enjoys.

Why are you interested in being re-elected as a director? I feel my previous experience as a utility manager brings a useful and unique perspective to the Board, as someone who has dealt with issues of somewhat similar nature, from an operations standpoint. Also, I was elected last year to the Iowa Association of Electric Cooperatives (IAEC) Health Care Board. This group has oversight of the administration of the IAEC health insurance plan. Re-election will allow me to retain this position and provide a voice for PCEA, which is very important to both our employees and our member/owners, in terms of cost and benefits. *What are your short-term goals if re-elected?* The main goal is always being able to continue to provide safe, reliable and affordable energy to our member/owners. I would also like to see us continue to work with CIPCO, our power supplier, to add capacity to the Zon Veld Solar Field. With space still available, and much of the infrastructure in place, adding additional capacity would be beneficial to both CIPCO and PCEA. An additional objective would be implementing the goals established from our strategic planning session.



Bob Van Soelen, At-Large Incumbent

Bob and his wife Marilyn have been PCEA members since 2004. They have a son Greg, daughter Becky and 6 grandchildren. Bob is a retired Ag Business owner. Bob is also a Golf Club Director and has served on church council and school boards. Other hobbies Bob enjoys are fishing, golf and watching grandchildren's activities.

Why are you interested in being re-elected as a director? I have enjoyed my 6 years as a director working with the CEO and employees. They have been

both challenging and rewarding. Many things have been accomplished; the completion of the million-dollar FEMA project, a new AMI meter system, office renovations, Zon Veld Solar Field, purchase and resale of land for future load in our service area, selling the old cooperative property, hiring a new CEO and other projects. *What are your short-term goals if re-elected?* If re-elected I will continue to use the training and education our cooperative has provided and do my best to continue to make decisions based on fairness, honesty and integrity for our members owned cooperative. I will continue to stay in tune and listen to the needs and concerns of the members and stay informed in this ever-changing electrical environment.



Craig Kaisand, At-Large Candidate

Craig and his wife Charlotte have been PCEA members since 1979. They have been married for 40 years and have 3 children. Sara and husband Ryan live in Spring Hill, TN with 13 yr old Kailey. Steven and wife Jenessa live in Oskaloosa with daughters, Aubrey, 7 and Avery, 4. Andrea and husband Dan live in Indianola with Noah, 5; Hannah, 3; Sophia, 2; and Erica, 5 months. For the past 20 years Craig has been a maintenance mechanic at 3M and farming since 1977 with a 100 head of Simmental cow/calf and breeding stock operation. Craig is a chairman of the Marion County Friends of 4-H Foundation,

a 4-H beef superintendent and manages the camping during the fair. He is also a member of the Wisconsin Simmental Association where he's served as board president for the last 6 yrs and will continue being a member when his board term is complete. Craig is a member of the Marion County and Iowa Cattlemen Association and for the past 7 yrs has helped with the Iowa State Fair Governor's Charity Steer Show which benefits the Ronald McDonald Houses of Iowa. They enjoy going to all the grandkids activities, which keeps them quite busy.

Why are you interested in running for the director position? I would like to help keep the one utility we all use affordable and reliable. As well learn all the aspects of keeping it that way. *What are your short-term goals if elected?* I believe we have a great organization that take a lot knowledge to keep operating withing all the rules and regulations. My short term goals are to learn all about the aspect of such and extensive operation as well as bring new ideas to the board of directors for their consideration.

As you leave, please turn in your registration stub and receive a free gift in appreciation for your attendance. Please, limit one gift per membership.