

POWERlines

Member Appreciation Day and Annual Meeting

Saturday, October 10, 9:00 - 11:30 a.m.

EMC Headquarters, 807 Collinsworth Road, Palmetto

Don't miss our Annual Meeting and Member Appreciation Day! For the 68th year, we're hoping you'll join us for a morning of fun, gifts, games, prizes and important co-op business. Mark your calendars now for this exciting event.



What'll Ya Have?!

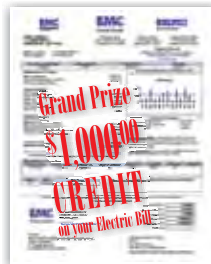
For the first time, we're pleased to offer our members hot dogs and fried pies from the world-famous Varsity. As always, chips, popcorn, cotton candy and sodas will also be served.

Lots of Fun and Information for All

For adults, there will be bingo, lots of gift drawings and booths full of valuable information. For kids, there will be games, a photo booth, arts and crafts and other midway activities, like skeeball and sports challenges. Don't forget to come early and enjoy it all.

Grand Prize

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. Sponsored by your EMC, Relyco Security and True Natural Gas, each registered 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 10:45, so arrive early and be sure your name is included in the drawing.

Health Fair

Once again, the healthcare professionals from Piedmont Fayette, Piedmont Newnan and Piedmont Heart Institute will be providing adult health screenings: blood pressure, glucose and BMI. Health information will be available on a variety of health related issues. Be sure to come early enough to participate in this valuable event – this is 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

It has been an exciting year since our last annual meeting. Although this will be my 20th meeting as an employee and member of Coweta-Fayette EMC, this will be my first as your President/CEO. This event will mark the 69th year our EMC has provided reliable electric service to its members at a reasonable cost. The Board of Directors, employees and I invite you to join us October 10 at the Annual Meeting and Member Appreciation Day here at our Palmetto office. I am excited about my first Annual Meeting in this new role and hopeful to share the experience with you.

We have cleared a number of hurdles this year, but we have many ahead of us. We are beginning to peel the onion back on the new Clean Power Plan ruling recently issued by the Environmental Protection Agency. This plan requires a reduction in carbon emissions from power plants nationwide of 32 percent below 2005 levels, which will have significant impacts on the cost of purchased power. With prior regulations of mercury and air toxins, Georgia reduced our carbon footprint by 30 percent. While we are concerned about the environment, we are also concerned about protecting our rates. Of every dollar we spend today, nearly 70 cents is for purchased power.

Coweta-Fayette EMC has been our members' partner for electric service since 1945, and we are always striving to improve our service. We recently completed a five-year strategic plan with "Member Value" being one of three core goals. To establish a baseline and see how we measure up, we participated in the American Customer Survey Index, which conducted a survey of a random sample of residential electric utility consumers in 2014. The key metrics of the survey include customer expectations, complaints and perceptions of the value of their actual experience. Our overall score was 82 out of 100, which is higher compared to other national averages: electric co-ops, 80; investor-owned, 75; and municipals, 76. Though we are pleased with the results, we also found there are areas for improvement, which we will be addressing in the coming year. We will also enhance EMC media platforms to keep you informed through email, our website (www.utility.org), Facebook and Twitter.

Solar energy has been a "hot" topic this year. We have made many strides and want to partner with members so you can receive the full benefits. We recently finalized a purchase power agreement to add over 10 MW of solar energy, helping to make our cooperative one of the fastest-growing solar co-ops in the U.S. The solar array will be ready to produce electricity in the fall of 2016. We are also considering the feasibility of smaller community-scale solar projects we can install locally. This could provide members the option of using a renewable resource without adding power-generation technology to their home.

One of the many things that makes me proud of Coweta-Fayette EMC, not only as an employee, but also as a member, is our commitment to community involvement. The co-op and our employees support a number of local charities, education systems, economic development authorities, Chambers of Commerce and others. In fact, thanks to your generosity, Operation Round Up has provided over \$230,000 this past year that our Trust Board has distributed to charitable organizations throughout our service territory.

I am also proud of our wholly owned subsidiaries, True Natural Gas and Relyco Resources. True has continued to have great success, which has benefited our equity position and retail rates. In fact, their lowest-ever residential 12-month fixed rate was available for September. Relyco continues to provide reliable security services and home automation solutions, but this year, they also began performing high-tech energy audits. For our members, this is a great program with the potential to save you money and determine the overall efficiency of your home.

On another positive note, Coweta-Fayette EMC was able to retire \$3,785,501 in capital credits in 2014. This is one of the great byproducts of being a cooperative! When we are successful, we can return excess margins back to you. In fact, we have returned over \$15,866,717 since 2000. We hope to be in a position to continue retiring capital credits to you as we go forward.

Looking to the future, we know there are challenges ahead. We will continue working to not only be "efficient," but also "effective." We will keep you abreast of new and existing products and services that benefit you and always strive to do our best to serve you.

We hope you will come out and enjoy your annual meeting October 10. We look forward to seeing you. Sincerely,

Chris Stephens
President and CEO

James W. Fulton, III
Chairman

Balance Sheet

WHAT WE OWN

Lines, Office Building and Operations Equipment	2014
Less: Reserve for Depreciation	\$312,936,348
	\$98,618,901
	<u>\$214,317,447</u>
General – Cash	\$4,775,554
Commercial Paper	\$5,800,000
Investment in Associated Organizations – Patronage Capital	\$62,633,025
Receivables	\$11,284,305
Materials and Supplies	\$1,685,926
Prepaid Expenses and Other Accrued Assets	\$406,759
Deferred Debits	\$0
TOTAL OF WHAT WE OWN	<u>\$300,903,016</u>

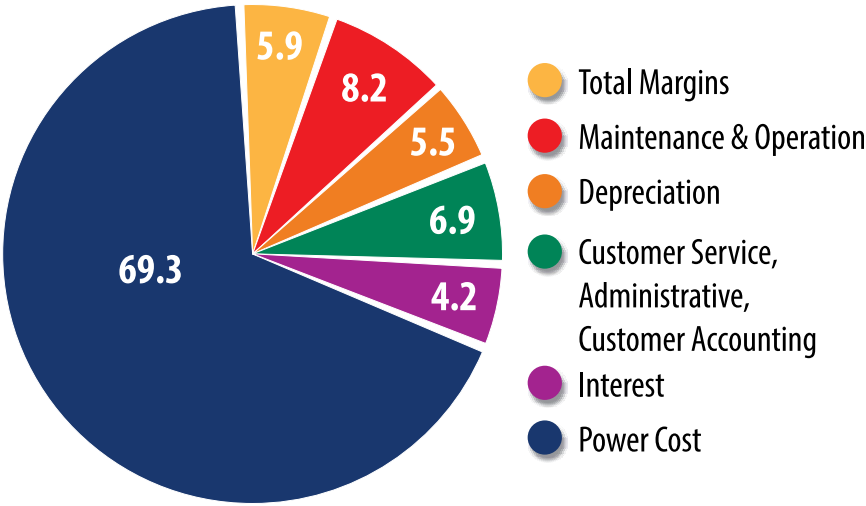
WHAT WE OWE

To the Government – RUS/FFB	\$138,992,848
Other Cooperative Lenders – CFC	\$16,986,334
	<u>\$155,979,182</u>
To Consumers Deposits	\$3,721,281
To Material Suppliers (Notes & Accounts Payable)	\$12,018,875
To Accrued Taxes & Interest	\$5,073,597
Deferred Credits and Non Current Liabilities	\$1,460,153
OUR EQUITY IN ABOVE ASSETS	
Membership Fees	\$1,616,480
Patronage Capital & Other Equities	\$121,033,448
TOTAL OF WHAT WE OWE	<u>\$300,903,016</u>

Statistics of Operation

	2013	2014
WHAT WE TOOK IN		
Operating Revenue and Patronage Capital	\$151,944,875	\$159,786,698
WHAT WE PAID OUT		
Operating Revenue Deductions		
Operations Expense:		
Cost of Power	\$106,392,578	\$115,318,254
Distribution Expenses	\$7,858,694	\$7,424,892
Consumer Accounts Expense	\$4,351,453	\$4,567,177
Customer Service and Information Expense	\$700,508	\$838,819
Sales Expense	\$562,795	\$399,038
Administrative & General Expense	\$4,281,994	\$4,682,669
Maintenance Expense:		
Distribution System	\$6,406,676	\$6,300,907
General Plant	\$830,099	\$917,545
Depreciation and Amortization	\$8,924,175	\$9,213,497
Interest On Outstanding Debt	\$7,239,845	\$6,940,802
Total Cost of Electric Services	\$147,548,817	\$156,603,600
WHAT WE HAD LEFT		
Operating Margins and Patronage Capital	\$4,396,058	\$3,183,098
Non-Operating Margins - Other	\$2,740,091	\$3,048,835
Total Operating and Non-Operating Margins	\$7,136,149	\$6,231,933
OEMC and OTHER Patronage Capital		
(CFC & GRESO)	\$3,281,556	\$3,580,196
Total Operating and Non-Operating Margins Including OEMC and Other Patronage Capitals (CFC & GRESO)	\$10,417,705	\$9,812,129

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, 2014 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, 2015. 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, 2014 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 2014 is 4.91%. 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 10**

8:30 -10:45 a.m.

Registration - Free Gifts

9:00 - 11:00 a.m.

Midway Games and Concessions

Children's Activities

Health Fair

Showcase of Services

9:00 - 9:45 a.m.

Bingo

9:45 a.m.

Presentation of Colors

10:00 a.m.

Prize Drawings

Annual Meeting

Business Session

11:00 a.m.

Director Results

Prize Drawings

Grand Prize Drawing!

**You must be
present to win.**

Attendance Gift



Each registered member family will receive a 20-piece tool kit just for registering. **Please bring the address portion of this mailing with you to claim your member gift.** Come early – registration closes at 10:45.

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
Alice J. Mallory
K. M. Spaller
Elwood Thompson
Mildred A. Winkles

POWERlines

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(770) 502-0226

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

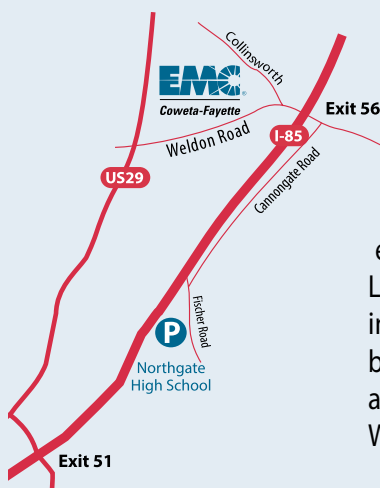


Coweta-Fayette

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, and we will be happy to provide them.

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, 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.