

STEUBEN COUNTY REMC

FINANCIAL AUDIT PRESENTATION – 2025

MARCH 30 , 2026

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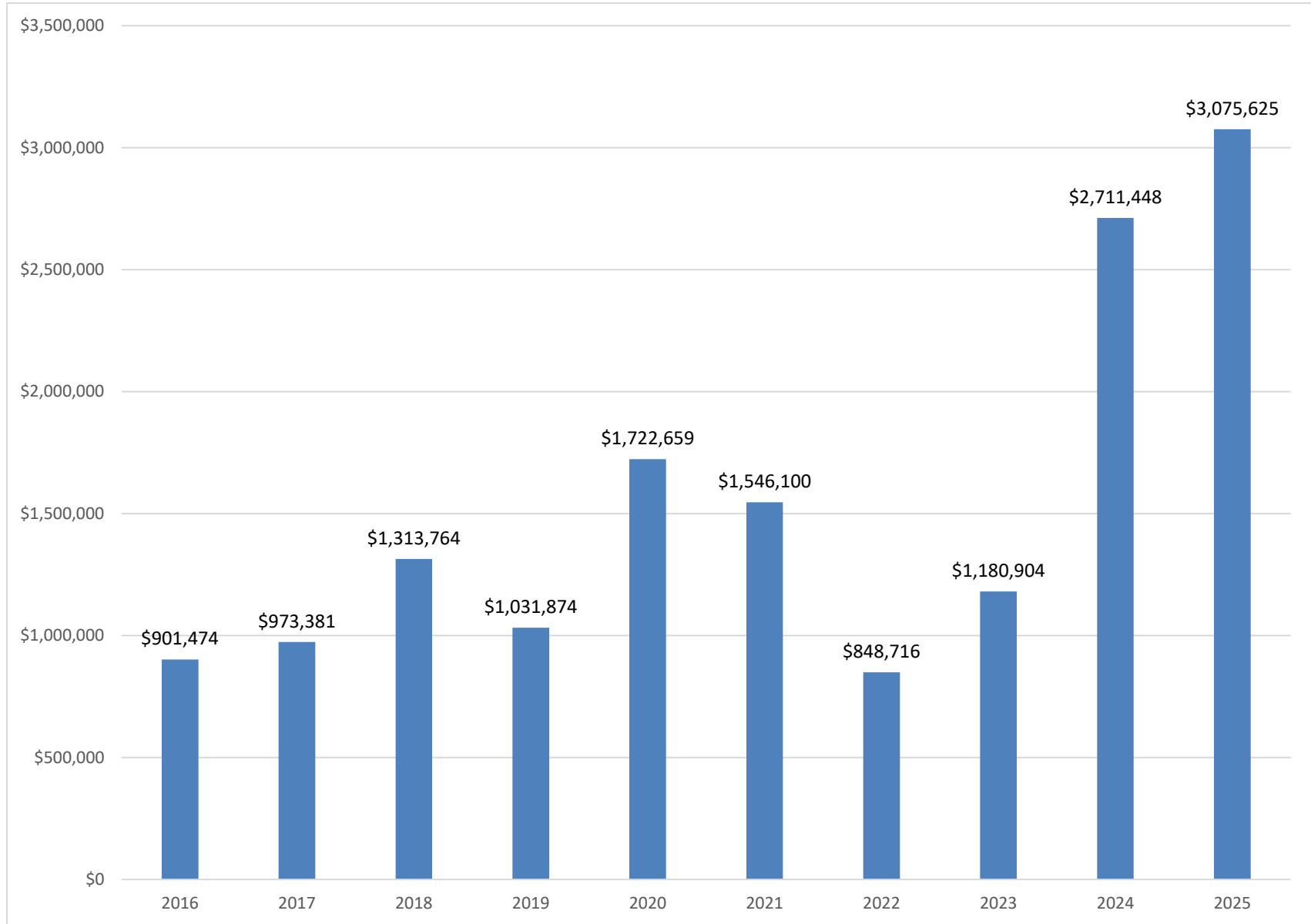
Consolidated Income Statement Summary

	<u>2025</u>	<u>% of Total</u>	<u>2024</u>	<u>% of Total</u>
OPERATING REVENUES	\$ 31,411,051	100.00%	\$ 30,196,066	100.00%
OPERATING EXPENSES				
Cost of power	18,026,508	57.39%	18,145,652	60.09%
Distribution expenses				
Operations	1,028,753		999,888	
Maintenance	1,142,107		1,108,501	
Customer accounts expense	452,075		443,469	
Sales expense	292,121		272,328	
Administrative and general expense	2,711,241		2,620,534	
Depreciation expense	2,961,136		2,596,709	
Taxes	249,437		170,202	
Maintenance of general plant	<u>260,838</u>		<u>350,102</u>	
Total Operating Expenses	<u>27,124,216</u>	86.35%	<u>26,707,385</u>	88.45%
OPERATING MARGINS BEFORE FIXED CHARGES	4,286,835	13.65%	3,488,681	11.55%
Interest on noncurrent liabilities	(<u>2,297,330</u>)		(<u>1,873,839</u>)	
OPERATING MARGINS	1,989,505	6.33%	1,614,842	5.35%
NONOPERATING MARGINS				
G & T and other capital credits	1,063,875		1,074,342	
Interest income	21,783		21,835	
Miscellaneous income	3,773		2,133	
Income (Loss) from subsidiary	(<u>3,311</u>)		(<u>1,704</u>)	
Total Nonoperating Margins	<u>1,086,120</u>		<u>1,096,606</u>	
NET MARGINS	<u>\$ 3,075,625</u>	9.79%	<u>\$ 2,711,448</u>	8.98%

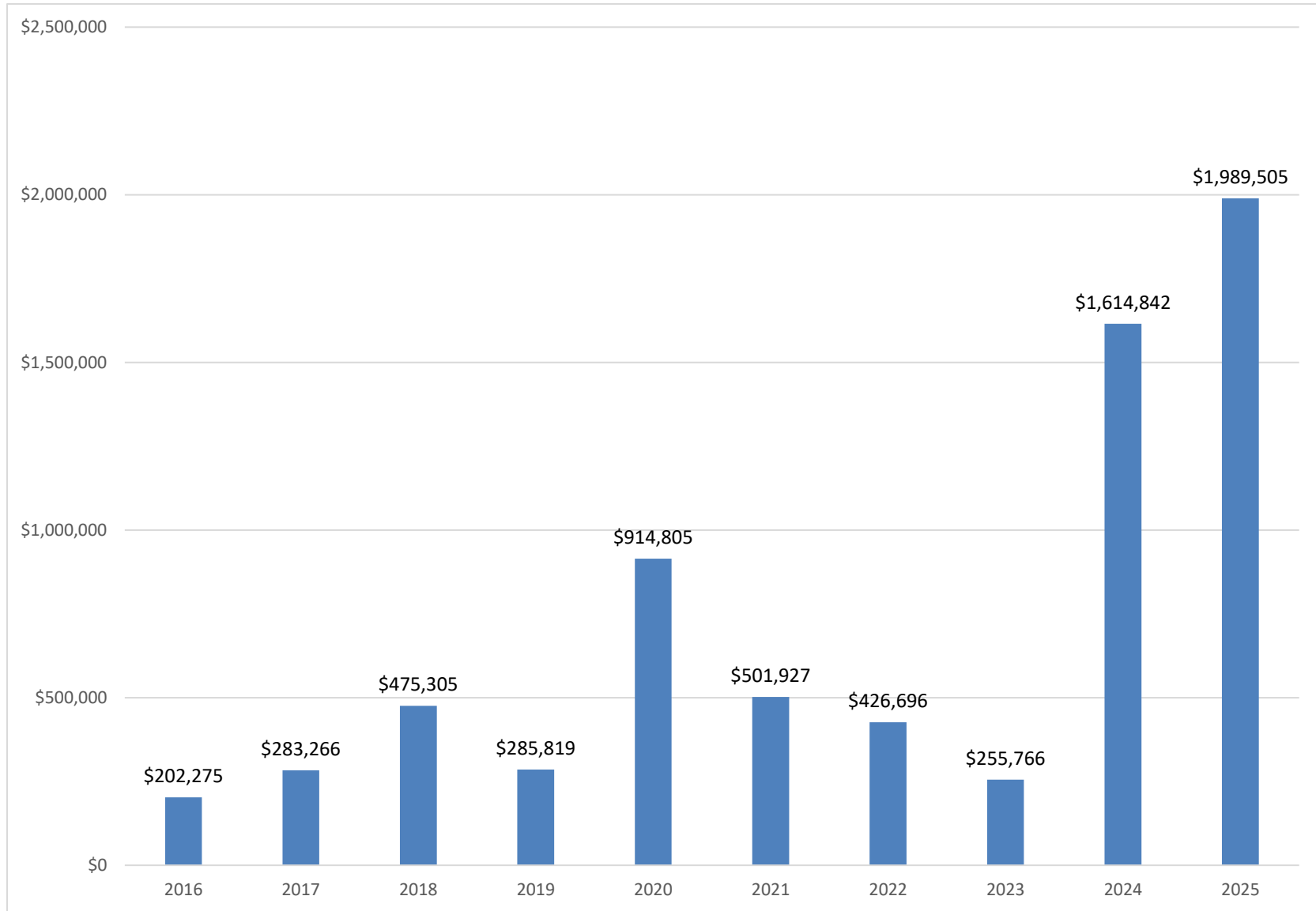
Detailed Income Statement - 2025

	<u>2025</u> <u>Total</u>	<u>2025</u> <u>Electric</u>	<u>2025</u> <u>Broadband</u>
OPERATING REVENUES	\$ 31,411,051	\$ 26,934,738	\$ 4,476,313
OPERATING EXPENSES			
Cost of power	18,026,508	18,026,508	-
Distribution expenses			
Operations	1,028,753	971,913	56,840
Maintenance	1,142,107	895,739	246,368
Customer accounts expense	452,075	453,336	(1,261)
Sales expense	292,121	282,407	9,714
Administrative and general expense	2,711,241	1,968,019	743,222
Depreciation expense	2,961,136	1,379,156	1,581,980
Taxes	249,437	249,437	-
Maintenance of general plant	260,838	260,838	-
Total Operating Expenses	<u>27,124,216</u>	<u>24,487,353</u>	<u>2,636,863</u>
OPERATING MARGINS BEFORE FIXED CHARGES	4,286,835	2,447,385	1,839,450
Interest on noncurrent liabilities	(<u>2,297,330</u>)	(<u>552,000</u>)	(<u>1,745,330</u>)
OPERATING MARGINS	1,989,505	1,895,385	94,120
NONOPERATING MARGINS			
G & T and other capital credits	1,063,875	1,063,875	-
Interest income	21,783	21,783	-
Miscellaneous income	3,773	3,773	-
Income (Loss) from subsidiary	(<u>3,311</u>)	(<u>3,311</u>)	-
Total Nonoperating Margins	<u>1,086,120</u>	<u>1,086,120</u>	<u>-</u>
NET MARGINS	<u>\$ 3,075,625</u>	<u>\$ 2,981,505</u>	<u>\$ 94,120</u>

Net Margin Trends



Operating Margin Trends



Balance Sheet – Assets (%)

ASSETS	<u>December 31 2025</u>	<u>% of Total</u>	<u>December 31 2024</u>	<u>% of Total</u>
UTILITY PLANT				
Electric plant	\$ 47,824,477		\$ 46,106,803	
Broadband plant	34,957,310		32,655,237	
Construction work in progress	<u>493,473</u>		<u>1,335,279</u>	
Total	83,275,260		80,097,319	
Less: accumulated provision for depreciation	<u>20,930,110</u>		<u>18,459,877</u>	
Net Utility Plant	62,345,150	79.77%	61,637,442	80.79%
OTHER ASSETS AND INVESTMENTS				
Investments in associated organizations	10,709,659	13.70%	10,020,611	13.13%
CURRENT ASSETS				
Cash and cash equivalents	1,308,660		1,096,687	
Accounts receivable (less allowance for doubtful accounts of \$67,145 in 2025 and \$55,620 in 2024)	1,987,972		1,912,469	
Accrued revenue	1,013,707		946,539	
Materials and supplies	483,351		496,456	
Other current assets	<u>303,565</u>		<u>186,878</u>	
Total Current Assets	<u>5,097,255</u>	6.53%	<u>4,639,029</u>	6.08%
TOTAL ASSETS	<u>\$ 78,152,064</u>		<u>\$ 76,297,082</u>	

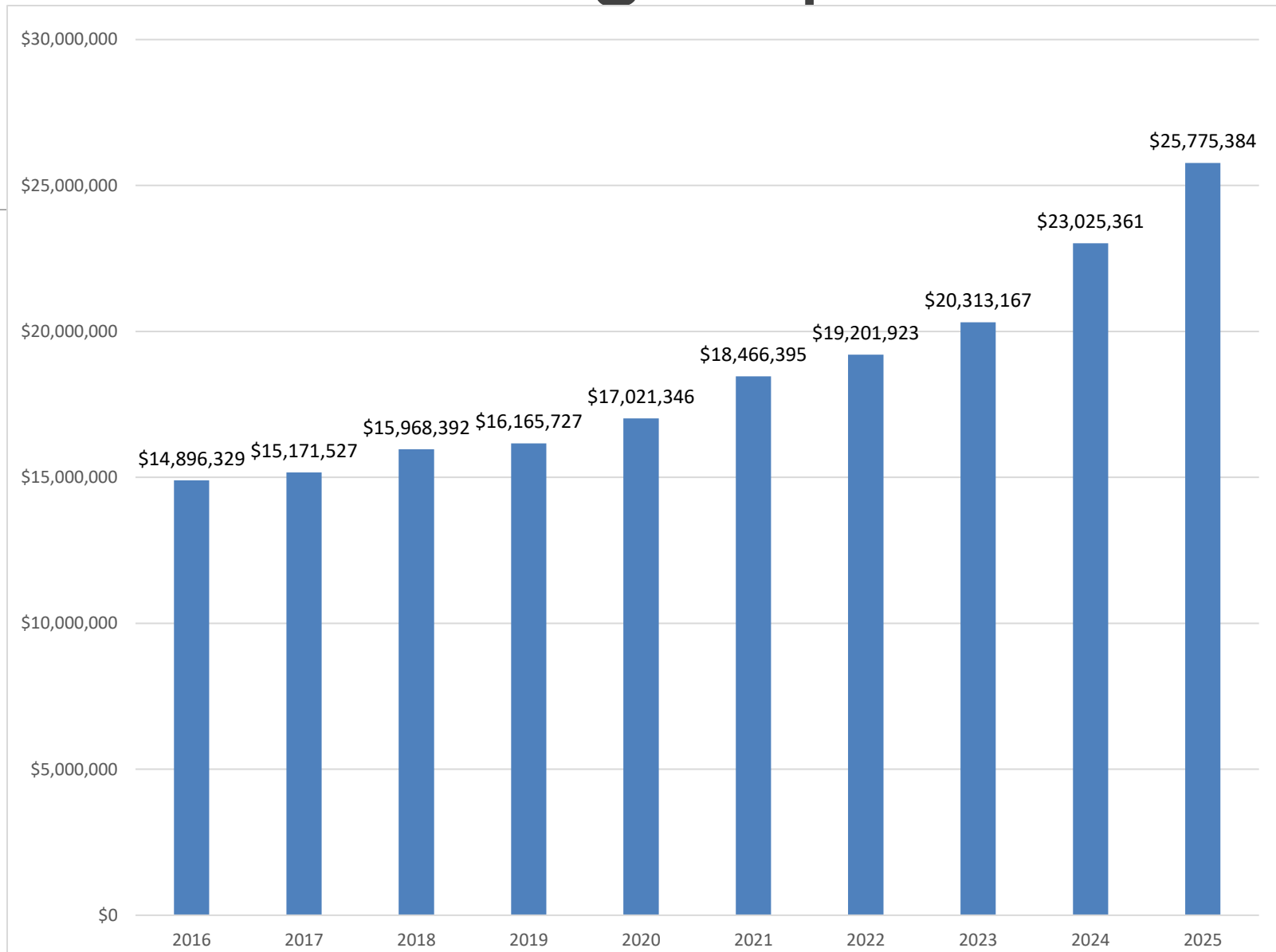
Balance Sheet – Liabilities & Equity (%)

EQUITIES AND LIABILITIES	December 31 2025	% of Total	December 31 2024	% of Total
EQUITIES				
Memberships	\$ 225,440		\$ 223,340	
Patronage capital	25,775,384	32.98%	23,025,361	30.18%
Other equities	2,025,817		1,986,352	
Other comprehensive income	<u>223,910</u>		<u>239,647</u>	
Total Equities	28,250,551	36.15%	25,474,700	33.39%
NONCURRENT LIABILITIES				
CFC mortgage notes	46,076,871		47,029,147	
Less: current maturities	<u>1,003,085</u>		<u>952,043</u>	
	45,073,786		46,077,104	
Postretirement benefit obligation	<u>290,940</u>		<u>271,050</u>	
Total Noncurrent Liabilities	45,364,726	58.05%	46,348,154	60.75%
CURRENT LIABILITIES				
Current maturities of noncurrent liabilities	1,003,085		952,043	
Accounts payable				
Purchased power	1,490,763		1,456,919	
Other	273,276		284,516	
Customer deposits and advances	389,590		403,286	
Accrued taxes	248,218		260,403	
Other current and accrued liabilities	1,081,263		1,094,372	
Patronage capital payable	<u>50,592</u>		<u>22,689</u>	
Total Current Liabilities	<u>4,536,787</u>	5.80%	<u>4,474,228</u>	5.86%
TOTAL EQUITIES AND LIABILITIES	<u>\$ 78,152,064</u>		<u>\$ 76,297,082</u>	

Summary of Cash Flows

	2025	2024
Beginning Cash – Jan. 1	\$1,096,687	\$ 928,921
Net Cash Provided By Operating Activities	4,784,990	3,829,445
Net Cash Used For Investing Activities	-3,364,607	- 5,783,162
Net Cash Provided By (Used For) Financing Activities	-1,208,410	2,121,483
Net Increase in Cash	211,973	167,766
Ending Cash – Dec. 31	\$1,308,660	\$ 1,096,687

Patronage Capital



% of Total Assets

52.20%

51.93%

52.58%

51.75%

47.31%

49.60%

39.16%

28.09%

30.18%

32.98%

Key Financial Ratios

	2025	2024	KRTA *
Current ratio	1.12	1.04	1.18
Cost per 1,000 KWH	\$79.03	\$80.50	\$84.47
Power cost as a % of revenue	66.93%	69.35%	65.69%
Equity as a % of capitalization	38.38%	35.47%	56.67%
Equity as a % of total assets	36.15%	33.39%	52.14%
Long-term debt as a % of assets	58.05%	60.39%	39.86%
Return on equity	10.89	10.64	5.89
Times interest earned ratio	2.34	2.45	2.91
Modified debt service coverage ratio	2.26	2.63	2.32

* KRTA data represents the 2024 state median

Debt Service Coverage Ratios

	2025	2024	2023
	<u>Modified DSC</u>	<u>Modified DSC</u>	<u>Modified DSC</u>
Operating Margins	\$ 1,989,505	\$ 1,614,842	\$ 255,766
Plus: Depreciation and Amt	2,961,136	2,596,709	1,658,950
Interest Exp on LT Debt	2,297,330	1,873,839	910,424
Interest Income	21,783	21,835	22,261
Cash Patronage Received	<u>70,591</u>	<u>64,521</u>	<u>77,118</u>
Adjusted Margins	\$ 7,340,345	\$ 6,171,746	2,924,519
Divided by Principal and Interest Payments	\$ <u>3,249,606</u>	\$ <u>3,276,314</u>	<u>2,165,774</u>
Modified DSC Ratio	2.26	1.88	1.35

Discussion With Management

Related party transactions

Significant estimates and concentrations

Contingencies

Subsequent events