

2020 ANNUAL REPORT

BROADER HORIZONS



Central Georgia EMC

A Touchstone Energy Cooperative



BROADER HORIZONS

President John F. Kennedy once said that the problems of the world cannot possibly be solved by skeptics or cynics whose horizons are limited by the obvious realities. Our priorities at Central Georgia EMC include staying in tune with the current and future needs of our members by focusing on broader horizons.

For the ninth consecutive year, Central Georgia EMC ranked among the three lowest cost electric providers in all of Georgia... but we didn't stop there. We worked diligently to secure low-cost, reliable, low/no-carbon resources for decades to come.

We celebrated the first anniversary of our natural gas subsidiary, Fuel Georgia, which is now delivering service in 35 counties across the state. Fuel Georgia was created to offer affordable natural gas while helping offset electric operating expenses for our members.

Our electric vehicle fleet continued to expand, further lowering operating costs and providing valuable knowledge and experience to share as you navigate the broader horizon of technological change. Once again, we aren't stopping there. We are working with EMCs across the state to evaluate and influence EV charging infrastructure now and into the future.

Most important to many of you, plans were announced and construction has begun on a system-wide fiber-to-the-home network, ensuring ALL members of Central Georgia EMC will have access to affordable gigabit speed broadband service. Our partnership with Conexon Connect will have a positive impact on the communities we serve for years to come.

Our commitment to you is staying focused on broader horizons while remaining loyal to our core mission of providing the highest quality of services at the lowest practicable cost.



GEORGE L. WEAVER
President/CEO

2020 BOARD OF DIRECTORS



ARTHUR WHITE, JR.
Chairman
All Members "At-Large"
(Post 2)



WARREN E. HOLDER
Vice Chairman
Henry, Clayton,
Fayette Counties



D.A. ROBINSON, III
Secretary-Treasurer
Spalding, Lamar, Pike
Counties (Post 2)



LINDA H. JORDAN
Asst Secretary-Treasurer
All Members "At-Large"
(Post 1)



PHILLIP BENSON HAM, JR.
Bibb & Monroe Counties




D.T. HAMIL
Spalding, Lamar,
Pike Counties
(Post 1)



ROD MANGHAM
Butts County



J. EVERETT WILLIAMS
Morgan, Putnam,
Jasper, Jones,
Newton Counties

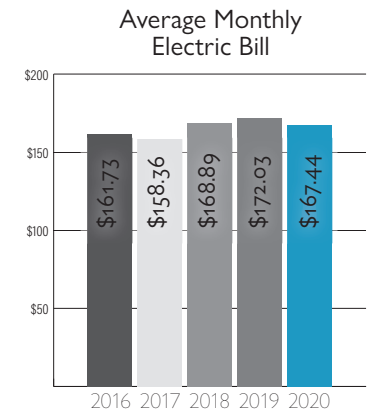
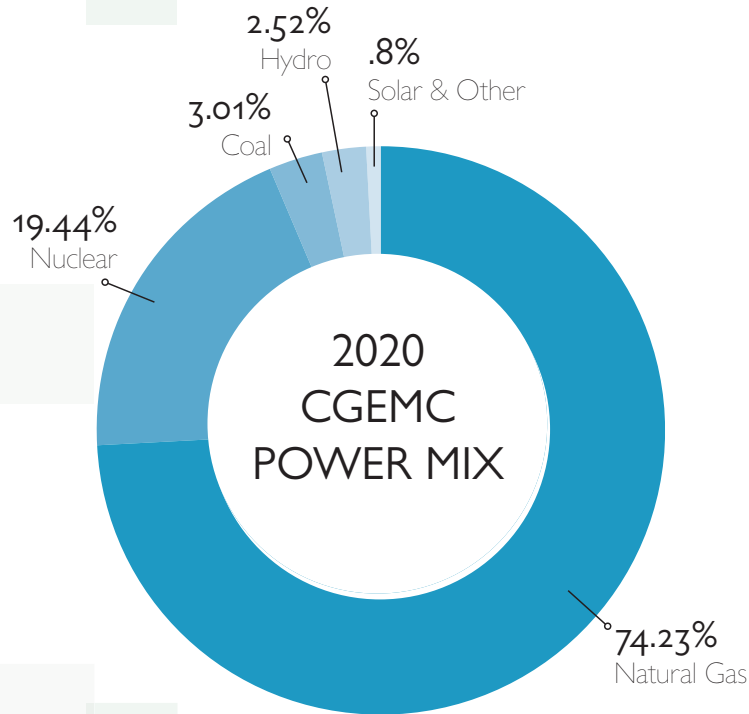
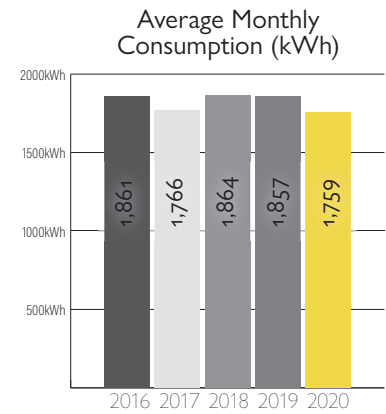
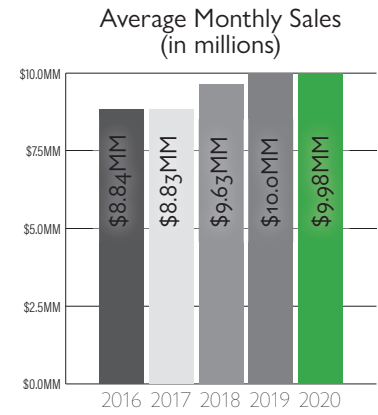
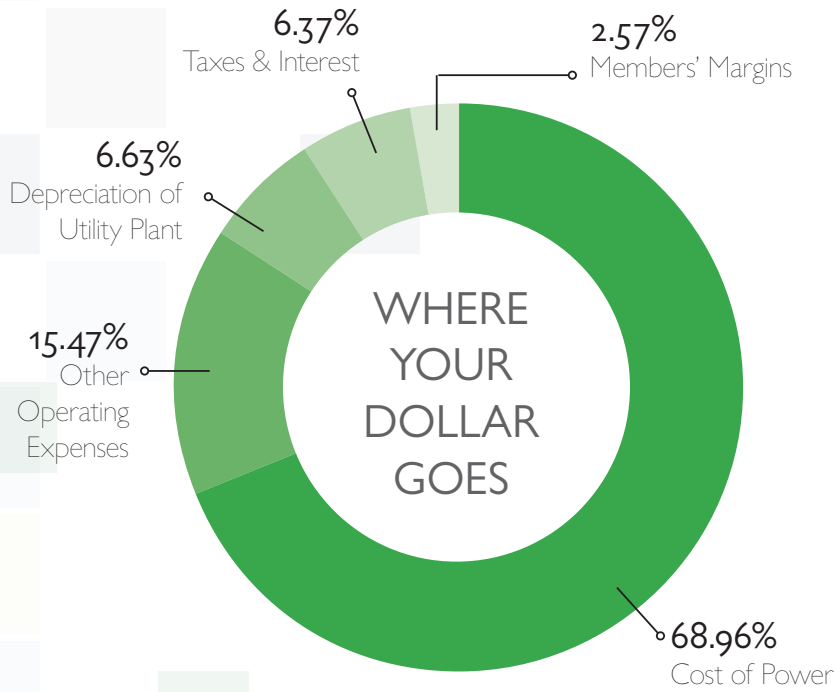


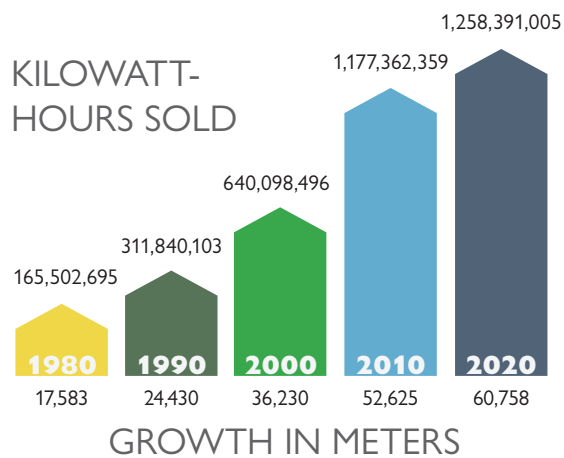
CGEMC provides electricity and related services to more than 60,600 billed accounts in 14 counties.

CGEMC is ranked among the three lowest cost electric providers in all of Georgia.

\$186,692 was donated to local non-profit organizations through the Central Georgia EMC Foundation.

\$265,650 in unclaimed capital credits was donated to Chambers of Commerce, Industrial Development Authorities, and School Systems.





SALES OF ELECTRICITY AND OTHER ELECTRIC REVENUE

1980.....	\$9,079,641
1990.....	\$25,100,245
2000.....	\$47,178,047
2010.....	\$112,717,508
2020.....	\$118,422,304

OPERATION ROUND UP

In 2020, the Central Georgia EMC Foundation awarded \$186,692 in grants to 60 community organizations in the CGEMC territory. These grants were made possible by members' generosity.

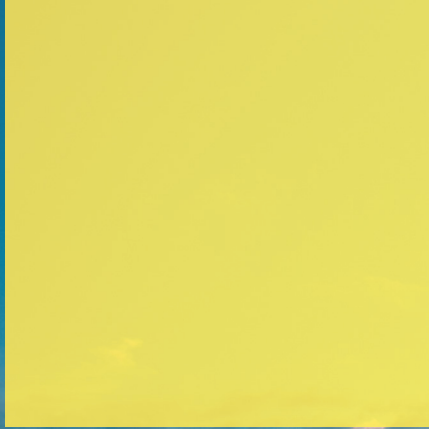




100
Full-time employees
 who are dedicated to
 exceptional service and
 community involvement



606:1
Meter to
Employee Ratio



99.98%
System
Reliability



9.07
Out of 10
MEMBER
SATISFACTION



85
Out of 100
ACSI SCORE

Central Georgia Electric Membership Corporation uses the American Customer Satisfaction Index (ACSI) to measure our effectiveness in serving customer-owners. The American Customer Satisfaction Index (ACSI®) is the only national cross-industry measure of customer satisfaction in the United States. Each year, the ACSI uses data from interviews with roughly 300,000 customers as inputs to an econometric model for analyzing customer satisfaction with more than 400 companies in 46 industries and 10 economic sectors. ACSI data have proven to be strongly related to several essential indicators of micro and macroeconomic performance.





**Central Georgia Electric Membership
Corporation serves 60,608 billed accounts
in 14 counties.**

Bibb County

Meters Served: 2,539
Operation Round Up: \$ 8,632
County Taxes Paid: \$ 38,305

Butts County

Meters Served: 6,990
Operation Round Up: \$ 33,852
County Taxes Paid: \$ 428,541

Clayton County

Meters Served: 3,468
Operation Round Up: \$ 12,208
County Taxes Paid: \$ 70,362

Fayette County

Meters Served: 17
Operation Round Up: \$10,148
County Taxes Paid: \$ 425

Henry County

Meters Served: 19,051
Operation Round Up: \$ 47,678
County Taxes Paid: \$ 395,124

Jasper County

Meters Served: 4,975
Operation Round Up: \$ 6,757
County Taxes Paid: \$ 193,114

Jones County

Meters Served: 65
Operation Round Up: \$ 5,841
County Taxes Paid: \$ 4,288

Lamar County

Meters Served: 707
Operation Round Up: \$ 7,898
County Taxes Paid: \$ 19,093

Monroe County

Meters Served: 7,860
Operation Round Up: \$ 16,621
County Taxes Paid: \$222,048

Morgan County

Meters Served: 1,743
Operation Round Up: \$ 5,643
County Taxes Paid: \$ 61,317

Newton County

Meters Served: 148
Operation Round Up: \$ 5,995
County Taxes Paid: \$ 9,948

Pike County

Meters Served: 34
Operation Round Up: \$ 5,648
County Taxes Paid: \$ 1,376

Putnam County

Meters Served: 142
Operation Round Up: \$ 6,774
County Taxes Paid: \$ 5,489

Spalding County

Meters: 12,869
Operation Round Up: \$ 12,997
County Taxes Paid: \$ 358,636



389 Mulberry Street | Macon, Georgia 31201
Post Office Box One | Macon, Georgia 31202
478-746-6277 | mmmcpa.com

April 23, 2021

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Central Georgia Electric Membership Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **The Central Georgia Electric Membership Corporation and Subsidiaries** (the Corporation), which comprise the consolidated balance sheets as of December 31, 2020 and 2019 and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to consolidated financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Central Georgia Electric Membership Corporation and Subsidiaries as of December 31, 2020 and 2019 and the results of their operations, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2021 on our consideration of The Central Georgia Electric Membership Corporation and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Central Georgia Electric Membership Corporation and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Central Georgia Electric Membership Corporation and Subsidiaries' internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC



**Financial Statement
(Balance Sheet as of
December 31)**

	<u>2020</u>	<u>2019</u>
Assets		
Cash on Hand and in Banks	\$4,592,178	\$9,459,391
Temporary Cash Investments	3,090,519	-
Invested in Associated Organizations	44,090,787	41,823,214
Restricted Funds	6,086,481	-
Other Investments	3,320,684	3,157,975
Accounts Receivable	11,816,866	11,488,769
Stock of Electric Materials and Supplies	1,572,583	1,511,449
Prepayments	77,923	208,313
Other Current and Accrued Assets	45,671	25,426
Deferred Charges	2,050,777	6,089,838
Utility Plant at Depreciated Value	216,387,266	200,495,700
Total Assets	<u>\$293,131,735</u>	<u>\$274,260,075</u>
Liquid Assets Included Above		
Cash on hand and in Banks	\$4,592,178	\$9,459,391
Temporary Cash Investments	3,090,519	-
Accounts Receivable	11,816,866	11,488,769
Stock of Electric Materials and Supplies	1,572,583	1,511,449
Other Current and Accrued Assets	45,671	25,426
Prepayments	77,923	208,313
Total Liquid Assets Included Above	<u>\$21,195,740</u>	<u>\$22,693,348</u>
Liabilities		
NRUCFC-Long Term Notes	44,563,299	\$46,839,813
FFB-Long Term Notes	121,247,383	124,105,720
CoBank-Long Term Notes	1,170,667	1,956,008
	166,981,349	172,901,541
Advanced Payments Unapplied	(9,111,519)	(27,255,507)
Principal Owed	157,869,830	145,646,034
Other Liabilities	1,182,083	1,019,374
Line-of-Credit from CFC	4,500,000	8,000,000
Due for Supplies, Accrued Insurance, and Interest	10,115,545	8,704,086
Taxes to be Paid	2,216,172	2,304,514
Meter Deposits	5,761,277	5,356,948
Deferred Credits	17,744,719	12,498,581
Total Liabilities	<u>\$199,389,626</u>	<u>\$183,529,537</u>
Equity		
Membership Fees	\$251,585	\$242,445
Excess of Revenues Over Expenses (Margins)	93,490,524	90,488,093
Since Organization of Cooperative	93,490,524	90,488,093
Total Equity	<u>93,742,109</u>	<u>\$90,730,538</u>
Total Liabilities and Equity	<u>\$293,131,735</u>	<u>\$274,260,075</u>

**Statement of Margin
(For the Years Ended
December 31)**

	<u>2020</u>	<u>2019</u>
Revenues		
Sales of Electricity and Other Electric Revenue	\$118,422,304	\$118,555,917
Nonoperating Revenue (Interest, etc.)	1,096,238	2,011,513
Total Revenues	<u>119,518,542</u>	<u>\$120,567,430</u>
Expenses		
Cost of Power	82,420,959	\$83,744,690
Operations and Maintenance	11,340,197	10,283,783
Consumers' Accounting and Collecting	3,147,980	3,063,701
Member Services	1,728,467	1,640,171
Administrative and General Expense	4,280,720	3,851,018
Depreciation	7,928,944	7,540,064
Interest	5,594,215	5,909,954
Total Expenses	<u>116,441,482</u>	<u>\$116,033,381</u>
Excess (Deficit) of Revenue Over Expenses	3,077,060	\$4,534,049
Capital Credits and Patronage Allocations Associated Organizations	2,488,359	2,539,506
Net Margins	<u>\$5,565,419</u>	<u>\$7,073,555</u>

**Funds Summary
(For The Years Ended
December 31)**

	<u>2020</u>	<u>2019</u>
Source of Funds		
Operating Margins (Loss) for the Year	\$4,469,181	\$5,062,042
Revenue Deferral for the Year	5,100,394	5,506,606
Nonoperating Margins for the Year	1,096,238	2,011,513
	<u>10,665,813</u>	<u>\$12,580,161</u>
Less: Patronage Capital Credits (Not Cash) from Associated Organizations	(2,488,359)	(2,539,506)
Add: Expenses Not Requiring Funds-Depreciation	8,362,802	7,973,922
Advances from RUS,CFC and FFB	12,678,000	22,371,000
Change in Deferred Debits	4,039,061	-
Advanced Payments Unapplied	18,143,988	6,806,008
Membership Fees	9,140	6,635
Retirement of Patronage Capital from Associated Organizations	334,088	238,152
Meter Deposits	338,289	415,623
Total Funds Provided	<u>\$52,082,822</u>	<u>\$47,851,995</u>
Uses of Funds		
Improved, Renewed, Replaced, and Added to Plant	\$24,529,661	\$16,431,461
Principal Payments on Mortgage Notes	18,598,192	7,688,206
Line-of-Credit from CFC	3,500,000	9,750,000
Retirement of Patronage Capital	2,276,969	2,223,978
Change in Deferred Debits	-	3,952,973
Change in Deferred Credits	145,744	81,564
Increase (Decrease) in Working Capital	3,032,256	7,723,813
Total Funds Used	<u>\$52,082,822</u>	<u>\$47,851,995</u>



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