



POWERlines

Annual Meeting & Member Appreciation Day

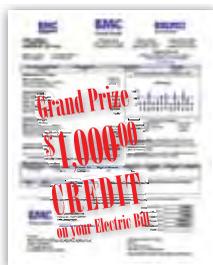
Saturday, October 11, 9:00 a.m. - Noon

EMC Headquarters, 807 Collinsworth Road, Palmetto

Don't miss our Annual Meeting and Member Appreciation Day! For the 67th year, we're looking forward to hosting all the Members who join us each fall for a morning of fun, gifts, games, prizes and important co-op business. Mark your calendars now for this exciting event.

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 11:00, so arrive early and be sure your name is included in the drawing.



Music by Alvarado Road Show

Before and during our business meeting, we'll all be entertained by Alvarado Road Show, an exciting band making a return appearance for the third year.

Health Fair

Once again, the healthcare professionals from Piedmont Fayette and Piedmont Newnan 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!



Lots of Fun and Information for All

Plenty of soft drinks, potato chips, and cotton candy will be available all morning. For adults, there will be bingo, gift drawings and booths full of valuable information. For kids, there will be games, photo booth, arts and crafts and other activities like skeeball, and sports challenges. Don't forget to come early and enjoy it all.

The Executive Report



Anthony H. Sinclair
President and CEO



James W. Fulton, III
Chairman

Annual Report to the Members

Our Directors, Management Staff and outstanding team of employees are looking forward to seeing you at this year's 67th Coweta-Fayette EMC Annual Meeting and Member Appreciation Day. The meeting will be held at our Palmetto headquarters October 11, and we have secured a special gift just for you for attending this important co-op event.

At Coweta-Fayette EMC, we have a proven history of exceeding our Members' expectations since 1945—a fact we are extremely proud of. What makes your cooperative such a great organization is that we build upon our successes with the thought in mind that we can always do better. Providing options and solutions to requests from our Members is something we take seriously. Coweta-Fayette EMC's Directors and employees want to provide our Members with flexibility and convenience, while at the same time offering transparency and accountability. We also embrace new technology to benefit our Members whenever possible: maximized efficiency and reduced cost are always good things.

For our employees to consistently provide exceptional service requires dedication, skill, professionalism and a resolve to work as a team and continually improve. They also firmly believe in following the "Golden Rule." Whether it is our Operations and Engineering personnel responding during adverse weather to restore power quickly, our CSRs providing excellent customer service with a smile, or our IT and Marketing staff implementing cutting-edge technology to make your life better, our goal is to give you our 100% best, 100% of the time!

We have recently seen some commercial growth and subdivision development, which is an encouraging sign. The economy has not completely recovered, but our area has been one of the bright spots in Georgia. We experienced an encouraging 1.30% increase in cooperative Membership in 2013.

Your EMC team works very closely with the economic development authorities, Chambers of Commerce, and others. We assist these great organizations in leadership positions, promoting the unique opportunities available in our service area and region.

In 2013, energy sales in kWh, compared to 2012, decreased by .6%, primarily as a result of weather. The 2013 Cost of Power increased by 7.01%, compared to 2012, primarily as a result of increasing natural gas prices and other wholesale power cost-generation related

factors. The 2013 "gross revenue" from electric sales, less the Cost of Power for 2013, was \$45,552,297, which was an extremely small .035% increase over the 2012 number of \$45,536,436. The "Non-Cost of Power" related costs of providing electric service in 2013 were 2.26% higher than in 2012. The cooperative's Total 2013 Patronage Capital or Margins was 11.3% higher than in 2012, primarily due to an increase in equity investments not related to our electric system operations.

In August of 2014, The Coweta-Fayette EMC Board of Directors reviewed our "Equity Management and Capital Credit Retirement Plan," which is updated and Board-approved annually. After careful analysis of the cooperative's financial situation, the Board took steps to retire \$3,788,480 in capital credits allocated for "operating" patronage for the years 1988 and 1989 and "non-operating" patronage for the years 1984-1989. In late September 2014, those Members whose electric service was provided by the cooperative in the years between 1984 and 1989 will be sent a check or receive a credit on their bill if the amount to be retired is less than \$2. Including the capital credits we will be retiring in late September 2014, we are proud to say that cumulatively, the total amount of general retirement capital credits retired over the last five years is approaching 12 million dollars.

The cooperative's 2013 Total Long-Term Debt decreased by 1.3% when compared to 2012. Our Members will save millions in interest costs in the years ahead as a result of prior years' long-term loan refinancing and sound financial stewardship by our employees and Directors. The EMC's blended rate of interest on our existing loans is extremely low.

Your cooperative team has done a great job during the last year making sure you are top priority. We continue to work closely with other co-ops and utilities in Georgia and throughout the nation to try to limit unnecessary and costly federal energy legislation and heavy-handed EPA regulations, like their proposed rule requiring CO₂ emission reductions from existing power plants. You can rest assured we are doing everything in our power to keep your rates as low as possible by being actively engaged at the local, regional and national levels.

Coweta-Fayette EMC continues to be optimistic that our service area is poised for economic prosperity that will enhance the quality of life for co-op Members by creating jobs and a bright future for our children.

We are prepared to meet any foreseeable challenge in the future. Your cooperative team practices continuous improvement and represents you at all times with confidence, determination and professionalism.

We hope you enjoy this year's annual meeting. Chairman Fulton and I look forward to seeing everyone October 11!

For the Team,

Anthony H. Sinclair "Tony"

Anthony H. Sinclair "Tony"
President and CEO

James W. Fulton III
James W. Fulton, III
Chairman

Balance Sheet

WHAT WE OWN

Lines, Office Building and Operations Equipment	2013	\$304,122,401
Less: Reserve for Depreciation		\$91,990,201
		<u>\$212,132,200</u>
General – Cash		\$3,383,510
Commercial Paper		\$9,200,000
Investment in Associations, Organizations – Patronage Capital		\$57,531,442
Receivables		\$11,910,448
Materials and Supplies		\$1,592,959
Prepaid Expenses and Other Accrued Assets		\$469,614
Deferred Debits		\$0
TOTAL OF WHAT WE OWN		<u>\$296,220,173</u>

WHAT WE OWE

To the Government – RUS/FFB	\$139,869,082
Other Cooperative Lenders – CFC	\$18,274,755
	<u>\$158,143,837</u>
To Consumers Deposits	\$3,766,606
To Material Suppliers (Notes & Accounts Payable)	\$12,546,153
To Accrued Taxes & Interest	\$4,933,894
Deferred Credits and Non Current Liabilities	\$1,292,415

OUR EQUITY IN ABOVE ASSETS

Membership Fees	\$1,590,215
Patronage Capital & Other Equities	\$113,947,053
TOTAL OF WHAT WE OWE	<u>\$296,220,173</u>

Statistics of Operation

WHAT WE TOOK IN	2012	2013
Operating Revenue and Patronage Capital	\$144,963,943	\$151,944,875

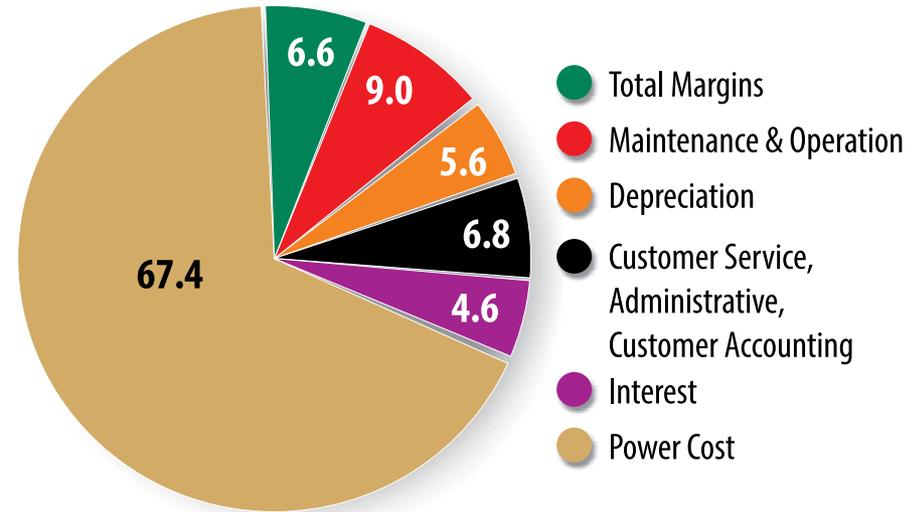
WHAT WE PAID OUT

Operating Revenue Deductions		
Operations Expense:		
Cost of Power	\$99,427,507	\$106,392,578
Distribution Expenses	\$7,638,236	\$7,858,694
Consumer Accounts Expense	\$4,499,001	\$4,351,453
Customer Service and Information Expense	\$724,031	\$700,508
Sales Expense	\$546,000	\$562,795
Administrative & General Expense	\$4,045,612	\$4,281,994
Maintenance Expense:		
Distribution System	\$6,064,786	\$6,406,676
General Plant	\$884,131	\$830,099
Depreciation and Amortization	\$8,727,750	\$8,924,175
Interest On Outstanding Debt	\$7,116,327	\$7,239,845
Total Cost of Electric Services	\$139,673,381	\$147,548,817

WHAT WE HAD LEFT

Operating Margins and Patronage Capital	\$5,290,562	\$4,396,058
Non-Operating Margins - Other	\$820,125	\$2,740,091
Total Operating and Non-Operating Margins	\$6,110,687	\$7,136,149
OPC and OTHER Patronage Capital (CFC & GRESKO)	\$3,248,058	\$3,281,556
Total Operating and Non-Operating Margins Including OPC and Other Patronage Capitals (CFC & GRESKO)	\$9,358,745	\$10,417,705

How Your Dollar Was Spent



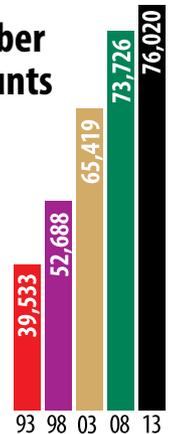
Miles of Line



Average KWH Used Per Member Per Month



Member Accounts



Membership
Coweta-Fayette Electric
Membership Corporation

Financial statements for the calendar year ending December 31, 2013 in the 2014 Official Annual Meeting Notice reflect the sound status of Coweta-Fayette Electric Membership Corporation. The figures presented are from our annual financial report to RUS.

We retained the services of McNair, McLemore, Middlebrooks & Company, LLP, Certified Public Accountants, to perform an audit of the corporation's accounting records for the fiscal year ending May 31, 2013.

This audit includes an examination of the cooperative's balance sheets, related statements of revenue and expenses and appropriate remarks concerning each.

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 2013 is 5.93%. 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 11**

8:30 -11:00 a.m.

Registration - Free Gifts

9:00 - 11:30 a.m.

Midway Games
Children's Activities
Health Fair
Showcase of Services

9:00 - 9:45 a.m.

Bingo

9:45 a.m.

Entertainment from
Alvarado Road Show

10:00 a.m.

Prize Drawings
Annual Meeting
Business Session

11:05 a.m.

Director Results
Prize Drawings
More Music

Grand Prize Drawing!

You must be
present to win.

Attendance Gift



Each registered member family will receive a family size picnic tote just for registering. **Please bring the address portion of this mailing with you to claim your member gift.** Come early – registration closes at 11:00.

Anthony H. Sinclair, 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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Coweta-Fayette EMC is an equal opportunity provider and employer/M/F/V/D

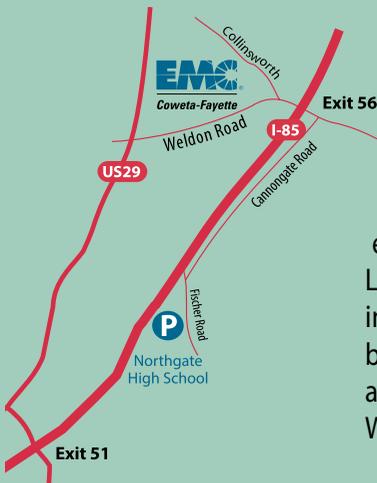


Coweta-Fayette

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.