

Connecting with our community

2016 Annual Report



RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Cooperative 

The power of human connections

OFFICIAL NOTICE



RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Cooperative 

2017 ANNUAL MEETING

FRIDAY, JUNE 23

John Hardin High School
W.A. Jenkins Road • Elizabethtown, KY

Annual Meeting Program

Exhibits, Displays, and Health Fair
Open at 5:00 p.m.

Registration 5:30 p.m.—8:00 p.m.
Business Session 7:00 p.m.

PRIZE DRAWINGS

For Members Registering

- GRAND PRIZE-\$500 CASH
- TWO \$250 CASH PRIZE GIVEAWAYS
- TEN \$50 CASH PRIZE GIVEAWAYS
- EARLY BIRD DRAWING FOR ELECTRIC BILL CREDITS
- BICYCLES FOR CHILDREN 12 & UNDER

COME TO THE COOKOUT!

Starting at 5:00 p.m. our friends the Pork, Beef, and Dairy Producers will sell their delicious pork burgers, hamburgers, pork chops, rib-eye steaks, and ice cream.

Have dinner with us!
Don't miss it
—it's your annual meeting!

On the Cover: Nolin Line Tech Anthony Huff connects with member-owners almost every day making sure you receive safe, affordable, and reliable electricity. With Anthony is Kenley Keyton. Photo: Tim Webb.



Featuring The Wulfe Brothers

Rachel's Face Painting



FREE
11-QUART BUCKET
& LIGHT BULBS
to each member
registering

DIRECTOR CANDIDATE PROFILES

DISTRICT 1 *(The Northwest Service Area)*



A.L. "BUDDY" ROSENBERGER is a Hardin County farmer who raises corn, soybeans, small grains, and beef cattle. His farm is located in the Rineyville area near Four Corners. After graduating from Valley High School, he attended the University of Kentucky and earned a Bachelor of Science degree in agriculture. Mr. Rosenberger served three years active Army duty, including a 13-month tour in Vietnam as a helicopter pilot.

Buddy and his wife, Carol, are members of Rineyville Baptist Church. They have two children, Fritz and Gretchen, and eight grandchildren. Attending UK football and basketball games is a favorite activity for Buddy and Carol.

Mr. Rosenberger has served as a Nolin director since July 1978, and during the past 23 years he has held the office of secretary-treasurer. He has completed the Board Leadership Program, earned his Director Gold certification, and is a Credentialed Cooperative Director through the National Rural Electric Cooperative Director Education Program. In addition, he represents Nolin RECC on the East Kentucky Power Cooperative Board.

Personal remarks from Buddy Rosenberger: "I believe in the cooperative way of doing business. Member ownership and democratic control works for the benefit of all members regardless of age or status. Cooperatives laid the foundation for rural America and continue to improve lifestyles for everyone. I would like to have the opportunity to serve as your director for another three years."

DISTRICT 4 *(The Eastern Service Area)*



DAVID P. BROWN is employed at Irving Materials Inc. (IMI) in Elizabethtown. He also helps his brother on their family farm near Hodgenville. He and his wife, Michelle, have four daughters, Kaelyn, Danielle, Ivy, and Presley. The Browns also have two grandchildren, Owen and Kampbell. The family attends Our Lady of Mercy Church in Hodgenville. David enjoys golf and watching his

two youngest daughters play basketball—one in high school and the other in college.

Mr. Brown began serving on the Nolin board in June 1994 and was elected chair of the board in 2003. He is a Credentialed Cooperative Director through the National Rural Electric Cooperative Association Director Education Program. He serves on the Hardin/LaRue County Southern States board and is a past member of the LaRue County Extension Council. He formerly served as treasurer of LaRue County Dairy Association and is a former member of Farm Bureau. David is also past President of the Hardin and LaRue County Dairy Herd Improvement Association.

Personal remarks from David Brown: "I am committed to all members and will do my best to ensure you continue to receive low-cost, reliable electricity. I believe in the Touchstone Energy Cooperative values and will ensure your co-op maintains their strong presence in our communities with needed services and support systems. I am dedicated to providing you (including students and new members) with education and vital co-op related information. I look forward to the opportunity to serve the Nolin members for another term."

ANNUAL REPORT

Looking back at 2016, it's easy to recognize the tremendous changes we witnessed as a nation and as a commonwealth, even some changes here in our own community.

As fortunes were rising and falling in politics and other news events, one thing that didn't change was Nolin RECC's commitment to you—our member—and to our community. Reliability goes beyond knowing your lights will come on when you flip the switch.

For 79 years, since local farmers and citizens first formed Nolin RECC, we have been here to power our communities.

Electric cooperatives are driven by people, not profits, and improving the quality of life for our members is a priority.

As a member-owner of Nolin RECC, your co-op is locally owned and controlled for the benefit of all our members. Unlike investor-owned utilities, a cooperative's goal is not to make a profit, but to provide a reliable and affordable product. Your membership matters because you have a voice—you can attend annual meetings, offer suggestions, and vote for a board of directors that is charged with running your co-op.

SAFETY FIRST

Safety is a top priority at Nolin RECC, for both co-op employees and the members we serve. Each day our service to you begins with safety in mind. We believe a safe community is a prosperous community.

Nolin works with a number of partners to cultivate a culture of safety. We speak with students, first responders and other emergency management professionals, and present electrical safety demonstrations throughout the year. Nolin's line technicians and employees continually receive safety training and participate in various safety awareness programs.

We also work continuously to deliver the safety message, through our monthly safety column in *Kentucky Living* magazine and in the interactions with Member Services teams.

In 2016, Nolin Rural Electric Cooperative Corporation received the Governor's Safety and Health Award representing over 500,000 hours of no lost time due to accidents on the job.

WAYS WE CONNECT

Of the seven core cooperative principles Nolin RECC endorses, we could argue the most important is Concern for Community. Cooperatives work for the sustainable development of communities, through policies approved by our board.

And along with our members, our employees also live in the community. That's why you will see them participating in the Honor Flight program that takes veterans to our nation's capital; offering college scholarships; sponsoring high school juniors on the Frankfort and Washington Youth Tours; and providing energy-efficiency information at area home shows.

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2016

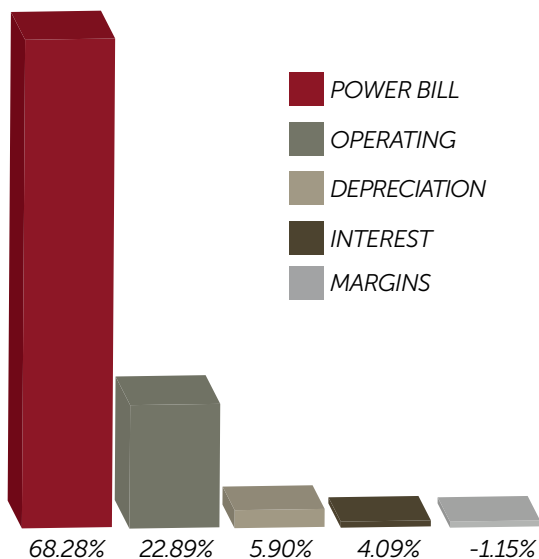
Operating Revenue	\$71,929,918.00
Operating Expense	
Purchased Power	\$52,919,789.00
Operating System	17,743,919.00
Depreciation	4,569,860.00
Interest on Loans	3,167,987.00
Other Deductions	95,524.00
Total Cost of Electric Service	\$78,497,079.00
Operating Margins	\$(6,567,161.00)
Non-Operating Margins	1,698,039.00
Other Capital Credits	3,880,241.00
Patronage Capital and Margins	-\$988,881.00

BALANCE SHEET

For the Year Ending December 31, 2016

ASSETS	
Total Utility Plant	\$115,036,709.00
Less Depreciation	43,183,652.00
Net Utility Plant	\$71,853,057.00
Investment in Assoc. Organization	\$42,169,233.00
Cash	1,580,543.00
Notes Receivable	70,247,244.00
Inventory	1,039,773.00
Total Assets	\$186,889,850.00
LIABILITIES	
Membership and Other Equities	66,086,956.00
Long-Term Debt	93,267,788.00
Notes and Accounts Payable	13,026,136.00
Other Current Liabilities	4,111,977.00
Noncurrent Liabilities	10,396,993.00
Total Liabilities	\$186,889,850.00

MAJOR COSTS



BOARD OF DIRECTORS



David P. Brown
Chair



Gene Straney
Vice Chair



A.L. "Buddy" Rosenberger
Sec-Treasurer



Lawrence Ireland



R.E. "Rick" Thomas



Linda Grimes



John J. Scott
Attorney



Mickey Miller
President and CEO

REVENUE SOURCES

