

# Financial year in review

Luke Steen, Business Manager



**Steen**

## Margin

Capital Electric Cooperative (CEC) reported a 2024 margin of \$3,433,264 compared to the 2023 margin of \$3,096,234. It should be noted that while the margin for both

years seems substantial, both were constituted largely of non-operating margins. That is important as non-operating margins don't assist in the meeting of the Cooperative's financial covenant ratios. The operating margin, which does count toward these ratios was \$836,802 or 1.87% of revenue.

## Capital Credits

The Board of Directors was pleased to retire a total of \$1,791,634 in 2024. The general retirement made up the vast majority of that amount. Members who had service in 2004, 2005, or 2006 received the retirement in March of 2024. As has been the case for a number of years, members with active service received their retirement as a bill credit while inactive members received a check in the mail.

## Rates

In May of 2024 a rate increase was implemented along with rate structure changes. Unfortunately, the trend continues in 2025 as an additional rate increase was implemented in January 2025. If there is any silver lining, the rate increase in 2025 was largely focused on the "On-Peak Demand" component which does afford the member an opportunity to mitigate some or all of the impact of the increase. Our wholesale energy suppliers are warning of ongoing upward

rate pressures in coming years.

## Financials & Audit

Our Board of Directors is happy to comply with our lenders' requirement to have our financial statements audited by an external accounting firm. Brady Martz & Associates, P.C., completed the audit of the 2024 financial statements. At the conclusion of their process, they presented the cooperative with an unmodified opinion. This opinion is the cleanest report that can be received from the audit firm. The completed audit report has been reviewed and accepted by the Board of Directors. A summary of the audited financials are included in this annual report and will be presented at the annual meeting. I hope that each of you will be able to participate. If there are any questions concerning the financials, feel free to send an email to [luke@capitalelec.com](mailto:luke@capitalelec.com), or give us a call.

## OPERATING STATISTICS: 2014 THROUGH 2024

	2014	2016	2018	2020	2022	2024
Number of electric services served (average)	18,088	19,504	20,626	21,104	21,791	22,378
Average kWh/service/month	1532.92	1,448	1,497	1,461	1,499	1,438
Miles of line	2625.77	2,686	2,726	2,754	2,798	2,815
Total capital credits retired	\$1,164,175	\$569,880	\$2,084,412	\$2,180,377	\$1,979,732	\$1,791,634
Total utility plant (in millions)	\$89.2	\$103.1	\$113.2	\$137.1	\$149.3	\$162.2

## Are you a high school senior or college student

interested in what's happening at your local cooperative?

**Attend Capital Electric Cooperative's annual meeting on June 11 for a chance to win a \$500 college scholarship!**

The scholarship will be given away to a dependent of a Capital Electric member who will be attending college this fall. All you have to do is attend with one of your parents or guardians, and you can register to win! In addition, you will have the opportunity to witness the democratic process in action at a co-op annual meeting.

The annual meeting will be held on June 11, 2024, at the Bismarck Event Center, Exhibition Halls C and D, 315 S. 5th Street. Registration and dinner will begin at 4:30 p.m., followed by the meeting at 6:30 p.m.

**Don't miss this chance to start your fall semester off with an extra \$500 in your pocket!**

# STATEMENT OF OPERATIONS

## INCOME:

	2024	2023
Residential Sales	\$29,185,849	\$27,202,564
Small Commercial Sales	\$14,242,093	\$14,558,535
Large Commercial Sales	\$525,498	\$504,442
Seasonal (pasture wells/grain drying)	\$428,671	\$393,900
Street Lighting	\$262,087	\$274,608
Irrigation	\$139,830	\$211,172
Interest Income	\$131,185	\$261,697
Capital Credits (G&T & Other)	\$2,430,178	\$3,009,310
Miscellaneous & Other	<u>\$108,971</u>	<u>\$(101,201)</u>
<b>Total Income:</b>	<b>\$47,454,362</b>	<b>\$46,315,028</b>

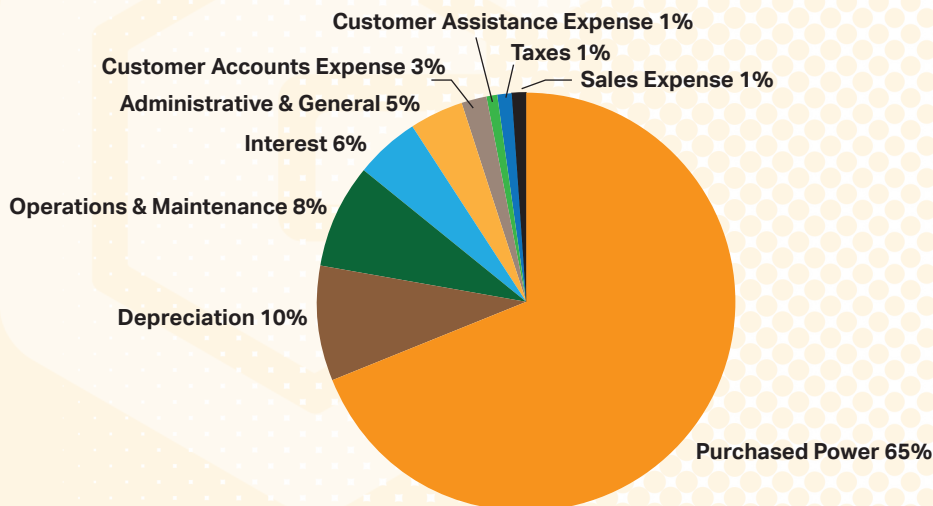
## EXPENSES:

Purchased Power	\$28,510,364	\$29,284,637
Depreciation	\$4,428,219	\$4,097,529
Operations & Maintenance	\$3,681,031	\$3,239,332
Interest	\$2,599,270	\$2,275,270
Administrative & General	\$2,387,625	\$2,217,372
Customer Accounts Expense	\$1,204,183	\$1,002,202
Customer Assistance Expense	\$521,290	\$429,954
Taxes	\$357,476	\$348,021
Sales Expense	\$283,458	\$281,115
Other	<u>\$48,183</u>	<u>\$43,361</u>
<b>Total Expense:</b>	<b>\$44,021,098</b>	<b>\$43,218,793</b>

## ANNUAL MARGIN:

**\$3,433,264      \$3,096,234**

## 2024 EXPENSES BY PERCENTAGE





**ASSETS:**

	2024	2023
Total Utility Plant in Service	\$162,240,627	\$156,992,353
Less: Depreciation	\$(48,412,542)	\$(46,668,622)
Net Utility Plant:	\$113,828,085	\$110,323,731
Investments - G&Ts	\$27,383,806	\$26,285,805
Investments - Other Co-ops	\$1,919,262	\$1,587,920
Cash	\$1,959,678	\$2,381,782
Temporary Investments	\$-	\$500,000
Accounts Receivable	\$6,512,234	\$4,125,986
Materials and Supplies	\$5,768,917	\$4,178,622
Other	\$864,521	\$766,210
<b>TOTAL ASSETS:</b>	<b>\$158,236,503</b>	<b>\$150,150,056</b>

**LIABILITIES:**

Debt - FFB (via the Rural Utility Service)	\$72,248,621	\$74,862,909
Debt - RUS (Treasury)	\$15,050,000	\$-
Debt - CoBank	\$4,702,564	\$6,716,568
Debt - Cooperative Finance Corporation	\$800,377	\$4,953,067
Debt - Other	\$10,308	\$12,623
Total Long Term Debt	\$92,811,870	\$86,545,166
Accounts Payable	\$2,590,244	\$2,698,018
Other Liabilities	\$1,990,212	\$1,879,015
Revenue Deferral	\$676,000	\$676,000
<b>Total Liabilities:</b>	<b>\$98,068,325</b>	<b>\$91,798,199</b>

**EQUITY:**

Prior Years Equity	\$56,734,913	\$55,255,622
Current Year Equity	\$3,433,265	\$3,096,234
Total Equity:	\$60,168,178	\$58,351,856
<b>TOTAL LIABILITIES &amp; EQUITY:</b>	<b>\$158,236,503</b>	<b>\$150,150,056</b>

**SOURCE OF POWER BY PERCENTAGE**

