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Automated Outage System
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Office Hours
8:00 a.m.–5:00 p.m.
Monday–Friday

David A. Altman
Chief Executive Officer

Trustees:

Myrtle L. Faile
President
District 2

Steve Chewing
Vice President
District 7

Theresa S. Hicks
Secretary/Treasurer
District 3

Eric L. Horton
District 1

Mike Crawford
District 4

Scott Croxton
District 5

Harold F. Gardner
District 6

Randolph Mackey
District 8

John T. Blackwell
Member-At-Large

Co-op Connection Editor
Leigh C. Smith
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2014 Executive Report

‘Committed to Our Local Communities’

DURING 2014, we celebrated our 75th year of providing electric service. The first power lines were energized in 1939 with approximately 700 members and 175 miles of line. As we approach our eighth decade, we serve over 20,500 members with more than 2,800 miles of line.



David A. Altman
Chief Executive Officer



Myrtle L. Faile
President of the Board

One of the seven cooperative principles we follow calls for commitment to our local communities, and this is evident in supporting programs that improve our members’ quality of life. Our board and most employees are co-op members, just like you. We’re your neighbors, and our families live, work, and play here. In addition to supporting local businesses, our community involvement includes Operation Round Up, the Washington Youth Tour and WIRE (Women Involved in Rural Electrification). Since 1993, Operation Round Up has provided co-op members financial assistance with medical needs and household bills. The Washington Youth Tour allows four rising high school seniors to visit our nation’s capital, providing an understanding of the legislative process and the rural electric cooperative movement. And our local WIRE group devotes itself to showing concern and care for individuals that need it most.

We’re fortunate to have employees that

are dedicated to delivering quality service to our communities. Each individual is focused on doing his/her job well, and when a storm emergency happens, these folks are truly at their very best. As part of our reliable electric service, we have an ongoing vegetation management program. By trimming trees and controlling vegetation in our rights of way, we reduce power outages caused by falling limbs, and crews are allowed easier repair access.

As a co-op member, you are an owner, and just like any stakeholder, there are many benefits to your membership. First, your peers represent you on the co-op’s board of trustees. Second, each October during the members’ annual meeting, you have an opportunity to make your voice heard. And finally, you get a say on policy issues. Our bottom line is providing you with the safe, reliable and affordable electricity needed for your home or to run your business. Of course, we have to think about expenses, overhead and other aspects of daily business, but when we have a little left over, we send it right back to you in the form of a capital credit check. And that’s another great benefit to being a co-op member.

As your local electric co-op, it is our privilege to be a part of the communities we serve. When we think about membership, we think about how we can give back to you, our members. We are committed to serving you, and that’s what matters most to us.

David A. Altman
Chief Executive Officer

Myrtle L. Faile
President of the Board

Financial Statement

Balance sheets

December 31, 2014 and 2013

	2014	2013
Assets		
Utility plant		
Electric plant in service	\$113,147,992	\$110,122,190
Construction work in progress	153,729	260,357
	<u>113,301,721</u>	<u>110,382,547</u>
Less: Accumulated provision for depreciation	(35,174,717)	(32,382,932)
	<u>78,127,004</u>	<u>77,999,615</u>

Other property and investments

Investments in associated organizations	3,887,903	3,867,572
Other investments	974,055	946,261
Non-utility property, net	143,555	147,561
	<u>5,005,513</u>	<u>4,961,394</u>

Current assets

Cash and cash equivalents	647,844	2,060,404
Temporary cash investments		
Accounts receivable—consumers (less allowance for uncollectible accounts of \$83,223 in 2014 and \$86,752 in 2013)	3,048,806	2,673,716
Current portion of notes receivable	67,500	69,000
Interest receivable	7,622	15,648
Materials and supplies	507,478	565,676
Prepayments	238,676	223,578
	<u>4,517,926</u>	<u>5,608,022</u>

Deferred Debits

Voluntary pension prepayment	1,776,530	1,991,867
Under recovery of wholesale power cost	-	701,900
	<u>1,776,530</u>	<u>2,693,767</u>

Total assets

\$89,426,973 \$91,262,798

2014 2013

Equities and liabilities

Equities

Membership fees	\$ 101,465	\$ 100,695
Patronage capital	27,877,004	27,234,008
Accumulated other comprehensive income	(2,143,300)	(2,285,300)
Other equities	2,621,994	2,105,073
	<u>28,457,163</u>	<u>27,154,476</u>

Long-term debt

49,086,763 51,587,589

Accumulated provisions for post-retirement benefit cost—noncurrent portion

3,035,057 2,881,490

Current and accrued liabilities

Current maturities of long-term debt	2,181,000	2,067,000
Accumulated provision for post-retirement healthcare benefits—current portion	224,100	223,200
Accounts payable	2,630,446	3,039,780
Consumer deposits	2,063,936	2,006,416
Accrued and withheld taxes	408,634	1,822,733
Other current and accrued liabilities	433,650	300,714
	<u>7,941,766</u>	<u>9,459,843</u>

Equities and liabilities, cont.

December 31, 2014 and 2013

	2014	2013
Deferred credits	906,224	179,400
Total members' equities and liabilities	<u>\$89,426,973</u>	<u>\$91,262,798</u>

Statement of revenue and patronage capital

For the years ended December 31, 2014 and 2013

	2014	2013
Operating revenue and patronage capital	<u>\$46,147,614</u>	<u>\$42,566,357</u>
Operating expenses		
Cost of power	29,857,358	28,074,774
Distribution—operations	2,829,398	2,532,411
Distribution—maintenance	2,342,246	2,613,508
Consumer accounts	1,467,112	1,447,929
Customer service and information	229,994	245,999
Sales	8,444	6,243
Administrative and general	2,612,232	2,326,755
Depreciation	3,146,114	3,091,557
Other	379,939	362,239
	<u>42,872,837</u>	<u>40,701,415</u>
Operating margins before interest expense	3,274,777	1,864,942
Interest expense	1,930,204	1,973,511
Operating margins after interest expense	1,344,573	(108,569)
Non-operating margins		
Interest income	116,940	131,130
G & T Cooperative capital credits	76,466	76,696
Other cooperative capital credits	146,474	123,700
Net margins for period	<u>1,684,453</u>	<u>222,957</u>
Other comprehensive income— post-retirement healthcare benefits	142,000	900,927
Comprehensive income	<u>\$1,826,453</u>	<u>\$1,123,884</u>

How your dollar was spent

