


Dear Member,

Once again, Petit Jean Electric Cooperative Corporation continued its commitment to member service in a financially responsible manner. Our total margins of \$1,524,069 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 40.1 percent at the end of the year. Members were refunded \$1,740,000 in cash to redeem patronage capital credits. The 2015 redemption brings the total capital credits refunded to members to \$16,340,000.

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

System statistics of interest include: average meters served, 19,819, a net increase of 33 meters; more than 3,500 miles of power lines; 300,259,270 kilowatt-hours used by members, down 11,444,038 kilowatt-hours from the previous year; a system peak demand of 95,903 kilowatts, recorded in January; and a net plant valuation of \$66,745,353 at year's end.

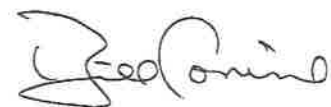
Additional financial data and operations information is available in this annual report. If you have any questions concerning your electric cooperative, we are happy to answer them.



Meredith Presley, President



Donnie Collins, Secretary-Treasurer



Bill Conine, CEO/General Manager

Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of Petit Jean Electric Cooperative Corporation will be held on Thursday, May 26, 2016, at the headquarters in Clinton, Van Buren County, Arkansas, beginning at 6:00 p.m. for the following purposes:

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



Donnie Collins, Secretary-Treasurer

Dated at Clinton, Arkansas, this second day of May, 2016.



**Petit Jean Electric
Cooperative Corporation**

We Are Arkansas

Program

Registration: 5:30 - 6:00 p.m.

Business Session: 6:00 p.m.

This will be a business session only.

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

Members Matter.



**Petit Jean Electric
Cooperative Corporation**

We Are Arkansas

Members Matter.

Petit Jean Electric Cooperative

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. Electric cooperative pioneers formed Petit Jean Electric Cooperative 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 — Petit Jean Electric Cooperative's continued commitment to its members. As a member-owned and member-driven organization, the policies and decisions made by Petit Jean Electric Cooperative 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 Arkansas, representing almost every community and spanning the geographic footprint of Arkansas' mountains, valleys, rivers, streams and farmland.

Strategic Vision

Since its founding, Petit Jean Electric Cooperative 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. Petit Jean Electric Cooperative 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 Petit Jean Electric Cooperative board of directors and leadership team are based on the ultimate short-term and long-term benefits to electric cooperative members.

Service

Petit Jean Electric Cooperative 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. Petit Jean Electric Cooperative

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 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 Petit Jean Electric Cooperative members matter because that is who we are, We Are Arkansas.



**Petit Jean Electric
Cooperative Corporation**

We Are Arkansas



Members Matter.



We Are Arkansas!

2015 Annual Report Petit Jean Electric Cooperative Corporation

REVENUE AND EXPENSE STATEMENT* As of December 31

	2015	2014	2013
REVENUES			
Electric energy sales	\$30,408,208	\$32,544,509	\$30,887,379
Other electric revenue	374,983	206,147	263,591
Total Operating Revenue	\$30,783,191	\$32,750,656	\$31,150,970

EXPENSES			
Purchased power	\$16,223,583	\$17,708,111	\$17,506,315
Interest on debt to RUS / CFC	2,054,330	2,089,196	2,066,876
Depreciation / amortization	2,944,560	2,913,163	2,860,070
Operation / maintenance / transmission expense	4,428,104	4,010,843	3,709,630
Consumer accounting / collecting / information	1,596,890	1,507,769	1,369,411
Administrative / general	2,012,846	1,890,164	1,716,035
Taxes	630,150	616,450	569,460
Other operating deductions	56,463	35,402	36,667
Total Expenses	\$29,946,926	\$30,771,098	\$29,834,464

MARGINS			
Operating margins	\$836,265	\$1,979,558	\$1,316,506
Capital credits and patronage dividends	165,210	202,490	474,253
Non-operating margins	522,594	472,658	412,476
Total Margins	\$1,524,069	\$2,654,706	\$2,203,235

*As reported to Rural Development Electric Programs

BALANCE SHEET* As of December 31

	2015	2014	2013
ASSETS			
Cash on hand	\$803,362	\$813,783	\$452,608
Temporary investments	4,352,387	3,549,552	2,914,459
Investments in associated organizations	13,908,108	14,172,434	14,062,012
Account receivable	2,652,703	3,301,768	3,457,773
Inventory	508,173	544,274	487,814
Advance payments on insurance, etc.	138,641	137,491	136,515
Interest and miscellaneous deferred debits	1,752,634	2,007,211	2,260,310
Net utility plant	66,745,353	66,191,000	65,602,156
Total Assets	\$90,861,361	\$90,717,513	\$89,373,647

LIABILITIES			
Debt to RUS and / or CFC	\$44,527,875	\$44,340,831	\$44,133,257
Accounts payable	3,313,452	2,972,988	2,840,063
Accumulated operating provisions	3,484,805	3,398,075	3,770,299
Deposits and advances	1,187,237	1,158,194	1,172,951
Other deferred credits and accrued liabilities	1,954,597	2,001,617	1,681,292
Total Liabilities	\$54,467,966	\$53,871,705	\$53,597,862

MEMBERS' EQUITY			
Memberships	\$306,335	\$305,825	\$304,810
Total current year margins	1,524,069	2,654,706	2,203,235
Patronage capital	34,236,489	33,318,699	32,828,038
Other equities	326,502	566,578	439,702
Total Margins & Equities	36,393,395	36,845,808	35,775,785
Total Liabilities & Equities	\$90,861,361	\$90,717,513	\$89,373,647

* As reported to Rural Development Electric Programs

THE REVENUE DOLLAR As of December 31

	2015	2014	2013
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Officers & Directors

Meredith Presley
President

Carrol D. Bradford
Vice President

Donnie Collins
Secretary-Treasurer

Darrell Allen
Director

Jerel H. Brown
Director

William F. "Bill" Derickson
Director

Fred Herman
Director

Terry Kirkendoll
Director

Charles Wood
Director

Bill Conine
CEO/General Manager



**Petit Jean Electric
Cooperative Corporation**

We Are Arkansas

HOW IT WAS EARNED

Farm / residential	\$22,381,560	\$24,299,511	\$23,011,083
Commercial / industrial	7,241,491	7,400,659	7,044,419
Other sales to public authorities	689,022	746,829	736,686
Street / highway lighting	96,135	97,510	95,191
Other electric revenue	374,983	206,147	263,591
Total	\$30,783,191	\$32,750,656	\$31,150,970

HOW IT WAS USED

Power cost	\$16,223,583	\$17,708,111	\$17,506,315
Interest	2,054,330	2,089,196	2,066,876
Operation / maintenance / transmission	4,428,104	4,010,843	3,709,630
Depreciation / amortization	2,944,560	2,913,163	2,860,070
Administrative / general	2,012,846	1,890,164	1,716,035
Consumer accounting / collecting / information	1,596,890	1,507,769	1,369,411
Taxes	630,150	616,450	569,460
Miscellaneous	56,463	35,402	36,667
Operating margins	836,265	1,979,558	1,316,506
Total	\$30,783,191	\$32,750,656	\$31,150,970

SYSTEM STATISTICS* As of December 31

	2015	2014	2013
Average number of meters billed per month	19,819	19,786	19,819
Average number of meters per mile of line	5.55	5.56	5.58
Average miles of power line in operation	3,571	3,561	3,553
Total kWh bought by cooperative members	300,259,270	311,703,308	306,701,851
Average monthly kWh usage by all members	1,263	1,313	1,290
Average monthly farm / home kWh usage	998	1,056	1,039
Average monthly revenue per member billed	\$127.86	\$137.07	\$129.87
Average revenue per kWh sold to members *	10.13¢	10.44¢	10.07¢
Average revenue per farm / home kWh sold *	10.50¢	10.79¢	10.39¢
Average power cost adjustment per kWh sold	1.19¢	1.45¢	1.16¢
Total kWh bought by cooperative	324,711,440	335,602,871	331,285,630
Total cost of power bought by cooperative	\$16,223,583	\$17,708,111	\$17,506,315
Average cost per kWh bought by cooperative	5.00¢	5.28¢	5.28¢
Power (kWh) required for system operation	24,452,170	23,899,563	24,583,779
System peak demand (kW)	95,903	101,275	74,666
Month of system peak demand	January	January	December
Total capital borrowed from RUS / CFC	\$87,212,652	\$86,272,652	\$84,672,652
Total amount repaid to RUS / CFC	\$40,781,836	\$38,884,867	\$36,901,352
Total interest paid to RUS / CFC	51,532,502	\$49,478,172	\$47,388,976
Counties served and property taxes paid:			
Cleburne	\$8,744	\$8,049	\$7,996
Conway	60,029	56,357	55,441
Faulkner	44,709	42,399	42,314
Marion	555	486	469
Newton	4,376	4,086	3,747
Pope	9,309	8,880	8,921
Searcy	160,250	155,203	140,553
Stone	3,644	3,481	3,498
Van Buren	310,607	295,052	295,004
Total property taxes paid	\$602,223	\$573,993	\$557,943
Other taxes paid by the cooperative	1,450	1,450	1,460
Taxes accrued	26,477	41,007	10,057
Total tax expense	\$630,150	\$616,450	\$569,460

*After Patronage Capital Retirement