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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BORROWER DESIGNATION AR0011

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

PERIOD ENDED December, 2015 (Prepared with Audited Data)

BORROWER NAME Farmers Electric Cooperative Corporation

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

LARRY BRIGHT

2/25/2016

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	10,180,640	9,400,710	10,183,951	527,265
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	5,462,359	5,077,628	5,516,710	342,624
4. Transmission Expense	0	0	0	0
5. Regional Market Expense	0	0	0	0
6. Distribution Expense - Operation	686,462	764,902	593,862	56,971
7. Distribution Expense - Maintenance	799,402	802,075	729,023	55,361
8. Customer Accounts Expense	501,614	354,209	512,547	32,612
9. Customer Service and Informational Expense	44,212	95,881	45,493	9,664
10. Sales Expense	0	0	0	0
11. Administrative and General Expense	661,557	704,821	647,901	56,057
12. Total Operation & Maintenance Expense (2 thru 11)	8,155,606	7,799,516	8,045,536	553,289
13. Depreciation and Amortization Expense	758,889	799,496	818,212	68,214
14. Tax Expense - Property & Gross Receipts	0	0	0	0
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	466,296	490,286	462,425	44,460
17. Interest Charged to Construction - Credit	0	0	0	0
18. Interest Expense - Other	448	519	1,036	377
19. Other Deductions	15,673	22,373	22,207	319
20. Total Cost of Electric Service (12 thru 19)	9,396,912	9,112,190	9,349,416	666,659
21. Patronage Capital & Operating Margins (1 minus 20)	783,728	288,520	834,535	(139,394)
22. Non Operating Margins - Interest	211,160	238,842	148,414	170,289
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	9,525	(2,905)	8,713	(18,571)
26. Generation and Transmission Capital Credits	0	0	0	0
27. Other Capital Credits and Patronage Dividends	101,412	78,259	100,001	(2,771)
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	1,105,825	602,716	1,091,663	9,553

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PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	128	118	5. Miles Transmission	0.00	0.00
2. Services Retired	99	73	6. Miles Distribution – Overhead	927.94	930.86
3. Total Services in Place	5,802	5,863	7. Miles Distribution - Underground	55.62	56.39
4. Idle Services (Exclude Seasonals)	766	651	8. Total Miles Energized (5 + 6 + 7)	983.56	987.25

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	27,781,160	30. Memberships	62,300
2. Construction Work in Progress	1,616,777	31. Patronage Capital	13,807,566
3. Total Utility Plant (1 + 2)	29,397,937	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	5,744,668	33. Operating Margins - Current Year	288,520
5. Net Utility Plant (3 - 4)	23,653,269	34. Non-Operating Margins	314,196
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	869,981
7. Investments in Subsidiary Companies	0	36. Total Margins & Equities (30 thru 35)	15,342,563
8. Invest. in Assoc. Org. - Patronage Capital	1,650,657	37. Long-Term Debt - RUS (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	2,200	38. Long-Term Debt - FFB - RUS Guaranteed	11,301,025
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	323,411	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	1,171,454
12. Other Investments	0	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	0	42. Payments – Unapplied	0
14. Total Other Property & Investments (6 thru 13)	1,976,268	43. Total Long-Term Debt (37 thru 41 - 42)	12,472,479
15. Cash - General Funds	87,960	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	10	45. Accumulated Operating Provisions and Asset Retirement Obligations	0
17. Special Deposits	0	46. Total Other Noncurrent Liabilities (44 + 45)	0
18. Temporary Investments	1,566,568	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	447,000
20. Accounts Receivable - Sales of Energy (Net)	897,434	49. Consumers Deposits	133,005
21. Accounts Receivable - Other (Net)	7,518	50. Current Maturities Long-Term Debt	531,771
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	0
23. Materials and Supplies - Electric & Other	291,966	52. Current Maturities Capital Leases	0
24. Prepayments	14,806	53. Other Current and Accrued Liabilities	274,479
25. Other Current and Accrued Assets	5,605	54. Total Current & Accrued Liabilities (47 thru 53)	1,386,255
26. Total Current and Accrued Assets (15 thru 25)	2,871,867	55. Regulatory Liabilities	0
27. Regulatory Assets	0	56. Other Deferred Credits	0
28. Other Deferred Debits	699,893	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	29,201,297
29. Total Assets and Other Debits (5+14+26 thru 28)	29,201,297		

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p>	<p>BORROWER DESIGNATION AR0011</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2015</p>
<p>PART D. NOTES TO FINANCIAL STATEMENTS</p>	

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p>	<p>BORROWER DESIGNATION AR0011</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2015</p>
<p>PART D. CERTIFICATION LOAN DEFAULT NOTES</p>	

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PART K. kWh PURCHASED AND TOTAL COST

No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Arkansas Electric Coop Corp (AR0034)	807			88,089,634	5,077,628	5.76		
	Total				88,089,634	5,077,628	5.76		

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INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2015	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
TOTAL			

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INSTRUCTIONS - See help in the online application.

PART M. ANNUAL MEETING AND BOARD DATA

1. Date of Last Annual Meeting 6/17/2015	2. Total Number of Members 3,336	3. Number of Members Present at Meeting 11	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 705	6. Total Number of Board Members 6	7. Total Amount of Fees and Expenses for Board Members \$ 118,907	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

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PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)				
2	National Rural Utilities Cooperative Finance Corporation	1,171,454	52,275	200,557	252,832
3	CoBank, ACB				
4	Federal Financing Bank	11,301,025	439,694	288,291	727,985
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	12,472,479	491,969	488,848	980,817

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INSTRUCTIONS - See help in the online application.

PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY

CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	4,023	4,005	
	b. kWh Sold			47,489,738
	c. Revenue			5,344,197
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
3. Irrigation Sales	a. No. Consumers Served	615	562	
	b. kWh Sold			10,789,836
	c. Revenue			1,856,230
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	482	485	
	b. kWh Sold			22,697,642
	c. Revenue			2,010,122
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
6. Public Street & Highway Lighting	a. No. Consumers Served	16	16	
	b. kWh Sold			524,900
	c. Revenue			54,272
7. Other Sales to Public Authorities	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10. Total No. of Consumers (lines 1a thru 9a)		5,136	5,068	
11. Total kWh Sold (lines 1b thru 9b)				81,502,116
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				9,264,821
13. Transmission Revenue				0
14. Other Electric Revenue				135,889
15. kWh - Own Use				156,400
16. Total kWh Purchased				88,089,634
17. Total kWh Generated				0
18. Cost of Purchases and Generation				5,077,628
19. Interchange - kWh - Net				0
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident				28,937

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INSTRUCTIONS - See help in the online application.

PART P. ENERGY EFFICIENCY PROGRAMS

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	369	8,015	167	679	36,550	1,861
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
10. Total	369	8,015	167	679	36,550	1,861

RUS Financial and Operating Report Electric Distribution

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FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION
INVESTMENTS, LOAN GUARANTEES AND LOANS

PERIOD ENDED
December, 2015

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART O. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	NRUCFC Membership	1,000			
	CoBank Membership	1,000			
	AECI Membership	100			
	AECC Membership	100			
	SEDC Patronage	36,741			
	AECI Patronage Capital	290,966			
	NRUCFC Patronage Capital	46,185			
	AECC Patronage	1,204,320			
	NRUCFC Capital Term Certificates		323,411		
	Federated Insurance - Patronage Capital	71,727			
	Nat Rural Tel Corp - Patronage Capital	718			
	Totals	1,652,857	323,411		
6	Cash - General				
	Merchants and Planters Bank - Sect 125	10			
	FECC Cashier - Working Fund - Petty Cash	100			
	FECC Cashier - Cash in Drawers	1,800			
	Iberia Bank	1,000			
	Merchants and Planters Bank	75,670			
	Merchants and Planters Bank - CC	9,380			
	Totals	87,960			
8	Temporary Investments				
	AECC & AECI Temporary investments	1,566,568			
	Totals	1,566,568			
9	Accounts and Notes Receivable - NET				
	Accounts Receivable - Other	7,518			
	Totals	7,518			
11	TOTAL INVESTMENTS (1 thru 10)	3,314,903	323,411		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION AR0011 PERIOD ENDED December, 2015
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PART Q. SECTION II. LOAN GUARANTEES

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE	BORROWER DESIGNATION AR0011
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	PERIOD ENDED December, 2015

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

SECTION III. RATIO

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]	11.28 %
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SECTION IV. LOANS

No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				