



# 2021 ANNUAL REPORT



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Lucedale, MS 39452



## CEO Message

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



**Brian Hughey**  
General Manager and CEO

Over the past year, your electric cooperative provided quality electric service to the membership. Daily, our employees strived to deliver the most efficient service at the lowest possible cost. Whether we extended a line for a new home, upgraded a line to assure reliable service, offered a new prepay option for members, built a new substation to assure electric energy was readily available

to growing communities, or assisted members by phone, our team of employees was there for you.

We saw changes across the nation related to power generation. Our wholesale power provider, Cooperative Energy, continued to provide reliable electric energy to Singing River Electric (SRE) at an affordable cost. However, this proved to be a challenge with rising natural gas costs, material costs, and costs associated with converting to more renewable generation options to meet carbon emission requirements. Over the next year, we expect costs associated with power generation to continue rising. Cooperative Energy and SRE will continue working together to minimize potential impacts to our members.

SRE put a strong emphasis on community support through programs that provide education, assistance and value to members. Some examples were the Neighbors Helping Neighbors Community Grant and Energy Assistance programs, community cleanup events, and a variety of youth education programs. Following a majority vote by our membership, SRE formed a new subsidiary, Singing River Connect, allowing us to provide high-speed fiber internet service to our communities. After receiving overwhelmingly positive feedback from subscribers within our initial pilot areas, your board of directors approved Phase 2 of the project. We ask for your patience as we move through this challenge in a very careful manner.

As a member-owned cooperative, Singing River Electric wants to see the communities we serve grow and prosper. With that, our first responsibility is to provide you with quality electric service. This is and will continue to be your cooperative's primary goal.

## Electric Service

Reliability and member benefits remain priorities

SRE employees began building the Cumbest Bluff substation in north Jackson County to improve system reliability and performed proactive substation maintenance on other structures. Construction began on a SCADA system connecting SRE substations and offices via fiber-optic cable to provide real-time data, reduce outages times and allow greater system control. A system-wide inspection identified any issues following 2020's Hurricane Zeta.

Linemen restored power to members after countless thunderstorms and after Tropical Storm Claudette and Hurricane Ida. They assisted fellow cooperatives after winter storms, thunderstorms, and Ida.

SRE offered a prepay option for members who want to pay for electricity as they go. SRE's board retired **\$2.5 million in capital credits** for the year 1995; Cooperative Energy retired \$1.5 million in capital credits for specific years. Through a partnership with Cooperative Energy and Singing River Federal Credit Union, a Level 2 electric vehicle (EV) charging station is in the works at SRFCU's Lucedale branch.



# Fiber Construction

## Lightning fast uploads and downloads experienced, as SRC moves into Phase 2 of construction

Singing River Electric and its fiber internet affiliate, Singing River Connect, currently have nearly 800 miles of fiber constructed and serve more than 1,000 fiber subscribers.

In April 2022, SRE's board voted to launch Phase 2 of the broadband expansion. The second phase brings total fiber-optic cable miles to nearly 2,000 with more than 12,000 potential fiber internet subscribers in George, Greene, Wayne, Perry and Jackson counties.

Singing River Connect's customer service is exemplary - what you expect and already receive from Singing River Electric. The fiber product is lightning fast, symmetrical and like nothing you have ever seen. Partner that with the **Ultimate Wi-Fi Experience**, including ExperienceIQ and ProtectIQ, and all devices connected to your network are protected, while you have the latest tools to keep your family safe online.



# Financials

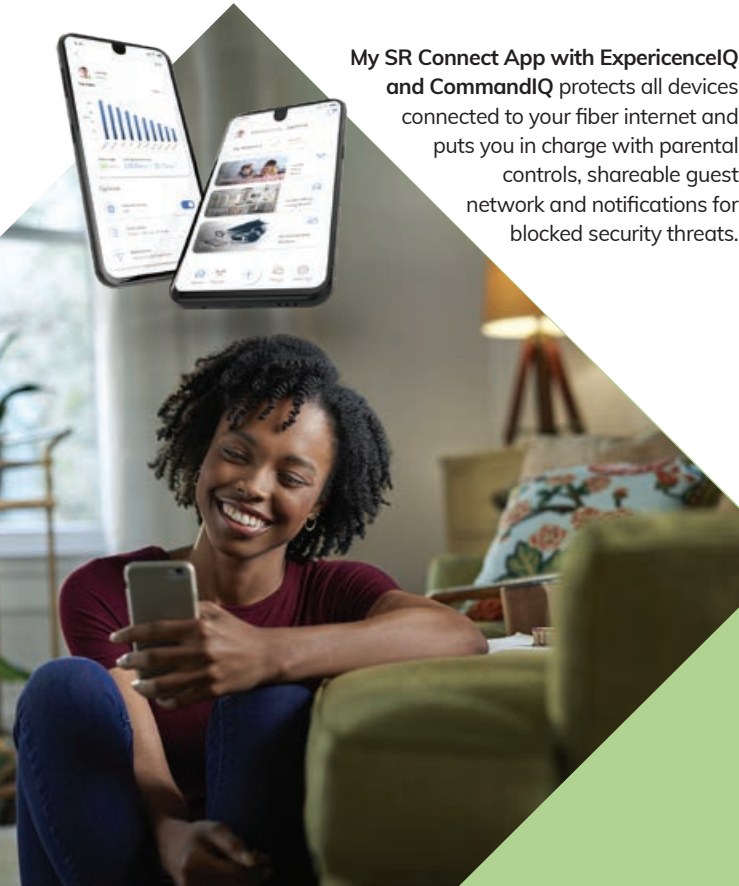
## Consolidated Balance Sheets at December 31, 2021 and 2020

ASSETS	2021	2020
<b>UTILITY PLANT:</b>		
Electric plant in service	\$377,063,371	\$367,142,857
Internet plant	320,224	-
Construction work in progress	12,474,427	5,116,018
Less: accumulated provision for depreciation	(110,537,740)	(108,076,377)
Net utility plant	<u>279,320,282</u>	<u>264,182,498</u>
<b>OTHER ASSETS AND INVESTMENTS:</b>		
G&T and other capital credits	76,059,887	74,114,921
Economic development loan receivables	162,050	369,553
Other investments	147,650	150,031
Total other assets and investments	<u>76,369,587</u>	<u>74,634,505</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	8,942,218	10,711,354
Restricted cash - Cooperative Energy	10,410,000	17,599,997
Temporary cash investments	580,000	14,939,000
Accounts receivable		
Customers, less provision for doubtful accounts	8,248,653	6,911,568
Federal Emergency Management Agency	8,761,404	6,769,764
Other	2,022,878	2,465,599
Unbilled revenue	7,597,952	8,794,359
Materials and supplies	9,775,865	4,288,179
Other current assets	568,500	535,869
Total current assets	<u>56,907,470</u>	<u>73,015,689</u>
<b>DEFERRED CHARGES:</b>		
Prepaid pension	905,888	1,585,304
Deferred tax asset	142,690	-
Total deferred charges	<u>1,048,578</u>	<u>1,585,304</u>
Total assets	<u>\$413,645,917</u>	<u>\$413,417,996</u>
<b>LIABILITIES AND EQUITIES</b>		
	2021	2020
<b>EQUITIES:</b>		
Memberships	\$309,245	\$304,890
Patronage capital	196,443,960	188,349,095
Accumulated other comprehensive income(loss) - unrecognized components of net periodic benefit costs	935,635	1,815,772
Other equities	21,142,119	19,564,275
Retained deficit	(406,119)	-
Total equities	<u>218,424,840</u>	<u>210,034,032</u>
<b>NONCURRENT LIABILITIES:</b>		
Notes payable	154,170,332	163,453,264
Capital lease obligations	498,094	752,009
Accumulated postemployment benefit obligation	18,687,586	18,079,585
Less: current maturities	(10,781,723)	(10,495,530)
Total long-term debt	<u>162,574,289</u>	<u>171,789,328</u>
<b>CURRENT LIABILITIES:</b>		
Current maturities on notes payable	9,460,319	9,282,933
Current maturities on capital lease obligations	261,451	254,145
Postemployment benefit obligation, current portion	1,059,953	958,452
Accounts payable		
Purchased power	8,254,249	10,406,363
Trade	3,322,573	1,459,711
Member deposits	6,070,051	5,879,032
Accrued liabilities		
Payroll and compensated absences	1,849,196	1,833,466
Interest	965,465	999,274
Other	510,814	521,260
Total current liabilities	<u>31,754,071</u>	<u>31,594,636</u>
<b>DEFERRED CREDITS:</b>		
Consumer energy prepayments	892,717	-
Total deferred credits	<u>892,717</u>	<u>-</u>
Total liabilities and equities	<u>\$413,645,917</u>	<u>\$413,417,996</u>

# Financials

## Consolidated Statements of Revenue at December 31, 2021 and 2020

	2021	2020
<b>OPERATING REVENUE:</b>		
Residential	\$114,082,627	\$112,653,898
Commercial and industrial (1,000 kva or less)	33,937,350	33,417,708
Commercial and industrial (over 1,000 kva)	6,210,026	5,906,757
Public highway and street lighting	393,409	391,664
Other electric revenue	5,265,238	5,154,086
Internet revenue	1,421	-
Total operating revenue	<u>159,890,071</u>	<u>157,524,113</u>
<b>OPERATING EXPENSES:</b>		
Cost of power	108,470,686	107,320,302
Cost of internet	26,413	-
Distribution expenses - operations	3,944,466	3,496,185
Distribution expenses - maintenance	10,058,436	12,403,584
Consumer accounts expenses	6,006,195	5,489,712
Administrative and general expenses	7,718,041	7,510,014
Depreciation expense	10,614,428	10,225,583
Taxes	14,030	13,722
Total operating expenses	<u>146,852,695</u>	<u>146,459,102</u>
OPERATING MARGINS BEFORE FIXED CHARGES	<u>13,037,376</u>	<u>11,065,011</u>
<b>FIXED CHARGES:</b>		
Interest on long-term debt	5,118,554	5,437,517
Other interest	108,291	140,699
Total fixed charges	<u>5,226,845</u>	<u>5,578,216</u>
OPERATING MARGINS AFTER FIXED CHARGES	<u>7,810,531</u>	<u>5,486,795</u>
G&T AND OTHER CAPITAL CREDITS	<u>3,993,188</u>	<u>3,924,322</u>
NET OPERATING MARGINS	<u>11,803,719</u>	<u>9,411,117</u>
NON-OPERATING MARGINS (LOSS)	<u>(214,394)</u>	<u>1,065,858</u>
INCOME TAX BENEFIT	142,690	-
NET MARGINS FOR THE YEAR	<u>11,732,015</u>	<u>10,476,975</u>



# Community Service

## Concern for Community, the seventh cooperative principle, is taken to heart

Nearly \$20,000 in Neighbors Helping Neighbors Community Grants was awarded to local nonprofits in 2021. Grant funds purchased instruments for George County Middle School band members, materials to build bird sanctuary enclosures for Wild at Heart Rescue, and drones for St. Martin High STEAM Team, FABLAB Jackson County and Sand Hill Attendance Center.

During the **Cooperative Days of Service** to honor the life of Dr. Martin Luther King Jr., employees cleaned and landscaped the Chickasawhay River's Leakesville Landing boat launch, constructed shelves at Gautier's Boys and Girls Club, and built shelves for Love Thy Neighbor food ministry.

Community projects also included planting trees at Lucedale City Park, donating 1,700 bareroot seedlings to local organizations and cities, and demonstrating electric industry opportunities at the Pathways2Possibilities Career Fair.

