

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION
AR0021

PERIOD ENDED
December, 2016

INSTRUCTIONS - See help in the online application.

PART E. CHANGES IN UTILITY PLANT

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	112,199,730	3,861,311	603,733		115,457,308
2. General Plant	7,569,424	884,708	620,060		7,834,072
3. Headquarters Plant	3,823,201	0	0		3,823,201
4. Intangibles	824	0	0		824
5. Transmission Plant	5,321,809	6,141	1,178		5,326,772
6. Regional Transmission and Market Operation Plant	0				0
7. All Other Utility Plant	0				0
8. Total Utility Plant in Service (1 thru 7)	128,914,988	4,752,160	1,224,971		132,442,177
9. Construction Work in Progress	2,748,209	763,118			3,511,327
10. Total Utility Plant (8 + 9)	131,663,197	5,515,278	1,224,971		135,953,504

PART F. MATERIALS AND SUPPLIES

ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	1,425,504	1,017,472	1,670	924,346	346	(7,616)	1,512,338
2. Other	41,091	207,555	0	196,995	404	0	51,247

PART G. SERVICE INTERRUPTIONS

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)	
1. Present Year	13.640	0.000	.010	143.470	157.120
2. Five-Year Average	52.590	0.000	7.630	185.420	245.640

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

1. Number of Full Time Employees	83	4. Payroll - Expensed	3,935,200
2. Employee - Hours Worked - Regular Time	179,942	5. Payroll - Capitalized	1,405,528
3. Employee - Hours Worked - Overtime	13,149	6. Payroll - Other	912,103

PART I. PATRONAGE CAPITAL

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	769,864	13,556,958
	b. Special Retirements	0	4,011
	c. Total Retirements (a + b)	769,864	13,560,969
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power	874,690	
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	16,931	
	c. Total Cash Received (a + b)	891,621	

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

1. Amount Due Over 60 Days	\$ 284,748	2. Amount Written Off During Year	\$ 126,950
----------------------------	------------	-----------------------------------	------------

ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %	
2. Actual Loan Delinquency %		5. Actual Loan Default %	
3. Total Loan Delinquency Dollars YTD	\$	6. Total Loan Default Dollars YTD	\$

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION AR0021

PERIOD ENDED December, 2016 (Prepared with Audited Data)

BORROWER NAME C & L Electric Cooperative Corporation

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

William Frizzell

1/13/2017

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	38,993,565	39,723,048		
2. Power Production Expense				
3. Cost of Purchased Power	20,693,930	21,701,173		
4. Transmission Expense	41,544	45,503		
5. Regional Market Expense				
6. Distribution Expense - Operation	2,362,337	2,594,782		
7. Distribution Expense - Maintenance	4,939,978	4,478,825		
8. Customer Accounts Expense	2,000,811	1,772,128		
9. Customer Service and Informational Expense	28,256	38,241		
10. Sales Expense				
11. Administrative and General Expense	1,970,555	2,163,086		
12. Total Operation & Maintenance Expense (2 thru 11)	32,037,411	32,793,738		
13. Depreciation and Amortization Expense	3,861,463	3,993,588		
14. Tax Expense - Property & Gross Receipts	25			
15. Tax Expense - Other	1,520	1,545		
16. Interest on Long-Term Debt	2,485,701	2,440,444		
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	1,813	1,460		
19. Other Deductions	103,044	62,884		
20. Total Cost of Electric Service (12 thru 19)	38,490,977	39,293,659		
21. Patronage Capital & Operating Margins (1 minus 20)	502,588	429,389		
22. Non Operating Margins - Interest	531,342	583,605		
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	20	303		
26. Generation and Transmission Capital Credits		364,173		
27. Other Capital Credits and Patronage Dividends	243,921	121,648		
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,277,871	1,499,118		

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

AR0021

PERIOD ENDED

December, 2016

INSTRUCTIONS - See help in the online application.

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	403	441	5. Miles Transmission	98.00	98.00
2. Services Retired	109	229	6. Miles Distribution - Overhead	4,122.00	4,137.00
3. Total Services in Place	27,974	28,243	7. Miles Distribution - Underground	171.00	173.00
4. Idle Services (Exclude Seasonals)	6,302	6,426	8. Total Miles Energized (5 + 6 + 7)	4,391.00	4,408.00

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	132,442,177	30. Memberships	357,433
2. Construction Work in Progress	3,511,327	31. Patronage Capital	36,423,092
3. Total Utility Plant (1 + 2)	135,953,504	32. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort.	50,385,137	33. Operating Margins - Current Year	915,210
5. Net Utility Plant (3 - 4)	85,568,367	34. Non-Operating Margins	12,293,484
6. Non-Utility Property (Net)	0	35. Other Margins and Equities	1,776,088
7. Investments in Subsidiary Companies	0	36. Total Margins & Equities (30 thru 35)	51,765,307
8. Invest. in Assoc. Org. - Patronage Capital	17,237,798	37. Long-Term Debt - RUS (Net)	33,981,653
9. Invest. in Assoc. Org. - Other - General Funds	15,950	38. Long-Term Debt - FFB - RUS Guaranteed	20,966,117
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	840,825	39. Long-Term Debt - Other - RUS Guaranteed	0
11. Investments in Economic Development Projects	0	40. Long-Term Debt Other (Net)	9,808,205
12. Other Investments	0	41. Long-Term Debt - RUS - Econ. Devel. (Net)	0
13. Special Funds	1,274	42. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13)	18,095,847	43. Total Long-Term Debt (37 thru 41 - 42)	64,755,975
15. Cash - General Funds	153,246	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	500	45. Accumulated Operating Provisions and Asset Retirement Obligations	3,392,128
17. Special Deposits	75	46. Total Other Noncurrent Liabilities (44 + 45)	3,392,128
18. Temporary Investments	14,574,808	47. Notes Payable	0
19. Notes Receivable (Net)	0	48. Accounts Payable	2,556,338
20. Accounts Receivable - Sales of Energy (Net)	4,175,035	49. Consumers Deposits	480,522
21. Accounts Receivable - Other (Net)	0	50. Current Maturities Long-Term Debt	2,667,497
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Economic Development	0
23. Materials and Supplies - Electric & Other	1,563,585	52. Current Maturities Capital Leases	0
24. Prepayments	72,572	53. Other Current and Accrued Liabilities	1,454,330
25. Other Current and Accrued Assets	9,206	54. Total Current & Accrued Liabilities (47 thru 53)	7,158,687
26. Total Current and Accrued Assets (15 thru 25)	20,549,027	55. Regulatory Liabilities	0
27. Regulatory Assets	0	56. Other Deferred Credits	11,882
28. Other Deferred Debits	2,870,738	57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	127,083,979
29. Total Assets and Other Debits (5+14+26 thru 28)	127,083,979		

<p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p>	<p>BORROWER DESIGNATION AR0021</p>
<p>INSTRUCTIONS - See help in the online application.</p>	<p>PERIOD ENDED December, 2016</p>
<p>PART D. NOTES TO FINANCIAL STATEMENTS</p>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR0021
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2016
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR0021
INSTRUCTIONS - See help in the online application	PERIOD ENDED December, 2016

PART K. kWh PURCHASED AND TOTAL COST

No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Arkansas Electric Coop Corp (AR0034)	807			386,534,198	21,701,173	5.61	2,158,001	
	Total				386,534,198	21,701,173	5.61	2,158,001	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AR0021
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2016
PART K. kWh PURCHASED AND TOTAL COST		
No	Comments	
1		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AR0021	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2016	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AR0021	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2016	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/16/2016	2. Total Number of Members 15,120	3. Number of Members Present at Meeting 19	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 2,688	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 253,630	8. Does Manager Have Written Contract? N

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR0021
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2016

PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	33,981,653	1,571,577	1,455,709	3,027,286
2	National Rural Utilities Cooperative Finance Corporation	9,808,205	348,904	813,176	1,162,080
3	CoBank. ACB				
4	Federal Financing Bank	20,966,117	546,619	278,327	824,946
5	RUS - Economic Development Loans				
6	Pavments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
	TOTAL	64,755,975	2,467,100	2,547,212	5,014,312

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AR0021		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2016		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	19,707	19,682	
	b. kWh Sold			252,042,254
	c. Revenue			27,947,455
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served	127	436	
	b. kWh Sold			12,292,507
	c. Revenue			2,438,246
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,486	1,477	
	b. kWh Sold			61,349,131
	c. Revenue			6,357,262
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	9	9	
	b. kWh Sold			11,875,284
	c. Revenue			984,609
6. Public Street & Highway Lighting	a. No. Consumers Served	15	15	
	b. kWh Sold			732,630
	c. Revenue			73,411
7. Other Sales to Public Authorities	a. No. Consumers Served	473	473	
	b. kWh Sold			11,919,724
	c. Revenue			1,276,153
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		21,817	22,092	
11. Total kWh Sold (lines 1b thru 9b)				350,211,530
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				39,077,136
13. Transmission Revenue				
14. Other Electric Revenue				645,911
15. kWh - Own Use				712,551
16. Total kWh Purchased				386,534,198
17. Total kWh Generated				
18. Cost of Purchases and Generation				21,746,676
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				97,528

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION AR0021

PERIOD ENDED December, 2016

INSTRUCTIONS - See help in the online application.

PART P. ENERGY EFFICIENCY PROGRAMS

CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale - RUS Borrowers						
9. Sales for Resale - Other						
10. Total						

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AR0021			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2016			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Membership-AR Electric Managers	100			
	Membership-National Coop Service	100			
	Membership-AR Heat Pump Assoc	50			
	AR Electric Cooperative, Inc	1,005,270			
	AR Electric Cooperative Corp		15,469,881		
	NRUCFC		421,195		
	Federated Insurance	339,203			
	NRUCFC-Capital Term Certificates		840,825	36,847	
	Membership-NRUCFC		1,000		
	Membership-Energv Conservation Corp	1,000			
	Membership-NRTC	1,000			
	Membership-AECI	100			
	Membership-AECC	100			
	Membership-Cooperative Response Center	2,500			
	Membership-Cooperative Response Center	10,000			
	Cooperative Response Center	2,249			
	Totals	1,361,672	16,732,901	36,847	
5	Special Funds				
	IRS Section 125 Plan	1,273			
	Totals	1,273			
6	Cash - General				
	General Fund	152,396			
	Working Funds	850			
	Totals	153,246			
7	Special Deposits				
	City of Star City	15			
	City of Star City	10			
	City of Star City	50			
	Totals	75			
8	Temporary Investments				
	NRUCFC-Commercial Paper		221,001		
	AECC-Line of Credit	14,353,807			
	Totals	14,353,807	221,001		
9	Accounts and Notes Receivable - NET				
	A/R - Retiree Insurance				
	A/R-Merchandise				
	Totals				
11	TOTAL INVESTMENTS (1 thru 10)	15,870,073	16,953,902	36,847	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION AR0021
	PERIOD ENDED December, 2016

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AR0021			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December, 2016			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					11.67%
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (S) (c)	LOAN BALANCE (S) (d)	RURAL DEVELOPMENT (e)
	TOTAL				