



**Cullman Electric
Cooperative**

2025 ANNUAL REPORT

One of the unique aspects of the cooperative business model is how success is measured. Serving co-op members is the most important objective, and part of providing outstanding service is being a good steward of the co-op's finances. Cullman Electric Cooperative is not focused on maximizing profits. Our top priority is making sure the money co-op members pay is used to maximize the level of service they receive.

That means working hard to control expenses wherever possible, including preventative maintenance and system upgrades that reduce the frequency and duration of power outages.

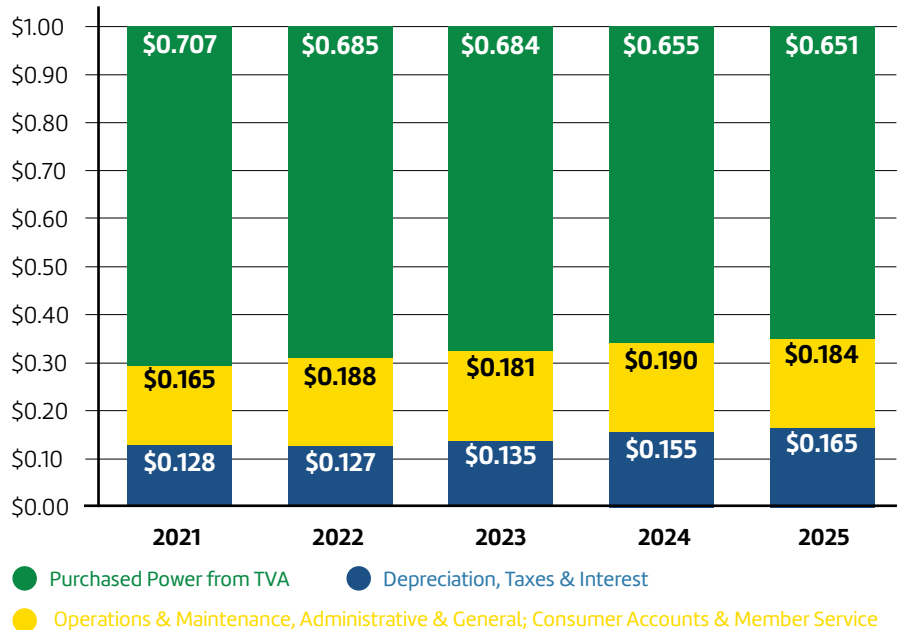
For each dollar Cullman Electric collects, 65 cents is paid to TVA for the electricity we use. Everything else the co-op spends on people and materials needed to serve members is done using less than 19 cents from every dollar earned.

By Robert Tidwell

We all have different ideas of what makes up “the good life.” For some, it’s about being close to family and friends. For some, it’s the ability to pursue their professional dreams. For some, it’s about being able to relax and enjoy the outdoors.

Cullman Electric Cooperative was started in 1936 because a group of local farmers believed that bringing electricity to rural farms and homes would make it possible for more people to enjoy the good life. Back then, electricity meant people could have light, running water and maybe a radio in their home. I imagine those founding farmers

Distribution of Expense Dollar



would be amazed to see how many ways technology, powered by electricity, has become an essential part of life in today's world.

In the co-op's early years, the local economy was based primarily on agriculture. Farming was good, honest work, but also hard, manual labor. Electricity allowed farmers to increase productivity, while also bringing modern conveniences like refrigerators, stoves and other appliances into their homes. Today, agriculture is still an essential piece of the local economy. Cullman County leads the state in poultry, eggs, cattle and dairy farming, and is among the highest producers of vegetables, melons and sweet potatoes.

Cullman Electric has played a critical role in our economic evolution.

Cullman Electric completed its sixth consecutive year of above-average growth, adding 664 new accounts. Don't expect a slow down to happen anytime soon. Staking technicians worked on more than 900 connect-new orders, and did work for hundreds of additional residential services that are expected to come online in the future.

More growth means more maintenance across the system. Cullman Electric completed more than 2,300 general staking work orders — things like security lights maintenance, line relocations and equipment repair or upgrades — and replaced approximately 1,600 power poles as part of regular

system maintenance.

As Cullman Electric grows, so does the demand for electricity. The co-op set a new record in 2025, selling more than 1.117 billion kilowatt hours of electricity.

Delivering all of that electricity to homes and businesses requires state-of-the-art transmission and distribution systems. Cullman Electric and TVA are working on transmission line projects between Trade and Helicon as well as between Addison and Jones Chapel. The co-op has started work on new substations in Jones Chapel and on Highway 91 south of Hanceville.

The co-op has also completed or is

working on 25kV conversions — which improve system reliability — along Mize Road, Swafford Road, County Road 469, Johnson's Crossing, and in Winston County near Houston and Moreland.

New technology is also driving improvements to system reliability. Cullman Electric has more than 70 devices installed that combine with Sprout Fiber Internet to provide instant data that can be used to quickly locate and restore power outages, or in some cases identify issues that can be fixed before a power outage occurs.

Commercial growth has been strong

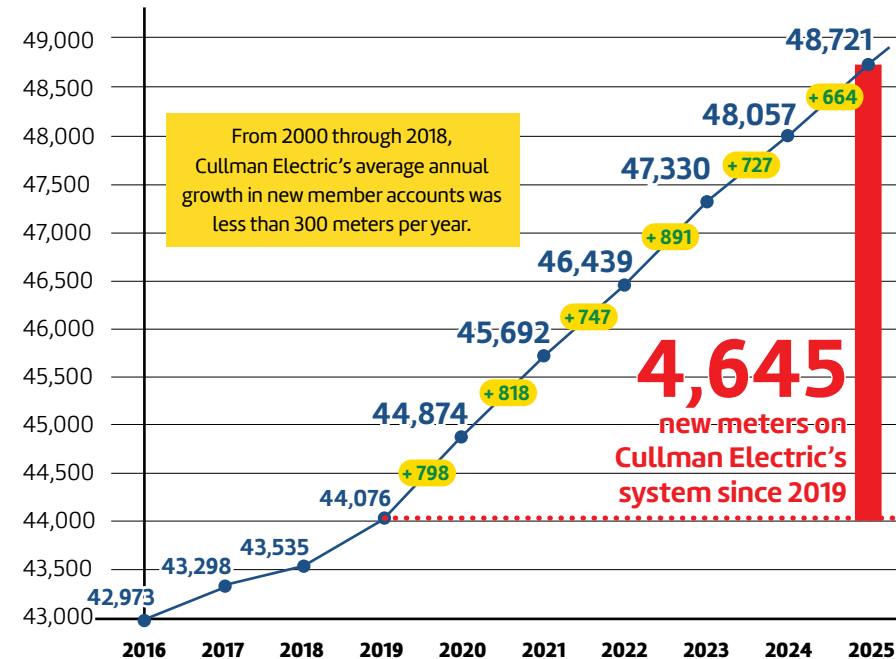
with work being done to support new developments as well as projects to help existing commercial facilities expand capacity and reliability. Some of the notable projects to come online in the past year include AutoZone and Tractor Supply in Hanceville, Jack's Family Restaurant in Fairview, Dale's Service Station on County Road 222, numerous project at Cullman County Schools, and a Tesla EV charging station at Hwy 157 and I-65.

A busy spring and early summer storm season dropped the system reliability rating to 99.93 percent, down slightly from the record-setting 99.96 percent in 2024.

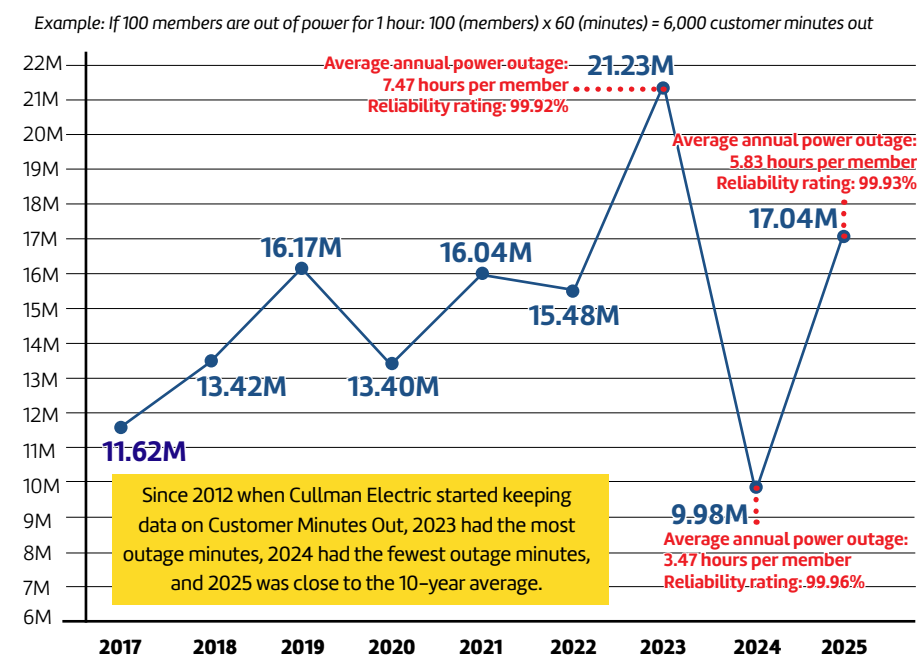
Large parts of the global automotive and manufacturing industries have made their American home right here in Cullman County. Reliable and affordable electricity is a big reason why so many businesses have come here, bringing thousands of stable, good paying jobs. Through all the ups and downs in the economy over the past 30 years, the Cullman area has consistently had one of the lowest unemployment rates in the state.

Outstanding schools are another reason people want to live here. Cullman and Winston County schools earned top rankings on the Alabama Department of Education's 2024-25 report card, with more than 95 percent of students graduating and meeting college or career readiness standards. And Wallace State is one of

Cullman Electric Member Accounts (meters)



Customer Minutes Out (millions)



the premiere community colleges in the country. Every year, Cullman Electric Cooperative employees are invited into classrooms to teach students about electricity, safety, construction, engineering and broadband. The co-op awards college scholarships to a graduating senior at every high school in our service area, and our Operation Round Up program will soon reach the \$7 million mark in donations to local teachers.

“The good life” is also about enjoying life. Since the 1960s, locals have been enjoying Smith Lake, and over the past 20 years the word has spread. Today, more and more people from out of state are buying land and building homes on Smith Lake for vacation, retirement and full-time living. It’s not easy to deliver

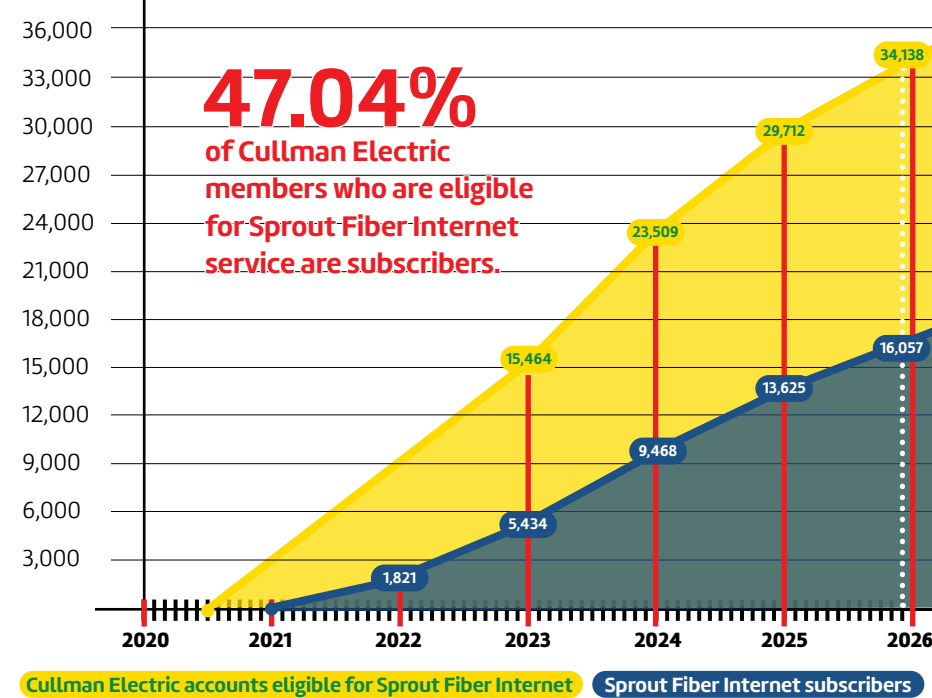
Sprout Fiber Internet has completed its fifth year providing internet service to parts of the Cullman Electric service area. Sprout now has more than 16,000 subscribers with approximately 47 percent of co-op members that are eligible using the service. In 2026, Sprout is scheduled to complete its systemwide build out, making Sprout available in all parts of the co-op’s service area.

Despite increased competition from legacy internet providers that historically refused to serve many

rural areas in Cullman and Winston counties, Sprout is succeeding because of its reputation for outstanding customer service. Outages are rare, and when subscribers do have an issue, they can count on a quick response from Sprout team members at Cullman Electric

In a recent survey of more than 1,300 Sprout Fiber Internet subscribers, 91.7 percent gave a 9 or 10 when asked on a 1-to-10 scale how likely they would be to recommend Sprout Fiber Internet to family and friends.

Sprout Fiber Internet Growth



Balance Sheet

As of June 30, 2025 and 2024

Assets	2025	2024
Net Utility Plant	288,857,955	262,961,441
Other Assets and Investments	6,033,523	5,744,347
Current and Accrued Assets	45,685,985	35,219,355
Deferred Debits	96,235	192,471
Total Assets	\$340,673,698	\$304,117,614
Equities and Liabilities		
Equities	149,088,917	138,789,502
Long-Term Liabilities	147,713,553	128,441,966
Current Liabilities	43,265,982	36,390,073
Deferred Credits	605,246	496,073
Total Equities and Liabilities	\$340,673,698	\$304,117,614

Statement of Revenue and Expenses

For Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenue	165,620,856	148,434,740
Expenses:		
Purchased Power	101,087,504	93,335,153
Operations and Maintenance	14,320,507	13,468,484
Consumer Accounts and Member Service	4,296,854	4,037,192
Administrative and General	9,928,409	9,571,695
Depreciation	13,470,513	11,586,665
Taxes	6,419,043	6,003,336
Interest	5,781,107	4,536,492
Total Expenses	155,303,937	142,539,017
Non-Operating Margins	1,263,006	1,094,277
Net Operating Margins	11,579,925	6,990,000
Income Tax Expense & Deferred Income Tax Benefit	(1,234,404)	(1,374,501)
Other Comprehensive Income (Loss)	(47,931)	195,691
Net Margins for the Year	10,297,590	5,811,190

Cullman Electric Cooperative’s fiscal year 2025 consolidated financial statements were audited by the independent accounting firm Jackson Thornton. The audited financial statements and the independent auditors’ reports are available for your review by appointment at the offices of Cullman Electric Cooperative, 1749 Eva Road NE, Cullman, AL 35055

electricity and internet service to many parts of the lake, but Cullman Electric does it well because we know that people want the best of both worlds — the ability to get away while still being connected.

Cullman Electric Cooperative is celebrating its 90th year of serving this community. From the beginning, the co-op’s primary goal has been to improve the quality of life for its members. What does “the good life” look like for you? Whether it’s about work, family, faith, fun — or all the above — Cullman Electric is honored to play a part in giving you the power to enjoy the good life.

Robert Tidwell is the chairman of the Cullman Electric Cooperative Board of Trustees.

