

MINUTES OF THE 2014 ANNUAL MEMBERS MEETING OF NORTH GEORGIA ELECTRIC MEMBERSHIP CORPORATION HELD AT THE DALTON CONVENTION CENTER, DALTON, GEORGIA ON AUGUST 7, 2014, AT 1:15 P.M.

Mr. Gerald Lowery, Chairman of the Cooperative, called the 2014 Annual Meeting of North Georgia Electric Membership Corporation to order. Mr. Lowery stated a quorum was present and the Annual Members' Meeting could be held according to the Bylaws.

Mr. Lowery welcomed everyone to the meeting and asked the Rev. John Barber of Calhoun First Baptist Church, in Gordon County, Georgia to give the invocation dedicated to the memory of the late Edward Worley. Mr. Lowery then asked the audience to remain standing following the invocation for the presentation of colors by the Lakeview Fort Oglethorpe JROTC. This was followed by the pledge to the flag led by the grandchildren of Edward Worley and the National Anthem led by the Earl Brackin Band.

Mr. Lowery then introduced the Directors and invited guests.

Mr. Lowery asked Mr. Henry Tharpe, Attorney for North Georgia EMC, to read the proof of notice of the 2014 Annual Members meeting. Mr. Tharpe stated that *GEORGIA Magazine*, which included the official notification of the 2014 Annual Members meeting, had been sent to all members of record as of June 11, 2014, and sufficient magazines had been presented this day to comply with the Bylaws stating that notification must be deposited with the United States Postal Service. The Chairman then declared the Annual Members' Meeting lawfully convened and ready to transact business.

Mr. Tharpe then informed the members that the 2013 Annual Members meeting minutes were printed on page 2 of the July 2014 *GEORGIA Magazine* and also printed on the Annual Report contained in their registration material. Mr. Tharpe asked if any corrections or additions should be made to the minutes. Hearing none, the 2013 minutes stood approved as presented.

Mr. Tharpe stated the next order of business would be the election of Directors from Catoosa, Chattooga and Whitfield counties. Mr. Tharpe reviewed the procedures to be followed in the election of Directors, stating there are two ways to nominate a candidate: (1) nominations by petition signed by fifty or more members of the county to be elected; and (2) nominations by Nominating Committee.

The Nominating Committee candidates included Mr. Gerald Lowery, from Catoosa County; Mr. Ted Clark, from Chattooga County; and Mr. Dean Smith, from Whitfield County.

Mr. Tharpe informed the members that no candidate by petition was received. Therefore, Mr. Gerald Lowery from Catoosa County; Mr. Ted Clark, from Chattooga County; and Mr. Dean Smith, from Whitfield County, were recommended as Directors. Mr. Tharpe asked for a motion from the floor that these nominees be approved as Directors to serve for a term of three years. A motion was made, seconded and passed with no dissenting votes. Mr. Tharpe then declared Mr. Gerald Lowery, from Catoosa County; Mr. Ted Clark, from Chattooga County; and Mr. Dean Smith, from Whitfield County, to be duly elected Directors.

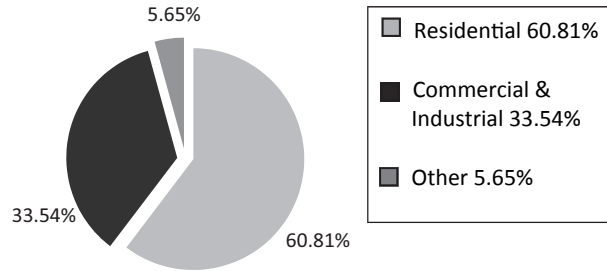
Mr. Tharpe asked if there was any other new business to come before the meeting. There being none, Mr. Tharpe turned the meeting over to Mr. Lowery.

Mr. Lowery gave the Chairman's Report which included the accomplishments of the last 12 months and the Cooperative's financial condition. He then introduced Washington Youth Tour delegates Eli Duncan and Eric Jackson, who shared their experiences on the Youth Tour in Washington, D.C. Mr. Lowery then welcomed Kathryn West, President and CEO and asked Mrs. West to give her report. In her address to members, Mrs. West discussed four areas of focus: reliability, rates, regulations and relationships. The CEO thanked the members for attending the Annual Meeting and the Cooperative's employees and the Board of Directors for their dedicated service.

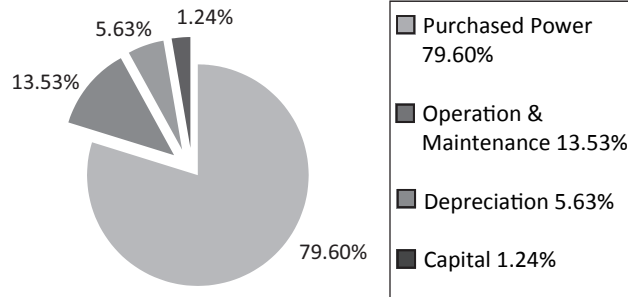
Mr. Lowery gave his closing remarks and thanked everyone for the opportunity given to him and the Board to serve NGEHC's members. There being no further business, Mr. Lowery then declared the meeting adjourned and proceeded with the drawing for prizes.

Gerald Lowery  
Chairman  
NGEHC Board of Directors

## Sources of Revenue



## Operating Expenses



### Highlights of our 79 years of growth

	1937	2015
Membership	1,766	98,416
Plant Value	\$452,210	\$378,815,770
Avg. Use per Year	606 kWh	17,489 kWh
Miles of Line	437	6,388
Members' Equity		49.44%

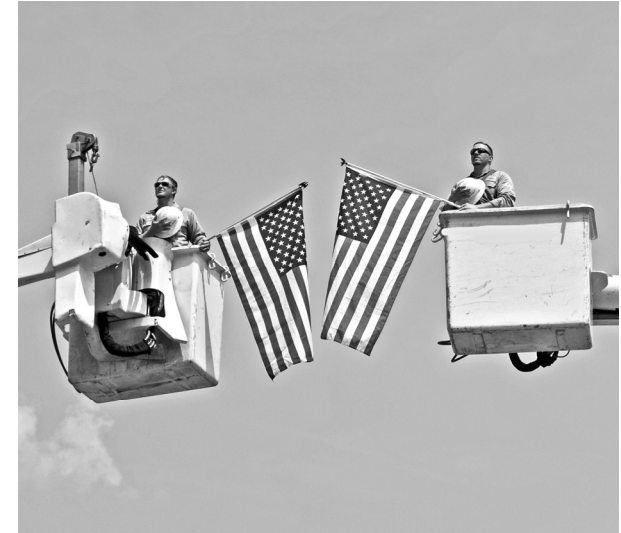
## OFFICERS & DIRECTORS

Gerald (Jerry) Lowery...(Catoosa).....Board Chairman  
 Ted Clark.....(Chattooga).....Vice Chairman  
 Dr. George Gallagher.....(Floyd).....Director  
 Larry Keown.....(Gordon).....Director  
 Kathy Welch.....(Murray).....Director  
 John Howard.....(Walker).....Director  
 Mark Thomas.....(Whitfield).....Director  
 Kathryn D. West.....President & CEO

# ANNUAL 2015 REPORT

## NORTH GEORGIA ELECTRIC MEMBERSHIP CORPORATION

*Observing 79 years of service to our members*



### Corporate Headquarters

1850 Cleveland Hwy.  
Dalton, GA 30721  
(706) 259-9441

### Calhoun

District Office  
1128 S. Wall Street  
Calhoun, GA 30701  
(706) 629-3160

### Fort Oglethorpe

District Office  
3368 Battlefield Pkwy.  
Fort Oglethorpe, GA 30742  
(706) 866-2231

### Trion-Summerville

District Office  
13822 Highway 27  
Trion, GA 30753  
(706) 734-7341

## REPORT OF CONDITION AND GROWTH

**JUNE 30, 2015**

**NORTH GEORGIA ELECTRIC MEMBERSHIP CORP.  
DALTON, GEORGIA  
JUNE 30, 2015**

To Members of the  
North Georgia Electric Membership Corporation,

The financial reports shown on the following pages were prepared by the staff of NGEMC. These reports reflect the preliminary operating results of our 2014 - 2015 fiscal year as of June 30, 2015. The results of our fiscal year are currently under audit by the Certified Public Accountant firm of Henderson, Hutcherson & McCullough, PLLC.

The table below gives an overview of our growth over the past 10 years – 2005 through 2015. For more financial information we refer you to the charts on the back page of this report.

Records are kept in accordance with practices prescribed by the Federal Energy Regulatory Commission and Tennessee Valley Authority.

	<u>2005</u>	<u>2015</u>
Members	95,688	98,416
Plant Value	\$233,827,918	\$378,815,770
Miles of Line	6,083	6,388
Avg. Annual kWh		
Residential Use	16,610	17,489

Plant investment for the year ended June 30, totaled approximately \$13,950,000 and included system upgrades and substation improvements.

As we begin our 80th year, your Board of Directors, officers, and employees remain committed to achieving the cooperative mission despite the challenges of the future.

We live and work in the communities we serve.

Sincerely,

*Kathryn D. West*  
President and CEO  
North Georgia Electric Membership Corporation

**NORTH GEORGIA ELECTRIC MEMBERSHIP CORP.  
BALANCE SHEET  
JUNE 30, 2015**

**ASSETS**

<b>FIXED ASSETS:</b>	
Electric Plant	\$378,815,770
Less Accumulated Depreciation	(103,007,633)
Non-Operating Property	<u>989,646</u>
Total Fixed Assets	\$276,797,783
<b>CURRENT ASSETS:</b>	
Cash	\$ 7,867,038
Accounts Receivable – Net	13,674,159
Materials & Supplies	1,082,513
Other Current Assets	<u>5,609,562</u>
Total Current Assets	\$ 28,233,272
<b>OTHER ASSETS:</b>	
Investments Assoc. Organizations	\$ 3,198,208
Capital and Operating Reserves	24,778,950
<i>Energy Right</i> Program Loans	7,008,431
Prepaid Insurance & Other	1,133,551
Other Deferred Debits	<u>5,015,314</u>
Total Other Assets	\$ 41,134,454
Total Assets	<u>\$346,165,509</u>
<b>LIABILITIES AND NET WORTH</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts Payable	\$ 6,395,187
Other Current Liabilities	<u>75,093,281</u>
Total Current Liabilities	\$ 81,488,468
<b>OTHER LIABILITIES:</b>	
<i>Energy Right</i> Program Payable	\$ 7,187,641
Long-Term Debt	<u>86,357,280</u>
Total Other Liabilities	\$ 93,544,921
<b>CAPITAL INVESTMENTS:</b>	
Memberships	\$ 816,750
<b>ACCUMULATED EARNINGS:</b>	
Beginning of Year	\$162,730,643
Current Net Income	<u>7,584,727</u>
Total Earnings Reinvested in System Assets	\$170,315,370
Total Liabilities and Net Worth	<u>\$346,165,509</u>

**STATEMENT OF REVENUE AND EXPENSES &  
RECONCILIATION OF NET INCOME  
TO CASH EXPENDITURES  
JUNE 30, 2015**

<b>OPERATING REVENUE:</b>	
Sales of Electric Energy	\$239,243,911
Other Revenue	<u>7,548,057</u>
Total Operating Revenue	\$246,791,968
<b>OPERATING EXPENSES:</b>	
Purchased Power	\$190,433,385
Distribution Expenses	19,447,154
Customer Accounting & Collecting	5,342,768
Administration & General	7,583,388
Depreciation & Amortization	<u>13,473,415</u>
Total Operating Expenses	\$236,280,110
Operating Income	\$ 10,511,858
Misc. Income (Deductions)	(69,119)
Other Income	2,390,611
Other Expense – Interest	<u>(5,248,623)</u>
Net Income from Operations	<u>\$ 7,584,727</u>
Investment in Electric Plant	
Year Ending 6/30/15	\$(13,945,868)
Depreciation & Amortization – Net	6,797,046
Net Decrease in Long-Term Debt	(5,523,988)
Net Increase in Liabilities	2,828,067
Net Decrease in Assets	<u>5,547,533</u>
Net Cash Increase	<u>\$ 3,287,517</u>



Thank you for attending the  
2015 Annual Members Meeting