

# 2023 ANNUAL REPORT



SUPPORT | **ADVOCATE** | EDUCATE



A Touchstone Energy® Cooperative 





## ADVOCATE

**T**he word “advocate” carries a rich and profound meaning, and it’s what Farmers Rural Electric Cooperative is all about.

The Latin root words of “advocate” mean “to call to one’s aid.” At the heart of our cooperative is the mission to improve the quality of life for the people we serve.

For new members of Farmers RECC, this concept may be difficult to grasp. Why should a power company care about me? Isn’t it just some corporation that says things like that to sound good to its shareholders?

Farmers RECC advocates for our members because we belong to our members. As a cooperative, there are no out-of-town shareholders or parent companies profiting off our members. Farmers Rural Electric is a not-for-profit utility that, from the very beginning in 1938 to this day, has always been led by and owned by the people we serve.

It means being your consumer-advocate and standing up for your rights, interests and needs. Here are some key ways we advocate for you:

### AFFORDABLE RATES

Farmers Rural Electric works with East Kentucky Power Cooperative to keep electric rates as low as possible. We advocate for fair, just and reasonable rate structures, and our cooperative team is accountable to members to manage our operations efficiently. This ensures that we can offer some of the most competitive electricity rates in the country.

A national study showed that electric cooperatives in Kentucky, including Farmers RECC, have some of the lowest overhead of any utilities in the nation.

### RELIABILITY

We understand the essential role electricity plays in your daily life. Our cooperative invests in maintaining and upgrading our infrastructure to ensure a reliable power supply. We advocate for robust and resilient systems to minimize outages, and when they do occur, we strive to restore power quickly.

▲  
Above, Apprentice Lineman Isaac Jones helps conduct a pole change at a job site.  
Photo: Joe Imel

▲  
Above right, the Farmers RECC Operations Department is photographed for Lineman Appreciation Day. Photo: Abigail Nuetzman

▶  
Right, System Inspector John Austin inspects our lines, poles and equipment for any problems that may cause power outages.  
Photo: Joe Imel

On the cover: Apprentice Lineman Isaac Jones demonstrates the importance of electrical safety to students at Hart County Farm Safety Day. Photo: Abigail Nuetzman





## MEMBER EDUCATION

An informed member is an empowered member. We advocate for your right to understand your energy consumption and how to use electricity efficiently. Through our suite of energy efficiency programs, Farmers RECC provides our members with the knowledge to make informed decisions about energy use.

## COMMUNITY ENGAGEMENT

We believe in the power of community, and we advocate for the well-being of the communities we serve. Our cooperative actively supports local initiatives, charitable organizations and economic development efforts. Together, we strengthen our communities and advocate for their growth and prosperity.

Through our donations to local backpack programs, and the distribution of scholarships we are proud to support local students in their educational pursuits.

## TRANSPARENCY AND ACCOUNTABILITY

Advocacy is also about being transparent and accountable in our actions. Farmers RECC shares our financial reports, operational updates and important decisions with you, our members.

Your input and participation in the cooperative's governance is crucial, and we advocate for and promote your right to elect the cooperative board. No matter the size of your home or your business,





each member of Farmers RECC gets one vote.

Your democratically elected board members represent you and protect your interests.

In addition to updates and engagement at the co-op annual meeting, Farmers RECC regularly updates our membership in the pages of *Kentucky Living*, on our website, on social media and at local civic functions and events, such as the Rotary Club and Chamber of Commerce meetings.

## RESILIENCE AND INNOVATION

We advocate for innovation and adaptability in a changing world. The energy landscape is evolving, and Farmers RECC is committed to staying at the forefront. By investing in smart technologies and exploring new ways to generate and distribute electricity, we ensure that you have access to the best services and the most cutting-edge solutions.

## SPEAKING UP

Working with the 25 other electric cooperatives in Kentucky and more than 900 nationwide, Farmers RECC has a voice in Frankfort and Washington, D.C., speaking up on your behalf so policymakers understand the far-reaching consequences of their decisions.

Our advocacy also means speaking up before a crisis rears its head, and making sure that elected leaders know Farmers RECC is paying attention to their votes.

We encourage our members to cast their ballots to decide who represents them on the

Farmers RECC board, and we also participate in the nonpartisan Co-ops Vote initiative, reminding members to register and vote in elections.

## CHALLENGES AND TRIUMPHS

The past year brought challenges that tested our resolve. From extreme weather in March and June to a regulatory environment that threatens the reliability of the electric grid, Farmers Rural Electric Cooperative is always focused on solutions and safety.

We celebrate triumphs in our daily advocacy for the safety and well-being of our employees and members, speaking up for your interests and adapting to new realities. Our commitment to you and your communities remains unwavering.

## LOOKING AHEAD

As we reflect on the past year, we acknowledge that advocacy for our members is not a one-time effort but an ongoing journey. We are excited about the path ahead, as we continue to advocate for your best interests, ensuring that Farmers RECC remains a trusted partner in your lives.

Thank you for your ongoing support and trust. It is your belief in the cooperative spirit that drives us to advocate for you each day. Together, we light up our communities, empower our members and embrace a brighter future.

During the March 2023 windstorm, linemen climbed poles to assess damage and restore power in rural areas. Photo: John Austin

Member Services Accounting Specialist Jenny Claywell views member information on her computer. Photo: Joe Imel



# AGENDA

## Annual Meeting of Members of Farmers Rural Electric Cooperative Corporation

**Cave Area Conference Center**  
**Thursday, July 25**

**Registration:** 8 a.m.–4 p.m.

**Business Meeting:** 2 p.m.

(in-person or livestreamed at  
[farmersrecc.com/annualmeeting](http://farmersrecc.com/annualmeeting))

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Call to Order
2. Invocation
3. National Anthem and Pledge of Allegiance
4. Management Report
5. Notices and Proofs of Mailing
6. Approval of the Minutes
7. Treasurer's Report
8. Nominating Committee report
9. Announcement of Board of Directors Election Results
10. Adjournment



**Toby Moss**  
President and CEO



**Randy London**  
Chairman  
Director District I



**Brandi Williams**  
Secretary-Treasurer  
Director District I



**Cornelius Faulkner**  
Director District I



**Paul C. Hawkins**  
Director District II



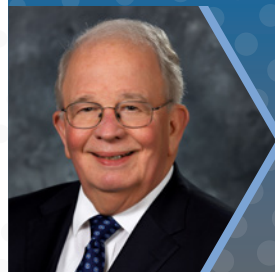
**C.F. Martin, Jr.**  
Director District II



**Randy Sexton**  
Director District III



**Ronnie Smith**  
Director District III



**Woodford Gardner**  
Corporate Attorney



# 2023 Farmers Rural Electric Cooperative YEAR IN REVIEW

## ACTIVE ACCOUNTS

As of December 31, 2023

Adair.....	142
Barren.....	14,673
Edmonson.....	172
Grayson.....	448
Green.....	195
Hardin.....	3
Hart.....	6,793
LaRue.....	55
Monroe.....	16
Metcalfe.....	4,091
Warren.....	21
Total.....	26,609

## ACCOUNTS BILLED

2023.....26,609

## AVERAGE KWH USAGE

(residential per month)

2023..... 918

## MILES OF LINE

2023.....3,767

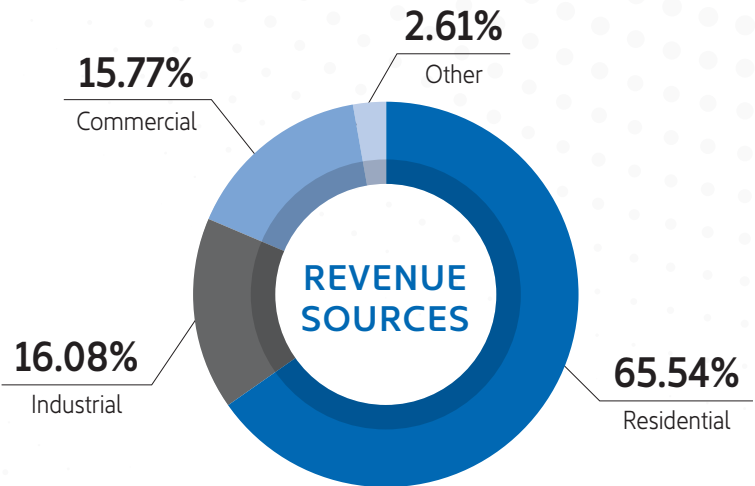
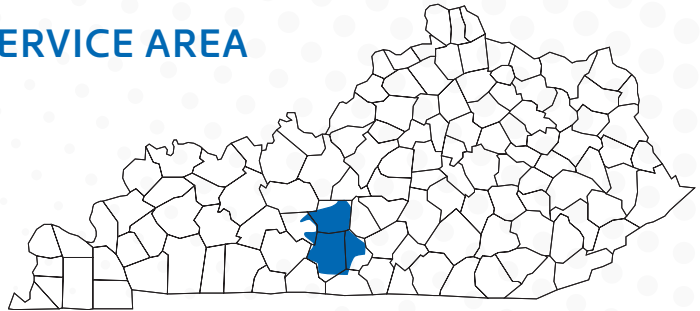
## CONSUMERS PER MILE

2023.....7.1

## FOR INFORMATION AND INQUIRIES

504 South Broadway Street  
Glasgow, KY 42141  
(270) 651-2191  
www.farmersrecc.com

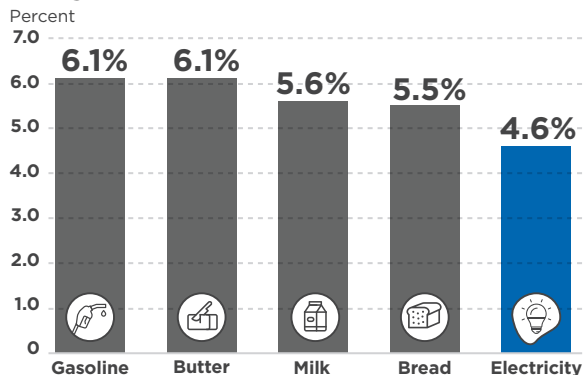
## SERVICE AREA



## ELECTRICITY REMAINS A GOOD VALUE

Although inflation has led to increasing costs in many areas of our lives, the cost of powering your home rises slowly when compared to other common goods. Looking at price increases over the last five years, electricity remains a good value.

### Average Annual Price Increase 2017-2022



Source: U.S. Bureau of Labor Statistics  
Consumer Price Index

# FARMERS RECC

## STATEMENT OF OPERATIONS

As of December 31, 2023

### OPERATING REVENUE

Operating Revenue..... \$56,541,315

### OPERATING EXPENSE

Purchased Power ..... \$41,268,615

Operating System..... 9,606,186

Depreciation..... 3,885,977

Taxes ..... 869,192

Interest on Loans ..... 2,330,605

Other Deductions ..... 87,706

**Total Cost of Electric Service.....\$58,048,281**

### MARGINS

Operating Margins (Loss) ..... \$(1,506,966)

Non-Operating Margins..... 497,461

G & T Capital Credits ..... 798,650

Other Capital Credits ..... 173,140

**Patronage Capital and Margins (Loss)..... \$(37,715)**

*Farmers RECC was audited by Campbell, Myers & Rutledge, PLLC*

## BALANCE SHEET

As of December 31, 2023

### ASSETS

Net Utility Plant ..... \$83,428,998

Investments in Associate Organization.....\$40,148,034

Cash .....1,439,052

Accounts and Notes Receivable ..... 3,163,622

Inventory.....1,321,367

Prepaid Expenses.....239,116

Deferred Debits and Other Assets .....2,868,348

**Total Assets ..... \$132,608,537**

### LIABILITIES & EQUITY

Consumer Deposits.....\$1,205,131

Membership and Other Equities ..... 54,322,892

Long-Term Debt.....68,707,941

Notes and Accounts Payable.....5,844,493

Other Current Liabilities.....2,528,080

**Total Liabilities & Equity ..... \$132,608,537**

# FARMERS PROPANE PLUS

## STATEMENT OF OPERATIONS

For the Year Ending December, 31, 2023

Operating Revenue..... \$4,266,887

Cost of Goods Sold .....1,848,647

Operating Expense ..... 1,692,154

Depreciation.....243,330

**Net Income..... \$482,756**

*Farmers Propane Plus was audited by Campbell, Myers & Rutledge, PLLC*

## BALANCE SHEET

December 31, 2023

### ASSETS

Cash .....\$605,602

Accounts Receivable .....312,151

Inventory.....347,821

Prepayments.....96,028

Net Utility Plant .....1,741,215

Other Assets .....397,800

**Total Assets .....\$3,500,617**

### LIABILITIES & EQUITY

Current Liabilities..... \$140,310

Consumer Deposits.....137,494

Equity ..... 3,222,813

**Total Liabilities & Equity .....\$3,500,617**

# 2024 Farmers RECC Annual Meeting

**THURSDAY, JULY 25 • 2 P.M.**

## Cave Area Conference Center

502 Mammoth Cave St.  
Cave City, KY

**Drive-thru registration: 8 a.m.–4 p.m.**

**Annual Business Meeting: 2 p.m.**  
in-person and livestreamed

**NEW**  
DRIVE-THRU  
REGISTRATION

Vice President of  
Operations Scott Lester  
hands out buckets and  
bulbs at Farmers RECC's  
Annual Meeting. Photo:  
Vid Monster Productions

- Free bucket and energy-saving LED bulb
- Giveaway handout
- Meeting livestream at [farmersrecc.com/annualmeeting](https://farmersrecc.com/annualmeeting)



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