

2019 Snapping Shoals EMC  
Annual Report

STAY  
ON



# STAY INFORMED

The 2019 Annual Meeting will be held on Thursday, July 18, in the Charles C. Walker Arena at the Georgia International Horse Park in Conyers. Registration will start at 8:30 a.m. and end promptly at 11:15 a.m. Members will not be allowed to register after 11:15 a.m. The business session will begin at 11:30 a.m. and prize drawings will be held after the business session ends.



The grand prize will be a 2003 Ford Ranger pickup that is being retired from the Snapping Shoals' fleet. Prizes will also include a flat-screen TV, DVD player, microwave oven and much more. The oldest married couple in attendance will win a \$100 credit on their power bill, and the oldest member in attendance will win a \$50 credit on his or her power bill. You must be a Snapping Shoals EMC registered member and be present to win a prize in the drawing.

This year's entertainment will feature the 2019 International Country Gospel Music Association's (ICGMA) entertainer of the year, Chris Golden. Golden is a multi-instrumentalist, singer, songwriter and storyteller. He will be sharing his talents through his music and words of encouragement. More information on Golden can be found on his website [www.chrisgolden.net](http://www.chrisgolden.net)

Members can enjoy informational booths and children's games. Snapping Shoals will provide free soft drinks, snow cones, and a variety of foods may be purchased from the Horse Park. We look forward to seeing you on July 18.

## GEORGIA INTERNATIONAL HORSE PARK

1996 Centennial Olympic Parkway  
Conyers, Georgia 30013

### Directions:

Take exit 82 off Interstate 20 in Conyers. Travel north approximately 4 miles. Turn right onto Centennial Olympic Parkway. The main entrance to park is 2 miles ahead on right.



# STAYING POWER

Webster's Dictionary defines the word "stay" to mean "to remain; to continue in a place; to abide for any indefinite time." For Snapping Shoals EMC, as we enter our 81st year of operation, we have never been more committed to staying true to our core mission of providing quality electric service at the lowest cost possible while constantly looking for new ways to improve our services and never forgetting the importance of our member-owners. Snapping Shoals EMC is always motivated to safely deliver reliable, competitively priced electricity while being accountable to our member-owners through sound governance, management and operating practices, as well as improving quality of life in our local communities.

As an electric cooperative, Snapping Shoals Electric Membership Corporation is different from other forms of business because it is locally controlled, democratically governed and non-profit. As a non-profit, we only collect enough revenue to cover the cost of operating our business. Any excess revenue is retained in the form of capital credits, and our Board of Directors elects to "retire" or "refund" a portion of these capital credits to the members whenever possible. Staying true to our non-profit status, in 2019 the Board of Directors is proud to return \$4 million in capital credits to qualifying current and former members who received electric service during 2002, 2016, and 2018.

Staying focused on our mission of delivering competitively priced electricity makes your co-op one of the most affordable electric utilities in the state. This is supported by the 2019 Georgia Public Service Commission survey of winter rates of all 94 electric providers in Georgia. Your co-op has the second lowest residential rates at 2,000 and 1,500 kWh and has the 3rd lowest rate at 1,000 kWh. Our residential rates are the lowest at 2,000, 1,500 and 1,000 kWh, inclusive of Georgia's 41 EMCs and Georgia Power. Controlling costs through prudent fiscal discipline makes these low rates possible. Also at the core of our low rates are 229 employees who pledge daily to stay dedicated and motivated, ensuring the delivery of reliable and affordable electricity to all of our members. As a Snapping Shoals member, you have the great fortune of having this team serve you. We thank them for their tremendous contribution to Snapping Shoals EMC's success.

Renewable energy continues to remain an important part of our diversified resource strategy and we continue to evaluate options that will help meet the growing demand for solar energy. Through Green Power EMC, the renewable energy cooperative owned by 38 Georgia EMC's, including Snapping Shoals EMC, we will be participating in a 194 megawatt project scheduled to come on line in 2021 as well as a 70 megawatt project scheduled to come on line in 2022. By 2022, solar power will represent 10 percent of our resource portfolio. Our recently completed Cooperative Solar facility is now one of the first solar facilities in the state to utilize a resident herd of sheep to provide vegetation management for the 13-acre site. Not only will the sheep control the grass and weeds, they will also provide an educational opportunity for local FFA participants.

Beyond our commitment to the reliable delivery of electricity, your cooperative stays driven to improve member services. Our emphasis is focused on delivering value-added programs and solutions that provide greater convenience for our members. We encourage members to explore and take advantage of all programs offered through SSEMC.

We also remain focused on being connected to the communities we serve. Staying true to our cooperative values, we support programs, projects and organizations that help enhance the quality of life in our service area. Snapping Shoals EMC employees volunteer in many of the local organizations in our communities. We support local employers and industries, helping to create and protect jobs. We also provide assistance to many local causes through our Operation Round Up program, unclaimed capital credit dollars and Bright Ideas, just to mention a few. Snapping Shoals EMC is proud to have been recognized by the Newton County College and Career Academy FFA as their 2018-2019 “Supporter of the Year” award recipient.

2019  
Snapping  
Shoals EMC  
BOARD of  
DIRECTORS  
& CEO



**Brad Thomas**  
*President/CEO*

**Jake Carter**  
*Assistant Secretary /Treasurer*  
*Henry County*

**Gene Morris**  
*Chairman*  
*Henry County*

**James I. White**  
*Henry County*

DISTRICT

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We thank you for being a member of Snapping Shoals EMC and are proud to be your energy provider. Rest assured that Snapping Shoals EMC's Board of Directors and employees will stay driven and committed to providing first-class service each and every day. We understand "great service" is key and are determined to always make you proud to say you are a member of this great cooperative. Ensuring that the lights "STAY ON" is our pledge to you. We look forward to seeing you at your Annual Meeting on Thursday, July 18, 2019.

**Brad Thomas**  
*President/CEO*

**Gene Morris**  
*Chairman, Board of Directors*



**Frank Lineberger**  
*Vice Chairman*  
*DeKalb County*

**Dr. Joseph Sharp**  
*Rockdale County*

**Lance Harper**  
*Newton County*

**Walter Johnson**  
*DeKalb County*

**Dr. Millard Ross**  
*Rockdale County*

**Anthony Norton**  
*Rockdale County*

**Ruby Woods**  
*Secretary /Treasurer*  
*Newton County*

**Jeanette Berry**  
*Newton County*

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# STAY RELIABLE

At Snapping Shoals EMC, our top priority is reliable electric service to our members, and that means minimizing outages as much as possible.

Our members are crucial in helping us weather any storm. Your cooperation in construction of new lines and support in allowing us to properly maintain our rights-of-way are essential in helping prevent outages and expediting restoration. Our strong right-of-way program keeps trees clear of power lines and plays a vital role in keeping outages to a minimum. We consistently cut back limbs and trees that may potentially cause outages were they to fall on the lines or that could interfere with power restoration.



*Snapping Shoals EMC Crews upgrade a span of distribution line along Highway 155 in McDonough, Georgia to accommodate the increased electrical demand.*

*Snapping Shoals is constantly working to improve our electric distribution system which directly improves our reliability by updating and replacing equipment, maintaining right-of-ways and assuring that personnel like lineman Brandonn Washington (right) have the skills and tools they need to perform their jobs safely and efficiently.*



According to a survey by the National Rural Electric Cooperative Association, weather-related events cause the majority of power outages for electric cooperatives. Vegetation growing too close to power lines and distribution equipment during those events can cause even more damage.

You can help by letting us know if you notice trees or branches that might pose a risk to our power lines. Also, before planting trees think about how large a new tree may become once fully grown. Specifications can vary, but at SSEMC we maintain a minimum of 15 feet on either side with a maximum of 25 feet ground to sky. To report trees you think may pose a problem, please call us at 770-786-3484.

The expertise of our linemen and other employees is essential in keeping outage numbers down as well. Our employees understand their individual roles and work together as a team to get the job done when we do experience outages. In cases of predicted severe weather events, we make plans in advance for our employees to be available. We also begin communication with other co-ops ahead of storms so they can assist us in case we experience a high number of outages.

For those members who do experience an outage, our mySSEMC app and outage center at [www.ssemc.com](http://www.ssemc.com) make reporting outages easy, and the outage map on our website helps keep you up-to-date. We appreciate your help as we work together to keep electricity reliable.

# STAY AHEAD

Snapping Shoals EMC is exploring the use of unmanned aerial vehicles (UAVs), also known as drones, as a way to improve service to our members.

Drones are cheaper, safer and more reliable than traditional ground crew and helicopter inspections. Drones also have the potential to replace costly conventional inspection techniques with streamlined, automated inspection processes that may be more precise and less cumbersome than existing technology.

Drones can also be used during storms to assess damage and allow our crews to pinpoint problems more quickly.

According to Robbie Young, Snapping Shoals EMC's Manager of Apparatus and Information Technology, "The future is going to see non-line-of-sight flight. That's when we may be able to fly from the office to the site of an outage and send back pictures and video of any damage before we even have time to dispatch a crew. It's all in the name of providing reliable service to our member-owners."



*Apparatus technicians and licensed drone pilots, Mitchell Martin (left) and Greg Fletcher (center) along with Robbie Young (right) demonstrate the UAV's ability to inspect distribution lines*



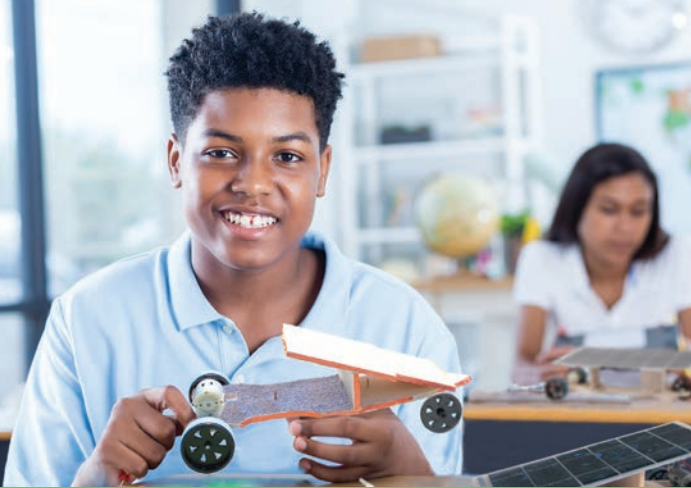
# STAY CONNECTED

## Well Bee-ing

Honey bees are essential to agriculture and the health of our environment. To encourage these pollinators, Snapping Shoals and some of its employees, like Andy McDaniel (right), manage hives at our Solar farm.



Photo: Brian Dean



## Empowering Education

Snapping Shoals EMC always welcomes the opportunity to engage young minds. Here are some of the educational initiatives we sponsor:

- Junior Solar Sprint
- Ezone electrical safety and education program
- Bright Ideas grants for educators
- Walter Harrison, J.E. Robinson, All-Around Student scholarships and Washington Youth Tour
- Sponsorship of the Georgia High School Association (GHSA) sporting championships

## Green Maintenance

SSEMC is one of the first utilities in Georgia to utilize a resident herd of sheep to maintain the grounds of its 13-acre Cooperative Solar facility. The flock works tirelessly to nibble away at the vegetation growing beneath the arrays of solar panels, vegetation that could reduce efficiency and possibly cause damage to the solar panels.

Herd maintenance is performed by local agriculture students, their advisers and SSEMC employees.



Photo: Brian Dean



## Neighbor Helping Neighbor

Operation Round Up® is an assistance program that allows members to help others in the communities we serve. The program is a simple and rewarding way for our member-owners to raise money for local charities, and individuals in need.

You can sign up for Operation Round Up® at any time. Representatives will be on hand at the Annual Meeting to sign you up as well.

# INDEPENDENT AUDITOR'S REPORT

McNair, McLemore, Middlebrooks & Co., LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
389 Mulberry Street • Post Office Box One • Macon, GA 31202  
Telephone (478) 746-6277 • Facsimile (478) 741-1129  
*mmmcpa.com*

April 5, 2019

The Board of Directors  
Snapping Shoals Electric Membership Corporation

We have audited the accompanying consolidated financial statements of **Snapping Shoals Electric Membership Corporation and Subsidiary** (the Corporation), which comprise the consolidated balance sheets as of December 31, 2018 and 2017 and the related consolidated statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Snapping Shoals Electric Membership Corporation and Subsidiary as of December 31, 2018 and 2017 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

# FINANCIALS

## Consolidated Statements of Operations

	2018	2017
<b>Operating Revenues</b>	<b>\$ 197,762,219</b>	<b>\$ 184,585,923</b>
<b>Operating Expenses</b>		
Cost of Power	145,719,174	134,329,919
Distribution Operations	12,132,438	11,367,727
Distribution Maintenance	7,509,502	7,335,689
Consumer Accounts	7,242,518	7,232,847
Consumer Service and Information	462,646	400,938
Sales	574,268	595,128
Administrative and General	8,465,881	8,492,421
Depreciation	10,648,756	10,173,387
	<b>192,755,183</b>	<b>179,928,056</b>
<b>Operating Margins Before Interest Expense</b>	<b>5,007,036</b>	<b>4,657,867</b>
<b>Interest Expense</b>	<b>4,223,726</b>	<b>4,314,886</b>
<b>Operating Margins After Interest Expense</b>	<b>783,310</b>	<b>342,981</b>
<b>Non-operating Margins</b>	<b>1,880,958</b>	<b>1,836,928</b>
<b>Generation and Transmission Cooperative Capital Credits</b>	<b>677,814</b>	<b>644,987</b>
<b>Other Capital Credits and Patronage Capital Allocations</b>	<b>923,283</b>	<b>914,831</b>
<b>Net Margins Before Income Tax</b>	<b>4,265,365</b>	<b>3,739,727</b>
<b>Income Tax Expense</b>	<b>-</b>	<b>-</b>
<b>Net Margins</b>	<b>\$ 4,265,365</b>	<b>\$ 3,739,727</b>

# FINANCIALS

## Consolidated Balance Sheets

ASSETS	2018	2017
<b>Utility Plant</b>		
Electric Plant in Service - At Cost	\$ 295,926,069	\$ 284,530,622
Construction Work in Progress	2,185,130	3,710,734
	298,111,199	288,241,356
Accumulated Depreciation	(122,135,270)	(115,827,915)
	175,975,929	172,413,441
<b>Other Property And Investments</b>		
Investments in Associated Organizations	25,508,647	24,492,594
Notes Receivable	79,290	211,231
Other Investments	3,089,152	3,089,152
	28,677,089	27,792,977
<b>Current Assets</b>		
Cash and Cash Equivalents	4,046,506	2,642,959
Accounts Receivable (Net of Accumulated Provision for Uncollectible Accounts of \$481,995 in 2018 and \$616,824 in 2017)	12,613,442	10,560,135
Current Portion of Notes Receivable	86,490	86,490
Materials and Supplies	2,544,604	2,789,701
Other	41,745,688	41,774,032
	61,036,730	57,853,317
<b>Deferred Debits</b>	98,373	1,665,078
<b>Total Assets</b>	<b>\$ 265,788,121</b>	<b>\$ 259,724,813</b>

# FINANCIALS

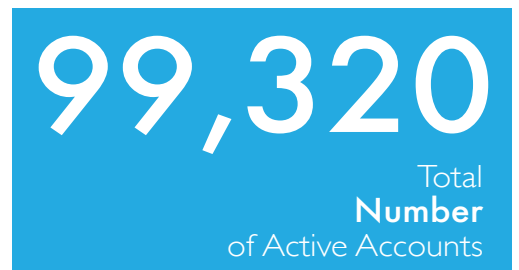
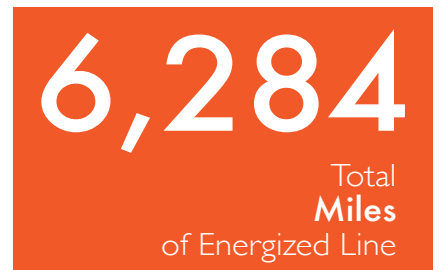
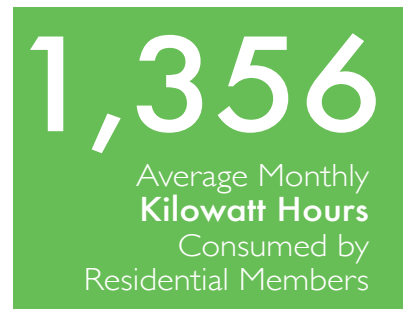
## Consolidated Balance Sheets

### MEMBERS' EQUITY & LIABILITIES

	2018	2017
<b>Members' Equity</b>		
Membership Fees	\$ 878,158	\$ 866,337
Patronage Capital	83,613,640	85,727,809
Other Equities	6,518,158	4,517,646
	<b>91,009,956</b>	<b>91,111,792</b>
<b>Long-Term Debt</b>	<b>77,373,323</b>	<b>75,083,176</b>
<b>Accumulated Provision for Postretirement Benefits Other Than Pensions - Noncurrent</b>	<b>10,680,775</b>	<b>10,090,279</b>
<b>Current Liabilities</b>		
Current Maturities of Long-Term Debt	6,364,000	5,809,000
Line-of-Credit	7,000,000	3,850,000
Accounts Payable	12,908,786	12,597,477
Consumer Deposits	10,695,731	10,335,633
Accrued and Withheld Taxes	898,361	1,957,12
Accumulated Provision for Postretirement Benefits Other Than Pensions - Current	350,000	285,000
Other	4,606,629	4,384,164
	<b>42,823,507</b>	<b>39,218,401</b>
<b>Deferred Credits</b>	<b>43,900,560</b>	<b>44,221,165</b>
<b>Total Members' Equity and Liabilities</b>	<b>\$ 265,788,121</b>	<b>\$ 259,724,813</b>

# 2018

## BY THE NUMBERS



### The Economic Impact of Your Co-op

For decades, co-ops like Snapping Shoals EMC have played a vital role in the U.S. economy. Electric co-ops were built by and belong to the consumers they serve, and they are locally-engaged in their communities, driving economic activity, and fostering development. These benefits extend beyond their direct employment, spending, and investments, and they ripple throughout the economy, creating economic value for communities, regions, and the country.

## PROXY

The undersigned member of Snapping Shoals Electric Membership Corporation does hereby appoint and constitute

\_\_\_\_\_ (print agent's name) as agent and proxy of the undersigned with all powers to act for the undersigned, with power of substitution, to vote on any matter which the undersigned would be entitled to vote if personally present at the Annual Members' Meeting of the Snapping Shoals Electric Membership Corporation, to be held at the Georgia International Horse Park, Conyers, Georgia on the 18th day of July, 2019. The undersigned does hereby ratify and confirm all whatsoever said attorney and proxy shall do or cause to be done in or about the premises by virtue of this PROXY.

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
Member Number: \_\_\_\_\_

## AUTHORIZATION TO REGISTER

for School, Church, Corporation,  
Civic Organization or Other Entity  
We, the undersigned, do hereby certify that

\_\_\_\_\_ (print name) has been duly authorized to register and act in behalf of

\_\_\_\_\_ (name of entity) at the Snapping Shoals EMC Annual Meeting to be held on Thursday, July 18, 2019, at the Georgia International Horse Park, Conyers, Georgia

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title of Official: \_\_\_\_\_  
Date: \_\_\_\_\_

## NOTICE To Individuals with Special Needs

Handicapped parking will be available at the Annual Meeting, and an interpreter for the hearing impaired will be present during the Business Meeting. Service animals are allowed but no pets, please.

## OFFICIAL NOTICE

### of The 2019 Annual Meeting of Snapping Shoals Electric Membership Corporation

To the Members of Snapping Shoals Electric Membership Corporation:

Notice is hereby given that pursuant to the provisions of the Bylaws, the Annual Meeting of Snapping Shoals Electric Membership Corporation will be at the Georgia International Horse Park, Conyers, Georgia on July 18, 2019, at 11:30 a.m. EDT for the following purposes:

1. To elect Directors for ensuing terms.
2. To transact such other and further business as may properly come before the meeting or any adjournment or adjournments thereof.

If you do not expect to attend the meeting, you may vote by proxy upon matters to be transacted at the Annual Meeting. On this page is a proxy, which should be properly dated and signed. No member may vote as proxy for more than three members at the Annual Meeting. No proxy shall be valid after sixty days from the date of its execution. The presence of a member at the Annual Meeting shall revoke any and all proxies heretofore executed by such member, and such member shall be entitled to vote at the Annual Meeting in the same manner and with the same effect as if he had not executed a proxy.

The director posts to be filled at the Annual Meeting and the term of each, along with the nominations made by the Nominating Committee and nominations by written petition for each post are as follows:

		CLASS III	CLASS III
DIRECTOR POST	TERM	NOMINATION BY COMMITTEE	NOMINATION BY PETITION
Newton County, Walton County Morgan County, Jasper County District 1	Three Years	Ruby Woods	None
Rockdale County District 2	Three Years	Dr. Millard Ross	None
Henry County, Butts County District 4	Three Years	James I. White	None



**SNAPPING  
SHOALS**

ELECTRIC MEMBERSHIP CORPORATION

14750 Brown Bridge Road  
Covington, GA 30016

PRESORTED  
STANDARD  
U.S. POSTAGE  
PAID  
PERMIT #437  
CONYERS, GA

Snapping Shoals EMC's Annual Meeting of the Members will be Thursday, July 18,  
at the Georgia International Horse Park in Conyers (*map located inside of this publication*).

**REGISTRATION BEGINS AT 8:30 A.M. AND ENDS AT 11:15 A.M.**

**THE BUSINESS MEETING WILL BEGIN AT 11:30 A.M.**

**REMEMBER TO BRING YOUR REGISTRATION CARDS**

For fast, easy registration, bring both cards (*printed below*) to the Annual Meeting. Please do not separate the cards. You must be registered at the meeting to participate in co-op business and to be eligible to win a prize.

Please tear off both cards BELOW,  
without separating them,  
and bring BOTH to the Annual Meeting

# 2019



**SNAPPING  
SHOALS**

ELECTRIC MEMBERSHIP CORPORATION

Annual Meeting Registration Receipt - July 18, 2019



**SNAPPING  
SHOALS**

ELECTRIC MEMBERSHIP CORPORATION

Annual Meeting Registration Receipt - July 18, 2019