Connected Communities

2022 Annual Report

CEMC
Cumberland Electric Membership Corporation

CUMBERLAND CONNECT
powered by CEMC
Connecting communities...it’s what we do. Over the past 84 years, we have built an electric infrastructure that delivers safe, reliable and affordable electric service to more than 109,000 homes and businesses in rural Stewart, Montgomery, Cheatham, Robertson and Sumner counties.

Since 2019, our broadband subsidiary Cumberland Connect has been working diligently to build a fiber-to-the-home network that will provide our rural members with the same reliable, high-speed internet, phone and video services enjoyed by our nation’s largest cities. We recognize that in today’s connected world, broadband services have become as vital as any other utility. As of Fiscal Year 2022, Cumberland Connect has made fiber services available to over 50,000 homes and business in our area.

CEMC works hard every day to connect members to their best lives by providing the services upon which our communities rely – electricity and broadband. From our morning alarms to the ways we work, educate, entertain and care for ourselves throughout the day, access to these services is essential to our modern way of life.

Through it all, CEMC will always work to help fulfill our mission of connecting you, our members, to your best life.
CEMC is focused on providing cost-efficient, safe and reliable electricity to our members as we spent a busy year making improvements throughout our five-county system. Here’s a look at some of the most important activity in Fiscal Year 2022.

- Improvements to the Shady Grove Substation were completed. This $2.8 million-project will improve reliability and handle future growth in that area.
- Upgrades to the Greenbrier Substation were completed, converting the substation to a two transformer 25kV station.

In other work, we made system updates throughout our service territory.
- CEMC inspected 13,491 utility poles and replaced aging poles when needed. This ongoing inspection process of the 138,495 poles we maintain is important for safety and reliability.
- We added 3,177 permanent electric services (79.5% underground).
- To accommodate our growth, CEMC crews continued to convert, upgrade or multi-phase more than 90 miles of line across our service territory.

Our ongoing vegetation management efforts are essential to providing reliable electric and broadband service. To keep vegetation out of our lines and equipment, we trim and remove trees, cut back overgrown vegetation and apply herbicide to woody vegetation. CEMC alternates right-of-way trimming and targeted herbicide application to maintain our rights-of-way on a six-year rotation.

Additionally, we continue to see strong economic growth and development in our area. Since October 2021, $125 million in capital investments have been made and an additional 1,200 jobs have been created and retained in the CEMC service area.

Finally, safety in our workplace is always a priority. Earlier this year, CEMC completed the Rural Electric Safety Achievement Program (RESAP), a national program that uses a framework for continuous improvement to advance safety performance and culture.

“The safety of our employees is fundamental to our business success.”
Access to gigabit-speed, fiber Internet services continues to be a reality for CEMC members as we finished an exciting third year in the build out of a 100% fiber network in our five-county service area.

Cumberland Connect employees and contractors completed nine additional fiber hub sites this past year and have constructed 3,122 miles of mainline fiber to date, making Cumberland Connect fiber services available to more than 50,000 homes and businesses in the area.

As of August 9, 2022, a total of 17,355 members have signed up for the high-speed, fiber Internet service.

Cumberland Connect continues expanding CCFiber network services availability during Phase 3, and recently announced the areas to be included in Phases 4 and 5 of the fiber network build-out.

High-speed Internet is more than a utility; it is critical to the advancement of our communities and, more than ever, an essential part of our everyday lives. And, everyone should have access to reliable, high-speed Internet services. Therefore, Cumberland Connect is proud to participate in the Lifeline federal program.
and the FCC’s Affordable Connectivity Program. Learn more about the program at CumberlandConnect.org/acp.

Cumberland Connect continues to offer fast, reliable Internet services to rural communities, following the cooperative model that CEMC was founded on in the 1930s...putting people first and acting in our members’ best interests at all times.

To learn more or sign up for CCfiber services, visit Cumberland Connect online at CumberlandConnect.org.

CEMC and Cumberland Connect employees participate in the Back to School Bash in Portland.
In front of the U.S. Capitol are from left, Susie Yonkers, John-Paul Wood, Lilly Atkins, Cameron Jenkins, Katlyn Blake, Cooper Thurman, Karlye Dillard, Michael Carter, Christina Colovos, Meagan Blackwell, McKenzie Smith, Ernee Webb, Emily Rye, Sarah Hefty and Stephanie Lobdell.

4-H Electric campers get an up-close look at Cumberland Connect’s electric car, a Tesla Model 3, while visiting the electric vehicle learning center.

Washington Youth Your returns after two year absence

In front of the U.S. Capitol are from left, Susie Yonkers, John-Paul Wood, Lilly Atkins, Cameron Jenkins, Katlyn Blake, Cooper Thurman, Karlye Dillard, Michael Carter, Christina Colovos, Meagan Blackwell, McKenzie Smith, Ernee Webb, Emily Rye, Sarah Hefty and Stephanie Lobdell.

From left, CEMC Community Relations Coordinator Susie Yonkers, students Noel Price Jr. and Grace Howell and Sen. Bill Powers meet during the 2022 Youth Leadership Summit in Nashville.
Reaching out to help our communities
Local agencies receive $170,000 in Community Care Fund grants

Cumberland Electric Membership Corporation, in partnership with the Tennessee Valley Authority, is pleased to announce that it has awarded $170,000 to 23 local organizations aiding our communities during the ongoing COVID-19 pandemic in 2022.

Funding through CEMC was matched by TVA’s COVID-19 Community Care Fund, which was launched in April 2020 to help local power companies meet immediate needs in their communities by providing matching funds for local initiatives addressing hardships created by this pandemic.

As a local, nonprofit, member-owned cooperative, CEMC cares deeply about the communities we serve. Our board and employees live and work alongside our members, and we are proud to do our part to help our communities thrive.

CEMC employees present a Community Care Fund check to Second Harvest Food Bank, which serves those in need across Middle Tennessee.
Ad Valorem & Property Tax Payments

Each year CEMC pays ad valorem and property taxes to the cities and counties in which we have infrastructure. The amount of taxes paid is based on the assessed value of the infrastructure, including buildings, substations, transformers, poles and lines. The ad valorem and property taxes paid for the last three years are in the table, at right.

<table>
<thead>
<tr>
<th>Counties</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheatham</td>
<td>$ 371,425.00</td>
<td>$ 381,356.00</td>
<td>$ 347,353.00</td>
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<tr>
<td>Dickson</td>
<td>4,967.00</td>
<td>5,017.00</td>
<td>4,539.00</td>
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<tr>
<td>Montgomery</td>
<td>1,330,768.00</td>
<td>1,399,676.00</td>
<td>1,432,894.00</td>
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<td>Robertson</td>
<td>937,524.00</td>
<td>825,926.00</td>
<td>930,196.00</td>
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<td>Stewart</td>
<td>321,950.00</td>
<td>336,598.00</td>
<td>464,072.00</td>
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<td>Sumner</td>
<td>817,131.00</td>
<td>827,168.00</td>
<td>805,749.00</td>
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<td>County Total</td>
<td>$ 3,783,765.00</td>
<td>$ 3,775,741.00</td>
<td>$ 3,984,803.00</td>
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<table>
<thead>
<tr>
<th>Cities</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tbody>
<tr>
<td>Adams</td>
<td>$ 6,903.00</td>
<td>$ 5,964.00</td>
<td>$ 6,718.00</td>
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<tr>
<td>Ashland City</td>
<td>17,034.00</td>
<td>16,978.00</td>
<td>16,281.00</td>
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<td>Cedar Hill</td>
<td>1,580.73</td>
<td>1,694.00</td>
<td>1,822.21</td>
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<tr>
<td>Clarksville</td>
<td>114,548.00</td>
<td>123,729.00</td>
<td>140,157.00</td>
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<td>Coopertown</td>
<td>6,840.00</td>
<td>5,945.00</td>
<td>6,302.00</td>
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<td>Cumberland City</td>
<td>2,465.74</td>
<td>2,564.00</td>
<td>3,545.45</td>
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<td>Dover</td>
<td>44,117.00</td>
<td>45,596.00</td>
<td>52,646.00</td>
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<td>Gallatin</td>
<td>24,052.00</td>
<td>23,556.00</td>
<td>21,805.00</td>
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<td>Greenbrier</td>
<td>50,010.00</td>
<td>48,329.00</td>
<td>59,100.00</td>
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<td>Hendersonville</td>
<td>24,047.00</td>
<td>24,620.00</td>
<td>23,054.00</td>
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<td>Millersville</td>
<td>11,871.00</td>
<td>11,283.00</td>
<td>10,869.00</td>
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<td>Mitchellville</td>
<td>4,883.96</td>
<td>4,870.54</td>
<td>4,820.38</td>
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<td>Portland</td>
<td>84,416.00</td>
<td>83,068.00</td>
<td>79,553.00</td>
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<tr>
<td>Ridgetop</td>
<td>10,016.00</td>
<td>8,563.00</td>
<td>8,896.00</td>
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<td>Springfield</td>
<td>20,333.00</td>
<td>16,933.00</td>
<td>17,325.00</td>
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<td>White House</td>
<td>47,449.00</td>
<td>44,812.00</td>
<td>55,189.00</td>
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<td>City Total</td>
<td>$ 470,566.43</td>
<td>$ 468,504.54</td>
<td>$ 508,083.04</td>
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<tr>
<td>Grand Total</td>
<td>$ 4,254,331.43</td>
<td>$ 4,244,245.54</td>
<td>$ 4,492,886.04</td>
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CEMC Board of Directors

Chris A. Davis
General Manager

Charles R. Hancock
North Stewart County

Edward L. Oliver
North Montgomery County

Michael A. Mason
North Robertson County

Shela K. Williams
Director at Large
Secretary-Treasurer

James B. Watson
South Stewart County

C. David Morgan
South Montgomery County

Wesley H. Aymett
Cheatham County
Vice President

K. Jean Beauchamp
South Robertson County
Assistant Secretary-Treasurer

Edgar E. Swan
South Sumner County

Stewart

Montgomery

Robertson

Sumner

Cheatham

Tommy G. Whittaker
North Sumner County
President

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The Consolidated Financial Statements
(The Consolidated Financial Statements include the operations of CEMC and Cumberland Connect.)

Assets
Electric Plant $ 614,687,700
Depreciation (195,078,500)
Net Plant 419,609,200
Reserve & Cash Fund 38,154,700
Current & Accrued Assets 94,286,000
Deferred Debits 7,832,200
Total Assets $ 559,882,100

Equities and Liabilities
Current & Accrued Liabilities $ 63,354,500
Deferred Credits 19,389,600
Membership Investment 1,033,600
Long-term Debt 241,041,600
Earnings Reinvested in System Assets 235,062,800
Total Equities & Liabilities $ 559,882,100

Revenue and Expense Statement
Electric Sales Revenue $ 304,550,300
Cost of Services (217,924,400)
Operations Expense (36,482,500)
Maintenance Expense (23,420,500)
Depreciation Expense (18,250,100)
Debt Expense (5,870,200)
Net Margin from Electric Sales $ 2,602,600

Connect Operating Income 2,924,600
Rent 5,306,900
Forfeited Discounts 1,695,700
Miscellaneous Services 1,772,700
Other Income 994,900
Net Margin $ 15,297,400

CEMC received $325,962,100 in revenues in the fiscal year that ended June 30, 2022. Our revenues came from several sources: Residential Members; Large and Small Commercial Members; Broadband; and Miscellaneous Income, which includes Rent, Forfeited Discounts and Street and Outdoor Lights.

CEMC buys power from the Tennessee Valley Authority. In the fiscal year that ended June 30, 2022, we spent 70% of our electric sales revenue to pay our TVA power bill. The other 30% was used for operations, maintenance, depreciation, interest and tax expenses.
### Statistical Information

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<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
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<tbody>
<tr>
<td>Member Count</td>
<td>103,456</td>
<td>106,444</td>
<td>109,017</td>
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<tr>
<td>Long-Term Debt</td>
<td>120,292,052</td>
<td>207,006,869</td>
<td>249,917,709</td>
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<tr>
<td>Interest Paid</td>
<td>4,408,012</td>
<td>5,177,100</td>
<td>5,870,201</td>
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<tr>
<td>Total Kilowatt-Hours Sold</td>
<td>2,697,304,669</td>
<td>2,759,131,859</td>
<td>2,833,968,391</td>
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<tr>
<td>Average Monthly Residential Kilowatt-hour Consumption</td>
<td>1,461</td>
<td>1,434</td>
<td>1,435</td>
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<tr>
<td>Members per Mile</td>
<td>12.8</td>
<td>13.0</td>
<td>13.1</td>
</tr>
<tr>
<td>Miles of Line</td>
<td>8,099</td>
<td>8,204</td>
<td>8,323</td>
</tr>
<tr>
<td>Plant Investment per Meter</td>
<td>4,781</td>
<td>5,218</td>
<td>5,638</td>
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<tr>
<td>Wholesale Power Cost as % of Electric Sales Revenue</td>
<td>72.5%</td>
<td>70.2%</td>
<td>71.5%</td>
</tr>
</tbody>
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### Auditor's Statement

Cumberland Electric Membership Corporation’s financial statements are audited by the firm of Stone, Rudolph & Henry, PLC. Copies are available online at www.cemc.org.
Connecting you to your best life

District Offices

Ashland City
315 N. Main St.

Clarksville
1940 Madison St.

Dover
404 Spring St.

Gallatin
(kiosk-only beginning Oct. 1, 2022)
745 Blythe Ave.

Portland
207 S. Broadway

Springfield
1201 5th Ave. W

White House
2285 Highway 31 W

800-987-CEMC (2362)
CEMC.org