

2024 Financial Reports

TREASURER'S REPORT SHOWS SOLID FINANCIAL POSITION

It is with great pleasure that I present to you the Treasurer's Report, which provides an overview of the sound financial status of Powder River Energy Corporation (PRECorp). The accompanying financial statements in this report demonstrate the solid financial position of our organization. The PRECorp Board of Directors has thoroughly examined the balance sheet and income statement for the fiscal year ending December 31, 2024. We ensure that our accounting procedures and principles are aligned with the standards set by the Rural Utilities Service (RUS) and undergo an annual examination through an independent audit.

For a comprehensive understanding of our financial performance, I encourage you to refer to the complete versions of our annual audit, which include the detailed income statement and balance sheet. These documents are readily available for review at the Cooperative's office.

We take great pride in our commitment to financial transparency and accountability, and this report is a testament to our dedication to maintaining a strong financial foundation for PRECorp.



GERRY GEIS,
BOARD
SECRETARY
TREASURER

DESPITE CHALLENGES, PRECORP PROVIDES THE BEST VALUE AND SERVICE

In 2024, PRECorp's total kWh sales saw a decline of 3.3% compared to 2023.

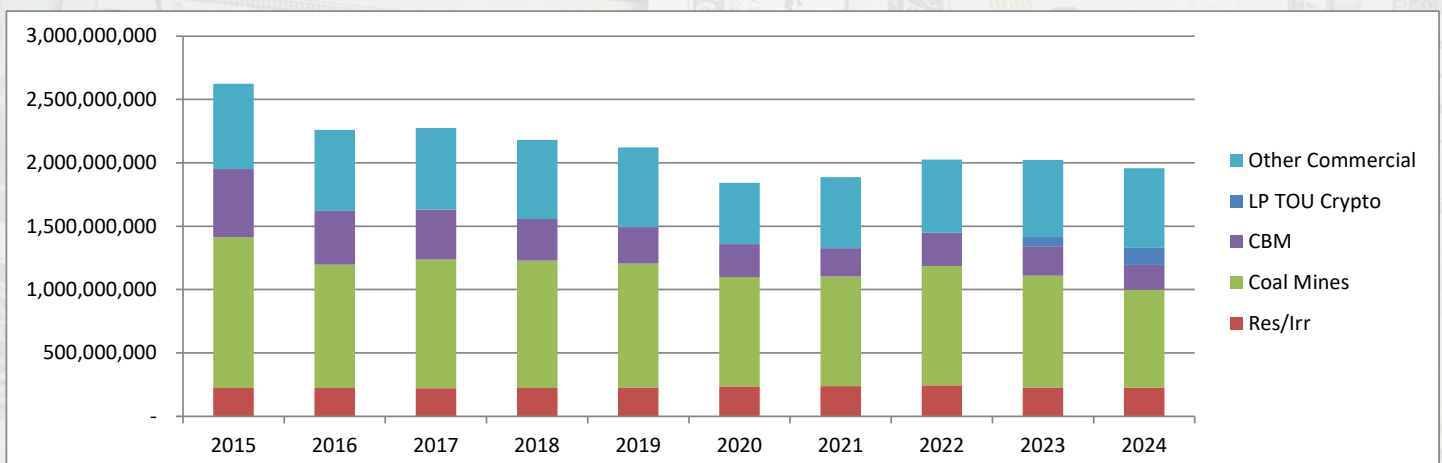
The decline in sales is attributed to reduced demand for coal and natural gas in 2024, partially offset by growth in commercial activities such as cryptocurrency mining and oil production. Despite this, PRECorp's focus on strategic cost management and maintaining service quality enabled us to meet all financial ratio requirements without utilizing any of the deferred revenue saved in recent years. Consequently, PRECorp was able to retain the full amount of deferred revenue, aligning with our strategy to keep rates predictable and stable while maintaining a reliable distribution system and financially strong cooperative.

Looking ahead, we remain mindful of the ongoing economic challenges. The PRECorp team is dedicated to being responsive, innovative, and agile in addressing both current and future financial needs, ensuring we provide our members with the best value and service. We are confident in our ability to succeed in this objective.



ABBY OLSON,
INTERIM VP
OF FINANCE &
ACCOUNTING

10-year History of PRECorp kWh sales



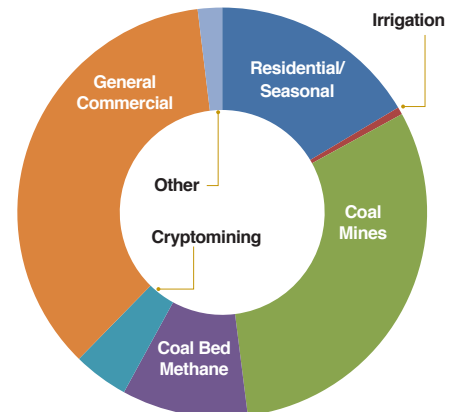
The chart above shows PRECorp kilowatt hour sales by rate class since 2015. Coal Bed Methane (CBM) and Coal Mines sales show the most fluctuation. Beginning in 2023 crypto mining sales are noted.

Comparative Statement of Operations

| | 2023 | 2024 |
|--|----------------------|----------------------|
| TOTAL OPERATING REVENUE AND PATRONAGE CAPITAL | \$172,775,118 | \$165,772,244 |
| Less: Deferred Revenue | \$ - | \$ - |
| OPERATING REVENUE AND PATRONAGE CAPITAL | \$172,775,118 | \$165,772,244 |
| Cost of Purchased Power | \$124,936,847 | \$120,521,922 |
| Transmission Expense | \$1,626,179 | \$1,627,390 |
| Distribution Expense - Operations | \$7,885,006 | \$8,626,819 |
| Distribution Expense - Maintenance | \$6,034,435 | \$8,005,850 |
| Customer Accounts Expense | \$3,347,316 | \$3,131,912 |
| Sales/Customer Service and Informational Expense | \$59,917 | \$66,732 |
| Administrative and General Expense | \$6,324,588 | \$6,539,023 |
| TOTAL OPERATION & MAINTENANCE EXPENSE | \$150,214,288 | \$148,519,649 |
| Depreciation and amortization Expense | \$13,881,587 | \$11,017,012 |
| Tax Expense - Property, Gross Receipts, and Other | \$596,834 | \$686,748 |
| Interest on Long-Term Debt & Other | \$5,559,765 | \$5,910,470 |
| Other Deductions | \$589,186 | \$366,720 |
| TOTAL COST OF ELECTRIC SERVICE | \$170,841,660 | \$166,500,599 |
| PATRONAGE CAPITAL & OPERATING MARGINS | \$1,933,458 | \$(728,356) |
| Interest and Other | \$4,980,663 | \$2,078,318 |
| Capital Credits | \$11,687,921 | \$8,373,713 |
| PATRONAGE CAPITAL OR MARGINS | \$18,602,042 | \$9,723,676 |

2024 REVENUE

| | | |
|------------------------|----------------------|---------------|
| Residential / Seasonal | \$27,265,579 | 16.45% |
| Irrigation | \$969,003 | 0.58% |
| Coal Mines | \$51,339,049 | 30.97% |
| CBM | \$16,511,039 | 9.96% |
| LP TOU Crypto | \$7,231,038 | 4.36% |
| General Commercial | \$59,275,301 | 35.76% |
| Other | \$3,181,235 | 1.92% |
| Total | \$165,772,244 | 100.0% |



HOW YOUR ENERGY DOLLAR IS SPENT



Cost of Purchased Power
Tax, Depreciation, Interest

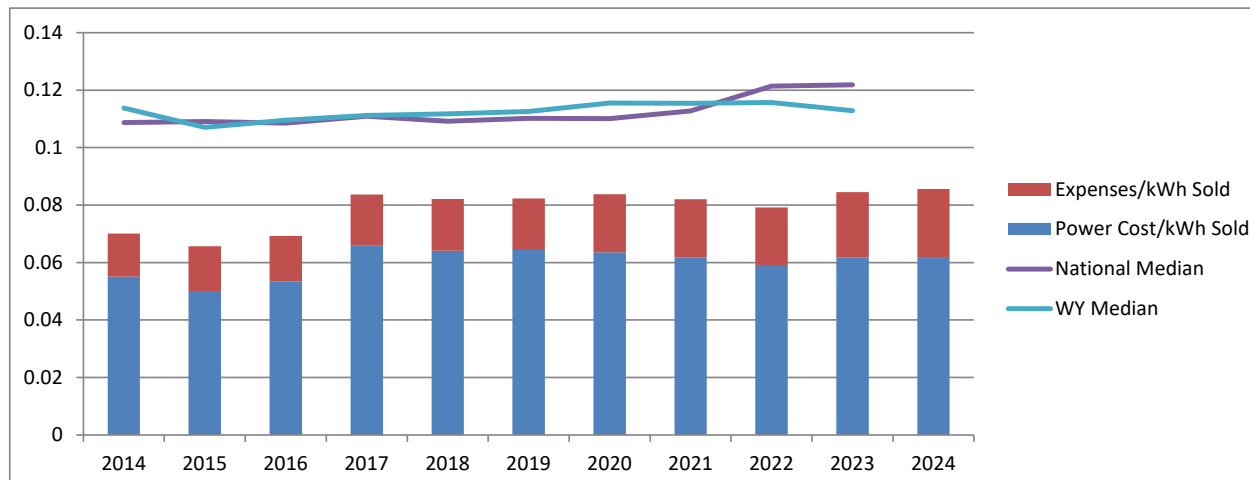
Operations & Maintenance
Administration & General
Transmission

Comparative Balance Sheet

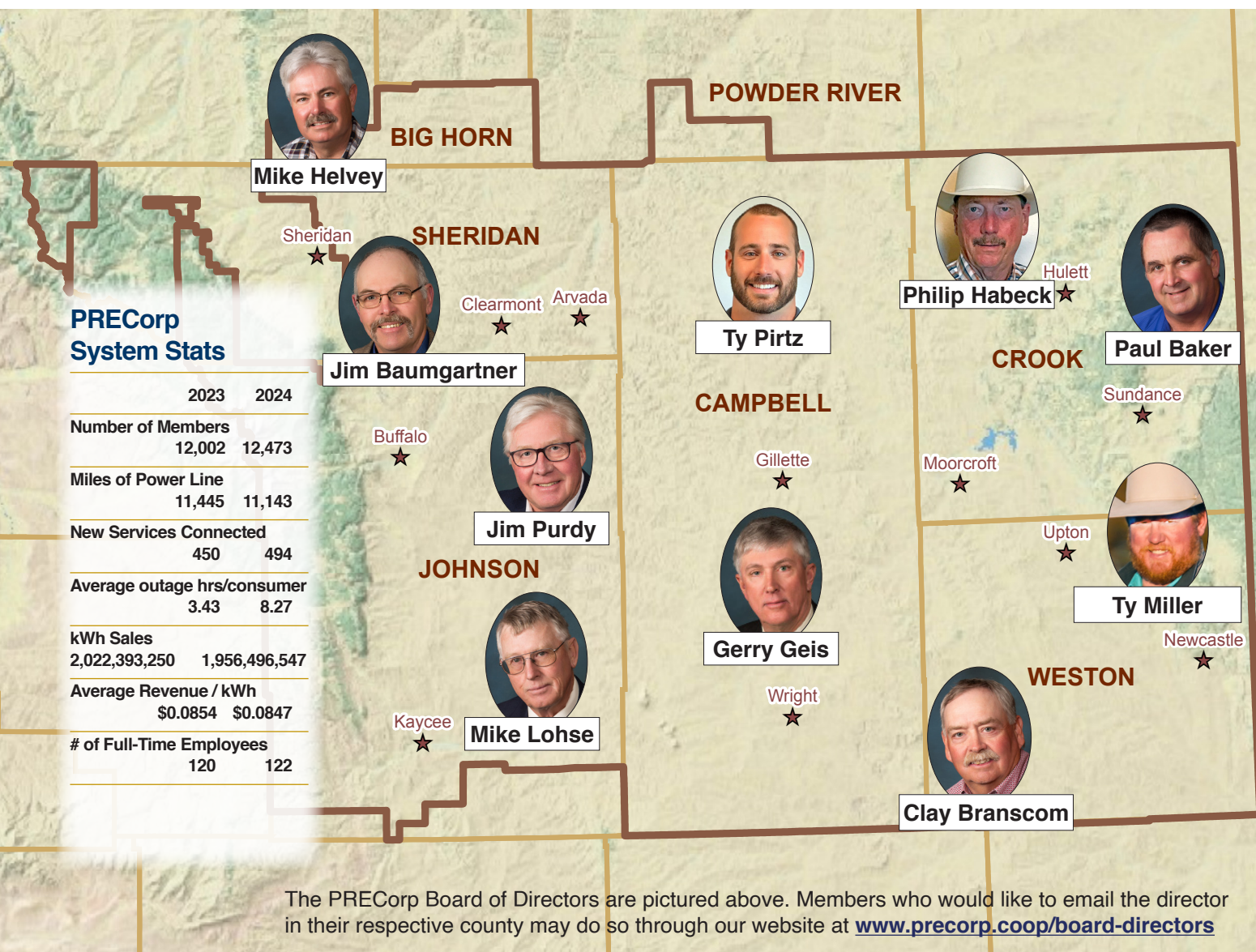
| | 2023 | 2024 |
|---|----------------------|----------------------|
| Utility Plant (net) | \$212,510,885 | \$216,386,088 |
| Other Property and Investments | | |
| Non-Utility Property (net) | \$71,978 | \$130,623 |
| Investments in Associated Organizations | \$149,650,337 | \$149,108,271 |
| Other Investments | \$90,522,354 | \$68,220,781 |
| | \$240,244,668 | \$217,459,674 |
| Current Assets | | |
| Cash and Cash Equivalents | \$16,278,032 | \$19,377,871 |
| Accounts Receivable (net) | \$16,082,555 | \$15,706,444 |
| Other Accounts Receivable | \$668,688 | \$683,530 |
| Materials and Supplies | \$7,850,591 | \$9,559,628 |
| Other Current Assets | \$4,297,746 | \$3,189,113 |
| | \$45,177,612 | \$48,516,586 |
| Regulatory Assets | \$227,798 | \$ - |
| Deferred Debits | \$194,468 | \$319,280 |
| TOTAL ASSETS | \$498,355,432 | \$482,681,628 |
| Equity and Margins | \$234,966,156 | \$234,198,553 |
| Long Term Debt | | |
| (Net of Current Maturities) | \$154,148,960 | \$145,165,762 |
| Other Non-Current Liabilities | \$2,617,133 | \$2,525,020 |
| Current Liabilities | | |
| Accounts Payable | \$13,530,398 | \$14,258,691 |
| Other Current Liabilities | \$21,720,279 | \$21,109,549 |
| Current Maturities of Long Term Debt | \$10,829,724 | \$11,113,620 |
| | \$46,080,401 | \$46,481,859 |
| Regulatory Liabilities | \$21,632,334 | \$23,415,690 |
| Deferred Credits | \$38,910,448 | \$30,894,743 |
| TOTAL EQUITY AND LIABILITIES | \$498,355,432 | \$482,681,628 |

PRECorp Operating Expenses per kWh sold

PRECorp works closely with our Wholesale Power Supplier to help keep our largest cost stable.



PRECorp Service Territory



PRECorp Board of Directors

Campbell County:

Gerry Geis, Board Secretary-Treasurer
Ty Pirtz

Crook County:

Philip Habeck, Board Vice-President;
Members 1st Board Vice-President
Paul Baker, Basin Electric Board member;
Members 1st Board member

Johnson County:

Jim Purdy, Board President
Mike Lohse, WREA Board member

Sheridan County:

Jim Baumgartner, Members 1st Board member;
Foundation Liaison
Mike Helvey

Weston County:

Ty Miller
Clay Branscom

PRECorp Customer Mix

| | End of 2023 | End of 2024 | + / - |
|---------------------|---------------|---------------|------------|
| Residential | 15,394 | 15,518 | 124 |
| Seasonal | 3,666 | 3,681 | 15 |
| Irrigation | 309 | 312 | 3 |
| General Service | 5,304 | 5,242 | (62) |
| Gen. Service CBM | 446 | 435 | (11) |
| Large Power | 1,090 | 1,112 | 22 |
| Large Power CBM | 429 | 428 | (1) |
| LPT Coal Mines | 13 | 13 | - |
| LP TOU Transmission | 1 | 1 | - |
| LP TOU Crypto | 3 | 3 | - |
| LPT CBM | 5 | 5 | - |
| Street Lights | 123 | 291 | 168 |
| Total | 26,783 | 27,041 | 258 |

PRECorp Accounts By County for 2024

| | |
|--------------|---------------|
| Campbell | 12,518 |
| Crook | 6,834 |
| Johnson | 3,085 |
| Niobrara | 3 |
| Sheridan | 1,321 |
| Weston | 3,101 |
| Montana | 178 |
| Total | 27,041 |