

Financial Report

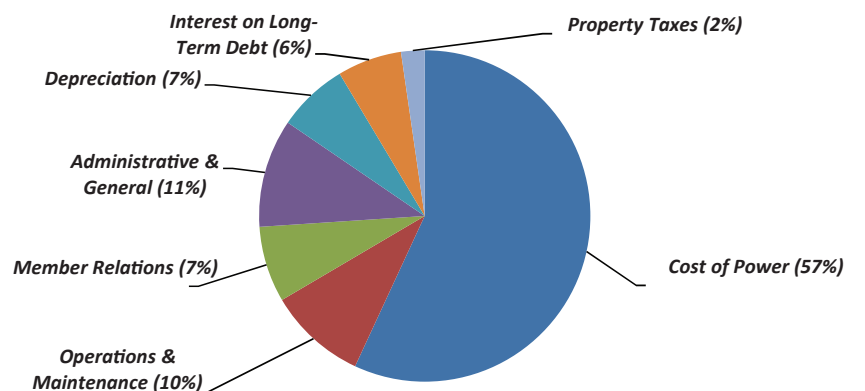
Balance Sheets at December 31, 2016 and 2015

	2016	2015
Assets		
Net Utility Plant	\$ 15,810,218	\$ 14,810,053
Other Assets and Investments	4,033,012	4,031,105
Current Assets	2,517,540	3,660,589
Deferred Debits	12,797	14,352
Total Assets	\$ 22,373,567	\$ 22,516,099
Liabilities		
Long-Term Debt	\$ 8,144,394	\$ 8,619,536
Current Liabilities	2,179,071	2,771,640
Deferred Credits	6,582	7,923
Equity		
Margins and Equity	12,043,520	11,117,000
Total Liabilities and Equity	\$ 22,373,567	\$ 22,516,099

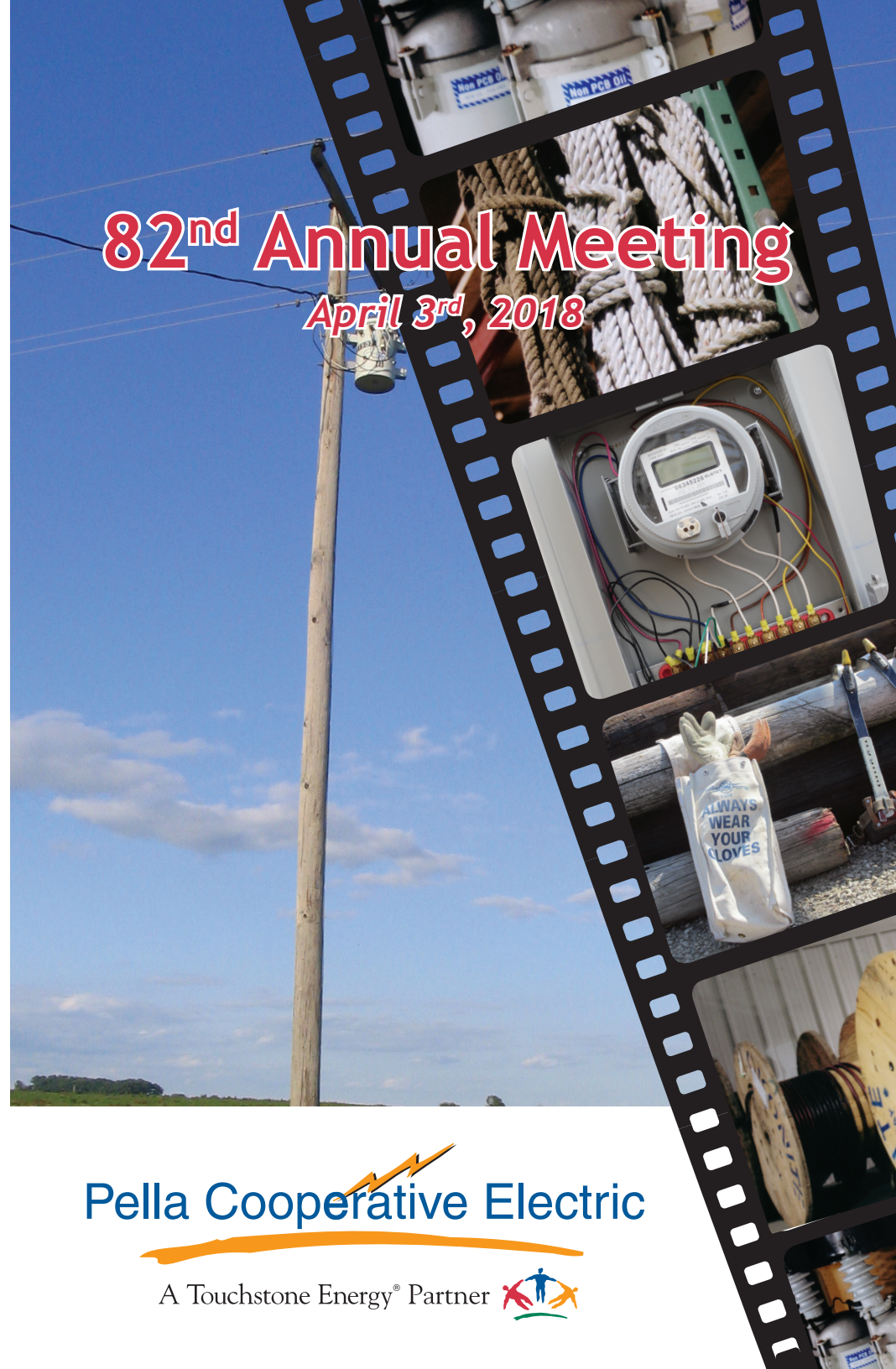
Income Statements for the Years Ended December 31, 2016 and 2015

	2016	2015
Operating Revenues	\$ 6,985,829	\$ 6,723,651
Operating Expenses		
Cost of Power	3,719,306	3,712,506
Operations and Maintenance Expense	679,668	728,808
Member Relations Expense	560,292	554,875
Administrative and General Expense	715,738	535,526
Depreciation Expense	451,248	436,329
Interest Expense	410,717	407,115
Operating Margins Before Capital Credits	\$ 448,860	\$ 348,492
Capital Credits	347,774	245,958
Net Operating Margins	\$ 796,634	\$ 594,450
Non-Operating Income	309,093	70,397
Net Margins	\$ 1,105,727	\$ 664,847

Total Cost of Electric Service for the Year Ended December 31, 2016



Total Cost of Electric Service: \$6,536,969



Pella Cooperative Electric

A Touchstone Energy® Partner 

Meeting Agenda

7:00 p.m. Welcome

Duane Ver Ploeg, Board President

Invocation

Bryce Arkema, At Large Director

Pledge of Allegiance

Duane Ver Ploeg, Board President

Secretary's Report

Bryce Arkema, At Large Director

Introductions

Jon K. Miles, Chief Executive Officer

Report of the Nominating Committee

Larry Crozier, Chairman of the Nominating Committee

Election of Directors

Fred Dorr, Attorney (Wasker, Dorr, Wimmer & Marcouiller, P.C.)

President's Report

Duane Ver Ploeg, Board President

Youth Tour Report

Joy Van Wyngarden

CEO's Report

Jon K. Miles, Chief Executive Officer

Results of the Election

Unfinished Business

Adjournment

7:45 p.m. Door Prize Drawing

2 - Tablets, 42" TV, 6 - Gift Certificates

As you leave, please turn in your registration stub to receive a free safety rescue tool in appreciation of your attendance. Please limit one gift per membership.

Meet the Candidates



Norman Van Zante, District 1 Incumbent

Norman and his wife Mary have been PCEA members since 1964. They have 4 children and 11 grandchildren. Norman is a grain and livestock farmer northwest of Pella. He currently serves as vice president of the cooperative and is a member of the executive committee. He also serves on the boards of Marion County Farm Bureau and Marion County Mutual Insurance. Some hobbies Norman enjoys are; traveling, working in his shop, hunting and attending rodeos.

Why are you interested in being re-elected as a director? The utility industry is constantly adapting to changes in technology, renewable energy, regulations, and members' expectations. I believe cooperatives remain an enviable business model, and the training and experience I've gained as a director will be helpful in addressing future challenges and needs of our member-owners.



Howard Van Zante, District 4 Candidate

Howard and his wife Sheryl have been PCEA members since 1980. They have 3 sons, Justin, Jason and Michael. Howard has been farming on the south edge of Pella for 45 years. Howard has served as a Deacon at church. *Why are you interested in running for the director position?* I worked at PCEA in 1973 and 1974 and also has an interest in it.



Duane Ver Ploeg, District 4 Incumbent

Duane and his wife Kathy have been PCEA members since 1973. They have a son Jason and a daughter Jill, along with 4 grandchildren. Duane is a grain and livestock farmer since 1973 at the family farm 4 miles south of Pella. Duane has served several terms as Deacon at church, Marion County Board of Adjustment and as the Marion County Fair Swine Superintendent. Duane enjoys watching his grandsons sporting events and watching them show livestock at the county and state fair.

Why are you interested in being re-elected as a director? I enjoy and feel the need to be involved in any organization I am a part of and consider it an honor to be nominated to serve the membership. *What are your short-term goals if re-elected?* My goals are to listen to the needs of our members and help them understand the importance of the cooperative and their ownership in our organization.



Bryce Arkema, At-Large Incumbent

Bryce and his wife Donna have been PCEA members since 1981 and live NE of Pella where Bryce farms. They have four children. Bryce has served on the church board and council. He is presently serving as the Secretary on PCEA Board, the Key Coop Board of Directors, and on the Hawkeye Pension Board for Iowa Association of Electric Cooperatives.

Why are you interested in being re-elected as a director? I believe in the cooperative system of members owning the business and being able to have a voice in the business by serving on the board of directors, who is responsible to hire the CEO and set policy for the cooperative. *What are your short-term goals if re-elected?* As a board, we are always concerned for the safety of our employees. To offer dependable and affordable energy for our member owners in an ever-changing business of generating power along with consumers needs having to be supplied each hour of every day.



Casey Gibbs, At-Large Candidate

Casey and his wife Cindy have been PCEA members since 2006 where they live near Grinnell. They have a son Cody and a daughter Cally. Casey is a Director of Reinsurance Marketing at Grinnell Mutual. Casey has served as a member of Grinnell Chamber of Commerce, The I-80/Poweshiek County Development Committee, Past Chair of Poweshiek County Pheasants Forever, Committee for the Namic Farm Forum and the past Chairman of Lynnville-Sully Youth Sports Foundation and Marshalltown football league. Casey enjoys attending kids sporting events, coaching youth basketball, hunting, fishing and attending Iowa

Hawkeye sports.

Why are you interested in running for the director position? I work with board of directors everyday. I have 250 plus Mutual Insurance Company boards. I do strategic planning, helping write business plans, help them understand their financial statements and work on ways to help improve their companies.

What are your short-term goals if elected? Learn the board and their dynamics, dive into the financial and see what we can do to improve these and help lead a strategic planning session.