

# Annual Report 2025



EVERY CONNECTION MATTERS

**CEC**  
COVINGTON ELECTRIC COOPERATIVE

# CEC

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District I - Dozier



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### OUR MISSION

To deliver reliable electric and broadband service that enhance lives and empower our communities.

### ABOUT US

87 employees

6 counties served

25,100 meters on our lines

20,000+ consumer-members

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CEC is an electric distribution cooperative and was built by the communities it has served since 1944. And, because we answer to local members like you, rather than out-of-state shareholders, CEC has a personal understanding of investment needs and member expectations while safely upholding our commitment to providing outstanding reliable energy and innovative services like Buzz Broadband.

# The Executive Report

Covington Electric Cooperative (CEC) was founded in 1944 to serve our rural communities through a locally owned, not-for-profit electric cooperative. Today, CEC serves approximately 25,100 meters across portions of six counties, continuing its commitment to member-driven governance and meaningful community impact.

CEC is entering a new era marked by the introduction of a distinguished new logo and the adoption of a refreshed strategically-focused mission and vision. This updated identity reflects progress, innovation, and a clear emphasis on the future, while reinforcing the cooperative values that have long defined CEC's purpose. The new mission—to deliver reliable electric and broadband service that enhance lives and empower our communities—clearly defines how CEC serves members today and positions the cooperative for long-term success. Guided by the vision Every Connection Matters, CEC is focused on the value of every member relationship, service, and community investment.

Empowerment remains central to CEC's work. Reliable electric service continues to be foundational, and access to fast, affordable broadband is now equally essential infrastructure. Through Buzz Broadband, CEC is helping close the digital divide by delivering fiber connectivity that supports education, healthcare access, remote work, and business development across rural communities.

Looking ahead, CEC remains committed to enhancing member satisfaction, supporting innovative energy solutions, and investing in the communities we serve and hold dear. The cooperative continues to promote energy efficiency through education and member programs, while expanding access to services that align with evolving member needs.

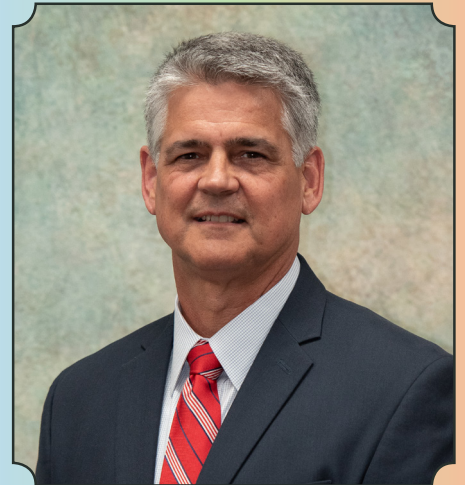
CEC's new logo, mission, and vision represent a defining milestone—positioning the cooperative for continued relevance, growth, and community impact while reinforcing our core belief that every connection really does matter.



A handwritten signature in black ink that reads "W.B. Smith Jr." in a cursive style.

**W.B. Smith Jr.**

Chairman  
CEC Board of Trustees



A handwritten signature in black ink that reads "Mark Parker" in a cursive style.

**Mark Parker**  
CEC President and CEO

EVERY CONNECTION MATTERS

# Connections Within The Community

## Building Stronger Connections

At Covington Electric Cooperative (CEC), strengthening the bond between the cooperative and its members is more than a goal—it's a guiding principle. Through education, communication, safety initiatives, and community support, CEC continues to expand the ways it connects with the people it serves. Each program is designed with one purpose in mind: empowering members and enriching the communities that call CEC home.

## Youth Tour

CEC believes that young people thrive when they're given opportunities to see the world beyond the classroom. The Rural Electric Youth Tour leadership program does exactly that by allowing high school juniors to experience their government in action. Students visit historic sites,

learn about the democratic process, hear from inspiring speakers, and participate in team building activities that broaden their understanding of civic engagement.

Every fall, juniors attending high schools served by CEC can apply for the program. Two students from each of the six schools are selected, and those finalists later participate in an interview process for the chance to represent CEC on the national Washington Youth Tour. These experiences not only shape future leaders—they also strengthen CEC's connection with local families and schools.

## Scholarships

CEC's commitment to education extends far beyond Youth Tour. The Board of Trustees proudly supports students pursuing higher education by





offering multiple scholarship opportunities each year. High school seniors who are dependents of CEC members can apply for scholarships to attend either a four year college or a technical school.

Through the Electric Cooperative Foundation in Montgomery, CEC awards two \$1,000 scholarships at each of the six high schools it serves—one for a college bound senior and one for a technical college student. Two additional at-large scholarships are available for eligible seniors attending schools outside CEC's service area. These investments help students take their next steps with confidence while reinforcing CEC's long standing commitment to member families.

### Preparing Students for the Future

CEC also connects with students through financial literacy programs that highlight the importance of responsible decision making. These events introduce young people to career opportunities in their communities and help them understand how choices—such as selecting a career path or purchasing a home—can shape their financial future. By equipping students with practical knowledge, CEC strengthens its relationship with the next generation of members.

### Supporting Community Initiatives

CEC's dedication to community goes well beyond the classroom. The cooperative actively supports charitable organizations, educational programs, blood drives, economic development efforts, and other initiatives that improve quality of life across the region. These efforts reflect CEC's belief that strong communities create strong cooperatives.

Members can learn more about these initiatives at [www.covington.coop](http://www.covington.coop).

### Strengthening the Cooperative Connection

CEC is owned by the members it serves, making communication essential to the cooperative's success. Members rely on timely updates about operations, finances, services, safety programs, and community involvement. As technology evolves, CEC continues to adapt—finding new and more effective ways to keep members informed and engaged.

### Connections Through Technology

In 2025, CEC introduced an automatic outage texting alert system that notifies members when outages occur and allows them to report outages simply by texting "OUT." This tool enhances communication during critical moments and ensures members stay informed.

CEC also uses Power Posts—email updates sent to members with an active email address on file—to share news,



services, and event information more quickly than traditional print communication. Alongside active social media channels on Facebook, X, YouTube, and Instagram, CEC now offers mass text notifications for urgent updates such as planned outages and load control events. These tools help CEC meet members where they are, providing information in real time.

**The CEC Website: A 24/7 Member Resource**

CEC’s website, first launched in the late 1990s, has grown into a comprehensive resource for members. The user friendly site provides information on rebates, water heater sales, new service requests, bylaws, board meetings, payment options, energy efficiency, and solar programs. Members can also chat online with a CEC representative during business hours, offering convenient access to support whenever it’s needed.

**Promoting Electrical Safety**

Safety is a core value at CEC, and educating the public about electrical hazards is a key part of that mission. The new CEC Safety Circuit trailer brings electrical safety demonstrations to life, showing real world scenarios that help members, students, and first responders understand the dangers of electricity.

CEC line workers operate the trailer at cooperative events and community gatherings, offering real life scenerios that reinforce safe practices. This initiative deepens CEC’s connection with the community by promoting awareness and protecting lives.



# Buzz Broadband:

## Fast. Reliable. Fiber.

Since October 2021, Buzz Broadband has been connecting CEC members to fast reliable fiber internet service. Our employees and contractors have worked very hard during the last few years to construct the Buzz Broadband network. Currently, we have completed our build out of the entire CEC system and are striving to have all members join the Buzz network. Buzz subscribers are very pleased with the speed, reliability and affordability of our fiber service. We are proud to play a role in helping bridge the digital divide in our country, especially for the rural areas that we serve in south Alabama.

**Prices begin  
as low as  
\$59.95  
per month!**

**GET  
SPEEDS  
of 200 Mbps,  
1 Gbps or  
2 Gbps!**

**No Contracts!  
No Fees!  
No Data Caps!  
No Brainer!**

Landline phone  
services using  
Buzz Broadband

**859**

Total miles  
of fiber

**4,190**

Fiber customers  
using Buzz  
Broadband internet

**9,025**

Number of  
Buzz employees

**14**

Total grants  
awarded through  
the end of 2025  
**\$15,300,000**

Average  
weekly new  
customers

**42**



# STATEMENT OF | REVENUE & EXPENSES

	<b>2024</b>	<b>2025</b>
<b>TOTAL REVENUE:</b>	<b>\$69,391,635</b>	<b>\$72,630,461</b>
Electric	\$63,833,379	\$65,568,684
Other	5,558,256	7,061,777
<b>OPERATING EXPENSES:</b>		
Cost of Purchased Power	\$37,192,990	\$39,165,127
Operations & Maintenance	8,818,127	8,876,924
Administrative & General	3,809,073	3,964,834
Consumer Accounting	1,788,987	2,127,840
Member Services & Sales	1,085,944	1,075,836
Fixed Expenses:		
Depreciation & Amortization	6,052,380	7,208,026
Tax Expenses	1,716,247	1,701,844
Interest on Long-Term Debt	4,494,339	4,761,318
<b>Total Operating Expenses:</b>	<b>\$64,958,087</b>	<b>\$68,881,749</b>
<b>MARGINS:</b>		
Operating Margin	\$4,433,548	\$3,748,712
Non-Operating Margin	1,659,822	1,300,700
<b>Total Margins:</b>	<b>\$6,093,370</b>	<b>\$5,049,412</b>
<b>CAPITAL CREDIT ASSIGNMENTS:</b>		
PowerSouth Energy Cooperative	\$602,701	\$736,702
Other Sources	245,941	375,494
<b>TOTAL CAPITAL CREDITS:</b>	<b>\$848,642</b>	<b>\$1,112,196</b>
<b>TOTAL MARGINS, ALL SOURCES:</b>	<b>\$6,942,012</b>	<b>\$6,161,608</b>

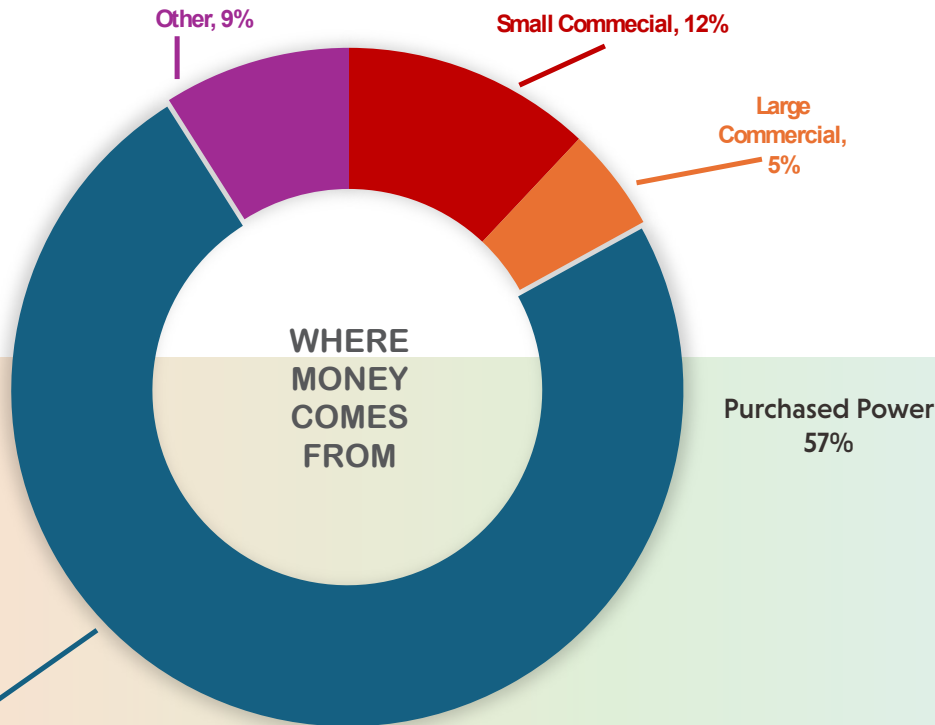
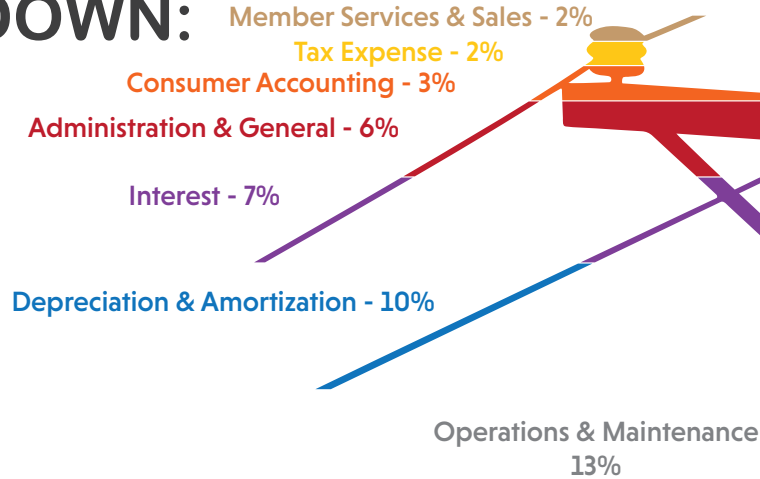
\*Figures subject to change when the annual audit is closed out.

CAPITAL CREDITS  
RETURNED TO  
MEMBERS IN 2025



# \$890,995

## BREAKDOWN: HOW EVERY DOLLAR IS SPENT



Residential, 74%

# BALANCE SHEET | ASSETS

	2024	2025
<b>Utility Plant:</b>		
Utility Plant	\$217,653,864	\$236,154,192
Construction Work in Progress	12,271,819	2,422,977
	229,925,683	238,577,169
Less: Accumulated Depreciation	(51,218,873)	(57,201,591)
<b>Net Utility Plant</b>	<b>\$178,706,810</b>	<b>\$181,375,578</b>
<b>Other Assets and Investments:</b>		
Investments in Subsidiary Companies	(\$34,471)	(\$363,014)
Investments in Associated Organizations	28,577,123	29,503,266
Economic Development Notes Receivable	1,404,181	1,250,392
Other Investments	150,000	13,150,000
<b>Total Other Assets and Investments</b>	<b>\$30,096,833</b>	<b>\$43,540,644</b>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$8,328,462	\$6,477,924
Notes Receivable (Net)	7,331,224	7,172,717
Accounts Receivable (Net)	11,263,203	10,279,350
Materials and Supplies	3,443,603	2,850,143
Prepayments	283,179	442,400
Other Current and Accrued Assets	4,071,756	4,601,857
<b>Total Current Assets</b>	<b>\$34,721,427</b>	<b>\$31,824,571</b>
<b>Total Assets</b>	<b>\$243,525,070</b>	<b>\$256,740,793</b>

\*Figures subject to change when the annual audit is closed out.

# BALANCE SHEET | LIABILITIES & EQUITIES

	2024	2025
<b>Equities:</b>		
Memberships	\$101,618	\$103,048
Patronage Capital	92,238,181	97,403,333
Other Equities	4,641,137	5,063,814
<b>Total Equities</b>	<b>\$96,980,936</b>	<b>\$102,570,195</b>
<b>Long-Term Liabilities:</b>		
Mortgage Notes	\$120,647,682	\$124,485,041
Obligations Under Capital Leases - Non Current	691,502	634,788
Other Liabilities	3,832,861	2,784,967
<b>Total Long-Term Liabilities</b>	<b>\$125,172,045</b>	<b>\$127,904,796</b>
<b>Current Liabilities:</b>		
Current Maturities on Long-Term Liabilities	\$6,810,544*	\$7,122,742*
Accounts Payable	3,677,213	3,851,597
Member Deposits	2,394,173	2,437,134
Accrued Liabilities	8,318,298	9,272,468
Deferred Credits	171,861	3,581,861
<b>Total Current Liabilities</b>	<b>\$21,372,089</b>	<b>\$26,265,802</b>
<b>Total Equities and Liabilities</b>	<b>\$243,525,070</b>	<b>\$256,740,793</b>

\*NOTICE ABOUT FINANCIAL REPORTS: This includes RUS-FFB, CFC, CoBank and Leases on vehicles.



EVERY CONNECTION MATTERS



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800-239-1193 — Report Outages

