

# 2021

SNAPPING SHOALS EMC  
Annual Report & Meeting Notice



## A LETTER TO THE MEMBERS OF SNAPPING SHOALS EMC



Shaun Mock  
*President/CEO*



Gene Morris  
*Chairman,  
Board of Directors*

Did you know that all cooperatives are founded and operated on seven core principles? These high standards include: Open and Voluntary Membership – Democratic Member Control – Members’ Economic Participation – Autonomy and Independence – Education, Training, and Information – Cooperation Among Cooperatives – Concern for Community. These principles provide a cornerstone to guide our Cooperative in how we serve our members every day. Concern for Community and Cooperation Among Cooperatives were never more essential to fulfilling our mission than during the trials faced throughout the extraordinary events of 2020 and 2021. A global pandemic coupled with devastating hurricanes in the South and ice storms in the North tested the resolve of our cooperative network and our communities unlike few others in recent memory. Thankfully, electric cooperatives are built for just these types of challenges.

This year I would like to focus on the sixth Cooperative principle, Cooperation among Cooperatives, because when challenges arise... We Spring into Action. We believe that in order to serve our SSEM members most effectively we must support and strengthen the electric cooperative network. Behind the scenes, when mother nature is at her worst, there exists a nationwide mutual-aid support network for the nation’s electric cooperatives. This network enables electric cooperatives to scale up rapidly and restore service much quicker than would be possible if we operated independently. When 2017’s Hurricane Irma left more than 50,000 SSEM members in the dark, the cooperative network responded in a big way. The SSEM workforce doubled almost overnight in order to restore electricity to our members as quickly as possible. In just four days we restored power to the entire system with the help of outside crews from other parts of Georgia, North Carolina, and even as far away as Texas and Illinois.

“WHEN MOTHER  
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COOPERATIVES.”



Thankfully, SSEMC communities were spared from any major storm events over the past year. However, in true cooperative fashion the dedicated group of SSEMC linemen did not sit idle as other communities struggled to restore electricity. Collectively, our crews spent weeks helping to support the communities of our greater cooperative network. From tornado damage in other parts of Georgia to rebuilding entire electric systems in the swamps of Louisiana and even extreme ice storms in the hills of Kentucky and Virginia, our linemen were there when needed the most. You can be proud that SSEMC employs some of the most talented and dedicated linemen in the business. Our team is always storm-ready and able to respond to outages at home and when called upon across our region too. Neighbors helping neighbors, it's what we do every day.

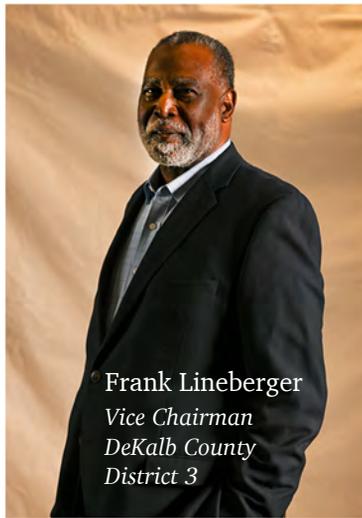
You can also be proud that SSEMC members continue to pay some of the lowest electricity rates in Georgia. In addition to building up our communities, we remain laser focused on creating everyday member-value. For instance, the most recent Georgia Public Service Commission winter rate survey of all 94 electric providers in Georgia, SSEMC ranked the 2nd lowest at 2,000 kWh, 2nd lowest at 1,500 kWh, and 5th lowest at 1,000 kWh. In practical terms, the average SSEMC member saves between \$25-50 per month as compared to the average Georgia resident. Another way that SSEMC creates member value and demonstrates our cooperative purpose is through the regular retirement of patronage capital. This year your electric cooperative returned \$4.2 million to our membership in June 2021. That's real member value!

Finally, I must take the opportunity to commend all SSEMC employees for their exemplary determination and ingenuity they have displayed during the unprecedented events of the last year. Snapping Shoals EMC is powered by a group of people - your neighbors - that are among the most competent, hard-working, and well-respected teams in our industry. I am proud to be a custodian of SSEMC's long history of exemplary service and look forward to a bright future for our electric cooperative. On behalf of the Board of Directors and all the employees at Snapping Shoals EMC, thank you for the trust that you have placed in us to serve your families, your businesses, your community every day. Please do not hesitate to contact us if you need assistance or suggestions for how we can serve you better. We look forward to seeing you at our drive-thru Annual Meeting on Thursday, July 22, 2021.

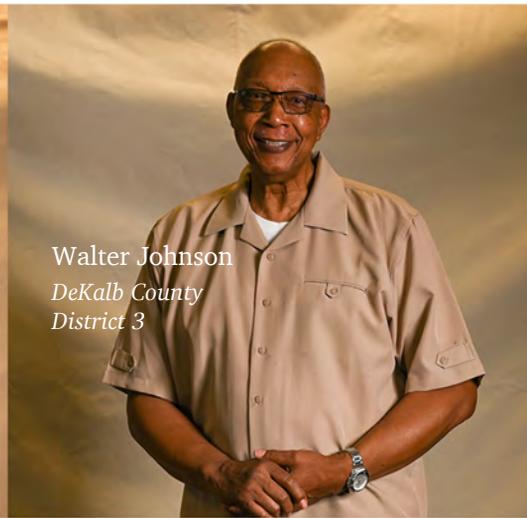


# 2021

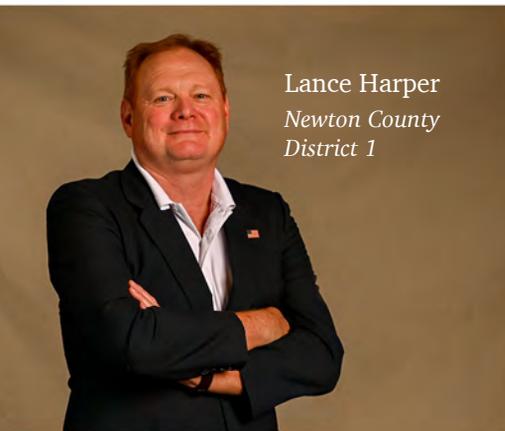
## SNAPPING SHOALS EMC BOARD OF DIRECTORS



Frank Lineberger  
*Vice Chairman  
DeKalb County  
District 3*



Walter Johnson  
*DeKalb County  
District 3*



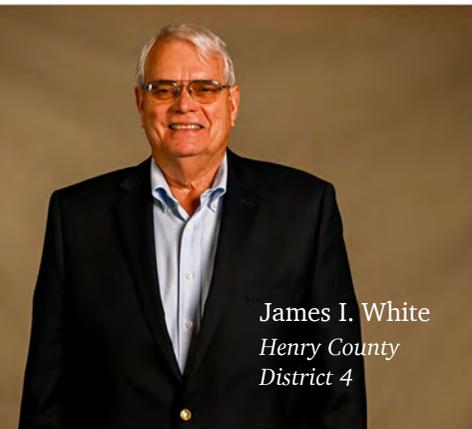
Lance Harper  
*Newton County  
District 1*



Ruby Woods  
*Secretary/Treasurer  
Newton County  
District 1*



Jeanette Berry  
*Newton County  
District 1*



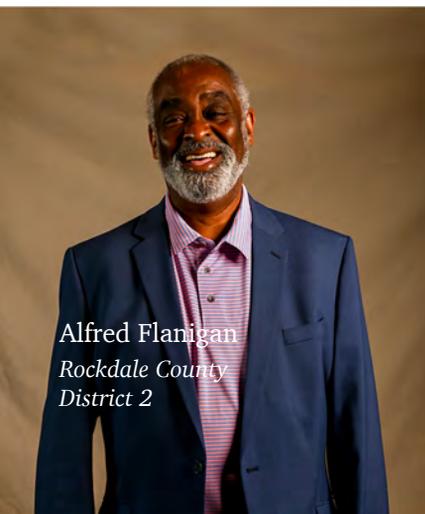
James I. White  
*Henry County  
District 4*



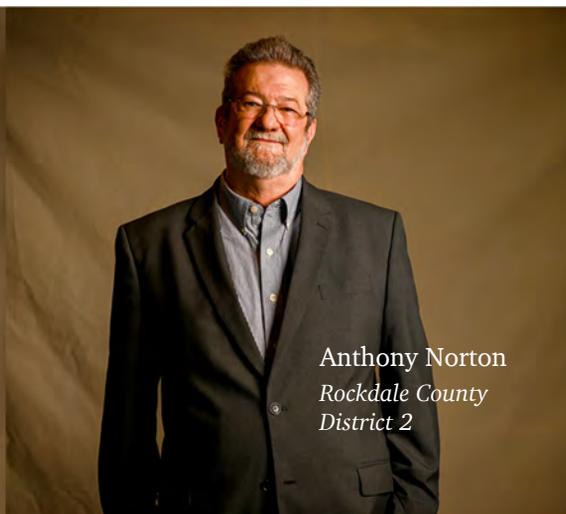
Jake Carter  
*Assistant /  
Secretary Treasurer  
Henry County  
District 4*



Gene Morris  
*Chairman  
Henry County  
District 4*



Alfred Flanigan  
*Rockdale County  
District 2*



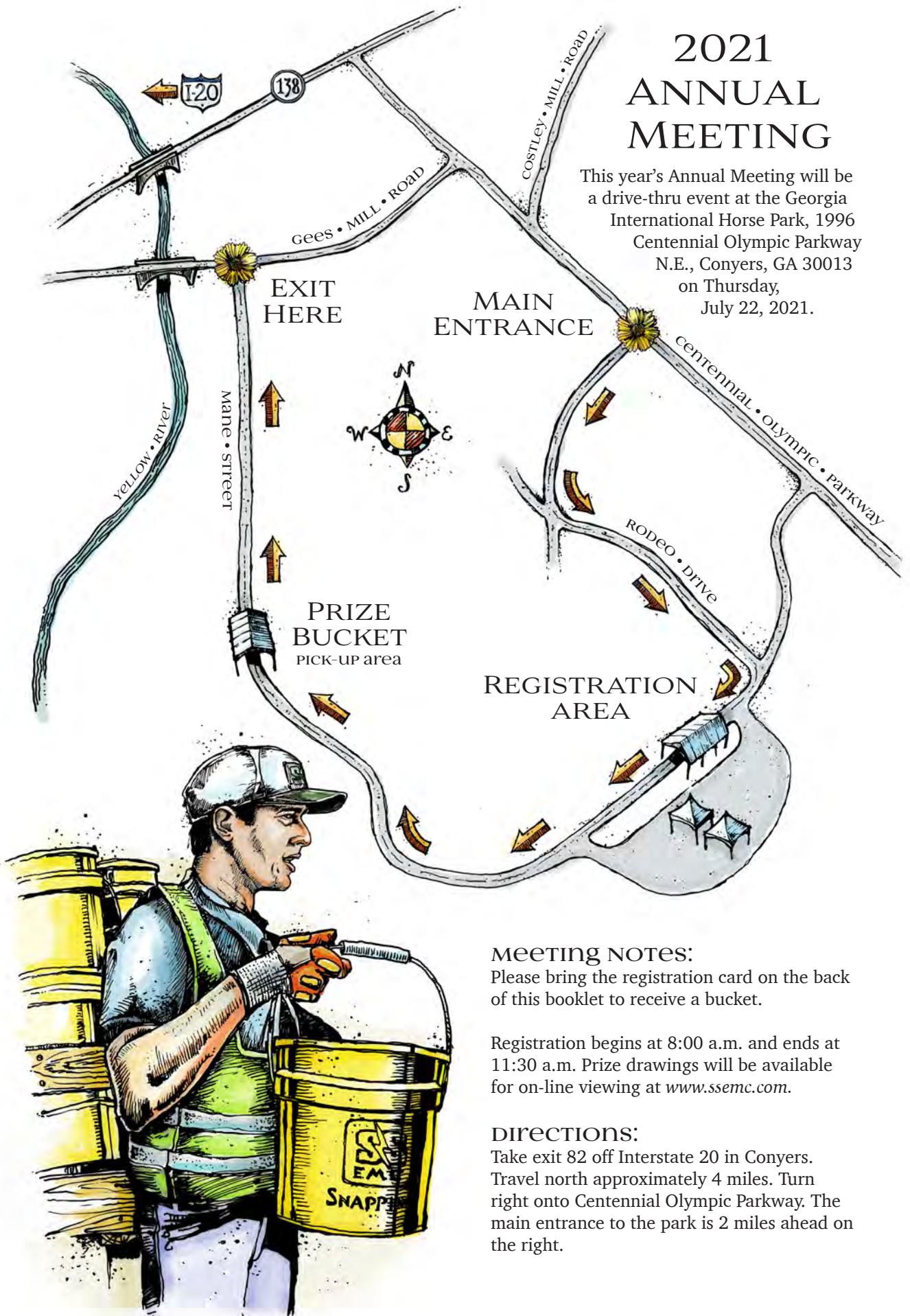
Anthony Norton  
*Rockdale County  
District 2*



Dr. Millard Ross  
*Rockdale County  
District 2*

# 2021 ANNUAL MEETING

This year's Annual Meeting will be a drive-thru event at the Georgia International Horse Park, 1996 Centennial Olympic Parkway N.E., Conyers, GA 30013 on Thursday, July 22, 2021.



## MEETING NOTES:

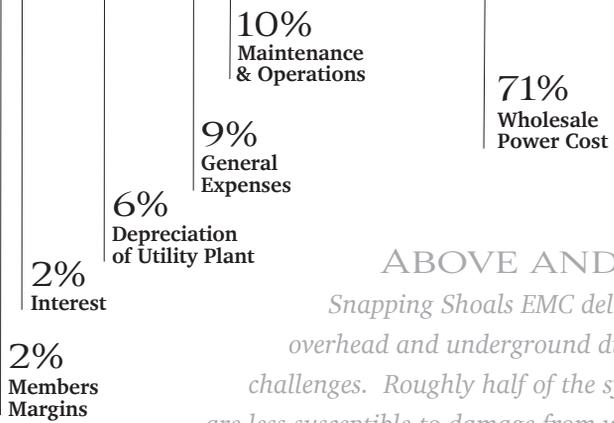
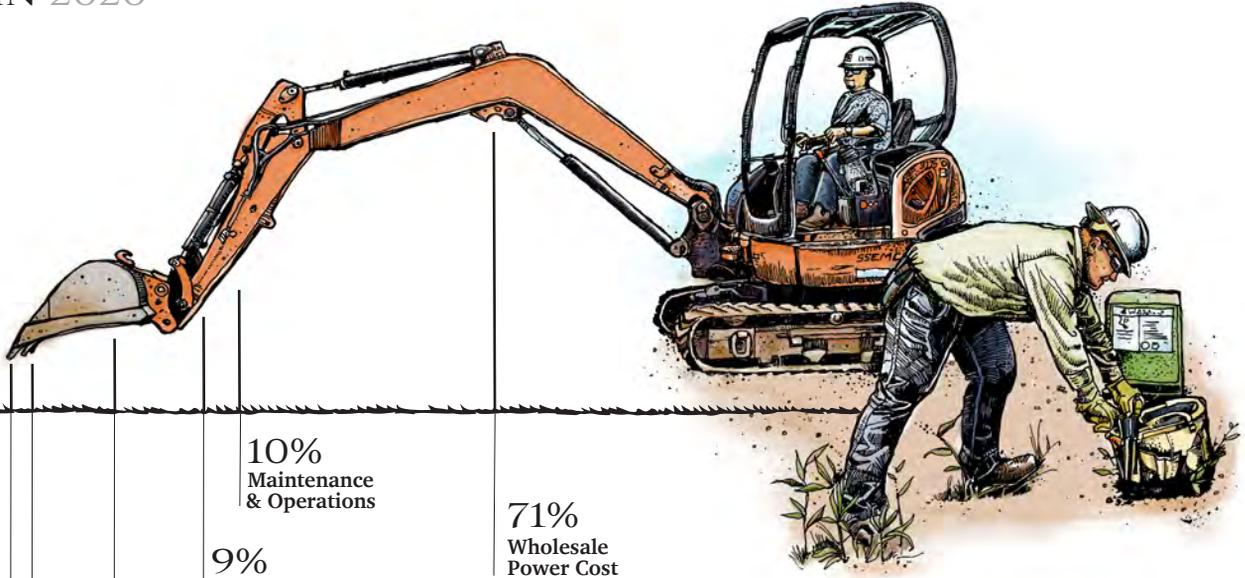
Please bring the registration card on the back of this booklet to receive a bucket.

Registration begins at 8:00 a.m. and ends at 11:30 a.m. Prize drawings will be available for on-line viewing at [www.ssemc.com](http://www.ssemc.com).

## 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.

SNAPPING SHOALS EMC  
 HOW YOUR CO-OP  
 DOLLARS WERE USED  
 IN 2020



**ABOVE AND BELOW**

*Snapping Shoals EMC delivers power to its members over 6,360 miles of overhead and underground distribution lines. Each have unique benefits and challenges. Roughly half of the system is comprised of underground lines, which are less susceptible to damage from weather, trees, animals, and vehicle collisions; however, they are more difficult and time consuming to repair when the need arises.*

*Overhead lines are less costly to construct but are more susceptible to damage due to their exposure above ground. What is the right choice? Snapping Shoals EMC's talented Engineering and Operations personnel review each new request for service and construct new distribution lines utilizing prudent industry guidelines.*

	2019	2020
TOTAL NUMBER OF ELECTRIC METERS	101,471	103,563
AVERAGE RESIDENTIAL KILOWATT HOUR CONSUMED	1,340	1,261
TOTAL MILES OF ENERGIZED LINE	6,319	6,360

# REPORT *of* INDEPENDENT AUDITORS 2019 & 2020

## Report on the Financial Statements

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, 2020 and 2019 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.

## 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. 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, 2020 and 2019 and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Corporation made a voluntary change from one generally accepted principle to another generally accepted principle on the basis of preferable treatment related to the amortization period of actuarial gains and losses. Our opinion is not modified with respect to this matter.

*McNAIR,  
McLEMORE,  
MIDDLEBROOKS & CO., LLC*

## CONSOLIDATED BALANCE SHEETS

### Assets

	<u>2020</u>	<u>2019</u>
<b>Utility Plant</b>		
Electric Plant in Service - At Cost	\$ 316,744,521	\$ 304,833,909
Construction Work in Progress	1,543,192	1,818,073
	<u>318,287,713</u>	<u>306,651,982</u>
Accumulated Depreciation	<u>(135,357,688)</u>	<u>(126,773,505)</u>
	<u>182,930,025</u>	<u>179,878,477</u>
<b>Other Property and Investments</b>		
Investments in Associated Organizations	27,467,327	26,668,479
Other Investments	3,089,152	3,089,152
	<u>30,556,479</u>	<u>29,757,631</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	16,334,446	6,417,655
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$676,570 and \$593,831 in 2020 and and 2019, Respectively)	10,711,770	11,481,942
Accrued Utility Revenue	11,547,605	9,580,668
Current Portion of Notes Receivable	-	82,890
Materials and Supplies	2,806,412	2,795,469
Other	40,383,736	42,612,860
	<u>81,783,969</u>	<u>72,971,484</u>
<b>Deferred Debits</b>	<u>63,978</u>	<u>191,690</u>
<b>Total Assets</b>	<u>\$ 295,334,451</u>	<u>\$ 282,799,282</u>

## CONSOLIDATED BALANCE SHEETS

### Members' Equity and Liabilities

	<u>2020</u>	<u>2019</u>
<b>Members' Equity</b>		
Membership Fees	\$ 913,036	\$ 889,121
Patronage Capital	80,812,414	82,695,657
Accumulated Other Comprehensive Income	(3,041,855)	3,784
Other Equities	19,611,683	18,031,827
	<u>98,295,278</u>	<u>101,620,389</u>
<b>Long-Term Debt</b>	<u>86,767,428</u>	<u>81,668,370</u>
<b>Accumulated Provision for Postretirement Benefits Other Than Pensions - Noncurrent</b>	<u>15,378,524</u>	<u>11,368,882</u>
<b>Current Liabilities</b>		
Current Maturities of Long-Term Debt	6,256,395	6,575,000
Accounts Payable	13,013,291	10,787,843
Consumer Deposits	11,504,760	11,132,769
Accrued and Withheld Taxes	1,242,044	1,663,643
Accumulated Provision for Postretirement Benefits Other Than Pensions - Current	175,000	250,000
Other	8,477,576	5,688,144
	<u>40,669,066</u>	<u>36,097,399</u>
<b>Deferred Credits</b>	<u>54,224,155</u>	<u>52,044,242</u>
<b>Total Members' Equity and Liabilities</b>	<u>\$ 295,334,451</u>	<u>\$ 282,799,282</u>

# CONSOLIDATED STATEMENT OF OPERATIONS

## Operating Revenues

	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>	<b>\$ 189,213,010</b>	<b>\$ 191,914,039</b>
<b>Operating Expenses</b>		
Cost of Power	134,609,042	137,409,222
Distribution Operations	13,144,118	12,098,714
Distribution Maintenance	6,585,755	6,710,846
Consumer Accounts	7,468,653	7,249,814
Consumer Service and Information	438,844	447,974
Sales	603,061	645,198
Administrative and General	9,408,962	9,279,893
Depreciation	11,169,486	11,098,796
	<u>183,427,921</u>	<u>184,940,457</u>
<b>Operating Margins Before Interest Expense</b>	<b>5,785,089</b>	<b>6,973,582</b>
<b>Interest Expense</b>	<b>4,029,047</b>	<b>4,096,633</b>
<b>Operating Margins After Interest Expense</b>	<b>1,756,042</b>	<b>2,876,949</b>
<b>Nonoperating Margins</b>	<b>1,079,237</b>	<b>390,992</b>
<b>Generation and Transmission Cooperative Capital Credits</b>	<b>783,003</b>	<b>700,414</b>
<b>Other Capital Credits and Patronage Capital Allocations</b>	<b>761,103</b>	<b>997,821</b>
<b>Net Margins</b>	<b>4,379,385</b>	<b>4,966,176</b>
<b>Other Comprehensive Income</b>	<b>(3,045,639)</b>	<b>(131,214)</b>
<b>Total Comprehensive Income</b>	<b>\$ 1,333,746</b>	<b>\$ 4,834,962</b>

## 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 22nd day of July, 2021. 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 22, 2021, at the Georgia International Horse Park, Conyers, Georgia

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title of Official: \_\_\_\_\_

Date: \_\_\_\_\_

## OFFICIAL NOTICE

### of The 2021 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 22, 2021 from 8:00 a.m. to 11:30 a.m. EDT for the following purposes:

1. To elect Directors for ensuing terms.

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 II

DIRECTOR POST	TERM	NOMINATION BY COMMITTEE	NOMINATION BY PETITION
Newton County, Walton County, Morgan County, Jasper County <b>District 1</b>	Three Years	Lance Harper	None
Rockdale County, <b>District 2</b>	Three Years	Anthony Norton	None
DeKalb County, <b>District 3</b>	Three Years	Walter Johnson	None
Henry County, Butts County <b>District 4</b>	Three Years	Gene Morris	None



**SNAPPING  
SHOALS**

ELECTRIC MEMBERSHIP CORPORATION

14750 Brown Bridge Road  
Covington, GA 30016

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

## REMEMBER TO BRING THIS BOOKLET FOR REGISTRATION AND PRIZES!

Snapping Shoals EMC's Annual Meeting of the Members will be **Thursday July 22, 2021**  
at the Georgia International Horse Park in Conyers, Georgia (*map located inside of this publication*)

**Registration begins at 8:00 a.m. and ends at 11:30 a.m.**

*Tear off this card and drop into ballot box when registering.*



**SNAPPING  
SHOALS**

ELECTRIC MEMBERSHIP CORPORATION

Annual Meeting Registration Receipt July 22, 2021

### Please Mark Your Selection Below Prior to the Annual Meeting

I hereby vote to elect the unopposed slate of Class II directors listed below for the 2021 Snapping Shoals EMC Directors' election

Director Post	Term	Nomination By Committee
Newton County, Walton County, Morgan County, Jasper County District 1	Three Years	Lance Harper
Rockdale County District 2	Three Years	Anthony Norton
DeKalb County District 3	Three Years	Walter Johnson
Henry County, Butts County District 4	Three Years	Gene Morris



## BUCKET TICKET

*Tear off this ticket and bring it to the prize bucket area to receive your bucket.*