



Blue Ridge Mountain EMC

2016 Annual Report





Executive Summary

I was invited by the Blue Ridge Mountain EMC Board a year ago to serve as interim general manager until the search for a new general manager could be completed. After an extensive search, the board officially announced on June 30, 2016, the hiring of Jeremy Nelms as the co-op's new general manager.

Since retiring as general manager from Blue Grass Energy in 2012, I have served as interim manager at four different cooperatives, Blue Ridge Mountain EMC being the fourth. Each presented its own unique set of issues.

When I arrived at BRMEMC, my objective was to provide some stability for the employees and thus create an atmosphere for them to effectively perform their jobs. This would place the focus on the employees' and members' safety, which has always been my highest priority.

I had only worked here a month when I reported at last year's Annual Meeting that I thought you had a great group of employees. Now, after almost a year at BRMEMC, I can confidently and without reservation assure the members that this is true. The co-op has dedicated employees who work each day to provide the best service possible.

It should be noted that amid the turmoil encompassing BRMEMC this past year, the work of pro-

viding a reliable source of electricity to the members has continued. This is a testament to the employees at your co-op, who have endured criticism regarding matters totally out of their control while consistently performing their duties.

Once some stability was established, I was determined to move the organization forward. I knew it

would take everyone working together to accomplish that goal. Along with the management team, employees and board members, we have been able to make changes as well as evaluate areas of our operation to improve the quality of service to members.

Because of the progress, I sincerely hope our members will offer their full support to BRMEMC General Manager Jeremy Nelms as he leads the co-op into the future. In the cooperative spirit, I am convinced if we work together, it will ultimately benefit all the members of BRMEMC.

In closing, I would like to offer my thanks and acknowledge my appreciation to the management team and employees for

their assistance this past year. I have enjoyed working with them to deliver the highest level of service to the member/owners of BRMEMC.

Make plans to attend your Annual Meeting on Saturday, Sept. 10, 2016, at Anderson Music Hall in Hiawassee, GA.

Dan Brewer
Interim General Manager



BRMEMC Staff (from left)

Director of Office Services: Patricia Young

Director of Economic Development: Erik C. Brinke

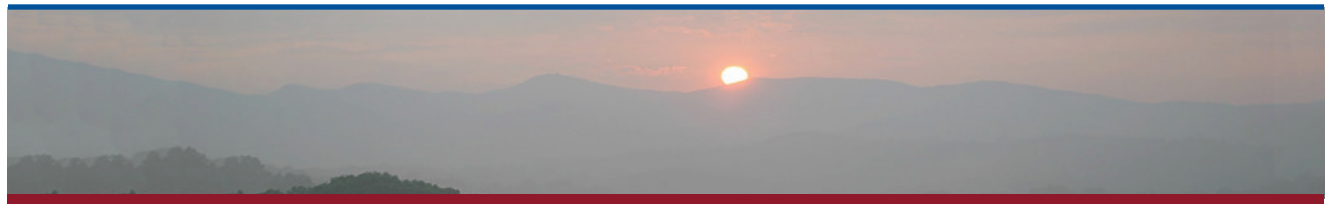
Director of Broadband Services: Daniel Frizzell

Interim General Manager: Dan Brewer

Director of Information Systems: Dwayne Long

Director of Operations: Colton Payne

Director of Member Services: Sonny Mahan



Balance Sheet

| | 2014 | 2015 | | 2014 | 2015 |
|----------------------------------|-----------------------|-----------------------|---------------------------------------|----------------------|----------------------|
| Utility plant | | | Equities | | |
| Electric plant in service..... | \$ 234,733,200 | \$ 242,452,516 | Memberships..... | \$ 259,907 | \$ 268,942 |
| Construction work | | | Equity in co-op..... | \$ 48,480,633 | \$ 54,102,757 |
| in progress..... | \$ 1,318,621 | \$ 908,764 | Total equities..... | \$ 48,740,540 | \$ 54,371,699 |
| Accumulated provision | | | Long-term debt..... | \$ 107,128,308 | \$ 116,588,384 |
| for depreciation..... | \$ 64,732,697 | \$ 70,875,721 | Other non-current | | |
| Net utility plant..... | \$ 171,319,124 | \$ 172,485,559 | liabilities..... | \$ 3,635,642 | \$ 3,767,041 |
| Non-utility property..... | \$ 158,400 | \$ 0 | Current liabilities | | |
| Investments in associated | | | Notes payable..... | \$ 12,905,631 | \$ 0 |
| organizations..... | \$ 3,949,422 | \$ 4,801,180 | Accounts payable..... | \$ 8,978,300 | \$ 8,494,903 |
| Current assets | | | Consumers' deposits..... | \$ 4,070,415 | \$ 4,200,835 |
| Cash—General and temporary | | | Accrued and withheld taxes..... | \$ 921,644 | \$ 1,471,558 |
| cash investments..... | \$ 2,453,548 | \$ 931,637 | Accrued interest—RUS, | | |
| Accounts receivable..... | \$ 4,941,148 | \$ 3,474,474 | CFC and FFB..... | \$ 3,087,464 | \$ 2,775,932 |
| Materials and supplies..... | \$ 1,699,006 | \$ 2,183,823 | Other..... | \$ 453,522 | \$ 34,146 |
| Prepayments..... | \$ 511,814 | \$ 564,481 | Total current liabilities..... | \$ 30,416,976 | \$ 16,977,374 |
| Other current assets..... | \$ 5,007,949 | \$ 4,954,490 | Deferred credits..... | \$ 2,938,722 | \$ 3,863 |
| Total current assets..... | \$ 14,613,465 | \$ 12,108,905 | Total equities | | |
| Deferred debits..... | \$ 2,819,757 | \$ 2,312,717 | and liabilities..... | \$ 192,860,188 | \$ 191,708,361 |
| Total assets..... | \$ 192,860,188 | \$ 191,708,361 | | | |

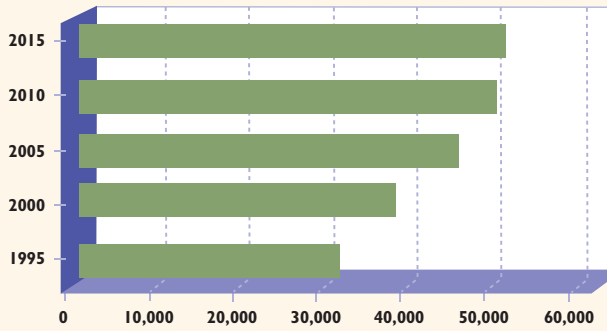
Statement of Revenue and Expense

| | 2014 | 2015 | | 2014 | 2015 |
|---------------------------------------|----------------------|----------------------|---------------------------------------|---------------------|---------------------|
| Operating revenue..... | \$ 86,256,524 | \$ 83,742,610 | Net operating margins..... | \$ 4,207,317 | \$ 2,556,624 |
| Operating expense and interest | | | Non-operating margins..... | \$ 720,714 | \$ 3,368,899 |
| Cost of power..... | \$ 53,623,648 | \$ 53,193,283 | Other comprehensive income..... | \$ (161,314) | \$ (303,400) |
| Distribution operations..... | \$ 3,613,698 | \$ 3,112,262 | Net margins..... | \$ 4,766,717 | \$ 5,622,123 |
| Distribution maintenance..... | \$ 5,412,870 | \$ 5,728,813 | Earnings reinvested in system: | | |
| Consumer accounts..... | \$ 2,956,920 | \$ 2,828,299 | Beginning of year..... | \$ 43,713,983 | \$ 48,480,634 |
| Consumer service and | | | Earnings reinvested in system: | | |
| information..... | \$ 986,940 | \$ 709,383 | End of year..... | \$ 48,480,634 | \$ 54,102,757 |
| Administrative and general..... | \$ 2,560,256 | \$ 2,713,267 | Paid back to RUS, CFC | | |
| Depreciation..... | \$ 6,515,547 | \$ 7,315,928 | and FFB..... | \$ 3,087,464 | \$ 3,211,060 |
| Taxes..... | \$ 1,121,745 | \$ 606,684 | | | |
| Interest..... | \$ 5,257,584 | \$ 4,978,067 | | | |
| Total operating expense | | | | | |
| and interest..... | \$ 82,049,208 | \$ 81,185,986 | | | |

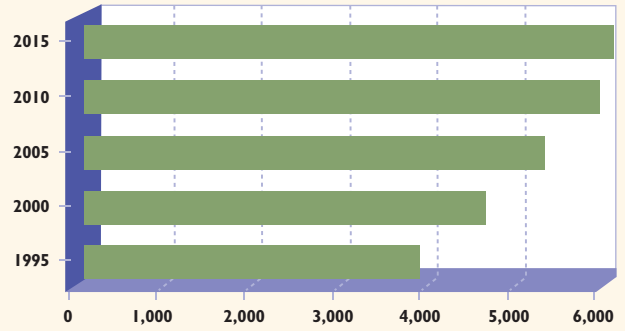
Numbers reflect calendar year totals.



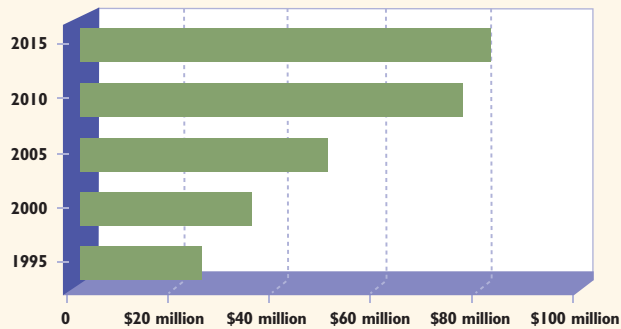
Meters Served



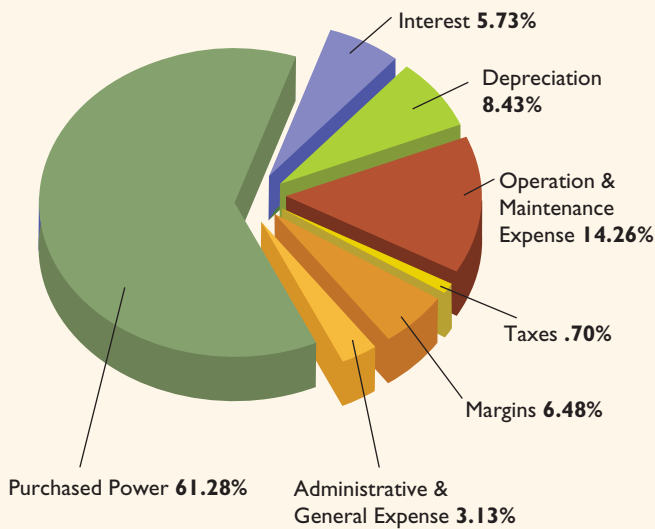
Miles of Line



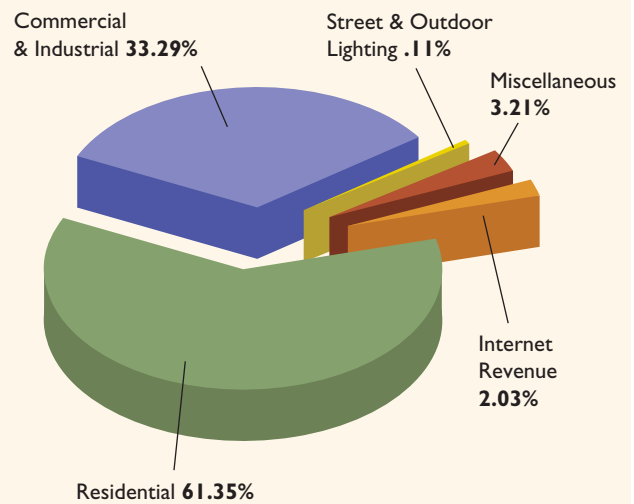
Electric Revenue



Uses of Revenue



Sources of Revenue



Numbers reflect calendar year totals.

Annual Meeting Entertainment

Southern Vantage

We are pleased to welcome Southern Vantage to the stage at Anderson Music Hall this year to provide our Annual Meeting musical entertainment. The North Georgia band Southern Vantage has a unique style that combines elements of modern/classic country and modern/classic rock. This four-piece band brings a new vibe with their unique twists and blends of genres, stage presence, extensive musical backgrounds and the ability to play



for a wide variety of audiences.

Southern Vantage includes Drew Evans, lead vocals and guitar; Devin Ruff, drums and vocals; Matthew Pacer, keyboard, vocals and harmonica; and Bryan Nicholson, bass and vocals. Each member has his own “feature” songs, and members have been known to switch instruments and roles to showcase their individual talent and versatility.

Make plans to attend your Annual Meeting and enjoy the music of Southern Vantage.



Annual Meeting—Sept. 10, 2016

Free Door Prizes!
Grand prize drawing:
A flat-screen TV

EMCEE: Steven Phillips, Blue Ridge Mountain EMC Board President



Blue Ridge Mountain Electric Membership Corporation

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

July 22, 2016

Dear Member:

This is your **Official Notice of the Annual Meeting of Members of Blue Ridge Mountain Electric Membership Corporation**. The meeting will begin promptly at 10:00 a.m. on Saturday, September 10, 2016, in the Music Hall of the Georgia Mountain Fairgrounds, Hiawassee, 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:

- | | | | |
|-------------------------------|---------------------|----------------------|------------------|
| Ray Cook..... | Cherokee County, NC | Patrick Malone | Union County, GA |
| Thomas Little (Declined)..... | Cherokee County, NC | Gene Mason | Union County, GA |
| Cory Payne | Clay County, NC | Andrew Smith | Union County, GA |
| Gary Reffit..... | Clay County, NC | | |

There were no nominations made by petition and under the By-Laws no nominations may be made from the floor.

By action of the Board of Directors of Blue Ridge Mountain Electric Membership Corporation, the following proposed amendment to Section 5.04 of the By-Laws, pertaining to notification of special meetings of the Board of Directors, will be placed upon the ballot for the next regular annual meeting of the Members:

Shall Section 5.04 (Notice of Directors' Meeting) of the By-Laws of Blue Ridge Mountain Electric Membership Corporation be amended to allow for electronic(email or facsimile) notification of special meetings of the Board of Directors by adding the following sentence to Section 5.04, to read as follows:

"Notwithstanding any language in this Section 5.04 to the contrary, any notice of a special meeting of the Board of Directors as required by this Section 5.04 may be delivered to each director electronically by email or facsimile, and such notice shall be deemed to be delivered when sent to an email address or facsimile telephone number provided to the Cooperative by a director for that purpose."

Registration will be held at the Anderson Music Hall at the Georgia Mountain Fairgrounds beginning at 8:00 a.m. and will close promptly at 11:00 a.m.

Southern Vantage, a local North Georgia Southern Rock/Country Band, will be providing the entertainment for 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 Sample Ballot

Vote by Mail, Online, or in Person at the Annual Meeting

Ballots Mailed to Members on August 10, 2016.



Blue Ridge Mountain
Electric Membership Corporation

Blue Ridge Mountain
Electric Membership Corporation
c/o Survey & Ballot Systems
PO Box 48420
Eden Prairie, MN 55444-0716

BALLOT ENCLOSED

SAMPLE

DirectVotePlus

PLEASE DETACH BEFORE RETURNING BALLOT

Voting Instructions

Voting by Mail

- Mark your selections by filling in the circle next to your choice. You must fill in the circle completely (example ●).
- Do not mail to Blue Ridge Mountain.
- Detach ballot and place in the enclosed return envelope. Mail to Survey & Ballot Systems, 7653 Anagram Drive, Eden Prairie, MN 55344. Envelopes must be received no later than September 8, 2016. Please allow sufficient time for delivery.

Voting Online

- Go to directvote.net/brmemc/ to access the login page of the official 2016 Blue Ridge Mountain Electric Membership Corporation Ballot.
- Above and to the left is your **Member Number** and your **Election Passcode**. Use both of these numbers to login.
- Once registered, follow the online voting instructions.
- Online voting ends at 4:00 PM EDT September 8, 2016.
- **Do not mail your ballot if you vote online.**

Vote in Person

- Annual Meeting is at the Ga Mtn Fairgrounds, September 10th 8:00 AM.

If you have any problems voting online, please e-mail support@directvote.net or call 1-866-909-3549.

Blue Ridge Mountain Electric Membership Corporation 2016 Board of Directors Election

MARKING INSTRUCTIONS

- Use only black or blue ink or #2 pencil.
- Fill in the circle completely.
- Erase cleanly any marks you wish to change or X out mark if in pen.

CORRECT



INCORRECT



Director - Cherokee County

Vote for only one (1) Candidate:

- Ray Cook (Incumbent)
- Abstain

Director - Clay County

Vote for only one (1) Candidate:

- Gary Reffit
- Cory Payne
- Abstain

Director - Union County

Vote for only one (1) Candidate:

- Patrick Malone
- Andrew Smith
- Gene Mason
- Abstain

Shall Section 5.04 (Notice of Directors Meetings) of the By-Laws of Blue Ridge Mountain Electric Membership Corporation be amended to allow for electronic (email or facsimile) notification of special meetings of the Board of Directors by adding the following sentence to Section 5.04, to read as follows:

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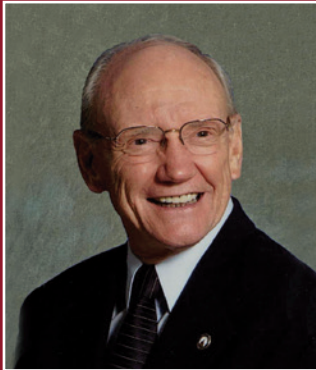
- Yes
- No
- Abstain

Paper ballots must be received no later than September 8, 2016. Ballots tabulated by Survey & Ballot Systems. **2016**



Blue Ridge Mountain EMC

Board of Directors



Charles Jenkins



Roy Perren



Chris Logan



Larry Williams



Steven Phillips



Ray Cook



Greg Owenby



Ronnie Burch



Mickey Cummings