

Arkansas Valley
Electric Cooperative

2016
Annual Report

Your Local
Energy Partner



Dear Member,

Arkansas Valley Electric Cooperative Corporation (AVECC) continued its commitment to member service in a financially responsible manner in 2016. AVECC earned margins of \$7,371,333. Member equity in the system was 37.43 percent at the end of the year. Total patronage retired to members during 2016 totaled more than \$5.7 million. These retirements bring AVECC's total historical retirements of capital credits to members to more than \$59.5 million.

The CPA firm of BKD, LLP audited AVECC's 2016 financial records. AVECC received a positive, unqualified opinion on the integrity of the 2016 financial statements.

An overview of system statistics is listed below.

- The meters served were 58,488, a net increase of 667 meters.
- AVECC has more than 8,300 miles of power lines.
- Members used more than 1.2 billion kWh, approximately the same as the previous year.
- A system peak demand of 344,993 kilowatts was recorded in the month of July.
- The net utility plant was greater than \$204 million.

Additional financial data and operations information is available in this annual report. If you have any questions concerning your electric cooperative, please contact us.

Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of Arkansas Valley Electric Cooperative Corporation will be held on Friday, June 16, 2017, at the headquarters in Ozark, Arkansas, beginning at 1:00 p.m. for the following purposes:

1. To pass on reports for the previous fiscal year;
2. To elect four directors for the cooperative, to serve a term of three years each; and,
3. To transact such other business as may properly come before the meeting.


Sam W. Davis, Secretary-Treasurer

Dated at Ozark, Arkansas, this 12th day of May 2017.

Program

Registration:	12:00 p.m.
Business Session:	1:00 p.m.

This will be a business session only.

No attendance prizes will be awarded.

CONDENSED OPERATING STATEMENT

	2016	2015
OPERATING REVENUES	113,488,006	113,053,812
OPERATING EXPENSES		
Power Cost	70,367,759	66,770,846
Operations and Maintenance	24,869,958	25,348,413
Depreciation	8,965,547	8,739,511
Interest	5,279,889	5,268,314
Total Operating Expenses	<u>109,483,153</u>	<u>106,127,084</u>
MARGINS		
Margins from Operations	4,004,853	6,926,728
Non-Operating Margins	<u>3,366,480</u>	<u>2,151,869</u>
Net Margins	<u><u>7,371,333</u></u>	<u><u>9,078,597</u></u>

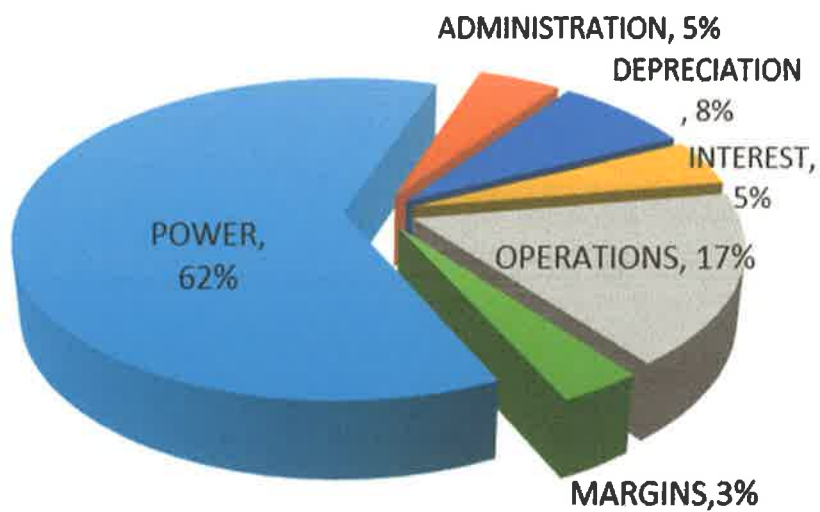
CONDENSED BALANCE SHEET

ASSETS	2016	2015
Electric Plant	313,754,863	303,222,237
Less Accumulated Depr.	<u>109,606,766</u>	<u>103,494,055</u>
Net Utility Plant	204,148,097	199,728,182
Other Assets	27,880,912	28,122,617
Current Assets	<u>28,026,846</u>	<u>16,047,409</u>
Total Assets	<u><u>260,055,855</u></u>	<u><u>243,898,208</u></u>
LIABILITIES & MEMBERS' EQUITY		
Members' Equity	97,331,082	91,671,011
Long-Term Debt	120,461,911	107,540,678
Current Liabilities	20,435,514	19,609,840
Other Liabilities	<u>21,827,348</u>	<u>25,076,679</u>
Total Liabilities and Members' Equity	<u><u>260,055,855</u></u>	<u><u>243,898,208</u></u>

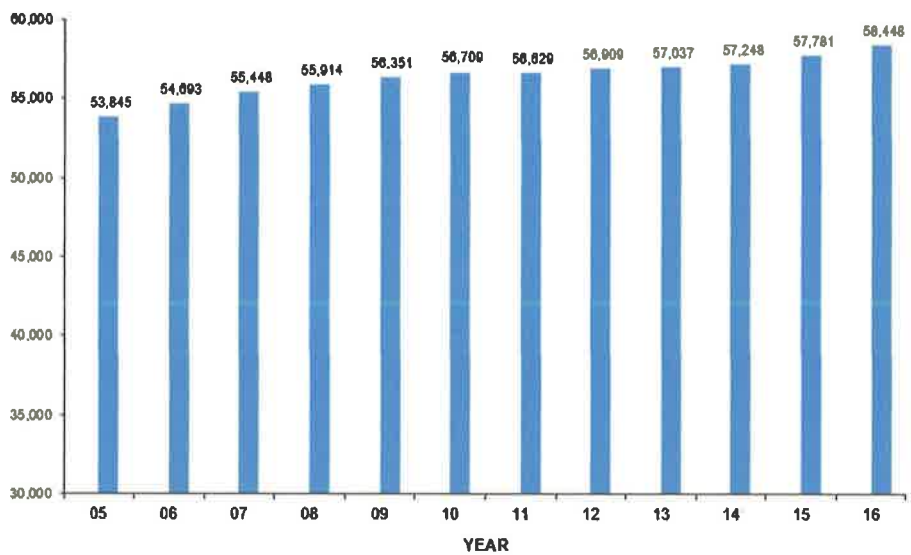
Where the Dollar Comes From



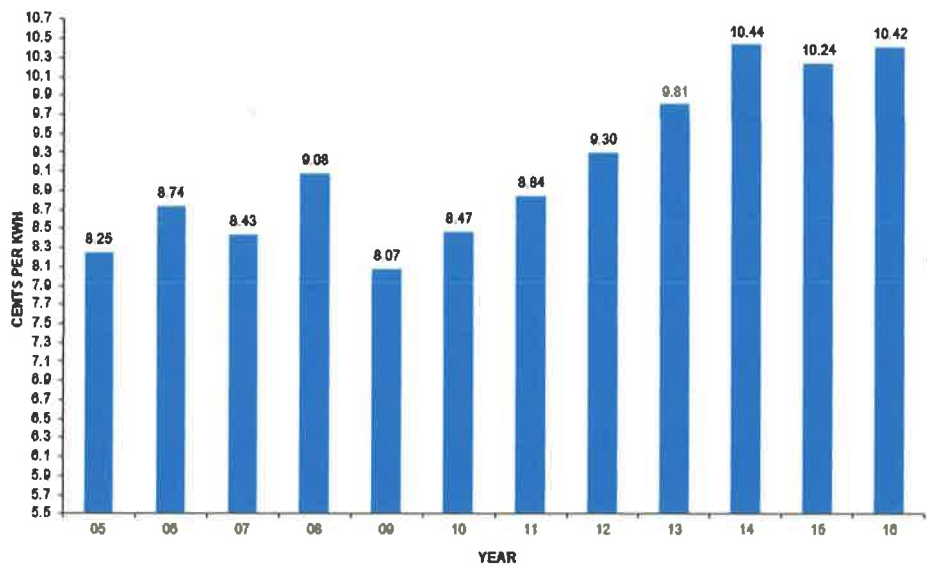
Where the Dollar Goes



MEMBER ACCOUNTS



AVG. RESIDENTIAL REVENUE PER KWH SOLD



Mission Statement

Arkansas Valley Electric Cooperative pledges to offer the most reliable, economical supply of electric energy to our member-owners consistent with sound business principles within the electric industry.

Board of Directors

Brandon Haberer, President

Sean Holland, Vice President

Sam W. Davis, Secretary Treasurer

Benny Brigance, Jr

Paula Caswell

Jerry Gadbury

Phillip M. King

John F. Pendergrass

Philip Taylor

BeLinda Treat

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