

NEW ENERGY NEW ERA

THE SEVEN COOPERATIVE PRINCIPLES

1. VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership without gender, social, racial, political or religious discrimination.

2. DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members who actively participate in setting policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3. MEMBERS' ECONOMIC PARTICIPATION

Members contribute equitably to and democratically control the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. EDUCATION, TRAINING AND INFORMATION

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public-particularly young people and opinion leaders-about the nature and benefits of cooperation.

6. COOPERATION AMONG COOPERATIVES

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. CONCERN FOR COMMUNITY

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

NOTICE OF ANNUAL MEETING 🌼



DAN HARDIN

TO: All Members of Lea County Electric Cooperative, Inc.

Notice is hereby given that the 2016 Annual Meeting of Members of Lea County Electric Cooperative, Inc. will be held Friday, April 22, 2016, at the hour of 6:00 p.m., MDT, at Pannell Auditorium, 701 West

Avenue K, at the Lovington High School in Lovington, New Mexico. Said meeting is in compliance with the adopted bylaws of the Cooperative and is for the purpose of electing Trustees, passing upon reports for the previous calendar year and for the transaction of such other business as may come before the meeting. Registration of members will be held on Friday, April 22, 2016 at the following locations: at the Cooperative's main office, 1300 West Avenue D, Lovington, New Mexico or Tatum district office, 203 South Main, Tatum, New Mexico between 8:00 a.m. and 4:00 p.m. MDT; Plains district office, 507 9th Street, Plains, Texas between 8:00 a.m. and 4:00 p.m. CDT; or at Pannell Auditorium between 5:00 p.m. and 6:00 p.m. MDT. You are encouraged to register early to avoid delays.

The business session of such meeting will address the following: 1) a report of members present to establish a quorum; 2) a reading of secretary's notice of meeting and a proof of mailing to members; 3) approval of minutes of the previous Annual Meeting; presentation and consideration of reports from Officers, Trustees and Committees; and 4) an election by the membership of a Trustee from District Five.

Pursuant to Article IV, Section 4 of the Bylaws, a Committee on Nominations, in compliance with the bylaws, was appointed, and met on March 14, 2016 at 12:00 p.m. for the purpose of placing in nomination candidates for the election of one Trustee from District Five. A list of said nominations for Trustees has been prepared and posted at the office of Lea County Electric Cooperative, Inc., 1300 West Avenue D, Lovington, New Mexico and at each district office. Other nominations may be made by petition signed by fifteen or more members acting together, no less than twenty days prior to the date of the annual meeting of members. A list of any nominations by petition will likewise be prepared and posted. Nominations from the floor shall be limited to candidates whose names have been submitted to the Secretary at least twenty days prior to the date of the Annual Meeting. All nominations, including those by the Committee on Nominations, those by petition, and those to be made from the floor will be submitted to and acted upon by the membership at the 2016 Annual Meeting. A statement of the number of Trustees to be elected and the names and addresses of the candidates (the nominations made by the Committee on Nominations, nominations made by petition, if any, and the names of candidates to be nominated from the floor, if any, being listed separately as required in the bylaws) will be mailed to the members with this Notice of the Annual Meeting.

Article III, Section 5 of the Bylaws states in part: Each Person who otherwise qualifies and who wishes to vote shall register the day of the member meeting and shall be entitled to only one vote on each matter submitted to a vote at the Meeting of Members. Voting persons other than members who are natural persons (e.g. church, business, etc.) shall be allowed by the presentation to the Cooperative, prior to or upon registration at each Member Meeting, of satisfactory evidence entitling the person presenting the same to vote. Voting authorization forms are available at the main office of the Cooperative located at 1300 West Avenue D, Lovington; at the district offices in Tatum and Plains; or by calling 575-396-3631.

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IN WITNESS WHEREOF, this Notice has been issued by the Secretary-Treasurer of the Lea County Electric Cooperative, Inc. and its corporate seal hereon impressed this 31st day of March, 2016.

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Dan Hardin, Secretary-Treasurer

MESSAGE FROM MANAGEMENT



JOHN INGLE

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GARY L. HURSE

Our theme for this annual meeting is "New Energy...New Era". The challenge to meet the energy needs of our membership has always been and still remains the goal of Lea County Electric Cooperative, Inc. (LCEC).

LCEC continues to be progressive and innovative in meeting our power supply portfolio. We realize that many opportunities and challenges lie ahead, but members can rest assured that we have minimized member increases through cost management and continuation of a number of cost-saving measures which include strategic planning efforts and investing in technologies that make us more proficient.

Power supply is the largest cost to the membership. For example, for every dollar a member pays each month, eighty (80) cents is allocated for payment of power costs. In conjunction with Phase One (1) of our guide path reduction plan from our XCEL Energy Contract, we participate in the Southwest Power Pool (SPP) Integrated Energy Market. Our membership with SPP has proven critical to cost containment for our membership. The market settles every five (5) minutes and is a massive undertaking. Additionally, the integration of wind energy, the LCEC Generation plant and other power supply contracts are all part of the complete wholesale capacity and energy portfolio for the Cooperative.

The LCEC Generation Plant continues to operate in the SPP Integrated Market to meet the reduction in capacity and energy purchases from the above mentioned XCEL Contract. LCEC continues to work with Western Farmers Electric Cooperative (WFEC) to meet the Phase Two (2) requirements that will occur June 1, 2017.

We search for the most effective contracts and projects to meet the Cooperative's capacity and energy portfolio in the effort to meet power supply requirements and the Renewable Portfolio Standard (RPS) mandated by the State of New Mexico. Currently, we purchase wind energy from the twenty-seven (27) megawatt (MW) Wildcat Wind Farm owned by Exelon Wind and fifteen (15) MW from the Anderson Wind Farm owned by BayWa. We are in negotiations with an additional wind farm project that will consist of thirteen (13) wind turbines at a capacity of thirty (30) MW's. New Mexico's RPS requirement for electric cooperatives of five percent (5%) energy sales to be from a renewable energy source (wind) was not only met but exceeded 2015 requirements. The Board and Management will continue to monitor and review the RPS requirements that must total ten percent (10%) by 2020.

One of the ways LCEC is maintaining the integrity and reliability of the system is by continual maintenance through the pole-change out program. The Cooperative is on a seven (7) year, rotation to ensure every pole in the system has been inspected. An example of the program's effectiveness was the system's ability to withstand this recent Goliath snowstorm.

LCEC is in the process of developing a new construction work plan for 2016. Every four (4) years the Board approves a work plan to assist with the financing of new construction and system maintenance.

As you will observe in the financial report, the Cooperative continues to satisfy all financial requirements. We are dedicated to ensuring financial strength and competitive rates through managing costs and preserving fiscal integrity. The Board reviews all expenditures on a monthly basis and approves an annual budget to ensure operations of the Cooperative are being reviewed and monitored by appropriate personnel.

The LCEC Board, Management, and employees



have worked hard in a challenging economy to control operating expenses which in turn has stabilized member retail rates. The Cooperative principle of returning patronage capital continued in 2015 with LCEC returning \$1.4M in capital credits to the members.

The Cooperative continues to participate in civic groups, local livestock shows, schools and many community activities throughout the year. LCEC also takes pride in maintaining a strong Scholarship Program and Government-in-Action Youth Tour. Our involvement in the communities we serve allows us to give back to our members and support projects that are important locally.

At this year's Annual Meeting, the Board has voted to giveaway a 2010 used Chevrolet ½ Extended Cab Pick-up as the Grand Prize. There will be many more additional door prizes, which include a flat screen television, an iPad, a laptop and many more great prizes. Rudy Gatlin of the Gatlin Brothers is this year's entertainment.

This year we will have two (2) Board members retire: John Ingle, President of Board of Trustees and Ramon Hilburn, Trustee. In addition, Gary Hurse, General Manager, will be retiring in January of 2017. We express our sincere appreciation for the dedication and service of these employees retiring: Greg Faith, Gary Jones, George Morris and Jeff Redman. As LCEC goes into a New Era, we are confident that the membership will continue to elect a strong board to lead this forward-thinking cooperative. We thank you for your continued support.

Jehn Jugle

John Ingle President Lea County Electric Board of Trustees

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Gary L. Hurse Executive Vice President and General Manager Lea County Electric

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Grand Prize 2010 Used Chevrolet

BOARD OF DIRECTORS



President

JOHN INGLE

Spouse: Karen Board member since 1986 Representing District 3 Occupation: Retired Superintendent of Tatum Schools/Ranching

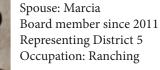
DAN HARDIN

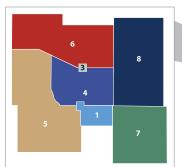
Secretary-Treasurer Spouse: Sandy Board member since 2004 Representing District 4 Occupation: Finance



CJ KINSOLVING Board member since 2015 Spouse: Kaitlin Representing District 6 Occupation: Ranching

RAMON HILBURN Spouse: Marcia















Spouse: Wadonna Board member since 1984 Representing District 8 Occupation: Farming

CHARLES Spouse: C Board me Represent Occupatio

CHARLES W. GARNER II

Spouse: Christy Board member since 2014 Representing District 7 Occupation: Farming & Ranching

KENNETH WALLACE Spouse: Elaine Board member since 2013 Representing District 1 Occupation: Businessman/

Oil & Gas Services

JOHN GRAHAM

Vice President

Spouse: Jeanine

ROBERT CAUDLE

Spouse: Joyce

Board member since 2012

Occupation: Businessman/

Board member since 1984

Representing District 1

Occupation: Landman

Representing District 1

Newspaper Publisher

TRIBUTES 📀

IN MEMORY



THURMAN "SLICK" DUNCAN

Retired Trustee 39 Years of Service District 1

ESTEN ALEXANDER

Retired Trustee 32 Years of Service District 2

RETIREES

RAMON M. HILBURN

Trustee District 5

2011-2016



GEORGE MORRIS

Communications Technician

1996-2016





IN GRATITUDE To our retirees

GREG FAITH

Director of System Operations and Planning

1970-2016

GARY JONES

Groundman

1998-2015



YEAR IN REVIEW

We realize that you, our members, are the foundation of Lea County Electric Cooperative, Inc. (LCEC). Every challenge and decision we have faced, we have done so with our membership in mind. Last year was no different. It brought continued efforts and challenges to stay abreast of Environmental Protection Agency (EPA) regulations, New Mexico State Renewable Energy Requirements, the Clean Air Plan and our continued plan for system growth.

LCEC reflects on our achievements in 2015 with an assurance that we can report that the Cooperative had an exceptional year achieving many of the objectives set forth by the Board and Management Team. Each year Management with Board approval develops an operating budget and capital outlay to establish funding for the year. This provides goals to ensure that reliability and capital improvements are accomplished systematically.

Cooperative The is utilizing advanced communication and automation technologies to improve services, increase reliability and help control energy costs to our members. The North American Electric Reliability Corporation (NERC) requires electric utilities to comply with cybersecurity and reliability standards to maintain and protect the reliability of the bulk power system. LCEC is required to comply with these standards to develop and implement strategies and programs that support a culture of compliance. The Master Communication Plan upgrade that was finalized in 2015 included relay protection on our substations and transmission grid along with phone service to the LCEC district offices. This project comes with the benefits of allowing LCEC to respond quickly to outages, monitor substations and conduct self-diagnostic checks across our system.

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The Cooperative completed several new construction projects and upgrades on the system. Our mobile substation was put to use again and carried much of Lovington while LCEC built a new substation known as the North 115/12.47 KV substation. The new substation will replace LCEC's



Daniel Utajara, Apprentice Lineman

old Diesel Plant Substation which was built in 1959 and will serve a major part of Lovington providing a higher level of reliability. Another substation upgrade completed in 2015 was the Waits Substation located between Yoakum and Lea Counties on State Line Road. A new relay building with digital relaying and protection devices was installed. Additionally, LCEC upgraded Supervisory Control and Data Acquisition (SCADA) controls in two transmission substations. Improvements were made to the battery system in existing substations, reclosers on distribution. Poles throughout the system were also replaced.

In 2015, LCEC built several miles of distribution lines bringing the total miles of line to 3,799. Some of the projects in 2015 included: the Nor-Lea Hospital Heliport primary underground line; Lovington Trails Apartment complex; Assisted Living complex; and Comfort Inn and Suites. LCEC added an additional 5,700 horsepower of combined oilfield, irrigation, and commercial load.

As part of LCEC's commitment to the safety of our employees and members, monthly safety meetings are conducted. Subjects include OSHA Standards such as: Arc Flash Prevention, Lock-out/Tag-out procedures, Approach Distances, Line Clearance, Tree Trimming, Fall Prevention & Protection, First Aid/CPR, Blood borne Pathogens and Grounding. Other subjects include Emergency Plan & Procedures, Safe Driving,

YEAR IN REVIEW 🛛 🗢

Hazard Assessment, Aerial Device Safety Operation & Rescue, Personal Protective Equipment (PPE) and National Electric Safety Code (NESC).

Serving our communities is a long-standing commitment to our members. LCEC recognizes that investment in our youth is vital and necessary for our future. One of the programs the Cooperative supports in is the annual Government-In-Action Youth Tour. The Cooperative sponsors four (4) high school students from our service territory as delegates on a week-long trip that educates our students about the importance of being an involved citizen, having a voice in your government, and being aware of issues being addressed in Washington, D.C.

LCEC is also committed to offering educational opportunities by awarding scholarships to our members and their dependents through the Cooperative's Education Foundation. The Foundation is funded by unclaimed capital credits that would otherwise be escheated to the State. In 2015, LCEC Board of Trustees added ten (10) more scholarships bringing the total to ninety (90) scholarships worth \$1,000 per semester for up to eight (8) semesters. Since the program was introduced in 1987, over \$1.5 million has been issued to 1,712 students.

Additionally, LCEC participates in "Farm Safety Days." This event is a Lea County wide event that allows 3rd-grade students to participate in learning about safety. The Cooperative also invites all 2nd, 3rd and 4th-grade students to participate in the annual Safety Poster Coloring Contest in which students are encouraged to color and add their own safety message to their poster. Once completed, the posters are judged on neatness, creativity, and safety. The 1st, 2nd and 3rd place winners are awarded prizes at each school's end of the year programs with the top three (3) overall winners introduced at the Annual Meeting and awarded cash prizes.

In 2014, LCEC and New Mexico State University (NMSU) coordinated the construction of a small solar project behind the Freshman Academy Building on the Lovington High School campus. It was completed and energized in late 2015. The sixty (60) panel project enables students to learn first-hand how a solar renewable project is constructed and produces energy.

In 2015, LCEC hosted several meetings including the annual Member Appreciation Days in all three (3) districts. Members were updated by General Manager, Gary Hurse, on LCEC projects and business. Cooperative employees served hamburgers to those in attendance. The meat served at the event is from the livestock purchased by LCEC from our membership at the various livestock shows benefiting the youth in our service territories.

The Cooperative recognized the success of offering the option to pay your electric bill with a credit card via telephone and will be introducing on-line bill presentation and payment in the near future. We are committed to making business transactions with us as convenient as possible while ensuring your payment information is secure.

LCEC is in the process of analyzing the feasibility of constructing a new Operations and Planning center. The new building would replace the Cooperative's current buildings utilized by the Operations and Planning Department. Most of the buildings were built in the early 1960's and in need of extensive repair.

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The Cooperative has begun a search for a new General Manager to replace Gary Hurse who has announced his retirement as of January 2017. We have enlisted the assistance of Langley and Associates, a national firm, that will be conducting the national search. The Board anticipates having someone appointed sometime in the last quarter of 2016.

As we move into a New Era the continual goal of the Cooperative is to serve our members with quality service at a competitive cost to the membership in years past. It is what we have strived to do for more than six (6) decades, and it is what we are solidly focused on doing every day.

RETIREES





JOHN RETIRES FROM LCEC BOARD AFTER 30 YEARS

John Ingle announced he will retire as President of the Lea County Electric Cooperative (LCEC) Board of Trustees after this year's Annual Meeting, April 22, 2016. His contributions to LCEC will be a part of our Cooperative culture and history for a very long time to come. His humble leadership will always be greatly admired and appreciated for his wisdom, strong business sense, and dedication to the membership he selflessly served.

John was elected to the LCEC Board of Trustees in 1986 to represent District Three (3). He was elected by the Board to serve as President in 2010 upon the retirement of Billy Royce Medlin. Ingle has served with three (3) General Managers: K.C. Martin, Michael Dreyspring and Gary L. Hurse. He also served with interim General Manager, John Benard. John represented Western Farmers Electric Cooperative (WFEC) at the New Mexico Rural Electric Cooperative Association from 2011-2013 and represented LCEC on the Western Farmers Electric Cooperative Generation/Transmission Board since 2010. He has also served on the USDA Farm Service Board for nine (9) years and has been actively involved in church all of his life.

John was a key part in the origination of the LCEC Education Foundation Scholarship Program that began in 1987. Funds from unclaimed capital credit, that would have been escheated to the state were reclaimed and now fund educational opportunities for members and their dependents. Since the inception of this program, LCEC has funded 1712 scholarships totaling \$1.5 million.

John has been a leader in the power supply requirements for LCEC finalizing the construction of the LCEC Generation plant in 2012 and the continued search for renewable resources to meet New Mexico state requirements.

John has a Master's Degree from Eastern New Mexico. Among his many accomplishments during his career are: Educator for many years in Tatum, NM; Tatum High School Principal from 1982-1991; Superintendent of the Tatum Municipal School District from 1991-1998; and Interim Superintendent in 2007-2008.

John and his wife Karen have three (3) children: Wade Ingle and his wife Christy; Trisha and her husband Bryce McMurtrey; and Kristy and her husband Jim Reagan. John and Karen have recently purchased a home in Lubbock, Texas. On behalf of the Board, Management team and employees of LCEC, we would like to sincerely thank John for his many years of service. We owe John a debt of gratitude for his valuable contribution to the success of this Cooperative.

We wish John the best in his retirement.

RETIREES •





GARY'S RETIREMENT ANNOUNCEMENT

Gary Hurse, Executive Vice President and General Manager of Lea County Electric Cooperative, Inc.(LCEC) and LCEC Generation Plant has announced his retirement effective January 3, 2017. Gary has spent the last 36 years working in the electric industry with 31 of those years spent at electric cooperatives. Gary received his Industrial Engineering degree from Texas A&M University -Commerce and MBA from the University of Phoenix.

In 2004, Gary was hired as Executive Vice President and General Manager with a top priority of determining the future power supply for LCEC. Through his leadership, Gary and the Board of Trustees: negotiated a new power supply contract with XCEL (SPS) to completely be off the XCEL (SPS) system by 2026 through a step off plan to be completed in phases; ensured future power supply for the Cooperative by joining Western Farmers Electric Cooperative, a Generation and Transmission Cooperative (G&T) in Anadarko, Oklahoma; and built a 46.4 megawatt (MW) gas-fired, reciprocating engine plant in the LCEC service area to include a 27.3 MW purchase power agreement with the Wildcat Wind Farm located east of Lovington and 14.2 MW from the Anderson Wind Farm located on the Caprock.

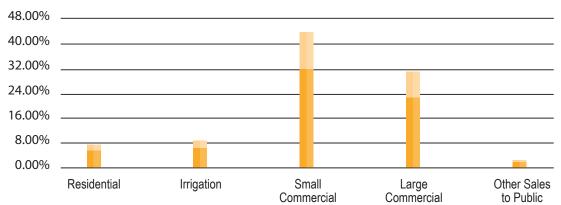
Gary oversaw an \$84 million annual budget and a team of 85 employees responsible for generation and distribution of electricity to over 7,000 residential and business members in both New Mexico and Texas. His contributions to LCEC were monumental in meeting the State mandated Renewable Energy requirement and putting LCEC in a very prominent posture for the future. Without his persistence and vision, LCEC would not be where it is today. Gary will continue to assist the Board with power supply on a contract basis.

Gary and his wife Virginia have three (3) children: Gary Hurse and his wife Joy; John Hurse and his wife Meghan; Sarah Garza and her husband Alex and eight (8) grandchildren: Jaxon, Cora, Ruby, Charlee, Alexis, Aliyah, Gavin and Gage. Gary and Virginia will be residing in their new residence in Lake Kiowa, Texas, where he will be consulting in the area of power supply.

LCEC would like to express their gratitude for his inordinate efforts while leading us during his twelve (12) years of service. LCEC Board, Management and employees want to wish the best to Gary and his wife Virginia.

GRAPHS AND CHARTS

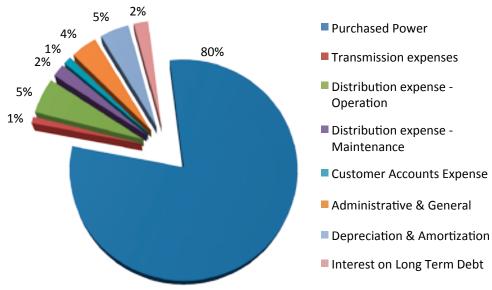
2015 CONSUMER SALES



2015 KWH SALES 140,000,000 -120,000,000 2015 100,000,000 80,000,000 2014 60,000,000 40,000,000 20,000,000 May AUG Dec 4⁰⁰ PQ m JUNY Sert 404 Mar 0^{ç,}



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STATEMENTS OF INCOME

LEA COUNTY ELECTRIC COOPERATIVE, INC.

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

		Years Ended December 31,						
		2015		_	2014			Increase
		Amount	%	_	Amount	%		(Decrease)
OPERATING REVENUES	\$	0 590 002	11.4	\$	10 107 170	11.4	\$	(606 196)
Residential	Φ	9,580,993 10,762,259	11.4	Ф	10,187,179 16,054,800	11.4	Ф	(606,186) (5,292,541)
Irrigation Commercial and Industrial		63,823,497	76.4		66,958,586	74.8		(3,135,089)
Public Buildings and Other Authorities		1,237,509	1.5		1,350,099	1.5		(112,590)
Accrued Unbilled Revenue		(495,683)	(0.6)		430,350	0.5		(926,033)
Power Cost Over Collected		(1,840,144)	(0.0)		(6,170,177)	(6.9)		4,330,033
Other Operating Revenues		474,568	0.6		700,587	0.8		(226,019)
Total Operating Revenues	\$	83,542,999	100.0	\$	89,511,424	100.0	\$	(5,968,425)
Total operating revenues	Ψ	00,042,000		Ψ_	00,011,424		Ψ	(0,000,420)
OPERATING EXPENSES								
Purchased Power	\$	64,776,957	77.5	\$	66,997,511	74.8	\$	(2,220,554)
Generation		, ,	0.0		1,368,421	1.5	·	(1,368,421)
Transmission		802,068	1.0		766,569	0.9		35,499
Distribution - Operation		4,278,255	5.1		3,608,077	4.0		670,178
Distribution - Maintenance		1,607,654	1.9		1,715,152	1.9		(107,498)
Customer Accounts		965,112	1.2		896,873	1.0		68,239
Customer Service and Information		51,361	0.1		40,408	0.0		10,953
Sales		42,361	0.1		34,581	0.0		7,780
Administrative and General		3,216,948	3.9		3,418,324	3.8		(201,376)
Depreciation and Amortization		3,526,546	4.2		3,728,503	4.2		(201,957)
Cost of Removal		1,982,431	2.4		1,373,504	1.5		608,927
Interest Credit - Cost of Removal								
Restricted Funds Earnings		(919,747)	(1.1)		(1,010,443)	(1.1)		90,696
Taxes		47,880	0.1		52,925	0.1		(5,045)
Other Interest and Deductions		89,372	0.1	_	46,077	0.1		43,295
Total Operating Expenses	\$	80,467,198	96.5	\$_	83,036,482	92.7	\$	(2,569,284)
OPERATING MARGINS - Before								
Fixed Charges	\$	3,075,801	3.5	\$	6,474,942	7.3	\$	(3,399,141)
FIXED CHARGES		4 700 004	0.0		0.040.040			(000.050)
Interest on Long-Term Debt		1,700,261	2.0	-	2,010,213	2.2		(309,952)
OPERATING MARGINS - After								
	\$	1,375,540	1.5	\$	4 464 720	5.1	\$	(2 000 100)
Fixed Charges	φ	1,375,540	1.5	φ	4,464,729	5.1	φ	(3,089,189)
Capital Credits		1,330,486	1.6		873,446	1.0		457,040
Capital Credits		1,000,400		-	073,440	1.0		457,040
NET OPERATING MARGINS	\$	2,706,026	3.1	\$	5,338,175	6.1	\$	(2,632,149)
	Ψ	2,700,020		Ψ_	0,000,170		Ψ	(2,002,140)
NONOPERATING ITEMS								
Interest Income	\$	650.880	0.8	\$	642,780	0.7	\$	8,100
Gain on Sale of Property	•	6,042	0.0	*	252,249	0.3	Ŧ	(246,207)
Collection of Western Farmers		-,			,			(,,
Equity Requirement		721,537	0.9		1,929,300	2.2		(1,207,763)
	\$	1,378,459	1.7	\$	2,824,329	3.2	\$	(1,445,870)
		, ,			, ,		-	
NET MARGINS	\$	4,084,485	4.8	\$	8,162,504	9.3	\$	(4,078,019)
OTHER COMPREHENSIVE INCOME (LOSS)								
Current Year APBO Valuation Adjustment		(215,300)			44,600			
Post-retirement Benefit Amortization		(232,800)		_	(175,100)			
COMPREHENSIVE INCOME	\$	3,636,385		\$	8,032,004			
Post-retirement Benefit Adjustment		448,100			130,500			
PATRONAGE CAPITAL - BEGINNING								
OF YEAR		83,199,116			78,047,908			
		(1.000.10.1)			(0.044.000)			
PATRONAGE CAPITAL RETIRED		(1,600,434)		-	(3,011,296)			
PATRONAGE CAPITAL - END OF YEAR	\$	85,683,167		\$	83,199,116			
	Ψ	55,000,107		Ψ=	30,100,110			

BALANCE SHEETS

LEA COUNTY ELECTRIC COOPERATIVE, INC.

BALANCE SHEETS DECEMBER 31, 2015 AND 2014

ASSETS

UTLITY PLANT AT COST 2015 2014 UIILITY PLANT AT COST 2014 2014 UIILITY PLANT AT COST 1174,425,415 \$ 108,83,488 Construction Work in Progress 6,142,165 \$ 128,445,122 \$ 63,83,488 Construction Work in Progress (20,472,460) (22,331,159) \$ 64,452 COTHER PROPERTY AND INVESTMENTS \$ 64,452 \$ 44,654,522 \$ 24,978,151 Non-Uliity Property (At cost) \$ 64,462 \$ 24,978,151 \$ 66,867,842 \$ 24,978,151 Other Investments in Associated Organizations 0,679,430 \$ 64,572,22 \$ 978,161 Other Investments 10,079,430 \$ 64,572,22 \$ 478,191 CURRENT ASEETS \$ 775,340,261 \$ 68,867,841 \$ 775,340,261 \$ 68,867,841 CURRENT ASEETS \$ 102,079,030 \$ 2,725,000 \$ 3,821,000 \$ 2,735,000 \$ 3,821,000 Accorded Unitide Revenue \$ 6,145,900 \$ 6,867,842 \$ 3,969,111 \$ 2,984,439 2,400,326 Other Lourent and Accrued Notes Receivable (Less allowance for uncollectibles \$ 3,169,088 \$ 4,061,822 \$ 3,169,112 \$		Dec	ember 31,
Uillity Plant in Service \$ 174,245,415 \$ 168,83,48 Construction Work in Progress 5,215,243 6,142,195 Contributions in Ad of Construction 5,445,245 5,442,195 Less: Accumulated Provision for Depreciation 5,445,246 5,442,195 OTHER PROPERTY AND INVESTMENTS 5,44,422 5,44,425 Non-Utility Property (AL cost) 7,447,1375 6,442 Other Investments 28,927,132 24,978,181 Posteritement Benefits 9,975,340,254 5,686,749 CURRENT ASSETS 2,623,31,615 2,717,304 Cash 11,911,936 1,173,819 Temporary Investments- Cosh Equivalents 12,267,003 5,216,207 Accound Unbilled Revenue 8,186,163,165 298,353 Accound Unbilled Revenue 8,190,004 5,263,81,069 DEFERRED DEBITS 5,965,186			
Construction Work in Progress 5,215,243 6,142,165 Contribution in Ad of Construction 2,04,241,155 -(23,431,156) Less: Accumulated Provision for Depreciation 5 449,166,198 5 443,166,198 5 443,168,198 5 443,168,198 5 443,168,198 5 443,168,198 5 443,168,198 5 443,168,198 5 443,168,198 5 443,168,198 5 443,168,198 5 443,168,198 5 453,150 5 5,494,102 5 444,82 5 46,482 5 46,482 5 46,482 5 46,482 5 46,482 5 46,482 5 46,482 5 46,482 5 46,482 5 66,784 5 56,784,91 10,079,430 6,487,682 5 66,784 5 66,867,849 15,173,83 5 1,173,818 5 1,63,149 6,565,568 6,690,273 6,565,568 6,690,273 6,565,568 6,690,273 6,565,568 4,061,828 7,217,304 6,565,568	UTILITY PLANT AT COST		
Contributions in Aid of Construction (20,247,240) (20,311,80) (20,241,80) (20,311,80) (20,241,80) (20,311,80) Less: Accumulated Provision for Depreciation \$ 44,916,119 (44,916,119) \$ 44,916,119 (44,916,119) \$ 44,916,119 (44,916,119) \$ 24,915,022 \$ 24,917,72 (44,915,119) OTHER PROPERTY AND INVESTMENTS Non-Utility Property (At cost) Investments in Associated Organizations operating the Bentff Funds - Restricted \$ 20,921,323 \$ 24,976,922 \$ 24,926,903 \$ 24,		\$ 174,425,415	\$ 168,863,488
Less: Accumulated Provision for Depreciation \$ 146,168,168 \$ 145,664,525 Less: Accumulated Provision for Depreciation \$ 146,168,168 \$ 145,664,525 OTHER PROPERTY AND INVESTMENTS \$ 36,262,1322 \$ 24,978,191 Non-Liftly Property (A toot) \$ 26,221,322 \$ 24,978,191 Other Investments \$ 35,215,002 \$ 34,972,624 Benefit Funds: Restricted \$ 35,215,002 \$ 34,972,624 Enclose Benefit Funds: Restricted \$ 5,250,002 \$ 34,972,624 CURRENT ASSETS \$ 7,5340,2244 \$ 660,002,739 Course and Notes Receivable (Less allowance for uncollectibles of \$ 277,579 in 2015 and \$ 331,615 in 2014) 7,217,304 6,656,568 Accured Unblied Revenue \$ 136,169,088 \$ 143,199,116 \$ 28,882,007 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 \$ 31,69,088 \$ 4,061,828 COULTERS AND LIABILITIES \$ 198,122,466 \$ 183,782,111 \$ 28,70,90 \$ 3,81,99,116 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 \$ 3,169,088 \$ 4,061,828 COULTERS AND LIABILITIES \$ 198,122,466 \$ 183,792,111 \$ 100,009 \$ 2,8381			
Less: Accumulated Provision for Depreciation 4.253,174 8.4253,174 8.42471,375 6.4253,174 8.42471,375 OTHER PROPERTY AND INVESTMENTS Mon-Utility Property (At cost) \$46,482 1.0479,430 \$46,482 8.2471,3375 \$46,482 8.2471,3375 OTHER PROPERTY AND INVESTMENTS Mon-Utility Property (At cost) \$46,482 1.0479,430 \$46,482 8.2471,332 \$44,778,191 0.0479,430 6.457,682 8.25,215,002 \$477,2624 8.26,221,332 \$24,22,000 9.060,000 \$2,412,000 9.060,000 \$2,428,111,000 9.060,000 \$	Contributions in Aid of Construction		
\$ 94.915.024 \$ 92.2471.375 OTHER PROPERTY AND INVESTMENTS Non-Utility Property (At cost) Investments in Associated Organizations Other Investments Enclose Benefit Funds - Restricted Enclose Benefit Funds - Restricted Enclose Benefit Funds - Restricted Postretirement Benefitis \$ 46.482 \$ 46.482 \$ 46.482 \$ 24.978.191 Other Investments Enclose Benefit Funds - Restricted Postretirement Benefitis \$ 35.215.002 \$ 34.972.624 \$ 68.867.492 CURRENT ASSETS Cash Temporary Investments- Cash Equivalents Temporary Investments- Other Accounts and Notes Receivable (Less allowance for uncollectibles of \$277.571 µ 2015 and \$33.1615 µ 2014) \$ 623.389 \$ 1.173.819 DEFERRED DEBITS \$ 0.630.273 \$ 0.630.273 \$ 0.630.273 DEFERRED DEBITS \$ 1.96.124.466 \$ 1.83.782.111 EQUITIES Memberships Patronage Capital Accound and Other Comprehensive Income Other Equites \$ 3.169.088 \$ 4.061.828 DONC TERM DEBT Patronage Capital Accound and Other Less Current Maturities CPE Mortigage Notes Less Current Maturities CPE Mortigage Notes Less Current Maturities COST OF REMOVAL LIABILITY \$ 1.502.575 \$ 1.627.590 COST OF REMOVAL LIABILITY \$ 3.720.0389 \$ 3.5634.071 \$ 2.306.032 2.306.033 COURTES Cost OF REMOVAL LIABILITY \$ 3.720.0389 \$ 3.5634.071 \$ 2.306.033 \$ 2.107.000	Less Assumulated Dravisian for Danasistian		. , ,
OTHER PROPERTY AND INVESTMENTS	Less: Accumulated Provision for Depreciation		
Non-Utility Property (At cost) \$ 6.4.422 \$ 4.6.422 \$ 4.6.422 \$ 4.6.422 \$ 4.6.422 \$ 4.6.422 \$ 4.6.422 \$ 4.6.422 \$ 3.5.215.002 3.4.217.82 \$ 3.5.215.002 3.4.972.624 \$ 5.515.002 3.4.972.624 \$ 5.660.00 \$ 2.4.12.800 \$ 4.7.623 \$ 5.7.5340.254 \$ 6.650.749 \$ 6.600.07 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 2.4.12.800 \$ 4.6.650.273 \$ 3.2.1000 \$ 2.2.3.81.000 \$ 2.2.3.81.000 \$ 2.2.3.81.000 \$ 2.2.3.81.000 \$ 2.2.3.81.000		ə <u>04,915,024</u>	ə <u>02,471,375</u>
Investments 28.921.382 24.978.191 Other Investments 10.679.430 6.457.682 Special Funds - Restricted 35.215.002 34.972.624 Employee Benefit Funds - Restricted 35.215.002 34.972.624 Postretirement Benefitis 966.000 2.412.200 Octar Restricted 35.215.002 34.972.624 CURRENT ASSETS 623.389 \$1.173.819 Cash 966.000 2.412.900 65.897.649 Current Benefitis 975.340.254 \$2.63.399 \$1.173.819 Temporary Investments- Cash Equivalents 2.735.000 \$2.735.000 \$3.821.000 Accounts and Notes Receivable (Less allowance for uncollectibles 7.217.304 6.565.858 \$2.389.82 Account and Accrued Assets \$2.381.439 2.440.925 \$2.490.926 Other Current and Accrued Assets \$3.2700.100 \$2.283.1059 \$2.838.1059 DEFERRED DEBITS \$2.306.001 \$3.169.088 \$4.061.623 TOTAL ASSETS \$3.169.088 \$4.061.623 \$3.162 Materinal scas Current Maturities \$3.169.088	OTHER PROPERTY AND INVESTMENTS		
Other Investments 10.679.430 6.457.652 Special Funds - Restricted 35.215.002 34.972.624 Employee Benefit Funds - Restricted 96.600 2.412.800 Postretirement Benefits 96.600 2.412.800 CURRENT ASSETS 6.607.633 6.709.301 Cash 12.735.000 3.821.000 Accounts and Notes Receivable (Less allowance for uncollectibles of \$277.579 in 2015 and \$331.615 in 2014) 7.217.304 6.658.257 Accound Stand Notes Receivable (Less allowance for uncollectibles of \$277.579 in 2015 and \$331.615 in 2014) 7.217.304 6.658.257 Materials and Supplies 2.384.439 2.400.926 95.882 Other Current and Accrued Assets 97.873.15 959.882 95.322.700.100 \$2.8381.099 DEFERRED DEBITS \$3.169.088 \$4.061.828 \$3.169.088 \$4.061.828 TOTAL ASSETS \$3.169.088 \$4.061.828 \$3.5162 \$3.162 COUTTIES \$3.069.083 \$4.061.828 \$3.5162 \$3.5162 Patronage Capital \$6.61.900 1.110.000 \$1.000.575 \$1.627.57 \$1.627.57		\$ 46,482	\$ 46,482
Special Funds - Restricted 35,215,002 34,972,624 Employee Benefit Funds - Restricted 1,511,958 2,412,000 CORRENT ASSETS \$66,000 2,412,000 Cash \$62,389 \$1,173,819 Temporary Investments - Cash Equivalents \$2,607,063 \$6,709,301 Temporary Investments - Coher \$2,735,000 3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles \$7,735,000 3,821,000 of \$277,579 in 2015 and \$331,615 in 2014) \$7,217,304 6,656,273 Accrued Unbilled Revenue \$1,316,908 \$2,484,439 2,440,926 Other Current and Accrued Assets \$32,700,100 \$2,2831,059 \$28,331,65 \$3,162,088 DEFERRED DEBITS \$3,169,088 \$4,061,828 \$3,169,088 \$4,061,828 COUTIES AND LIABILITIES \$20,6366 \$3,189,116 \$3,189,116 Accumulated Other Comprehensive Income \$6,154,576 \$3,189,116 Accumulated Other Comprehensive Income \$2,316,001 \$2,306,696 Other Equilities \$2,306,696 \$2,306,696 \$2,306,696 \$2,306,696 <	Investments in Associated Organizations	26,921,382	
Employee Benefit FundsRestricted 1.511,568 1.511,568 Postretirement Benefits \$960,000 \$2,412,200 CURRENT ASSETS \$175,340,254 \$68,867,849 Cash \$126,070,633 \$67,083,01 Temporary Investments- Cash Equivalents \$2,735,000 \$6,708,301 Temporary Investments- Cash Equivalents \$2,735,000 \$3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles \$2,735,000 \$3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles \$2,734,04 \$6,685,685 Other Current and Accrued Assets \$2,734,04 \$6,685,685 DEFERRED DEBITS \$3,169,088 \$4,061,823 TOTAL ASSETS \$196,102,4466 \$183,782,111 EQUITIES AND LIABILITIES EQUITIES \$196,102,466 \$183,782,111 Contract unblacked Other Comprehensive Income Other Equilies \$3,169,068 \$2,096,696 2,096,696 \$2,096,696 \$2,096,696 \$2,096,696 LONG-TERM DEBT \$1,500,275 \$1,627,579 \$61,600,071 RUS Morigag	Other Investments	10,679,430	6,457,652
Postertirement Benefits 966.000 (75.340.254) 2.412.000 (68.807.840) CURRENT ASSETS 68.807.840 68.807.840 Cash Temporary Investments- Cash Equivalents 1.773.819 (2.607.063) 5.173.819 (2.607.063) 5.177.3819 (2.607.063) 5.170.301 (2.607.063) 3.821.000 (2.735.000) Accounts and Notes Receivable (Less allowance for uncollectibles Accound Unbilled Revenue (2.134,439) 7.217.304 (2.58.682) 6.568.583 (2.384,439) 2.480.920 (2.834,439) 2.480.920 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,439) 2.804.022 (2.834,632) 2.834,1059 2.834,1059 2.834,1059 2.834,1059 2.834,1059 2.83,1155 5.31,169 8.31,167 8.3,199,116 2.83,112 2.834,1059 2.83,112 2.834,1059 2.83,111 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,669 2.906,665			34,972,624
Sector \$ 75,340,254 \$ 68,867,849 CURRENT ASSETS \$ 623,389 \$ 1,173,819 Temporary Investments- Other 2,070,8301 12,070,083 Temporary Investments- Other 2,070,8301 3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles of \$277,576 in 2015 and \$331,615 in 2014) 7,217,304 6,556,568 Accounts and Notes Receivable (Less allowance for uncollectibles of \$277,576 in 2015 and \$331,615 in 2014) 7,217,304 6,556,568 Accounts and Accrued Assets 2,384,439 2,480,928 9,783,15 9,538,1059 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 \$ 2,206,096 \$ 2,096,696 COUTTIES \$ 196,124,466 \$ 183,782,111 \$ 2,206,696 \$ 2,096,696 COUTTIES \$ 1,602,575 \$ 1,627,599 \$ 8,8476,948 \$ 8,640,974 COUTTIES \$ 1,602,575 \$ 1,627,599 \$ 1,627,575 \$ 1,627,579 RUS Mordage Notes Less Current Maturities \$ 1,602,575 \$ 1,627,579 \$ 1,627,579 \$ 1,627,579			
CURRENTASETS 623.99 \$ 1,173.819 Cash \$ 623.39 \$ 1,173.819 Temporary Investments- Cash Equivalents 2,735.000 3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles 2,735.000 3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles 7,217,304 6,585.858 Accrued Unbilled Revenue 6,154,590 6,650,273 Materials and Supplies 2,344.39 2,480,925 Other Current and Accrued Assets \$ 72,73,01 5 989,862 S 3,700,100 \$ 228,381,059 \$ 23,700,100 \$ 228,381,059 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 \$ 33,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 \$ 200,010 \$ 228,381,059 DEFERRED DEBITS \$ 3,169,008 \$ 4,061,828 \$ 33,191,116 \$ 33,191,116 COUTIES \$ 196,124,466 \$ 183,782,111 \$ 200,636 \$ 2,209,6306 \$ 2,209,6306 \$ 2,209,6306 \$ 2,209,6306 \$ 2,209,6306 \$ 2,209,6306 \$ 2,209,6306 \$ 2,209,6484 \$ 8,644,0,974	Postretirement Benefits		
Cash Temporary Investments- Cash Equivalents Temporary Investments- Other S 623,389 S 1,173,819 Temporary Investments- Cash Equivalents Temporary Investments- Other 2,670,801 3,821,000 3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles of \$277,779 in 2015 and \$331,615 in 2014) 7,217,304 6,585,858 Accrued Unbilled Revenue Materials and Supplies 2,384,439 2,440,926 2,384,439 2,440,926 Other Current and Accrued Assets \$ 327,001,00 \$ 2,28,31,059 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,762,111 EQUITIES AND LIABILITIES EOUTTES \$ 3,169,088 \$ 4,061,828 TOXAL ASSETS \$ 196,124,466 \$ 183,762,111 Call Assets Accumulated Other Comprehensive Income \$ 6,619,00 1,110,000 Other Equities \$ 1,602,575 \$ 1,827,599 RUS Mortgage Notes Less Current Maturities \$ 1,602,675 <td></td> <td>\$ 75,340,254</td> <td>\$ 68,867,849</td>		\$ 75,340,254	\$ 68,867,849
Temporary Investments- Cash Equivalents 12.607/063 6.706,301 Temporary Investments- Other 2,735,000 3,821,000 Accound Unbilled Receivable (Less allowance for uncollectibles 7,217,304 6,585,858 of \$277,579 in 2015 and \$331,615 in 2014) 7,217,304 6,585,858 Accrued Unbilled Revenue 6,154,590 6,650,273 Materials and Supplies 2,384,439 2,480,926 Other Current and Accrued Assets \$ 959,882 DEFERRED DEBITS \$ 3,169,088 \$ TOTAL ASSETS \$ 196,124,466 \$ DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 COUTIES AND LIABILITIES EQUITIES \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 2,096,696 2,096,696 2,096,696 2,096,696 2,096,696 2,096,696 2,096,696 2,096,696		\$ 623 389	\$ 1 173 819
Temporary Investments - Other 2,735,000 3,821,000 Accounts and Notes Receivable (Less allowance for uncollectibles of \$277,579 in 2015 and \$331,615 in 2014) 7,217,304 6,568,589 Accured Unbilled Revenue 6,164,590 6,650,273 9,2384,339 2,480,926 Other Current and Accrued Assets 978,315 9,238,822 3,2700,000 \$ 283,81059 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 \$ 233,81,059 \$ 283,81059 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 \$ 2006,069 \$ 2,006,069 EQUITIES \$ 196,124,466 \$ 183,782,111 \$ 2006,069 \$ 2,006,069 EQUITIES \$ 2006,069 \$ 2,006,069 \$ 2,006,069 \$ 2,006,069 Memberships \$ 35,185 \$ 35,162 \$ 3,199,116 \$ 2,006,069 \$ 2,006		, ,	, , , - ,
Accounts and Notes Receivable (Less allowance for uncollectibles of \$277 591 a 2015 and \$331,615 in 2014) 7,217,304 6,565,856 Accrued Unbilled Revenue Materials and Supplies 2,384,459 2,480,926 Other Current and Accrued Assets \$ 2,384,439 2,480,926 DEFERRED DEBITS \$ 3,3169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EQUITIES \$ 3,5,83,167 \$ 3,3199,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EQUITIES \$ 3,5,83,167 \$ 3,3199,088 \$ 2,096,696 Accumulated Other Comprehensive Income Other Equities \$ 2,096,696 2,096,696 2,096,696 LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 \$ 1,627,599 \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 \$ 2,308,316 \$ 3,209,322 3,790,633 COST OF REMOVAL LIABILITIES \$ 2,096,2455 \$ 4,169,71,892 \$ 2,097,271 \$ 2,088,273 \$ 9,64,			, ,
Accrued Unbilled Revenue 6,154,590 6,650,273 Materials and Supplies 2,384,439 2480,926 Other Current and Accrued Assets 978,315 959,882 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EQUITIES \$ 35,185 \$ 35,162 Memberships \$ 35,185 \$ 35,162 Patronage Capital 85,683,167 83,199,116 Accumulated Other Comprehensive Income 2,096,696 2,096,696 Other Equities \$ 1,502,575 \$ 1,620,974 LONG-TERM DEBT \$ 88,476,948 \$ 86,440,974 RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 FFB Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 3,029,322 3,790,633 COST OF REMOVAL LIABILITY \$ 3,029,322 3,790,633 COST OF REMOVAL LIABILITY \$ 2,314,000 \$ 2,167,000 Accounts Payable - Other 2,098,273 964,079 </td <td></td> <td>_,,</td> <td>-,,</td>		_,,	-,,
Materials and Supplies 2.384.439 2.480.926 Other Current and Accrued Assets \$958.831 959.882 DEFERRED DEBITS \$3.169.088 \$4.061.828 TOTAL ASSETS \$196,124.466 \$183.782,111 EQUITIES AND LIABILITIES Memberships \$35,185 \$35,182 Patronage Capital \$86,440.974 \$66,440.974 Accumulated Other Comprehensive Income \$209.6696 \$2096,696 Other Equities \$1,502.575 \$1,627.599 FFB Notes Less Current Maturities \$1,502.575 \$1,627.579 FFB Notes Less Current Maturities \$2,310,601 \$2,637.271 CoBank Mortgage Notes Less Current Maturities \$1,602.575 \$1,627.579 GCST OF REMOVAL LIABILITY \$372.020.389 \$2,310,601 COST OF REMOVAL LIABILITY \$372.003.99 \$35,834,0711 CURRENT LIABILITIES \$372.003.99 \$35,834.971 Current Maturities of Long-Term Debt \$32.093.922 \$370.633 Accounts Payabie - Other \$2,440.00 \$2,167.000 Accounts Payabie - Other \$2,771.609 \$46,945.545 \$41,697.480.799 Constins Pay		7,217,304	6,585,858
Other Current and Accrued Assets 978,315 959,882 0 \$ 32,700,100 \$ 283,81,059 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EOUITIES \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EOUITIES \$ 196,124,466 \$ 183,782,111 COUNTIES AND LIABILITIES EOUITIES \$ 196,124,466 \$ 183,782,111 COUNTIES AND LIABILITIES EOUITIES \$ 196,124,466 \$ 183,782,111 COUNTIES AND LIABILITIES EOUITIES \$ 35,185 \$ 35,162 Patronage Capital \$ 5,663,167 \$ 83,199,116 Accountiated Other Comprehensive Income \$ 2,096,696 2,096,696 LONG-TERM DEBT \$ 1,502,575 \$ 1,627,599 RUS Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 COST OF REMOVAL LIABILITY \$ 37,200,389	Accrued Unbilled Revenue	6,154,590	6,650,273
S 32,700,100 \$ 28,381,059 DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EQUITIES \$ 35,185 \$ 35,162 Memberships \$ 35,683,167 \$ 33,199,116 Accumulated Other Comprehensive Income 661,900 1,110,000 2,096,696 2,096,696 LONG-TERM DEBT \$ 1,502,575 \$ 1,627,599 5 5,660,316 42,2906,935 2,663,409,774 LONG-TERM DEBT \$ 1,502,575 \$ 1,627,599 5 1,627,599 5 66,440,974 LONG-TERM Motgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 5 1,627,599 5 66,440,974 LONG-TERM Motgage Notes Less Current Maturities \$ 3,209,322 3,740,633 \$ 2,637,271 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 3,209,322 \$			
DEFERRED DEBITS \$ 3,169,088 \$ 4,061,828 TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EQUITIES \$ 35,185 \$ 35,185 \$ 35,182 Patronage Capital Accumulated Other Comprehensive Income \$ 85,683,167 \$ 83,199,116 Accumulated Other Comprehensive Income \$ 81,470,948 \$ 86,440,974 UONG-TERM DEBT \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 \$ 1,627,599 FFB Notes Less Current Maturities \$ 1,502,675 \$ 1,627,599 \$ 1,627,631 \$ 2,230,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 1,502,675 \$ 1,627,639 \$ (9,252,285) \$ 448,945,545 \$ 41,697,180 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 \$ 2,098,273 \$ 964,079 Coursent Maturities of Long-Term Debt \$ 2,098,273 \$ 964,079 \$ 2,098,273 \$ 964,079 Accounts Payable - Other \$ 2,008,273 \$ 964,079 \$ 2,771,609 \$ 2,685,765 \$ 1,633,9750 \$ 1,3845,979	Other Current and Accrued Assets		
TOTAL ASSETS \$ 196,124,466 \$ 183,782,111 EQUITIES AND LIABILITIES EQUITIES \$ 35,185 \$ 35,185 Memberships \$ 35,185 \$ 35,185 Patronage Capital \$ 66,1900 1,110,000 Accumulated Other Comprehensive Income \$ 2,096,696 2,096,696 COGG \$ 1,502,575 \$ 1,627,599 FFB Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 CFC Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 1,627,599 (9,737,269) COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power \$ 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,771,609 2,685,765 Current Maturities \$ 2,771,609 2,685,765 Other Current and Accrued Liabilities \$ 1,613,955 \$ 1,64,984 Accounts Payable - Other		\$32,700,100	\$28,381,059
EQUITIES AND LIABILITIESEQUITIES Memberships Patronage Capital Accumulated Other Comprehensive Income\$ 35,185 83,199,116 85,683,167 83,199,116 85,683,167 83,199,116 85,683,167 83,199,116 85,683,167 83,199,116 85,185\$ 35,185 85,185 85,185 85,1861,100 9,066,066 9,006,096 9,006,096 2,006,696 2,006,696 2,006,696 2,006,696 9,006,096 2,006,696 9,006,093 9,006,093 <br< td=""><td>DEFERRED DEBITS</td><td>\$3,169,088</td><td>\$4,061,828_</td></br<>	DEFERRED DEBITS	\$3,169,088	\$4,061,828_
EQUITIES \$ 35,185 \$ 35,185 \$ 35,162 Patronage Capital \$ 85,683,167 \$ 33,199,116 Accumulated Other Comprehensive Income \$ 661,900 1,110,000 Other Equities \$ 88,476,948 \$ 86,440,974 LONG-TERM DEBT \$ 1,502,575 \$ 1,627,599 RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,593 CFC Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 COBANK Mortgage Notes Less Current Maturities \$ 3,209,322 3,790,633 RUS Advance Payments \$ 48,945,545 \$ 41,697,180 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,384 Current Maturities \$ 2,717,000 2,667,765 Other Current and Accrued Li	TOTAL ASSETS	\$ 196,124,466	\$ 183,782,111
EQUITIES \$ 35,185 \$ 35,185 \$ 35,162 Patronage Capital \$ 85,683,167 \$ 33,199,116 Accumulated Other Comprehensive Income \$ 661,900 1,110,000 Other Equities \$ 88,476,948 \$ 86,440,974 LONG-TERM DEBT \$ 1,502,575 \$ 1,627,599 RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,593 CFC Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 COBANK Mortgage Notes Less Current Maturities \$ 3,209,322 3,790,633 RUS Advance Payments \$ 48,945,545 \$ 41,697,180 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,384 Current Maturities \$ 2,717,000 2,667,765 Other Current and Accrued Li			
Memberships \$ 35,185 \$ 35,185 \$ 35,162 Patronage Capital 85,683,167 83,199,116 84,440,974 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ 2,096,696 \$ \$ 2,016,010 \$ 2,016,010 \$ \$ <td< td=""><td></td><td></td><td></td></td<>			
Patronage Capital 85,683,167 83,199,116 Accumulated Other Comprehensive Income 661,900 1,110,000 Other Equities 2,096,636 2,096,636 ILONG-TERM DEBT \$ 1,502,575 \$ 1,627,599 RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 CFC Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities 3,209,322 3,790,633 RUS Advance Payments \$ 37,200,389 \$ 35,834,071 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES \$ 2,314,000 \$ 2,167,000 Current Maturities of Long-Term Debt \$ 2,703,972 1,548,944 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,771,609 2,665,765 Other Current and Accrued Liabilities \$ 1,6389,750 \$ 1,6389,750 DEFERRED CREDITS \$ 5,963,907 \$ 5,963,907		\$ 35.185	\$ 35,162
Other Equities 2,096,696 2,096,696 2,096,696 2,096,696 2,096,696 86,440,974 LONG-TERM DEBT RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 \$ 1,627,599 \$ 1,620,316 42,906,935 \$ 2,310,601 2,637,271 \$ 2,310,601 2,637,271 \$ 2,606,696 \$ 3,209,322 3,790,633 \$ 2,926,5258 \$ 48,945,545 \$ 41,697,180 \$ 3,209,322 3,790,633 \$ 9,265,258 \$ 48,945,545 \$ 41,697,180 \$ 2,314,000 \$ 2,167,000 \$ 48,945,545 \$ 41,697,180 \$ 2,167,000 \$ 2,167,000 \$ 2,167,000 \$ 2,098,273 964,079 \$ 2,098,273 964,079 \$ 2,008,273 964,079 \$ 2,008,273 964,079 \$ 2,039,772 1,585,364 \$ 2,077,16,09 \$ 2,667,655 \$ 1,298,787 \$ 16,389,750 \$ 13,845,979 \$ 16,389,750 \$ 13,845,979 \$ 1,288,787 \$ 1,288,787 \$ 1,288,787 \$ 1,288,787 \$ 1,288,787 \$ 1,288,787 \$ 1,288,787 \$ 13,845,979 \$ 13,845,979 \$ 13,845,979 \$ 13,845,979 \$ 13,845,979 \$ 13,845,979 \$ 13,845,979 \$ 13,845,979 \$ 13,845,979			
LONG-TERM DEBT \$ 88,476,948 \$ 86,440,974 RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 FFB Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities \$ 2,310,601 2,637,271 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES Current Maturities of Long-Term Debt \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,008,273 964,079 Power Cost - Overcollected 2,771,609 2,665,765 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities \$ 1,613,955 \$ 13,845,979 DEFERRED CREDITS \$ 5,963,907	Accumulated Other Comprehensive Income	661,900	1,110,000
LONG-TERM DEBT Image: Constraint of the system	Other Equities	, ,	2,096,696
RUS Mortgage Notes Less Current Maturities \$ 1,502,575 \$ 1,627,599 FFB Notes Less Current Maturities 51,660,316 42,906,935 CFC Mortgage Notes Less Current Maturities 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities 3,209,322 3,790,633 RUS Advance Payments (9,265,268) (9,265,268) COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES Current Maturities of Long-Term Debt \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,771,609 2,665,765 Other Current and Accrued Liabilities \$ 1,613,955 1,298,787 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907		\$ 88,476,948	\$ 86,440,974
FFB Notes Less Current Maturities 51,660,316 42,906,935 CFC Mortgage Notes Less Current Maturities 2,310,601 2,637,271 CoBank Mortgage Notes Less Current Maturities 3,209,322 3,790,633 RUS Advance Payments (9,737,269) (9,265,258) COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES \$ 2,314,000 \$ 2,167,000 Current Maturities of Long-Term Debt \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 1,613,955 1,298,787 Other Current and Accrued Liabilities \$ 1,613,955 1,298,787 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907		A A COO C T C	A 4 007 500
CFC Mortgage Notes Less Current Maturities 2,310,601 2,637,271 COBank Mortgage Notes Less Current Maturities 3,209,322 3,790,633 RUS Advance Payments (9,737,269) (9,265,258) COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES \$ 37,200,389 \$ 2,167,000 Accounts Payable - Other \$ 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities \$ 16,13,955 \$ 1,298,787 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907		. , ,	. , ,
CoBank Mortgage Notes Less Current Maturities 3,209,322 3,790,633 RUS Advance Payments (9,737,269) (9,265,258) S 48,945,545 \$ 41,697,180 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES Current Maturities of Long-Term Debt \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 2,771,609 2,665,765 Other Current and Accrued Liabilities \$ 1,613,955 1,298,787 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907			
RUS Advance Payments (9,737,269) 48,945,545 (9,265,258) 41,697,180 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other Power Cost - Overcollected Consumer Deposits Other Current and Accrued Liabilities \$ 2,314,000 \$ 2,167,000 Power Cost - Overcollected Consumer Deposits \$ 2,098,273 964,079 Other Current and Accrued Liabilities \$ 1,613,955 \$ 1,298,787 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907			
\$ 48,945,545 \$ 41,697,180 \$ 41,697,180 COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES Current Maturities of Long-Term Debt Accounts Payable - Purchased Power Accounts Payable - Other Power Cost - Overcollected Consumer Deposits Other Current and Accrued Liabilities \$ 1,613,955 \$ 1,613,955 \$ 1,6389,750 \$ 1,298,787 13,845,979 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907 \$ 5,111,834 \$ 5,963,907 \$ 1,013,955 \$ 5,111,834 \$ 5,963,907 \$ 1,013,955 \$ 1,298,787 13,845,979 } 10EFERRED CREDITS \$ 5,111,834 \$ 5,963,907 \$ 1,3845,979 } 10EFERRED CREDITS Accounts \$ 5,963,907 } \$, ,
COST OF REMOVAL LIABILITY \$ 37,200,389 \$ 35,834,071 CURRENT LIABILITIES \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities \$ 16,389,750 \$ 13,845,979 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907			
CURRENT LIABILITIES \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities \$ 16,389,750 \$ 13,845,979 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907		+	+
Current Maturities of Long-Term Debt \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities 1,613,955 1,298,787 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907	COST OF REMOVAL LIABILITY	\$37,200,389	\$35,834,071
Current Maturities of Long-Term Debt \$ 2,314,000 \$ 2,167,000 Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities 1,613,955 1,298,787 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907	CURRENT LIABILITIES		
Accounts Payable - Purchased Power 4,887,941 5,164,984 Accounts Payable - Other 2,098,273 964,079 Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities 1,613,955 1,298,787 DEFERRED CREDITS \$_5,111,834 \$_5,963,907		\$ 2.314.000	\$ 2.167.000
Power Cost - Overcollected 2,703,972 1,585,364 Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities 1,613,955 1,298,787 \$ 16,389,750 \$ 13,845,979 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907	Accounts Payable - Purchased Power		
Consumer Deposits 2,771,609 2,665,765 Other Current and Accrued Liabilities 1,613,955 1,298,787 \$ 16,389,750 \$ 13,845,979 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907	Accounts Payable - Other	2,098,273	964,079
Other Current and Accrued Liabilities 1,613,955 1,299,787 \$ 16,389,750 \$ 13,845,979 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907			1,585,364
\$ 16,389,750 \$ 13,845,979 DEFERRED CREDITS \$ 5,111,834 \$ 5,963,907			
DEFERRED CREDITS \$ \$ 5,963,907	Other Current and Accrued Liabilities		
		\$16,389,750_	\$ <u>13,845,979</u>
TOTAL EQUITIES AND LIABILITIES \$ 196,124,466 \$ 183,782,111	DEFERRED CREDITS	\$5,111,834_	\$5,963,907_
	TOTAL EQUITIES AND LIABILITIES	\$	\$ <u>183,782,111</u>

LEA COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

		December 31,		
	_	2015		2014
CASH FLOWS FROM OPERATING ACTIVITIES	•	4 00 4 405	•	0 400 504
Net Margins Adjustments To Reconcile Net Income to Net Cash	\$	4,084,485	\$	8,162,504
Provided by (Used in) Operating Activities				
Depreciation		3,893,833		4,072,568
Cost of Removal Accruals - Gross		1,982,431		1,373,504
Post-Retirement Benefit (Expense)		(401,058)		(170,300)
Capital Credits		(2,052,023)		(2,781,347)
Deferred Debits		892,740		92,442
Deferred Credits		(852,073)		258,453
Accounts and Notes Receivable		(135,763)		3,052,338
Inventories and Prepaid Expenses Payables and Other Accrued Liabilities		78,054 2,396,771		(228,458) 2,391,175
Transfer to Outside Party		2,390,771		(1,689,310)
Net Cash Provided by Operating Activities	\$	9,887,397	\$	14,533,569
	*_	0,001,001	•	,000,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to Utility Plant	\$	(6,714,394)	\$	(8,247,146)
Cost of Removal Incurred		(691,960)		(880,460)
Contributions and Other Additions to Cost of Removal		75,847		77,060
Salvage and Other Credits		376,912		165,791
Additions to Restricted Cash Reserve Accounts		(0.000.00.1)		939
Other Property and Investments	¢	(3,269,324)	<u>م</u>	536,687
Net Cash Used in Investing Activities	⇒_	(10,222,919)	\$_	(8,347,129)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on Long-Term Debt to RUS - Scheduled	\$	(121,024)	\$	(123,524)
Payments on Long-Term Debt to RUS - Advance Payments	Ŷ	(472,011)	Ψ	(434,736)
Payments on Long-Term Debt to FFB		(1,147,619)		(1,307,833)
Payments on Long-Term Debt to CFC		(309,670)		(293,501)
Payments on Long-Term Debt to CoBank		(554,311)		(527,331)
Advance on Long-Term Debt from FFB		10,000,000		1,119,763
Net Activity on Line of Credit - CoBank				561,595
Payments on Behalf of Retirees		(112,100)		(106,100)
Retirement of Patronage Capital		(1,600,434)		(3,011,296)
Memberships	¢	23	<u>م</u>	657
Net Cash Used in Financing Activities	\$_	5,682,854	\$_	(4,122,306)
		/		
INCREASE IN CASH AND CASH EQUIVALENTS	\$	5,347,332	\$	2,064,134
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	7,883,120		5,818,986
CASH AND CASH EQUIVALENTS - END OF YEAR	\$_	13,230,452	\$	7,883,120
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash Paid During the Year for:				
Interest on Long-Term Debt	\$	1,686,296	\$	2,016,898
Income Taxes	\$	0	\$	0

During the year ended December 31, 2015 and 2014, the adjustment for the application of the *Employers' Accounting for Defined Benefit Pension and Other Post-retirement Plans* changed the accrued post-retirement benefit by \$(448,100) and (\$130,500) and changed equities by the same amount in 2015 and 2014, respectively.





Lea County Electric Cooperative, Inc.

A Touchstone Energy[®] Cooperative

P.O. Drawer 1447 Lovington, New Mexico 88260

DISTRICT LOCATIONS TO SERVE YOU







Lovington, NM Office



Plains, TX Office