

Aiken Electric Cooperative Board Meeting

August 27, 2026



**Aiken Electric
Cooperative, Inc.**

Approval or Changes in Agenda

Minutes

Regular Board Meeting—July 23, 2026

Audit Report – Terry McMichael

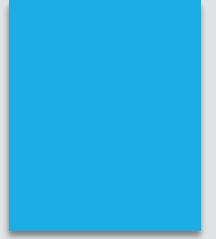


Aiken Electric Cooperative, Inc. and Subsidiary

**SUMMARY OF AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

MAY 31, 2026

Board Presentation



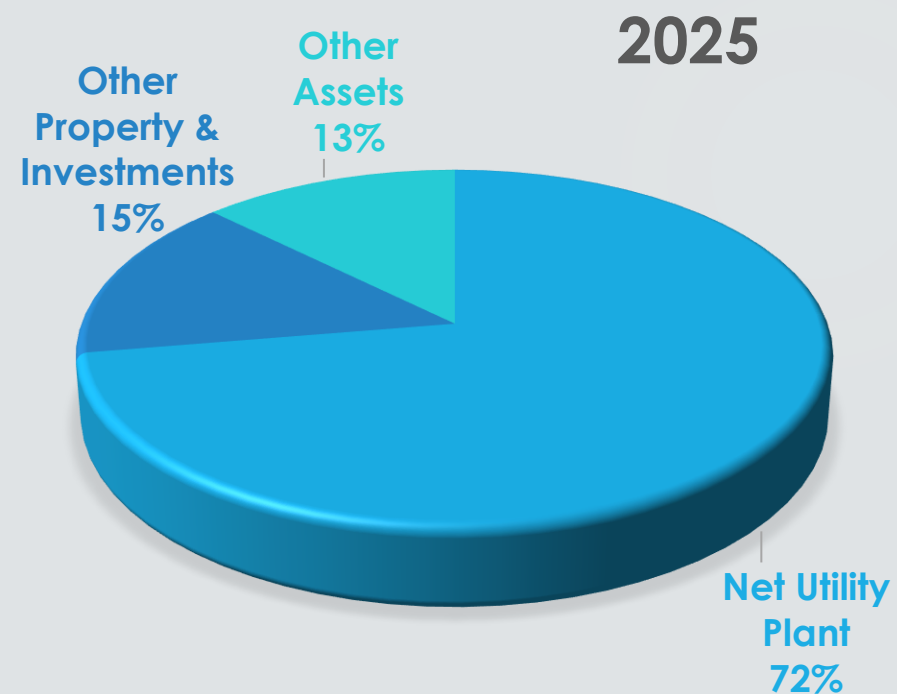
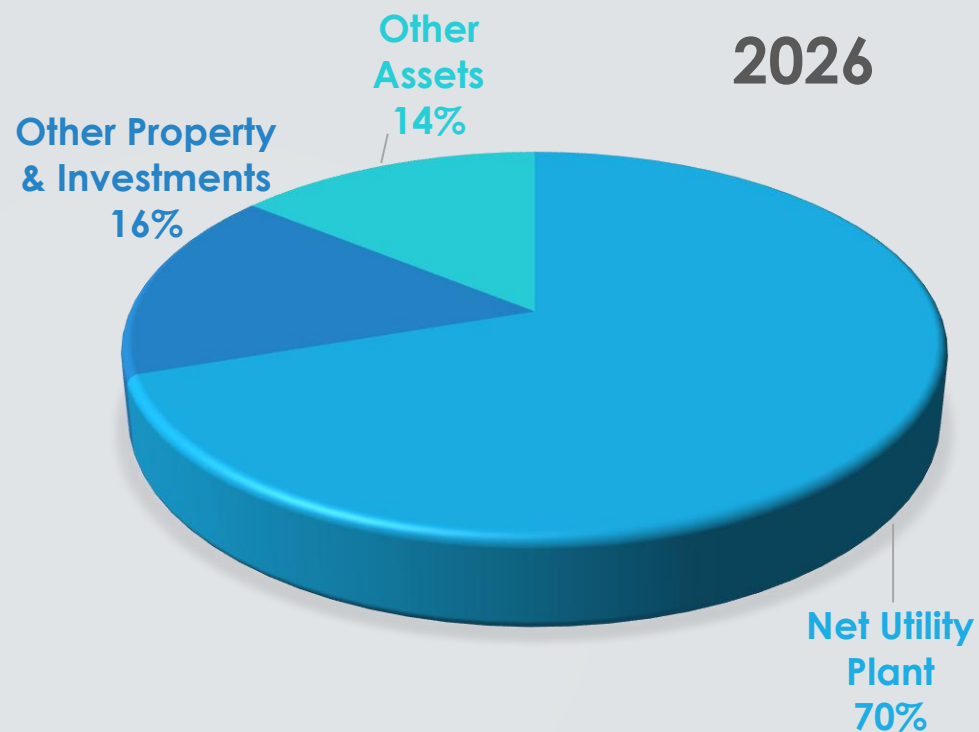
Items Discussed

- ▶ Independent Auditor's Report
- ▶ Overview of Audited Financial Statements
- ▶ Reports on Internal Controls and Compliance
- ▶ Uniform Guidance Reporting (FEMA Awards)
- ▶ Communications with Those Charged with Governance
- ▶ Questions

Independent Auditor's Report

- ▶ Issuance Date – Report Dated August 27, 2026
 - ▶ Unmodified Opinion (Clean Opinion)
- ▶ The Consolidated Financial Statements are Free of Material Misstatements and Represent a Fair Presentation of the Financial Position and Operations of the Cooperative

Balance Sheet: Assets



Financial Statement Highlights

- ▶ **Total Assets (Page 4 of Financial Statements)**
 - ▶ **2026 - \$679,545,413**
 - ▶ 2025 - \$619,258,304

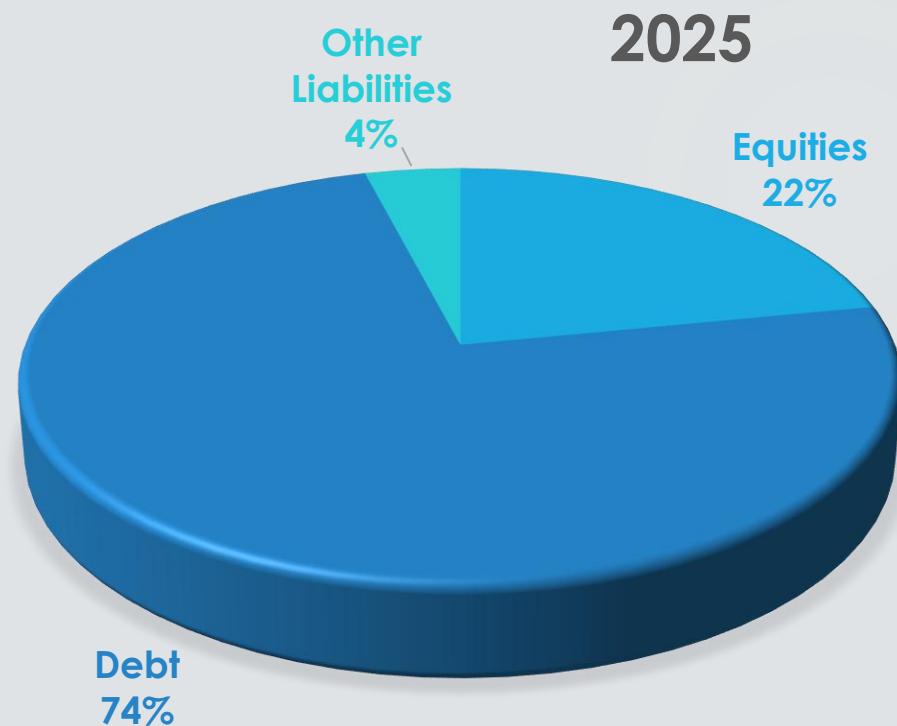
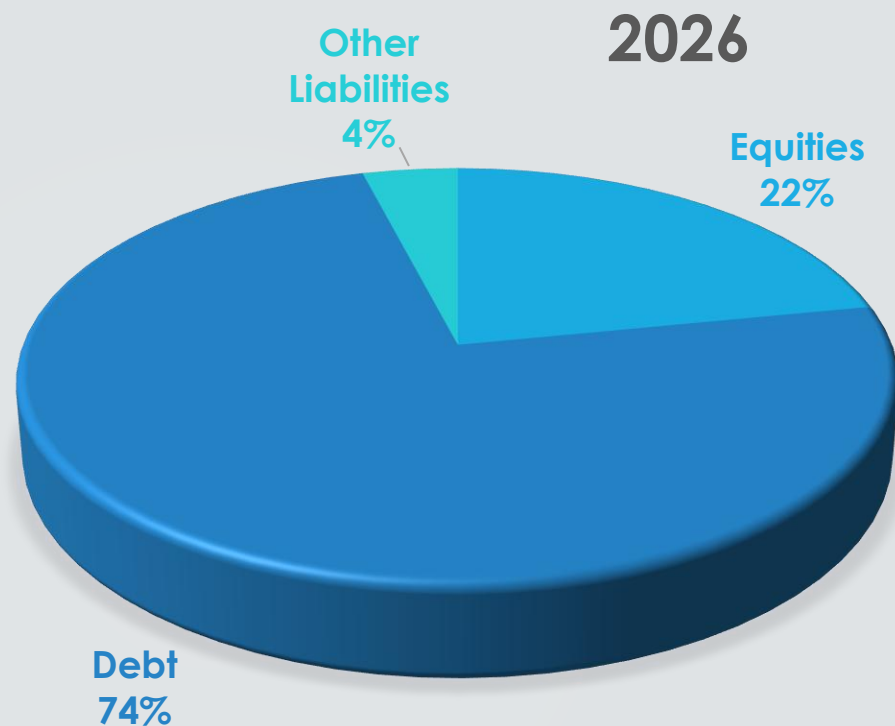
- ▶ Net Utility Plant Increased \$25.8 million
 - ▶ **2026 - \$474,047,153**
 - ▶ 2025 - \$448,257,889

- ▶ Other Property & Investments Increased \$16.6 million
 - ▶ **2026 - \$109,109,718**
 - ▶ 2025 - \$92,464,630

Financial Statement Highlights

- ▶ Current Assets Increased \$4.35 million
 - ▶ Increase in Cash and Restricted Cash - \$73 thousand
 - ▶ Increase in Accounts Receivable - \$3.5 million
 - ▶ Increase in Material Supplies - \$641 thousand
 - ▶ **2026 - \$31,299,774**
 - ▶ 2025 - \$26,950,228
- ▶ Deferred Debits Increased \$3.5 Million
 - ▶ **2026 - \$65,088,768**
 - ▶ 2025 - \$61,585,557
 - ▶ Storm Restoration – Hurricane Helene
 - ▶ Underrecovery of Wholesale Power Cost

Balance Sheet: Equities & Liabilities



Financial Statement Highlights

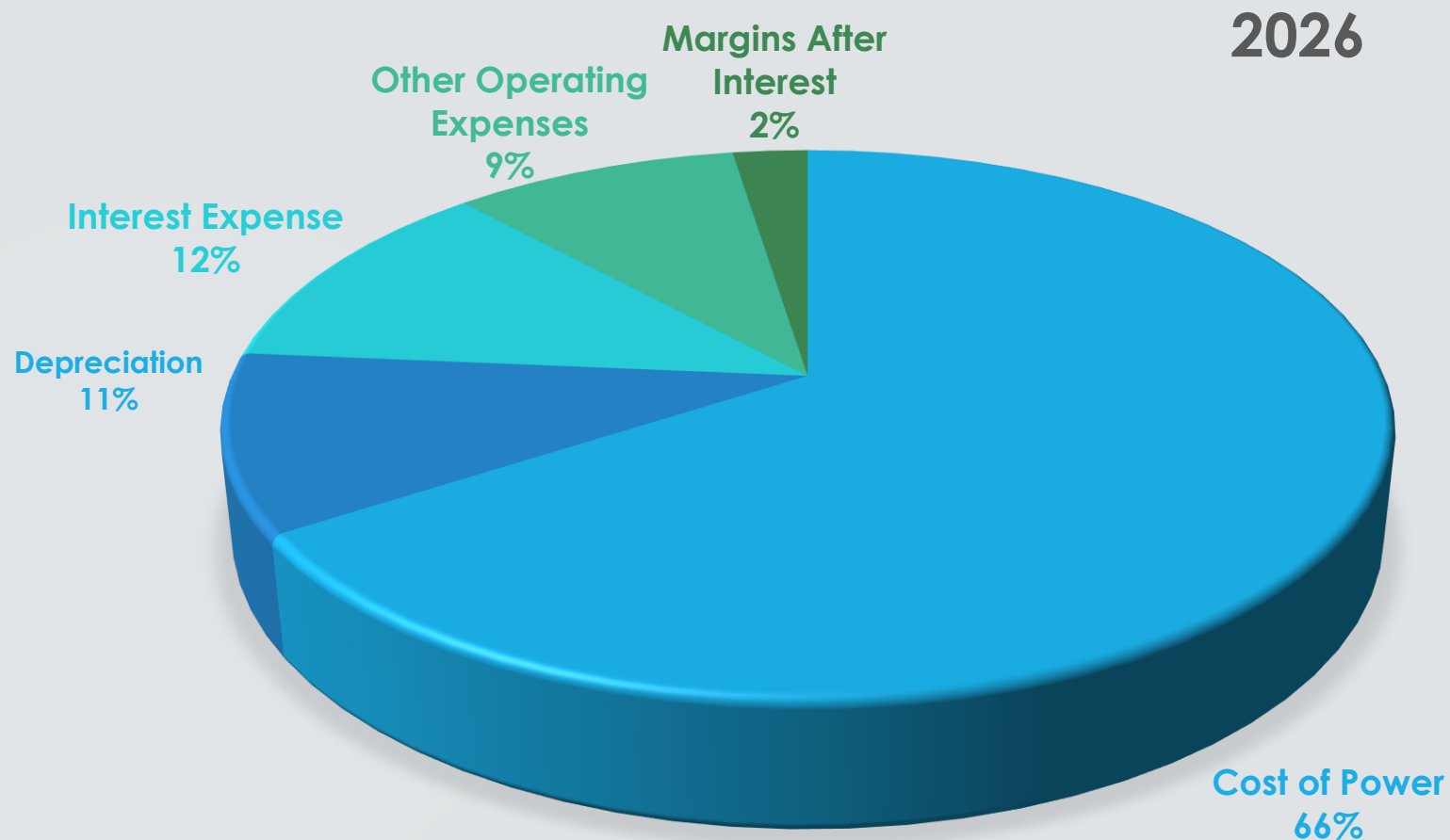
Members' Equity and Liabilities (Page 5)

- ▶ Members' Equity Increased \$14.5 million
 - ▶ Patronage Capital Retirements(Net) of (\$1.35 million)
 - ▶ Net Margins of \$ 12,655,872
 - ▶ Change in Actuarial Assumptions of (\$3.2 million)
 - ▶ **2026 - \$150,182,390**
 - ▶ 2025 - \$135,655,971

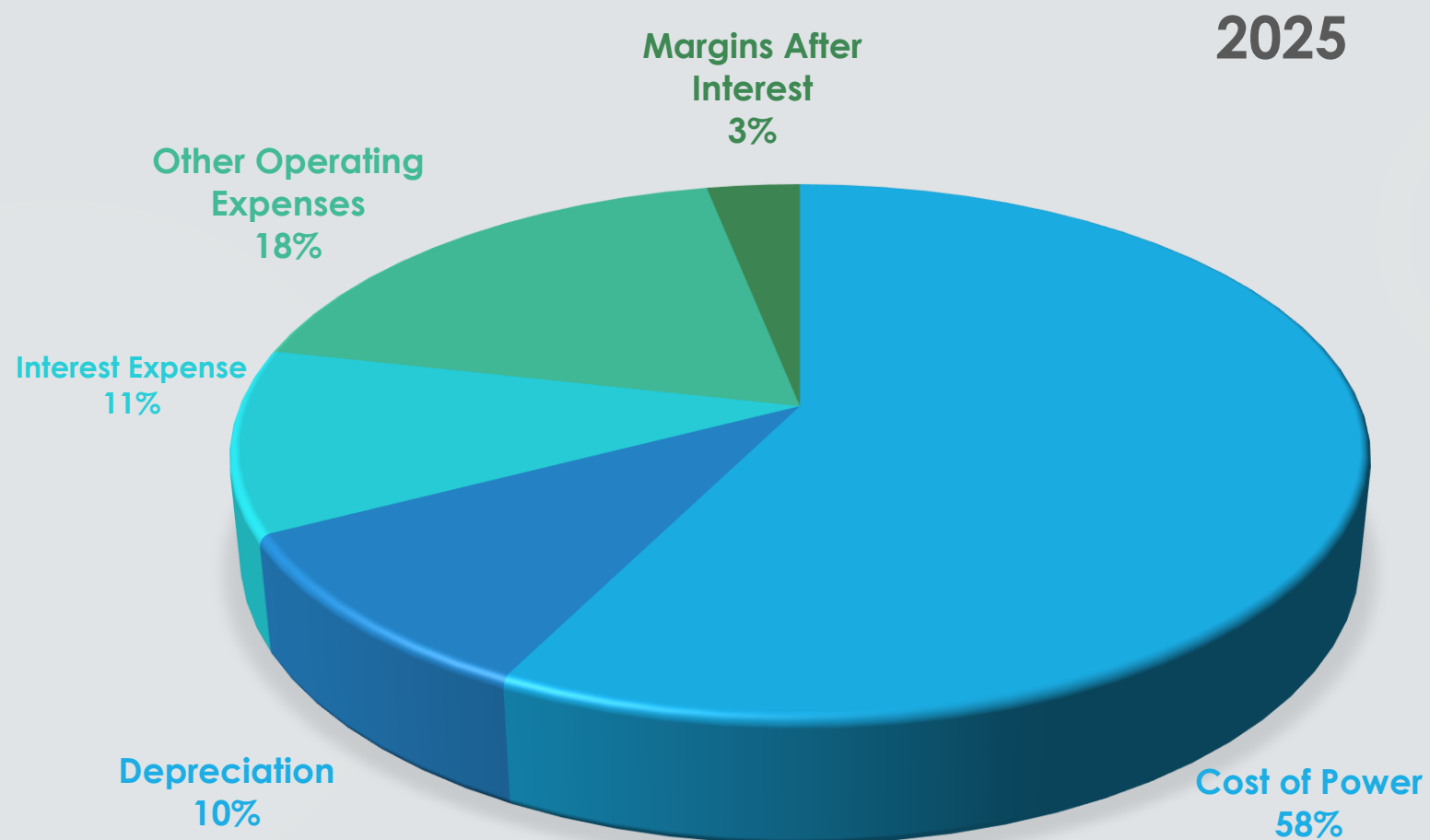
Financial Statement Highlights

- ▶ Total Debt Increased \$41.2 million
 - ▶ \$28.7 million in Advances on Long-Term Debt
 - ▶ \$11.7 million in Payments of Long-Term Debt
 - ▶ Net Increase in Lines-of-Credit \$21.7 million
 - ▶ **2026 - \$499,723,207**
 - ▶ 2025 - \$458,545,164
- ▶ Current Liabilities (Excluding Debt) Increased \$4.2 million
 - ▶ **2026 - \$28,192,383**
 - ▶ 2025 - \$24,011,876

Statement of Operations: 2026



Statement of Operations: 2025



Financial Statement Highlights

Statement of Operations (pg. 6)

- ▶ Operating Revenue Increased \$28.1 million
 - ▶ **2026 - \$176,921,867**
 - ▶ 2025 - \$148,838,927
- ▶ Cost of Power Increased \$14.9 million
 - ▶ **2026 - \$103,849,603**
 - ▶ 2025 - \$88,916,331
- ▶ Other Operating Expenses Increased \$9.5 million
 - ▶ **2026 - \$41,737,912**
 - ▶ 2025 - \$32,271,058

Financial Statement Highlights

- ▶ Operating Margin (Before Interest) Increased \$2.5 million
 - ▶ **2026 – \$14,726,452**
 - ▶ 2025 – \$12,254,069
- ▶ Interest Expense Increased \$1.4 million
 - ▶ **2026 - \$18,592,504**
 - ▶ 2025 - \$17,231,794
- ▶ All Non-Operating Margins Increased \$8.6 million
 - ▶ **2026 – \$12,787,644**
 - ▶ 2025 – \$4,138,603
- ▶ Net Margins Increased \$9.77 million
 - ▶ **2026 – \$12,655,872**
 - ▶ 2025 – \$2,887,354

Financial Statement Highlights

- ▶ **Notes to the Financial Statements (Beginning on Page 10)**

- ▶ Summary of Significant Accounting Policies (*Note 2*)
- ▶ Utility Plant (*Note 4*)
- ▶ Equity Securities (*Note 7*)
- ▶ Deferred Debits (*Note 8*)
- ▶ Debt (*Note 10*)
 - ▶ Long-term Debt (*Waiver*)
 - ▶ Lines-of-Credit
 - ▶ Letter-of-Credit
- ▶ Leases (*Note 11*)
- ▶ Retirement Benefits (*Note 12*)
- ▶ Income Taxes – *AE Connect* (*Note 13*)
- ▶ Concentrations and Commitments (*Notes 15 & 16*)

Reports on Internal Controls, Compliance and Grants and Contracts

- ▶ Limited Purpose Review of Internal Controls Over Financial Reporting
- ▶ Compliance and Other Matters
- ▶ Purpose of this Report

Uniform Guidance Reporting

- ▶ Report on Compliance for Each Major Federal Program
 - ▶ One Program – ALN 97.036 Disaster Grants
- ▶ Schedule of Expenditures of Federal Awards
 - ▶ \$25,254,600
- ▶ Notes to Schedule of Expenditures of Federal Awards
- ▶ Schedule of Findings and Questioned Costs

Communication with Those Charged with Governance

- ▶ Auditor's Responsibility Under GAAS
 - ▶ As stated in the engagement, the auditor is responsible forming and expressing an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with U.S. GAAP.
 - ▶ The audit of the consolidated financial statements does not relieve management or those charged with governance of their responsibilities.
- ▶ Planned Scope and Timing of the Audit
- ▶ Compliance with All Ethics Requirements Regarding Independence

Communication with Those Charged with Governance

- ▶ Significant Risks Identified
 - ▶ Management Override of Controls
 - ▶ Lender Compliance
 - ▶ Compliance with Federal Award Programs
- ▶ Significant Accounting Policies
- ▶ Significant Accounting Estimates
- ▶ Significant Difficulties Encountered During the Audit
- ▶ Audit Adjustments
- ▶ Other Significant Matters, Findings or Issues

Questions



Terry McMichael, CPA/CGMA

- ▶ tmcmichael@mmmcpa.com
- ▶ 478-330-5303 (Direct Line)
- ▶ 478-746-6277 (Main Line)

Legal Report

Report: CarolinaConnect Board Meeting

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CAROLINA**CONNECT**



Board Presentation

July 28th 2026



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Video Update

CarolinaConnect has an opportunity through our electric coop partnerships to offer an exclusive DirecTV Choice Video Package to CarolinaConnect customers.

This agreement for service would be between CarolinaConnect and MDU Datacom, a reseller of DirecTV services.

Offer Notes:

Biggest Issue: CarolinaConnect has a commitment minimum of 2000 video users after year 2 of the 5-year agreement.

MDU Datacom would be the billing entity for video service billing. Customers would create an account and would be able to add additional services should they choose beyond the exclusive Choice Package offer. Any additional services selected will not be part of the exclusive offer.



Other Channel Based Streaming Pricing

- YouTube TV - \$88.80 – including tax and fees
- Fubo - \$92.00 – including tax and fees
- Hulu TV - \$88.80 – including tax and fees
- **CC DirecTV Proposed Pricing - \$77.50 – including tax and fees (\$69.95 + taxes and fees)**



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Revenue Share

CarolinaConnect projects there will be a revenue share opportunity of \$5.00 per active video connection to the coops.



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August Billing Internet Connections

NEC: 7,303 + 37

AEC: 18,216 +140

MCEC: 22,070 + 97

TOTAL: 47,589 +274



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July Non-pay Disconnects

NEC: 138

AEC: 415

MCEC: 366

TOTAL: 919



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Active Voice August Billing

**908 lines/ 854 customers
+ 17 lines**



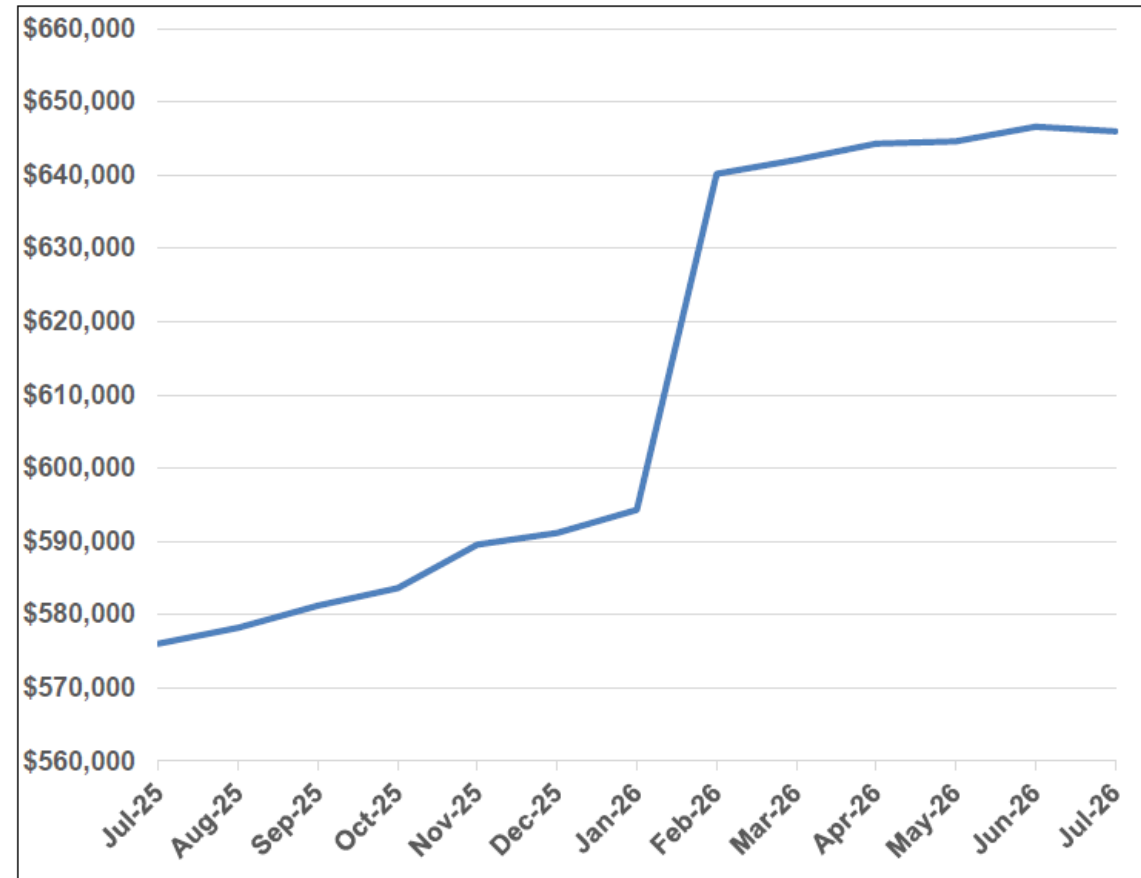
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Revenue Share MCEC

Revenue Share: 618,199
Metro E: 5,690
CC Services: 15,559
Surcharge: 4,955
VOIP: 1,582
Total: 645,985

Last month: 646,586



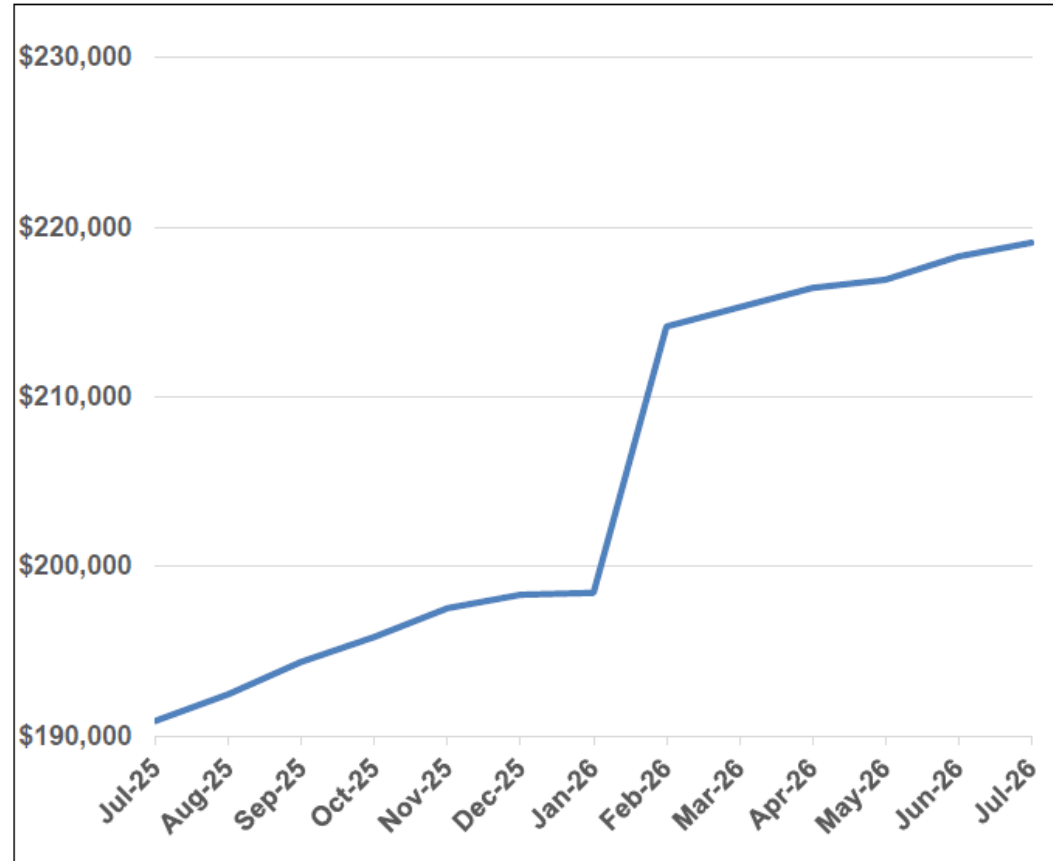
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Revenue Share NEC

Revenue Share:	196,106
Metro E:	3,450
CC Services:	13,921
Surcharge:	4,800
VOIP:	<u>798</u>
Total:	219,075

Last month: 218,269



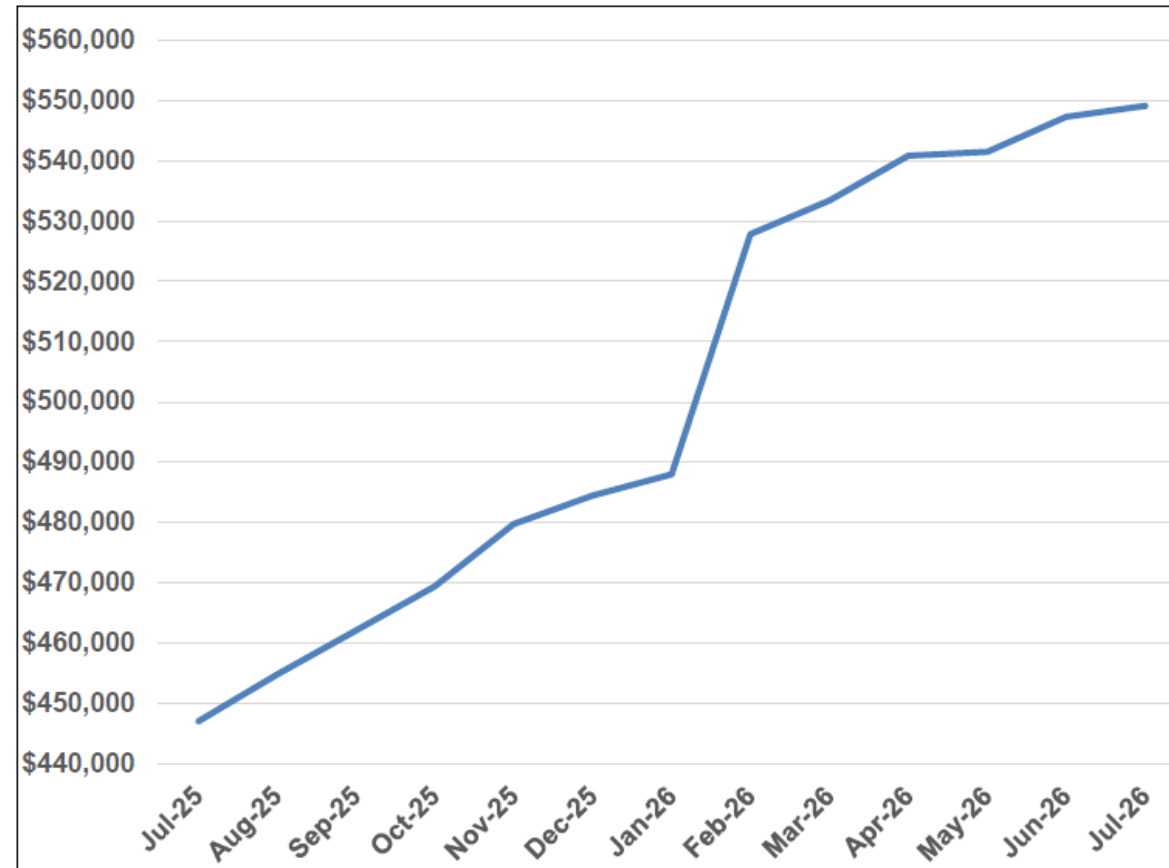
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Revenue Share AEC

Revenue Share: 448,694
Metro E: 1,433
MDU : 1067
CC Services: 70,433
AEC Surcharge: 24,287
VOIP: 3,170
Total: 549,084

Last month: 547,269



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Pending Drop Orders

Month ending	MCEC	NEC	AEC	Total	CC Pending Install or Sch.
5/1/26	53	20	83	156	125
5/29/26	70	26	93	189	114
6/26/26	75	23	59	157	122
7/17/26 Current	80	25	49	140	144



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Orders, Drops, Installs

Month	Ave. New Install Orders / week	Ave. Comp. Drops per week	Ave. New Installs per week
April	101	98.6	109.4
May	108.3	100	104.5
June	109.3	117.3	122.5
July (3 weeks)	102	103	98.7



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Capital Expenses

- 2026 Capital Expenses for Calix Equipment are running far ahead of what we were expecting.
- The leading culprit is that we have needed to spend more on XGS ports than we were expecting due to customers buying the higher speeds.
- Additionally, Calix has initiated a Memory Surcharge for all products making these shelves more expensive than originally anticipated.
- Additional shelves/ports have been added so far at Lexington, Lick Fork, Lake Murray, New Chapin, Pelion, Gilbert, Friarsgate, Sage Mill, Hollingshed, Springhill, Camp Long, and Windsor. Some but not all of these were planned during budgeting.



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Capital Expenses

- Additional ports have already been ordered but not arrived or paid for, for the following sites: Leesville, Circle, Old Chapin, North Congaree, South Congaree, Edmund, and Lexington again.
- The network Router and Server projects are also running more than we anticipated during the budgeting process due to a few added components.
- In total we need to add \$650,000 to our already approved Capital Budget for 2026.



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Marketing Board Report

7/28/26



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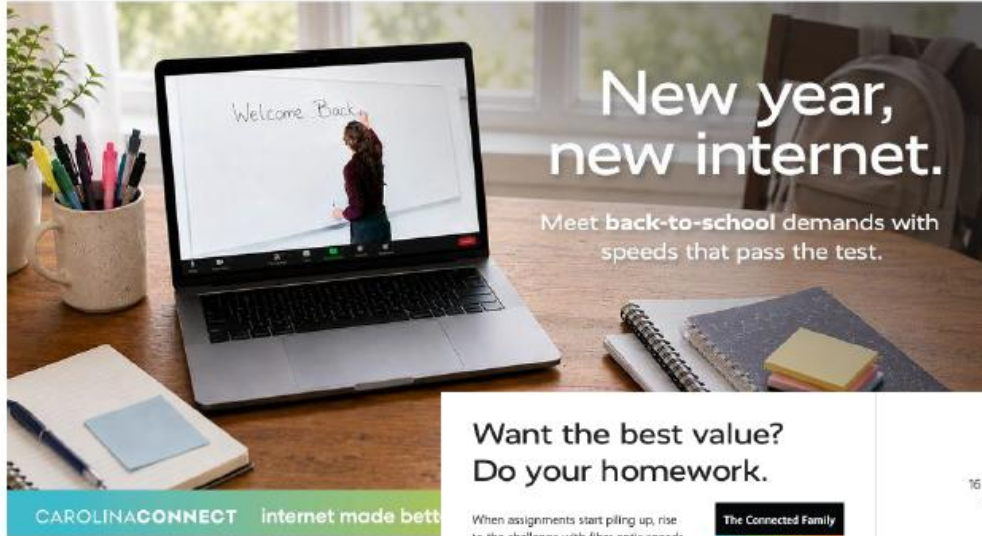
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Back-to-School Campaign - Began Week of July 13



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New year, new internet.

Meet **back-to-school** demands with speeds that pass the test.

CAROLINACONNECT internet made better

Want the best value?
Do your homework.

When assignments start piling up, rise to the challenge with fiber optic speeds from 1 to 8 Gbps. With plans to fit every household and the premium customer service only a local provider can deliver, you can look forward to reliable access to education, technology, conferencing and more. So, make sure everyone in your home makes the grade.

The Connected Family

1
Gbps

\$79.95
per month, all in

THREE WAYS TO UPGRADE TODAY

Call at 803.785.3455
Email at upgrade@CarolinaConnect.com
Use SmartHub



Get back-to-school with speeds that pass the test.

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A laptop with a welcome back message on the screen, surrounded by notebooks and a pen, symbolizing the importance of efficient internet connectivity for students.

AI-generated content may be incorrect.

Meet **back-to-school** demands with speeds that pass the test.

When assignments start piling up, rise to the challenge with fiber optic speeds from 1 to 8 Gbps. With plans to fit every household and the premium customer service only a local provider can deliver, you can look forward to reliable access to education, technology, conferencing and more.

Switch today & enjoy

- Four plans to choose from
- No contracts
- No installation fee
- No monthly router charge
- Faster speeds than DSL, satellite, wireless or cable modems

FIRST MONTH FREE • NO INSTALLATION FEE

6x
Higher Customer Satisfaction

*16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★
9/10 CUSTOMERS RECOMMEND

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SWITCH TODAY AT carolinaconnect.com OR 803.785.3455



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New Business Rates Release August 1 Will Target Upgrades and Prospects



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Business Plans

Business Basic 350 Mbps (\$79.95)

- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Easy-to-Use Mobile App

1 Gbps (\$129.95)

- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Device Prioritization with Easy-to-Use Mobile App

2.5 Gbps (\$159.95)

- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Device Prioritization with Easy-to-Use Mobile App

8 Gbps (\$249.95)

- Speed exclusive to CarolinaConnect
- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Device Prioritization with Easy-to-Use Mobile App



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More internet for less money.
Introducing lower prices for business customers.




CAROLINACONNECT

Get lower pricing on our most popular package.

At a time when almost everything is getting more expensive, we're proud to offer 1 Gig Business Internet as the exception to the rule. Designed to power all the devices that power your business, the 1 Gig package comes with no contracts, a 99.9% uptime guarantee, same day, local service response to outages and specialized cyber security applications at no cost. It's the value you'd expect from the area's only local provider that's never raised its prices.

Your business deserves no-gimmick pricing and service you can rely on.

It deserves **internet made better**.

Business Internet

1
Gbps

~~\$209⁹⁵~~
\$139⁹⁵
per month, all in



CAROLINACONNECT
P.O. BOX 547 LEXINGTON, SC 29057

6x

Higher Customer Satisfaction

16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.



9/10 CUSTOMERS RECOMMEND



OR CALL US AT 803.785.3455 OR VISIT US ONLINE

MAIL CODE
MR RYON EDWARDS
OR CURRENT RESIDENT
750 MEETING STREET
LEXINGTON SC 29072-7240



Call or email today to upgrade.
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upgrade@CarolinaConnect.com



More internet for less money.
Introducing lower prices for business customers.




CAROLINACONNECT

Get lower pricing on a more powerful package.

At a time when almost everything is getting more expensive, we're proud to offer 2.5 Gig Business Internet as the exception to the rule. Designed to power all the devices that power your business, the 2.5 Gig package comes with no contracts, a 99.9% uptime guarantee, same day, local service response to outages and specialized cyber security applications at no cost. It's the value you'd expect from the area's only local provider that's never raised its prices.

Your business deserves no-gimmick pricing and service you can rely on.

It deserves **internet made better**.

Business Internet

2.5
Gbps

~~\$269⁹⁵~~
\$169⁹⁵
per month, all in



CAROLINACONNECT
P.O. BOX 547 LEXINGTON, SC 29057

6x

Higher Customer Satisfaction

16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.



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OR CALL US AT 803.785.3455 OR VISIT US ONLINE

MAIL CODE
MR RYON EDWARDS
OR CURRENT RESIDENT
750 MEETING STREET
LEXINGTON SC 29072-7240

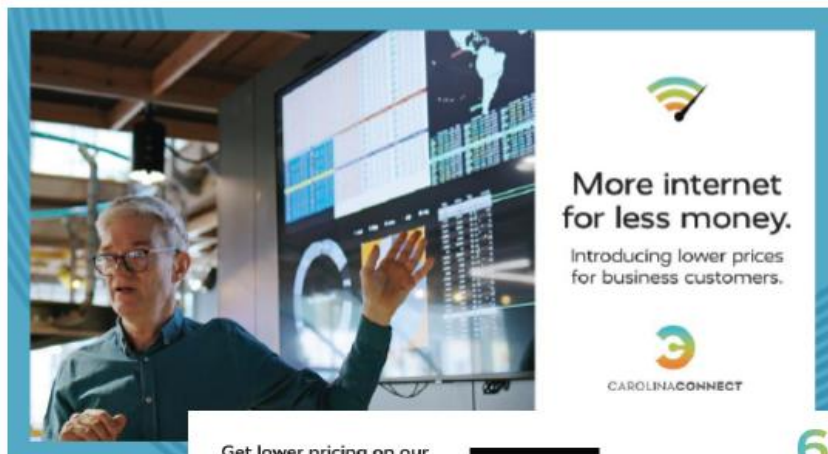


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Get lower pricing on our most powerful package.

At a time when almost everything is getting more expensive, we're proud to offer 8 Gig Business Internet as the exception to the rule. The fastest speed available and exclusive to CarolinaConnect, the 8 Gig package comes with no contracts, a 99.9% uptime guarantee, same day, local service response to outages and specialized cyber security applications at no cost. It's the value you'd expect from the area's only local provider that's never raised its prices. Your business deserves no gimmick pricing and service you can rely on.

It deserves **internet made better**.

Business Internet

8
Gbps

~~\$359⁹⁵~~
\$259⁹⁵
per month, all in

6x
Higher Customer Satisfaction
16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★
9/10 CUSTOMERS RECOMMEND



1-800-333-3333
MAIL CODE
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OR CURRENT RESIDENT
750 MEETING STREET
LEXINGTON SC 29072-7240



Call or email today to upgrade.
803.785.3455
upgrade@CarolinaConnect.com

Business Plans

From small teams connecting with clients across town, to growing enterprises powering innovation around the globe, our business plans keep companies of every size working at full speed. Plus, new lower prices on Business Internet packages mean unparalleled value from the area's only local provider.

FIRST MONTH **FREE** & **NO INSTALLATION FEE**



Business Internet			Business Basic
Devices (Plan includes with mobile app)			
8 Gbps	2.5 Gbps	1 Gbps	350 Mbps
\$249⁹⁵	\$159⁹⁵	\$129⁹⁵	\$79⁹⁵
per month, all in	per month, all in	per month, all in	per month, all in
Sign Up	Sign Up	Sign Up	Sign Up

Still not sure? Call or email for help, compare
803.785.3455 or info@CarolinaConnect.com

Total Control



Every package comes with Connect CC, our mobile app that lets you optimize your Wi-Fi with cyber security, parental controls and more.



The image is a webpage for CarolinaConnect, showcasing their business plans with various features such as free services, high customer satisfaction, and multiple pricing options.

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9/10 CUSTOMERS RECOMMEND



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CarolinaConnect Cooperative, Inc.

Balance Sheet

June 2026

<u>ASSETS</u>	<u>June</u>	<u>May</u>	<u>VARIANCE</u>
Current Assets:			
Cash and Equivalents	799,152	871,457	(72,305)
Receivables	2,721,255	2,701,754	19,501
Prepayments and Deferred Taxes	120,647	133,139	(12,492)
Total Current Assets	3,641,054	3,706,351	(65,297)
Non Current Assets:	526,998	526,998	-
Plant Under Construction	278,607	125,177	153,430
Net Operating Plant:			
Operating Plant accounts	37,427,008	37,316,488	110,520
Reserve for Depreciation	(21,851,894)	(21,460,132)	(391,762)
Total Net Operating Plant	15,575,114	15,856,357	(281,243)
TOTAL ASSETS	20,021,773	20,214,882	(193,109)



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CarolinaConnect Cooperative, Inc.

Balance Sheet

June 2026

<u>LIABILITIES AND EQUITY</u>	<u>June</u>	<u>May</u>	<u>VARIANCE</u>
Current Liabilities			
Accounts Payable	1,726,864	1,749,246	(22,382)
Advanced Billing and Prepayments	2,978,357	2,968,301	10,056
Customer Deposits	220,400	222,300	(1,900)
Accrued Taxes	360,635	300,535	60,100
Other Current Liabilities	720,347	683,484	36,863
Other Long-Term Liabilities,	371,964	387,070	(15,106)
Total Current Liabilities	6,378,567	6,310,936	67,631
 Long Term Debt	 33,825,749	 33,903,129	 (77,380)
 Equity	 (19,053,655)	 (19,053,655)	 -
Net Income/Loss	(1,128,889)	(945,528)	(183,361)
TOTAL EQUITY	(20,182,544)	(19,999,183)	(183,361)
 TOTAL LIABILITIES AND EQUITY	 20,021,773	 20,214,882	 (193,109)



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CarolinaConnect Cooperative, Inc.

Income Statement

June 2026

	June	May	DIFFERENCE	ACTUAL	YEAR TO DATE BUDGET	DIFFERENCE
OPERATING REVENUES						
Customer Revenues	3,091,616	3,102,889	(11,273)	18,327,221 **	18,347,682	(20,461)
Miscellaneous Revenues	13,053	5,079	7,974	37,070	15,900	21,170
Uncollectible Revenues	(24,600)	(23,000)	(1,600)	(154,800)	(128,434)	(26,366)
Total Operating Revenues	3,080,069	3,084,968	(4,899)	18,209,491	18,235,148	(25,657)
OPERATING EXPENSES						
Plant Operations Expense	2,093,697	2,055,195	38,502	12,618,326 **	12,486,359	131,967
Depreciation	482,400	479,619	2,781	2,798,983	2,775,000	23,983
Customer Operations Expense	304,187	332,890	(28,703)	1,842,964	1,893,644	(50,680)
Corporate Operations Expense	180,922	218,731	(37,809)	1,092,525	1,109,021	(16,496)
Total Operating Expenses	3,061,206	3,086,435	(25,229)	18,352,798	18,264,024	88,774
Net income from Operations	18,863	(1,467)	20,330	(143,307)	(28,876)	(114,431)
OPERATING TAXES	60,481	62,315	(1,834)	366,028	450,000	(83,972)
NON-OPERATING INCOME						
Non-Operating income/expense	3,457	2,525	932	234,567	120,000	114,567
Interest and Fixed Charges	(145,199)	(147,105)	1,906	(854,122)	(901,450)	47,328
Total Non-Operating income/expense	(141,742)	(144,580)	2,838	(619,555)	(781,450)	161,895
TOTAL NET INCOME/LOSS	(183,360)	(208,362)	25,002	(1,128,890)	(1,260,326)	131,436

** Does not include \$499,971 in Grant received and paid out to AEC in Feb. 2026 or \$966,262 in Grant received and paid out to NEC in Mar. 2026 or \$184,119 in Grant received and paid out to NEC in Apr. 2026



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Cash Flow

June '26

	<u>This Period</u>	<u>This Year</u>
OPERATING ACTIVITIES		
Net Income	-183,360.45	-1,128,888.64
Total Funds from Operations	<u>-183,360.45</u>	<u>-1,128,888.64</u>
Temporary Investments	0.00	0.00
Receivables	-19,500.75	-105,376.96
Supplies	0.00	0.00
Prepayments and Deferred Taxes	12,492.60	-46,605.94
Other Current Assets	0.00	0.00
(Increase)/Decrease in Operating Assets	<u>-7,008.15</u>	<u>-151,982.90</u>
Accounts Payable	-22,381.25	-619,813.31
Advanced Billings and Payments	10,055.95	115,597.00
Current Maturities	0.00	0.00
Accrued Taxes	60,100.00	360,594.91
Other Current Liabilities	21,757.12	55,083.86
Increase/(Decrease) in Operating Liabilities	<u>69,531.82</u>	<u>-88,537.54</u>
CASH FROM OPERATING ACTIVITIES	<u>-120,836.78</u>	<u>-1,369,409.08</u>
INVESTMENT ACTIVITIES		
Noncurrent Assets	0.00	-69,114.09
Telephone Plant Under Construction	-153,429.87	11,084.76
Net Operating Plant	281,242.57	99,732.62
Net Amortizable Assets	0.00	0.00
CASH FROM INVESTMENT ACTIVITIES	<u>127,812.70</u>	<u>41,703.29</u>
FINANCING ACTIVITIES		
Customer Deposits	-1,900.00	-4,900.00
Long Term Debt	-77,380.71	989,560.68
Other Liabilities and Deferred Credits	0.00	0.00
Stockholder's Equity	0.00	0.00
CASH FROM FINANCING ACTIVITIES	<u>-79,280.71</u>	<u>984,660.68</u>
CASH FROM ALL ACTIVITIES	<u>-72,304.79</u>	<u>-343,045.11</u>
TOTAL CASH BEGINNING OF PERIOD	<u>871,457.21</u>	<u>1,142,197.53</u>
TOTAL CASH END OF PERIOD	<u><u>799,152.42</u></u>	<u><u>799,152.42</u></u>

CarolinaConnect

VOIP - 12 Month Trailing Income Statement

01/01/2026 - 12/31/2026

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	2026 - TOTAL
Total Lines	785	803	819	828	846	873	0	0	0	0	0	0	
Month to Month Access Line Growth %	2.0%	2.3%	2.0%	1.1%	2.2%	3.2%	0.0%	0%	0%	0%	0%	0%	
Revenue													
VOIP Revenue	\$ 12,215.65	\$ 12,401.59	\$ 12,601.37	\$ 13,205.38	\$ 13,249.14	\$ 13,994.03							\$ 77,667.16
VOIP Federal Regulatory Fees Reven	\$ 2,766.87	\$ 2,813.16	\$ 2,824.87	\$ 2,917.95	\$ 2,991.39	\$ 3,059.69							\$ 17,373.93
VOIP State USF Revenue	\$ 853.06	\$ 867.09	\$ 870.78	\$ 911.92	\$ 934.74	\$ 956.01							\$ 5,393.60
MCEC Coop Revenue Share	\$ 1,402.17	\$ 1,414.34	\$ 1,440.16	\$ 1,512.68	\$ 1,568.67	\$ 1,582.17							\$ 8,920.19
NEC Coop Revenue Share	\$ 673.50	\$ 696.16	\$ 704.01	\$ 748.17	\$ 774.34	\$ 798.34							\$ 4,394.52
AEC Coop Revenue Share	\$ 2,943.16	\$ 2,985.15	\$ 3,052.01	\$ 3,034.00	\$ 3,121.64	\$ 3,170.52							\$ 18,306.48
Total Revenue	\$ 20,854.41	\$ 21,177.49	\$ 21,493.20	\$ 22,330.10	\$ 22,639.92	\$ 23,560.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,055.88
Revenue CarolinaConnect Keeps	\$ 12,215.65	\$ 12,401.59	\$ 12,601.37	\$ 13,205.38	\$ 13,249.14	\$ 13,994.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,667.16
Expense													
VOIP Expense	\$ 168.92	\$ 215.49	\$ 480.72	\$ 853.10	\$ 232.35	\$ 989.95							\$ 2,940.53
VOIP Labor	\$ 14,886.07	\$ 17,978.45	\$ 19,378.06	\$ 18,344.43	\$ 20,809.49	\$ 19,206.00							\$ 110,602.50
VOIP Federal Regulatory Fees Expen	\$ 3,531.28	\$ 3,531.28	\$ 3,531.28	\$ 3,652.86	\$ 3,603.31	\$ 3,652.86							\$ 21,502.87
VOIP State USF Expense	\$ 501.15	\$ 501.15	\$ 501.15	\$ 501.15	\$ 493.44	\$ 501.15							\$ 2,999.19
MCEC Coop Revenue Share Payout	\$ 1,402.17	\$ 1,414.34	\$ 1,440.16	\$ 1,512.68	\$ 1,568.67	\$ 1,582.17							\$ 8,920.19
NEC Coop Revenue Share Payout	\$ 673.50	\$ 696.16	\$ 704.01	\$ 748.17	\$ 774.34	\$ 798.34							\$ 4,394.52
AEC Coop Revenue Share Payout	\$ 2,943.16	\$ 2,985.15	\$ 3,052.01	\$ 3,034.00	\$ 3,121.64	\$ 3,170.52							\$ 18,306.48
Total Expense	\$ 24,106.25	\$ 27,322.02	\$ 29,087.39	\$ 28,646.39	\$ 30,603.24	\$ 29,900.99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,666.28
VOIP Net Operating Income	\$ (3,251.84)	\$ (6,144.53)	\$ (7,594.19)	\$ (6,316.29)	\$ (7,963.32)	\$ (6,340.23)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37,610.40)



CAROLINACONNECT

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CarolinaConnect

MOBILE - 12 Month Trailing Net Operating Income Statement

01/01/2026 - 12/31/2026

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	2026 - TOTAL
Total Accounts	245	249	257	261	272	276							
Total Lines	426	434	448	453	468	475							
Month to Month Access Line Growth %	1.9%	1.9%	3.2%	1.1%	3.3%	1.5%							
Revenue													
MOBILE Plan Revenue	\$ 17,215.77	\$ 17,218.87	\$ 18,624.94	\$ 18,319.05	\$ 19,071.32	\$ 19,140.95							\$ 109,590.90
MOBILE Handset / Accessory Revenue	\$ 1,906.00	\$ 829.00	\$ 507.00	\$ 119.00	\$ 1,217.00	\$ 2,136.00							\$ 6,714.00
MOBILE Device Financing Revenue	\$ 1,898.00	\$ 3,486.00	\$ 4,856.00	\$ 729.00	\$ 3,227.00	\$ 3,775.00							\$ 17,971.00
MOBILE Activation Fee Revenue	\$ 390.00	\$ 240.00	\$ 480.00	\$ 240.00	\$ 510.00	\$ 310.00							\$ 2,170.00
MOBILE Device Protection Revenue	\$ 292.04	\$ 317.07	\$ 312.34	\$ 315.85	\$ 371.49	\$ 344.30							\$ 1,953.09
MOBILE Usage Revenue	\$ 19.03	\$ 6.78	\$ 21.46	\$ 96.67	\$ 143.59	\$ 15.99							\$ 303.52
MOBILE Bad Debt / Uncollectible Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							\$ -
Total Mobile Revenue	\$ 21,720.84	\$ 22,097.72	\$ 24,801.74	\$ 19,819.57	\$ 24,540.40	\$ 25,722.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,702.51
Expense													
MOBILE Labor	\$ 5,797.30	\$ 7,272.70	\$ 6,673.15	\$ 7,592.11	\$ 6,555.95	\$ 6,046.00							\$ 39,937.21
MOBILE Service Charges	\$ 13,127.66	\$ 13,550.71	\$ 14,205.67	\$ 14,181.90	\$ 14,887.93	\$ 16,122.93							\$ 86,076.80
MOBILE Handset / Accessory Expense	\$ 5,604.95	\$ (2,199.30)	\$ (512.75)	\$ 122.70	\$ 1,233.65	\$ 2,154.50							\$ 6,403.75
MOBILE Handset Expense Offset - Activation Credits*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							\$ -
MOBILE Merchant Fees	\$ (1,887.90)	\$ 1,075.25	\$ 1,094.02	\$ 1,094.65	\$ 1,196.89	\$ 1,220.61							\$ 3,793.52
MOBILE Shipping Charges	\$ 34.41	\$ 285.12	\$ 26.20	\$ 108.95	\$ 113.60	\$ 287.00							\$ 855.28
Total Mobile Expense	\$ 22,676.42	\$ 19,984.48	\$ 21,486.29	\$ 23,100.31	\$ 23,988.02	\$ 25,831.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,066.56
MOBILE Net Operating Income / (Loss)	\$ (955.58)	\$ 2,113.24	\$ 3,315.45	\$ (3,280.74)	\$ 552.38	\$ (108.80)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,635.95



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CAROLINA**CONNECT**



Board Presentation

August 25th 2026



CAROLINA**CONNECT**

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September Billing Internet Connections

NEC: 7,337 + 34

AEC: 18,266 + 50

MCEC: 22,149 + 79

TOTAL: 47,752 +163



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Customer Acquisitions/Net adds

Installs: 3,724
Net adds: 1,553

2026 Net add budget: 2640



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JULY DISCONNECTED AGREEMENTS							
	MCEC	MCEC CC	NEC	NEC CC	AEC	AEC CC	TOTAL:
CUTTING COSTS	1	0	1	0	4	2	8
DECEASED	1	0	0	0	2	2	5
NON PAYMENT	34	1	16	3	46	7	107
MOVING	81	1	16	1	51	13	163
NO LONGER NEEDED	13	0	4	0	14	0	31
UNHAPPY WITH SERVICE	0	0	1	0	1	0	2
OTHER	4	0	0	0	4	2	10
NEW PROVIDER	20	1	1	0	8	4	34
TOTAL:	154	3	39	4	130	30	360



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July Order Cancellations Before Install			
	MCEC	NEC	AEC
Customer did not want to wait for drop work.	1	0	1
Customer staying with current provider due to pricing.	0	0	0
Unhappy with drop work.	0	0	0
Can no longer afford.	0	0	0
Moving	0	0	0
Unable to serve per Co-op	0	0	0
Other – No reason provided.	2	0	5
Total:	3	0	6



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August Non-pay Disconnects

NEC: 108

AEC: 445

MCEC: 320

TOTAL: 873



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Active Voice September Billing

**924 lines/ 870 customers
+ 16 lines**



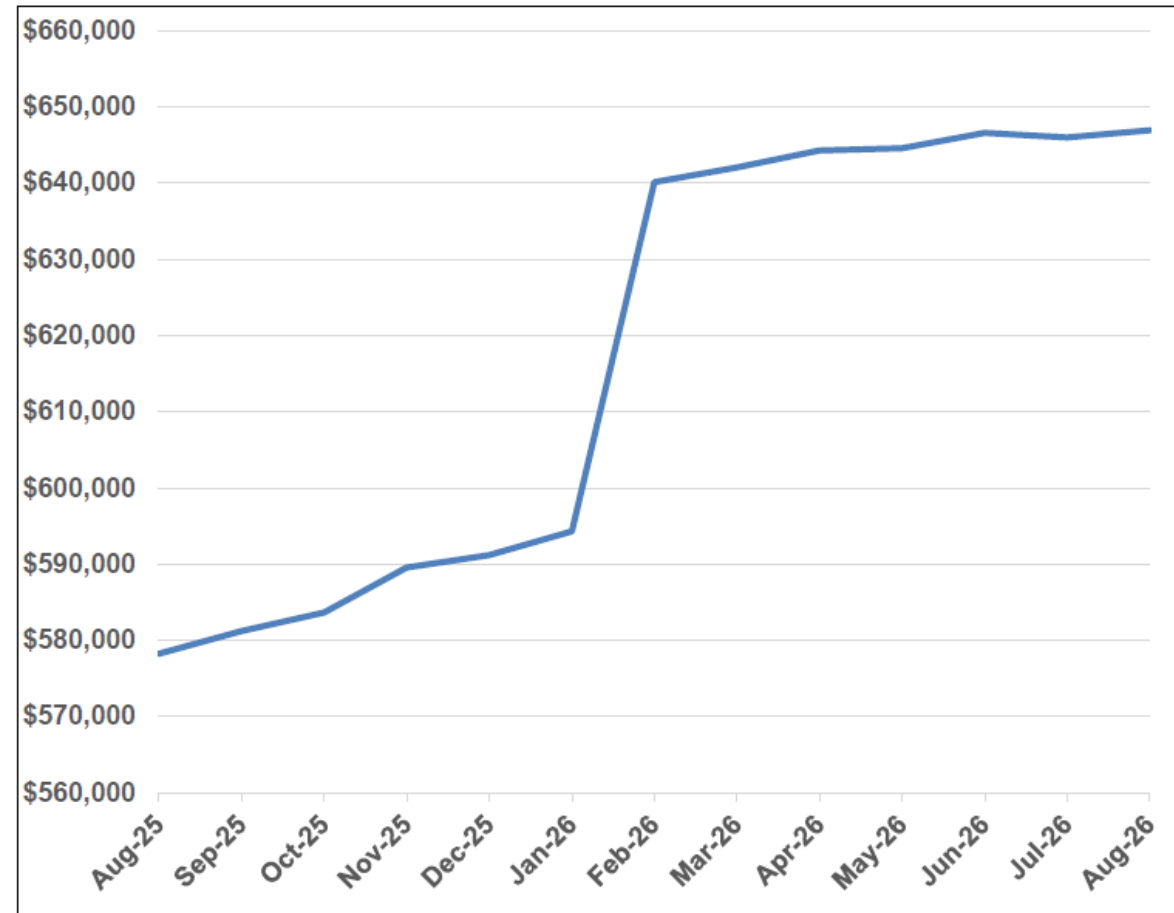
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Revenue Share MCEC

Revenue Share:	620,184
Metro E:	4,690
CC Services:	15,516
Surcharge:	4,940
VOIP:	<u>1,612</u>
Total:	646,942

Last month: 645,985

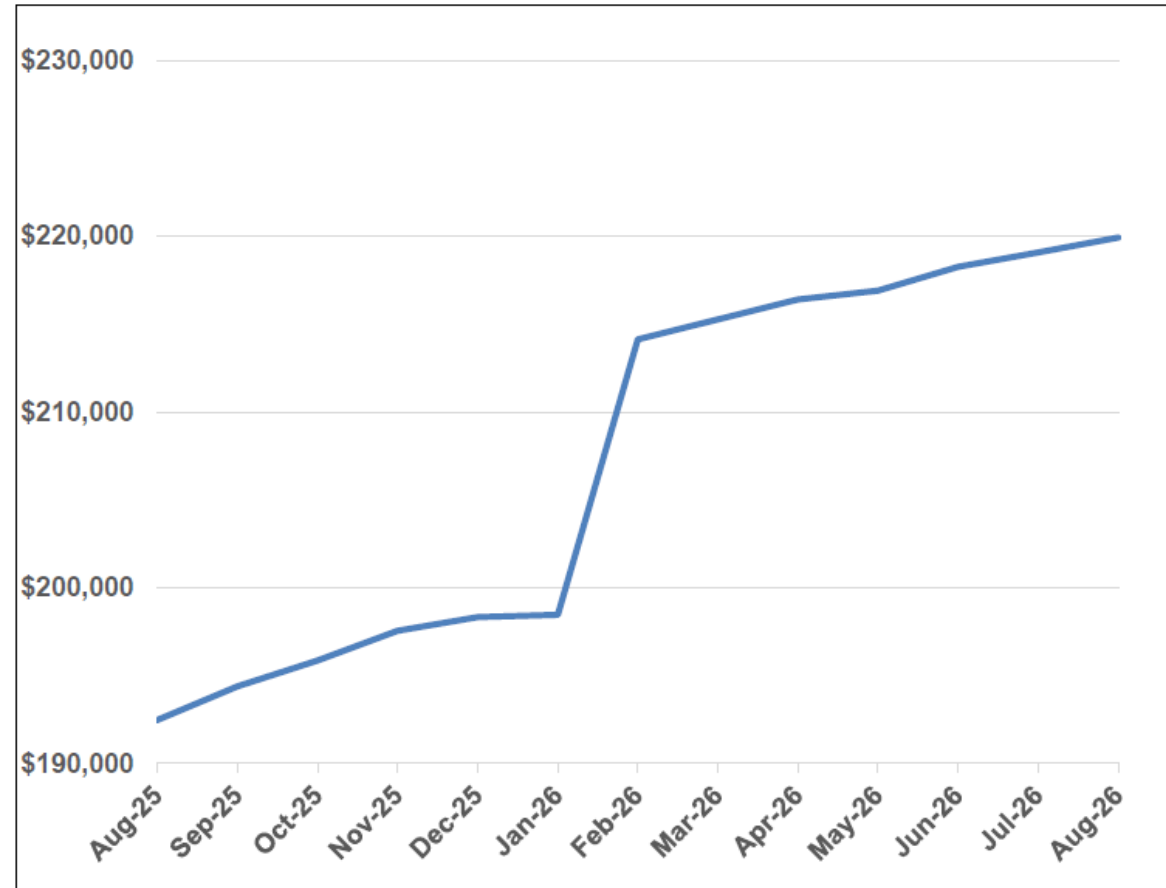


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Revenue Share NEC

Revenue Share:	196,814
Metro E:	3,450
CC Services:	14,013
Surcharge:	4,832
VOIP:	<u>820</u>
Total:	219,929
 Last month:	 219,075



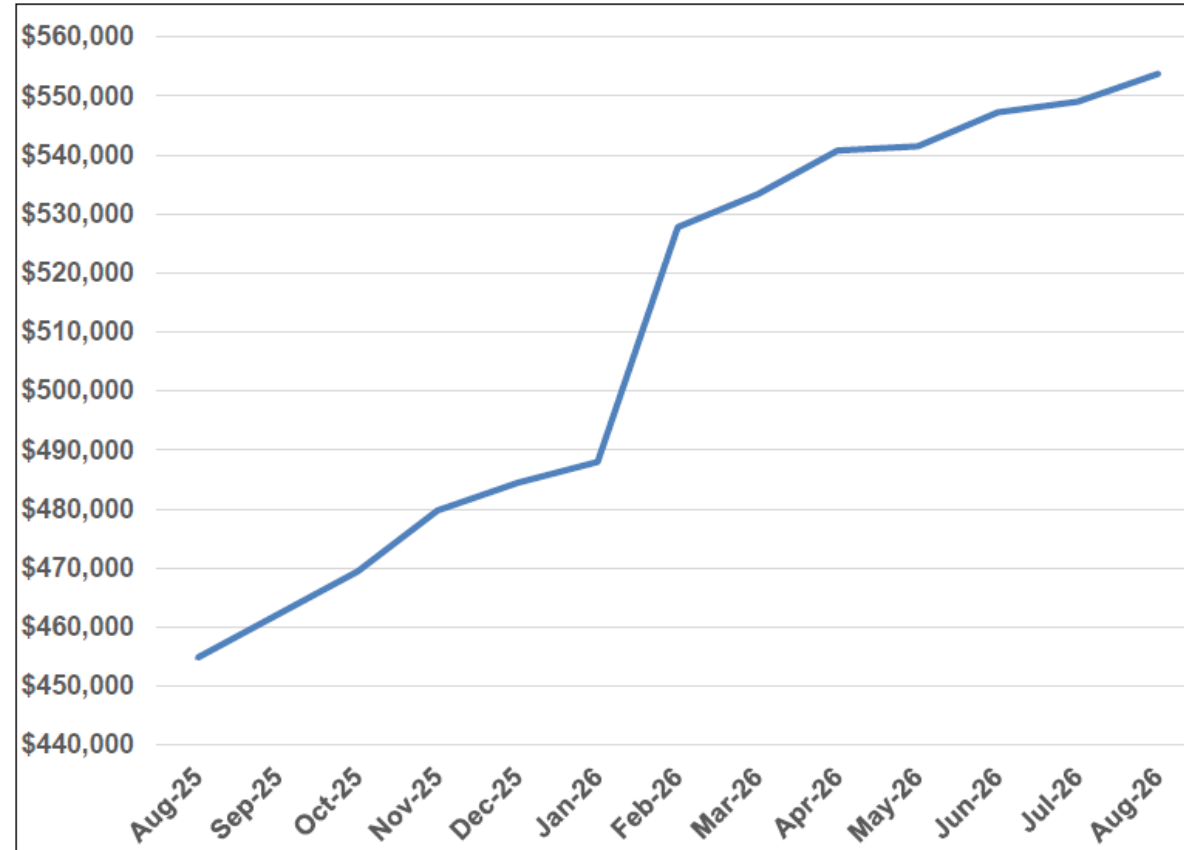
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Revenue Share AEC

Revenue Share:	452,470
Metro E:	1,433
MDU :	1067
CC Services:	71,093
AEC Surcharge:	24,515
VOIP:	<u>3,206</u>
Total:	553,784

Last month: 549,084



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Admin Update

- **Telispire August billing included 292 mobile accounts, 489 lines. There were 9 mobile disconnects this month. (+5 accounts, +1 lines)**
- **We currently have 743 2.5G customers. We also have 136 8G customers. (+81 2.5G, +22 8G)**
- **BDC Filing for June 30th data and map representation is due by next Tuesday, September 1st. AEC and NEC have submitted their individual maps to MCEC. Lee Ayers is working to merge all three coop fiber territory maps into one CarolinaConnect service map. Work should be complete this week.**



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Pending Drop Orders

Month ending	MCEC	NEC	AEC	Total	CC Pending Install or Sch.
5/29/26	70	26	93	189	114
6/26/26	75	23	59	157	122
7/31/26	75	17	71	163	144
8/14/26 Current	84	28	55	167	177



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Orders, Drops, Installs

Month	Ave. New Install Orders / week	Ave. Comp. Drops per week	Ave. New Installs per week
May	108.3	100	104.5
June	109.3	117.3	122.5
July	110.2	109	107
Aug (2 weeks)	108	106	111



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Marketing Board Report

8/25/26



CAROLINA**CONNECT**

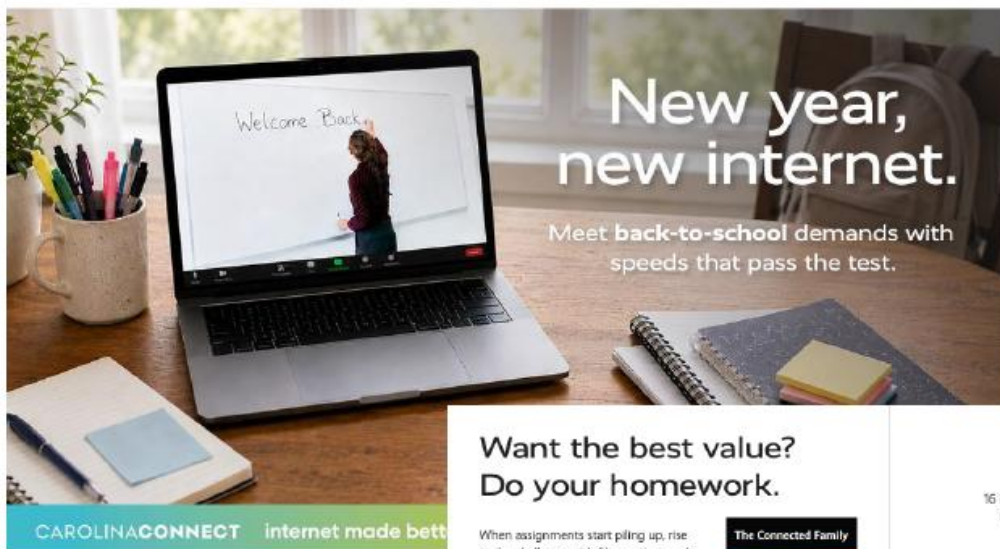
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Back-to-School Campaign - Wraps Up in September



CAROLINA**CONNECT**

internet made better



New year, new internet.

Meet **back-to-school** demands with speeds that pass the test.

CAROLINACONNECT internet made better

We've seen a 12% increase in "Direct" traffic to the website (they typed in the URL) which is most likely a result of the CTV.

Want the best value?
Do your homework.

When assignments start piling up, rise to the challenge with fiber optic speeds from 1 to 8 Gbps. With plans to fit every household and the premium customer service only a local provider can deliver, you can look forward to reliable access to education, technology, conferencing and more. So, make sure everyone in your home makes the grade.

The Connected Family

1
Gbps

\$79.95
per month, all in

THREE WAYS TO UPGRADE TODAY

Call at 803.785.3455
Email at upgrade@CarolinaConnect.com
Use SmartHub



Get back-to-school with speeds that pass the test.

CAROLINACONNECT
internet made better

The back-to-school
programmatic video campaign
CTR is 2x the benchmark.

6x

Higher Customer Satisfaction

16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★

9/19 CUSTOMERS RECOMMEND

CAROLINACONNECT
P.O. BOX 1847, LEKINGTON, SC 29071



MAIL CODE
MR. RYON EDWARDS
OR CURRENT RESIDENT
750 MEETING STREET
LEKINGTON, SC 29072-7240



New school year, new internet.

Meet **back-to-school** demands
with speeds that pass the test.

When assignments start piling up, rise to the challenge with fiber optic speeds from 1 to 8 Gbps. We offer plans to fit every household and the premium customer service only a local provider can deliver. So, you can look forward to reliable access to education, technology, conferencing and more.

Switch today & enjoy

- Fewer plans to choose from
- No contracts
- No installation fee
- No monthly router charge
- Faster speeds than DSL, cable or satellite

FIRST MONTH **FREE** • NO INSTALLATION **FEE**

6x

Higher Customer Satisfaction

16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★

9/19 CUSTOMERS RECOMMEND

CAROLINACONNECT
internet made better

SWITCH TODAY AT carolinaconnect.com OR 803.785.3455



CAROLINACONNECT

internet made better

New Business Rates Released August 1



CAROLINA**CONNECT**

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Business Plans

Business Basic 350 Mbps (\$79.95)

- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Easy-to-Use Mobile App

1 Gbps (\$129.95)

- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Device Prioritization with Easy-to-Use Mobile App

2.5 Gbps (\$159.95)

- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Device Prioritization with Easy-to-Use Mobile App

8 Gbps (\$249.95)

- Speed exclusive to CarolinaConnect
- No contracts
- 99.99% uptime guarantee
- Same day, local service response to outages
- First month free + free installation
- Includes Wi-Fi 7 router
- Protect IQ Cyber Security
- Device Prioritization with Easy-to-Use Mobile App



CAROLINACONNECT

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More internet for less money.

Introducing lower prices for business customers.



CAROLINACONNECT

Get lower pricing on our most popular package.

At a time when almost everything is getting more expensive, we're proud to offer 1 Gig Business Internet as the exception to the rule. Designed to power all the devices that power your business, the 1 Gig package comes with no contracts, a 99.9% uptime guarantee, same day, local service response to outages and specialized cyber security applications at no cost. It's the value you'd expect from the area's only local provider that's never raised its prices.

Your business deserves no-gimmick pricing and service you can rely on.

It deserves **internet made better**

Business Internet

1
Gbps

~~\$209⁹⁵~~
\$139⁹⁵

per month, all in

6x

Higher Customer Satisfaction

16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★

9/10 CUSTOMERS RECOMMEND



CAROLINACONNECT

PO BOX 1047 LEXINGTON, SC 29071

BY ORDER OF THE BOARD OF DIRECTORS

MAIL CODE
MR RYON EDWARDS
OR CURRENT RESIDENT
750 MEETING STREET
LEXINGTON SC 29072-7240



Call or email today to upgrade.
803.785.3455
upgrade@CarolinaConnect.com





More internet for less money.

Introducing lower prices for business customers.



CAROLINACONNECT

Get lower pricing on a more powerful package.

At a time when almost everything is getting more expensive, we're proud to offer 2.5 Gig Business Internet as the exception to the rule. Designed to power all the devices that power your business, the 2.5 Gig package comes with no contracts, a 99.9% uptime guarantee, same day, local service response to outages and specialized cyber security applications at no cost. It's the value you'd expect from the area's only local provider that's never raised its prices.

Your business deserves no-gimmick pricing and service you can rely on.

It deserves **internet made better**

Business Internet

2.5
Gbps

~~\$269⁹⁵~~
\$169⁹⁵

per month, all in

6x

Higher Customer Satisfaction

16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★

9/10 CUSTOMERS RECOMMEND



CAROLINACONNECT

PO BOX 1047 LEXINGTON, SC 29071

BY ORDER OF THE BOARD OF DIRECTORS

MAIL CODE
MR RYON EDWARDS
OR CURRENT RESIDENT
750 MEETING STREET
LEXINGTON SC 29072-7240



Call or email today to upgrade.
803.785.3455
upgrade@CarolinaConnect.com



CAROLINACONNECT

internet made better





More internet for less money.

Introducing lower prices for business customers.



Get lower pricing on our most powerful package.

At a time when almost everything is getting more expensive, we're proud to offer 8 Gig Business Internet as the exception to the rule. The fastest speed available and exclusive to CarolinaConnect, the 8 Gig package comes with no contracts, a 99.9% uptime guarantee, same day, local service response to outages and specialized cyber security applications at no cost. It's the value you'd expect from the area's only local provider that's never raised its prices.

Your business deserves no-gimmick pricing and service you can rely on.

It deserves **internet made better**.

Business Internet

8 Gbps

~~\$359⁹⁵~~
\$259⁹⁵
per month, plus tax

6x

Higher Customer Satisfaction

16 is the average Net Promoter Score among internet service providers, CarolinaConnect's score is 90.

★★★★★

8/10 CUSTOMERS RECOMMEND



CAROLINACONNECT
1710 - 801 WEST LEXINGTON, SC 29071

CALL OR TEXT US TODAY AT 803.785.3455

MAIL CODE
MR RYON EDWARDS
DR CURRENT RESIDENT
750 MEETING STREET
LEXINGTON SC 29072-1240



Call or email today to upgrade.
803.785.3455
upgrade@CarolinaConnect.com



[Residential](#)
[Business](#)
[Mobile Service](#)
[About](#)

Business Plans

From small teams connecting with clients across towns, to growing enterprises pioneering innovation around the globe, our business plans keep companies of every size working at full speed.

Plus, new lower prices on Business Internet packages mean unparalleled value from the area's only local provider.

FIRST MONTH **FREE** • NO INSTALLATION **FEE**



All plans include:

- No contracts
- 99.9% uptime guarantee
- Same day, local service response to outages
- 4K IPTV service
- Easy-to-use mobile app
- Default 128-bit SSL Security

Business Internet		Business Basic	
8 Gbps	2.5 Gbps	1 Gbps	350 Mbps
\$249⁹⁵ per month, plus tax	\$159⁹⁵ per month, plus tax	\$129⁹⁵ per month, plus tax	\$79⁹⁵ per month, plus tax
Sign Up	Sign Up	Sign Up	Sign Up

Total Control

Every package comes with Connect CC, our mobile app that lets you control your Wi-Fi with cyber security, parental controls and more.

[Get it on Google Play](#) [GET IT ON APP STORE](#)

CarolinaConnect's score is 90.

★★★★★

8/10 CUSTOMERS RECOMMEND

The image is a webpage for CarolinaConnect, showcasing their business plans with various features such as free services, high customer satisfaction, and multiple pricing options.

AI-generated content may be incorrect.

Developing a New Builder Program



CAROLINACONNECT

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You're already connected!

D.R. Horton homes come hard-wired with a fiber-optic internet connection from the provider with customer satisfaction scores 6x the industry average.



Don't start life in a new home frustrated by the same old internet provider — especially when you already have access to the fastest speeds, superior value and impeccable service. Plus, get your first month free. How's that for a housewarming?

Details on transferring service can be found on the back.

FIRST MONTH **FREE** & **NO INSTALLATION FEE**

6x

Higher Customer Satisfaction
16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★
9/10 CUSTOMERS RECOMMEND



Account Reference Guide

Account Reference Guide

EQUIPMENT

Location:

NETWORK INFORMATION

2.4G Network Name:

Password:

Default Network Login:

5.0G Network Name:

Password:

Scan here to
transfer service
within three
business days.

QR Code



CAROLINACONNECT
AN AFFILIATE OF MID-CAROLINA ELECTRIC COOPERATIVES

803.785.3455
carolinaconnect.com



CAROLINACONNECT

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New Digital Ads Releasing September



CAROLINA**CONNECT**

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Score
OUTDOORS

Outdoor wi-fi
means the best
of both worlds
this fall.



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Don't let bad
internet spoil
the season.

Upgrade today



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Don't let bad internet spoil
the season.

AI-generated content may be
incorrect.



CAROLINACONNECT

internet made better



Your
internet ranks

3 TIMES
better



Your
internet ranks

6 TIMES
better

See the scores.
Stay the course.



CAROLINA**CONNECT**
internet made better



CAROLINA**CONNECT**

internet made better



Don't let your
speed spoil the
season.

Upgrade today



CAROLINA**CONNECT**
internet made better



CAROLINA**CONNECT**

internet made better



New
lower prices
for business
internet.



Upgrade today



CAROLINA**CONNECT**
internet made better



Business
internet with
new, **lower**
prices and
no contracts.



Upgrade today



CAROLINA**CONNECT**
internet made better



CAROLINA**CONNECT**

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CarolinaConnect Cooperative, Inc.

Balance Sheet

August 2026

<u>ASSETS</u>	<u>July</u>	<u>June</u>	<u>VARIANCE</u>
Current Assets:			
Cash and Equivalents	728,823	799,152	(70,329)
Receivables	2,702,794	2,721,255	(18,461)
Prepayments and Deferred Taxes	311,140	120,647	190,493
Total Current Assets	3,742,756	3,641,054	101,702
 Non Current Assets:	 526,998	 526,998	 -
 Plant Under Construction	 634,574	 278,607	 355,967
 Net Operating Plant:			
Operating Plant accounts	37,771,277	37,427,008	344,269
Reserve for Depreciation	(22,344,725)	(21,851,894)	(492,831)
Total Net Operating Plant	15,426,552	15,575,114	(148,562)
 TOTAL ASSETS	 20,330,880	 20,021,773	 309,107



CAROLINACONNECT

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CarolinaConnect Cooperative, Inc.

Balance Sheet

August 2026

<u>LIABILITIES AND EQUITY</u>	<u>July</u>	<u>June</u>	<u>VARIANCE</u>
Current Liabilities			
Accounts Payable	2,453,952	1,726,864	727,088
Advanced Billing and Prepayments	2,990,197	2,978,357	11,840
Customer Deposits	219,700	220,400	(700)
Accrued Taxes	420,700	360,635	60,065
Other Current Liabilities	760,446	720,347	40,099
Other Lont-Term Liabilities,	415,624	371,964	43,660
Total Current Liabilities	7,260,620	6,378,567	882,053
 Long Term Debt	 33,749,040	 33,825,749	 (76,709)
 Equity	 (19,053,655)	 (19,053,655)	 -
Net Income/Loss	(1,625,124)	(1,128,889)	(496,235)
TOTAL EQUITY	(20,678,779)	(20,182,544)	(496,235)
 TOTAL LIABILITIES AND EQUITY	 20,330,880	 20,021,773	 309,107



CAROLINA**CONNECT**

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CarolinaConnect Cooperative, Inc.

Income Statement

August 2026

					YEAR TO DATE		
	July	June	DIFFERENCE	ACTUAL	BUDGET	DIFFERENCE	
OPERATING REVENUES							
Customer Revenues	3,115,134	3,091,616	23,518	21,442,355 **	21,482,693	(40,338)	
Miscellaneous Revenues	7,046	13,053	(6,007)	44,116	18,550	25,566	
Uncollectible Revenues	(20,921)	(24,600)	3,679	(175,721)	(150,379)	(25,342)	
Total Operating Revenues	3,101,259	3,080,069	21,190	21,310,750	21,350,864	(40,114)	
OPERATING EXPENSES							
Plant Operations Expense	2,344,737	2,093,697	251,040	14,963,063 **	14,608,056	355,007	
Depreciation	493,425	482,400	11,025	3,292,408	3,255,000	37,408	
Customer Operations Expense	337,319	304,187	33,132	2,180,283	2,216,147	(35,864)	
Corporate Operations Expense	204,369	180,922	23,447	1,296,894	1,298,678	(1,784)	
Total Operating Expenses	3,379,850	3,061,206	318,644	21,732,648	21,377,881	354,767	
Net income from Operations	(278,591)	18,863	(297,454)	(421,898)	(27,017)	(394,881)	
OPERATING TAXES	72,647	60,481	12,166	438,675	525,000	(86,325)	
NON-OPERATING INCOME							
Non-Operating income/expense	3,638	3,457	181	238,205	140,000	98,205	
Interest and Fixed Charges	(148,634)	(145,199)	(3,435)	(1,002,757)	(1,055,100)	52,343	
Total Non-Operating income/expense	(144,996)	(141,742)	(3,254)	(764,552)	(915,100)	150,548	
TOTAL NET INCOME/LOSS	(496,234)	(183,360)	(312,874)	(1,625,125)	(1,467,117)	(158,008)	

** Does not include \$499,971 in Grant received and paid out to AEC in Feb. 2026 or \$966,262 in Grant received and paid out to NEC in Mar. 2026 or \$184,119 in Grant received and paid out to NEC in Apr. 2026

Cash Flow

August '26

	<u>This Period</u>	<u>This Year</u>
OPERATING ACTIVITIES		
Net Income	-183,360.45	-1,128,888.64
Total Funds from Operations	<u>-183,360.45</u>	<u>-1,128,888.64</u>
Temporary Investments	0.00	0.00
Receivables	-19,500.75	-105,376.96
Supplies	0.00	0.00
Prepayments and Deferred Taxes	12,492.60	-46,605.94
Other Current Assets	0.00	0.00
(Increase)/Decrease in Operating Assets	<u>-7,008.15</u>	<u>-151,982.90</u>
Accounts Payable	-22,381.25	-619,813.31
Advanced Billings and Payments	10,055.95	115,597.00
Current Maturities	0.00	0.00
Accrued Taxes	60,100.00	360,594.91
Other Current Liabilities	21,757.12	55,083.86
Increase/(Decrease) in Operating Liabilities	<u>69,531.82</u>	<u>-88,537.54</u>
CASH FROM OPERATING ACTIVITIES	<u>-120,836.78</u>	<u>-1,369,409.08</u>
INVESTMENT ACTIVITIES		
Noncurrent Assets	0.00	-69,114.09
Telephone Plant Under Construction	-153,429.87	11,084.76
Net Operating Plant	281,242.57	99,732.62
Net Amortizable Assets	0.00	0.00
CASH FROM INVESTMENT ACTIVITIES	<u>127,812.70</u>	<u>41,703.29</u>
FINANCING ACTIVITIES		
Customer Deposits	-1,900.00	-4,900.00
Long Term Debt	-77,380.71	989,560.68
Other Liabilities and Deferred Credits	0.00	0.00
Stockholder's Equity	0.00	0.00
CASH FROM FINANCING ACTIVITIES	<u>-79,280.71</u>	<u>984,660.68</u>
CASH FROM ALL ACTIVITIES	<u>-72,304.79</u>	<u>-343,045.11</u>
TOTAL CASH BEGINNING OF PERIOD	<u>871,457.21</u>	<u>1,142,197.53</u>
TOTAL CASH END OF PERIOD	<u><u>799,152.42</u></u>	<u><u>799,152.42</u></u>

Report: ECSC Board Meeting

Report: CEEUS and Line Equipment Board of Directors Meeting

AIKEN ELECTRIC COOPERATIVE, INC.
STATISTICAL DATA
7/31/2026

Electric Sales

CLASS	NO. CONS.	KWH	KWH CHANGE	% CHANGE	KWH PER CONS.	REVENUE	CENTS PER KWH
RESIDENTIAL	52,391	77,592,091	1,230,648	1.61%	1,481	\$ 15,072,418	\$ 0.194
IRRIGATION	197	1,572,284	304,672	24.04%	7,981	\$ 262,141	\$ 0.167
SMALL COMM.	3,232	16,344,684	936,627	6.08%	5,057	\$ 2,655,647	\$ 0.162
LARGE COMM.	18	23,642,919	1,945,826	8.97%	1,313,496	\$ 2,381,787	\$ 0.101
PUBLIC ST/HWY LTG.	33	28,308	(598)	-2.07%	858	\$ 6,800	\$ 0.240
TOTAL - 2026	55,871	119,180,286	4,417,175	3.85%	2,133	\$ 20,378,793	\$ 0.171
TOTAL - 2025	54,227	114,763,111			2,116	\$ 16,869,240	\$ 0.147

YEAR-TO-DATE

RESIDENTIAL	364,311	410,231,346	2,176,765	0.53%	1,126	\$ 79,674,305	\$ 0.194
IRRIGATION	1,358	5,953,276	1,555,285	35.36%	4,384	\$ 1,094,193	\$ 0.184
SMALL COMM.	22,499	85,442,688	4,167,306	5.13%	3,798	\$ 13,988,539	\$ 0.164
LARGE COMM.	114	143,216,828	11,573,212	8.79%	1,256,288	\$ 13,370,092	\$ 0.093
PUBLIC ST/HWY LTG.	231	199,407	(2,191)	-1.09%	863	\$ 47,421	\$ 0.238
TOTAL - 2026	388,513	645,043,545	19,470,377	3.11%	1,660	\$ 108,174,550	\$ 0.168
TOTAL - 2025	377,473	625,573,168			1,657	\$ 92,277,986	\$ 0.148

AIKEN ELECTRIC COOPERATIVE, INC.
STATISTICAL DATA
7/31/2026

Purchased Power

		KWH	KWH	%		CENTS	
		KWH	CHANGE	CHANGE	KW	COST	PER KWH
MONTH	31-Jul-26	121,963,639	2,698,679	2.26%	268,790	\$ 11,503,162	\$ 0.094
MONTH	31-Jul-25	119,264,960			254,109	\$ 9,915,583	\$ 0.083
YEAR-TO- DATE	2026	668,858,948	16,179,583	2.48%	1,715,783	\$ 66,258,552	\$ 0.099
YEAR-TO- DATE	2025	652,679,365			1,636,339	\$ 58,156,501	\$ 0.089

Weather Data

	NORMAL		CURRENT MONTH		PREVIOUS YEAR	
	31-Jul-26	Y-T-D	31-Jul-26	Y-T-D	31-Jul-25	Y-T-D
DD-HEATING	-	1,481	-	1,335	-	1,393
DD-COOLING	538	1,311	618	1,587	625	1,557

Aiken Electric Cooperative
Statement of Income
July 31, 2026

	July Actual	July Budget	YTD Actual	YTD Budget
Operating Revenue and Patronage Capital	20,451,176	20,031,895	108,912,862	111,033,301
Fiber Lease Revenue	577,114	548,685	3,869,222	3,840,795
Under Recovery of Revenue- 2025	(483,741)	-	(2,345,164)	-
Cost of Purchased Power	11,503,162	12,845,144	66,258,552	72,310,092
Distribution Expenses-Taxes	698,863	697,416	4,823,487	4,839,912
Distribution Expense-Operations	476,810	427,141	2,983,167	2,747,049
Distribution Expense-Maintenance	543,539	958,322	6,684,083	6,555,584
Consumer Account Expense	363,299	375,760	2,572,292	2,435,770
Customer Service and Informational Expense	1,700	3,200	18,602	18,800
Sales Expense	90,712	101,216	614,762	762,662
Administrative and General Expense	657,754	753,175	5,366,644	5,317,099
Total Operation & Maintenance Expense	14,335,838	16,161,374	89,321,589	94,986,968

Aiken Electric Cooperative
Statement of Income
July 31, 2026

Depreciation and Amortization Expense	1,429,073	1,485,863	9,865,790	10,231,302
Interest on Long-Term Debt	1,619,485	1,529,646	10,833,873	10,474,419
Other Deductions	(65,103)	3,156	(306,987)	22,092
Total Cost of Electric Service	17,319,293	19,180,039	109,714,265	115,714,781
Patronage Capital & Operating Margins	3,225,256	1,400,541	722,656	(840,685)
Non-Operating Margins & Income From Equity Invest.	13,780	10,500	82,449	73,500
Income (Loss) From AEConnect	(200,431)	(119,449)	(1,274,405)	(1,090,538)
Non-Operating Margins - Other	381	381	1,056,333	1,002,667
Other Capital Credits and Patronage Dividends	-	-	1,433,164	1,030,000
Patronage Capital or Margins	3,038,986	1,291,973	2,020,198	174,944

Budget to Actual of Operating Expenses

July 2026

	Budget	Actual	Over (Under)	% from Budget	Explanation
Distribution Expenses - Taxes	697,416	698,863	1,447	0.21%	
Distribution Expenses - Operations	427,141	476,810	49,669	11.63%	UG Line & Meter Expenses
Distribution Expenses - Maintenance	958,322	543,539	(414,783)	-43.28%	Maintenance of Fiber & R/W Contractors - under budget due to timing
Consumer Account Expense	375,760	363,299	(12,461)	-3.32%	
Customer Service & Info Expense	3,200	1,700	(1,500)	-46.88%	
Sales Expense	101,216	90,712	(10,504)	-10.38%	Water Heater Program - under budget
Administrative & General Expenses	753,175	657,754	(95,421)	-12.67%	Maintenance of General Plant- under budget
Total Operating Expenses	3,316,230	2,832,677	(483,553)	-14.58%	

Aiken Electric Cooperative
Comparative Balance Sheet
July 31, 2026

Assets	July	2025
Total Utility Plant in Service-Electric	434,088,900	416,740,543
Total Utility Plant in Service-Fiber	151,799,459	146,662,903
Construction Work in Progress	31,063,588	50,025,906
Construction Work in Progress-Fiber	17,978,801	20,735,569
Total Utility Plant	634,930,748	634,164,921
Accum. Prov. Depreciation & Amortization	129,732,863	125,467,204
Net Utility	505,197,885	508,697,716
Invest. in Subsidiary Companies	(11,134,987)	(9,860,583)
Invest. in Assoc. Org. Patronage Capital	17,731,903	17,308,493
Invest. in Assoc. Org. Other Non-gen Funds	2,958,660	2,237,594
DirecTV Investment	68,640,985	64,501,351
Other Investment	1,108,640	1,347,880
Total Other Property & Investments	79,305,201	75,534,735

Aiken Electric Cooperative
Comparative Balance Sheet
July 31, 2026

	July	2025
Cash - General Funds	2,929,092	1,168,170
Temporary Investments	-	-
Accounts Receivable - Sales of Energy (Net)	27,332,078	18,985,211
Materials & Supplies - Electric and other	11,284,643	11,955,767
Prepayments	1,148,477	845,524
Other Current & Accrued Assets	20,800	15,600
Total Current & Accrued Assets	42,715,090	32,970,273
Other Deferred Debits	33,248,609	25,312,601
Under Recovery of Revenue- 2025	1,904,836	4,250,000
Total Assets & Other Debits	662,371,621	646,765,326

Aiken Electric Cooperative
Comparative Balance Sheet
July 31, 2026

Liabilities and Other Credits

	July	2025
Memberships	420,332	413,873
Patronage Capital	71,570,231	71,679,336
Current Year Margins	2,020,198	8,833,538
Equity & Non-Operating Margins	77,281,076	62,019,876
Total Margins & Equities	151,291,837	142,946,623
Long-Term Debt - RUS (Net)	85,099,047	75,342,258
Long-Term Debt - FFB (Net)	143,470,597	143,688,746
Long-Term Debt - CoBank	148,241,225	152,098,200
Long-Term Debt - CFC	17,526,031	17,649,787
Long-Term Debt - RUS - Econ. Devel. (Net)	225,000	262,037
Total Long Term Debt	394,561,901	389,041,027

Aiken Electric Cooperative
Comparative Balance Sheet
July 31, 2026

	July	2025
Obligations Under Capital Leases	4,507,478	4,416,363
Accumulated Operating Provisions	1,864,499	2,457,359
Total Other Noncurrent Liabilities	6,371,977	6,873,722
Notes Payable	78,518,204	79,220,165
Accounts Payable	16,196,656	20,678,366
Consumer Deposits	5,017,857	4,694,403
Current Maturities- Capital Leases	1,145,011	435,716
Other Current & Accrued Liabilities	8,421,121	2,875,303
Total Current & Accrued Liabilities	109,298,850	107,903,954
Other Deferred Credits	847,057	-
Total Liabilities & Other Credits	662,371,621	646,765,326
Equity Ratio	22.84%	22.10%

Aiken Electric Cooperative
Pro Forma
Annual Projection - 7 Month Actual and 5 Months Projected

	Projected 2026	Budget 2026	Difference
Operating Revenue and Patronage Capital	193,313,925	194,256,612	(942,687)
Fiber Lease Revenue	6,612,649	6,584,220	28,429
Under Recovery of Revenue		3,100,000	(3,100,000)
Cost of Purchased Power	123,077,873	129,129,412	(6,051,539)
Distribution Expenses-Taxes	9,509,014	8,273,492	1,235,522
Distribution Expense-Operations	4,128,640	4,706,122	(577,482)
Distribution Expense-Maintenance	11,997,214	11,218,714	778,500
Consumer Account Expense	4,252,891	4,116,370	136,521
Customer Service and Informational Expense	28,803	29,000	(197)
Sales Expense	1,010,297	1,158,200	(147,903)
Administrative and General Expense	8,726,716	8,676,161	50,555
Total Operation & Maintenance Expense	162,731,448	167,307,471	(4,576,023)
			-
Depreciation and Amortization Expense	16,995,857	17,802,369	(806,512)
Interest on Long-Term Debt	16,818,768	16,625,393	193,375
Interest Expense - Other	1,811,542	1,645,458	166,084
Other Deductions	(291,207)	37,872	(329,079)
Total Cost of Electric Service	198,066,408	203,418,563	(5,352,155)
			-
Patronage Capital & Operating Margins	1,860,166	522,269	1,337,897
			-
Non-Operating Margins & Income From Equity Invest.	4,193,190	4,130,572	62,618
Income (Loss) From AEConnect	(1,667,781)	(1,483,914)	(183,867)
Generation and Transmission Capital Credits	358,898	350,000	8,898
Other Capital Credits and Patronage Dividends	2,004,766	1,610,500	394,266
			-
Patronage Capital or Margins	6,749,239	5,129,427	1,619,812

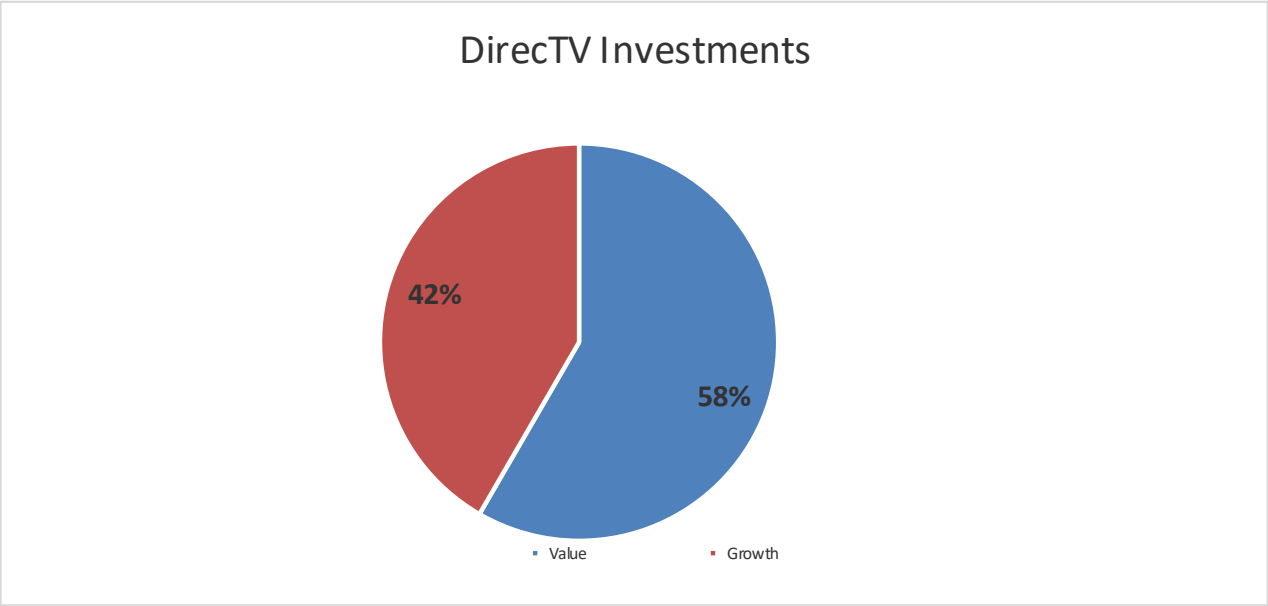
AIKEN ELECTRIC COOPERATIVE, INC
HOMESTEAD INVESTMENTS
7/31/2026

DIRECTV INVESTMENTS

AMOUNT INVESTED	\$	13,521,609.65
DATE	FUND	VALUE
7/31/2026	Value	\$ 40,405,151.61
7/31/2026	Growth	\$ 28,843,069.10
7/31/2026	TOTAL PORTFOLIO VALUE	<u>\$ 69,248,220.71</u>

FAS106 TRUST - POST RETIREMENT BENEFITS

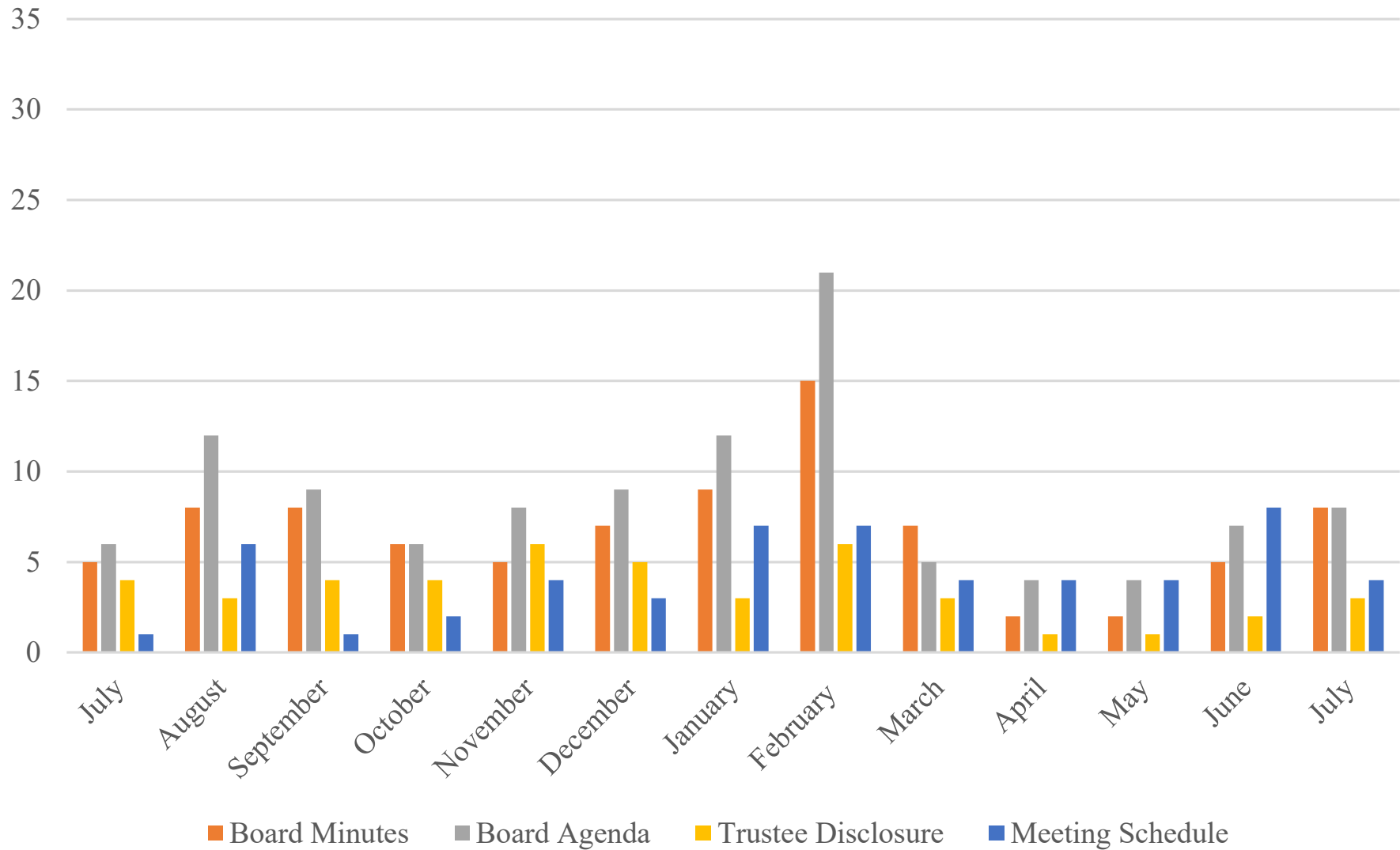
DATE	FUND	VALUE
7/31/2026	Value	<u>\$ 28,052,920.50</u>
7/31/2026	TOTAL PORTFOLIO VALUE	<u>\$ 28,052,920.50</u>



Homestead Fund Performance as of 7/31/26

	AGGREGATE YTD	1 YR	3 YR	5 YR	10 YR	SINCE FUND'S INCEPTION
Value Fund	11.99%	20.37%	15.45%	10.51%	12.39%	10.66%
Growth Fund	1.48%	7.60%	19.08%	9.16%	16.71%	7.55%

Website Hits



Healthcare Costs

Month of July: \$ 238,919

Year-to-date: \$ 1,853,830.23

Trending for the year: \$ 3.17 million

CEO Comments

Fall Membership Committee Meetings

Topic: Capacity Constraints and New Generation presented by Cole Price from Central.

Cole will be prepared to discuss or address questions regarding data centers and how they are impacting constraints and new generation.

Dates:

Aiken Meeting: Monday, September 21st

Edgefield Meeting: Tuesday, September 22nd

North Meeting: Monday, October 5th

Health Screenings

The form in your envelope must be completed and returned three days before the date you select for your screening.

Dates:

Edgefield: September 2nd

Aiken: September 15th, 16th and 17th

North: September 29th

ECSC Winter Conference & CFC Strategic Planning

Conference Dates: Monday, November 30, 2026 – Thursday, December 3, 2026

Strategic Planning Dates: Thursday, December 3, 2026 – Friday, December 4, 2026

Conference Schedule:

Monday, November 30: Arrivals

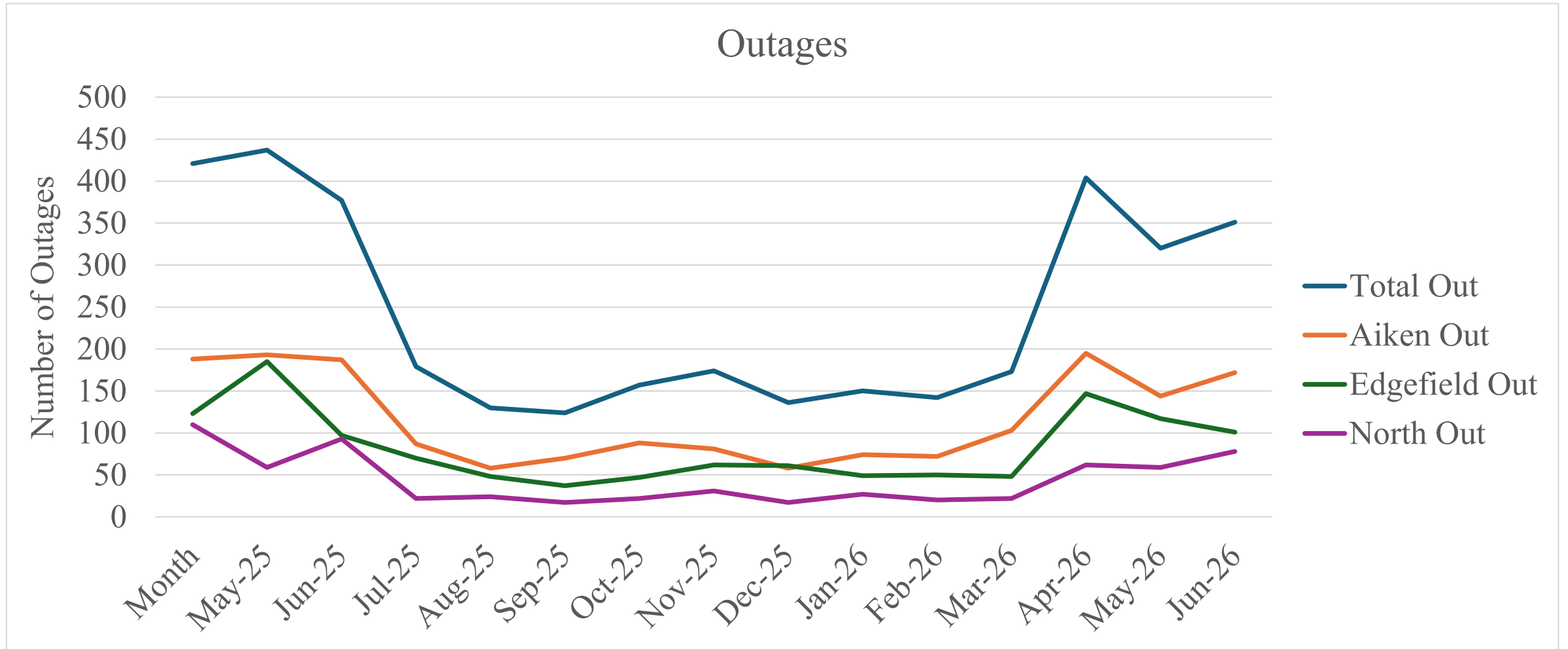
Tuesday, December 1: Remaining Arrivals, NRECA Directors Course, Golf with CEEUS, Broadband Meeting, Reception

Wednesday, December 2: WIRE Auction, CEEUS Board Meeting, General Sessions, Luncheon

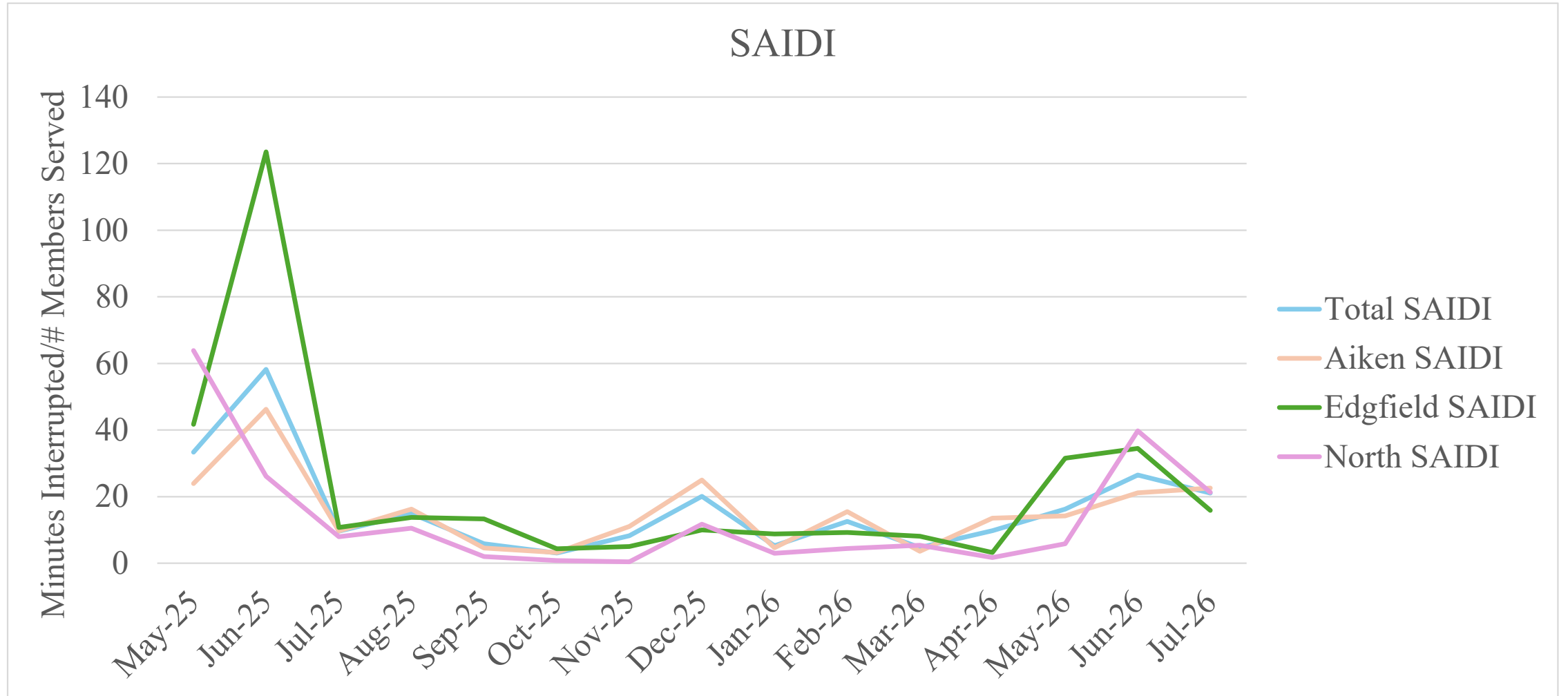
Thursday, December 3: ECHO Breakfast, ECSC Board Meeting, Central Executive Committee Meeting

Rooming and registration will open mid-September.

Outage Overview May 2025 – July 2026



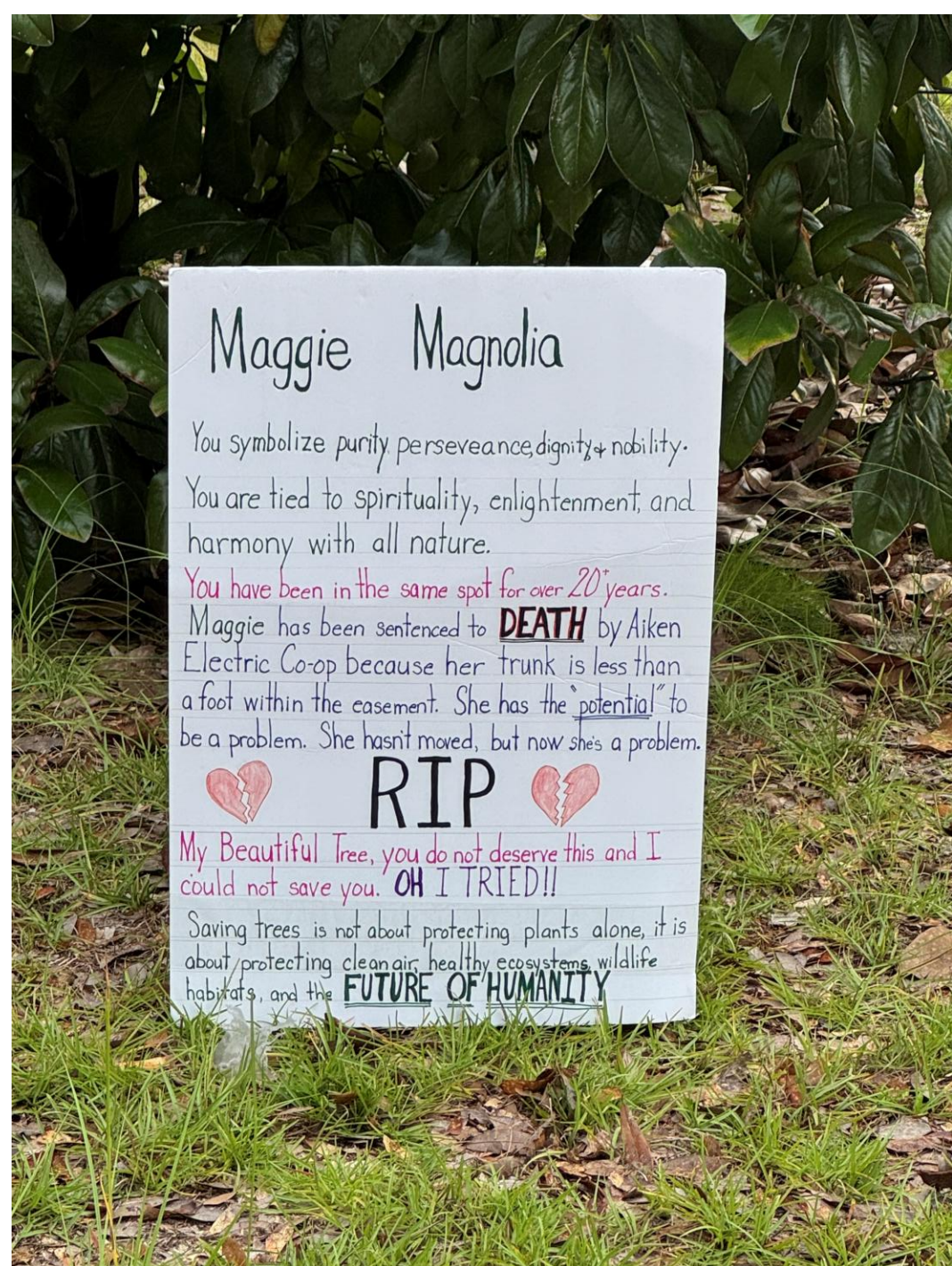
Outage Overview May 2025 – July 2026



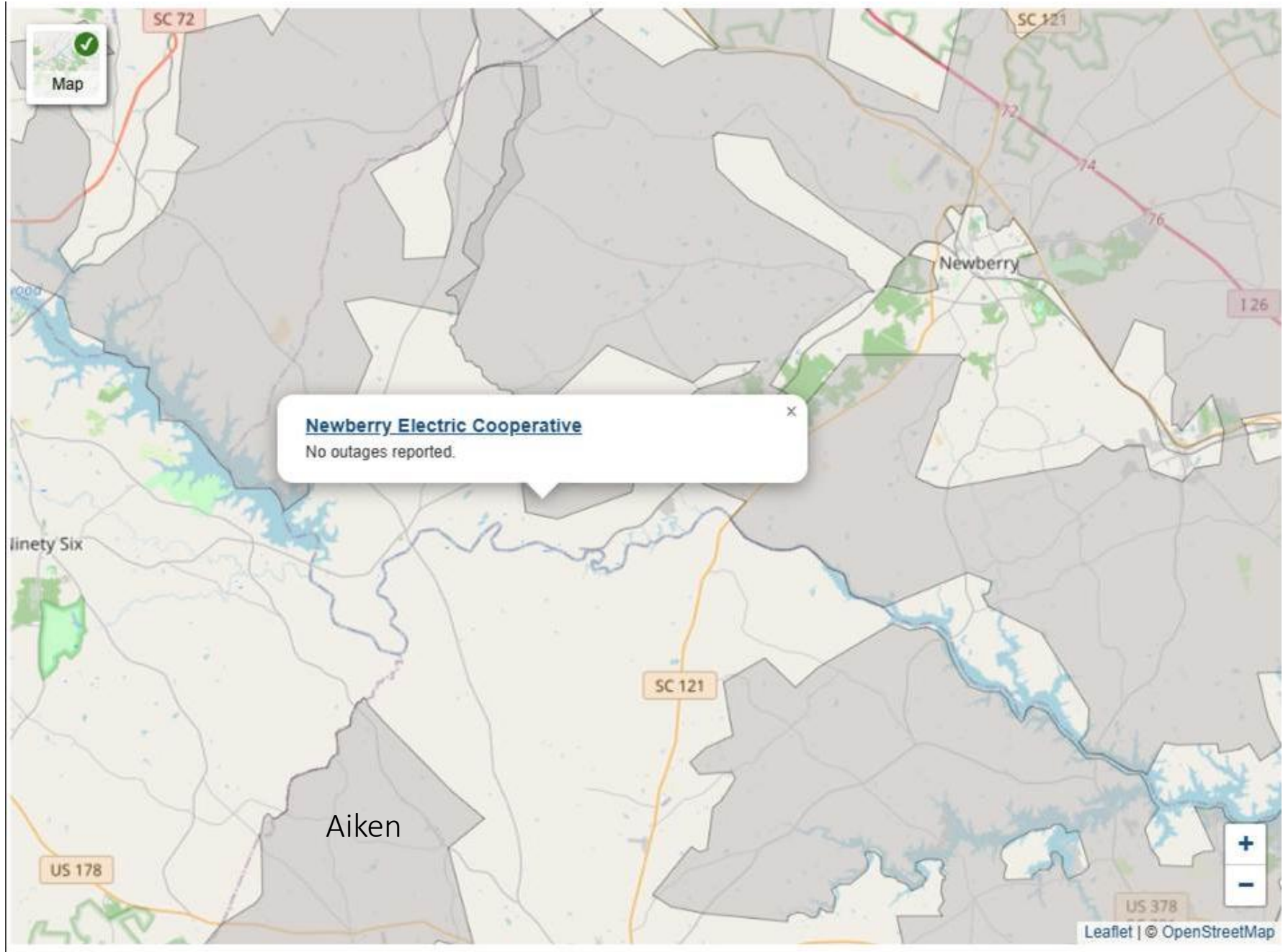
FEMA - Obligated

Project	Pending Approval	Obligated	Paid
1066073-100% CS Latent Fiber Optic System			
814184- 75% CS Debris Removal			\$ 69,490.00
814649- 100% CS Emergency Repairs Mutual Aid		\$ 214,994.52	\$ 5,884,422.52
814670- 100% CS Emergency Repairs- Contractors		\$ 35,387,787.96	
814682- 75% CS Contract Restoration Material			\$ 16,784.98
814688- 100% CS Emergency Response			\$ 921,827.82
814691- 100% CS Contract Restoration Material			\$ 7,244,057.26
814697- 100% CS Logistical Services (Storm Services)			\$ 5,084,487.27
951459- 100% CS Cut & Toss Contractors			\$ 2,935,724.01
953674- 100% CS Emergency Repairs Force Account			\$ 2,202,501.67
953838- Transformer Cleanup			\$ 869,305.07
959306- 500 kVA OH Step-up/down transformers			\$ 63,517.23
Cat Z- Management Costs		\$ 1,264,602.41	
	\$ -	\$ 36,867,384.89	\$ 25,292,117.83

Kimberly Williams – Right of Way Update



Preserve Aiken



Rates: How different are residential, commercial and industrial rates

Financials: Equity, margins, TIER, DSC, debt and cash position

Debt: RUS, CFC, CoBank and other lender obligations

Plant: Age and condition of substations, lines and other assets

Reliability: SAIDI, SAIFI, outage history and vegetation issues

Capital plan: What major investments are coming in the next 5–10 years

Employees: Compensation, benefits, retirement plans and staffing levels

Governance: Board size, districts, elections and bylaws

Technology: CIS, AMI, GIS, OMS, SCADA, accounting and cybersecurity

Subsidiaries: Broadband and other affiliated businesses

Liabilities: Litigation, environmental issues, FEMA receivables, pensions, etc.

	Aiken	Newberry
Active Accounts	55,871	13,731
Miles of Line	5,864	1,629
Consumers per Mile	9.53	8.42
Number of Employees	158	42
Fiber Customers	18,316	7,371
2025 Revenue	\$177M	\$58.7M
2025 Assets	\$646.8M	\$121M
2025 Liabilities	\$503.8M	\$89.7M
TIER	1.52	1.245
Equity	22.84%	25.9%

Guiding Principle

The purpose of combining Aiken Electric and Newberry Electric is to create a stronger cooperative—one that provides better long-term value, reliability and financial stability for the members and greater opportunities for employees while preserving the local relationships that define the cooperative business model.