# Summary of Operations

## ANNUAL REPORT INFORMATION

Calendar Year 2016

### SYSTEM STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of meters connected</td>
<td>43,494</td>
<td>43,688</td>
</tr>
<tr>
<td>KWH Sales</td>
<td>1,292,050,366</td>
<td>1,314,274,067</td>
</tr>
<tr>
<td>Average cost per KWH members (this includes industrial members)</td>
<td>$0.1014</td>
<td>$0.0987</td>
</tr>
<tr>
<td>Peak KW demand by members</td>
<td>283,487</td>
<td>318,836</td>
</tr>
<tr>
<td>Average Residential KWH per month</td>
<td>1,239</td>
<td>1,232</td>
</tr>
<tr>
<td>Average Residential Bill per month</td>
<td>$162.97</td>
<td>$158.51</td>
</tr>
<tr>
<td>Revenue per mile of line (per year)</td>
<td>$23,467</td>
<td>$23,355</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>125</td>
<td>130</td>
</tr>
</tbody>
</table>

### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Sales</td>
<td>74,016,815</td>
<td>76,846,554</td>
</tr>
<tr>
<td>Commercial Sales</td>
<td>56,942,586</td>
<td>52,888,380</td>
</tr>
<tr>
<td>Other</td>
<td>1,321,245</td>
<td>2,183,317</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUE</strong></td>
<td>132,280,646</td>
<td>131,918,251</td>
</tr>
</tbody>
</table>

### OPERATIONS EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Wholesale Power</td>
<td>93,888,482</td>
<td>93,062,734</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>14,255,725</td>
<td>14,116,027</td>
</tr>
<tr>
<td>Administration, General &amp; Other</td>
<td>10,358,716</td>
<td>10,587,664</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>6,943,297</td>
<td>6,533,698</td>
</tr>
<tr>
<td>Interest</td>
<td>4,484,390</td>
<td>4,512,659</td>
</tr>
<tr>
<td>Taxes</td>
<td>840,357</td>
<td>815,498</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td>130,770,967</td>
<td>129,628,280</td>
</tr>
</tbody>
</table>

### MARGINS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Operating Margins</td>
<td>1,509,679</td>
<td>2,289,971</td>
</tr>
<tr>
<td>Net Non Operating Margins</td>
<td>1,160,802</td>
<td>526,434</td>
</tr>
<tr>
<td>Capital Credits from Associate Co-op Memberships</td>
<td>677,151</td>
<td>564,530</td>
</tr>
<tr>
<td><strong>TOTAL MARGINS</strong></td>
<td>3,347,632</td>
<td>3,380,935</td>
</tr>
</tbody>
</table>

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>3,661,000</td>
<td>5,674,102</td>
</tr>
<tr>
<td>Temporary Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Accounts &amp; Notes Receivable</td>
<td>12,289,476</td>
<td>10,979,563</td>
</tr>
<tr>
<td>Other Current &amp; Accrued Assets</td>
<td>9,837,316</td>
<td>10,406,667</td>
</tr>
<tr>
<td>Total Electric Plant</td>
<td>238,849,755</td>
<td>226,370,186</td>
</tr>
<tr>
<td>Depreciation (Reserve)</td>
<td>(55,422,702)</td>
<td>(52,266,988)</td>
</tr>
<tr>
<td>Other Property &amp; Investment Value</td>
<td>10,624,716</td>
<td>10,482,590</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>219,839,561</td>
<td>211,646,120</td>
</tr>
</tbody>
</table>

### EQUITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>Patronage Capital</td>
<td>62,821,717</td>
<td>63,016,113</td>
</tr>
<tr>
<td>Other Equities</td>
<td>9,959,772</td>
<td>9,084,222</td>
</tr>
<tr>
<td><strong>TOTAL EQUITIES</strong></td>
<td>72,781,489</td>
<td>72,100,335</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Debt to RUS &amp; CFC</td>
<td>116,524,917</td>
<td>117,258,836</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>15,119,469</td>
<td>11,524,961</td>
</tr>
<tr>
<td>Other Current &amp; Accrued Liabilities</td>
<td>15,413,686</td>
<td>10,761,988</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>147,058,072</td>
<td>139,545,785</td>
</tr>
</tbody>
</table>

### TOTAL EQUITIES & LIABILITIES

|                      | 219,839,561 | 211,646,120 |

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### HOW YOUR DOLLARS WERE SPENT IN 2016

- Wholesale Power: 70.00%
- Operating Margin: 2.50%
- Taxes (Excluding Property Tax in O&M): 0.63%
- Depreciation: 5.18%
- Interest: 3.34%
- Temporary Investments: 18.35%

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*SEC Sante Electric Cooperative Inc.*

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