

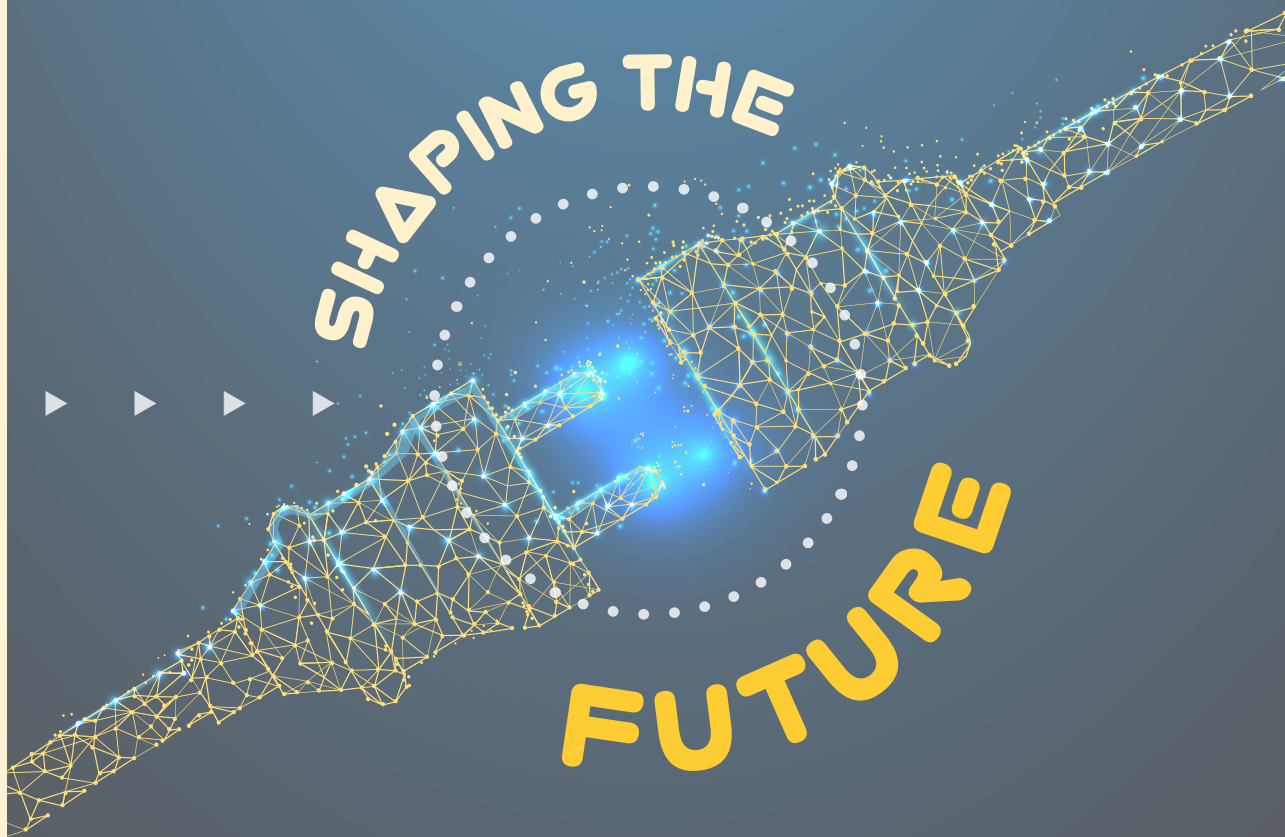
**SAWNEE EMC**  
**2022 ANNUAL REPORT**

and OFFICIAL NOTICE of  
2023 MEMBER MEETING



SHAPING THE

FUTURE



Dear Sawnee EMC Member:

Greetings. On behalf of the Sawnee EMC Board of Directors and staff, I am proud to provide you with our 2022 Annual Report.

We have chosen the phrase “Shaping the Future” for this year’s Annual Report so that we may showcase the many achievements that have occurred at Sawnee EMC, your electric Cooperative, in the past year. In this report you will learn about the proactive measures we have undertaken to make the communities where we live, work and play better and more sustainable while remaining committed to our core focus of providing safe, reliable and affordable electric service.

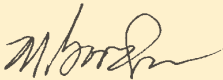
These efforts include the many renewable energy projects we continue to deploy in support of our diversified energy portfolio as well as the cutting-edge technology we utilize to ensure your lights stay on no matter what Mother Nature brings and the dedicated staff who is committed to meeting your ever-changing energy needs. All of these actions, and more, are purposeful and coordinated to provide you, our member, with a world class customer experience that is second to none.

It is my sincere hope that you will continue reading about the transformative efforts that our staff is making to shape the lives of those we serve now and into the future.

On July 16th, we celebrated our 85th year of making the lives of our members better through the products and services we responsibly provide. The legacy of this organization is built on the determination and perseverance of our predecessors as well as those individuals who now call Sawnee EMC home. Collectively, their dedication and outlook toward a balanced energy future contribute to the overall success of this great cooperative.

Thank you for allowing us to be your trusted energy partner. It is our privilege to serve your electric energy needs and we look forward to being part of that partnership for years to come.

All the best,



Michael A. Goodroe  
President and CEO



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### 2023 DIRECTOR Election Results

#### District 3 (Cumming)

Mr. Bill Barnett was re-elected as provided for in the Bylaws.

#### District 5 (Ducktown)

Mr. Larry Evans was re-elected as provided for in the Bylaws.

#### District 8 (Ocee)

Ms. Donna Yost was re-elected as provided for in the Bylaws.

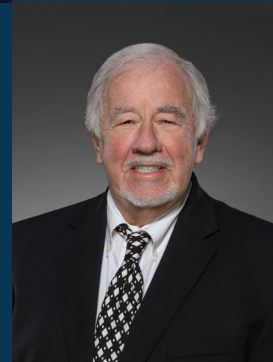
**THANK YOU** for allowing us to serve your electric needs for over eighty-five years. We are proud to be your trusted energy partner.



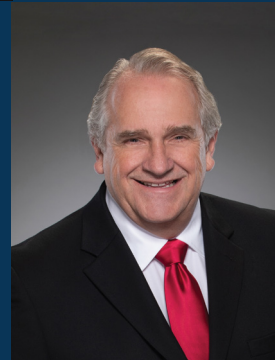
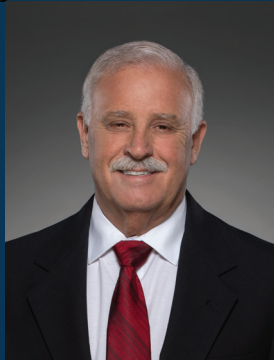


## Election of DIRECTORS

Members of Sawnee EMC have the unique right to determine who represents them in the affairs of the Cooperative as members of its Board of Directors.



## SAWNEE EMC BOARD OF DIRECTORS



1st Row, left to right

GARY PORTER – District 4 (Chairman)

ROGER COKER – District 1 (Vice Chairman)

TIM HEARD – District 6 (Secretary – Treasurer)

2nd Row, left to right

MARSHALL MILLWOOD – District 2

BILL BARNETT – District 3

LARRY EVANS – District 5

3rd Row, left to right

TERRY MATHIS – District 7

DONNA YOST – District 8

RODNEY REESE – District 9



## EXCELLENCE in Reliability

Our mission is to deliver, to our members, reliable and affordable energy in a safe and responsible manner. Providing reliable power to you is and will always be our top priority. An important part of our reliability is a balanced generation mix of renewable and traditional energy sources to ensure you have the power you need, when you need it. That's why we are adapting and keeping pace with changing technology to meet evolving needs and new expectations that will shape the future.



### JD Power

We are proud to be "Highest in Customer Satisfaction" among electric cooperatives, two out of three years. Additionally, in the 2022 study, we are proud to have achieved the highest scores in the nation for "Power Quality and Reliability", "Price" and "Customer Care".

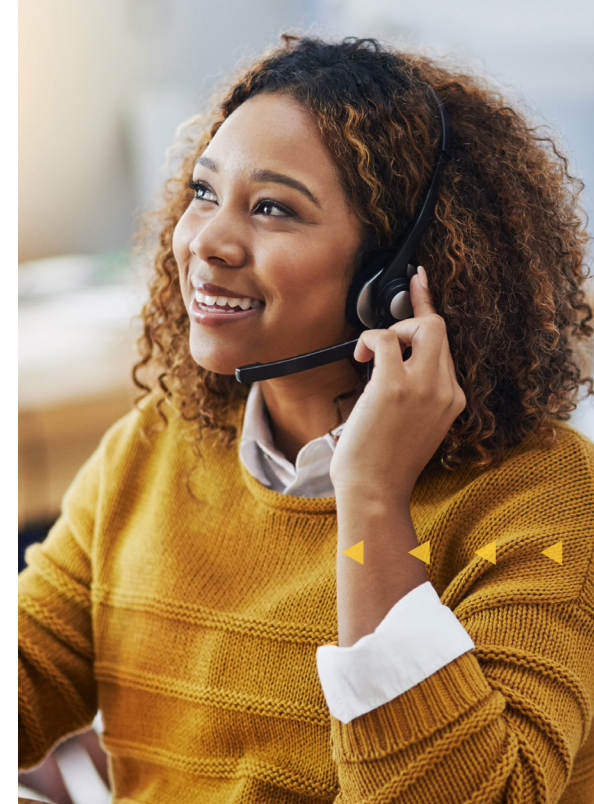
## CUSTOMER FOCUSED

"We're here to serve you." These words may sound generic, but to us - they mean everything. Sawnee EMC was created to serve our communities. In doing so, we helped them thrive. That mission-focused heritage is the golden thread that is woven throughout our history. Service is deeply ingrained into who we are. We continue to evolve with the times, and in return, we've found additional ways to serve you and provide more options for you to power your life.



## COMPETITIVE RATES

Serving as your trusted energy advisor means we want to help you save energy (and money) and provide advice and information on a broad range of energy topics. We're here whenever you need us.



## DIVERSE Energy Portfolio

As the energy industry continues to evolve and shape the future, we are striving to take advantage of technological advances and market opportunities as they become available. That's why there is real value in maintaining a balanced mixture of fuel types to ensure reliability, resiliency and meet the growing demand for electricity. While our primary function is to provide reliable and affordable energy to our members, we are more than an electricity provider. Because we

are a co-op, our mission is to enrich the lives of our members and to serve the long-term interests of our community. We feel we're doing both by investing in renewable energy sources. In order for Sawnee EMC to meet the growing demand for renewable energy and ensure the reliability of our power supply, we will make economically prudent operational adjustments as we strive for a balanced and brighter future for our members.



## PATRONAGE CAPITAL

Patronage Capital represents your ownership in Sawnee EMC. This is one of the most unique and rewarding benefits you enjoy as a member. Unlike investor-owned utilities that maximize profits to pay dividends to shareholders, not-for-profit electric cooperatives provide members with "at cost" electric service. At the end of the year, after all operational expenses have been covered, any excess funds are allocated to members. In 2023, we retired approximately \$8 million to members who received electric service from Sawnee EMC during 2005 and/or 2006. This continues to demonstrate that the electric cooperative business model is beneficial and performing well.

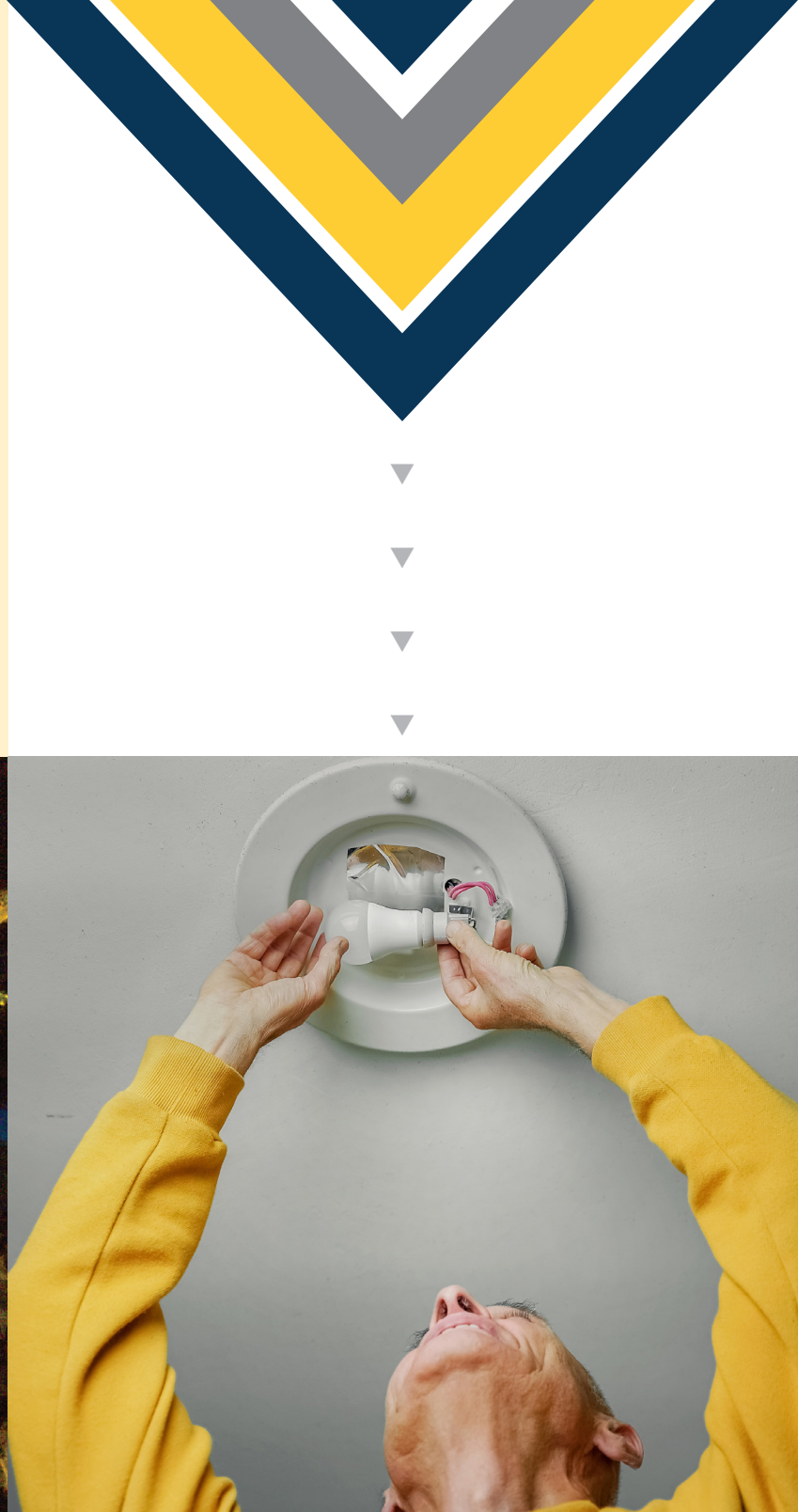
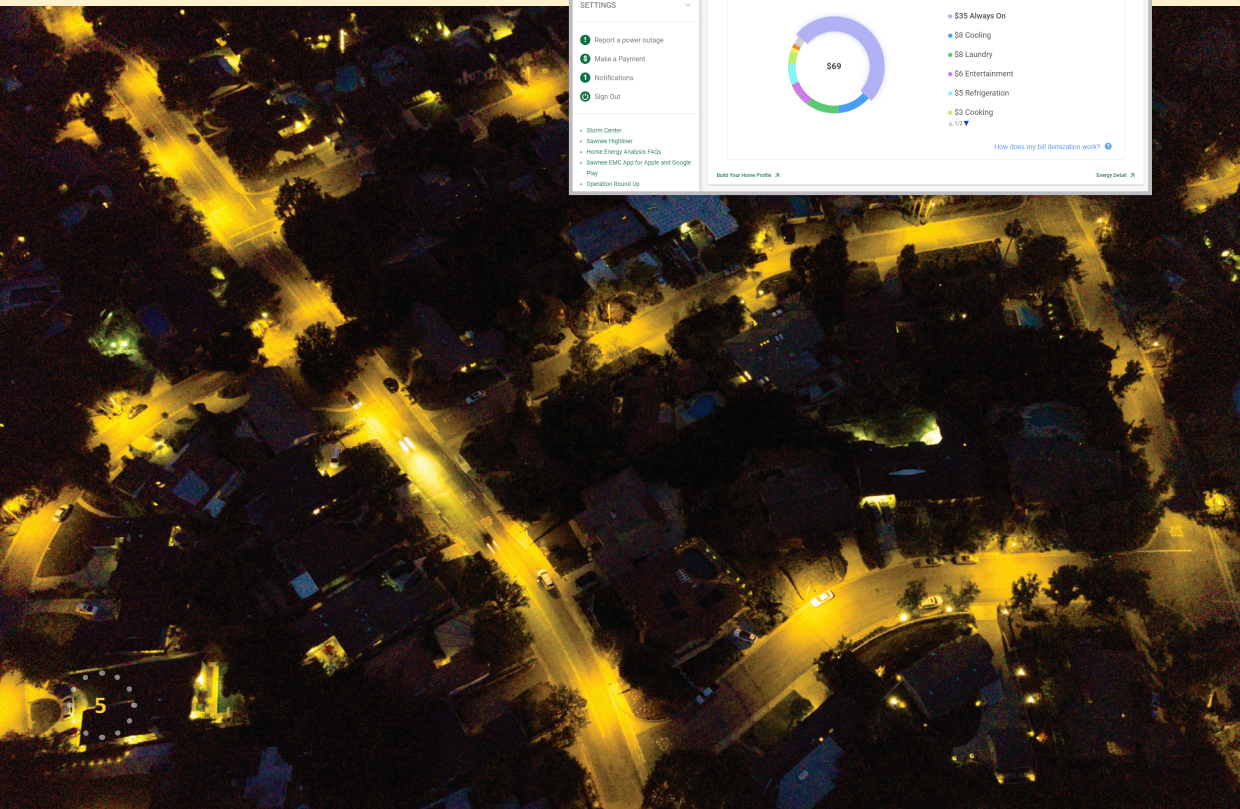
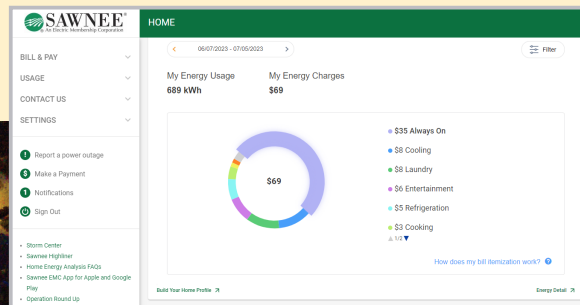




# ADVANCED ENERGY SOLUTIONS



As your trusted energy advisor, we look for ways to enhance your member experience and in how you view your energy data. To that end, we launched a new online platform of home energy analysis tools through SmartHub. Through these tools you can now see how appliances, like your AC and electric heaters, leave distinct “fingerprints” in your energy data. This new technology can identify these appliance energy fingerprints and estimate how much they cost to operate. This process provides you with personalized, detailed information you can use to save energy and money. Residential members can view this new information in SmartHub and receive alerts to help you better manage your usage.



## Sawnee Electric Membership Corporation BALANCE SHEETS

Assets	2022	2021
<b>Utility Plant</b>		
Electric Plant in Service - At Cost	\$774,633,712	\$717,985,916
Construction Work in Progress	9,700,884	11,060,797
Gross Utility Plant	784,334,596	729,046,713
Accumulated Provision for Depreciation	(136,296,313)	(133,207,654)
	<u>648,038,283</u>	<u>595,839,059</u>
<b>Other Property and Investments</b>		
Investments in Associated Organizations	51,353,588	47,112,862
Restricted Funds	148,930,889	167,071,270
Other Investments	119,111	478,730
	<u>200,403,588</u>	<u>214,662,862</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	39,801,483	25,333,251
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$69,495 and \$135,077 in 2022 and 2021, Respectively)	19,460,266	20,851,593
Accrued Utility Revenue	21,950,196	17,688,985
Materials and Supplies	8,467,011	6,732,993
Prepayments	104,712	336,324
Interest Receivable	1,594,030	198,538
	<u>91,377,698</u>	<u>71,141,684</u>
Deferred Debits	112,000	129,108
<b>Total Assets</b>	<b><u>\$939,931,569</u></b>	<b><u>\$881,772,713</u></b>

## Members' Equity & Liabilities

<b>Members' Equity</b>		
Membership Fees	\$145,730	\$152,165
Patronage Capital	285,576,092	264,465,560
Other Equities	26,606,845	25,801,121
	<u>312,328,667</u>	<u>290,418,846</u>

## Long-Term Liabilities

Long-Term Debt	372,445,557	332,440,854
Accumulated Provisions for Postretirement Benefits Other Than Pensions	24,475,170	31,797,625
Other Liabilities	246,129	123,065
	<u>397,166,856</u>	<u>364,361,544</u>

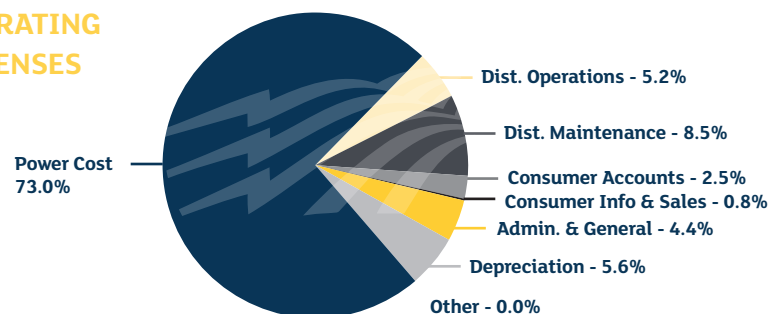
## Current Liabilities

Long-Term Debt - Current Portion	14,301,752	14,637,000
Accumulated Provisions for Postretirement Benefits Other Than Pensions - Current Portion	1,255,730	888,627
Accounts Payable	28,702,953	17,327,536
Consumers' Deposits	11,066,819	9,689,929
Accrued and Withheld Taxes	4,411,109	4,474,886
Other	13,480,085	12,818,198
	<u>73,218,448</u>	<u>59,836,176</u>
Deferred Credits	157,217,598	167,156,147
<b>Total Members' Equity and Liabilities</b>	<b><u>\$939,931,569</u></b>	<b><u>\$881,772,713</u></b>

## STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY

	2022	2021
<b>Operating Revenues</b>	<b>\$452,343,517</b>	<b>\$399,589,616</b>
<b>Operating Expenses</b>		
Cost of Power	306,709,719	260,209,755
Distribution Operations	21,680,458	24,967,831
Distribution Maintenance	35,840,459	30,197,628
Consumer Accounts	10,661,957	10,085,845
Consumer Information and Sales	3,436,129	3,455,397
Administrative and General	18,503,349	16,496,773
Depreciation	23,317,018	22,186,511
Other	2,277	283,918
	<u>\$420,151,366</u>	<u>\$367,883,658</u>
<b>Operating Margins Before Interest Expense</b>	<b>32,192,151</b>	<b>31,705,958</b>
<b>Interest Expense</b>	<b>10,350,256</b>	<b>9,659,583</b>
<b>Operating Margins After Interest Expense</b>	<b>21,841,895</b>	<b>22,046,375</b>
<b>Nonoperating Margins</b>	<b>3,884,943</b>	<b>4,519,478</b>
<b>Generation and Transmission Cooperative</b>		
Capital Credits	3,316,015	1,842,379
<b>Other Capital Credits and Patronage</b>		
Capital Allocations	1,150,355	812,058
<b>Net Margins</b>	<b>\$30,193,208</b>	<b>\$29,220,290</b>
<b>Total Members' Equity - Beginning</b>	<b>\$290,418,846</b>	<b>\$269,552,164</b>
<b>Net Margins</b>	<b>30,193,208</b>	<b>29,220,290</b>
<b>Retirement of Patronage Capital</b>	<b>(8,371,180)</b>	<b>(8,449,106)</b>
<b>Membership Fees</b>	<b>(6,435)</b>	<b>(8,725)</b>
<b>Other Equities</b>	<b>94,228</b>	<b>104,223</b>
<b>Total Members' Equity-Ending</b>	<b>\$312,328,667</b>	<b>\$290,418,846</b>

## OPERATING EXPENSES



To view the complete financial statements contained in our 2022 Financial Audit, please visit our website at [www.sawnee.com](http://www.sawnee.com). If you wish to receive a printed copy of our 2022 Financial Audit, please contact Mrs. Ginny Ellis, Chief Financial Officer, at 770-887-2363, extension 7578, or via email at [ginny.ellis@sawnee.com](mailto:ginny.ellis@sawnee.com).

This institution is an equal opportunity provider and employer.



P.O. Box 266  
Cumming, Georgia 30028  
770-887-2363  
Fax – 770-234-6722  
800-635-9131  
[www.sawnee.com](http://www.sawnee.com)

September 8, 2023

## **Official Notice of 2023 Annual Membership Meeting TO BE HELD ON SATURDAY, OCTOBER 7, 2023**

Dear Sawnee EMC Member,

In accordance with Article 3, Section 3.03, Notice of Member Meetings, of the Sawnee Electric Membership Corporation (“the Corporation”) Bylaws, notice is hereby given that the 2023 Annual Membership Meeting of the Corporation will be held on Saturday, October 7, 2023, at Sawnee EMC’s headquarters located at 543 Atlanta Road, Cumming, GA. Registration for this meeting will be from 8:00 a.m. to 11:00 a.m. Registration will be conducted in a “drive-through” format. An in-person Business Session will convene at approximately 11:00 a.m. for those members interested in attending.

The purpose of this meeting is to transact any and all business that may properly come before the Corporation’s membership and provide information regarding the status of the Corporation, including Board reports on the election of directors and other matters. A report on the status of the Corporation will be distributed at registration and members will have an opportunity to approve the 2022 Annual Membership Meeting Minutes contained herein, as well as offer questions and comments to the staff.

We urge you to make plans to attend this very important meeting of your Cooperative.

Respectfully,

Tim G. Heard  
Secretary-Treasurer





## Minutes from the 2022 Annual Membership Meeting of the Corporation to be Considered

### Important Notice Regarding 2022 Meeting Minutes

Dear Sawnee EMC Member,

For the 2023 Annual Membership Meeting, the Board of Directors and the Annual Meeting Credentials and Election Committee has approved the use of a “drive-through” format for registration.

Members, who register for the Annual Meeting will receive a report regarding the state of the Cooperative which will include the outcome of the 2023 director elections. We will also be seeking the approval of the 2022 Annual Membership Meeting Minutes, as well as provide a way for our members to ask questions of the staff.

Additionally, we will hold an in-person Business Session which will convene at approximately 11:00 a.m. for members interested in attending. All who register will be eligible for prizes and they will be drawn on Monday, October 9th and winners will be notified personally. **Members do not need to be present at the business session for prizes.**

If you have any questions regarding this notice, please contact Sawnee EMC’s Customer Call Center at 770-887-2363, via email at customerservice@sawnee.com or text 678-999-8124.

Respectfully,

Michael A. Goodroe  
President and CEO

## OFFICIAL 2022 MINUTES

### SAWNEE ELECTRIC MEMBERSHIP CORPORATION

#### 2022 ANNUAL MEMBERSHIP MEETING CUMMING, FORSYTH COUNTY, GEORGIA

October 1, 2022

The 84th Annual Membership Meeting of Sawnee Electric Membership Corporation (“Corporation”) was held at the Corporation’s Headquarters Facility in Cumming, Georgia, on the 1st day of October 2022.

Mr. Blake House, VP of Member Services, gave a brief welcome and thanked all the members for participating in this important activity of their Cooperative. He introduced Mr. Zack Rice, Jr, Attorney, who presided over the meeting at the pleasure of the Chairman of the Board of Directors, Mr. Gary Porter, and Mr. Tim Heard, Secretary – Treasurer, acted as Secretary of this meeting.

**CALL TO ORDER** - Mr. Zack Rice called the business session to order at approximately 11:00 a.m. He stated that a total of 491 members had participated in the drive-through registration and since a quorum has been achieved, as required by the Bylaws, it was now in order to consider and transact any and all business that might properly come before the membership, at this time.

**ADOPTION OF THE AGENDA FOR THE BUSINESS SESSION** – Upon motion duly made and seconded, it was unanimously carried to adopt the proposed agenda for the business session.

**READING OF OFFICIAL NOTICE** - As the first item of business, Mr. Rice read the Official Notice of the 2022 Annual Meeting that was mailed to each member of the Corporation. The notice was as follows:

(Minutes continued on next page.)

**Sawnee Electric Membership Corporation  
Official Notice  
September 9, 2022**

**2022 Annual Membership Meeting  
To be held on Saturday, October 1, 2022**

Dear Sawnee EMC Member,

In accordance with Article 3, Section 3.03, Notice of Member Meetings, of the Sawnee Electric Membership Corporation ("the Corporation") Bylaws, notice is hereby given that the 2022 Annual Membership Meeting of the Corporation will be held on Saturday, October 1, 2022, at Sawnee EMC's headquarters located at 543 Atlanta Road, Cumming, GA. Registration for this meeting will be from 8:00 a.m. to 11:00 a.m. Registration will be conducted in a "drive-through format". An in-person business session will convene at approximately 11:00 a.m. for those members interested in attending.

The purpose of this meeting is to transact all business that may properly come before the Corporation's membership and provide information regarding the status of the Corporation, including Board reports on the election of directors and other matters. A report on the status of the Corporation will be distributed at registration and members will have an opportunity to approve the 2020 and 2021 Annual Membership Meeting Minutes contained herein, as well as offer questions and comments to the staff.

We urge you to make plans to attend this very important meeting of your Cooperative.

Respectfully,



Tim G. Heard  
Secretary-Treasurer

**READING OF CERTIFICATION OF MAILING** - Mr. Rice then read the Certification of Mailing stating that each

member of the Corporation had been mailed an Official Notice of the Meeting of the Corporation, with postage prepaid, and that notices were deposited in the U.S. Post Office, Atlanta, Georgia, on September 9, 2022, as follows:

**SECRETARY'S CERTIFICATION OF MAILING**

I, Tim G. Heard, being first duly sworn on oath deposes and says that he is the only elected, qualified and acting Secretary of the Sawnee Electric Membership Corporation, that on the 9th day of September, 2022, he mailed to each member of the Corporation at the address as it appears on the records of the Corporation, a notice of the Annual Membership Meeting of the members of the Corporation to be held on the 1st day of October, 2022, by depositing in the U.S. Mail, U.S. Post Office, Atlanta, Georgia, and that the attached notice is a true and correct copy of said notice of said meeting mailed as aforesaid.

**APPROVAL OF MINUTES** - As to the next order of business, Mr. Rice stated that members of the Annual Meeting Credentials and Election Committee have counted the ballots and determined that the membership of the Corporation have overwhelmingly approved the minutes from the 2020 and 2021 Annual Members' Meeting held on October 2, 2021, as written.

**PRESENTATION AND CONSIDERATION OF REPORTS**

**OF OFFICERS** – Mr. Rice reported that only a single candidate was nominated by the 2022 Committee on Nominations for each of the following three (3) directorate districts and that no petitions were received prior to the prescribed deadlines. Therefore, based on the provisions found in the Bylaws of the Corporation, the incumbent directors were deemed to be re-elected by the members of their respective directorate districts for a three (3) year term.

- District #2, Chestatee – Marshall Millwood
- District #7, Italy – Terry Mathis
- District #9, Webb – Rodney Reese

**CEO REPORT** - The CEO recognized the staff's efforts in making today's Annual Meeting a success. He also acknowledged that this is the last Annual Meeting in

which Mr. Rice will serve as the Meeting Moderator and he extended his best wishes to him on behalf of the Corporation. In closing, the CEO stated that the staff remains steadfast in addressing the many challenges facing the electric industry right now and the Corporation continues to maintain a strong financial position.

**OLD BUSINESS** – Mr. Rice stated that there is no old business to be considered by the membership, at this time.

**NEW BUSINESS** – Mr. Rice called for any new business, and there was none.

**ADJOURNMENT** - There being no further business to come before the membership, and upon motion duly made and seconded, it was carried by a majority of those present to adjourn the 2022 Annual Meeting at approximately 11:05 a.m.

Following adjournment, Mr. House thanked the members for taking part in the meeting and reminded the attendees that prizes will be drawn on Monday, October 3rd and winners will be notified accordingly.

**CERTIFICATION**

I, Tim G. Heard, Secretary of the Sawnee Electric Membership Corporation do hereby certify that the foregoing is a true and correct copy of the minutes of the Annual Meeting of Members of the Sawnee Electric Membership Corporation of Cumming, Georgia, held on the 1st day of October 2022, as appears in the minute's book of the Corporation.



Tim G. Heard  
Secretary

(End of Minutes.)

The 2023 Annual Meeting will be held on  
**Saturday, October 7, 2023** at  
Sawnee EMC's headquarters:  
543 Atlanta Road, Cumming, GA 30040

Join us on Saturday, October 7th! Members will enjoy drive-through registration from 8:00 a.m. until 11:00 a.m. All members who register for the Annual Meeting will be entered for a chance to win a door prize. This year's grand prize is a \$1,000 VISA gift card. Additionally, there will be drawings for 150 bill credits in the amount of \$25 each. **Members do not have to be present at the Business Session to win.**

For members who wish to stay for the Business Session, they will enjoy performances from Perfect Blend and the Chestatee Elementary School Chorus. Our entertainment will take place from 10:15 a.m. until 11:00 a.m.

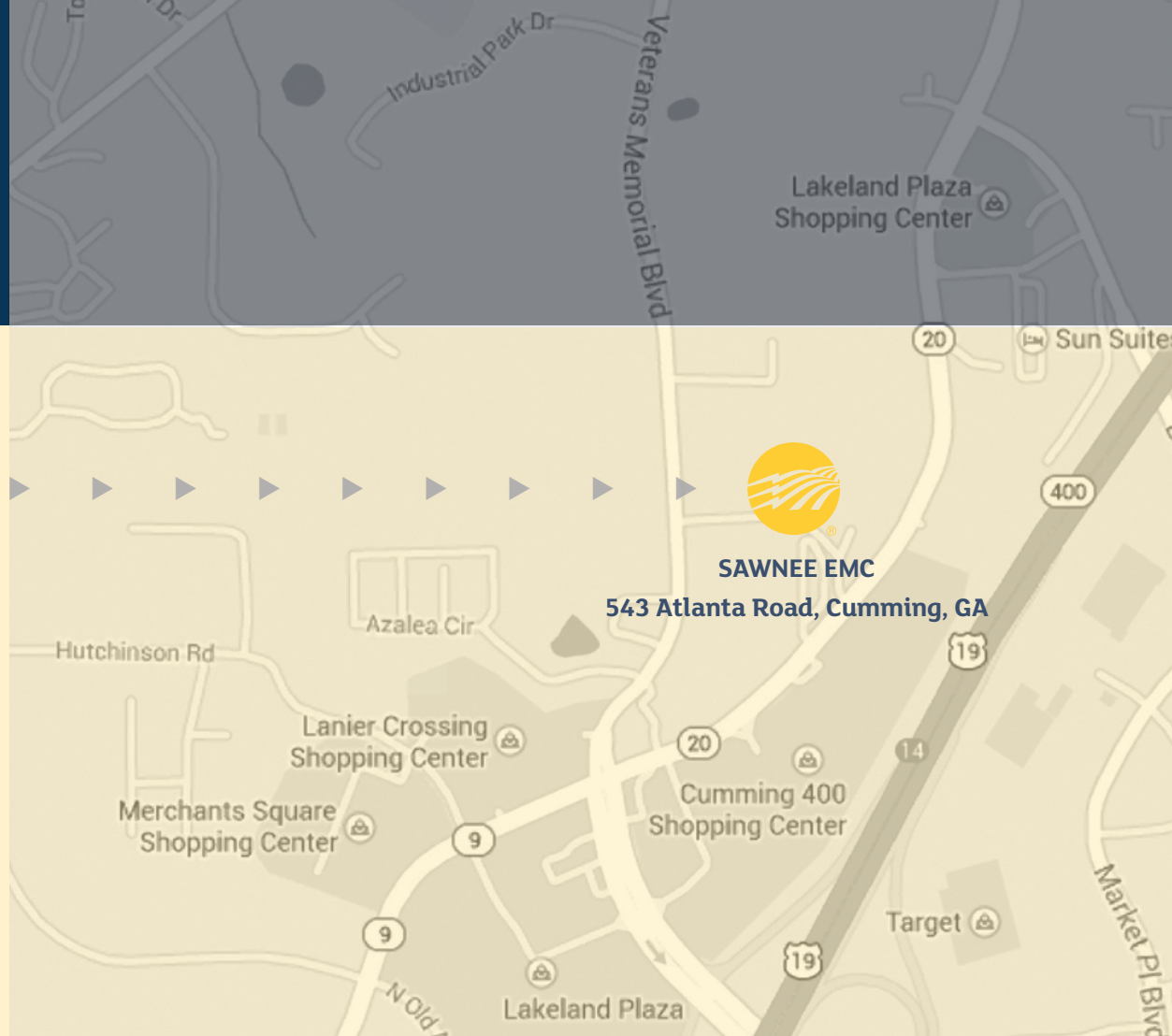
At 11:00 a.m. our business session will begin. All times are approximate and subject to vary.

Hope to see you there!

## 2023 ANNUAL MEETING OF MEMBERS

This is your  
Annual Meeting REGISTRATION CARD!

Please bring this notice with you to the Annual Membership Meeting on Saturday, October 7, 2023 and present it at the Registration area.





# SAWNEE EMC 2023 MEMBER MEETING

SATURDAY  
OCTOBER 7, 2023



## New for 2023!



### MUSICAL ENTERTAINMENT

If you choose to stay for the Business Session, it will be music to your ears - literally! Members will enjoy listening to Perfect Blend, a local women's a cappella vocal group and songs from the Chestatee Elementary 4th and 5th grade chorus.

Light refreshments will be served.



sawnee.com

**SAWNEE EMC**  
543 Atlanta Highway  
Cumming, GA 30040

