

Celebrating
75
years
1939 - 2014

Tipmont REMC

**ANNUAL
REPORT**

for the year 2013

published July, 2014

TIPMONT
REMC

Your Touchstone Energy[®]
Cooperative



About Us

Meters and Members per Mile*

Miles of Energized Line 2,632

Number of Meters 26,756

Meters per Mile of Line 10.17

Number of Members 22,292

Members per Mile of Line 8.47

* as of April, 2014

Counties Served:

Tippecanoe, Montgomery, Fountain, Clinton,
Carrol, White, Benton, and Boone

Power Supplier:
Wabash Valley Power

Number of Employees:
62

In 2013 Tipmont made significant strides toward our primary objectives of making improvements in service reliability and the expansion of service options to our members. These objectives are fundamental to our service commitment and will continue through 2014 and beyond. In this short overview, I'm pleased to share some of the accomplishments over the past year and to provide a preview of upcoming services.

Investment in Reliability Improvements

Tipmont began an aggressive work plan in 2011 to make significant improvements to service reliability. Since that time, over 130 miles of line have been rebuilt including over 60 miles of line in 2013.

The County Farm substation was completed in December of 2013 and now serves over 2,600 members in north central Tippecanoe County. This substation will allow us meet the growth in north central Tippecanoe County into the foreseeable future.

Our Mission
To do the right thing
for our members.

Projects currently underway include upgrading distribution circuits, converting more overhead lines to underground services, and concentrating our tree trimming efforts in the areas most affected by reliability issues. This year will also mark a significant upgrade of the computer software used to manage outages, mapping, and system design.



Ron
Holcomb

Expanded Service Offerings

We continued our focus on services that provide savings options and initiatives to improve our member communications. The addition of SmartHub expanded member communication options through mobile and web applications to view and change account information, monitor and analyze electric usage, and make secure and convenient payments. Live Web Chat was also added as an online option for members to communicate with our member service representatives. A Time-of-Use rate option was also introduced this year that provides an incentive to shift

electric usage to off-peak times. This new rate offers potential energy cost savings by allowing members to shift usage to times where energy is less expensive to produce.

This fall, Tipmont will launch a new prepaid metering option, which allows members to pay for their energy before it's consumed. This service supports energy conscious members with another tool to manage their energy usage. This service also eliminates the need for a deposit under many circumstances.

Tipmont's Future

In addition to our commitment to reliability investments and expanded service offerings, 2014 marks Tipmont's entry into the renewable energy space. This fall we will complete construction on Indiana's first community solar array. Members who choose to participate will have the opportunity to purchase electricity generated from Tipmont's community solar project. The solar array will be built on Tipmont's property in Linden and will be surrounded by other sustainable projects including a natural grassland and tree grove. This is an important step as we prepare for the electric energy needs of the future.

In July of 2013, I had the pleasure of joining Tipmont as its chief executive officer. In my first year, I've had the distinct privilege to be part of an organization committed to excellent service with an unwavering dedication to

Past, Present, and Future

our community. Across the organization, there is a keen sense of the trust you place in us each day and it's a trust we take very seriously. I've had the fortune to serve the utility industry for 30 years. That experience and perspective allows me to say with confidence that Tipmont's foundation is built on strong values, sound business principles, and a culture of continuous improvement. Tipmont's response to the tornado event in November is example of that dedication and professionalism. This storm event affected over 17,500 of our members and required the replacement of over 100 poles. Power was restored to all members within 5 days.

I'm excited about the opportunities that lie ahead and the Tipmont team is dedicated to building upon the proud heritage began 75 years ago. Tipmont will continue its mission of "Doing the right thing for our members" in 2014 and beyond.

As always, I look forward to working with you, our member-owners in the upcoming year.

Minutes

The 73rd annual member meeting of Tipmont Rural Electric Membership Corporation was held at Lafayette Jefferson High School, 1801 South 18th Street, Lafayette, Indiana, on Saturday, July 27, 2013, at 9:30 a.m. Registration began at 8:00 a.m.

Prior to and during the registration period, members were encouraged to visit various Tipmont REMC displays and information centers. Drawings were conducted during registration for five electric credits in the amount of \$50.00 and five in the amount of \$100.00. The Tippecanoe County Extension Chorus provided the entertainment.

Each registered member received an ink pen, a portfolio folder, a rain gauge, '101 Easy Ways to Save Energy and Money' booklet, an information sheet listing the candidates and the agenda of events, a comment sheet, two question cards, two voting ballots, an informational brochure on Time-of-Use rates and SmartHub, and the annual report which included the 2012 annual meeting minutes. The annual meeting registration card was mailed prior to the meeting.

Director Lynn Beck announced the registration drawings. President Brent

Bible requested the membership complete the questions cards.

President Bible thanked Lafayette Jefferson High School for the rental of the facility and the Tippecanoe County Extension Chorus for entertaining.

President Bible introduced each board member and their district. He also recognized past directors who were in the audience.

President Bible announced that we had a quorum and called the meeting to order at 9:27 a.m.

President Bible introduced Tipmont REMC Manager of Technology and Communications, Corey Willis, who gave the invocation. He then introduced Meagan Baker who sang the National Anthem.

President Bible read the official notice of the meeting and Secretary-Treasurer Jerry Peevler led the Pledge of Allegiance. He then asked those members present to refer to the minutes of the 2012 meeting, which were given to them at the time of registration. Secretary-Treasurer Peevler asked for a motion to accept the minutes as recorded. A motion was made by member Gary Isenberg and a second was made by Dan Haan. The motion carried and the minutes from the 2012 meeting were approved as presented.

President Bible introduced Attorney Jeff

Helmerick.

Attorney Helmerick introduced director candidates Kirk Alter and Connie Haan for district 1, Lynn Beck for district 3, and Jerry Peevler for district 7. Each candidate was given the opportunity to speak. Candidates who addressed the membership were Director Kirk Alter and Candidate Connie Haan. Director Lynn Beck and Director Jerry Peevler were unopposed.

Attorney Helmerick instructed the membership to vote for district 1 using the yellow ballot. He then called for the Credentials and Election Committee to collect and tally the ballots. The Credentials and Election Committee had met before the meeting started at the location of the Annual Meeting.

President Bible introduced special guests. He then introduced new CEO Ron Holcomb.

President Bible gave a concise speech regarding the current status of the cooperative and recent changes which was followed by a speech from CEO Holcomb.

President Bible and Director Bob Baker responded to a few selected questions of general interest submitted by the membership.

Attorney Helmerick announced the results of the election. Kirk Alter was re-elected

for district 1. With no opposition, districts 3 and 7 ballots were not tallied. A motion was made by member Jim Griffith and a second was made by Rodney Vandercleed. The motion carried and Kirk Alter would represent district 1.

President Bible introduced the Annual Meeting Committee.

Director Lynn Beck again announced the winners of the registration drawings. He then asked the winners of the next drawings to come forward to have a photo taken. Drawings were conducted for the grand prizes of four \$250.00 electric credits and cash prizes of \$1,000, \$2,500, and \$5,000.

President Bible asked the membership to put their comments sheets in the blue buckets as they exited the building.

The grand prizes were awarded to the following members: \$250.00 electric credits to Robert and Connie Shirley, Mark Staehle, Philip and Sara Jones, and James Reeves; \$1,000 cash to Judi Lange; \$2,500 cash to Elisha Evans; and \$5,000 cash to F. Van and Linda Marshall.

As there was no further business, the meeting was adjourned 10:30 a.m.

Jerry Peevler
President

Brent Bible
Secretary-Treasurer

Employees

Ronna Bohlander	Plant Accountant
Kevin Bonebrake	Journeyman Lineman/ Working Foreman
Sandy Brook	Work Order Process Specialist
Brian Brown	Journeyman Lineman
Kevin Carpenter	Maintenance Custodian
Misty Cassida	Member Service Representative
Joshua Chieppo	Apprentice Lineman
Sasha Clements	Communications Coordinator
Mike Cochran	Meterman
Candice Cornetet	System Engineer
Natalie Decker	Member Service Supervisor
Patrick Dowell	Meterman
Jami Dugger	AMI System Coordinator
Garrett Foutch	Apprentice Lineman
Steve Furniss	Line Superintendent
Jason Gates	Journeyman Lineman
Jonathan Gullett	Journeyman Lineman
Scott Hall	Journeyman Linemen
Melissa Harwood	Payroll Administrator
Sam Headlee	Apprentice Lineman
Neil Hedrick	Staking Engineer
Justin Heide	Journeyman Lineman
Ron Holcomb	Cheif Executive Officer
Carl Horoho	Senior System Engineer
Chad Jasheway	Journeyman Lineman
Chadd Jenkins	Manager of Engineering and Operations
Clayton Jewel	Systems Analyst
Allen Jones	GIS Administrator
Andrew Karle	Journeyman Lineman
Duane Keiser	Journeyman Lineman
Chad Keller	Journeyman Lineman/ Working Foreman
Tyler Kent	Apprentice Lineman

Cindy Kerker	Staking Engineer
Joe Kline	Engineering and GIS Supervisor
Jim Lind	Journeyman Lineman/ Working Foreman
Glenn Logan	Staking Engineer
Matt Lowe	Journeyman Lineman/ Working Foreman
Jacklyn McLeland	Operations Analyst
Jarad McLeland	Right of Way Maintenance Coordinator
Dana Mesaros	Warehouseman
Tracey Miller	Member Service Representative
Jason Monroe	Energy Management Supervisor
Debra Morris	Manager of Finance and Administration
Jeff Morrison	Journeyman Lineman
Traci Mountcastle	Member Service Representative
Abby O'Neill	Member Service Representative
Robert Palmer	Journeyman Lineman
Melody Peacock	Operations Analyst
Anita Pike	Systems Analyst
John Plahitko	System Administrator
Scot Price	Operations Supervisor
Matt Priebe	Right of Way Maintenance Supervisor
Corey Rhine	Journeyman Lineman
Krista Sanders	Lead Member Service Representative
Debbie Schavietello	Manager of Employee Services
Eli Smith	Apprentice Lineman
Travis Smith	Journeyman Lineman
Tara Walters	Accounting Representative
Jeff Wilcox	Substation Maintenance Technician
Doug Williams	Substation Maintenance Technician
Corey Willis	Manager of Technology and Member Engagement
Brandi Wilson	Accounting Supervisor

Operation Round Up

Through the generosity of Tipmont REMC members who allow their electric bills to be “rounded up” to the next dollar, Operation Round Up awarded \$ \$51,969.54 to 32 local organizations in 2013, including:

Tippecanoe County Extension Homemakers
Angel Blankets Chapter for Binky Patrol
Wabash Center
American Red Cross
Family Promise of Greater Lafayette
Darlington Forever Inc.

Friends of the Frankfort Library
Friends of NCS, Inc.
Lew Wallace Study and Museum
Matrix Pregnancy Resource Center
Modified Athletics for Kids, Inc.
Purdue Master Gardener Association of Tippecanoe County
SURF Center
Tippecanoe County Historical Society
Boy Scout Troop 272
Book Cycle
YMCA of Greater Lafayette
TIPPCO
Purdue University - Montgomery County Extension Office
Big Brothers Big Sisters
Meals on Wheels of Tippecanoe County, Inc.
Heartford House
The Art Museum of Greater Lafayette
Dream Season, Inc.
Montgomery County Youth Service Bureau



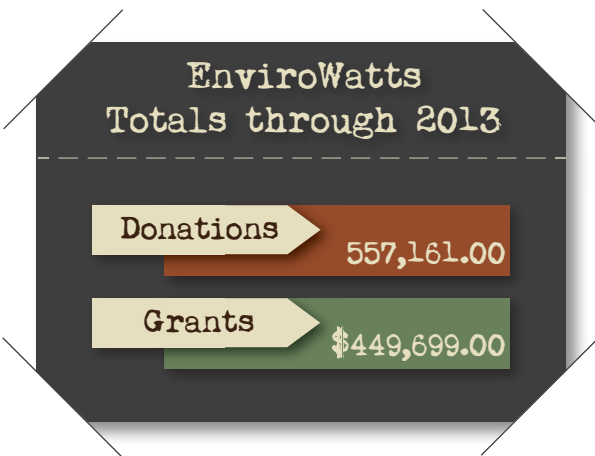
McCutcheon High School Robotics Team
Coal Creek Fire and Rescue, Inc.
Tippecanoe Child Abuse Prevention Council
The Learning Network Clinton County
Food Finders Food Bank
Montgomery County Free Clinic
Habitat for Humanity of Montgomery County

EnviroWatts

Tipmont REMC members show their support for their communities and the environment by participating in the EnviroWatts program. Members pay an extra one cent per kilowatt hour on their bill. Through these donations,

EnviroWatts awarded \$44,475.00 to 7 local organizations in 2013, including:

West Lafayette Parks and Recreation Foundation
Wabash Center, Inc
Wabash River Enhancement Corporation
Waterkeeper Alliance
Coal Creek Chapter of Pheasants Forever
Tipmont REMC Ivy Tech Scholarship
Lafayette Tree Fund - Tree Lafayette



Consolidated Balance Sheets

	2013	2012
Net Utility Plant	\$95,384,603	\$87,660,281
Other Property and Investments	10,047,381	8,699,645
Current Assets	10,939,492	8,772,702
Deferred Debits	2,216,249	255,498
Total Assets and Other Debits	\$118,587,725	\$105,388,126

Total Margins and Equities	\$57,043,178	\$53,588,466
Noncurrent Liabilities	51,972,163	43,317,802
Current and Accrued Liabilities	9,496,746	8,403,764
Deferred Credits	75,638	78,094
Total Equities and Liabilities	\$118,587,725	\$105,388,126

Consolidated Operating Statements

	2013	2012
Operating Revenues	\$56,511,136	\$53,076,533
Total Operating Revenues	\$56,511,136	\$53,076,533

Operating Expenses		
Cost of Power	\$38,984,441	\$36,661,750
Operations	2,697,608	2,326,153
Maintenance	2,147,154	1,888,747
Consumer Accounts	1,398,351	1,306,503
Administrative and General Expense	3,023,965	3,163,972
Depreciation Expense	3,164,678	2,916,080
Taxes	786,276	751,766
Interest	1,724,934	1,606,946
Total Operating Expenses	\$53,927,407	\$50,621,917

Patronage Capital and Operating Margins	2,583,729	2,454,616
Non Operating Margins	45,233	73,618
Other Capital Credits and Patronage Dividends	1,367,785	1,198,093
Income/Loss from Investments	24,936	21,465
Net Margins	\$4,021,683	\$3,747,792

Financials

years ended Dec 31

The Financial Records of Tipmont REMC and subsidiary for the years ended 2013 and 2012 presented in this report were taken from financial statements audited by Monroe Shine, Certified Public Accountants, New Albany, Indiana, which expressed their unqualified opinion on these statements in their report dated April 22, 2014.

All assets are pledged as security for the noncurrent liabilities of the Rural Utilities Service (RUS) and the National Rural Utilities Cooperative Finance Corporation (CFC).

Copies of the complete financial statements along with the auditor's report may be examined at the Cooperative's general headquarters by appointment during regular business hours.

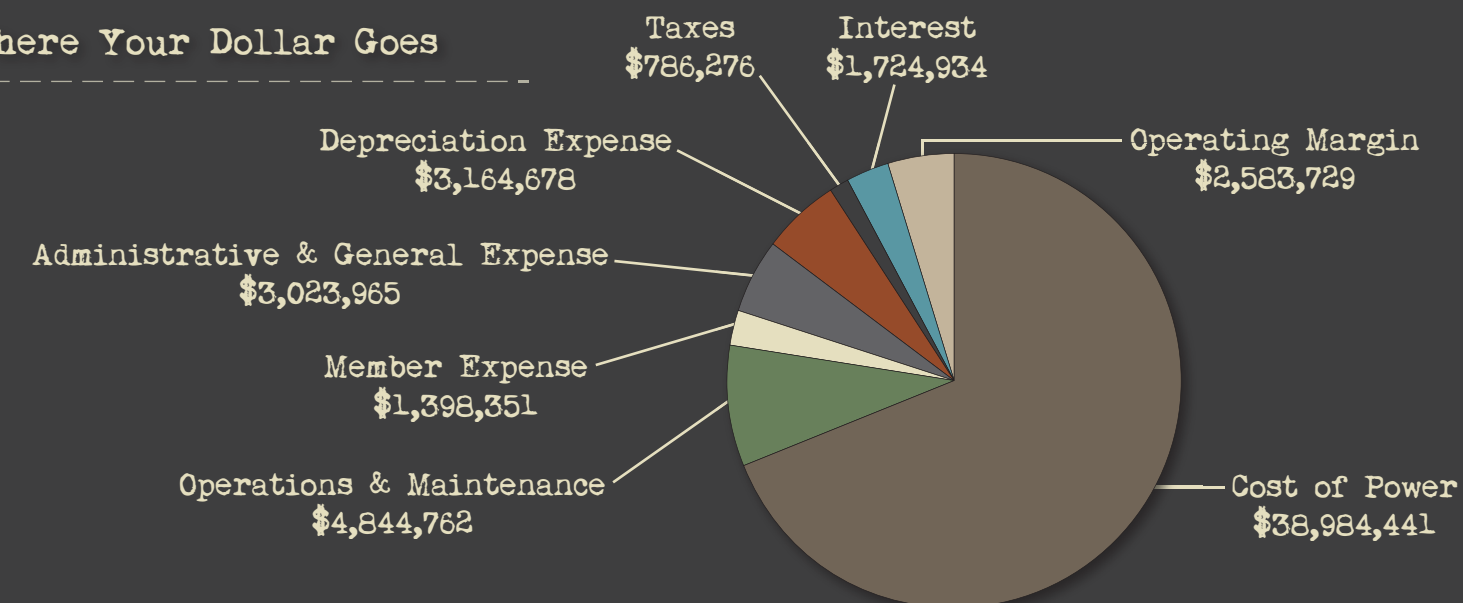
Kirk Alter,
Secretary-Treasurer of Tipmont REMC



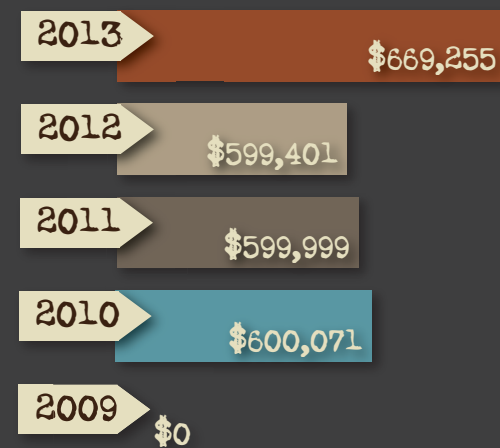
Number of Member Accounts



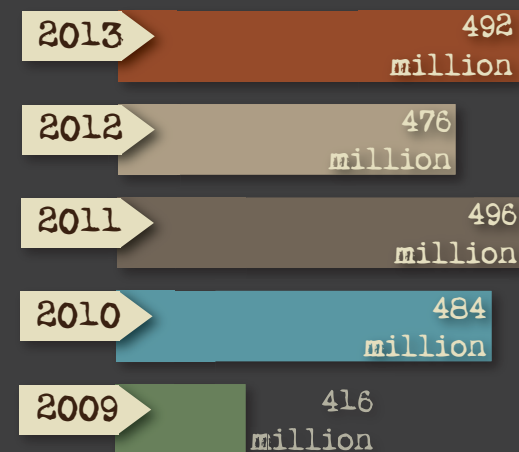
Where Your Dollar Goes



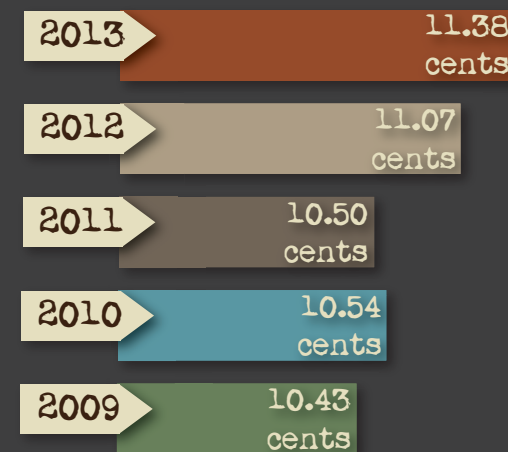
Capital Credit Retirements



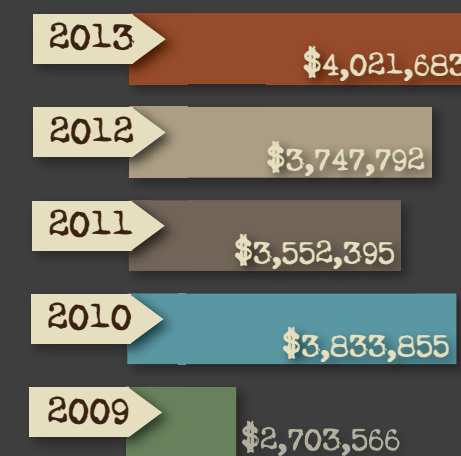
KiloWatt Hours Sold



Average Cost per KiloWatt Hours Sold



Total Margins



Curt Hudson Retires from Board

by Kathy Mayer

Give Curt Hudson land to farm, an opportunity to lend his business knowledge through community service and water for recreation, and he's a happy man. He keeps a full schedule, with a tad more time available now that he's retired from the Tipmont REMC board of directors after 15 years of service.



**Curt
Hudson**

"I served on the board to use my education and business experience to assist the

co-op in making business decisions," said Hudson. "It was a way to utilize my expertise in a different area."

Hudson earned the Credentialed Cooperative Director Certification from the National Rural Electric Association and served as board vice president and president.

Tipmont REMC's chief executive officer, Ron Holcomb, hailed Hudson's years of service. "Curt was very thoughtful about meeting member needs in a changing environment and about making sure that Tipmont remained well-positioned for the future," Holcomb said. "His service will be missed."

Area residents will find Hudson still active in numerous other community organizations. He's president of the Linden Cemetery Association, and he's a member of Linden-Madison Township Historical Society, New Richmond Masonic Lodge, Indiana Farm Bureau, and national corn and soybean associations.

"I have also been involved with the United Way, Ag Division, and other things, too" he said.

Hudson is the fourth generation to run

the family farm in Crawfordsville. His great grandfather, John D. Hudson, homesteaded a small plot, then his grandfather, Raymond Hudson farmed. His parents, Boyd and Helen Hudson, followed, then Curt Hudson.

A 1975 Purdue University graduate in farm business management, Hudson said, "I thoroughly enjoyed it. The only downside was I had to go to classes."

He learned from his parents, too. "They taught me to treat people with respect, to always be there to help people whenever you can."

Farming has been his lifelong passion. "I always wanted to farm, since I was a kid," he said. "I get a sense of accomplishment from farming, from being the best at it possible."

In 2007, he received the Conservation Farmer of the Year award from the Montgomery County Soil and Water Conservation District.

Today, Hudson has been joined by his son, Christopher, making Hudson Farms (www.hudsonfarms.com) a fifth generation agribusiness. Their corn and soybean operation has grown to 2,600 acres.

Besides Christopher, Hudson and his wife, Cindy, have a daughter, Courtney, a Logansport High School teacher. They have one granddaughter.

Cindy, an Indiana University graduate in medical technology, handles the business end of Hudson Farms. She has been on medical trips to Haiti, teaches Master Gardener classes and is active in 4-H and their church.

Hudson likes reading and visiting lakes in the area, Kentucky and other spots, only recently giving up water sports. "I used to enjoy barefooting," he said.

Together the couple enjoys traveling, usually taking a couple of trips a year and camping a few times. They've been to Canada, New Zealand and Fiji, among other spots.

"New Zealand was a favorite," he said. "We go on our own and do our own thing."

What's ahead? "More time with family," Hudson said. "And being able to travel more when I want to. With my son farming, I can pick up and go and not have to worry about things."

Directors



Front, 1 to r: Jerry Peevler, Bob Baker, Larry Carlson, Kirk Alter

Back, 1 to r: Lynn Beck, Attorney Jeff Helmerick, Brent Bible,
Curt Hudson, CEO Ron Holcomb

Not pictured: Richard Harlow, Jr.

Tipmont REMC
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Linden, IN 47955

800.726.3953

www.tipmont.org

Our Vision

To improve the quality of life in our service area through community involvement, education, safety, personal and economic growth while providing reliable and affordable electric service for our members.

R.E.M.C. TIP, *of the* MONTH

VOLUME TWO — LINDEN, INDIANA — JANUARY, 1941 — BOOK ONE

Tipmont's First Board of Directors



Standing left to right: Lewis Withrow John Kerkhoff William A. Gray John Cassida Earl Patterson Guy Simpson Seated left to right: Reid Paddock Clarence Sennett Jesse Graves John Frantz Roy Wells, Sec.-Treas. Howard Newton, Vice-President John H. Bone, President John P. Foresman Lawrence Layden

