

Ashley-Chicot Electric Cooperative, Inc.

REVENUE AND EXPENSE STATEMENT* As of December 31

2015

2014

2013

	2015	2014	2013
REVENUES			
Electric energy sales	\$9,813,754	\$9,455,387	\$9,867,436
Other electric revenue	33,655	46,858	48,253
Total Operating Revenue	\$9,847,409	\$9,502,245	\$9,915,689
EXPENSES			
Purchased power	\$4,786,349	\$4,842,323	\$5,114,172
Interest on debt to RUS / CFC / FFB	911,187	934,503	976,055
Depreciation / amortization	1,160,786	1,130,760	1,094,765
Operation / maintenance	1,438,335	1,352,697	1,242,410
Consumer accounting / collecting / information	537,271	524,317	504,665
Administrative / general	430,510	430,001	424,196
Taxes	240,449	249,185	220,406
Total Expenses	\$9,504,887	\$9,463,786	\$9,576,669
MARGINS			
Operating margins	\$342,522	\$38,459	\$339,020
Other margins and capital credits	208,688	187,451	271,288
Non-operating revenues	165,994	140,805	157,276
Total Margins	\$717,204	\$366,715	\$767,584

* As reported to National Rural Utilities Cooperative Finance Corporation

BALANCE SHEET* As of December 31

2015

2014

2013

	2015	2014	2013
ASSETS			
Cash on hand	\$241,292	\$443,266	\$93,185
Investments	1,792,982	2,021,241	1,981,056
Investments in associated organizations	4,831,031	4,924,175	4,888,104
Accounts receivable	638,112	671,578	742,376
Inventory	215,662	234,755	227,455
Advance payments on insurance, etc.	150,813	156,433	178,942
Interest & miscellaneous deferred debits	234,748	374,015	509,215
Net utility plant	27,138,496	26,366,500	25,433,226
Total Assets	\$35,243,136	\$35,191,963	\$34,053,559
LIABILITIES			
Debt to RUS and / or CFC / FFB	\$16,543,737	\$17,041,872	\$16,262,613
Accounts payable	911,532	926,672	1,004,954
Other current & accrued liabilities	1,027,049	1,021,418	959,530
Total Liabilities	\$18,482,318	\$18,989,962	\$18,227,097
MEMBERS' EQUITY			
Membership fees	\$41,375	\$41,120	\$41,035
Total margins	717,204	366,715	767,585
Capital credits	15,031,986	14,892,327	14,124,742
Other equities	970,253	901,839	893,100
Total Net Worth	16,760,818	16,202,001	15,826,462
Total Liabilities & Net Worth	\$35,243,136	\$35,191,963	\$34,053,559

* As reported to National Rural Utilities Cooperative Finance Corporation

THE REVENUE DOLLAR As of December 31

2015

2014

2013

	2015	2014	2013
HOW IT WAS EARNED			
Farm / residential	\$6,466,735	\$6,652,059	\$6,534,622
Commercial / industrial	1,075,442	1,132,318	1,094,125
Irrigation	2,205,604	1,601,650	2,171,670
Public Authorities	65,973	69,360	67,019
Miscellaneous	33,655	46,858	48,253
Total	\$9,847,409	\$9,502,245	\$9,915,689
HOW IT WAS USED			
Power cost	\$4,786,349	\$4,842,323	\$5,114,172
Interest	911,187	934,503	976,055
Operation / maintenance	1,438,335	1,352,697	1,242,410
Depreciation / amortization	1,160,786	1,130,760	1,094,765
Administrative / general	430,510	430,001	424,196
Consumer accounting / collecting / information	537,271	524,317	504,665
Taxes	240,449	249,185	220,406
Operating margins	342,522	38,459	339,020
Total	\$9,847,409	\$9,502,245	\$9,915,689

SYSTEM STATISTICS As of December 31

2015

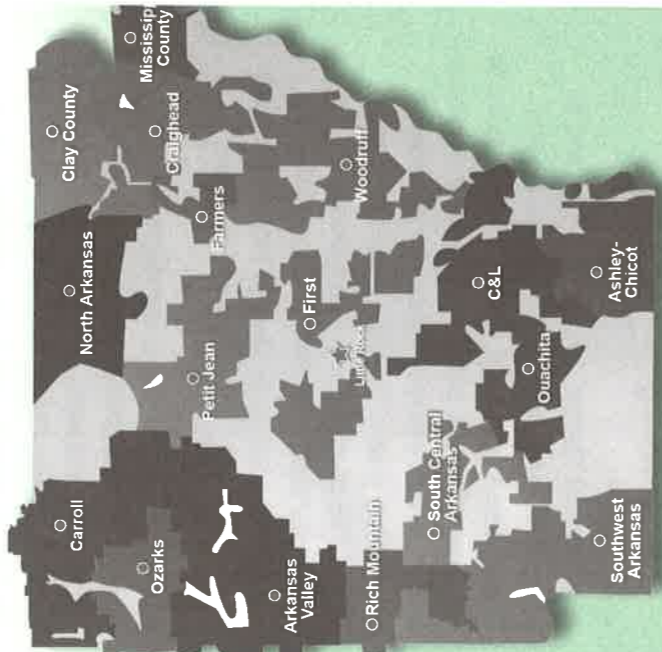
2014

2013

	2015	2014	2013
Average number of meters billed per month	5,082	5050	5,057
Average number of meters per mile of line	2.96	2.96	2.97
Average miles of power line in operation	1,716	1,706	1,700
Total kWh bought by cooperative members	81,782,435	78,035,858	81,756,563
Average monthly kWh usage by all members	1,341	1,288	1,347
Average monthly farm / home kWh usage	1,110	1,120	1,119
Average monthly revenue per member billed	\$161.48	\$156.80	\$163.39
Average revenue per kWh sold to members	12.04¢	12.17¢	12.13¢
Average revenue per farm / home kWh sold	11.10¢	11.33¢	11.17¢
Average power cost adjustment per kWh sold	10.52mills	14.27mills	11.65mills
Total kWh bought by cooperative	91,332,780	87,660,692	89,221,049
Total cost of power bought by cooperative	4,786,349	4,842,323	\$5,114,172
Average cost per kWh bought by cooperative	52.41mills	55.24mills	57.32mills
Power (kWh) required for system operation	9,550,345	9,624,834	7,464,486
System peak demand (kW)	30,565	30,016	30,565
Month of system peak demand	August	August	August
Total capital borrowed from RUS / CFC / FFB	\$38,651,085	\$38,651,085	\$36,651,085
Total amount repaid to RUS / CFC / FFB	\$19,606,721	\$18,943,808	\$18,289,302
Total interest paid to RUS / CFC / FFB	\$20,788,965	\$19,874,319	\$18,941,457
Counties served and property taxes paid:			
Ashley County	\$95,688	\$93,760	\$91,545
Chicot County	122,962	121,115	127,180
Drew County	11,137	10,538	9,866
Morehouse Parish, LA	1,388	1,427	1,360
Total property taxes paid	\$231,175	\$226,840	\$229,951
Other taxes paid by the cooperative	4,934	9,507	4,406
Total taxes paid by the cooperative	\$236,109	\$236,347	\$234,357



Members Matter.



We Are Arkansas!

Officers & Directors

Emory Austin
President

Martha Pennington
Vice President

Dennis Holland, Sr.
Secretary-Treasurer

David Lynn
Director

Jerry Pahal
Director

Mark Pieroni
Director

Richard Stock
Director

Rodney L. Chapman
General Manager



**Ashley-Chicot Electric
Cooperative, Incorporated**
We Are Arkansas



**Ashley-Chicot Electric
Cooperative, Incorporated**

Electric Cooperative, Inc. directors and employees serve as advocates for our communities and our members by constantly striving to assist Arkansans in every possible manner.

We are Arkansas

As members of 17 distinct electric cooperatives across the state, Arkansas' more than 1.2 million electric cooperative members are more than just customers. They own their local electric cooperative. As part of the structure of democratically controlled cooperatives, member directors have a vote in policy decisions and the electric cooperative leaders answer directly to their members.

Collectively, Arkansas' electric cooperatives represent the largest private business in Arkansas. This success has been powered by board members and employees who understand and implement the membership structure and philosophical vision that electric utility cooperatives exist wholly to serve their members. This mission and structure is the essence and lifeblood of the electric cooperative business model and community. Employees and members are also friends and neighbors. At Ashley-Chicot Electric Cooperative, Inc. members matter because that is who we are, We are Arkansas.

growth and a sustained quality of life. Ashley-Chicot

Strategic Vision

Since its founding, Ashley-Chicot Electric

Across Arkansas, 17 locally owned member distribution cooperatives provide electricity to approximately 500,000 homes, farms and businesses in Arkansas and surrounding states. These members account for approximately 1.2 million residents in the state of Arkansas, representing almost every community and spanning the geographic footprint of Arkansas' mountains, valleys, rivers, streams and farmland.

Members Matter.

Chicot Electric Cooperative, Inc. have one focus: the policies and decisions made by Ashley-Members Matter.

Although energy policies, demographics and governmental regulations have changed in the past six decades, one thing has remained constant Ashley-Chicot Electric Cooperative, Inc. continued commitment to its members. As a member-owned and member-driven organization,

because the quality of life and future of electric cooperative members depended on them.

formed Ashley-Chicot Electric Cooperative, Inc. power. The electric cooperative pioneers

would have access to reliable and affordable to ensure that electric cooperative members

visionary Arkansas electric cooperative members Cooperative Corporation (AECC), were founded by

wholesale energy provider, Arkansas Electric Ashley-Chicot Electric Cooperative, Inc. and its

Members Matter.

Dear Member,

Once again, Ashley-Chicot Electric Cooperative, Inc. continued its commitment to member service in a financially responsible manner. Our operating margins of \$717,204 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 47 percent at the end of the year. Members were refunded \$227,057 in cash to redeem patronage capital credits. The redemption brings the total capital credits refunded to members to \$5,118,499.

Conner & Sartain, CPAs audited our financial records. You are welcome to examine that report.

System statistics of interest include: average meters served, 5,082, a net increase of 32 meters; more than 1,716 miles of power lines; 81,782,435 kilowatt-hours used by members, up 3,746,577 kilowatt-hours from the previous year; a system peak demand of 33,704 kilowatts, recorded in the month of August; and a net plant valuation of \$27,138,496 at year's end.

Additional financial data and operations information are available in this annual report. If you have any questions concerning your electric cooperative, we are happy to answer them.

Emory Austin
Emory Austin, President

Dennis Holland Sr.
Dennis Holland, Sr., Secretary-Treasurer

Rodney L. Chapman
Rodney L. Chapman, General Manager

**Annual Meeting
Official Notice**

Notice is hereby given that the Annual Membership Meeting of Ashley-Chicot Electric Cooperative, Inc. will be held on Thursday, July 28, 2016, at the headquarters in Hamburg, Ashley County, Arkansas, beginning at 10:00 a.m. for the following purposes:

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

Dennis Holland Sr.

Dennis Holland, Sr., Secretary-Treasurer

Dated at Hamburg, Arkansas June 30, 2016.



**Ashley-Chicot Electric
Cooperative, Incorporated**

We Are Arkansas

Program

Registration: 9:30 - 10:00 a.m.
Business Session: 10:00 a.m.
This will be a business session only.
No attendance prizes will be awarded and there will be no entertainment.



**Ashley-Chicot Electric
Cooperative, Incorporated**

We Are Arkansas