

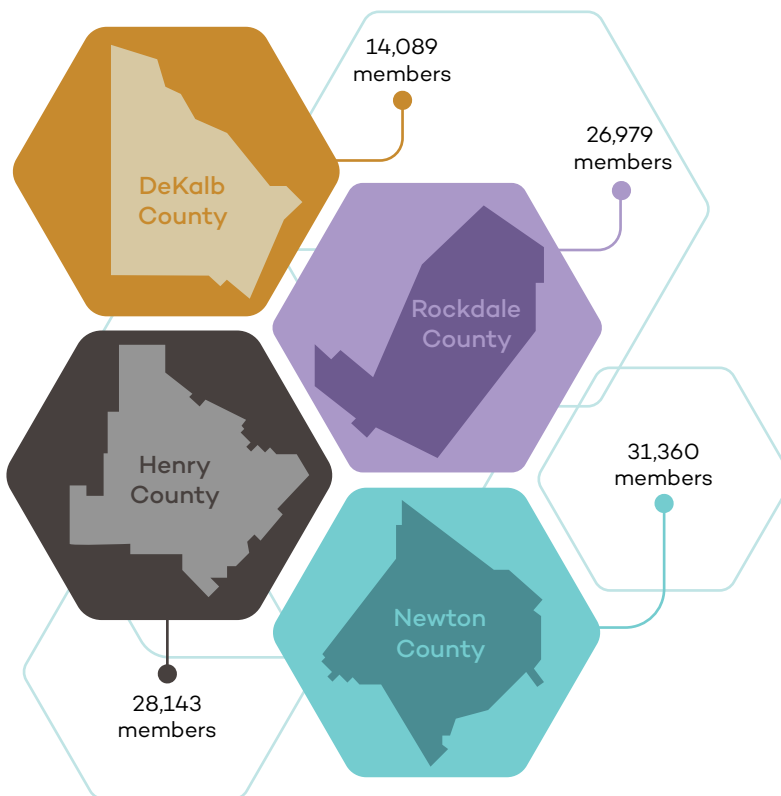
2022

Snapping Shoals EMC

Annual Report & Meeting Notice



Board of DIRECTORS



The Snapping Shoals EMC Board of Directors represent the 102,675* total members in our service territory in 2021.

**Note: This number includes 2,104 members served in Jasper, Morgan, Butts and Walton counties.*

Snapping Shoals EMC Board of DIRECTORS

An 11-member Board of Directors is responsible for establishing policy and overseeing the finances and administration of Snapping Shoals Electric Membership Corporation. The board hires the President/CEO, who is responsible for administering board policies and overseeing the day-to-day operation of Snapping Shoals EMC. Because the directors are also Snapping Shoals members, they have a strong desire to keep the quality of service high and electric rates low. Each year at the Annual Meeting of the Members of Snapping Shoals EMC in July, the members elect directors and participate in other cooperative business. The directors serve by district to ensure representation from the different parts of the co-op's service area, but they are elected by the membership at-large and represent all Snapping Shoals members.

Alfred Flanigan
Rockdale County
District 2

Lance Harper
Secretary/Treasurer
Newton County
District 1

Jake Carter
Vice Chairman
Henry County
District 4

James I. White
Henry County
District 4

Dr. Millard Ross
Rockdale County
District 2

Shaun Mock
President/CEO



Dear Snapping Shoals EMC MEMBERS

The cooperative spirit of service excellence and collaboration is alive and well at Snapping Shoals EMC. Our results speak for themselves. SSEM members consistently pay some of the lowest electric rates in Georgia. According to the most recent Georgia Public Service Commission rate survey, our rates are the 3rd lowest at 1,000 kwh, 4th lowest at 1,500 kwh and 5th lowest at 2,000 kwh among all 94 reporting electricity providers. Our system reliability metrics and outage restoration times are also some of the best among our peers. A recently completed customer satisfaction survey placed Snapping Shoals EMC well above the national average for utilities. Even during times of significant growth, material shortages and volatile power markets, we have worked together to steady rates and deliver the energy to meet your needs. You can be proud of the work that your EMC Directors, management team and highly-skilled workforce perform on your behalf. Often behind the scenes, this incredible collection of men and women strive diligently to serve our community and exceed our members' expectations every single day. Despite our past successes, the drive to innovate and become the best electric cooperative possible is what makes Snapping Shoals EMC who we are today. We aim to improve the lives of those that we serve and connect our communities. Snapping Shoals EMC is proof that a group of hard-working people with a common vision can achieve great things together because when we work together, the whole is truly greater than the sum of all parts.

Shaun Mock | *President/CEO*

Frank Lineberger | *Chairman, Board of Directors*

Frank Lineberger
*Chairman
Board of Directors
DeKalb County
District 3*

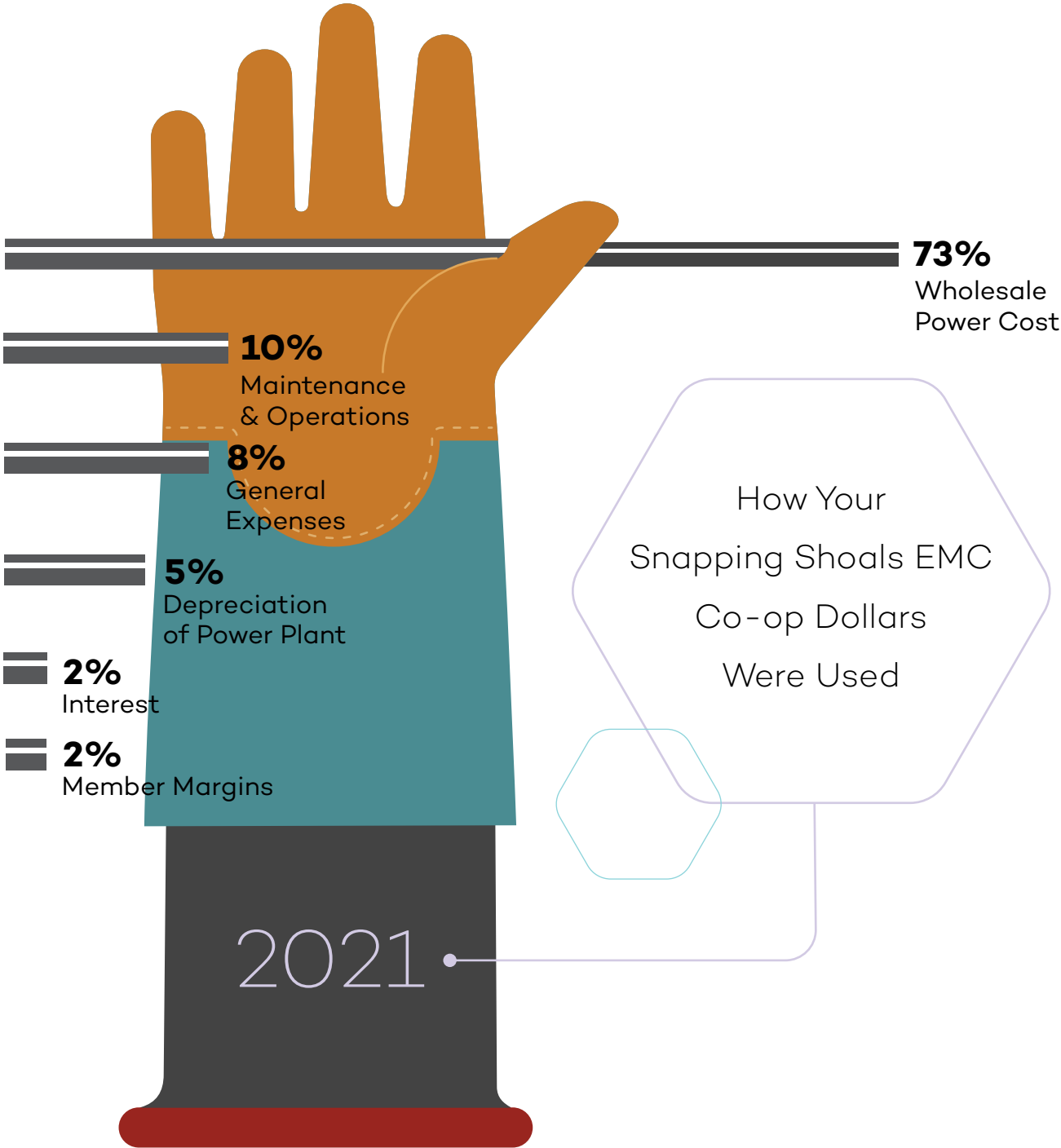
Walter Johnson
*DeKalb County
District 3*

Ruby Woods
*Newton County
District 1*

Gene Morris
*Henry County
District 4*

Jeanette Berry
*Assistant Secretary
/Treasurer
Newton County
District 1*

Anthony Norton
*Rockdale County
District 2*



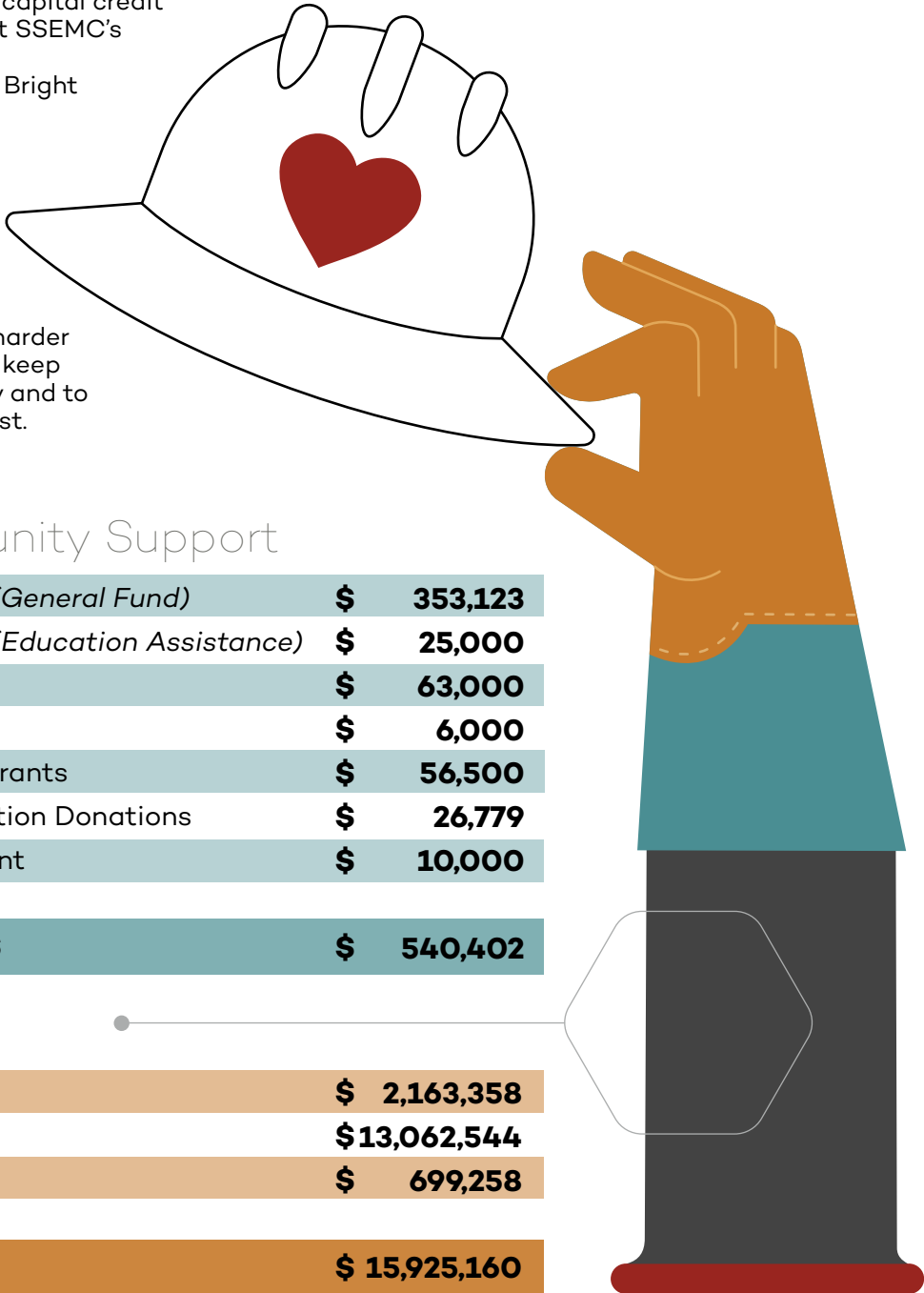
	2020	2021
Total Number of Electric Meters	103,563	105,270
Average Residential Kilowatt Hour Consumed	1,261	1,289
Total Miles of Energized Line	6,360	6,402

Financial Impact in the Areas We **SERVE**

Snapping Shoals is fortunate that we're able to give back to our community, and we're also fortunate to have so many caring members. For instance, our Operation Round Up program lets these kind-hearted members lend a hand to those in need by having their bills rounded up to the next dollar. The funds members contribute are used to help qualifying charitable/community organizations with specific needs or to directly help people in need of assistance with household or living expenses, home repairs or equipment, and medical or health needs.

A big advantage of being part of an electric cooperative like Snapping Shoals EMC is that we operate on a not-for-profit basis. This enables us to return our margins, which are revenues collected in excess of expenses, to the co-op members. Margins, also know as capital credits, are usually retained by the cooperative for a while as a source of funding for the construction of new lines and other utility expenses. The unclaimed capital credit funds are used to support SSEMC's educational programs, such as our scholarships, Bright Ideas and economic development projects.

Snapping Shoals is proud to be a big part of the community we serve, and the fact that we're owned by those we serve pushes us to work harder every day. We promise to keep improving our community and to always put your needs first.



2021 Community Support

Operation Round Up (<i>General Fund</i>)	\$ 353,123
Operation Round Up (<i>Education Assistance</i>)	\$ 25,000
Scholarships	\$ 63,000
Intern Scholarships	\$ 6,000
Bright Idea Teacher Grants	\$ 56,500
Community Organization Donations	\$ 26,779
Economic Development	\$ 10,000

TOTAL DONATIONS	\$ 540,402
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Property Taxes	\$ 2,163,358
Sales Tax	\$13,062,544
Franchise Fees	\$ 699,258

TOTAL TAXES	\$ 15,925,160
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1 Enter Gee's Mill Road from Centennial Olympic Parkway.

2 Enter Georgia International Horse Park from Gee's Mill Road. City of Conyers officers and Snapping Shoals EMC Staff will direct traffic.

3 Follow Mane Street to the **Registration Tent** to complete your registration and to be entered into prize drawings. The first 1500 members who register will receive a \$20 bill credit.

Please note: You must attend the business session of the Annual Meeting to be eligible for prize drawings.

4 Pick up your Prize Bucket.

5 At this point, you may choose to go **LEFT** and proceed to **Parking** to attend the Annual Meeting in the Walker Arena OR go **RIGHT** to depart.

Electric carts will be available from the Handicap Parking to and from Walker Arena.

2020 | 21 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, 2021 and 2020, 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, 2021 and 2020 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 of America, 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 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 made by management, as well as evaluate the overall presentation of the 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.

CONSOLIDATED BALANCE SHEETS

Assets

	2021	2020
Utility Plant		
Electric Plant in Service - At Cost	\$ 329,882,840	\$ 316,744,521
Construction Work in Progress	1,696,840	1,543,192
	331,579,680	318,287,713
Accumulated Depreciation	(142,435,632)	(135,357,688)
	189,144,048	182,930,025
Other Property and Investments		
Investments in Associated Organizations	28,540,542	27,467,327
Other Investments	10,389,152	3,089,152
	38,929,694	30,556,479
Current Assets		
Cash and Cash Equivalents	13,135,470	16,334,446
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$400,232 and \$676,570 in 2021 and and 2020, Respectively)	11,926,771	10,711,770
Accrued Utility Revenue	11,500,487	11,547,605
Materials and Supplies	3,234,858	2,806,412
Other	30,637,680	40,383,736
	70,435,266	81,783,969
Deferred Debits	56,252	63,978
Total Assets	\$ 298,565,260	\$ 295,334,451

CONSOLIDATED BALANCE SHEETS

Members' Equity and Liabilities

	2021	2020
Members' Equity		
Membership Fees	\$ 925,521	\$ 913,036
Patronage Capital	76,618,651	80,812,414
Accumulated Other Comprehensive Income	(2,748,754)	(3,041,855)
Other Equities	22,368,694	19,611,683
	97,164,112	98,295,278
Long-Term Debt	91,511,029	86,767,428
Accumulated Provision for Postretirement Benefits Other Than Pensions - Noncurrent	16,191,562	15,378,524
Current Liabilities		
Current Maturities of Long-Term Debt	6,256,397	6,256,395
Accounts Payable	13,320,659	13,013,291
Consumer Deposits	11,988,744	11,504,760
Accrued and Withheld Taxes	1,182,141	1,242,044
Accumulated Provision for Postretirement Benefits Other Than Pensions - Current	208,000	175,000
Other	7,367,683	8,477,576
	40,323,624	40,669,066
Deferred Credits	53,374,933	54,224,155
Total Members' Equity and Liabilities	\$ 298,565,260	\$ 295,334,451

CONSOLIDATED BALANCE SHEETS

Operating Revenues

	2021	2020
Operating Revenues	\$ 210,137,699	\$ 189,213,010
Operating Expenses		
Cost of Power	156,262,277	134,609,042
Distribution Operations	13,156,136	13,144,118
Distribution Maintenance	6,777,592	6,585,755
Consumer Accounts	5,944,851	7,468,653
Consumer Service and Information	403,128	438,844
Sales	670,562	603,061
Administrative and General	9,422,766	9,408,962
Depreciation	11,485,998	11,169,486
	204,123,310	183,427,921
Operating Margins Before Interest Expense	6,014,389	5,785,089
Interest Expense	4,035,855	4,029,047
Operating Margins After Interest Expense	1,978,534	1,756,042
Nonoperating Margins	1,100,302	1,079,237
Generation and Transmission Cooperative Capital Credits	773,507	783,003
Other Capital Credits and Patronage Capital Allocations	939,587	761,103
Net Margins	4,791,930	4,379,385
Other Comprehensive Income	293,101	(3,045,639)
Total Comprehensive Income	\$ 5,085,031	\$ 1,333,746

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 21st day of July, 2022. 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 21, 2022, at the Georgia International Horse Park, Conyers, Georgia

Signature: _____

Printed Name: _____

Title of Official: _____

Date: _____



OFFICIAL NOTICE

of The 2022 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 21, 2022 at 11:45 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

Remember to Bring This Booklet for Registration and Prizes!

Snapping Shoals EMC'S Annual Meeting of the Members will be **Thursday July 21, 2022** 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 11:15 p.m.

Keep this ticket and bring to the Meeting for PRIZE DRAWINGS! ✓



**SNAPPING
SHOALS**

ELECTRIC MEMBERSHIP CORPORATION

Annual Meeting Registration Receipt-July 21, 2022



**SNAPPING
SHOALS**

ELECTRIC MEMBERSHIP CORPORATION

Annual Meeting Registration Receipt-July 21, 2022