

MESSAGE TO OUR MEMBERS



MYLO EINARSON
PRESIDENT & CEO



LES WINDJUE
CHAIRMAN

At Nodak Electric Cooperative, every year tells a story. The story of 2025 is one of resilience, responsible decision-making and the strength that comes from working together as a cooperative.

Last summer, our region experienced severe storms that caused widespread damage across our service territory. High winds and significant weather events resulted in infrastructure loss substantial enough to qualify as FEMA-declared events. In the face of those challenges, our crews responded with urgency, professionalism and an unwavering commitment to our members. Long hours and difficult conditions did not deter them from restoring power safely and efficiently. Their work reflects the very best of the cooperative spirit — neighbors serving neighbors.

Safety remains foundational to everything we do. In 2025, Nodak Electric earned a rare distinction from the Rural Electric Safety Achievement Program (RESAP) for exceptional improvements in safety performance — an honor that has only been awarded to one other North Dakota cooperative in the past. This recognition is not about a single milestone; it represents a sustained commitment to building a culture where safety is embedded in every task and every decision.

Financial stewardship was also a key theme throughout 2025. For eight consecutive years, Nodak Electric maintained stable rates. However, continued increases in wholesale power, materials and operating costs made a rate adjustment necessary in 2025. This decision was made carefully and deliberately, with a long-term view of maintaining system reliability and financial strength.

Members will see another rate increase in 2026, though it will be considerably smaller. Our approach is measured — making responsible adjustments when needed to ensure we continue delivering reliable service without compromising the cooperative’s financial health. Thoughtful planning today helps avoid greater challenges tomorrow.

Even in a year that required a rate adjustment and significant storm recovery efforts, Nodak Electric remained financially sound. In 2025, we posted a net margin of \$5 million after deferring \$1.7 million in revenue to offset part of the 2026 wholesale power cost increase. We are also proud to retire \$3.4 million in capital credits to our members in 2025. Returning capital credits is a tangible example of the cooperative difference. Because we operate at cost, margins are allocated back to you — our member-owners — over time. It is a model built on local ownership, transparency and long-term stewardship.

Beyond delivering electricity, Nodak Electric continues to invest in the communities we serve. Through youth programs, scholarships, economic development efforts and community engagement, we continue to invest in the future of rural North Dakota. Our Operation Round Up program allows members to voluntarily round up their monthly electric bill to support local individuals and organizations in need. The collective impact of those small contributions is powerful. It is cooperation in action and a direct reflection of the values that guide us.

Reliability continues to be at the core of everything we do. Investments in infrastructure upgrades, vegetation management and system improvements strengthen our distribution system and position us to meet growing demand. Our responsibility is to ensure the grid remains reliable, resilient and capable of meeting future needs. Strategic planning today ensures we are prepared for tomorrow.

While every year tells a story, 2025’s narrative is written by our people — from the dedicated employees committed to excellence, the board members who provide steady governance and the members who place their trust in this cooperative every day.

As we look ahead, our focus remains clear; deliver safe, reliable power, maintain financial strength, support our communities and preserve the cooperative values that define us.

Thank you for your engagement, your trust and your continued support of Nodak Electric Cooperative. We are proud of what was accomplished in 2025 and confident in the path forward.

TREASURER'S REPORT

BALANCE SHEET

As of December 31, 2025 and 2024	2025	2024
ASSETS AND OTHER DEBITS		
Net Utility Plant	\$ 116,436,754	\$ 113,550,994
Cash	20,280,035	24,342,074
Receivables	13,154,362	12,138,806
Other Assets & Debits	31,104,736	25,628,765
Total Assets	\$ 180,975,887	\$ 175,660,639
LIABILITIES AND OTHER CREDITS		
Total Margins & Equities	\$ 73,759,123	\$ 71,581,668
Long-term Debt	78,953,222	78,698,193
Other Liabilities & Credits	28,263,542	25,380,778
Total Liabilities & Credits	\$ 180,975,887	\$ 175,660,639

INCOME STATEMENT

As of December 31, 2025 and 2024	2025	2024
Operating and Other Revenue	\$ 144,960,844	\$ 138,126,786
OPERATING EXPENSES		
Cost of Power	\$ 123,429,928	\$ 117,435,287
Operations & Maintenance Expense	6,148,952	5,612,556
Consumer Accounts & Consumer Services	1,102,577	990,646
Administrative & General	2,771,002	2,795,119
Depreciation	5,022,012	5,003,680
Taxes	879,109	844,289
Interest	2,391,036	2,307,973
Other Deductions	24,860	42,911
Total Cost of Electric Service	\$ 141,769,476	\$ 135,032,461
Operating Margins	3,191,368	3,094,325
Non-operating Margins	1,183,397	1,428,082
G&T and Other Capital Credits	1,127,100	415,717
Net Margins	\$ 5,501,865	\$ 4,938,124



WHERE DOES YOUR DOLLAR GO?

85¢

WHOLESALE POWER COST

6¢

DEPRECIATION, TAXES AND INTEREST

4¢

OPERATIONS AND MAINTENANCE

2¢

MARGIN

2¢

ADMINISTRATIVE AND GENERAL EXPENSE

1¢

MEMBER SERVICE EXPENSE

MISSION STATEMENT

Nodak Electric Cooperative is proud to serve as your local electric provider. We believe that working together toward a common vision is the cooperative difference. We do this by operating on a not-for-profit, cost-of-service basis. Margins are given back to the members in the form of capital credits to reduce their electric costs. Co-ops put members first. These core business principles that have supported your local cooperative and all cooperatives for years are still alive and very strong today. Nodak’s mission is based on the following statement: “Nodak Electric Cooperative is dedicated to be an efficient provider of quality electric service with leadership that demonstrates the highest regard for its member-owners.”