OUR POWER IS OUR PEOPLE

2024 ANNUAL REPORT

GREYSTONE
POWER CORPORATION
Making Life Better





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MISSION, SERVICE AREA & STATS

MISSION STATEMENT

Making Life Better in the communities we serve.

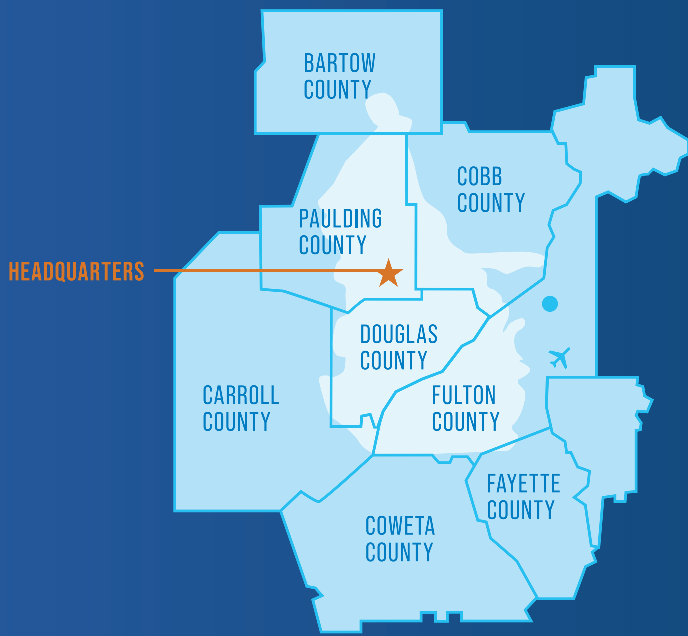
CORPORATE PROFILE

GreyStone Power is a member-owned, not-for-profit electric cooperative, serving portions of eight west-metro Atlanta counties. We provide electricity to more than 134,000 homes, businesses, schools and industries through more than 153,000 meters.

WHO IS A MEMBER?

If you have an account with us in your name, you're a member — and an owner — of this electric cooperative. That's because GreyStone Power is owned by the people it serves. Those same people are at the center of everything we do.

SERVICE AREA MAP



AT A GLANCE

STATISTICS AT THE END OF EACH YEAR

	OPERATING REVENUE	NUMBER OF METERS	MILES OF LINE	KILOWATT-HOURS SOLD
2024	$359,010,998	152,170	7,744	3,134,747,347
2014	$276,550,531	118,971	6,769	2,690,731,699
2004	$150,622,074	94,656	5,452	1,977,762,099
1994	$72,520,175	58,809	3,683	946,599,697
1984	$31,216,405	38,066	2,687	533,065,331

OUR POWER IS OUR PEOPLE

President/CEO Gary Miller, left, and Board Chair Genevieve Cole lead a team of people dedicated to making life better.

EXECUTIVE MESSAGE

At GreyStone Power, our mission is simple: making life better in the communities we serve. This year, we're celebrating those who bring that mission to life — our people. Whether preventing outages, helping bring the first true high-speed fiber to the area, or expanding and improving our network, our power is our people.

That commitment shows in our rates. For the summer of 2024, GreyStone members paid 32 percent less than Georgia Power customers for 1,500 kilowatt-hours (kWh). If you used 2,000 kWh, your bill was about $132 less. For those using 500 kWh, GreyStone had the lowest rate of all 41 EMCs in Georgia. That doesn't happen without this amazing team of ours.

As a not-for-profit cooperative, our people are excited to return savings whenever possible. In 2024, we returned $12 million in capital credits to our members. Wallet Watch credits saved members another $8.2 million in 2024. (Writing checks to our members is one of our favorite things to do.)

We're also using smart technology to improve reliability. Satellite imagery helps our team locate dead and fast-growing trees before they impact lines. A centralized automation system instantly isolates outages, and members are automatically enrolled in outage texting to stay informed.

This year we continued our pursuit of perfect power. Thanks to the hard work of our people, we maintained a 99.98 percent reliability rating in 2024. That is electricity you can count on.

We also launched the Lineman School Scholarship Program, awarding four $5,000 scholarships to help train the next generation of lineworkers — because investing in people means investing in our collective future.

GreyStone Connect, our fiber broadband subsidiary, made major strides in 2024. In February, we connected our first customer to gig-speed service, and in August, we announced Phase 2 of the expansion, bringing true fiber internet to more homes in Paulding and Douglas counties. To check availability and sign up for lightning-fast speeds, visit *greystoneconnect.com*.

We're also working with large commercial and industrial members, including data centers, hotels and distribution facilities to:

- Increase power sales, keeping costs lower for all members
- Strengthen the local economy through property taxes
- Create good jobs for local workers
- Grow GreyStone's distribution infrastructure
- Improve efficiency of our generating plants

This year our drive-thru Annual Meeting continued to grow, with 900 registered members in 2024, up from 657 the prior year. Members told us they appreciated the speed and convenience, and we look forward to continuing the tradition in 2025.

We're proud of everything we've accomplished together — and even prouder of the people behind it. Because at GreyStone, our power isn't just ... power. It's our people.

Gary Miller	**Genevieve Cole**
President/CEO	**Board Chair**
Gary Miller	Genevieve B. Cole

THIS TEAM KEEPS THE LIGHTS ON

Reliable power doesn't just come from our lines and circuits. It comes from our people, who clear hundreds of miles of power lines and install smarter, faster technology. Every improvement we make starts with someone who cares.

Thanks to our team's hard work, GreyStone Power achieved 99.98% reliability in 2024. That means our members had power when they needed it — in storms, in heat waves and on the days when they just wanted to read a good book.

Our crews trimmed nearly 4,000 trees and cleared vegetation from more than 650 miles of right-of-way in 2024. Their work helped prevent outages before they could even start.

ERIC
Operations

BRYCE, VINCENT, JACOB & CAMERON
Operations

Behind the scenes, our people are putting cutting-edge technology to work. In 2024, we installed a dozen new smart fault locators on circuits to detect and isolate problems faster than ever. We are exploring the use of drone inspections to examine power poles. Combined with satellite imagery and smart mapping, this technology gives our teams a clearer view of potential issues. We added new sectionalizing equipment in South Fulton and designed and constructed a new circuit in Cliftondale to serve growing demand.

When storms did strike, our people stepped up. When Tropical Storm Debby hit, crews were ready to assist our sister co-op in North Carolina. When Hurricane Helene hit, our linemen rolled out again to help affected co-ops rebuild once GreyStone's members had been restored. Because reliability isn't just about keeping our lights on — it's about showing up wherever and whenever we're needed.

We're also building for the future with the 2024 Apprentice Lineman Summer Internship Program and scholarships to support the next generation.

And while our people work to keep the power flowing, they also help keep costs down. In summer 2024, our members paid 32% less than Georgia Power customers. In November, GreyStone's rates were 32% below the national average.

RELIABLE & RELIABLY AFFORDABLE

JACOB
Operations

IF YOU USED 1,500 kWh IN SUMMER 2024, YOUR BILL WAS

$95 LESS

THAN WITH GEORGIA POWER.

IF YOU USED 2,000 kWh, YOUR BILL WAS

$132 LESS

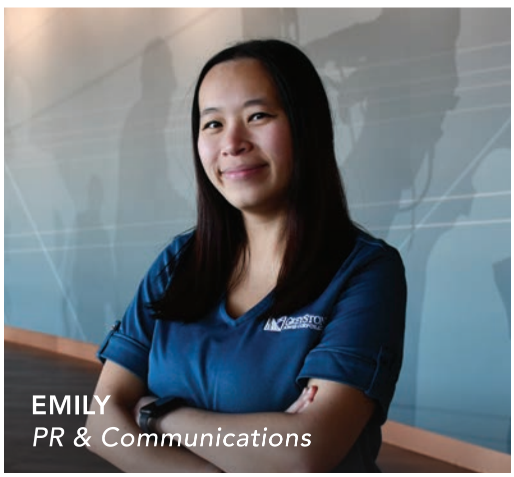
THAN WITH GEORGIA POWER.

Because at GreyStone, reliability isn't just a number — it's a commitment. And it's powered by the people who live here, work here and care deeply about the communities we serve.

JEFF & JUDY
Residential Energy Services & GreyStone retiree/member

POWER (SAVINGS) TOOLS

At GreyStone Power, we're always looking for ways to help our members save both energy and money. Through the GreyStone Power Marketplace, members can shop for energy-efficient tools like smart thermostats, LED bulbs and water-saving showerheads, all designed to lower power use and reduce monthly bills.



EMILY
PR & Communications

In 2024, our team conducted **543 home energy audits** and processed **389 smart thermostat upgrades** through the Marketplace. There were 209 members who took advantage of our electric vehicle charger rebate. We also issued 12 rebates for high-efficiency heat pumps.

KELCEY
Cashiering Services

Our rooftop solar calculator continues to be a go-to resource for members curious about solar. With this user-friendly tool for helping members estimate their solar generation potential, members have a simple way to calculate payback periods, helping them make smart energy investments.

Our Cooperative Solar program is another way for members to support clean energy. It makes the benefits of solar power more widely available to GreyStone residential members at a reasonable price compared to the purchase of a home rooftop or yard solar system. Residential members can meet some of their electricity needs from GreyStone's solar portfolio, which includes a large solar facility that the co-op maintains at its headquarters in Paulding County. With GreyStone's Cooperative Solar dashboard, members can view the solar output and environmental impact of the program.

The GreyStone Power app empowers members to track their energy use over time. It helps them take control of their energy habits by comparing month-to-month consumption and seeing how temperature shifts affect electricity use.

For those considering an EV, GreyStone doesn't just offer charger rebates — we provide real guidance. Our special EV rate rewards off-peak charging with prices as low as 4 cents per kilowatt-hour overnight, compared to more than 20 cents during high-demand summer afternoons.

The savings don't stop at the meter. The Co-op Connections Card continues to offer discounts on everyday purchases, especially helpful for prescription medications.

Even the co-op itself is seeing meaningful efficiencies. In 2024, more than 4,600 members enrolled in paperless billing and GreyStone sent an additional 31,000 bills electronically, saving around $17,000 in additional printing and postage costs for the year.

At GreyStone, informed choices and smarter tools make a powerful difference.

OUR PEOPLE POWER A BRIGHTER COMMUNITY

NADIA
Executive

We had big goals for GreyStone Connect in 2024 — 500 miles of fiber and 800 member connections — and we knew our team would rise to the challenge. Thanks to the dedicated crews behind the buildout, we've surpassed 700 miles of fiber and brought high-speed, reliable internet to more than 2,000 members. The success of Phase 2 represents a major step forward in closing the digital divide in our communities.

Through Operation Round Up, more than 29,000 GreyStone members voluntarily round up their power bills to the nearest dollar each month, donating an average of just 50 cents. Those contributions have added up to more than $6.5 million in community support since the program began in 1998. In 2024 alone, Operation Round Up provided $20,000 in scholarships and more than $608,000 in assistance to nonprofits including S.H.A.R.E. House, CASA of Douglas County, the Good Samaritan Center and Special Olympics.

We're also proud to award five $3,000 scholarships annually to GreyStone members or their children. Nathan Zhu, Allison Martinez, Cheridan Sanders, Mia Morris and Casey Butler were each awarded $3,000 as recipients of the 2024 Foundation Scholarship. The 2024 Clower Scholarships, which offer $2,500 for technical education, were awarded to Sue Ellen Simmons from West Georgia Technical College and An Yu from Chattahoochee Technical College.

Our first-ever STEM Day in 2024 welcomed 140 students from six high schools to an interactive experience exploring energy careers. Students tried out linework gloves, watched live climbing demos, cranked turbines by hand and saw drone tech in action. We plan to continue the program to expand awareness of careers in the energy industry.


2024 Foundation Scholarship winners

We also visited the Chanan Foundation to educate adults with developmental disabilities about electrical safety and demonstrate bucket truck operations, another way our people bring energy awareness to all.

We're proud to recognize the veterans among our employees, board members and retirees. Each year on or around Veterans Day, GreyStone hosts a military appreciation breakfast to celebrate their service. In 2024, we also supported Veterans in Victory, a nonprofit helping those who face PTSD, homelessness or addiction after military service.

GreyStone plays a vital role in shaping the future of west Georgia. Our economic development team works closely with local leaders and developers to attract major commercial and industrial projects. This year, we're proud to support The Preserve, a 1,100-acre wellness resort and mixed-use development in Douglas County, as well as Project Hammer, a pharmaceutical distribution center along the Bright Star Connector. Project Hammer alone is expected to bring $177 million in investment and create 202 new jobs.

These projects not only create local opportunities – they strengthen our system. With every large account we serve, we gain new efficiencies, improve reliability and help keep rates low for all members.

BOARD OF DIRECTORS

CHARISSE BRAXTON
District 9

BILLY MAYHEW
Secretary-Treasurer, District 5

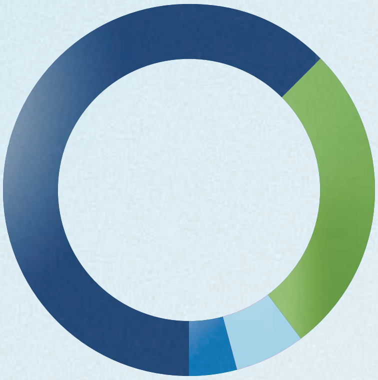
GENEVIEVE COLE
Chair, District 1

GARY MILLER
President/CEO

DAVID HAGENOW
Vice Chair, District 3

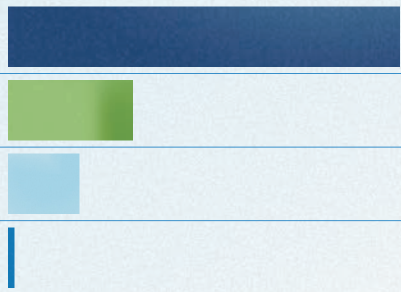
KEY STATISTICS

FUEL MIX



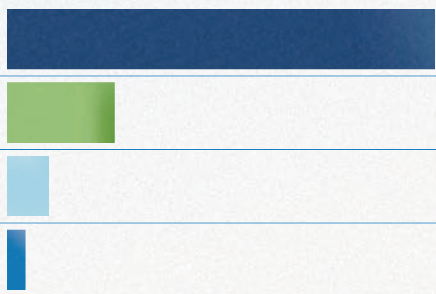
NATURAL GAS	63%
NUCLEAR	27%
COAL	6%
RENEWABLES	4%

WHERE THE MONEY COMES FROM



66%	RESIDENTIAL
21%	SMALL COMMERCIAL
12%	LARGE COMMERCIAL
1%	PUBLIC LIGHTING

WHERE THE MONEY GOES



72%	PURCHASED POWER
18%	OPERATING EXPENSES
7%	DEPRECIATION
3%	INTEREST

MCNAIR MCLEMORE MIDDLEBROOKS & CO
CERTIFIED PUBLIC ACCOUNTANTS

October 24, 2024

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
GreyStone Power Corporation and Subsidiary

Opinion

We have audited the consolidated financial statements of **GreyStone Power Corporation and Subsidiary**, which comprise the consolidated balance sheets as of August 31, 2024 and 2023, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of GreyStone Power Corporation and Subsidiary as of August 31, 2024 and 2023 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of GreyStone Power Corporation and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GreyStone Power Corporation and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GreyStone Power Corporation and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about GreyStone Power Corporation and Subsidiary's ability to continue as a going concern for a reasonable period of time.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules on pages 34 through 39 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2024 on our consideration of GreyStone Power Corporation and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GreyStone Power Corporation and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering GreyStone Power Corporation and Subsidiary's internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

GREYSTONE POWER CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AUGUST 31

ASSETS

	2024	2023
Utility Plant		
Electric Plant in Service - At Cost	**$ 747,874,734**	$ 683,421,343
Construction Work in Progress	**23,595,791**	12,158,898
Gross Utility Plant	**771,470,525**	695,580,241
Accumulated Provision for Depreciation	**(175,083,216)**	(162,016,757)
	596,387,309	533,563,484
Other Property and Investments		
Nonutility Plant	**753,772**	86,025
Investments in Associated Organizations	**36,967,898**	33,908,918
Restricted Funds	**868,350**	631,161
Other Investments	**3,020,258**	2,929,170
	41,610,278	37,555,274
Current Assets		
Cash and Cash Equivalents	**51,450,228**	73,421,636
Restricted Cash	**4,887,355**	82,996
Accounts Receivable (Net of Allowance for Credit Losses of $113,823 and $130,640 in 2024 and 2023, Respectively)	**63,036,967**	58,717,181
Materials and Supplies	**11,202,437**	8,507,620
Other	**2,589,949**	2,325,823
	133,166,936	143,055,256
Deferred Debits	**26,562,182**	29,001,129
Total Assets	**$ 797,726,705**	$ 743,175,143

See accompanying notes which are an integral part of these consolidated financial statements.

GREYSTONE POWER CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AUGUST 31

MEMBERS' EQUITY AND LIABILITIES

	2024	2023
Members' Equity		
Membership Fees	**$ 1,316,610**	$ 1,281,542
Patronage Capital	**299,823,902**	291,236,114
Other Equities	**29,225,739**	28,593,949
	330,366,251	321,111,605
Long-Term Debt	**361,291,150**	334,587,351
Current Liabilities		
Current Portion of Long-Term Debt	**18,386,666**	16,666,506
Accounts Payable	**28,656,770**	24,974,538
Consumer Deposits	**25,604,109**	22,430,040
Other	**13,970,118**	13,324,564
	86,617,663	77,395,648
Deferred Credits	**19,451,641**	10,080,539
Total Members' Equity and Liabilities	**$ 797,726,705**	$ 743,175,143

See accompanying notes which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

GREYSTONE POWER CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED AUGUST 31

	2024	2023
Operating Revenues	**$ 359,016,998**	$ 327,239,723
Operating Expenses		
Cost of Revenue	**251,564,295**	229,108,483
Distribution Operations	**14,368,313**	14,223,405
Distribution Maintenance	**19,985,794**	16,987,629
Consumer Accounts	**7,334,023**	6,805,211
Consumer Information and Sales	**3,013,142**	2,902,499
Administrative, Selling, and General	**17,698,488**	15,191,439
Depreciation	**23,655,805**	22,207,699
Total Operating Expenses	**337,619,860**	**307,426,365**
Operating Margins Before Interest Expense	**21,397,138**	**19,813,358**
Interest Expense	**12,631,461**	11,173,444
Operating Margins After Interest Expense	**8,765,677**	8,639,914
Nonoperating Margins	**7,612,578**	7,706,542
Generation and Transmission Cooperative Capital Credits	**2,051,285**	1,841,999
Other Capital Credits and Patronage Capital Allocations	**1,652,198**	1,013,053
Net Margins	**$ 20,081,738**	$ 19,201,508

See accompanying notes which are an integral part of these consolidated financial statements.

GREYSTONE POWER CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

	Total Members' Equity	Membership Fees	Patronage Capital	Other Equities
Balance, August 31, 2022	$ 312,758,351	$ 1,253,780	$ 284,425,293	$ 27,079,278
Net Margins	19,201,508	-	19,389,786	(188,278)
Membership Fees	27,762	27,762	-	-
Retirement of Patronage Capital	(13,196,461)	-	(12,578,965)	(617,496)
Capital Credit Gains	2,265,974	-	-	2,265,974
Other	54,471	-	-	54,471
Balance, August 31, 2023	321,111,605	1,281,542	291,236,114	28,593,949
Net Margins	20,081,738	-	21,163,174	(1,081,436)
Membership Fees	35,068	35,068	-	-
Retirement of Patronage Capital	(13,851,864)	-	(12,575,386)	(1,276,478)
Capital Credit Gains	2,976,029	-	-	2,976,029
Other	13,675	-	-	13,675
Balance, August 31, 2024	**$ 330,366,251**	**$ 1,316,610**	**$ 299,823,902**	**$ 29,225,739**

See accompanying notes which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

GREYSTONE POWER CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31

	2024	2023
Cash Flows from Operating Activities		
Net Margins	**$ 20,081,738**	$ 19,201,508
Adjustments to Reconcile Net Margins to Net		
Cash Provided by Operating Activities		
Depreciation	**25,099,936**	23,466,714
Patronage Capital from Associated Organizations	**(3,703,483)**	(2,855,052)
Equity in Earnings from Partnership Interest	**(2,015,117)**	(1,495,709)
Net Postretirement Benefit Cost	**(2,914,679)**	(2,905,341)
Postretirement Healthcare Plan Premiums	**(705,244)**	(466,360)
Over-Recovery of Wholesale Power Cost	**10,088,439**	11,224,453
Change In		
Accounts Receivable	**(3,099,424)**	(11,147,148)
Materials and Supplies	**(2,694,817)**	(805,302)
Other Current Assets	**(264,126)**	(686,677)
Deferred Debits	**(517,407)**	-
Accounts Payable	**3,682,232**	(208,059)
Other Current Liabilities	**3,819,623**	1,703,028
Deferred Credits	**1,401,389**	3,001,706
	48,259,060	38,027,761
Cash Flows from Investing Activities		
Extension and Replacement of Plant	**(90,391,508)**	(47,815,903)
Refundable Deposits	**4,800,000**	-
Return of Capital from Associated Organizations	**644,503**	523,594
Return of Equity from Partnership Investment	**1,924,029**	1,211,681
	(83,022,976)	(46,080,628)
Cash Flows from Financing Activities		
Line-of-Credit Advances	**-**	46,700,000
Line-of-Credit Repayments	**-**	(46,700,000)
Advances from Long-Term Debt	**43,600,000**	73,100,000
Principal Repayment of Long-Term Debt	**(16,649,790)**	(5,566,520)
RUS Cushion-of-Credit	**1,473,749**	7,975,710
Retirement of Patronage Capital	**(13,851,866)**	(13,196,461)
Other	**3,024,774**	2,348,207
	17,596,867	64,660,936
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	**(17,167,049)**	**56,608,069**
Cash, Cash Equivalents, and Restricted Cash - Beginning	**73,504,632**	**16,896,563**
Cash, Cash Equivalents, and Restricted Cash - Ending	**$ 56,337,583**	**$ 73,504,632**

See accompanying notes which are an integral part of these consolidated financial statements.

GREYSTONE POWER CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31

		2024		2023
Reconciliation of Cash, Cash Equivalents, and Restricted Cash				
Cash and Cash Equivalents	$	**51,450,228**	$	73,421,636
Restricted Cash		**4,887,355**		82,996
	$	**56,337,583**	$	73,504,632
Supplemental Disclosure of Cash Flow Information				
Cash Payments of Interest	$	**11,429,260**	$	2,210,516
Supplemental Disclosure of Noncash Financing Transactions				
Principal and Interest Paid Utilizing RUS Cushion of Credit	$	**1,473,749**	$	18,694,655

See accompanying notes which are an integral part of these consolidated financial statements.

GREYSTONE POWER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of Operations
GreyStone Power Corporation (GreyStone Power) is a not-for-profit corporation organized to provide electric service to its members. GreyStone Power operates as a cooperative whereby all monies in excess of cost of providing electric service are capital, at the moment of receipt, and are credited to each member's capital account.

GreyStone Connect, LLC (GreyStone Connect), a wholly owned subsidiary of GreyStone Power, is a retail internet provider organized for the purpose of providing fiber-to-the-home broadband access to members of GreyStone Power. GreyStone Connect is a single liability membership corporation organized under the laws of the state of Georgia. GreyStone Connect began serving broadband subscribers effective March 1, 2024.

Where appropriate, GreyStone Power and GreyStone Connect are collectively referred to as the Corporation.

(2) Summary of Significant Accounting Policies
Accounting policies of GreyStone Power reflect practices appropriate to the electric utility industry and generally accepted accounting principles of the United States of America (U.S. GAAP). The records of GreyStone Power are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission as modified and adopted by the Rural Utilities Service (RUS).

The following describes the more significant of those policies.

Consolidation
The consolidated financial statements include the accounts and results of operations of GreyStone Power and its wholly-owned subsidiary, GreyStone Connect, LLC. All significant intercompany transactions have been eliminated in consolidation.

Basis of Presentation
The Corporation's consolidated financial statements have been prepared in accordance with U.S. GAAP. The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Regulated Operations
The Corporation, in its rate-making capacity, accounts for certain revenue and expense deferrals in accordance with ASC 980.

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates
The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differfrom those estimates.

Long-Lived Assets
The Corporation evaluates long-lived assets for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The determination of whether impairment has occurred is based on either a specific regulatory disallowance or an estimate of undiscounted future cash flows attributable to the assets, as compared with the carrying value of the assets. If impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a provision for loss if the carrying value is greater than the fair value. For assets identified as held for sale, the carrying value is compared to the estimated fair value less the cost to sell in order to determine if an impairment provision is required. Until the assets are disposed of, their estimated fair value is reevaluated when circumstances or events change.

U.S. GAAP requires the present value of the ultimate cost for an asset's future retirement be recorded in the period in which the liability is incurred. The cost should be capitalized as part of the related long-lived asset and depreciated over the asset's useful life. The Corporation has no legal retirement obligations related to its distribution facilities; therefore, a liability for the removal of these assets will not be recorded. Management believes the actual cost of removal, even though not a legal obligation, will be recovered through rates over the life of the distribution assets.

Utility Plant
Construction work in progress (CWIP) consists of construction and retirement costs associated with GreyStone Power's distribution system, as permitted under 7.CFR. 1767. CWIP charges principally include labor and applicable overheads, major materials and contractor costs. GreyStone Power does not capitalize any interest incurred during construction as the majority of its distribution construction projects are of short duration.

CWIP is unitized to electric plant in service at cost less contributions in aid of construction. In general, utility plant is capitalized at the time it becomes part of an operating unit and has been energized. However, certain items of plant referred to as special equipment items (meters, transformers, oil circuit reclosers, etc.) are capitalized at the time of purchase along with related estimated cost of installation.

Nonutility Plant
Nonutility plant consists of broadband equipment and general plant utilized in serving retail broadband customers.

(2) Summary of Significant Accounting Policies (Continued)

Depreciation and Maintenance

Depreciation of distribution plant is provided using composite straight-line rates. When property subject to depreciation is retired or otherwise disposed of in the normal course of business, its capitalized cost and its cost of removal less salvage are charged to the accumulated provision for depreciation. Provision has been made for depreciation of distribution plant at weighted average straight-line composite rate of 3.23 percent per annum, except automated metering equipment which is depreciated at a rate of 6.67 percent per annum.

Depreciation of general plant is provided on a straight-line basis over the estimated useful lives of the various assets. The weighted average rate on general plant is 6.11 percent per annum.

The costs of maintenance, repairs, and replacements of minor items of property are charged to maintenance expense accounts.

Materials and Supplies

Materials and supplies are generally used for GreyStone Power's construction and for operation and maintenance work and are not for resale. Cost is determined by the moving average method of inventory valuation. Materials and supplies are charged to construction or operations at moving average cost when used.

Cash Equivalents and Short-Term Investments

Cash equivalents generally include demand deposit accounts, as well as investment grade commercial paper and select notes issued by the National Rural Utilities Cooperative Finance Corporation (NRUCFC) with original maturities of three months or less.

Short-term investments typically consist of investment grade commercial paper and select notes issued by NRUCFC with original maturities of more than three months but less than one year. Amounts maturing in more than one year are included in other investments.

Restricted Cash

Restricted cash represents cash held in escrow to meet certain requirements of the Georgia Department of Transportation, as well as refundable deposits from a commercial and industrial load, which is to be returned as certain milestones are met as defined in the Deposit Agreement.

Restricted Funds

Restricted funds represent funds designated for funding the GreyStone Power's deferred compensation liability (Note 13). The funds are under the control of the plan participants and are therefore segregated from cash, cash equivalents, and restricted cash. Deferred compensation assets are stated at fair market value. Fair market value is measured using quoted market prices in active markets for identical assets and are considered level 1 instruments valued using the market approach. Any increase or decrease in the value of the restricted funds acts as an increase or decrease in the GreyStone Power's deferred compensation liability.

(2) Summary of Significant Accounting Policies (Continued)

Investments in Associated Organizations

Investments in associated organizations consist of the following:

- Investments in Other Cooperative Organizations - These investments represent capital investments made primarily to obtain an economical source of financing, product, or service.These investments are carried at cost plus allocated equities based on guidance issued in *ASC 905-325-30.*
- OPC Capital Credits - The Corporation has elected the fair value option for valuing OPC capital credits. See Note 17 for additional details on the Corporation's fair value assessment of OPC capital credits. Unrealized gains and losses on OPC capital credits are reported in earnings as a component of generation and transmission cooperative capital credits.

Capital credit allocations from associated organizations are included on the consolidated statements of operations as generation and transmission cooperative capital credits and other capital credits and patronage capital allocations.

Fair Value Option

GreyStone Power has elected the fair value option for its allocated equities from Oglethorpe Power Corporation (OPC). The election to account for this financial instrument under the fair value option was made based on management's assessment of the regulation surrounding the industry in which OPC operates, OPC's financial condition, and its potential effect on future returns of capital. The decision to elect the fair value option is determined on an instrument by-instrument basis, must be applied to an entire instrument, and is irrevocable once elected. At this time, the GreyStone Power has not elected to apply the fair value option to any of its other financial instruments.

Fair Value Measurements

The Corporation records certain financial and nonfinancial assets using fair value measurements. The Corporation uses a hierarchical disclosure framework that prioritizes the level of market price observability to measure investments at fair value.

The guidance establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

<u>Level 1.</u> Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

<u>Level 2.</u> Valuations based on quoted market prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

<u>Level 3</u>. Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

(2) Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The following valuation techniques are used to estimate the fair value of each class of financial instrument:

(1) Market approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business) and deriving fair value based on these inputs.

(2) Income approach. The income approach uses valuation techniques to convert future amounts for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts.

(3) Cost approach. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (often referred to as current replacement cost). This approach assumes that the fair value would not exceed what it would cost a market participant to acquire or construct a substitute asset or comparable utility, adjusted for obsolescence.

Other Investments

<u>Held-to-Maturity Debt Securities</u>

GreyStone Power's other investments include debt securities invested at the National Rural Utilities Cooperative Finance Corporation (NRUCFC) as capital term certificates.

GreyStone Power classifies all of its debt securities as held-to-maturity (HTM). HTM debt securities are those debt securities in which the Corporation has the ability and intent to hold the security until maturity. HTM debt securities are recorded at cost, as there are no associated premiums and discounts to amortize. A decline in the market value of any HTM security below cost that is deemed to be other than temporary, results in an impairment to reduce the carrying amount to fair value. To determine whether impairment is other than temporary, GreyStone Power considers all available information relevant to the collectibility of the security, including past events, current conditions, and reasonable and supportable forecasts when developing estimates of cash flows expected to be collected. Evidence considered in this assessment includes the reasons for impairment, the severity and duration of the impairment, changes in value subsequent to year-end, forecasted performances of the investee and the general market conditions in the geographical area or industry in which the investee operates.

The $1,256,111 carrying value of the debt securities investments, included in other investments, approximated fair value with an interest rate of 5 percent at August 31, 2024 and 2023. The debt securities investments have maturity dates ranging from October 1, 2070 through October 1, 2080. Based on ongoing credit evaluations of these investments, GreyStone Power does not expect payment defaults or delinquencies and has not recorded an allowance for credit losses fo these securities as of August 31, 2024.

<u>Partnership Investment</u>

GreyStone Power has a minority interest in a partnership which sells and installs security systems and provides monthly monitoring services. The partnership investment is accounted for utilizing the equity method of accounting. Management assesses its investment in the partnership for impairment when events or circumstances suggest that the carrying value amount of the investment may be impaired. No circumstances or events have occurred which would trigger an impairment analysis.

(2) Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Sales of Electricity
Electric revenue is generated from contracts (service agreements) with GreyStone Power's retail electric customers. This revenue, generated from the integrated service to deliver electricity when and if called upon by the customer, is recognized as a single performance obligation satisfied over time and as electricity is delivered to the customer during the month. Unbilled revenue related to retail sales is accrued at the end of each fiscal period and is included as a component of accounts receivable on the consolidated balance sheets.

Electric revenue is billed monthly to consumers on a cycle basis. GreyStone Power's electric rates include provisions to permit the board of directors to adjust billings for fluctuations in fuel costs, purchased power costs, and certain other costs. An underrecovery of wholesale power cost is reflected as a component of deferred debits on the consolidated balance sheets. Conversely, an overrecovery of wholesale power cost is reflected as a component of deferred credits on the consolidated balance sheets. Overrecovery and underrecovery of wholesale power cost represents amounts due to/from members for power cost which have yet to be billed, or will be billed in the future, as a component of the GreyStone Power's rates or wholesale power cost adjustment.

Pole Attachments
GreyStone Power has contractual agreements with customers for the attachment of other utility services to existing utility poles which it owns. Revenue is recognized monthly over the term of the agreements. Customers are billed in accordance with the respective contracts; either annually in arrears or annual in advance depending on the type of utility service attached to the poles. Payment is due within 30 days of the bill date. Amounts billed in advance for which revenue has yet to be earned are recorded as deferred credit on the consolidated balance sheets.

Broadband
GreyStone Connect provides broadband services over time as service is provided to the customer. Broadband service is billed in advance. Broadband revenues are recognized at the point in time the service is provided to customers regardless of the period in which they are billed. Any amounts billed which are unearned at month-end are recorded as deferred income.

Revenue is comprised of the following for the years ended August 31:

	2024	2023
Electric Revenue	**$ 349,364,105**	$ 318,757,397
Broadband Subscriber Revenue	**235,009**	-
Pole Attachment Fees	**3,219,120**	3,119,624
Electric Fees and Other Charges	**3,258,008**	2,642,921
Other Electric Revenue	**2,940,756**	2,719,781
	$ 359,016,998	$ 327,239,723

(2) Summary of Significant Accounting Policies (Continued)

Receivables and Allowance for Credit Losses

Accounts receivable includes billed receivables and accrued utility revenue and are stated at the amount management expects to collect. Once an electric consumer or broadband customer's service is shut off and the account is deemed uncollectible, the Corporation writes off the associated accounts receivable. An allowance for credit losses is based on experience and other circumstances which may affect the ability of members to meet their obligations. Accounts considered uncollectible are charged against the allowance. Delinquent receivables are written off based on individual credit evaluations and specific circumstances of the members. Recoveries of accounts receivable previously written off are recorded against the allowance when received.

Credit evaluations are performed on most potential electric consumers and broadband customers before accepting them for service. Depending upon the results of the credit evaluation, a deposit may be required. If an electric consumer or broadband customer does not pay its bill based on the terms of the service agreement, the Corporation may require an additional deposit as a condition of continued service. Expected credit losses are determined on the basis of how long a receivable has been outstanding, current economic conditions and historical loss information.

The allowance for credit loss activity was as follows for the years ended August 31:

	2024	2023
Beginning Balance	**$ 130,640**	$ 140,330
Credit Loss Accruals	**34,145**	12,407
Write-Offs, Net of Recoveries	**(50,962)**	(22,097)
	$ 113,823	$ 130,640

Cost of Revenue

GreyStone Power's cost of power is expensed as consumed and is included as a component of cost of revenue. GreyStone Power has evaluated certain wholesale power contracts and determined them to be capacity contracts that meet the criteria of ASC 815-10-15-45 through 51, qualifying them for the normal purchase or normal sales scope exception from the requirements of derivative accounting and reporting. For these contracts, GreyStone Power has elected to apply the normal purchase or normal sales scope exception.

GreyStone Connect's cost of revenue consists of access charges and pole attachments charged by GreyStone Power, as well as customer premises equipment provided to subscribers. Access charges and pole attachment fees are eliminated in consolidation.

(2) Summary of Significant Accounting Policies (Continued)

Patronage Capital and Margins
GreyStone Power is organized and operates under the cooperative form of organization. As such, patronage capital or margins are allocated to patrons on the basis of individual consumption of electric energy. Under provisions of the long-term debt agreements, until the total equities and margins equal or exceed 30 percent of the total assets of GreyStone Power, the return to patrons of capital contributed by them is limited. In addition, GreyStone Power has a financial loan covenant which specifies GreyStone Power's equities exceed 27 percent of total assets at the end of each fiscal quarter. GreyStone Power's equities were approximately 41 percent and 43 percent of total assets as of August 31, 2024 and 2023, respectively.

Sales Tax
A portion of the Corporation's sales are subject to sales tax. The Corporation collects the sales tax rom the customers and remits the tax to the appropriate taxing authority. The Corporation excludes the taxes collected and remitted from revenues and cost of sales.

Income Taxes
The Corporation is exempt from federal and state income taxes under Section 501(c)(12) of the Internal Revenue Code (IRC) which provides, in part, that the Corporation derive at least 85 percent of its annual gross income from members to retain the exemption. As a passthrough entity for income tax purposes, the operations of GreyStone Connect are included in the information return of GreyStone Power. Although the Corporation has extended its December 31, 2023 information return through November 15, 2024, the Corporation has met the 85 percent requirement for the tax year.

New Accounting Pronouncement
In June 2016, the FASB issued guidance ASC 326 which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Corporation that are subject to the guidance in FASB ASC 326 are trade accounts receivable and HTM debt securities. The Corporation adopted the standard effective September 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements.

Reclassifications
Certain reclassifications have been made within the August 31, 2023 consolidated financial statements to conform to the August 31, 2024 presentation. The reclassifications had no effect on net margins for the year ended August 31, 2023.

Subsequent Events
In preparing these consolidated financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through October 24, 2024, the date the consolidated financial statements were available to be issued.

(3) Accounts Receivable, Contract Assets, and Contract Liabilities

Billed receivables, contract assets and contract liabilities are as follows as of August 31:

	2024	2023	2022
	End of Year	End of Year	End of Year
Billed Receivables	**$ 41,471,221**	$ 36,695,933	$ 32,237,391
Accrued Utility Revenue	**21,679,569**	22,151,888	17,457,386
	63,150,790	58,847,821	49,694,777
Less: Allowance for Credit Losses	**(113,823)**	(130,640)	(140,330)
Accounts Receivable, Net of Allowance	**$ 63,036,967**	$ 58,717,181	$ 49,554,447
Contract Assets			
Deferred Debits			
Underrecovery of Wholesale Power Cost	**-**	6,576,277	17,795,798
	$ 63,036,967	$ 65,293,458	$ 67,350,245
Contract Liabilities			
Deferred Credits			
Marketing Incentives	**$ 7,101,100**	$ 5 ,149,600	$ 2,477,600
Overrecovery of Wholesale Power Cost	**3,512,162**	-	-
Accounts Receivable - Credit Balances	**2,688,320**	3,267,958	5,191,977
Unearned Pole Rental Income	**368,480**	567,696	357,102
Unearned Broadband Subscriber Revenue	**57,833**	-	-
	$ 13,727,895	$ 8,985,254	$ 8,026,679

(4) Utility Plant

Listed below are the major classes of the GreyStone Power's utility plant as of August 31:

	2024	2023
Distribution Plant	**$ 626,579,510**	$ 576,648,570
General Plant	**109,541,417**	106,772,773
Plant in Service Not Yet Classified	**11,753,807**	-
Electric Plant in Service	**747,874,734**	683,421,343
Construction Work in Progress	**23,595,791**	12,158,898
	$ 771,470,525	$ 695,580,241

(5) Investments in Associated Organizations

Investments in associated organizations are comprised of the following as of August 31:

	2024	2023
Georgia Transmission Corporation		
Contributed Capital	**$ 2,860,384**	$ 2,860,384
Capital Credits	**23,908,362**	21,940,640
CoBank		
Capital Credits	**2,177,650**	2,026,983
NRUCFC		
Capital Credits	**770,170**	778,091
Meridian Cooperative		
Capital Credits	**733,476**	640,471
Federated Rural Electric Insurance Exchange		
Subscriber Equity	**746,518**	716,376
Georgia Rural Electric Service Corporation		
Capital Credits	**3,106,063**	2,369,612
Smarr EMC		
Contributed Capital	**318,393**	318,393
Capital Credits	**2,326,533**	2,237,619
Other	**20,349**	20,349
	$ 36,967,898	$ 33,908,918

(5) Investments in Associated Organizations

Investments in associated organizations are comprised of the following as of August 31:

	2024	2023
NRUCFC Capital Term Certificates	**$ 1,256,111**	$ 1,256,111
Investment in Cooperative Choice, LLC	**1,764,147**	1,673,059
	$ 3,020,258	$ 2,929,170

For the years ended August 31, 2024 and 2023, the Corporation recorded its proportionate share of earnings in Cooperative Choice, LLC of $2,015,117 and $1,495,709, respectively, as a component of nonoperating margins. The Corporation's annual profit or loss allocation is determined on a "Business Done Ratio" as defined in the partnership's Operating Agreement.

(7) Deferred Debits

Deferred debits are comprised of the following as of August 31:

		2024		2023
Postretirement Healthcare Plan - Overfunded Status (See Note 13)	$	**25,775,231**	$	22,155,308
Underrecovery of Wholesale Power Cost		**-**		6,576,277
Other		**786,951**		269,544
	$	**26,562,182**	$	29,001,129

(8) Deferred Credits

Deferred credits are comprised of the following as of August 31:

		2024		2023
Marketing Incentives	$	**7,101,100**	$	5,149,600
Refundable Commercial and Industrial Deposits		**4,800,000**		-
Overrecovery of Wholesale Power Cost		**3,512,162**		-
Accounts Receivable - Credit Balances		**2,688,320**		3,267,958
Deferred Compensation Plan Liabilities		**868,350**		631,161
Unearned Pole Rental Income		**368,480**		567,696
Unearned Broadband Subscriber Revenue		**57,833**		-
Other		**55,396**		464,124
	$	**19,451,641**	$	10,080,539

(9) Patronage Capital

Patronage capital consists of the following categories as of August 31:

		2024		2023
Assignable	$	**21,331,070**	$	18,644,655
Assigned		**461,183,037**		442,706,278
		482,514,107		461,350,933
Retired		**(182,690,205)**		(170,114,819)
	$	**299,823,902**	$	291,236,114

(10) Other Equities

Other equities are comprised of the following as of August 31:

	2024	2023
Unbilled Revenue Prior to January 1, 2019	**$ 14,502,922**	**$ 14,502,922**
Retired Capital Credits - Gains	**15,204,810**	13,506,502
Donated Capital	**681,182**	667,507
Subsidiary Losses - Cumulative	**(2,452,963)**	(188,278)
Permanent Equity	**1,183,249**	-
Other	**106,539**	105,296
	$ 29,225,739	$ 28,593,949

Unclaimed capital credits are included as a component of "retired capital credit - gains." Unclaimed capital credits considered abandoned by current or former members under Georgia law (O.C.G.A. Section 44-12-236) may be used for purposes designated by the law.

(11) Debt

Long-Term Debt

Long-term debt consists primarily of mortgage notes payable to the United States of America acting through the Rural Utilities Service (RUS), Federal Financing Bank (FFB), CoBank, and the Federal Agricultural Mortgage Corporation (Farmer Mac). The notes are secured by a mortgage agreement among the GreyStone Power, RUS, FFB, CoBank, and Farmer Mac. Substantially all the assets of the GreyStone Power are pledged as security for long-term debt of the Corporation. The notes generally have 35-year maturity periods and are payable on an installment basis.

Long-Term debt is comprised of the following as of August 31

HOLDER OF NOTE	WEIGHTED AVERAGE INTEREST RATE	2024	2023
FFB	2.88%	**$ 222,916,685**	$ 233,625,369
RUS	4.05%	**96,700,000**	53,100,000
CoBank	3.63%	**40,466,346**	46,117,360
CoBank (Loans Under Management) - Farmer Mac	5.10%	**19,594,785**	19,884,877
		379,677,816	352,727,606
Maturities Due Within One Year		**(18,386,666)**	(16,666,506)
		361,291,150	336,061,100
RUS Advance Payments Unapplied		**-**	(1,473,749)
		$ 361,291,150	$ 334,587,351

(11) Debt (Continued)

Long-Term Debt (Continued)
GreyStone Power's mortgage agreements require the maintenance of certain financial ratios. The Corporation achieved all the required ratios at December 31, 2023 and August 31, 2024, the most recent measurement dates.

The Corporation had $45,238,000 in unadvanced loan funds on commitment from RUS as of August 31, 2024. The availability of the funds is contingent on GreyStone Power's compliance with one or more preconditions set forth in the mortgage agreements. Principal maturities of long-term debt are as follows:

YEAR	AMOUNT
2025	$ 18,386,666
2026	19,345,356
2027	20,027,979
2028	20,721,638
2029	21,463,603
Thereafter	279,732,574
	$ 379,677,816

Lines-of-Credit
The Corporation had two separate lines-of-credit with NRUCFC totaling $66,700,000. As of August 31, 2024 and 2023, the lines-of-credit had no outstanding balance. The lines-of-credit had an interest rate of 7.25 percent as of August 31, 2024.

(12) Other Current Liabilities

Other current liabilities are comprised of the following as of August 31:

	2024	2023
Accrued and Withheld Taxes	**$ 9,149,863**	$ 8,343,663
Accrued Interest	**1,211,965**	1,451,018
Accrued Payroll	**626,897**	431,033
Accrued Leave	**2,574,008**	2,576,037
Other	**407,385**	522,813
	$ 13,970,118	$ 13,324,564

(13) Retirement Benefits

Defined Benefit Pension Plan
Pension benefits for substantially all employees of GreyStone Power are provided through participation in the RS Plan, a defined benefit plan qualified under Section 401 and tax-exempt under 501(a) of the IRC. The plan sponsor's employer identification number is 53-0116145 and the plan number is 333. GreyStone Power has two plans with different benefit levels based on the employee's hire date.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

GreyStone Power's annual contributions to the program represented less than five percent of total contributions made to the plan by all participating employers and are equal to the amounts recorded for pension cost. Contributions were approximately $4,305,000 and $4,198,000 for the years ended August 31, 2024 and 2023, respectively.

In the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was greater than 80 percent funded at January 1, 2023 and 2022 based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Defined Contribution Plan
GreyStone Power also provides additional employee benefits to a group of employees that receive a reduced RS Plan benefit level through the National Rural Electric Cooperative Association (NRECA) sponsored defined contribution Savings Plan (401-k). In this defined contribution plan, GreyStone Power's contributory portion of costs of this plan totaled approximately $688,000 and $573,000 for the years ended August 31, 2024 and 2023, respectively.

Postretirement Healthcare Benefits
GreyStone Power provides major medical benefits upon retirement as follows:

- For employees hired prior to June 1, 1992 who have reached early (age 55) or normal retirement dates (age 62 or 30 years of service) with 10 years or more of active service with GreyStone Power at the time retirement commences, GreyStone Power shall bear the expense of premium payments for employee coverage under the higher deductible plan that GreyStone Power approves for employees.
- Regular, full time employees hired on or after June 1, 1992 with 20 to 25 years of active service with GreyStone Power at normal retirement dates shall have 50 percent of the premium paid by GreyStone Power for employee coverage; those with 25 to 30 years shall have 75 percent of the premium paid by GreyStone Power for employee coverage; and those reaching 30 years or more of active service shall receive the benefit of having 100 percent of the employee premium paid for the coverage for the higher deductible plan that GreyStone Power approves for employees.

(13) Retirement Benefits (Continued)

Postretirement Healthcare Benefits (Continued)

The status of GreyStone Power's postretirement healthcare plan as of August 31 is detailed as follows:

	2024	2023
Accumulated Postretirement Benefit Obligation, Beginning	**$ 15,145,640**	$ 16,185,102
Interest Cost	**768,769**	799,737
Change in Actuarial Assumptions	**700,177**	(1,901,071)
Actual Benefits Paid	**(705,244)**	(466,360)
Accumulated Postretirement Benefit Obligation, Ending	**16,307,693**	15,145,640
Fair Value of Plan Assets, Beginning	**37,300,948**	34,968,709
Employer Contributions	**705,244**	466,360
Actual Benefits Paid	**(705,244)**	(466,360)
Actual Return on Plan Assets	**4,781,976**	2,332,239
Fair Value of Plan Assets, Ending	**42,082,924**	37,300,948
Funded Status - Over	**$ 25,775,231**	$ 22,155,308

The plan's funded status is included in deferred debits on the consolidated balance sheets as of August 31, 2024 and 2023.

Since the fair value of plan assets exceeds the actuarial present value of expected benefit payments due in the ensuing twelve months, no current obligation is presented.

Net postretirement benefit cost consisted of the following for the years ended August 31:
2024 2023

	2024	2023
Service Cost	**$ 398,351**	$ 528,232
Interest Cost	**768,769**	799,737
Actual Return on Plan Assets	**(4,781,976)**	(2,332,239)
Amortization of Actuarial (Gain) Loss	**700,177**	(1,901,071)
	$ (2,914,679)	$ (2,905,341)

(13) Retirement Benefits (Continued)

Postretirement Healthcare Benefits (Continued)

GreyStone Power's accumulated postretirement benefit obligation (APBO) and net postretirement benefit cost are calculated using various actuarial assumptions and methodologies. The assumptions include discount rates, healthcare trend rates, mortality rates, and other factors. Actuarial assumptions are reviewed on an annual basis.

Weighted average assumptions for the years ended August 31 are as follows:

DESCRIPTION	2024	2023	2022
Discount Rate on Net Postretirement Benefit Cost	**5.17%**	4.46%	2.67%
Discount Rate on Projected Benefit Obligation	**5.00%**	5.17%	4.46%
Healthcare Cost Trend Rate			
Initial	**7.00%**	7.25%	7.50%
Ultimate	**4.00%**	4.00%	4.00%
Fiscal Year Reached	**2036**	2036	2036

GreyStone Power has elected to amortize gains and losses from changes in actuarial assumptions in the year they occur. This practice is accepted under U.S. GAAP. The rate at which GreyStone Power has elected to amortize gains and losses exceeds the minimum rate prescribed by U.S. GAAP.

The components of net postretirement benefit cost, other than the service cost component, are included in the line item nonoperating margins for the years ended August 31, 2024 and 2023. GreyStone Power's expected future benefit payments under the plan are as follows:

YEAR	AMOUNT
2025	$ 684,581
2026	714,775
2027	742,254
2028	743,824
2029	776,086
2030 - 2034	4,251,799

(13) Retirement Benefits (Continued)

Postretirement Healthcare Benefits (Continued)
Plan assets are held in a trust and administered by an independent investment management company (the Trustee). The trust is a separate legal entity. Assets held by the trust are not subject to the general creditors of GreyStone Power and have been placed in the trust for the specific purpose of funding GreyStone Power's postretirement healthcare obligation.

Following is a description of the valuation methodologies used for plan assets measured at fair value. There have been no changes in the methodologies used at August 31, 2024 and 2023.

- *Money Market Funds:* Valued using quoted market prices of recent transactions in active markets.
- *Fixed Income Securities:* Valued using quoted market prices of recent transactions in active markets.
- *Equity Securities:* Valued using quoted market prices of recent transactions in active markets.
- *Alternative Investments:* Alternative investments represent investments held in multi-asset portfolios obtained through a registered investment company. Participation in these investments is limited based on the class of the investment holding. These investments contain various asset types based on the fund objective. Alternative investments are valued utilizing inputs that are derived principally from or corroborated by observable market data correlation or other means, no readily determinable fair value is available. These investments are reported using net asset value of shares/units as a practical expedient.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while GreyStone Power believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

GreyStone Power, through the Trustee, employs a total-return investment approach whereby a mix of foreign and domestic equity securities and fixed income investments is used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews and annual liability measurements.

The current asset allocation adheres to GreyStone Power's overall investment strategy for plan assets. The fair value measurement is based on unadjusted quoted market prices in active markets for identical assets. This is considered a Level 1 fair value measurement, measured utilizing the market approach, in accordance with U.S. GAAP.

GreyStone Power does not anticipate contributing funds to the plan during the year ended August 31, 2025, other than the current year amount paid for retirees.

(13) Retirement Benefits (Continued)

Postretirement Healthcare Benefits (Continued)

The table below sets forth by level, within the fair value hierarchy, plan assets at fair value as of August 31:

2024	**TOTAL**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**
Money Market Funds	**$ 711,041**	**$ 711,041**	**$ -**	**$ -**
Fixed Income Securities	**15,277,109**	**15,277,109**	**-**	**-**
Equity Securities	**17,125,239**	**17,125,239**	**-**	**-**
Total Investments in Fair Value Hierarchy	**33,113,389**	**$ 33,113,389**	**$ -**	**$ -**
Investments Measured at Net Asset Value	**8,969,535**			
Total Investments at Fair Value	**$ 42,082,924**			

2023	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Money Market Funds	$ 849,592	$ 849,592	$ -	$ -
Fixed Income Securities	13,491,134	13,491,134	-	-
Equity Securities	14,977,325	14,977,325	-	-
Total Investments in Fair Value Hierarchy	29,318,051	$ 29,318,051	$ -	$ -
Investments Measured at Net Asset Value	7,982,897			
Total Investments at Fair Value	$ 37,300,948			

(13) Retirement Benefits (Continued)

Postretirement Healthcare Benefits (Continued)

The following table sets forth additional information for assets valued at NAV as a practical expedient as of August 31:

2024

	FAIR VALUE	UNFUNDED COMMITMENTS	RESTRICTIONS ON REDEMPTION	REDEMPTION NOTICE PERIOD
Alternative Investments				
Arbitrage Fund	**$ 809,666**	None	Daily	Daily
Managed Futures Fund	**989,261**	None	Daily	Daily
Opportunities Fund	**810,257**	None	Daily	Daily
Neutral Income Fund	**2,013,551**	None	Daily	Daily
Opportunistic Income Fund	**798,687**	None	Daily	Daily
Hedged Equity Fund	**1,946,331**	None	Daily	Daily
Merger Fund	**798,107**	None	Daily	Daily
Emerging Markets Bond Fund	**803,675**	None	Daily	Daily
	$ 8,969,535			

2023

	FAIR VALUE	UNFUNDED COMMITMENTS	RESTRICTIONS ON REDEMPTION	REDEMPTION NOTICE PERIOD
Alternative Investments				
Arbitrage Fund	$ 775,510	None	Daily	Daily
Managed Futures Fund	869,568	None	Daily	Daily
Opportunities Fund	811,641	None	Daily	Daily
Neutral Income Fund	1,909,075	None	Daily	Daily
Opportunistic Income Fund	739,982	None	Daily	Daily
Hedged Equity Fund	1,721,564	None	Daily	Daily
Merger Fund	737,707	None	Daily	Daily
Emerging Markets Bond Fund	417,850	None	Daily	Daily
	$ 7,982,897			

Deferred Compensation Plans

GreyStone Power has a nonqualified deferred compensation arrangement with a select group of management and highly compensated employees. The assets of this nonqualified executive deferred compensation plan are assets of GreyStone Power and are included on the consolidated balance sheets as restricted funds. GreyStone Power does not match employee elective deferrals. Deferred compensation assets set aside for these plans totaled $868,350 and $631,161 as of August 31, 2024 and 2023, respectively. These assets are subject to the claims of GreyStone Power's general creditors. A corresponding long-term liability is included in deferred credits on the consolidated balance sheets.

(13) Retirement Benefits (Continued)

Deferred Compensation Plans (Continued)
GreyStone Power also has a pension restoration plan (PRP), which is a nonqualified deferred compensation plan that benefits certain designated employees who are within a select group of key management or highly compensated employees. The purpose of the PRP is to retain and reward long service personnel, attract, and retain management employees and to rectify the effect of limitations imposed by IRC Sections 415 and 401(a)(17). The PRP contains certain vesting provisions which the employees must meet in order to receive the benefits provided under the PRP. The PRP is a defined benefit plan, but since all participants have vested and received lump-sum distributions under the plan, disclosures are considered immaterial to the consolidated financial statements. At this point, the participants receive an annual benefit and payout. Payouts of $-0- and $122,583 were distributed to the remaining participants as compensation during the years ended August 31, 2024 and 2023, respectively. Payouts are made out of GreyStone Power's general funds and NRECA reimburses GreyStone Power though bill credits from the RS Plan.

(14) Nonoperating Margins
Nonoperating margins consisted of the following as of August 31:

	2024	2023
Interest Income	**$ 3,028,895**	$ 2,863,782
Other Components of Net Postretirement Benefit Cost	**3,313,030**	3,433,573
Equity Earnings in Cooperative Choice, LLC	**2,015,117**	1,495,709
Gas South Royalties	**622,845**	624,799
Other	**(1,367,309)**	(711,321)
	$ 7,612,578	$ 7,706,542

(15) Commitments and Contingencies

Power Supply
GreyStone Power has entered into various long-term contracts to meet the power supply demands of its consumers through 2085. GreyStone Power has a commitment to pay for its assignment of fixed costs through the term of these contracts, as well as any variable cost incurred above the allocated fixed cost amounts. GreyStone Power is a member of OPC, a generation cooperative, and has contracted with OPC based on a percentage of fixed or designated costs to purchase power supply from various facilities owned by OPC. GreyStone Power has multiple contracts with various expiration terms through 2085. Related fixed costs under these contracts were approximately $118,772,000 and $74,994,000 for the years ended August 31, 2024 and 2023, respectively.

GreyStone Power elected to participate in OPC's "5 for 5 Rate Management Program." The objective of this program is to provide a means by which existing obligations of OPC that would otherwise be recognized as expense and billed in the future can be billed to OPC members in advance then credited back against the OPC member's power bill in the subsequent years.

(15) Commitments and Contingencies (Continued)

Power Supply (Continued)
GreyStone Power elected to make payments through 2021 and receive credits from 2022 through 2027. Credits applied totaled approximately $8,600,000 and $8,208,000 for the years ended August 31, 2024 and 2023, respectively. GreyStone Power earns a return on the amounts funded into this program which are credited against GreyStone Power's power bill.

GreyStone Power entered into a Second Amended and Restated Power Purchase and Scheduling Agent Services Agreement with Morgan Stanley Capital Group, Inc. (Morgan Stanley) through December 31, 2025. Under this agreement, GreyStone Power gives Morgan Stanley rights to schedule all of GreyStone Power's resources and GreyStone Power imposes on Morgan Stanley the obligation to serve all of GreyStone Power's load. As part of the agreement, GreyStone Power has agreed to meet certain financial covenants or provide credit enhancement in accordance with the terms of the agreement. The cost under the agreement was approximately $7,981,000 for the years ended August 31, 2024 and 2023.

GreyStone Power is a member of a transmission cooperative known as Georgia Transmission Corporation and, as such, has a Member Transmission Service Agreement which was executed in 1996. This agreement, and an approved extension, requires GreyStone Power to take transmission-related services through December 31, 2060. Transmission services under this agreement were approximately $27,433,000 and $26,351,000 for the years ended August 31, 2024 and 2023, respectively, and are expected to remain relatively constant in the immediate future. Transmission service is recorded as a component of cost of revenue.

GreyStone Power entered into a block purchase agreement with Southern Power Company through December 31, 2035. The cost under the agreement was approximately $9,881,000 and $12,602,000 for the years ended August 31, 2024 and 2023, respectively.

GreyStone Power has an agreement with Constellation Energy Commodities Group, Inc. to provide power requirement needs through December 31, 2025. As part of the agreement, GreyStone Power has agreed to meet certain financial covenants or provide credit enhancement in accordance with the terms of the agreement. GreyStone Power currently meets the required covenants. The cost under the agreement was approximately $1,791,000 and $1,747,000 for the years ended August 31, 2024 and 2023, respectively.

GreyStone Power is party to a Purchase Power Agreement with the Southeastern Power Administration (SEPA), acting through the United States Department of Energy, for electric power generated by federal reservoir projects. The cost incurred under the agreement was approximately $3,100,000 and $3,096,000 for the years ended August 31, 2024 and 2023, respectively. Costs related to this contract are expected to remain relatively constant in future years. The SEPA agreement is an evergreen contract that can be terminated with a two-year notice. GreyStone Power does not currently intend to terminate the agreement.

On June 28, 2023, GreyStone Power entered into an agreement with J. Aron & Company, LLC, a subsidiary of The Goldman Sachs Group, Inc., to support the energy requirements of a commercial and industrial customer. The agreement's commencement date is January 1, 2026.

(15) Commitments and Contingencies (Continued)

Power Supply (Continued)

GreyStone Power has entered into various assignment and assumption agreements through Green Power EMC and its participating members. These "green power" agreements are in support of GreyStone Power's receiving capacity and energy from the various renewable generation projects that GreyStone Power has chosen to participate in through Green Power EMC. GreyStone Power incurred approximately $5,150,000 and $5,872,000 for capacity and energy payments for these generation assets in the years ended August 31, 2024 and 2023, respectively.

Under current law, GreyStone Power has the ability to recover these costs from its members; however, any change to existing laws could adversely affect the ability to recover these costs.

Self-Insurance

The Corporation became self-insured for major medical and prescription drug benefits effective January 1, 2023. The Corporation has a maximum loss amount per covered person. The Corporation has obtained stop loss coverage with a minimum aggregate deductible of approximately $3,100,000, with a maximum aggregate benefit in excess of deductible totaling $1,000,000, to mitigate risk related to its potential obligation. The reserve for self-insured losses was $300,000 and $338,869 as of August 31, 2024 and 2023, respectively.

General

The Corporation is periodically involved in litigation arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without a material adverse effect on the Corporation's future financial position or results from operations.

(16) Concentrations

At August 31, 2024 and 2023, the Corporation held NRUCFC commercial paper and select notes in the amount of $46,550,000 and $54,250,000. These amounts are included in cash and cash equivalents and are not secured or otherwise subject to federally insured deposit liability coverage.

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash and cash equivalents and consumer accounts receivable. The Corporation maintains interest-bearing and noninterest-bearing transaction accounts at multiple financial institutions. Cash balances throughout the year periodically exceed federally insured deposit limits of $250,000. The Corporation believes that its cash is not exposed to any significant risk and the Corporation has not experienced any loss in accounts which exceed federally insured limits. Amounts exceeding insured limits was approximately $7,641,000 and $17,678,000 as of August 31, 2024 and 2023, respectively.

The Corporation serves customers in the state of Georgia. The geographic concentration of the Corporation's customers results in a concentration of credit risk with respect to the collection of accounts receivable. Credit evaluations are performed on most potential customers before accepting them for service. Depending upon the results of the credit evaluation, a deposit may be required. If a customer does not pay its bill based on the terms of its service agreement, the Corporation may require a consumer deposit as a condition for continued service.

(17) Fair Value Measurements

Recurring and Nonrecurring Fair Value Measurements

GreyStone Power had cumulative capital credit notifications from OPC totaling $91,967,555 and $86,149,199 as of December 31, 2023 and 2022, respectively. OPC assigns patronage capital on a calendar year basis. GreyStone Power has elected to account for OPC capital credits as financial instruments under U.S. GAAP, based on an expectation of a return of capital, and measures these capital credits at fair value on an annual basis (recurring fair value measurement) using significant unobservable inputs (Level 3). No market data exists for these instruments.

The Corporation had no nonrecurring fair value measurements for the years ended August 31, 2024 and 2023.

Recurring fair value measurements included in the consolidated financial statements are as follows:

		FAIR VALUE MEASUREMENT USING			
	CARRYING VALUE AS OF AUGUST 31	QUOTED MARKET PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL GAINS (LOSSES)
2024					
Recurring Fair Value Measurement					
Investments in Associated Organizations OPC Capital Credits	$ -			$ -	$ -
2023					
Recurring Fair Value Measurement					
Investments in Associated Organizations OPC Capital Credits	$ -			$ -	$ -

Unobservable inputs are inputs that reflect management's own assumptions about the assumptions market participants would use in pricing an asset or liability based on the best information available in the circumstances.

Gains and losses included in earnings for each period are presented as a component of generation and transmission cooperative capital credits in the consolidated statements of operations.

(17) Fair Value Measurements (Continued)

Recurring and Nonrecurring Fair Value Measurements (Continued)

Level 3 fair value measurements for the years ended August 31 are as follows:

	2024	2023
Beginning Balance	**$ -**	$ -
Transfers into Level 3	**-**	-
Total Gains or Losses for the Period		
Included in Margins		
Patronage Notifications	**5,818,356**	5,546,125
Fair Value Adjustment(s)	**(5,818,356)**	(5,546,125)
Purchases, Issues, Sales, and Settlements -		
Ending Balance	**$ -**	$ -

For Level 3 fair value measurements, the Corporation's management determines the fair value measurement valuation policies and procedures. In accordance with board policy, the board of directors assesses and approves the fair value measurement policies and procedures. On an annual basis, management determines if the current valuation techniques used in the fair value measurements are still appropriate and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and any available third-party information. There were no changes in the valuation techniques during the current year.

Quantitative information about Level 3 fair value measurements for the years ended August 31, 2024 and 2023 is as follows:

FINANCIAL INSTRUMENT	FAIR VALUE	VALUATION TECHNIQUE	UNOBSERVABLE INPUT	PERCENTAGE
OPC Capital Credits	$-0-	Discounted Cash Flow	Expected Return of Capital	0.0%

The significant unobservable input used in the fair value measurement of the Corporation's OPC capital credits is an expected return of capital. Management has assessed that no expected return of capital exists based on the following factors:

- Uncertainty as to return of capital since no capital has been returned in recent years.
- Capital returns limited by debt agreements.
- Review of major construction and related debt requirements.
- Regulatory environment.
- No known market.

An increase in the percentage of expected capital returns would result in a significantly higher fair value measurement.

2024 ANNUAL REPORT

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