



**SAWNEE
ELECTRIC
MEMBERSHIP
CORPORATION**

2021 Annual Report
and Official Notice of
2022 Member Meeting

CREATING
Positive Energy



SEMC Board of Directors

From left to right:

Marshall Millwood - District 2

Bill Barnett - District 3

Gary Porter - District 4 (Chairman)

Tim Heard - District 6 (Secretary-Treasurer)

Rodney Reese - District 9

Terry Mathis - District 7

Donna Yost - District 8

Larry Evans - District 5

Roger Coker - District 1 (Vice Chairman)



CREATING
Positive Energy

2022 Director Election Results

District 2 (Chestatee)
Mr. Marshall Millwood was re-elected as provided for in the Bylaws.

District 7 (Italy)
Mr. Terry Mathis was re-elected as provided for in the Bylaws.

District 9 (Webb)
Mr. Rodney Reese was re-elected as provided for in the Bylaws.

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.

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Dear Sawnee EMC Member:

Greetings from the staff and Board of Directors of your electric cooperative. We hope you will find this Annual Report informative and educational. We are constantly striving to be the best in class and provide you with reliable, dependable, and reasonably priced electric service.

Enclosed in this report you will find an abbreviated version of our 2021 audited financial statement. Should you wish to receive the full report, information is shown on page 9 as to how you can make that request. As you review the Annual Report, you will see 2021 was another great year for Sawnee EMC. I am pleased to inform you we are financially sound and well positioned to address the various energy challenges that may lie ahead.

This year, we have chosen the theme of “*Creating Positive Energy*” for this report so that we may highlight the various achievements our staff has undertaken and accomplished this past year. I would be remiss not to thank those who call Sawnee EMC home and acknowledge their commitment to excellence in all that they do for our members each day.

While much has changed in our service area from our humble beginnings 84 years ago, one thing that has not is our commitment to service. Commitment is a simple word that carries much weight, and it is a guiding principle in all that we do.

In closing, thank you for the opportunity to serve you and reliably provide your energy needs. We are proud to be your trusted energy partner today and every day after.

All the best,

Michael A. Goodroe
President and CEO





“
Energy
flows where
attention
goes.”

Tony Robbins



SERVICE It is a word that is at the root of everything Sawnee EMC does. Each employee starts their day at Sawnee EMC thinking about how he or she can serve you. In meetings, discussions are held about how we can continue to provide reliable electricity today and 20 years from now. Sawnee EMC's staff asks itself daily, "how can we improve our service?"

One way is a targeted focus on reliability and affordable rates. The electric grid and system performance are other items we turn our attention to. You can rest assured knowing our staff plans and discusses best practices when Mother Nature has other ideas about weather; which may cause a tree to fall on the line and therefore, a possible interruption of service. We are ready and up for the challenge...every day.

Outstanding service to each Sawnee EMC member is not just a goal; it is also an attitude. That attitude encompasses more than the poles and wires that connect cooperative members in our service area. When we walk through the door, we are thinking about you, our member. That is positive energy.

PATRONAGE CAPITAL One of the benefits of being a member of a not-for-profit electric cooperative is that you are an owner who has a stake in the financial success of Sawnee EMC through patronage capital. In 2022, Sawnee EMC returned approximately \$7.8 million through a general retirement of patronage capital. The return of patronage capital is an example of the cooperative business model and as a nonprofit cooperative, we believe this money should be returned to you. More information can be found at sawnee.coop/patcap.

MEMBER-OWNED One of the greatest assets you have as a Sawnee EMC member is personal service from someone you can trust. The cooperative is more than a place to pay your bill every month; it's people and it's passion. And that's something that hasn't changed over Sawnee EMC's 84-year history.

Electric cooperatives, like Sawnee EMC, are independent utilities, owned by its members. Unlike investor-owned utilities, electric cooperatives set their own rates strictly to cover the cost of doing business. If annual revenues exceed costs, eligible Sawnee EMC members receive a credit through patronage capital.

Electric cooperatives are always looking for new ways to help their members save energy, save money and utilize the technology that's changed the way we live. The same passion that built this cooperative still pulses through the veins of its caretakers today. From the Board of Directors leading the way, to the employees handling the day-to-day operations, and to the members who believe in the cooperative business model—the goal remains the same, to deliver safe, reliable, electric service at the lowest possible cost. And we are stronger and better for it.



RENEWABLES



“
A spark
is a little thing,
yet it may kindle
the world.
”

Martin Farquhar Tupper



SOLAR Sawnee EMC is proud to serve our members with a diversity of affordable and reliable resources. All the while offering environmentally responsible options such as solar energy to our members as part of our diverse portfolio. Over the past decade Sawnee EMC has purchased economically priced solar energy through sustainable, low risk solar generation projects benefitting both Sawnee EMC's members and the state of Georgia.

Sawnee EMC has procured approximately 111 MW of solar electricity for Sawnee EMC's members. These solar assets support Sawnee EMC's 2022 Solar Renewable Energy Credit Program and our Virtual Solar Program which was launched in 2018. The Virtual Solar Program allows members the opportunity to purchase solar power for an additional monthly rate in order to offset traditional electricity usage. Please read more at sawnee.coop/virtual-solar.

With a focus on long term positive energy solutions, The Sawnee EMC Board of Directors seek to participate in solar projects that make long term business sense and energy security for our members.

RENEWABLE ENERGY CREDITS Many members are interested in renewable electricity to achieve their energy objectives. Sawnee EMC's Solar Renewable Energy Credit program allows participating members to achieve these energy goals by helping to offset their environmental impact without having to install solar panels or other renewable energy systems. The program allows participating members to receive retired renewable energy credits from Sawnee's solar generation projects located in Georgia. While the credit is not equivalent to buying electricity, it represents and includes the clean energy attributes of renewable electricity.

EV's Electric vehicles can be a smart transportation choice for some members as they are becoming more and more popular. Nearly every manufacturer offers at least one model, and the technology continues to improve. EVs provide environmental benefits, lower operating costs, and a quiet, smooth and fun ride. Members contact Sawnee EMC's Energy Services Team each day for information regarding electric vehicles. Afterall, Sawnee EMC is your source of power and information, and electric vehicles are just one of the topics our staff is glad to have the opportunity to discuss with you. For electric vehicle owners or soon-to-be EV owners who want to build energy independence and save money, Sawnee

EMC currently offers a library of resources and tools online at sawnee.coop/plug-in-vehicles to help members learn more about EVs. Additionally, Sawnee EMC offers a \$250 rebate for members who have an electric vehicle, install a Level 2 charger and participate in a time of use incentive rate encouraging them to charge during off-peak hours.

Sawnee EMC is your trusted energy source and while we are not in the car business, we are in the business of providing education and awareness to our members about electric vehicles.

It is another reason we're more than electricity... we're service.



COMMUNITY



“
Power
is the ability to
do good things
for others.
”

Brooke Astor



FOUNDATION Sawnee EMC is dedicated to improving the quality of life for people in its service area. This is accomplished by providing affordable electric service, and also by our active involvement throughout the local communities we serve. From Holly Springs to Flowery Branch to Johns Creek, many organizations have benefitted from small donations made each month by our Operation Round Up participants.

The Sawnee Electric Membership Foundation is a 501(c) 3 organization which provides an avenue for members of Sawnee EMC to donate funds, through Operation Round Up, for charitable purposes. Local community leaders voluntarily serve on the Foundation Board of Directors. Since 2003, the Foundation has donated more than \$3.8 million back into local communities.

The Foundation has funded a multitude of community-based programs throughout the seven (7) counties served by Sawnee EMC. Grants have supported food banks and community health clinics, educational initiatives, emergency shelters, and more. Learn more at sawnee.coop/oru.

SCHOLARSHIPS Helping today's students achieve their academic goals is a great investment in the future. Since 2006, the Sawnee Electric Membership Foundation has awarded over \$1 million in Youth Scholarships to students pursuing their secondary education. Additionally, the Sawnee Electric Membership Foundation supports men and women interested in pursuing a career as a lineworker through the Brian Johnson Memorial Scholarship. The recipients of both scholarships are dedicated to making a difference in the world around them and creating positive energy in their own way.



OPERATION ROUND UP A successful community development program, Operation Round Up is funded by the voluntary contributions of Sawnee EMC members to the Sawnee Electric Membership Foundation. Member contributions are made to the Foundation when participants elect to have their monthly electric bill rounded up to the next dollar. For example, a \$70.55 electric bill would result in a total charge of \$71.00 and a 45 cent donation to the Foundation fund. On average, donations are about 50 cents per month or \$6.00 per year. Since Operation Round Up contributions are tax deductible, in January of each year a total annual contribution amount will be provided for your tax records.

Charitable donations are made by the Foundation to worthy projects and needs within the seven-county Sawnee EMC service area. Organizations can apply to the Foundation's voluntary nine-member Board of Directors, who award funds quarterly based on the worthiness of each application and the availability of funds. One hundred percent of funds collected are returned to the community through donations from the Foundation. If you already participate in Operation Round Up – thank you. Each month you join approximately 15,000 other Sawnee EMC members to make a difference in our local communities.



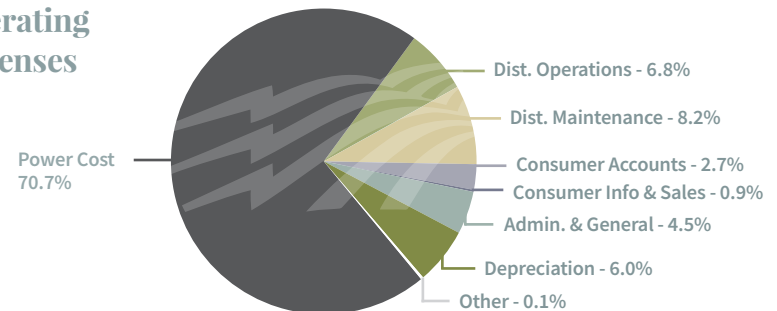
Sawnee Electric Membership Corporation BALANCE SHEETS

Assets	2021	2020
Utility Plant		
Electric Plant in Service - At Cost	\$717,985,916	\$692,470,005
Construction Work in Progress	11,060,797	7,122,792
Gross Utility Plant	729,046,713	699,592,797
Accumulated Provision for Depreciation	(133,207,654)	(132,589,958)
	<u>595,839,059</u>	<u>567,002,839</u>
Other Property and Investments		
Investments in Associated Organizations	47,112,862	44,725,285
Restricted Funds	167,071,270	152,071,270
Other Investments	478,730	478,730
	<u>214,662,862</u>	<u>197,275,285</u>
Current Assets		
Cash and Cash Equivalents	25,333,251	21,881,498
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$135,077 in 2021 and \$116,979 in 2020)	38,540,578	39,227,902
Materials and Supplies	6,732,993	4,605,161
Prepayments	336,324	103,968
Interest Receivable	198,538	435,645
	<u>71,141,684</u>	<u>66,254,174</u>
Deferred Debits	129,108	2,000,000
Total Assets	<u>\$881,772,713</u>	<u>\$832,532,298</u>
Members' Equity & Liabilities		
Members' Equity		
Membership Fees	\$152,165	\$160,890
Patronage Capital	264,465,560	244,294,490
Other Equities	25,801,121	25,096,784
	<u>290,418,846</u>	<u>269,552,164</u>
Long-Term Liabilities		
Long-Term Debt	332,440,854	319,927,545
Accumulated Provisions for Postretirement Benefits Other Than Pensions	31,797,625	34,133,262
Other Liabilities	123,065	0
	<u>364,361,544</u>	<u>354,060,807</u>
Current Liabilities		
Long-Term Debt - Current Portion	14,637,000	11,870,000
Accumulated Provisions for Postretirement Benefits Other Than Pensions - Current Portion	888,627	874,329
Accounts Payable	17,327,536	21,424,985
Consumers' Deposits	9,689,929	8,110,892
Accrued and Withheld Taxes	4,474,886	3,719,995
Other	12,818,198	10,699,111
	<u>59,836,176</u>	<u>56,699,312</u>
Deferred Credits	167,156,147	152,220,015
Total Members' Equity And Liabilities	<u>\$881,772,713</u>	<u>\$832,532,298</u>

STATEMENTS OF OPERATIONS and MEMBER'S EQUITY

	2021	2020
Operating Revenues	\$399,589,616	\$375,079,465
Operating Expenses		
Cost of Power	260,209,755	248,848,185
Distribution Operations	24,967,831	24,059,776
Distribution Maintenance	30,197,628	27,458,538
Consumer Accounts	10,085,845	10,280,666
Consumer Information and Sales	3,455,397	3,218,142
Administrative and General	16,496,773	19,310,332
Depreciation	22,186,511	21,248,228
Other	283,918	288,693
	<u>\$367,883,658</u>	<u>\$354,712,560</u>
Operating Margins Before Interest Expense	31,705,958	20,366,905
Interest Expense	9,659,583	10,231,272
Operating Margins After Interest Expense	22,046,375	10,135,633
Nonoperating Margins	4,519,478	5,343,024
Generation and Transmission Cooperative Capital Credits	1,842,379	1,852,051
Other Capital Credits and Patronage Capital Allocations	812,058	447,543
Net Margins	<u>\$29,220,290</u>	<u>\$17,778,251</u>
Total Members' Equity - Beginning	\$269,552,164	\$272,093,470
Net Margins	29,220,290	17,778,251
Retirement of Patronage Capital	(8,449,106)	(20,410,624)
Membership Fees	(8,725)	(7,805)
Other Equities	104,223	98,872
Total Members' Equity-Ending	<u>\$290,418,846</u>	<u>\$269,552,164</u>

Operating Expenses



To view the complete financial statements contained in our 2021 Financial Audit, please visit our website at www.sawnee.coop. If you wish to receive a printed copy of our 2021 financial audit, please contact Mrs. Ginny Ellis, Chief Financial Officer, at 770-887-2363, extension 7578, or via email at ginny.ellis@sawnee.coop.

This institution is an equal opportunity provider and employer.



SAWNEE EMC

P.O. Box 266
Cumming, Georgia 30028
770-887-2363
Fax – 678-947-3368
1-800-635-9131
www.sawnee.coop

September 9, 2022

Official Notice of 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 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



Minutes from the 2020 and 2021 Annual Membership Meeting of the Corporation to be Considered

Dear Sawnee EMC Member,

For the 2022 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.

Last year, due to COVID-19, Sawnee EMC held its Annual Meeting with the first ever drive-through format and our members enjoyed the efficiency and ease it provided. Our staff was pleased with the turnout and welcomed more registered members than we have experienced in the years prior to COVID-19.

We look forward, again, to hosting a drive-through registration for this year's Annual Meeting. During the registration process, members will receive a report regarding the state of the Cooperative which will include the outcome of the 2022 director elections. We will also be seeking the approval of the 2020 and 2021 Annual Membership Meeting Minutes (please see copy on next page), 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. There will not be any vendors or entertainment onsite for 2022. All who register will be eligible for prizes and they will be drawn on Monday, October 3rd and winners will be notified personally.

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.coop or text 678-999-8124.

Respectfully,



Michael A. Goodroe
President and CEO

**SAWNEE ELECTRIC
MEMBERSHIP CORPORATION**

**2020 and 2021 ANNUAL MEMBERSHIP MEETINGS
CUMMING, FORSYTH COUNTY, GEORGIA**

October 2, 2021

The 2020 and 2021 Annual Meetings of the Members ("Meetings") of Sawnee Electric Membership Corporation ("Corporation") were held at the Corporation's Headquarters Facility in Cumming, Georgia, on the 2nd day of October 2021.

CALL TO ORDER - Mr. Zack Rice called the business sessions to order at approximately 11:05 a.m. He stated that the 2020 Annual Meeting had been postponed until this year, due to the COVID-19 pandemic.

Mr. Rice stated that the registration desk reported a quorum was present as required by the Bylaws. A total of 500 members had participated in the drive-thru registration, and it was now in order to consider and transact all business that might properly come before the membership of the Corporation at this Annual Meeting.

Mr. Rice proceeded to convene the 2020 Annual Meeting Business Session.

READING OF OFFICIAL NOTICE - As the first item of business, Mr. Rice read the Official Notice of the 2020 and 2021 Annual Meetings that was mailed to each member of the Corporation. The notice was as follows:

CALL TO ORDER - Mr. Zack Rice called the business session of the Meeting to order at approximately 10:20 a.m. Mr. Rice stated that based on the Corporation's Bylaws, Article 3, Section 3.04, Quorum, and information from the the registration desk, a quorum was present and it was now in order to transact any and all business that may properly come before the membership, at this time.

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

**Sawnee Electric Membership Corporation
Official Notice
September 10, 2021**

**2020 and 2021 Annual Membership Meetings
To be held on October 2, 2021**

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 2020 Annual Membership Meeting of the Corporation and separately, the 2021 Annual Membership Meeting of the Corporation will both be held on Saturday, October 2, 2021, at Sawnee EMC's headquarters located at 543 Atlanta Highway, Cumming, Georgia. Registration for both meetings will be from 8:00 a.m. to 11:00 a.m. The Annual Meetings will be conducted in a "drive-thru format". Given the limited number of items to be considered at the two (2) business sessions, the meetings will be conducted remotely.

The purpose of this meeting format is to safely transact all business that may properly come before the Cooperative membership and provide information regarding the status of the Cooperative, including reports from the Board. A report on the status of the Cooperative will be distributed at the meetings and members will have an opportunity to approve the 2019 Annual Membership Meeting Minutes contained herein, as well as offer questions and comments to the staff.

We urge you to make plans to attend these very important meetings of your Cooperative.

Respectfully,



Roger Coker

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 10, 2021, as follows:

SECRETARY'S CERTIFICATION OF MAILING

I, Roger T. Coker, 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 10th day of September, 2021, 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 2nd day of October, 2021, 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 the members have overwhelmingly approved the minutes, as written, from the 2019 Annual Members' Meeting held on October 5, 2019.

PRESENTATION AND CONSIDERATION OF REPORTS OF OFFICERS - Mr. Rice reported that all members that participated in the drive-thru registration process today received a written report on the results of the 2020 and 2021 director elections as well as a written report on the state of the Cooperative.

OLD BUSINESS - Mr. Rice stated that there is no old business from the 2019 Annual Meeting to be considered by the membership.

NEW BUSINESS - Mr. Rice stated that there is no new business for the 2020 Annual Meeting to be considered by the membership.

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 2020 Annual Meeting at approximately 11:08 a.m.

Mr. Rice proceeded to convene the 2021 Annual Meeting Business Session.

(Minutes continued on next page.)

(Minutes continued from previous page.)

DISPENSE READING OF OFFICIAL NOTICE AND PROOF OF NOTICE - As the first item of business, Mr. Rice dispensed of the reading of the Official Notice of the 2020 and 2021 Annual Meetings that was mailed to each member of the Corporation and the reading of the Proof of Notice, as these notices were previously read and will be entered into the Official Record / minutes of these meetings.

PRESENTATION AND CONSIDERATION OF REPORTS OF OFFICERS – Mr. Rice reported that all members that participated in the drive-thru registration process today received a written report on the results of the 2020 and 2021 director elections as well as a written report on the state of the Cooperative.

OLD BUSINESS – Mr. Rice stated that there is no old business from the 2020 Annual Meeting to be considered by the membership.

NEW BUSINESS – Mr. Rice stated that there is no new business for the 2021 Annual Meeting to be considered by the membership.

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 2021 Annual Meeting at approximately 11:10 a.m.

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 2nd day of October, 2021, as appears in the minute's book



Tim G. Heard
Secretary

(End of Minutes.)

POSITIVE ENERGY from our Members

“

They keep us well informed of outages and provide prompt restoration. The app is a huge help and the Customer Service staff is a joy to deal with.

”

“

I appreciate that you do Operation Round Up and help community charities.

”

“

We have had several electric companies over 30 years. Sawnee EMC has a quick response, great newsletter, easy to contact, notifies us of possible weather. We are proud to be a member.

”

“

Seamless billing, customer service and repairs. So many companies have created a labyrinth to accomplish these things – not Sawnee!

”



SAWNEE EMC

The 2022 Annual Meeting will be held on Saturday, October 1, 2022 at Sawnee EMC's headquarters: 543 Atlanta Road, Cumming, GA 30040

2
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2
2

Annual Meeting of Members



IMPORTANT: THIS IS YOUR ANNUAL MEETING REGISTRATION CARD!

Please bring this notice with you to the Annual Membership Meeting on Saturday, October 1, 2022 and present it at the Registration area.

The prizes this year will be a \$1,000 Grand Prize VISA gift card as well as energy bill credits for 150 members. All Sawnee EMC members who register at the Annual Meeting are eligible to be entered into the drawing for these items.



SAWNEE EMC

543 Atlanta Highway
Cumming, GA 30040

sawnee.coop



Member Meeting Saturday October 1, 2022



Drive-through registration. We hope you will be able to join us for the 2022 Annual Meeting. Our format will be similar to last year and our staff will be onsite to complete the registration process and answer any questions you may have.

In-person business session. We welcome your attendance at the Annual Meeting Business Session. If you wish to stay, please let a staff member know when you register.

You put the member in membership! Each registered member will receive a special gift as well as a report on the status of the Cooperative. Additionally, this Annual Report contains the 2020 and 2021 Annual Membership Meeting minutes, which you will have the opportunity to approve. We look forward to seeing you on October 1st!