

2025 ANNUAL REPORT AND MEETING NOTICE

SNAPPING SHOALS EMC
ELECTRIC MEMBERSHIP CORPORATION

To the MEMBERS *of* Snapping Shoals EMC



Shaun Mock
President/CEO
Snapping Shoals EMC

Dear Members,

As we gather to celebrate 87 years of service, we find ourselves reflecting on what it truly means to be part of a cooperative. It's more than just flipping a switch and expecting the lights to come on. It's about trust. It's about community. And more than anything, it's about rolling up our sleeves, lacing up our boots, and getting to work, day in and day out, for the people we serve.

At Snapping Shoals EMC, that spirit drives everything we do. Whether we're restoring power after a storm, investing in new technology, or helping a local student pursue a dream, we're guided by the same steady values that built this co-op back in 1938: reliability, commitment, innovation, and concern for our community.

Over the past year, your cooperative has made great strides. In the fall, we introduced a modernized outage management system to help us respond faster and communicate more clearly when storms hit. We've added new tools and resources to our offerings to make your interaction with your cooperative easier than ever before. Additionally, we've added more nuclear energy from Plant Vogtle Unit 4 to our power mix and begun preparing for more new generation projects that will support our growing community in the decades ahead. And through strong financial management, we've kept our electric rates consistently below the state average, even as other costs around us rise. In fact, the average Snapping Shoals EMC member enjoys electric rates that are more than 15 percent less lower than most neighboring electric utilities.

I am proud to announce that we recently returned more than $4.2 million in capital credits to our members, which brings our total capital credits returned to our members to more than $100 million since our inception because in a cooperative, ownership means everyone shares in the success.

Perhaps one of the most meaningful recognitions this year was your voice. Thanks to the feedback and satisfaction of our members, Snapping Shoals EMC earned national runner-up honors in the 2024 J.D. Power Residential Consumer Survey. That kind of recognition doesn't happen without dedicated employees and engaged members working together.

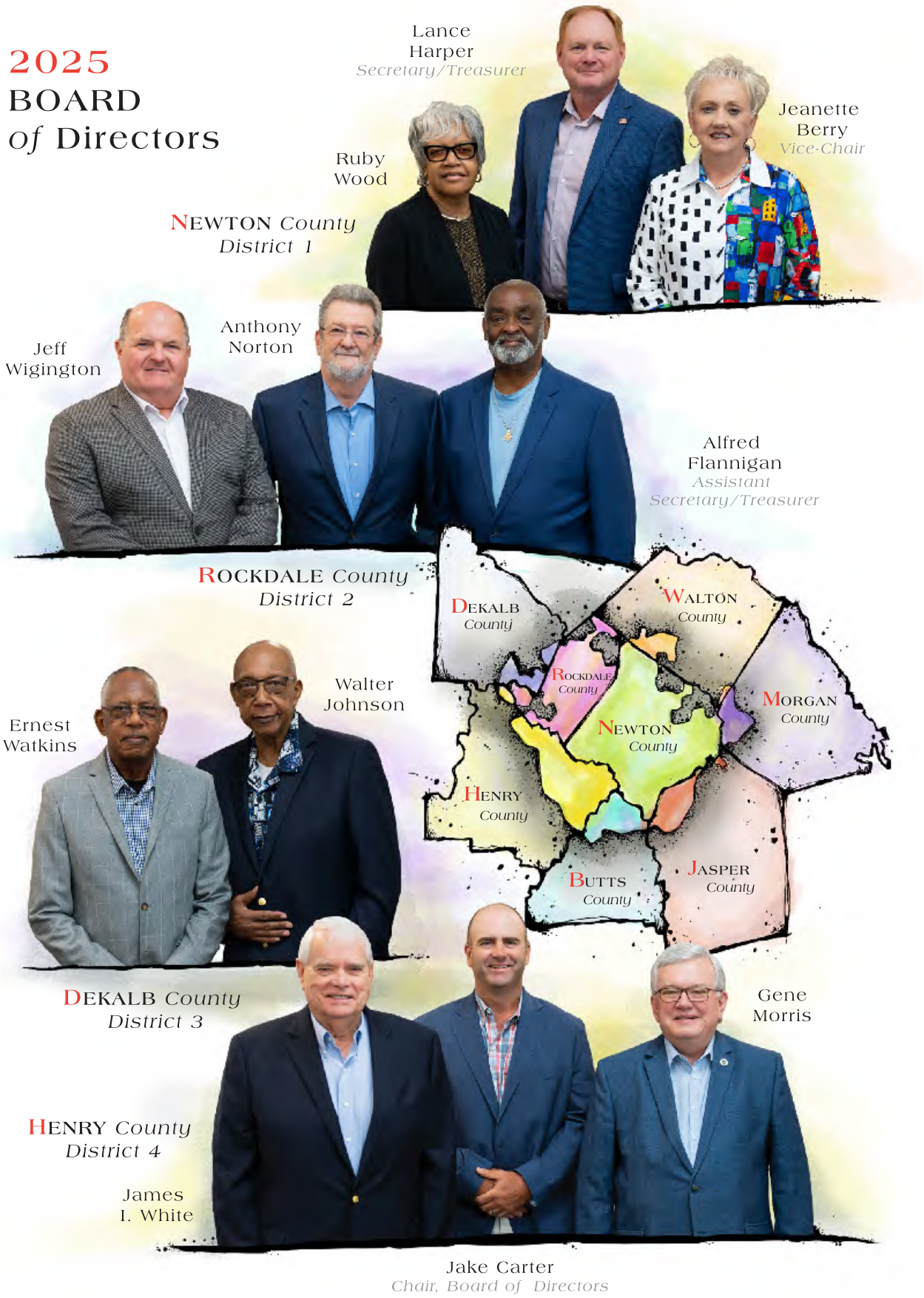
Still, we know the road ahead holds new challenges. Another storm will come. Technology will evolve. The needs of our members will shift. And when that happens, we'll be ready —boots laced up, grounded in our mission, and committed to moving forward with strength and clarity.

Because that's what we do here. That's what we've always done.

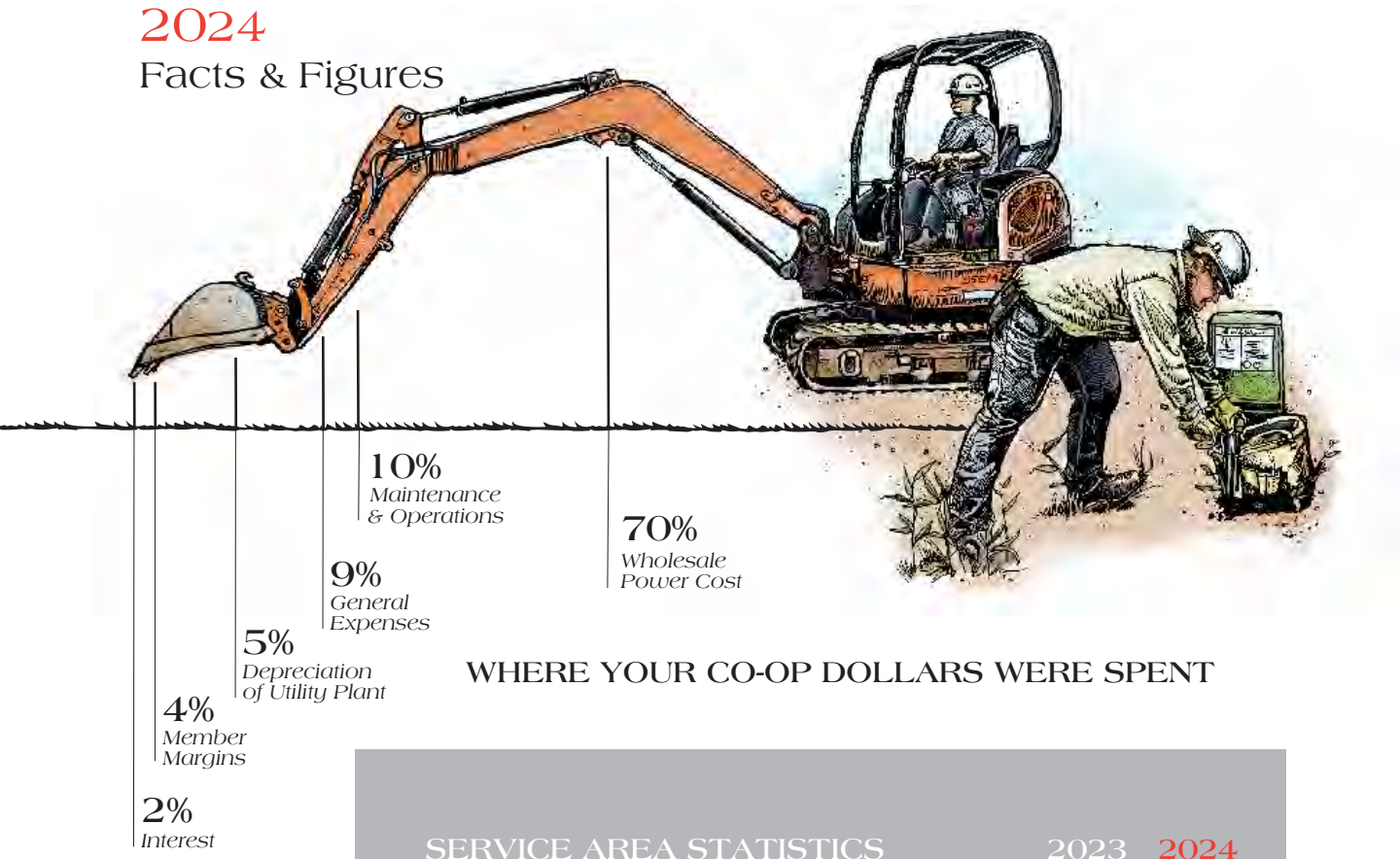
Thank you for standing with us. Thank you for believing in the Cooperative Difference. And thank you for 87 years of traveling this road together. We look forward to seeing you at the 2025 Annual Meeting, where we'll celebrate all that we've accomplished—and all that we're preparing for, just over the next hill.

Shaun W. Mock
President & CEO
Snapping Shoals EMC

2025 BOARD *of* Directors



2024
Facts & Figures



WHERE YOUR CO-OP DOLLARS WERE SPENT

SERVICE AREA STATISTICS	2023	2024
Total Number of Electric Meters	108,672	110,300
Monthly Average Residential Kilowatt Hours consumed	1,236	1,286
Total Miles of Energized Line	6,516	6,579

2024 COMMUNITY SUPPORT		
Operation Round Up (General Fund)	$	377,380
Operation Round Up (Education Fund)	$	30,000
Scholarships	$	63,500
Intern Scholarships	$	7,500
Bright Ideas Teacher Grants	$	55,000
Community Organization Donations	$	60,000
Economic Development	$	10,500
TOTAL DONATIONS	$	603,880

2024 TAXES PAID BY SSEMC		
Property Taxes	$	2,033,408
Sales Tax	$	16,452,871
Franchise Fees	$	889,194

2023/2024 Report of Independent Auditors

The Board of Directors
Snapping Shoals Electric Membership Corporation and Subsidiary

Opinion

We have audited the consolidated financial statements of **Snapping Shoals Electric Membership Corporation and Subsidiary**, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Snapping Shoals Electric Membership Corporation and Subsidiary as of December 31, 2024 and 2023 and the results of their operations and their 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). 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 Snapping Shoals Electric Membership Corporation and Subsidiary 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 consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Snapping Shoals Electric Membership Corporation and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated 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 consolidated 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the consolidated 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 consolidated 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 Snapping Shoals Electric Membership Corporation and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Snapping Shoals Electric Membership Corporation and Subsidiary'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.

McNAIR,
McLEMORE,
MIDDLEBROOKS & CO., LLC

Consolidated Balance Sheets

Assets

	2024	2023
Utility Plant		
Electric Plant in Service - At Cost	**$ 396,127,904**	$ 368,574,315
Construction Work in Progress	**2,834,674**	3,361,285
	398,962,578	371,935,600
Accumulated Depreciation	**(170,484,603)**	(161,313,241)
	228,477,975	210,622,359
Other Property and Investments		
Investments in Associated Organizations	**33,637,720**	31,785,432
Other Investments	**3,089,152**	3,089,152
	36,726,872	34,874,584
Current Assets		
Cash and Cash Equivalents	**28,131,654**	20,348,588
Accounts Receivable (Net of Allowance for Credit Losses of $261,928 and $321,218 in 2024 and 2023, Respectively)	**34,589,309**	31,002,576
Materials and Supplies	**5,007,959**	4,415,395
Other	**25,296,994**	16,909,436
Deferred Debits	**93,025,916**	72,675,995
	598,633	1,800,571
Total Asset		
	$ 358,829,396	$ 319,973,509

Consolidated Balance Sheets

Members' Equity and Liabilities

	2024	2023
Members' Equity		
Membership Fees	**$ 959,431**	$ 947,726
Patronage Capital	**79,047,214**	72,030,837
Accumulated Other Comprehensive Income	**(193,144)**	1,049,795
Other Equities	**32,167,534**	27,923,111
	111,981,035	101,951,469
Long-Term Debt	**119,252,862**	106,898,204
Accumulated Provision for Postretirement Benefits Other Than Pensions - Noncurrent	**15,594,313**	13,442,872
Current Liabilities		
Current Maturities of Long-Term Debt	**9,645,342**	8,700,521
Lines-of-Credit	**-**	2,000,000
Accounts Payable	**19,157,465**	16,554,293
Consumer Deposits	**14,079,558**	12,968,183
Accrued and Withheld Taxes	**1,913,337**	2,054,178
Accumulated Provision for Postretirement Benefits Other Than Pensions - Current	**493,000**	402,000
Other	**10,002,772**	8,756,003
	55,291,474	51,435,178
Deferred Credits	**56,709,712**	46,245,786
Total Members' Equity and Liabilities	**$ 358,829,396**	$ 319,973,509

Consolidated Statements of Operations and Comprehensive Income

Operating Revenues

	2024	2023
Operating Revenues	**$ 261,960,757**	$ 229,345,065
Operating Expenses		
Cost of Power	**182,688,621**	164,734,868
Distribution Operations	**16,235,024**	13,999,472
Distribution Maintenance	**9,812,039**	8,727,283
Consumer Accounts	**9,812,966**	8,939,044
Consumer Service and Information	**287,260**	271,476
Sales	**718,227**	672,098
Administrative and General	**13,303,509**	12,078,498
Depreciation	**12,532,370**	12,454,916
	245,390,016	221,877,655
Operating Margins Before Interest Expense	**16,570,741**	7,467,410
Interest Expense	**5,193,277**	4,757,425
Operating Margins After Interest Expense	**11,377,464**	2,709,985
Nonoperating Margins	**1,378,836**	362,745
Generation and Transmission Cooperative Capital Credits	**1,305,178**	1,496,134
Other Capital Credits and Patronage Capital Allocations	**1,034,212**	871,092
Net Margins	**15,095,690**	5,439,956
Other Comprehensive Income (Loss)	**(1,242,939)**	(1,029,024)
Total Comprehensive Income	**$ 13,852,751**	$ 4,410,932