

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31

ASSETS

	2022	2021
Utility Plant		
Utility Plant in Service, at Cost	\$ 1,037,316,329	\$ 983,545,821
Construction Work in Progress	4,640,581	2,645,454
	1,041,956,910	986,191,275
Gross Utility Plant	(313,174,766)	(289,295,844)
Accumulated Provision for Depreciation	728,782,144	696,895,431
Other Property and Investments		
Investments in Associated Organizations	233,398,552	226,416,217
Notes Receivable	6,828,895	7,098,846
Nonutility Property, Net	25,499,991	18,784,281
Right-of-Use Asset, Operating	3,009,888	-
Restricted Funds	9,671,739	7,259,581
Other Investments	2,000,000	2,000,000
	280,409,065	261,558,925
Current Assets		
Cash and Cash Equivalents	1,841,015	729,254
Restricted Cash	71,313,879	36,343,182
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$9,230,848 and \$8,051,924 in 2022 and 2021, Respectively)	194,299,721	145,245,710
Unbilled Revenue	170,279,532	126,612,525
Gas Inventory	52,811,680	31,955,230
Materials and Supplies	7,075,208	5,180,331
Other Current Assets	12,429,209	21,415,148
	510,050,244	367,481,380
Other Assets	132,308,615	137,594,389
Total Assets	\$ 1,651,550,068	\$ 1,463,530,125

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31

EQUITIES AND LIABILITIES

	<u>2022</u>	<u>2021</u>
Equities		
Membership Fees	\$ 379,295	\$ 396,550
Patronage Capital - Unrestricted	28,908,412	22,677,944
Patronage Capital - Restricted	304,685,821	304,685,821
Donated Capital	370,973	329,938
Other Equities	341,152,059	239,320,500
Accumulated Other Comprehensive Income (Loss)	(415,042)	15,310,897
	<u>675,081,518</u>	<u>582,721,650</u>
 Long-Term Liabilities		
Long-Term Debt	554,901,585	555,591,650
Operating Lease Liability	1,826,596	-
Deferred Compensation Plans	9,021,880	8,159,307
	<u>565,750,061</u>	<u>563,750,957</u>
 Current Liabilities		
Lines-of-Credit	14,700,000	250,000
Current Portion of Long-Term Debt	21,341,296	23,556,064
Current Portion of Operating Lease Liability	1,183,293	-
Accounts Payable	223,836,498	148,680,183
Consumer Deposits	18,000,933	15,699,274
Accrued and Withheld Taxes	15,717,109	15,148,859
Other Current and Accrued Liabilities	65,700,652	48,267,397
	<u>360,479,781</u>	<u>251,601,777</u>
 Deferred Credits	<u>47,590,708</u>	<u>59,333,741</u>
 Deferred Tax Liabilities	<u>2,648,000</u>	<u>6,122,000</u>
 Total Equities and Liabilities	<u><u>\$ 1,651,550,068</u></u>	<u><u>\$ 1,463,530,125</u></u>

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

	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 2,526,831,710	\$ 1,787,082,031
Operating Expenses		
Cost of Revenues	2,151,393,979	1,452,545,004
Distribution Operations	8,017,508	9,324,699
Distribution Maintenance	19,256,292	20,132,097
Consumer Accounts	11,637,808	11,685,720
Consumer Service and Information	699,587	808,854
Administrative, Selling, and General	143,916,529	129,209,907
Depreciation and Amortization	43,038,888	42,906,119
Operating Taxes	4,955,596	4,501,255
Total Operating Expenses	2,382,916,187	1,671,113,655
Operating Margins Before Interest Expense	143,915,523	115,968,376
Interest Expense	21,168,173	21,443,004
Operating Margins After Interest Expense	122,747,350	94,525,372
Nonoperating Margins	2,064,213	(635,509)
Generation and Transmission Patronage Allocations	6,945,314	5,978,808
Other Capital Credits and Patronage Allocations	2,539,150	2,099,986
Net Income Before Income Taxes	134,296,027	101,968,657
Income Tax Expense	26,234,000	19,124,000
Net Income	\$ 108,062,027	\$ 82,844,657

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

	<u>2022</u>	<u>2021</u>
Net Income	\$ 108,062,027	\$ 82,844,657
Other Comprehensive Income		
Change in Fair Value of Net Risk Management Asset/Liability, Net of Change in Deferred Tax of \$5,803,902 and \$6,370,544 for the Years Ended 2022 and 2021, Respectively	(17,410,131)	19,081,812
Change in Fair Value of Costs Related to Defined Benefit Pension Plan	-	53,783,379
Change in Fair Value of Costs Related to Death Benefit Obligations	1,684,192	376,810
Other Comprehensive Income	(15,725,939)	73,242,001
Comprehensive Income	\$ 92,336,088	\$ 156,086,658

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Membership Fees	Patronage Capital - Unrestricted	Patronage Capital - Restricted	Donated Capital	Other Equities	Accumulated Other Comprehensive Income (Loss)	Total
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
Net Income	-	6,230,468	-	-	101,831,559	-	108,062,027
Other Comprehensive Income	-	-	-	-	-	(15,725,939)	(15,725,939)
Other	(17,255)	-	-	41,035	-	-	23,780
Balance, December 31, 2022	\$ 379,295	\$ 28,908,412	\$ 304,685,821	\$ 370,973	\$ 341,152,059	\$ (415,042)	\$ 675,081,518

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

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Net Income	\$ 108,062,027	\$ 82,844,657
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities		
Depreciation and Amortization	43,442,072	43,421,063
Electric Revenue Recognized Under <i>ASC 980</i>	(6,000,000)	(5,000,000)
Amortization of <i>ASC 980</i> Regulatory		
Liability - Pension Gain	(5,367,216)	(5,400,729)
Bad Debt Provision	12,269,592	7,844,503
Patronage Capital from Associated Organizations	(9,484,464)	(8,078,794)
Net Postretirement Benefit Cost	158,545	143,931
Deferred Income Tax Expense	(3,474,000)	12,432,000
Impairment Charges	-	5,666,113
Change In		
Accounts Receivable	(104,990,610)	(87,748,534)
Gas Inventory	(20,856,450)	(10,864,461)
Other Current Assets	10,246,573	6,852,751
Other Assets	1,398,946	(458,019)
Risk Management Assets and Liabilities, Net	9,389,949	(2,635,278)
Accounts Payable	75,156,315	29,048,783
Consumer Deposits	6,825,259	(1,162,000)
Other Current and Accrued Liabilities	568,250	10,937,069
Deferred Credits	(274,117)	(752,203)
Balance - Carried Forward	<u>\$ 117,070,671</u>	<u>\$ 77,090,852</u>

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

	<u>2022</u>	<u>2021</u>
Balance - Brought Forward	\$ 117,070,671	\$ 77,090,852
Cash Flows from Investing Activities		
Extensions and Replacements of Utility Plant, Net	(65,162,207)	(46,704,528)
Nonutility Plant	(9,371,050)	(11,948,677)
Cash Paid for Business Acquisition	(8,268,317)	(8,900,000)
Cash Paid to Solar Project Partnership Investments	(10,116,000)	(10,643,000)
Materials and Supplies	(1,894,877)	(1,429,191)
Return of Equity from Associated Organizations	2,502,129	2,357,457
Cash Paid for Acquisition of Natural Gas Customer List	-	(500,000)
Other	269,951	541,087
	<u>(92,040,371)</u>	<u>(77,226,852)</u>
Cash Flows from Financing Activities		
Advances of Long-Term Debt	2,229,560,000	942,673,000
Principal Repayment of Long-Term Debt	(2,232,265,903)	(895,872,723)
Borrowings on Lines-of-Credit	324,150,000	328,143,087
Principal Repayments on Lines-of-Credit	(309,700,000)	(353,193,087)
Deferred Financing Costs Paid	(715,719)	-
Retirement of Patronage Capital	-	(14,989,880)
Other	23,780	(18,585)
	<u>11,052,158</u>	<u>6,741,812</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	36,082,458	6,605,812
Cash, Cash Equivalents, and Restricted Cash - Beginning	37,072,436	30,466,624
Cash, Cash Equivalents, and Restricted Cash - Ending	<u>\$ 73,154,894</u>	<u>\$ 37,072,436</u>

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

	<u>2022</u>	<u>2021</u>
Balance Sheet Reconciliation:		
Cash and Cash Equivalents	\$ 1,841,015	\$ 729,254
Restricted Cash	<u>71,313,879</u>	<u>36,343,182</u>
	<u>\$ 73,154,894</u>	<u>\$ 37,072,436</u>
 Supplemental Disclosures of Cash Flow Information		
Cash Paid for Interest	<u>\$ 20,221,751</u>	<u>\$ 21,186,230</u>
Cash Paid for Income Taxes	<u>\$ 11,927,632</u>	<u>\$ 5,978,226</u>
 Noncash Financing Transactions		
Note Receivable Issued on Sale of Assets	<u>\$ -</u>	<u>\$ 5,286,737</u>