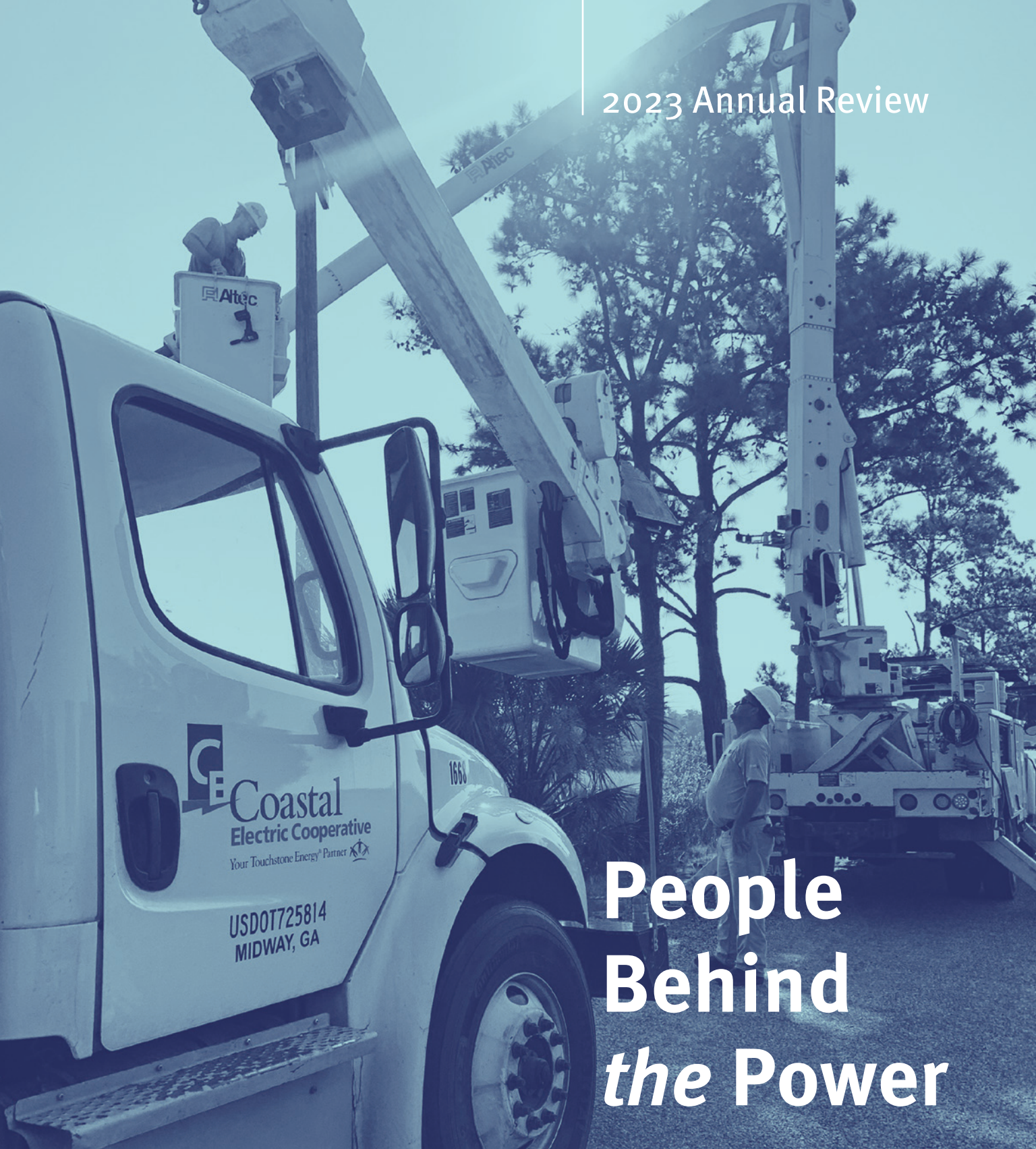


2023 Annual Review



People Behind *the Power*

The 7 Cooperative Principles

Coastal Electric Cooperative is a not-for-profit, member-owned electric cooperative. We operate with the Seven Cooperative Principles at the core of everything we do. These principles are a key reason that Coastal Electric Cooperative and other electric cooperatives across the nation operate differently from other electric utilities, putting members' needs first.



- 1. Open and Voluntary Membership**

Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender or economic circumstances.
- 2. Democratic Member Control**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Representatives (directors) are elected from among the membership and are accountable to the membership.
- 3. Members' Economic Participation**

Members contribute equitably to and democratically control the capital of their cooperative. At least part of that capital remains the common property of the cooperative.
- 4. Autonomy and Independence**

Cooperatives are autonomous self-help organizations controlled by their members. If they enter into agreements with other organizations or raise capital from external sources, they do so on terms that ensure democratic control, as well as their unique identity.
- 5. Education, Training and Information**

Education and training for members, elected representatives (directors), CEOs and employees help them effectively contribute to the development of their cooperative. Communications about the nature of and benefits of cooperatives, particularly with the general public and opinion leaders, help boost cooperative understanding.
- 6. Cooperation Among Cooperatives**

By working together through local, national, regional and international structures, cooperatives improve services, bolster local economies and deal more effectively with social and community needs.
- 7. Concern for Community**

Cooperatives work for the sustainable development of their communities through policies supported by the membership.

Your Board of Directors

Your board of directors are elected by you, our members, and make decisions in the best interest of the membership as a whole. Our directors live and work in our community and are co-op members themselves.

“The board made crucial decisions in 2023 that not only affected Coastal Electric Cooperative’s day-in, day-out operations, but also laid the groundwork for a future of serving our members with

excellence and value.

“No matter what opportunities and challenges lie ahead, we are committed to enhancing the quality of life in our communities and providing the same level of service you’ve come to expect and enjoy from Coastal Electric Cooperative.”

Chris Fettes, *Executive Vice President/CEO, Coastal Electric Cooperative*



Chris Fettes
Executive Vice President/CEO



John Woods III
Liberty County, President



Reagan Odom
McIntosh/Long counties, Vice President



Laura McGee
Bryan County, Secretary/Treasurer



Kyle Christiansen
Bryan County



Holly Fields
Liberty County



Chuck Gaskin
McIntosh/Long counties



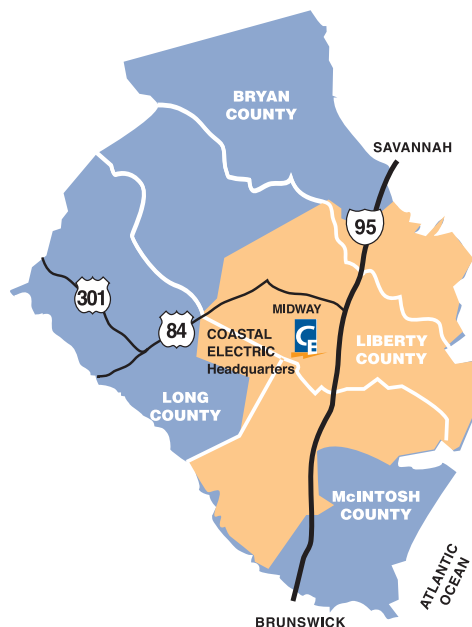
Joseph Fillmore Gill IV
Liberty County



John B. Kearns
McIntosh/Long counties



Kenneth Luke
Bryan County



2023 Year in Review

The electricity that powers homes and businesses across coastal Georgia ... where does it come from? Fuel, poles and wire, power plants, solar panels, substations—all those are certainly correct.

Ultimately, power comes from people. People generate the electricity our society relies on every day. And who are these **People Behind the Power**? Linemen, engineers, system planners, power plant operators. These people make it happen.

But electric cooperative employees aren't the only ones. The true **People Behind the Power** sit in your seat at the movie theater, push your cart at the grocery store, turn on your dishwasher and pack your kid's lunch. They park beside you at the ballpark, run city council meetings and volunteer at the food bank down the street. You—Coastal Electric Cooperative members and owners—are the reason we do what we do. You are

our motivation to bring the power that makes coastal Georgia a better place to live. You, your friends, your neighbors ... you are truly the **People Behind the Power**.

Annual reviews like the one you hold in your hand are, at their core, financial documents, and for good reason. Numbers tell a powerful story about the health and priorities of an organization. But behind every dollar, every chart, every balance sheet, you'll find people. As an electric co-op, we exist to serve our members. So every decision, every dollar spent and saved, everything we steward, is done with you in mind.

On the next few pages, you'll learn more about the stories behind the numbers from the past year and how those numbers support our mission to meet or exceed our member-owners' expectations by being an outstanding provider of energy services.



GROWTH

Growth comes with its share of challenges. However, the more members that settle on our system, the more costs can be shared among the membership, for the good of all. Our system is growing by approximately **600-plus** new permanent services each year.

- **24,833** meters in four coastal Georgia counties (growth of more than 700 services)
- **1,798.5** miles of power lines
- **1,031** new services connected
- More than **25** miles of underground power lines installed in 2023

DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions, according to Cooperative Principle 2. Representatives (in our case, directors) are elected from among the membership and are accountable to the membership. Coastal Electric Cooperative is led by a member-elected board of nine directors, who are also co-op members themselves. Each director serves a three-year term before they are up for reelection to be voted on by their fellow members.

Coastal Electric Cooperative members exercise their member rights to vote every year during Annual Meeting registration and voting. The result? You have a voice in how your cooperative operates and who is making decisions on your behalf. It's just one benefit of being a member and owner of an electric co-op versus any other type of utility company ... a little something we like to call the cooperative advantage.

- **2,477** members participated in Annual Meeting registration and voting during the three days prior to the 2023 Annual Meeting—the largest number ever participating
- **3** directors were reelected to represent the members of Coastal Electric Cooperative
- **9** directors serve on the Coastal Electric Cooperative board, representing the 4 counties we serve

DIVERSE, RELIABLE FUEL MIX

In July 2023, Vogtle Unit 3 reached commercial operation, marking a historic achievement for the energy industry, Georgia and the entire nation. The existing units at Plant Vogtle—Units 1 and 2—have been providing safe, clean energy for Georgians for more than 34 years. Our investment in the Plant Vogtle construction project is an investment in reliable, emissions-free energy for our members—now and for the future.

We depend on a variety of fuels to generate the electricity that powers life 24/7. Renewable energy sources like wind

Continued on page 6



2023 Year in Review, *Continued from page 5*

and solar are key players in our fuel portfolio, but the sun doesn't always shine and the wind doesn't always blow. A diverse team of fuels helps ensure our members have electricity whenever you need it.

Coastal Electric Cooperative did not raise rates in response to the Plant Vogtle project in 2023. Our member-elected board of directors and co-op staff planned ahead for the time that Unit 3 would come online and factored the costs into our financial planning.

- **60-80** years of emissions-free nuclear energy
- **1st** advanced commercial nuclear project in the United States in more than 3 decades
- **0** rate hikes for Coastal Electric Cooperative to pay for the new Unit 3

SAFETY SAVES LIVES AND MONEY

While protecting the safety of employees and the public is the primary goal of workplace safety and training, Coastal Electric Cooperative's stellar safety record also translates into significant savings for the cooperative and our members.

When an injury does occur, the costs go beyond emergency room visits and doctor appointments. Indirect costs, such as administrative time dealing with the injury, increases in insurance premiums, hiring replacement employees and even loss of reputation can add up to four times the direct cost of the injury.

Without a motivated, trained and effective workforce, considerable extra time and expense would be needed to accomplish our mission. So safety is not only good for co-op employees, but it is also beneficial for co-op members and our community.

- **10** years with **0** fatalities or injuries at all requiring employees to miss work
- **67** employees worked **149,842** hours to serve co-op members



SATISFACTION AT AN ALL-TIME HIGH

In 2023, Coastal Electric Cooperative received its all-time high American Customer Satisfaction Index (ACSI®) score of 90 on a 100-point scale.

The score is among the top three scores earned by energy utility cooperatives participating in measurement for Touchstone Energy in the second quarter of 2023. Touchstone Energy Cooperatives represents a nationwide alliance of more than 700 member-owned electric co-ops across 46 states.

The top five scores in that period ranged from 88 to 92, which compares favorably with electric cooperatives' annual average score of 74, as reported in the 2022-23 ACSI Energy Utilities Study.

Coastal Electric Cooperative has always strived for excellence, but this recognition from members is cause for celebration.

** Compared to publicly measured energy utilities in the ACSI® survey of customers rating their own energy utility. Results based on data provided by Coastal Electric Cooperative, collected between July-August 2024. ACSI did not regulate the survey administration or sample size. ACSI and its logo are registered trademarks of the American Customer Satisfaction Index LLC. For more about the ACSI, visit www.theacsi.org.*

MEMBERS GET MONEY BACK

One unique practice of the co-op business model is retiring capital credits. When member revenues exceed costs, those margins become the member's equity in the cooperative. When the financial strength of the cooperative allows, the board of directors can order the return of a portion of that equity.

Those who pay bills to Coastal Electric Cooperative are more than customers—they are members. Coastal Electric Cooperative has no need to generate profits, so members' electric bills collectively cover what is needed to supply power to their homes and businesses, from generating the power at plants and buying lines and poles that deliver electricity to maintaining equipment to keep service reliable and compensating employees who make it all happen.





When the co-op's elected board of directors determines it is financially feasible, Coastal Electric Cooperative retires excess margins back to members who have paid their electric bills.

- **\$2 million+** in capital credits retirements to members in 2023
- **\$13 million+** in capital credits retirements to date

CO-OP PROGRAMS SAVE MEMBERS MONEY

As a not-for-profit cooperative, we offer programs designed to help members save money and manage their energy use. Because of our commitment to Cooperative Principle 5—Education, Training and Information—we also strive to educate our members about industry trends, energy efficiency and wise energy investments.

For example, through our Cooperative Solar program, the average household that subscribed to two blocks (4kW) of Cooperative Solar in 2023 saved enough money to get more than a free month's worth of electricity.

A dedicated energy adviser on staff spoke with many members interested in rooftop solar to educate them on the pros and cons, as well as the cost and savings estimates if they decided to invest in rooftop solar.



We rolled out our optional Time-of-Use rate in 2023 and have installed 78 customized Time-of-Use meters for members interested in saving money through the use of off-peak energy.

- **\$313.70** saved per member who signed up for **2** blocks (4kW) of Cooperative Solar
- **78** Time-of-Use meters installed for members
- More than **1,500** members took advantage of Advance Pay in 2023
- **586** members participated in our Cooperative Solar program—a jump from 443 in 2022
- **50** new residential solar systems added to our system
- **145** miles of right-of-way clearing completed to reinforce electric system reliability

BRINGING RURAL BROADBAND

Coastal Fiber crews continued to focus their efforts on bringing broadband internet to underserved areas of Liberty County in 2023. After completing the Tradeport East area of Interstate 95 early in the year, service became available to several key industrial customers.

Construction of the Midway fiber hut began in early 2023, and the last work orders for the area were released in November 2023, resulting in 66 total miles of fiber successfully being constructed and 1,048 potential customers connected from Bacontown Road to Lewis Frasier Road, and up to the Fleming Shortcut Store on Highway 196.

Next, crews began constructing the tie between the Midway and Daniel Siding fiber huts. Now complete, this span includes 33 miles of fiber and makes Coastal Fiber service available to an additional 879 customers.

- **3,900** homes and businesses have now gained access to Coastal Fiber service
- **220** miles of fiber have been constructed in coastal Georgia

2023 Coastal Electric Cooperative Treasurer's Report

Financial statements for the fiscal year ending Dec. 31, 2023, reflect the sound status of Coastal Electric Cooperative. Each year, we retain the services of McNair, McLemore, Middlebrooks & Co., LLP, CPA, to perform an audit of the cooperative's accounting records.

This audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. The figures in this report are from the audit and represent a summary of the auditor's complete report. Copies of the audit are on file at the cooperative's headquarters.

Laura McGee

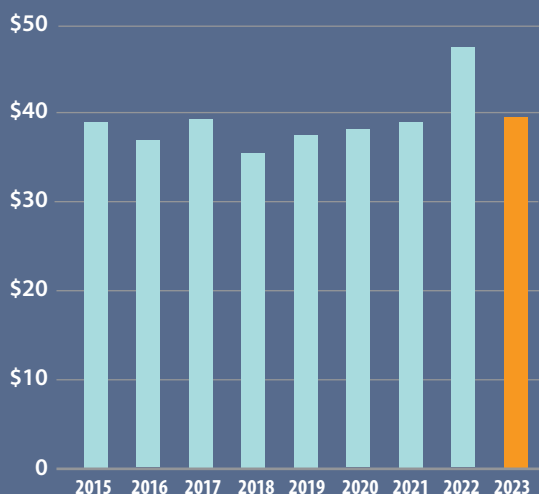
Secretary/Treasurer

Coastal Electric Cooperative

Board of Directors



Cost of Purchased Power (in millions)



BALANCE SHEETS

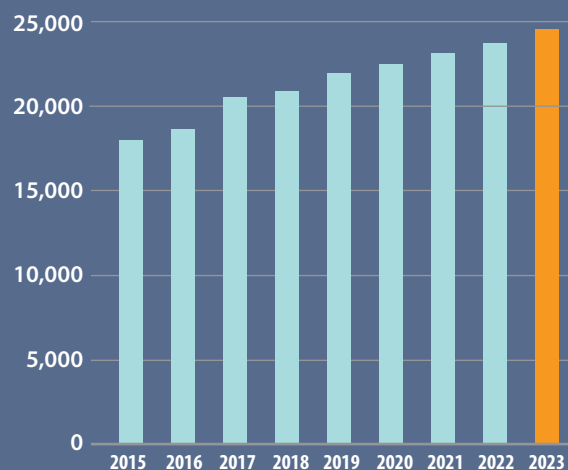
	2023	2022
ASSETS		
Utility Plant		
Electric Plant in Service—At Cost	\$ 160,845,703	\$ 147,096,251
Construction Work in Progress	7,221,889	3,160,956
Gross Utility Plant	168,067,592	150,257,207
Accumulated Provision for Depreciation	(38,958,399)	(35,854,378)
	129,109,193	114,402,829
Other Property and Investments		
Investments in Associated Organizations	18,288,778	17,118,392
Restricted Funds	144,474	269,567
	18,433,252	17,387,959
Current Assets		
Cash and Cash Equivalents	273,420	2,296,353
Restricted Cash	2,040,967	5,422,953
Accounts Receivable (Net of Allowance for Credit Losses of \$40,000 and \$60,000 in 2023 and 2022, Respectively)	1,523,195	1,501,474
Accrued Utility Revenue	3,963,028	4,676,052
Materials and Supplies	6,940,306	6,328,686
Other	178,833	153,367
	14,919,749	20,378,885
	428,731	424,413
Deferred Debits		
Total Assets	\$ 162,890,925	\$ 152,594,086
EQUITIES AND LIABILITIES		
Equities		
Membership Fees	\$ 98,310	\$ 95,325
Patronage Capital	56,531,037	50,302,979
Other Equities	6,689,467	6,507,849
	63,318,814	56,906,153
Long-Term Liabilities		
Long-term Debt	72,933,732	76,300,457
Deferred Compensation	144,474	269,567
	73,078,206	76,570,024
Current Liabilities		
Line-of-Credit	8,500,000	-
Current Maturities of Long-term Debt	3,196,058	3,158,870
Accounts Payable	5,164,593	5,455,773
Consumer Deposits	1,688,978	1,573,865
Other	3,196,689	2,244,304
	21,746,318	12,432,812
Deferred Credits	4,747,587	6,685,097
Total Equities and Liabilities	\$ 162,890,925	\$ 152,594,086

The complete financial annual report available upon request.

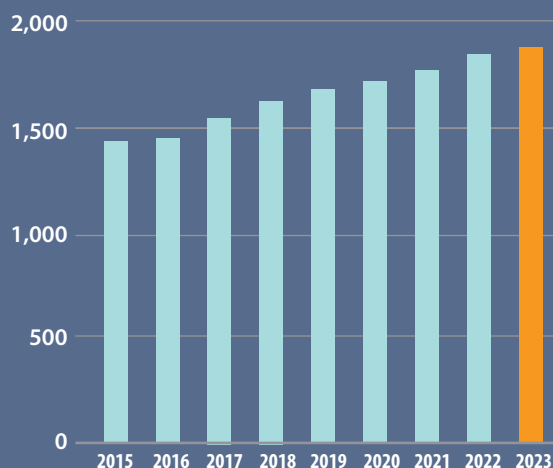
STATEMENTS OF OPERATIONS

	2023	2022
Operating Revenues	\$ 67,316,101	\$ 67,121,214
Operating Expenses		
Cost of Revenue	40,084,346	47,577,443
Distribution Operations	3,202,842	3,214,309
Distribution Maintenance	2,238,275	1,800,638
Consumer Accounts	2,169,450	2,113,782
Consumer Service and Information	1,136,805	1,049,308
Administrative and General	3,590,319	3,383,621
Depreciation and Amortization	5,152,083	4,668,373
	57,574,120	63,807,474
Operating Margins Before Interest Expense	9,741,981	3,313,740
Interest Expense	2,797,102	2,544,425
Operating Margins After Interest Expense	6,944,879	769,315
Nonoperating Margins	118,232	230,471
Generation and Transmission Cooperative Capital Credits	836,366	780,783
Other Capital Credits and Patronage Capital Allocations	404,991	321,654
Net Margins	\$ 8,304,468	\$ 2,102,223

Growth in Meters



Miles of Line



STATEMENTS OF CHANGES IN EQUITIES (years ended Dec. 31, 2023, and Dec. 31, 2022)

	Total Equities	Membership Fees	Patronage Capital	Other Equities
Balance—Dec. 31, 2021	\$ 56,355,577	\$ 92,195	\$ 50,170,315	\$ 6,093,067
Net Margins	2,102,223	—	2,086,426	15,797
Membership Fees	3,130	3,130	—	—
Retirement of Patronage Capital	(1,953,762)	—	(1,953,762)	—
Retired Capital Credit Gains	398,985	—	—	398,985
Balance—Dec. 31, 2022	56,906,153	95,325	50,302,979	6,507,849
Net Margins	8,304,468	—	8,343,857	(39,389)
Membership Fees	2,985	2,985	—	—
Retirement of Patronage Capital	(2,115,799)	—	(2,115,799)	—
Retired Capital Credit Gains	221,007	—	—	221,007
Balance—Dec. 31, 2023	\$ 63,318,814	\$ 98,310	\$ 56,531,037	\$ 6,689,467



2023 Foundation Scholarship winners:

- Emma Beasley
- Jolie Claudio
- Madeline Ike
- Samuel Montone
- Austin Rowe
- Ella Snider

2023 Coastal Electric Cooperative Foundation Treasurer's Report

Financial statements for the fiscal year ending Dec. 31, 2023, reflect the sound status of the Coastal Electric Cooperative Foundation. Each year, McNair, McLemore, Middlebrooks & Co., LLP, CPA, perform an audit of the foundation's accounting records.

This audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. The figures in this report, which are displayed on this page, are from the audit and represent a summary of the auditor's complete report. Copies of the audit are on file at the cooperative's headquarters.

Constance Riggins
Treasurer
Coastal Electric Cooperative Foundation



2023 Coastal Electric Cooperative Foundation Board of Directors

Bryan County

- Runette Parker
- Constance Riggins
- Lynne Baynes

Liberty County

- Timothy Beaty
- Jack Standard
- Lynn Stevens

McIntosh County

- Jerry Adkins
- Gary Smith
- Ray Williams

STATEMENTS OF FINANCIAL POSITION

(years ended Dec. 31, 2023, and Dec. 31, 2022)

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 558,877	\$ 356,071
Restricted Cash	20,000	20,000
Short-Term Investments	-	132,258
Contributions Receivable	7,707	14,610
Interest Receivable	-	12
Total Assets	\$ 586,584	\$ 522,951
NET ASSETS		
Net Assets Without Donor Restriction	\$ 566,584	\$ 502,951
Net Assets With Donor Restrictions	20,000	20,000
Total Net Assets	\$ 586,584	\$ 522,951

Notes, which are an integral part of this financial statement, are on file at the cooperative's headquarters.



2023 Coastal Electric Cooperative Foundation grants awarded

Bright Ideas winners by school

Button Gwinnett Elementary School.....	\$3,390.44
Carver Elementary School	\$1,921.47
Joseph Martin Elementary School.....	\$700.39
Liberty College and Career Academy.....	\$3,781.05
Liberty County High School	\$1,177.27
Liberty Elementary School.....	\$3,591.92
Lewis Frasier Middle School	\$1,390
McIntosh County Academy	\$5,731.45
McIntosh County Middle School.....	\$825.50
Midway Middle School.....	\$639.80
Richmond Hill High School.....	\$1,478.43
Richmond Hill Middle School.....	\$9,852.91
Talylors Creek Elementary School.....	\$5,761.82



STATEMENTS OF ACTIVITIES

(years ended Dec. 31, 2023, and Dec. 31, 2022)

	2023	2022
Change in Net Assets Without Donor Restrictions		
Revenue and Support		
Contributions	\$ 360,278	\$ 365,151
Assets Released from Restriction	20,000	20,000
Contributed Services	7,749	7,390
Interest Income	5,700	106
	393,727	392,647
Expenses		
Program Services		
Community Assistance		
Bright Ideas Grants	41,242	41,860
Washington Youth Tour	47,342	18,443
Assistance to Other Agencies	81,861	124,793
The Principal's Fund	23,000	24,000
Scholarships	127,400	133,615
Individual Assistance	1,500	2,150
Supporting Services		
Administrative and General	7,749	7,390
	330,094	352,251
Change in Net Assets Without Donor Restrictions	63,633	40,396
Net Assets With Donor Restrictions		
Grants	20,000	20,000
Assets Released from Restrictions	(20,000)	(20,000)
Change in Net Assets With Donor Restrictions	-	-
Change in Net Assets	63,633	40,396
Net Assets, Beginning	522,951	482,555
Net Assets, Ending	\$ 586,584	\$ 522,951

STATEMENTS OF CASH FLOWS

(years ended Dec. 31, 2023, and Dec. 31, 2022)

	2023	2022
Cash Flows from Operating Activities		
Contributions Received	\$ 387,181	\$ 376,127
Donations Paid	(322,345)	(344,861)
Interest Received	5,712	-
	70,548	31,266
Cash Flows from Investing Activities		
Short-Term Investments	132,258	-
Net Increase in Cash, Cash Equivalents and Restricted Cash	202,806	31,266
Cash, Cash Equivalents and Restricted Cash, Beginning	376,071	344,805
Cash, Cash Equivalents and Restricted Cash, Ending	\$ 578,877	\$ 376,071
Balance Sheet Reconciliation		
Cash and Cash Equivalents	\$ 558,877	\$ 356,071
Restricted Cash	20,000	20,000
	\$ 578,877	\$ 376,071
Reconciliation of the Change in Net Assets to Cash Flows from Operating Activities		
Change in Net Assets	\$ 63,633	\$ 40,396
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Change In		
Contributions Receivable	6,903	(9,024)
Interest Receivable	12	(106)
Cash Flows from Operating Activities	\$ 70,548	\$ 31,266



SMALL CHANGE CHANGES LIVES

All of Coastal Electric Cooperative's work is made possible by you, our members, and some of the most impactful work for our community happens as a result of your donations to the Coastal Electric Cooperative Foundation.

When members allow us to round up your monthly electric bills through Operation Round Up, those nickels and dimes are pooled together and invested back into our own community to assist with the food, health, safety, education and shelter needs of citizens in counties served by Coastal Electric Cooperative.

Every dollar represents a life changed for the better.

- Members contributed **\$88,239** to Operation Round Up in 2023
- **\$127,400** in scholarships were awarded to local students in 2023
- **\$41,242** in Bright Ideas grants were awarded to local educators in 2023, funding innovative classroom projects
- Local principals received **\$23,000** to use toward the well-being of students and faculty
- **\$83,361** was awarded to assist local agencies and individuals in 2023





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www.CoastalElectric.Coop

