

# Power you can trust

2024 Annual Report



Central Electric  
Membership Corporation

A Touchstone Energy® Cooperative 



Since our founding, Central Electric has brought progress and opportunity to central North Carolina. What began as a shared effort to bring electricity to rural homes has evolved into a powerful network — guided by our members, driven by innovation, and grounded in service.

Whether it's keeping the lights on, helping you save money, or supporting our community, trust is at the heart of everything we do. As we reflect on 2024, we celebrate a year of investment, innovation, and service. We look ahead with the same commitment that shaped our beginnings — to deliver power you can trust.

## Trust starts with reliability

Reliable power is more than a goal — it's our daily mission. Our advanced monitoring systems detect outages before they're even reported. New technology also helps protect the grid from lightning, wildlife, and weather — ensuring power stays on, no matter the conditions.

In 2024, we proudly upheld a **99.9% reliability rating** — thanks to continuous upgrades and a dedicated workforce. We proactively maintain over **2,600 miles of line** to ensure safe, consistent service.

Right of Way **clearing by our crews** maintains safe distances around power lines — 20 feet on either side of the primary conductors and 10 feet below the neutral line — to prevent service disruptions.

We're grateful when members help by keeping trees and brush safely away from power lines along their own property. It's a team effort.



## A team you can trust

One of our core principles is investing in people. At Central Electric **we prioritize learning** — because skilled employees and informed members make the whole system stronger.

Behind every light switch is a lineworker who's trained for the unexpected. In 2024, our team participated in **critical rescue and safety exercises**, including pole top rescue drills. That commitment to education and training is part of what sets electric cooperatives apart.

## Innovation you can trust

At our Doc's Road substation, **innovative battery storage technology** helps manage peak demand and provides backup power when it's needed most. It's part of a 10-site cooperative initiative, delivering 40 megawatts of flexible, clean energy — with savings passed directly to you.

We know our members like to be prepared for any storm, so last year we introduced the **Trifecta manual transfer switch** — a state-of-the-art solution that lets you safely connect a portable generator during an outage. It protects your home and the crews working to restore your service.

In 2024, CEMC met the **newest cybersecurity goals** set by the National Rural Electric Cooperative Association. We were one of the first in the country to complete both Level 1 and Level 2 objectives — reinforcing our commitment to a secure and resilient grid.

This past year, more people continued to express interest in home solar power and electric vehicles. Our **website offers tools and resources** to help you make informed choices — because preparing for the future starts with understanding your options today.

While our members are exploring options for smart energy use, we are focused on a **balanced portfolio of power** that includes natural gas and nuclear, along with renewables. Our forward-thinking approach protects reliability, affordability, and environmental responsibility.

Because we are autonomous — **owned and operated by our members** — we can choose solutions that reflect your priorities, not shareholder profits. That's how we remain focused on the future, while staying true to who we are.





## Community built on trust

The spirit of community is at the heart of our cooperative identity. Guided by our members and shaped by their values, we operate on the principle of democratic control — one member, one vote. Local leadership keeps us grounded, while our national network of cooperatives ensures we're never alone.

Cooperatives operate with autonomy and independence — but we also know we're stronger together. After major storms, we respond — and we know other co-ops will do the same for us. That's the strength of shared purpose.

- This year, we **partnered with Randolph EMC** to host a Co-op 101 course at our headquarters — a day-long session for newer employees covering the seven cooperative principles, the history of rural electrification, and the road ahead for electric co-ops.
- CEMC leaders also **joined other cooperatives in Washington, D.C.**, advocating for policies that protect the safe, reliable, and affordable service our members depend on. Together, we amplified the voice of our communities for a stronger, more resilient future.
- That future starts with our youth. In 2024, local students joined the **Electric Cooperative Youth Tour** in Washington, D.C., learning about democracy and the cooperative model firsthand.

- Through the **Touchstone Energy Sports Camp Scholarship**, students developed teamwork, leadership, and sportsmanship — and even got a taste of college life.
- We invested in education through our **Bright Ideas grant program**, awarding over \$14,000 to 11 educators and reaching nearly 2,700 students. We also supported local students with college scholarships to Central Carolina and Sandhills Community Colleges — investing in bright futures for members right here at home.
- Academic success was celebrated through our **“Give Us an A”** program, which awarded Visa gift cards to 20 students — a simple way to honor hard work and dedication.
- Thanks to voluntary member donations through **Operation Round Up**, we directed over \$129,000 in 2024 to local needs — from food and housing to health and education. And by ringing the bell for The Salvation Army, we showed how even small acts of service can create big change.
- Our commitment to future leaders continues through **Cooperative Leadership Camp**, where students explored leadership, teamwork, and the cooperative spirit.

We serve by doing — because service is who we are. Whether helping families finance energy upgrades or building homes alongside local nonprofits, our concern for community goes far beyond the power lines. Through every effort, we're building a stronger, more connected future — together.



## Services you can trust

In 2024, we completed **72 in-home energy audits** and answered nearly **1,000 bill inquiries** — helping members identify ways to save energy and money. Because when it comes to value, our members come first.

Affordability is essential to the trust you place in us. Our **Energy Advisor App** puts that power in your hands — with personalized tips, usage breakdowns, and no-cost or low-cost recommendations to help you save on your electric bill. We also include energy saving tips in our monthly newsletters to help members find ways to save throughout the year.

Our **Comfort Loan program**, now enhanced through a strong partnership with ElecTel Cooperative Federal Credit Union, offers members low fixed rates, flexible terms, and financing of up to \$30,000 for energy efficiency upgrades. Whether it's a new heat pump, water heater, or energy efficient windows, we're helping members power their homes more affordably.

## Accounting you can trust

We're committed to transparency with our member-owners — especially when it comes to financial matters. **Here's how each dollar of revenue was allocated in 2024:** 63 cents went toward purchasing wholesale power. Operational expenses — such as maintaining power lines, fueling vehicles, trimming trees, and paying taxes — accounted for 25 cents. Depreciation, which represents the aging and wear of our equipment and infrastructure, made up 9 cents. Interest on loans for ongoing line construction projects took 4 cents.

Due to sharply rising wholesale power costs in 2024, the co-op operated at a net loss of one cent per dollar of revenue.

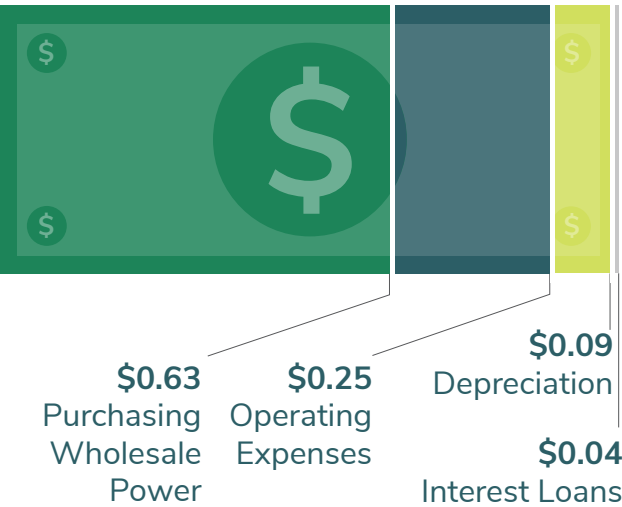
As a not-for-profit co-op, we return profits to the people who own us — our members. In 2024, we **issued capital credits** for the 16th year in a row. This is your cooperative, and you share in its success.

## Power you can trust

When rural electric cooperatives first brought power to our communities, it transformed daily life. Today, electricity is expected — but our mission remains the same. We continue to provide safe, reliable, and affordable power. And we aim to go beyond expectations — through dedicated service, forward-thinking innovation, and a deep commitment to the communities we serve.

At Central Electric, we believe power should come with peace of mind. That's why we stay true to our values, put members first, and work every day to deliver power you can trust — today, tomorrow, and for generations to come.

### How your dollar was spent\*



\* Due to sharply rising wholesale power costs in 2024, the co-op operated at a net loss of one cent per dollar of revenue.

# Treasurer's report

To assist your review of our financial condition, we have published a simplified Balance Sheet and Statement of Operations in this report for the 2024 and 2023 calendar years.

The accounting firm of Adams, Jenkins, and Cheatham completed its audit of the Cooperative in April 2025. Copies of the report will be available at the Annual Member Meeting, as well as the Central Electric business office. The report shows your Cooperative is financially sound.

On the Balance Sheet, you will note that total assets increased by almost \$3.37 million during 2024, raising the value of assets to more than \$136 million. Central Electric's membership fees, patronage capital, and other equities total \$65,171,217. This member-furnished capital represents 47.70 percent of Central Electric's assets. These funds are invested in Central Electric's utility plant (lines, transformers, poles, trucks, etc.).

The Statement of Operations shows operating revenue increased 5.68 percent from 2023. The total cost of supplying electric service increased 8.65 percent from 2023. Wholesale power, our largest expense item, represented 62.47 percent of all expenses.

As a Cooperative, our operating margins (difference between revenue and cost of service) are posted to each member's patronage capital account. In 2024, there was an operating loss compared to 2.12 percent operating margin in 2023.

The average number of consumers served increased from January 1, 2024 to December 31, 2024 by 1.90 percent as compared with 1.32 percent in 2023. The 2024 monthly average residential kilowatt hours (kWh) sold was 1,284 kWh.

## The cost of wholesale power

2024	\$38,429,815
2023	\$34,897,229
2022	\$35,276,502
2021	\$33,192,104
2020	\$31,807,029

## Key statistics

	2024	2023	2022	2021	2020
Miles of Line Energized	2,665	2,643	2,615	2,586	2,564
Number of Consumers Served	24,856	24,393	24,075	23,696	23,394
Average Consumer kWh/Month used	1,284	1,264	1,305	1,335	1,253

## Statement of operations as of Dec. 31

	2024	2023
<b>Operating Revenue</b>	<b>\$61,134,554</b>	<b>\$57,847,230</b>
<b>Expenses</b>		
Cost of Purchased Power	38,429,815	34,897,229
Transmission Expense	28,198	29,755
Distribution Expense – Operations	3,471,707	2,932,900
Distribution Expense – Maintenance	4,030,924	4,050,421
Consumer Accounts Expense	1,355,226	1,199,948
Consumer Service & Information Expense	400,381	359,241
Sales Expense	199,010	210,668
Administration & General Expense	5,658,216	5,666,247
Depreciation & Amortization Expense	5,217,523	4,956,363
Taxes	0	0
Interest on Long Term Debt	2,727,314	2,318,089
<b>Total Cost of Electricity Service</b>	<b>\$61,518,314</b>	<b>\$56,620,861</b>
<b>Our Margins</b>		
Operating Margins	<b>(\$383,760)</b>	<b>\$1,226,369</b>
Non-Operating Margins	<b>2,225,960</b>	<b>1,364,531</b>
<b>Total Margins</b>	<b>\$1,842,200</b>	<b>\$2,590,900</b>

## Balance sheet as of Dec. 31

	2024	2023
<b>Assets</b>		
Electric Plant at Original Cost	\$161,203,815	\$154,662,501
Construction Work in Progress	937,751	241,272
Less Depreciation	(58,507,880)	(54,134,231)
Investments/ Association Organizations	20,090,754	19,453,305
Cash	1,980,926	1,286,108
Temporary Investments	30,324	30,279
Notes Receivable	49,990	154,022
Accounts Receivable	5,780,378	7,646,331
Material & Supplies	1,812,110	1,673,815
Prepayments & Accrued Assets	38,929	167,986
Regulatory Assets	1,070,818	1,213,620
Deferred Debits	2,148,444	870,774
<b>Total</b>	<b>\$136,636,360</b>	<b>\$133,265,783</b>
<b>Liabilities</b>		
Long Term Debt	\$54,075,715	\$50,338,688
Consumer Deposits	1,256,917	1,295,184
Notes Payable	2,183,739	3,012,095
Accounts Payable	4,391,439	4,223,793
Accumulated Operating Provisions	3,321,129	3,311,838
Current Maturities Long Term Debt	3,323,077	3,155,911
Other Liabilities	2,913,127	2,996,646
Membership Fees	108,335	107,140
Patronage Capital & Other Equity	65,062,882	64,824,487
<b>Total</b>	<b>\$136,636,360</b>	<b>\$133,265,783</b>

# Your Board of Directors



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**Bianka Stumpf**

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