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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION

MI0043

PERIOD ENDED December, 2015 (Prepared with Audited Data)

BORROWER NAME

Cloverland Electric Co-operative

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Daniel Dasho

3/29/2016

DATE

PART A. STATEMENT OF OPERATIONS

| ITEM | YEAR-TO-DATE | | | THIS MONTH (d) |
|---|-------------------|-------------------|-------------------|-------------------|
| | LAST YEAR (a) | THIS YEAR (b) | BUDGET (c) | |
| 1. Operating Revenue and Patronage Capital | 85,064,052 | 78,518,997 | 82,489,238 | 6,707,544 |
| 2. Power Production Expense | 4,131,763 | 3,613,062 | 4,161,075 | 343,683 |
| 3. Cost of Purchased Power | 43,309,246 | 37,527,931 | 41,622,851 | 3,274,943 |
| 4. Transmission Expense | 7,567,791 | 8,546,340 | 7,269,049 | 713,641 |
| 5. Regional Market Expense | | | | |
| 6. Distribution Expense - Operation | 3,091,831 | 3,012,792 | 3,142,535 | 424,921 |
| 7. Distribution Expense - Maintenance | 5,542,092 | 4,658,115 | 4,941,919 | 816,847 |
| 8. Customer Accounts Expense | 2,244,802 | 1,673,858 | 2,358,449 | (470,207) |
| 9. Customer Service and Informational Expense | 1,273,259 | 1,246,266 | 1,282,554 | 105,673 |
| 10. Sales Expense | 94,380 | 120,155 | 102,468 | 8,835 |
| 11. Administrative and General Expense | 4,957,539 | 4,901,513 | 5,162,819 | 356,211 |
| 12. Total Operation & Maintenance Expense (2 thru 11) | 72,212,703 | 65,300,032 | 70,043,719 | 5,574,547 |
| 13. Depreciation and Amortization Expense | 5,364,796 | 5,706,677 | 5,876,909 | 491,699 |
| 14. Tax Expense - Property & Gross Receipts | 2,673,810 | 2,802,965 | 2,800,000 | 279,686 |
| 15. Tax Expense - Other | (101,278) | 1,982 | 4,000 | 500 |
| 16. Interest on Long-Term Debt | 4,033,177 | 4,128,848 | 4,324,733 | 340,059 |
| 17. Interest Charged to Construction - Credit | | | | |
| 18. Interest Expense - Other | 343,121 | 151,969 | 231,600 | 2,939 |
| 19. Other Deductions | 66,493 | 21,015 | 50,000 | 4,941 |
| 20. Total Cost of Electric Service (12 thru 19) | 84,592,822 | 78,113,488 | 83,330,961 | 6,694,371 |
| 21. Patronage Capital & Operating Margins (1 minus 20) | 471,230 | 405,509 | (841,723) | 13,173 |
| 22. Non Operating Margins - Interest | 75,186 | 92,074 | 53,100 | 30,749 |
| 23. Allowance for Funds Used During Construction | | | | |
| 24. Income (Loss) from Equity Investments | 12,290 | (18,394) | 5,100 | (13,855) |
| 25. Non Operating Margins - Other | 886,737 | 733,330 | 963,245 | (54,818) |
| 26. Generation and Transmission Capital Credits | | | | |
| 27. Other Capital Credits and Patronage Dividends | 393,153 | 253,687 | 150,000 | 21,012 |
| 28. Extraordinary Items | | | | |
| 29. Patronage Capital or Margins (21 thru 28) | 1,838,596 | 1,466,206 | 329,722 | (3,739) |

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION

BORROWER DESIGNATION

MI0043

PERIOD ENDED

December, 2015

INSTRUCTIONS - See help in the online application.

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM | YEAR-TO-DATE | | ITEM | YEAR-TO-DATE | |
|---|------------------|------------------|---|------------------|------------------|
| | LAST YEAR (a) | THIS YEAR (b) | | LAST YEAR (a) | THIS YEAR (b) |
| 1. New Services Connected | 256 | 172 | 5. Miles Transmission | | |
| 2. Services Retired | 1,188 | 135 | 6. Miles Distribution – Overhead | 2,857.18 | 2,856.79 |
| 3. Total Services in Place | 44,390 | 44,427 | 7. Miles Distribution - Underground | 632.40 | 635.94 |
| 4. Idle Services (Exclude Seasonals) | 2,052 | 2,037 | 8. Total Miles Energized (5 + 6 + 7) | 3,489.58 | 3,492.73 |

PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
|---|--------------------|--|--------------------|
| 1. Total Utility Plant in Service | 175,765,586 | 30. Memberships | 124,845 |
| 2. Construction Work in Progress | 5,709,057 | 31. Patronage Capital | 25,453,722 |
| 3. Total Utility Plant (1 + 2) | 181,474,643 | 32. Operating Margins - Prior Years | 0 |
| 4. Accum. Provision for Depreciation and Amort. | 38,563,842 | 33. Operating Margins - Current Year | 659,196 |
| 5. Net Utility Plant (3 - 4) | 142,910,801 | 34. Non-Operating Margins | 1,274,743 |
| 6. Non-Utility Property (Net) | 51,472 | 35. Other Margins and Equities | 934,652 |
| 7. Investments in Subsidiary Companies | 654,844 | 36. Total Margins & Equities (30 thru 35) | 28,447,158 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 760,899 | 37. Long-Term Debt - RUS (Net) | 0 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 0 | 38. Long-Term Debt - FFB - RUS Guaranteed | 108,204,724 |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds | 11,136,384 | 39. Long-Term Debt - Other - RUS Guaranteed | 0 |
| 11. Investments in Economic Development Projects | 0 | 40. Long-Term Debt Other (Net) | 27,488,667 |
| 12. Other Investments | 0 | 41. Long-Term Debt - RUS - Econ. Devel. (Net) | 0 |
| 13. Special Funds | 0 | 42. Payments – Unapplied | 0 |
| 14. Total Other Property & Investments (6 thru 13) | 12,603,599 | 43. Total Long-Term Debt (37 thru 41 - 42) | 135,693,391 |
| 15. Cash - General Funds | 817,868 | 44. Obligations Under Capital Leases - Noncurrent | 0 |
| 16. Cash - Construction Funds - Trustee | 4,264 | 45. Accumulated Operating Provisions and Asset Retirement Obligations | 1,303,990 |
| 17. Special Deposits | 0 | 46. Total Other Noncurrent Liabilities (44 + 45) | 1,303,990 |
| 18. Temporary Investments | 10 | 47. Notes Payable | 0 |
| 19. Notes Receivable (Net) | 0 | 48. Accounts Payable | 5,903,432 |
| 20. Accounts Receivable - Sales of Energy (Net) | 5,205,298 | 49. Consumers Deposits | 521,017 |
| 21. Accounts Receivable - Other (Net) | 826,127 | 50. Current Maturities Long-Term Debt | 3,675,746 |
| 22. Renewable Energy Credits | 0 | 51. Current Maturities Long-Term Debt - Economic Development | 0 |
| 23. Materials and Supplies - Electric & Other | 3,571,531 | 52. Current Maturities Capital Leases | 0 |
| 24. Prepayments | 428,322 | 53. Other Current and Accrued Liabilities | 3,325,249 |
| 25. Other Current and Accrued Assets | 1,949,772 | 54. Total Current & Accrued Liabilities (47 thru 53) | 13,425,444 |
| 26. Total Current and Accrued Assets (15 thru 25) | 12,803,192 | 55. Regulatory Liabilities | 0 |
| 27. Regulatory Assets | 9,897,527 | 56. Other Deferred Credits | 855,643 |
| 28. Other Deferred Debits | 1,510,507 | 57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56) | 179,725,626 |
| 29. Total Assets and Other Debits (5+14+26 thru 28) | 179,725,626 | | |

| | |
|--|---|
| <p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION MI0043</p> |
| <p>INSTRUCTIONS - See help in the online application.</p> | <p>PERIOD ENDED December, 2015</p> |
| <p>PART D. NOTES TO FINANCIAL STATEMENTS</p> | |
| | |

| | |
|--|---|
| <p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</p> | <p>BORROWER DESIGNATION MI0043</p> |
| <p>INSTRUCTIONS - See help in the online application.</p> | <p>PERIOD ENDED December, 2015</p> |
| <p>PART D. CERTIFICATION LOAN DEFAULT NOTES</p> | |
| Empty row for notes | |

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION MI0043

PERIOD ENDED December, 2015

INSTRUCTIONS - See help in the online application.

PART E. CHANGES IN UTILITY PLANT

| PLANT ITEM | BALANCE BEGINNING OF YEAR (a) | ADDITIONS (b) | RETIREMENTS (c) | ADJUSTMENTS AND TRANSFERS (d) | BALANCE END OF YEAR (e) |
|--|-------------------------------------|-------------------|--------------------|-------------------------------------|-------------------------------|
| 1. Distribution Plant | 124,279,312 | 8,381,493 | 1,595,638 | | 131,065,167 |
| 2. General Plant | 12,031,080 | 456,689 | 139,543 | | 12,348,226 |
| 3. Headquarters Plant | 4,810,436 | 95,267 | 9,051 | | 4,896,652 |
| 4. Intangibles | 6,601,328 | 907,333 | | | 7,508,661 |
| 5. Transmission Plant | 83,442 | | | | 83,442 |
| 6. Regional Transmission and Market Operation Plant | 0 | | | | 0 |
| 7. All Other Utility Plant | 15,486,418 | 4,499,437 | 122,417 | | 19,863,438 |
| 8. Total Utility Plant in Service (1 thru 7) | 163,292,016 | 14,340,219 | 1,866,649 | | 175,765,586 |
| 9. Construction Work in Progress | 8,378,310 | (2,669,253) | | | 5,709,057 |
| 10. Total Utility Plant (8 + 9) | 171,670,326 | 11,670,966 | 1,866,649 | | 181,474,643 |

PART F. MATERIALS AND SUPPLIES

| ITEM | BALANCE BEGINNING OF YEAR (a) | PURCHASED (b) | SALVAGED (c) | USED (NET) (d) | SOLD (e) | ADJUSTMENT (f) | BALANCE END OF YEAR (g) |
|-------------|-------------------------------------|------------------|-----------------|-------------------|-------------|-------------------|-------------------------------|
| 1. Electric | 3,340,718 | 1,054,082 | 54,213 | 1,090,784 | 154 | 206,624 | 3,564,699 |
| 2. Other | 7,077 | 0 | 0 | 54 | 190 | (1) | 6,832 |

PART G. SERVICE INTERRUPTIONS

| ITEM | AVERAGE MINUTES PER CONSUMER BY CAUSE | | | | TOTAL (e) |
|----------------------|---------------------------------------|--------------------|----------------|------------------|--------------|
| | POWER SUPPLIER (a) | MAJOR EVENT (b) | PLANNED (c) | ALL OTHER (d) | |
| 1. Present Year | 0.000 | 669.000 | 12.400 | 197.100 | 878.500 |
| 2. Five-Year Average | 22.100 | 263.000 | 12.700 | 260.500 | 558.300 |

PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

| | | | |
|---|---------|--------------------------|-----------|
| 1. Number of Full Time Employees | 112 | 4. Payroll - Expensed | 5,875,825 |
| 2. Employee - Hours Worked - Regular Time | 228,882 | 5. Payroll - Capitalized | 1,530,444 |
| 3. Employee - Hours Worked - Overtime | 13,976 | 6. Payroll - Other | 2,395,298 |

PART I. PATRONAGE CAPITAL

| ITEM | DESCRIPTION | THIS YEAR (a) | CUMULATIVE (b) |
|------------------------------------|--|------------------|-------------------|
| 1. Capital Credits - Distributions | a. General Retirements | 0 | 14,308,792 |
| | b. Special Retirements | 44,906 | 799,330 |
| | c. Total Retirements (a + b) | 44,906 | 15,108,122 |
| 2. Capital Credits - Received | a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power | 0 | |
| | b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System | 74,238 | |
| | c. Total Cash Received (a + b) | 74,238 | |

PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

| | | | |
|----------------------------|------------|-----------------------------------|------------|
| 1. Amount Due Over 60 Days | \$ 368,821 | 2. Amount Written Off During Year | \$ 221,326 |
|----------------------------|------------|-----------------------------------|------------|

ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

| | | | |
|---------------------------------------|----|-----------------------------------|----|
| 1. Anticipated Loan Delinquency % | | 4. Anticipated Loan Default % | |
| 2. Actual Loan Delinquency % | | 5. Actual Loan Default % | |
| 3. Total Loan Delinquency Dollars YTD | \$ | 6. Total Loan Default Dollars YTD | \$ |

| | |
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| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | BORROWER DESIGNATION MI0043 |
| INSTRUCTIONS - See help in the online application | PERIOD ENDED December, 2015 |

PART K. kWh PURCHASED AND TOTAL COST

| No | ITEM | SUPPLIER CODE | RENEWABLE ENERGY PROGRAM NAME | RENEWABLE FUEL TYPE | kWh PURCHASED | TOTAL COST | AVERAGE COST (Cents/kWh) | INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT | INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES |
|----|---|---------------|-------------------------------|---------------------|---------------|------------|--------------------------|---|---|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | Wisconsin Electric Power Co | 20847 | | | 409,021,100 | 30,278,705 | 7.40 | | |
| 2 | U S Corps of Engineers | 800285 | | | 151,030,145 | 2,602,765 | 1.72 | | |
| 3 | Midwest Independent Transmission System Operator, Inc. (IN) | 800420 | | | | 4,646,462 | 0.00 | | |
| | Total | | | | 560,051,245 | 37,527,932 | 6.70 | | |

| | | | |
|--|-----------------|------------------------------------|--|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | | BORROWER DESIGNATION MI0043 | |
| INSTRUCTIONS - See help in the online application | | PERIOD ENDED December, 2015 | |
| PART K. kWh PURCHASED AND TOTAL COST | | | |
| No | Comments | | |
| 1 | | | |
| 2 | | | |
| 3 | | | |

| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | | BORROWER DESIGNATION MI0043 | |
|--|-----------------------|--------------------------------|-------------------------|
| INSTRUCTIONS - See help in the online application. | | PERIOD ENDED December, 2015 | |
| PART L. LONG-TERM LEASES | | | |
| No | NAME OF LESSOR (a) | TYPE OF PROPERTY (b) | RENTAL THIS YEAR (c) |
| | TOTAL | | |

| | | | |
|--|---------------------------------------|---|--|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | | BORROWER DESIGNATION MI0043 | |
| INSTRUCTIONS - See help in the online application. | | PERIOD ENDED December, 2015 | |
| PART M. ANNUAL MEETING AND BOARD DATA | | | |
| 1. Date of Last Annual Meeting 6/11/2015 | 2. Total Number of Members 34,269 | 3. Number of Members Present at Meeting 47 | 4. Was Quorum Present? N/A |
| 5. Number of Members Voting by Proxy or Mail 2,786 | 6. Total Number of Board Members 9 | 7. Total Amount of Fees and Expenses for Board Members \$ 208,166 | 8. Does Manager Have Written Contract? Y |

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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|---|--------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | BORROWER DESIGNATION MI0043 |
| INSTRUCTIONS - See help in the online application. | PERIOD ENDED December, 2015 |

PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

| No | ITEM | BALANCE END OF YEAR (a) | INTEREST (Billed This Year) (b) | PRINCIPAL (Billed This Year) (c) | TOTAL (Billed This Year) (d) |
|----|---|-------------------------------|---------------------------------------|--|------------------------------------|
| 1 | Rural Utilities Service (Excludes RUS - Economic Development Loans) | 0 | 640,994 | 406,282 | 1,047,276 |
| 2 | National Rural Utilities Cooperative Finance Corporation | 3,856,375 | 115,650 | 713,888 | 829,538 |
| 3 | CoBank, ACB | 23,632,292 | 397,717 | 501,091 | 898,808 |
| 4 | Federal Financing Bank | 108,204,724 | 2,967,465 | 2,008,834 | 4,976,299 |
| 5 | RUS - Economic Development Loans | | | | |
| 6 | Payments Unapplied | | | | |
| 7 | Principal Payments Received from Ultimate Recipients of IRP Loans | | | | |
| 8 | Principal Payments Received from Ultimate Recipients of REDL Loans | | | | |
| 9 | Principal Payments Received from Ultimate Recipients of EE Loans | | | | |
| | TOTAL | 135,693,391 | 4,121,826 | 3,630,095 | 7,751,921 |

| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE | | BORROWER DESIGNATION MI0043 | | |
|---|----------------------------------|--------------------------------|--|------------------------------|
| FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION | | PERIOD ENDED December, 2015 | | |
| INSTRUCTIONS - See help in the online application. | | | | |
| PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY | | | | |
| CLASSIFICATION | CONSUMER SALES & REVENUE DATA | DECEMBER (a) | AVERAGE NO. CONSUMERS SERVED (b) | TOTAL YEAR TO DATE (c) |
| 1. Residential Sales (excluding seasonal) | a. No. Consumers Served | 27,976 | 28,195 | |
| | b. kWh Sold | | | 257,338,726 |
| | c. Revenue | | | 29,912,167 |
| 2. Residential Sales - Seasonal | a. No. Consumers Served | 6,402 | 6,436 | |
| | b. kWh Sold | | | 22,353,415 |
| | c. Revenue | | | 2,944,622 |
| 3. Irrigation Sales | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 4. Comm. and Ind. 1000 KVA or Less | a. No. Consumers Served | 7,538 | 7,231 | |
| | b. kWh Sold | | | 167,744,706 |
| | c. Revenue | | | 18,958,694 |
| 5. Comm. and Ind. Over 1000 KVA | a. No. Consumers Served | 100 | 100 | |
| | b. kWh Sold | | | 245,558,234 |
| | c. Revenue | | | 22,419,425 |
| 6. Public Street & Highway Lighting | a. No. Consumers Served | 83 | 83 | |
| | b. kWh Sold | | | 2,991,847 |
| | c. Revenue | | | 479,156 |
| 7. Other Sales to Public Authorities | a. No. Consumers Served | 256 | 257 | |
| | b. kWh Sold | | | 13,510,343 |
| | c. Revenue | | | 1,209,048 |
| 8. Sales for Resale - RUS Borrowers | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 9. Sales for Resale - Other | a. No. Consumers Served | 1 | 1 | |
| | b. kWh Sold | | | 18,251,781 |
| | c. Revenue | | | 1,383,069 |
| 10. Total No. of Consumers (lines 1a thru 9a) | | 42,356 | 42,303 | |
| 11. Total kWh Sold (lines 1b thru 9b) | | | | 727,749,052 |
| 12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c) | | | | 77,306,181 |
| 13. Transmission Revenue | | | | 0 |
| 14. Other Electric Revenue | | | | 1,212,816 |
| 15. kWh - Own Use | | | | 3,428,040 |
| 16. Total kWh Purchased | | | | 560,052,245 |
| 17. Total kWh Generated | | | | 200,953,740 |
| 18. Cost of Purchases and Generation | | | | 49,687,333 |
| 19. Interchange - kWh - Net | | | | |
| 20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/> | | | | 138,800 |

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION MI0043

PERIOD ENDED December, 2015

INSTRUCTIONS - See help in the online application.

PART P. ENERGY EFFICIENCY PROGRAMS

| CLASSIFICATION | ADDED THIS YEAR | | | TOTAL TO DATE | | |
|---|-------------------------|------------------------|--------------------------------|-------------------------|------------------------|--------------------------------|
| | No. of Consumers (a) | Amount Invested (b) | Estimated MMBTU Savings (c) | No. of Consumers (d) | Amount Invested (e) | Estimated MMBTU Savings (f) |
| 1. Residential Sales (excluding seasonal) | 4,038 | 545,513 | 8,958 | 21,883 | 2,595,599 | 45,449 |
| 2. Residential Sales - Seasonal | | | | | | |
| 3. Irrigation Sales | | | | | | |
| 4. Comm. and Ind. 1000 KVA or Less | 394 | 682,604 | 17,104 | 1,202 | 3,099,299 | 83,777 |
| 5. Comm. and Ind. Over 1000 KVA | | | | | | |
| 6. Public Street and Highway Lighting | | | | | | |
| 7. Other Sales to Public Authorities | | | | | | |
| 8. Sales for Resale – RUS Borrowers | | | | | | |
| 9. Sales for Resale – Other | | | | | | |
| 10. Total | 4,432 | 1,228,117 | 26,062 | 23,085 | 5,694,898 | 129,226 |

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

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| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS | BORROWER DESIGNATION MI0043 PERIOD ENDED December, 2015 |
|--|--|

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)

| No | DESCRIPTION (a) | INCLUDED (\$) (b) | EXCLUDED (\$) (c) | INCOME OR LOSS (\$) (d) | RURAL DEVELOPMENT (e) |
|-----------|--|-------------------------|-------------------------|-------------------------------|-----------------------------|
| 1 | Non-Utility Property (NET) | | | | |
| | ESE Acquisition | 51,472 | | | |
| | Totals | 51,472 | | | |
| 2 | Investments in Associated Organizations | | | | |
| | NRUCFC | | 290,478 | 8,555 | |
| | NISC | 159,689 | | 21,012 | |
| | NRTC | 597 | | | X |
| | CRC | 24,683 | | 4,391 | |
| | RESCO | 285,452 | | 34,975 | X |
| | Federated Insurance | 347,978 | | 91,473 | X |
| | NRUCFC CTC's | | 820,539 | | |
| | ATC | 9,512,329 | | 711,177 | |
| | Lighthouse Computers | 654,844 | | (18,394) | X |
| | NRUCFC | | 1,000 | | |
| | CoBank | | 454,538 | 93,281 | |
| | Totals | 10,985,572 | 1,566,555 | 946,470 | |
| 6 | Cash - General | | | | |
| | FNB | | 42,246 | | |
| | MBank | | 91,478 | | |
| | State Savings Bank | | 18,023 | | |
| | Working Petty Cash | 3,250 | | | |
| | General Fund Account | | 239,421 | | |
| | General Fund Account-CSB | 173,450 | 250,000 | | |
| | Totals | 176,700 | 641,168 | | |
| 8 | Temporary Investments | | | | |
| | Credit Union Membership | 10 | | | |
| | Totals | 10 | | | |
| 9 | Accounts and Notes Receivable - NET | | | | |
| | A/R Other | | 826,128 | | |
| | Totals | | 826,128 | | |
| 11 | TOTAL INVESTMENTS (1 thru 10) | 11,213,754 | 3,033,851 | 946,470 | |

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| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS | BORROWER DESIGNATION MI0043 |
| | PERIOD ENDED December, 2015 |

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION II. LOAN GUARANTEES

| No | ORGANIZATION (a) | MATURITY DATE (b) | ORIGINAL AMOUNT (\$) (c) | LOAN BALANCE (\$) (d) | RURAL DEVELOPMENT (e) |
|----|---------------------------------------|----------------------|--------------------------------|-----------------------------|-----------------------------|
| | TOTAL | | | | |
| | TOTAL (Included Loan Guarantees Only) | | | | |

| | |
|--|--------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS | BORROWER DESIGNATION MI0043 |
| | PERIOD ENDED December, 2015 |

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

SECTION III. RATIO

| | |
|--|--------|
| RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report] | 6.18 % |
|--|--------|

SECTION IV. LOANS

| No | ORGANIZATION (a) | MATURITY DATE (b) | ORIGINAL AMOUNT (\$) (c) | LOAN BALANCE (\$) (d) | RURAL DEVELOPMENT (e) |
|----|-------------------------------------|----------------------|--------------------------------|-----------------------------|-----------------------------|
| 1 | Employees, Officers, Directors | 10/6/2017 | 14,922 | 9,182 | |
| 2 | Energy Resources Conservation Loans | | | | |
| | TOTAL | | 14,922 | 9,182 | |

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 21 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY**

BORROWER DESIGNATION MI0043

PERIOD ENDED December, 2015 (Prepared with Audited Data)

BORROWER NAME Cloverland Electric Co-operative

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part A Section C of this report.

Daniel Dasho

3/29/2016

DATE

| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY | | | BORROWER DESIGNATION MI0043 | | | |
|--|--------------------|--|--------------------------------|-------------------------|--------------------------------|-------------------------------|
| INSTRUCTIONS - See help in the online application | | | PERIOD ENDED December, 2015 | | | |
| PART C RE - RENEWABLE GENERATING PLANT SUMMARY | | | | | | |
| Plant Name (a) | Prime Mover (b) | Primary Renewable Fuel Type (c) | Renewable Fuel (%) (d) | Capacity (kW) (e) | Net Generation (MWh) (f) | Capacity Factor (%) (g) |
| Hydro | Hydro | Hydro | 100.00 | 40710.0 | 200279.0 | 56.20 |
| Total: | | | | 40710.0 | 200279.0 | |

| | |
|--|--------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY | BORROWER DESIGNATION MI0043 |
| INSTRUCTIONS - See help in the online application | PERIOD ENDED December, 2015 |

PART C RE - RENEWABLE GENERATING PLANT SUMMARY

| Plant Name (a) | Number of Employees (h) | Total O&M Cost (mils/Net kWh) (i) | Power Cost (mils/Net kWh) (j) | Total Investment (\$1,000) (k) | Percentage Ownership (%) (l) | RUS Funding (\$1,000) (m) |
|-------------------|-------------------------------|--|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------|
| Hydro | 10 | 17 | 21 | 15,849 | 100 | 15,849 |
| Total: | 10 | 17 | 21 | 15,849 | | 15,849 |

| | | |
|--|-----------------|--------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY | | BORROWER DESIGNATION MI0043 |
| INSTRUCTIONS - See help in the online application | | PERIOD ENDED December, 2015 |
| PART C RE - RENEWABLE GENERATING PLANT SUMMARY | | |
| Plant Name | Comments | |
| Hydro | | |

| | | | | | |
|--|--|--------------------------------|-------------------------|--|---------------------|
| reUNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE | | BORROWER DESIGNATION MI0043 | | | |
| FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART C - SOURCES AND DISTRIBUTION OF ENERGY | | PERIOD ENDED December, 2015 | | | |
| INSTRUCTIONS - See help in the online application. | | | | | |
| SOURCES OF ENERGY (a) | | NO. OF PLANTS (b) | CAPACITY (kW) (c) | NET ENERGY RECIEVED BY SYSTEM (MWh) (d) | COST (\$) (e) |
| Generated in Own Plant (Details on Parts D, E, F IC, F CC, and G) | | | | | |
| 1. Fossil Steam | | 0 | 0 | 0 | 0 |
| 2. Nuclear | | 0 | 0 | 0 | 0 |
| 3. Hydro | | 1 | 40,710 | 200,279 | 4,150,999 |
| 4. Combined Cycle | | 0 | 0 | 0 | 0 |
| 5. Internal Combustion | | 4 | 19,400 | (188) | 285,019 |
| 6. Other | | | | | |
| 7. Total in Own Plant (1 thru 6) | | 5 | 60,110 | 200,091 | 4,436,018 |
| Purchased Power | | | | | |
| 8. Total Purchased Power | | | | 0 | 0 |
| Interchanged Power | | | | | |
| 9. Received Into System (Gross) | | | | | |
| 10. Delivered Out of System (Gross) | | | | | |
| 11. Net Interchange (9 - 10) | | | | | |
| Transmission For or By Others - (Wheeling) | | | | | |
| 12. Received Into System | | | | | |
| 13. Delivered Out of System | | | | | |
| 14. Net Energy Wheeled (12 - 13) | | | | | |
| 15. Total Energy Available for Sale (7 + 8 + 11 + 14) | | | | 200,091 | |
| Distribution of Energy | | | | | |
| 16. Total Sales | | | | 0 | |
| 17. Energy Furnished to Others Without Charge | | | | | |
| 18. Energy Used by Borrower (Excluding Station Use) | | | | | |
| 19. Total Energy Accounted For (16 thru 18) | | | | 0 | |
| Losses | | | | | |
| 20. Energy Losses - MWh (15 - 19) | | | | 200,091 | |
| 21. Energy Losses - Percentage ((20 / 15) * 100) | | | | 100.00 % | |

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART E - HYDRO PLANT**

BORROWER DESIGNATION MI0043

PLANT Sault Ste. Marie

PERIOD ENDED December, 2015

INSTRUCTIONS - See help in the online application.

SECTION A. HYDRO GENERATING UNITS

| NO. | UNIT NO. (a) | SIZE (kW) (b) | GROSS GENERATION (MWh) (c) | OPERATING HOURS | | | |
|-----------|---|------------------|-------------------------------|---|-------------------|--------------------|--------------------|
| | | | | IN SERVICE (d) | ON STANDBY (e) | OUT OF SERVICE | |
| | | | | | | SCHEDULED (f) | UNSCHEDULED (g) |
| 1. | 10 | 40,710 | 200,525.00 | 8,741 | 0 | 19 | 0 |
| 2. | | | | | | | |
| 3. | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | Total | 40,710 | 200,525.00 | 8,741 | 0 | 19 | 0 |
| 7. | Station Service (MWh) | | 246.00 | HYDRAULIC DATA | | | |
| 8. | Net Generation (MWh) | | 200,279.00 | ITEM | | (a) MAXIMUM | (b) MINIMUM |
| 9. | Station Service % of Gross | | .12 | 1. Pool Elevation (ft.) | | 599.50 | 596.00 |
| 10. | Energy for Pumped Storage (MWh) | | 0.00 | 2. Tail Race Elevation (ft.) | | 581.80 | 579.40 |
| 11. | Net Generation after Pumped Storage (MWh) | | 200,279.00 | Water Spilled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |

SECTION B. LABOR REPORT

SECTION C. FACTORS & MAXIMUM DEMAND

| NO. | ITEM | VALUE | NO. | ITEM | VALUE | NO. | ITEM | VALUE |
|-----|--|--------|-----|-----------------------------------|---------|-----|----------------------------------|-----------|
| 1. | No. Employees Full-Time (Include Superintendent) | 10 | 5. | Maintenance Plant Payroll (\$) | 722,828 | 1. | Load Factor (%) | 0.00% |
| 2. | No. Employees Part Time | 0 | 6. | Other Accounts Plant Payroll (\$) | 128,073 | 2. | Plant Factor (%) | 56.23% |
| 3. | Total Employee Hours Worked | 22,540 | | | | 7. | Total Plant Payroll (\$) | 1,493,836 |
| | | | 4. | Operating Plant Payroll (\$) | 642,935 | | | |
| | | | | | | 5. | Indicated Gross Max. Demand (kW) | |

SECTION D. COST OF NET ENERGY GENERATED

| NO. | PRODUCTION EXPENSE | ACCOUNT NUMBER | AMOUNT (\$) (a) | MILLS/NET kWh (b) |
|------------|--|----------------|-----------------|-------------------|
| 1. | Operation, Supervision and Engineering | 535 | 78,630 | |
| 2. | Water for Power | 536 | 1,306,071 | 6.52 |
| 3. | Energy for Pumped Storage | 536.1 | | |
| 4. | Hydraulic Expense | 537 | 368,324 | 1.83 |
| 5. | Electric Expense | 538 | 434,365 | 2.16 |
| 6. | Miscellaneous Hydraulic Power Generation Expense | 539 | 210,476 | 1.05 |
| 7. | Rents | 540 | | |
| 8. | Operation Expense (1 thru 7) | | 2,397,866 | 11.97 |
| 9. | Maintenance, Supervision and Engineering | 541 | 12,261 | |
| 10. | Maintenance of Structures | 542 | 136,498 | |
| 11. | Maintenance of Reservoirs, Dams and Waterways | 543 | 78,724 | |
| 12. | Maintenance of Electric Plant | 544 | 577,443 | |
| 13. | Maintenance of Miscellaneous Hydraulic Plant | 545 | 179,553 | |
| 14. | Maintenance Expense (9 thru 13) | | 984,479 | 4.91 |
| 15. | Total Production Expense (8 + 14) | | 3,382,345 | 16.88 |
| 16. | Depreciation | 403.3, 411.10 | 408,323 | |
| 17. | Interest | 427 | 360,331 | |
| 18. | Total Fixed Cost (16 + 17) | | 768,654 | 3.83 |
| 19. | Power Cost (15 + 18) | | 4,150,999 | 20.72 |

Remarks (including Unscheduled Outages)

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART F IC - INTERNAL COMBUSTION PLANT**

BORROWER DESIGNATION
MI0043

PLANT
Dafter

PERIOD ENDED
December, 2015

INSTRUCTIONS - See help in the online application.

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

| NO. | UNIT NO. (a) | SIZE (kW) (b) | FUEL CONSUMPTION | | | | OPERATING HOURS | | | | | |
|-----|------------------------------|------------------|-------------------------|------------------------|--------------|--------------|-------------------|-------------------|------------------------------|---------------|--------------------------|----------------------------|
| | | | OIL (1000 Gals.) (c) | GAS (1000 C.F.) (d) | OTHER (e) | TOTAL (f) | IN SERVICE (g) | ON STANDBY (h) | OUT OF SERVICE SCHED. (i) | UNSCH. (j) | GROSS GENER.(MWh) (k) | BTU PER kWh (l) |
| 1. | 1 | 1,000 | | | | | | 8,656 | 104 | | | |
| 2. | 2 | 1,000 | | | | | | 0 | 8,760 | | | |
| 3. | 3 | 1,000 | | | | | | 8,656 | 104 | | | |
| 4. | 4 | 3,000 | 8.30 | | | | 68 | 7,894 | 798 | | 115 | |
| 5. | 5 | 3,000 | 8.00 | | | | 65 | 8,065 | 630 | | 113 | |
| 6. | Total | 9,000 | 16.30 | 0.00 | 0.00 | | 133 | 33,271 | 10,396 | 0 | 228 | |
| 7. | Average BTU | | 138,700.00 | | | | | | | | 429.00 | 9,915.83 |
| 8. | Total BTU (10 ⁶) | | 2,260.81 | | | 2,260.81 | | | | | (201.00) | |
| 9. | Total Del. Cost (\$) | | 50,074.00 | | | | | | | | 188.16 | (11,247.81) |
| | | | | | | | | | | | | Station Service (MWh) |
| | | | | | | | | | | | | Net Generation (MWh) |
| | | | | | | | | | | | | Station Service % of Gross |

SECTION B. LABOR REPORT

| NO. | ITEM | VALUE | NO. | ITEM | VALUE | NO. | ITEM | VALUE |
|-----|--|--------|-----|-----------------------------------|--------|-----|-----------------------------------|--------|
| 1. | No. Employees Full Time (Include Superintendent) | 0 | 5. | Maintenance Plant Payroll (\$) | 3,305 | 1. | Load Factor (%) | 0.00% |
| 2. | No. Employees Part Time | 1 | 6. | Other Accounts Plant Payroll (\$) | 1,976 | 2. | Plant Factor (%) | 0.29% |
| 3. | Total Employee Hours Worked | 577 | 7. | Total Plant Payroll (\$) | 50,618 | 3. | Running Plant Capacity Factor (%) | 57.14% |
| 4. | Operating Plant Payroll (\$) | 45,337 | | | | 4. | 15 Min. Gross Max. Demand (kW) | |
| | | | | | | 5. | Indicated Gross Max. Demand (kW) | |

SECTION D. COST OF NET ENERGY GENERATED

| NO. | PRODUCTION EXPENSE | ACCOUNT NUMBER | AMOUNT (\$) (a) | MILLS/NET (kWh) (b) | \$/10 ⁶ BTU (c) |
|-----|---|----------------|--------------------|------------------------|-------------------------------|
| 1. | Operation, Supervision and Engineering | 546 | 23,252 | | |
| 2. | Fuel, Oil | 547.1 | 50,074 | | |
| 3. | Fuel, Gas | 547.2 | 0 | | |
| 4. | Fuel, Other | 547.3 | 0 | | |
| 5. | Energy for Compressed Air | 547.4 | 0 | 0.00 | |
| 6. | Fuel SubTotal (2 thru 5) | 547 | 50,074 | (249.12) | |
| 7. | Generation Expenses | 548 | 27,925 | | |
| 8. | Miscellaneous Other Power Generation Expenses | 549 | 17,091 | | |
| 9. | Rents | 550 | 0 | | |
| 10. | Non-Fuel SubTotal (1 + 7 thru 9) | | 68,268 | (339.64) | |
| 11. | Operation Expense (6 + 10) | | 118,342 | (588.77) | |
| 12. | Maintenance, Supervision and Engineering | 551 | 276 | | |
| 13. | Maintenance of Structures | 552 | 0 | | |
| 14. | Maintenance of Generating and Electric Plant | 553 | 3,544 | | |
| 15. | Maintenance of Miscellaneous Other Power Generating Plant | 554 | 0 | | |
| 16. | Maintenance Expense (12 thru 15) | | 3,820 | (19.00) | |
| 17. | Total Production Expense (11 + 16) | | 122,162 | (607.77) | |
| 18. | Depreciation | 403.4, 411.10 | 24,750 | | |
| 19. | Interest | 427 | 21,841 | | |
| 20. | Total Fixed Cost (18 + 19) | | 46,591 | (231.80) | |
| 21. | Power Cost (17 + 20) | | 168,753 | (839.57) | |

Remarks (including Unscheduled Outages)

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART F IC - INTERNAL COMBUSTION PLANT**

BORROWER DESIGNATION
MI0043

PLANT
Detour

PERIOD ENDED
December, 2015

INSTRUCTIONS - See help in the online application.

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

| NO. | UNIT NO. (a) | SIZE (kW) (b) | FUEL CONSUMPTION | | | | OPERATING HOURS | | | | | | |
|-----|------------------------------|------------------|-------------------------|------------------------|--------------|--------------|----------------------------|-------------------|----------------|---|--------------------------|--------------------|--|
| | | | OIL (1000 Gals.) (c) | GAS (1000 C.F.) (d) | OTHER (e) | TOTAL (f) | IN SERVICE (g) | ON STANDBY (h) | OUT OF SERVICE | | GROSS GENER.(MWh) (k) | BTU PER kWh (l) | |
| | | | SCHED. | | UNSCH. | | | | | | | | |
| | | | (i) | | (j) | | | | | | | | |
| 1. | 1 | 3,000 | | | | | | | 8,760 | | | 0 | |
| 2. | 2 | 3,000 | | | | | | | 8,760 | | | 0 | |
| 3. | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | | |
| 6. | Total | 6,000 | 0.00 | 0.00 | 0.00 | | 0 | 0 | 17,520 | 0 | | 0 | |
| 7. | Average BTU | | 0.00 | | | | Station Service (MWh) | | | | 0.00 | 0.00 | |
| 8. | Total BTU (10 ⁶) | | 0.00 | | | 0.00 | Net Generation (MWh) | | | | 0.00 | | |
| 9. | Total Del. Cost (\$) | | 0.00 | | | | Station Service % of Gross | | | | 0.00 | 0.00 | |

SECTION B. LABOR REPORT

SECTION C. FACTORS & MAXIMUM DEMAND

| NO. | ITEM | VALUE | NO. | ITEM | VALUE | NO. | ITEM | VALUE |
|-----|--|-------|-----|-----------------------------------|--------|-----|-----------------------------------|-------|
| 1. | No. Employees Full Time (Include Superintendent) | 0 | 5. | Maintenance Plant Payroll (\$) | 474 | 1. | Load Factor (%) | 0.00% |
| 2. | No. Employees Part Time | 1 | 6. | Other Accounts Plant Payroll (\$) | 1,397 | 2. | Plant Factor (%) | 0.00% |
| 3. | Total Employee Hours Worked | 127 | 7. | Total Plant Payroll (\$) | 10,672 | 3. | Running Plant Capacity Factor (%) | 0.00% |
| 4. | Operating Plant Payroll (\$) | 8,801 | | | | 4. | 15 Min. Gross Max. Demand (kW) | |
| | | | | | | 5. | Indicated Gross Max. Demand (kW) | |

SECTION D. COST OF NET ENERGY GENERATED

| NO. | PRODUCTION EXPENSE | ACCOUNT NUMBER | AMOUNT (\$) (a) | MILLS/NET (kWh) (b) | \$/10 ⁶ BTU (c) |
|-----|---|----------------|-----------------|---------------------|----------------------------|
| 1. | Operation, Supervision and Engineering | 546 | 8,417 | | |
| 2. | Fuel, Oil | 547.1 | 0 | | |
| 3. | Fuel, Gas | 547.2 | 0 | | |
| 4. | Fuel, Other | 547.3 | 0 | | |
| 5. | Energy for Compressed Air | 547.4 | 0 | 0.00 | |
| 6. | Fuel SubTotal (2 thru 5) | 547 | 0 | 0.00 | |
| 7. | Generation Expenses | 548 | 889 | | |
| 8. | Miscellaneous Other Power Generation Expenses | 549 | 5,623 | | |
| 9. | Rents | 550 | 0 | | |
| 10. | Non-Fuel SubTotal (1 + 7 thru 9) | | 14,929 | 0.00 | |
| 11. | Operation Expense (6 + 10) | | 14,929 | 0.00 | |
| 12. | Maintenance, Supervision and Engineering | 551 | 0 | | |
| 13. | Maintenance of Structures | 552 | 0 | | |
| 14. | Maintenance of Generating and Electric Plant | 553 | 1,038 | | |
| 15. | Maintenance of Miscellaneous Other Power Generating Plant | 554 | 0 | | |
| 16. | Maintenance Expense (12 thru 15) | | 1,038 | 0.00 | |
| 17. | Total Production Expense (11 + 16) | | 15,967 | 0.00 | |
| 18. | Depreciation | 403.4, 411.10 | 2,002 | | |
| 19. | Interest | 427 | 1,767 | | |
| 20. | Total Fixed Cost (18 + 19) | | 3,769 | 0.00 | |
| 21. | Power Cost (17 + 20) | | 19,736 | 0.00 | |

Remarks (including Unscheduled Outages)

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART F IC - INTERNAL COMBUSTION PLANT**

BORROWER DESIGNATION
MI0043

PLANT
Manistique

PERIOD ENDED
December, 2015

INSTRUCTIONS - See help in the online application.

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

| NO. | UNIT NO. (a) | SIZE (kW) (b) | FUEL CONSUMPTION | | | | OPERATING HOURS | | | | | |
|-----|------------------------------|------------------|-------------------------|------------------------|--------------|--------------|----------------------------|-------------------|----------------|---|--------------------------|--------------------|
| | | | OIL (1000 Gals.) (c) | GAS (1000 C.F.) (d) | OTHER (e) | TOTAL (f) | IN SERVICE (g) | ON STANDBY (h) | OUT OF SERVICE | | GROSS GENER.(MWh) (k) | BTU PER kWh (l) |
| | | | SCHED. | | UNSCH. | | | | | | | |
| | | | (i) | (j) | | | | | | | | |
| 1. | 2 | 2,400 | 7.90 | | | | 46 | 8,712 | 0 | 2 | 107 | |
| 2. | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | |
| 6. | Total | 2,400 | 7.90 | 0.00 | 0.00 | | 46 | 8,712 | 0 | 2 | 107 | |
| 7. | Average BTU | | 138,700.00 | | | | Station Service (MWh) | | | | 94.60 | 10,202.33 |
| 8. | Total BTU (10 ⁶) | | 1,095.73 | | | 1,095.73 | Net Generation (MWh) | | | | 12.80 | |
| 9. | Total Del. Cost (\$) | | 19,637.00 | | | | Station Service % of Gross | | | | 88.08 | 85,603.91 |

SECTION B. LABOR REPORT

SECTION C. FACTORS & MAXIMUM DEMAND

| NO. | ITEM | VALUE | NO. | ITEM | VALUE | NO. | ITEM | VALUE |
|-----|--|-------|-----|-----------------------------------|-------|-----|-----------------------------------|--------|
| 1. | No. Employees Full Time (Include Superintendent) | 0 | 5. | Maintenance Plant Payroll (\$) | | 1. | Load Factor (%) | 0.00% |
| 2. | No. Employees Part Time | 1 | 6. | Other Accounts Plant Payroll (\$) | | 2. | Plant Factor (%) | 0.51% |
| 3. | Total Employee Hours Worked | 97 | 7. | Total Plant Payroll (\$) | 8,091 | 3. | Running Plant Capacity Factor (%) | 97.28% |
| 4. | Operating Plant Payroll (\$) | 8,091 | | | | 4. | 15 Min. Gross Max. Demand (kW) | |
| | | | | | | 5. | Indicated Gross Max. Demand (kW) | |

SECTION D. COST OF NET ENERGY GENERATED

| NO. | PRODUCTION EXPENSE | ACCOUNT NUMBER | AMOUNT (\$) (a) | MILLS/NET (kWh) (b) | \$/10 ⁶ BTU (c) |
|-----|---|----------------|--------------------|------------------------|-------------------------------|
| 1. | Operation, Supervision and Engineering | 546 | 4,025 | | |
| 2. | Fuel, Oil | 547.1 | 19,637 | | |
| 3. | Fuel, Gas | 547.2 | 0 | | |
| 4. | Fuel, Other | 547.3 | 0 | | |
| 5. | Energy for Compressed Air | 547.4 | 0 | 0.00 | |
| 6. | Fuel SubTotal (2 thru 5) | 547 | 19,637 | 1,534.14 | |
| 7. | Generation Expenses | 548 | 5,337 | | |
| 8. | Miscellaneous Other Power Generation Expenses | 549 | 10,960 | | |
| 9. | Rents | 550 | 0 | | |
| 10. | Non-Fuel SubTotal (1 + 7 thru 9) | | 20,322 | 1,587.66 | |
| 11. | Operation Expense (6 + 10) | | 39,959 | 3,121.80 | |
| 12. | Maintenance, Supervision and Engineering | 551 | 0 | | |
| 13. | Maintenance of Structures | 552 | 0 | | |
| 14. | Maintenance of Generating and Electric Plant | 553 | 4,318 | | |
| 15. | Maintenance of Miscellaneous Other Power Generating Plant | 554 | 0 | | |
| 16. | Maintenance Expense (12 thru 15) | | 4,318 | 337.34 | |
| 17. | Total Production Expense (11 + 16) | | 44,277 | 3,459.14 | |
| 18. | Depreciation | 403.4, 411.10 | 1,005 | | |
| 19. | Interest | 427 | 887 | | |
| 20. | Total Fixed Cost (18 + 19) | | 1,892 | 147.81 | |
| 21. | Power Cost (17 + 20) | | 46,169 | 3,606.95 | |

Remarks (including Unscheduled Outages)

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART F IC - INTERNAL COMBUSTION PLANT**

BORROWER DESIGNATION
MI0043

PLANT
Manistique

PERIOD ENDED
December, 2015

INSTRUCTIONS - See help in the online application.

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

| NO. | UNIT NO. (a) | SIZE (kW) (b) | FUEL CONSUMPTION | | | | OPERATING HOURS | | | | | | |
|-----------|------------------------------|------------------|-------------------------|------------------------|--------------|--------------|----------------------------|-------------------|----------------|----|--------------------------|--------------------|-----------|
| | | | OIL (1000 Gals.) (c) | GAS (1000 C.F.) (d) | OTHER (e) | TOTAL (f) | IN SERVICE (g) | ON STANDBY (h) | OUT OF SERVICE | | GROSS GENER.(MWh) (k) | BTU PER kWh (l) | |
| | | | SCHED. | | UNSCH. | | | | | | | | |
| | | | (i) | | (j) | | | | | | | | |
| 1. | 1 | 2,000 | 7.40 | | | | 50 | 8,698 | 0 | 12 | 95 | | |
| 2. | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | |
| 5. | | | | | | | | | | | | | |
| 6. | Total | 2,000 | 7.40 | 0.00 | 0.00 | | 50 | 8,698 | 0 | 12 | 95 | | |
| 7. | Average BTU | | 138,700.00 | | | | Station Service (MWh) | | | | | 94.60 | 10,849.68 |
| 8. | Total BTU (10 ⁶) | | 1,026.38 | | | 1,026.38 | Net Generation (MWh) | | | | | 0.00 | |
| 9. | Total Del. Cost (\$) | | 21,426.00 | | | | Station Service % of Gross | | | | | 100.00 | 0.00 |

SECTION B. LABOR REPORT

| NO. | ITEM | VALUE | NO. | ITEM | VALUE | NO. | ITEM | VALUE |
|-----|--|-------|-----|-----------------------------------|-------|-----|-----------------------------------|--------|
| 1. | No. Employees Full Time (Include Superintendent) | 0 | 5. | Maintenance Plant Payroll (\$) | 0 | 1. | Load Factor (%) | 0.00% |
| 2. | No. Employees Part Time | 1 | 6. | Other Accounts Plant Payroll (\$) | 0 | 2. | Plant Factor (%) | 0.54% |
| 3. | Total Employee Hours Worked | 106 | 7. | Total Plant Payroll (\$) | 8,829 | 3. | Running Plant Capacity Factor (%) | 94.60% |
| 4. | Operating Plant Payroll (\$) | 8,829 | | | | 4. | 15 Min. Gross Max. Demand (kW) | |
| | | | | | | 5. | Indicated Gross Max. Demand (kW) | |

SECTION D. COST OF NET ENERGY GENERATED

| NO. | PRODUCTION EXPENSE | ACCOUNT NUMBER | AMOUNT (\$) (a) | MILLS/NET (kWh) (b) | \$/10 ⁶ BTU (c) |
|------------|---|----------------|--------------------|------------------------|-------------------------------|
| 1. | Operation, Supervision and Engineering | 546 | 4,392 | | |
| 2. | Fuel, Oil | 547.1 | 21,426 | | |
| 3. | Fuel, Gas | 547.2 | 0 | | |
| 4. | Fuel, Other | 547.3 | 0 | | |
| 5. | Energy for Compressed Air | 547.4 | 0 | 0.00 | |
| 6. | Fuel SubTotal (2 thru 5) | 547 | 21,426 | 0.00 | |
| 7. | Generation Expenses | 548 | 5,823 | | |
| 8. | Miscellaneous Other Power Generation Expenses | 549 | 11,959 | | |
| 9. | Rents | 550 | 0 | | |
| 10. | Non-Fuel SubTotal (1 + 7 thru 9) | | 22,174 | 0.00 | |
| 11. | Operation Expense (6 + 10) | | 43,600 | 0.00 | |
| 12. | Maintenance, Supervision and Engineering | 551 | 0 | | |
| 13. | Maintenance of Structures | 552 | 0 | | |
| 14. | Maintenance of Generating and Electric Plant | 553 | 4,711 | | |
| 15. | Maintenance of Miscellaneous Other Power Generating Plant | 554 | 0 | | |
| 16. | Maintenance Expense (12 thru 15) | | 4,711 | 0.00 | |
| 17. | Total Production Expense (11 + 16) | | 48,311 | 0.00 | |
| 18. | Depreciation | 403.4, 411.10 | 1,089 | | |
| 19. | Interest | 427 | 961 | | |
| 20. | Total Fixed Cost (18 + 19) | | 2,050 | 0.00 | |
| 21. | Power Cost (17 + 20) | | 50,361 | 0.00 | |

Remarks (including Unscheduled Outages)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART H - ANNUAL SUPPLEMENT**

BORROWER DESIGNATION

MI0043

PERIOD ENDED

December, 2015

INSTRUCTIONS - See help in the online application.

SECTION L. RENEWABLE ENERGY CREDITS

| ITEM | BALANCE BEGINNING OF YEAR <i>(a)</i> | ADDITIONS <i>(b)</i> | RETIREMENTS <i>(c)</i> | ADJUSTMENTS AND TRANSFER <i>(d)</i> | BALANCE END OF YEAR <i>(e)</i> |
|-----------------------------|--|-------------------------|---------------------------|---|--------------------------------------|
| 1. Renewable Energy Credits | 897,404 | 381,912 | 318,303 | 2,749 | 963,762 |

RUS Financial and Operating Report Electric Power Supply – Part H - Annual Supplement

Revision Date 2013

MICHIGAN PUBLIC SERVICE COMMISSION

ADDITIONAL SCHEDULES FOR AN ELECTRIC UTILITY COOPERATIVE

This form is authorized by Case No. [U-12134](#), the Code of Conduct. Filing of this form is mandatory pursuant to [PA 3 of 1939](#). Failure to provide this information will put you in [violation of this act](#) and the commission shall order such remedies and penalties as necessary.

| |
|--|
| Report submitted for year ending: December 31, 2015 |
| Present name of respondent: Cloverland Electric Cooperative |
| Address of principal place of business: 2916 W. M-28, Dafter, MI 49724 |
| Utility representative to whom inquires regarding this report may be directed: Name: Robert Malaski Title: CFO Address: 725 E. Portage Avenue City: Sault Sainte Marie State: MI Zip: 49783 Direct Telephone, Include Area Code: XXX-XXX-XXX |
| If the utility name has been changed during the past year: Prior Name: _____ Date of Change: _____ |
| Two copies of the published annual report to stockholders: [NA] were forwarded to the Commission [NA] will be forwarded to the Commission on or about _____ |
| Annual reports to stockholders: [NA] are published [NA] are not published |

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Heather Cantin) at (517) 284-8266 or cantinh@michigan.gov OR forward correspondence to:

Michigan Public Service Commission
Financial Analysis & Audit Division
Attn: Heather Cantin
7109 W. Saginaw Hwy
PO Box 30221
Lansing, MI 48909

| | | | |
|---|---|---|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 4/30/2016 | Year of Report 12/31/2015 |
|---|---|---|------------------------------|

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none", "not acceptable" or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact. None
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization. None
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission. None
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents and other conditions. State name of Commission authorizing lease and give reference to such authorization. None
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc. None
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee. None
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments. None
8. State the estimated annual effect and nature of any important wage scale changes during the year. None
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year. None
10. Describe briefly and materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest. None
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be attached to this page. None

| Name of Respondent | | This Report Is: | Date of Report | Year of Report |
|---|---|---|---------------------------|----------------|
| Cloverland Electric Cooperative | | (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | (Mo, Da, Yr) 4/30/2016 | 12/31/2015 |
| STATEMENT OF CASH FLOWS | | | | |
| 1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet. | | 2. Under "Other" specify significant amounts and group others. | | |
| | | 3. Operating Activities-Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid. | | |
| Line No. | Description (See instructions for Explanation of Codes) (a) | Amounts (b) | | |
| 1 | Net Cash Flow from Operating Activities: (enter outflows from company as negative #s) | | | |
| 2 | Net Income (Line 72 (c) on page 117 | 1,466,206 | | |
| 3 | Noncash Charges (Credits) to Income: | | | |
| 4 | Depreciation and Depletion | 5,706,677 | | |
| 5 | Amortization of (Specify) | | | |
| 6 | Intangible Plant | | | |
| 7 | | | | |
| 8 | Deferred Income Taxes (Net) | | | |
| 9 | Investment Tax Credit Adjustment (Net) | | | |
| 10 | Net (Increase) Decrease in Receivables | 810,541 | | |
| 11 | Net (Increase) Decrease in Current Accrued Assets-Other | (735) | | |
| 12 | Net (Increase) Decrease in Postretirement Benefits other than Pensions | 28,848 | | |
| 13 | Net (Increase) Decrease in Payables and Accrued Expenses | 731,819 | | |
| 14 | Net (Increase) Decrease in Refundable Power Costs | (1,215,041) | | |
| 15 | Net (Increase) Decrease in Accrued Interest Payable | 76,585 | | |
| 16 | (Less) Allowance for Current Accrued Liabilities - Other | (397,114) | | |
| 17 | (Less) Undistributed Earnings from Subsidiary Companies | (466,278) | | |
| 18 | Other: Capital Credits | (253,687) | | |
| 19 | Loss (Gain) on Sales of Fixed Assets | 2,420 | | |
| 20 | (Income) Loss on Investment in Wholly-Owned Subsidiary | 18,394 | | |
| 21 | | | | |
| 22 | Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21) | 6,508,635 | | |
| 23 | | | | |
| 24 | Cash Flows from Investment Activities: | | | |
| 25 | Construction and Acquisition of Plant (including land): | | | |
| 26 | Gross Additions to Utility Plant (less nuclear fuel) | (11,193,712) | | |
| 27 | Gross Additions to Nuclear Fuel | | | |
| 28 | Gross Additions to Common Utility Plant | | | |
| 29 | Gross Additions to Nonutility Plant | | | |
| 30 | (Less) Allowance to Other Funds Used During Construction | | | |
| 31 | Other: (Increase) Decrease in Materials Inventory | (223,736) | | |
| 32 | Other: Plant Removal | (2,040,924) | | |
| 33 | | | | |
| 34 | Cash Outflows for Plant (Total of lines 26 thru 33) | (13,458,372) | | |
| 35 | | | | |
| 36 | Acquisition of Other Noncurrent Assets (d) | | | |
| 37 | Proceeds from Disposal of Noncurrent Assets (d) | | | |
| 38 | | | | |
| 39 | Investments in and Advances to Assoc. and Subsidiary Companies | 244,866 | | |
| 40 | Contributions and Advances from Assoc. and Subsidiary Companies | | | |
| 41 | Disposition of Investments in (and Advances to) | | | |
| 42 | Associated and Subsidiary Companies | | | |
| 43 | | | | |
| 44 | Purchase of Investment Securities (a) | | | |
| 45 | Proceeds from Sales of Investment Securities (a) | | | |

| | | | |
|---|---|---|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 4/30/2016 | Year of Report 12/31/2015 |
|---|---|---|------------------------------|

STATEMENT OF CASH FLOWS (Continued)

| Line No. | Description (See instructions for Explanation of Codes) (a) | Amount (b) |
|----------|--|---------------------|
| 4. | Investing Activities (a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123. (b) Don not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123. | |
| 5. | Codes used: (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc. 6. Enter on pages 122-123 clarifications and explanations. | |
| 46 | Loans Made or Purchased | |
| 47 | Collections on Loans | |
| 48 | | |
| 49 | Net (Increase) Decrease in Receivables | |
| 50 | Net (Increase) Decrease in Inventory | |
| 51 | Net (Increase) Decrease in Allowances Held for Speculation | |
| 52 | Net Increase (Decrease) in Payables and Accrued Expenses | |
| 53 | Other: | |
| 54 | | |
| 55 | | |
| 56 | Net Cash Provided by (Used in) Investing Activities | |
| 57 | (Total of lines 34 thru 55) | (13,213,506) |
| 58 | | |
| 59 | Cash Flows from Financing Activities: | |
| 60 | Proceeds from Issuance of: | |
| 61 | Long Term Debt (b) | 14,000,000 |
| 62 | Preferred Stock | |
| 63 | Common Stock | |
| 64 | Other: | |
| 65 | | |
| 66 | Net Increase in Short-Term Debt (c) | (5,500,000) |
| 67 | Other: | |
| 68 | | |
| 69 | | |
| 70 | Cash Provided by Outside Sources (Total of lines 61 thru 69) | 8,500,000 |
| 71 | | |
| 72 | Payments for Retirement of: | |
| 73 | Long Term Debt (b) | (3,719,206) |
| 74 | Preferred Stock | |
| 75 | Common Stock | |
| 76 | Other: Retirement of Patronage Capital Credits | (44,906) |
| 77 | Other: Donated Capital | 104,221 |
| 78 | Net Decrease in Short-Term Debt (c) | 31,936 |
| 79 | Memberships Issued, Net | 7,785 |
| 80 | Decrease in Deferred Debits | 550,272 |
| 81 | Dividends on Common Stock | |
| 82 | Net Cash Provided by (Used in) Financing Activities | |
| 83 | (Total of lines 70 thru 81) | 5,430,102 |
| 84 | | |
| 85 | Net Increase (Decrease) in Cash and Cash Equivalents | |
| 86 | (Total of lines 22, 57 and 83) | (1,274,769) |
| 87 | | |
| 88 | Cash and Cash Equivalents at Beginning of Year | 2,096,911 |
| 89 | | |
| 90 | Cash and Cash Equivalents at End of Year | 822,142 |

| | | | |
|---|---|---|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 4/30/2016 | Year of Report 12/31/2015 |
|---|---|---|------------------------------|

NONUTILITY PROPERTY (Account 121)

- | | |
|---|---|
| <p>1. Give a brief description and state the location of nonutility property included in Account 121.</p> <p>2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.</p> <p>3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.</p> | <p>4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.</p> <p>5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.</p> |
|---|---|

| Line No. | Description and Location (a) | Balance at Beginning of Year (b) | Purchases, Sales Transfers, etc. (c) | Balance at End of Year (d) |
|----------|---|-------------------------------------|---|-------------------------------|
| 1 | 138 kv Right-of-Way (Pper 1976 FPC Audit) | 7,159 | | 7,159 |
| 2 | 10 Small Land Parcels | 3,656 | | 3,656 |
| 3 | Land Parcel-St. Ignace | 1,653 | | 1,653 |
| 4 | Easement-Sault Division | 1,400 | | 1,400 |
| 5 | Minor Land Parcels | 268 | | 268 |
| 6 | Dafter Land Parcels | 37,336 | | 37,336 |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| | TOTAL | 51,472 | | 51,472 |

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF
NONUTILITY PROPERTY (Account 122)**

Report below the information called for concerning depreciation and amortization of nonutility property.

| Line No. | Item (a) | Amount (b) |
|----------|--|---------------|
| 1 | Balance, Beginning of Year | |
| 2 | Accruals for Year, Charged to | |
| 3 | (417) Income from Nonutility Operations | |
| 4 | (418) Nonoperating Rental Income | |
| 5 | Other Accounts (Specify): | |
| 6 | | |
| 7 | TOTAL Accruals for Year (Enter Total of lines 3 thru 6) | |
| 8 | Net Charges for Plant Retired: | |
| 9 | Book Cost of Plant Retired | |
| 10 | Cost of Removal | |
| 11 | Salvage (Credit) | |
| 12 | TOTAL Net Charges (Enter Total of lines 9 thru 11) | |
| 13 | Other Debit or Credit Items (Describe): | |
| 14 | | |
| 15 | Balance, End of Year (Enter Total of lines 1, 7, 12, and 14) | |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

INVESTMENTS (Accounts 123, 124, 136)

1. Report below the investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investment*, and 136, *Temporary Cash Investments*.
 2. Provide a subheading for each account and list thereunder the information called for:
 (a) Investment in securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, *Other Investments*), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.
 (b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account. Each note should be

| Line No. | Description of Investment (a) | Book Cost at Beginning of Year <i>(If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference)</i> (b) | | Purchases or Additions During Year (c) |
|----------|--------------------------------------|---|------------|---|
| | | Original Cost | Book Value | |
| 1 | Lighthouse.Net | 255,000 | 255,000 | |
| 2 | NRUCFC | 286,201 | 286,201 | 8,555 |
| 3 | NISC | 146,627 | 146,627 | 21,012 |
| 4 | RESCO | 274,508 | 274,508 | 34,975 |
| 5 | NRTC | 631 | 631 | |
| 6 | CRC | 21,170 | 21,170 | 4,391 |
| 7 | CoBank | 431,218 | 431,218 | 93,281 |
| 8 | Federated Insurance | 285,386 | 285,386 | 91,473 |
| 9 | CFC-Capital Term Certificates | 830,217 | 830,217 | |
| 10 | CFC Membership | 1,000 | 1,000 | |
| 11 | ATC - Invest in Associated Org. | 9,145,226 | 9,145,226 | 833,381 |
| 12 | Credit Union | 10 | 10 | |
| 13 | | | | |
| 14 | | | | |
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|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

INVESTMENTS (Accounts 123, 124, 136) (Cont'd)

listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.

3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.

5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).

| Sales or Other Dispositions During Year (d) | Principal Amount or No. of Shares at End of Year (e) | Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (f) | | Revenues for Year (g) | Gain or Loss from Improvement Disposed of (h) | Line No. |
|--|---|--|------------|--------------------------|--|----------|
| | | Original Cost | Book Value | | | |
| 0 | N/A | 255,000 | 255,000 | | | 1 |
| 0 | N/A | 290,479 | 290,479 | 4,277 | | 2 |
| 0 | N/A | 159,689 | 159,689 | 7,950 | | 3 |
| 0 | N/A | 285,452 | 285,452 | 24,031 | | 4 |
| 0 | N/A | 597 | 597 | 34 | | 5 |
| 0 | N/A | 24,683 | 24,683 | 878 | | 6 |
| 0 | N/A | 454,538 | 454,538 | 69,961 | | 7 |
| 0 | N/A | 347,978 | 347,978 | 28,881 | | 8 |
| 0 | N/A | 820,539 | 820,539 | 9,678 | | 9 |
| 0 | N/A | 1,000 | 1,000 | | | 10 |
| 0 | N/A | 9,512,329 | 9,512,329 | 466,278 | | 11 |
| 0 | N/A | 10 | 10 | | | 12 |
| | | | | | | 13 |
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|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

- | | |
|---|--|
| <p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</p> <p>3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.</p> | <p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> |
|---|--|

* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the account company. This includes related parties.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

| Line No. | Particulars (a) | Balance Beginning of Year (b) | Totals for Year | | Balance End of Year (e) | Interest for Year (f) |
|----------|-----------------------|-------------------------------|-----------------|-------------|-------------------------|-----------------------|
| | | | Debits (c) | Credits (d) | | |
| 1 | Account 146 | | | | | |
| 2 | American Transmission | \$ - | \$ 796,507 | \$ 796,507 | \$ - | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
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| 12 | | | | | | |
| 13 | | | | | | |
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| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | TOTAL | \$ - | \$ 796,507 | \$ 796,507 | \$ - | \$ - |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

ALLOWANCES

- | | |
|--|--|
| <p>1. Report below the details called for concerning allowances.</p> <p>2. Report all acquisitions of allowances at cost.</p> <p>3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.</p> <p>4. Report the allowances transactions by the period they are first</p> | <p>eligible for use; the current year;s allowances in columns (b)-(c), allowances for the three succeeding years in column(d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).</p> <p>5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.</p> |
|--|--|

| Line No. | Allowance Inventory (a) | Current Year | | 20__ | |
|----------|--|--------------|-----------|---------|----------|
| | | No. (b) | Amt. (c) | No. (d) | Amt. (e) |
| 1 | Balance - Beginning of Year | | | | |
| 2-4 | Acquired During Year: Issued (Less Withheld Allow.) | | | | |
| 5 | Returned by EPA | | | | |
| 6-8 | Purchases/Transfers: | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | Total | | | | |
| 16-18 | Relinquished During Year: Charges to Acct. 509 | | | | |
| 19 | Other: | | | | |
| 20 | | | | | |
| 21-22 | Cost of Sales/Transfers: | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | Total | | | | |
| 29 | Balance - End of Year | | | | |
| 30-32 | Sales: | | | | |
| | Net Sales Proceeds (Assoc Co.) | | | | |
| 33 | Net Sales Proceeds (Other) | | | | |
| 34 | Gains | | | | |
| 35 | Losses | | | | |
| | Allowances Withheld | | | | |
| 36 | Balance - Beginning of Year | | | | |
| 37 | Add: Withheld by EPA | | | | |
| 38 | Deduct: Returned by EPA | | | | |
| 39 | Cost of Sales | | | | |
| 40 | Balance - End of Year | | | | |
| 41-43 | Sales: | | | | |
| | Net Sales Proceeds (Assoc. Co.) | | | | |
| 44 | Net Sales Proceeds (Other) | | | | |
| 45 | Gains | | | | |
| 46 | Losses | | | | |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

ALLOWANCES (Continued)

6. Report on line 5 allowances returned by the EPA. Report on line 39 the EPA's sales of the withheld allowances. Report on lines 43-46 the net sales or auction of the withheld allowances.

7. Report on lines 8-14 the names of vendors/transfers of allowances acquired and identify associated companies (See "associated co." under "Definitions" in Uniform System of Accounts).

8. Report on lines 22-27 the names of purchasers/transfers of allowances disposed of and identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on lines 32-35 & 43-46 the net sales proceeds and gains or losses from allowance sales.

| 20__ | | 20__ | | Future Years | | Totals | | Line No. |
|---------|----------|---------|----------|--------------|----------|---------|----------|----------|
| No. (f) | Amt. (g) | No. (h) | Amt. (i) | No. (j) | Amt. (k) | No. (l) | Amt. (m) | |
| | | | | | | | | 1 |
| | | | | | | | | 2-4 |
| | | | | | | | | 5 |
| | | | | | | | | 6-8 |
| | | | | | | | | 9 |
| | | | | | | | | 10 |
| | | | | | | | | 11 |
| | | | | | | | | 12 |
| | | | | | | | | 13 |
| | | | | | | | | 14 |
| | | | | | | | | 15 |
| | | | | | | | | 16-18 |
| | | | | | | | | 19 |
| | | | | | | | | 20 |
| | | | | | | | | 21-22 |
| | | | | | | | | 23 |
| | | | | | | | | 24 |
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| | | | | | | | | 26 |
| | | | | | | | | 27 |
| | | | | | | | | 28 |
| | | | | | | | | 29 |
| | | | | | | | | 30-32 |
| | | | | | | | | 33 |
| | | | | | | | | 34 |
| | | | | | | | | 35 |
| | | | | | | | | 36 |
| | | | | | | | | 37 |
| | | | | | | | | 38 |
| | | | | | | | | 39 |
| | | | | | | | | 40 |
| | | | | | | | | 41-43 |
| | | | | | | | | 44 |
| | | | | | | | | 45 |
| | | | | | | | | 46 |

| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|--|---|--|---|
| LONG-TERM DEBT (Accounts 221, 222, 223 and 224) | | | |
| <p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p> | | | |
| Line No. | Class and Series of Obligation, Coupon Rate <i>(For new issue, give Commission Authorization numbers and dates)</i> (a) | Principal Amount of Debt Issued (b) | Total Expense, Premium or Discount (c) |
| 1 | FFB | 108,204,724 | |
| 2 | RUS | 0 | |
| 3 | NRUCFC | 3,856,375 | |
| 4 | CoBank | 23,632,292 | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | TOTAL | \$ 135,693,391 | |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt-Discout and Expense, or credited to Account 429, *Amortization of Premium on Debt-Credit*.
12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, *Interest on Long-Term Debt*, and Account 430, *Interest on Debt to Associated Companies*.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

| Nominal Date of Issue (d) | Date of Maturity (e) | AMORTIZATION PERIOD | | Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h) | Interest for Year Amount (i) | Line No. |
|------------------------------|-------------------------|---------------------|----------------|---|---------------------------------|----------|
| | | Date From (f) | Date To (g) | | | |
| 12/31/2015 | 12/31/2047 | Various | Various | | 2,967,465 | 1 |
| | | | | | 640,994 | 2 |
| | | | | | 115,650 | 3 |
| | | | | | 397,717 | 4 |
| 7/21/2015 | 6/30/2041 | Various | Various | | | 5 |
| | | | | | | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| | | | | | | 12 |
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| | | | | | | 14 |
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| | | | | | | 18 |
| | | | | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| | | | | | \$ 4,121,826 | 25 |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.
4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

***See definition on page 226B**

| Line No. | Particulars (a) | Balance Beginning of Year (b) | Totals for Year | | Balance End of Year (e) | Interest for Year (f) |
|----------|------------------------|----------------------------------|-----------------|----------------|----------------------------|--------------------------|
| | | | Debits (c) | Credits (d) | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
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| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| | TOTAL | | | | | |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

| Line No. | | TOTAL AMOUNT |
|----------|---|--------------|
| 1 | Utility net operating income (page 114 line 20) | |
| 2 | Allocations: Allowance for funds used during construction | |
| 3 | Interest expense | |
| 4 | Other (specify) | |
| 5 | Net income for the year (page 117 line 68) | |
| 6 | Allocation of Net income for the year | |
| 7 | Add: Federal income tax expenses | |
| 8 | | |
| 9 | Total pre-tax income | |
| 10 | | |
| 11 | Add: Taxable income not reported on books: | |
| 12 | | |
| 13 | | |
| 14 | | |
| 15 | Add: Deductions recorded on books not deducted from return | |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | Subtract: Income recorded on books not included in return: | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | Subtract: Deductions on return not charged against book income: | |
| 24 | | |
| 25 | | |
| 26 | Federal taxable income for the year | |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)

3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2
4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.

| Utility | Other | Line No. |
|---------|-------|----------|
| | | 1 |
| | | 2 |
| | | 3 |
| | | 4 |
| | | 5 |
| | | 6 |
| | | 7 |
| | | 8 |
| | | 9 |
| | | 10 |
| | | 11 |
| | | 12 |
| | | 13 |
| | | 14 |
| | | 15 |
| | | 16 |
| | | 17 |
| | | 18 |
| | | 19 |
| | | 20 |
| | | 21 |
| | | 22 |
| | | 23 |
| | | 24 |
| | | 25 |
| | | 26 |

| Name of Respondent Cloverland Electric Cooperative | | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 | |
|---|----------------------------------|---|--|------------------------------|----------------------|
| GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421. 2) | | | | | |
| <p>1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.</p> <p>2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).</p> <p>3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)</p> | | | | | |
| Line No. | Description of Property (a) | Original Cost of Related Property (b) | Date Journal Entry Approved (When Required) (c) | Account 421.1 (d) | Account 421.2 (e) |
| 1 | Gain on disposition of property: | | | | |
| 2 | TRAILER #8 (sold for scrap) | 4,526 | | 23.75 | |
| 3 | TRAILER #15 (sold for scrap) | 2,330 | | 18.00 | |
| 4 | JOHN DEERE TRACTOR | unknown | | 3,500.00 | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | Total Gain | 6,856 | | 3,541.75 | |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)

| Line No. | Description of Property (a) | Original Cost of Related Property (b) | Date Journal Entry Approved (When Required) (c) | Account 421.1 (d) | Account 421.2 (e) |
|----------|------------------------------------|--|--|----------------------|----------------------|
| 18 | Loss on disposition of property: | | | | |
| 19 | RADIO ASSET | 164 | | | 45.99 |
| 20 | BOSCH DISHWASHER | 752 | | | 188.02 |
| 21 | PANASONIC CORDLESS PHONE SYSTEM | 880 | | | 134.96 |
| 22 | TESTING EQUIPMENT | 468 | | | 196.39 |
| 23 | IT DEPARTMENT-ANNUAL DISPOSAL LIST | 16,148 | | | 248.96 |
| 24 | AIR CONDITIONER (failed) | 4,700 | | | 3,760.04 |
| 25 | IT DEPARTMENT OLD EQUIPMENT | 66,569 | | | 1,387.74 |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | Total Loss | 89,680 | | | 5,962.10 |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account

426.4, Expenditures for Certain civic, Political and Related Activities.)
(a) Name and address of person or organization rendering services,
(b) description of services received during year and project or case to which services relate,
(c) basis of charges,
(d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate with an asterisk associated companies.

| Line No. | Name / Address | Service | Basis of Charges | Acct # | Amount |
|----------|-------------------------------|---------------------------|----------------------------|-----------------|-----------|
| 1 | CC Power LLC | Contractor | Contract | 107.20 / 593.99 | 752,960 |
| 2 | PO Box 2028 | | | | |
| 3 | Kalkaska, MI 49646 | | | | |
| 4 | Commonwealth Associates Inc | Consulting | Contract | 923.00 | 75,048 |
| 5 | PO Box 1124 | | | | |
| 6 | Jackson, MI 49204-1124 | | | | |
| 7 | Dig-It, Inc | Contractor | Contract | 107.20 | 86,755 |
| 8 | 1601 S Hwy M-37 | | | | |
| 9 | Hastings, MI 49058 | | | | |
| 10 | Kokosing Industrial, Inc. | Hydro Canal repairs | Contract | 107.20 | 1,973,385 |
| 11 | Durocher Marine Division | | | | |
| 12 | PO Box 226 | | | | |
| 13 | Fredericktown, OH 43019 | | | | |
| 14 | Dykema Gossett PLLC | Attorney/Legal Consultant | Hourly, plus out-of-pocket | 923.63 | 393,283 |
| 15 | 400 Renaissance Ctr, 35th FL | | | | |
| 16 | Detroit, MI 48243-1668 | | | | |
| 17 | GRP Engineering, Inc. | Engineering Consultants | Hourly | 107.20 | 201,049 |
| 18 | PO Box 162 | | | | |
| 19 | Petoskey, MI 49770 | | | | |
| 20 | Global Mapping Solutions, LLC | GIS Mapping | Contract | 107.49 | 140,797 |
| 21 | PO Box 308 | | | | |
| 22 | Chapin, SC 29036 | | | | |
| 23 | Harris Group | Accounting/Audit | Hourly, plus out-of-pocket | 231.10 | 52,485 |
| 24 | 731 S Garfield Ave | | | | |
| 25 | Traverse City, MI 49686 | | | | |
| 26 | Holland & Knight LLP | Attorney/Legal Consultant | Hourly, plus out-of-pocket | 923.63 | 388,760 |
| 27 | PO Box 864084 | | | | |
| 28 | Orlando, FL 32886 | | | | |
| 29 | Hydaker-Wheatlake Company | Distribution System | Contract | 107.20 | 1,305,228 |
| 30 | 1435 Reliable Parkway | Contractor | | | |
| 31 | Chicago, IL 60686 | | | | |
| 32 | Kent Power, Inc. | Contractor | Contract | 107.20 | 395,439 |
| 33 | PO Box 327 | | | | |
| 34 | Kent City, MI 49330 | | | | |
| 35 | L&H Utility Contractors | Contractor | Contract | 107.20 | 123,334 |
| 36 | PO Box 2037 | | | | |
| 37 | Kingsford, MI 49802 | | | | |

| | | | | | |
|----|---|---------------------------|-------------------|---|---------|
| 38 | Mackinac Environmental Technology PO Box 485 St. Ignace, MI 49781 | Environmental Assessment | Contract | 107.20 & 923.00 | 55,262 |
| 41 | MWH Americas, Inc. 8383 Greenway Blvd, Suite 210 Middleton, WI 53562 | Contractor | Contract | 107.20 | 71,714 |
| 44 | Novak Engineering, LLC 901 Cunningham Road Jackson, MI 49201 | Engineering Consultants | Hourly | 107.20 | 159,822 |
| 47 | Charles Palmer 545 Ashmun St, Suite #9 Sault Ste. Marie, MI 49783 | Attorney/Legal Consultant | Contract | 923.62 | 47,687 |
| 50 | Palmer Excavating 12595 South Hwy M-129 Dafter, MI 49724 | Contractor | Contract & Hourly | 107.20/146.51/ 146.52/163.00/539.06/549.53/ 582.9/592.53/592.9/594.53/932.63/932.72 | 29,803 |
| 53 | Ram Utilities LLC 5805 1st St NW Moorhead, MN 56560 | Pole Inspections | Contract | 593.64 | 62,313 |
| 56 | Rauhorn Electric, Inc. 17171 23 Mile Road Macomb, MI 48042-4100 | Contractor | Contract | 107.20 | 512,978 |
| 59 | R O Suggitt Janitorial 3887 East 4 Mile Road Sault Ste. Marie, MI 49783 | Cleaning Contractor | Contract | 923.63 | 27,170 |
| 62 | Trees, Inc. 1700 Solutions Center Chicago, IL 60677-1007 | ROW Clearing | Contract | 107.20/593.60/ 593.65/593.66 | 914,587 |
| 65 | Vibra Steam Carpet Cleaning 4336 S Riverside Drive Sault Ste. Marie, MI 49783 | Cleaning Contractor | Contract | 932.71 / 932.72 | 30,610 |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
 2. In column (b) describe the affiliation (percentage ownership, etc.).
 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).
 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

| Line No. | Company (a) | Affiliation (b) | Description: Nature of Goods and Services (c) | Account Number (d) | Amount Classified to Operating Income (e) |
|--------------|----------------|-----------------------|---|-----------------------|--|
| 1 | Lighthouse.Net | 100% Owned Subsidiary | Tower Rent | 412 | \$ 7,800 |
| 2 | | | Shared billing services | | |
| 3 | | | Insurance & Legal | | |
| 4 | | | Pole Contract Rental | | |
| 5 | | | Labor | | |
| 6 | | | Other | | |
| 7 | | | | | |
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| 30 | | | | | |
| TOTAL | | | | | \$ 7,800 |

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|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

| Account Number (f) | Amount Classified to Non-Operating Income (g) | Account Number (h) | Amount Classified to Balance Sheet (i) | Total (j) | Pricing Method (k) | Line No. |
|-----------------------|--|-----------------------|---|--------------|-----------------------|----------|
| | | | | \$ 7,800 | Actual Cost | 1 |
| 421 | \$ 1,800 | | | 1,800 | Actual Cost | 2 |
| | | 143.5 | \$ 13,603 | 13,603 | Actual Cost | 3 |
| | | 143.2 | 3,373 | 3,373 | Actual Cost | 4 |
| | | 123.02 | 8,361 | 8,361 | Actual + Ovh's | 5 |
| | | 143.5 | 2,927 | 2,927 | Actual Cost | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
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| | \$ 1,800 | | \$ 28,264 | \$ 37,864 | | |

| | | | |
|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

- | | |
|---|---|
| <p>1. In column (a) report the name of the associated company.</p> <p>2. In column (b) describe the affiliation (percentage ownership, etc.).</p> <p>3. In column (c) describe the nature of the goods and</p> | <p>services provided (administrative and general expenses, dividends declared, etc.).</p> <p>4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.</p> |
|---|---|

| Line No. | Company (a) | Affiliation (b) | Description: Nature of Goods and Services (c) | Account Number (d) | Amount Classified to Operating Income (e) |
|--------------|----------------|-----------------------|--|--------------------------|--|
| 1 | Lighthouse.net | 100% Owned Subsidiary | Pass through billing | | |
| 2 | | | Internet Service | 586.63 | \$ 5,136 |
| 3 | | | Rent | 903.61 | 4,727 |
| 4 | | | Paystation Labor | 903.61 | 4,005 |
| 5 | | | Other | 930.02 | 660 |
| 6 | | | | | |
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| TOTAL | | | | | \$ 14,527 |

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|---|---|--|------------------------------|
| Name of Respondent Cloverland Electric Cooperative | This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission | Date of Report (Mo, Da, Yr) 04/30/16 | Year of Report 12/31/2015 |
|---|---|--|------------------------------|

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

| Account Number (f) | Amount Classified to Non-Operating Income (g) | Account Number (h) | Amount Classified to Balance Sheet (i) | Total (j) | Pricing Method (k) | Line No. |
|-----------------------|--|-----------------------|---|--------------|-----------------------|----------|
| | | 232.01 | \$ 29,318 | \$ 29,318 | Cost + 10% | 1 |
| | | 165.01 & 165.11 | 34,031 | 39,166 | Cost per Contract | 2 |
| | | | | 4,727 | Square Footage | 3 |
| | | | | 4,005 | Cost per Contract | 4 |
| | | | | 660 | Actual Cost | 5 |
| | | | | | | 6 |
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| | | | \$ 63,349 | \$ 77,876 | | |