

2011 Annual Report



this issue

President's Message	22
Financial Report	23
Nominated Directors	
Continued	24

Candidates by Nomination



Morell Jones
District 1

Morell Jones has been on the Board of HEMC since 1982 and served as Board President and Vice-President, and is certified as a Cooperative Director by the National Rural Electric Cooperative Association and has been the HEMC representative to three Statewide Cooperative Associations for many years. Morell served as President of the N.C. Association of Electric Membership Cooperatives and has filled numerous other statewide leadership positions. His substantial experience in power supply and extensive relationships with other Cooperative directors throughout the state is an asset to our Cooperative.

Morell has owned and operated a successful family farm in Halifax County for more than forty years and has been a director for Centura Bank and Halifax County Farm Bureau. He is an active member of the First Baptist Church of Rocky Mount. Morell and his wife Lula have been married for 47 years. Lula has been involved in Cooperative activities throughout his years of service.

The utility industry is complex and changing and Morell's years of experience at both the local and statewide levels helps him to meet the challenges facing our Cooperative. "In the many years I have served on the HEMC Board many changes have occurred. One thing that has not changed is my commitment to serve you, the members, to the best of my ability. I will not make promises that I cannot keep but will use my many years of experience to face the challenges of the industry and provide the best service possible to the members."



Danny Ellis
District 1

Included in this magazine is your Ballot for the May, 2012 election of members to the Halifax Electric Membership Corporation Board. I'm Danny Ellis and I am running for the District 1 seat on that Board. Here are some facts about me.

I have lived in Halifax County all my life. My wife of 46 years and I have five children. I entered East Carolina University in 1991 at the age of 44 and graduated in 1997 with a degree in Cellular Biology, all while working full time and commuting 70 miles a day. I was accepted into the East Carolina School of Medicine in 1996 but did not attend. In the course of over 25 years in the electrical distribution business, I have gained a broad range of experience: lineman, administrator, planning and budgeting, and community development. For five years I taught high school algebra, physics and chemistry. I owned and operated an aerial application business and have both a commercial pilot license with over 4,000 hours of flight time, and an aircraft

President's Message

by Basil Williams
*President, Halifax EMC Board of Directors
District 2*



Halifax Helps Awards Over \$45,500 in 2011!

Halifax Helps is a way that members are helping their communities by having their electric bills rounded up to the nearest dollar. Grants are awarded for education, energy efficiency, environment, economic development and emergency response.

In 2011 Halifax Helps awarded \$45,586, bringing its total award amount to date up to \$144,585! Small change really does add up. If you currently do not participate in Operation RoundUp, contact our office today to find out how you can begin helping to change your community.

Halifax Helps awarded grants to the following organizations in 2011:

- Edna Andrews Elementary School PTA
- C.A.R.E.—The John 3:16 Center
- Dawson Elementary School

Once again Halifax EMC employees are very busy preparing for our Annual Meeting of the Membership. Please save the date of Saturday, May 19, 2012. The meeting will be held at the Inborden Elementary/Enfield Middle School in Enfield, NC. Registration will open at 9 a.m. and our business session will begin at 11 a.m. Don't forget to bring your registration card, which you will find on this month's cover of your Carolina Country magazine, to receive an additional \$1. Your Cooperative has made many accomplishments over the past year. I would like to highlight just a few:

As a member/owner of Halifax EMC, one of the many benefits is having capital credits (margins) refunded to you. In 2011 we returned capital credit refunds in the amount of \$ 707,242. These refunds were provided in the form of a check or as a credit on your electric service bill.

In early 2011, we installed an Interactive Voice Response (IVR) system. IVR is an automated telephone system which gives you access to your account 24/7. Using this simple system you can obtain the date of your last payment, and the amount and due date of your current bill. It also

will allow you to pay your bill by credit card and update your home and mobile telephone numbers. It is most important that we have your correct phone numbers, as when you call to report an outage, our system identifies your location by the phone number listed on your account. To use the IVR system after business hours, call (252) 445-5111, or call anytime at (252) 445-6700. Last year we completed the installation of TWACs meters by changing out the standard electric meters and replacing them with new advanced technology meters. These meters are a two-way communication system between the meters and Halifax EMC. They measure, collect and analyze energy usage on request, or on a pre-defined schedule, without having to send personnel to your home to read your meter. These devices can also turn a member's electric service on or off, as needed, without requiring HEMC personnel to visit your home.

Please save the date of May 19th and join us at Inborden Elementary/Enfield Middle School for our Annual Meeting! As a member of the Cooperative, we need your attendance and support!



Financial Reports for 2011

ASSETS

Utility Plant.....	\$49,336,106	
Investment in Associated Organizations..	2,506,465	
Cash	1,085,003	
Short-Term Investments.....	220,952	
Accounts and Notes Receivables	2,178,851	
Prepaid Expenses	45,650	
Materials and Supplies.....	494,405	
Current and Accrued Assets.....	5,317	
Deferred Debits	27,403	
Regulatory Assets	<u>286,687</u>	
TOTAL ASSETS		<u>\$56,186,839</u>

LIABILITIES

RUS Long-Term Loan	\$22,544,905	
CFC Long-Term Loans	9,270,277	
Obligations Under Capital Leases	229,198	
Accounts & Notes Payable.....	5,180,221	
Deposit Fees.....	789,728	
Other Current and Accrued Liabilities.....	<u>600,807</u>	<u>\$38,615,136</u>

MARGINS & EQUITY

Membership Fees	98,320	
Allocated & Unallocated Margins	16,369,089	
Other Equity	1,104,294	
Deferred Credits.....	<u>0</u>	<u>\$17,571,703</u>

TOTAL LIABILITIES, MARGINS & EQUITY **\$56,186,839**

INCOME STATEMENT

Residential Power Sales	\$17,755,043
Commercial & Industrial Power Sales ...	3,322,795
Collection & Reconnection Charges	0
Miscellaneous Revenue	394,569
Sales for Resale--Town of Enfield.....	<u>2,586,048</u>

TOTAL INCOME **\$24,058,455**

EXPENSES

Cost of Purchased Power	\$13,097,948
Operations & Maintenance	3,022,228
Consumer Accounting & Collecting	1,007,936
Customer Services & Information	264,639
Administrative & General	1,642,597
Interest, Depreciation, and Taxes.....	4,428,006
Transmission Expense.....	<u>37,825</u>

TOTAL EXPENSES **\$23,501,179**

MARGINS

Operating Margins.....	\$ 557,276
Patronage Dividends	337,720
Non-Operating Margins	<u>145,022</u>

TOTAL PATRONAGE CAPITAL OR MARGINS **\$1,040,018**

Halifax Helps Grants –continued from page 22

- Lakeland Cultural Arts Center
- Cornerstone Holiness Church
- Oak City Volunteer Fire Department
- Scotland Neck Police Department
- Rheasville Volunteer Fire Department
- Enfield Volunteer Fire Department
- Hannah's Place
- Enfield Meals on Wheels
- Inez Volunteer Fire Department
- Halifax Regional Medical Center - Security Services
- Enfield Parks & Recreation
- Hollister REACH
- Lake Gaston Community Center

Halifax Electric Membership Corporation

Candidates by Nomination

Continued from page 21

power plant and airframe license. In 2010, I was appointed by the Halifax Board of Commissioners to the County Emergency 911 Board.

I will work hard for all members of Halifax EMC and I ask for your vote to give me that opportunity. Please mark your ballot for me, Danny Ellis, and mail your ballot now. I pledge to work hard to improve our Halifax Electric Membership Corporation. Don't miss out on this important election!

Directorate Districts Up For Re-election

District 1 –1125, 1126, 1127, 1140,1141, 1142, 1144, 1145, 1146, 1157, 1158,1159, 1160, 1161, 1162, 1163, 1164, 1165, 1173, 1174, 1175, 1176, 1177, 1178, 1179,1180, 1181, 1189, 1190, 1191, 1192, 1193,1194, 1195, 1196, 1197, 1198, 1199, 1200,1208, 1209, 1210, 1211, 1212, 1213, 1214,1215, 1218, 1219, 1220, 1221, 1222, 1223,1227, 1228, 1229, 1231, 1232, 1233, 1234,1237, 1238, 1239, 1240, 1242, 1243

District 2 –1074, 1075, 1076, 1077, 1087,1088, 1089, 1090, 1103, 1104, 1105, 1106,1107, 1108, 1120, 1121, 1122, 1123, 1124,1136, 1137, 1138, 1139, 1152, 1153, 1154, 1155, 1156, 1168, 1169, 1170, 1171, 1172,1185, 1186, 1187, 1188

District 8 - The entire area as described in Districts 1–7 inclusive.



Beverly Carter
District 8

Beverly Carter has served on the board of HEMC since 2001. She has served as Asst. Secretary-Treasurer, as Vice-President and as board president. Following extensive training, Beverly was fully certified as a Cooperative Director by the National Rural Electric Cooperative Association in 2002 and was awarded a Certificate of Achievement for Board Leadership in 2007. She also served as Chairman of the Statewide Director's Conference in Asheville in 2007. She was elected to the Rural Electric Action Pact Committee (REAP) for a two-year term and is also currently serving on the North Carolina Association of Electric Cooperatives Training Education and Advisory Committee.

Beverly has been a lifelong member of HEMC in the Scotland Neck area and has extensive ties to the community. She and her late husband, Billy Carter, operated Carter Farms for 30 years until 2002 when they retired from farming but continued to be involved in rural matters locally and statewide.

Beverly enjoys Bible Study Fellowship and is actively involved in her church leadership. She is also serving as chairman of the Friends of the Library in Scotland Neck. Beverly has a daughter and son-in-law, Beth and Greg, who live in Lexington, KY.

Beverly places great value on honesty, dependability and personal integrity and is careful to exercise these attributes in all her endeavors. Throughout her years of service to the cooperative Beverly has worked diligently to provide the best possible service at the lowest possible rate for the members.



Macon Robertson
District 8

My name is Nathaniel Macon Robertson. I have been married to my high school sweetheart, Vonnete, for 36 years. We are the proud parents of two married daughters, Adrienne the oldest married to Jeremy Seaman and Meredith married to Sean Webb.

My current occupation is Director of Public Utilities for Warren County, where I have worked for the past 15 years. Before employment with Warren County I was employed by the Town of Warrenton where I worked as a water system operator for 21 years for both the Town and Warren County.

I hold a high school diploma and attended Wilson Technical Institute for heavy equipment operations until I entered into the Water Industry. I have achieved the Highest level of State certifications available for Water Distribution and Waste Water Collections. I also hold a Grade III Waste Water and Grade C Water Treatment Plant Certifications.

I now serve on the Board of Directors for The North Carolina Rural Water Association. After eight years of advancement up the ranks on the executive committee of this board I am currently seated as President. My community involvement in the past with The Warren County Jaycees and current involvement with the local Warrenton Lions Club has also placed me in the leadership role of President of both organizations.

As a 28-year member of HEMC I have always had interest in its operational functions.