

**FARMERS ELECTRIC
COOPERATIVE CORPORATION**

300 HIGHWAY 367 NORTH • NEWPORT, ARKANSAS 72112 • 523-3691

May 2016

Dear Member:

The Annual Meeting of the Members of Farmers Electric Cooperative Corporation will be held on Wednesday, June 15, 2016 at the headquarters building in Newport, Arkansas at 10:00 a.m. This meeting will be a business meeting only.

Enclosed is an Agenda, a Ballot for voting for directors, a Proxy/Registration Card and the Financial Statement of the Cooperative for 2015. It is necessary that you sign, date and return your proxy to insure a quorum. You may designate any member to be present at the meeting to be your Proxyholder. If you do not designate a Proxyholder, a member present will be designated to vote your Proxy. Management recommends that you do not designate a Proxyholder unless you are absolutely certain that person will be present at the meeting. If you wish to designate how your Proxy is to be voted, you may mark the enclosed ballot for voting for any **two (2)** nominees listed on the Ballot. Place only your Ballot in the smaller envelope. Place that envelope (with ballot enclosed) and your signed Proxy/Registration Card in the large business reply mail envelope and return immediately.

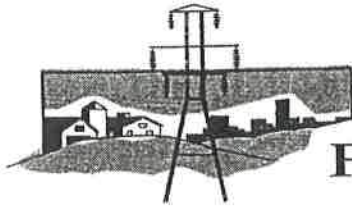
If you do not return your marked ballot with your Proxy, your Proxyholder will vote on your behalf at his discretion.

Prizes will be drawn from all signed Proxy/Registration Cards returned to our office.

Sincerely,

Jim DuPree
President

Enclosures



FARMERS ELECTRIC

COOPERATIVE CORPORATION

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FINANCIAL STATEMENT

DECEMBER 31, 2015

ASSETS	
Total Utility Plant.....	29,397,937
Less: Depr Reserve.....	<u>5,744,668</u>
NET PLANT.....	23,653,269
Investments & Restricted Fund	1,976,268
Cash on Hand.....	87,970
Investments.....	1,566,568
Notes & Accounts Rec.....	904,952
Material Inventory.....	291,966
Other Current & Accrued Assel	5,605
Prepayments.....	14,806
Deferred Debits.....	699,893
TOTAL ASSETS.....	<u>29,201,297</u>

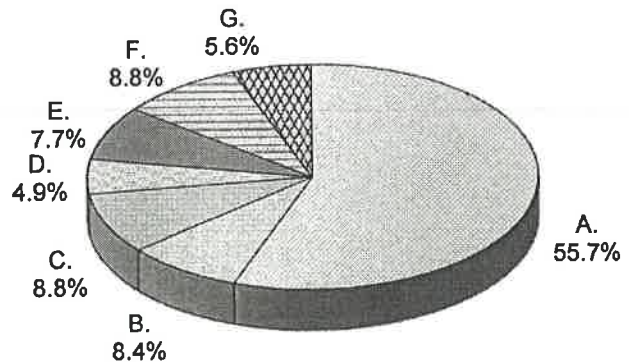
LIABILITIES	
Membership.....	62,300
Patronage Capital.....	13,807,566
Margins Prior Yr.....	0
Margins Current Yr.....	288,520
Non-Operating Margins.....	314,196
Other Margins & Equity.....	869,981
Long-Term Debt-RUS.....	11,301,025
Long-Term Debt-Other.....	1,171,454
Customer Deposits.....	133,005
Current Maturities.....	531,771
Current & Accrued Liab.....	721,479
Deferred Liabilities.....	0
TOTAL LIABILITIES.....	<u>29,201,297</u>

How Your 2015 Dollar was spent.

Gross Operating Revenue.... 9,400,710

Operating Expenses:

A. Cost of Power Purchased....	5,077,628
B. Operation Expense.....	764,902
C. Maintenance Expense.....	802,075
D. Customer Accounts Expense..	450,090
E. Admin. & General Expense...	704,821
TOTAL (Lines A thru E)	7,799,516
F. Depreciation.....	799,496
G. Interest & Other Deductions	513,178
H. TOTAL COST OF SERVICE	9,112,190
Operating Margins.....	288,520
Non-Operating Margins.....	314,196
I. TOTAL MARGINS	<u>602,716</u>



FARMERS ELECTRIC
COOPERATIVE CORPORATION

AGENDA FOR
ANNUAL MEETING OF MEMBERSHIP
JUNE 15, 2016

1. Report on number of persons present, in-person or voting by mail or by Proxy, in order to determine the existence of a quorum.
2. Reading of Notice of Meeting and proof of the due Publication of mailing, thereof, or the waiver or waivers of Notice of Meeting.
3. Reading of the unapproved minutes of previous meeting of the members and the taking of necessary action thereof.
4. Presentation and considerations of acting upon Report of Officers, Directors and Committees.
5. Election of Directors
6. Unfinished Business
7. New Business
8. Adjournment