

NOLIN

A Touchstone Energy® Cooperative 



2021 ANNUAL REPORT

INTEGRITY ON THE LINE

A MESSAGE FROM PRESIDENT & CEO GREG LEE

Over the course of the last year, Nolin RECC has worked to take the next steps in improving service to our members. In keeping with the ever-changing nature of our industry and new challenges that come our way, we strive to be a perpetually improving work in progress. Here are some highlights of our recent efforts:

- In 2021, we retired \$4,777,938 in capital credits to our members, marking the third straight year in which we have made a general retirement. The cumulative value returned to our members since 2019 now totals just under \$10 million.
- Our subsidiary, Wide Open Utility Service, continues to grow in its support of Nolin RECC. Through our vegetation management services, fleet maintenance program, line location and custodial services, we now boast over 20 employees. As we move through summer 2022, we are implementing our new Integrated Vegetation Management plan in an effort to responsibly use herbicide treatments

(when applicable) and reduce manual and mechanical cutting and clearing in the future. This process takes several years to become fully viable, but we are excited about the long-term benefits to our reliability and financial position. Wide Open's support of Nolin continues to be a value-added proposition for our members.

- Nolin RECC found itself in a fortunate financial position in 2021, with total margins of \$7,805,881. The operational stewardship and financial prudence of our personnel are key factors in curtailing our expenses despite noteworthy inflationary pressures. We ask a lot of our employees—and they can be counted on to deliver. We understand that our members have been impacted by a rising fuel adjustment clause and environmental surcharges. Unfortunately, we cannot control those factors, and these increases have no change on our bottom line. We commiserate with our members and will continue working to keep our

controllable costs as low as possible, while continuing to render exceptional service reliability.

Global social and economic circumstances continue to have a profound impact on our daily lives. Each of us has experienced this with the increasing costs and reduced availability of many goods and services we rely on to keep our families going. While Nolin is not immune to these same challenges, we are doing all we can to insulate our members from these issues. We may not be able to maintain expenses quite as minimally as we hope, and supply chain issues of standard utility hardware may slow us slightly at times, but we will remain steadfast in our effort to uphold our duty to provide each and every one of you with the quality service you have come to expect.

by Greg Lee



OFFICIAL NOTICE OF ANNUAL MEETING OF MEMBERS OF NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

Where: Nolin RECC Office, 411 Ring Road, Elizabethtown

Thursday, June 16, 2022

Drive-thru registration 8 a.m.–5 p.m.

Friday, June 17, 2022

Drive-thru registration 8 a.m.–12 p.m.

Walk-up registration 12–3 p.m.

Food vendors available 12–3 p.m.

Bring the registration slip you received in the mail to our Elizabethtown office during one of the registration times listed above to receive your bucket, bulbs and gift. Members will also be entered in the drawing to win cash prizes during registration and do NOT need to be present to win.

Business Meeting: Friday, June 17, 2022, 3 p.m.

Where: Nolin RECC's Cooperative Meeting Center

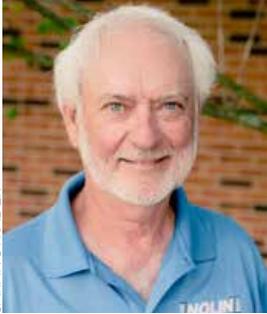
(The meeting will be live-streamed on Nolin RECC's YouTube channel and members may also attend in person).

Watch www.nolinrecc.com and Nolin's Facebook page for details

■ Cover photo by Nolin RECC Senior Line Technician Shaun Scherer

DIRECTOR ELECTION

DISTRICT 2



Gene Straney

Gene Straney was elected by the members to the Nolin RECC Board of Directors in 1986, and currently serves as vice chair. Straney completed the Board of Directors Certification Program through the National Rural Electric Cooperative Association in 1993. He has been a residential developer in Hardin County since 1973.

Originally from Vine Grove, Straney grew up on a farm and graduated from Vine Grove High School. He is a member of Severns Valley Baptist Church in Elizabethtown. Gene and his wife, Kay, live in Elizabethtown and

have two children Melissa (Jeff) Gregory, and Greg (Melissa) Straney. The Straneys also have six grandchildren, Jey, Ryder, Harper, Emerson, Dupree and Elbie.

Personal remarks from Gene Straney: *“As a resident of this community and a member of the Nolin board, I will work for you, the owners of Nolin. My goal is to keep your interests and well-being at the top of my priority list. I will work to maintain the lowest electric rates possible while still providing you with quality service.”*

DISTRICT 6

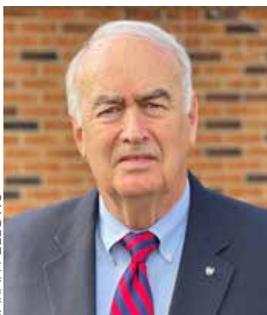


Lawrence Ireland

Lawrence Ireland was appointed to the Nolin RECC board in 1987 and elected to the board by the Nolin members in 1989. In 1991, he completed the Board of Directors Certification Program through the National Rural Electric Cooperative Association. Ireland is a graduate of Sonora High School and grew up on the family farm in Sonora. For the past 54 years he has owned and operated Ireland Heating & Cooling in Radcliff. He and his wife, Mayonia, have four sons, Steve, Larry, Tim and Wayne. They also have eight grandchildren and 11 great-grandchildren. The Irelands are members of Hodgenville Pentecostal Church. Ireland

served as a board member at the church for 41 years and is past president and chaplain of the Otter Creek Gideon Camp. He also served as a board member of the Pentecostal Children's Home for 40 years.

Personal remarks from Lawrence Ireland: *“The members of Nolin RECC are what make this cooperative strong, and as a director representing Nolin members, I intend to keep your interests foremost when making any decisions at the co-op. I will continue to look for new ways to improve your quality of life, and I encourage your input on matters that affect the co-op.”*



John Tindall

John Tindall served 36 years in the U.S. Army. He is a 1967 graduate of the University of Tennessee, Knoxville, and a 1993 graduate of the U.S. Army War College. John and his wife, Mary, have lived in Radcliff for 48 years, and have five grown children and 12 grandchildren. The Tindalls attend St. Brigid Church in Vine Grove. He is managing partner in Five Star Consulting, which specializes in Department of Defense and government contracting. In addition, Tindall works in real estate management and development. Tindall is a member of Baptist Health Hardin Foundation Board, Chairman Emeritus of USA Cares, commissioner and treasurer of Hardin County Water District #1, and vice

chairman of KRDA. He is a past chairman of North Hardin Economic Development Authority, a past president of the Radcliff Rotary Club, and served as co-chairman of the Governor's 2005 BRAC Task Force.

Personal remarks from John Tindall: *“Part of life's richest reward is to be able to give back to the community in which one lives. I hope to draw against my experience in government contracting, business, the military and my community service to help our cooperative serve its membership while making change where appropriate and building a strong future for the cooperative.”*

ACTIVE ACCOUNTS

As of December 31, 2021

Breckinridge	28	Hart	289
Bullitt	1	LaRue	4,563
Grayson	384	Meade	110
Green	126	Taylor	99
Hardin	30,975	TOTAL	36,575

AVERAGE KWH USE (residential per month)

2021..... 1,197

MILES OF LINE

2021

Overhead	2,483
Underground.....	470

METERS PER MILE

2021..... 12.34

STATEMENT OF OPERATIONS

As of December 31, 2021

Operating Revenue \$ 76,814,308

OPERATING EXPENSE

Purchased Power.....	\$ 52,724,360
Operating System	13,566,403
Depreciation.....	4,680,102
Interest on Loans.....	2,048,378
Other Deductions.....	50,175
Total Cost of Electric Service.....	\$73,069,418

Operating Margins..... \$3,744,890

Non-Operating Margins..... 3,011,985

Other Capital Credits..... 1,049,006

Patronage Capital and Margins \$7,805,881

BALANCE SHEET

As of December 31, 2021

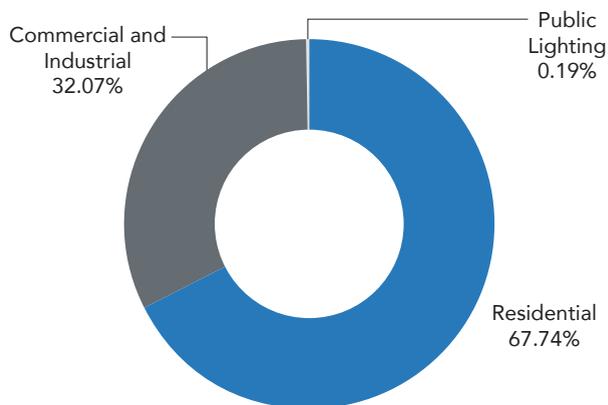
ASSETS

Total Utility Plant.....	\$132,835,041
Less Depreciation	58,647,272
Net Utility Plant	74,187,769
Non-Utility Property and Other Investments....	52,666,767
Cash and Reserves.....	12,926,854
Accounts and Notes Receivable.....	28,263,941
Inventory.....	1,071,959
Total Assets	\$169,117,290

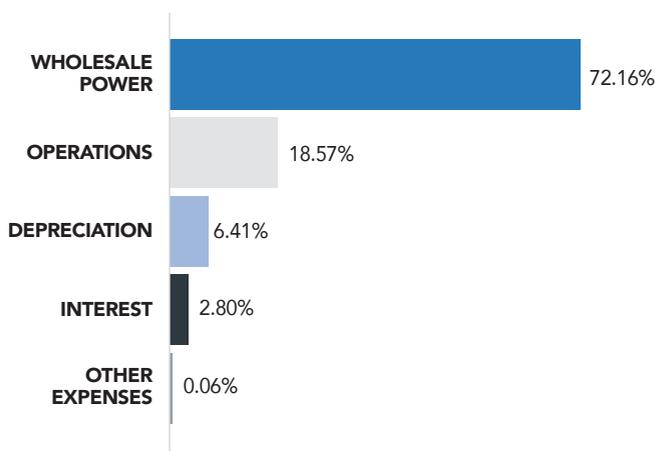
LIABILITIES

Membership and Other Equities.....	\$84,528,443
Long-Term Debt	66,021,896
Notes and Accounts Payable	7,783,014
Current and Accrued Liabilities.....	3,774,312
Deferred Credits and Miscellaneous.....	7,009,625
Total Liabilities.....	\$169,117,290

KWH SALES BY CUSTOMER CLASS

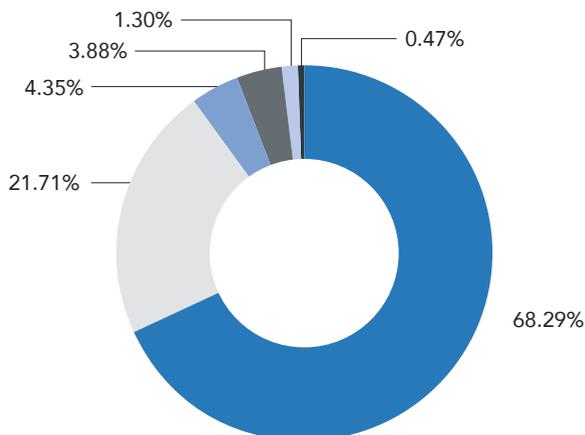


EXPENSE DRIVERS



REVENUE SOURCES

(as a percentage of total dollars)



- Residential Sales
- Commercial & Industrial Sales
- Miscellaneous Service Revenue
- Fort Knox Operations
- Capital Credit Allocations
- Public, Street and Highway Lighting Sales