



2024 Snapping Shoals EMC ANNUAL REPORT



To the **MEMBERS** of SNAPPING SHOALS EMC



Shaun Mock
President/CEO
Snapping Shoals EMC

The year 2024 marks the completion of 86 years of service to the members of Snapping Shoals EMC. Thank you for the trust and support you have placed in us to power your life. Your trust has been the foundation of our success, enabling Snapping Shoals EMC to grow from a small cooperative into a leading provider of reliable and affordable energy. Each Annual Meeting marks a significant milestone, a testament to our shared journey and collective achievements of our local cooperative movement.

Reliability is one of our most important cornerstones as an electric cooperative. A reliable grid is the backbone of our promise to serve you, our valued member-owners. It enables the conveniences of modern life, fosters job creation, and drives economic growth. As electricity demand continues to rise due to increased automation, population growth, and the shift towards greener energy sources, we remain steadfast in our commitment to maintaining and enhancing the reliability of our services. Our investments in infrastructure and technology are designed to meet these evolving demands, ensuring that you receive the high-quality service you expect and deserve.

In our pursuit of excellence, we are continuously working to streamline processes to cut costs and improve services. Innovation is at the heart of these efforts, as we seek new ways to serve our members more effectively. Whether through the implementation of smart grid technologies, the adoption of renewable energy sources, or the development of more efficient operational practices, our focus is always on enhancing value for our members. These efforts translate directly into tangible benefits, such as significant cost savings. According to the two most recent rate surveys conducted by the Georgia Public Service Commission, the average Snapping Shoals EMC customer saves between \$38 to \$68 per month compared to the average Georgia Power customer. This is real cooperative value and a clear demonstration of the benefits of being part of our cooperative family.

Our commitment to community service is another hallmark of our cooperative. We are deeply involved in and connected to the communities we serve, actively participating in educational programs, local sponsorships, and volunteer efforts. We believe that our success is intrinsically linked to the well-being of our communities, and we strive to make a positive impact through our initiatives. Whether it's supporting local schools, sponsoring community events, or providing assistance to those in need, our goal is to be a force for good in the areas we serve.

Safety is also at the heart of everything we do. Ensuring the safety of your family and our employees is our top priority. We adhere to rigorous safety protocols and invest in continuous training programs to maintain a secure environment for all. This commitment to safety extends to our operational practices, our community engagements, and our interactions with our members. By prioritizing safety, we aim to protect and enhance the quality of life for everyone involved.

The Snapping Shoals EMC team is comprised of 254 dedicated individuals who are vital to our mission. From Operations and Engineering to Member Care and numerous other office positions, our team works tirelessly to deliver on our promise. Their dedication, expertise, and commitment ensure that we can provide the



1. Gene Morris
Henry County
District 4

2. Alfred Flanigan
Assistant Secretary/Treasurer
Rockdale County
District 2

3. James I. White
Henry County
District 4

4. Ruby Woods
Newton County
District 1

5. Ernest Watkins
DeKalb County
District 3

6. Walter Johnson
DeKalb County
District 3

7. Jeff Wigington
Rockdale County
District 2

8. Jake Carter
Chair
Henry County
District 4

9. Jeanette Berry
Vice Chair
Newton County
District 1

10. Anthony Norton
Rockdale County
District 2

11. Lance Harper
Secretary/Treasurer
Newton County
District 1

reliable and affordable energy you depend on every day. It is their hard work and passion that make our cooperative strong and capable of meeting the challenges of the future.

We look forward to continuing our journey together, powered by the trust and support of our members. The past 86 years have been marked by growth, innovation, and a steadfast commitment to our core values. With your continued support, we are excited about the future and confident in our ability to meet the evolving needs of our community. Thank you for being an essential part of Snapping Shoals EMC. Here's to many more years of serving our community with resilience and integrity.



Shaun Mock
President/CEO

Jake Carter
Chair, Board of Directors

2024 Snapping Shoals EMC ANNUAL Meeting



ENTERTAINMENT

The Purple Hulls will be sharing their unique, uplifting and energetic music again this year at the 2024 Annual Meeting. Hailing from deep in east Texas, identical twins Katy Lou and Penny Lea Clark have toured as backing musicians for various country artists. Working for the Grand Ole Opry and writing songs for Nashville's biggest publishing company, the Lord led them back to their home state. The Purple Hulls continue their travels based from their family farm (where they really grow purple hull peas!) and for the last 13 years have performed at churches, festivals, and venues across the horizons of America and Europe.

the VENUE

This year's event will be the traditional in-person Annual Meeting everyone has come to enjoy at the Georgia International Horse Park, 1996 Centennial Olympic Pkwy. N.E., Conyers GA 30013.

Make plans to come and enjoy the festivities, informational displays, prize giveaways plus a chance to win a 2003 fleet-maintained Ford Ranger pickup, as well as an opportunity to take part in the business of **YOUR** electric co-op.

EVENT DETAILS

Registration will be in-person only and will open at 8:30 a.m. and end promptly at 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. Members must be present to win prizes.

DIRECTIONS

Take exit 82 off Interstate 20 in Conyers. Travel north approximately 4 miles. Turn right onto Centennial Olympic Parkway.

The main entrance to the park is 2 miles ahead on the right.



FACTS & FIGURES 24

Snapping Shoals EMC

Service Area Statistics	2022	2023
Total Number of Electric Meters	106,628	108,672
Average Residential Kilowatt Hours (<i>consumed</i>)	1,300	1,236
Total Miles of Energized Line	6,462	6,516

2023 Community Support

Operation Round Up (General Fund)	\$ 375,241
Operation Round Up (Education Fund)	\$ 24,998
Scholarships	\$ 65,000
Intern Scholarships	\$ 4,500
Bright Idea Teacher Grants	\$ 56,500
Community Organization Donations	\$ 60,000
Economic Development	\$ 21,000
TOTAL DONATIONS	\$ 607,239

2023 Taxes Paid by Snapping Shoals EMC

Property Taxes	\$ 1,894,788
Sales Tax	\$ 15,592,162
Franchise Fees	\$ 808,950
TOTAL TAXES	\$ 18,295,900

Member Margins	2%
Interest	2%
Depreciation of Utility Plant	5%
General Expenses	10%
Maintenance & Operations	10%
Wholesale Power Cost	71%

Photos

Cover: Apprentice Lineworker Jordan Reed

Facts and Figures: Apprentice Lineworker Gage Harris

2024 Report of Independent Auditors

The Board of Directors
Snapping Shoals Electric Membership Corporation and Subsidiary

Opinion

We have audited the consolidated financial statements of Snapping Shoals Electric Membership Corporation and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Snapping Shoals Electric Membership Corporation and Subsidiary as of December 31, 2023 and 2022 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Snapping Shoals Electric Membership Corporation and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Snapping Shoals Electric Membership Corporation and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- ▶ Exercise professional judgement and maintain professional skepticism throughout the audit.
- ▶ Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Snapping Shoals Electric Membership Corporation and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates by management, as well as evaluate the overall presentation of the consolidated financial statements.
- ▶ Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Snapping Shoals Electric Membership Corporation and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

McNAIR,
McLEMORE,
MIDDLEBROOKS & CO., LLC

Consolidated Balance Sheets

Assets

	2023	2022
Utility Plant		
Electric Plant in Service - At Cost	\$ 368,574,315	\$ 347,198,836
Construction Work in Progress	3,361,285	1,993,938
	<u>371,935,600</u>	<u>349,192,774</u>
Accumulated Depreciation	(161,313,241)	(152,112,098)
	<u>210,622,359</u>	<u>197,080,676</u>
Other Property and Investments		
Investments in Associated Organizations	31,785,432	30,149,173
Other Investments	3,089,152	3,089,152
	<u>34,874,584</u>	<u>33,238,325</u>
Current Assets		
Cash and Cash Equivalents	20,348,588	14,474,796
Accounts Receivable (Net of Accumulated Provision for Credit losses of \$321,218 and \$399,624 in 2023 and 2022, Respectively)	17,645,497	18,557,379
Accrued Utility Revenue	13,357,079	14,587,237
Materials and Supplies	4,415,395	3,794,922
Other	16,909,436	24,659,453
	<u>72,675,995</u>	<u>76,073,787</u>
Deferred Debits	<u>1,800,571</u>	<u>4,163,736</u>
Total Assets	<u>\$ 319,973,509</u>	<u>\$ 310,556,524</u>

Consolidated Balance Sheets

Members' Equity and Liabilities

	2023	2022
Members' Equity		
Membership Fees	\$ 947,726	\$ 934,546
Patronage Capital	72,030,837	73,905,116
Accumulated Other Comprehensive Income	1,049,795	2,078,819
Other Equities	27,923,111	24,666,540
	101,951,469	101,585,021
Long-Term Debt	106,898,204	96,531,807
Accumulated Provision for Postretirement Benefits Other Than Pensions - Noncurrent	13,442,872	12,223,704
Current Liabilities		
Current Maturities of Long-Term Debt	8,700,521	6,107,251
Lines-of-Credit	2,000,000	-
Accounts Payable	16,554,293	30,002,822
Consumer Deposits	12,968,183	12,321,344
Accrued and Withheld Taxes	2,054,178	2,036,071
Accumulated Provision for Postretirement Benefits Other Than Pensions - Current	402,000	279,000
Other	8,756,003	8,320,241
	51,435,178	59,066,729
Deferred Credits	46,245,786	41,149,263
Total Members' Equity and Liabilities	\$ 319,973,509	\$ 310,556,524

Consolidated Statements of Operations and Comprehensive Income

Operating Revenues

	2023	2022
Operating Revenues	\$ 229,345,065	\$ 261,499,171
Operating Expenses		
Cost of Power	164,734,868	202,648,881
Distribution Operations	13,999,472	13,824,342
Distribution Maintenance	8,727,283	7,653,472
Consumer Accounts	8,939,044	8,459,825
Consumer Service and Information	271,476	277,753
Sales	672,098	601,421
Administrative and General	12,078,498	10,678,547
Depreciation	12,454,916	12,058,802
	221,877,655	256,203,043
Operating Margins Before Interest Expense	7,467,410	5,296,128
Interest Expense	4,757,425	4,115,324
Operating Margins After Interest Expense	2,709,985	1,180,804
Nonoperating Margins	362,745	629,816
Generation and Transmission Cooperative Capital Credits	1,496,134	1,315,817
Other Capital Credits and Patronage Capital Allocations	871,092	824,915
Net Margins	5,439,956	3,951,352
Other Comprehensive Income	(1,029,024)	4,827,573
Total Comprehensive Income	\$ 4,410,932	\$ 8,778,925

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, 2024. 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, 2024, at the Georgia International Horse Park, Conyers, Georgia
Signature: _____
Printed Name: _____
Title of Official: _____
Date: _____

OFFICIAL NOTICE
of The 2024 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, 2024 at 11:30 a.m. EDST 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 II				CLASS III			
Director Post	Term	Nomination by Committee	Nomination by Petition	Director Post	Term	Nomination by Committee	Nomination by Petition
District 1 • Newton County • Walton County • Morgan County • Jasper County	Three Years	Lance Harper	None	District 2 • Rockdale County	One Year	Jeff Wigington	None
District 2 • Rockdale County	Three Years	G. Anthony Norton	None				
District 3 • DeKalb County	Three Years	Walter Johnson	None				
District 4 • Henry County • Butts County	Three Years	Gene Morris	None				

2024 Snapping Shoals EMC ANNUAL MEETING NOTICE

Make plans to come and enjoy the festivities, informational displays and take part in the business of YOUR electric co-op.

This year's Annual Meeting of the Members of Snapping Shoals EMC is set for Thursday, July 18, at the Georgia International Horse Park, Georgia International Horse Park, 1996 Centennial Olympic Pkwy. N.E., Conyers GA 30013.

Bring both the pre-printed cards that were mailed to each Snapping Shoals EMC member's home.

Registration will be in-person only and will open at 8:30 a.m. and end promptly at 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. Members must be present to win prizes.

Only Snapping Shoals EMC members (*electric customers*) are eligible to register, to participate in the election of directors and co-op business, and to win prizes. For SSEMC's bylaws pertaining to the Annual Meeting and Election of Directors, please visit **ssemc.com**.



Members will receive their registration cards with this letter by mail in July. Be sure and bring your registration cards with you to the Annual Meeting.