

2019

ANNUAL REPORT



Tri-County
EMC

As your locally-owned, member-controlled electric cooperative, meeting the needs of the community is what we do. Since 1939, Tri-County EMC has been lighting the way for homes, farms and businesses, both small and large. The energy we deliver has been a catalyst for growth. We have been a champion for innovation. We have touched lives with our commitment to make our community a better place. Over the past year, Tri-County's board and employees have focused on the small things to ensure that the big things—good value, high reliability and an emphasis on our community—work to continue those traditions.

Fiscally, the past year has been one of strong and stable financials, slow but steady growth in the number of accounts and an emphasis on increasing efficiency. While the cooperative increased the minimum bill by two dollars per month in 2019, energy charges remained unchanged. In fact, the last increase in per kWh rates was in 2014.

The cooperative's board of directors conducted a review of the bylaws in the last year. The result of these efforts was the recommendation of four bylaw changes to the membership. "Our elections for directors help to shape the direction of the cooperative," commented Brenda P. Green, chair of Tri-County EMC's Board of Directors. "Three of these amendments ensure transparency and accessibility for board candidates in Tri-County EMC elections." The fourth bylaw amendment would allow electronic participation in board meetings, on a limited basis, such as phone or video, by board members unable to attend in person.

Listening to our members continues to be an important focus. Over the past three years we have surveyed hundreds of our members to determine satisfaction levels and have received valuable feedback about our programs and services. Overwhelmingly, our members give Tri-County EMC high

marks for overall customer satisfaction. Satisfaction ratings in 2019 have averaged 88.3, a "high B". And, comments and suggestions from members led to several changes including how we communicate locations for right-of-way trimming. We were also able to reduce hold times for members making payments or reporting outages by phone.

In August, Tri-County held "Taco Town Hall" in Milledgeville, the first of several listening sessions planned over the next year designed to give members an opportunity to enjoy a fun, casual setting while sharing thoughts and ideas about their cooperative. Several dozen members joined co-op employees and board members while discussing subjects such as energy efficiency, renewables, cooperative rates and community engagement. All of our members are encouraged to watch for and participate in similar events in 2020.

Internet connectivity has been an increasingly critical issue for your cooperative over the past few years. In April, Governor Kemp signed Senate Bill 2, giving EMCs statutory authority to enter the broadband business. "Our leadership is trying to determine our role in bringing internet service to underserved areas of our service territory," commented chief executive officer Ray Grinberg. "Is that role a partnership, as a service provider, or perhaps something else?" Tri-County EMC will be surveying members about their internet service during the next year.

Thinking green is important to Tri-County EMC. That means acting responsibly as a corporate citizen in our practices as a business and in the energy we provide to our members. Economics and environmental awareness have both had a hand in dictating changes in fuel mix, with a constant migration away from coal to cleaner burning natural gas and carbon-free nuclear generation. The continued development of renewable resources in our fuel mix remains a must-have.

In 2018, Tri-County EMC's Eatonton Solar Facility generated nearly 2 million kWh in energy for cooperative members, much of it subscribed to members participating in the OurSolar community solar program.

Providing energy efficiency resources—including energy audits for homes and business, online energy efficiency tools and educational information—continues to be an important part of our energy services programs. Across the country, electric vehicles are emerging as a viable option for individual commuters and businesses. In April, Tri-County EMC held EV19, our second Electric Vehicle Demonstration Day at Central Georgia Technical College in Milledgeville. Dozens test drove one of several electric vehicles on hand. Local automotive students were able to participate in a class on the future of auto repair in a marketplace with electric vehicles. And about sixty local responders were trained on responding to accidents involving electric vehicles by the National Fire Protection Agency.

In September, Tri-County EMC introduced a portfolio of electric vehicle tools on our website allowing members to learn more about how electric vehicles work, research available models and compare operating costs versus traditional gasoline powered vehicles. "Electric vehicles are truly a viable

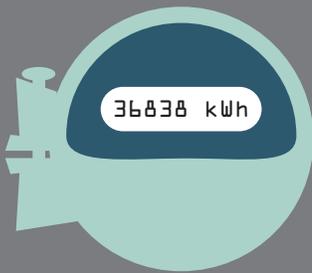
option for most of middle Georgians who commute every day," said Greg Mullis, vice president of corporate services. "When you couple the fact that these are fast, fun to drive cars with a typical savings of a thousand to fifteen hundred dollars a year in fuel, it really starts to make sense. Our new tools help you make your own comparisons."

In 1939, Tri-County EMC was formed by rural members specifically to bring electric power to their homes and businesses. That spirit of helping each other continues today through the cooperative. In the past year, over \$59,000 in Operation Roundup grants went to meet needs in the community. And an additional \$4,000 was awarded to students through scholarships. All of these funds were generated by the voluntary contributions of cooperative members electing to have their bill rounded up to the next dollar.

Other community programs are funded by unclaimed capital credits. To support innovation in the classroom, 27 Bright Ideas grants were awarded to area teachers, totaling \$30,000. \$6,000 in scholarships was awarded to local students. And three students represented Tri-County EMC on the Washington Youth Tour.

YEAR IN REVIEW

21,642
TOTAL METERS



7.80

METERS PER MILE OF LINE



60

EMPLOYEES

\$1,000,067

IN 2018 CAPITAL CREDIT REFUNDS TO MEMBERS



\$10K

in scholarships given to local students

\$59,031

in Operation Roundup Grants Awarded to local non-profit groups



2,773
MILES OF LINE

382,721,893
kWh USED



\$30K

in Bright Ideas Grants awarded to teachers

FINANCIAL SUMMARY

STATEMENT OF OPERATIONS

(for the years ended April 30)

	2019	2018
Operating Revenue and Capital	\$ 45,495,986	\$ 44,079,407
Operating Expense		
Cost of Power Purchased	25,569,731	26,739,407
Operating the Electric System	9,567,861	8,321,937
Depreciation	3,984,883	3,791,289
Interest on Loans	3,394,734	3,314,518
Total Cost of Electric Service	42,517,209	42,167,151
Non-Operating Margins	849,274	771,287
G&T Capital Credits	668,087	668,117
Other Capital Credits	132,071	128,064
Total Patronage Capital or Margins	\$ 4,628,209	\$ 3,479,724

BALANCE SHEET

(as of April 30)

	2019	2018
Total Utility Plant	\$ 130,093,803	\$ 124,926,644
Less Depreciation	27,875,281	26,813,426
Net Utility Plant Book Value	102,218,522	98,113,218
Investments in Associated Organizations	16,153,487	15,413,243
Non-Utility Property	252,637	250,094
Cash and Reserves	389,400	854,855
Owed to EMC on Account and Notes	1,604,974	1,493,255
Material in Inventory	212,213	205,786
Expenses Paid in Advance	100,829	25,778
Deferred Debits and Other Assets	506,115	2,024,752
Total Assets	\$ 121,438,177	\$ 118,380,981
Equities and Liabilities		
Consumer Deposits	\$ 901,980	\$ 862,810
Membership, Patronage Capital, Other Equities	48,284,305	44,529,551
Long-term Debt	64,258,154	62,440,293
Notes and Accounts Payable	6,279,112	8,766,321
Other Current and Accrued Liabilities	1,714,626	1,782,006
Total Equities and Liabilities	\$ 121,438,177	\$ 118,380,981

Tri-County EMC is audited by the independent accounting firm of McNair, McLemore, Middlebrooks & Co., LLC. A complete financial statement may be obtained by calling (478) 986-8108 or 1-866-254-8100, ext. 8108.



TRI-COUNTY EMC BOARD OF DIRECTORS

(listed left to right)

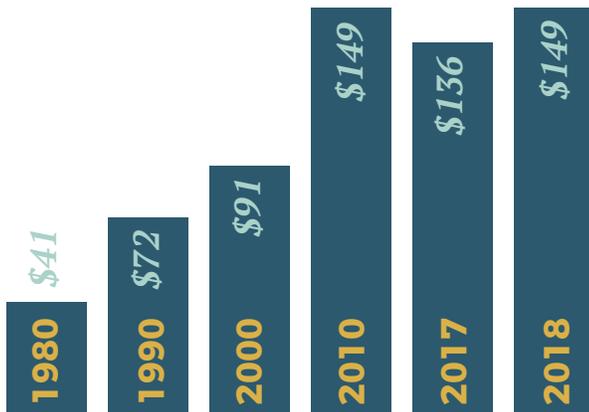
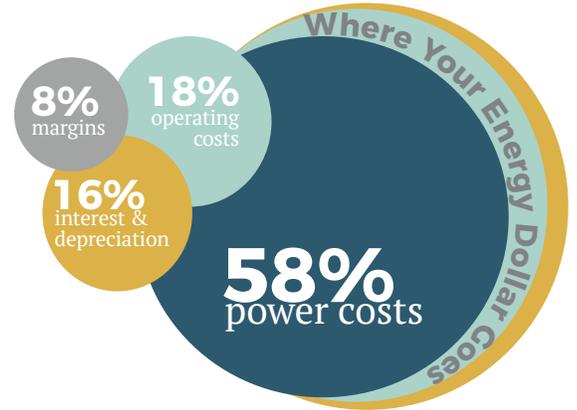
Back Row: Marion Nelson, Sammy Hall: Vice-Chairman, Chester Mercer, Cecil Patterson
 Middle Row: George "Buck" Comer, Brenda P. Green: Chairman, Mike Rainey
 Front Row: Tommy Noles: Secretary/Treasurer, Dan Greene

1980 - Today

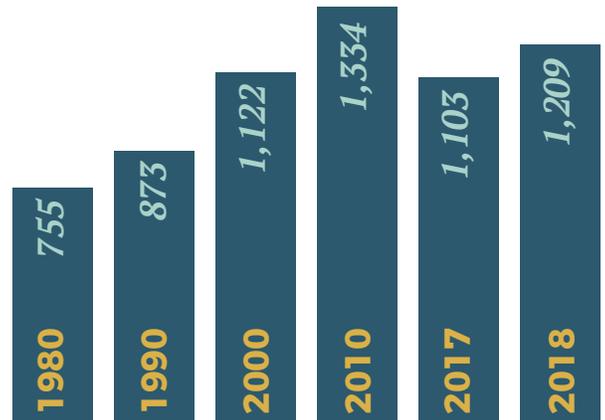
STATISTICAL SNAPSHOT



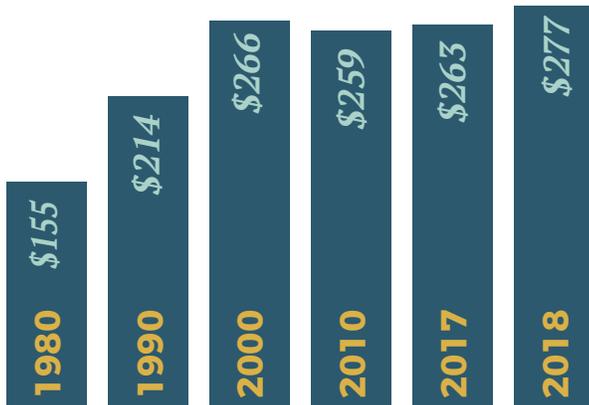
TOTAL NUMBER OF ACCOUNTS



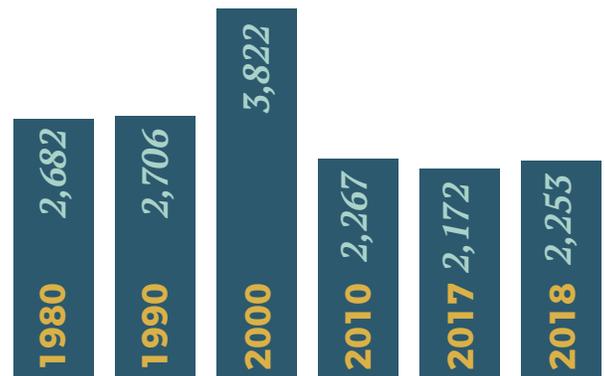
AVERAGE MONTHLY RESIDENTIAL BILL



AVERAGE MONTHLY RESIDENTIAL KWH USAGE



AVERAGE MONTHLY COMMERCIAL BILL



AVERAGE MONTHLY COMMERCIAL KWH USAGE



TRI-COUNTY EMC SENIOR STAFF

Ray Grinberg | CEO
 Keith Brooks | VP of Operations
 Sarah Curry | HR Administrator

Dawn Haskins | Chief Financial Officer
 Lee Marsh | VP of Engineering
 Greg Mullis | VP of Corporate Services