

MCREA 2025 Annual Report

By **Dave Frick** General Manager

On behalf of the board of directors, management, and employees of Morgan County Rural Electric Association, Inc., we are pleased to present the 2025 Annual Report.

MCREA is a not-for-profit electric cooperative dedicated to serving our members by providing safe, reliable energy, while maintaining a strong tradition and a clear vision for the future. Operating under the cooperative business model, we are proud to be owned by the members we serve. A member-elected board of directors provides guidance to MCREA staff in the administration of cooperative assets and oversight of financial responsibilities.

As a member-owned electric cooperative, the MCREA Board of Directors and management have a responsibility to provide our members with an annual



report detailing the Association's financial position and operational performance. We encourage you to review the following pages, which offer comprehensive information about the current state of your electric cooperative.

I would also like to personally invite our members to attend MCREA's 89th Annual Meeting on Tuesday, March 17, at 6 p.m., which will be held by phone call.

Registration for this year's meeting is available by clicking the banner on our website at mcrea.org.

The MCREA Board of Directors and management team look forward to reviewing the past year with you, discussing future plans for the cooperative, and answering any questions you may have.

We thank you for your continued support and we look forward to connecting with you at our annual meeting later this month.

MCREA STATISTICAL INFORMATION*

As of December 31, 2025

Counties Served	Adams, Arapahoe, Logan, Morgan, Washington, Weld
Number of Employees	41
Year Organized	1937
RUS Borrower Number	Colorado 15 Morgan
Power Source	Tri-State Generation & Transmission Association, Inc.
Monthly Board Meeting	4th Monday
Total Members	5,016
Meters Served	9,778
Overhead Line (miles)	2,698
Underground Line (miles)	217
Transmission Line (miles)	61
Total Miles of Line	2,976
Meters per Mile	3.29
Annual Revenue	\$62,232,881
Annual Wholesale Power Cost	\$43,147,084
Total Energy Purchased By Members (kilowatt-hours)	562,956,109
Average Residential Usage per Month (kWh)	1,018
Annual Avoided Cost per kWh	\$0.03537
Total Plant in Service	\$91,766,874
Property Taxes	\$1,232,063
Interest Paid	\$1,397,357

*2025 preliminary unaudited numbers

From Jim Bostron Treasurer, District I

All members of Morgan County Rural Electric Association, Inc., are encouraged to carefully examine this annual report. Included are the balance sheet as of December 31, 2025, and the statements of revenue and expense for the same year. Also shown are the trends of the previous year.

In my opinion, the financial report fairly presents the financial position of MCREA for the year ending December 31, 2025, and is in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year.

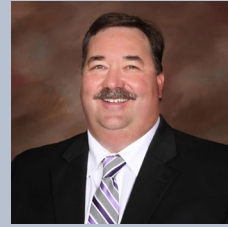
Jim Bostron
Treasurer

BALANCE SHEET*

Assets	
Total utility plant	\$91,766,874
Accumulated provision for depreciation	\$16,520,495
Net utility plant	\$75,246,379
Non-utility plant	-
Investment in associated organizations - patronage capital	\$23,631,871
Investment in associated organizations - other	\$1,883,679
Cash	\$4,319,466
Temporary investments	\$8,767,601
Notes and accounts receivable – net	\$3,738,208
Materials and supplies	\$5,285,730
Prepayments	\$256,346
Current and accrued assets	\$13,718
Deferred debits	\$604,612
Total assets	\$123,747,610
Liabilities	
Margins and equities	\$61,039,803
Long-term debt – RUS	\$42,356,456
Long-term debt – other	\$12,429,517
Accumulated operating provisions	\$2,333,738
Notes and accounts payable	\$3,679,277
Other current and accrued liabilities	\$1,908,819
Total liabilities and other credits	\$123,747,610

*2025 preliminary unaudited numbers

MORGAN COUNTY REA BOARD OF DIRECTORS



Brian Pabst
President - District III



Terry Linker
Vice President - District III



Kyle Eiring
Secretary - District II



Jim Bostron
Treasurer - District I



Tim Pegram
District I



David Arndt
District II



Cary Wickstrom
District I



Terry Tormohlen
District II



Larry Hoozee
District III

OPERATING STATEMENT*

Revenue by Class	2024	2025
Residential	\$10,218,886	\$10,337,961
Irrigation	\$10,927,076	\$10,028,627
Small power	\$3,095,375	\$2,975,527
Large power	\$21,823,609	\$26,086,907
Industrial	\$7,226,308	\$12,337,249
U.S. Air Force	\$266,219	\$276,472
Other electric revenue	\$188,386	\$190,138
Total operating revenue	\$53,745,859	\$62,232,881

Expenditures by Account	2024	2025
Cost of purchased power	\$35,748,248	\$43,147,084
Operation and maintenance	\$4,895,121	\$5,435,689
Consumer and sales accounts	\$824,782	\$904,912
Administrative and general	\$2,241,079	\$2,284,046
Depreciation and amortization	\$2,180,157	\$2,284,944
Interest and other deductions	\$1,569,575	\$1,479,426
Total cost of electric service	\$47,458,962	\$55,536,101

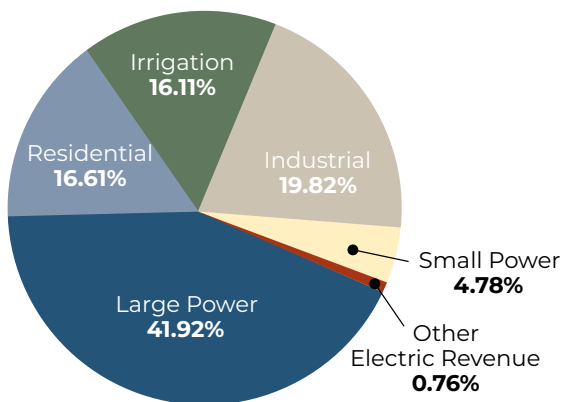
Operating margin	\$6,286,896	\$6,696,780
Non-operating margin	\$762,905	\$714,147
Other capital credits & dividends	\$638,883	\$440,683
Tri-State G&T capital credits (allocated)	\$2,227,787	\$1,179,815
Extraordinary items	-	-
Net margin or patronage capital	\$9,916,471	\$9,031,425

*2025 preliminary unaudited numbers

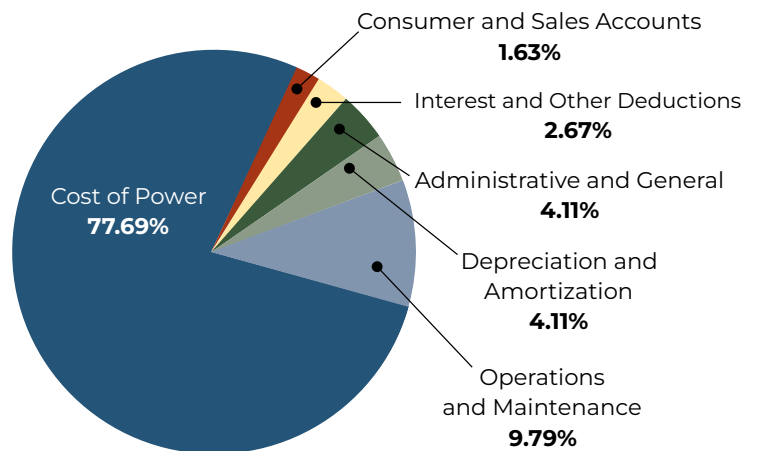
MCREA EMPLOYEES

- | | |
|-------------------|-----------------|
| Haiden Araujo | Nolan Kauffmann |
| Chris Banz | Brent Kliesen |
| Rob Baranowski | Cheryl Lewis |
| Curtis Berg | Alan Mason |
| Chuck Blackwelder | Di McKenzie |
| Josh Bristol | Trey Montel |
| Andron Brown | Nick Mosqueda |
| Curtis Covelli | Jennifer Ogley |
| Ryan Dunker | Angie Pangle |
| Cirildo Estrada | Travis Petrino |
| Bryson Fogg | Maddie Pollart |
| Cody Flanigan | Rodney Rhoades |
| Dave Frick | Josh Scott |
| Amanda Green | Robb Shaver |
| Ben Haight | Stacy Syphers |
| Angie Hayes | Brian Thomas |
| Ryan Heagney | Travis Varelman |
| Tim Hishinuma | Fabian Vigil |
| Zach Hornecker | Tammy Walker |
| Suzi Iungerich | Roger Wunsch |
| Ben Johnston | |

2025 ELECTRIC ENERGY REVENUE BY CLASS*



EXPENDITURES IN 2025*



*2025 preliminary unaudited numbers

MEET MCREA'S BOARD DIRECTOR CANDIDATES

These five candidates have submitted petitions to serve on the Morgan County Rural Electric Association, Inc., Board of Directors. This year's election is being held by mail-in ballot. All members have been sent their ballots and can return them by mail or in person to MCREA. All ballots must be received at MCREA headquarters by **4:30 p.m. on Monday, March 16**. Ballots will be counted the following day by the member elections committee and results will be announced during the MCREA Annual Meeting on March 17.



DISTRICT I: TIM PEGGRAM *(incumbent)*

Tim Peggram has served on the Morgan County REA Board of Directors since 2003, earning the Credentialed Cooperative Director certificate, Board Leadership certificate, and Director Gold credential through the National Rural Electric Cooperative Association. He has held the roles of president, vice president, and treasurer of the MCREA Board. Tim has also served as president of Western United Supply Corporation and currently serves on the Mid-West Electric Consumers Association Board.

Raised in Wiggins, Tim earned an associate degree in agribusiness from Northeastern Junior College and returned to farming. He raises irrigated corn, alfalfa, wheat, and runs a cow/calf operation. Tim has been very involved in the Wiggins community and is an active member of Summit Baptist Church. Tim and his wife Eileen have five children and seven grandchildren.



DISTRICT II: DAVID ARNDT *(incumbent)*

David Arndt was first elected to the MCREA Board of Directors in 1993. He fulfilled one term as treasurer in 1994, and served as board president from 2006 to 2010. During his tenure, David has earned the Credentialed Cooperative Director certificate through the National Rural Electric Cooperative Association by completing five one-day courses, including Director Duties and Liabilities, Understanding the Electric Business, Board Roles and Relationships, Strategic Planning, and Financial Decision Making. He has also been awarded the Board Leadership certificate through the national association. David and his wife Pam farm in the Weldona area. They have

four grown children and fourteen grandchildren. David is a past president of the Morgan County Fair Board and has been active with several youth organizations in our area.



DISTRICT II: DOUGLAS WULF

Douglas Wulf is seeking his first term on the MCREA Board of Directors. A lifetime resident of Morgan County, Douglas has been actively involved in the agriculture industry. He currently works for 21st Century Equipment LLC in Fort Morgan, where he has served as an account manager in ag sales and marketing for over 30 years. In this role, he has exhibited strong and diverse leadership qualities and wishes to serve the needs of Morgan County in a more broad and meaningful capacity.

Douglas and his wife Leigh Ann live in the Fort Morgan area. In addition to golfing, riding motorcycles, and tinkering with small mechanical projects, Douglas enjoys taking trips with family and friends.



DISTRICT II: DEREK GERKEN

Derek Gerken is seeking his first term on the MCREA Board. Derek is a farm and crop agent with Leavitt Group of Colorado and runs a Red Angus cow/calf operation. Derek has served two terms on the Fort Morgan School Board, serving as President and Treasurer. He has also served multiple terms on the Morgan Conservation District Board and held leadership roles at First Christian Church. Derek feels that Morgan County's quality of life depends on affordable, reliable electricity and believes in protecting this. With experience in agriculture, business, and community leadership he feels he can contribute to a strong future for MCREA. Derek and his wife Elise have four grown sons and one grandson. He enjoys spending time with his family, working on the ranch, and watching sports.

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DISTRICT III: TERRY LINKER *(incumbent)*

Terry Linker is seeking his fourth term on the MCREA Board of Directors. He has earned his Credentialed Cooperative Director certificate, Board Leadership certificate, and Director Gold credential through the National Rural Electric Cooperative Association. Terry is employed by Nutrien Ag Solutions in Fort Morgan, and has served as president of the Lower Platte and Beaver Canal Company. Terry has also served on two other water boards for Jackson Lake and the Lower South Platte Conservancy District, and is interested in water law and regulations.

In his spare time, Terry enjoys local sporting events, fishing, watching college football, and traveling to see different parts of the world. He has four children and seven grandchildren.