

Save this issue! Cobb EMC Annual Report inside

Celebrating the Georgia lifestyle

CEMC

georgia[®]

M A G A Z I N E

September 2018



**Free fair tickets,
prize drawings,
and fun for all
at Cobb EMC's
Annual Meeting!**

TO OUR MEMBERS:

With our cooperative's 80th anniversary around the corner, we're celebrating the community who built us, and most importantly, we're looking ahead to see how we can make your lives easier.

Our goal is to safely deliver reliable electricity at competitive rates, but in doing so, we're also focused on innovation and continual improvement. We are embracing new technologies and advancing our strategies and operations, all while creating an environment where our employees – who are the heart of this company – are energized and proud of how they are making a difference in our future.

Over the last year, we've balanced our mix of energy sources to bring you reliable energy 24/7. Our most recent solar energy expansion project provides us new solar energy that is cheaper than most other energy sources, meaning you get the benefit of clean, renewable energy while paying less for it. We're focused on bringing the benefits of sensible, affordable solar to everyone; not just those who invest in rooftop solar panels, all while keeping rates low – among the lowest in the state.

As electrical vehicles (EVs) continue to become more mainstream and affordable, we want to be a convenient resource for information. We're offering test drives, educating our consumers about how electric vehicles fit their lives and are soon offering a new rate that makes sense for those who drive EVs and for those who want to save money by shifting their energy use to later hours.

As a community-focused electric cooperative, we belong to the communities we serve. That's why you'll often find our employees volunteering, whether it's hosting community recycling events or landscaping homes for Habitat for Humanity. And as your trusted energy advisor, we're always looking for new and innovative ways to power your lives.



Peter J. Heintzelman
President and CEO



Tripper Sharp
Board Chairman

"Our goal is to safely deliver reliable electricity at competitive rates, but in doing so, we're also focused on innovation and continual improvement."



\$99k

EDUCATION FUNDING

Cobb EMC awarded 17 **scholarships to students** in our service district. Grants were also awarded to teachers to help fund STEM programs, school gardens and other learning activities.

\$3.6M

COMMUNITY GIVING

Generous Cobb EMC members who opt to round up their bills to the nearest dollar have given **\$3,600,000+ to benefit neighborhood nonprofits** since 2013.

BY THE CO FOR THE CO

As a cooperative, we don't just serve the
Local nonprofits and schools rely on C
investing in the neighborho



COMMUNITY COMMUNITY

community — we're part of the community.
Cobb EMC's support, and we believe in
goods where we live and work.



COMMUNITY RECYCLING

Cobb EMC hosted a recycle event for members where together we **recycled 20.5 tons of metal and 14.8 tons of paper** – enough to save 251 trees.



ENERGY EFFICIENCY

Cobb EMC and Gas South, in partnership with the Cobb Heating and Air Conditioning Association, awarded a local father and Cobb EMC member with a Home Energy Efficiency Makeover to help his household **save on energy-related expenses.**

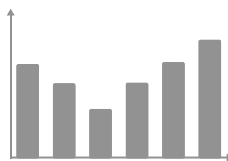
IT'S EASY TO GO EV

We're looking to the future and planning for the stability of our electric grid. That's why we've developed a new rate that encourages electric vehicle adoption.



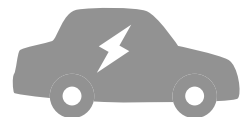
EVs FIT ANY LIFESTYLE

As technology advances, electric vehicles are becoming more common. EVs are **clean, practical and fun** to drive – and new batteries allow you to travel farther on a single charge.



PLUG-IN TIME OF USE RATE

We've **designed a rate** that's beneficial for members who drive an electric vehicle or anyone who's interested in saving money by shifting their energy use to later hours.



SEEING IS BELIEVING

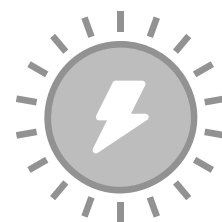
We want to share our excitement about electric vehicles, so we're hosting events where members can **experience the thrill** of driving an EV first-hand.

POWERING INNOVATION

We're focused on continual improvements
that benefit our members and our future.

We've continued to expand **affordable solar to all of our members**. Recent solar initiatives have increased our solar portfolio by 360 percent since 2016. Solar energy is becoming cheaper than most other energy sources. When you flip a switch or plug in a device, a larger portion of your electricity is coming from clean, affordable renewable resources.

CLEANER
ENERGY



BRIGHTER
COMMUNITIES

Smarter streetlights are one way we're working to increase conservation efforts. Over the next five years, Cobb EMC's **60,000 streetlights will be converted to LEDs**. The transition will brighten roadways and improve visibility. Additionally, the lights are equipped with new technology that enables us to remotely monitor and control street and area lights.

TREASURER'S REPORT

Cobb Electric Membership Corporation is a not-for-profit electric membership corporation whose purpose is to provide electric service to its members. The consolidated financial statements present the financial position and results of operations of Cobb Electric Membership Corporation and its wholly-owned subsidiaries, Cobb Energy Management Corporation and Gas South, LLC.

McNair, McLemore, Middlebrooks & Co., LLC conducted our audits as of and for the years ended April 30, 2018, and April 30, 2017, in accordance with auditing standards generally accepted in the United States of America.

The financial information included in this report represents a summary of our consolidated financial condition and operating results. Copies of the audited, consolidated financial statements and quarterly interim reviews are available on our website. We encourage you to review these statements for a more comprehensive review of our financial condition.



Bryan Boyd
Secretary and Treasurer

Balance Sheet - Consolidated Assets	2018	2017
Net Utility Plant	\$ 627,951,038	\$ 612,394,896
Other Property and Investments	224,571,365	213,769,047
Current Assets	110,479,082	95,661,771
Other Assets	10,674,565	9,577,294
	\$ 973,676,050	\$ 931,403,008

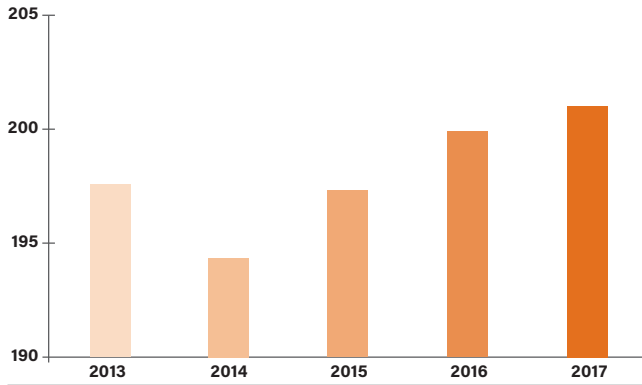
Balance Sheet - Consolidated Equities and Liabilities		
Equities	\$ 333,779,350	\$ 331,136,823
Long-Term Liabilities	489,417,934	464,788,342
Current Liabilities	141,182,806	126,775,230
Deferred Credits	9,295,960	8,702,613
	\$ 973,676,050	\$ 931,403,008

Consolidated Statement of Operations		
Operating Revenues	\$ 849,734,298	\$ 766,624,419
Operating Expenses:		
Cost of Revenues	636,075,108	551,785,366
Distribution Operations	11,028,673	8,650,034
Distribution Maintenance	25,028,162	21,859,821
Consumer Accounts	13,320,035	13,173,840
Consumer Service and Information	1,258,153	1,528,950
Administrative, Selling and General	79,160,815	75,404,929
Depreciation and Amortization	31,438,944	32,161,283
Operating Taxes	3,470,799	3,150,895
	800,780,689	707,715,118
Operating Margins Before Interest Expense	48,953,609	58,909,301
Interest Expense	22,222,341	22,422,047
Operating Margins After Interest Expense	26,731,268	36,487,254
Non-operating Margins	(2,450,769)	1,716,198
Reduction in Force	-	(6,071,787)
Generation and Transmission Patronage Allocations	6,575,794	6,444,091
Other Capital Credits and Patronage Allocations	2,457,791	2,364,005
Net Income Before Income Taxes	33,314,084	40,939,761
Income Tax Expense	7,935,000	8,619,000
Net Income	\$ 25,379,084	\$ 32,320,761

STATISTICAL PROFILE

2017 year-end

The below numbers represent Cobb EMC data only.

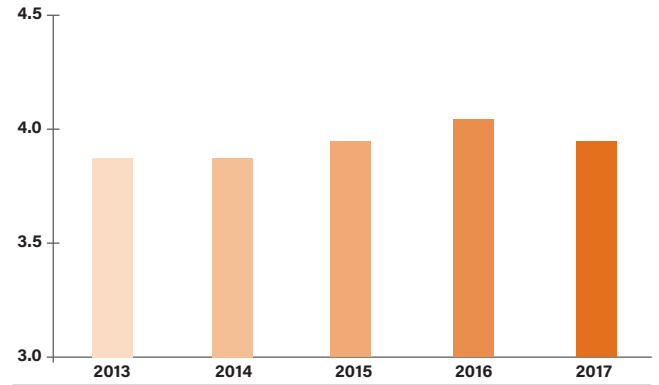


Number of Active Meters
201.8 (In thousands)

2013: 197.6
2014: 194.6*

2015: 197.0
2016: 199.7

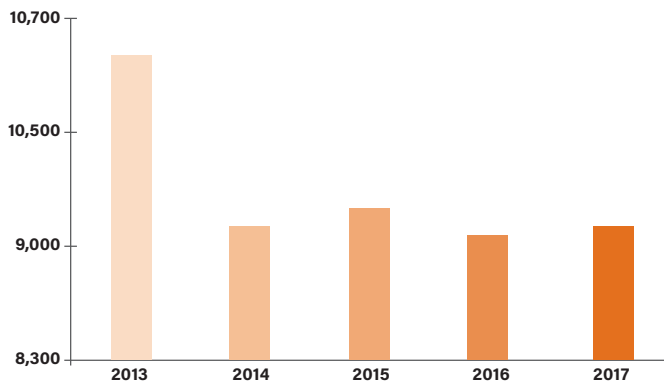
*Due to sale of Pataula District.



Kilowatt-Hour Sales
3.9 (In billions)

2013: 3.8
2014: 3.8

2015: 3.9
2016: 4.1



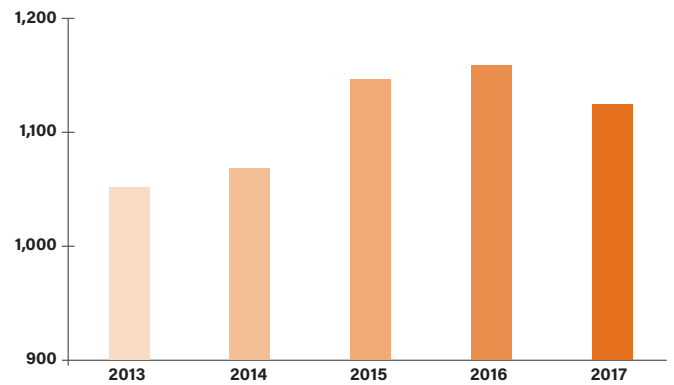
Miles of Line
9,141

2013: 10,664
2014: 9,156*

2015: 9,230
2016: 9,068**

*Due to sale of Pataula District.

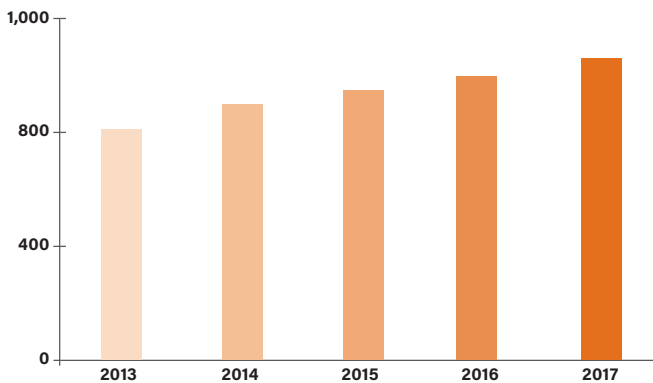
**Due to system true-up.



Peak Load
1,127.8 (In thousands of kilowatts)

2013: 1,049.0
2014: 1,085.5

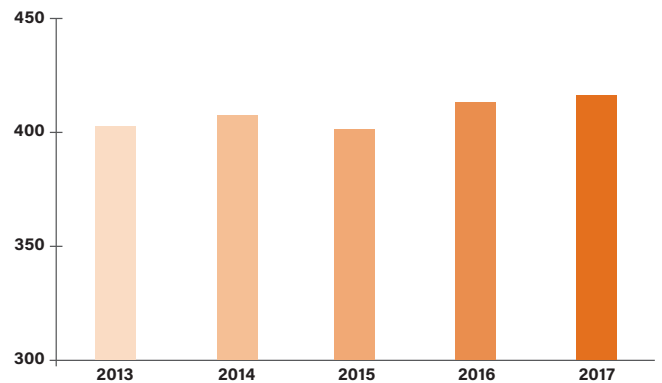
2015: 1,162.4
2016: 1,170.2



Total Plant Value
925.1 (In millions of dollars)

2013: 814.3
2014: 843.9

2015: 868.5
2016: 899.5



Total Operating Revenue
429.7 (In millions of dollars)

2013: 403.8
2014: 412.7

2015: 402.1
2016: 420.9

DOUBLE THE SAVINGS

Cobb EMC and **Gas South** work together to help you save money on your electric and natural gas bills.



NATURAL GAS SAVINGS

Cobb EMC members receive a **permanent discount**, as well as other significant money-saving benefits, when they choose Gas South for natural gas service.



COMMUNITY SUPPORT

Providing low rates is a priority, but we don't stop there. Cobb EMC and Gas South are proud to work together to make our communities a **better place** to live, work and play.



TOGETHER, WE SAVE

Gas South is one of Georgia's leading natural gas providers and a wholly-owned subsidiary of Cobb EMC, which helps keep your **electric rates low**.



MAKING AN IMPACT

Beyond our commitment to members, we are committed to being a good corporate citizen and to improving our local communities.

PUBLIC SAFETY SUPPORT

Cobb EMC has a long-standing tradition of thanking public safety personnel in our service district. Recently, we helped **fund a K-9 Unit** for the Cherokee Sheriff's Office.

ECONOMIC DEVELOPMENT

We're proud to power economic development by **energizing large employers** in our community.

COMMUNITY GIVING

Employees volunteered **1,400+ hours** in the community mentoring students, hosting career days, representing civic organizations and building with Habitat for Humanity.

..... JOIN US AT THE
ANNUAL
COBB EMC MEMBER
MEETING

Come to our member appreciation event and hear how we're working to make your co-op more innovative, convenient and reliable. Plus, get free fair tickets!

.....
Saturday, September 15

8-11:30 a.m. at Jim R. Miller Park

8 a.m. to 9:30 a.m.: member registration

8:30 a.m.: nominees for board of director election speeches

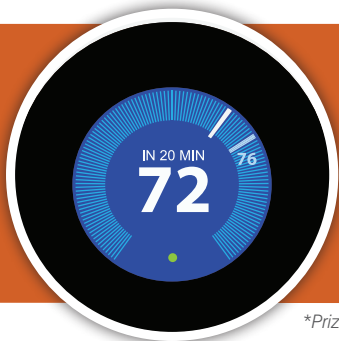
More info: cobbemc.com/annualmeeting

Each Cobb EMC member who registers for the meeting will receive up to four free North Georgia State Fair tickets with unlimited rides and free parking to use when the fair comes to town.

WIN PRIZES!

Enter to win bill credits, smart thermostats, Big Green Eggs, Visa and Home Depot gift cards or smart home devices.

*Prize winners are solely responsible for all applicable taxes.




COBB EMC
BRINGING YOU *POWER*

