



Blue Ridge Mountain EMC



2017 Annual Report



Executive Summary

Please allow me to begin this Executive Summary by reflecting for a moment. As I approach my one-year anniversary as general manager of Blue Ridge Mountain EMC (BRMEMC), I am encouraged by the efforts your EMC has made to turn the page and continue moving forward. I believe our best times are ahead of us.

I have spent this year working to understand the intricacies associated with managing this EMC, getting to know your dedicated staff and employees and focusing on the challenges we will face in the future. In this year's Annual Report, you will find an update on the operations of your EMC, along with financial information for the 2016 calendar year.

BRMEMC's objective is to provide great value to our membership for the energy and other value-added services purchased. In early 2017, your EMC leadership team worked to develop a strategic plan to guide our efforts to provide the quality service you expect. We work diligently to keep the lights on and continually search for ways to improve the reliability of our electric service.

We are ever mindful of the steadily rising costs associated with providing electricity. As a result, we are determined to make prudent decisions with each dollar you spend with us.

During 2016, BRMEMC constructed more than 50 miles of new power lines while maintaining its 6,000 miles of existing distribution lines and nearly 40 miles of transmission lines. Your cooperative owns and maintains 10 distribution substations and one transmission switching station.

One notable project that began in 2016 and continues into 2017 is the rebuild and upgrade of the Blairsville distribution substation. This upgrade will ensure BRMEMC is well prepared to accommodate the expected growth in energy needs and power demands for Union County members for many years to come.

In 2016, we added approximately \$9,560,300 in new electric and broadband plant, resulting in a total plant value as of December 2016 of more than \$252 million. This past year, we also added 712 electric meters and ended the year with a total of 51,594 connected meters, a 1.25 percent increase over the previous year. While this seems minimal, the average growth rate for 2016 for cooperatives similar in size



Jeremy Nelms

was .88 percent. As the economy continues its slow turnaround, I am hopeful we can continue to outperform our fellow cooperatives in meter growth.

In addition to providing electricity, BRMEMC also continues to offer several other value-added services. We now provide broadband to approximately 6,500 members.

Your staff has been working to encourage members with access to the existing broadband infrastructure to sign up, which would generate additional revenue and allow us to expand into new, unserved areas. Like the task of installing electric lines in the 1930s and 1940s, the installation of these broadband services will take years, but helping to bridge this digital divide is the right thing to do for this membership.

Finally, I would like to express my appreciation to BRMEMC's board, management and employees for their commitment to meeting the needs of our membership. We are proud of the last 79 years and look forward to many bright years ahead!

We hope to see you at the Annual Meeting on Saturday, Sept. 9, 2017, at the Union County Schools Fine Arts Center in Blairsville, Ga.

**General Manager
Jeremy Nelms**



Balance Sheet

| | 2015 | 2016 |
|---|-----------------------|-----------------------|
| Utility plant | | |
| Electric plant in service..... | \$ 242,452,516 | \$ 250,764,851 |
| Construction work in progress..... | \$ 908,764 | \$ 2,156,733 |
| Accumulated provision for depreciation | \$ 70,875,721 | \$ 76,851,291 |
| Net utility plant..... | \$ 172,485,559 | \$ 176,100,293 |
| Non-utility property..... | \$ 0 | \$ 0 |
| Investments in associated organizations..... | \$ 4,801,180 | \$ 4,956,731 |
| Current assets | | |
| Cash—general and temporary cash investments..... | \$ 931,637 | \$ 489,393 |
| Accounts receivable | \$ 3,474,474 | \$ 4,133,491 |
| Materials and supplies..... | \$ 2,183,823 | \$ 1,544,821 |
| Prepayments | \$ 564,481 | \$ 126,206 |
| Other current assets..... | \$ 4,954,490 | \$ 5,036,142 |
| Total current assets | \$ 12,108,905 | \$ 11,330,053 |
| Deferred debits..... | \$ 2,312,717 | \$ 2,546,252 |
| Total assets | \$ 191,708,361 | \$ 194,933,329 |

| | 2015 | 2016 |
|---|-----------------------|-----------------------|
| Equities | | |
| Memberships..... | \$ 268,942 | \$ 275,421 |
| Equity in co-op | \$ 54,102,757 | \$ 58,112,331 |
| Total equities..... | \$ 54,371,699 | \$ 58,387,752 |
| Long-term debt | \$ 116,588,384 | \$ 112,855,106 |
| Other non-current liabilities | \$ 3,767,041 | \$ 4,170,362 |
| Current liabilities | | |
| Notes payable..... | \$ 0 | \$ 0 |
| Accounts payable | \$ 8,494,903 | \$ 9,592,675 |
| Consumers' deposits | \$ 4,200,835 | \$ 4,230,235 |
| Accrued and withheld taxes..... | \$ 1,471,558 | \$ 975,600 |
| Accrued interest— RUS, CFC and FFB..... | \$ 2,775,932 | \$ 4,245,484 |
| Other | \$ 34,146 | \$ 454,378 |
| Total current liabilities | \$ 16,977,374 | \$ 19,498,372 |
| Deferred credits..... | \$ 3,863 | \$ 21,737 |
| Total equities and liabilities | \$ 191,708,361 | \$ 194,933,329 |

Statement of Revenue and Expense

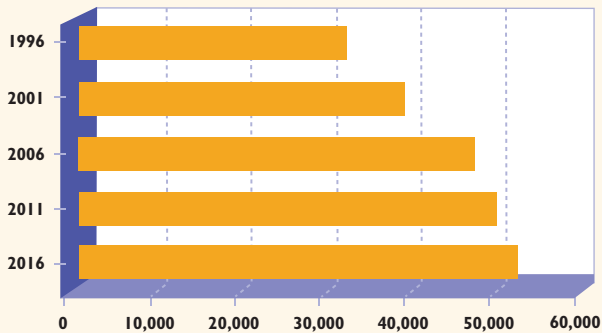
| | 2015 | 2016 |
|--|----------------------|----------------------|
| Operating revenue..... | \$ 83,742,610 | \$ 86,065,902 |
| Operating expense and interest | | |
| Cost of power..... | \$ 53,193,283 | \$ 54,697,217 |
| Distribution operations | \$ 3,112,262 | \$ 3,316,388 |
| Distribution maintenance..... | \$ 5,728,813 | \$ 5,708,367 |
| Consumer accounts..... | \$ 2,828,299 | \$ 2,845,139 |
| Consumer service and information..... | \$ 709,383 | \$ 893,348 |
| Administrative and general..... | \$ 2,713,267 | \$ 2,497,004 |
| Depreciation | \$ 7,315,928 | \$ 7,299,742 |
| Taxes | \$ 606,684 | \$ 634,455 |
| Interest..... | \$ 4,978,067 | \$ 4,681,333 |
| Total operating expense and interest..... | \$ 81,185,986 | \$ 82,572,993 |

| | 2015 | 2016 |
|---|---------------------|-----------------------|
| Net operating margins..... | \$ 2,556,624 | \$ 4,103,509 |
| Non-operating margins..... | \$ 3,368,899 | \$ 1,149,491 |
| Other comprehensive income..... | \$ (\$303,400) | \$ (\$610,600) |
| Net margins | \$ 5,622,123 | \$ 4,642,400 |
| Earnings reinvested in system: | | |
| Beginning of year | \$ 48,480,634 | \$ 54,102,757 |
| Prior year's adjustments..... | \$ 0 | \$ (\$632,826) |
| Earnings reinvested in system: | | |
| End of year..... | \$ 54,102,757 | \$ 58,112,331 |
| Paid back to RUS, CFC, FFB and CoBank..... | \$ 3,211,060 | \$ 4,245,484 |

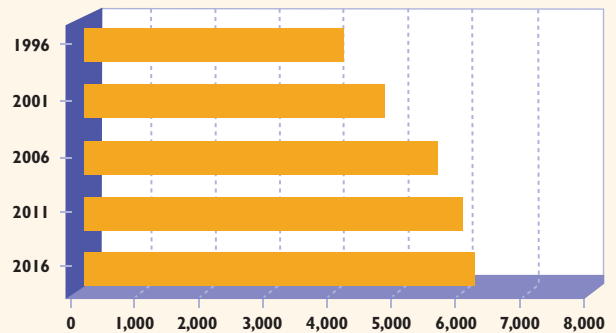
Numbers reflect calendar year totals.



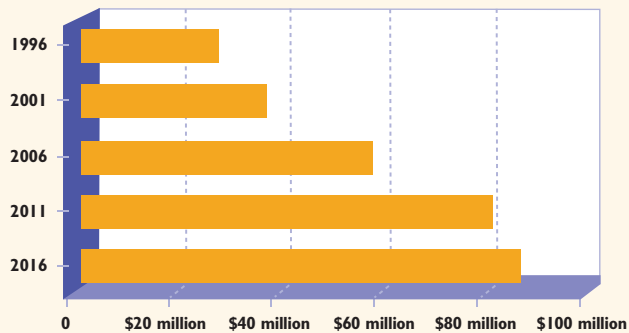
Meters Served



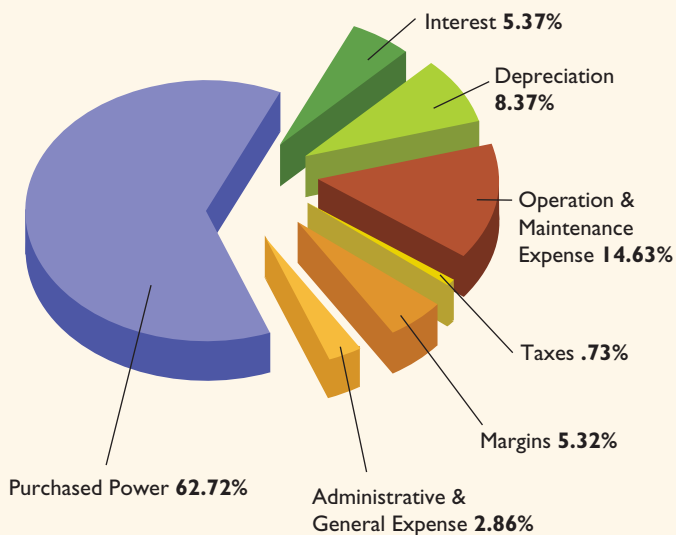
Miles of Line



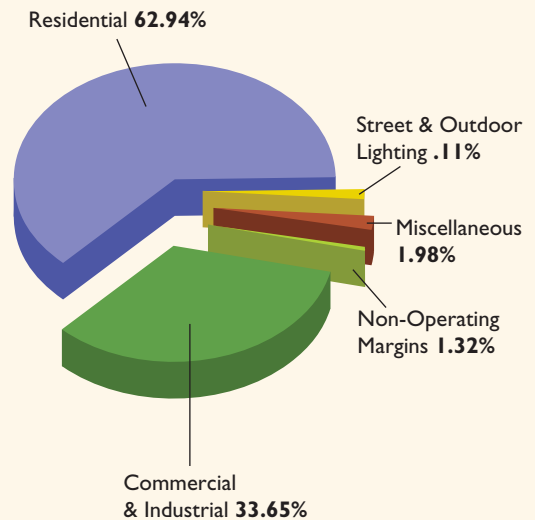
Electric Revenue



Uses of Revenue



Sources of Revenue



Numbers reflect calendar year totals.

Annual Meeting Entertainment

Union County High School Jazz Band



The Union County High School (UCHS) Jazz Band consists of students who play saxophone, trumpet, trombone, drums, keyboard, electric guitar and electric bass and do vocals. The band performs many times during the year at school and throughout the community. They play a variety of music, from big band to popular tunes.

Will Stafford, a UCHS graduate, is in his fifth year as the band director. Stafford received a bachelor of music in both music education and music performance from the University of Kentucky.

Union County High School Chamber Choir



The UCHS Chamber Choir is an auditioned group of 18 members. Students from the chorus participate in theater, band, musical theater and All-State Chorus. The chorus will be traveling to Los Angeles, Calif., in April 2018 to participate in a Disney performance workshop and tour the area.

Alicia Covington has served as choir director for 17 years. She holds a bachelor's degree in music therapy as well as a master's in music education with a concentration in choral education from the University of Georgia.



Blue Ridge Mountain Electric Membership Corporation

P.O. BOX 9, 875 MAIN STREET EAST YOUNG HARRIS, GEORGIA 30582 PHONE: (706) 379-3121

July 19, 2017

Dear Member:

This is your **Official Notice of the Annual Meeting of Members of the Blue Ridge Mountain Electric Membership Corporation**. The meeting will begin promptly at 10:00 a.m. on Saturday, September 9, 2017, at the Union County Schools Fine Arts Center, Blairsville, Georgia.

There are three members of the Board of Directors whose terms expire with the meeting this year. The Nominating Committee has nominated the following members for a three-year term:

- | | | | |
|------------------------------|-------------------|---|-------------------|
| Chris Logan (incumbent)..... | Clay County, N.C. | Steven Phillips (incumbent-withdrew)..... | Towns County, Ga. |
| Jeffrey Ledford..... | Clay County, N.C. | Charles Jenkins (incumbent)..... | Union County, Ga. |
| Bert Rogers | Towns County, Ga. | Karen Pirie..... | Union County, Ga. |
| Jason Waldroup..... | Towns County, Ga. | Danny Henson | Union County, Ga. |
| Kay Yandell (withdrew) | Towns County, Ga. | Thomas White | Union County, Ga. |

There was one nomination by petition: Preston Cabe, Clay County, N.C

Registration will be held at the Union County Schools Fine Arts Center beginning at 8:00 a.m. and will close promptly at 10:00 a.m.

The Union County High School Jazz Band and Chamber Choir will be providing the entertainment at this year's Annual Meeting.

Yours truly,

Blue Ridge Mountain EMC

Roy Perren, Secretary
Blue Ridge Mountain EMC Board of Directors



WILLIE WIREDHAND

DISTRIBUTOR OF T.V.A. POWER

OWNED BY THOSE WE SERVE

BRMEMC Annual Meeting



Saturday, Sept. 9, 2017

**Union County Schools
Fine Arts Center
926 Panther Overlook
Blairsville, GA**

Free door prizes

Grand-prize drawing:

A flat-screen TV

Registration:

8 a.m. to 10 a.m.

Business session:

10 a.m.



BRMEMC Board of Directors Voting Information

The Blue Ridge Mountain Electric Membership Corporation election is open from Aug. 7 through Sept. 7, 2017, at 4 p.m., Eastern Daylight Time.



Voting Online

- Go to www.directvote.net/brmemc/ to access the login page of the official BRMEMC Ballot.
- To log in, use your Member Number and your Election Passcode located on your bill.
- Once registered, follow the online voting instructions.
- Online voting ends at 4 p.m. EDT Sept. 7, 2017.

Voting by mail

- Paper ballots are available upon request from Survey and Ballot: Call 1 (866) 909-3549.
- When you receive your ballot, follow the voting instructions.
- DO NOT mail ballot back to BRMEMC.
- Mail-in ballots must be received no later than Sept. 7, 2017.

Voting in person

- You can vote at the Annual Meeting on Sept. 9, beginning at 8 a.m.
- The Annual Meeting is at the Union County Schools Fine Arts Center.

If you have any problem voting online, please email support@directvote.net or call 1 (866) 909-3549. For additional questions, please call (706) 379-3121.

Log on to our website at www.brmemc.com for more information.



Blue Ridge Mountain EMC

Board of Directors



Mickey Cummings



Roy Perren



Chris Logan



Larry Williams



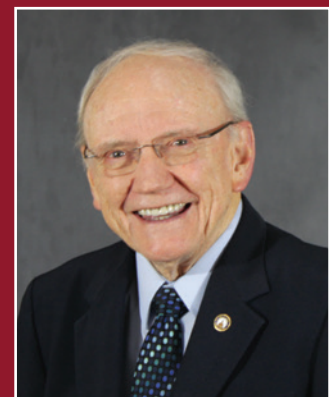
Ray Cook



Cory Payne



Gene Mason



Charles Jenkins