

2016 ANNUAL REPORT

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Voluntary
and Open
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Member's
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**The Seven
Cooperative
Principles**

***Celebrating
80 Years
1937-2017***



Clark Electric Cooperative

A Touchstone Energy® Cooperative 

ANNUAL MEETING

Loyal American Legion Hall

Wednesday, April 12, 2017 • 9:30 a.m.

Notice of the Annual Meeting of the Membership of Clark Electric Cooperative

Wednesday, April 12, 2017

The 80th annual meeting of the members of Clark Electric Cooperative will be held at the American Legion Hall in the city of Loyal, Clark County, Wisconsin on Wednesday, April 12, 2017 beginning at 9:30 a.m.

Action will be taken on the following items of business:

1. Report of Officers, Directors, Employees and Guests.
2. Election of two (2) board members.
3. The selection of delegates to Dairyland Power Cooperative Annual Meeting.
4. Such other business that may come before the meeting.

Dated this 13th day of March, 2017.



/S/Charles Bena
President



Note: Nominations and Election

Nominations will be received from the floor at the annual meeting of members. If there is more than one nominee, election shall be by ballot and majority vote. In the event no candidate receives a majority of the votes cast on the first ballot, then all but the two persons receiving the greatest number of votes cast shall be dropped from the ballot on the second and succeeding ballots.

Rules Of Order For Official Business Meeting

1. The meeting will be conducted in accordance with the current edition of Robert's Rules of Order and under the following special Rules of Order.
2. Members wishing to speak are to give their name(s) and Town location in which they are members.
3. During nomination and election proceedings for director, candidates will be allowed to speak for four minutes; and one member supporting his/her candidacy will also be allowed to speak for four minutes.
4. Advisory resolutions must be submitted to the Rules Committee, c/o the CEO/GM, at least fifteen (15) days prior to the Annual Meeting to give the Committee and the Board of Directors an opportunity to make a recommendation to the membership.
5. Other than individuals on the Annual Meeting program, only members will be allowed to speak for four minutes on each issue and for one time only except that an additional two minutes may be granted by $\frac{2}{3}$ majority of the vote at the meeting.
6. No signs or handouts will be permitted within the building of the place of the meeting, except such handouts as required for the official conduct of the Annual Meeting.
7. No demonstrations shall be held within the building of the place of the meeting.



CLARK ELECTRIC COOPERATIVE OFFERS AN EASY AND AFFORDABLE WAY TO INVEST IN SOLAR ENERGY

The community solar garden is designed for members who are interested in an affordable option to purchase renewable solar energy, but don't have the site or the budget to install solar panels of your own—we have the solution for you.

By utilizing a solar garden approach, issues such as inadequate space for solar panels near your home, too many trees that would block the sun at your residence, cost of a small PV array, installing panels on your rooftop, insurance, interconnection of the PV system to the grid, and unsightly panels at your residence all go away.

Any residential/seasonal member, regardless of whether you own or rent your home and where you live, who pays a monthly electric bill to Clark Electric Cooperative could be a potential candidate for participating in the community solar project.

Purchase one or more units of solar for \$864.80 each. Once the unit(s) are paid for, there are no fees assessed to you during the life of the agreement (23 years).

You will receive a credit equal to your share of the array's output on your electric bill.

Clark Electric's Solar Array is interconnected with the grid, so all the energy produced here goes directly onto the cooperative's distribution lines. That means all power produced by the solar array is being used right here in our service area.

Contact our office or visit our website at www.cecoop.com for more information on the community solar array.



**Clark Electric
Cooperative**

A Touchstone Energy® Cooperative 

Abbreviated Minutes of The 2016 Annual Meeting

The 79th Annual Meeting was held on April 6, 2016, and was called to order at 9:30 a.m. by President, Charles Bena.

Scott Johnson gave the invocation.

National Anthem was presented.

Herman Seebandt gave the Pledge of Allegiance.

The roll call was dispensed with as members registered at the door and a quorum to conduct business was present.

The Rules of Order, as adopted by the Rules Committee, were approved as printed in the Annual Report.

It was moved and seconded to approve the Agenda as printed in the 2015 Annual Report.

The Notice of Annual Meeting and Proof of Due Mailing were read.

Minutes of the 2015 annual meeting were approved.

The Board of Directors, former directors, and guests were introduced.

The President's report was approved as printed.

Attorney Niles Berman, Wheeler, Van Sickle and Anderson S.C. reviewed the qualifications of Director. President Bena appointed Attorney Berman to conduct the elections.

Attorney Berman asked for nominations for a director to succeed Allen Jicinsky (Spencer). Allen Jicinsky is eligible for another term. Allen Jicinsky was nominated for re-election. After calling three times for additional nominees, it was moved and seconded to close nominations and cast a unanimous ballot for Allen Jicinsky. Motion carried.

Attorney Berman asked for nominations for a director to succeed Charles Lindner (Eaton). Charles Lindner is eligible for re-election. Charles Lindner was nominated. After calling three times for additional nominees, it was moved and seconded to close nominations and cast a unanimous ballot for Charles Lindner. Motion carried.

Tim Stewart, CEO/General Manager reviewed the 2015 financial

performance and Community Solar project and Electric Rates. It was moved and seconded to accept the report as given. Motion carried.

Mr. Phil Moilien, Dairyland Power Cooperative, gave a short presentation on the current projects at Dairyland Power Cooperative.

It was moved and seconded to compensate the member delegates the same per diem as last year and to use the IRS standard rate for mileage. Motion carried.

It was moved and seconded to leave the number of member delegates to the Dairyland Power Cooperative Annual Meeting the same. Motion carried.

It was moved and seconded to approve the member delegates as nominated and that the Board of Directors appoint the remaining delegates to attend the Dairyland Annual Meeting, if needed, at the next scheduled board meeting. Motion carried.

There was no unfinished business.

There was no new business.

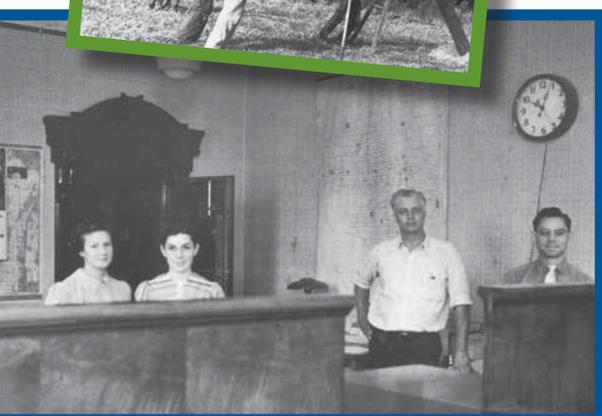
Moved and seconded to adjourn at 11:37 a.m.

Celebrating 80 Years *1937-2017*

In 1937, office quarters were rented in the Hoehne Building in Greenwood to give first visible evidence that Clark Electric Cooperative was an established business. In August 1940, when this picture was taken, the office staff had grown to four. Left to right are Sylvia Kokley, Marie Kunce, Manager William Dallman, and Bookkeeper Harland Bergemann.



Wallace J. Landry was the driving force behind the organization of Clark Electric Cooperative.



President and General Manager's Report

It is our privilege, on behalf of the Board of Directors, Management, and Employees of Clark Electric Cooperative to provide this annual report for year ended December 31, 2016. The Cooperative's financial report for year-end 2016 & 2015 is contained in this booklet. Please take a few minutes to review the information contained herein.

This year we are celebrating our 80th anniversary of providing electric service to our members in Chippewa, Clark, Jackson, Marathon, Taylor and Wood counties. In commemoration of our 80th year, we would like to highlight some history into your organization, Clark Electric Cooperative.

Prior to the 1930's, American agriculture had long been struggling. Very few farms had access to electricity. Rural life was extremely difficult and very labor intensive. Cows were milked and watered by hand. Milking was done by the dim light of kerosene lanterns. Water was pumped by hand and food was cooked over wood stoves. Laundry was done outside with a large tub of water suspended over fire to heat it. Children studied by the small circle of light cast by kerosene lamps. Outside the small circles of light, the rooms of a farmhouse were dark.

Seventy-five years ago, Americans were struggling to recover from the effects of the Great Depression. The lack of electricity made life an even greater struggle for rural citizens. Many of the agricultural leaders of that era declared that widespread farm electrification would be a primary force in rural rehabilitation, both economically and socially. On May 11, 1935, by Executive Order 7037, President Roosevelt created the Rural Electrification Administration. It was expected that the electric industry, investor owned utilities that electrified urban centers, would embrace the program and begin some

sort of rural electrification program. Unfortunately, investor-owned utilities saw no profit in providing electricity to sparsely populated areas. So, when it became evident that the power companies held little or no interest in building their lines into the rural community, farm folks began to talk in terms of organizing themselves into a cooperative corporation to do the job. This is where our story begins.

In the mid 1930's, there were three electric cooperatives being organized in Clark County; Willard Electric Cooperative - in the Willard area, Big Four Cooperative Electrical Association - in the Spencer vicinity, and Clark Electric Cooperative. Willard Electric Cooperative came first. The Articles of Incorporation were filed March 27, 1936, making it the second electric cooperative to be chartered by the state. The Big Four was third, just three days later on March 30, 1936. (The first electric cooperative in the state of Wisconsin was Richland Electric Cooperative, the only one of the three still existing today).

In terms of unofficial organizational meetings, Big Four preceded Willard with a session at Spencer on January 10, 1936. The meeting, attended by some 300 farmers, was arranged by the leadership of the Big Four Co-op Oil Company. Willard's first unofficial organization meeting was held March 19, 1936, after a long period of person to person work by organizers.

Clark Electric Cooperative was organized independently and chartered on April 1, 1937. The first annual meeting of the newly formed cooperative was held April 12, 1937. Vern G. Howard was chosen as the first president of Clark Electric Cooperative. Martin Klarich was elected vice president and Wallace J. Landry was elected secretary-treasurer. The remaining original directors were L.T. Klein, C.F. Baldwin, Ed Klein, Rex Cooper, Gustave H. Voight, and Milton F. Page.

Throughout this period of time, The Big Four and Willard Electric Cooperative retained their status and identity. However, it was becoming apparent to the leaders of the REA movements in the county that one large cooperative project would be more satisfactory than the numerous smaller cooperatives in each of several communities that had

originally been visualized. On June 26, 1937, representatives of these two pioneering cooperatives, along with representatives of Clark Electric Cooperative, met at the village hall in Loyal. Representatives from the Big Four and Willard Board of Directors quickly approved resolutions to sell their respective assets to Clark Electric Cooperative. The Clark Board, voted to purchase. Thus, it took only this brief session to consolidate the leadership of these three electric cooperatives into a more effective structure. The charters of the Big Four and Willard Electric Cooperatives, among the first three to be issued in Wisconsin, were forfeited to the Secretary of State on January 1, 1938.

Today, we are now celebrating 80 years of providing service to our members. It is not by accident that we are holding this year's Annual Meeting on April 12, 2017, exactly 80 years to the day of our first Annual Meeting. Our most recent history book is available on-line at www.cecoop.com. *Moments in Time* reflects upon our success, challenges, and obstacles from our beginning in 1937. We hope you enjoy our story.

2016 Year End Results

Clark Electric Cooperative continues to report solid financial performance. The Board of Directors is committed to maintaining Clark Electric Cooperative

(continued on page 6...)



in a strong financial position. The positive performance for 2016 continues the trend of maintaining a sound organization. Clark Electric Cooperative's equity position remains one of the strongest in Wisconsin while electric rates remain among the most competitive in the Cooperative segment of the Wisconsin electric industry. The result of this sound financial positioning has allowed the Cooperative to once again retire allocated capital credits to our membership. During 2016, the Board of Directors approved total retirements of \$906,591. This brings the total dividends retired to our members to over \$22,684,737.

Total kWh sales decreased 2.19% from 2015 to 186,221,070 kWh sold. However, as a result of cost containment programs, the Cooperative helped offset ever increasing costs which resulted in a positive operation margin \$968,234 as compared to \$978,972 in 2015. The Operating Times Interest Earned Ratio (OTIER) was 2.90 compared to 3.10 in 2015. Our Equity Ratio increased slightly from last years of 64.25 % of total assets to the 2016 year end level of 65.36% of total assets.

Finally, it is important to note that Clark Electric Cooperative has met or exceeded vital statistical tests as required by our lenders, the Rural Utilities Service and the National Rural Utilities Cooperative Finance Corporation. In addition, our financial condition is audited every year by an independent auditing firm. The audit confirms and reports on the financial condition, controls, and procedures used by Clark Electric Cooperative.

Operations

Each year the Cooperative performs a host of maintenance programs designed to help maintain our continuity of service and keep the electric system operating efficiently. Major maintenance programs include pole testing, reclosure maintenance, regulator maintenance, vegetation management, tree trimming, and

overhead/underground line inspection. We are very pleased to report that during 2016 the System Average Interruption Duration Index (SAIDI), despite large storms in June and December, 2016, a system reliability index was 2.59 (This represents 99.970% system reliability). The 2016 index is well below the Rural Utilities Service (RUS) established threshold while the 5 year average (2.16) is also well below the RUS established threshold.

The Cooperative invested in excess of \$1.45 million in new distribution plant during 2016. This represents new construction / replacement of electric lines, new service extensions, and member service upgrades. In addition, a total of 70 new services were added as compared to 83 new services during 2015.

Concern for Community

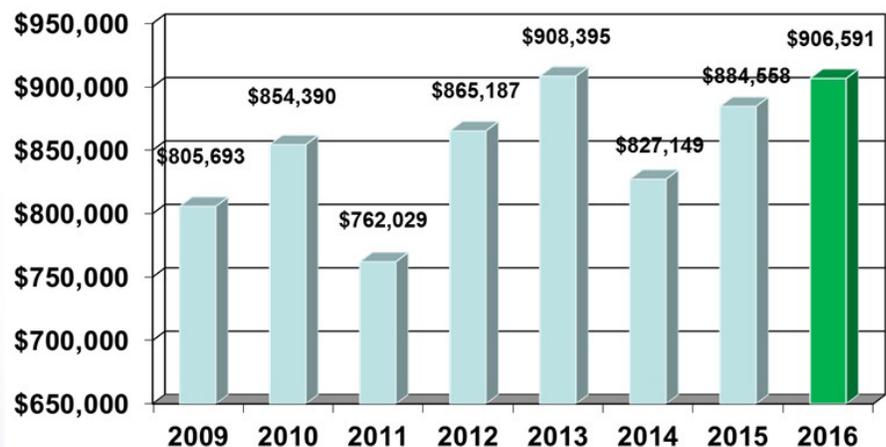
One of Clark Electric Cooperative's core values and business principles is concern for community. During this past year Cooperative personnel visited schools, area fire departments, and other events to discuss electrical education and safety. Our youth programs continue with our scholarship program and our youth leadership program. The scholarship program, a program designed for graduating seniors located throughout our service area, is funded with

unclaimed capital credits. To date, the Cooperative has awarded in excess of \$201,000 since 1995. The Youth Leadership program focuses on leadership training and education about Cooperatives.

We are very excited about our newest youth program which partners with the Greenwood FFA and FFA Alumni. This program allows the Greenwood FFA students real hands on experience in managing crop land which is located adjacent to the Cooperative's headquarters. The students learn about Cooperatives, the Seven Cooperative Principles, and the not-for-profit business model that makes cooperatives unique. These outreach programs continue to be well received and are tangible examples of our commitment to our area young people.

In 2004, Clark Electric Appliance and Satellite, Inc. established the Adler-Clark Electric Community Commitment Foundation. The purpose of the Foundation is to strengthen local communities by helping not-for-profit and community organizations fund projects that enhance the quality of life of local residents of this area. In twelve years of operation, the Foundation has awarded \$418,230 for community enrichment programs throughout our service area. The Foundation will continue to be a strong community resource for many years to come

Capital Credits Retired



Dairyland Power Cooperative

Dairyland Power Cooperative is our wholesale power supplier located in La Crosse, WI. As purchased power represents approximately 70 percent of our total cost of providing electric service, it is the major cost driver of your electric bill.

As you are all aware, we have experienced significant increases in wholesale power costs since 2007. In 2011, we experienced a 2.81 percent increase in rate from the 2010 level. In 2012, we again experienced an increase in the wholesale charges that Clark Electric Cooperative pays for power of approximately 4.14 percent. Fortunately, in 2013 and 2014 we experienced declines of 2.48 percent and 2.77 percent. Unfortunately that trend has reversed as we experienced an increase of 3.34% in 2015 and 1.44% in 2016. However, we are pleased to report that we expect a stable wholesale rate in 2017.

Resource Diversification

A thoughtful and intentional diversification of its energy resource mix and expansion of renewable energy remain strategic priorities.

In 2016, Dairyland announced agreements for 15 new solar installations with a total generation of 20 MW (megawatts), enough renewable energy to power more than 3,000 homes. The advantages of multiple projects in separate locations include diverse weather patterns, distributed grid infrastructure impacts, and locally based renewable energy. The installations range between 0.5 MW to 2.5 MW.

Dairyland also began purchasing 80 MW of renewable energy from the Barton Wind Farm effective February 15, 2017. The Barton Farm has capacity of 160 MW of wind energy of which Dairyland is purchasing roughly half (enough to power more than 19,000 homes). It is located in north-central Iowa and has been in service since 2009.

This is Dairyland's second major wind energy investment in recent months.

In 2016, Dairyland announced a power purchase agreement for the 98 MW Quilt Block Wind Farm. DPC will purchase the entire output of the farm. Quilt Block is under construction near Platteville and is expected to come online in late 2017.

Plant Decommissioning

Projects are underway to successfully complete decommissioning of the La Crosse Boiling Water Reactor (LACBWR) and the Alma Station in a manner that ensures public safety and compliance with all regulatory requirements, while minimizing the cost impact on Dairyland's members and reducing future liabilities. LACBWR has not been operational since 1987, yet the government has not complied with the Nuclear Waste Policy Act of 1982. This Act gave the government responsibility for storage of the nation's spent nuclear fuel with a deadline of January 31, 1998, to begin accepting the fuel. However, since this has not yet begun, the storage and related expenses have remained with Dairyland.

In October 2016, Dairyland accepted a settlement offer of \$73.5 million from the U.S. Court of Federal Claims for damages related to the government's breach of contract with LACBWR. The net proceeds of the Settlement are being returned to Dairyland's member cooperatives in February 2017. The settlement is the result of Dairyland's second round of litigation with the U.S. government regarding LACBWR and represents the 2007 - 2012 time frame.

We are very pleased to report that the Clark Electric Cooperative Board of Directors took action at our February 2017 Board Meeting to authorize a special cash refund in the amount of \$1,368,595 directly to the members based upon 2007-2012 patronage. An additional \$600,000 will be held in reserve to offset future LACBWR cost exposure. If it is not needed, this amount will also be returned to the members either via check, bill credit, or as an offset to future rate increases. We plan to issue checks by the end of May 2017.

Maintaining Financial Strength

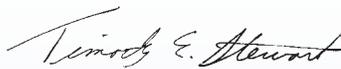
Maintaining financial strength and competitive access to capital are critical to delivering on Dairyland's Strategic Plans. The largest contributing costs are associated with environmental improvements, transmission projects, cost of fuel and transportation, and purchased power. Fuel to operate its generating facilities continues to be Dairyland's largest annual expense, with barge and rail transportation of coal constituting a significant portion of that cost. To ensure long term financial strength, the Dairyland Board of Directors has implemented a strategic financial plan to maintain "A" ratings from Moody's and Standard & Poors credit rating agencies.

Looking Forward

While Dairyland is making every effort to keep energy affordable, the reality is that regulatory compliance, operational expenses, and capital projects continue to place upward pressure on wholesale rates in the long term.

In closing, be assured that the Board of Directors, Management and Employees of your Cooperative will continue to pursue and improve methods to bring you safe, dependable power and other related services. Clark Electric Cooperative is your organization, and we are dedicated to serving our membership in the most practical, cost effective manner. We approach the future with confidence and the knowledge that the commitment and dedication to service, membership owned, and not-for-profit operation will enable us to focus on you, our customer and owner. Our only goal is to meet the needs of our member-owners, both today and tomorrow. It is an honor and a privilege to be of service to you.


Charles Bena
President


Timothy E. Stewart
CEO/GM

Harvest the sun's energy stored in the earth and save on heating and cooling!

Clark Electric rebate \$450/ton

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- Save up to 70% on your energy costs
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- Additional \$650 Focus on Energy Rebate may be available to qualifying existing homes while funds are available.

Stop by and visit with Greg about your heating and cooling needs, at the Annual Meeting.

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10052

Statement of Cash Flows

Increase (Decrease) in Cash and Equivalents

Cash Flows From Operating Activities

	2016	2015
Net Margins	\$ 1,664,614	\$ 1,505,102
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation and Amortization	1,311,172	1,184,045
G&T Capital Credits	(638,667)	(758,971)
Gain on Equity in Subsidiary/Sale of Investments	(165,752)	(51,525)
Change in Deferred Debits/Credits	143,363	227,495
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(220,446)	(32,316)
Notes Receivable	83,524	104,113
Materials and Supplies	49,678	31,542
Other Current and Accrued Assets	39,605	(13,162)
Accounts Payable	53,558	(637,607)
Other Current and Accrued Liabilities	74,744	(32,033)
Net Cash Provided by Operating Activities	2,395,393	1,526,683
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(1,713,966)	(3,838,614)
Investments in Associated Organizations and Other Assets	234,180	168,764
Dividend Received	100,000	100,000
Net Cash Provided by (used in) Investing Activities	(1,379,786)	(3,569,850)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term Borrowing	0	8,829,000
Payments on Long-term Debt	(577,884)	(5,154,845)
Advance Payments on Long Term Debt	(10,000)	(60,000)
Notes Payable	0	0
Capital Credits Retired	(800,166)	(744,458)
Changes in Other Equities and Consumer Deposits	(32,452)	(88,561)
Net Cash Provided by (used in) Financing Activities	(1,420,502)	2,781,136
NET INCREASES IN CASH AND CASH EQUIVALENTS	(404,895)	737,969
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,905,391	3,167,422
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,500,496	\$ 3,905,391



Balance Sheet - December 31, 2016

Assets and Other Debits

	Dec 2016	Dec 2015
Total Plant in Service	\$ 42,313,430	\$ 40,575,716
Construction Work in Progress	7,340	125,767
Total Utility Plant	42,320,770	40,701,483
Accumulated Depreciation & Amortization	11,254,102	10,037,609
Net Utility Plant	31,066,668	30,663,874
Investments in Subsidiary Companies	3,441,658	3,414,330
Investments Associated Organizations - Patronage Capital	8,987,041	8,588,725
Investments Associated Organizations - Other General Funds	494,442	493,378
Other Funds	216,378	199,361
Available for Sale Securities	-	11,758
Total - Other Property and Investments	13,139,519	12,707,552
Cash - General Funds	586,469	490,909
Temporary Investments	2,914,027	3,414,481
Notes Receivable - Net	618,464	701,987
Accounts Receivable - Net Sales of Energy	2,115,496	1,899,619
Accounts Receivable - Net Other	84,367	79,797
Materials and Supplies Electric and Other	399,484	449,161
Prepayments	121,155	160,750
Interest & Dividends Receivable	5,089	5,097
Total Current and Accrued Assets	6,844,551	7,201,801
Other Deferred Debits	777,781	907,731
Accumulated Deferred Income Taxes		
Total Assets	\$ 51,828,519	\$ 51,480,958

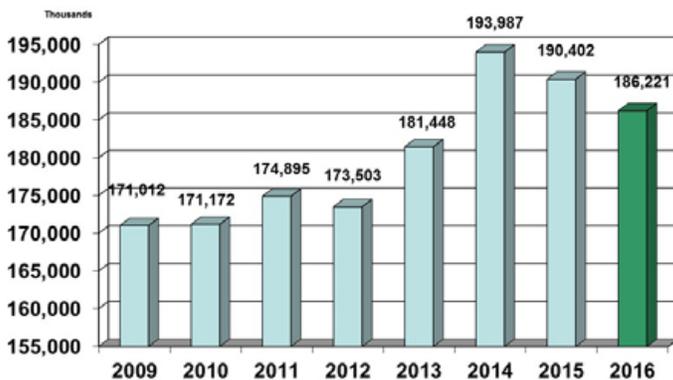
Liabilities and Other Credits

	Dec 2016	Dec 2015
Patronage Capital	\$ 26,975,186	\$ 26,378,716
Operating Margins - Current Year	1,536,375	1,661,934
Non-Operating Margins	128,239	(156,831)
Other Margins and Equities	5,240,359	5,195,132
Total Margins and Equities	\$ 33,880,159	\$ 33,078,951
Long Term Debt - REA (net)	11,107,654	11,463,611
Long Term Debt - Economic Development	508,294	608,302
Long Term Debt - (NRUCFC & Co-Bank)	2,695,322	2,944,894
Total Long Term Debt	\$ 14,311,270	\$ 15,016,807
Notes Payable	-	-
Accounts Payable	1,497,055	1,443,498
Consumers Deposits	120,926	116,505
Other Current and Accrued Liabilities	1,274,869	1,156,250
Current Maturities-Long Term Debt	618,321	556,440
Total Current and Accrued Liabilities	\$ 3,511,171	\$ 3,272,693
Deferred Credits	125,919	112,507
Total Liabilities and Other Credits	\$ 51,828,519	\$ 51,480,958

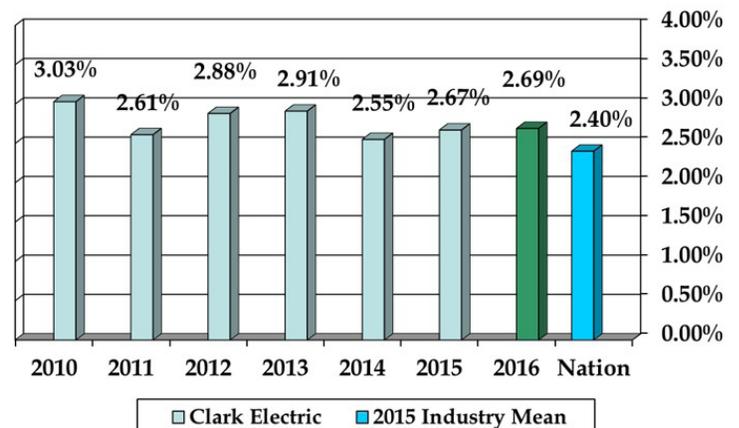
Statement of Operations

Item	Dec 2016	Dec 2015
Operating Revenue	\$ 21,542,586	\$ 21,354,379
Cost of Power	14,324,387	14,435,756
Transmission Expense		
Distribution Expense-Operation	1,243,426	1,224,141
Distribution Expense-Maintenance	1,560,270	1,404,467
Consumer Account Expense	452,809	466,737
Consumer Service & Info Expense	127,171	135,932
Sales Expense	58,232	57,336
Administrative and General Expense	754,491	777,448
Total Operations Expense	\$ 4,196,399	\$ 4,066,061
Total Operation & Maintenance Expense	\$ 18,520,786	\$ 18,501,817
Depreciation & Amortization Expense	1,311,172	1,184,045
Tax Expense - Property	230,260	220,704
Tax Expense Other	-	-
Interest Long Term Debt	508,801	466,046
Interest Expense- Other	-	-
Other Deductions	3,333	2,795
Total Fixed Expenses	2,053,566	1,873,590
Total Cost of Electric Service	\$ 20,574,352	\$ 20,375,407
Patronage Capital & Margins	\$ 968,234	\$ 978,972
Non-Operating Margins		
Interest Income	105,322	91,282
Non-Operating Margins - Other	(47,609)	(324,123)
Generation & Transmission Capital Credits	568,066	679,962
Other Capital Credits	70,601	79,009
Total Non-Operating Margins	696,380	526,130
Patronage Capital - Margins	\$ 1,664,614	\$ 1,505,102

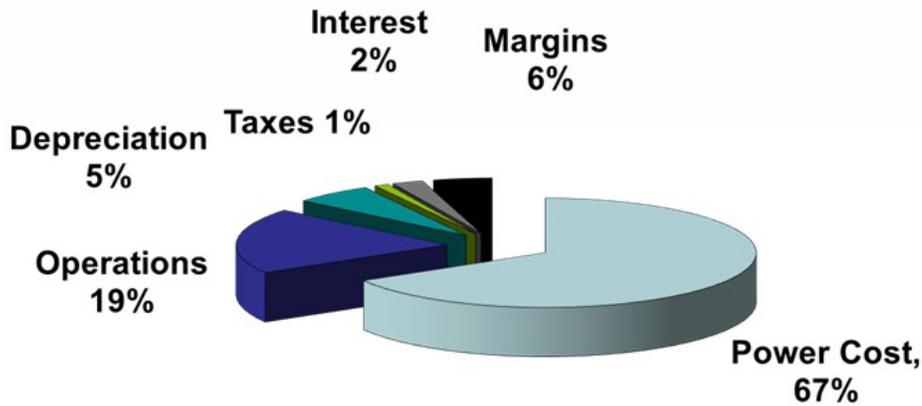
kWh Sales



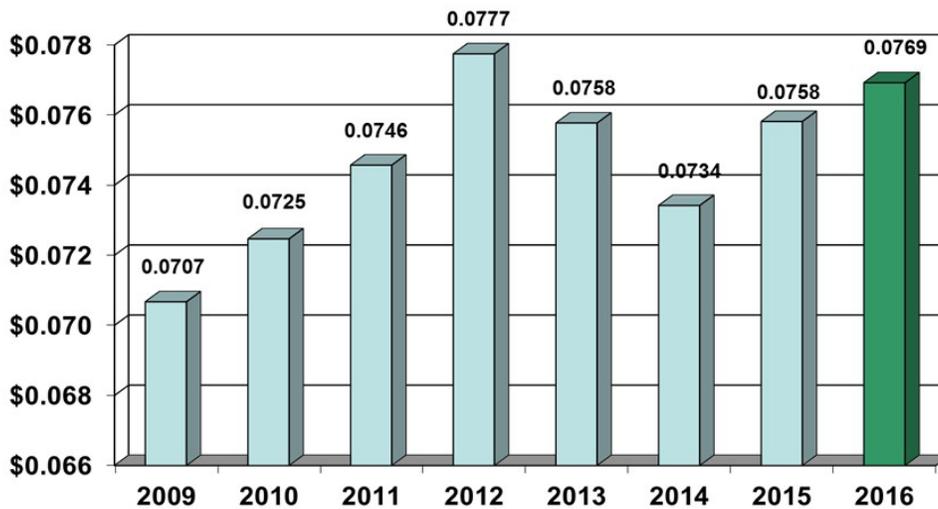
Capital Credits Retired per Total Equity



How The Dollar Was Spent In 2016



Power Cost/kWh Sold (in cents)



Comparative Operating Statistics

	2016	2015
Miles of Line	1,988	1,986
Number of Meters Served	9,132	9,078
Electric Services per Mile of Line	4.59	4.57
Total KWH Purchased from Dairyland Power Cooperative	196,939,028	201,323,746
Total KWH Sold by Clark Electric Cooperative	186,221,070	190,402,190
Percent Increase (decrease) In Purchases	-2.178%	-1.934%
Percent Increase (decrease) In Sales	-2.196%	-1.848%
Average Line Loss	5.442%	5.425%
Cost per KWH Purchased (Cents per KWH)	7.274	7.170
Revenue per KWH Sold (Cents per KWH)	11.568	11.215
Number of KWH's Used per Meter per Year	20,392	20,974
Revenue per Mile of Line per Month	\$ 903	\$ 896
Average Bill per Meter per Month	\$ 197	\$ 196
Total Capital Credits Refunded this Year	\$ 906,591	\$ 884,558
Total Capital Credits Refunded to Date	\$ 22,684,737	\$ 21,778,146

Personnel

Board of Directors

Charles Bena, President.....	2003 - Present
Herman Seebandt, Vice President.....	2012 - Present
Charles Lindner, Secretary/Treasurer.....	2013 - Present
James Hager, Director.....	2014 - Present
Allen Jicinsky, Director.....	2013 - Present
Scott Johnson, Director.....	2014 - Present
Marvin Verkuilen, Director.....	2012 - Present

Management

Years of Service

Tim Stewart, CEO/General Manager.....	30 years
Mike Ruff, Director of Operations.....	24 years
Linda McAley, Director of Administrative Services.....	43 years

Office Staff

Tracy Nelson, Administrative Assistant.....	30 years
Pat Krause, Member Accounts Representative.....	25 years
Bobbi Toburen, Member Accounts Representative.....	23 years
Amber Reddy, Member Accounts Representative.....	20 years
Cathy Langreck, Member Accounts Representative.....	18 years

Operations Staff

Rick Suda, Line Superintendent.....	35 years
Kevin Sterland, Ass't. Line Superintendent.....	24 years
Sandy Klinke, Operations Aide.....	38 years
Dan Sturz, Metering.....	31 years
Kent Weigel, Metering.....	10 years
Jeff Block, Lineman.....	30 years
Warren Luedtke, Lineman.....	27 years
Mike Hackel, Lineman.....	23 years
Josh Burns, Lineman.....	14 years
Chad Steffen, Lineman.....	14 years
Scott Bailen, Lineman.....	14 years
Pat Susa, Warehouse Utility Man.....	11 years
Jarred Martens, Lineman.....	10 years
Jeff Fellenz, Lineman.....	2 years
Kole Hinker, Lineman.....	1 year
Konner Kitzhaber, Lineman.....	7 months
Jonathon Hilbert, Lineman.....	7 months
Jared Jensen, Lineman.....	6 months



Chairman of The Board Report

Clark Electric Appliance & Satellite, Inc.

Clark Electric Appliance & Satellite Inc. completed its 22nd year as a subsidiary company of Clark Electric Cooperative. By most measures, 2016 was a successful year. We ended the year with Total Assets of \$4,083,552 while total earnings improved to \$109,279 as compared to a \$3,128 loss in 2015. The continued positive progress in earnings is primarily attributed to improvement across all four of our core product lines, especially our high speed internet product; Exede.

As you may recall, approximately five years ago Clark Electric Appliance & Satellite, Inc. introduced the next generation of high speed internet, EXEDE. EXEDE is true high speed satellite internet that offers up to 12 MBPS download speed, 3 MBPS upload speed. This represented a significant capacity leap in satellite technology. Since 2012, we have seen this product line continue to expand. In March 2014, Clark Electric Appliance & Satellite Inc. acquired the customer base of another Wisconsin EXEDE provider. With this one transaction, we in essence doubled our customer base and enhanced our profit potential. I am pleased to report that in 2016, two additional acquisitions took place which again grew this product line by over 100%. We will continue to explore growth opportunities in the future.

Not only do we expect growth to occur through company acquisitions,

we also believe that growth will occur due to product enhancement. ViaSat, the company that brings us Exede, is projecting to launch a new satellite, ViaSat 2 during the fourth quarter of 2016 - 1st quarter 2017. This satellite will have the ability to deliver higher download speeds with more bandwidth capacity for customers. In today's society, consumers need the ability to stream movies, music, work from home, and access larger websites without the restrictions of bandwidth caps. ViaSat 2 promises these capabilities. We are excited to be a part of this technology and look forward to the subscriber growth and value this will bring. While new internet competitors continue to enter the marketplace, we are confident that EXEDE is the right solution for the sparsely populated areas of rural Wisconsin.

Our First Call Medical Monitoring System is another one of our core products. The First Call program has promoted independent living among our senior citizens and home bound customers. With 24-hour monitoring for our senior citizens and consumers who may be handicapped or ill, this unit allows them to maintain a more independent lifestyle in their own home. We believe that First Call will continue to be a valuable local resource to families.

Clark Electric Appliance & Satellite Inc. continues to offer electro technologies in heating and cooling solutions. We certainly experienced increased activity and interest in

geothermal heating and cooling, air source heat pumps, storage heat systems and mini-boiler systems as consumers strive to eliminate a dependency of fossil fuel heating. Homeowners continue to turn to safe, energy efficient sources of electric heat, coupled with off peak heat rates, to provide an economic solution to high heating costs. In addition, Clark Electric Cooperative offers rebates on these systems.

Our new showroom carries a full line of General Electric Appliances. We have been an exclusive dealer of General Electric for over 50 years, offering delivery, setup and service after the sale.

Clark Electric Appliance & Satellite Inc. exists today because of our customers. We pride ourselves in being local with the ability to provide personal service. As we move into the future, we look forward to continued service to you and to provide products that will meet your expectations. We invite you to visit our showroom at 1209 West Dall-Berg Road just west of Greenwood.

Cooperatively Yours,



Charles Bena
Chairman of the Board

Clark Electric Appliance & Satellite, Inc.

Board of Directors

Charles Bena, Chairman.....	2012 - Present
Tim Stewart, President.....	2004 - Present
Charles Lindner, Secretary/Treasurer.....	2014 - Present
Patricia Lindner, Director.....	2013 - Present
Dr. John Scaletta, Director.....	2008 - Present
Mike Schaefer, Director.....	2014 - Present
Verlyn Schalow, Director.....	2013 - Present

Appliance and Satellite, Inc. Staff

Years of Service

Rita Sladich, Inside Sales Manager	39 years
Michelle Walde, Appliance Assistant Manager, Sales.....	21 years
Ryan Nielsen, Appliance/Geothermal Technician	16 years
Greg Shaw, HVAC Manager	14 years

Subsidiary Operations

Operations	2016	2015
Income	\$ 1,973,062	\$ 1,760,673
Cost of Sales	1,272,152	1,194,212
Gross Margins	700,910	566,461
Overhead Expense	591,631	569,588
Margins	109,279	(3,128)
Assets		
Building/Equipment	992,717	1,013,520
Franchise/NRTC Capital	1,703,655	1,775,962
Current & Accrued Assets	1,387,180	1,174,493
Total Assets	4,083,552	3,963,975
Liabilities & Equity		
Equity	3,441,653	3,414,329
Debt	90,472	106,169
Current Liabilities	551,427	443,477
Total Liabilities & Equity	\$ 4,083,552	\$ 3,963,975



1209 West Dall-Berg Road, PO Box 190
Greenwood, WI 54437-0190

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Please Bring This Book With You To The Annual Meeting

This Book Contains the Official Notice of Annual Meeting, Financial Report and Statistics.

Clark Electric Cooperative **2017 Annual Meeting**

Wednesday, April 12, 2017 • 9:30 a.m.

American Legion Hall • Loyal, WI

Agenda

Reports from Officers, Directors, Manager, and Guests

Election of Directors to the Board of Directors

Selection of Delegates to Dairyland Power Cooperative Annual Meeting

Such other business that may come before the meeting.

3 early bird winners will be drawn before the start of the meeting at 9:30 a.m.

Winners announced following adjournment

(You must be present to win!)

Drawing for other prizes following adjournment

