

**Ballard Rural Telephone Cooperative Corporation, Inc.**

Sixty First  
**• ANNUAL MEETING •**  
 Meeting Place  
 BALLARD COUNTY MIDDLE SCHOOL  
 GYMNASIUM



**October 29, 2016**  
 2:00 p.m.

**OFFICERS AND TRUSTEES**

- Mike Jones, President..... Gage, KY
  - Peggy Meriedeth, Vice-President..... Barlow, KY
  - Joe B. Whipple, Secretary..... LaCenter, KY
  - Durwood Whipple..... Bandana, KY
  - Mickey Davis..... Heath, KY
  - Wayne Cooper..... Kevil, KY
  - Jack Giles..... Wickliffe, KY
- ATTORNEY**
- Mark Medlin..... LaCenter, KY

**BALANCE SHEET**

June 30, 2016

<b>CURRENT ASSETS:</b>	
Cash and Equivalents .....	\$ 5,294,579.36
Cash - REA Construction Fund .....	96,011.48
Telecommunication Accounts Receivable Less Allowances for Doubtful Accounts .....	113,015.88
Other Accounts Receivable .....	225,389.10
Material and Supplies - Regulated .....	827,108.42
Material and Supplies - Nonregulated .....	835,361.07
Prepayments .....	1,062,456.33
<b>Total Current Assets .....</b>	<b>\$ 8,453,921.64</b>
<b>NONCURRENT ASSETS:</b>	
Other Investments .....	\$ 10,626,775.60
Nonregulated Investments .....	(24,133.99)
Other Noncurrent Assets .....	2,090,898.27
<b>Total Noncurrent Assets .....</b>	<b>\$ 12,693,539.88</b>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>	
Telecommunication Plant Under Construction.....	\$ 6,306,544.48
Telecommunication Plant In-Service.....	53,395,628.56
Total Property, Plant and Equipment.....	\$ 59,702,173.04
Depreciation and Amortization.....	\$ (31,244,361.09)
Total Property, Plant and Equipment Less Depreciation .....	\$ 28,457,811.95
<b>TOTAL ASSETS .....</b>	<b>\$ 49,605,273.47</b>
<b>CURRENT LIABILITIES:</b>	
Accounts Payable.....	\$ 409,495.25
Customer Deposits .....	28,808.00
Other Taxes - Accrued.....	66,532.73
Other Current Liabilities.....	451,380.55
<b>Total Current Liabilities .....</b>	<b>\$ 956,216.53</b>
<b>LONG-TERM DEBT:</b>	
R U S Notes .....	\$ 19,994,250.51
R T B Notes .....	1,142,043.75
Total Long-Term Debt .....	\$ 21,136,294.26
<b>OTHER LIABILITIES AND DEFERRED CREDITS .....</b>	<b>1,176,598.31</b>
<b>Total Liabilities .....</b>	<b>\$ 23,269,109.10</b>
<b>MEMBERSHIPS' EQUITY:</b>	
Memberships.....	52,024.00
Patronage Capital Credits .....	3,515,330.70
Retained Earnings .....	22,768,809.67
Total Memberships' Equity .....	\$ 26,336,164.37
<b>TOTAL LIABILITIES AND MEMBERSHIPS' EQUITY .....</b>	<b>\$ 49,605,273.47</b>



**Kentucky 515 Ballard  
Ballard Rural Telephone Cooperative Corporation, Inc.  
LaCenter, Kentucky**

**Comparative Income Statement**

**For the Period of January 1, 2013 thru June 30, 2016**

	2013 12 Mos.	2014 12 Mos.	2015 12 Mos.	2016 6 Mos.
<b>OPERATING REVENUE:</b>				
Local Network Services Revenues	\$ 934,387.13	\$ 971,244.35	\$ 954,381.69	\$ 451,436.33
Network Access Services Revenues	3,408,793.83	2,872,231.57	3,014,391.05	1,785,531.38
Long Distance Network Service Revenues	1,538.21	1,323.65	1,497.66	(-540.29)
Miscellaneous Revenues	1,286,507.44	1,665,300.62	1,962,822.48	939,790.94
Uncollectible Revenues	(11,545.79)	(144,637.62)	(17,106.48)	(11,027.10)
Total Operating Revenues	<u>\$ 5,619,680.82</u>	<u>\$ 5,365,462.47</u>	<u>\$ 5,915,986.40</u>	<u>\$ 3,165,191.26</u>

<b>OPERATING EXPENSE:</b>				
Plant Specific Operations Expense	\$ 895,315.80	\$ 946,474.44	\$ 864,370.98	\$ 387,535.22
Plant Nonspecific Operations Expense	2,732,864.65	2,482,048.64	2,188,967.62	1,234,469.29
Customer Operations Expense	254,405.65	287,867.00	362,577.81	167,033.49
Corporate Operations Expense	832,379.08	876,994.19	734,794.59	382,519.33
Subtotal Operating Expenses	<u>\$ 4,714,965.18</u>	<u>\$ 4,573,384.27</u>	<u>\$ 4,150,711.00</u>	<u>\$ 2,171,557.33</u>
<b>OTHER OPERATING INCOME AND EXPENSE</b>	(229,022.45)	(175,637.64)	(5,827.72)	(109,108.83)
<b>OPERATING TAXES</b>	<u>1,784,275.27</u>	<u>1,891,190.99</u>	<u>2,538,228.55</u>	<u>1,389,710.33</u>
Total Operating Deductions	<u>\$ 6,270,210.00</u>	<u>\$ 6,288,937.62</u>	<u>\$ 6,689,111.83</u>	<u>\$ 3,452,158.83</u>

<b>NET OPERATING INCOME</b>	\$ (650,537.18)	\$ (923,475.15)	\$ (767,125.43)	\$ (286,967.57)
<b>NONOPERATING INCOME AND EXPENSE</b>	4,313,499.55	5,146,634.12	5,623,905.62	3,199,333.21
<b>INTEREST AND RELATED ITEMS</b>	<u>\$ (700,791.27)</u>	<u>\$ (680,661.71)</u>	<u>\$ (673,964.50)</u>	<u>\$ (301,329.83)</u>
<b>ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION</b>	150,877.08	68,684.13	217,808.63	0
<b>NET INCOME-REGULATED</b>	<u>\$ 3,113,048.18</u>	<u>\$ 3,611,161.39</u>	<u>\$ 4,400,624.32</u>	<u>\$ 2,611,035.81</u>

<b>JURISDICTIONAL DIFFE &amp; NONREGULATED INCOME</b>	<u>\$ (1,970,672.09)</u>	<u>\$ (1,570,017.57)</u>	<u>\$ (1,346,247.16)</u>	<u>\$ (933,024.93)</u>
<b>TOTAL NET INCOME</b>	<u>\$ 1,142,376.09</u>	<u>\$ 2,041,143.82</u>	<u>\$ 3,054,377.16</u>	<u>\$ 1,677,955.38</u>

Exhibit

**PROGRAM**

1. 1:00 p.m. - Registration of Members
2. 2:00 p.m. - Meeting Convenes
3. Call to Order
4. Invocation
5. Proof of Quorum
6. Opening Remarks
7. Introduction of Guests
8. Proof of Notice of Meeting
9. Reading of Minutes of Previous Annual Meeting
10. Report on Nominations
11. Voting Instructions
12. Election of Trustees
13. Manager's Report
14. Unfinished Business
15. Prizes
16. Election Returns
17. Adjournment

**EMPLOYEES**

- Randy C. Grogan..... CEO/Manager
- Stephen P. Jones II..... Information Technology Network Manager
- Chris Denton..... Plant Manager
- Karen Tilford..... Accounting Manager
- Janet Dennis..... Accounting Assistant
- Lisa Myatt..... Customer Service Supervisor
- Tara Terrell..... Customer Service Rep./Directory Coordinator
- Keri Stewart..... Customer Service Representative
- Denise Knight..... Plant Service Representative
- Cindy Wicker..... Billing Supervisor & CABS Coordinator
- Cheryl Scott..... Plant Service Representative
- Cheryl Taylor..... Network Service Representative
- Gina Garnett..... Plant Service Representative
- Mark Beardsley..... Internet Technician
- Kevin Romaine..... Central Office Technician
- Joe Flowers..... Central Office Technician
- Bradley Davis..... Cable Splicer
- Ted Solomon..... Video Headend Technician
- Craig Shepherd..... Senior Installer/Repairman
- David Lindsey..... Installer Repairman
- Matt Hardeman..... Installer Repairman
- Jeremy Paiker..... Installer Repairman
- Darrin Bishop..... Installer Repairman
- Scott Alexander..... Lineman
- Jason Goode..... Lineman

**Access Line Summary - As of June 30, 2016**

EXCHANGE	2015	2016
Bandana	331	313
Barlow	434	418
Gage	373	367
Heath	721	690
Kevil	1034	992
LaCenter	778	769
Wickliffe	725	702
<b>TOTAL</b>	<u>4396</u>	<u>4251</u>





**BTC**  
BRINGING TECHNOLOGY CLOSER

# Bringing Technology Closer

September 2016 Vol. 23 No. 2

## News From Your Manager



Randy Grogan

Hello members! I hope you are having a great summer. Have you ever seen a summer with as much rain as we have had? I have mowed every week parts of my wooded yard that in most years needs mowing only every three or four weeks. Even with all of the wet weather our contractor has done very well placing the fiber optic cable in the southern portion of our Gage exchange and the remainder of the Wickliffe exchange. We are going to begin cutover of the 300 plus subscribers in some of these areas in October. If we don't get all of these subscribers cut over to fiber by the end of this year, it will be soon after the first of next year.

This year has been extremely busy with the conversion of subscribers to the fiber optic network in the northern part of the Gage exchange and the southern part of the Bandana exchange. The conversion of these subscribers will continue through September. At the same time we have converted our northern Bandana exchange and in the areas of the Barlow exchange outside of Barlow from the Motorola TV service to the IP TV service customers have on fiber. These subscribers will be converted to fiber late next year, but now have TV service with the TV guide.

As we have converted over 400 subscribers so far this year, I would like to thank all of our employees for all of their hard work and dedication. I appreciate all of our customers for your patience. It takes some of these unusually busy times to be able to reap the rewards of the state-of-the-art network that we have and will have once we wind down construction by the end of next year. Regarding next year's construction, the bids for installation of the fiber optic cable in the remainder of the Bandana and Barlow exchanges will be bid out late in October for a November board approval. These construction projects will conclude our fiber build with 100% of our service territory covered with a state-of-the-art fiber optic network. Many people in larger populated towns and cities would be envious of the fiber network that BTC has deployed and which you are or will be soon connected to.

When construction is complete we will have an investment of approximately 40 million dollars in our fiber optic network. You might ask how a small company pays off that kind of debt and not have massive rate increases. The answer being that in a rural area with an average of approximately five subscribers per mile of cable, we are considered a high cost company. This allows us to participate in the Universal Service Fund (USF). The monies we receive through the USF makes up a large percentage of BTC's revenues and allows us to construct and pay for our networks. Also, the board of trustees made an excellent decision over 25 years ago to enter into a partnership to provide cellphone service to the Jackson Purchase area of western Kentucky. This partnership is run under the name of Verizon Wireless and this move has proved to be very profitable for our cooperative and has also enabled BTC to be able to provide the network and services we have today. If you do not have Verizon Wireless for your wireless phone service, please consider switching to the Verizon network and at the same time help benefit your cooperative.

The cooperative's annual meeting is just around the corner so please make plans to attend on Saturday October 29th. We will share information about your cooperative over the past year and let you know some of our plans for the near future. We will have door prizes, refreshments and draw for many other gifts. Come visit with your friends and neighbors and I look forward to seeing you there. Thank you again for your patronage of BTC!

## 2016 ANNUAL MEETING AND TRUSTEE ELECTION

This is your official notice of meeting and annual report. The Annual Meeting and Trustee election has been set for Saturday, October 29, 2016.

The meeting will be held at the Ballard Middle School Gym. Please use the parking lot behind the school for entrance to the gym. Registration for the meeting will begin at 1:00 p.m. and the meeting will be called to order at 2:00 p.m. for the election of the Barlow, Heath and Kevil Trustee positions. The incumbent seeking reelection for the Barlow exchange is Peggy Meriedeth, for the Heath exchange is Mickey Davis and for the Kevil exchange is Wayne Cooper.

Every member is entitled to one vote; where two people hold a joint membership, either may vote, but not both. The purpose of this meeting is to transact business and allow you to take part in your cooperative

[www.btcservices.org](http://www.btcservices.org)



## Frequent Questions from BTC Internet Customers

How can I determine if it's safe for me to click on a link?

Clicking on a link can always be risky, since there is no way to be 100% sure that the link will lead to the information you want or to a malicious website or virus-filled download. We recommend that you take the following steps to reduce your chances of experiencing problems when opening a link:

- **Consider how you got the link.** Did it appear in a Google link? Did a friend post it on Facebook? Was it part of an unsolicited email? If it was unsolicited, don't click on it. Hackers send out malicious links in emails daily. Links from your own Google searches are often OK. Links from friends in Facebook are generally ok, but be careful!
- **Slow down and think it through.** Hackers often try to create fear in order to get you to click on a link quickly. They may send an email, for example, that says your checking account was hacked and you need to click on a link right away to prevent your money from being stolen. Don't fall for their tricks.
- **Take the safest route.** If you're suspicious of a link, you shouldn't click on it. Better safe than sorry. And if it is information you truly need, you can usually visit the organization's site directly to find it. If, despite your best efforts, you end up on a questionable site, leave it immediately. Hackers are slick, think before you click!

If you have questions, always contact us and we will be glad to help. These unsolicited links can destroy your computer or harm you financially. We can be reached at 270-665-5186 or via email at [baltel@btrc.net](mailto:baltel@btrc.net).

### Dear Member-Subscriber:

In compliance with Article III, Section I of the Cooperative By-Laws, notice of the Annual Meeting is hereby provided. And as the Secretary, I urge you to attend this important business meeting of your Cooperative.

Joe Brooks Whipple, Secretary  
Ballard Telephone Cooperative

### Petitions Available for Trustee Election 2016

If you would like to serve as a Trustee for BTC, petitions are available for the upcoming Board of Trustees election at the headquarters building in LaCenter.

Completed petitions must be returned by Friday, September 23, 2016. Trustee elections will be held for the exchanges of Barlow, Heath and Kevil.

You must reside in one of these exchanges (Barlow, Heath or Kevil) and have a petition signed by at least fifty (50) members of BTC with active service.

For more information regarding the trustee election, members may contact Randy Grogan, CEO/General Manager or review Ballard Telephone's by-laws in the telephone directory.

The Annual Meeting is scheduled for Saturday, October 29, 2016. Registration begins at 1:00 p.m.; the meeting convenes at 2:00 p.m.

### **DON'T FORGET!**

**Set your clocks BACK!! Sunday, November 6th**  
**BTC will be closed for the following holidays:**

Labor Day, Monday, September 7

Veterans' Day, Friday, November 11

Thanksgiving Day, Thursday, November 24

Save The  
Date!

BTC Annual Christmas  
Open House

Friday, December 2  
9 am to 3 pm

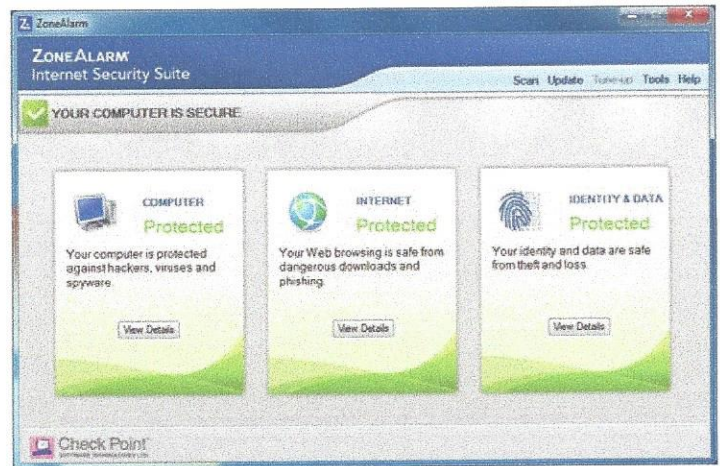


## MySecurity

MySecurity is provided by ZoneAlarm. ZoneAlarm Security Suite is an easy to use, comprehensive security solution that keeps out hackers, viruses, worms, fraudulent emails and other threats. It uses award-winning firewall technology from Zone Labs, and includes antivirus, phishing & spam protection, Web site filtering, privacy protection, instant messaging security, and more.

### Key Features

- Easy-to-use firewall blocks hackers and other unknown threats.
- Stops viruses and worms, and protects against emerging viruses before they attack.
- Protects against identity theft and online profiling.
- Quarantines suspicious email attachments and blocks outbound messages containing potential viruses.
- Protects users of the most popular IM services and shields you from IM spammers, thieves, and online predators. Blocks access to offensive Web site content.
- Anti-Phishing & Spam Blocker automatically stops dangerous phishing emails and spam from getting into your inbox. Plus they constantly adapt the ever-changing techniques of professional spammers-protecting you against the latest 'phishing' schemes.
- Automatically secures PCs connected to wireless networks-at home or on the road.



Pricing for MySecurity is \$2.99 per month per user (up to five computers on one account)

How to get MySecurity – Go to [www.btcservices.org](http://www.btcservices.org) and select the 'BTC Email' Tab. Log into our portal with your @brtc.net email and it is just a click away. Your account will be billed each month. If you have questions, please call our support line at 270-665-9600

## BTC Phone Book

Please contact our business office at 270-665-5186 or via email at [baltel@brtc.net](mailto:baltel@brtc.net) if you need to change your directory listing in the 2017 BTC Directory.

Remember, unless we are notified, your 2017 directory listing will remain the same listing as the 2016 directory. Our business customers will be contacted by Pinnacle Publishing. Business customers will be requested to sign a contract stating exactly what and how their listing is to be printed. Don't miss out on this great advertising opportunity!

## BTC Channel 1 Veteran's Salute

If you are a Veteran, have a Veteran in your family or a friend who is a Veteran, please send us a picture so we can honor them this upcoming Veterans' Day. We also are happy to include pictures of active duty members of our military branches.

BTC Channel 1 will air a Veteran's salute with all of our heroic Veteran's pictures along with patriotic music beginning around Veterans' Day. If you would like to send us a picture, please have it to us by November 1. If you have shared a picture with us in the past, we still have it on file so there is no need to send another picture.

Please email your photos to [baltel@brtc.net](mailto:baltel@brtc.net) or you can bring a copy by the office. If you only have an original, we will scan the photo for you and return it via mail or you can pick it up at a later time. Please include the Veteran's name, branch of service, rank and years served. BTC appreciates all of your help in saluting the brave men and women who have defended our freedoms through the years and still today!





## DIAL A COOK

The recipe this quarter was provided by Rica Lindsey, wife of David Lindsey.

### **RICA'S RATATOUILLE**

#### **INGREDIENTS:**

- 1 pound of bacon**
- 3 medium size zucchini**
- 3 medium size squash**
- 1 large onion**
- 1 can of diced tomatoes**
- 1 can of Rotel (original, mild or hot)**
- 2 cups of Colby Jack Cheese**

#### **DIRECTIONS:**

- 1. Fry the pound of bacon in a large skillet until crispy, remove from skillet and set aside.**
- 2. Leave bacon grease in the skillet and slice squash, zucchini and onion very thin. Put them in the skillet with the bacon grease. Cook on medium heat for about 20 minutes until vegetables are translucent.**
- 3. Add diced tomatoes and Rotel, simmer for about 20 minutes.**
- 4. Take the skillet off the burner, put cheese on top and crumble bacon on top of cheese.**
- 5. Put a lid on the skillet and let sit for 10 minutes.**

*Then enjoy!*

PRESORTED STANDARD  
U.S. POSTAGE  
PAID  
PADUCAH, KY  
PERMIT NO. 138

**BTC**  
P.O. Box 209  
LaCenter, Kentucky 42056