

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31

ASSETS

	2021	2020
Utility Plant		
Utility Plant in Service, at Cost	\$ 983,545,821	\$ 959,158,457
Construction Work in Progress	<u>2,645,454</u>	<u>6,177,180</u>
Gross Utility Plant	986,191,275	965,335,637
Accumulated Provision for Depreciation	<u>(289,295,844)</u>	<u>(280,856,942)</u>
	<u>696,895,431</u>	<u>684,478,695</u>
Other Property and Investments		
Investments in Associated Organizations	226,416,217	220,699,792
Notes Receivable	7,098,846	2,348,284
Nonutility Property, Net	18,784,281	15,200,271
Restricted Funds	7,259,581	6,394,455
Other Investments	<u>2,000,000</u>	<u>2,000,000</u>
	<u>261,558,925</u>	<u>246,642,802</u>
Current Assets		
Cash and Cash Equivalents	729,254	2,407,716
Restricted Cash	36,343,182	28,058,908
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$8,051,924 and \$8,324,993 in 2021 and 2020, Respectively)	145,245,710	85,823,862
Unbilled Revenue	126,612,525	106,130,342
Gas Inventory	31,955,230	21,090,769
Materials and Supplies	5,180,331	3,751,140
Other Current Assets	<u>21,415,148</u>	<u>14,876,793</u>
	<u>367,481,380</u>	<u>262,139,530</u>
Deferred Tax Assets	<u>-</u>	<u>6,310,000</u>
Other Assets	<u>137,594,389</u>	<u>145,879,479</u>
Total Assets	<u><u>\$ 1,463,530,125</u></u>	<u><u>\$ 1,345,450,506</u></u>

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31

EQUITIES AND LIABILITIES

	<u>2021</u>	<u>2020</u>
Equities		
Membership Fees	\$ 396,550	\$ 418,850
Patronage Capital - Unrestricted	22,677,944	26,297,358
Patronage Capital - Restricted	304,685,821	304,686,066
Donated Capital	329,938	325,978
Other Equities	239,320,500	167,846,309
Accumulated Other Comprehensive Loss	15,310,897	(57,931,104)
	<u>582,721,650</u>	<u>441,643,457</u>
 Long-Term Liabilities		
Long-Term Debt	555,591,650	504,784,371
Defined Benefit Pension Plan	-	105,698,329
Deferred Compensation Plans	8,149,037	7,939,969
	<u>563,740,687</u>	<u>618,422,669</u>
 Current Liabilities		
Lines-of-Credit	250,000	25,300,000
Note Payable	-	4,431,500
Current Portion of Long-Term Debt	23,556,064	22,899,192
Accounts Payable	148,680,183	129,499,490
Consumer Deposits	15,699,274	16,861,274
Accrued and Withheld Taxes	15,148,859	14,456,991
Other Current and Accrued Liabilities	48,277,667	40,135,008
	<u>251,612,047</u>	<u>253,583,455</u>
 Deferred Credits	<u>59,333,741</u>	<u>31,800,925</u>
 Deferred Tax Liabilities	<u>6,122,000</u>	<u>-</u>
 Total Equities and Liabilities	<u><u>\$ 1,463,530,125</u></u>	<u><u>\$ 1,345,450,506</u></u>

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>
Operating Revenues	\$ 1,787,082,031	\$ 802,295,568
Operating Expenses		
Cost of Revenues	1,452,545,004	548,265,363
Distribution Operations	9,324,699	10,266,461
Distribution Maintenance	20,132,097	23,971,038
Consumer Accounts	11,685,720	13,639,427
Consumer Service and Information	808,854	1,168,166
Administrative, Selling, and General	129,209,907	96,980,841
Depreciation and Amortization	42,906,119	38,414,899
Operating Taxes	4,501,255	4,371,110
Total Operating Expenses	1,671,113,655	737,077,305
Operating Margins Before Interest Expense	115,968,376	65,218,263
Interest Expense	21,443,004	20,119,733
Operating Margins After Interest Expense	94,525,372	45,098,530
Nonoperating Margins	(635,509)	1,933,885
Generation and Transmission Patronage Allocations	5,978,808	6,057,099
Other Capital Credits and Patronage Allocations	2,099,986	2,201,679
Net Income Before Income Taxes	101,968,657	55,291,193
Income Tax Expense	19,124,000	6,051,000
Net Income	\$ 82,844,657	\$ 49,240,193

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>
Net Income	\$ 82,844,657	\$ 49,240,193
Other Comprehensive Income		
Change in Fair Value of Net Risk Management Asset/Liability, Net of Change in Deferred Tax of \$6,370,544 and \$908,997 for the Years Ended 2021 and 2020, Respectively	19,081,812	2,733,806
Change in Fair Value of Costs Related to Defined Benefit Pension Plan	53,783,379	(16,643,184)
Change in Fair Value of Costs Related to Death Benefit Obligations	376,810	(714,713)
Other Comprehensive Income	73,242,001	(14,624,091)
Comprehensive Income	\$ 156,086,658	\$ 34,616,102

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Membership Fees	Patronage Capital - Unrestricted	Patronage Capital - Restricted	Donated Capital	Other Equities	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2019	\$ 436,165	\$ -	\$ 304,688,279	\$ 349,463	\$ 144,903,474	\$ (43,307,013)	\$ 407,070,368
Net Income	-	26,297,358	-	-	22,942,835	-	49,240,193
Other Comprehensive Income	-	-	-	-	-	(14,624,091)	(14,624,091)
Other	(17,315)	-	(2,213)	(23,485)	-	-	(43,013)
Balance, December 31, 2020	418,850	26,297,358	304,686,066	325,978	167,846,309	(57,931,104)	441,643,457
Net Income	-	11,370,466	-	-	71,474,191	-	82,844,657
Retirement of Patronage Capital	-	(14,989,880)	-	-	-	-	(14,989,880)
Other Comprehensive Income	-	-	-	-	-	73,242,001	73,242,001
Other	(22,300)	-	(245)	3,960	-	-	(18,585)
Balance, December 31, 2021	\$ 396,550	\$ 22,677,944	\$ 304,685,821	\$ 329,938	\$ 239,320,500	\$ 15,310,897	\$ 582,721,650

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Net Income	\$ 82,844,657	\$ 49,240,193
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities		
Depreciation and Amortization	43,421,063	38,265,545
Electric Revenue Recognized Under <i>ASC 980</i>	(5,000,000)	-
Amortization of <i>ASC 980</i> Regulatory		
Liability - Pension Gain	(5,400,729)	-
Bad Debt Provision	7,844,503	9,313,653
Patronage Capital from Associated Organizations	(8,078,794)	(8,258,778)
Net Periodic Benefit Cost	-	6,475,296
Net Postretirement Benefit Cost	143,931	163,011
Deferred Income Tax Expense	12,432,000	6,339,000
Single Employer Pension Plan Contributions	-	(16,383,597)
Impairment Charges	5,666,113	-
Change In		
Accounts Receivable	(87,748,534)	(2,997,054)
Gas Inventory	(10,864,461)	2,087,310
Other Current Assets	6,852,751	171,578
Other Assets	(458,019)	(851,548)
Risk Management Assets and Liabilities, Net	(2,635,278)	(328,989)
Accounts Payable	29,048,783	(36,091,555)
Consumer Deposits	(1,162,000)	645,954
Other Current and Accrued Liabilities	10,937,069	6,829,787
Deferred Credits	(752,203)	(273,648)
Balance - Carried Forward	<u>\$ 77,090,852</u>	<u>\$ 54,346,158</u>

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>
Balance - Brought Forward	\$ 77,090,852	\$ 54,346,158
Cash Flows from Investing Activities		
Extensions and Replacements of Utility Plant, Net	(46,704,528)	(50,505,700)
Nonutility Plant	(11,948,677)	(10,519,816)
Cash Paid for Business Acquisition	(8,900,000)	(87,303,000)
Cash Paid to Solar Project Partnership Investments	(10,643,000)	(11,874,000)
Materials and Supplies	(1,429,191)	490,079
Return of Equity from Associated Organizations	2,357,457	2,488,716
Cash Paid for Acquisition of Natural Gas Customer List	(500,000)	-
Other	541,087	1,083,113
	<u>(77,226,852)</u>	<u>(156,140,608)</u>
Cash Flows from Financing Activities		
Advances of Long-Term Debt	942,673,000	150,498,025
Principal Repayment of Long-Term Debt	(895,872,723)	(21,675,335)
Borrowings on Lines-of-Credit	328,143,087	375,789,975
Principal Repayments on Lines-of-Credit	(353,193,087)	(385,744,975)
Retirement of Patronage Capital	(14,989,880)	-
Other	(18,585)	(1,136,435)
	<u>6,741,812</u>	<u>117,731,255</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	6,605,812	15,936,805
Cash, Cash Equivalents, and Restricted Cash - Beginning	30,466,624	14,529,819
Cash, Cash Equivalents, and Restricted Cash - Ending	<u>\$ 37,072,436</u>	<u>\$ 30,466,624</u>

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>
Balance Sheet Reconciliation:		
Cash and Cash Equivalents	\$ 729,254	\$ 2,407,716
Restricted Cash	<u>36,343,182</u>	<u>28,058,908</u>
	<u>\$ 37,072,436</u>	<u>\$ 30,466,624</u>
 Supplemental Disclosures of Cash Flow Information		
Cash Paid for Interest	<u>\$ 21,186,230</u>	<u>\$ 20,308,741</u>
Cash Paid for Income Taxes	<u>\$ 5,978,226</u>	<u>\$ 572,489</u>
 Noncash Financing Transactions		
Note Receivable Issued on Sale of Assets	<u>\$ 5,286,737</u>	<u>\$ -</u>