

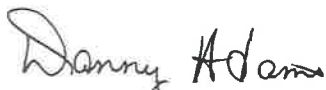
Dear Member,

Once again, Ouachita Electric Cooperative Corporation continued its commitment to member service in a financially responsible manner. Our operating margins of \$1,184,639 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 62 percent at the end of the year. Members were refunded \$1,000,089 in cash to redeem patronage capital credits. The 1995 and 2014 redemption brings the total capital credits refunded to members to \$38,671,813.

BKD audited our financial records. You are welcome to examine that report.

System statistics of interest include: average meters served, 9,430, a net decrease of one meter; more than 1,877 miles of power lines; 231,803,450 kilowatt-hours used by members, up 3,257,485 kilowatt-hours from the previous year; a system peak demand of 49,393 kilowatts, recorded in the month of August; and a net plant valuation of \$41,157,127 at year's end.

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.



Danny G. Adams, Chairman



Lisa Hendrix, Secretary-Treasurer




Mark T. Cayce, General Manager

Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of Ouachita Electric Cooperative Corporation will be held on Thursday, June 23, 2016, at the headquarters in Camden, Ouachita County, Arkansas beginning at 7:00 p.m., for the following purposes:

1. To pass on reports for the previous fiscal year;
2. To elect three 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.



Lisa Hendrix, Secretary-Treasurer

Dated at Camden, Arkansas, this 24th day of May, 2016.



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Cooperative Corporation**

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Program

Registration: 6:00 p.m.

Business Session: 7:00 p.m.

This will be a business session only.

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

Members Matter.



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Members Matter.

Ouachita Electric Cooperative Corporation and its wholesale energy provider, Arkansas Electric Cooperative Corporation (AECC), were founded by visionary Arkansas electric cooperative members to ensure that electric cooperative members would have access to reliable and affordable power. The electric cooperative pioneers formed Ouachita Electric Cooperative Corporation because the quality of life and future of electric cooperative members depended on them.

Although energy policies, demographics and governmental regulations have changed in the past six decades, one thing has remained constant Ouachita Electric Cooperative Corporation's continued commitment to its members. As a member-owned and member-driven organization, the policies and decisions made by Ouachita Electric Cooperative Corporation have one focus: Members Matter.

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.

Strategic Vision

Since its founding, Ouachita Electric Cooperative Corporation has utilized a consistent, long-term,

strategic vision to ensure that members have access to reliable electric service at a reasonable price in a responsible manner. Ouachita Electric Cooperative Corporation works to ensure members have access to the most economical electric service possible through AECC, which has a diverse generation portfolio that includes coal, natural gas, hydroelectric assets and long-term power purchase agreements that include wind, solar and biomass energy sources. Decisions by the Ouachita Electric Cooperative Corporation board of directors and leadership team are based on the ultimate short-term and long-term benefits to Arkansas electric cooperative members.

Service

Ouachita Electric Cooperative Corporation and the state's other 16 electric distribution cooperatives assist the communities they serve by not only delivering power to businesses, farms and homes across Arkansas, but by helping to grow their communities through economic development efforts and supporting the business expansions and community initiatives. The cooperatives sponsor community fundraising, development and service events while employees devote hundreds of volunteer hours to projects. Electric cooperative directors and employees know that strong communities coupled with reliable, affordable electric service provide the fuel for economic growth and a sustained quality of life. Ouachita Electric Cooperative Corporation 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 Ouachita Electric Cooperative Corporation members matter because that is who we are, We are Arkansas.



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Members Matter.



We Are Arkansas!

2015 Annual Report Ouachita Electric Cooperative Corporation

REVENUE AND EXPENSE STATEMENT* As of December 31

	2015	2014	2013
REVENUES			
Electric energy sales	\$22,790,993	\$22,037,117	\$22,525,921
Other electric revenue	179,006	199,616	200,634
Total Operating Revenue	\$22,969,998	\$22,236,733	\$22,726,555

EXPENSES			
Purchased power	\$12,312,231	\$12,383,371	\$12,505,200
Interest on debt to RUS / CFC	1,298,842	1,172,499	1,250,679
Depreciation / amortization	3,344,864	3,372,577	2,615,585
Operation / maintenance	1,881,694	1,826,098	1,840,480
Consumer accounting / collecting / information	1,834,924	1,827,476	1,756,678
Administrative / general	1,092,968	927,864	740,590
Taxes	38,424	45,513	34,862
Other operating deductions	(18,589)	(10,573)	(23,646)
Total Expenses	\$21,785,358	\$21,544,825	\$20,720,427

MARGINS			
Operating margins	\$1,184,639	\$691,908	\$2,006,127
Other margins and capital credits	438,780	297,264	300,917
Non-operating revenues	419,839	694,046	349,938
Total Margins	\$2,043,258	\$1,683,218	\$2,656,982

* As reported to National Rural Utilities Cooperative Finance Corporation

BALANCE SHEET* As of December 31

	2015	2014	2013
ASSETS			
Cash on hand	\$5,710,651	\$3,177,470	\$4,701,606
Investments	5,197,370	5,111,600	5,450,746
Investments in associated organizations	12,099,328	12,140,319	11,723,835
Accounts receivable	2,925,036	2,388,170	2,531,399
Inventory	1,192,341	1,165,759	1,338,071
Advance payments on insurance, etc.	125,308	215,858	108,139
Interest & miscellaneous deferred debits	2,112,173	2,132,013	2,310,199
Net utility plant	41,157,127	38,480,357	37,224,492
Total Assets	\$70,519,334	\$64,811,547	\$65,388,487

LIABILITIES			
Debt to RUS and / or CFC	\$24,546,804	\$20,210,474	\$21,538,915
Accounts payable	1,279,583	1,109,577	1,310,862
Other current & accrued liabilities	1,466,506	1,380,507	1,292,503
Deposits & advances	383,825	382,382	391,952
Miscellaneous deferred credits	117,730	163,536	209,343
Total Liabilities	\$27,794,448	\$23,246,477	\$24,743,575

MEMBERS' EQUITY			
Membership fees	\$102,245	\$101,745	\$101,260
Total margins	2,043,290	\$3,452,455	2,385,679
Capital credits	39,859,112	37,406,522	39,080,995
Other equities	1,577,898	1,523,874	(923,023)
Total Net Worth	\$42,724,886	\$41,565,070	\$40,644,912
Total Liabilities & Net Worth	\$70,519,334	\$64,811,547	\$65,388,487

* As reported to National Rural Utilities Cooperative Finance Corporation

Officers & Directors

Danny G. Adams
Chairman

Greg Goss
Vice Chairman

Lisa Hendrix
Secretary-Treasurer

James C. Garner
Director

Mike Hutchinson
Director

Corbet J. Lamkin
Director

David McLeane
Director

Walt Pigott
Director

Wanda Taylor
Director

Mark T. Cayce
General Manager



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THE REVENUE DOLLAR As of December 31

2015

2014

2013

HOW IT WAS EARNED

Farm / residential	\$11,716,937	\$11,323,250	\$11,742,916
Commercial / industrial	11,038,343	10,679,097	10,748,092
Street / highway lighting	35,712	34,770	34,913
Miscellaneous	179,006	199,616	200,634
Total	\$22,969,997	\$22,236,733	\$22,726,555

HOW IT WAS USED

Power cost	\$12,312,231	\$12,383,371	12,505,200
Interest	1,298,842	1,172,499	1,250,679
Operation / maintenance	3,344,864	3,372,577	2,615,585
Depreciation / amortization	1,881,694	1,826,098	1,840,480
Administrative / general	1,834,924	1,827,476	1,756,678
Consumer accounting / collecting / information	1,092,968	927,864	740,590
Taxes	38,424	45,513	34,862
Miscellaneous	(18,589)	(10,573)	(23,646)
Operating margins	1,184,639	691,908	2,006,127
Total	\$22,969,997	\$22,236,733	\$22,726,555

SYSTEM STATISTICS As of December 31

2015

2014

2013

ITEM

Average number of meters billed per month	9430	9431	9,592
Average number of meters per mile of line	5.02	5.03	5.12
Average miles of power line in operation	1,877	1,874	1,874

Total kWh bought by cooperative members	231,703,450	228,545,965	233,556,908
Average monthly kWh usage by all members	2,048	2,019	2,029
Average monthly farm / home kWh usage	1,007	990	1,008

Average monthly revenue per member billed	\$201.41	\$194.73	\$195.70
Average revenue per kWh sold to members	9.84¢	9.64¢	9.64¢
Average revenue per farm / home kWh sold	11.32¢	11¢	11.14¢
Average power cost adjustment per kWh sold	.197¢	.0270¢	.347¢

Total kWh bought by cooperative	243,124,925	242,362,487	245,420,854
Total cost of power bought by cooperative	\$12,288,253	\$12,383,371	\$12,505,200
Average cost per kWh bought by cooperative	50.54 mills	51.09 mills	50.95 mills
Power (kWh) required for system operation	188,881	213,894	205,091
System peak demand (kW)	49,393	43,454	49,364
Month of system peak demand	August	July	July

Total capital borrowed from RUS / CFC	\$24,546,804	\$20,210,474	\$21,538,915
Total amount repaid to RUS / CFC	\$1,289,453	\$1,181,243	\$1,395,639
Total interest paid to RUS / CFC	\$1,031,953	\$944,966	\$1,003,302

Counties served and property taxes paid:

Bradley County	\$23,718	\$22,783	\$22,355
Calhoun County	126,193	120,845	115,831
Dallas County	34,026	32,843	31,434
Nevada County	3,064	2,973	2,870
Ouachita County	167,344	162,095	156,528
Total property taxes paid	\$354,345	\$341,539	\$329,018
Other taxes paid by the cooperative	\$251,978	\$251,978	\$237,935
Total taxes paid by the cooperative	\$606,323	\$593,517	\$566,953