Board Treasurer's Report

Southwestern Electric Cooperative reported net margins of $5.6 million in 2025 and remains in compliance with all loan covenants.

The cooperative continues to invest in the infrastructure necessary to provide reliable power to our member owners. The cooperative invested more than $10 million in construction and improvements in 2025.

Southwestern continues to benefit from favorable pricing on its long-term energy contract while experiencing cost increases in transmission and capacity costs. Material and service costs continue to experience year over year inflationary increases consistent with the broader economy.

The power of a cooperative lies in its member owners. In 2025, your cooperative returned $3.2 million in capital credits and generated $2.8 million in future capital credits for its member owners.

For additional information, please see the financial statements on the pages that follow.

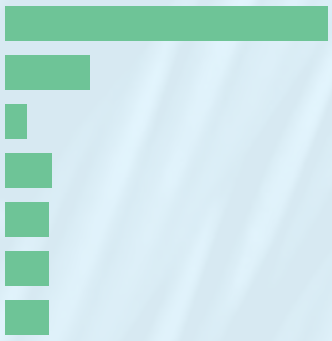
Respectfully Submitted,

Sandra L. Grapperhaus

Sandy Grapperhaus
Board Treasurer

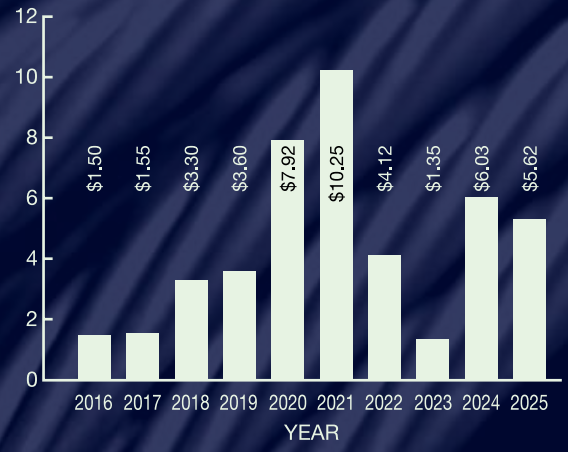
Where did the cooperative's revenue go in 2025?

Power Production	-	0.0%
Purchased Power	41,270,906	53.2%
Operations & Maintenance	10,842,823	14.0%
Customer Accounts and Sales Expenses	2,706,471	3.5%
A&G	5,997,383	7.7%
Depreciation & Amortization	5,616,456	7.2%
Taxes, Interest & Other Deductions	5,546,282	7.2%
Operating & Non-operating Margins	5,622,789	7.2%
Total Operating & Non-operating Revenue	**$77,603,110**	**100.0%**



Margins

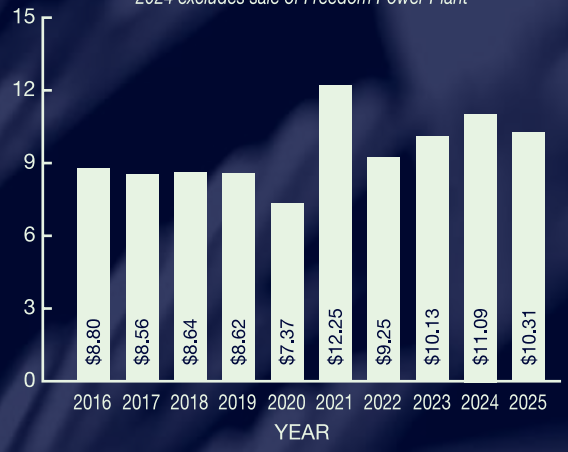
in millions of dollars



Capital Investment

in millions of dollars

2024 excludes sale of Freedom Power Plant



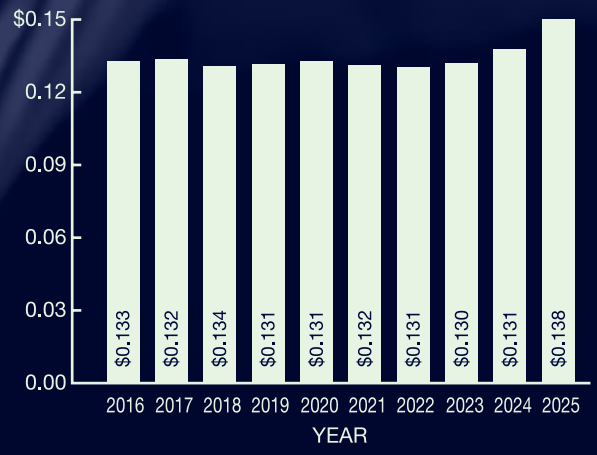
Total Electricity Sold to Members

in millions of kWh



Rate per kWh to Residential Members

in dollars (includes Service Availability Charge)



Southwestern Electric Cooperative Financial Information

Statement of Operations	2025	2024	2023
OPERATING REVENUES			
Electric	$74,380,843	$68,470,871	$61,292,097
Other	395,613	371,888	360,243
Total Operating Revenues	74,776,456	68,842,759	61,652,340
OPERATING EXPENSES			
Cost of Purchased Power	41,273,192	33,945,629	32,425,739
Power Production Expense - Operations	-	80,101	187,484
Power Production Expense - Maintenance	-	679,655	398,405
Transmission Expense - Maintenance	(2,286)	-	5,264
Distribution Expense - Operations	2,161,568	1,635,468	1,624,481
Distribution Expense - Maintenance	8,681,256	6,004,686	6,256,434
Consumer Account Expense	1,718,328	1,606,773	1,495,338
Consumer Service and Informational Expense	208,910	193,083	196,507
Sales Expense	779,233	774,523	725,446
Administrative and General Expense	5,997,383	7,527,034	7,314,201
Depreciation and Amortization	5,616,456	5,707,066	5,713,752
Taxes	256,671	224,905	198,834
Other Interest	-	-	185,191
Other Deductions	49,620	41,279	33,276
Total Operating Expenses	66,740,331	58,420,202	56,760,352
OPERATING MARGINS BEFORE FIXED CHARGES	8,036,125	10,422,557	4,891,988
INTEREST ON LONG-TERM DEBT	5,239,991	5,334,768	4,943,521
NET OPERATING MARGINS	2,796,134	5,087,789	(51,533)
NONOPERATING MARGINS			
Interest Income	240,587	268,734	110,175
Patronage Capital Credits	1,203,869	1,137,551	993,118
Other Net Nonoperating Margins(Loss)	1,382,199	(465,686)	297,329
Total Nonoperating Margins	2,826,655	940,599	1,400,622
NET MARGINS	$5,622,789	$6,028,388	$1,349,089

Balances per finalized audit reports.

Balance Sheet (As of December 31, 2025)

ASSETS	
Utility Plant	
Electric Plant in Service	$209,899,028
Construction Work in Progress	8,864,630
Total	218,763,658
Less: Accumulated Provision for Depreciation	(61,291,755)
Net Utility Plant	157,471,903
Other Assets And Investments	
Investments in Associated Organizations	5,801,473
Notes Receivable, Net of Current Portion	1,827,487
Other Special Funds	128,253
Total Other Assets and Investments	7,757,213
Current Assets	
Cash and Cash Equivalents	10,704,759
Accounts Receivable, Net	7,901,399
Materials and Supplies Inventory	3,453,306
Current Portion of Notes Receivable	-
Prepayments	247,038
Interest Receivable	13,296
Total Current Assets	22,319,798
Deferred Charges	11,159,421
Total Assets	$198,708,335

EQUITIES & LIABILITIES	
Equities	
Patronage Capital	$68,912,743
Other Equities	7,281,404
Total Equities	76,194,147
Long-Term Debt, Net Of Current Maturities	108,147,996
Accumulated Provision for Pension and Benefits	128,253
Current Liabilities	
Current Maturities of Long-Term Debt	5,647,927
Accounts Payable	4,504,873
Consumer Deposits	1,476,691
Other Current and Accrued Liabilities	2,607,314
Total Current Liabilities	14,236,805
Deferred Credits	1,134
Total Equities and Liabilities	$198,708,335

