About Us

OUR VISION:
Baldwin EMC will be the leader as a **member focused, efficient** and **community involved** cooperative.

OUR PURPOSE:
**Baldwin EMC** serves approximately 67,000 accounts in Baldwin and southern Monroe counties. We provide safe, affordable and reliable electricity to a territory that ranges from popular vacation spots along the beach to rural timberland in the northern part of the county.

Baldwin EMC is member-owned and democratically governed by a member-elected board of trustees. Our operations are guided by the seven cooperative principles, which are based on the Rochdale Principles established in England in 1844.

We are a not-for-profit organization - a status that allows us to make a commitment to the people we serve without being motivated by profit. Our members truly are our focus. Our members are Baldwin EMC.
We Come from Among the Membership.

We Represent You.

Democracy. Perhaps no other principle has been more important to the foundation of America. That’s why it is such an honor for me to serve on the board for Baldwin EMC. Unlike other companies where the corporate ladder or family ties determine leadership, democracy is what puts me and each member of Baldwin EMC’s board of trustees in place.

That same principle – democratic control – means that members cast the votes that elect the trustees that decide on the important matters of the cooperative and create direction for the future of Baldwin EMC.

The board members you’ve elected come from a variety of experience and backgrounds. Most importantly, though, we come from among you. We’re each members who live and work in the communities we represent. What affects you, affects us, so you can trust that our decisions have your best interest in mind. And we’re always trying to be more accessible than other types of businesses just by being visible to those we serve, whether it’s at our annual meeting or simply at the grocery store, church, or on an evening walk.

I was as proud as ever to be a trustee for Baldwin EMC and a cooperative member in 2011. Not only did we see new growth in our facilities, we also added hundreds of new members and additional miles of line to reach new areas. I’m especially proud of the number of school programs such as our Youth Tour, member benefit initiatives like the Co-op Connections cards, and community service projects like Pink Power that took place throughout the year. I take pride in those things because it shows that Baldwin EMC cares about what its members care about.

That’s what representing you is all about - knowing your needs and keeping them front and center, year after year.

Peggy Vanover-Barnes
President, Baldwin EMC Board of Trustees

Peggy Vanover-Barnes has been president of Baldwin EMC’s board of trustees since 2009. She has served on the board since 1988. She is certified by the National Rural Electric Cooperative Association as a Credentialed Cooperative Director, and has been awarded a Board Leadership Certificate.
Your Board of Trustees

Peggy Vanover-Barnes  
President  
District 6, Spanish Fort  
NRECA Credentialed

J. Thomas Bradley, Jr.  
Vice-President  
District 1, Bay Minette  
NRECA Credentialed

Tommie Werneth  
Secretary/Treasurer  
District 4, Orange Beach  
NRECA Credentialed

Joseph Coleman  
District 2, Loxley  
NRECA Credentialed

Aubury Fuller  
District 3, Marlow  
NRECA Credentialed

Robert Kaiser  
District 5, Foley  
NRECA Credentialed

Jimmy LaFoy  
District 7, Gulf Shores  
NRECA Credentialed

Jack Taylor Retires

In 2011, Jack Taylor retired from Baldwin EMC’s board of trustees after nearly three decades as the representative from District 5. Taylor joined the board in 1982. During his tenure, he saw much growth and change at Baldwin EMC and in the electric utility industry. His years of experience gave him an insight that was of great service to the board.

Baldwin EMC extends sincere gratitude to Mr. Taylor for his commitment and service.
It’s a Good Time for Cooperatives.

Cooperatives Create Community.

The year 2011 was a good time to be a member of an electric cooperative. At a time when local economic hardships led many to distrust nameless, faceless corporations, you had a hometown co-op looking out for your needs.

You may know the history of the electric cooperative movement, how 75 years ago rural residents banded together to bring the conveniences of electricity where investor-owned utilities would not extend service. The associations they formed, on the same democratic principles as this great nation, were as strong and relevant in 2011 as they were back then.

These days, Americans from all walks of life have come to recognize that the co-op approach—members working together to achieve shared benefits—can work for other needs just as effectively as it delivered affordable power to rural Americans. The principles upon which electric co-ops were founded are as meaningful today as when they began in the 1930s.

Co-ops span all industries, including credit unions, dairy operations, health care, housing, and much more. And not all are small or rural. Just look at nationally known co-ops like Sunkist, Ace Hardware, and Land O’ Lakes. More than 29,200 cooperatives nationally employ 2 million Americans and one in every four Americans is a co-op member.

That’s why when we say we’re concerned for community, we’re not just talking about the community in which our service area is located. We’re talking about the community that is created by our membership. As a member, you have something in common with people from all walks of life that you might not share much else with. Baldwin EMC is looking out for each of you.

That’s an association you can be proud of.

E.A. “Bucky” Jakins, Jr.
Chief Executive Officer,
Baldwin EMC

Bucky Jakins has served as Baldwin EMC’s chief executive officer since 2000.

He is the 2011 winner of the J.C. Brown CEO Communication Leadership Award conferred by the National Rural Electric Cooperative Association.
Looking Back at 2011: **Highlights and Growth**

**HIGHLIGHTS:**

- **January:** Bucky Jakins wins the 2011 J.C. Brown CEO Communication Leadership Award
- **April:** Baldwin EMC hosts “Spring Into Action” blood drive, which nets 48 pints of donated blood
- **June:** Baldwin EMC holds “Oldest Water Heater Ever” contest and awards six members brand new water heaters
- **August:** Star Light Award program introduced to provide grants to local teachers for innovative classroom projects
- **October:** Baldwin EMC launches first “Pink Power” campaign, raising more than $5,400 for the Susan G. Komen for the Cure foundation
- **November:** A total of 92 pints of blood and more than 400 pounds of food are collected for charity during Baldwin EMC’s sixth annual Power of Giving Drive
- **December:** Robert Kaiser of Foley is elected to represent District 5 on Baldwin EMC’s Board of Trustees

**GROWTH:**

- **Meters**
  - 2010: 67,293
  - 2011: 67,665
- **Kilowatt Hours Sold**
  - 2010: 1.33 billion
  - 2011: 1.34 billion
- **Miles of Line**
  - 2010: 4,347
  - 2011: 4,356
Seven **Cooperative** Principles

1. **Voluntary and Open Membership**
2. **Democratic Member Control**
3. **Members’ Economic Participation**
4. **Autonomy and Independence**
5. **Education, Training and Information**
6. **Cooperation Among Cooperatives**
7. **Concern for Community**

The cooperative movement traces its roots to a store started by weavers in the town of Rochdale, England in 1844. The Rochdale model revolved around a set of guidelines drawn up by one of its members, Charles Howarth.

When introduced into the U.S. in 1874, these “Rochdale Principles” fueled a cooperative explosion.

Adherence to the seven cooperative principles is what makes cooperatives different. They not only give us guidelines for our operations, they also determine the kind of relationship we have with you, our members.
A total of $237,781.57 in grants found their way into deserving hands thanks to members’ support of Baldwin EMC’s Operation Round Up program. This program allows members to help those in need by rounding up their electric bills to the next highest dollar amount, with the extra change going to fund grants.

The financial contributions were devoted to specific categories of need: food, clothing, shelter, health care, education, and the environment, and were given to individuals and community organizations. All applications for assistance were reviewed by the Baldwin County Electric Membership Charitable Foundation Board. A portion of the funds was also used to provide college scholarships for deserving students.

The organizations that received contributions in 2011 included the Baldwin County Education Coalition, North Baldwin White Christmas, CARE House and the Alabama Sheriffs’ Youth Ranch among others.

The chart above details how the program’s funds were distributed. A small portion of the total funds is retained for the administrative needs of the foundation, including the yearly financial audit.
Michael Mullek is a multi-generation farmer and a first-time Baldwin EMC member. When he and his wife Kimberly signed up for electric service at their new home, they were soon surprised to find out that Baldwin EMC would be willing to help them learn how to use less electricity.

A company helping its customers use less of its product? Seems far-fetched, especially from the point of view of a farmer continually working to increase demand for his crops.

But that’s exactly what Baldwin EMC invests in - teaching members like the Mulleks how to use energy efficiently. That’s because just like the rest of Baldwin EMC’s members, when the Mulleks use less electricity, they save money. And that’s important to them, so it’s important to us.

Energy efficiency isn’t a new concept for electric co-ops. Nationally, we’re known as leaders in helping our members better manage their electric use. And most of our fellow co-ops provide similar services. Surveys by the National Rural Electric Cooperative Association, our national service organization, found that 93 percent of electric co-ops educate those they serve about energy efficiency.

Helping you keep electric bills affordable is just another way those of us at Baldwin EMC are looking out for you.
Creating a Culture of Safety

The sixth cooperative principle calls for education, information and training. Baldwin EMC is no stranger to any of those things, especially when it comes to electrical safety for employees and members.

To be effective, safety has to be more than just a good habit. It has to be a way of thinking. That’s why Baldwin EMC works hard to create what we call “a culture of safety” among our employees and our members.

Baldwin EMC’s operations crews deal with extremely high voltage electricity on a regular basis. One false move can be a very costly one. The cooperative devotes a great deal of resources to educating all of our employees about how to perform their jobs without getting hurt. Every day, we want to send each employee home to his or her family. Thanks to the proper training and knowledgeable employees, we are glad to say that we had no lost-time accidents in 2011. That represents 393,043 working hours in good conditions and some not-so-good conditions. This is a testament to employees’ commitment to on-the-job safety and preventive safety practices.

But it doesn’t stop with employees. Just like our efforts to educate members about saving electricity and money, we also make it a priority to help members know how to give electricity the respect it needs.

If you thumb through the pages of *Alabama Living* magazine, read the monthly inserts that come with your bill, or stop in and visit www.baldwinemc.com, you’ll see a lot of information about how to make sure electricity stays helpful and not hazardous.

Baldwin EMC has a mission to provide reliable and safe electricity. *We can’t change the nature of electricity itself, but we can work hard to help our members know how to stay safe around it.* That’s part of our commitment to serving you.
In 2011, Baldwin EMC introduced a new program through Operation Round Up called the Star Light Awards. It’s a grant program designed to provide support to teachers who are improving learning through innovative classroom activities.

Sara Altmyer, a Baldwin EMC member and second grade teacher at Gulf Shores Elementary School, was among the second round of recipients.

Altmyer came up with an idea to create a garden in an undeveloped part of the school’s grounds. The project was designed not only to beautify the area for her students, but to also teach her second graders about plant growth and caring for living things.

“[The project] is an important part of our curriculum, but we would not have been able to do this without the grant. That’s why I’m so grateful for the help,” Altmyer says.

It’s Baldwin EMC’s members that made this project a reality. That’s because members’ support of the Operation Round Up program established the funds that Altmyer and many other local teachers have used to “plant seeds” among their students.

According to Katie Warren, chairman of the Baldwin Electric Membership Charitable Foundation Board, “This is what Operation Round Up is all about, improving the quality of life within our community.”
Baldwin EMC takes great pride in highlighting the value of cooperative membership to children. After all, they’re our members-in-training. We provide a wide variety of programs that benefit youth, from elementary school safety demonstrations to scholarships for graduating high school seniors.

In 2011, Baldwin EMC representatives were in schools conducting programs such as Safety City demonstrations and CFL Charlie visits.

As in years past, the co-op sent four students on all-expense paid trips to Montgomery, Ala. and Washington, D.C. as part of the Rural Electric Cooperative Youth Tour in 2011. Baldwin EMC’s Operation Round Up program also allowed for more than $50,000 in scholarships to be distributed to students pursuing their dreams of higher education.

Of course, these programs are just the beginning. As a member-owned, not-for-profit business, Baldwin EMC was founded on the principle of concern for community. We know that one key to our community’s strength lies within the opportunities our children have to succeed.

As a member, you can take pride in knowing promising students will continue to benefit from your co-op’s programs for years to come. Baldwin EMC knows the importance of student success and supports them—and our schools—every step of the way.

We know our goal is outside of the classroom—working to deliver safe, reliable, and affordable power. We also know there’s more than one kind of power. There’s also the power to succeed. We like to think we can help supply that to local kids through innovative and interactive programs.

We know how important your children are to you, and that makes them important to us. What matters to you, matters to us. That’s the cooperative difference at its best.
The Walters family didn’t get to choose who provides their electric service. In fact, not too far from where they live, folks are served by different electric providers; some by an investor-owned utility, others a city-owned municipal electric system.

There’s one major difference between these entities. Every home or business that receives power from an electric cooperative—18 million in 47 states—owns a portion of the utility. As a result, anyone who receives cooperative electric service becomes a member, like Margie, Lee and their daughters.

Being a member matters because electric co-ops care about improving the quality of life for families like the Walters. Their membership matters because it entitles them to certain benefits like the Co-op Connections Card program. Their membership matters because they have a voice and a vote in how Baldwin EMC is governed through democratic control. Their membership matters because they receive returns on their investment in their co-op. Electric co-ops aim to operate at-cost, so any excess revenues, or margins, are returned to members in the form of capital credits.

The bottom line: Just like the Walters family, your membership matters because you matter to your electric cooperative.
Staying Connected and Saving Money

We’re always looking for ways to provide value to our members and the communities we serve, especially during tough economic times. Baldwin EMC’s Co-op Connections® cards provide members a real money-saving tool. The program connects you with discounts on everything from hotel stays to prescription drugs.

Just ask Bobbie Jo Miller, a Baldwin EMC member and Co-op Connections card user.

Ms. Miller was recently in the process of re-financing her home when she was surprised to find a discount was waiting for her, just because she had a Co-op Connections card. The program discounted $200 off the cost of her re-financing.

She’s not alone. In 2011, hundreds of Baldwin EMC members saved money by using their Co-op Connections cards at restaurants, hair salons, RV Parks, flower shops and much more.

In 2011, the Co-op Connections Prescription and Healthy Savings discounts really took off. These pharmacy discounts delivered savings of 10 percent to 60 percent on prescription drugs to hundreds of Baldwin EMC members who took advantage of the program.

The good news is the discounts show no sign of running out. The logo and information on the back of the Co-op Connections card is recognized at hundreds of local and national businesses, and more than 60,000 national, regional, and local pharmacies.

Local businesses also benefit by participating in our Co-op Connections program thanks to increased traffic from members.

As a Touchstone Energy member, Baldwin EMC strives to serve according to four core values: integrity, accountability, innovation, and commitment to community. Our Co-op Connections card program is one of the ways we live up to those values.

Andy Roberson, florist and Baldwin EMC member

Mary Lindley, pharmacist and Baldwin EMC member
Reliability Ratings in 2011

In 2011, Baldwin EMC’s reliability rating was 99.99%.

What does that mean?

In 2011, Baldwin EMC members were without power an average of 50 minutes and 46.8 seconds for the year. That means power was on for 99.99% of the year.

Those reliability ratings can be attributed to regular system maintenance and sophisticated outage management software that allows us to predict and eliminate the causes of reoccurring outages.

In Memory of Roger Rabren: 1951 - 2012

Baldwin EMC recently said a sad goodbye to one of its longtime employees. Roger Rabren, manager of operations, passed away on September 8, 2012 at the age of 60. He was a Baldwin EMC employee for 34 years and served in numerous job roles during that time.

He was a devoted husband to his wife of 40 years, Brenda, and a loving father to daughter Emme, sons Jered and Kyle and adopted son John. He was also a doting grandfather to Abbie, Emily, Maddie and Colby.

Roger is remembered for his dedication to Baldwin EMC through many changes and challenges, in addition to his sense of humor and his love of a well-played practical joke.

He is sadly missed by his Baldwin EMC family.
How Your Dollar Was Spent in 2011

- **Cost of Power - 67.87%**
  This is the portion of your bill that directly covers Baldwin EMC’s cost to purchase the power that is generated and delivered to your home.

- **Depreciation and Taxes - 7.40%**
  Baldwin EMC, like any other company, pays state and federal taxes on revenue, property, payroll, sales, and fuel. Depreciation is the term used to refer to the cost of an asset over the span of several years.

- **Operations and Maintenance - 7.28%**
  The funds collected here cover what it costs to provide electric service to your home, including line work, repair and maintenance.

- **Interest - 3.54%**
  Baldwin EMC participates in a loan program from the Rural Utilities Service (RUS). The cooperative makes regular interest payments on those loans.

- **Consumer Accounting - 3.42%**
  This portion covers the costs of maintaining and processing members’ accounts, including bill payments.

- **Administrative - 3.71%**
  These costs cover the administrative procedures at the cooperative, including human resources and employee benefits.

- **Customer Service and Sales - 1.04%**
  This portion of the bill goes to cover customer services outside of operations, such as communications, energy marketing services, and educational and member benefit programs.

- **Operating Margins - 5.74%**
  A small portion of your bill is considered margins, or revenue above and beyond what the co-op needs to operate. Whenever possible, these margins are returned to you in the form of capital credits.
### Financial Statements

**2011 Financial Report | Baldwin County Electric Membership Corporation**

#### STATEMENT OF OPERATIONS

**OPERATING REVENUES**

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2011</th>
<th>Calendar Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric sales revenue</td>
<td>$ 144,376,538</td>
<td>$ 145,189,974</td>
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<tr>
<td>Other electric revenue</td>
<td>1,919,562</td>
<td>1,980,100</td>
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<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>$ 146,296,100</strong></td>
<td><strong>$ 147,170,074</strong></td>
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**OPERATING EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2011</th>
<th>Calendar Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of power</td>
<td>$ 102,870,087</td>
<td>$ 105,016,207</td>
</tr>
<tr>
<td>Variable expenses</td>
<td>26,231,420</td>
<td>25,597,850</td>
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<tr>
<td>Depreciation</td>
<td>8,407,393</td>
<td>8,038,581</td>
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<tr>
<td>Interest on debt</td>
<td>5,371,342</td>
<td>5,356,794</td>
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<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>$ 142,880,242</strong></td>
<td><strong>$ 144,009,432</strong></td>
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**MARGINS**

<table>
<thead>
<tr>
<th></th>
<th>Calendar Year 2011</th>
<th>Calendar Year 2010</th>
</tr>
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<tbody>
<tr>
<td>Operating margin</td>
<td>$ 3,415,858</td>
<td>$ 3,160,642</td>
</tr>
<tr>
<td>Capital Credit &amp; Patronage Capital Allocation</td>
<td>4,810,392</td>
<td>4,502,990</td>
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<tr>
<td>Non-operating margin</td>
<td>477,660</td>
<td>553,837</td>
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<tr>
<td><strong>TOTAL MARGINS</strong></td>
<td><strong>$ 8,703,940</strong></td>
<td><strong>$ 8,217,469</strong></td>
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</tbody>
</table>
# Financial Statements

## BALANCE SHEET

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net plant investments</td>
<td>$172,051,331</td>
<td>$167,997,829</td>
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<tr>
<td>Long-term investments</td>
<td>42,064,964</td>
<td>37,014,514</td>
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<tr>
<td>Cash and temporary investments</td>
<td>11,593,567</td>
<td>6,304,789</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>6,849,686</td>
<td>6,736,650</td>
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<tr>
<td>Unbilled revenue</td>
<td>7,123,158</td>
<td>8,000,298</td>
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<tr>
<td>Prepaid power</td>
<td>3,000,000</td>
<td>2,500,000</td>
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<tr>
<td>Materials and supplies</td>
<td>5,463,841</td>
<td>5,154,197</td>
</tr>
<tr>
<td>Other assets</td>
<td>22,431</td>
<td>20,423</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>299,793</td>
<td>312,712</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$248,468,751</strong></td>
<td><strong>$234,041,412</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND EQUITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt</td>
<td>$116,183,838</td>
<td>$107,875,363</td>
</tr>
<tr>
<td>Consumer deposits</td>
<td>6,344,076</td>
<td>6,425,884</td>
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<tr>
<td>Accounts payable</td>
<td>1,103,147</td>
<td>1,222,434</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>26,331,874</td>
<td>26,755,739</td>
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<tr>
<td>Deferred credits</td>
<td>2,147,849</td>
<td>2,789,577</td>
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<tr>
<td>Memberships</td>
<td>256,235</td>
<td>252,745</td>
</tr>
<tr>
<td>Member equity</td>
<td>96,101,732</td>
<td>88,719,670</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITIES</strong></td>
<td><strong>$248,468,751</strong></td>
<td><strong>$234,041,412</strong></td>
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</table>