

2025 Annual Report

A SPECIAL EDITION OF
NEWSLINE

APRIL 2026



Runestone Electric
ASSOCIATION

A NOTE FROM YOUR BOARD PRESIDENT



**GARY (ANDY)
ANDERSON**
BOARD PRESIDENT

We nearly made it through 2025 without a major storm until days before Thanksgiving when wet, heavy snow, ice and winds caused widespread outages across our service territory. Several broken poles and transmission issues led to a third of our members experiencing an outage during the storm. We thank you for your patience when you experience a power outage during a storm. I want to personally thank our dedicated employees for working hard despite the miserable conditions to get the lights back on safely.

We received a clean report from the auditors. At year-end, the cooperative's total assets were \$111.5 million. That includes plant assets like the office and warehouse, lines, poles, and transformers. Our equity is 39.4%. All our ratios exceed lending requirements. The cooperative finished 2025 with 151 net new accounts, which is below average for the past five years.

Rising wholesale power costs and inflation led to a rate increase for 2026. The monthly fixed charge has increased from \$52.50 to \$55.00. The kilowatt-hour rate has also increased. On average, a residential or seasonal account will see an increase of approximately 3.8% or \$5.58 a month.

We cut spending significantly in 2025 and needed to restore some of those maintenance programs in 2026, such as tree clearing. There is a direct correlation with an aggressive right of way clearing program and outages caused by trees, especially in storms like we experienced in November. Some budget cuts will remain in place, and we will look at these items as we prepare future budgets. Unfortunately, due to changes in the wholesale power market, we expect future power costs to increase annually.

One of my favorite parts of the Annual Meeting is awarding scholarships. This year we will recognize 22 students with a \$1,000 scholarship. In the past 23 years, more than 300 students have received over \$250,000 in scholarships from REA. These scholarships are funded through unclaimed capital credits.

We have lots of good things happening at the cooperative. Come to the Annual Meeting and learn about the importance of energy management programs, regional transmission projects, and more. As an attendance gift, you will receive a \$25 gift certificate to a participating REA-member (see list on right). We look forward to seeing you on April 22nd!



MEET YOUR BOARD

Andy Anderson, District 1; Dave Staples, District 4; Barbara Johnson, District 2; Jon Winter, District 3; Mike Loken, District 5; Joel Seela, District 6; and Matthew Mattson, District 7.

ANNUAL MEETING

WEDNESDAY APRIL 22, 2026

4-5 PM: REGISTRATION | 5 PM: MEETING BEGINS



ALEXANDRIA AREA HIGH SCHOOL
4300 Pioneer Rd SE, Alexandria, MN 56308

ATTEND THE ANNUAL MEETING
AND RECEIVE A

\$25 GIFT
CERTIFICATE
(one per membership)



Redeemable Only at Participating REA Member Businesses:

Arrowwood Resort &
Conference Center
320-762-1124

Beau Coffee Company
320-239-2078

Blairview Saddle Shop
320-762-5664

Brother's Market: Carlos
320-852-7331

Brother's Market: Miliona
218-943-3333

Burr Vineyards
651-726-4397

Carlos Creek
320-846-5443

Chet's Lakeside Inn
218-943-2471

Country Blossom Farm
320-334-1620

Doraisamy Farm
320-524-2513

Jim & Judy's
320-852-7604

Kadejan Market
320-460-8710

Lake Miliona
Golf Club
320-852-7078

Lake Reno Bar & Grill
320-283-5030

L'Etoile du Nord Vineyard
320-298-4686

Long Lake Lodge
320-808-3426

Mary Kay Independent Beauty
Consultant: Jan Jablonski
320-815-7894

Miliona Greenhouses
218-943-3601

Rolling Forks Vineyards
320-634-7655

Selective TV
320-763-5924

Stivland Gardens
320-283-5227

Taylor's Market
320-805-0405

Tipsinah Mounds
Golf Course
218-685-4271

Must be present at the Annual Meeting to receive a gift certificate

December 31, 2025
BALANCE SHEET

UTILITY PLANT	
Electric Plant in Service	\$123,108,638
Construction Work in Progress	440,838
TOTAL UTILITY PLANT	\$123,549,476
Less: Reserve for Depreciation	37,747,972
NET UTILITY PLANT	\$85,801,504
NON UTILITY PROPERTY	\$161,897
PATRONAGE CAPITAL - ASSOCIATED ORGANIZATIONS	\$15,437,735
CFC INVESTMENTS	\$538,325
OTHER INVESTMENTS	\$1,225,088

CURRENT & ACCRUED ASSETS	
Cash & Temporary Investments	\$1,545,461
Accounts Receivable, Less Reserve	3,766,935
Materials & Supplies	2,106,013
Prepayments	910,829
Interest Receivable	6,664
TOTAL CURRENT & ACCRUED ASSETS	\$8,335,902

DEFERRED DEBITS	\$29,651
TOTAL ASSETS & OTHER DEBITS	\$111,530,102

LONG-TERM OBLIGATION TO FFB	\$46,110,048
LONG-TERM OBLIGATION TO RUS	\$10,311,849
LONG-TERM OBLIGATION TO CFC	\$1,762,351
LONG-TERM OBLIGATION TO COBANK	\$355,458
LONG-TERM OBLIGATION-RURAL DEVELOPMENT	\$300,000
OTHER NON-CURRENT LIABILITIES	\$255,220

EQUITIES & MARGINS	
Capital Credits Assigned to Membership - REA & Other	\$26,840,095
Capital Credits Assigned to Membership - GRE	10,797,623
Capital Credits Assignable Current Year	3,771,165
Other Equities	2,490,748
Donated Capital	5,829
TOTAL EQUITIES AND MARGINS	\$43,905,460

CURRENT & ACCRUED LIABILITIES	
Accounts & Notes Payable	\$4,025,938
Current Maturities of Long-Term Debt	2,359,882
Taxes & Interest Payable	416,112
Other Liabilities	690,086
Consumer Deposits	30,280
TOTAL CURRENT & ACCRUED LIABILITIES	\$7,522,298

DEFERRED CREDITS	\$1,007,418
TOTAL LIABILITIES & OTHER CREDITS	\$111,530,102

For Fiscal Years Ending December 31, 2025 & 2024
REVENUE & EXPENSE

OPERATING SALES & REVENUE	2025	2024
Electric Energy Revenue	\$34,973,432	\$32,120,020
Consumer Late Payments	115,148	102,063
Miscellaneous Electric Revenue	15,556	16,358
TOTAL OPERATING REVENUE	\$35,104,136	\$32,238,441

OPERATING EXPENSE	2025	2024
Cost of Power	\$20,253,437	\$17,551,122
Depreciation	4,549,025	4,325,490
Operations and Maintenance Expense	3,289,445	3,639,684
Interest	2,041,113	2,038,290
Consumer Service and Information	968,075	899,014
Consumer Accounting and Collecting	819,858	776,665
General Office Expense	738,264	756,574
Maintenance of General Property	696,698	602,583
Miscellaneous General Expense	182,170	162,783
Special Services	118,774	97,910
Directors' Fees and Expense	81,772	89,136
Other Deductions	2,783	3,707
TOTAL OPERATING EXPENSE	\$33,741,414	\$30,942,958

OPERATING MARGIN	\$1,362,722	\$1,295,483
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NON OPERATING MARGIN - Interest	\$57,600	\$76,632
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NON OPERATING MARGIN - Other	45,578	\$82,950
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TOTAL REA MARGIN	\$1,465,900	\$1,455,065
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CAPITAL CREDITS ASSIGNABLE:		
Runestone Electric Association Margin	\$1,465,900	\$1,455,065
Power Supply Patronage Capital	\$1,773,055	\$524,292
Other Patronage Capital	\$532,210	\$495,153
TOTAL ASSIGNABLE CURRENT YEAR	\$3,771,165	\$2,474,510

PRINCIPAL AND INTEREST PAYMENTS	\$4,222,357	\$4,999,656
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PROPERTY TAX PAYMENTS	\$179,300	\$187,707
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kWh PURCHASED	256,973,780	243,925,532
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kWh SOLD	241,425,282	228,930,188
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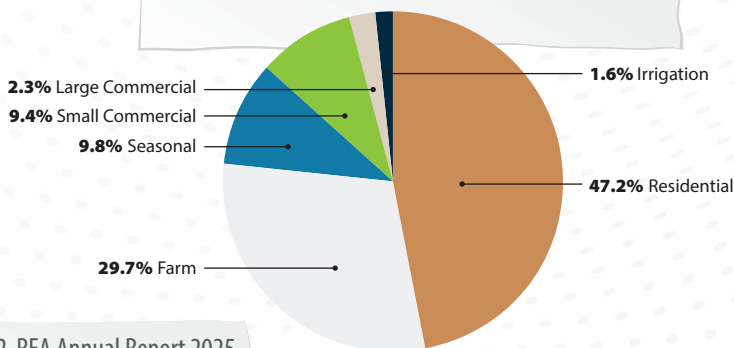
WHAT WE OWN

WHAT WE OWE

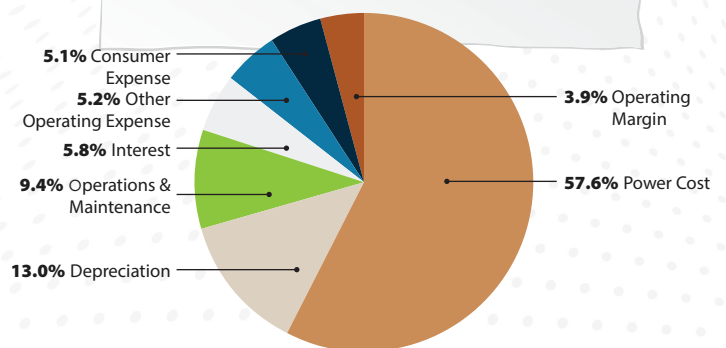


In total, REA has retired
\$25.6 MILLION
IN CAPITAL CREDITS
to our members

WHERE IT CAME FROM

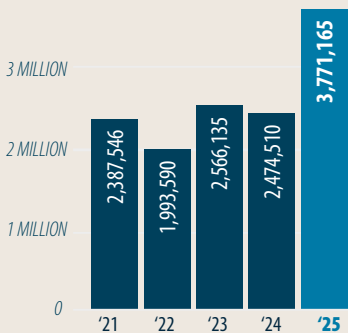


WHERE IT WENT



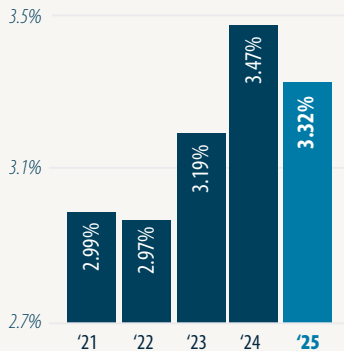
2025 Highlights

NET MARGIN



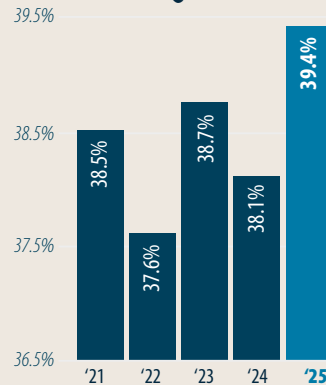
REA net margin and patronage capital allocated from GRE and other associated organizations.

INTEREST RATE ON DEBT



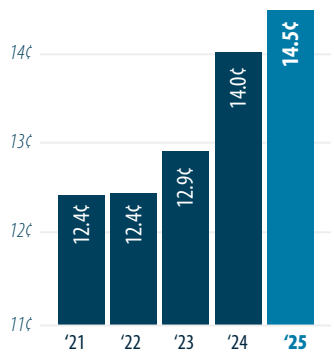
This is a blended rate for the long term debt we have with our lenders.

EQUITY

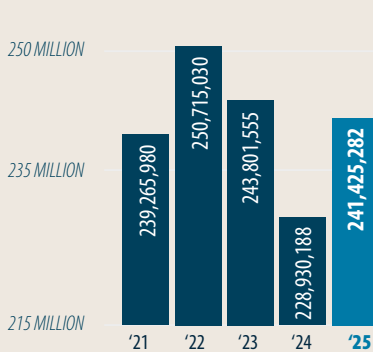


Members' ownership as a percent of assets.

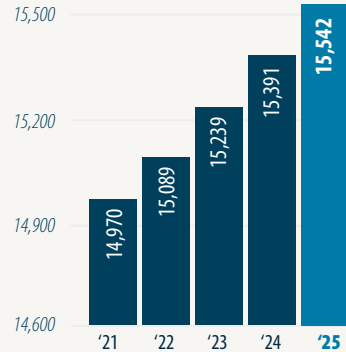
REVENUE PER KWH SOLD



KWH SOLD



TOTAL SERVICE ACCOUNTS



35 FULL TIME
Employees

\$19,000

In scholarships given in 2025
funded by unclaimed capital credits

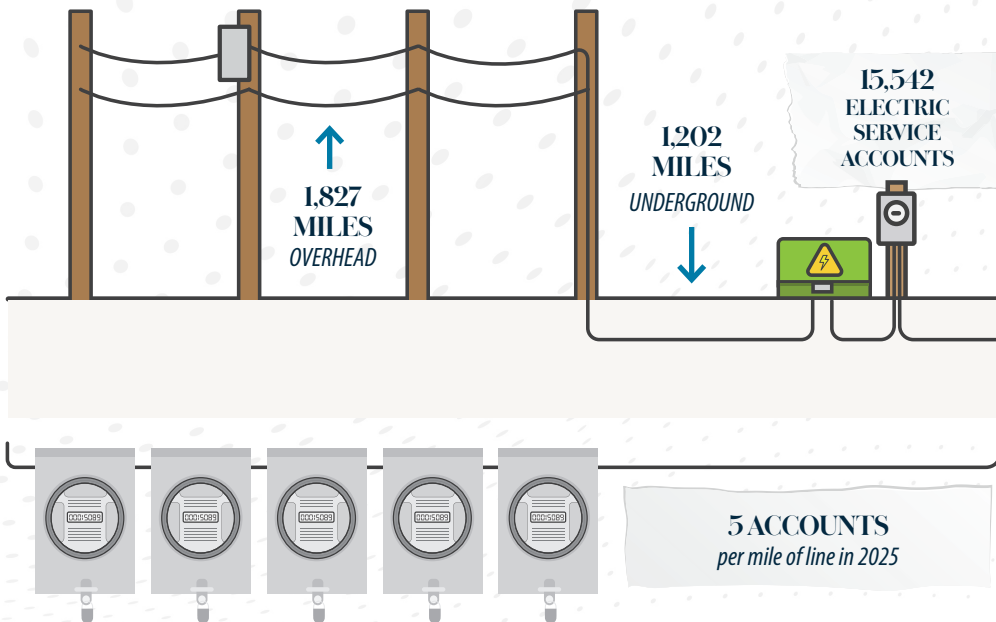
51%

of our 12,865 members take control of their account using



Sign up today:
runstoneelectric.com

3,029 TOTAL MILES OF LINE



2025 Highlights

Operation Round Up®



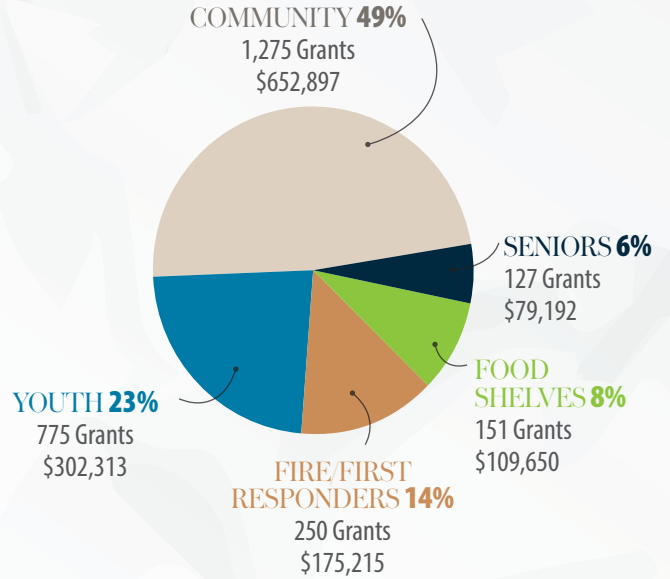
Operation Round Up provides grants to local non-profit organizations and community service programs. Over the past 23 years, Operation Round Up funds have been used to help youth and senior organizations, food shelves, community organizations, park and recreation associations, health groups, emergency responders and more. With 64% of REA members contributing an average of \$6.50 for the year of 2025, it proves that small change can have a big impact.

The Runestone Electric Association Community Trust Board of Directors is made up of volunteers from Runestone's seven districts in the service territory.



September 2025 Check Distribution

Total Distribution of Grants Since 2003



Total Grants: 2,578

Total Amount: \$1,319,267



#1 Priority - Safety

Office and field employees participate in a variety of safety training, conferences and inspections throughout the year. By the end of 2025, employees had driven over 720,000 miles accident-free and worked 186,000 hours without a lost time accident. At REA, we believe everyone is responsible for safety - the safety of our employees, our members and the general public.



Member Tour

The month of October is Co-op Month. To celebrate, we hosted our 2nd Annual Member Bus Tour! We started at the REA office, visited the REA Lake Mary Substation, CF Industries, Dorrich Dairy, enjoyed lunch at Rolling Forks Vineyard, toured Glacial Ridge Growers and drove through Glacial Lakes State Park while enjoying treats from Papa and Nana's Chillery. It was a full day of learning and fun! Watch for details on the 2026 tour later this year.



Community Outreach

REA has participated in Safety First Day Camp for 5th grade students for over 30 years, as well as Pope County's Safety Camp for kids. The Emergency Responders Safety Seminar (pictured above) focuses on the dangers present in many different accident scenes including farm equipment and electric vehicles. REA linemen also provide information on electrical safety at the Douglas County Fair and for the REA Member Advisory Council.