



Rayle Electric Membership Corporation



2023
Annual Report

2024 Annual Meeting of Members
June 20, 2024
Edward B. Pope Community Center

Factors that impact electricity prices

I was recently asked by one of our members about what impacts electricity prices. We talked about how the daily cost of living seems to have increased across the board.

Just as inflation has impacted everything from the price of gasoline to the price of eggs, costs for the fuels required to produce electricity have also risen. This is a timely topic, so we wanted to help explain some of the factors that impact electricity prices (and energy bills).

While there is no short answer, there are a few key elements that impact electricity prices and rates. Some of these factors Rayle EMC can manage, some of them you can impact and other factors are beyond our control. So, let me break it down.

There are three primary parts to your monthly electric bill: a service charge, an energy consumption/kwh charge and a Power Cost Adjustment (PCA). To understand your total energy costs and what impacts your bill, let's unpack one piece at a time.

The first is a fixed monthly service charge, which covers the costs associated with providing electricity to your home. This includes equipment, materials, labor and operating costs necessary to serve each meter in Rayle EMC's service territory, regardless of the amount of energy used. In order to ensure the reliable service you expect and deserve, we must maintain the local system, including power lines, substations and other necessary equipment. Like many other businesses, we've experienced supply chain issues and steep cost increases for some of our basic equipment. For example, the cost for a distribution transformer (which looks like a long metal can at the top of a power pole) went from \$1,800 in 2023 to \$2,670 this year, and wait times to receive this essential equipment are up to 20 weeks. Because we are a not-for-profit cooperative, some of these expenses must be passed on to our members. The Residential Rate service charge is the same for everyone, and the costs are shared equally across the membership.

Another component of your monthly bill is the kwh charge, which covers how much energy you consume. You've likely noticed the amount of energy you use can vary from month to month and is typically impacted by extreme temperatures. When temperatures soar or dip, your cooling and heating equipment run longer, which increases your home energy use. Regardless, energy consumption is an area that you have some control over, and you can lower your monthly bill by actively reducing energy use. Your thermostat is a great place to start, so be sure to keep it close to 78 degrees during summer months.

The last component of your bill is the Power Cost Adjustment (PCA), which is the same amount for all co-op members. The PCA can either increase or decrease, depending on fuel prices. The PCA covers fuel cost fluctuations without having to continually restructure electricity rates.

While we cannot control the weather or the rising costs of fuels, please know Rayle EMC is doing everything possible to keep internal costs down. I hope this information sheds light on some of the factors that impact electricity prices.



Fred McWhorter
President



Tony Griffin
General Manager

Our team at Rayle EMC is always looking ahead, exploring ways to innovate and utilize new technologies to improve our services. As our nation increasingly relies on electricity to power the economy, keeping the lights on has never been more important. We're committed to powering—and empowering—our community at a cost local families and businesses can afford.

So how are we working to ensure reliable and affordable power while adapting to a changing energy landscape and our community's evolving needs?

One critical component of reliable power is the mix of energy resources used to generate the electricity that keeps the lights on across Rayle EMC's service area. You may not realize it, but Rayle EMC does not generate electricity. Instead, we purchase it from our energy providers, Oglethorpe Power Corp. (OPC), Georgia Energy Cooperative (GEC), Georgia Transmission Corp. (GTC), Green Power EMC and the Southeastern Power Administration (SEPA). From there, we distribute it to homes and businesses throughout our community. Our current energy resource mix is made up of approximately 58% natural gas, 24% nuclear, 8% coal, 5% hydro and 2% renewables.

We are increasingly using more electricity generated from renewable energy sources, but we still depend on a diverse energy mix to ensure reliable power that is available to our members whenever they need it.

In addition to managing a reliable energy mix, Rayle EMC is using technology to enhance our local grid, limit service disruptions and improve outage response times.

Advanced metering technology, also known as AMI, enables two-way communication between the co-op and consumers. In the event of a power outage, AMI helps pinpoint the exact location of the outage and can even analyze damaged or tampered meters. AMI helps Rayle EMC save money with real-time data and, ultimately, improves power reliability for our entire community.

Proactive tree trimming is another way we limit service disruptions. Scheduled trimming keeps power lines clear from overgrown limbs that are likely to fall. Keeping power lines clear

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Statement of Operations

December 31, 2023 and 2022

Revenue

| | 2023 | 2022 |
|-------------------|---------------|---------------|
| Operating Revenue | \$ 37,773,215 | \$ 41,274,535 |

Expenses

| | | |
|---------------------------|---------------|---------------|
| Cost of Purchased Power | \$ 21,245,035 | \$ 25,739,065 |
| Operation and Maintenance | \$ 9,875,612 | \$ 8,565,858 |
| Depreciation | \$ 3,376,742 | \$ 3,080,493 |
| Interest | \$ 1,651,368 | \$ 1,601,131 |
| Tax | \$ 425,000 | \$ 514,000 |
| Other | \$ 181,540 | \$ 12,237 |

Total Expenses \$ 36,755,297 \$ 39,512,784

| | | |
|--|---------------------|---------------------|
| Operating Margins | \$ 1,017,918 | \$ 1,761,751 |
| Non-operating Margins | \$ 28,127 | \$ 27,882 |
| Other Capital Credits | \$ 1,458,396 | \$ 1,075,779 |
| Total Margins and Capital Credits | <u>\$ 2,504,441</u> | <u>\$ 2,865,412</u> |

What We Own

| | |
|----------------------------------|----------------|
| Cost of Utility Plant | \$ 125,352,198 |
| Reserve for Depreciation | \$ 40,958,477 |
| Net Value of System | \$ 84,393,721 |
| Cash in Banks | \$ 1,102,952 |
| Reserve | \$ 17,942,135 |
| Accounts Receivable | \$ 4,734,398 |
| Materials and Supplies | \$ 2,453,807 |
| Other Current and Accrued Assets | \$ 24,374 |
| Deferred Debits | \$ 3,139 |

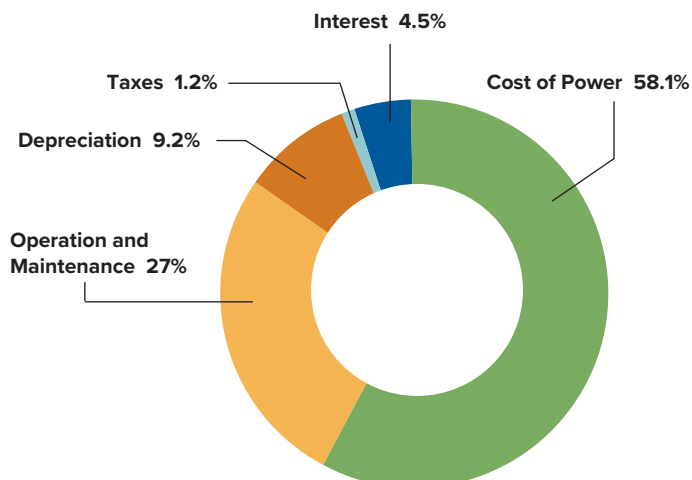
Total Assets \$ 110,654,526

What We Owe

| | |
|-------------------------------|---------------|
| RUS & CFC Loan Obligation | \$ 46,980,399 |
| Current & Accrued Liabilities | \$ 12,897,897 |
| Non-current Liabilities | \$ 3,751,667 |
| Patronage Capital & Margins | \$ 45,221,257 |
| Membership Fees & Deposits | \$ 892,077 |
| Deferred Credits | \$ 911,229 |

Total Liabilities \$ 110,654,526

Where Your 2023 Dollar Went

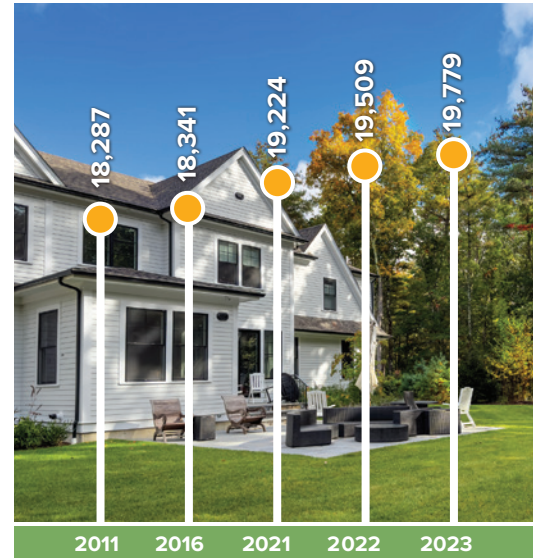


Statistics

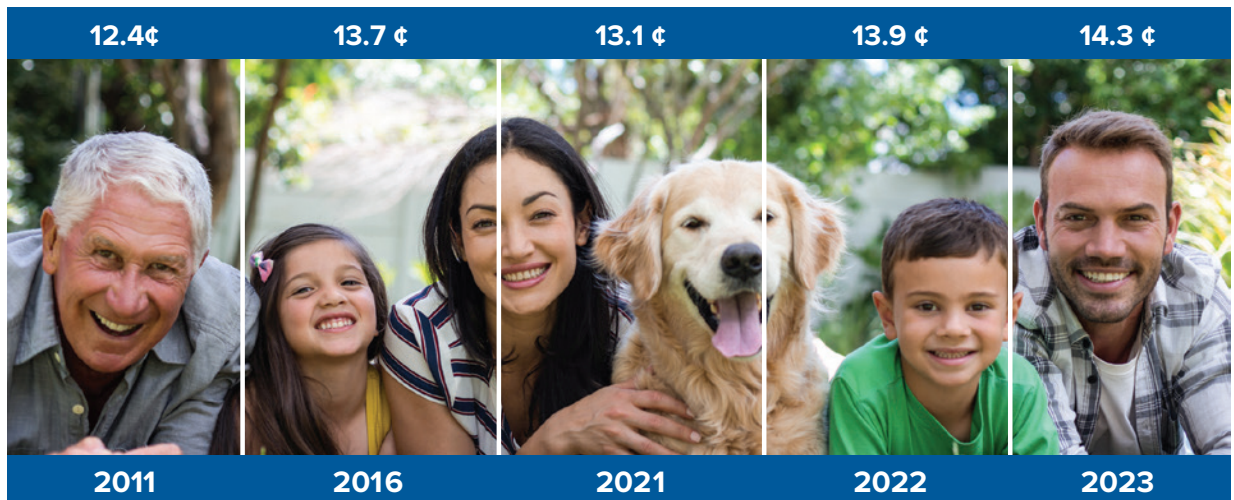
Average Monthly kwh Used



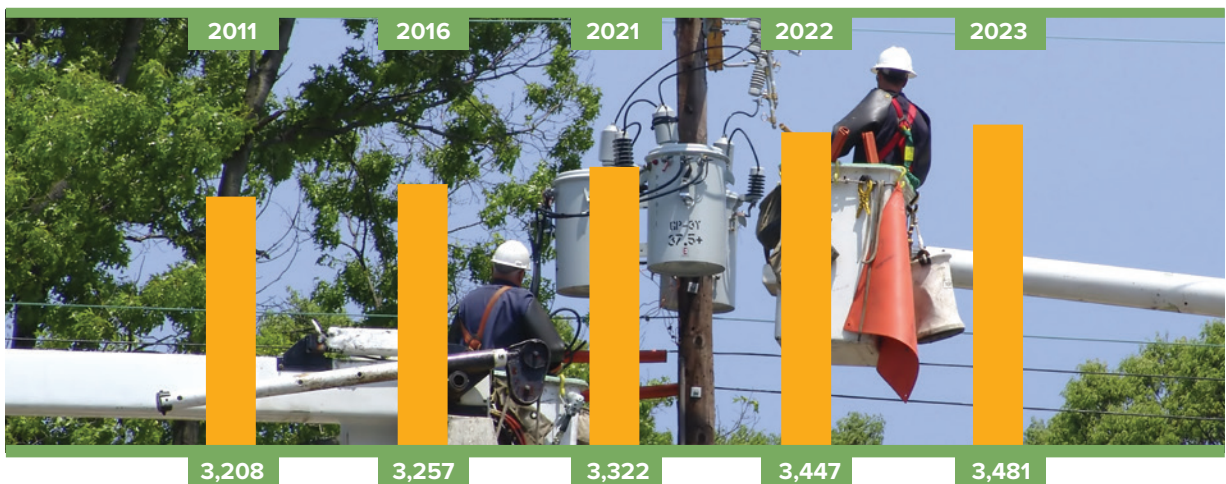
Meters Served



Average Cost Per kwh



Miles of Line Energized



Accountants' Report and Invitation



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

December 12, 2023

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Rayle Electric Membership Corporation

Opinion

We have audited the financial statements of **Rayle Electric Membership Corporation**, which comprise the balance sheets as of September 30, 2023 and 2022, and the related statements of operations and comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rayle Electric Membership Corporation as of September 30, 2023 and 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rayle Electric Membership Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rayle Electric Membership Corporation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rayle Electric Membership Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rayle Electric Membership Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023 on our consideration of Rayle Electric Membership Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rayle Electric Membership Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rayle Electric Membership Corporation's internal control over financial reporting and compliance.

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



You are cordially invited to attend

Rayle Electric Membership Corporation's Annual Meeting of Members

Thursday, June 20, 2024

Registration & Voting
for Directors begins at 12:30 p.m.

Business Session
Begins at 2 p.m.

Edward B. Pope Community Center
48 Lexington Avenue
Washington, Georgia

Meeting Notice & Nominating Report

Official Annual Meeting Notice

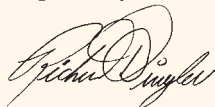
Dear Member,

Notice is hereby given that the 2024 Annual Membership Meeting of the Rayle Electric Membership Corporation will be held Thursday, June 20, 2024, at the Edward B. Pope Community Center in Washington, Georgia.

Registration and voting to elect three directors will begin at 12:30 p.m. The President will welcome everyone at 2 p.m. to receive reports of the officers, directors and committees and to act on any business which is stated in this notice. I encourage each of you to be present for this very important meeting of your cooperative.

All members with special needs, who plan to attend the Annual Meeting, are asked to contact Karen Chafin at the cooperative at (706) 678-2116 prior to the Annual Meeting.

Respectfully,



Wm. Richard Dingler, Sr.
Secretary-Treasurer
Rayle EMC Board of Directors

Nominating Committee Report

Rayle Electric Membership Corporation
Washington, Georgia

April 18, 2024

The Rayle Electric Membership Corporation Nominating Committee appointed to nominate candidates for Directors for 2024 does hereby nominate the following for the three seats on the Board of Directors to be filled at the 2024 Annual Meeting.

Kyle Brown, Wilkes County
Directorate District 1—Wilkes County

Wayne Williams, Taliaferro County
Directorate District 4—Taliaferro and Hancock counties

James Mathews, Oglethorpe County
Directorate District 5—Oglethorpe, Oconee, Clarke and Madison counties

Respectfully Submitted:

Allen Danner, *Chairman*
Judy Hodnett
Kenneth Ingram
Roy McGee

Bobby Moore
Charles Rhodes
David Stevens

Little Roy and Lizzy to entertain

Rayle EMC is proud to present the Little Roy and Lizzy Show at the Annual Meeting June 20.

Little Roy was a member of The Lewis Family, the legendary bluegrass gospel music group that retired in May 2009. Instrumentally, Little Roy is one of the most talented banjo and guitar players in the music business. USA Today called Little Roy “a banjo master.” Little Roy is multitalented—he sings, plays many instruments, tells stories and acts.

Elizabeth Long, or Lizzy, as her friends and fans know her, was born on a farm in Lincolnton, Ga. She began her music career at an early age. While starting out



on the piano, Lizzy soon took up the fiddle, guitar, autoharp, bass, banjo and mandolin, and has become an accomplished musician, alternating between these instruments as part of her entertainment repertoire.

Continuing her quest for success, Lizzy paired up with Little Roy Lewis from the legendary Lewis Family. Lewis and Long have won three Dove awards for “Best Bluegrass Song of the Year.”

Agenda & Proxy

2024 Annual Meeting Agenda

12:30 p.m. Registration and Election of Directors (First Ballot)

1 p.m. Entertainment
The Little Roy and Lizzy Show

2 p.m. Call to Order and Welcome
Fred McWhorter, President

Invocation

Motion to Close Registration and First Ballot of Election

Announcement of Quorum

Reading of Notice of Meeting and Proof of Mailing and Reading of Previous Minutes

Report of Nominating Committee
*Allen Danner,
Chairman, Nominating Committee*

Introduction of Credentials and Election Committee

Introduction of Guests

General Manager's Report
Tony Griffin, General Manager

Recognition of Scholarship Winners
Tony Griffin, General Manager

Service Awards
Fred McWhorter, President

Director Runoffs as Needed

Old Business Stated in the Official Annual Meeting Notice

New Business Stated in the Official Annual Meeting Notice

Awarding of Attendance Prizes

Adjourn

LETTER OF AUTHORIZATION FOR CHURCHES, CLUBS, CORPORATIONS, OR UNINCORPORATED ASSOCIATIONS ("ORGANIZATION")

(Print name of representative to represent this organization)

has been appointed to represent

(Print name of organization as it appears on bill)

as its voting delegate and to receive prizes for the organization at the Annual Meeting of Members of Rayle Electric Membership Corporation on Thursday, June 20, 2024.

DATE

SIGNATURE OF DESIGNATED OFFICER

(Must be President, Chairman, Vice President, Vice Chairman, Secretary, Treasurer or other officer of the organization. **The term "officer" includes "pastor" in the case of churches.**)

TITLE OF OFFICER

If you are to be the representative of your organization at the Annual Meeting on June 20, 2024, please have this form properly completed by an officer of your organization and in your possession when you register. If your membership is for a business which you own as an individual; or if your membership is not for a church, school, club, **unincorporated association, or corporation on file with the Secretary of State of Georgia**, you may **not** use this form.

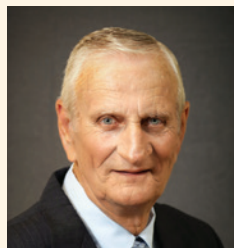
Early voting for Rayle EMC Director in the event of a contested election

There will be no voting by proxy at the Annual Meeting. In the event of a contested election, if you are unable to attend the Annual Meeting, you can vote early by registering at any Rayle EMC office between June 10 and June 14, 2024. If you do not take advantage of the early voting opportunity, you may still register and vote in person at the Annual Meeting. This is **ONLY** in the event of a contested election.

Rayle EMC Board of Directors



President
Fred A. McWhorter
Lincolnton, Ga.
District Two



Vice President
Linton Scott
Washington, Ga.
District One



Secretary/Treasurer
Wm. Richard Dingler Sr.
Union Point, Ga.
District Three



Kyle Brown
Tignall, Ga.
District One



Jackie Copelan
Madison, Ga.
District Three



James A. Mathews
Lexington, Ga.
District Five



Herbert Powell
Lincolnton, Ga.
District Two



Iris Walker
Lincolnton, Ga.
District Five



Wayne Williams
Crawfordville, Ga.
District Four



District One:

Wilkes County

District Two:

Lincoln County

District Three:

Greene and Morgan counties

District Four:

Taliaferro and Hancock
counties

District Five:

Oglethorpe, Clarke,
Madison and
Oconee counties

Report to Members, *Continued from page 20B*

of overgrown vegetation improves service reliability. After all, we have seen the whims of Mother Nature during severe weather events with fallen tree limbs taking down power lines and utility poles. While many factors can impact power disruptions, about half of all outages can be attributed to overgrown vegetation. This is why you sometimes see Rayle EMC crews or contractors out in the community trimming trees near power lines. Our trimming crews have been trained and certified based on the latest industry standards.

When it comes to vegetation management, there are ways you can help too. When planting new trees, make sure they are planted a safe distance from overhead power lines. Medium-height trees (40 feet tall or smaller) should be planted at least 25 feet from power lines. Taller trees (more than 40 feet tall) should be planted at least 50 feet from power lines. You can also practice safe planting near pad-mounted transformers. Plant shrubs at

least 10 feet from the transformer door and 4 feet from the sides. If your neighborhood has underground lines, remember to contact 811 before you begin any project that requires digging.

Currently, our contract crews are trimming in Oglethorpe County, near the Beaverdam and Vesta communities.

As technology advancements become more accessible, we anticipate using advanced mapping software to better maintain the environment while providing more reliable service.

One of the best methods for improving our services to you is monitoring trends and leading practices from other electric co-ops in Georgia and across the country. Learning from other co-ops is one of the many benefits of the cooperative business model because for us, it's about cooperation, not competition.

Rayle EMC will continue working to provide the reliable, affordable electricity you expect and deserve—for today and tomorrow.