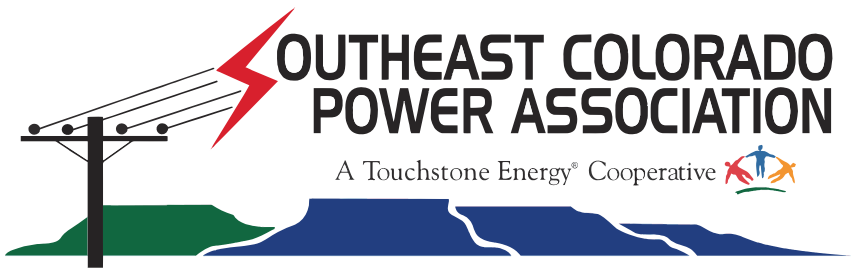

2024 SECPA ANNUAL REPORT



***APRIL 24, 2025
LA JUNTA, COLORADO***

FROM THE BOARD PRESIDENT

On behalf of the Board of Directors Welcome to the SECPA 2025 annual meeting. We are glad to be here in Lamar this year and thanks to the Lamar community for hosting us this year.

I am Truman Wright Your current board President for SECPA and Secom, Your board of directors includes Clint Anderson, Vice President, Merlin Rushton, Secretary/Treasure, and directors Lawrance Brase, Brad Buck, Randy Phillips, and Michelle Gardner. These are a great bunch of people to work with and have shown a great passion for the success of SECPA and Secom. We continue to work through various issues that arise in these changing times and make decisions for the future of our businesses.


We are reaching new milestones in both companies. We continue to reach higher levels of electricity sold each year. And in the next couple of years we will really increase the size of SECOM. Utilizing grants we are able to improve and build some new community Fiber projects, serving our original customers and expanding slightly into neighboring underserved areas, while improving our current systems reliability. We started several years ago just trying to get a better internet to our local schools and communities and now we are serving a big part of SE Colorado.

We are able to do this with a very good team of people. Between the two companies we have about 105 employees covering a lot of miles of Lines and service area. We try to stay involved in our communities activities with support and just being available to our friends and neighbors. We are giving several Scholarships here this evening and continue to support the local Fairs and Parades. We believe in and try to maintain the core Coop principles help our selves and others, together we succeed.

Both of our companies have had a very solid year. We did have to pass on some rate increases that we have incurred from our power supplier but that was the first in a long time and hopefully with the new rate structure it will not happen again for a while. We continue trying to keep our rates low and our services top notch. We are able again this year to pay out capital Credits and return the money invested in us by the members to them. We are working to be more current with those but keeping our cooperative financially strong .

We have great people and they continue to work through the problems thrown at them. These have been some interesting times but like those that came before us we just keep moving forward. Keeping the lights on and the internet connected to the rest of the world.

From the board and myself thank you for coming here tonight and thanks for being our friends and customers. Thank you for your business and membership and we hope 2025 will be a success for all of us.

A handwritten signature in black ink that reads "Truman Wright". The signature is written in a cursive, flowing style.

FROM THE CEO

CEO REPORT

SECPA

2024 was another good year for SECPA. We continued our moderate growth pattern and ended the year with an increase of 49 consumers over 2023 for a total of 10,914 consumers by the end of the year. Kilowatt-hour sales for 2024 rose by 7,194,490 kWh for a total kWh sold in 2024 of 252,244,449. We continued to retire Capital Credits in 2024 with the Board of Directors approving the retirement of \$568,082. Those retirement checks were mailed out to members in December. For the first time since 2015, SECPA had a modest rate increase which went into effect on August 1st. This rate increase was necessary because of the continued increases in costs incurred by SECPA, as well as a rate increase from our power supplier Tri-State Generation and Transmission. We do not anticipate any rate increases in 2025. Once again, I would like to say a big Thank You to all the awesome employees of SECPA for everything they do to keep the lights on and to take care of you, our members!

SECOM

SECOM also continued to grow and finished the year with positive margins that also contributed to the bottom line of SECPA. We continued to expand our fiber network as we added the town of Avondale to the growing list of communities we serve with Fiber to the Home. We began work on the grants that were awarded in late 2023, and in fact, we were invited to expand the scope of one of the awarded projects, and we were awarded an additional project that was not initially awarded in 2023. So, in 2024 we got to work on projects in Otero & Bent counties, Pueblo County, Crowley County, and Las Animas County. These projects will keep us busy through the end of 2026 and will more than double the assets of SECOM and allow us to serve thousands of new customers in rural Southeast Colorado with state-of-the-art fiber internet connectivity. Even with all the expansion of our fiber network, we still rely on wireless connectivity for many of our customers, and 2024 also saw the start of a wireless upgrade project that will allow greatly increased speeds for our wireless customers. Whether it's fiber or wireless, SECOM is committed to providing the best internet experience possible to our customers.

I can't thank the employees of SECPA and SECOM enough for their hard work and dedication to our members and customers. Every day, our employees go above and beyond the call of duty to serve the members of SECPA and the customers of SECOM!



BOARD OF DIRECTORS



Truman Wright
District 1
President



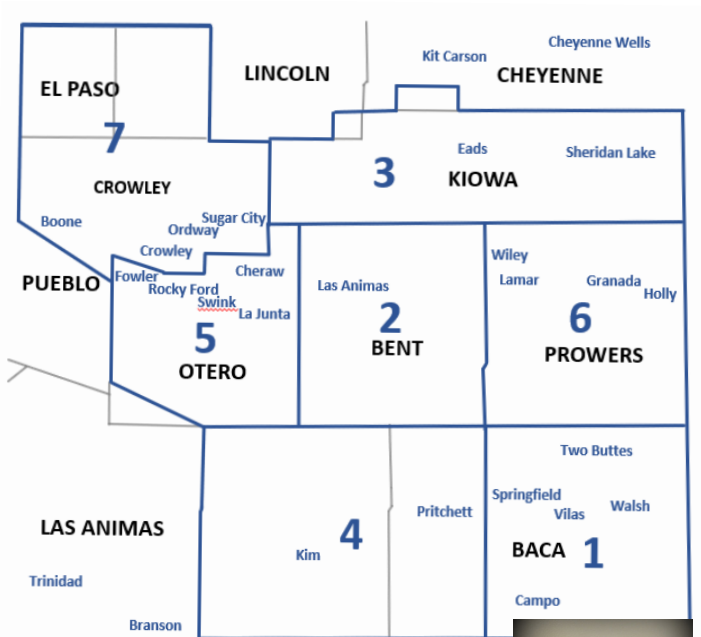
Lawrence Brase
District 2



Brad Buck
District 3



Randy Phillips
District 4



Michelle Gardner
District 5



Merlin Rushton
District 6
Secretary/Treasurer



Clint Anderson
District 7
Vice President

MANAGEMENT STAFF



Kevin Brandon
Chief Executive Officer



Aaron Johnson
Chief Financial Officer



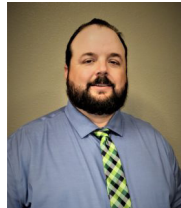
Mark Hall
Chief Operations
Officer - SECPA



Angela Bamber
Chief Human Resources
Officer



Jon Saunders
Chief Business Development
Officer - SECOM



Elijah Ridgwell
Chief Network &
Information Security
Officer - SECOM



Scott Monarco
Chief Operations
Officer - SECOM



Debbie Howard
Executive Assistant

2025 SCHOLARSHIP WINNERS

SECPA \$1,000 SCHOLARSHIP WINNERS



**DELANEY
BOND**

**Cheraw High
School/Home
School**

Parents – Miles &
Brienne Bond



SADIE BUHR

**La Junta High
School**

Parents – Dan &
Kellie Buhr



**KOLTER
CRANSON**

**Kim Undivided High
School**

Parents –Kenneth &
Kathy Cranson



RYAN DAY

Fowler High School

Parents – James &
Rexella Day



BAY ELLIS

**Springfield High
School**

Parent – Ben Ellis



CALLIE HINDS

Campo High School

Parents – David &
Nancy Hinds



**KINSLEY
MAYO**

**La Junta High
School**

Parents – Jake &
Kristine Mayo



CASE NELSON

Eads High School

Parents – Sam &
Denise Nelson

2025 SCHOLARSHIP WINNERS



**COLIN
NELSON**

Eads High School

Parents – Colby
Nelson & Claire
Prince



**JORJI
RATZLAFF**

**Pritchett High
School**

Guardian – Teresa
Garcia

BASIN ELECTRIC SCHOLARSHIP



**ASHLYNN
HANCOCK**

**Rocky Ford High
School**

Parents – Lee &
Andrea Hancock



**TRAVEN
SHARON**

**Sharon Home
School (Ordway)**

Parents – Trenton &
Lindy Sharon

IN MEMORY OF JIM & LIZZIE REHFELD



**DALTON
CASPER**

Swink School

Parents – Paul &
Susan Casper



**JACOB
GEARHART**

**Las Animas High
School**

Parent – Darla Cook



LARS GRAHN

**Vilas Undevided
High School**

Parents – Lars &
Kelly Grahn



**TAVIN
WATKINS**

**Kim Undivided High
School**

Parents – Tate &
Tally Watkins

FACT SUMMARY

Southeast Colorado Power Association is a rural electric distribution cooperative providing electricity to approximately 10,935 meters in rural southeast Colorado. Additionally, SECOM, a wholly owned subsidiary of SECPA, provides high-speed telecommunication circuits, wireless internet and voice services.

YEAR ORGANIZED:	1937
POWER SUPPLIER:	Tri-State Generation & Transmission, Inc. Denver, Colorado.
TERRITORY:	Southeast Colorado Power's 13,000 square-mile service territory includes all or portions of Baca, Bent, Cheyenne, Crowley, Kiowa, Las Animas, Lincoln, Otero, El Paso, Prowers and Pueblo counties.
WORK FORCE:	48 full-time employees.
2024 ASSETS:	Southeast Colorado Power Association's total assets as of December 31, 2023 are \$118,992,519
DISTRIBUTION:	5,521 miles of distribution line.
TRANSMISSION:	304 miles of transmission line.
FIBER OPTIC:	2,404 miles of fiber optic cable.
2024 PROPERTY TAXES:	\$676,931.91
2024 ELECTRIC REVENUE:	\$36,223,875
2024 TELECOM REVENUE	\$13,494,687
2024 kWh SOLD:	252,244,449 kWh
2024 NET MARGIN & PATRONAGE	\$3,455,069
TYPES OF SERVICE:	Farms, ranches, irrigation, residential, oil and gas pumping.

INCOME STATEMENT

Income Statement ----- (unaudited)

OPERATING REVENUES	2024	2023	2022	2021	2020
Residential	\$12,390,036	\$11,854,906	\$12,028,820	\$11,765,118	\$11,803,209
Irrigation	\$10,915,817	\$9,596,151	\$10,328,707	\$9,645,520	\$10,153,598
Small Commercial	\$6,660,347	\$6,288,687	\$6,903,240	\$6,907,983	\$6,465,477
Large Commercial	\$5,467,062	\$6,311,207	\$6,761,767	\$5,372,326	\$4,452,892
Street Lighting	\$75,931	\$73,896	\$73,900	\$73,899	\$74,018
Sale for Resale	\$335,840	\$317,686	\$322,451	\$321,411	\$301,871
Other Revenue					
TOTAL ELECTRIC SALES	\$35,845,033	\$34,442,533	\$36,418,885	\$34,086,257	\$33,251,065
Other Electric Revenue	\$378,842	\$983,516	\$1,088,616	\$350,300	\$325,357
TOTAL REVENUES	\$36,223,875	\$35,426,049	\$37,507,501	\$34,436,557	\$33,576,422
EXPENDITURES					
Purchased Power	\$20,285,238	\$19,691,118	\$21,920,918	\$19,610,325	\$19,837,087
Transmission Expense	\$149,522	\$128,547	\$116,994	\$143,891	\$198,771
Distribution-Operations	\$2,435,378	\$2,539,643	\$2,303,894	\$2,392,752	\$1,960,447
Distribution-Maintenance	\$3,506,248	\$2,990,391	\$2,597,108	\$2,873,706	\$2,688,705
Consumer Accounts Expense	\$904,514	\$807,807	\$734,836	\$781,567	\$799,464
Consumer Serv. & Info. Expense	\$57,830	\$77,385	\$60,894	\$39,503	\$61,741
Sales Expense	\$28,445	\$13,300	\$24,093	\$16,445	\$14,846
Administrative & General Expense	\$1,589,105	\$1,452,191	\$1,664,765	\$1,847,665	\$1,580,423
Depreciation & Amortization	\$4,460,515	\$4,214,950	\$4,099,663	\$3,957,505	\$3,659,033
TOTAL OPERATING EXPENSE	\$33,416,795	\$31,915,332	\$33,523,165	\$31,663,359	\$30,800,517
Interest on Long Term Debt	\$1,363,017	\$1,213,762	\$1,220,059	\$1,286,538	\$1,302,038
Interest Expense - Other	\$116,568	\$423,507	\$27,110	\$13,341	\$73,425
Other Deductions	\$398,572	\$167,494	\$416,987	\$467,041	\$397,977
TOTAL COST OF ELECTRIC SERVICE	\$35,294,952	\$33,720,095	\$35,187,321	\$33,430,279	\$32,573,957
Operating Margins	\$928,923	\$1,705,954	\$2,320,180	\$1,006,278	\$1,002,465
Non-Operating Margins - Interest	\$36,901	\$34,689	\$35,106	\$10,845	\$8,361
Income (Loss) from Equity Investments	\$314,143	\$216,149	\$26,221	\$1,002,787	\$19,708
Non-Operating Margins - Other	\$491,231	\$338,825	\$432,169	\$1,621,095	\$158,293
G & T Capital Credits	\$1,224,163	\$138,550	\$370,849	\$444,471	\$433,509
Other Capital Credits & Patronage Div.	\$411,652	\$310,476		\$238,292	\$304,882
Extraordinary Items				(\$1,000)	(\$1,000)
NET MARGINS & PATRONAGE	\$3,455,069	\$2,744,643	\$3,184,525	\$4,322,768	\$1,926,218

BALANCE SHEET

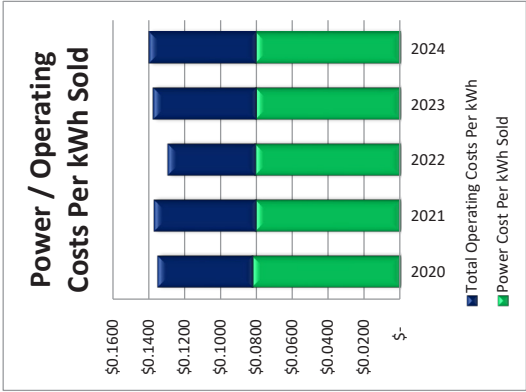
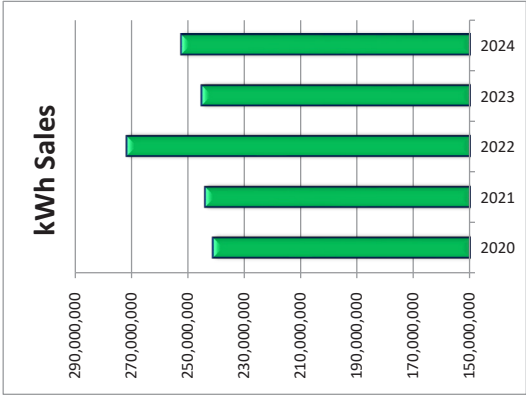
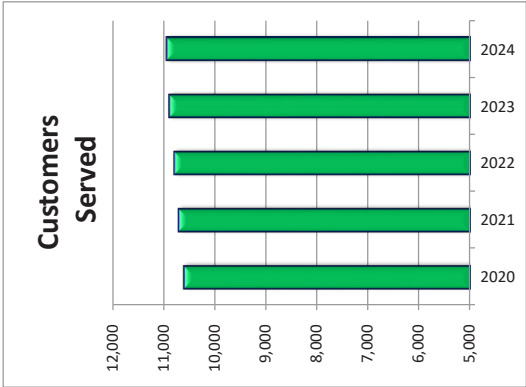
Balance Sheet (unaudited)

	2024	2023	2022	2021	2020
ASSETS					
Total Utility Plant	\$139,121,787	\$133,283,339	\$127,448,553	\$122,630,007	\$120,157,577
Less Depreciation	\$62,570,922	\$60,741,889	\$58,587,380	\$55,676,837	\$53,572,590
Net Utility Plant	\$76,550,866	\$72,541,450	\$68,861,173	\$66,953,170	\$66,584,987
Investment in Subsidiary Companies	\$9,200,921	\$8,886,779	\$8,694,613	\$8,668,392	\$7,665,605
Invest. in Assoc. Organizations - Pat. Capital	\$19,659,692	\$18,448,419	\$18,366,954	\$18,369,914	\$18,096,679
Invest. in Assoc. Organizations - Other	\$243,946	\$244,946	\$244,946	\$244,946	\$244,946
Other Investments	\$8,099	\$8,061	\$7,865	\$7,548	\$7,248
Special Funds	\$1,064	\$1,057	\$2,307	\$3,708	\$1,433
Cash - General Funds	\$710,438	\$1,243,449	\$1,339,102	\$740,139	\$825,755
Cash - Construction Funds	\$0				
Special Deposit	\$241	\$241	\$241	\$241	\$241
Temporary Investments	\$52,509	\$55,417	\$52,528	\$50,322	\$58,692
Notes Receivable - Net	\$636,433	\$674,549	\$711,418	\$747,081	
Accounts Receivable - Net	\$2,678,624	\$2,653,465	\$2,889,192	\$2,991,446	\$3,404,119
Materials & Supplies - Electric	\$2,155,070	\$1,838,888	\$1,771,533	\$1,265,069	\$1,158,315
Prepayments	\$142,245	\$139,549	\$222,867	\$208,473	\$78,955
Other Current & Accrued Assets	\$173	\$216	\$103	\$7	\$5
Deferred Debits	\$5,387,251	\$5,762,869	\$6,194,094	\$6,710,763	\$7,223,418
TOTAL ASSETS	\$118,992,519	\$114,045,603	\$110,977,117	\$108,651,332	\$107,112,444
LIABILITIES AND OTHER CREDITS					
Memberships					
Patronage Capital	\$67,045,086	\$64,703,803	\$62,205,146	\$58,065,351	\$56,235,925
Operating Margins	\$2,201,143	\$1,844,504	\$2,344,517	\$1,452,120	\$1,002,464
Non-Operating Margins	\$1,253,926	\$876,156	\$840,008	\$2,870,648	\$923,754
Other Margins & Equities	\$4,869	\$4,869	\$4,869	\$4,869	\$4,823
Long Term Debt - CFC	\$41,424,339	\$38,246,925	\$38,422,044	\$40,204,344	\$42,546,803
Long Term Debt - Econ. Develop.					
Long Term Debt - Other	\$20,000	\$50,000	\$80,000	\$110,000	\$1,183,454
Accumulated Operating Provisions					
Notes Payable	\$700,000	\$2,449,670	\$1,557,922		\$299,727
Accounts Payable	\$2,574,430	\$2,412,839	\$2,184,962	\$2,362,354	\$2,416,959
Consumer Deposits	\$582,587	\$578,187	\$633,822	\$743,985	\$576,115
Current Maturities Long-Term Debt	\$2,006,580	\$1,869,915	\$1,782,300	\$1,714,685	\$1,021,117
Other Current & Accrued Liab.	\$1,085,937	\$915,114	\$827,906	\$1,029,355	\$818,803
Deferred Credits	\$63,621	\$63,621	\$63,621	\$63,621	\$52,500
TOTAL LIABILITIES AND OTHER CREDITS	\$118,992,519	\$114,045,603	\$110,977,117	\$108,651,332	\$107,112,444

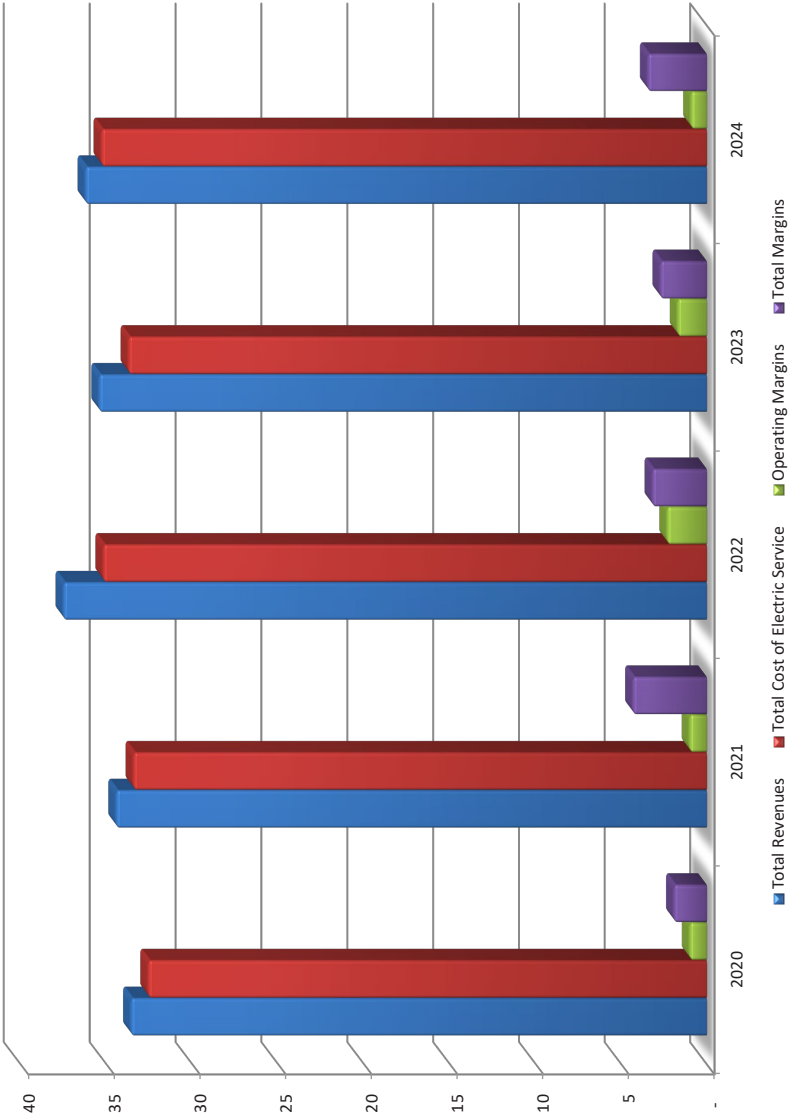


Comparative Statistics

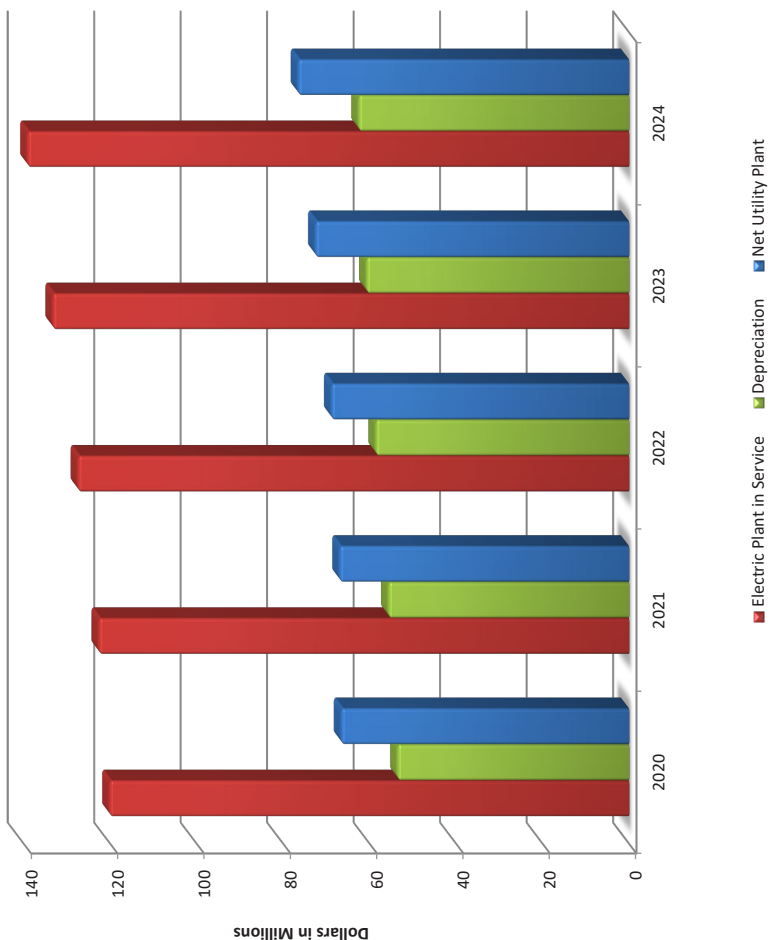
	2024	2023	2022	Change
Active Member Accounts Served	10935	10,886	10,789	97
Miles of Line	5825	5,812	5,789	23
Member Accounts per Mile of Line	1.88	1.87	1.82	0.05
Total kWh Sold	252,244,449	245,049,959	271,556,915	(26,506,956)
Revenues	\$ 36,223,875	\$ 35,426,049	\$ 37,507,501	\$ (2,081,452.00)
Average Selling Price per kWh Sold	\$ 0.1421	\$ 0.1406	\$ 0.1380	\$ 0.0026
Power Cost Per kWh Sold	\$ 0.0804	\$ 0.0804	\$ 0.0807	\$ (0.0003)
Operating Cost Per kWh Sold	\$ 0.0595	\$ 0.0572	\$ 0.0573	\$ (0.0001)



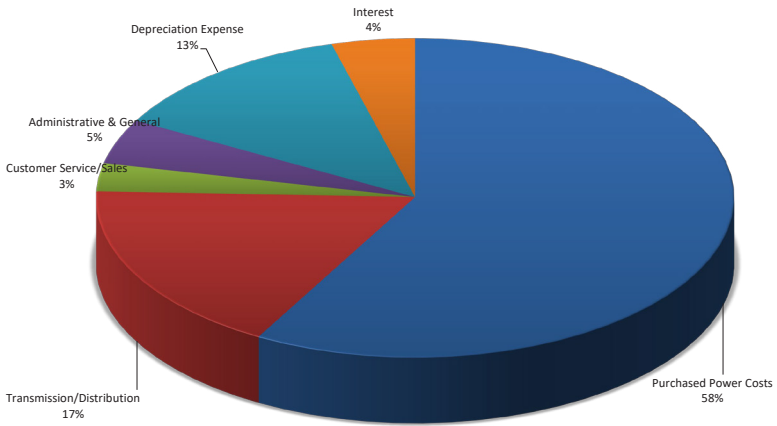
Historical Performance (Millions)



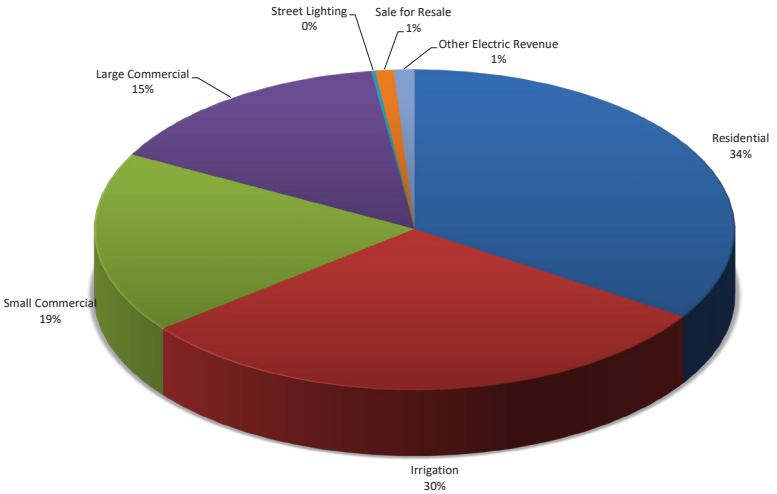
Growth in Plant (Millions)



2024 Cost of Power Breakout



2024 Revenue Sources



MINUTES OF 2023 ANNUAL MEETING
of SOUTHEAST COLORADO POWER ASSOCIATION (SECPA) SHAREHOLDERS
April 25, 2024

The 2023 Annual Meeting of SECPA was held on Thursday, April 25, 2024, at Inspiration Field, 612 Adams Street, La Junta CO. with registration beginning at 5:00 p.m.

CALL TO ORDER – Board President Truman Wright called the meeting to order at 6:00 p.m. Following the invocation, attendees recited the Pledge of Allegiance.

WELCOME – **Rob Oquist**, Otero County Commissioner, welcomed everyone and commended SECPA for their generosity and involvement with community sponsorships.

INTRODUCTION of Board of Directors – Wright introduced Board Directors: Merlin Rushton, Clint Anderson, Brad Buck and wife Dreama, Randy Phillips and wife Reva, Michelle Gardner, and Lawrence Brase.

INTRODUCTION of LEADERSHIP TEAM – CEO Kevin Brandon introduced SECPA & SECOM leadership team. Brandon recognized the employees assisting with the meeting.

INVITATION to DINNER - Brandon invited everyone to enjoy the meal.

READING of OFFICIAL MEETING NOTICE - Secretary-Treasurer Rushton read the Official Notice of SECPA Annual Meeting.

DETERMINATION of QUORUM - Rushton made a determination of quorum. (Quorum was certified according to Article III, Section 4 of the SECPA bylaws.) Motion was made and seconded to declare a quorum present to transact business. **MOTION** carried. NOTE: 66 members present.

MINUTES of 2022 ANNUAL MEETING - Rushton then asked for a motion to dispense with the reading of the minutes and to approve the 2022 Annual Meeting minutes. He told members a copy of the minutes is included in the Annual Meeting booklets distributed to members at tonight's meeting. Motion was made and seconded to dispense with the reading of the minutes and approve the minutes. **MOTION** carried.

YEAR-in-REVIEW & Financial Report - Brandon presented the 2023 Year-In-Review via PowerPoint. SECPA highlights: 10,887 electric accounts served; 9.7% decrease in kilowatt hours sold from 2022; total electric plan in service \$134,959,250; total miles energized lines 5,812; retired 1970-1982 capital credits totaling \$1.3M; total wages paid \$4,971,347. The July storm with the majority of damage in Baca County resulted in replacing 485 power poles; work orders totaling \$1,563,557; and 3,912 overtime hours worked. Brandon explained factors affecting rates, stating SECPA will implement a 2% increase in rates in 2024. The average increase across all rate classes is 5.16%; average residential member bill will increase by 5.95% or \$8.38 per month. The Board of Directors has approved the rate increase but is awaiting Tri-State's rate filing to be approved before implementation.

Brandon reviewed 2023 Financial Summary via PowerPoint: Net Margins & Patronage \$2.7M, including income from SECOM (subsidiary) of \$192K.

SECOM (SECPA's wholly owned broadband subsidiary) has 1,849 miles of fiber, 5,267 wireless circuits and 135 wireless towers, 2,969 fiber circuits, and 3,824 phone lines. Wages paid \$3.7M. SECOM had a positive margin of \$192K. SECOM has fiber to the home (FTTH) in Springfield, Pritchett, Holly, Las Animas, and Avondale.

SECOM partnered with Southern Colorado Economic Development District (SCEDD) to apply for grant funding and was awarded three grants totaling \$14M.

PRIZE DRAWINGS - Brandon announced five \$100 cash prize winners and the \$500 winner was Kim Baptist Church.

ANNOUNCEMENT of SCHOLARSHIP WINNERS - Brandon announced the 2024 Scholarship recipients and Wright presented scholarship certificates to the following:

*Tri-State \$1,000 Scholarship: **Skyla Haar** (Simla High School.)

*SECPA \$1,000 Scholarships: **Hayden Brooks** (Vilas Undivided High School); **Katharine Elmore** (Campo High School); **Morgan Foxhoven** (La Junta High School); **Jesse Gamez** (Kim High School); **Trevor Johnston** (La Junta High School); **Windsor Leighty** (McClave High School); **Karson Rosech**, (McClave High School); **Elaine Shannon** (Kim High School); **Waitley Sharon**, (Homeschool); **Bethany Summers**, (Wiley High School); and **Gavin Tempel**, (McClave High School.)

CREDENTIALS & TELLERS COMMITTEE REPORT - 66 members present; 608 mail-in ballots; and 6 in-person ballots for a grand total of 614 ballots cast. Total membership as of April 25, 2024, was 5,339.

Motion was made and seconded to approve the Certificate of Credentials Committee. **MOTION** carried.

Committee Chair, Harold Unwin announced ballot results: District 6: Merlin Rushton 366 votes; Jack Wolfe 228 votes. Incumbent & unopposed District 5 Michelle Gardner 524 votes, and incumbent & unopposed District 2 Lawrence Brase 504 votes. Chairman Unwin congratulated winners Rushton, Brase and Gardner.

OLD BUSINESS or NEW BUSINESS - Wright asked if there was any old or new business anyone wanted to bring forth.

ADJOURNMENT - Motion was made and seconded to adjourn the meeting at 7:40 p.m. **MOTION** carried.

Wright announced next year's annual meeting will be held in Lamar, Colorado.

President

Secretary

