

2026
URECC
ANNUAL
MEETING



89th Annual Meeting of Members Program

April 2, 2026

11:30 am to 1:00 pm Registration

11:30 am to 12:30 pm Entertainment, featuring "Darrin Morris Band"

12:45 pm to 1:00 pm Video Presentation

1:00 PM Opening of Annual Meeting

Annual Meeting Welcome
Frankie B. King, President

Invocation - James Venters

Pledge of Allegiance - R. Alan Branham

Introduction of the Board of Directors
Frankie B. King, President

Determine Quorum
Rex Nichols Jr., Attorney

Notice of Meeting
Rex Nichols Jr., Attorney

Results of Election of Directors
Rex Nichols Jr., Attorney

President's Report
Frankie B. King, President

CEO's Report
Robert A. Walker Jr., CEO

Secretary/Treasurer's Report
Sherry Morgan, Secretary/Treasurer

Report on Cooperative Audit
Mike Hallum, CPA
Knuckolls, Duvall, Hallum & Company

Adjournment of Annual Meeting
Frankie B. King, President

Drawings for Door Prizes

Welcome from Frankie B. King

President, URECC Board of Directors

Dear Members,

Welcome to the 89th Annual Membership Meeting of Upshur Rural Electric Cooperative Corporation. The information contained in our annual report covers the Cooperative's operations for the year 2025. The mission of Upshur Rural, from its humble beginnings, has been to make reliable electric energy available to its members at the lowest possible cost consistent with sound economy and good management. Today, 89 years later, our mission remains unchanged.

As we reflect on the past year, I want to thank you for the trust you place in your Rural Electric Cooperative. Serving you safely, reliably, and affordably remains our highest priority, and I am proud of the progress we have made together.

We closed the year with a modest positive net margin, allowing the cooperative to remain financially sound while continuing to reinvest in the system that serves our members. These margins are not profits in the traditional sense. They are, however, essential to maintaining infrastructure, responding to outages, and planning responsibly for the future.

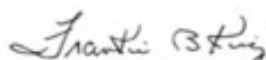
Upshur Rural Electric has improved reliability again this year, with fewer and shorter outages across our system. This reflects the dedication of our employees and the continued focus on system maintenance, vegetation management, pole inspections, and strategic upgrades. Along with reliability, the safety of our employees, our contractors, and the public remains a core value of Upshur Rural.

Like many utilities across the country, we faced significant financial headwinds in 2025. Inflation increased the cost of materials, services, labor, and fuel, and collectively, this impacted the price of power to our members. These pressures required difficult decisions, including the implementation of a small rate increase. We did not take this step lightly. The adjustment was made only after careful review and was necessary to ensure we could continue providing reliable service while maintaining the long-term financial health of your cooperative.

Looking ahead, your Board of Directors remain committed to controlling costs, improving efficiency, and advocating on behalf of our members in an increasingly complex energy environment. With your continued support, we will keep working to provide safe, reliable, and affordable electricity as stated in our mission statement. This is a commitment not just for today or next week, but well into the future.

Thank you again for being a valued member-owner of Upshur Rural Electric — Your Cooperative.

Sincerely,



Frankie B. King



A letter from the Members of URECC

Robert A. Walker

CEO & General Manager

Dear Members,

As we reflect on the past year and look ahead, I want to share our achievements and our commitment to our Board's set mission of providing safe, affordable, and reliable energy to our community. This year's Annual Meeting will include this information. We look forward to seeing you there.

In the past year, we have made significant strides in enhancing our quality of service and operational efficiency. Our Co-op team has worked diligently to enhance safety measures, reduce capital expenditures, and increase reliability.

We have prioritized safety in all our operations, ensuring our infrastructure is reliable and that careful management is in place for the benefit of our members and employees. Safety is our top priority for our employees, Members, and the public at large. Some safety measures we have taken include adding field safety personnel, formalizing a post-storm/post construction inspection group to improve quality control, establishing a new safety review board, and incorporating updated engineering software.

In our efforts to reduce capital expenditure, we have implemented strategies to minimize capital spending going forward, enabling us to conserve cash and allocate resources more effectively. One high-level effort includes a new program to recycle idle transformers, as new transformer prices have doubled over the last three years. Other efforts include a 20% reduction in the 2026 capital spending budget for system improvements, reductions in travel and training budgets, and reduced vehicle ownership through leasing.

Our investments in technology and infrastructure upgrades have improved service reliability, reduced outages, and enhanced Member satisfaction. An example of this is the effort to improve our right-of-way trimming cycles and their quality through additional inspection of the final product and improved whole-job bidding. Another effort is a new Power Quality Team, set to address causes of system outages and disruptions, such as blinking lights, as well as individual Member and other system concerns.

Looking forward, as we move into the upcoming year, we remain committed to our mission. Our focus will be on cost savings initiatives, long-term financial health, grants, and transmission revenue.

We will continue to explore cost-saving initiatives to reduce our budgetary needs while maintaining high-quality service standards. An example of cost-saving initiatives includes a continuous improvement process for capital budgets to minimize unnecessary expenditures and optimize capital expense needs - a new layer of focused capital discipline. Another initiative to reduce costs is to focus on maintenance. This should offset capital spending by extending the life of the system. Much effort has been put towards improving online availability for Member Services, thus reducing employee hours spent on typical clerical matters. By reducing capital expenditure and lowering depreciation costs and other expenses, we aim to enhance long-term financial health, ultimately benefiting our members through more stable, lower rates. Looking forward, grants and transmission revenue create new opportunities to inject capital at a lower cost to the system, helping to reduce rates in the long term.

We are dedicated to serving you, our Member Owners, with transparency and integrity. Your support and engagement are vital as we navigate these changes and strive to fulfill our mission. Together, we can ensure that our Cooperative remains a pillar of strength in our community.

Thank you for being a valued Member of our Cooperative. We look forward to another year of progress and collaboration.

Sincerely,

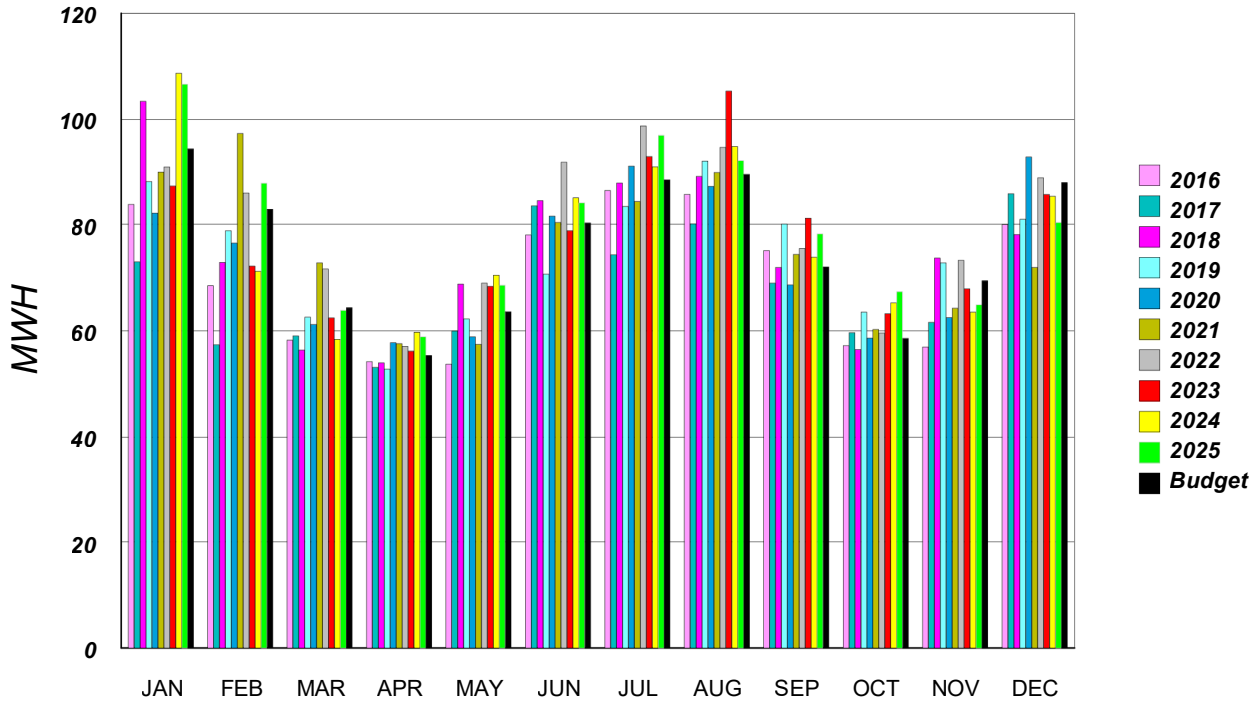


Robert Walker, General Manager & CEO

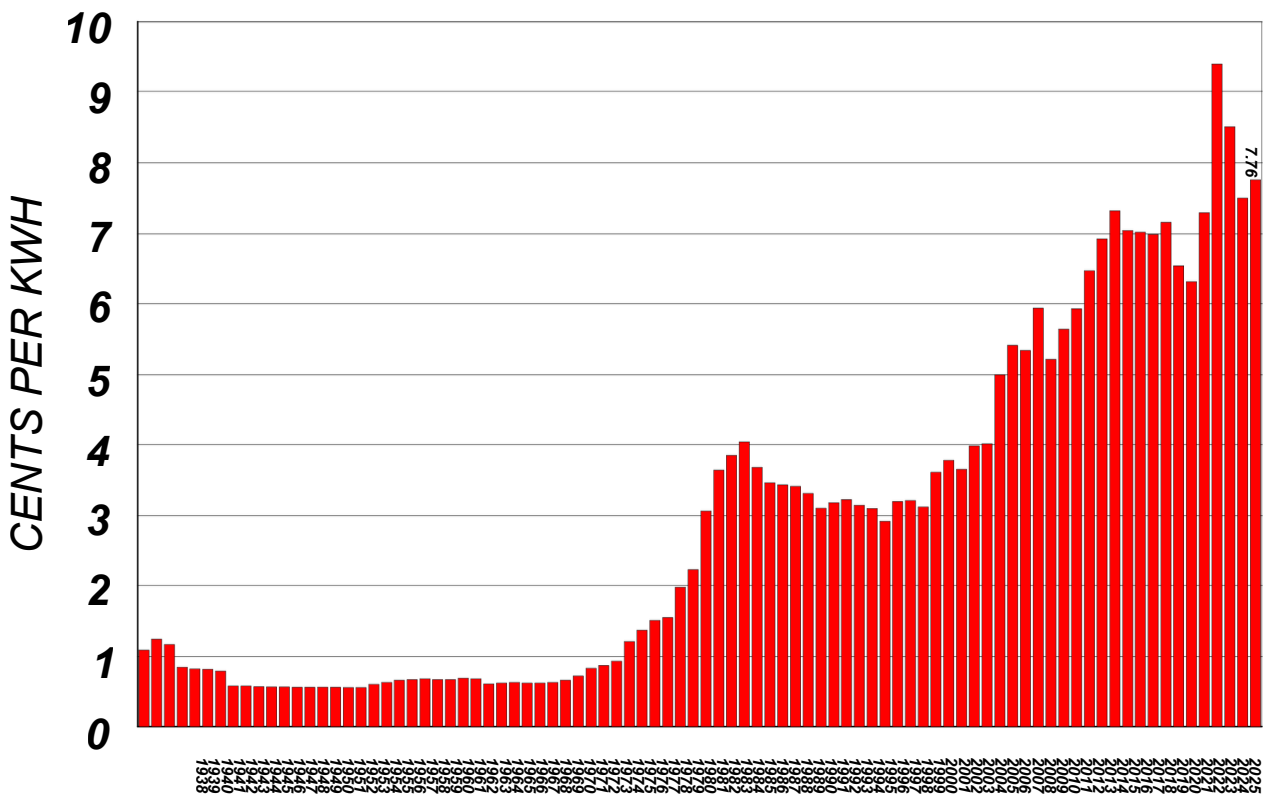


2025 KWH SALES

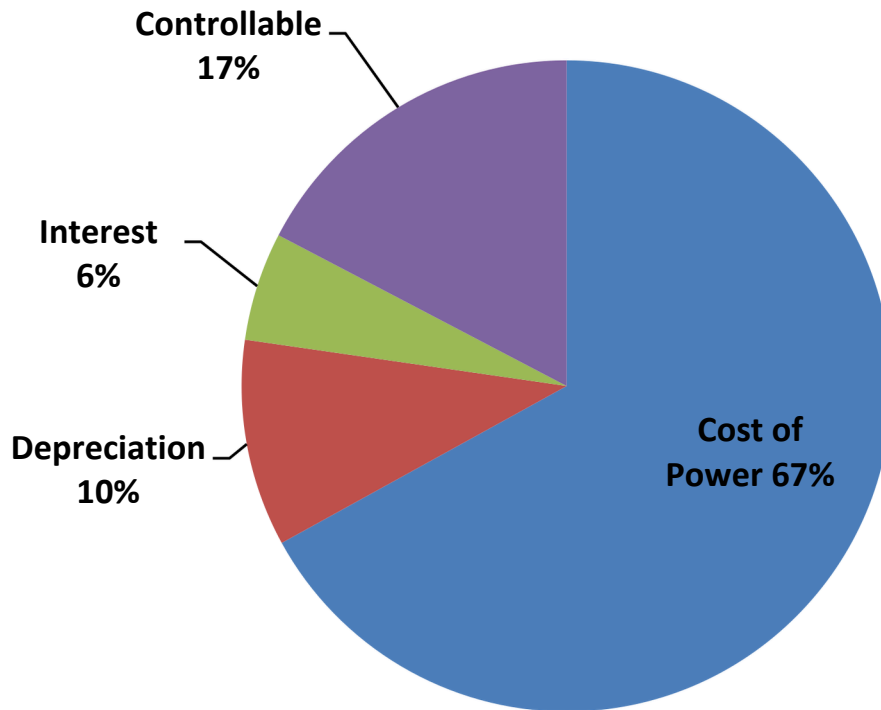
UPSHUR RURAL ELECTRIC COOPERATIVE KWH SALES BY MONTH



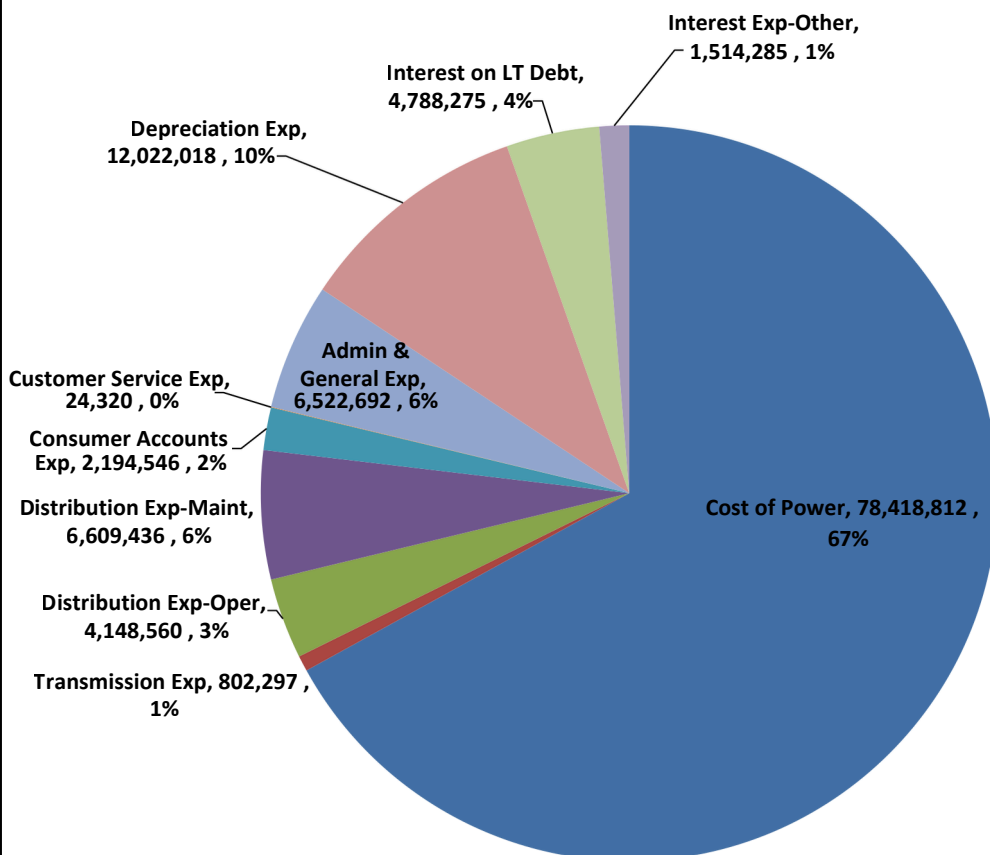
UPSHUR RURAL ELECTRIC COOPERATIVE WHOLESALE POWER COST BY YEAR



Controllable vs Fixed -2025



Total Cost of Service -2025



Secretary - Treasurer's Financial Report December 31, 2025

Knucklols, Duvall, Hallum & Co., P.C.
Certified Public Accountants

To the members of Upshur Rural
Electric Cooperative Corporation

We have audited the balance sheet of
Upshur Rural Electric Corporation as
of December 31, 2025, and the related
statements of revenue and patronage
capital, and cash flows for the year
then ended and we expressed an
unmodified opinion on these financial
statements. We conducted our audit
in accordance with auditing standards
generally accepted in the United States
of America.

Knucklols, Duvall, Hallum & Co.
Marshall, Texas

The audit report and financial
statements are available at the
Cooperative's office for your review.

ASSETS - WHAT WE OWN

NET UTILITY PLANT		\$234,170,467
CURRENT & ACCRUED ASSETS		
Cash in Banks	\$ 753,746	
Accounts Receivable	\$ 12,538,188	
Materials & Supplies	\$ 2,051,528	
Prepayments	\$ 886,510	
Other Property & Investments	\$ 43,949,293	
Other Current & Accrued Assets	\$ 22,518	
Deferred Debits	\$ 361,349	
TOTAL CURRENT AND ACCRUED ASSETS		<u>\$ 60,563,132</u>
TOTAL ASSETS		<u><u>\$ 294,733,599</u></u>

LIABILITIES - WHAT WE OWE

LONG-TERM OBLIGATION TO RUS	\$ 0	
LONG-TERM OBLIGATION TO NRUCFC	\$ 119,164,481	
TOTAL LONG-TERM DEBT		<u>\$ 119,164,481</u>
ACCUMULATED PROVISIONS FOR		
Obligations Under Capital Leases-Non Current	\$ 1,744,196	
Post-Retirement Benefits Other Than Pensions	\$ 2,966,830	
		<u>\$ 4,711,026</u>
CURRENT LIABILITIES & DEFERRED CREDITS		
Notes & Accounts Payable	\$ 29,212,634	
Consumer Deposits	\$ 3,394,984	
Other Accrued Liabilities	\$ 8,954,033	
Deferred Credits	\$ 382,855	
TOTAL CURRENT LIABILITIES AND DEFERRED CREDITS		<u>\$ 41,944,506</u>
TOTAL LIABILITIES		<u>\$ 165,820,013</u>
<u>EQUITIES</u>		
Patronage Capital	\$ 123,413,268	
Non-Operating Margins	\$ 2,650,777	
Other Margins and Equities	\$ 2,849,541	
TOTAL EQUITIES		<u>\$ 128,913,586</u>
TOTAL LIABILITIES AND EQUITIES		<u><u>\$ 294,733,599</u></u>

Upshur Rural Electric Cooperative Board of Directors



Front Row (L to R): **Mr. Rex Youngblood**- Asst. Secretary/Treasurer, **Mr. David Venters**, **Mr. Frankie B. King**- President, **Mrs. Sherry Morgan**- Treasurer/Secretary

Back Row (L to R): **Mr. J.P. Abernathy**, **Mr. Jonathan Hunt**, **Mr. Cody Newman**, **Mr. Paul Franklin**, **Mr. Alan Branham**-Vice President

CEO- Robert A. Walker, Jr.
Certified Public Accountants- Knuckols,
Duval, Hallum & Company
Attorney- Nichols & Nichols, P.C.

Upshur Rural Electric Cooperative Corporation
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