

STATEMENTS OF REVENUE AND PATRONAGE CAPITAL

OPERATING REVENUE:	2018	2017
Residential	\$112,178,415	\$102,498,553
Commercial and industrial (1,000 kva or less)	36,997,651	35,567,626
Commercial and industrial (over 1,000 kva)	6,369,882	5,747,592
Public highway and street lighting	390,936	379,553
Other electric revenue	5,220,953	5,083,541
Total operating revenue	161,157,837	149,276,865
OPERATING EXPENSES:		
Cost of power	113,629,592	105,177,881
Distribution expenses - operations	4,439,463	3,370,501
Distribution expenses - maintenance	10,133,656	9,629,376
Consumer accounts expenses	5,619,224	5,302,613
Administrative and general expenses	7,302,676	7,056,438
Depreciation expense	9,298,686	8,922,510
Taxes	11,366	11,307
Total operating expenses	150,434,663	139,470,626
OPERATING MARGINS BEFORE FIXED CHARGES	10,723,174	9,806,239
FIXED CHARGES:		
Interest on long-term debt	5,127,294	5,210,739
Other interest	130,287	126,656
Total fixed charges	5,257,581	5,337,395
OPERATING MARGINS AFTER FIXED CHARGES	5,465,593	4,468,844
G&T AND OTHER CAPITAL CREDITS	4,952,531	4,005,076
NET OPERATING MARGINS	10,418,124	8,473,920
NONOPERATING INCOME	1,081,632	875,036
NET MARGINS FOR THE YEAR	11,499,756	9,348,956
PATRONAGE CAPITAL AT BEGINNING OF YEAR	166,221,444	160,036,858
RETIREMENT OF CAPITAL CREDITS	(3,215,460)	(3,164,370)
PATRONAGE CAPITAL AT END OF YEAR	\$174,505,740	\$166,221,444

2018 Statistics

74,460 meters served across 7,418 miles of power lines

1.47B in kilowatt-hour sales

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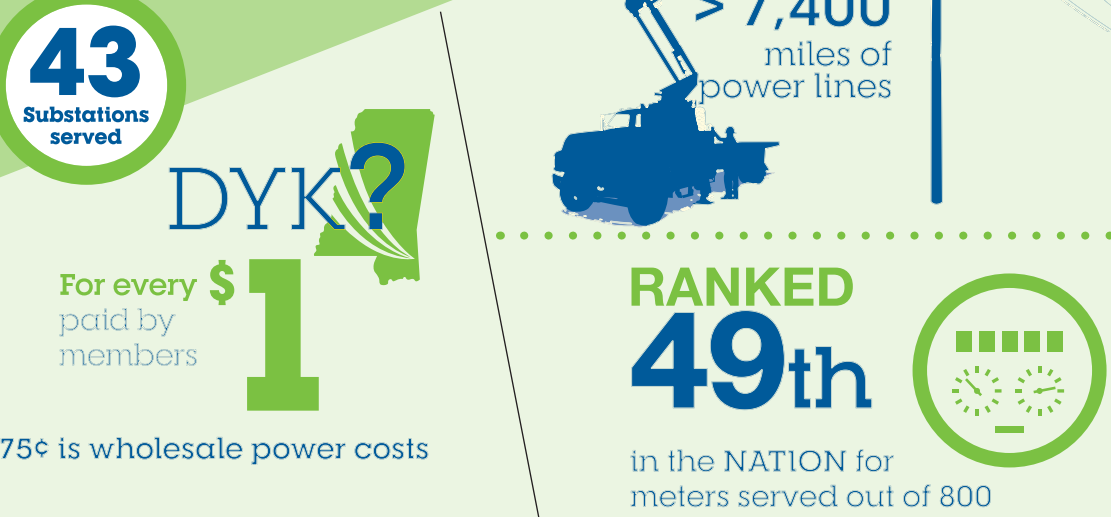
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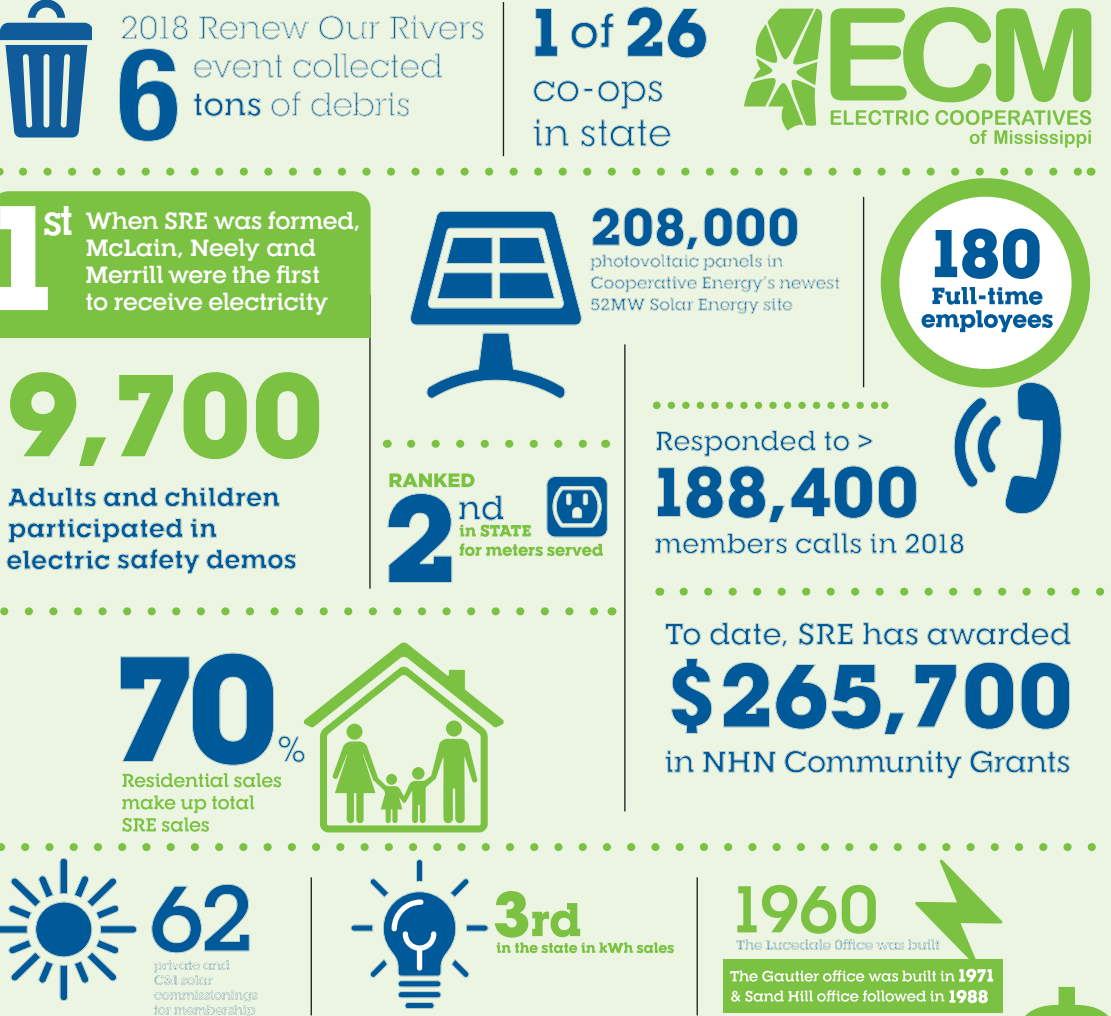
instagram.com/singingriverelectric

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2018 at a Glance



Currently serving over 74,400 meters



Retired over 2.3M in capital credits in 2018

WHOLESALE PROVIDER: Cooperative Energy

STATE AFFILIATE: Electric Cooperatives of Mississippi

NATIONAL AFFILIATE: National Rural Electric Cooperative Association

WE ARE COMMITTED TO PROVIDING ABOVE AND BEYOND, FRIENDLY, PROFESSIONAL AND EXPERT SERVICE TO EACH AND EVERY MEMBER.

SINGINGRIVER.COM



WE BELONG TO THE COMMUNITIES WE SERVE



2018 ANNUAL REPORT

CEO LETTER

As a member-owned cooperative, Singing River Electric wants to see the communities we serve grow and prosper.



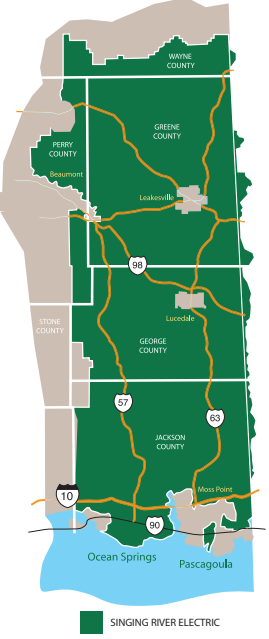
Over the past year, we have seen significant changes in the electric industry across the country, both at the generation level and the member consumption level. Our wholesale power provider, Cooperative Energy, continues to replace conventional generation resources with more environmentally friendly, renewable options. Similarly, members of Singing River Electric and other end users of electricity are becoming more efficient in their daily energy use. These efforts are supported by Singing River Electric through education and services, and we expect this movement to continue.

On January 30th of this year, Governor Phil Bryant signed the Mississippi Broadband Enabling Act into law, allowing Mississippi's 25 electric distribution cooperatives, including Singing River Electric, the ability to provide high-speed internet service to their members. An initial feasibility study conducted for SRE revealed staggering cost estimates associated with providing this service. The board of directors and management of SRE will continue to carefully consider this possibility as it may be one of the most important decisions the cooperative has ever made.

Looking ahead, your cooperative will continue supporting the communities we serve through programs that provide education, assistance and value to members. Some examples are participation in the Neighbors Helping Neighbors grant and energy assistance programs, energy fairs, river cleanup events and a variety of youth leadership and education programs.

Singing River Electric's first responsibility as a member-owned electric cooperative is to provide you with quality electric service. This is and will continue to be your cooperative's primary goal.

Brian Hughey
General Manager and CEO
Singing River Electric



SRE BOARD OF DIRECTORS

Singing River Electric is represented by a board of directors made up of members from throughout the service territory. These directors help manage the business and affairs of the electric distribution cooperative.

- Howard Davis, President
Retired Civil Engineer, District 3
- Travis Baxter, Vice President
Retired Shipyard Supervisor, District 2
- Cary Williams, Treasurer
CPA/Financial Planner, District 1
- Edward Thornton, Secretary
Small Business Owner, District 3
- Roy Grafe, Cooperative Energy Board Member
Retired Mechanical Engineer, District 2
- Ralph Hicks
Retired Farmer/Timber Producer, District 1
- Mark LaSalle
Small Business Owner/Conservationist, District 3
- Robert Steele
Retired Small Business Owner, District 1
- Kristal Sisson
High School Principal, District 3
- Ron Wilson
Shipyard Project Manager, District 2

Singing River Electric is a distribution electric cooperative serving 74,460 meters across 7,418 miles of power lines in seven counties in Mississippi (Jackson, George, Greene, Perry, Stone, Wayne and Harrison) and two counties in Alabama (Mobile and Washington).



PHILLIP BUSBY

SRE Member and Credentials and Election Committee Member

“I know there’s power in co-op membership because I serve on the credentials and election committee. I see firsthand how the election process is conducted and the efforts to be transparent in conducting the business of our electric co-op.”

“Singing River Electric is led by members like me who understand and listen to our community. Your vote in co-op elections is important. It’s the reason there is Power in Membership.”



DELORISE NETTLES

SRE Member and Owner of Delo's Heavenly House of Coffee

“As a small business, I appreciate that my cooperative works hard to maintain reliable electric service while supporting local businesses in my community.”

“Local electric co-ops like Singing River Electric are community focused and were built by the communities they serve. That’s how I know there is Power in Membership.”



JOHN WAYNE SHEPHERD

SRE Member and Owner of Rocky Creek Catfish

“Singing River Electric asked me to partner with them on a business lighting pilot project through Cooperative Energy. They presented me with a custom plan to upgrade my lighting and increase my energy savings.”

“As a member and owner of a local business, I appreciate how hard my co-op works to keep the lights on in my community. That’s how I know there is Power in Membership.”

2018 SRE SYSTEM UPGRADES



SRE Helena Industrial Park substation

Singing River Electric’s long-range construction work plan allows our engineers to look at present energy needs and projected load growth in order to plan and deliver efficient, reliable electric service to members in the future.

In February 2018, the co-op began constructing Frank Snell substation in Jackson County. Residential load growth in this area, identified in the long range plan, showed the need for this substation. Once energized, Frank Snell substation will not only improve reliability for that immediate area, but also serve as backup to adjacent substations during system emergencies or maintenance.

“Singing River Electric is one of few electric cooperatives that constructs its own substations and builds interconnecting tie lines between existing structures,” said Singing River Electric Manager of Engineering Tom Davis. “These distribution interconnections allow SRE crews to transfer load during system emergencies or planned substation outages to decrease outage times for members.”

Jackson County was also the location of SRE’s newly energized Helena Industrial Park substation, which was needed to attract more industry and ensure that SRE had the capacity to serve these new businesses. This sub will also allow the co-op to more reliably serve residential members in the area.

SRE linemen and construction crews continued to upgrade copper wire to aluminum wire in Greene County. “Durability of the aluminum lines will decrease outage time and increase reliability for members in this area,” stated Davis.

In addition to line upgrades, the co-op spent time in 2018 inspecting power poles and equipment systemwide. SRE partnered with Cooperative Energy to use infrared technology to inspect substations during summer heat. Inspections can reveal heat buildup associated with loose or failing connections. Identifying these problems early allows SRE to make repairs prior to failure, reducing outages and inconveniences to members.

Technology is also playing an important role in the staking process. Staking is planning or designing power lines to provide new service to homes and businesses. SRE engineers are working to automate this process and make it paperless, which will increase efficiency and help with record retention.

2018 TIMELINE



BALANCE SHEETS AT DECEMBER 31, 2018 AND 2017

ASSETS	2018	2017
UTILITY PLANT:		
Electric plant in service	\$338,435,444	\$327,945,301
Construction work in progress	2,326,345	2,606,159
Less: Accumulated provision for depreciation and amortization	(97,468,829)	(93,238,230)
Retirement work in progress	119,296	174,563
Net utility plant	243,412,256	237,487,793
OTHER ASSETS AND INVESTMENTS:		
G&T and other capital credits	68,867,514	65,440,996
Economic development loan receivables	764,223	1,520,802
Other investments	416,349	384,628
Total other assets and investments	70,048,086	67,346,426
DEFERRED CHARGES:		
Prepaid pension	2,944,135	3,623,551
Total deferred charges	2,944,135	3,623,551
CURRENT ASSETS:		
Cash and cash equivalents	4,771,879	6,128,361
Restricted cash - Cooperative Energy	24,200,000	24,700,000
Disaster recovery fund	11,253,000	11,032,000
Temporary cash investments	6,700,000	3,000,000
Accounts receivable		
Customers, less provision for doubtful accounts	8,712,963	8,395,806
Other	3,338,870	2,919,959
Materials and supplies	4,168,156	4,666,283
Other current and accrued assets	488,898	498,277
Total current assets	63,633,766	61,340,686
Total assets	\$380,038,243	\$369,798,456
LIABILITIES AND EQUITIES		
EQUITIES:		
Memberships	\$297,385	\$295,350
Patronage capital	174,505,740	166,221,444
Accumulated other comprehensive income (loss) - unrecognized components of net periodic benefit costs	6,235,811	6,144,800
Other equities	15,037,952	14,298,727
Total equities	196,076,888	186,960,321
LONG-TERM DEBT:		
Notes payable	147,945,969	145,605,643
Current lease obligations	1,239,195	1,472,632
Less: Current maturities	(8,473,438)	(8,347,589)
Total long-term debt	140,711,726	138,730,686
CURRENT LIABILITIES:		
Current maturities on long-term debt	8,473,438	8,347,589
Current maturities on postretirement benefit obligation	643,327	596,200
Accounts payable		
Purchased power	8,712,660	10,119,516
Other	759,113	1,086,814
Customer deposits	5,697,897	5,580,333
Accrued liabilities		
Payroll and compensated absences	1,589,334	1,444,781
Interest	954,121	950,217
Other	796,038	775,310
Total current liabilities	27,625,928	28,900,760
Deferred credits:		
Deferred G&T power credit	1,186,612	-
Total deferred credits	1,186,612	-
Other liabilities:		
Accumulated postretirement benefit obligation	14,437,089	15,206,689
Total liabilities and equities	\$380,038,243	\$369,798,456