

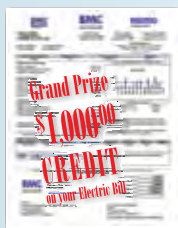


# Member Appreciation Day and Annual Meeting

**Saturday, October 8, 9:00 - 12:00 noon**  
**EMC Headquarters, 807 Collinsworth Road, Palmetto**

Please join us for our 69th Annual Meeting and Member Appreciation Day for a morning of fun, gifts, games, prizes and important co-op business. Mark your calendars now for this exciting event.

**The Varsity truck will be here.** Once again, we are pleased to offer our members hot dogs and fried pies from the world-famous Varsity. As always, chips, popcorn, cotton candy and sodas will also be served.



**Lots of prizes** donated by our vendors will be given away during the business meeting. Don't miss your chance at winning one of these special items and having your name included in the grand prize drawing at the end of the meeting. Each EMC member will have his/her name in the grand prize drawing for a chance to

win a \$1,000 electric bill credit. You must be present to win; registration closes at 11:00, so arrive early and be sure your name is included in the drawing.

**Valuable information** and fun for all is part of the day's agenda. For adults, there will be bingo, prize drawings and booths full of important information. For kids, there will be games, a photo booth, arts and crafts and other midway activities, like skee-ball and sports challenges. Don't forget to come and enjoy it all.

**Health Fair** - The healthcare professionals from Piedmont Healthcare will provide a health fair for adults featuring useful information on a variety of wellness related issues. Be sure to come early enough to participate in this valuable event – it's always a popular stop for our members right after registration!



# The Executive Report



*Chris Stephens*  
President and CEO



*James W. Fulton, III*  
Chairman

## Annual Report to the Members

Coweta-Fayette EMC is committed to providing you, our member-owners, with reliable electric service at a reasonable cost. This promise dates back to 1945, and it remains as strong today as it has been for decades. As we prepare for our 69th Annual Meeting and Member Appreciation Day Oct. 8, this is a great time to reflect upon the previous year and offer a preview into future ways the co-op will continue meeting your expectations.

In 2016, the longest active electric co-op director in Georgia—Kenneth Spaller—retired from our board after 51 years of service. He provided tremendous leadership during his tenure, and his wisdom will be sorely missed.

Fayette Co.'s Daniel C. Langford, Jr. was appointed to fill Kenneth's unexpired term. He is the current mayor of Brooks and an active member of his community. Although Daniel has big shoes to fill, he is capable and a considerable asset to our board.

Much of the past year was dedicated to planning. Not only do we want to ensure power flows when you flip the switch, we also seek the same results for future members as we continue to grow. To that end, we completed a construction work plan to carry us into 2018; this prospectus provides for new electric services/system improvements to meet growing demand, as well as distribution automation solutions to improve reliability.

Additionally, we renegotiated our wholesale power agreement with Southern Power, a subsidiary of Southern Company. This arrangement will meet our supply needs through 2027 and save member-owners \$18 million over the next 10 years. Southern Power will fill our capacity and energy needs in two ways: using existing generation resources that we own through Oglethorpe Power and Green Power EMC; and providing additional capacity and energy as required to serve our future growth.

Our two wholly-owned subsidiaries, True Natural Gas and Relyco Resources, continue to prosper, a fact that benefits you by improving the co-op's equity position and retail rates. True is still seeing exceptional growth, with rates that are consistently among the lowest in the state. Relyco maintains its record of reliable residential/commercial security services and home automation solutions, while also providing energy efficiency improvements as a member money-saving program.

EMC directors' commitment to you goes beyond the board room. In 2016, three of these leaders received the "Director Gold" certification through NRECA, a designation recognizing directors who have earned Credentialed Cooperative Director and Board Leadership certificates and commending their commitment to continuing education. These endeavors give directors the knowledge to make decisions beneficial to our members.

Looking ahead, we must continue watching issues that may increase purchased power costs. During an en banc session of the D.C. Circuit Court of Appeals later this month, judges will hear arguments regarding the Clean Power Plan. This proposal requires a nationwide reduction in power plant carbon emissions of 32 percent below 2005 levels, a proposition with a significant cost impact. With prior mercury and air toxin regulations, Georgia's carbon footprint was already reduced 30 percent. While we care about the environment, we also care about protecting member rates. Out of every dollar spent today, nearly 70 cents is for purchased power.

In complicated times, innovation thrives. Your EMC has always been leading-edge when it comes to meeting members' needs. We are a founding member of Green Power EMC, through which we have added more renewables, like solar, low-impact hydro and biomass (landfill gas/wood by-products). By year's end, we will add another 10 MW of solar generation.

While this is exciting news, we must also maintain a diverse power portfolio providing both reliability and affordability. Recently, much coal generation has been replaced by natural gas resources. This has been reflected in lower energy costs, and we have happily passed these savings to you. We know, however, that natural gas prices are volatile and can increase for many reasons, like hurricanes. To keep a varied portfolio and meet ever-increasing regulatory demands, we elected to participate in ownership of two new Plant Vogtle nuclear units. Although they will not produce energy until 2019/2020, it is this foresight that will give members clean, efficient power for years to come.

Coweta-Fayette EMC directors and employees understand that you, our members, are the reason our jobs exist. With this in mind, we will continue working tirelessly to provide reliable electricity at a reasonable cost. We look forward to serving you in the future and hope to see you October 8!

Sincerely,

Chris Stephens  
President and CEO

James W. Fulton, III  
Chairman

## Balance Sheet

### WHAT WE OWN

Lines, Office Building and Operations Equipment	2015	\$322,509,592
Less: Reserve for Depreciation		\$104,901,181
		<u>\$217,608,411</u>

General – Cash	\$3,403,260
Commercial Paper	\$4,000,000
Investment in Associated Organizations – Patronage Capital	\$67,716,759
Receivables	\$8,925,071
Materials and Supplies	\$1,829,108
Prepaid Expenses and Other Accrued Assets	\$391,059
Deferred Debits	\$0
<b>TOTAL OF WHAT WE OWN</b>	<b>\$303,873,668</b>

### WHAT WE OWE

To the Government – RUS/FFB	\$136,015,899
Other Cooperative Lenders – CFC	\$15,822,555
	<u>\$151,838,454</u>

To Consumers – Deposits	\$3,667,628
To Material Suppliers (Notes & Accounts Payable)	\$9,971,886
To Accrued Taxes & Interest	\$5,573,814
Deferred Credits and Non Current Liabilities	\$1,543,042

### OUR EQUITY IN ABOVE ASSETS

Membership Fees	\$1,637,529
Patronage Capital & Other Equities	\$129,641,315
<b>TOTAL OF WHAT WE OWE</b>	<b>\$303,873,668</b>

## Statistics of Operation

WHAT WE TOOK IN	2014	2015
Operating Revenue and Patronage Capital	\$159,786,698	\$152,614,614

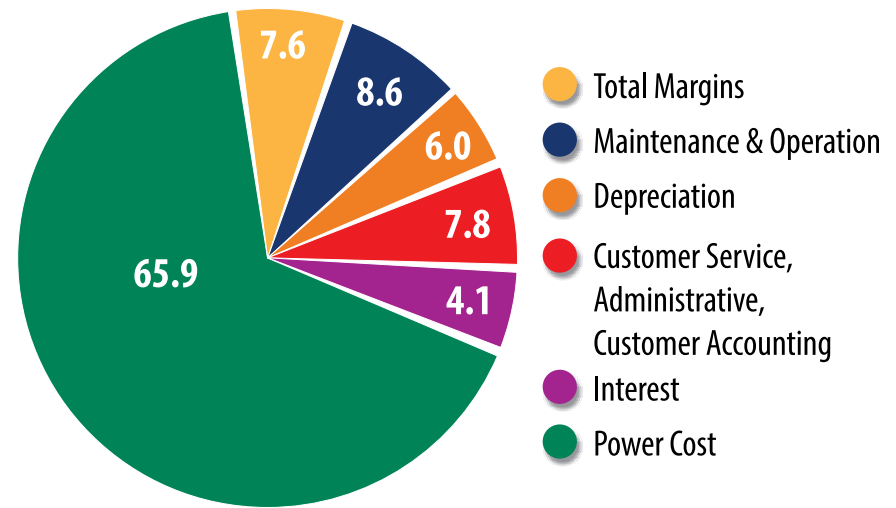
### WHAT WE PAID OUT

Operating Revenue Deductions		
Operations Expense:		
Cost of Power	\$115,318,254	\$104,778,593
Distribution Expenses	\$7,424,892	\$7,545,562
Consumer Accounts Expense	\$4,567,177	\$4,859,377
Customer Service and Information Expense	\$838,819	\$1,073,085
Sales Expense	\$399,038	\$406,519
Administrative & General Expense	\$4,682,669	\$5,134,957
Maintenance Expense:		
Distribution System	\$6,300,907	\$6,195,304
General Plant	\$917,545	\$915,922
Depreciation and Amortization	\$9,213,497	\$9,534,698
Interest On Outstanding Debt	\$6,940,802	\$6,560,695
Total Cost of Electric Services	\$156,603,600	\$147,004,712

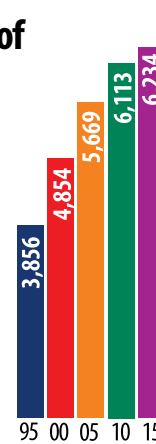
### WHAT WE HAD LEFT

Operating Margins and Patronage Capital	\$3,183,098	\$5,609,902
Non-Operating Margins - Other	\$3,048,835	\$3,072,216
Total Operating and Non-Operating Margins	\$6,231,933	\$8,682,118
OEMC and OTHER Patronage Capital		
(CFC & GRESKO)	\$3,580,196	\$3,452,640
Total Operating and Non-Operating Margins		
Including OEMC and Other Patronage		
Capitals (CFC & GRESKO)	\$9,812,129	\$12,134,758

## How Your Dollar Was Spent



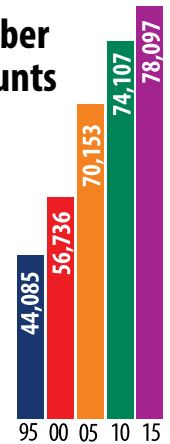
### Miles of Line



### Average KWH Used Per Member Per Month



### Member Accounts



Membership  
Coweta-Fayette Electric  
Membership Corporation

Financial statements for the calendar year ending December 31, 2015 reflect the sound status of Coweta-Fayette Electric Membership Corporation.

We retain the services of McNair, McLemore, Middlebrooks and Company, LLP, Certified Public Accountants to perform an audit of the corporation's accounting records for the fiscal year ending May 31, 2016. This audit includes an examination of the cooperative's balance sheets, related statements of revenue and expenses, and appropriate remarks concerning each.

The figures presented are from our December 31, 2015 annual financial report to RUS and are within the period of our most recent audit examination..

Copies of audits are filed at the cooperative's office for your review.

J. Neal Shepard, Jr., Secretary-Treasurer  
Coweta-Fayette Electric Membership Corporation

## Capital Credit Factor

Since Coweta-Fayette EMC is a member-owned organization, any margins that remain after expenses are assigned to our member-owners annually. The percentage allocated for 2015 is 6.66%. These funds become part of our equity until they are returned to you as approved by our Board of Directors.

# ANNUAL MEETING AGENDA

**Saturday,  
October 8**

**8:30 - 11:00 a.m.**

Registration - Free Gifts

**9:00 - 11:30 a.m.**

Midway Games and Concessions  
Children's Activities  
Health Fair  
Showcase of Services

**9:25 - 10:15 a.m.**

Bingo

**10:25 a.m.**

Presentation of Colors

**10:45 a.m.**

Prize Drawings  
Annual Meeting  
Business Session

**11:25 a.m.**

Director Results  
Prize Drawings  
Employee Service Awards

## Grand Prize Drawing!

You must be  
present to win.

# Attendance Gift



Each registered member family will receive a jumbo cooler bag just for registering. It features a large main zippered compartment that keeps cold for hours, and it's ideal for picnics, shopping or even a diaper bag. **Please bring the address portion of this**

**mailing with you to claim your member gift.**

Come early – registration closes at 11:00.

Chris Stephens, President and CEO  
C. Bradford Sears, Jr., Attorney  
Douglas B. Warner, Attorney

BOARD OF DIRECTORS  
James W. Fulton, III, Chairman  
Therol Brown, Vice Chairman  
J. Neal Shepard, Jr., Secretary-Treasurer  
W. L. Clements  
Ross Henry  
Daniel C. Langford, Jr.  
Alice J. Mallory  
Elwood Thompson  
Mildred A. Winkles

**POWER**lines

Editor: Mary Ann Bell

807 Collinsworth Rd., Palmetto, GA 30268  
(770) 502-0226

**Coweta-Fayette EMC is an equal opportunity provider and employer/M/F/V/D**

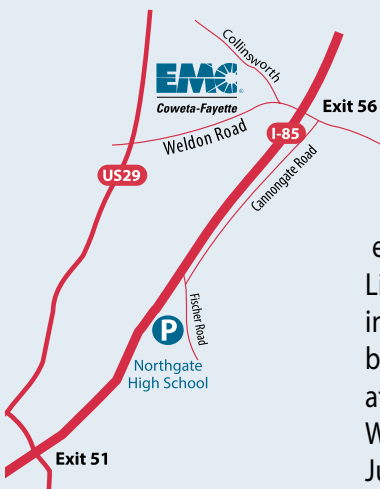


**Coweta-Fayette**

**770-502-0226**  
**www.utility.org**



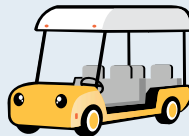
# PARKING



To provide easy access and more capacity, our main lot will be at Northgate High School, 3220 Fischer Road, Newnan.

For disabled members, spaces are located at the front EMC entrance on Collinsworth Road.

Limited parking may also be available at the EMC on Weldon Road.



Just follow the signs to EMC Annual Meeting parking lots. Our employees will be available at each location to assist you with a continuous shuttle service to and from the meeting.



## Attention: Disabled Members

Our annual meeting facilities are accessible to people with disabilities. However, if special requirements are needed, let us know in advance, and we will be happy to provide them if possible.

*We regret we cannot accommodate any pets other than service animals. In consideration of your fellow members, please leave them at home. Thank you.*



## STATEMENT OF NONDISCRIMINATION

**Coweta-Fayette EMC is an equal opportunity provider and employer.**

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).