



2021 ANNUAL MEMBERSHIP REPORT



BRINGING THE POWER



CEO WELCOME

WELCOME TO OUR 2021 ANNUAL MEMBERSHIP MEETING

As the year passes, it's important for us to pause and look back at where we've been to continue setting goals for an even better future. It's hard to believe that it has been just over a year since I joined Southern Pine Electric. My goal then and now is to provide safe, reliable, and affordable electric service to our members while creating a safe, positive, and productive environment for our employees. My first mission at Southern Pine was to meet the employees and learn from them and their experiences. I wanted to get a true sense of what the employees thought in order to develop goals and implement Southern Pine's future strategies. I did that. I met with each employee during my first couple of months. I gained tremendous insights into the cooperative and our employees' dedication to the members. It has been an honor to get to know this dedicated team of professionals. We used



their expertise and developed plans to work together for a stable, sustainable, and long future for Southern Pine. During an all-employee meeting, I shared with the team that I believe we should always "do the right thing because it's the right thing to do." That belief is what drives me every day in making decisions. I want each decision I make to benefit the members and the cooperative. It is also what leads every employee at Southern Pine. Doing what is right is the only way to operate a cooperative and the best way to live a life.

Even with that one simple guiding principle, every year has its challenges. As everyone knows, 2020 was not our typical year. With a worldwide pandemic that impacted everyone, Southern Pine worked to ensure that we continued to bring the power to the members despite what was going on around us. The employees have faced obstacles in their own lives, just as you have. Their faith and dedication have indeed shown through in the past year. When 2021 arrived, and everyone breathed a sigh of relief that maybe things could return to normal, a historic ice storm hit the Southeastern United States. Southern Pine battled the elements to restore thousands of outages, and I am proud of

the determination and resilience of our employees in extreme conditions. They worked tirelessly, often without power themselves, to restore our members as safely and quickly as possible. We never know what lies ahead, but we do know we can face it together. Weather patterns are changing, more storms are coming, COVID-19 is a continued concern, but our commitment to you does not change. I look forward to many more years with Southern Pine and to serving our one goal of bringing the power to you.

A handwritten signature in black ink that reads "Chris K. Rhodes".

CHRIS K. RHODES
PRESIDENT & CEO



BOARD OF DIRECTORS



Billy M. Berry
Simpson County



Mims W. Berry
Lawrence County



Dean Kirby
Rankin County



Charles Lowe
Copiah County



Fountaine McNair
At Large



Haskins Montgomery
Jasper County



Billy Parish
Jefferson Davis County



Jeffery Sims
Forrest County



Greg Sullivan
Covington County



David Tadlock
Scott County



Richard Thoms
Newton County



Staci Rhodes
At Large



Blaine Eaton
Smith County

BOARD REPORT

"What is the Purpose of Southern Pine? We exist to serve our members."



What a different year 2021 has been for Southern Pine, our employees, and members. Just as we were recovering from 2020, the COVID virus reminded us again that we are not done with the lingering pandemic and its complications. Due to health concerns and safety protocols, this is the second year the Annual Membership Meeting will be held virtually. A difficult decision to make, it is one that the board felt necessary to help protect our members and employees. We hope that this will be the last virtual meeting and we can welcome our members on site for fellowship next year. Faced with some of the toughest challenges in our history, we have persevered by focusing on what is most important – serving our members and remembering that our mission is to provide reliable electricity to members at an affordable cost. Maintaining that focus has allowed us to navigate through unknown territory with the pandemic and encouraged us to think outside the box for solutions that will help meet our members' needs. As we continue

to search for ways to connect with our members through surveys, and numerous conversations, you have helped us identify some of the most significant challenges and opportunities facing Southern Pine. Some of the questions we have faced this year, as a board, include how to assist in providing broadband to rural areas, how to always be open and transparent, how to protect private member information and how to keep a massive network secure. Responding to our members' needs led us to collaborate with TEC, who will provide fast fiber internet services, beyond our scope of expertise and financial ability, to many underserved areas. As we closely monitor the rising costs for equipment and supplies, controlling maintenance and operational expenses has become more important than ever for Southern Pine.

Our community involvement continues to grow along with young member engagement. Through programs such as Member Circle, Adopt-a-School, National Cooperative Day of Service, food drives and more, the Southern Pine team reaches out to those needing our help. Working jointly with our community leaders, law enforcement and elected officials, we are helping make life better for our members and state. Our employees and board members give of their own time and

resources to promote education, assist members in need, and create economic development opportunities that will keep good paying jobs in our area.

I, along with each member of the board of directors, am here to serve you. It is not a responsibility that we take lightly. We will continue to listen to you, strive to anticipate and respond to rapid changes in technology, offer a broad range of services, promote workforce safety and development. Though we are not perfect and learn new things every day, we are and always will be 100% committed to you – our members!

A handwritten signature in black ink that reads "Billy M. Berry". The signature is fluid and cursive, with a long, sweeping tail on the last letter.

**BILLY M. "MICKEY" BERRY,
CHAIRMAN OF THE BOARD**

MEMBER SERVICES

MYPOWER

MyPower is an online tool that allows you the opportunity to view your billing history, daily kilowatt hour use and past bills. In addition, MyPower makes it easy to report outages, make a payment and sign up for paperless billing.



To set up a MyPower account, please follow these easy steps:

- Click on the green "MyPower" button located at the top of the homepage of our website, www.southernpine.coop.
- Click on "Register" in the lower right corner, of the login box.
- Enter your account number, last 4 digits of your SSN or Tax ID number, and a valid email address. You will also have the option to choose paperless billing.
- Once this is completed, you will receive an email with a link to continue the registration process where you will choose a password. You may have to check your spam folder to find the email to complete registration.

PAPERLESS BILLING

Southern Pine Electric now offers the convenience of paperless billing, which is fast, easy, secure and convenient. To select paperless billing, log in or create a MyPower account online.



ONLINE BILL PAY

Southern Pine Electric members can easily pay their bill online by credit card, debit card or e-check using their MyPower account. There is no service fee to pay online. To make your payment online, simply visit www.southernpine.coop and click on the "Pay My Bill" icon located on the top of the homepage.

You can also pay by phone at 1-800-231-5240.



OUTAGE VIEWER

The Southern Pine Electric Outage Viewer is available to our members 24-7. When there's an outage anywhere in Southern Pine territory, members can locate it, find out how many members are affected and follow the progress of the restoration effort.

Find the Outage Viewer map by going to www.southernpine.coop and clicking on the Report an Outage icon on the right side of the page.

REPORTING AN OUTAGE

Southern Pine Electric makes it easy to report an outage with two simple options:

- Call 1-800-231-5240 and follow the automated prompts to report the outage.
- Sign up for MyPower. This will give you the ability to bypass our call system and report the outage online using your smartphone or tablet. To sign up, visit www.southernpine.coop.

BANK DRAFT

Southern Pine Electric's Bank Draft program is the most convenient way to pay your power bill. It also gives you the security of knowing your power bill will be paid on time. Eliminate the hassle of mailing a check or driving to the office!

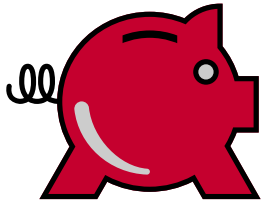
SIGN UP FOR BANK DRAFT FROM THE COMFORT OF YOUR HOME!

- Visit www.southernpine.coop and log in to your MyPower account. Click "Draft Payment Options" on the left side of the screen and fill out your bank information.
- OR**
- Print out and complete the form available online at www.southernpine.coop/bank-draft-plan and return it to us along with a voided check.

@MYSOUTHERNPINE

Social media gives Southern Pine the chance to connect to its members. Through Facebook and Twitter, we post information on energy efficiency, safety, and special information for our members. Additionally, during severe weather, these sites provide instant communications on storm preparation, outage information, and restoration updates. To receive Southern Pine updates, simply like us on Facebook and follow us on Twitter.

REFRAIN FROM POSTING OUTAGES ON SOCIAL MEDIA OR EMAIL AS THEY ARE NOT MONITORED 24-7.



2021 TIMELINE OF EVENTS



JANUARY

- Southern Pine employees participated in Cooperative Day of Service. Employees served our community by picking up trash on the roadways and working to restore a home to be used as a drug recovery ministry.

MARCH

- Cooperative University was held at the Taylorsville Campus as we hosted 26 high school juniors from the Southern Pine service area. Two students were chosen for a cash scholarship.

FEBRUARY

- A historic ice storm wreaked havoc on our system causing 27,500 outages.

APRIL

- Southern Pine celebrated Linemen Appreciation Month and honored the hard-working men who are an integral part of bringing the power to our members.

MAY

- Southern Pine hosted Co-op Media Day, a joint event with six sister co-ops. Our media partners were able to learn about electric distribution cooperatives and our governing principles.
- Lightning' Jack, Southern Pine's new mascot, made his debut.

JULY

- The IT team completed a credit/debit card project. Members were excited to be able to pay their bills using a credit or debit card at any Southern Pine location.

SEPTEMBER

- The first Stuff-a-Truck Food Drive was held in Collins to benefit local food banks in our area. The event received overwhelming community support.
- Southern Pine hosted blood drives in Newton and New Hebron Districts to help with the critical blood shortage in Mississippi.

NOVEMBER

- Southern Pine's Annual Membership Meeting was held virtually due to the pandemic.

JUNE

- Southern Pine successfully completed a conversion to Meridian, a more current software available to store financial and member records.

AUGUST

- August ended with Hurricane Ida hitting the Gulf and barreling through the Southern Pine service area. The storm caused over 22,000 outages which were restored within 36 hours.

OCTOBER

- Southern Pine celebrated National Co-op Month.
- Southern Pine successfully completed the Electric Cooperatives of MS's Safety Accreditation Program.

CERTIFICATE of Birth



Date,
May 13th, 2021

Louis L.
Dr. Louis Lineman
Delivery Doctor

Safety F.
Dr. Safety First
Chief Medical Officer

LIGHTNIN' JACK

Sex : Male
Weight: 12.5 lbs
Height : 21 Inches

Date of Birth : May 13, 2021
Place of Birth : Taylorsville, MS

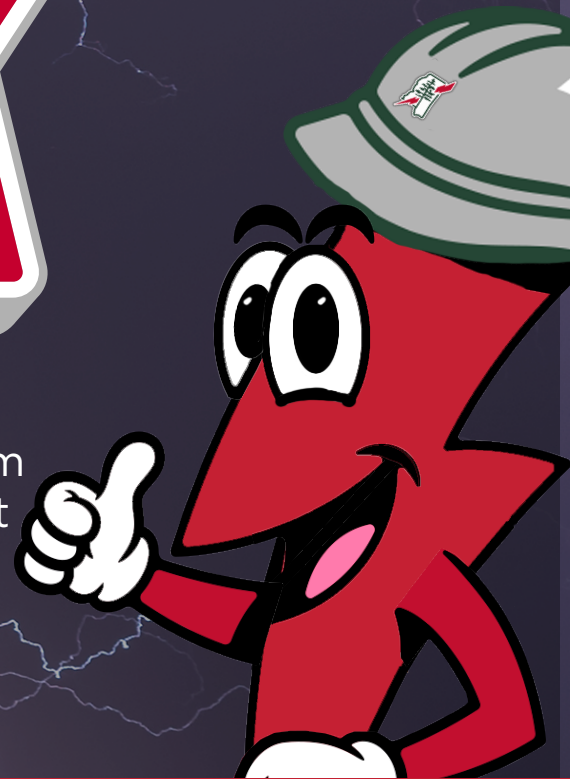
Mother Name : Tricity Current
Father Name : Lightnin' Jack Current, Sr.

Hospital Name : Lineman General

INTRODUCING

LIGHTNIN' JACK

Hi, everyone, I'm Lightnin' Jack, Southern Pine's new mascot, and you'll be seeing a lot of me from now on. I am so excited to be here with the great people at Southern Pine and I can't wait to meet all of our members.



FINANCIALS | BALANCE SHEETS



ASSETS

	2020	2019
UTILITY PLANT		
Electric Plant in Service	\$487,860,358	\$476,814,073
Construction Work in Progress	\$ 8,145,383	\$10,907,068
	\$496,005,741	\$487,721,141
Less Accumulated Provision for Depreciation	\$153,204,042	\$143,782,379
Net Utility Plant	\$342,801,699	\$343,938,762

OTHER ASSETS AND INVESTMENTS

Investments in Associated Organizations	\$97,471,605	\$94,410,240
Economic Development Loans Receivable	\$1,339,025	\$1,685,139
Sinking Fund Investment	\$9,000	\$9,000
Total Other Assets and Investments	\$98,819,630	\$96,104,379

CURRENT ASSETS

Cash and Cash Equivalents	\$3,834,640	\$4,418,423
Short-Term Investments	\$3,865,000	\$3,865,000

ACCOUNTS RECEIVABLE

Members	\$16,854,522	\$16,300,558
FEMA receivable	\$5,945,329	
Unbilled Revenue	\$7,347,640	\$6,440,711
Materials and Supplies	\$6,549,578	\$6,529,013
Prepaid Expenses	\$679,125	\$647,836
Total Current Assets	\$45,075,834	\$38,201,541

DEFERRED DEBITS

Regulatory Assets	\$1,610,772	\$2,384,803
Other	\$245,258	\$143,196
Total Deferred Debits	\$1,856,030	\$2,527,999
Total Assets and Deferred Debits	\$488,553,193	\$480,772,681

EQUITIES AND LIABILITIES

	2020	2019
EQUITIES		
Memberships	\$351,087	\$346,852
Other Equities	\$7,769,764	\$2,134,447
Patronage Capital	\$296,730,178	\$284,423,180
Total Equities	\$304,851,029	\$286,904,479

NONCURRENT LIABILITIES

Notes Payable, Net of Current Maturities and Debt Issuance Costs	\$136,611,247	\$130,793,650
Capital Lease Obligations, Net of Current Maturities	\$1,923,132	\$1,506,872
Total Noncurrent Liabilities	\$138,534,379	\$132,300,522

CURRENT LIABILITIES

Current Maturities on Notes Payable	\$7,844,270	\$7,235,805
Current Maturities on Capital Lease Obligations	\$489,572	\$342,544
Lines of Credit	\$10,500,000	\$21,750,000

ACCOUNTS PAYABLE

Purchased Power	\$12,402,576	\$11,333,204
Other	\$1,462,103	\$3,818,079
Undeliverable Capital Credits	\$3,403,860	\$7,438,474
Member Deposits	\$6,808,811	\$6,832,760

ACCRUED LIABILITIES

Payroll and Compensated Absences	\$1,779,329	\$2,373,938
Other	\$477,264	\$442,876
Total Current Liabilities	\$45,167,785	\$61,567,680
Total Equities and Liabilities	\$488,553,193	\$480,772,681

FINANCIALS

STATEMENTS OF INCOME

2020

2019

OPERATING REVENUES

Revenues from Contracts with Members	\$192,093,937	\$198,625,235
Other	\$2,341,567	\$2,658,001
Total Operating Revenues	\$194,435,504	\$201,283,236

OPERATING EXPENSES

Cost of Power	\$132,447,207	\$140,931,370
Distribution Expenses - Operations	\$3,868,487	\$4,613,448
Distribution Expenses - Maintenance	\$10,628,256	\$12,930,543
Consumer Accounts Expenses	\$4,521,745	\$4,639,033
Customer Service and Informational Expenses	\$499,939	\$342,649
Administrative and General Expenses	\$9,915,501	\$11,580,296
Depreciation Expense	\$13,894,075	\$12,887,590
Taxes	\$655,298	\$676,265
Total Operating Expenses	\$176,430,508	\$188,601,194

OPERATING MARGINS BEFORE FIXED CHARGES

	\$18,004,996	\$12,682,042
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FIXED CHARGES

Interest Expense	\$5,051,012	\$6,031,758
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OPERATING MARGINS AFTER FIXED CHARGES

	\$12,953,984	\$6,650,284
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G & T AND OTHER CAPITAL CREDITS

	\$4,589,091	\$4,649,927
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NET OPERATING MARGINS

	\$17,543,075	\$11,300,211
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NONOPERATING INCOME (EXPENSE)

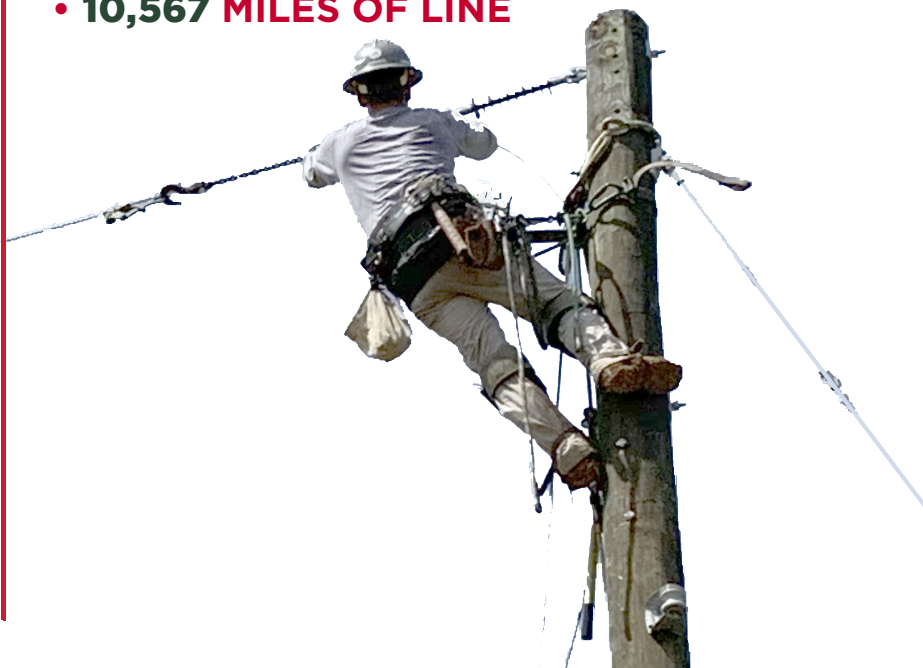
Interest Income	\$359,676	\$417,386
Miscellaneous Income (Expense)	(\$2,052,848)	\$516,486
Total Nonoperating Income (Expense)	(\$1,693,172)	\$933,872

NET MARGINS FOR THE YEAR

	\$15,849,903	\$12,234,083
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2020 FACTS AND FIGURES

- **SOLD 1.8+BILLION KILOWATT-HOURS**
- **AVERAGE RESIDENTIAL METER USED 1,128 KILOWATT-HOURS PER MONTH**
- **68,911 TOTAL ACTIVE ACCOUNTS**
- **10,567 MILES OF LINE**











ADOPT-A-SCHOOL

RAISING OUR HANDS TO LEND A HAND

Southern Pine Electric values working with the communities we serve to make life better for everyone. One of the ways we do that is through the Adopt-a-School program. Each year, Southern Pine chooses a new school in its service territory.



Due to the COVID-19 pandemic, Southern Pine chose to adopt Jefferson Davis High School in Bassfield for a second academic year. Even though safety restrictions made it a different year, we were still able to show appreciation to the faculty and staff, assist with installation of their new scoreboard, and help in other ways. Southern Pine works together with teachers and administrators, providing resources and participating in activities. Traditionally, employees help gather school supplies, volunteer at school events, and provide learning experiences for students to teach a new generation about the benefits of belonging to a cooperative and career options with Southern Pine Electric.

We were honored to be able to serve as a partner with Jefferson Davis High School for the 2020-2021 academic year.



SAFETY



COMMITMENT TO SAFETY

Reaching one million hours worked without a lost-time incident in January 2020 only strengthened Southern Pine's commitment to safety. As always, safety is our number one priority. We reinforce that commitment through our cooperative-wide safety program, continuous safety protocol meetings, and providing employees with the personal protective equipment they need.

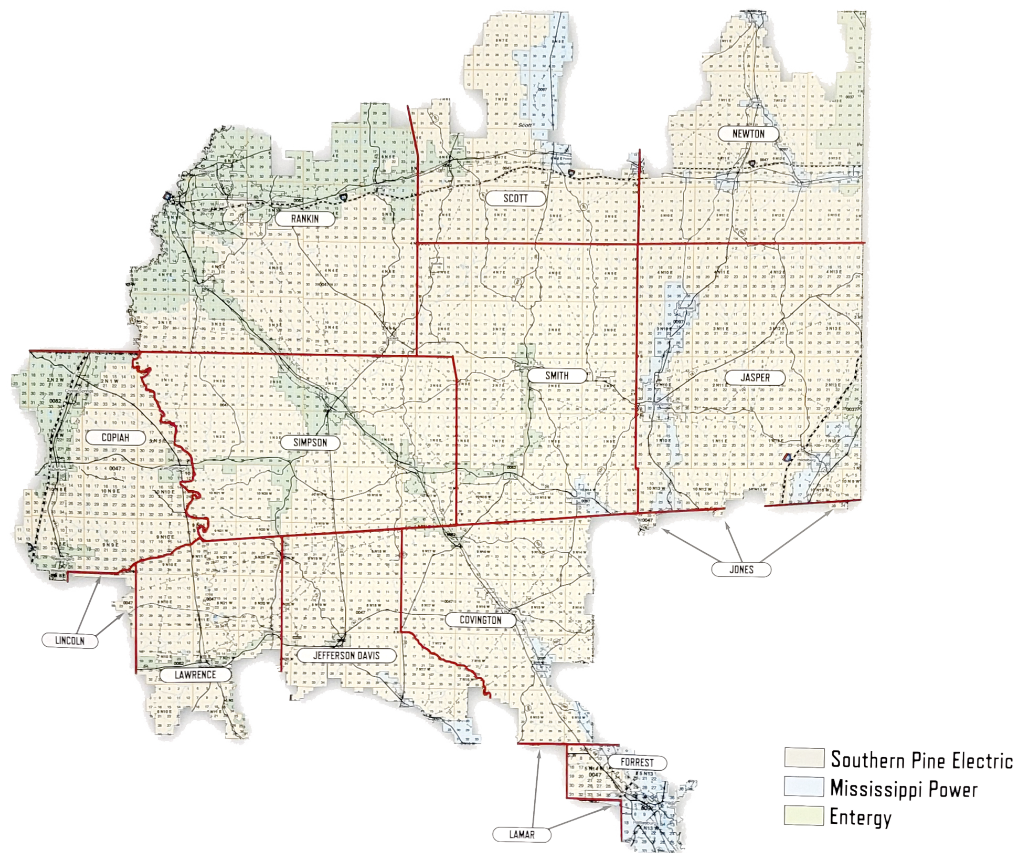
At the beginning of 2021, Southern Pine launched the "What's Your One?" safety campaign to remind all employees of their reasons to be safe in their workplace. The campaign focuses on what matters the most to us and guides our decisions every day, allowing us to return home to our "one." Everyone has that one important reason to work safely. Safety awareness does not just start when our employees walk through the doors of Southern Pine. Safety awareness is crucial at home, on the roadways,

during playtime with sports and hobbies, and every other aspect of our lives. We want all our employees and members to always keep safety in the forefront of their minds. With the COVID-19 pandemic, our primary focus has been safety. We strive to follow all policies and procedures to keep you and our employees safe.

WHAT'S YOUR
ONE?



SERVICE TERRITORY



HEADQUARTERS

P.O. Box 60 • 13491 Highway 28
Taylorsville, MS 39168

601-785-6511 or 1-800-231-5240

www.southernpine.coop

BRANDON

3215 Louis Wilson Drive

601-824-7070 or 1-800-698-9574

District Manager: Eddie Mitchell

21,885 Meters

NEW HEBRON

2504 Ferguson Mill Road

601-694-2711 or 1-800-698-9571

District Manager: Brandon Henderson

14,997 Meters

NEWTON

1400 S. Main Street

601-683-2200 or 1-800-698-9573

District Manager: Jamie Baucum

9,223 Meters

TAYLORSVILLE

13491 Highway 28

601-785-6511 or 1-800-231-5240

District Manager: Mike Kennedy

15,350 Meters

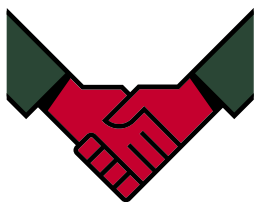
HATTIESBURG BRANCH

7848 U.S. Highway 49

601-264-0185

6,494 Meters

7 COOPERATIVE PRINCIPLES



1. VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote), and cooperatives at other levels are organized in a democratic manner.



3. MEMBERS' ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.



5. EDUCATION, TRAINING AND INFORMATION

Cooperatives provide education and training for their members, elected representatives, managers and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

6. COOPERATION AMONG COOPERATIVES

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. CONCERN FOR COMMUNITY

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



BRINGING THE POWER



**THE MISSION OF SOUTHERN PINE ELECTRIC'S BOARD OF DIRECTORS
AND EMPLOYEES IS TO ENHANCE THE QUALITY OF LIFE OF OUR
MEMBERS AND COMMUNITY BY SAFELY PROVIDING RELIABLE
ELECTRIC ENERGY AT AN AFFORDABLE PRICE.**





SOUTHERN PINE ELECTRIC

P.O. BOX 60 13491 HWY 28 TAYLORSVILLE, MS 38682 800.231.5240 WWW.SOUTHERNPINE.COOP