

SWRE

POWER SOURCE

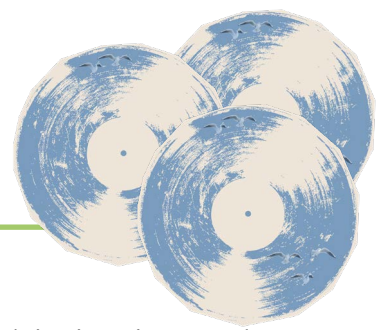
Oct. 2026 • Vol. 75 • Num. 10

A Supplement to Oklahoma Living



69
YEARS OF SERVICE

TAKE PART IN THE 89TH ANNUAL MEETING



Southwest Rural Electric is celebrating 89 years of powering communities and invites its members to participate. Join us for our 89th annual meeting Tuesday, October 6, 4–6:30 p.m. at one of two convenient drive-thru locations: Western Oklahoma State College in Altus, Oklahoma, and Orbison Park in Vernon, Texas.

Members can register, vote and snag some awesome SWRE prizes from the comfort of their vehicles.

IMPORTANT! WHAT TO BRING:

Active members should have received a specially-marked envelope containing the official meeting notice in late September. Notices were mailed to the address we have on file. Bring the official meeting notice and a proper government ID to register at the meeting.

Reminder: Only authorized account holders (or properly designated representatives with notarized authorization) may register and vote. This ensures we meet our co-op bylaws.

WHAT ARE WE VOTING ON?

Members will vote to approve the 2025 annual meeting minutes and proposed bylaws revisions recommended by the board of directors. The minutes and proposed bylaws revisions were included with your official notice. Simply cast your vote on the perforated ballot and hand it in at registration.

WHAT TO EXPECT AT THE DRIVE-THRU:

Co-op employees will direct traffic. Members will hand their meeting notice to an employee who will scan the QR code for quick registration. Members will cast their ballots to complete their participation.

ENERGY CREDITS & PRIZES:

Each registered membership will receive a \$40 energy credit applied directly to their next electric bill and a free SWRE hat, with a limit of one credit and one hat per membership.

Registered members can also win the following prizes:

- \$2,000 cash
- \$1,000 cash
- Two energy credits worth \$750 each
- \$500 energy credit
- Twenty-one additional energy credits worth \$50 each
- Various prizes donated by co-op vendors

Join us live on Facebook at 10 a.m. October 7 to find out if you're a lucky winner. Winners will be contacted after the prize drawing.



89TH ANNUAL MEETING
OCTOBER 6, 2026 | 4 P.M. - 6:30 P.M.

DOUBLE DRIVE-THRU
WESTERN OKLA. STATE COLLEGE & ORBISON PARK
2801 N. MAIN ST., ALTUS, OK & 4400 SAND RD., VERNON, TX

REGISTER & RECEIVE:

Door Prize SWRE Hat
(LIMIT ONE PER MEMBERSHIP)

**\$40 Energy Credit on
Your Next Electric Bill**
(LIMIT ONE PER MEMBERSHIP)

\$40
OFF YOUR NEXT ELECTRIC BILL

REGISTER & ENTER TO WIN:

\$3,000 in Cash Prizes

\$3,050 in Energy Credits

**Various Prizes Donated
by Co-op Vendors**

**Exclusive Drawing
for Food Pantry Donors**
(MORE INFO BELOW)

VIRTUAL PRIZE DRAWING "LIVE" ON FACEBOOK | OCTOBER 7 | 10 A.M.



ENTER THE EXCLUSIVE PRIZE DRAWING

If there's one thing that never goes out of style, it's **giving**. Join us in giving back to our local communities! Southwest Rural Electric will be collecting non-perishable food items at the 89th Annual Meeting.

Memberships that bring at least one non-perishable food item to donate will receive an entry into an exclusive prize drawing! Simply bring your donation and the ticket included in your official notice to enter. Limit one entry per membership.

October is National Cooperative Month and we're celebrating **in style** by upholding our mission: to enhance the quality of life in the communities we serve. The collected items will be donated to local food pantries inside SWRE's service territory.

FINANCIAL REPORT

Balance Sheets

December 31, 2025 and 2024

ASSETS	2025	2024
Utility plant: (Note 2)		
Electric plant in service - at cost	\$ 77,640,572	\$ 76,833,710
Construction work in progress	61,819	(72,379)
	77,702,391	76,761,331
Less accumulated provision for depreciation and amortization	10,191,274	12,018,879
Net utility plant	67,511,117	64,742,452
Other assets:		
Investments in associated organizations (Note 3)	10,381,042	10,069,245
Long-term recoverable storm URI costs	-	426,133
Total other assets	10,381,042	10,495,378
Current assets:		
Cash and cash equivalents	2,858,856	1,796,930
Accounts receivable - less allowance for credit losses (2025 - \$17,223 and 2024 - \$349,440)	2,530,738	2,615,916
Accounts receivable - misc	67,636	138,042
Short-term recoverable storm URI costs	419,063	417,173
Other current and accrued assets	117,731	110,989
Total current assets	5,994,024	5,079,050
Deferred debits (Note 14)	84,785	-
TOTAL ASSETS	\$ 83,970,968	\$ 80,316,880
LIABILITIES and MEMBERS' EQUITY	2025	2024
Equities and margins:		
Memberships	\$ 37,780	\$ 38,480
Patronage capital (Note 4)	31,576,820	32,917,652
Other equities (Note 5)	3,810,818	841,397
Accumulated other comprehensive gain	2,590,034	2,799,781
Total equities and margins	38,015,452	36,597,310
Long-term liabilities:		
Long-term debt less current maturities (Note 6)	38,955,359	36,679,269
Long-term accounts payable to associated organization (Note 12)	-	426,133
Other non-current liabilities (Note 9)	2,937,953	2,828,205
Total long-term liabilities	41,893,312	39,933,607
Current liabilities:		
Current maturities of long-term debt (Note 6)	1,684,325	1,517,644
Accounts payable to associated organization (Note 12)	426,133	417,173
Accounts payable	1,291,300	1,180,926
Consumer deposits	134,400	193,285
Other current and accrued liabilities	469,194	436,963
Total current liabilities	4,005,352	3,745,991
Deferred credits (Note 14)	56,852	39,972
TOTAL LIABILITIES and MEMBERS' EQUITY	\$ 83,970,968	\$ 80,316,880

Statements of Revenue and Patronage Capital

For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating revenues	\$ 23,341,589	\$ 21,565,809
Operating expenses:		
Cost of power	12,711,387	11,996,630
Distribution expense - operation	1,105,757	762,639
Distribution expense - maintenance	2,129,507	2,256,052
Consumer accounts	714,411	728,538
Customer service and information	413,065	361,133
Administration and general	1,342,223	1,179,499
Depreciation	1,939,178	1,872,877
Interest on long-term debt	1,557,225	1,420,379
Taxes	364,583	335,539
Other interest and deductions	21,014	18,771
Total operating expenses	22,298,350	20,932,057
Net operating margins	1,043,239	633,752
Nonoperating margins:		
Interest income	160,203	112,485
Other income	210,362	256,181
Net nonoperating margins	370,565	368,666
Net operating and nonoperating margins	1,413,804	1,002,418
Other cooperative capital credits	411,290	798,754
Net margins for year	1,825,094	1,801,172
Patronage capital - beginning of year	32,917,652	31,466,484
Transfers	(2,814,647)	-
Retirement of Capital Credits	(351,279)	(350,004)
Patronage capital - end of year	\$ 31,576,820	\$ 32,917,652

Financial statements were prepared by SWRE.
Independent audit completed in 2026 by:

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024
Increase (Decrease) in Cash and Cash Equivalents

	2025	2024
Cash flows from operating activities:		
Net margins	\$ 1,825,094	\$ 1,801,172
Adjustments to reconcile net income to net cash provided by operating activities:		
Postretirement benefit accruals and amortization	13,418	45,514
Investment patronage allocated	(411,290)	(798,754)
Depreciation	2,146,637	2,006,410
(Increase) Decrease in:		
Investment in associated organizations	99,493	96,446
Accounts receivable	85,178	(480,155)
Accounts receivable - FEMA	-	272,227
Accounts receivable - misc	70,406	398,250
Recoverable storm URI costs	424,243	408,389
Other current and accrued assets	(6,742)	(26,380)
Deferred debits	(84,785)	-
Increase (Decrease) in:		
Accounts payable	110,374	(299,963)
Consumer deposits	(58,885)	51,880
Postretirement healthcare benefits	(113,417)	(104,507)
Other current and accrued liabilities	32,231	(207,366)
Deferred credits	16,880	(11,654)
Net cash from operating activities	4,148,835	3,151,509
Cash flows from investing activities:		
Extension and replacement of plant	(4,434,121)	(3,860,378)
Plant removal cost	(537,335)	(461,217)
Material returned to stock from retirements	56,154	12,248
Net cash from investing activities	\$ (4,915,302)	\$ (4,309,347)
Cash flows from financing activities:		
Memberships and other equities	\$ 154,074	\$ 46,078
Advances on long-term debt	4,000,000	2,000,000
Payments to association organizations	(417,174)	(408,399)
Payments on long-term debt	(1,557,228)	(1,598,220)
Retirements of patronage capital	(351,279)	(350,004)
Net cash from financing activities	1,828,393	(310,545)
Net change in cash and cash equivalents	1,061,926	(1,468,383)
Cash and cash equivalents at beginning of year	1,796,930	3,265,313
Cash and cash equivalents at end of year	\$ 2,858,856	\$ 1,796,930

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest	\$ 1,564,533	\$ 1,636,447
Income taxes	-	-

Disclosure of accounting policy:

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



\$45,000

CHARITABLE GRANTS DISTRIBUTED IN 2025

Altus Salvation Army
Davidson Volunteer Fire Department
Electra Volunteer Fire Department
First Methodist Church Vernon Mission Kitchen
Grace Child Development Center
Nehemiah Initiative of Altus
Operation C.A.R.E. Ministries of Jackson Co.
Southern Kiowa Food Pantry
Texoma Weather & Media
Tillman Co. Food Bank Foundation
Tipton Chamber of Commerce
Tipton Public Schools - English Language Learners
Tipton Senior Citizens Center
Vernon Meals on Wheels
Warren Senior Citizens
Wilbarger Co. Child Welfare Board
Wilbarger St. Church of Christ Food Pantry

\$1,500

**EMERGENCY DONATIONS MADE IN
2025 TO MEMBERS IN NEED**

2026 FOUNDATION BOARD OF DIRECTORS

OKLAHOMA

Lacey Oxford
Vice President

Kaden McCombs
Secretary

Nikki Kilhoffer

TEXAS

Layne Chapman
President

Bobby Don Riggins

HOW YOUR ELECTRIC CO-OP IS GOVERNED

Southwest Rural Electric Association, Inc. functions under a unique business model. Like all co-ops, we are member-owned, governed by specific rules and principles, and committed to the Seven Cooperative Principles.

As a cooperative, SWRE is a not-for-profit organization owned by those it serves—that's you! Your membership means you are vested in the organization, and the money you pay for electrical service goes into the operation, maintenance and improvement of the electrical distribution infrastructure. It's been that way since 1937, as laid out in our articles of incorporation. Additionally, SWRE follows the rules set forth in our bylaws, which provide a detailed description of how the cooperative functions and is structured.

Overseeing the operations of the cooperative is a board of directors. The board is made up of members who live in our community and use the electricity that we provide. The membership (that's you again!) elects them to their positions. Board members meet regularly to help ensure that the co-op meets the needs of its members, and they partake in training opportunities to stay up to date on co-op operations and industry information. During the annual meeting, the board meets publicly with members to make important decisions.

Also guiding the smooth operation of the cooperative are a general manager and a staff of skilled professionals including member services personnel, dispatchers, lineworkers, engineers, technicians and more.

Influencing it all are the Seven Cooperative Principles, which guide cooperative businesses all over the world. Although not legally binding, they set the tone for how co-ops do business and set them apart from other businesses. The principles are **Voluntary and Open Membership**; **Democratic Member Control**; **Members' Economic Participation**; **Autonomy and Independence**; **Education, Training and Information**; **Cooperation Among Cooperatives**; and **Concern for Community**.

It takes the entire team, board of directors and members to keep SWRE operating the way it was intended and providing safe and reliable electricity in our communities.



Don Ellis
District 1



Corwin Petzold
District 2



Don Proctor
Secretary
District 3



Dan Elsener
President
District 5



Ronnie Swan
Vice President
District 6



Si Schur
District 7



Carl Brockriede
District 8

DISTRICT MEETINGS

District meetings are also held each year for members to discuss issues and/or elect representatives to the SWRE Board of Directors. Only members living within the district can vote during a district meeting. A district meeting is held for each district every third year. Notification of time and location of the meetings will be mailed to SWRE members in these districts as specified in the SWRE bylaws.

District 2

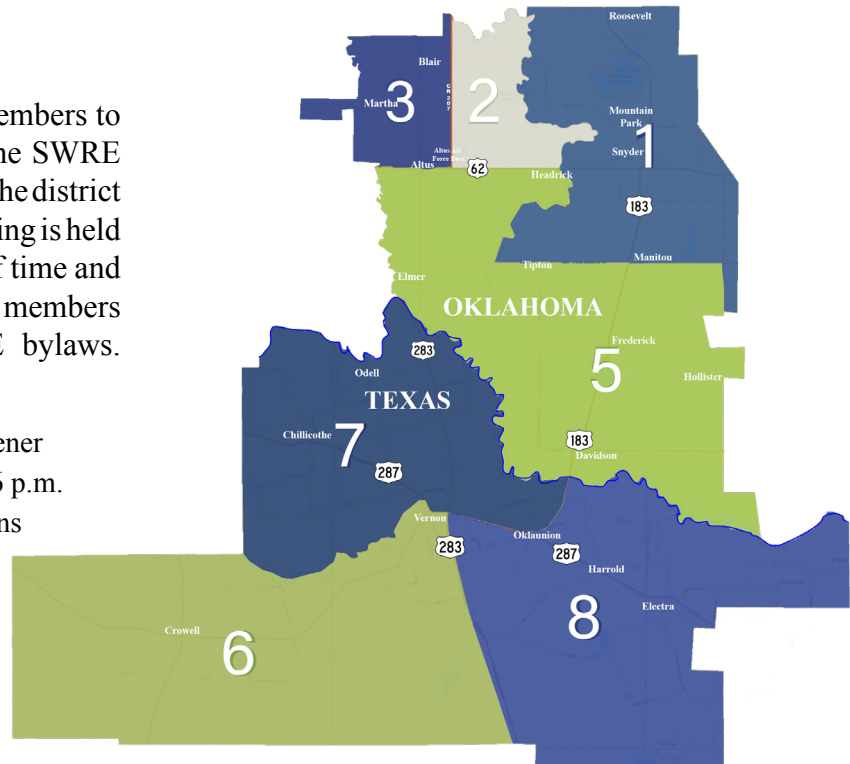
Incumbent: Corwin Petzold
Date: November 2, 6 p.m.
Location: Warren Senior
Citizens

District 5

Incumbent: Dan Elsener
Date: November 3, 6 p.m.
Location: Great Plains
Technology Center

District 8

Incumbent: Carl Brockriede
Date: November 4, 6 p.m.
Location: Harrold High
School



TRUSTEE FILING PERIOD

The district filing period for trustees is the last consecutive Monday, Tuesday and Wednesday in the month of October (October 26-28). Members in these districts have the opportunity to file as a candidate for trustee during the filing period. Qualifications, filing requirements and selection procedures for SWRE directors are stipulated in the SWRE bylaws which are available at SWRE.com/Bylaws or by request at the SWRE office.

STATEMENT OF NON-DISCRIMINATION

Southwest Rural Electric Association, Inc., is the recipient of federal financial assistance from the Rural Utilities Service, an agency of the US Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the US Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, sex, age, or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities. The person responsible for coordinating this organization's nondiscrimination compliance efforts is Dan Lambert, Chief Executive Officer. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Administrator, Rural Utilities Service, 1400 Independence Avenue SW Rm 5135 STOP 1510, Washington D.C. 20250-1535; or call (202) 720-9540 or Fax (202) 720-1725. Or the Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington D.C. 20250-9410; or call (866) 632-9992 to request a form. Fax the form to (202) 690-7442. USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.



WHAT IT MEANS TO BE A MEMBER

Message from the CEO

Whether you realize it or not, you're a member and an owner of Southwest Rural Electric.

When you receive a capital credits check in the mail, that's a payment owed to you as an owner. When you cast a ballot in our board of directors elections, that's a chance to participate in the democracy of the cooperative model.

When you gather with family and neighbors each year at SWRE's annual meeting, that's another perk of membership and an opportunity to engage directly with your co-op's leaders.

October is National Cooperative Month, when we celebrate the benefits of co-op membership.

You can be a member of many institutions—a gym, 4-H club, food-of-the-month club, the list goes on and on. But being a member of a cooperative is different. When you're a member of a co-op, you're also an owner.

When you signed up to get electric service from SWRE, you "bought" a stake in our business; and just like any stakeholder, you're offered the benefits of membership.

That means we're not turning a profit on your need for electricity. Our bottom line is providing you with safe, reliable and affordable electricity, which demands that we think about expenses, overhead and other aspects of daily business. But when we have money left over at the end of the year, we allocate it back to you and all your fellow members. Returning capital credits to you is a major benefit of co-op membership.

As your local electric co-op, we have the privilege of being a vital part of the community we serve. When we think about membership, we think about all the ways we can give back to you, our members.

This October, SWRE would like to thank you for being a member—because without you, there is no co-op. Thank you for taking an interest and being an active member in the co-op that you own.

SWRE

Southwest Rural Electric

P.O. Box 310 • 700 N. Broadway

Tipton, OK 73570-0310

Headquarters: 1-800-256-7973

Chief Executive Officer

Dan Lambert

Board of Directors

Don Ellis District 1

Corwin Petzold District 2

Don Proctor, Sec. District 3

Dan Elsener, Pres. District 5

Ronnie Swan, Vice Pres..District 6

Si Schur District 7

Carl BrockriedeDistrict 8

Bill Pay Options:

24/7 Bill Pay: 1-855-940-3943

SmartHub App or SWRE.com

Outage Reports:

24/7 Hotline: 1-833-590-0353

SmartHub App

SWRE is an equal opportunity provider and employer. SWRE *Power Source* is published monthly for distribution to members of SWRE.