



ozarks *Cares*

Helping make a difference.

We are proud to be part of - and involved with - the communities we serve. That's why we created the **Ozarks Cares** program, yet another way we continue to uphold our purpose and our values.

Whether it's our commitment to charitable giving, our educational youth programs or our employees donating their time through our volunteer program, it's all for that one simple reason.

We care.

For more information about **Ozarks Cares**, please visit www.ozarksecc.com/Cares.

Officers & Directors

Pam Smith
Chairman

David Verucchi
Vice Chairman

Joe Lynn Carson
Secretary

Larry Baggett
Director

Billy Joe Bartholomew
Director

Jerry Bolinger
Director

R.L. "Dusty" Richards
Director

Mitchell Johnson
President/CEO



ozarks
ELECTRIC
COOPERATIVE

REVENUE AND EXPENSE STATEMENT as of December 31

2015

2014

REVENUES

Electric energy sales	\$121,655,230	\$121,304,373
Other electric revenue	1,549,064	1,727,112
Total operating revenue	\$123,204,294	\$123,031,485

EXPENSES

Purchased power	\$74,228,987	\$76,100,423
Interest on debt to CFC/CoBank	6,918,184	6,761,061
Depreciation / amortization	10,613,701	10,174,704
Operation / maintenance	14,189,334	14,662,564
Consumer accounting / collecting / information	4,966,293	4,491,893
Administrative / general	8,984,200	7,980,597
Other operating deductions	144,501	154,828
Total expenses	\$120,045,200	\$120,326,070

MARGINS

Operating margins	\$3,159,094	\$2,705,415
Other margins and capital credits	1,993,701	2,341,268
Non-operating revenue	1,163,822	1,076,742
Total margins	\$6,316,617	\$6,123,425

BALANCE SHEET as of December 31

2015

2014

ASSETS

Cash on hand	\$811,438	\$637,599
Investments	6,293,441	4,886,636
Investments in associated organizations	58,060,279	57,927,668
Accounts receivable	6,922,172	7,264,978
Inventory	425,495	429,523
Advance payments on insurance, etc.	6,159,192	7,395,796
Interest and miscellaneous deferred debits	1,964,708	1,931,114
Net utility plant	257,587,741	243,105,363
Total assets	\$338,224,466	\$323,578,677

LIABILITIES

Debt to CFC/CoBank	\$155,350,394	\$145,243,274
Accounts payable	7,400,577	7,765,380
Other current and accrued liabilities	10,604,950	10,127,813
Deposits and advances	2,396,639	2,432,625
Miscellaneous deferred credits	615,242	576,923
Total liabilities	\$176,367,802	\$166,146,015

MEMBERS' EQUITY

Membership fees	\$192,451	\$200,006
Total margins	6,316,617	6,123,424
Capital credits	151,755,974	147,695,443
Other equities	3,591,622	3,413,789
Total net worth	161,856,664	\$157,432,662
Total liabilities and net worth	\$338,224,466	\$323,578,677

SYSTEM STATISTICS as of December 31

2015

2014

ITEM

Average number of meters billed per month	70,875	69,806
Average number of meters per mile of line	10.48	10.38
Average miles of power line in operation	6,766	6,725
Total kWh bought by cooperative	1,419,560,541	1,405,708,544
Total cost of power bought by cooperative	\$74,228,987	\$76,100,423
Average cost per kWh bought by cooperative	52.29 mills	54.14 mills
Power (kWh) required for system operation	74,119,671	69,290,719
System peak demand (kW)	348,854	331,289
Month of system peak demand	August	February





2015 Annual Report



Powering communities. Empowering members.

Connecting with our members.

It's what drives us every day. Whether that's finding ways to improve system reliability, volunteering in our communities or developing innovative energy efficiency services, we dedicate ourselves to helping improve our members' quality of life. We take great pride in always looking out for the best way to serve our ever-changing communities.

We're driven by our purpose, which we keep in mind with every decision we make: to power communities and empower members to improve the quality of their lives. It isn't something we take lightly. It's the essence of who we are and what we do.

Through our purpose, we manage and organize our resources into several key areas, which we define as the cornerstones of maintaining a healthy cooperative.

Our Values

Everything starts with our values. As an electric cooperative, it's our responsibility to carefully manage resources and make decisions that best serve our membership. This helps keep us responsible and accountable for the decisions we make and the actions we take, all for the betterment of our cooperative.

Our Values: Safety, Integrity, Innovation, Accountability, Concern for Community

It's through these values, principles and areas of focus that you can rest assured we are always looking out for

No attendance prizes will be awarded and there will be no entertainment.

This will be a business session only.

Registration: 9:30 - 10:00 am
Business Session: 10:00 am

Annual Meeting Program April 27, 2016

Annual Meeting Program
April 27, 2016

Dated at Fayetteville, Arkansas, this eighth day of April, 2016.

Joe Lynn Carson, Secretary



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; and,
3. To transact such other business as may properly come before the meeting.

at 10:00 am for the following purposes:

Notice is hereby given that the Annual Membership Meeting of Ozarks Electric Cooperative Corporation will be held on April 27, 2016, at the headquarters in Fayetteville, Washington County, Arkansas, beginning at 10:00 am for the following purposes:

Official Notice of Annual Meeting

Mitchell Johnson, President/CEO



Joe Lynn Carson, Secretary



Pam Smith, Chairman



Sincerely,

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

System statistics of interest include: 70,875 average meters served, a net increase of 1,069; more than 6,766 miles of power lines; 1,340,429,847 kilowatt-hours used by members, up 8,985,233 kilowatt-hours from the previous year; a system peak demand of 348,854 kilowatts, recorded in the month of August; and a net plant valuation of \$257,587,741 at year's end.

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BKD, LLP audited our financial records.

members to \$41,005,994.

redemption brings the total capital credits refunded to

cash to redeem patronage capital credits. The 2015

year's end. Members were refunded \$1,600,000 in

operating margins of \$3,159,094 were adequate to

Dear Valued Member,

Ozarks Electric Cooperative | 2015 Annual Report

Our employees take great pride in what they do. We're your friends and neighbors and we believe in the power of our people.

Safety

We practice what we preach. In addition to making sure our employees stay safe around electricity, we do everything we can to ensure our members do the same. This also extends beyond electrical safety to personal information safety and security.

Employee and member safety – in all forms – remains a top priority for us, which is why we go the extra mile to ensure everyone stays informed and safe.

System Reliability

Last, and certainly not least, system reliability is a day-to-day guiding principle. We are always looking at ways to improve outage response times and make sure the lights stay on. We are proud to have some of the best outage-response times in the industry.

Through our responsible management of resources, we are able to not only quickly restore power in the case of an outage, but also minimize the number of outages on our system.

People & Culture

We believe that everything starts with our people and culture. Without an environment that fosters innovation, creativity and growth, we wouldn't be able to offer the reliable service you have come to expect.

Member Satisfaction

This is the foundation on which our purpose is built. The satisfaction of our members is what propels us to continue innovating and pushing ourselves to be better each and every day.

This starts with providing our members the best possible service. It also includes helping make a difference in our communities. In 2015, as part of the Ozarks Cares volunteer program, our employees donated more than 1,000 hours of their time to help better the communities we serve. It's that kind of dedication that makes us different.

Affordability

As a cooperative, we operate under a unique set of principles and guidelines, making decisions that best serve our membership. Our members are our owners, and everyone has a stake.

Whether it's annual capital credit allocation or responsible decision-making, our goal is to maintain a high level of financial integrity for our Cooperative as a whole. When we achieve this, everyone benefits.