

MAY 2015

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# Halifacts

HALIFAX ELECTRIC MEMBERSHIP CORPORATION

Your Touchstone Energy® Cooperative 

# 2014 Annual Report



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## A Look Back: 2014 in Pictures



*Pictured clockwise beginning top left: (1) HEMC began constructing the 301 Substation that will provide service to Klausner Lumber Company; (2) Brianna Barnes represented HEMC on the 2014 Youth Tour to Washington, DC; (3) HEMC General Manager Charles Guerry spoke with Southeast Halifax HS students about solar energy; (4) Cicelia Aguilar, Warren County Middle School teacher and Kenan Fellow, toured HEMC and spent time with staff as part of a grant, entitled "Understanding the Flow of Electricity"; and (5) Employees had a roundtable discussion with Senator Angela Bryant at the HEMC office.*

## Halifax Helps Awards Over \$50,000 in 2014!

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 2014, Halifax Helps awarded \$50,329 bringing its total award amount to date to \$307,152! 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.

The following organizations received grants during 2014:

- The Lilly Pike Sullivan Library
- Warrenton Rural VFD
- Meals on Wheels of Enfield
- Inez VFD



# President's Message

by Beverly Walker  
*President, Halifax EMC Board of Directors  
District 8*

Once again we are busy making plans for your Annual Meeting in May. This year will mark the 76th Annual Meeting of the Membership! Our meeting is scheduled for Saturday, May 16, 2015 at the Inborden Elementary/Enfield Middle School in Enfield, NC. Registration opens at 9:30 a.m. and the business session will begin at 11 a.m. Remember to bring the registration card located on the cover of your Carolina Country magazine to receive your FREE silver dollar.

Prior to the business session, start your day off with some great musical entertainment by the Hobgood Players. Also once registered, be sure to take time to visit the various exhibits. As always, a variety of great door prizes will be awarded at the conclusion of the business session, followed by a barbeque luncheon served by the Volunteers In Action Committee. Please mark your calendar now so you can join us on May 16th for fun, food and fellowship!

Your Cooperative has made many accomplishments over the past year; however, I would like to highlight just a few:

Halifax EMC awarded over \$5,700 in Bright Ideas educational grants to teachers in Halifax and Warren counties. These grants funded seven projects for the classrooms and benefited more than 700 local students. Since 1994 teachers statewide have received more than \$9.1 million in Bright Ideas grant funding. Teachers in K-12

may apply for a grant up to \$2,000. Grant applications are accepted through September 18th this year. Winning proposals are selected in an evaluation process by a panel of judges. For more information about this program, visit [www.NCBrightIdeas.com](http://www.NCBrightIdeas.com).

In 2014, capital credits (margins) were reduced by \$1,012,848. This amount primarily included capital credit retirements for the years 90 and 91, as well as retirements to members' estates.

We were so very proud of our outstanding record for our average outage hours per consumer of 36.12 minutes for the year ending December 2014. The average outage time set by the Rural Utilities Services for the Cooperatives is 200 minutes per year. We feel that a primary factor for our excellent record is the right-of-way (R-O-W) we strive to maintain by keeping tree limbs away from our high-voltage power lines. We work very hard to keep the areas around our lines clear, as a well-maintained R-O-W leads to fewer outages and faster response time. Currently we are contracting with Xylem Tree Experts for our R-O-W maintenance program. Our primary goal at Halifax EMC is to provide you reliable service at a reasonable cost.

Once again, don't forget to mark your calendars now for Saturday, May 16th, for our 76th Annual Meeting. We look forward to seeing you there!



## Financial Reports for 2014

### ASSETS

Utility Plant.....	\$51,239,291	
Investment in Associated Organizations..	3,354,067	
Cash .....	1,295,257	
Short-Term Investments.....	0	
Accounts and Notes Receivables .....	2,210,231	
Prepaid Expenses .....	41,035	
Materials and Supplies.....	546,102	
Current and Accrued Assets.....	3,874	
Deferred Debits .....	38,434	
Regulatory Assets .....	270,757	
<b>TOTAL ASSETS .....</b>		<b><u>\$58,999,048</u></b>

### LIABILITIES

RUS Long-Term Loan .....	\$20,926,262	
CFC Long-Term Loans .....	7,313,847	
Obligations Under Capital Leases .....	751,433	
Accounts & Notes Payable.....	8,589,069	
Deposit Fees.....	779,119	
Other Current and Accrued Liabilities.....	637,101	<b><u>\$38,996,831</u></b>

### MARGINS & EQUITY

Membership Fees .....	98,410	
Allocated & Unallocated Margins .....	18,431,451	
Other Equity .....	1,472,356	
Deferred Credits.....	0	<b><u>\$20,002,217</u></b>

**TOTAL LIABILITIES, MARGINS & EQUITY .....** **\$58,999,048**

### INCOME STATEMENT

Residential Power Sales .....	\$19,258,914
Commercial & Industrial Power Sales ...	4,048,552
Collection & Reconnection Charges .....	0
Miscellaneous Revenue .....	356,675
Sales for Resale--Town of Enfield.....	2,797,466

**TOTAL INCOME .....** **\$26,461,607**

### EXPENSES

Cost of Purchased Power .....	\$14,468,467
Operations & Maintenance .....	3,596,012
Consumer Accounting & Collecting .....	1,040,182
Customer Services & Information .....	333,540
Administrative & General .....	1,933,956
Interest, Depreciation, and Taxes.....	4,216,455
Transmission Expense.....	44,297

**TOTAL EXPENSES .....** **\$25,632,909**

### MARGINS

Operating Margins.....	\$828,698
Patronage Dividends .....	404,324
Non-Operating Margins .....	124,366

**TOTAL PATRONAGE CAPITAL OR MARGINS .....** **\$1,357,388**

## Halifax Helps Grants- continued

- Halifax County 4-H Youth & Day Camp
- Whitakers VFD
- Youth Camps for Christ/Camp Willow Run
- Major Andrew J. Hundley VFW Post 4096
- Trail Life USA/American Heritage Girls
- Creative Horizons
- Turkey Branch Baptist Church
- Lake Gaston Retirement Village
- Enfield VFD
- Northwest Halifax HS (Adopt-A-School Program)
- Hollister R.E.A.C.H.
- Enterprise Baptist Church
- Hollister Elementary School
- KIPP Eastern NC
- Mariam Boyd Elementary

# Halifax Electric Membership Corporation Candidates by Nomination

## 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 7**—The entire area as described in Districts 1–7 inclusive.



*Morell Jones  
District 1*



*Basil D. Williams  
District 2*



*Beverly Walker  
District 8  
At-Large*

**Morell Jones** has served on the Board of HEMC since 1982. He has 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. Morell served as President of the N.C. Association of Electric Membership Cooperatives and has filled numerous other statewide leadership positions. Morell has owned and operated a successful farming operation in Halifax County for more than 45 years. He is an active member of the First Baptist Church of Rocky Mount. Morell and his wife Lula have been married for 50 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 help him to meet the challenges facing our Cooperative.

**Basil Williams** has served on the Board of HEMC since January 2005 and held positions as Board President, Vice President and Secretary-Treasurer. He is certified as a Cooperative Director by the National Rural Electric Cooperative Association. Basil brings over 30 plus years of business experience from his employment at the Rocky Mount Engine Plant where he is currently holding the position as Supplier Quality Improvement Manager. His ten years of service at HEMC in combination with his 30 years of business experience provides him with the tools necessary to be effective in decision making and proactive thinking. Basil is the Pastor of Barnes Memorial Baptist Church in Whitakers and Antioch Baptist Church in Jackson. Basil and his wife, Wanda, will celebrate 30 years of marriage this month. His belief is that we should work together to find the best solutions to be sure that we provide reliable energy, at the lowest cost in the most efficient manner.

**Beverly Walker** has served on the board of HEMC since 2001. She has previously served as Asst. Secretary-Treasurer, as Vice-President and currently serves as President. 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 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. 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. She also serves on the board of Friends of the Library in Scotland Neck. Beverly has a daughter and son-in-law, Beth and Greg, of Lexington, KY. In 2012, Beverly married her second husband, Greg Walker, and they reside on the family farm. 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.