



**Lynches River Electric  
Cooperative, Inc.**

1104 West McGregor St./PO Box 308  
Pageland, SC 29728

Dear Cooperative Member:

You are hereby notified of the Annual Meeting of Lynches River Electric Cooperative, Inc. on Saturday, October 15. The meeting will be held at Central High School Gym near Pageland. Registration and voting will be from 8 a.m. to 11 a.m.

The election of the following trustees will be for trustees of the Cooperative for three-year terms.

In accordance with the Cooperative Bylaws, a Nominating Committee appointed by the Board of Trustees met July 28 and nominated:

Myrtle L. Faile  
District 2

Donald E. Sellers  
District 4

Scott Croxton  
District 5

Also by Petition, the following are properly qualified candidates:

Charles M. "Mike" Crawford  
District 4

Donald "Donnie" E. Horton  
District 5

The business meeting starts at 11:30 a.m. to take action on the following matters:

1. Report from the Secretary on members present.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, of the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of the unapproved minutes of previous meeting of the members and taking necessary action thereon.
4. Presentation and consideration of information and report by officers, trustees and committees.
5. Action on any business which may be properly presented or any adjournment thereof.

Respectfully submitted,

Eric Horton, Secretary-Treasurer

## ANNUAL MEETING OFFICIAL REGISTRATION CARD

**YOU MUST BRING BOTH SIDES OF THIS CARD AND A PHOTO ID WITH YOU TO THE MEETING**  
for fast registration and prize drawings.

**Lynches River Electric's 2011 Annual  
Meeting, Saturday, October 15**

Central High School, 200 Zion Church Road  
Pageland, South Carolina

**KEEP THIS STUB FOR  
PRIZE DRAWING**

# Trustee Nominees

## NOMINATIONS BY NOMINATING COMMITTEE



### ***Myrtle L. Faile, District 2***

Myrtle L. Faile has served on the Lynches River Electric Cooperative Board of Trustees for six years. Myrtle, husband, Don, and sons, Stacy and Kiley, live in the Taxahaw Community in Lancaster County. They are members of Taxahaw Baptist Church where Myrtle is church clerk and teaches Sunday school. Myrtle is a member of WIRE, OES, Kershaw Senior Citizens and serves on the Lancaster County Advisory Council for Clemson Extension. Myrtle is a retired employee of Lynches River Electric Cooperative.

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### ***Donald E. Sellers, District 4***

Donald E. Sellers has been a member of Lynches River Electric Cooperative for 45 years. Don and wife, Carolyn, live in the Wexford Community in Chesterfield. They have three sons, Donnie, Phillip and Mark, daughter, Ashli, and five grandsons. Don serves as chairman of the Chesterfield County Voter Registration and Elections Commission. He previously served on the Chesterfield County Economic Development and Chesterfield County Library boards. The Sellers attend Thompson Creek Baptist Church. Donald is retired, but works part-time at Southern Eights Farm.

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### ***Scott Croxton, District 5***

Scott Croxton has served on the Lynches River Electric Cooperative Board of Trustees for nine years and currently serves as Board chairman. He is president of the Lancaster County Farm Bureau and past president of the Lancaster County Cattlemen's Association. Scott and wife, Patricia, have two children, Jessica and Luke. The Croxtons live in Kershaw in Lancaster County. The Croxtons attend Kershaw First Presbyterian Church.

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## NOMINATIONS BY PETITION



### ***Charles M. "Mike" Crawford, District 4***

Charles M. "Mike" Crawford has been a member of Lynches River Electric Cooperative for 14 years. Mike owns Crawford Furniture and Mattress Outlet in Chesterfield. He has been a firefighter with the Chesterfield Fire Department since 1978 and is past president of the Chesterfield Chamber of Commerce. Mike and his wife, Jennifer, live in the Snow Hill Community in Chesterfield County and have two children, Mackenzie and Michael. The Crawfords attend Chesterfield Baptist Church.

Mike and his wife, Jennifer, live in the Snow Hill Community in Chesterfield County and have two children, Mackenzie and Michael. The Crawfords attend Chesterfield Baptist Church.



### ***Donald "Donnie" E. Horton, District 5***

Donald Horton has been a member of Lynches River Electric Cooperative for over 35 years. Donald retired from DuPont in 1998 with over 33 years of service. While there he served on DuPont's Engineering Corporate committee to improve maintenance across the company. He previously served on the Lancaster County Board of Appeals and the Clemson State Extension Board. Donnie and his wife, Jill, live in Heath Springs and have two daughters, two granddaughters and one great granddaughter. They are members of Oakhurst Baptist Church.

Donald retired from DuPont in 1998 with over 33 years of service. While there he served on DuPont's Engineering Corporate committee to improve maintenance across the company. He previously served on the Lancaster County Board of Appeals and the Clemson State Extension Board. Donnie and his wife, Jill, live in Heath Springs and have two daughters, two granddaughters and one great granddaughter. They are members of Oakhurst Baptist Church.



**David A. Altman**  
President and CEO



**Scott Croxton**  
Chairman of the Board

# We put members first

## 2010 Executive Report

**OCTOBER IS NATIONAL CO-OP MONTH.** There is no better time to celebrate the cooperative difference than during the month of our Annual Meeting of Members. Being a member of Lynch River Electric Cooperative affords you many benefits and privileges. After all, we are not just another power company. As a not-for-profit organization, Lynch River Electric Cooperative was formed by members, for members.

In 2010, Lynch River demonstrated the cooperative difference through every aspect of our service to members. Due to our continued efforts to streamline operating efficiency to hold down costs, members saw a reduction of approximately 8 percent in their electric bills.

Over the years our economic development efforts have brought commercial customers to our service area. Our work with existing industries has helped them expand their operations. In 2010, Lynch River distributed \$155,000 in Rural Development Act (RDA) grants, money that would otherwise go to South Carolina for certain state taxes. Commercial and industrial accounts provide jobs and inject needed revenue into our towns and counties.

Membership in an electric cooperative has its benefits. As a member, you share in the margins the cooperative earns. When finances allow, Lynch River Electric returns these margins to its members in the form of a capital credit check. We're proud to announce the distribution this year of approximately \$451,880 to members on record for 1989.

Looking out for members is our number one priority. It's why we provide a variety of bill-payment options, invest in state-of-the-art technologies to increase service reliability, and promote energy-efficiency programs to help you manage your energy use.

The Help My House project in 2010 is studying energy savings from replacing mobile home electric resistant heating units with

energy-efficient HVAC systems.

Passage of the on-bill financing legislation at the state level in 2010 is a positive step toward helping members make energy-efficient improvements to their home through low-interest loans paid back on your power bill. The bill is in the U.S. Senate, and we are looking forward to passage of this federally funded energy initiative.

In 2010, the Lynch River Electric Cooperative Board of Trustees approved the building of a new cooperative headquarters. The co-op has outgrown the current office space. The larger headquarters means we will be able to serve members more efficiently and allows for future growth.

Our commitment to communities shows in our willingness to support programs that will improve the quality of life of our members and communities. Operation Round Up, the Washington Youth Tour and WIRE (Women Involved in Rural Electrification) are three prime examples.

Since 1993, Operation Round Up has provided members financial assistance with medical needs, household bills, food and clothing. In 2010, the program granted more than \$96,000 to 188 members. The Washington Youth Tour exposes high school juniors to a world outside their own. After six exciting days in our nation's capital, our 2010 Youth Tour delegates gained a new understanding of how their government works and an appreciation for the rural electric cooperative movement. WIRE's Jenny Ballard Scholarship for Women provides a scholarship to a woman who wants to further her education. A Lynch River member was the recipient of the \$2,500 scholarship in 2010.

As an electric cooperative, Lynch River is different. We are motivated by service not profit. We put members first and will continue looking out for your best interest now and into the future.



**Lynch River Electric Cooperative, Inc.**

PO Box 308  
1104 West McGregor St.  
Pageland, SC 29728  
Phone (843) 672-6111  
or 1-800-922-3486  
www.lynchesriver.com

**Automated Outage System**  
675-LREC (5732) or  
1-866-675-LREC (5732)

**David A. Altman**  
President and CEO

Trustees:

**Scott Croxton**  
Chairman, District 5

**Jackie Blackwell**  
Vice-Chairman  
Member-At-Large

**Eric Horton**  
Secretary/Treasurer, District 1

**Myrtle L. Faile**, District 2

**Theresa S. Hicks**, District 3

**Donald E. Sellers**, District 4

**Daryl Faulkenberry**, District 6

**Steve Chewning**, District 7

**Randolph Mackey**, District 8

**David A. Altman**  
President and CEO

**Scott Croxton**  
Chairman of the Board

## Financial statement

### Balance sheets

December 31, 2010 and 2009

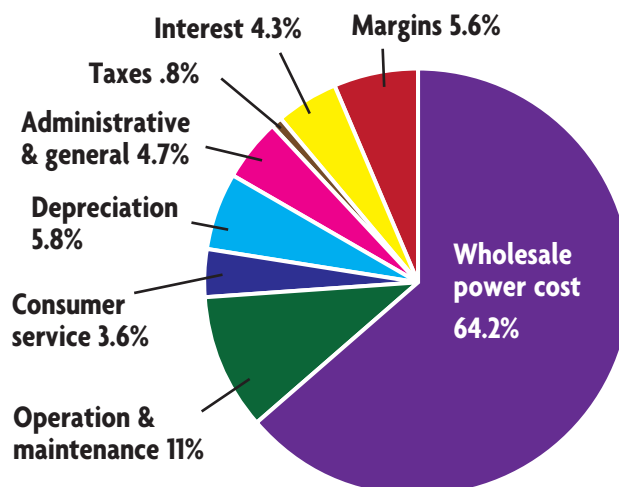
	2010	2009
<b>Assets</b>		
<b>Utility plant</b>		
Electric plant in service	\$92,188,985	\$88,136,623
Construction work in progress	254,777	1,884,880
	<u>92,443,762</u>	<u>90,021,503</u>
Less: Accumulated depreciation	(26,260,230)	(24,061,176)
	<u>66,183,532</u>	<u>65,960,327</u>
<b>Other assets and investments</b>		
Investments in associated organizations	3,715,043	3,636,068
Other investments	1,032,697	1,028,385
	<u>4,747,740</u>	<u>4,664,453</u>
<b>Current assets</b>		
Cash and cash equivalents	3,004,279	3,272,693
Accounts receivable — consumers (less allowance for uncollectible accounts of \$54,446 in 2010 and \$47,029 in 2009)	2,181,911	2,150,629
Interest receivable	12,678	12,568
Materials and supplies	595,152	570,474
Prepayments	1,288,840	962,538
	<u>7,082,860</u>	<u>6,968,902</u>
<b>Deferred debits</b>	<u>332,194</u>	
<b>Total assets</b>	<u>\$78,346,326</u>	<u>\$77,593,682</u>
	2010	2009
<b>Equities and liabilities</b>		
<b>Equities</b>		
Memberships	\$ 100,825	\$ 100,685
Patronage capital	28,512,946	26,571,127
Accumulated other comprehensive loss	(2,312,800)	(1,985,000)
Other equities	2,252,602	2,166,473
	<u>28,553,573</u>	<u>26,853,285</u>
<b>Long-term debt</b>		
	<u>39,411,712</u>	<u>42,133,078</u>
<b>Other non-current liabilities</b>		
Accrued post-retirement benefit cost	2,830,700	2,206,900
<b>Current and accrued liabilities</b>		
Current maturities of long-term debt	1,422,000	1,446,000
Accumulated provision for postretirement benefits other than pensions — current	226,600	197,600
Accounts payable	3,796,164	2,680,474
Consumer deposits	1,887,473	1,835,674
Accrued and withheld taxes	16,318	29,885
Other current and accrued liabilities	201,525	210,580
	<u>7,550,080</u>	<u>6,400,213</u>
<b>Deferred credits</b>	<u>261</u>	<u>206</u>
<b>Total equities and liabilities</b>	<u>\$78,346,326</u>	<u>\$77,593,682</u>

### Statement of revenue and patronage capital

For the years ended December 31, 2010 and 2009

	2010	2009
<b>Operating revenues</b>	<u>\$44,242,805</u>	<u>\$40,819,681</u>
<b>Operating expenses</b>		
Cost of power	28,395,568	25,315,212
Distribution — operations	2,325,960	2,339,813
Distribution — maintenance	2,561,350	2,038,390
Consumer accounts	1,396,839	1,313,341
Customer service and information	174,856	231,849
Sales	11,624	19,286
Administrative and general	2,057,455	1,993,820
Depreciation	2,564,136	2,514,009
Other	380,063	364,466
	<u>39,867,851</u>	<u>36,130,186</u>
<b>Operating margins before interest charges</b>		
	4,374,954	4,689,495
Interest expense	1,887,570	2,053,206
<b>Operating margins after interest charges</b>		
	2,487,384	2,636,289
<b>Non-operating margins</b>		
Interest income	108,872	47,157
G & T Cooperative capital credits	64,422	45,784
Other cooperative capital credits	150,587	97,998
<b>Net margins for period</b>	<u>2,811,265</u>	<u>2,827,228</u>
<b>Patronage capital — beginning of year</b>	26,571,127	24,372,892
Retirement of Capital Credits	(869,446)	(628,993)
<b>Patronage capital — end of year</b>		
	<u>\$28,512,946</u>	<u>\$26,571,127</u>

### How your dollar was spent





**Lynches River Electric Cooperative, Inc.**

1104 West McGregor St./PO Box 308  
Pageland, SC 29728

Dear Lynches River Member,

The Board of Directors of Lynches River Electric Cooperative is pleased to announce the refund of capital credits for the year 1989.

With a privately owned business, money left over at the end of the year is considered profit and paid to the owners or investors in the form of dividends. At Lynches River Electric Cooperative, a not-for-profit electric cooperative, any money left over is called margins. Margins are paid in the form of capital credits and represent equity or ownership interest in the cooperative. We are pleased to be able to refund approximately \$451,880 to the members on record for 1989.

Lynches River Electric Cooperative uses capital credits for a period of time to offset expenses for new construction, storm repair, and other expenses. When the cooperative's finances are sound, capital credits are returned to the member-consumers. Using capital credits in this manner reduces the amount of money Lynches River Electric Cooperative would have to borrow or raise by increasing rates.

The refund of capital credits is just one of the many benefits of being a member of Lynches River Electric Cooperative. If you have any questions regarding your capital credit check, please call our office at 1-800-922-3486 toll free or 672-6111 local.

Sincerely,

David A. Altman  
Chief Executive Officer

Scott Croxton  
Chairman of the Board



**Lynches River Electric Cooperative, Inc.**

1104 West McGregor St./PO Box 308  
Pageland, SC 29728

REFUND YEAR  
1989 67 7191 XX/XX/XX  
2532

\*\*\*\*\* XX DOLLARS AND XX CENTS \*\*\*\*\*

\$XX.XX

PAY MEMBER NUMBER: XXXXXXXX  
TO: MEMBER-CONSUMER  
ADDRESS  
CITY, ZIP

VOID AFTR 180 DAYS  
CAPITAL CREDIT ACCOUNT

**SAMPLE**

# Lynches River Electric Cooperative is Connected to You!

Lynches River's Annual Meeting October 15 will be a fun and informative experience for the whole family!

There will be electrical safety demonstrations, musical entertainment, information about Lynches River's programs and a chance to view Chevrolet's new battery run car the Volt.

**Join us at the Health Fair** 8:30 a.m. to 11 a.m. where health care providers and local organizations will provide health services and information.



## MUSICAL ENTERTAINMENT

Local boy Marty Vanderlip will provide toe tappin' musical entertainment from 9 a.m. – 11 a.m.



## THE GRAND PRIZE



One lucky Grand Prize Winner will go home with a **\$1,000 credit** on their electric bill!

Registered members will be entered into the **DOOR PRIZE DRAWING** for a chance to win one of Ten \$200 electric bill credits. Other prizes include Gift Cards, Electronics, Cash prizes, and, more...

**YOU DO NOT HAVE TO BE PRESENT TO WIN!**

## REGISTRATION GIFTS

All registered members will receive a weather band radio/flashlight, calendar and sturdy carry-all zippered tote.



Lynches River Electric Co-op

## Directions

