

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.  
SIDNEY, MONTANA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Upper Missouri G&T Electric Cooperative, Inc.

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Upper Missouri G&T Electric Cooperative, Inc., which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, equities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upper Missouri G&T Electric Cooperative, Inc. as of December 31, 2025 and 2024, and the results of its operations and its 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Upper Missouri G&T Electric Cooperative, Inc. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Missouri G&T Electric Cooperative, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Upper Missouri G&T Electric Cooperative, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Missouri G&T Electric Cooperative, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules II through VI are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Officers, Directors, and Manager section. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



**BRADY MARTZ**  
**BISMARCK, NORTH DAKOTA**

February 28, 2026

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
<b>ELECTRIC PLANT</b>		
In service	\$ 19,510,980	\$ 19,976,758
Less accumulated depreciation	(13,817,800)	(14,226,026)
Electric plant - net	5,693,180	5,750,732
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Patronage capital - Basin Electric	488,890,231	450,299,800
Investments in associated companies	965,294	937,652
Investment in economic development projects	400,000	400,000
Total other property and investments	490,255,525	451,637,452
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	3,819,187	3,206,805
Temporary cash investments	135,017	135,017
Accounts receivable	79,661,258	75,967,071
Materials and supplies	105,482	89,047
Prepayments	386,628	336,880
Total current assets	84,107,572	79,734,820
<b>DEFERRED DEBITS</b>		
	187,766	202,397
Total assets	\$ 580,244,043	\$ 537,325,401
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES</b>		
Patronage capital	\$ 494,308,381	\$ 455,741,412
Memberships	5,500	5,500
Total equities	494,313,881	455,746,912
<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>		
	5,478,928	5,733,638
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	254,710	243,455
Accounts payable - power supply	80,052,691	75,493,215
Other current and accrued liabilities	143,833	108,181
Total current liabilities	80,451,234	75,844,851
Total equities and liabilities	\$ 580,244,043	\$ 537,325,401

See Notes to the Financial Statements

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUE</b>		
Electric	\$ 910,337,785	\$ 853,908,372
Other	<u>4,008,858</u>	<u>4,675,718</u>
Total operating revenue	<u>914,346,643</u>	<u>858,584,090</u>
<b>OPERATING EXPENSES</b>		
Cost of power	911,362,431	854,933,175
Transmission - operation	913,459	960,372
Transmission - maintenance	390,536	792,385
Administrative and general	3,272,097	3,693,407
Depreciation	313,012	280,971
Taxes	66,861	66,136
Interest on long-term debt	<u>282,614</u>	<u>291,046</u>
Total operating expenses	<u>916,601,010</u>	<u>861,017,492</u>
<b>OPERATING MARGIN (LOSS) BEFORE CAPITAL CREDITS</b>	<u>(2,254,367)</u>	<u>(2,433,402)</u>
<b>COOPERATIVE CAPITAL CREDITS</b>		
Basin Electric capital credits	42,809,130	44,928,764
Other	<u>80,779</u>	<u>144,391</u>
Total cooperative capital credits	<u>42,889,909</u>	<u>45,073,155</u>
<b>NET OPERATING MARGIN</b>	<u>40,635,542</u>	<u>42,639,753</u>
<b>NON-OPERATING MARGINS</b>		
Interest income	276,725	338,945
Compliance	25,284	23,945
Load monitoring	947,100	978,137
Maintenance	350,923	379,554
Rent income	1,047,548	1,032,227
Other	<u>21,154</u>	<u>26,364</u>
Total non-operating margins	<u>2,668,734</u>	<u>2,779,172</u>
<b>NET MARGIN</b>	<u>\$ 43,304,276</u>	<u>\$ 45,418,925</u>

See Notes to the Financial Statements

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**STATEMENTS OF EQUITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>Patronage Capital</u>	<u>Memberships</u>	<u>Total</u>
Balance, January 1, 2024	\$ 414,701,432	\$ 5,500	\$ 414,706,932
Net margin	45,418,925	-	45,418,925
Capital credits retired	(260,401)	-	(260,401)
Retirement - Basin	(4,118,544)	-	(4,118,544)
Balance, December 31, 2024	455,741,412	5,500	455,746,912
Net margin	43,304,276	-	43,304,276
Capital credits retired	(518,608)	-	(518,608)
Retirement - Basin	(4,218,699)	-	(4,218,699)
Balance, December 31, 2025	<u>\$ 494,308,381</u>	<u>\$ 5,500</u>	<u>\$ 494,313,881</u>

See Notes to the Financial Statements

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net margin	\$ 43,304,276	\$ 45,418,925
Adjustments to reconcile net margins to net cash provided (used) by operating activities:		
Depreciation	313,012	280,971
Allocation of G&T and other capital credits	(42,889,909)	(45,073,155)
Effects on operating cash flows due to changes in:		
Accounts receivable	(3,694,187)	(1,615,737)
Prepayments	(49,748)	(37,146)
Deferred debits	14,631	14,631
Accounts payable - power supply	4,559,476	1,133,498
Other current liabilities	35,652	5,872
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,593,203</b>	<b>127,859</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital credit payments received	4,271,836	4,173,191
Electric plant additions and replacements, net	(267,610)	(137,492)
Proceeds from sale of plant	12,150	-
Net (increase) / decrease in materials and supplies	(16,435)	17,815
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>3,999,941</b>	<b>4,053,514</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	-	215,267
Principal payments on long-term debt	(243,455)	(231,858)
Retirement of capital credits	(4,737,307)	(4,378,945)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>(4,980,762)</b>	<b>(4,395,536)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>612,382</b>	<b>(214,163)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>3,206,805</b>	<b>3,420,968</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 3,819,187</b>	<b>\$ 3,206,805</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 282,614	\$ 291,046

See Notes to the Financial Statements

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business Activity**

Upper Missouri G&T Electric Cooperative, Inc. d/b/a Upper Missouri Power Cooperative (the Cooperative) is incorporated under the laws of the State of Montana. Members, each of whom has one vote, are admitted by agreeing to comply with the provision of the by-laws. Membership is limited to distribution cooperatives which purchase rural electric power supplied by Upper Missouri G&T Electric Cooperative, Inc.

The Cooperative purchases wholesale power from Basin Electric Power Cooperative and the United States Department of Energy Western Area Power Administration and delivers energy over its own and other utilities' transmission facilities to its members.

**Method of Accounting**

As a result of the ratemaking process, the Cooperative applies Accounting Standards Codification (ASC) 980, Regulated Operations. The application of generally accepted accounting principles by the Cooperative differs in certain respects from the application by non-regulated businesses as a result of applying ASC 980. Such differences generally relate to the time at which certain items enter into the determination of net margins in order to follow the principle of matching costs and revenues.

**Revenue Recognition**

Substantially all of the Cooperative's revenues from contracts with customers are recognized from electric power sales to members who are located within the Cooperative's defined service territory, through the membership agreement and cooperative bylaws. All of the electric revenues meet the criteria to be classified as revenue from contracts with customers and are recognized over time as energy is delivered. Revenue is recognized based on the metered quantity of electricity delivered at the applicable board approved rates. The Cooperative's billing period to their customers is the month end.

**Power Costs**

The Cooperative's power suppliers' billing period for power sold to the Cooperative is the month end.

**Electric Plant and Retirements**

Electric plant in service and under construction is stated at cost, including estimated overhead expense. The cost of additions to electric plant includes contracted work and allocable overheads. When units of property that are specifically identifiable are retired, sold or otherwise disposed of in the ordinary course of business, their book cost less net salvage is recognized as a gain or loss. Costs of plant retired are eliminated from utility plant accounts and such costs plus removal expenses, less salvage, are charged to accumulated provision for depreciation. Repairs and the replacement and renewal of items determined to be less than units of property are charged to maintenance expense.

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

**Electric Rates**

Rates charged to customers are established by the board of directors.

**Depreciation**

Depreciation is computed using the straight-line method based upon the estimated useful lives of the various classes of property.

**Transmission Plant - 403.5 transmission depreciation expense**

Account	Method	Life	Rate
352 Structures and improvements	Straight line	36 years	2.75%
353 Station equipment	Straight line	36 years	2.75%
355 Poles and fixtures	Straight line	36 years	2.75%
356 Overhead conductors & devices	Straight line	36 years	2.75%

**General Plant - 403.7 general plant depreciation expense**

Description	Method	Life	Rate
390 Structures and improvements	Straight line	40 years	2.50%
391 Office furniture and fixtures	Straight line	5 years	20.00%
391 Office furniture and fixtures - electronics	Straight line	3 years	33.30%
391.1 Office furniture and fixtures - billing software	Straight line	5 years	20.00%
392 Transportation equipment	Straight line	5 years	20.00%

The depreciation rates included above will not be changed absent a filing under Section 205 or 206 of the Federal Power Act.

**Investments**

Investments are patronage allocations from cooperatives and other affiliates stated at cost plus undistributed allocated equities. The fair value of cost-method investments is not estimated as there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Cooperative considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

**Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are carried at original invoice amount less an estimate made for credit losses. The allowance for credit losses is based on management's expectation of the credit losses expected to arise over the life of the asset as of the balance sheet date (including consideration of prepayments) and is updated to reflect any changes in credit risk as of each subsequent reporting date. The Cooperative estimates its allowance for credit losses starting with an evaluation of historical credit loss write-offs, applied to an analysis of outstanding aged receivables, and updated for current economic conditions, and reasonable and supportable forecasted economic conditions. No significant adjustments to the allowance calculations for current or forecasted economic conditions were made during the current year. Receivables with unusual credit risk characteristics are evaluated individually. All other receivables are considered similar and are evaluated as one portfolio segment. Management's estimate of the allowance for credit losses, as well as the separate amounts of write-offs and recoveries were immaterial with respect to the financial statements as a whole as of December 31, 2025 and 2024.

Receivables are written off as a reduction in the allowance for credit losses when deemed uncollectible. Recoveries of accounts previously written off (if any) will be recognized in income.

**Patronage Capital**

The Cooperative operates on a nonprofit basis. Amounts received from the furnishing of electric energy in excess of operating costs and expenses are assigned to member patrons on a patronage basis. All other amounts received by the Cooperative in excess of costs and expenses, to the extent they are not needed to offset current or prior losses, are also allocated to its member patrons on a patronage basis. These allocations are retained by the Cooperative until a general retirement is authorized by the Board of Directors.

**Materials and Supplies**

The inventory of plant materials and operating supplies used in the repair and replacement of plant is stated at cost using the average cost method.

**Pension Plan**

The policy of the Cooperative is to fund pension costs accrued.

**Income Taxes**

The Cooperative is exempt from income taxes under Section 501(c)(12) of the Internal Revenue Code. The Cooperative's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

**Sales and Similar Taxes**

The Cooperative has customers in municipalities in which those governmental units impose a sales tax on certain sales. The Cooperative collects those sales taxes from its customers and remits the entire amount to the various governmental units. The Cooperative's accounting policy is to exclude the sales tax collected and remitted from revenue and cost of sales.

**Advertising Costs**

The Cooperative expenses all advertising costs as they are incurred.

**Use of Estimates**

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 ELECTRIC PLANT AND DEPRECIATION**

Listed below are the major classes of the electric plant as of December 31, 2025 and 2024:

	<u>2025</u>		<u>2024</u>	
	Plant	Depreciation Rates	Plant	Depreciation Rates
Transmission plant	\$ 17,958,368	2.75 - 10 %	\$ 18,679,729	2.75 - 10 %
General plant	<u>1,552,612</u>	10 - 20 %	<u>1,297,029</u>	10 - 20 %
Total	<u>\$ 19,510,980</u>		<u>\$ 19,976,758</u>	

**NOTE 3 INVESTMENTS IN ASSOCIATED COMPANIES**

Investments in Associated Companies as of December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Investment Balance with supplier(s)		
Basin Electric Cooperative, Inc.		
Patronage capital credits	<u>\$ 488,890,231</u>	<u>\$ 450,299,800</u>
Investment Balances with other Associated Companies		
CoBank, Class C stock & patronage credits	\$ 495,615	\$ 479,773
Federated Insurance, Preferred E stock	188,158	176,207
Other	<u>281,521</u>	<u>281,672</u>
Total	<u>\$ 965,294</u>	<u>\$ 937,652</u>

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 4 ECONOMIC DEVELOPMENT INVESTMENTS**

During 2003, the Cooperative entered into an agreement with Basin Electric Power Cooperative, Inc., to participate in Basin's economic development loan program. Under the terms of this program, the Cooperative can borrow funds from Basin Electric which are then loaned by the Cooperative to its member distribution cooperatives for approved economic development projects. Interest on these loans is charged at 1% with interest payments due June 1st and December 1st of each year. No principal payments are due until the loans mature on December 31, 2027. The two-member cooperatives that have participated in this program are as follows:

	2025	2024
Sheridan Electric	\$ 250,000	\$ 250,000
Slope Electric	150,000	150,000
Total	\$ 400,000	\$ 400,000

**NOTE 5 TEMPORARY CASH INVESTMENTS**

Temporary cash investments stated at cost as of December 31, 2025 and 2024 are as follows:

Maturity Date & Interest Rate	2025	2024
4/14/25 at 4.75%	\$ -	\$ 32,364
5/5/25 at 4.75%	-	102,653
4/13/26 at 3.90%	32,364	-
5/5/26 at 3.90%	102,653	-
Total Temporary Cash Investments	\$ 135,017	\$ 135,017

**NOTE 6 PATRONAGE CAPITAL**

Components of patronage capital at December 31, 2025 and 2024 are as follows:

	2025	2024
Assignable	\$ 43,304,276	\$ 45,418,925
Assigned to Date	494,456,017	449,037,092
Total	537,760,293	494,456,017
Retired to Date	(43,451,912)	(38,714,605)
Balance	\$ 494,308,381	\$ 455,741,412

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

The mortgage provisions restrict the retirement of patronage capital unless, after retirement, the capital of the Cooperative equals at least 20 percent of the total assets of the Cooperative; provided, however, that retirements can be made if such distributions do not exceed 25 percent of the preceding year's margins. If distributions exceed 25 percent of the preceding year's margins, the capital of the Cooperative must equal at least 30 percent of the total assets. No distributions can be made if there is unpaid, when due, installments of principal or interest on the notes, or, if after giving effect to any distributions, the total current and accrued assets would be less than the total current and accrued liabilities. During 2025 and 2024, the Cooperative's capital exceeded 30 percent of total assets.

A separate allocation is maintained for the patronage capital of Basin Electric Power Cooperative as the retirement cycle of the Cooperative and Basin differ. There were \$4,218,699 and \$4,188,544 of Basin capital credits retired during 2025 and 2024, respectively. The capital credit allocations from Basin totaled \$42,809,130 and \$44,928,764 in 2025 and 2024, respectively.

The Cooperative retired \$518,608 and \$260,401 of capital credits on a normal rotation during 2025 and 2024, respectively.

**NOTE 7 LONG-TERM DEBT**

Long-term debt as of December 31, 2025 consists of the following:

<u>Financial Institution</u>	<u>Number of Notes</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
CoBank	7	4.08% to 6.19%	April 2035 to February 2054	\$ 254,710	\$ 5,078,928
Basin	1	1.00%	December 2027	-	400,000
			Total	<u>\$ 254,710</u>	<u>\$ 5,478,928</u>

Long-term debt as of December 31, 2024 consists of the following:

<u>Financial Institution</u>	<u>Number of Notes</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
CoBank	7	4.08% to 6.19%	April 2035 to February 2054	\$ 243,455	\$ 5,333,638
Basin	1	1.00%	December 2027	-	400,000
			Total	<u>\$ 243,455</u>	<u>\$ 5,733,638</u>

Substantially all assets are pledged as security on the mortgage notes with CoBank.

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

All the long-term debt of the Cooperative is paid through the UMPC charges from the member cooperatives. For the years ended December 31, 2025 and 2024, the members paid down \$243,455 and \$231,858 of long-term debt, respectively.

It is estimated that the minimum principal requirements for the next five years and thereafter will be as follows:

2026	\$	254,710
2027		666,505
2028		278,663
2029		291,811
2030		305,390
Thereafter		3,936,559
<b>Total</b>	<b>\$</b>	<b>5,733,638</b>

**NOTE 8 REVENUES FROM CONTRACTS WITH CUSTOMERS**

The revenues of the Cooperative are primarily derived from providing retail electric service to its members. Revenues from contracts with customers represent 95 percent of all Cooperative revenues for the years ended December 31, 2025 and 2024. Below is a disaggregated view of the Cooperative's revenues from contracts with customers as well as other revenues, including their location on the Statement of Operations:

<b>Revenue Streams</b>	Electric Revenue	
	2025	2024
Member Electric Sales - Cooperatives	\$ 910,337,785	\$ 853,908,372
UMPC Charges - Cooperatives	4,008,858	4,675,718
Total Revenue from Contracts with Customers	\$ 914,350,643	\$ 858,584,090
<b>Timing of Revenue Recognition</b>		
Service Transferred Over Time	\$ 914,350,643	\$ 858,584,090

**Accounts Receivable**

The Cooperative had accounts receivable from contracts with customers of \$79,661,258, \$75,967,071, and \$74,351,334 as of December 31, 2025, 2024, and January 1, 2024, respectively, net of uncollectible amounts.

**NOTE 9 EMPLOYEE BENEFIT PLANS**

**401(k) Plan**

Employees of the Cooperative are eligible for a 401(k) savings plan. This plan is offered through the National Rural Electric Cooperative Association (NRECA). The Cooperative's matching contribution percentage is 3% for Group 001 and 14% for Group 002 of each employee's base wage in this plan. The Cooperative contributions were \$85,107 and \$55,268 during the years ended December 31, 2025 and 2024, respectively.

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

**Pension Plan**

The Retirement Security Plan (RS Plan), sponsored by the National Rural Electric Cooperative Association (NRECA), is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multi-employer plan under the accounting standards. The plan sponsor's employer identification number is 53-0116145 and the plan number is 333.

A unique characteristic of a multi-employer plan compared with 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.

The Cooperative's contributions to the RS Plan in 2025 and in 2024 represented less than five percent of the total contributions made to the RS plan by all participating employers. The Cooperative made contributions to the RS Plan of \$158,656 in 2025 and \$131,526 in 2024.

For 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 over 80 percent funded at January 1, 2025 and 2024, respectively, 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.

**NOTE 10 RELATED PARTY TRANSACTIONS**

The Cooperative is a member of and purchases a portion of its wholesale power from Basin Electric Power Cooperative. The following is a summary of the transactions with this entity for the years ended December 31, 2025 and 2024:

	2025	2024
Purchase of wholesale power	\$ 902,107,795	\$ 846,371,103
Accounts payable to Basin Electric	\$ 79,166,627	\$ 74,692,619
Capital credits allocated during the current year	\$ 42,809,130	\$ 44,928,764
Accumulated investment in patronage capital credits	\$ 488,890,231	\$ 450,299,800

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2025 AND 2024**

**NOTE 11 COMMITMENTS**

The Cooperative has a wholesale power contract with Basin Electric Power Cooperative of Bismarck, North Dakota, whereby the Cooperative purchases firm power and associated energy until December 31, 2075. The rates paid are subject to review annually. In addition, the Cooperative has an allocation of United States Department of Energy Western Area Power Administration (WAPA) power under contract at standard WAPA wholesale rates. This contract extends through December 31, 2050.

**NOTE 12 BUSINESS AND CREDIT RISK**

The Cooperative provides electrical transmission service on account to its member cooperatives which are located in eastern Montana and western North Dakota.

Concentrations of credit risk exist with respect to revenue from power sales from two member cooperatives.

Total sales from these two members comprise approximately 85% and 86% of totals sales for the years ended December 31, 2025 and December 31, 2024, respectively.

The Cooperative maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC). The Cooperative has not experienced any losses in such accounts nor does the Cooperative believe it is exposed to any significant credit risk on cash and cash equivalents accounts.

**NOTE 13 ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES**

It is the opinion of management that the Cooperative has no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Cooperative are subject to examination by the IRS, generally for three years after they were filed. All filings are current.

**NOTE 14 LITIGATION**

The Cooperative has been named as a defendant in a lawsuit by one of its members against the Cooperative's main power supplier. The member claims the main power supplier power rates have been increased due to the supplier's unreasonable and imprudent operation of one of its subsidiaries. These increased rates were then passed on by the Cooperative to its members. The member has also filed a complaint with federal regulators concerning the Cooperative's increased rates. Amount of any potential loss cannot be reasonably estimated at this time.

**NOTE 15 SUBSEQUENT EVENTS**

No significant events occurred subsequent to the Cooperative's year end. Subsequent events have been evaluated through February 28, 2026, which is the date these financial statements were available to be issued.

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE I**  
**DIRECTORS, OFFICERS AND MANAGER (UNAUDITED)**  
**DECEMBER 31, 2025**

**DIRECTORS**

Blaine Jorgenson	Allen Thiessen
Kurt Voss	Albert Paul
David Sigloh	Dale Schweigert
Anthony Larson	Joe Schiffer
Rod Smith	Cameron Wahlstrom
Greg Steckler	

**OFFICERS AND MANAGERS**

Blaine Jorgenson	President
Allen Thiessen	Vice-President
Anthony Larson	Treasurer
Albert Paul	Secretary
Jeremy Mahowald	General Manager

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE II**  
**SCHEDULE OF LONG-TERM DEBT**  
**DECEMBER 31, 2025 AND 2024**

Note and Date	Interest Rates	Principal Amount	Amounts Advanced	Principal Repayment	Net Obligation		
					2025	2024	
CoBank							
216403	7/3/2012	4.08%	\$ 4,899,064	\$ -	\$ 4,644,300	\$ 254,764	\$ 275,782
225736	12/28/2012	4.60%	4,412,941	-	1,215,319	3,197,622	3,318,959
234104	12/28/2012	4.75%	543,473	-	323,734	219,739	229,588
267874	12/23/2015	4.26%	507,000	-	235,885	271,115	296,251
267874	12/24/2015	4.30%	38,000	-	15,656	22,344	24,229
327315	10/10/2018	5.19%	1,552,251	-	394,971	1,157,280	1,218,856
429257	12/22/2023	6.19%	215,267	-	4,493	210,774	213,428
Total CoBank			<u>12,167,996</u>	<u>-</u>	<u>6,834,358</u>	<u>5,333,638</u>	<u>5,577,093</u>
Basin Electric Economic Development Loan							
	11/11/2003	1.00%	<u>462,550</u>	<u>-</u>	<u>62,550</u>	<u>400,000</u>	<u>400,000</u>
Total Long-Term Debt			<u>\$ 12,630,546</u>	<u>\$ -</u>	<u>\$ 6,896,908</u>	<u>\$ 5,733,638</u>	<u>\$ 5,977,093</u>

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE III**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Revenues & Capital Credits	\$ 959,905,286	100.00%	\$ 906,436,417	100.00%
Expenses				
Cost of Power	911,362,431	94.94%	854,933,175	94.32%
Transmission - Operation	913,459	0.10%	960,372	0.11%
Transmission - Maintenance	390,536	0.04%	792,385	0.09%
Administrative & General	3,272,097	0.34%	3,693,407	0.41%
Depreciation	313,012	0.03%	280,971	0.03%
Taxes	66,861	0.01%	66,136	0.01%
Interest on Long-Term Debt	282,614	0.03%	291,046	0.03%
Total Expenses	<u>916,601,010</u>	<u>95.49%</u>	<u>861,017,492</u>	<u>94.99%</u>
Net Margins	<u>\$ 43,304,276</u>	<u>4.51%</u>	<u>\$ 45,418,925</u>	<u>5.01%</u>

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE IV**  
**SCHEDULE OF MEMBERSHIP FEES AND PATRONAGE CAPITAL – UMG&T**  
**DECEMBER 31, 2025 AND 2024**

	Total Membership Fee	UMG&T			Assigned 2025	Balance 12/31/25
		Transmission 2025	Balance 12/31/24	Retired 2025		
Burke Divide	\$ 500	\$ 237,626	\$ 343,882	\$ 42,142	\$ 29,379	\$ 331,119
Goldenwest	500	237,639	271,998	21,131	29,381	280,248
Lower Yellowstone	500	277,174	340,792	26,734	34,269	348,327
McCone	500	228,747	269,480	25,586	28,281	272,175
McKenzie	500	631,707	806,396	25,270	78,102	859,228
Mid-Yellowstone	500	211,573	178,693	-	26,158	204,851
Mountrail-Williams	500	847,683	1,139,723	109,639	104,804	1,134,888
Roughrider	500	347,066	1,107,060	230,114	42,910	919,856
Sheridan	500	433,373	596,725	9,570	53,581	640,736
Slope	500	287,012	117,728	-	35,485	153,213
Southeast	500	265,257	269,135	28,422	32,796	273,509
	<u>\$ 5,500</u>	<u>\$ 4,004,857</u>	<u>\$5,441,612</u>	<u>\$ 518,608</u>	<u>\$ 495,146</u>	<u>\$5,418,150</u>

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE V**  
**SCHEDULE OF PATRONAGE CAPITAL - BASIN**  
**DECEMBER 31, 2008 THROUGH 2014**

	Basin Capital Credits 2009	Basin Capital Credits 2010	Basin Capital Credits 2011	Basin Capital Credits 2012	Basin Capital Credits 2013	Basin Capital Credits 2014	Basin Capital Credits 2015
Burke Divide	\$ 98,696	\$ 77,594	\$ 105,564	\$ 194,935	\$ 383,449	\$ 434,113	\$ 467,829
Goldenwest	45,734	24,065	33,500	46,680	59,317	61,703	70,877
Lower Yellowstone	286,143	193,399	269,498	340,423	503,966	482,363	503,830
McCone	61,583	37,669	47,796	51,068	92,313	61,074	55,810
McKenzie	771,432	616,626	998,853	1,819,490	2,982,079	3,557,635	4,760,006
Mid-Yellowstone	-	-	-	-	-	-	-
Mountrail-Williams	745,435	729,960	1,331,308	2,217,011	3,843,450	4,285,750	5,135,446
Roughrider	-	-	762,243	1,285,017	1,926,775	1,809,447	1,716,672
Sheridan	195,951	116,252	144,508	175,288	238,031	211,291	172,544
Slope	949,497	490,164	686,650	815,884	1,134,159	962,623	923,791
Southeast	184,052	57,237	37,629	37,667	45,827	56,491	109,101
	<u>\$ 3,338,523</u>	<u>\$ 2,342,966</u>	<u>\$ 4,417,549</u>	<u>\$ 6,983,463</u>	<u>\$ 11,209,366</u>	<u>\$ 11,922,490</u>	<u>\$ 13,915,906</u>

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE V**  
**SCHEDULE OF PATRONAGE CAPITAL – BASIN (CONTINUED)**  
**DECEMBER 31, 2015 THROUGH 2021**

	Basin Capital Credits 2016	Basin Capital Credits 2017	Basin Capital Credits 2018	Basin Capital Credits 2019	Basin Capital Credits 2020	Basin Capital Credits 2021	Basin Capital Credits 2022
Burke Divide	\$ 1,281,445	\$ 591,543	\$ 1,688,251	\$ 423,347	\$ 436,066	\$ 334,280	\$ 1,094,373
Goldenwest	264,285	154,854	451,596	109,974	92,302	66,681	285,848
Lower Yellowstone	1,421,886	728,200	2,156,635	581,689	681,799	553,333	2,180,810
McCone	131,087	71,232	269,098	61,700	78,077	58,175	189,691
McKenzie	17,058,566	9,371,360	33,217,340	9,771,352	12,651,769	10,659,816	38,359,371
Mid-Yellowstone	-	13,198	13,249	3,993	8,350	13,103	25,816
Mountrail-Williams	15,517,967	8,097,664	27,664,059	7,883,813	10,059,959	7,585,329	27,218,404
Roughrider	4,668,765	2,320,776	7,061,103	1,823,127	2,143,025	1,594,552	5,664,175
Sheridan	473,422	252,370	825,620	232,635	264,986	181,477	637,920
Slope	2,499,052	1,191,634	3,610,893	853,692	892,873	644,890	1,921,706
Southeast	396,127	167,726	392,255	114,018	107,708	79,435	348,669
	<u>\$ 43,712,602</u>	<u>\$ 22,960,557</u>	<u>\$ 77,350,099</u>	<u>\$ 21,859,340</u>	<u>\$ 27,416,914</u>	<u>\$ 21,771,071</u>	<u>\$ 77,926,783</u>

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE V**  
**SCHEDULE OF PATRONAGE CAPITAL – BASIN (CONTINUED)**  
**DECEMBER 31, 2022 THROUGH 2024**

	Basin Capital Credits 2023	Basin Capital Credits 2024	Basin Capital Credits 2025	Total Basin Capital Credits
Burke Divide	\$ 668,986	\$ 569,111	\$ 618,419	\$ 9,468,001
Goldenwest	131,787	114,802	163,482	2,177,487
Lower Yellowstone	1,545,759	1,352,027	1,499,955	15,281,715
McCone	136,464	85,099	83,873	1,571,809
McKenzie	24,514,276	20,350,346	19,586,434	211,046,751
Mid-Yellowstone	9,925	8,591	12,217	108,442
Mountrail-Williams	22,139,164	18,772,776	17,198,282	180,425,777
Roughrider	3,391,346	2,554,468	2,467,484	41,188,975
Sheridan	384,418	330,208	416,290	5,253,211
Slope	873,861	583,012	520,058	19,554,439
Southeast	228,722	208,324	242,636	2,813,624
	<u>\$ 54,024,708</u>	<u>\$ 44,928,764</u>	<u>\$ 42,809,130</u>	<u>\$ 488,890,231</u>

**UPPER MISSOURI G&T ELECTRIC COOPERATIVE, INC.**  
**SCHEDULE VI**  
**COMBINED SCHEDULE OF PATRONAGE CAPITAL**  
**DECEMBER 31, 2025**

<u>Period</u>	<u>UMG&amp;T</u>	<u>Basin</u>	<u>Total Patronage</u>
2009	\$ -	\$ 3,338,523	\$ 3,338,523
2010	-	2,342,966	2,342,966
2011	-	4,417,549	4,417,549
2012	-	6,983,463	6,983,463
2013	-	11,209,366	11,209,366
2014	-	11,922,490	11,922,490
2015	-	13,915,906	13,915,906
2016	718,774	43,712,602	44,431,376
2017	653,029	22,960,557	23,613,586
2018	620,140	77,350,099	77,970,239
2019	487,533	21,859,340	22,346,873
2020	492,412	27,416,914	27,909,326
2021	95,394	21,771,071	21,866,465
2022	903,349	77,926,783	78,830,132
2023	462,212	54,024,708	54,486,920
2024	490,161	44,928,764	45,418,925
2025	495,146	42,809,130	43,304,276
	<u>\$ 5,418,150</u>	<u>\$ 488,890,231</u>	<u>\$ 494,308,381</u>