

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31

ASSETS

| | 2023 | 2022 |
|--|-------------------------|------------------|
| Utility Plant | | |
| Utility Plant in Service, at Cost | \$ 1,067,965,297 | \$ 1,029,152,781 |
| Construction Work in Progress | 19,117,117 | 12,154,464 |
| | | |
| Gross Utility Plant | 1,087,082,414 | 1,041,307,245 |
| Accumulated Provision for Depreciation | (324,036,618) | (312,812,819) |
| | 763,045,796 | 728,494,426 |
| | | |
| Other Property and Investments | | |
| Investments in Associated Organizations | 240,217,436 | 233,398,552 |
| Notes Receivable | 6,484,937 | 6,828,895 |
| Nonutility Property, Net | 29,332,224 | 25,787,709 |
| Right-of-Use Asset, Operating | 12,372,308 | 3,009,888 |
| Restricted Funds | 12,517,822 | 9,671,739 |
| Other Investments | 2,000,000 | 2,000,000 |
| | 302,924,727 | 280,696,783 |
| | | |
| Current Assets | | |
| Cash and Cash Equivalents | 8,129,459 | 1,841,015 |
| Restricted Cash | 97,539,879 | 71,313,879 |
| Accounts Receivable (Net of Allowance for Credit Losses of \$8,954,845 and \$9,230,848 in 2023 and 2022, Respectively) | 129,966,903 | 194,299,721 |
| Unbilled Revenue | 117,524,427 | 170,279,532 |
| Gas Inventory | 60,399,434 | 52,811,680 |
| Materials and Supplies | 7,049,592 | 7,075,208 |
| Other Current Assets | 11,899,964 | 12,429,209 |
| | 432,509,658 | 510,050,244 |
| | | |
| Other Assets | 112,547,503 | 132,308,615 |
| | | |
| Deferred Tax Assets | 26,959,000 | - |
| | | |
| Total Assets | \$ 1,637,986,684 | \$ 1,651,550,068 |

See accompanying notes which are an integral part of these consolidated financial statements.

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31

EQUITIES AND LIABILITIES

| | <u>2023</u> | <u>2022</u> |
|---|--------------------------------|--------------------------------|
| Equities | | |
| Membership Fees | \$ 364,520 | \$ 379,295 |
| Patronage Capital - Unrestricted | 13,907,489 | 28,908,412 |
| Patronage Capital - Restricted | 304,685,821 | 304,685,821 |
| Donated Capital | 418,741 | 370,973 |
| Other Equities | 438,349,834 | 341,152,059 |
| Accumulated Other Comprehensive Income (Loss) | (70,482,859) | (415,042) |
| | <u>687,243,546</u> | <u>675,081,518</u> |
| Long-Term Liabilities | | |
| Long-Term Debt | 326,184,559 | 554,901,585 |
| Operating Lease Liability | 11,492,228 | 1,826,596 |
| Deferred Compensation Plans | 12,750,129 | 9,021,880 |
| | <u>350,426,916</u> | <u>565,750,061</u> |
| Current Liabilities | | |
| Lines-of-Credit | - | 14,700,000 |
| Current Portion of Long-Term Debt | 251,228,431 | 21,341,296 |
| Current Portion of Operating Lease Liability | 1,101,982 | 1,183,293 |
| Accounts Payable | 131,139,564 | 223,836,498 |
| Consumer Deposits | 19,134,057 | 18,000,933 |
| Accrued and Withheld Taxes | 14,481,901 | 15,717,109 |
| Other Current and Accrued Liabilities | 113,327,182 | 65,700,652 |
| | <u>530,413,117</u> | <u>360,479,781</u> |
| Deferred Credits | <u>69,903,105</u> | 47,590,708 |
| Deferred Tax Liabilities | <u>-</u> | 2,648,000 |
| Total Equities and Liabilities | <u><u>\$ 1,637,986,684</u></u> | <u><u>\$ 1,651,550,068</u></u> |

See accompanying notes which are an integral part of these consolidated financial statements.

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

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|-------------------------|
| Operating Revenues | \$ 1,749,096,657 | \$ 2,526,831,710 |
| Operating Expenses | | |
| Cost of Revenues | 1,362,070,461 | 2,151,393,979 |
| Distribution Operations | 9,721,649 | 8,017,508 |
| Distribution Maintenance | 22,437,231 | 19,256,292 |
| Consumer Accounts | 12,759,895 | 11,637,808 |
| Consumer Service and Information | 903,231 | 699,587 |
| Administrative, Selling, and General | 151,261,837 | 143,916,529 |
| Depreciation and Amortization | 46,320,274 | 43,038,888 |
| Operating Taxes | 5,532,838 | 4,955,596 |
| Total Operating Expenses | 1,611,007,416 | 2,382,916,187 |
| Operating Margins Before Interest Expense | 138,089,241 | 143,915,523 |
| Interest Expense | 30,424,467 | 21,168,173 |
| Operating Margins After Interest Expense | 107,664,774 | 122,747,350 |
| Nonoperating Margins | 1,640,285 | 2,064,213 |
| Generation and Transmission Patronage Allocations | 7,409,726 | 6,945,314 |
| Other Capital Credits and Patronage Allocations | 3,247,990 | 2,539,150 |
| Net Income Before Income Taxes | 119,962,775 | 134,296,027 |
| Income Tax Expense | 22,765,000 | 26,234,000 |
| Net Income | \$ 97,197,775 | \$ 108,062,027 |

See accompanying notes which are an integral part of these consolidated financial statements.

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

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|-----------------------|
| Net Income | \$ 97,197,775 | \$ 108,062,027 |
| Other Comprehensive Income | | |
| Change in Fair Value of Net Risk Management Asset/Liability, Net of Change in Deferred Tax of \$23,866,764 and \$5,803,902 for the Years Ended 2023 and 2022, Respectively | (69,198,037) | (17,410,131) |
| Change in Fair Value of Costs Related to Death Benefit Obligations | (869,780) | 1,684,192 |
| Other Comprehensive Income | (70,067,817) | (15,725,939) |
| Comprehensive Income | \$ 27,129,958 | \$ 92,336,088 |

See accompanying notes which are an integral part of these consolidated financial statements.

COBB ELECTRIC MEMBERSHIP CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | Membership Fees | Patronage Capital - Unrestricted | Patronage Capital - Restricted | Donated Capital | Other Equities | Accumulated Other Comprehensive Income (Loss) | Total |
|-----------------------------------|----------------------------|---|---|----------------------------|-----------------------|--|-----------------------|
| 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 |
| Net Income | - | - | - | - | 97,197,775 | - | 97,197,775 |
| Retirement of Patronage Capital | - | (15,000,923) | - | - | - | - | (15,000,923) |
| Other Comprehensive Income | - | - | - | - | - | (70,067,817) | (70,067,817) |
| Other | (14,775) | - | - | 47,768 | - | - | 32,993 |
| Balance, December 31, 2023 | <u>\$ 364,520</u> | <u>\$ 13,907,489</u> | <u>\$ 304,685,821</u> | <u>\$ 418,741</u> | <u>\$ 438,349,834</u> | <u>\$ (70,482,859)</u> | <u>\$ 687,243,546</u> |

See accompanying notes which are an integral part of these consolidated financial statements.

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

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------|-----------------------|
| Cash Flows from Operating Activities | | |
| Net Income | \$ 97,197,775 | \$ 108,062,027 |
| Adjustments to Reconcile Net Income to Net Cash | | |
| Provided by Operating Activities | | |
| Depreciation and Amortization | 47,021,579 | 43,442,072 |
| Electric Revenue Recognized Under <i>ASC 980</i> | (4,000,000) | (6,000,000) |
| Amortization of <i>ASC 980</i> Regulatory | | |
| Liability - Pension Gain | (5,356,046) | (5,367,216) |
| Provision for Credit Losses | 12,451,892 | 12,269,592 |
| Overrecovery of Wholesale Power Cost | 5,793,282 | - |
| Patronage Capital from Associated Organizations | (10,657,716) | (9,484,464) |
| Net Postretirement Benefit Cost | 25,806 | 158,545 |
| Deferred Income Tax Expense | (29,607,000) | (3,474,000) |
| Change In | | |
| Accounts Receivable | 104,636,031 | (104,990,610) |
| Gas Inventory | (7,587,754) | (20,856,450) |
| Other Current Assets | 696,969 | 10,246,573 |
| Other Assets | 95,011 | 1,398,946 |
| Risk Management Assets and Liabilities, Net | 24,087,215 | 9,389,949 |
| Accounts Payable | (70,414,934) | 75,156,315 |
| Consumer Deposits | 1,133,124 | 6,825,259 |
| Other Current and Accrued Liabilities | (4,952,493) | 568,250 |
| Deferred Credits | (204,367) | (274,117) |
| Balance - Carried Forward | <u>\$ 160,358,374</u> | <u>\$ 117,070,671</u> |

See accompanying notes which are an integral part of these consolidated financial statements.

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

| | <u>2023</u> | <u>2022</u> |
|--|------------------------------|-----------------------------|
| Balance - Brought Forward | \$ 160,358,374 | \$ 117,070,671 |
| Cash Flows from Investing Activities | | |
| Extensions and Replacements of Utility Plant, Net | (70,091,965) | (65,162,207) |
| Nonutility Plant | (7,188,633) | (9,371,050) |
| Cash Paid for Business Acquisition | - | (8,268,317) |
| Cash Paid to Solar Project Partnership Investments | (25,451,000) | (10,116,000) |
| Materials and Supplies | 25,616 | (1,894,877) |
| Return of Equity from Associated Organizations | 3,838,832 | 2,502,129 |
| Other | 343,958 | 269,951 |
| | <u>(98,523,192)</u> | <u>(92,040,371)</u> |
| Cash Flows from Financing Activities | | |
| Advances of Long-Term Debt | 1,441,136,000 | 2,229,560,000 |
| Principal Repayment of Long-Term Debt | (1,440,788,808) | (2,232,265,903) |
| Borrowings on Lines-of-Credit | 274,600,000 | 324,150,000 |
| Principal Repayments on Lines-of-Credit | (289,300,000) | (309,700,000) |
| Deferred Financing Costs Paid | - | (715,719) |
| Retirement of Patronage Capital | (15,000,923) | - |
| Other | 32,993 | 23,780 |
| | <u>(29,320,738)</u> | <u>11,052,158</u> |
| Net Increase in Cash, Cash Equivalents, and Restricted Cash | 32,514,444 | 36,082,458 |
| Cash, Cash Equivalents, and Restricted Cash - Beginning | 73,154,894 | 37,072,436 |
| Cash, Cash Equivalents, and Restricted Cash - Ending | <u>\$ 105,669,338</u> | <u>\$ 73,154,894</u> |

See accompanying notes which are an integral part of these consolidated financial statements.

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

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------|----------------------|
| Balance Sheet Reconciliation: | | |
| Cash and Cash Equivalents | \$ 8,129,459 | \$ 1,841,015 |
| Restricted Cash | <u>97,539,879</u> | <u>71,313,879</u> |
| | <u>\$ 105,669,338</u> | <u>\$ 73,154,894</u> |
| Supplemental Disclosures of Cash Flow Information | | |
| Cash Paid for Interest | <u>\$ 29,249,919</u> | <u>\$ 20,221,751</u> |
| Cash Paid for Income Taxes | <u>\$ 5,091,164</u> | <u>\$ 11,927,632</u> |
| Right-of-Use Assets Exchanged for Lease Obligations | <u>\$ 11,276,000</u> | <u>\$ 4,195,000</u> |

See accompanying notes which are an integral part of these consolidated financial statements.