

powerlines



Coweta-Fayette



Annual Report 2022

We're excited about the opportunity this year to be back together with our members for our 75th Annual Membership Meeting and Appreciation Day to share fellowship and update you on the EMC's activities in person.

Last year, the meeting looked much different. Because of the COVID-19 Pandemic, we held our second drive-thru annual meeting. There were 1,755 members that participated in the drive-thru event and/or registered and voted during the week prior. Business session updates were streamed live via Facebook during the event and members heard updates from Coweta-Fayette EMC's Board President Jim Fulton and others online.

Coweta-Fayette EMC is all about making life better in the communities we serve and call home. We do that by continuing to deliver some of the lowest-priced electricity in the state of Georgia while meeting the increasing demand for energy at your homes and businesses. In June of this year, CFEMC's electric system set a new peak demand. We met this peak without a problem, thanks to our solid system design, great technology, and knowledgeable staff. Peak demand is simply the greatest demand placed on an electric system at a given time. CFEMC's system is built to provide you with the electricity you need and when you want it.

As renewable and clean energy continues to receive a lot of attention, it's important for you to know our power supply mix already includes energy produced from renewable resources located throughout the state. These resources include solar, landfill gas, hydro and wood waste. Solar will make up 10% of our capacity by the end of this year. In addition, we are participating in two new nuclear units at Plant Vogtle that will increase our carbon-free electricity beginning in 2023.

Reliability remains one of the most important drivers in the power supply conversation. Renewable generation sources are intermittent - the sun doesn't always shine and wind isn't viable in Georgia. We must have fuel sources that are reliable, available and can be put into use quickly to meet your needs. We must also have baseload generation that is available 24/7.

All of these considerations must be balanced with affordability. We're experiencing inflation



Chris Stephens
CEO



James W. Fulton, III
Chairman

just like you. CFEMC has managed well through the use of natural gas hedges and other fixed-price energy programs. However, even with these programs, we are seeing increases in energy costs from our power suppliers which ultimately affect you. Along with your Board, our staff works to evaluate every

dollar spent to ensure we make the wisest financial decisions on behalf of our members.

We will continue to take advantage of technological advances and market opportunities as they become available to meet your growing demand for renewable energy while ensuring that we also focus on the affordability and reliability of your power supply.

Knowing how much the electric industry will change over the next few years, investing in tomorrow's workforce is a priority. That's why we created the Alternative Energy Summer Adventure for Teachers in 2021. The tour provided a fun, educational experience centered around the growing demand for alternative energy options. We partnered with the Coweta County School System to host a three-day experience for local teachers, specifically in the fields of science, technology, engineering, and mathematics (STEM). The hands-on program offered dynamic, in-person sessions with valuable insight into the future of green energy, sustainability, and innovation.

The tour expanded in 2022 to include teachers from all the counties served by CFEMC. Since its inception, over 60 teachers have taken part in this innovative and interactive tour. It's received national attention as well. In May 2022, CFEMC was honored to receive the 2022 Edgar F. Chestnutt Award for Best Total Communication Program from the National Rural Electric Cooperative Association. STEM education is vital and primes students to become the next generation of innovators and it ensures we have a well-developed workforce to choose from in the future.

Building a strong future is a priority. As a local business, we're proud of our role in helping bring good things to our community. While the larger environment in which we operate is constantly changing, one thing remains constant, working together with you, the members we serve, we'll continue to be a catalyst for good.

We look forward to seeing you at your Annual Meeting on Saturday, October 8th.

Come join the fun and learn more about your cooperative during the **Member Appreciation Day and Annual Meeting**. The event will be held on **Saturday, October 8**, from **9a.m. -Noon** at the **EMC headquarters** located at 807 Collinsworth Road, Palmetto.

Your participation is important! Watch for your registration packet to arrive in the mail around Sept. 15.

For those unable to attend in person, we're once again providing you the opportunity to **register early** at any of our office locations during the week of Oct. 4-7.

Fun Activities for all ages include: children's activities, bingo for adults, and door prizes. You'll also find information on **Smart Choice Solar**, our **EV-Drive Free For A Year program**, **Operation Round Up**, and **True Natural Gas**.

Concessions including Chick-fil-A biscuits, popcorn, cotton candy and soft drinks will be available free of charge.

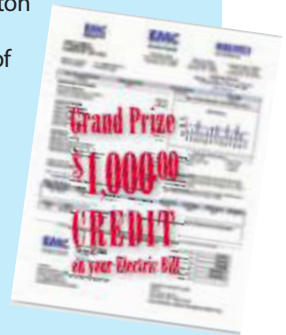
Prizes generously donated by vendors will be given away during the meeting. Every registered member will receive an **Emergency Roadside Car Kit** just for registering.

One lucky member will walk away with the **grand prize of a \$1,000 electric bill credit!** Each EMC member will have his/her name in the drawing and you must be present to win. **Registration closes at 11 a.m.**, so be sure to arrive early.

Take part in the **Health Fair**, provided by **Piedmont Healthcare** professionals. Lots of wellness information on a variety of topics will be available.

Parking is located at Northgate High School, 3220 Fischer Road, Newnan. Buses will transport you to and from EMC headquarters. For our disabled members, spaces located in front of the EMC entrance on Collinsworth Road will be available. Employees will be on-site to assist you.

For more information visit www.utility.org.



Balance Sheet

WHAT WE OWN	2021
Lines, Office Building and Operation Equipment	\$412,001,682
Less: Reserve for Depreciation	\$139,128,837
	<u>\$272,872,845</u>
General - Cash	\$5,713,442
Investments in Associated Organizations - Patronage Capital	\$113,649,732
Receivables	\$13,167,480
Materials and Supplies	\$3,436,697
Prepaid Expenses and Other Accrued Assets	\$8,075,487
TOTAL OF WHAT WE OWN	\$416,915,683
WHAT WE OWE	
To the Government - RUS/FFB	\$133,038,664
Other Cooperative Lenders - CFC	\$8,767,683
	<u>\$141,806,347</u>
To Consumers - Deposits	\$3,780,965
To Material Suppliers (Notes & Accounts Payable)	\$63,029,634
Other Current and Accrued Liabilities	\$5,801,998
Deferred Credits and Non Current Liabilities	\$14,298,228
OUR EQUITY IN ABOVE ASSETS	
Membership Fees	\$1,836,340
Patronage Capital & Other Equities	\$186,362,171
TOTAL OF WHAT WE OWE	\$416,915,683

Statistics of Operation

	2020	2021
WHAT WE TOOK IN		
Operating Revenue and Patronage Capital	\$172,849,844	\$179,872,911
WHAT WE PAID OUT		
Operating Revenue Deductions		
Operation expense:		
Cost of Power	\$119,886,390	\$126,359,398
Distribution expenses	\$8,015,311	\$8,459,375
Consumer accounts expense	\$5,167,218	\$5,430,177
Customer service & informational expense	\$1,311,610	\$1,427,776
Sales expense	\$873,222	\$1,163,692
Administrative & general expense	\$6,691,371	\$6,808,264
Maintenance expense:		
Distribution system	\$7,966,092	\$7,973,180
General plant	\$1,169,738	\$1,136,848
Depreciation and amortization	\$11,581,685	\$11,929,991
Interest on outstanding debt	\$6,308,784	\$5,259,049
Total cost of Electric Services	<u>\$168,971,421</u>	<u>\$175,947,750</u>
WHAT WE HAD LEFT		
Operating Margins and Patronage Capital	\$3,878,423	\$3,925,161
Non-Operating Margins-Other	\$5,688,369	\$2,008,417
	<u>\$9,566,792</u>	<u>\$5,933,578</u>
Total Operating and Non-Operating Margins	\$9,566,792	\$5,933,578
OEMC AND OTHER Patronage capital (CFC&GRESKO)	\$4,357,241	\$4,551,652
	<u>\$13,924,033</u>	<u>\$10,485,230</u>
Total Operating and Non-Operating Margns Including OEMC and Other Patronage Capitals (CFC & GRESKO)	\$13,924,033	\$10,485,230

2021

Meters Served

86,025

CFEMC has 86,025 meters served across 6,674 miles of line.

kWh Used

1,208

This is the average number of kilowatt hours each member uses per month.

Operation Round Up

30,524

Members participate in Operation Round Up which puts money back into charitable organizations in our community. The average member contributes around \$6 per year.

Scholarships

\$64,000

Operation Round Up awarded 25 scholarships to local students enabling them to pursue their dreams.

4.85%

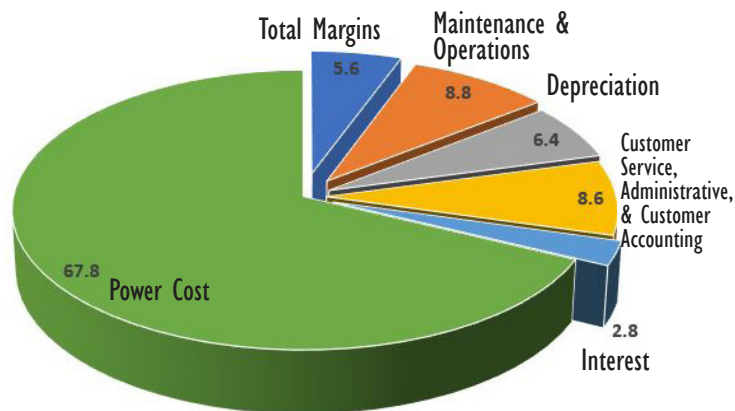
Capital Credit Factor

Since Coweta-Fayette EMC is a member-owned organization, any margins remaining after expenses are assigned to our member-owners annually. The percentage allocated for 2021 is 4.85%. These funds become part of our equity until they are returned to you as approved by our Board of directors.

By The Numbers



Coweta-Fayette



67.8 cents of every dollar Coweta-Fayette EMC receives goes toward power cost. That increase is due largely to the higher cost of fuels used to generate power and higher kWh sales.

Data is as of December 31, 2021.

STATEMENT OF NONDISCRIMINATION

Coweta Fayette EMC is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

BOARD OF DIRECTORS

James W. Fulton, III, Chairman • J. Neal Shepard, Vice Chairman • Daniel C. Langford, Jr., Secretary-Treasurer
Therol Brown • Donald Harris • Ross Henry • James Lee Hunter • Alice J. Mallory
Mildred A. Winkles