

2022 Annual Report


More Power To You

Annual Meeting Order Of Business

- 01 Call to Order**
- 02 Determination of a Quorum**
- 03 Announcement of Registration Closed**
- 04 Consent Agenda**
 - Election of New Members
 - Notice of the Annual Meeting as Mailed
 - Minutes of 2022 Annual Meeting
 - Ratification of Actions by the Board of Directors During the Previous Year
 - Nominating Committee Report/Election of Uncontested Director by Acclamation
- 05 Action on Consent Agenda**
- 06 Announcement of Director Election Results**
- 07 Adjourn**



Central Georgia EMC

A Touchstone Energy® Cooperative 

☎ 770-775-7857

🌐 www.cgemc.com

📍 923 S. Mulberry Street
Jackson, GA 30233

Nominating Committee Report

TO: The Members of The Central Georgia Electric Membership Corporation

We, the Nominating Committee, named by the Board of Directors of The Central Georgia Electric Membership Corporation to nominate two directors to serve the cooperative for three-year terms each, all to be elected at the next annual meeting of members to be held on August 2, 2023, do hereby nominate the following:

D.A. Robinson, III — Spalding-Lamar-Pike counties Post 2
Arthur White, Jr. — At-Large Post No. 2

We do hereby certify that no member of this Nominating Committee is either an officer or a director of the cooperative.

Harry Clark, Chairman
Janice Brooks, Secretary

Douglas R. Bowden
Randy Dougherty
Jack A. Garland

Richard Lewis
Kathy Price

Nomination By Petition

Harvie Jarriell, III — Spalding-Lamar-Pike counties Post 2



UNDERSTANDING THE SEVEN COOPERATIVE PRINCIPLES

Cooperatives worldwide operate according to the same core principles and values adopted by the International Cooperative Alliance.

These principles are a key reason why America's electric cooperatives operate differently from other electric utilities, putting the needs of our members first.



1
**VOLUNTARY AND
OPEN MEMBERSHIP**



2
**DEMOCRATIC
MEMBER CONTROL**



3
**MEMBERS' ECONOMIC
PARTICIPATION**



4
**AUTONOMY AND
INDEPENDENCE**



5
**EDUCATION, TRAINING
AND INFORMATION**



6
**COOPERATION AMONG
COOPERATIVES**



7
**CONCERN FOR
COMMUNITY**

**THESE ARE
THE WORDS
WE LIVE BY.**

Board of Directors



CGEMC Board of Directors Left to Right standing: Rod Mangham, Phillip Benson Ham, Jr., J. Everett Williams, Arthur White, Jr., D.T. Hamil, Warren E. Holder. Seated: D.A. Robinson, III, and Linda H. Jordan.

More Power To You

Empowering members is an integral part of the mission and vision of Central Georgia EMC (CGEMC). We also understand that providing options beyond reliable, affordable electric service is becoming an ever more critical role for CGEMC as your local, trusted energy advisor.

By the end of 2022, our fiber network reached more than 20,000 CGEMC members' homes and businesses, enabling access to high-speed internet at an affordable price. Our goal is 50,000 passings by the end of 2023 and fiber access for every CGEMC member less than one year from now!

CGEMC assets grew by a record \$78 million in 2022. System growth at such a rapid pace requires significant capital investment, but directors and employees have worked diligently to keep rates affordable. As a result, I am pleased to report for the 11th consecutive year, CGEMC ranked among the three lowest-cost electric providers in all of Georgia.

Additional service offerings, such as renewable energy through our Cooperative Solar program, natural gas from our wholly owned subsidiary Fuel Georgia, and home security or home repair plans through CGEMC

partners, are all designed specifically to provide you with the power to make decisions that best fit your lifestyle.

Winston Churchill once said, *"To improve is to change; to be perfect is to change often."* At CGEMC, we continuously look for ways to change and, more specifically, improve the products and services offered to you, our members.

The number one goal of CGEMC is to provide affordable, high-quality services, and we will continue to work diligently to meet that goal. Thank you for attending the Annual Meeting of Members and for trusting CGEMC to provide **MORE POWER TO YOU.**

George L. Weaver

CGEMC President/CEO



Community Focused



Consolidated Balance Sheets (December 31)

Assets

| | | |
|---|-------------|-------------|
| Cash on Hand and in Banks | 5,207,349 | 1,057,240 |
| Temporary Cash Investments | 2,200,000 | - |
| Investments in Associated Organizations | 50,196,949 | 46,478,342 |
| Restricted Funds | 4,000,000 | 9,407,000 |
| Other Investments | 3,444,416 | 3,487,525 |
| Accounts Receivable | 16,354,088 | 11,695,398 |
| Materials and Supplies | 13,601,895 | 5,077,034 |
| Prepayments | 248,672 | 324,521 |
| Other Current and Accrued Assets | 7,936 | 44,901 |
| Deferred Charges | 5,336,101 | 4,810,449 |
| Utility Plant at Depreciated Value | 295,072,091 | 235,182,863 |

Total Assets

| | 2022 | 2021 |
|---------------------|----------------------|----------------------|
| Total Assets | \$395,669,497 | \$317,565,273 |

Liquid Assets Included Above

| | | |
|----------------------------------|------------|------------|
| Cash on Hand and in Banks | 5,207,349 | 1,057,240 |
| Temporary Cash Investments | 2,200,000 | - |
| Accounts Receivable | 16,354,088 | 11,695,398 |
| Materials and Supplies | 13,601,895 | 5,077,034 |
| Other Current and Accrued Assets | 7,936 | 44,901 |
| Prepayments | 248,672 | 324,521 |

Total Liquid Assets Included Above

| | | |
|---|---------------------|---------------------|
| Total Liquid Assets Included Above | \$37,619,940 | \$18,199,094 |
|---|---------------------|---------------------|

Liabilities

| | | |
|-----------------------------|-------------|-------------|
| NRUCFC-Long Term Notes | 39,741,673 | 42,198,389 |
| FFB-Long Term Notes | 156,278,308 | 117,451,103 |
| CoBank-Long Term Notes | - | 359,996 |
| Advanced Payments Unapplied | - | (2,318,002) |
| Principal Owed | 196,019,981 | 157,691,486 |

| | | |
|---|------------|------------|
| Other Liabilities | 1,305,814 | 1,348,924 |
| Lines-of-Credit | 47,050,000 | 24,950,000 |
| Due for Supplies, Accrued Insurance, and Interest | 34,036,125 | 14,625,811 |
| Taxes to be Paid | 2,870,348 | 514,097 |
| Meter Deposits | 6,241,552 | 5,912,821 |
| Deferred Credits | 7,035,924 | 14,628,411 |

Total Liabilities

| | | |
|--------------------------|----------------------|----------------------|
| Total Liabilities | \$294,559,744 | \$219,671,550 |
|--------------------------|----------------------|----------------------|

Equity

| | | |
|--|-------------|------------|
| Membership Fees | 266,590 | 258,990 |
| Excess of Revenues Over Expenses (Margins) | | |
| Since Organization of Cooperative | 100,843,163 | 97,634,733 |

Total Equity

| | | |
|---------------------|----------------------|---------------------|
| Total Equity | \$101,109,753 | \$97,893,723 |
|---------------------|----------------------|---------------------|

Total Liabilities and Equity

| | | |
|-------------------------------------|----------------------|----------------------|
| Total Liabilities and Equity | \$395,669,497 | \$317,565,273 |
|-------------------------------------|----------------------|----------------------|

Consolidated Statements of Operations (For the Years Ended December 31)

| | 2022 | 2021 |
|---|----------------------|----------------------|
| Revenues | | |
| Sales of Electricity and Other Electric Revenue | 163,603,479 | 133,920,649 |
| Nonoperating Revenue (Interest, etc.) | 279,672 | 317,138 |
| Total Revenues | \$163,883,151 | \$134,237,787 |
| Expenses | | |
| Cost of Power and Natural Gas | 120,805,184 | 96,769,940 |
| Operations and Maintenance | 14,846,305 | 10,240,970 |
| Consumers' Accounting and Collecting | 3,777,951 | 3,346,413 |
| Member Services | 1,706,970 | 1,769,728 |
| Administrative and General | 5,131,481 | 4,291,018 |
| Depreciation | 8,824,503 | 8,364,722 |
| Interest | 6,660,121 | 5,179,431 |
| Total Expenses | \$161,752,515 | \$129,962,222 |
| Excess (Deficit) of Revenue Over Expenses | 2,130,636 | 4,275,565 |
| Capital Credits and Patronage Allocations | | |
| Associated Organizations | 3,849,480 | 2,575,906 |
| Net Margins | \$5,980,116 | \$6,851,471 |

Funds Summary (For the Years Ended December 31)

| | 2022 | 2021 |
|---|----------------------|---------------------|
| Source of Funds | | |
| Operating Margins (Loss) for the Year | 5,700,444 | 6,534,333 |
| Revenue Recognition for the Year | (7,725,002) | (3,402,998) |
| Nonoperating Margins for the Year | 279,672 | 317,138 |
| | \$(1,744,886) | \$3,448,473 |
| Less: Patronage Capital Credits (Not Cash) | | |
| from Associated Organizations | (3,849,480) | (2,575,906) |
| Add: Expenses Not Requiring Funds-Depreciation | 9,271,527 | 8,826,388 |
| Advances of Long-Term Debt | 41,803,155 | - |
| Lines-of-Credit | 22,100,000 | 20,450,000 |
| Change in Deferred Credits | 132,515 | 286,690 |
| Advanced Payments Unapplied | 2,318,002 | 6,793,517 |
| Membership Fees | 7,600 | 7,405 |
| Retirement of Patronage Capital from | | |
| Associated Organizations | 130,873 | 236,940 |
| Other Accrued Liabilities | 1,358,405 | 80,318 |
| Meter Deposits | 342,695 | 185,001 |
| Total Funds Provided | \$71,870,406 | \$37,738,826 |
| Uses of Funds | | |
| Improved, Renewed, Replaced, and Added to Plant | 77,685,616 | 31,126,436 |
| Principal Payments on Mortgage Notes | 5,792,662 | 6,971,861 |
| Other Equities | 309,263 | 307,914 |
| Retirement of Patronage Capital | 2,462,423 | 2,399,348 |
| Change in Deferred Debits | 525,652 | 2,759,672 |
| Increase (Decrease) in Working Capital | (14,905,210) | (5,826,405) |
| Total Funds Used | \$71,870,406 | \$37,738,826 |

Member Owned





Bibb County

Meters Served: 2,518
Operation Round Up \$9,849
County Taxes Paid \$44,235



Butts County

Meters Served: 7,230
Operation Round Up \$35,109
County Taxes Paid \$429,739



Clayton County

Meters Served: 3,599
Operation Round Up \$8,274
County Taxes Paid \$86,209



Fayette County

Meters Served: 17
Operation Round Up \$5,923
County Taxes Paid \$452



Henry County

Meters Served: 20,830
Operation Round Up \$59,339
County Taxes Paid \$459,191



Jasper County

Meters Served: 5,312
Operation Round Up \$11,624
County Taxes Paid \$195,654



Jones County

Meters Served: 62
Operation Round Up \$1,790
County Taxes Paid \$4,775



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April 26, 2023

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Central Georgia Electric Membership Corporation

Opinion

We have audited the consolidated financial statements of **The Central Georgia Electric Membership Corporation and Subsidiaries**, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Central Georgia Electric Membership Corporation and Subsidiaries as of December 31, 2022 and 2021 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

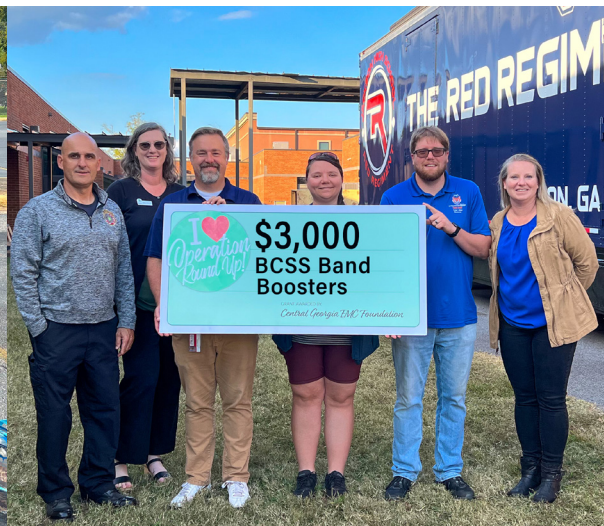
Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Central Georgia Electric Membership Corporation and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Central Georgia Electric Membership Corporation and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Central Georgia Electric Membership Corporation and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Central Georgia Electric Membership Corporation and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023 on our consideration of The Central Georgia Electric Membership Corporation and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Central Georgia Electric Membership Corporation and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Central Georgia Electric Membership Corporation and Subsidiaries' internal control over financial reporting and compliance.

McNair, McLeMore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC



Lamar County



Meters Served: 724
Operation Round Up \$8,101
County Taxes Paid \$35,606

Monroe County



Meters Served: 8,351
Operation Round Up \$12,629
County Taxes Paid \$247,762

Morgan County



Meters Served: 1,850
Operation Round Up \$10,181
County Taxes Paid \$67,964

Newton County



Meters Served: 156
Operation Round Up \$4,701
County Taxes Paid \$9,785

Pike County



Meters Served: 32
Operation Round Up \$5,616
County Taxes Paid \$1,671

Putnam County



Meters Served: 142
Operation Round Up \$5,667
County Taxes Paid \$4,950

Spalding County



Meters Served: 13,366
Operation Round Up \$24,256
County Taxes Paid \$423,819



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Thank you!

Thank you for taking an active role in your cooperative!
In appreciation for joining us today, we are automatically crediting your registered member account \$30!*

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