

Our Members Matter

Although technology, energy policies, and government regulations have changed throughout the years, one thing has remained the same - A&N Electric Cooperative's commitment to our members.

Since 1941, A&N Electric Cooperative has worked towards ensuring that our members have access to reliable electric service at a reasonable price. We continue that effort today.

Our membership is passionate about reliability, affordability and energy savings. A&N Electric Cooperative has instituted quarterly member surveys to measure your level of satisfaction and to help us serve the membership better.

A&N Electric Cooperative is committed to improving reliability. Upgrades and enhancement of our existing systems help us provide our members with reliable electric service. New technologies are studied and implemented to help us reach those goals.

We continue to help empower our members to make wise energy usage decisions by giving you energy savings tips and alerts to help you save money on your electricity bills.

Safety is also a high priority at A&N Electric Cooper-

ative. We address safety from both a member and an employee standpoint. Regular safety meetings are conducted for all employees. Safety demonstrations are conducted in the public for members throughout the year.

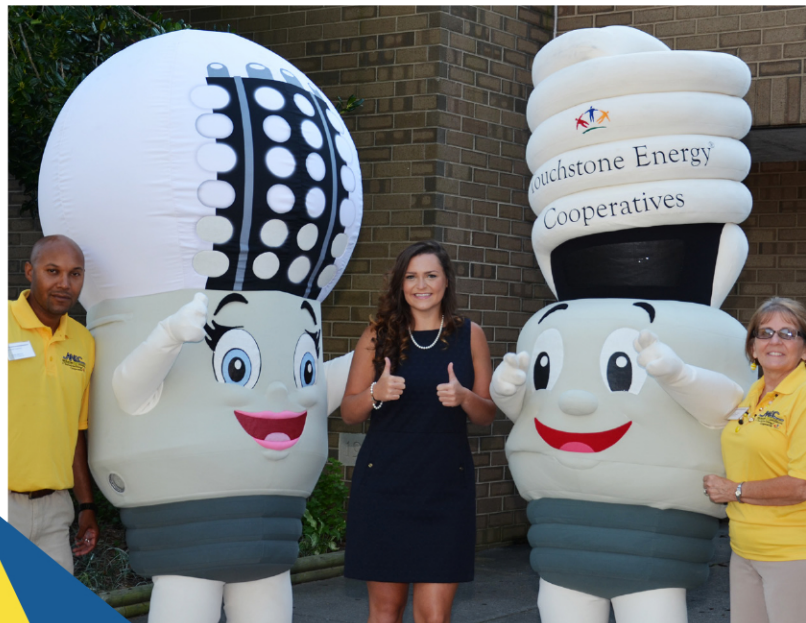
As a member-owned cooperative, we can offer something no other utility can - capital credits. Unlike investor-owned utilities that operate on a for-profit basis to make a return on investment to their shareholders, cooperatives charge just enough to cover expenses and a slight margin. These margins are reinvested in the co-op in the form of capital improvements. Each year, as financial conditions allow, we give back to our members the remaining money in the form of capital credits. These are a big benefit to being part of a member-owned cooperative.

We are proud to provide Virginia's Eastern Shore and Smith Island, Md. with safe, reliable and affordable electric service.

Thank you for your continued support.

Addison W. Nottingham, Jr.
Chairman

Butch Williamson
President/CEO



2016 Annual Report

Board of Directors

Addison W. Nottingham, Jr.
Chairman, District 3

Christopher D. Bott
Vice Chairman, District 1

R. Wayne Browning
Secretary/Treasurer, District 3

James N. Belote
District 2

Ralph W. Dodd
District 4

E. Garrison Drummond
District 1

Robert L. Nock
District 1

Edward V. Parks, Jr.
District 1



Cooperative Principles

The cooperative business model centers around seven principles that guides A&N Electric Cooperative.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member's Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community



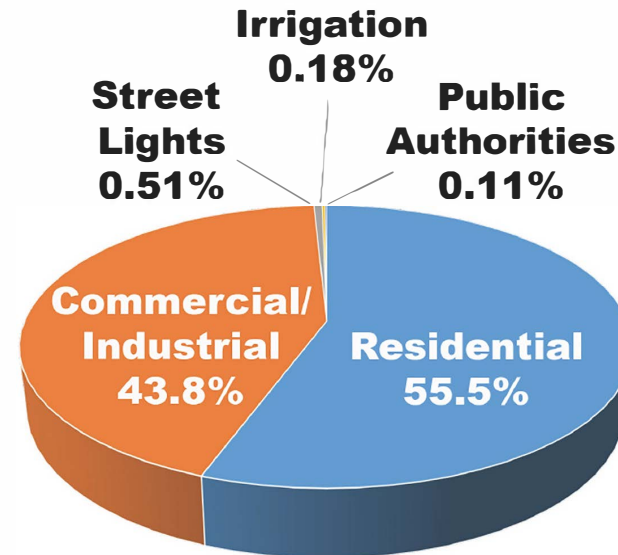
Condensed Balance Sheet

Assets	2016	2015
Electric Plant	\$ 183,853,974	\$ 174,640,695
Less Accumulated Depreciation	64,092,849	61,901,290
Net Utility Plant	\$ 119,761,125	\$ 112,739,405
Investments	20,631,475	18,704,415
Current Assets	17,051,821	16,194,169
Deferred Charges	1,762,138	2,135,147
Total Assets	\$ 159,206,559	\$ 149,773,136
Liabilities and Members' Equity		
Members' Equity	\$ 56,379,940	\$ 54,909,680
Noncurrent Liabilities	90,896,782	83,195,851
Current Liabilities	11,909,750	11,513,477
Deferred Credits	20,087	154,128
Total Liabilities and Members' Equity	\$ 159,206,559	\$ 149,773,136

Condensed Operating Statement

	2016	2015
Operating Revenues	\$ 72,993,036	\$ 80,301,132
Power Cost	50,940,007	55,566,477
Operations and Maintenance	7,172,937	6,914,908
Customer Accounts	2,093,712	2,074,596
Administrative and General	2,257,074	1,986,509
Depreciation and Amortization	5,286,792	5,171,930
Interest	3,960,660	3,839,279
Other	221,208	220,481
Total Operating Expenses	\$ 71,932,390	\$ 75,774,180
Operating Margins	\$ 1,060,646	4,526,952
Patronage Allocations	1,154,901	968,910
Non-Operating Margins	1,297,230	1,205,589
Net Margins	\$ 3,512,777	\$ 6,701,451

Where the Dollar Comes From



System Statistics

	2016	2015
Number of services	38,918	38,719
Miles of energized power line	2,454.71	2,439.65
Number of accounts per mile of line	15.85	15.87
Total kWh purchased by cooperative	725,737,669	738,112,560
Total kWh bought by co-op members	674,610,972	715,282,643
Number of employees	73	74

Where the Dollar Goes

