



KEEPING
THE LIGHTS
ON FOR
75 YEARS

2015 Annual Report



Amicalola EMC

Amicalola EMC Annual Report



**Official Publication
Amicalola Electric
Membership Corporation
544 Highway 515 South
Jasper, GA 30143**

Todd Payne, *President/CEO*

Board of Directors

- Charles R. Fendley, *Chairman*..... Post #3
- John H. Bennett, Jr., *Vice Chairman* . Post #6
- Randall Ponder, *Sec.-Treas.* Post #1
- James H. Bryan Post #4
- Kathy Burt Post #7
- Travis D. Cline..... Post #5
- Wm. Leon Davis Post #9
- David J. Pierce Post #2
- Reggie Stowers Post #8

TELEPHONE NUMBERS TO CALL IN CASE OF POWER INTERRUPTIONS:

Outage Hotlines

- 706-253-0359
- 706-276-0359
- 706-864-0359

Amicalola Electric Membership Corporation

544 Hwy. 515 South
Jasper, GA 30143
Telephone: 706-253-5200

www.amicalolaemc.com

Eastern District Office

1234 Dawsonville Hwy.
Dahlonega, GA 30533
706-864-7979

Northern District Office

150 Tabor Street
Ellijay, GA 30540
706-276-2362

Office Hours: Monday through Friday
8:00 a.m. - 5:00 p.m.
Closed on Saturday, Sunday, and holidays

Beacon Editor:

Stacey Godfrey Fields, CCC



Executive Report

Decades have passed since Amicalola EMC was created. Established in 1940 to bring electricity and modern conveniences to the dark, rural farms of North Georgia, Amicalola EMC has been improving the quality of life for rural residents for more than 75 years.

By the end of 1941, we had extended power lines to parts of Cherokee, Gilmer and Pickens counties, bringing electricity to 90 member-owners. Today, our power lines carry electricity to around 47,700

locations in portions of 10 North Georgia counties. We employ 133 full-time employees who maintain approximately 5,572 miles of line throughout rural areas, many times cross country, to bring electricity to your homes and businesses.

2015 started out with a challenge as February brought ice and freezing rain, sending hundreds of trees and tree limbs crashing down on power lines and roadways. With over 19,000 members affected and more than 40 broken power poles, our crews worked day and night in brutally cold temperatures to restore power. Many legislators spoke publicly from the floor of the Georgia House or Senate to praise the extraordinary efforts of line crews across North Georgia.

In keeping with cooperative (not-for-profit) principles, we allocate any revenue surpluses back to member-owners in proportion to their transactions with the cooperative. Amicalola EMC continues to refund these capital credits to our members. This year, our board of directors has approved a \$1.8 million refund to members who had service during 1997 and 1998. This refund will bring the total amount returned to members since 2005 to just over \$23 million.

We worked to increase member convenience and ease of use, incorporating a mobile app for smartphones and a new and improved online member portal. Members may access their accounts 24 hours a day, seven days a week, by using the mobile app, the online member portal or the automated telephone system.

We know that reliable electricity is something you depend on daily, and in 2015, we invested over \$2 million to keep the rights of way clear. It was also necessary to authorize some capital expenditures to purchase equipment necessary for day-to-day operations.

2015 was a year of transition as President/CEO Charles Gibson announced his retirement. His long and outstanding career was dedicated to protecting the best interests of Amicalola EMC members and to increasing educational opportunities for the students in our service area. Under his tenure, the Washington Youth Tour program, Amicalola EMC scholarship program and the Bright Ideas teacher grant program all grew substantially. Gibson also increased automation by introducing digital system maps, laptop computers for outside crews and an automated outage management system.

Today, as our audit report shows, Amicalola EMC remains steadfast in the strongest financial shape since our creation in 1940. Our rates continue to be lower than the state average and the local investor-owned utility. There's only one reason we exist: to provide reliable electricity to our members at the lowest possible price.

As we celebrate the 75th anniversary of our first annual meeting, we are looking optimistically toward the future. Please join us on Saturday, Oct. 1, for the Annual Meeting of the Members. We look forward to seeing you there.



Todd Payne
President/CEO



Charles R. Fendley
Chairman

Todd Payne, *President/CEO*

Charles R. Fendley, *Chairman*

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Amicalola Electric Membership Corporation Jasper, Georgia

ANNUAL MEETING MINUTES October 3, 2015

CALL TO ORDER—Chairman Charles R. Fendley, having determined from the registration clerks that a quorum was present, called the 74th Annual Meeting of Members of Amicalola Electric Membership Corporation to order on October 3, 2015. The meeting was held at the headquarters facility in Jasper, Ga.

INVOCATION—Edward Casey gave the invocation. Following the invocation, members and guests joined in pledging allegiance to the U.S. flag.

WELCOME—Chairman Fendley welcomed members and visitors on behalf of the Board of Directors and expressed appreciation to The Primitive Quartet for providing the singing today. Chairman Fendley announced that Amicalola EMC has had a very significant year. On February 10, 2015, Amicalola celebrated 75 years of business. He reported that the Co-op is in the best financial shape in the history of the cooperative. Chairman Fendley also shared that CEO Charles Gibson is planning to retire after 38 years with Amicalola EMC. He has done an exceptional job for the co-op, and we wish him the best. In September, we refunded \$2 million dollars in capital credits to our members. This brings the total to \$20 million dollars refunded since 2005. Chairman Fendley reported that Amicalola EMC is a financially strong cooperative, which refunds capital credits each year, and one that works hard to keep the lights on for the members. Amicalola's rates continue to be less than Georgia Power and those rates are expected to remain stable through 2022.

BUSINESS SESSION—Attorney Phil M. Landrum III, conducted the meeting.

NOTICE OF MEETING—Attorney Landrum read the meeting notice and proof of mailing of the notice of the 2015 Annual Meeting.

MINUTES AND FINANCIAL REPORT—Attorney Landrum stated that the reading of the minutes of the 2014 Annual Meeting would be dispensed with unless called for since copies of these minutes and the Financial Report of the Cooperative as of December 31, 2014 Audit had been forwarded to members as part of the official notice of the meeting. As there was no call for reading of the minutes, a motion was made, seconded, and carried that the minutes be approved as submitted. Accordingly, Attorney Landrum announced that the minutes of the 2014 Annual Meeting were approved as mailed.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS—There was no new business.

NOMINATING COMMITTEE REPORT—Attorney Landrum recognized the Nominating Committee members who were present, and then read the report of the Committee placing in nomination the following to serve as Directors for three-year terms ending at the Annual Meeting 2018: Travis Cline, Post 5,

Continued on page 28F

Board nominees

Pickens and Gordon counties (Post #4)



James H. Bryan has served on Amicalola EMC's Board of Directors since April 1990. He retired from Jasper Banking Co. after 37 years.

He and his wife, Judy, live in Jasper and have two sons and a granddaughter.

Dawson and Forsyth counties (Post #7)



Kathy Burt has served on the Board of Directors since November 1990 and has earned the Credentialed Cooperative

Director Certificate. She and her husband, Johnny, own and operate Burt's Pumpkin Farm in Dawson County. They have three children, nine grandchildren and three great-grandchildren.

Lumpkin County (Post #9)



William Leon Davis began serving on the Board of Directors in 1976. He completed requirements for earning the Directors Certificate,

the Credentialed Cooperative Director Certificate, the Board Leadership Certificate and the Director Gold Program Credential. He and his wife, Jean, live in Dahlonega. They have one son, one grandchild and two great-grandchildren.

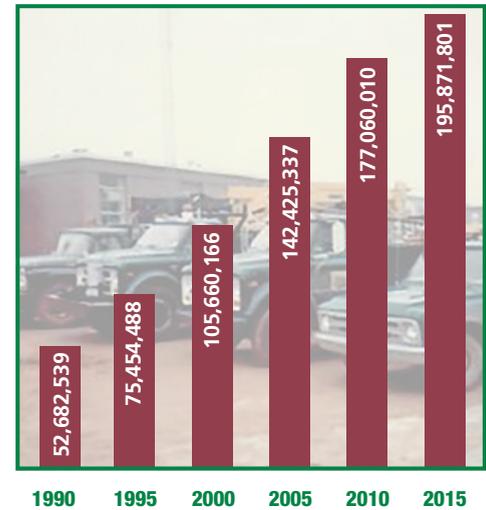
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Balance Sheet Data

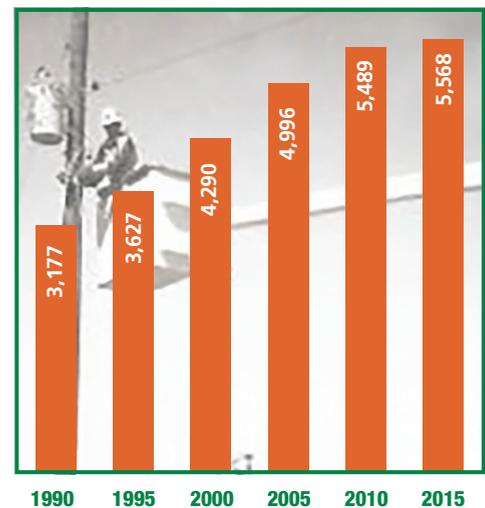
For years ended December 31

	2015	2014
Utility Plant		
Electric Plant in Service—At Cost	\$ 194,634,898	\$ 190,356,132
Construction Work in Progress	1,236,903	1,063,854
	<u>195,871,801</u>	<u>191,419,986</u>
Accumulated Provision for Depreciation	(71,287,679)	(67,483,774)
	<u>124,584,122</u>	<u>123,936,212</u>
Other Property, Investments and Restricted Funds		
Investments and Restricted Funds	8,783,060	8,349,739
Current Assets	12,921,156	13,959,246
Deferred Debits	2,606,624	2,844,778
Total Assets	<u>\$ 148,894,962</u>	<u>\$ 149,089,975</u>
Equities		
Memberships	\$ 766,964	\$ 760,964
Patronage Capital	65,759,135	64,335,564
Other	4,146,587	4,324,726
	<u>70,672,686</u>	<u>69,421,254</u>
Long-term Debt	45,826,066	44,742,781
Post-retirement Benefits Other Than Pensions	297,268	—
Current Liabilities	21,177,499	19,828,637
Deferred Credits	10,921,443	15,097,303
Total Equities and Liabilities	<u>\$ 148,894,962</u>	<u>\$ 149,089,975</u>

Plant Investment (in dollars)



Miles of Line



REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the accompanying balance sheets of Amicalola Electric Membership Corporation as of December 31, 2015 and 2014 and the related statements of revenue and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these 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 Government 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

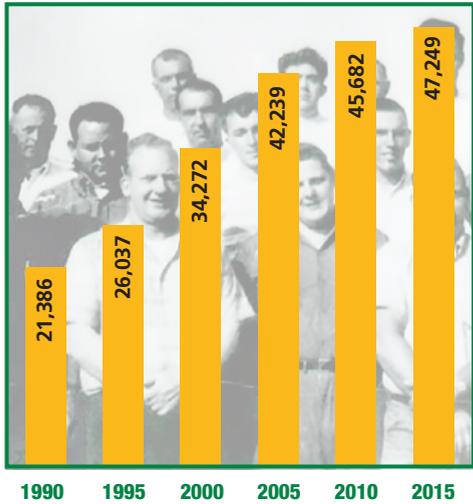
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amicalola Electric Membership Corporation as of December 31, 2015 and 2014, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McNair, McLemore, Middlebrooks & Co., LLP

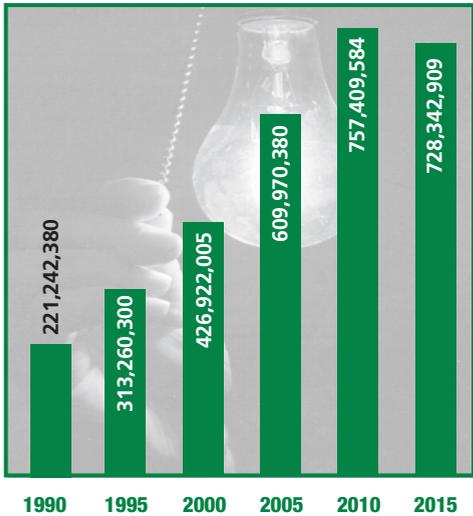
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLP

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Consumer Growth



kWh Sales (in hours)



Operating Statistics

For the years ended December 31

	2015		2014	
	Amount	Percent	Amount	Percent
Operating Revenues	\$ 90,237,968	100.00 %	\$85,899,807	100.00%
Operating Expenses				
Cost of Power	\$ 64,683,163	71.68	\$61,367,050	71.44
Distribution Expenses	16,030,819	17.76	15,155,880	17.64
Depreciation	5,988,572	6.64	5,899,816	6.87
Interest Expense	3,051,564	3.38	2,911,608	3.39
	89,754,118	99.46	85,334,354	99.34
Operating Margins	483,850	0.54	565,453	0.66
Other Revenue	3,027,298	3.35	2,463,251	2.87
Net Margins	\$ 3,511,148	3.89%	\$ 3,028,704	3.53%

Notice of 2015 Capital Credit Assignments

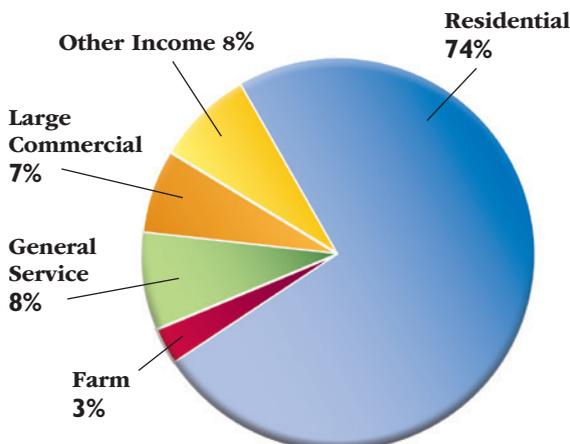
2015 capital credit allocation based on patronage revenue of \$82,589,853

	Allocation	Percentage
AEMC	\$ —	—
G & T	485,528	0.005879
Total	\$ 485,528	0.005879

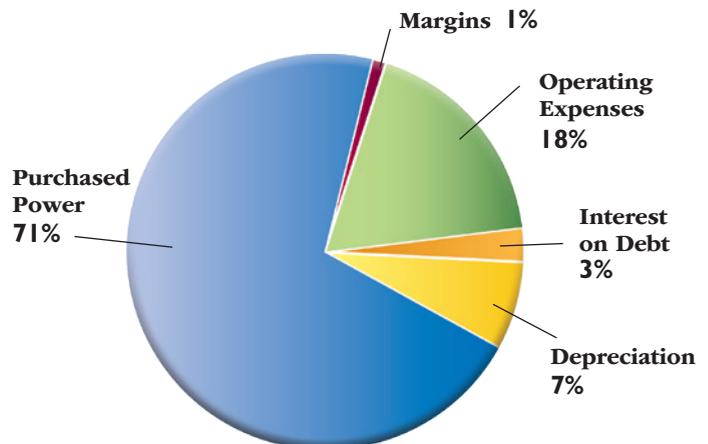
To compute your capital credits, multiply the above percentage by the amount paid on energy and security lights during 2015. For assistance, call (706)253-5200.

The Co-op Dollar

Where It Comes From



Where It Goes



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Annual Meeting minutes,

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Cherokee County; David Pierce, Post 2, Gilmer/Fannin counties; Reggie Stowers, Post 8, Lumpkin/Dawson counties. There was one nomination by petition. William C. Elliott qualified for Post 2, Gilmer/Fannin counties.

Each candidate was introduced in accordance with the procedures recommended by the Election/Credentials Committee.

ELECTION/CREDENTIALS COMMITTEE—Attorney Landrum then introduced the following who had been appointed to serve as the 2015 Election/Credentials Committee: Edward E. Tucker, Carl Hill Jr., Steve Garrison Jr., E.C. Kelley, Jr. and Clayton Vaughters.

The Election Tellers collected the ballots. While the ballots were being counted, the meeting continued.

CHAIRMAN'S REPORT—Chairman Fendley reported that the Board strives to make sure that the co-op is financially sound, while keeping the rates as low as possible and continuing to return capital credits to our members. Another area where the Board is strongly committed is investing in our youth. This past June, we sponsored four high school students on a trip to Washington, D.C., as part of the Washington Youth Tour. Through funds made possible because of Georgia's unclaimed property laws, Amicalola EMC was able to fund 81 Bright Ideas grants for teachers to use in their classrooms. This same Georgia law allowed Amicalola EMC to award 120 college scholarships to graduating seniors last month. These projects were funded from unclaimed property and therefore does not affect your electric rates.

CEO'S REPORT—CEO Gibson echoed the remark that the co-op is financially sound. Our membership grew by just under 500 in 2014. We now have over 5,500 miles of line that we own and maintain, and this area covers some of the most rugged terrain in Georgia, which makes it difficult to restore power during an outage. Dawson and Lumpkin were especially impacted by an ice storm this past February. We had many employees and contractors working hard to restore power, and we appreciated the patience and hospitality that was shown. CEO Gibson reported that two things were very important to him as President of the co-op. It is important that our co-op's power rates remain less than Georgia Power, and it is also important that we return capital credits to our members. In order to do this, the management team works hard to keep interest rates low on our loan portfolios, manage our funds to earn the most interest income, and negotiate contracts so that Amicalola pays a lower rate for power. CEO Gibson works

hard on these tasks daily so that the members can reap the benefits of this strong cooperative.

RECOGNITION OF GUESTS—Chairman Fendley recognized all veterans who were present. The 2015 Washington Youth Tour winners who assisted were recognized, and they were Tucker Green, Pickens High School, and Taylor Haynes, Pickens High School. Operation Round Up Trustees Don Quinton, Doug Caldwell, Edgar Land, E. C. Kelley Jr., Jo Ann Vick, Steve Garrison Jr. and Tommy Allison were recognized. Fredia Watkins who represents the American Heart Association was acknowledged for her assistance. Retired employees and retired CEOs Paul Weatherby, Stan Dean, and Bob Payne were welcomed. Nell Watson, widow of the late Ray Watson, and Betty Bruce, widow of the late Winston Bruce, whose husbands served on the Board many years, were also welcomed. Linda Cornelison, whose late husband Gene retired from Amicalola was thanked for her continued support. Chairman Fendley then recognized a special member, Raymond Cain. Mr. Cain has been a member since 1954. Mr. Cain stood and thanked Amicalola EMC for their service for 61 years. The following guests also attended: Jennifer Hewett, GEMC's *GEORGIA Magazine*; Gale Cutler, Georgia Electric Membership Corp.; and John Winskie, Georgia Electric Cooperative.

PRESENTATION OF AWARDS—CEO Gibson announced the names of service award recipients for 5, 10 and 15 years of service. All of these employees were commended for their years of service. Chairman Fendley announced the names of service award recipients for 30, 35, 40 and 45 years of service. These employees were presented their award by CEO Gibson. Edward Casey was recognized for 35 years of service. John Jordan and Eugene Crowe were recognized for 40 years of service. Directors Kathy Burt, James H. Bryan and Randall Ponder also received 25-year service awards.

RESULTS OF ELECTION—Attorney Landrum gave the report of the election prepared by the Election/Credentials Committee. For Post 2, Gilmer/Fannin Counties, David Pierce received 230 votes and William C. Elliott received 188 votes. David Pierce, Post 2, Travis Cline, Post 5, and Reggie Stowers, Post 8 will hold office until the 2018 Annual Meeting of Members, or until their successors have been elected and qualified.

DISTRIBUTION OF PRIZES—Aliza Chastain drew the tickets for gifts provided by vendors and Amicalola EMC.

Being no further business, Chairman Fendley adjourned the meeting.

Randall Ponder, *Secretary*

Charles R. Fendley, *Chairman*

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Important information for Annual Meeting

REGISTRATION

Registration for the 2016 Annual Meeting will be held in the Truck Maintenance and Storage Building of the headquarters facility beginning at 11:30 a.m. The registration area will be marked. Adjacent to the registration area is the meeting area for the Annual Meeting.

VOTING

Voting by members will be in accordance with Bylaws of the cooperative.

In the event it is necessary that votes be counted by election tellers, only votes by registered voting members will be counted.

Only members who are present may vote. A qualified member is one who has paid a membership fee and signed an application for service. Only one vote for each member will be allowed. To vote for a church, club or other

organization, bring the completed Letter of Authorization with you when registering.

SPECIAL SERVICES

Amicalola EMC will provide special seating arrangements for the hearing impaired and the disabled. Members needing assistance are asked to contact the headquarters office prior to the Annual Meeting.

PRIZES

At the time of registration, each voting member will be given a voting member identification sticker and prize stub.

Eligibility for ballot and prize stubs will be established from board acceptance through Aug. 25, 2016. Winning prize stubs must be held by the person to whom it is issued.

The Good Shepherd Quartet to perform at Annual Meeting



The Good Shepherd Quartet began as a cappella group in the early '80s with David Fannon (lead vocals), Millard Fannon (baritone vocals), Betty Kirk (alto vocals) and Mike Mooney (bass vocals). The quartet was interested in the older Appalachian style of gospel music, which included rich four-part harmony and some of the more difficult arrangements of this music. The group existed this way for 23 years.

After taking some time off in 2005, the group re-formed in 2008 with a new lead singer, Donnie Sizemore. Now the four vocalists use only Hartssock's acoustic guitar to re-create the oldest and most pure form of their style of music. As Wade Powell, publisher of *Precious Memories Magazine*, once put it, "It's real music, for real people."

LETTER OF AUTHORIZATION

For Churches, Clubs or Organizations at Annual Meeting

(Name of Secretary of organization or other designated official)
has been appointed to represent

(Name of church, club or other organization)

(Address of church, etc.)

Account Number

as its voting delegate at Amicalola EMC's Annual Membership Meeting on Saturday, Oct. 1, 2016.

(Signature of Secretary of organization or other designated official)

Witnesses:

(If you are to be the representative of your church, club or other organization at the Annual Meeting, please have this form completed and bring it with you to the meeting.)

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Official Notice of Annual Meeting of Amicalola Electric Membership Corporation

The 2016 Annual Meeting of Amicalola Electric Membership Corporation will be held at the Amicalola EMC Headquarters Facility located at 544 Highway 515 South, Jasper, Pickens County, Georgia, on Saturday, Oct. 1, 2016, beginning at 1:30 p.m. to take action on matters listed below. Registration begins at 11:30 a.m.

1. Reports and recommendations of officers and others.
2. Election of three Directors for three-year terms.
3. Handling such other items of business as may properly come before the meeting or any adjournment thereof.

Directors previously elected, but whose respective terms do not expire until the dates indicated are:

John H. Bennett Jr...... (Post 6 – Cherokee/Bartow counties)..... Term expires October 2017
Charles R. Fendley (Post 3 – Pickens County) Term expires October 2017
Randall Ponder (Post 1 – Gilmer/Murray counties)..... Term expires October 2017
David J. Pierce (Post 2 – Gilmer/Fannin counties) Term expires October 2018
Travis D. Cline..... (Post 5 – Cherokee County) Term expires October 2018
Reggie Stowers (Post 8 – Dawson/Lumpkin counties)..... Term expires October 2018

In connection with the election of three Directors, terms to expire October, 2019, scheduled to be held at this meeting, the following members have accepted nominations for Directors made by the Committee on Nominations appointed by the Board of Directors of the cooperative pursuant to the bylaws:

James H. Bryan..... (Post 4 – Pickens/Gordon counties)
Kathy Burt (Post 7 – Dawson/Forsyth counties)
William Leon Davis (Post 9 – Lumpkin County)

RANDALL PONDER, SECRETARY



Program for Meeting October 1, 2016

- Registration begins 11:30 a.m.
- Entertainment 12:30 - 1:30 p.m. – The Good Shepherd Quartet
- Call to Order 1:30 p.m.
- Invocation
- Welcome
- Determination of Quorum
- Reading of Notice of Meeting
- Minutes of Previous Meeting
- Unfinished Business
- New Business
- Reports of Officers, Directors, Committees
- Adjourn