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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT                  ELECTRIC DISTRIBUTION</b>	<b>BORROWER DESIGNATION</b> AK 6 - Golden Valley Electric Association, Inc. <b>PERIOD ENDED</b> December 31, 2016 <b>BORROWER NAME AND ADDRESS</b> Golden Valley Electric Association, Inc. P. O. Box 71249 Fairbanks, AK 99707-1249
INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.	
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. Seq.) and may be confidential.	

**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.

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

DRAFT

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD 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.

DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH <i>(d)</i>
	LAST YEAR <i>(a)</i>	THIS YEAR <i>(b)</i>	REVISED BUDGET <i>(c)</i>	
<b>1. Operating Revenue and Patronage Capital</b>	<b>\$206,900,611</b>	<b>\$227,258,335</b>	<b>\$204,807,072</b>	<b>\$24,233,173</b>
2. Power Production Expense	69,975,055	79,573,925	84,600,243	10,298,499
3. Cost of Purchased Power	54,248,320	52,251,990	31,918,156	3,418,547
4. Transmission Expense	3,502,470	3,967,829	3,886,435	536,116
5. Regional market Expense				
6. Distribution Expense-Operation	2,880,259	3,089,635	3,009,951	455,663
7. Distribution Expense-Maintenance	9,330,181	8,571,668	8,507,061	861,094
8. Consumer Accounts Expense	7,347,188	7,129,743	7,469,546	613,683
9. Customer Service and Informational Expense	1,181,738	1,206,858	1,562,594	181,221
10. Sales Expense				
11. Administrative and General Expense	8,217,620	8,417,698	9,418,761	774,281
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$156,682,832</b>	<b>\$164,209,346</b>	<b>\$150,372,748</b>	<b>\$17,139,104</b>
13. Depreciation and Amortization Expense	25,561,201	23,528,391	26,470,663	2,154,185
14. Tax Expense-Property & Gross Receipts	602,266	623,642	625,685	60,335
15. Tax Expense-Other				
16. Interest on Long-Term Debt	19,210,309	19,535,461	20,516,667	1,654,734
17. Interest Charged to Construction-Credit	(3,314,625)	(2,381,544)	(2,650,344)	(172,109)
18. Interest Expense-Other	25,938	8,894	182,000	310
19. Other Deductions	513,831	2,984,112	34,500	2,657,055
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>\$199,281,753</b>	<b>\$208,508,302</b>	<b>\$195,551,918</b>	<b>\$23,493,614</b>
<b>21. Patronage Capital &amp; Operating margins (1 minus 20)</b>	<b>\$7,618,858</b>	<b>\$18,750,033</b>	<b>\$9,255,154</b>	<b>\$739,559</b>
22. Non Operating margins-Interest	1,399,691	2,101,150	1,081,233	306,631
23. Allowance for Funds Used During Construction	124,837	103,757	125,000	6,067
24. Income (Loss) from Equity Investments a) See note on page 2	1,308,142		1,300,000	
25. Non Operating margins (Loss)-Other	318,664	913,384	369,188	509,143
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	1,923,607	1,719,427	1,729,521	
28. Extraordinary Items	18,861,944	7,592,773		(126,345)
<b>29. Patronage Capital or margins (21 thru 28)</b>	<b>\$31,555,743</b>	<b>\$31,180,523</b>	<b>\$13,860,096</b>	<b>\$1,435,054</b>

<b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	<b>BORROWER DESIGNATION</b> AK 6 - Golden Valley Electric Association, Inc.
	<b>PERIOD ENDED</b> December 31, 2016

INSTRUCTIONS - See RUS Bulletin 1717B-2

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	309	341	5. Miles Transmission	459.41	461.81
2. Services Retired	161	150	6. Miles Distribution-Overhead	2,638.87	2,650.68
3. Total Services in Place	44,348	44,391	7. Miles Distribution-Underground	117.44	117.85
4. Idle Services (Exclude Seasonals)	1,148	1,130	8. Total Miles Energized (5 + 6 + 7)	3,215.72	3,230.34

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	\$985,500,221	30. Memberships	
2. Construction Work in Progress	b) 63,471,741	31. Patronage Capital	116,472,709
3. Total Utility Plant (1 + 2)	\$1,048,971,962	32. Operating margins-Prior Years	
4. Accum. Provision for Depreciation and Amort.	418,294,501	33. Operating margins-Current Year	e) 20,469,460
5. Net Utility Plant (3 - 4)	\$630,677,461	34. Non Operating margins & Class B Equity	f) 63,063,279
6. Nonutility Property - Net	c) 4,076,849	35. Other margins and Equities	g) (6,462,375)
7. Invest. in Subsidiary Companies		36. Total margins & Equities (30 thru 35)	\$193,543,073
8. Invest. in Assoc. Org. - Patronage Capital	5,000,905	37. Long-Term Debt RUS (Net)	27,250,029
9. Invest. in Assoc. Org.-Other-General Funds		38. Long-Term Debt - FFB - RUS Guaranteed	296,113,019
10. Invest. in Assoc. Org.-Other-Nongeneral Funds	3,044,115	39. Long-Term Debt - Other - RUS Guaranteed	
11. Investments in Economic Development Projects	247,911	40. Long-Term Debt - Other (Net)	158,971,945
12. Other Investments	2,769,598	41. Long-Term Debt - RUS - Econ. Devel. (Net)	300,000
13. Special Funds	18,863,378	42. Payments - Unapplied	h) 27,793,495
14. Total Other Property & Investments (6 thru 13)	\$34,002,757	43. Total Long-Term Debt (37 thru 41 - 42)	454,841,499
15. Cash-General Funds	d) 8,350	44. Obligations Under Capital Leases - Noncurrent	
16. Cash-Construction Funds-Trustee	5	45. Accumulated Operating Provisions and Asset Retirement Obligations	i) 30,058,856
17. Special Deposits		46. Total Other Noncurrent Liabilities (44+45)	\$30,058,856
18. Temporary Investments		47. Notes Payable	3,746,678
19. Notes Receivable (Net)		48. Accounts Payable	18,095,161
20. Accounts Receivable-Sales of Energy (Net)	30,299,933	49. Consumers Deposits	1,664,162
21. Accounts Receivable-Other (Net)	8,926,335	50. Current Maturities Long-Term Debt	23,155,517
22. Renewable Energy Credits		51. Current Maturities Long-Term Debt -Economic Development	
23. Materials & Supplies-Electric and Other	25,664,024	52. Current Maturities Capital Leases	
24. Prepayments	405,857	53. Other Current and Accrued Liabilities	5,118,741
25. Other Current & Accrued Assets	341,709	54. Total Current & Accrued Liabilities (47 thru 53)	\$51,780,259
26. Total Current & Accrued Assets (15 thru 25)	65,646,213	55. Regulatory Liabilities	
27. Regulatory Assets		56. Other Deferred Credits	3,023,993
28. Other Deferred Debits	2,921,249	57. Total Liabilities & Other Credits (36+43+46+54 thru 56)	\$733,247,680
29. Total Assets & Other Debits (5+14+26 thru 28)	\$733,247,680		

**PART D. NOTES TO FINANCIAL STATEMENTS**

THE SPACE IS PROVIDED FOR IMPORTANT DISCLOSURE NOTES TO THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

(A SEPARATE SHEET MAY BE USED IF ADDITIONAL SPACE IS NEEDED.)

- a) Part A, Statement of Operations, Line 24, Income (Loss) from Equity Investments: The prior year and budget reflect income from AlasConnect.
- b) Part C line 2, Construction Work in Progress: Included in this amount is \$100,580,758 in costs associated with the acquisition and system restoration of the Healy 2 plant.
- c) Part C, Line 6, Nonutility Property - Net: This amount consists mainly of the North Star Industrial Park Property net of accumulated depreciation. The fiber plant previously held here was sold.
- d) Part C, Line 15, Cash General Funds: At December 31, 2016 the outstanding bank adjustments exceeded the bank balance. The resulting \$2,740,996 credit was reclassified as a current liability and is included in Line 47, Notes Payable. GVEA is protected from overdrafts by a \$12 million line of credit on an automatic sweep mechanism with the bank.
- e) Part C, Line 33, Operating margins - Current Year: Included in this amount is Other Capital Credits and Patronage Dividends from Part A, line 27 to conform to RUS instructions.
- f) Part C, Line 34, Non Operating margins & Class B Equity: This amount includes prior years Non Operating margins of \$52,352,216 which was classified as Class B Equity by the Board of Directors and is not a part of patronage capital, 2016 Non Operating margins of \$3,118,290 and an extraordinary gain on the sale of a fiber plant of \$7,592,773.
- g) Part C, Line 35, Other margins and Equities: Included in this amount is \$28,034,840 for Accumulated Other Comprehensive Income that is associated with GVEA's defined benefit pension plan and is a reduction to equity.
- h) Part C, Line 42, Payments - Unapplied: In December 2010, GVEA established a cushion of credit account in the RUS cushion of credit payments program. This program allows RUS Borrowers to make voluntary deposits into a special cushion of credit account which earns interest at 5% per annum. The amounts in the cushion of credits account, deposits and earned interest, can only be used to make scheduled payments on RUS or RUS guaranteed loans. GVEA's cushion of credit amount is shown on Part C, line 42, Payments - Unapplied, and is a reduction to total long term debt.
- i) Part C, Line 45, Accumulated Operating Provisions and Asset Retirement Obligations: Included in this amount is a \$25,813,192 pension liability which represents the underfunded status of GVEA's defined benefit pension plan, \$2,083,295 for an asset retirement obligation associated with the dismantling, removal, and site restoration required for certain pipeline assets and \$1,200,000 for an asset retirement obligation associated with Eva Creek.

**FINANCIAL AND STATISTICAL REPORT**

AK 6 - GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.

PERIOD ENDED

December 31, 2016

INSTRUCTIONS - See RUS Bulletin 1717B-2

**PART E. CHANGES IN UTILITY PLANT**

PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1. Distribution Plant	237,669,902	4,034,807	634,487		241,070,222
2. General Plant	41,436,589	2,539,484	575,209	(361,208)	43,039,657
3. Headquarters Plant	27,552,108	4,411,762		495,857	32,459,727
4. Intangibles	-				-
5. Transmission Plant	143,160,551	996,729	10,374		144,146,906
6. All Other Utility Plant	373,712,232	151,174,155	102,678		524,783,709
7. Total Utility Plant in Service (1 thru 6)	823,531,382	163,156,937	1,322,747	134,648	985,500,221
8. Construction Work in Progress	186,997,763	(123,526,022)			63,471,741
9. TOTAL UTILITY PLANT (7 + 8)	1,010,529,145	39,630,915	1,322,747	134,648	1,048,971,962

**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	21,436,908	52,439,932		48,954,437	299,599	(161,472)	24,461,332
2. Other (155 + 156)	1,321,423	33,215		137,459	(1,637)	(16,124)	1,202,692

**PART G. SERVICE INTERRUPTIONS**

ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE				TOTAL (e)	
	POWER SUPPLIER (a)	EXTREME STORM (b)	PLANNED (c)	ALL OTHERS (d)		
1. Present Year	17.118	163.730		5.357	141.433	327.638
2. Five-Year Average	18.839	527.457		5.294	90.179	641.769

**PART H. EMPLOYEE - HOUR AND PAYROLL STATISTICS**

1. Number of Full Time Employees	261	4. Payroll - Expensed	20,265,352
2. Employee - Hours Worked - Regular Time	555,993	5. Payroll - Capitalized	4,069,366
3. Employee - Hours Worked - Overtime	27,817	6. Payroll - Other	3,198,748

**PART I. PATRONAGE CAPITAL**

ITEM	DESCRIPTION	THIS YEAR (a)	CUMULATIVE (b)
1. Capital Credits - Distributions	a. General Retirements	6,076,817	33,521,825
	b. Special Retirements	2,483,304	30,176,191
	c. Total Retirements (a + b)	8,560,122	63,698,017
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	1,031,446	
	c. Total Cash Received (a + b)	1,031,446	

**PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE**

1. AMOUNT DUE OVER 60 DAYS	885,366	2. AMOUNT WRITTEN OFF DURING YEAR	190,187
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<b>USDA - RUS</b>  <b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION  AK 6 - GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.
	PERIOD ENDED  December 31, 2016

INSTRUCTIONS - See RUS Bulletin 1717B-2

**PART K. kWh PURCHASED AND TOTAL COST**

ITEM  (a)	RUS USE ONLY SUPPLIER CODE  (b)	kWh PURCHASED  (c)	TOTAL COST  (d)	AVERAGE COST (Cents/kWh)  (e)	INCLUDED IN TOTAL COST	
					FUEL COST ADJUSTMENT  (f)	WHEELING AND OTHER CHARGES (or Credits)  (g)
1. AURORA ENERGY	800016	189,093,410	14,798,316	7.83		438,760
2. ALASKA ENERGY AUTHORITY	42889	75,994,000	3,631,020	4.78		761,050
3. CHUGACH ELECTRIC	3522	25,000,000	1,682,696	6.73		57,292
4. AML & P	599	187,250,000	16,152,260	8.63		1,926,195
5. HOMER ELECTRIC ASSOCIATION	19558	15,115,000	1,385,566	9.17		134,552
6. MATANUSKA ELECTRIC ASSOC.	11824	143,715,000	14,035,029	9.77		1,654,517
7. FORT WAINWRIGHT	800101	2,491,259	170,488	6.84		5,781
8. SNAP - SOLAR	700000	151,664	12,453	8.21		352
9. SNAP - WIND	700000	13,420	1,098	8.18		31
10. COGEN - WIND	700000	29,069	2,342	8.06		67
11. COGEN - DIESEL TURBINE	700000	14,869	1,187	7.98		35
12. AK ENVIRONMENTAL - WIND	700000	4,665,000	379,533	8.14		10,824
13. TOTAL		643,532,691	52,251,989	8.12		4,989,456

**PART L. LONG-TERM LEASES**

(If additional space is needed, use separate sheet.)

LIST BELOW ALL RESTRICTED PROPERTY HELD UNDER LONG-TERM LEASE. (If none, state "NONE")		RENTAL THIS YEAR (c)
NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	
1. NONE		
2.		
3. TOTAL		

**PART M. ANNUAL MEETING AND BOARD DATA**

1. Date of Last Annual Meeting  May 5, 2016	2. Total Number of Members  34,947	3. Number of Members Present at Meeting  267	4. Was Quorum Present?  No
5. Number of Members Voting by Proxy or Mail  None	6. Total Number of Board Members  7	7. Total Amount of Fees and Expenses for Board Members  \$ 278,167	8. Does Manager Have Written Contract?  Yes

**PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

ITEM	BALANCE END OF YEAR (a)	BILLED THIS YEAR		
		INTEREST (b)	PRINCIPAL (c)	TOTAL (d)
1. Rural Utility Service <i>(Excludes RUS- Economic Development Loans)</i>	27,250,029	1,691,871	3,603,450	5,295,321
2. National Rural Utilities Cooperative Finance Corporation	53,353,290	2,831,872	3,756,267	6,588,139
3. CoBank	105,618,655	3,692,646	5,831,866	9,524,512
4. Federal Financing Bank	296,113,019	11,464,035	10,015,937	21,479,972
5. Rural Economic Development	300,000	-		-
6. Payments Unapplied	27,793,495			
7.				
8.				
9.				
10.				
11.				
12.				
13. TOTAL (Sum 1 thru 12)	454,841,499	19,680,425	23,207,520	42,887,945

## RUS Codes

USDA - RUS		BORROWER DESIGNATION		
FINANCIAL AND STATISTICAL REPORT		AK 6 - Golden Valley Electric Association, Inc.		
INSTRUCTIONS - See RUS Bulletin 1717B-2		PERIOD ENDED December 31, 2016		
PART O. POWER REQUIREMENTS DATA BASE				
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	38,903	38,824	
	b. kWh Sold			282,377,421
	c. Revenue			\$63,959,868
2. Residential Sales- Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 kVA or Less	a. No. Consumers Served	6,839	6,835	
	b. kWh Sold			327,488,582
	c. Revenue			\$64,133,393
5. Comm. and Ind. Over 1000 kVA	a. No. Consumers Served	46	46	
	b. kWh Sold			633,820,451
	c. Revenue			\$96,003,548
6. Public Street and Highway Lighting	a. No. Consumers Served	132	128	
	b. kWh Sold			3,597,656
	c. Revenue			\$735,747
7. Other Sales to Public Auth.	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resales- REA Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resales- Others	a. No. Consumers Served			
	b. kWh Sold			338,900
	c. Revenue			\$46,327
10. TOTAL No. Consumers (lines 1a - 9a)		45,920	45,833	
11. TOTAL kWh Sold (lines 1b - 9b)				1,247,623,010
12. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)				\$224,878,883
13. Transmission Revenue				\$182,636
14. Other Electric Revenue				\$2,196,816
15. kWh - Own Use				18,410,643
16. TOTAL kWh Purchased				643,532,691
17. TOTAL kWh Generated				691,442,159
18. Cost of Purchases and Generation and Transmission				\$135,793,744
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-Coincident <u>XX</u> Coincident _____				207,700

Rate Codes

USDA - RUS  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC DISTRIBUTION**

**BORROWER DESIGNATION**  
 AK 6 - Golden Valley Electric Association, Inc.  
**PERIOD ENDED**  
 December 31, 2016

INSTRUCTIONS -

See RUS Bulletin 1717B-2

**PART O. POWER REQUIREMENTS DATA BASE**

CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	38,596	38,548	38,612	38,682	38,765	38,887
	d) b. kWh Sold	31,012,549	25,232,230	24,159,301	20,959,879	19,317,666	18,811,310
	c. Revenue	\$6,000,604	\$5,024,838	\$5,295,918	\$5,091,278	\$4,556,133	\$4,624,471
2. Residential Sales- Seasonal	a. No. Consumers Served						
	b. kWh Sold						
	c. Revenue						
3. Irrigation Sales							
4. Comm. and Ind. 1000 kVa or Less	a. No. Consumers Served	6,351	6,341	6,331	6,330	6,364	6,383
	d) b. kWh Sold	12,095,428	11,365,093	10,758,818	9,225,282	8,985,812	8,680,484
	c. Revenue	\$2,191,056	\$2,090,362	\$2,172,397	\$2,059,483	\$1,895,891	\$1,936,998
5a. Comm. and Ind. Over 1000 kVa GS2S a)	a. No. Consumers Served	438	438	439	439	446	453
	d) b. kWh Sold	17,334,315	16,861,273	16,721,773	14,894,694	15,512,188	15,354,293
	c. Revenue	\$2,657,241	\$2,765,913	\$3,004,800	\$2,911,000	\$2,941,649	\$3,096,603
5b. Comm. and Ind. Over 1000 kVa GS2P b)	a. No. Consumers Served	52	52	52	53	52	53
	d) b. kWh Sold	5,622,961	6,238,147	5,332,090	5,256,603	5,403,669	5,370,615
	c. Revenue	\$846,979	\$994,085	\$949,074	\$992,058	\$974,423	\$1,033,782
5c. Comm. and Ind. Over 1000 kVa GS3 c)	a. No. Consumers Served	9	9	9	9	9	9
	d) b. kWh Sold	51,106,173	44,498,256	51,810,841	42,287,378	50,409,540	44,601,376
	c. Revenue	\$6,406,910	\$5,614,533	\$7,631,050	\$6,746,587	\$7,911,510	\$6,484,419
6. Public Street and Highway Lighting	a. No. Consumers Served	130	131	130	129	128	118
	d) b. kWh Sold	419,392	465,921	344,637	255,818	233,369	135,895
	c. Revenue	\$74,250	\$82,044	\$68,752	\$56,396	\$52,645	\$30,698
7. Other Sales to Public Auth.	a. No. Consumers Served						
	b. kWh Sold						
	c. Revenue						
8. Sales for Resales- RUS Borrowers	a. No. Consumers Served						
	b. kWh Sold						
	c. Revenue						
9. Sales for Resales- Others	a. No. Consumers Served			1			1
	d) b. kWh Sold			289,900			12,000
	f) c. Revenue			\$38,802			\$2,058
10. TOTAL No. Consumers (lines 1 - 9)		45,576	45,520	45,573	45,642	45,764	45,904
11. TOTAL kWh Sold (lines 1 - 9)		117,590,818	104,950,820	109,127,460	92,879,654	99,862,244	92,965,973
12. TOTAL Revenue Received From Sales of Electric Energy (lines 1 - 9)		\$18,177,041	\$16,610,575	\$19,121,990	\$17,856,801	\$18,332,250	\$17,209,029
13. Transmission Revenue		\$42,908	\$33,610	\$25,713	\$38,598	\$20,792	\$21,014
14. Other Electric Revenue		\$88,368	\$121,646	\$384,435	\$86,822	\$96,568	\$361,493
15. kWh - Own Use		2,023,298	895,460	1,384,015	1,471,791	1,293,394	1,321,470
16. TOTAL kWh Purchased e), g), h), i)		54,206,492	29,974,273	54,577,163	65,437,310	59,346,949	58,572,973
17. TOTAL kWh Generated		69,108,504	81,857,156	57,740,975	38,711,126	47,460,163	41,899,255
18. Cost of Purchases and Generation and Transmission		\$10,364,761	\$9,165,764	\$10,740,098	\$11,347,156	\$11,401,125	\$11,326,400
19. Interchange - kWh - Net							
20. Peak - Sum All kW Input (Metered) Non-Coincident <u>XX</u> Coincident _____		191,300	186,400	171,200	171,500	169,500	162,700

RUS Financial and Operating Report Electric Distribution

(Modified by GVEA to include Monthly Activity and separately show GS3 revenues)

- a) GS2S is applicable to General Service at and exceeding 50 kilowatts of electrical demand per month taken at secondary service levels.
- b) GS2P is applicable to General Service taken at primary service levels.
- c) GS3 is applicable to General Service taken at transmission service levels.
- d) Electric sales revenue and kWh sold are accrued on a monthly basis utilizing the days of service available in each month.
- e) MEA July actual purchases MW 8,083, less accrued 8,038 = 45 MW correction.
- f) August sales for resale on prior Fm7 was a duplicate of June and has been reversed in October
- g) MEA Aug actual purchases MW 4786 less accrued 4723 = 63 MW correction
- h) MEA Sept actual purchases MW 8752 less accrued 8420 = 152 MW correction
- i) AMLP Oct actual purchases MW 4,452 less accrued 4,591 = (139) MW correction

**Rate Codes**

USDA - RUS FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AK 6 - Golden Valley Electric Association, Inc.							
INSTRUCTIONS - See RUS Bulletin 1717B-2		PERIOD ENDED December 31, 2016							
PART O. POWER REQUIREMENTS DATA BASE								(Continued)	
(SEE PAGE 5a FOR HEADINGS OF LINE ITEM NUMBERS BELOW)									
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	AVG. # CONSUMERS (m)	TOTALS (Columns a thru l)
1.	a.	38,913	38,995	39,090	38,981	38,917	38,903	38,824	
	b. d)	20,114,514	20,260,283	19,629,773	22,586,169	26,151,858	34,141,889		282,377,421
	c.	\$4,896,994	\$4,535,841	\$4,623,069	\$5,493,438	\$6,037,958	\$7,779,326		\$63,959,868
2.	a.								
	b.								
	c.								
3.									
4.	a.	6,401	6,413	6,408	6,403	6,376	6,382	6,374	
	b. d)	9,469,005	10,063,925	8,999,053	9,805,866	10,804,572	13,163,043		123,416,381
	c.	\$2,102,057	\$2,036,269	\$1,923,310	\$2,205,465	\$2,329,254	\$2,850,102		\$25,792,645
5a.	a.	451	451	448	446	439	437	444	
	b. d)	16,200,993	16,884,828	14,626,450	16,424,423	15,853,773	17,371,654		194,040,657
	c.	\$3,175,495	\$3,149,342	\$2,685,570	\$3,377,841	\$2,979,457	\$3,382,654		\$36,127,564
5b.	a.	55	56	57	57	57	57	54	
	b. d)	5,427,402	5,920,921	5,295,838	5,697,217	5,737,306	6,773,774		68,076,543
	c.	\$1,049,538	\$1,084,199	\$956,836	\$1,152,239	\$1,094,668	\$1,269,959		\$12,397,838
5c.	a.	9	9	9	9	9	9	9	
	b. d)	43,127,287	50,925,059	41,146,735	49,953,087	51,201,133	54,708,587		575,775,452
	c.	\$6,988,318	\$7,029,936	\$6,253,472	\$8,138,890	\$7,994,696	\$8,618,574		\$85,818,895
6.	a.	119	119	130	132	132	132	128	
	b. d)	147,138	210,565	260,400	325,373	335,852	463,296		3,597,656
	c.	\$33,069	\$41,393	\$54,552	\$71,601	\$71,014	\$99,333		\$735,747
7.	a.								
	b.								
	c.								
8.	a.								
	b.								
	c.								
9.	a.			1				-	
	b. d)			37,000					338,900
	c.			\$5,467					\$46,327
10.	Total # Consumers	45,948	46,043	46,143	46,028	45,930	45,920	45,833	
11.	Total kWh Sold	94,486,339	104,265,581	89,995,249	104,792,135	110,084,494	126,622,243		1,247,623,010
12.	Revenue from Sales of Elec Energy	\$18,245,470	\$17,876,979	\$16,502,277	\$20,439,474	\$20,507,047	\$23,999,949		\$224,878,883
13.	Transmission Revenue	\$10,507	(\$10,507)						\$182,636
14.	Other Elec Revenue	\$81,118	\$132,760	\$359,979	\$81,794	\$168,610	\$233,224		\$2,196,816
15.	kWh - Own Use m)	1,310,083	1,185,595	1,586,883	2,064,497	1,962,422	1,911,735		18,410,643
16.	Total kWh Purchased	63,106,766	52,247,271	51,087,567	56,452,248	55,159,916	43,363,763		643,532,691
17.	Total kWh Generated	42,722,476	53,157,241	50,814,900	56,724,170	65,004,815	86,241,378		691,442,159
18.	Purch, Gen, Transm	\$11,252,086	\$10,433,147	\$10,231,242	\$13,269,463	\$12,009,339	\$14,253,162		\$135,793,744
19.	Interchange - kWh Net								
20.	Peak kW	165,000	161,800	165,100	180,000	201,500	207,700		207,700

RUS Financial and Operating Report Electric Distribution (Modified by GVEA to include Monthly Activity and separately show GS3 revenues)

d) Electric sales revenue and kWh sold are accrued on a monthly basis utilizing the days of service available in each month.

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 is estimated to average 17 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.

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and may be confidential.

<b>USDA - RUS</b>  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</b>	<b>BORROWER DESIGNATION</b>  <b>AK 6 - GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.</b>	
	<b>PERIOD ENDED</b> December 31, 2016	<b>RUS USE ONLY</b>

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this form correspond to Balance Sheet Items on RUS Form 7, Part C. Identify all investments in Rural Development with "X" in column (e). Both "Included" and "Excluded" Investments must be reported. See Bulletin 1717B-2, Guide for Preparing Financial and Statistical Reports, for complete instructions.

**PART I. INVESTMENTS**

(See instructions for definitions of Income or Loss)

DESCRIPTION (a)	INCLUDED \$ (b)	EXCLUDED \$ (c)	INCOME OR LOSS \$ (d)	RURAL DEVELOPMENT (e)
<b>1. NONUTILITY PROPERTY (NET)</b>				
a. North Star Terminal Rental	4,035,105			
b. Solar Water Heater	41,744			
c.				
d.				
Totals	4,076,849	0		
<b>2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>				
a. NRUCFC Patronage Capital		1,689,249		
b. CoBank Patronage Capital		3,275,210		
c. NRUCFC Capital Term Certificates		3,044,115		
d. Matanuska Telephone Patronage Capital	36,446			
Totals	36,446	8,008,574	0	
<b>3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS</b>				
a. REDG - Revolving Loan Receivable	300,000			X
b. Matching - Revolving Loan Receivable	60,000			X
c. Payments Received	(112,089)			X
d.				
Totals	247,911	0	0	
<b>4. OTHER INVESTMENTS</b>				
a. ARECA Insurance	2,630,114			
b. ARECA Educational Foundation	139,484			
c.				
d.				
Totals	2,769,598	0		
<b>5. SPECIAL FUNDS</b>				
a. Deferred Comp. - Key Bank		98,243		
b. Joint Certificate of Deposits - Key Bank		45,144		
c. Joint Certificate of Deposits - Wells Fargo		154,326		
d. NRUCFC - Medium Term Notes		2,809,000		
e. Pipeline Decommission - Key Bank		68,929		
f. Spirit of Alaska FCU		4,351		
g. Morgan Stanley - Sinking Fund - Eva Creek ARO		1,240,503		
h. Key Bank - Revolving Loan Fund	74,410	37,684		
i. Schwab - Co Bank - Sinking Fund	12,093,295	1,373,123		
j. Schwab - Deferred Comp	72,398			
k. Fidelity - Deferred Comp	791,973			
Totals	13,032,076	5,831,302		
<b>6. CASH - GENERAL</b>				
a. Key Bank				
b. Wells Fargo Bank Alaska, N.A.				
c. Petty Cash	8,350			
d. Cash - Construction Funds - Trustee - Key Bank	5			
Totals	8,355	0		
<b>7. SPECIAL DEPOSITS</b>				
a. NONE				
b.				
c.				
Totals	0	0		



<b>USDA - RUS</b>  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>	<b>BORROWER DESIGNATION</b>  <b>AK 6 - GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.</b>	
	<b>PERIOD ENDED</b> December 31, 2016	<b>RUS USE ONLY</b>

**PART I. INVESTMENTS (Continued)**

DESCRIPTION (a)	INCLUDED \$ (b)	EXCLUDED \$ (c)	INCOME OR LOSS \$ (d)	RURAL DEVELOPMENT (e)
8. TEMPORARY INVESTMENTS				
a.				
b.				
c.				
d.				
Totals	0	0		
9. ACCOUNTS & NOTES RECEIVABLE - NET				
a. <u>Accounts Receivable-Other Net</u>	8,926,335			
b.				
c.				
d.				
Totals	8,926,335	0	0	
10. COMMITMENT TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED				
a. <u>NONE</u>				
b.				
c.				
d.				
Totals	0	0		
11. TOTAL OF INVESTMENTS (1 thru 10)	29,097,570	13,839,876	0	

**PART II. LOAN GUARANTEES**

ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT \$ (c)	LOAN BALANCE \$ (d)	RURAL DEVELOPMENT (e)
1. <u>NONE</u>				
2.				
3.				
4. TOTAL		0	0	
5. TOTAL (Include Loan Guarantees Only)		0	0	

**PART III. RATIO**

RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Part I, 11b) and Loan Guarantees - Loan Balance (Part II, 5d) to Total Utility Plant (Form 7, Part C, Line 3)]	<b>2.77</b> %
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**PART IV. LOANS**

ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT \$ (c)	LOAN BALANCE \$ (d)	RURAL DEVELOPMENT (e)
1. <u>Employees, Officers, Directors</u> (9a above)		85,459	22,769	
2. <u>Rural Development - Fairbanks Community Coop. Market, Inc. (3a,b,c above)</u>	Nov 26, 2022	360,000	247,911	X
3.				
4.				
5.				
6.				
7.				
8.				
9. TOTAL		445,459	270,680	

**MANAGERS' REPORT**

December 31, 2016

OPERATING STATISTICS:	LAST YEAR TO DATE	THIS YEAR TO DATE	PERCENTAGE CHANGE
Miles Energized	3,215.7	3,230.3	0.45%
Services in Place	44,348	44,391	0.10%
Density	13.791	13.742	-0.36%
Average Consumption - Residential	7,292 b)	7,273 b)	-0.25%
Average Consumption - Comm. (excluding Ft Knox)	91,427 b)	93,616 b)	2.39%
Total Consumption - Ft Knox	288,960,000 b)	308,843,733 b)	6.88%
Average Bill - Residential	\$1,541.91 b)	\$1,647.43 b)	6.84%
Average Bill - Commercial (excluding Ft Knox)	\$15,341.57 b)	\$16,994.08 b)	10.77%
Total Bill - Ft Knox	\$38,155,885 b)	\$41,778,206 b)	9.49%
kWh Purchased & Generated	1,318,336,115	1,334,974,850	1.26%
Own kWh Usage	20,978,718	18,410,643	-12.24%
Billed/Unbilled kWh Percentage	7.04% a)	5.16% a)	-26.63%
Historical Line Loss (as reported on prior year Form 12)	5.86%	7.06%	20.48%

**ELECTRIC SALES COMPARATIVE DATA**

CONSUMER DESCRIPTION	AVG # RECEIVING SERVICE			KWH SALES YEAR TO DATE			BILLED REVENUE YEAR TO DATE		
	2015	2016	CHANGE	2015	2016	CHANGE	2015	2016	CHANGE
<b>Residential</b>	<b>38,521</b>	<b>38,824</b>	<b>0.79%</b>	<b>280,123,475</b>	<b>280,812,005</b>	<b>0.25%</b>	<b>\$ 59,395,402</b>	<b>\$ 62,584,318</b>	<b>5.37%</b>
GS1 - Small	6,317	6,374	0.90%	125,032,389	123,097,975	-1.55%	24,255,682	25,279,293	4.22%
GS2S - Medium	444	444	0.00%	196,956,613	193,938,476	-1.53%	33,804,817	35,414,864	4.76%
GS2P - Large	51	54	5.88%	69,560,280	68,196,160	-1.96%	11,610,329	12,161,748	4.75%
<b>GS3 - Industrial</b>	<b>8</b>	<b>9</b>	<b>12.50%</b>	<b>531,175,238</b>	<b>570,803,535</b>	<b>7.46%</b>	<b>74,812,264</b>	<b>82,608,300</b>	<b>10.42%</b>
PSHL - Street and Highway Lights	123	128	4.07%	3,640,404	3,643,096	0.07%	696,494	730,235	4.84%
Miscellaneous Revenue				-	-		2,841,441	2,379,452	-16.26%
<b>TOTAL BILLED RETAIL SALES</b>	<b>45,464</b>	<b>45,833</b>	<b>0.81%</b>	<b>1,206,488,397</b>	<b>1,240,491,245</b>	<b>2.82%</b>	<b>\$ 207,416,429</b>	<b>\$ 221,158,210</b>	<b>6.63%</b>
Cost of Power Accrual							(1,090,496)	5,299,824	-586.00%
Unbilled Revenue Adjustment Accrual				(1,956,299)	6,792,868	-447.23%	568,652	753,974	32.59%
<b>TOTAL RETAIL SALES</b>				<b>1,204,532,098</b>	<b>1,247,284,113</b>	<b>3.55%</b>	<b>\$ 206,894,585</b>	<b>\$ 227,212,008</b>	<b>9.82%</b>
Sales for Resale	-	-		32,000	338,900	959.06%	6,026	46,327	668.74%
Sales to Other Public Authorities	-	-		-	-		-	-	
<b>TOTAL ECONOMY SALES</b>	<b>-</b>	<b>-</b>		<b>32,000</b>	<b>338,900</b>	<b>959.06%</b>	<b>\$ 6,026</b>	<b>\$ 46,327</b>	<b>668.74%</b>
<b>TOTAL</b>	<b>45,464</b>	<b>45,833</b>	<b>0.81%</b>	<b>1,204,564,098</b>	<b>1,247,623,010</b>	<b>3.57%</b>	<b>\$ 206,900,611</b>	<b>\$ 227,258,335</b>	<b>9.84%</b>

a) The billed/unbilled kWh percentage is used to approximate year to date line loss.

b) Electric sales revenue and kWh sold are accrued on a monthly basis utilizing the days of service available in each month.

## BUDGET COMPARISON

December 31, 2016

	<b>REVISED BUDGET TO DATE (c)</b>	<b>ACTUAL TO DATE</b>
<b>OPERATING REVENUE</b>	<b>\$204,807,072</b>	<b>\$227,258,335</b>
Cost of Power	116,518,399	131,825,914
Transmission Expense	3,886,435	3,967,829
Distribution Expense	11,517,012	11,661,303
Consumer Expense	7,469,546	7,129,743
Customer Inform., Assist. & Sales Expense	1,562,594	1,206,858
Administrative & General Expense	9,418,761	8,417,698
Amortization & Depreciation Expense	26,470,663	23,528,391
Taxes	625,685	623,642
Interest on Long Term Debt	20,516,667	19,535,461
Interest Charged to Construction-Credit	(2,650,344)	(2,381,544)
Interest - Other	182,000	8,894
Other Expenses	34,500	2,984,112
<b>TOTAL OPERATING EXPENSES</b>	<b>\$195,551,918</b>	<b>\$208,508,302</b>
<b>NET FROM OPERATIONS</b>	<b>9,255,154</b>	<b>18,750,033</b>
<b>OTHER MARGINS</b>	<b>4,604,942</b>	<b>12,430,490</b>
<b>TOTAL MARGINS</b>	<b>\$13,860,096</b>	<b>\$31,180,523</b>

	Retrospective Ratios (b)	2016 Ratios	
<b>Ratios based on financial data:</b>			(a)
<b>Plant to Revenue Ratio</b>		<b>11.47</b>	
<b>TIER</b>	2.62	<b>2.60</b>	1.25
<b>Operating TIER</b>	1.73	<b>2.01</b>	1.10
<b>Debt Service Coverage</b>	1.83	<b>1.74</b>	1.25
<b>Operating Debt Service Coverage</b>	1.41	<b>1.47</b>	1.10
<b>Modified Debt Service Coverage</b>	1.45	<b>1.52</b>	1.25

a) Minimum ratio for loan compliance

b) Retrospective ratios are calculated using the average of the two highest ratios of the last three years as required by loan covenants. These retrospective ratios show that GVEA is in compliance with its loan requirements.