

Dear Member,

Once again, C & L Electric Cooperative continued its commitment to member service in a financially responsible manner. Our total margins of \$1,277,871 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 43.17 percent at the end of the year. Members were refunded \$543,424 in cash to redeem patronage capital credits. The 2015 redemption brings the total capital credits refunded to members to \$12,791,105.

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

System statistics of interest include: average meters served, 21,904, a net increase of 94 meters; more than 4,381 miles of power lines; 359,694,128 kilowatt-hours used by members, down 1,391,762 kilowatt-hours from the previous year; a system peak demand of 101,537 kilowatts, recorded in the month of July; and a total utility plant valuation of \$131,663,197 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.



Charles S. Searcy, President



Keith Griffin, Secretary-Treasurer



W. H. Frizzell, General Manager/CEO

Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of C & L Electric Cooperative Corporation will be held on Thursday, June 16, 2016, at the headquarters in Star City, Lincoln County, Arkansas, beginning at 4:00 p.m., for the following purposes:

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



Keith Griffin, Secretary-Treasurer

Dated at Star City, Arkansas, this 6th day of June, 2016.



**C & L Electric
Cooperative Corporation**

We Are Arkansas

A Touchstone Energy® Cooperative 

Program

Registration: 3:00 - 4:00 p.m.

Business Session: 4:00 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.

C & L 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 C & L 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 C & L's continued commitment to its members. As a member-owned and member-driven organization, the policies and decisions made by C & L 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 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, C & L 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. C & L 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 C & L board of directors and leadership team are based on the ultimate short-term and long-term benefits to Arkansas electric cooperative members.

Service

C & L 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.

C & L 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 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 C & L Electric Cooperative members matter because that is who we are, We Are Arkansas.



**C & L Electric
Cooperative Corporation**

We Are Arkansas

A Touchstone Energy® Cooperative 

Director



Lawrence "Bubba" Hudson, Jr.
Director



Charles L. White
Director



Philip C. "Phil" Wilson
Director



W.H. Frizzell
General Manager/CEO



**C & L Electric
Cooperative Corporation**

We Are Arkansas

A Touchstone Energy® Cooperative



THE REVENUE DOLLAR As of December 31

2015

2014

2013

HOW IT WAS EARNED

Farm / residential	\$27,510,154	\$28,527,317	\$27,808,125
Commercial / industrial	10,568,097	10,493,354	10,333,631
Street / highway lighting	70,680	73,176	70,338
Miscellaneous	844,634	677,277	692,993
Total	\$38,993,565	\$39,771,124	\$38,905,087

HOW IT WAS USED

Power cost	\$20,735,474	\$21,672,311	\$21,712,711
Interest	2,485,701	2,587,241	2,437,337
Operation / maintenance	7,302,315	7,169,552	6,563,449
Depreciation / amortization	3,861,463	3,728,046	3,579,505
Administrative / general	1,970,555	2,033,473	2,026,755
Consumer accounting / collecting / information	2,029,067	2,193,916	2,076,094
Taxes	1,545	1,565	1,585
Miscellaneous	104,857	15,542	32,787
Operating margins	502,588	369,478	474,864
Total	\$38,993,565	\$39,771,124	\$38,905,087

SYSTEM STATISTICS As of December 31

2015

2014

2013

Item

Average number of meters billed per month	21,904	21,810	21,820
Average number of meters per mile of line	5	5	5
Average miles of power line in operation	4,381	4,360	4,340

Total kWh bought by cooperative members	359,694,128	361,085,890	362,268,565
Average monthly kWh usage by all members	1,368	1,380	1,384
Average monthly farm / home kWh usage	1,117	1,132	1,131

Average monthly revenue per member billed	145.14	149.37	145.94
Average revenue per kWh sold to members	106.06¢	108.27¢	105.48¢
Average revenue per farm / home kWh sold	105.12¢	108.92¢	104.71¢
Average power cost adjustment per kWh sold	12.74¢	15.82¢	13.52¢

Total kWh bought by cooperative	392,755,379	395,467,472	397,159,481
Total cost of power bought by cooperative	20,735,474	21,672,311	21,712,711
Average cost per kWh bought by cooperative	52.79¢	54.80¢	54.67¢
Power (kWh) required for system operation	33,061,251	34,381,582	34,890,916
System peak demand (kW)	101,537	107,094	95,147
Month of system peak demand	July	January	August

Total capital borrowed from RUS / CFC	\$105,273,731	\$105,273,731	\$105,273,731
Total amount repaid to RUS / CFC	\$45,252,864	\$42,660,673	\$40,179,565
Total interest paid to RUS / CFC	\$64,064,053	\$61,574,790	\$58,984,164

Counties served and property taxes paid:

Bradley County	\$78,725	\$77,548	\$76,605
Cleveland County	103,874	101,367	99,853
Dallas County	3,036	2,942	2,893
Desha County	108,378	104,734	104,951
Drew County	144,366	140,542	138,821
Grant County	54,995	52,499	49,491
Jefferson County	46,182	44,935	43,940
Lincoln County	253,979	244,555	229,921
Total property taxes paid	\$793,535	\$769,122	\$746,475
Other taxes paid by the cooperative	460,897	479,460	490,196
Total taxes paid by the cooperative	\$1,254,432	\$1,248,582	\$1,236,671



Members Matter.

Officers & Directors



Charles S. Searcy
President



Ray E. Morrison
Vice President



Keith Griffin
Secretary-Treasurer



John Ed Ashcroft

2015 Annual Report C&L Electric Cooperative Corporation

REVENUE AND EXPENSE STATEMENT* As of December 31

	2015	2014	2013
REVENUES			
Electric energy sales	\$38,148,931	\$39,093,847	\$38,212,094
Other electric revenue	844,634	677,277	692,993
Total Operating Revenue	\$38,993,565	\$39,771,124	\$38,905,087
EXPENSES			
Purchased power	\$20,735,474	\$21,672,311	\$21,712,711
Interest on debt to RUS / CFC	2,485,701	2,587,241	2,437,337
Depreciation / amortization	3,861,463	3,728,046	3,579,505
Operation / maintenance	7,302,315	7,169,552	6,563,449
Consumer accounting / collecting / information	2,029,067	2,193,916	2,076,094
Administrative / general	1,970,555	2,033,473	2,026,755
Taxes	1,545	1,565	1,585
Other operating deductions	104,857	15,542	32,787
Total Expenses	\$38,490,977	\$39,401,646	\$38,430,223
MARGINS			
Operating margins	\$502,588	\$369,478	\$474,864
Other margins and capital credits	243,921	207,685	495,266
Non-operating revenues	531,362	515,945	450,081
Total Margins	\$1,277,871	\$1,093,108	\$1,420,211

* As reported to National Rural Utilities Cooperative Finance Corporation

BALANCE SHEET* As of December 31

	2015	2014	2013
ASSETS			
Cash on hand	\$552,341	\$524,619	\$328,005
Investments	7,604,555	9,592,803	13,189,761
Investments in associated organizations	18,539,287	18,837,397	18,710,874
Accounts receivable	3,219,185	3,873,767	4,312,429
Inventory	1,466,595	1,458,359	1,153,463
Advance payments on insurance, etc.	74,860	98,373	75,494
Interest & miscellaneous deferred debits	3,238,176	3,596,089	3,954,536
Net utility plant	84,098,022	82,840,514	81,116,643
Total Assets	\$118,793,021	\$120,821,921	\$122,841,205
LIABILITIES			
Debt to RUS and / or CFC and/or FFB	\$60,767,999	\$63,360,199	\$65,841,307
Accounts payable	1,951,651	2,006,191	2,303,470
Other current & accrued liabilities	1,338,655	1,600,020	1,607,422
Deposits & advances	463,994	422,636	407,914
Miscellaneous deferred credits	2,991,961	2,922,164	3,612,969
Total Liabilities	\$67,514,260	\$70,311,210	\$73,773,082
MEMBERS' EQUITY			
Membership fees	\$355,433	\$351,970	\$353,405
Total margins	12,456,084	11,755,376	11,632,399
Capital credits	36,446,447	36,412,708	35,989,703
Other equities	2,020,797	1,990,657	1,092,616
Total Net Worth	51,278,761	50,510,711	49,068,123
Total Liabilities & Net Worth	\$118,793,021	\$120,821,921	\$122,841,205

* As reported to National Rural Utilities Cooperative Finance Corporation