



Blue Ridge Mountain EMC

2019 Annual Report

We Are Committed to the Communities We Serve

I would like to begin by expressing my appreciation to our membership for their continued support of Blue Ridge Mountain EMC (BRMEMC) and its employees. Without dedicated employees, the mission of providing safe, reliable and affordable electric and broadband services would not be possible. Our members can rest assured that their co-op is sustained by an outstanding group of employees working on their behalf day and night, rain or shine.

This year's Annual Report will provide an update on the operations of your EMC, along with financial information from the 2018 calendar year.

In addition to their daily duties, our co-op crews were able to assist last year with the extensive power restoration effort in the Florida Panhandle and South Georgia following Hurricane Michael. Their actions and efforts exemplify one of the seven cooperative principles, Cooperation among Cooperatives.

The tremendous logistical undertaking associated with the power restoration was unprecedented for Georgia. I am proud our BRMEMC crews were able to join with fellow co-op crews to help those living in communities that were devastated by the storm.

Your electric cooperative constructed nearly 40 miles of new power lines while maintaining 6,000 miles of existing distribution lines and nearly 40 miles of transmission lines. BRMEMC owns and maintains 10 distribution substations and one transmission switching station. We initiated the planning process for the Nottely substation rebuild and the soon-to-be constructed Murphy substation. Both are multi-year efforts that will provide electrical benefits for a generation or more.

We added approximately \$4,643,250 in new electric and broadband plant, resulting in a total plant value by the end of the year of more than \$267 million. This past year



Jeremy Nelms
General Manager

Executive Summary

we also added 830 electric meters, giving us a year-end total of 53,220 connected meters. Our meter growth rate the past 5 years continues to outperform the national metrics. I believe this is a strong indicator of the growth and prosperity we are experiencing in the territory we serve.

BRMEMC is always looking for ways to expand and improve its broadband offerings and its other value-added services. In regards to broadband, two important events took place this past

year. First, BRMEMC staff was successful in obtaining \$3 million through Rural Utilities Services' Community Connect grant program to provide fiber optics to a large portion of northern Cherokee County, N.C. This money will be used to provide broadband to nearly 1,000 homes and businesses in an area previously unserved.

Second, your EMC began building more than \$750,000 worth of new fiber-optic infrastructure in other unserved and underserved portions of our system. This is the first substantial rollout of new infrastructure construction since the early 2010s. Coupling these events with the recent passage of Georgia Senate Bill 2, which gives statutory authority to the state's 41 electric cooperatives to provide broadband services, and our members can be confident their co-op is working harder than ever to connect our community with high-speed broadband service.

In closing, I want to thank BRMEMC's board, management team and employees for their dedicated service to our membership. I am proud of the role BRMEMC has played in improving the lives of our neighbors in the communities we live. I look forward to continuing our legacy of service to one another. I hope to see you at the Annual Meeting on Thursday, Sept. 26, at the co-op headquarters in Young Harris, Ga.



Balance Sheet

Utility Plant	2017	2018
Electric Plant in Service.....	\$ 257,362,537	\$ 266,856,795
Construction Work in Progress	\$ 5,249,931	\$ 398,929
Accumulated Provision for Depreciation	\$ 82,621,225	\$ 88,183,248
Net Utility Plant	\$ 179,991,243	\$ 179,072,476
Non-utility Property.....	\$ 0	\$ 0
Investments in Associated Organizations	\$ 3,992,508	\$ 3,960,156
Current Assets		
Cash—General & Temporary Cash Investments	\$ 6,107,835	\$ 10,140,365
Accounts Receivable	\$ 4,902,663	\$ 4,606,361
Materials & Supplies	\$ 1,431,681	\$ 1,694,172
Prepayments.....	\$ 404,093	\$ 494,199
Other Current Assets	\$ 5,174,782	\$ 5,092,003
Total Current Assets	\$ 18,021,054	\$ 22,027,100
Deferred Debits.....	\$ 3,467,011	\$ 2,241,693
Total Assets.....	\$ 205,471,816	\$ 207,301,425

Equities	2017	2018
Memberships	\$ 285,454	\$ 294,155
Equity in Co-op	\$ 63,920,404	\$ 70,947,367
Total Equities.....	\$ 64,205,858	\$ 71,241,522
Long-term Debt.....	\$ 116,221,054	\$ 105,464,621
Other Non-Current Liabilities.....	\$ 3,495,090	\$ 2,785,976
Current Liabilities		
Notes Payable.....	\$ 0	\$ 5,750,000
Accounts Payable	\$ 10,067,887	\$ 11,194,582
Consumers' Deposits.....	\$ 4,194,283	\$ 4,190,212
Accrued and Withheld Taxes.....	\$ 1,542,209	\$ 1,559,252
Accrued Interest— RUS, CFC, & FFB.....	\$ 5,602,402	\$ 4,805,463
Other	\$ 127,210	\$ 288,181
Total Current Liabilities	\$ 21,533,991	\$ 27,787,690
Deferred Credits.....	\$ 15,823	\$ 21,616
Total Equities and Liabilities	\$ 205,471,816	\$ 207,301,425

Statement of Revenue and Expense

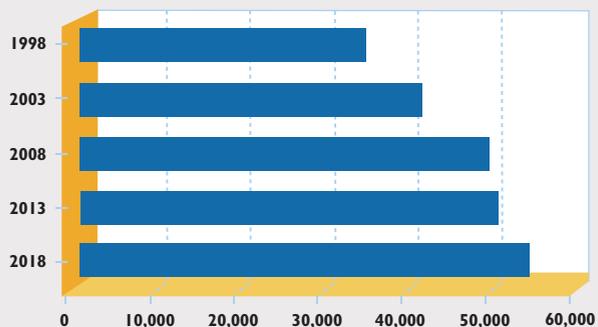
	2017	2018
Operating Revenue.....	\$ 84,893,526	\$ 92,198,181
Operating Expense & Interest		
Cost of Power	\$ 53,512,081	\$ 58,636,952
Distribution Operations	\$ 3,054,559	\$ 3,370,418
Distribution Maintenance	\$ 6,410,031	\$ 7,303,431
Consumer Accounts	\$ 2,951,480	\$ 3,186,509
Consumer Service & Information.....	\$ 1,212,908	\$ 920,624
Administrative & General.....	\$ 2,875,538	\$ 2,557,978
Depreciation	\$ 7,559,516	\$ 8,144,933
Taxes	\$ 699,436	\$ 715,413
Interest	\$ 4,678,162	\$ 4,641,597
Total Operating Expense and Interest	\$ 82,953,711	\$ 89,477,855

	2017	2018
Net Operating Margins	\$ 1,939,815	\$ 2,720,326
Non-Operating Margins	\$ 3,035,492	\$ 3,631,150
Other Comprehensive Income	\$ 960,800	\$ 675,487
Net Margins	\$ 5,936,107	\$ 7,026,963
Earnings Reinvested in System:		
Beginning of Year.....	\$ 58,112,331	\$ 63,920,404
Prior Year's Adjustments.....	\$ (128,034)	\$
Earnings Reinvested in System:		
End of Year	\$ 63,920,404	\$ 70,947,367
Paid Back to RUS, CFC, FFB & CoBank.....	\$ 5,602,402	\$ 4,805,463

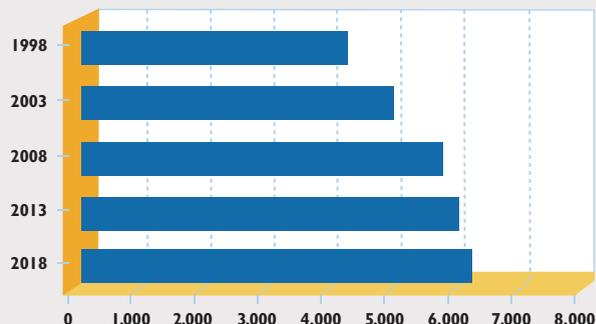
Numbers reflect calendar year totals.



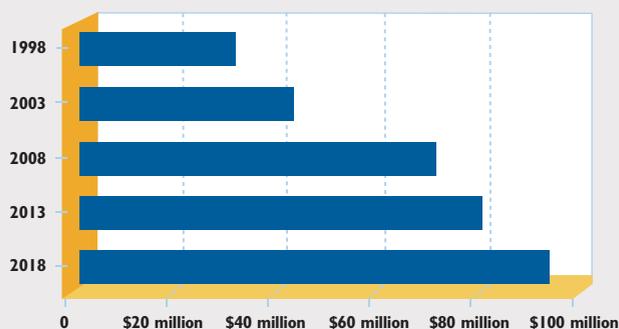
Meters Served



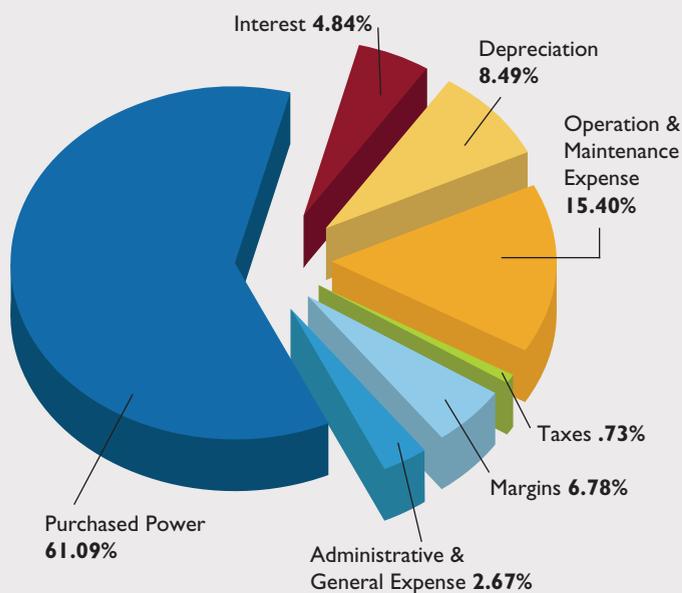
Miles of Line



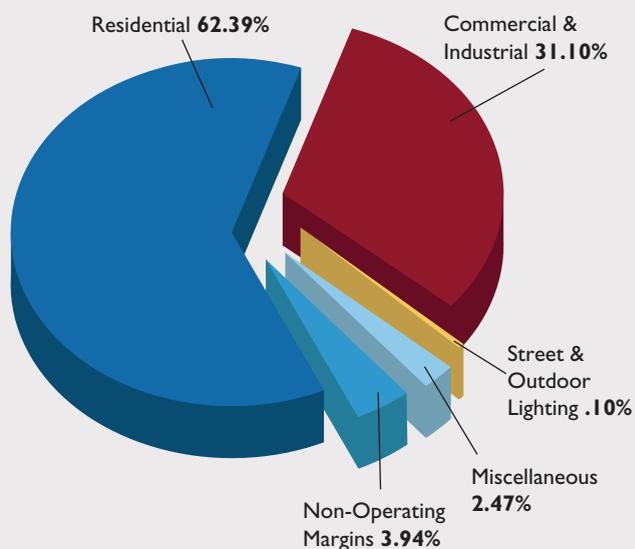
Electric Revenue



Uses of Revenue



Sources of Revenue



Numbers reflect calendar year totals.



BRMEMC Board of Directors Voting Information

Voting by mail

- Paper ballots are available upon request from Survey and Ballot: (866) 909-3549.
- DO NOT mail ballot back to BRMEMC.
- Mail-in ballots must be received no later than Sept. 24.

Voting online

- Go to www.directvote.net/brmemc/ to access the login page of the official BRMEMC Ballot.
- Your **Membership Number** and **Election Passcode** can be found on your electric bill or can be obtained by calling Survey and Ballot at (866) 909-3549.
- Online voting closes at midnight on Sept. 24.

Voting in person

- You can vote at the Annual Meeting on Sept. 26 beginning at 1 p.m.
- The Annual Meeting is at the headquarters of BRMEMC in Young Harris, GA.

If you encounter any problems voting online, please email support@directvote.net or call (866) 909-3549. For additional questions, call (706) 379-3121, or for more information visit our website at www.brmemc.com.

BRMEMC Annual Meeting

Thursday, Sept. 26, 2019

Blue Ridge Mountain EMC Headquarters
875 Main St. East
Young Harris, GA

Registration and voting: 1-3 p.m.

Business session: 3 p.m.

Vote to be entered to win one of three cash prizes. Cash prizes will be awarded on Sept. 30 at the BRMEMC Headquarters.

Official Annual Meeting Notice

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 at 1 p.m. on Thursday, Sept. 26, at the BRMEMC headquarters in Young Harris, GA. The business session will begin promptly at 3 p.m.

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 re-election to a three-year term.

Cory Payne	<i>Clay County, N.C.</i>
Ray Cook	<i>Cherokee County, N.C.</i>
Gene Mason	<i>Union County, GA</i>

(There were no nominations made by petition and under the bylaws no nominations may be made from the floor.)

Yours truly,

Roy Perren, Secretary
Blue Ridge Mountain EMC Board of Directors