

2021 Annual Report



Energy to Move Forward

The **7** Cooperative Principles

Coastal Electric Cooperative is a not-for-profit electric cooperative, so the **Seven Cooperative Principles** are at the core of everything we do. These principles are a key reason that Coastal Electric 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 and benefits of cooperatives, particularly with the general public and opinion leaders, helps 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 Coastal Electric Cooperative Board of Directors

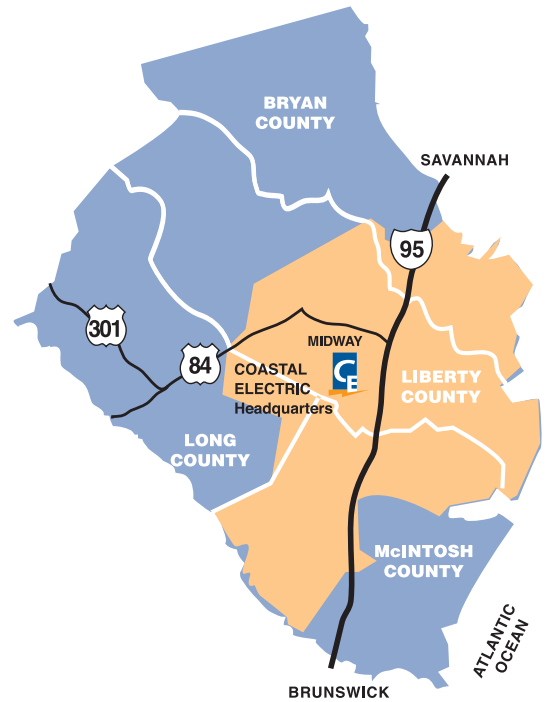
The Coastal Electric Cooperative Board of Directors is elected by you, our members, and makes decisions in the best interest of the membership as a whole. Our directors live and work in our community, and they are co-op members themselves.

The board made crucial decisions in 2021 that not only affected Coastal Electric's day-in and day-out operations, but it also laid the groundwork for a future of serving our members with excellence and value.

No matter what opportunities and challenges lie ahead for 2022, 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.



Chris Fettes
Executive Vice President/CEO



Chris Fettes
Executive Vice President/CEO



Jack Waters
*Liberty County
President*



John Woods III
*Liberty County
Vice President*



Laura McGee
*Bryan County
Secretary/Treasurer*



Chuck Gaskin
McIntosh/Long counties



Kyle Christiansen
Bryan County



Holly Fields
Liberty County



John B. Kearns
McIntosh/Long counties



Kenneth Luke
Bryan County



Reagan Odom
McIntosh/Long counties

2021 Year in Review



Our mission is to meet or exceed our member-owners' expectations by being an outstanding provider of energy services.



1 MILLION + WORKING HOURS WITH
ZERO LOST-TIME ACCIDENTS

4

COASTAL
GEORGIA
COUNTIES
SERVED

23,223

METERS IN FOUR
COASTAL GEORGIA
COUNTIES

1,740

MILES OF
POWER LINES

1,243

NEW SERVICES
CONNECTED



66

FULL-TIME COASTAL ELECTRIC
EMPLOYEES WORKED ALMOST

130,000

HOURS TO KEEP THE
COOPERATIVE RUNNING
SMOOTHLY

2021 Highlights



Energy, in one form or another, is needed to fuel every task and endeavor. When it's focused, change happens. Events are set in motion, and objects respond. Energy can influence even the most unyielding obstacle.

At Coastal Electric Cooperative, energy is our business. But we provide more than just the energy to light a bulb or heat a stove. Hand in hand with our thriving community, we bring **Energy to Move Forward.**

Energy to serve

Of course, poles and wires are a big part of bringing energy to meet the most basic needs of our friends and neighbors. Providing safe, reliable electricity will always be a priority for Coastal Electric. We did just that in 2021, as we have every year since our founding by local people in 1940.

In the middle of a supply chain crisis, we connected 1,243 new services in 2021 and installed more than 30 miles of lines, in addition to maintaining our existing infrastructure.

We installed new breakers and regulators, as well as expanded a substation to serve a new circuit along Brisbon Road. We replaced 2.1 miles of overhead line with new spacer cable along Limerick Road to reduce outages. We extended underground service down Sunbury Road to improve service reliability to the area, and we converted more than 3 miles of overhead line to underground near Buckhead and Harden roads.

Nothing is more important to us than serving our members well. That exceeds far beyond just the need for electricity. We constantly seek ways to provide a better member experience.

In 2021, we freshened up our member portal, a tool members have used for years not only to make doing business

2021 Highlights, *continued*

with Coastal Electric more convenient, but that also gives members more control over their energy use.

We were early adopters of smart meters on our electric grid, which makes it possible for members to monitor their electricity use even down to an hourly basis, opt in for alerts if use reaches a specified threshold, receive customized notifications to meet their needs and more.

All that can be done without ever being greeted by the friendly faces of locals working the front counters in our lobbies or hearing a kind voice on the other end of the phone.

For all the programs and services Coastal Electric offers in our never-ending efforts to save our members money and serve with excellence, it's not how we rate ourselves that matters. The members' opinions are what really count, and they count all the way up to a record-high customer satisfaction score in 2021.

Pardon us while we celebrate, but our members scored us higher than the most popular national fast-food chain, the highest-rated national supermarket and the best-scoring social media channel.

Though we're glad to know, in general, our members give us high scores, what we tune into even more on these regular surveys are any areas in which we fall short of member expectations. Not only do we make a point to contact every member who leaves a dissatisfied comment, but we use these insights as a target to create actionable steps to make our service even better.

For a member-owned electric cooperative, no one is just a number. Every member matters!



Energy to connect

Because every member matters, we bring energy to the communities we serve, in the form of new opportunities and access they've never had before.

One of our proudest accomplishments in 2021 was the formation of Coastal Fiber, a new venture to bring high-speed internet service to unserved and underserved parts of our community. The project will include a capital investment of nearly \$40 million by Coastal Electric and our partner, Darien Communications, to build a fiber network that will deliver broadband to more than 16,000 members in coastal Georgia.

Coastal Fiber began construction preparations in 2021, and fiber will be available to the very first customers in Liberty County in 2022.

Soon, lack of broadband access will no longer be an obstacle that prevents a single Coastal Electric member from having the same opportunities as people in more urban areas—for education, health care, commerce, communication or entertainment.

Energy to grow

Access to high-speed broadband, excellent electric service and the necessary infrastructure combine to open an attractive door for growth.

In 2021, HMI constructed a 1.4 million-square-foot building in the Tradeport East Industrial Park in Liberty County. HMI, owned by Hooker Inc., is a large furniture distributor and is working to move several remote distribution locations into the single large facility, which will be served by Coastal Electric. Initially, HMI will occupy 800,000 square feet of the building but intends to occupy the entire building within three years. Facility operations have already begun, with approximately 50 employees.

Also last year, Medline constructed a 1.2 million-square-foot facility at the new intersection on Interstate 95 at Belfast Keller Road in south Bryan County. Medline will initially utilize the space to distribute product but intends to create some small manufacturing capacity in the future. Construction is ongoing,

292

MEMBERS PARTICIPATED
IN THE COASTAL ELECTRIC
COOPERATIVE SOLAR PROGRAM





and should be complete and ready for operation in 2022.

We're proud to offer a competitive and reliable power supply to businesses looking to make coastal Georgia home, as well as the homegrown small businesses that have been here for decades.

Energy to enrich

Our business is electricity, but as a cooperative, Coastal Electric's purpose is to enhance the quality of life in the communities we serve. It's why we exist, and it's who we are.

We don't do it alone. We come alongside like-minded local people and organizations and do our part to make Bryan, Liberty, Long and McIntosh counties the best they can be. Our members give back through the Coastal Electric Cooperative Foundation, provide feedback on how our cooperative can best meet their needs and elect directors to make decisions on behalf of the cooperative. Together, we thrive. And together, we bring the **Energy to Move Forward**.



THERE WERE

108,693

MEMBER CALLS
FIELD IN 2021

BY OUR MEMBER SERVICE
REPRESENTATIVES AND OUR AFTER-
HOURS MEMBER RESPONSE CENTER

\$3.3 MILLION +

IN CAPITAL CREDITS FOR A TOTAL
OF MORE THAN \$14 MILLION IN
RETIREMENTS TO DATE

1,738

MEMBERS PARTICIPATED IN
COASTAL ELECTRIC'S MEMBER
APPRECIATION DAYS

MEMBERS CONTRIBUTED
MORE THAN

\$80,000

TO OPERATION ROUND UP*



**Operation Round Up is a program in which members allow their bill to be rounded up to the next dollar and donate the change. The accumulated money goes toward making our community a better place to live.*

2021 Coastal Electric Cooperative Treasurer's Report

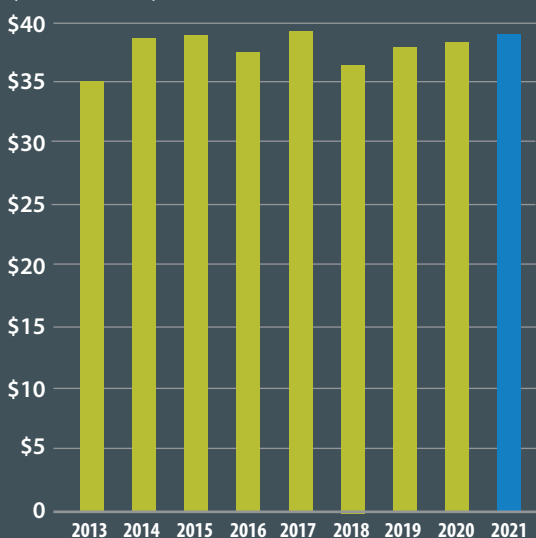
Financial statements for the fiscal year ending Dec. 31, 2021, reflect the sound status of Coastal Electric Cooperative. Each year, we retain the services of McNair, McLemore, Middlebrooks & Co., LLP, CPA, to perform an audit of the cooperative's accounting records.

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

(years ended Dec. 31, 2021, and Dec. 31, 2020)

	2021	2020
ASSETS		
Utility Plant		
Electric Plant in Service—At Cost	\$ 136,828,518	\$ 128,731,437
Construction Work in Progress	2,770,119	1,984,069
Gross Utility Plant	139,598,637	130,715,506
Accumulated Provision for Depreciation	(33,038,615)	(30,410,041)
	106,560,022	100,305,465
Other Property and Investments		
Investments in Associated Organizations	16,081,029	15,141,922
Restricted Funds	370,031	486,724
	16,451,060	15,628,646
Current Assets		
Cash and Cash Equivalents	1,965,637	2,460,667
Restricted Cash	5,422,321	5,421,597
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$532,457 and \$341,356 in 2021 and 2020, Respectively)	1,104,154	1,474,871
Accrued Utility Revenue	3,792,119	4,153,122
Materials and Supplies	4,830,379	2,322,673
Other	149,135	138,999
	17,263,745	15,971,929
	459,835	365,086
Deferred Debits		
Total Assets	\$ 140,734,662	\$ 132,271,126
EQUITIES AND LIABILITIES		
Equities		
Membership Fees	\$ 92,195	\$ 85,380
Patronage Capital	50,170,315	46,339,380
Other Equities	6,093,067	5,645,215
	56,355,577	52,069,975
Long-Term Liabilities		
Long-term Debt	370,031	486,724
Deferred Compensation	68,942,532	66,240,251
Current Liabilities		
Current Maturities of Long-term Debt	2,297,694	1,968,820
Accounts Payable	4,930,986	4,303,649
Consumer Deposits	1,471,106	1,358,010
Other	1,113,589	1,329,033
	9,813,375	8,959,512
Deferred Credits	5,623,178	5,001,388
Total Equities and Liabilities	\$ 140,734,662	\$ 132,271,126

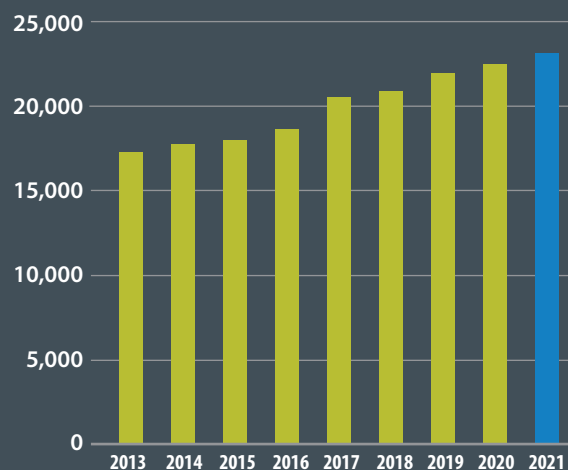
The complete financial annual report available upon request.

STATEMENTS OF OPERATIONS

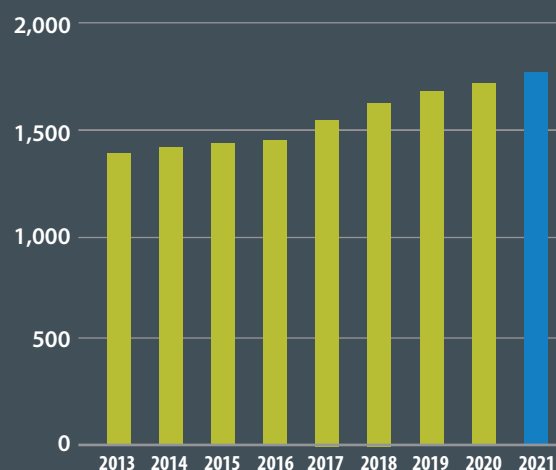
(years ended Dec. 31, 2021, and Dec. 31, 2020)

	2021	2020
Operating Revenues	\$ 62,368,655	\$ 60,510,009
Operating Expenses		
Cost of Power	38,784,710	37,449,076
Distribution Operations	2,710,383	2,824,885
Distribution Maintenance	1,563,361	1,617,725
Consumer Accounts	1,953,097	2,090,359
Consumer Service and Information	918,115	903,804
Administrative and General	3,489,574	3,178,391
Depreciation	4,393,308	4,132,942
	53,812,548	52,197,182
Operating Margins Before Interest Expense	8,556,107	8,312,827
Interest Expense	2,455,293	2,424,587
Operating Margins After Interest Expense	6,100,814	5,888,240
Nonoperating Margins	56,094	56,162
Generation and Transmission Cooperative Capital Credits	845,789	814,187
Other Capital Credits and Patronage Capital Allocations	174,662	138,513
Net Margins	\$ 7,177,359	\$ 6,897,102

Growth in Meters



Miles of Line



STATEMENTS OF CHANGES IN MEMBERS' EQUITY

(years ended Dec. 31, 2021, and Dec. 31, 2020)

	Total Members' Equity	Membership Fees	Patronage Capital	Other Equities
Balance-Dec. 31, 2019	\$ 47,532,576	\$ 85,115	\$ 41,896,810	\$ 5,550,651
Net Margins	6,897,102	-	6,889,722	7,380
Membership Fees	265	265	-	-
Retirement of Patronage Capital	(2,447,152)	-	(2,447,152)	-
Retired Capital Credit Gains	87,184	-	-	87,184
Balance-Dec. 31, 2020	52,069,975	85,380	46,339,380	5,645,215
Net Margins	7,177,359	-	7,177,359	-
Membership Fees	6,815	6,815	-	-
Retirement of Patronage Capital	(3,346,424)	-	(3,346,424)	-
Retired Capital Credit Gains	447,852	-	-	447,852
Balance-Dec. 31, 2021	\$ 56,355,577	\$ 92,195	\$ 50,170,315	\$ 6,093,067



2021 Coastal Electric Cooperative Foundation Scholarship winners:

Ciara Daggett
 Stephanie Harter
 Matthew Gabriel Ingram
 Jeremiah Scott-Kollman
 Jimmy Kyle NeeSmith
 Robert Miles Wood

2021 Coastal Electric Cooperative

Foundation Treasurer's Report

Financial statements for the fiscal year ending Dec. 31, 2021, 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.

Runette Parker

Treasurer

Coastal Electric Cooperative Foundation

\$104,916

IN SCHOLARSHIPS
AWARDED TO LOCAL
STUDENTS IN 2021

2021 Coastal Electric Cooperative

Foundation Board of Directors

Bryan County

Steve Hibberts
Runette Parker
Constance Riggins

Liberty County

Timothy Beaty
Barbara Smith
Lynn Stevens

McIntosh County

Jerry Adkins
Gary Smith
Thomas Wallace

STATEMENTS OF FINANCIAL POSITION

(years ended Dec. 31, 2021, and Dec. 31, 2020)

	2021	2020
ASSETS		
Cash	\$ 324,805	\$ 239,144
Restricted Cash	20,000	20,000
Temporary Cash Investments	132,152	131,713
Contributions Receivable	5,586	6,692
Interest Receivable	12	16
Total Assets	\$ 482,555	\$ 397,565
NET ASSETS		
Net Assets Without Donor Restriction	\$ 462,555	\$ 377,565
Net Assets With Donor Restrictions	20,000	20,000
Total Net Assets	\$ 482,555	\$ 397,565

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



2021 Coastal Electric Cooperative Foundation Bright Ideas grants recipients

Bright Ideas winners by school

Bradwell Institute	\$1,935.88
Carver Elementary School	\$3,569.79
First Preparatory Christian Academy	\$1,251.63
Joseph Martin Elementary School	\$1,604.52
Lewis Frasier Middle School	\$3,381.15
Liberty College and Career Academy	\$1,698
Liberty Elementary School	\$2,000
Lyman Hall Elementary School	\$4,847.19
McIntosh County Academy	\$2,430
Midway Middle School	\$1,313.62
Richmond Hill High School	\$4,980.22
Richmond Hill Middle School	\$10,438.31
Waldo Pafford Elementary School	\$1,874.60



STATEMENTS OF ACTIVITIES

(years ended Dec. 31, 2021, and Dec. 31, 2020)

	2021	2020
Change in Net Assets Without Donor Restrictions		
Revenue and Support		
Contributions	\$ 302,529	\$ 323,667
Assets Released from Restriction	20,000	20,000
Contributed Services	6,238	5,792
Interest Income	469	1,290
	329,236	350,749
Expenses		
Program Services		
Community Assistance		
Bright Ideas Grants	39,627	29,694
Washington Youth Tour	14,000	30,000
Assistance to Other Agencies	54,000	4,500
The Principal's Fund	24,000	47,000
Scholarships	104,916	70,000
Individual Assistance	1,465	34,556
Supporting Services		
Administrative and General	6,238	5,792
	244,246	221,542
Change in Net Assets Without Donor Restrictions	84,990	(129,207)
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	84,990	(129,207)
Net Assets, Beginning	397,565	268,358
Net Assets, Ending	\$ 482,555	\$ 397,565

STATEMENTS OF CASH FLOWS

(years ended Dec. 31, 2021, and Dec. 31, 2020)

	2021	2020
Cash Flows from Operating Activities		
Contributions Received	\$ 323,635	\$ 343,236
Donations Paid	(238,008)	(215,750)
Interest Received	34	12
Net Increase in Cash and Restricted Cash	85,661	127,498
Cash and Restricted Cash, Beginning	259,144	131,646
Cash and Restricted Cash, Ending	\$ 344,805	\$ 259,144
Balance Sheet Reconciliation		
Cash	\$ 324,805	\$ 239,144
Restricted Cash	20,000	20,000
	\$ 344,805	\$ 259,144
Reconciliation of the Change in Net Assets to Cash Flows from Operating Activities		
Change in Net Assets	\$ 84,990	\$ 129,207
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Change In		
Temporary Cash Investments	(439)	(1,277)
Contributions Receivable	1,106	(431)
Interest Receivable	4	(1)
Cash Flows from Operating Activities	\$ 85,661	\$ 127,498



ALMOST

\$40,000

IN BRIGHT IDEAS GRANTS AWARDED TO LOCAL EDUCATORS IN 2021, FUNDING INNOVATIVE CLASSROOM PROJECTS IN FOUR COUNTIES

LOCAL PRINCIPALS RECEIVED

\$24,000

TO USE TOWARD THE WELL-BEING OF STUDENTS AND FACULTY

\$54,000

AWARDED TO ASSIST LOCAL AGENCIES AND INDIVIDUALS IN 2021



Energy to Move Forward



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