

**CHOCTAW ELECTRIC COOPERATIVE, INC.**

**BALANCE SHEETS  
DECEMBER 31, 2015 AND 2014**

**ASSETS**

	December 31,	
	<u>2015</u>	<u>2014</u>
<b>UTILITY PLANT AT COST</b>		
Electric Plant in Service	\$ 114,636,791	\$ 110,829,957
Construction Work in Progress	1,287,800	1,862,569
	<u>\$ 115,924,591</u>	<u>\$ 112,692,526</u>
Less: Accumulated Provision for Depreciation	30,152,960	28,006,034
	<u>\$ 85,771,631</u>	<u>\$ 84,686,492</u>
<b>OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE</b>		
Investments in Associated Organizations	\$ 19,510,046	\$ 17,459,759
Non-Utility Property - (Net of Accumulated Depreciation)	31,500	31,500
Notes Receivable	233,590	349,741
Other Investments	25,841	25,767
	<u>\$ 19,800,977</u>	<u>\$ 17,866,767</u>
<b>CURRENT ASSETS</b>		
Cash - General	\$ 562,130	\$ 494,779
Temporary Cash Investments	775,811	588,054
Available-for-Sale Investments	4,175,288	10,091,107
Notes Receivable - Current Portion	192,696	246,000
Accounts and Notes Receivable (Less Allowance for \$237,473 in 2015 and Uncollectibles of \$297,319 in 2014)	3,239,859	3,278,267
Accounts Receivable - FEMA		2,007,073
Accrued Unbilled Revenue	1,938,833	2,542,624
Materials and Supplies	962,192	872,839
Other Current and Accrued Assets	42,994	43,692
	<u>\$ 11,889,803</u>	<u>\$ 20,164,435</u>
<b>TOTAL ASSETS</b>	<u>\$ 117,462,411</u>	<u>\$ 122,717,694</u>

**EQUITIES AND LIABILITIES**

<b>EQUITIES</b>		
Memberships	\$ 66,432	\$ 65,987
Patronage Capital	46,493,743	41,579,265
Other Equities	2,990,398	1,944,503
Other Comprehensive Income	(1,988,798)	(1,836,756)
	<u>\$ 47,561,775</u>	<u>\$ 41,752,999</u>
<b>LONG-TERM DEBT</b>		
RUS Rural Development Notes Less Current Maturities	\$ 79,620	\$ 103,696
CFC Mortgage Notes Less Current Maturities	25,728,852	28,554,383
CoBank Mortgage Notes Less Current Maturities	31,950,139	27,467,943
Capital Leases		31,053
Other Long-Term Debt		33,086
	<u>\$ 57,758,611</u>	<u>\$ 56,190,161</u>
<b>NON-CURRENT LIABILITIES</b>		
Accumulated Provision for Pensions and Benefits	\$ 5,084,900	\$ 5,116,300
<b>CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt	\$ 2,744,502	\$ 2,653,229
Current Maturities of Capital Lease		32,143
Current Portion of APBO	329,700	275,700
Line of Credit		11,701,503
Accounts Payable - Purchased Power	1,950,288	2,469,012
Accounts Payable - Other	464,519	623,231
Consumer Deposits	72,624	95,152
Accrued Employee Benefits	437,551	893,401
Accrued Interest	116,722	13,012
Overcollected Power Cost	90,431	
Other Accrued Expenses	69,970	80,766
	<u>\$ 6,276,307</u>	<u>\$ 18,837,149</u>
<b>DEFERRED CREDITS</b>	<u>\$ 780,818</u>	<u>\$ 821,085</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>\$ 117,462,411</u>	<u>\$ 122,717,694</u>

**CHOCTAW ELECTRIC COOPERATIVE, INC.**

**STATEMENTS OF INCOME, OTHER COMPREHENSIVE INCOME AND PATRONAGE CAPITAL  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	Years Ended December 31,				Increase (Decrease)
	2015		2014		
	Amount	%	Amount	%	
<b>OPERATING REVENUES</b>					
Residential	\$ 30,902,517	70.5	\$ 31,592,870	69.6	\$ (690,353)
Commercial and Industrial	11,565,085	26.4	12,425,372	27.4	(860,287)
Public Buildings and Other Authorities	696,911	1.6	709,801	1.6	(12,890)
Other Electric Revenue	649,806	1.5	624,558	1.4	25,248
Total Operating Revenues	<u>\$ 43,814,319</u>	<u>100.0</u>	<u>\$ 45,352,601</u>	<u>100.0</u>	<u>\$ (1,538,282)</u>
<b>OPERATING EXPENSES</b>					
Purchased Power	\$ 25,514,936	58.2	\$ 29,618,145	65.3	\$ (4,103,209)
Distribution - Operation	2,071,839	4.7	2,950,975	6.5	(879,136)
Distribution - Maintenance	2,030,782	4.6	3,170,789	7.0	(1,140,007)
Customer Accounts	1,740,014	4.0	1,807,801	4.0	(67,787)
Customer Service and Information	834,989	1.9	1,226,591	2.7	(391,602)
Administrative and General	2,102,248	4.8	3,041,623	6.7	(939,375)
Depreciation	3,614,637	8.2	3,406,419	7.5	208,218
Taxes	930,497	2.1	948,811	2.1	(18,314)
Other Interest	24,445	0.1	281,731	0.6	(257,286)
Other Deductions	231	0.0	16,924	0.0	(16,693)
Total Operating Expenses	<u>\$ 38,864,618</u>	<u>88.6</u>	<u>\$ 46,469,809</u>	<u>102.4</u>	<u>\$ (7,605,191)</u>
<b>OPERATING INCOME (LOSS) - Before Fixed Charges</b>	<u>\$ 4,949,701</u>	<u>11.4</u>	<u>\$ (1,117,208)</u>	<u>(2.4)</u>	<u>\$ 6,066,909</u>
<b>FIXED CHARGES</b>					
Interest on Long-Term Debt	<u>2,416,131</u>	<u>5.5</u>	<u>2,291,960</u>	<u>5.1</u>	<u>124,171</u>
<b>OPERATING INCOME (LOSS) - After Fixed Charges</b>	<u>\$ 2,533,570</u>	<u>5.9</u>	<u>\$ (3,409,168)</u>	<u>(7.5)</u>	<u>\$ 5,942,738</u>
G&T Capital Credits	\$ 1,627,651	3.7	\$ 2,212,424	4.9	\$ (584,773)
Other Capital Credits	800,674	1.8	464,819	1.0	335,855
Total Capital Credits	<u>\$ 2,428,325</u>	<u>5.5</u>	<u>\$ 2,677,243</u>	<u>5.9</u>	<u>\$ (248,918)</u>
<b>NET OPERATING INCOME (LOSS)</b>	<u>\$ 4,961,895</u>	<u>11.4</u>	<u>\$ (731,925)</u>	<u>(1.6)</u>	<u>\$ 5,693,820</u>
<b>NON-OPERATING MARGINS</b>					
Interest Income	\$ 793,589	1.8	\$ 83,218	0.2	\$ 710,371
Other Non-operating Income	279,437	0.6	2,715,170	6.0	(2,435,733)
	<u>\$ 1,073,026</u>	<u>2.4</u>	<u>\$ 2,798,388</u>	<u>6.2</u>	<u>\$ (1,725,362)</u>
<b>NET MARGINS</b>	<u>\$ 6,034,921</u>	<u>13.8</u>	<u>\$ 2,066,463</u>	<u>4.6</u>	<u>\$ 3,968,458</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Current Year APBO Valuation Adjustment	(135,800)		33,800		
Post-retirement Benefit Amortization	(231,200)		(230,100)		
Unrealized Gain (Loss) on Available-for-Sale	<u>(519,043)</u>		<u>905,166</u>		
<b>COMPREHENSIVE INCOME</b>	<u>\$ 5,148,878</u>		<u>\$ 2,775,329</u>		
Other Comprehensive Income	886,043		(708,866)		
<b>PATRONAGE CAPITAL - BEGINNING OF YEAR</b>	41,579,265		40,855,668		
Transfers to Other Equities	(1,048,291)		715,452		
Patronage Capital Retired	<u>(72,152)</u>		<u>(2,058,318)</u>		
<b>PATRONAGE CAPITAL - END OF YEAR</b>	<u>\$ 46,493,743</u>		<u>\$ 41,579,265</u>		