



Albemarle SOUNDS

September 2020

Proudly serving the members of Albemarle Electric Membership Corporation



**Know what's below.
Call before you dig.**

**We are members of NC
811. Call 811 or 1-800-
632-4949 three business
days before you plan to
dig.**

Albemarle Sounds

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**Albemarle Electric Membership
Corporation**

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www.aemc.coop

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1-800-274-2072
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(252) 426-4419

*Albemarle EMC is an equal opportunity
provider and employer.*

Your Touchstone Energy® Cooperative  Cooperative
The power of human connections®

Albemarle EMC Annual Report

You are hereby notified that the 2020 Annual Meeting of members of Albemarle Electric Membership Corporation will be held by phone at 5:30 p.m., Thursday, Sept. 24. To join the call, dial 1-800-747-0367. The number is also listed on the ballot that was mailed to your residence in August.

The following is an agenda of schedule of business:

1. Announcement of directors elected to each serve a three-year term.
2. Announcement of prize drawing winners.
3. For the transaction of such other and further business as may come before said meeting or any adjournments thereof.

This year's board elections will be conducted by mail-in ballot. Ballots and bios were mailed to each member in early to mid August. Information about the nominees is also available on the following page. Members should select one candidate per district, then mail in the ballot using the preaddressed, postage-paid envelope provided. The ballots must be received by mail no later than Sept. 14. Each ballot has a barcode of the member's account number. The barcode will enable the ballots to be authenticated. After the deadline, the ballots will be kept in a secure location until it's time for them to be counted. The ballots will be counted by the Credentials and Elections Committee, with the co-op's attorney present.

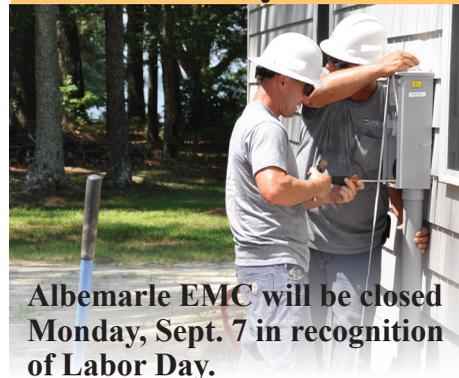
Every member who mails in a ballot will be eligible for cash drawings. A total of \$2,700 in prizes will be drawn. Winners will be announced during the

Annual Meeting. However, members do not need to participate in the phone meeting to be eligible to win. We will notify members whose names were drawn.

**Prize
Drawings to be
Conducted!**

**\$2,700 in prize
money will be
drawn. Simply
mail in your
ballot before the
deadline to be
entered.**

Closed for Labor Day



**Albemarle EMC will be closed
Monday, Sept. 7 in recognition
of Labor Day.**

2020 Director Nominees

District 2: Chowan County Josiah Webb (incumbent)



- Co-op board director since 1993
- President and owner of Webb Land & Timber Services, Inc.
- Credentialed Cooperative Director
- Board Leadership Certificate
- Graduate of N.C. State University (degree in forestry management)
- N.C. registered forester
- Licensed land surveyor and real estate broker

District 3 Pasquotank County L.A. Harris, Jr. (incumbent)



- Co-op board director since 1975
- Retired from Albemarle Hospital
- Credentialed Cooperative Director

District 4: Perquimans County Thelma Finch-Copeland (incumbent)



- Co-op board director since 2013
- Retired school teacher
- Bachelor of Arts and a Master of Science, degrees in elementary education
- Employed as the Head Start Director for the Economic Improvement Council, in Edenton
- Credentialed Cooperative Director

Executive Report



Gary Ray
executive vice president
and general manager.

This year, Albemarle EMC celebrated its 75th year in business. We were able to celebrate our anniversary day, Feb. 24, with cake in our lobby as well as drawings for a \$75 credit to two lucky members' power bills. All of us should take pride in being part of a legacy that dates back three-quarters of a century. It is a historic milestone and a testament to the cooperative business model.

We had planned to host a special 75th anniversary Annual Meeting this year, but COVID-19 forced us to change that plan. The Annual Meeting this year, instead, will be held by phone, and the election of board candidates will be done through mail-in ballots. We are disappointed we won't be able to meet with you in person, but remain hopeful we will be able to enjoy each other's company next year.

COVID-19 has altered many of our other business practices, as well. Beginning in March, we closed our lobby to the public in response to COVID-19. We appreciate the members' willingness to use alternate methods of transacting business with co-op employees. Prior to governor Roy Cooper's executive order, Albemarle EMC had already suspended nonpay disconnects. To support those facing financial hardships, we have been able to make payment arrangements that enable members to maintain service while preserving the co-op's financial health.

On a more positive note, Albemarle EMC recently received its safety accreditation, posting our best scores ever. Every three years, the cooperative is rated on more than 500 categories related to safety. The highest rating the co-op can receive is *exceeds requirement*. I am proud to say that we more than doubled our *exceeds requirement* scores. These high scores are the results of a strong culture of safety that our employees have helped cultivate.

Considerable progress has been made on the West Albemarle Substation, which should be ready for service by 2021. The substation will be a transmission facility that will feed the existing Edenton Substation as well as the future Bethel Substation. The West Albemarle Substation will improve reliability for Perquimans and Chowan members and also increase the capacity to serve future development.

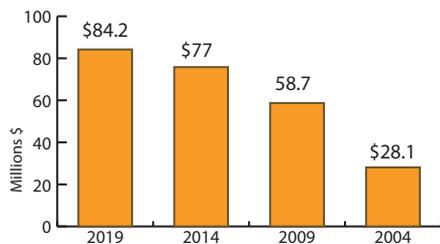
Our linemen and office personnel have done a fantastic job responding to storm-related outages during the past 12 months. Following the two most recent major outages, we have been able to restore power to all members within 24 hours.

Your cooperative has remained committed to the community, awarding close to \$60,000 in Albemarle Community Trust grants. These grants help organizations such as food pantries and volunteer fire departments. The 2019 Light Up Christmas toy drive raised about \$21,600 to purchase toys for more than 500 children. We were also able to give close to \$13,000 in grants to local teachers. These grants help teachers bring innovative teaching methods such as math learning labs, robot kits and so much more.

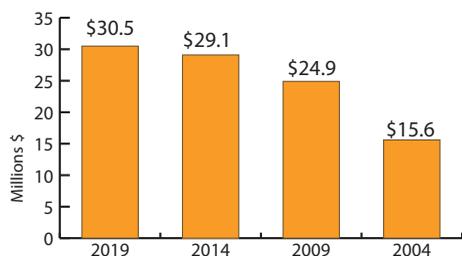
We were delighted to be able to return \$606,525.92 to the members in April, which is the highest capital credit refund on record. Capital credits are year-end margins earned by your cooperative, which are allocated to members based on usage. The refund couldn't have happened at a better time, as many of our members were and still are struggling financially due to COVID-19 shutdowns of businesses.

It has been a joy to work with such a dedicated group of Albemarle EMC employees over the past year and serve you in the process.

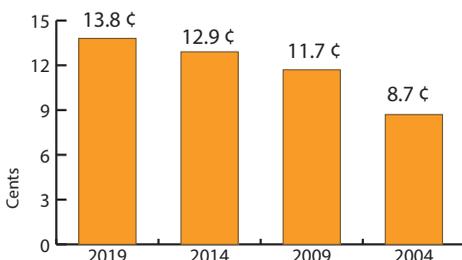
Total Assets



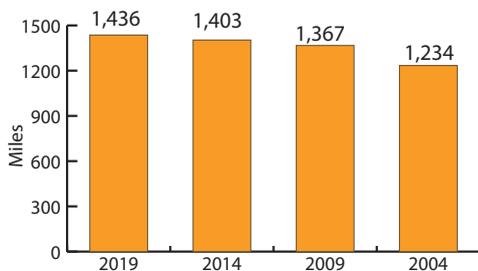
Electricity Sales



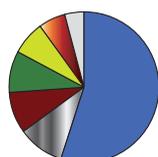
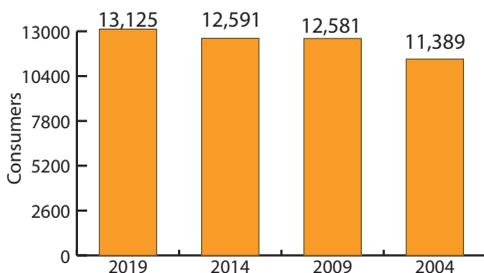
Average Rate Per KWH Sold



Miles of Energized Line



Number of Consumers



Consumer Accts., Serv & Info.	4%
Interest and Taxes	6%
Gen. and Admin Expenses	7%
Depreciation	9%
Operations and Maintenance	9%
Operating Margins	10%
Cost of Power	55%

Balance Sheet - Assets

	2019	2018
Utility Plant		
Electric plant in service	\$ 92,440,310	\$ 90,641,054
Construction work in progress	2,693,673	832,722
Gross Utility Plant	<u>95,133,983</u>	<u>91,473,776</u>
Less Accumulated Provision for Depreciation	<u>(25,494,638)</u>	<u>(23,779,003)</u>
Net Utility Plant	<u>69,639,345</u>	<u>67,694,773</u>
Other Property and Investments		
Investments in associated organizations	5,922,669	5,626,448
Note receivable	-	-
Other	324,579	-
Total Other Property and Investments	<u>6,247,248</u>	<u>5,626,448</u>
Current Assets		
Cash and cash equivalents	1,579,191	1,476,444
Accounts receivable, (net of provision for uncollectible accounts of \$109,614 in 2014 and \$125,449 in 2013)	3,086,754	3,078,516
Accrued utility revenues	675,904	1,214,024
Materials and supplies	2,431,121	981,245
Other current assets	116,577	154,203
Total Current Assets	<u>7,889,547</u>	<u>6,904,432</u>
Deferred Debits	<u>398,454</u>	<u>154,278</u>
Total Assets	<u>\$ 84,174,594</u>	<u>\$ 80,379,931</u>

Balance Sheet - Equities and Liabilities

Equities		
Membership fees	\$ 30,555	\$ 31,905
Patronage capital	32,133,387	28,832,786
Accumulated Other Comprehensive Income	157,363	(478,700)
Other equities	1,680,275	2,467,301
Total Equities	<u>34,001,580</u>	<u>30,853,292</u>
Long-Term Debt	<u>39,596,561</u>	<u>38,260,902</u>
Post retirement Healthcare Benefits	<u>2,922,945</u>	<u>2,555,900</u>
Current Liabilities		
Current portion of long-term debt and post retirement benefits	1,921,776	2,025,123
Line-of-credit	2,083,079	2,646,674
Accounts payable	357,395	256,473
Accounts payable - Members	1,052,553	1,029,161
Consumer deposits	93,552	79,975
Accrued & withheld taxes	967,613	958,119
Other current liabilities	6,475,968	6,995,525
Total Current Liabilities	<u>1,177,540</u>	<u>1,714,312</u>
Deferred Credits		
Total Equities and Liabilities	<u>\$ 84,174,594</u>	<u>\$ 80,379,931</u>

Statement of Operations and Patronage Capital

	2019	2018
Operating Revenues	\$ 30,492,670	\$ 30,869,820
Operating Expenses		
Cost of power	16,928,218	18,484,246
Transmission	84	228
Distribution-operation	1,348,883	1,673,156
Distribution-maintenance	1,253,094	1,227,076
Consumer accounts	960,578	1,028,186
Customer service, information and sales	92,718	94,774
Administrative and general	2,254,689	2,222,230
Depreciation	2,698,503	2,636,228
Taxes	13,334	13,828
Interest on long-term debt	1,737,309	1,783,751
Other	37,999	35,421
Total Operating Expenses	<u>27,325,409</u>	<u>29,199,124</u>
Operating Margins	3,167,261	1,670,698
Non-Operating Margins	256,925	194,619
Generation & Transmission and Other Patronage Allocations	<u>732,465</u>	<u>711,396</u>
Net Margins	<u>4,156,651</u>	<u>2,576,713</u>
Patronage Capital-Beginning of Year	28,832,787	27,083,208
Retirement of Capital Credits	<u>(856,052)</u>	<u>(827,134)</u>
Patronage Capital-End of Year	<u>\$ 32,133,385</u>	<u>\$ 28,832,787</u>