



Warren Rural Electric Cooperative Corporation

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

June 30, 2024 and 2023



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CONSOLIDATED FINANCIAL STATEMENTS



Warren Rural Electric Cooperative Corporation
Consolidating Balance Sheets

<i>June 30, 2024</i>	WRECC	PES	Millennium	Eliminations	Total
Assets					
Utility plant					
Plant in service	\$ 454,496,724	\$ -	\$ -	\$ -	\$ 454,496,724
Construction in progress	29,485,570	-	-	-	29,485,570
Less accumulated depreciation	(189,572,602)	-	-	-	(189,572,602)
Net utility plant	294,409,692	-	-	-	294,409,692
Other property and investments					
Non-utility plant, net of accumulated depreciation	-	538,141	435,599	-	973,740
Investments in associated companies	11,560,538	19,379	-	(5,079,731)	6,500,186
Other investments	176,668	-	-	-	176,668
Goodwill	117,428	-	-	-	117,428
Total other property and investments	11,854,634	557,520	435,599	(5,079,731)	7,768,022
Current assets					
Cash and cash equivalents	22,242,504	3,338,055	965,816	-	26,546,375
Accounts receivable, net of allowance	24,005,794	118,567	115,635	(39,270)	24,200,726
Other accounts receivable	1,017,021	-	-	-	1,017,021
Materials and supplies	17,675,579	69,081	5,048	-	17,749,708
Prepaid expenses	551,428	40,345	43,600	-	635,373
Total current assets	65,492,326	3,566,048	1,130,099	(39,270)	70,149,203
Other assets					
TVA Energy Services loans receivable	942,234	-	-	-	942,234
Deferred debits	562,624	-	-	-	562,624
Total other assets	1,504,858	-	-	-	1,504,858
Total assets	\$ 373,261,510	\$ 4,123,568	\$ 1,565,698	\$ (5,119,001)	\$ 373,831,775

(Continued)

Warren Rural Electric Cooperative Corporation
Consolidating Balance Sheets (Continued)

<i>June 30, 2024</i>	WRECC	PES	Millennium	Eliminations	Total
Equities and Liabilities					
Equities					
Membership fees	\$	\$	-	\$	\$
Patronage capital		-	-	-	
Other equities			1,361,882		
Total equities			1,361,882		
Long-term liabilities					
Long-term debt - net of current portion		-	-	-	
Postretirement benefits liabilities - net of current portion		-	-	-	
Total other liabilities		-	-	-	
Current liabilities					
Accounts payable - purchased power		-	-	-	
Accounts payable - other			78,214		
Self-insured fund		-	-	-	
Customer deposits		-	20,550	-	
Accrued interest		-	-	-	
Accrued vacation and sick leave		-	-	-	
Current portion of postretirement benefits liabilities		-	-	-	
Accrued taxes and other current liabilities			11,677	-	
Current portion of long-term debt		-	-	-	
Total current liabilities			110,441		
					(Continued)

Warren Rural Electric Cooperative Corporation
Consolidating Balance Sheets (Continued)

<i>June 30, 2024</i>	WRECC	PES	Millennium	Eliminations	Total
Other liabilities					
Advances for TVA Energy Services loans		-	-	-	
Deferred income taxes	-		93,375	-	
Deferred credits			-	-	
<u>Total other liabilities</u>			<u>93,375</u>	<u>-</u>	<u>-</u>
<u>Total equities and liabilities</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,565,698</u>	<u>\$</u>	<u>\$</u>

Warren Rural Electric Cooperative Corporation
Consolidating Statements of Income

For the year ended June 30, 2024

	WRECC	PES	Millennium	Eliminations	Total
Operating Revenues					
Electric sales	\$	\$	-	\$	\$
Forfeited discounts		-	-	-	
Rent from electric property		-	-	-	
Other electric revenues		-	-	-	
Natural gas sales	-	-	659,867	-	
Propane and related sales	-		-	-	
Total operating revenues			659,867	-	-
Operating expenses					
Purchased power		-	-	-	
Operation			43,742	-	
Maintenance		-	17,131	-	
Facilities rental		-	-	-	
Customer accounts		-	-	-	
Customer service and information		-	1,201	-	
Administrative and general			64,600	-	
Depreciation and amortization			50,812	-	
Taxes and tax equivalents			41,564	-	
Natural gas purchases	-	-	434,310	-	
Propane gas and related cost of goods sold	-		-	-	
Operating expenses			653,360	-	-
Total operating income before interest expense			6,507	-	
Interest on long-term debt		-	-	-	-
Operating income after interest expense			6,507	-	-

(Continued)

Warren Rural Electric Cooperative Corporation
Consolidating Statements of Income (Continued)

<i>For the year ended June 30, 2024</i>	WRECC	PES	Millennium	Eliminations	Total
Non-operating income					
Interest income			3,808	-	
Income (loss) of unconsolidated entities		-	-	-	
Miscellaneous			2,107		
Total non-operating income			5,915		
Generation & Transmission and Other Cooperative Capital Credits		-	-	-	
Income before income taxes			12,422		
Income tax expense	-		3,351	-	
Net Income	\$	\$	\$ 9,071	\$	



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Warren Rural Electric Cooperative Corporation
Bowling Green, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Warren Rural Electric Cooperative Corporation and Subsidiaries (the "Cooperative"), which comprise the consolidated balance sheet as of June 30, 2024 and the related consolidated statements of income, equities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Cooperative's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cooperative's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Bowling Green, Kentucky
October 30, 2024



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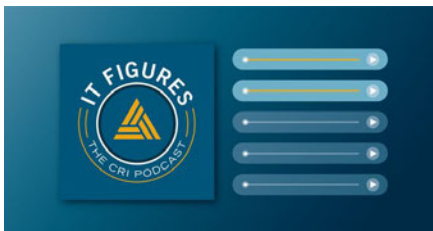
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