

EXCELSIOR ELECTRIC MEMBERSHIP CORPORATION

ANNUAL REPORT NEWSLETTER



**The 86th Excelsior EMC Annual Members' Meeting
will be held on Friday, May 10, 2024,
at the Bulloch County Agricultural Complex
in Statesboro, Georgia.**

VOLUME 45, NUMBER 3

MAY 2024

Line Items

Joseph Jones
Editor

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(912) 685-2115 or (912) 764-2123**

When your power goes off, don't stay in the dark longer than you have to. To restore your power as quickly as possible, we need your correct phone number. Your phone number is the quickest way for us to locate your home or business when you call to report an outage.

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EXECUTIVE REPORT

BY Mike Anderson, Chairman
Greg Proctor, President/CEO



Since its beginning, Excelsior EMC has proven itself to be a company devoted to serving its members. We're committed to providing you, our members, with safe, reliable, and affordable electricity. The information contained in this Annual Report Newsletter provides a recap of the past year and highlights many of the key activities taking place at Excelsior EMC.

We are thankful that our 60 employees worked 130,600 hours without a lost time accident in 2023. This makes our third consecutive year without a lost time accident. We saw another year of strong consumer growth in 2023, adding 522 accounts during the year. This surpassed the growth we saw in 2022 and is the highest number of meters we've added since 1997. Over the last three years, your cooperative continued to experience impressive growth by adding over 1,400 meters, serving 25,288 accounts at year-end. Over the past five years, we've grown by 9.3%.

Wholesale power costs moderated in 2023, which was a welcome reprieve from the rollercoaster price swings we experienced in 2022. The total cost of purchased power decreased in 2023 even though we purchased more power. The supply of materials used in construction and maintenance improved during the year. We encountered fewer delays due to material shortages than we did in 2022. However, inflation keeps increasing the cost of everything we purchase and thus increasing the cost of new power lines that we add to our system.

During 2023 we added almost 26 miles of power lines and invested over \$11.4 million in our system to better serve our members. We completed major improvement to our Jimps Substation located next to the Wal-Mart Distribution center. We also completed a major reconductoring project along Highway 301 south of Statesboro to the Interstate 16 Substation. The voltage and capacity increases in these two projects will allow for growth and greater reliability in the areas south of Statesboro.

We added a cryptocurrency processing consumer in 2023. Working in conjunction with our neighboring EMC in Toombs County, we began serving this facility on the outskirts of Vidalia in May. Serving this large, interruptible load helps us to spread our fixed costs over higher kWh sales, thereby helping all of our members.

Looking ahead, our four-year work plan calls for the conversion of power lines in the Midville Community on the Northeast Emanuel Substation. Our contractors are working there now and should complete their work in the area in the coming months. This work will allow us to balance the load and replace old copper conductors that are heavily loaded and deteriorating. It will also provide additional capacity, and improve reliability in the area.

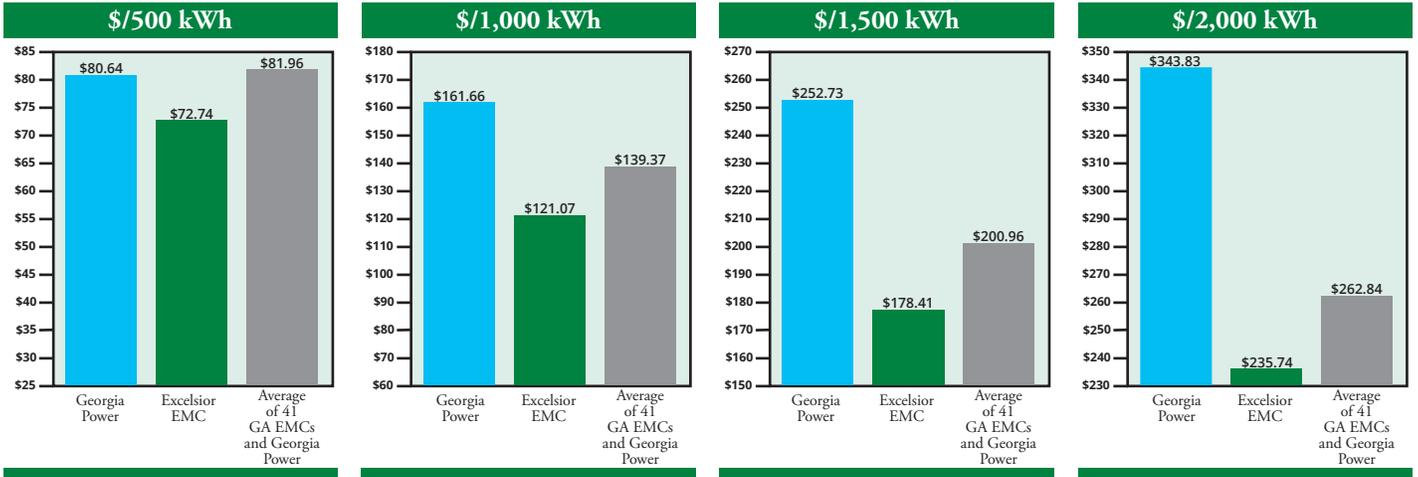
As a not-for-profit cooperative, our mission is to provide the best in safe, reliable, and cost-effective service to you, our member-owners. We are honored to be part of a cooperative that's been serving members for 86 years. We look forward to seeing you at this year's Annual Meeting.



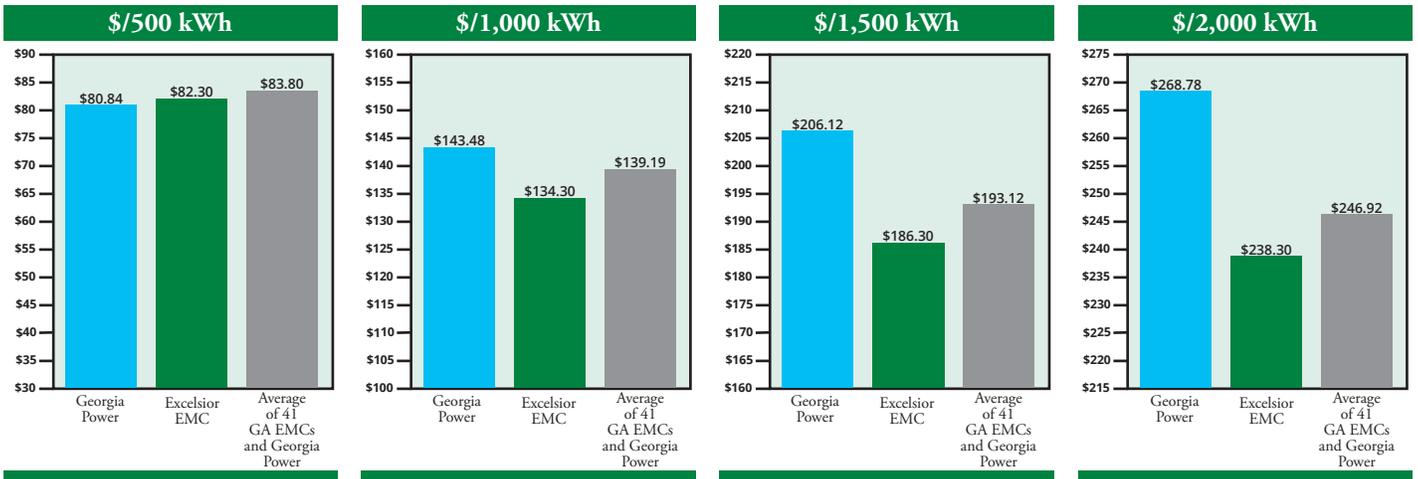
EVERY MEMBER COUNTS

RATE COMPARISON

SUMMER 2023



WINTER 2024



NOTE: The average size home with 1,500-1,800 square feet of living area will use approximately 1,500-2,000 kWhs per month when heating and cooling is required.

Excelsior EMC's mission is to provide the best in safe, reliable, and cost-effective service for its members.

METERS PER MILE OF LINE

Average of Investor Owned Utilities..... 34 meters per mile of line

Average of GA EMCs 11.3 meters per mile of line

Excelsior EMC..... 7.26 meters per mile of line

BALANCE SHEET DATA

As of December 31, 2023

WHAT WE OWN (ASSETS)

We have cash on deposit	\$ 992,227
We have funds invested	18,205,200
We have other property & investments	24,665,294
We have accounts, notes & interest receivable	5,927,665
We have inventories of material	2,145,041
We have prepayments	244,542
We have deferred debits	1,369,879
We have capital plant	84,910,093

WE HAVE TOTAL ASSETS \$ 138,459,941

WHAT WE OWE AND MEMBERS' EQUITY (LIABILITIES)

We owe CFC	\$3,817,195
We owe FFB	26,547,035
We owe RUS	13,397,364
We have other current & accrued liabilities	6,116,546
We have other noncurrent liabilities	642,983
We have deferred credits	17,716,363
We have membership fees	426,387
We have consumer deposits	2,151,000
We have margins & equities	67,645,068

WE HAVE TOTAL LIABILITIES & MEMBERS' EQUITY \$ 138,459,941

OPERATING STATISTICS

As of December 31, 2023

INCOME

	2023	2022	2021	2020
Operating Revenue	\$ 54,802,552	\$ 57,505,363	\$ 43,102,448	\$ 38,720,416
Non-operating Revenue	788,560	434,480	489,377	431,437
Total Income	\$ 55,591,112	\$ 57,939,843	\$ 43,591,825	\$ 39,151,853

OPERATING EXPENSES

Cost of Power	\$ 36,524,073	\$ 41,846,006	\$ 29,418,286	\$ 25,170,893
Distribution Operations	3,827,769	3,246,929	2,618,977	2,307,227
Distribution Maintenance	4,829,236	3,864,928	3,371,385	3,416,753
Consumer Accounts	1,583,034	1,684,401	1,496,316	1,375,895
Consumer Information & Sales	178,434	117,919	179,004	181,877
Administrative & General	2,635,706	2,041,594	1,744,141	1,796,587
Depreciation & Amortization	3,467,186	3,270,383	3,097,051	2,991,389
	\$ 53,045,438	\$ 56,072,160	\$ 41,925,160	\$ 37,240,621

Margins Before Interest Expense	\$ 2,545,674	\$ 1,867,683	\$ 1,666,665	\$ 1,911,232
Interest Expense	1,439,449	1,048,979	1,000,159	1,043,309
Margins After Interest Expense	\$ 1,106,225	\$ 818,704	\$ 666,506	\$ 867,923
Power Supply Cooperative Capital Credits	1,115,385	977,348	857,221	852,870
Capital Credits - Associated Organizations	653,195	313,249	219,052	131,017

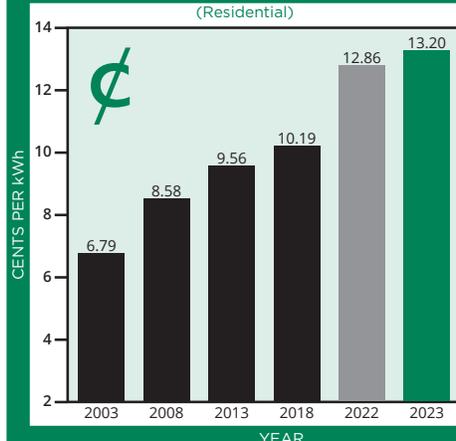
NET MARGINS

\$ 2,874,805 \$ 2,109,301 \$ 1,742,779 \$ 1,851,810

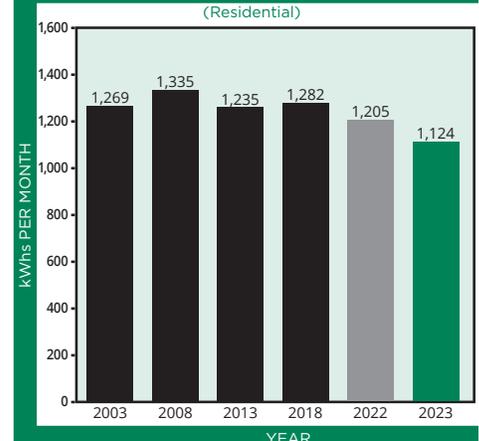
COST OF PURCHASED POWER

Year	\$ Cost of Power	kWhs Purchased	Cents per kWh
2003	15,941,084	362,613,582	4.40
2008	26,877,139	415,621,211	6.47
2013	25,082,551	393,722,545	6.37
2018	27,970,768	419,709,812	6.66
2022	41,846,006	427,784,854	9.78
2023	36,524,073	498,719,545	7.32

AVERAGE COST PER kWhs SOLD



AVERAGE kWhs PER MONTH



EVERY MEMBER COUNTS

SECRETARY-TREASURER'S REPORT

by G.W. Johnson, Jr.





**McNAIR MCLEMORE
MIDDLEBROOKS & CO**
CERTIFIED PUBLIC ACCOUNTANTS

389 Mulberry Street | Macon, Georgia 31201
Post Office Box One | Macon, Georgia 31202
478-746-6277 | mmmcpa.com

March 27, 2024

The Board of Directors
Excelsior Electric Membership Corporation
Metter, Georgia

As reported February 9, 2024, we have audited the financial statements of **Excelsior Electric Membership Corporation**, which comprise the balance sheet as of December 31, 2023, and the related statements of operations and comprehensive income, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

In our opinion, the previously submitted financial statements present fairly, in all material respects, the financial position of Excelsior Electric Membership Corporation as of December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The accompanying balance sheet data as of December 31, 2023 was reconciled to the audited financial statements. The operating statistics presented for the year ended December 31, 2023 were reconciled to the audited financial statements.

McNair, McLeMore, Middlebrooks & Co., LLC
McNAIR, MCLEMORE, MIDDLEBROOKS & CO., LLC

To keep our members informed of the Cooperative's financial condition, we use the May issue of *Line Items* to provide an in-depth report. Once again, I am pleased to report that the Cooperative had a financially stable year in 2023.

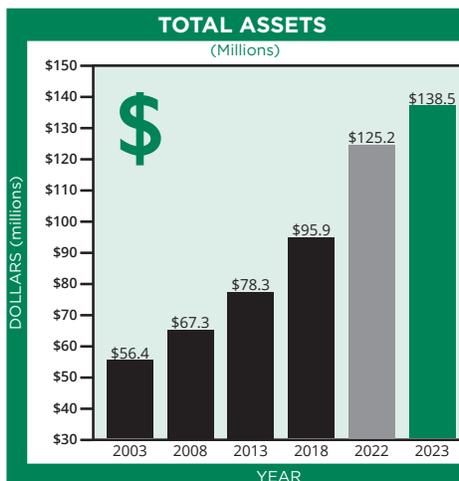
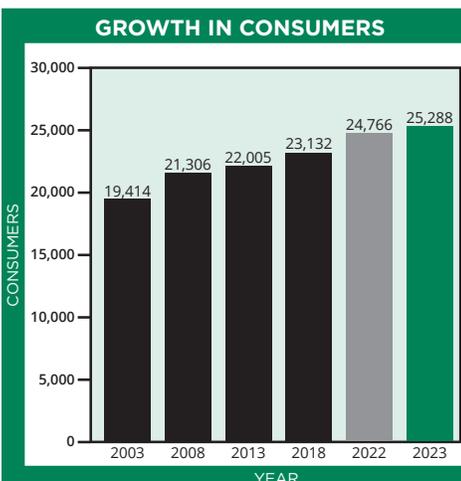
At the end of 2023, the Cooperative's total assets were in excess of \$138.4 million. Also at the end of 2023, the Cooperative had a total of 25,288 consumers as compared to 24,766 at the end of 2022. The average energy cost for residential members increased from 12.86¢ in 2022 to 13.20¢ at the end of 2023. A comparison of Excelsior EMC's rates with its competitors is detailed on page three of this newsletter.

Our auditors, McNair, McLeMore, Middlebrooks & Co., Certified Public Accountants, completed an audit of the Cooperative's accounting records. The financial information presented represents only a summary of your auditor's report. Copies of the audit are on file at the Cooperative's headquarters office

in Metter. Should you have any questions, please feel free to contact the staff for a full explanation.

All financial decisions are made with you, the member-owner, in mind. The overall goal of the Cooperative remains the same each year: to provide our member-owners with safe, dependable electric service at the lowest possible cost.

The Cooperative's Board of Directors and our employees are dedicated to serving each of you. We appreciate the cooperation and understanding you continue to provide.



Where Your 2022 & 2023 Dollar Went...

	2023	2022
Purchased Power	65.7	72.2
Maintenance	8.7	6.7
Operations	6.9	5.6
Depreciation & Amortization	6.2	5.6
Administration	4.7	3.5
Consumer Accounting & Info. Expense	3.2	3.1
Interest	2.6	1.8
Margins	2.0	1.4

GROWTH OF YOUR COOPERATIVE

2023 proved to be another year of growth for Excelsior EMC. An accelerating economy contributed to the increase in Excelsior's membership through the year. There were 679 new electric services connected and 26 miles of new power line constructed in 2023. Additional infrastructure is an indicator of consumer growth. At the end of 2023, Excelsior EMC was serving 25,288 consumers in eight southeast Georgia counties over 3,497 miles of line. Annual kWh sales increased from 2022 by 17.1% to 475.2 million kWhs in 2023. The Cooperative's non-coincident peak demand of 134.2 megawatts occurred in December 2023 and was 9.08% less than the 2022 system peak demand.

In 2013, the Cooperative was serving 22,005 consumers. Since then, it has seen an average growth rate of 1.4% per year. Over the last five years, the average growth in consumers has increased to 1.8% per year. Last year, growth in consumers was 2.1%.

In 2023, the average residential consumer used approximately 1,124 kWhs per month, which is down from 1,235 per month in 2013. The Residential Service Rate is applicable to farms, homes, churches, schools, and community halls whose load requirements do not exceed 50 kVA of installed transformer capacity. For households on this rate with approximately 1,500-1,800 square feet of living area, the average energy usage would be approximately 1,000-1,200 kWhs per

month when heating and cooling is not required, and approximately 1,500-2,000 kWhs per month when heating and cooling is required.

The average residential cost per kWh sold in 2023 was 13.20¢ per kWh, as compared to 12.86¢ in 2022. Please refer to the Georgia Public Service Commission's Summer 2023 and Winter 2024 Residential Electric Rate comparison information on page three in this newsletter for the most current information.

Construction of homes and apartments steadily increased throughout the year. Georgia Southern University and Ogeechee Technical College continue to draw students to the area, where housing markets are working to keep up with the influx of people. Upon graduation from these post-secondary schools, many folks settle in the surrounding areas. Custom home construction has increased as people inhabit the area to enjoy the beautiful countryside.

Our members can rest assured that we are making every effort to deliver the highest quality power, improve service reliability and keep power costs affordable. Safe, reliable power at the lowest cost possible has been the driving force behind your Cooperative for 86 years now and will remain our primary objective as we continue to meet the needs of our members.

SERVICE AWARDS

Thank you for your service and dedication!



NELSAN HOBBS
IT & Dispatch Manager
20 Years



JODY WILSON
Lead Lineman
20 Years



MATT SMITH
Construction Crew Leader
30 Years



JIM O'BRIEN
Field Services Supervisor
30 Years



CHRIS HOWELL
Construction Crew Leader
35 Years

SOME RULES PERTAINING TO REGISTRATION AT EXCELSIOR EMC'S 2024 ANNUAL MEETING

NEW MEMBERS

Subject to rules of general application, new members will be allowed to register at the annual meeting if such member has, on or before Monday, April 15, 2024, (1) made a written application for membership, (2) agreed to purchase electric energy as specified in the bylaws and other rules, (3) agreed to be bound by the articles of incorporation and bylaws, and (4) paid their membership fee.

SPOUSAL REGISTRATION

In keeping with Excelsior EMC's longstanding practice, a member's spouse may register and receive prizes at the annual meeting. However, the ability of a spouse to register expressly depends upon that person's ability to provide the Cooperative with adequate proof of their identity as a member's spouse. Furthermore, as each membership is entitled to only one vote, measures will be taken to prevent the registration of both a member and his or her spouse.

POLICY CONCERNING THE REGISTRATION OF ORGANIZATIONAL MEMBERSHIPS

All organizations (for example, corporations, clubs, churches, schools, governmental bodies and other firms) which are members of Excelsior EMC and wish to register at the annual meeting of members will be required to complete a Letter of Authorization, a copy of which has been included in this newsletter. The Letter of Authorization shall be signed by a duly appointed officer or agent of the organization and shall be proof that the organization has authorized the individual named on the Letter of Authorization to represent the organization at the annual meeting.

Any individual who seeks to represent an organization at the annual meeting will be required to present at the meeting both (1) a Letter of Authorization (copy enclosed), duly signed by an authorized officer or agent of that organization, authorizing that individual to represent the organization, and (2) an annual meeting registration card.

LETTER OF AUTHORIZATION

FOR THE USE OF CORPORATIONS, CLUBS, CHURCHES, SCHOOLS,
GOVERNMENTAL BODIES AND OTHER FIRMS ("ORGANIZATIONS")

_____ has been appointed to represent _____

*(Print name of person authorized to vote
on behalf of the Organization.)*

*(Print name of the Organization
as it appears on the bill.)*

as its voting delegate and to receive prizes for the Organization at the annual meeting of the members of Excelsior Electric Membership Corporation on Friday, May 10, 2024.

(Date)

(Signature of officer or agent of the Organization. Must be the Organization's Chairman of the Board, President, Vice-President, Secretary, Treasurer or other officer or agent of the Organization, or if the Organization is a church, its pastor or a member of the church's official Board.)

(Print the title of the officer or agent who has signed the authorization.)



OFFICIAL NOTICE OF ANNUAL MEETING

The 86th Annual Meeting of the Members of Excelsior Electric Membership Corporation will be held at the Bulloch County Agricultural Complex in Statesboro, Georgia on Friday, May 10, 2024. Registration will be from 10:00 a.m. to 1:00 p.m. using the same drive-through approach as last year. An in-person business meeting will be held in the Main Arena at 1:10 p.m.

Please enter the facility from Highway 301. You will then be directed through the complex where you will register, receive a registration gift, and be entered for a chance to win one of ten \$100 gift cards. You will then park in the designated parking area and enter the Main Arena for the business meeting. If you do not wish to stay for the business meeting, you will exit the meeting onto Langston Chapel Road once you have completed the registration process. A map of the facility will be included with your registration card.

Your registration card will be mailed one week prior to the meeting. Be sure to bring it with you in order to receive your registration gift. For questions regarding the 2024 Annual Meeting, call our Member Services Department at (912) 685-2115 or (912) 764-2123.

The Nominating Committee met at the Cooperative's office in Metter on April 3, 2024, with the following members present:

Ryne Brannen, Speer Brannen, Preston Brinson, Clark Dixon, Jay McCranie, Gary Mosley, Ricky Nevil, Stephen Taylor, and Matt Wood. The purpose of the meeting was to nominate a director for a three-year term in Districts 4, 5, and At-Large to be offered for election at the 2024 Annual Meeting. The following members were nominated for the following districts:

District 4 G.W. Johnson, Jr.
566 Highway 192 North
Twin City, GA 30471-3535

District 5 Amy Hendrix
18230 Dutch Ford Road
Metter, GA 30439-7076

At-Large Grady McCray
20632 Rosemary Church Road
Metter, GA 30439-1922

No nominations were made by petition.

To approve the reelection of the above listed directors, please cast your vote at the annual meeting on May 10th. You will receive your ballot in the mail the week of the meeting.

Dated this 26th Day of April, 2024


G. W. Johnson, Jr., Secretary



Excelsior EMC

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Statesboro, GA 30458