would like to begin by expressing my appreciation to our membership for their continued support of Blue Ridge Mountain EMC (BRMEMC) and its employees. Without dedicated employees, the mission of providing safe, reliable and affordable electric and broadband services would not be possible. Our members can rest assured that their co-op is sustained by an outstanding group of employees working on their behalf day and night, rain or shine.

This year’s Annual Report will provide an update on the operations of your EMC, along with financial information from the 2018 calendar year.

In addition to their daily duties, our co-op crews were able to assist last year with the extensive power restoration effort in the Florida Panhandle and South Georgia following Hurricane Michael. Their actions and efforts exemplify one of the seven cooperative principles, Cooperation among Cooperatives.

The tremendous logistical undertaking associated with the power restoration was unprecedented for Georgia. I am proud our BRMEMC crews were able to join with fellow co-op crews to help those living in communities that were devastated by the storm.

Your electric cooperative constructed nearly 40 miles of new power lines while maintaining 6,000 miles of existing distribution lines and nearly 40 miles of transmission lines. BRMEMC owns and maintains 10 distribution substations and one transmission switching station. We initiated the planning process for the Nottely substation rebuild and the soon-to-be constructed Murphy substation. Both are multi-year efforts that will provide electrical benefits for a generation or more.

We added approximately $4,643,250 in new electric and broadband plant, resulting in a total plant value by the end of the year of more than $267 million. This past year we also added 830 electric meters, giving us a year-end total of 53,220 connected meters. Our meter growth rate the past 5 years continues to outperform the national metrics. I believe this is a strong indicator of the growth and prosperity we are experiencing in the territory we serve.

BRMEMC is always looking for ways to expand and improve its broadband offerings and its other value-added services. In regards to broadband, two important events took place this past year. First, BRMEMC staff was successful in obtaining $3 million through Rural Utilities Services’ Community Connect grant program to provide fiber optics to a large portion of northern Cherokee County, N.C. This money will be used to provide broadband to nearly 1,000 homes and businesses in an area previously unserved. Second, your EMC began building more than $750,000 worth of new fiber-optic infrastructure in other unserved and underserved portions of our system. This is the first substantial rollout of new infrastructure construction since the early 2010s. Coupling these events with the recent passage of Georgia Senate Bill 2, which gives statutory authority to the state’s 41 electric cooperatives to provide broadband services, and our members can be confident their co-op is working harder than ever to connect our community with high-speed broadband service.

In closing, I want to thank BRMEMC’s board, management team and employees for their dedicated service to our membership. I am proud of the role BRMEMC has played in improving the lives of our neighbors in the communities we live. I look forward to continuing our legacy of service to one another. I hope to see you at the Annual Meeting on Thursday, Sept. 26, at the co-op headquarters in Young Harris, Ga.
## Balance Sheet

**Utility Plant**
- Electric Plant in Service: $257,362,537 in 2017, $266,856,795 in 2018
- Construction Work in Progress: $5,249,931 in 2017, $398,929 in 2018
- Accumulated Provision for Depreciation: $82,621,225 in 2017, $88,183,248 in 2018
- Net Utility Plant: $179,991,243 in 2017, $179,072,476 in 2018
- Non-utility Property: $0 in 2017, $0 in 2018
- Investments in Associated Organizations: $3,992,508 in 2017, $3,960,156 in 2018

**Current Assets**
- Cash—General & Temporary: $6,107,835 in 2017, $10,140,365 in 2018
- Cash Investments: $6,107,835 in 2017, $10,140,365 in 2018
- Accounts Receivable: $4,902,663 in 2017, $4,606,361 in 2018
- Materials & Supplies: $1,431,681 in 2017, $1,694,172 in 2018
- Prepayments: $404,093 in 2017, $494,199 in 2018
- Other Current Assets: $5,174,782 in 2017, $5,092,003 in 2018

**Total Current Assets**: $18,021,054 in 2017, $22,027,100 in 2018

- Deferred Credits: $3,467,011 in 2017, $2,241,693 in 2018

**Total Assets**: $205,471,816 in 2017, $207,301,425 in 2018

## Statement of Revenue and Expense

**Operating Revenue**: $84,893,526 in 2017, $92,198,181 in 2018

**Operating Expense & Interest**
- Cost of Power: $53,512,081 in 2017, $58,636,952 in 2018
- Distribution Operations: $3,054,559 in 2017, $3,370,412 in 2018
- Distribution Maintenance: $6,410,031 in 2017, $7,303,431 in 2018
- Consumer Accounts: $2,951,480 in 2017, $3,186,509 in 2018
- Consumer Service & Information: $1,212,908 in 2017, $920,624 in 2018
- Administrative & General: $2,875,538 in 2017, $2,557,978 in 2018
- Depreciation: $7,559,516 in 2017, $8,144,933 in 2018
- Taxes: $699,436 in 2017, $715,412 in 2018
- Interest: $4,678,162 in 2017, $4,641,597 in 2018

**Total Operating Expense and Interest**: $82,953,711 in 2017, $89,477,855 in 2018

**Net Operating Margins**: $1,939,815 in 2017, $2,720,326 in 2018

**Non-Operating Margins**: $3,035,492 in 2017, $3,631,150 in 2018

**Other Comprehensive Income**: $960,800 in 2017, $675,487 in 2018

**Net Margins**: $5,936,107 in 2017, $7,026,963 in 2018

**Earnings Reinvested in System**
- Beginning of Year: $58,112,331 in 2017, $63,920,404 in 2018
- Prior Year’s Adjustments: $(128,034) in 2017
- End of Year: $63,920,404 in 2017, $70,947,367 in 2018

**Paid Back to RUS, CFC, FFB & CoBank**: $5,602,402 in 2017, $4,805,463 in 2018

**Numbers reflect calendar year totals.**
### Electric Revenue

- **1998**: $20 million
- **2003**: $40 million
- **2008**: $60 million
- **2013**: $100 million
- **2018**: $80 million

**Numbers reflect calendar year totals.**

### Uses of Revenue

- **Purchased Power**: 61.09%
- **Depreciation**: 8.49%
- **Operation & Maintenance Expense**: 15.40%
- **Interest**: 4.84%
- **Taxes**: 0.73%
- **Margins**: 6.78%
- **Administrative & General Expense**: 2.67%

### Sources of Revenue

- **Residential**: 62.39%
- **Commercial & Industrial**: 31.10%
- **Street & Outdoor Lighting**: 10%
- **Non-Operating Margins**: 3.94%
- **Miscellaneous**: 2.47%

**Numbers reflect calendar year totals.**

- **Meters Served**
  - 1998: 0, 1000, 2000, 3000, 4000, 6000, 8000
  - 2003: 0, 10,000, 20,000, 30,000, 40,000, 50,000, 60,000
  - 2008: 0, 10,000, 20,000, 30,000, 40,000, 50,000, 60,000
  - 2013: 0, 10,000, 20,000, 30,000, 40,000, 50,000, 60,000
  - 2018: 0, 10,000, 20,000, 30,000, 40,000, 50,000, 60,000

- **Miles of Line**
  - 1998: 0, 1,000, 2,000, 3,000, 4,000, 5,000, 6,000, 7,000, 8,000
  - 2003: 0, 1,000, 2,000, 3,000, 4,000, 5,000, 6,000, 7,000, 8,000
  - 2008: 0, 1,000, 2,000, 3,000, 4,000, 5,000, 6,000, 7,000, 8,000
  - 2013: 0, 1,000, 2,000, 3,000, 4,000, 5,000, 6,000, 7,000, 8,000
  - 2018: 0, 1,000, 2,000, 3,000, 4,000, 5,000, 6,000, 7,000, 8,000

- **Electric Revenue**
  - 1998: $20 million
  - 2003: $40 million
  - 2008: $60 million
  - 2013: $100 million
  - 2018: $80 million
BRMEMC Board of Directors

Voting Information

Voting by mail
- Paper ballots are available upon request from Survey and Ballot: (866) 909-3549.
- DO NOT mail ballot back to BRMEMC.
- Mail-in ballots must be received no later than Sept. 24.

Voting online
- Go to www.directvote.net/brmemc/ to access the login page of the official BRMEMC Ballot.
- Your Membership Number and Election Passcode can be found on your electric bill or can be obtained by calling Survey and Ballot at (866) 909-3549.
- Online voting closes at midnight on Sept. 24.

Voting in person
- You can vote at the Annual Meeting on Sept. 26 beginning at 1 p.m.
- The Annual Meeting is at the headquarters of BRMEMC in Young Harris, GA.

If you encounter any problems voting online, please email support@directvote.net or call (866) 909-3549. For additional questions, call (706) 379-3121, or for more information visit our website at www.brmemc.com.

BRMEMC Annual Meeting

Thursday, Sept. 26, 2019

Blue Ridge Mountain EMC Headquarters
875 Main St. East
Young Harris, GA

Registration and voting: 1-3 p.m.

Business session: 3 p.m.

Vote to be entered to win one of three cash prizes. Cash prizes will be awarded on Sept. 30 at the BRMEMC Headquarters.

Official Annual Meeting Notice

Dear Member,

This is your Official Notice of the Annual Meeting of Members of the Blue Ridge Mountain Electric Membership Corporation. The meeting will begin at 1 p.m. on Thursday, Sept. 26, at the BRMEMC headquarters in Young Harris, GA. The business session will begin promptly at 3 p.m.

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 re-election to a three-year term.

Cory Payne  Clay County, N.C.
Ray Cook  Cherokee County, N.C.
Gene Mason  Union County, GA

(There were no nominations made by petition and under the bylaws no nominations may be made from the floor.)

Yours truly,

Roy Perren, Secretary
Blue Ridge Mountain EMC Board of Directors