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UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT**
**ELECTRIC DISTRIBUTION**

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION MI0037

PERIOD ENDED December 2024 (Prepared with Audited Data)

BORROWER NAME Thumb Electric Cooperative of Michigan

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

## CERTIFICATION

**We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**

*(check one of the following)*

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

3-31-25
DATE

## PART A. STATEMENT OF OPERATIONS

| ITEM | YEAR-TO-DATE LAST YEAR (a) | YEAR-TO-DATE THIS YEAR (b) | YEAR-TO-DATE BUDGET (c) | THIS MONTH (d) |
|---|---|---|---|---|
| 1. Operating Revenue and Patronage Capital | 29,786,384 | 33,358,294 | 34,071,599 | 3,090,950 |
| 2. Power Production Expense | 87,126 | 78,244 | 87,717 | 5,084 |
| 3. Cost of Purchased Power | 11,794,269 | 11,991,443 | 12,070,035 | 1,124,161 |
| 4. Transmission Expense | 141,449 | 173,596 | 186,860 | 4,788 |
| 5. Regional Market Expense | | | | |
| 6. Distribution Expense - Operation | 1,311,962 | 1,668,078 | 1,358,999 | 172,374 |
| 7. Distribution Expense - Maintenance | 3,050,440 | 2,897,358 | 2,733,950 | 154,472 |
| 8. Customer Accounts Expense | 919,080 | 953,490 | 994,260 | 85,467 |
| 9. Customer Service and Informational Expense | 475,064 | 641,456 | 613,595 | 54,853 |
| 10. Sales Expense | | | | |
| 11. Administrative and General Expense | 1,836,100 | 2,206,213 | 2,015,429 | 212,897 |
| **12. Total Operation & Maintenance Expense (*2 thru 11*)** | 19,615,490 | 20,609,878 | 20,060,845 | 1,814,096 |
| 13. Depreciation and Amortization Expense | 3,695,548 | 4,750,688 | 4,488,499 | 431,152 |
| 14. Tax Expense - Property & Gross Receipts | 1,232,818 | 2,159,996 | 1,265,890 | 276,623 |
| 15. Tax Expense - Other | | | | |
| 16. Interest on Long-Term Debt | 2,971,926 | 3,840,666 | 3,689,189 | 390,858 |
| 17. Interest Charged to Construction - Credit | | | | |
| 18. Interest Expense - Other | 923,196 | 794,014 | 1,068,240 | (402,015) |
| 19. Other Deductions | 34,410 | 50,916 | 42,600 | 2,800 |
| **20. Total Cost of Electric Service (*12 thru 19*)** | 28,473,388 | 32,206,158 | 30,615,263 | 2,513,514 |
| **21. Patronage Capital & Operating Margins (*1 minus 20*)** | 1,312,996 | 1,152,136 | 3,456,336 | 577,436 |
| 22. Non Operating Margins - Interest | 634,339 | 618,168 | 615,363 | 50,598 |
| 23. Allowance for Funds Used During Construction | | | | |
| 24. Income (Loss) from Equity Investments | 555,108 | 118,429 | (327,526) | (337,550) |
| 25. Non Operating Margins - Other | 58,146 | 67,465 | 38,075 | (241) |
| 26. Generation and Transmission Capital Credits | | | | |
| 27. Other Capital Credits and Patronage Dividends | 785,298 | 531,675 | 329,000 | 17,446 |
| 28. Extraordinary Items | | | | |
| **29. Patronage Capital or Margins (*21 thru 28*)** | 3,345,887 | 2,487,873 | 4,111,248 | 307,689 |

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT**
**ELECTRIC DISTRIBUTION**

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: MI0037

PERIOD ENDED: December 2024

## PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

| ITEM | YEAR-TO-DATE LAST YEAR (a) | YEAR-TO-DATE THIS YEAR (b) | ITEM | YEAR-TO-DATE LAST YEAR (a) | YEAR-TO-DATE THIS YEAR (b) |
|---|---|---|---|---|---|
| 1. New Services Connected | 61 | 67 | 5. Miles Transmission | 141.41 | 141.41 |
| 2. Services Retired | 35 | 34 | 6. Miles Distribution – Overhead | 1,980.05 | 1,978.84 |
| 3. Total Services in Place | 12,853 | 12,875 | 7. Miles Distribution - Underground | 23.58 | 25.28 |
| 4. Idle Services (*Exclude Seasonals*) | 458 | 471 | **8. Total Miles Energized** *(5 + 6 + 7)* | 2,145.04 | 2,145.53 |

## PART C. BALANCE SHEET

| ASSETS AND OTHER DEBITS | | LIABILITIES AND OTHER CREDITS | |
|---|---|---|---|
| 1. Total Utility Plant in Service | 179,160,639 | 30. Memberships | 195,000 |
| 2. Construction Work in Progress | 17,016,078 | 31. Patronage Capital | 29,416,760 |
| **3. Total Utility Plant** *(1 + 2)* | 196,176,717 | 32. Operating Margins - Prior Years | 0 |
| 4. Accum. Provision for Depreciation and Amort. | 39,924,910 | 33. Operating Margins - Current Year | 1,152,136 |
| **5. Net Utility Plant** *(3 - 4)* | 156,251,807 | 34. Non-Operating Margins | 1,335,737 |
| 6. Non-Utility Property (Net) | 70,730 | 35. Other Margins and Equities | 5,562,877 |
| 7. Investments in Subsidiary Companies | 18,413,264 | **36. Total Margins & Equities** *(30 thru 35)* | 37,662,510 |
| 8. Invest. in Assoc. Org. - Patronage Capital | 2,183,018 | 37. Long-Term Debt - RUS (Net) | 0 |
| 9. Invest. in Assoc. Org. - Other - General Funds | 0 | 38. Long-Term Debt - FFB - RUS Guaranteed | 90,657,599 |
| 10. Invest. in Assoc. Org. - Other - Nongeneral Funds | 712,829 | 39. Long-Term Debt - Other - RUS Guaranteed | 0 |
| 11. Investments in Economic Development Projects | 0 | 40. Long-Term Debt Other (Net) | 25,194,372 |
| 12. Other Investments | 35,056 | 41. Long-Term Debt - RUS - Econ. Devel. (Net) | 0 |
| 13. Special Funds | 769,537 | 42. Payments – Unapplied | 0 |
| **14. Total Other Property & Investments** *(6 thru 13)* | 22,184,434 | **43. Total Long-Term Debt** *(37 thru 41 - 42)* | 115,851,971 |
| 15. Cash - General Funds | 1,060,786 | 44. Obligations Under Capital Leases - Noncurrent | 0 |
| 16. Cash - Construction Funds - Trustee | 0 | 45. Accumulated Operating Provisions and Asset Retirement Obligations | 0 |
| 17. Special Deposits | 0 | **46. Total Other Noncurrent Liabilities** *(44 + 45)* | 0 |
| 18. Temporary Investments | 0 | 47. Notes Payable | 26,210,000 |
| 19. Notes Receivable (Net) | 0 | 48. Accounts Payable | 22,756,660 |
| 20. Accounts Receivable - Sales of Energy (Net) | 2,741,950 | 49. Consumers Deposits | 180,665 |
| 21. Accounts Receivable - Other (Net) | 16,869,421 | | |
| 22. Renewable Energy Credits | 0 | 50. Current Maturities Long-Term Debt | 3,788,047 |
| 23. Materials and Supplies - Electric & Other | 10,094,779 | 51. Current Maturities Long-Term Debt - Economic Development | 0 |
| 24. Prepayments | 227,279 | 52. Current Maturities Capital Leases | 0 |
| 25. Other Current and Accrued Assets | 10,078 | 53. Other Current and Accrued Liabilities | 2,663,756 |
| **26. Total Current and Accrued Assets** *(15 thru 25)* | 31,004,293 | **54. Total Current & Accrued Liabilities** *(47 thru 53)* | 55,599,128 |
| 27. Regulatory Assets | 0 | 55. Regulatory Liabilities | 0 |
| 28. Other Deferred Debits | 0 | 56. Other Deferred Credits | 326,925 |
| **29. Total Assets and Other Debits** *(5+14+26 thru 28)* | 209,440,534 | **57. Total Liabilities and Other Credits** *(36 + 43 + 46 + 54 thru 56)* | 209,440,534 |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>**FINANCIAL AND OPERATING REPORT**<br>**ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| INSTRUCTIONS - See help in the online application. | PERIOD ENDED<br>December 2024 |

## PART D. NOTES TO FINANCIAL STATEMENTS

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>**FINANCIAL AND OPERATING REPORT**<br>**ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| INSTRUCTIONS - See help in the online application. | PERIOD ENDED<br>December 2024 |
| **PART D. CERTIFICATION LOAN DEFAULT NOTES** | |
| | |

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

# FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: MI0037

PERIOD ENDED: December 2024

## PART E. CHANGES IN UTILITY PLANT

| PLANT ITEM | BALANCE BEGINNING OF YEAR (a) | ADDITIONS (b) | RETIREMENTS (c) | ADJUSTMENTS AND TRANSFERS (d) | BALANCE END OF YEAR (e) |
|---|---|---|---|---|---|
| 1. Distribution Plant | 86,834,989 | 4,293,643 | 1,405,664 | | 89,722,968 |
| 2. General Plant | 33,720,674 | 31,556,134 | 486,192 | | 64,790,616 |
| 3. Headquarters Plant | 1,951,311 | 80,777 | | | 2,032,088 |
| 4. Intangibles | 834 | | | | 834 |
| 5. Transmission Plant | 13,722,480 | 399,427 | 101,002 | | 14,020,905 |
| 6. Regional Transmission and Market Operation Plant | | | | | |
| 7. All Other Utility Plant | 8,590,048 | 3,180 | | | 8,593,228 |
| **8. Total Utility Plant in Service (*1 thru 7*)** | 144,820,336 | 36,333,161 | 1,992,858 | | 179,160,639 |
| 9. Construction Work in Progress | 17,822,611 | (806,533) | | | 17,016,078 |
| **10. Total Utility Plant (*8 + 9*)** | 162,642,947 | 35,526,628 | 1,992,858 | | 196,176,717 |

## PART F. MATERIALS AND SUPPLIES

| ITEM | BALANCE BEGINNING OF YEAR (a) | PURCHASED (b) | SALVAGED (c) | USED (NET) (d) | SOLD (e) | ADJUSTMENT (f) | BALANCE END OF YEAR (g) |
|---|---|---|---|---|---|---|---|
| 1. Electric | 12,661,293 | 6,932,303 | 39,155 | 9,531,593 | 2,035 | (4,753) | 10,094,370 |
| 2. Other | 409 | | | | | | 409 |

## PART G. SERVICE INTERRUPTIONS

| ITEM | AVERAGE MINUTES PER CONSUMER BY CAUSE | | | | |
|---|---|---|---|---|---|
| | POWER SUPPLIER (a) | MAJOR EVENT (b) | PLANNED (c) | ALL OTHER (d) | TOTAL (e) |
| 1. Present Year | 0.000 | 31.807 | 5.127 | 258.659 | 295.593 |
| 2. Five-Year Average | .080 | 62.669 | 7.096 | 183.945 | 253.790 |

## PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS

| | | | |
|---|---|---|---|
| 1. Number of Full Time Employees | 63 | 4. Payroll - Expensed | 2,713,881 |
| 2. Employee - Hours Worked - Regular Time | 134,609 | 5. Payroll – Capitalized | 1,939,478 |
| 3. Employee - Hours Worked - Overtime | 7,596 | 6. Payroll - Other | 2,118,682 |

## PART I. PATRONAGE CAPITAL

| ITEM | DESCRIPTION | THIS YEAR (a) | CUMULATIVE (b) |
|---|---|---|---|
| 1. Capital Credits - Distributions | a. General Retirements | 0 | 7,782,682 |
| | b. Special Retirements | 103,946 | 6,329,225 |
| | **c. Total Retirements (*a + b*)** | 103,946 | 14,111,907 |
| 2. Capital Credits - Received | a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power | | |
| | b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System | 41,853 | |
| | **c. Total Cash Received (*a + b*)** | 41,853 | |

## PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE

| | | | |
|---|---|---|---|
| 1. Amount Due Over 60 Days | $ 193,442 | 2. Amount Written Off During Year | $ 26,286 |

## ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM

| | | | |
|---|---|---|---|
| 1. Anticipated Loan Delinquency % | | 4. Anticipated Loan Default % | |
| 2. Actual Loan Delinquency % | | 5. Actual Loan Default % | |
| 3. Total Loan Delinquency Dollars YTD | $ | 6. Total Loan Default Dollars YTD | $ |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>**FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| INSTRUCTIONS - See help in the online application | PERIOD ENDED<br>December 2024 |

**PART K. kWh PURCHASED AND TOTAL COST**

| No | ITEM | SUPPLIER CODE | RENEWABLE ENERGY PROGRAM NAME | RENEWABLE FUEL TYPE | kWh PURCHASED | TOTAL COST | AVERAGE COST (Cents/kWh) | INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT | INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES |
|---|---|---|---|---|---|---|---|---|---|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | CMS Marketing, Serv & Trade Co | 3991 | | | 203,488,250 | 11,262,494 | 5.53 | | 1,673,791 |
| | Total | | | | 203,488,250 | 11,262,494 | 5.53 | | 1,673,791 |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>**FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| INSTRUCTIONS - See help in the online application | PERIOD ENDED<br>December 2024 |

**PART K. kWh PURCHASED AND TOTAL COST**

| No | Comments |
|---|---|
| 1 | |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>**FINANCIAL AND OPERATING REPORT**<br>**ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| INSTRUCTIONS - See help in the online application. | PERIOD ENDED<br>December 2024 |

**PART L. LONG-TERM LEASES**

| No | NAME OF LESSOR<br>(a) | TYPE OF PROPERTY<br>(b) | RENTAL THIS YEAR<br>(c) |
|---|---|---|---|
| | TOTAL | | |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br>**FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| INSTRUCTIONS - See help in the online application. | PERIOD ENDED<br>December 2024 |

**PART M. ANNUAL MEETING AND BOARD DATA**

| 1. Date of Last Annual Meeting | 2. Total Number of Members | 3. Number of Members Present at Meeting | 4. Was Quorum Present? |
|---|---|---|---|
| 6/8/2024 | 12,386 | 112 | Y |
| **5. Number of Members Voting by Proxy or Mail** | **6. Total Number of Board Members** | **7. Total Amount of Fees and Expenses for Board Members** | **8. Does Manager Have Written Contract?** |
| 135 | 9 | $ 122,285 | Y |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br>**FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| INSTRUCTIONS - See help in the online application. | PERIOD ENDED<br>December 2024 |

**PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

| No | ITEM | BALANCE END OF YEAR (a) | INTEREST (Billed This Year) (b) | PRINCIPAL (Billed This Year) (c) | TOTAL (Billed This Year) (d) |
|---|---|---|---|---|---|
| 1 | Rural Utilities Service (Excludes RUS - Economic Development Loans) | | | | |
| 2 | National Rural Utilities Cooperative Finance Corporation | 25,160,184 | 903,450 | 1,358,519 | 2,261,969 |
| 3 | CoBank, ACB | 34,188 | 4,202 | 24,869 | 29,071 |
| 4 | Federal Financing Bank | 90,657,599 | 2,933,015 | 2,110,167 | 5,043,182 |
| 5 | RUS - Economic Development Loans | | | | |
| 6 | Payments Unapplied | | | | |
| 7 | Principal Payments Received from Ultimate Recipients of IRP Loans | | | | |
| 8 | Principal Payments Received from Ultimate Recipients of REDL Loans | | | | |
| 9 | Principal Payments Received from Ultimate Recipients of EE Loans | | | | |
| | TOTAL | 115,851,971 | 3,840,667 | 3,493,555 | 7,334,222 |

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT**
**ELECTRIC DISTRIBUTION**

INSTRUCTIONS - See help in the online application.

BORROWER DESIGNATION: MI0037

PERIOD ENDED: December 2024

**PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY**

| CLASSIFICATION | CONSUMER SALES & REVENUE DATA | DECEMBER (a) | AVERAGE NO. CONSUMERS SERVED (b) | TOTAL YEAR TO DATE (c) |
|---|---|---|---|---|
| 1. Residential Sales (excluding seasonal) | a. No. Consumers Served | 9,241 | 9,243 | |
| | b. kWh Sold | | | 119,727,867 |
| | c. Revenue | | | 17,411,637 |
| 2. Residential Sales - Seasonal | a. No. Consumers Served | 1,973 | 1,961 | |
| | b. kWh Sold | | | 5,255,224 |
| | c. Revenue | | | 1,561,718 |
| 3. Irrigation Sales | a. No. Consumers Served | 51 | 51 | |
| | b. kWh Sold | | | 502,932 |
| | c. Revenue | | | 91,336 |
| 4. Comm. and Ind. 1000 KVA or Less | a. No. Consumers Served | 1,139 | 1,133 | |
| | b. kWh Sold | | | 61,074,203 |
| | c. Revenue | | | 7,148,189 |
| 5. Comm. and Ind. Over 1000 KVA | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 6. Public Street & Highway Lighting | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 7. Other Sales to Public Authorities | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 8. Sales for Resale - RUS Borrowers | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| 9. Sales for Resale - Other | a. No. Consumers Served | | | |
| | b. kWh Sold | | | |
| | c. Revenue | | | |
| **10. Total No. of Consumers (*lines 1a thru 9a*)** | | 12,404 | 12,388 | |
| **11. Total kWh Sold (*lines 1b thru 9b*)** | | | | 186,560,226 |
| **12. Total Revenue Received From Sales of Electric Energy (*lines 1c thru 9c*)** | | | | 26,212,880 |
| 13. Transmission Revenue | | | | |
| 14. Other Electric Revenue | | | | 7,145,414 |
| 15. kWh - Own Use | | | | 545,804 |
| 16. Total kWh Purchased | | | | 203,488,250 |
| 17. Total kWh Generated | | | | 11,733 |
| 18. Cost of Purchases and Generation | | | | 12,243,283 |
| 19. Interchange - kWh - Net | | | | |
| 20. Peak - Sum All kW Input (Metered) Non-coincident___ Coincident X | | | | 38,943 |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br>**FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION** | BORROWER DESIGNATION MI0037<br><br>PERIOD ENDED December 2024 |
|---|---|
| INSTRUCTIONS - See help in the online application. | |

**PART P. ENERGY EFFICIENCY PROGRAMS**

| CLASSIFICATION | ADDED THIS YEAR | | | TOTAL TO DATE | | |
|---|---|---|---|---|---|---|
| | No. of Consumers *(a)* | Amount Invested *(b)* | Estimated MMBTU Savings *(c)* | No. of Consumers *(d)* | Amount Invested *(e)* | Estimated MMBTU Savings *(f)* |
| 1. Residential Sales (excluding seasonal) | 225 | 138,128 | 934 | 12,009 | 2,906,949 | 64,586 |
| 2. Residential Sales - Seasonal | | | | | | |
| 3. Irrigation Sales | | | | | | |
| 4. Comm. and Ind. 1000 KVA or Less | | | | 1,635 | 485,661 | 12,146 |
| 5. Comm. and Ind. Over 1000 KVA | | | | | | |
| 6. Public Street and Highway Lighting | | | | | | |
| 7. Other Sales to Public Authorities | | | | | | |
| 8. Sales for Resale – RUS Borrowers | | | | | | |
| 9. Sales for Resale – Other | | | | | | |
| **10. Total** | 225 | 138,128 | 934 | 13,644 | 3,392,610 | 76,732 |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE | BORROWER DESIGNATION<br>MI0037 |
|---|---|
| **FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION<br>INVESTMENTS, LOAN GUARANTEES AND LOANS** | PERIOD ENDED<br>December 2024 |

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)**

| No | DESCRIPTION<br>(a) | INCLUDED<br>($)<br>(b) | EXCLUDED<br>($)<br>(c) | INCOME OR LOSS<br>($)<br>(d) | RURAL DEVELOPMENT<br>(e) |
|---|---|---|---|---|---|
| 1 | **Non-Utility Property (NET)** | | | | |
| | Vacant Lot | 12,000 | | | |
| | Rental Home | 58,730 | | | |
| | Totals | 70,730 | | | |
| 2 | **Investments in Associated Organizations** | | | | |
| | CFC, CoBank Patronage, CTCs | | 981,071 | | |
| | NISC, NRTC, RESCO, Federated | 1,764,776 | | | |
| | Mbr Cap Sec | 150,000 | | | |
| | TEsC | 53,139 | | | |
| | Air Advantage | 18,360,126 | | | |
| | Totals | 20,328,041 | 981,071 | | |
| 4 | **Other Investments** | | | | |
| | ERC Loans/RESP Loans | 35,056 | | | |
| | Totals | 35,056 | | | |
| 5 | **Special Funds** | | | | |
| | Member Contributions | 150,430 | | | |
| | Billed Power Supply Over Recovery | 444,107 | | | |
| | Temporary Investment | 175,000 | | | |
| | Totals | 769,537 | | | |
| 6 | **Cash - General** | | | | |
| | General Fund | 1,060,786 | | | |
| | Totals | 1,060,786 | | | |
| 8 | **Temporary Investments** | | | | |
| | Commercial Paper | | | | |
| | Totals | | | | |
| 9 | **Accounts and Notes Receivable - NET** | | | | |
| | W/H Billing | 23,525 | | | |
| | A/R Other | 17,413,771 | | | |
| | Bad Debt Reserve | (567,875) | | | |
| | Totals | 16,869,421 | | | |
| 11 | TOTAL INVESTMENTS (1 thru 10) | 39,133,571 | 981,071 | | |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br>**FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION<br>INVESTMENTS, LOAN GUARANTEES AND LOANS** | BORROWER DESIGNATION<br>MI0037<br><br>PERIOD ENDED<br>December 2024 |
|---|---|

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**PART Q. SECTION II. LOAN GUARANTEES**

| No | ORGANIZATION<br>(a) | MATURITY DATE<br>(b) | ORIGINAL AMOUNT<br>($)<br>(c) | LOAN BALANCE<br>($)<br>(d) | RURAL DEVELOPMENT<br>(e) |
|---|---|---|---|---|---|
| | **TOTAL** | | | | |
| | TOTAL (Included Loan Guarantees Only) | | | | |

| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE<br><br>**FINANCIAL AND OPERATING REPORT<br>ELECTRIC DISTRIBUTION<br>INVESTMENTS, LOAN GUARANTEES AND LOANS** | BORROWER DESIGNATION<br>MI0037<br><br>PERIOD ENDED<br>December 2024 |
|---|---|

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**SECTION III. RATIO**

| | |
|---|---|
| RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT<br>[Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report] | 19.95 % |

**SECTION IV. LOANS**

| No | ORGANIZATION<br>(a) | MATURITY DATE<br>(b) | ORIGINAL AMOUNT<br>($)<br>(c) | LOAN BALANCE<br>($)<br>(d) | RURAL DEVELOPMENT<br>(e) |
|---|---|---|---|---|---|
| 1 | Employees, Officers, Directors | | | | |
| 2 | Energy Resources Conservation Loans | | | | |
| | TOTAL | | | | |

# Operating Report Checks

| | | | |
|---|---|---|---|
| Borrower Name: | Thumb Electric Cooperative of Michigan | Year: | 2024 |
| Borrower ID: | MI0037 | Period: | December |

## Part Q Section I: Investments

| Type | Check Key | Description |
|---|---|---|
| Warning | 2725 | In general, at least one investment should have "Rural Development" checked other than those in Category 3 Economic Development. Please check your non-type three investments to see if any are rural development.<br>*Borrower Explanation: No rural development at this time.* |

## Part Q Section III: Ratio

| Type | Check Key | Description |
|---|---|---|
| Warning | 3870 | "Ratio of Investments and Loan Guarantees to Utility Plant" [19.95%] exceeds 15%, please explain. Please refer to 7 CFR 1717 Subpart N.<br>*Borrower Explanation: This is due to the investment in Air Advantage.* |

## Cross Checks

| Type | Check Key | Description |
|---|---|---|
| Warning | 2980 | "Cost of Purchased Power" (Col. b) [11,991,443] in Part A should be equal to the "Total Cost" [11,262,494] for all purchases in Part K. (Limit: +5/-5)<br>*Borrower Explanation: $728,949 was spent for Bandwidth & Pole Contact fees for fiber.* |
| Warning | 4570 | Year To Date "Number of Consumers" for Residential Sales (Part P, Column (d)) [12,009] should be less than or equal to the corresponding line on "a. No. Consumers Served" (Part O, Column (a)) [9,241].<br>*Borrower Explanation: Members can participate in more than one energy efficiency program, so the total number of consumers to date could be higher than the number of consumers served.* |
| Warning | 4570 | Year To Date "Number of Consumers" for Commercial and Industrial <1000 kVa (Part P, Column (d)) [1,635] should be less than or equal to the corresponding line on "a. No. Consumers Served" (Part O, Column (a)) [1,139].<br>*Borrower Explanation: Members can participate in more than one energy efficiency program, so the total number of consumers to date could be higher than the number of consumers served.* |