

Kansas
COUNTRYLiving



2025 ANNUAL REPORT

From the Ground Up!

TUESDAY, MAY 19

WELLINGTON HIGH SCHOOL

5:30 P.M. REGISTRATION & DINNER

6:30 P.M. BUSINESS MEETING

RSVP BY MAY 8 TANNERF@SUCOCOOP.COM | 888-326-3356

Official ANNUAL MEETING NOTICE TUESDAY, MAY 19 WELLINGTON HIGH SCHOOL

The members of the Sumner-Cowley Electric Cooperative are hereby given notice that the regular Annual Meeting of the Members of Sumner-Cowley Electric Cooperative, Inc. will be held Tuesday, May 19, 2026, in the Wellington High School gymnasium, 1700 E. 16th St. (Highway 160) in Wellington, Kansas, for the purpose of:

- ▶ Reports of officers, directors and committees.
- ▶ Announcement of the director election results.
- ▶ Transacting other business that may properly come before the meeting.
- ▶ Dinner will be served beginning at 5:30 p.m. Members may begin registration at 5:30 p.m. The business meeting will begin at 6:30 p.m.

Your board of directors urges each member of the cooperative to attend.

JEFF SWANSON, SECRETARY/TREASURER

*Receive a
\$10 Bill Credit*

Use the ticket on the **BACK COVER** to scan the QR Code and register for a \$10 bill credit!

While you enjoy your meal, we'll provide important updates about your cooperative, discuss future plans, and of course, have giveaways!

*From the
Ground Up!*

5:30 P.M.
**REGISTRATION
& DINNER**

6:30 P.M.
**BUSINESS
MEETING**

**RSVP BY
MAY 8
TANNERF@
SUCOCOOP.COM
888-326-3356**

President's Report

As president of the board, I appreciate the opportunity to share a few thoughts about where our cooperative stands today and the work that lies ahead. At the heart of everything we do is a simple promise — to provide our members with power that is safe, affordable and reliable. That commitment has guided electric cooperatives for generations, and it continues to guide the decisions we make today.

The electric industry is going through a period of significant change. Across the country, demand for electricity is growing faster than it has in many years. Large industrial facilities, new technologies, and expanding data infrastructure are putting new pressure on the electric grid. At the same time, utilities are working through supply chain delays, higher material costs, and an ever-changing regulatory and political environment. These challenges are real, but they are not unfamiliar to those who work in the cooperative world. Rural electric cooperatives have always been built on the idea of solving problems locally and doing what it takes to serve our members.

For our cooperative, that means staying focused on the basics. Our members count on us every day to keep the lights on, power the farms and businesses that drive our local economy, and do it at a price that makes sense for rural families. That responsibility is not something the board takes lightly. Every decision we make is measured against the long-term reliability of the system and the financial impact on the members who own this cooperative.

Maintaining a dependable electric system requires steady investment. The contracted crews and in-house staff work year-round, maintaining power lines, upgrading substations, and strengthening the system so it can handle growing demand and the challenges that come with Kansas weather. Much of that

work happens quietly behind the scenes, but it is essential to keeping service dependable when our members need it most.

Affordability remains just as important. The cost of equipment, fuel and materials continues to rise across the industry. At the same time, new policies and regulations at both the state and federal levels influence how electricity is generated and delivered. While those political priorities may shift over time, our focus does not. Our job is to carefully manage these pressures while protecting the reliable, cost-effective power our members depend on.

Another important role of the board is making sure rural voices are heard when decisions about energy policy are being made. We will continue working with our state and national cooperative partners to advocate for policies that support reliability and reasonable costs for rural America.

Even with the challenges facing the industry, there is a lot to be proud of. Our cooperative has strong management, dedicated employees, and a board that is committed to responsible leadership. Most importantly, we have members who believe in the cooperative model and understand the value of neighbors working together for the good of the community.

On behalf of the board of directors, thank you for the trust you place in us. We remain committed to doing the job the right way, keeping the power on, keeping costs in check, and making sure this cooperative continues to serve our communities well for many years to come.



John Schon



**Sumner-Cowley
Electric Co-op, Inc.**

Building on our past. Lighting the way to the future.

P.O. Box 220, Wellington, KS 67152
888-326-3356
www.sucocoop.com

**SUMNER-COWLEY
ELECTRIC COOPERATIVE**

NEWS FROM THE **WHEAT CAPITAL**

SUMNER-COWLEY ELECTRIC CO-OP, INC.

BOARD OF DIRECTORS

John Schon

President, District 7

Keith Leddy

Vice President, District 4

Jeff Swanson

Secretary-Treasurer, District 2

John Beard

Director, District 3

Craig Knudsen

Director, District 1

Jim McMullin

Director, District 5

Gabe Schlickau

Director, District 6

STAFF

Coni Adams

CEO

Jordan Creed

Director of Operations

Stacy Wiley

Director of Finance

Tanner Ford

Member Engagement and
Creative Services

LIKE US ON FACEBOOK

Join us on Facebook for updates from Sumner-Cowley Electric. Simply search for Sumner-Cowley Electric Cooperative and click the "like" button.



CEO MESSAGE

From the Ground Up



Coni Adams

There's something special about an old barn. Built board by board, raised by neighbors, and rooted in hard work and trust; it stands not just as a structure, but as a testament to resilience and community. This year's theme, "From the Ground Up," reflects that same spirit that has guided your cooperative for generations.

Like those barns, your cooperative wasn't built overnight. It was raised with purpose, shaped by the hands of dedicated people, and strengthened by the members it serves. Today, I'm proud to say that the foundation we continue to build upon is as strong as ever.

Our financial position remains very solid. Our long-term debt-to-assets ratio is approximately 39% below the state median, while our TIER is about 28% above it. That means we're carrying

significantly less debt than our peers while maintaining adequate margins to cover our obligations. These margins are returned to our members through the retirement of capital credits. In 2025, your cooperative paid almost \$774,000 in estate, general and early retirements of patronage. We continue to invest back into our system to improve the reliability you depend on and meet growing demand, all while maintaining a balanced and disciplined approach to rates and expenses.

Over the past year, we have also taken proactive steps to strengthen our operational efficiency by reducing our administrative workforce by two full-time positions. This effort reflects our commitment to tightening our belt today as we prepare for tomorrow. Careful stewardship of your cooperative ensures that we are not only meeting today's demands but positioning ourselves for future opportunities.

Reliability remains at the heart of what we do. Over the past year, we achieved an average service availability

Continued on page 12B ►

Reliability remains at the heart of what we do. Over the past year, we achieved an average service availability index rating of 99.95%. From the individual perspective, excluding major event days, the system average interruption duration was less than 5 hours per member for the entire year.

From the Ground Up

Continued from page 12A ►



PHOTO BY SUMNER-COWLEY ELECTRIC MEMBER, WENDY BULLARD

Like that old barn standing tall against time and weather, we will continue building — strong, steady and from the ground up. The decisions we’re making today are focused on ensuring your cooperative remains reliable, affordable and locally driven for generations to come.

index rating of 99.95%. From the individual perspective, excluding major event days, the system average interruption duration was less than five hours per member for the entire year. J&J Powerline crews responded to all outages, working efficiently to restore power as quickly as possible. Whether it’s in the middle of the night or during severe weather, our focus remains the same: keeping the lights on for you and your families.

But our work goes beyond poles and wires. We are deeply committed to the communities we serve. This year marked an exciting step forward with the launch of our Concern for Community Program. Through this initiative we’ve distributed \$41,329.52 to support eight local projects and organizations. It’s one more way we live out the cooperative principle of caring for our communities.

None of this would be possible without the people behind the work. Our 10 employees bring dedication, skill and heart to everything they do. They live here, raise their families here, and take pride in serving their neighbors. The same can be said for our seven-member board of directors, who provide steady leadership and a clear vision for our future. Together, they embody the cooperative spirit that makes this organization so special.

Next year will also mark an important milestone in our journey. After more than 20 years of utilizing contract labor, we are excited to bring the line crew back in-house beginning in January 2027. This transition will include hiring seven lineworkers and investing in equipment, training and facilities. This thoroughly vetted and intentional decision is about more

than operations — it’s about investing in our future, strengthening our team, and building from the ground up once again.

As your CEO, and as someone who has always called rural Kansas home, I am honored to be part of this cooperative every single day. I see firsthand the strength that comes from working together, and I am confident in the path ahead. We don’t take lightly the responsibility you’ve entrusted to us, and we remain committed to serving you with transparency, accountability and care.

As member-owners, you are at the heart of everything we do. Your participation and support help guide the direction of this cooperative and ensure its continued success.

Like that old barn standing tall against time and weather, we will continue building — strong, steady and from the ground up. The decisions we’re making today are focused on ensuring your cooperative remains reliable, affordable and locally driven for generations to come.

Thank you for your participation in the cooperative process.

This year marked an exciting step forward with the launch of our Concern for Community Program. Through this initiative we’ve distributed \$41,329.52 to support eight local projects and organizations.

Financial Report

INCOME STATEMENT

FOR YEAR-ENDING DEC. 31, 2025

	CURRENT YEAR 2025	PRIOR YEAR 2024
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REVENUE

Operating Revenue	\$13,348,925	\$12,789,895
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EXPENSES

Power Production Expense	\$44,023	\$34,560
Cost of Purchased Power	\$6,393,055	\$6,318,531
Operations & Maintenance	\$2,432,238	\$2,111,971
Consumer Expenses	\$504,169	\$482,807
Administrative & General	\$1,510,313	\$1,471,693
Depreciation	\$1,357,201	\$1,320,330
Interest on Long-Term Debt	\$495,555	\$522,906
Other Deductions	\$40,306	\$45,787
Total Operating Expenses	\$12,776,860	\$12,308,585

Operating Margin Before Capital Credits	\$572,065	\$481,310
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G&T and other Capital Credits	\$174,485	\$95,641
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Operating Margin	\$746,550	\$576,951
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Non-Operating Margins	\$80,750	\$163,756
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NET MARGIN

\$827,300	\$740,707
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2025 FINANCIAL STATEMENTS AUDITED BY KELSO LYNCH, P.C., P.A.

BALANCE SHEET

FOR YEAR-ENDING DEC. 31, 2025

CURRENT YEAR 2025	PRIOR YEAR 2024
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ASSETS AND OTHER DEBITS

Total Utility Plant	\$37,525,779	\$36,614,352
Accumulated Provision for Depreciation	(\$8,973,658)	(\$8,034,578)
Net Utility Plant	\$28,552,121	\$28,579,774

Investments in Associated Organizations	\$5,067,086	\$4,940,079
Investments in Economic Development Projects	\$100,000	\$200,000
Other Investments	\$286	\$286
Total Investments	\$5,167,372	\$5,140,365

Cash	\$1,324,016	\$1,397,596
Temporary Investments	\$955,719	\$543,786
Accounts Receivable	\$1,142,588	\$945,456
Material and Supplies	\$503,452	\$423,228
Prepayments	\$37,396	\$32,961
Other Current and Accrued Assets	\$10,147	\$6,521
Total Current and Accrued Assets	\$3,973,318	\$3,349,548

Other Deferred Debits	\$2,573	\$0
TOTAL ASSETS & OTHER DEBITS	\$37,695,384	\$37,069,687

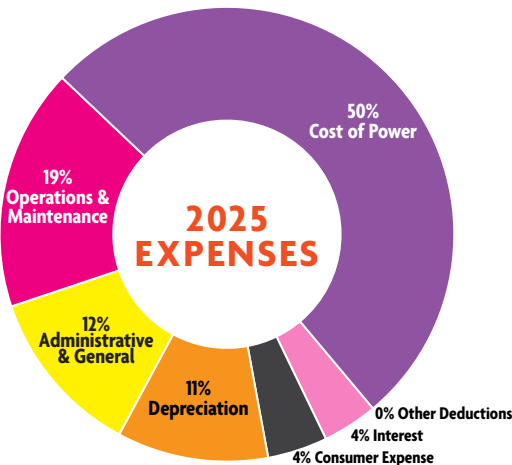
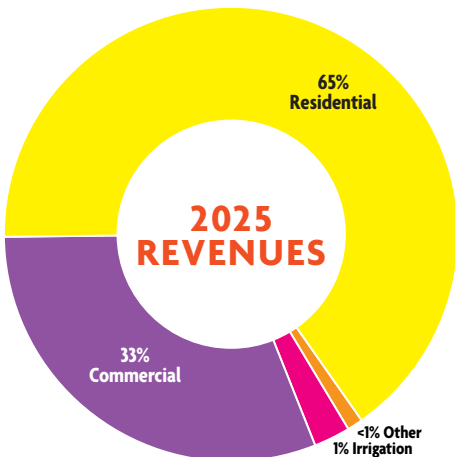
LIABILITIES & OWNER'S EQUITY

Long Term Debt	\$10,374,984	\$10,032,842
Current Maturities of Long-Term Debt	\$849,000	\$787,000
Short-Term Notes Payable	\$0	\$0
Accounts Payable	\$406,334	\$698,603
Member Deposits	\$817,802	\$534,188
Deferred Credits	\$544,438	\$569,298
Other Accrued Liabilities	\$418,960	\$394,732
Total Liabilities	\$13,411,518	\$13,016,663

Memberships	\$84,370	\$83,971
Patronage Capital-Assigned	\$20,323,585	\$20,356,809
Patronage Capital-Unassigned	\$827,299	\$740,707
Other Margins and Equities	\$3,048,612	\$2,871,537
Total Owner's Equity	\$24,283,866	\$24,053,024

TOTAL LIABILITIES & OWNER'S EQUITY	\$37,695,384	\$37,069,687
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2025 FINANCIAL STATEMENTS AUDITED BY KELSO LYNCH, P.C., P.A.



2025 PROPERTY TAXES PAID BY YOUR CO-OP

Butler County	\$161
Cowley County	\$66,121
Harper County	\$17,717
Kingman County	\$14,786
Sedgwick County	\$2,994
Sumner County	\$241,590

TOTAL \$343,369

CONCERN FOR COMMUNITY

Building Better Communities One Grant at a Time

\$41,329.52 awarded from April 2025 to present

This April marked the one-year anniversary of our newest initiative, the Concern for Community Program. Guided by Cooperative Principle No. Seven — Concern for Community — Sumner-Cowley Electric Cooperative has supported a wide range of projects that strengthen and uplift the areas we serve. From improving safety and expanding learning opportunities in our schools, to revitalizing downtown spaces, enhancing facilities for regional church communities, supporting student mental health, and increasing the capacity of rural healthcare providers to save lives, the impact has been far-reaching. We are incredibly proud of what the Concern for Community Program has accomplished in just one year and the meaningful difference it continues to make in building stronger communities where our members live and work.

\$3,580.39 WELLINGTON CHRISTIAN ACADEMY

for security cameras for their new childcare and preschool classrooms to give parents the peace of mind that their children are safe and being properly cared for at school.

\$10,563.67

WELLINGTON FIRE/EMS for Whole Blood Initiative that will boost patient outcomes for patients experiencing life-threatening traumatic injuries by enabling EMS personnel to carry and administer blood products in prehospital settings so that lifesaving care can begin immediately at the scene, rather than being delayed during transport.

\$6,381.46 NORWICH AMBULANCE SERVICE

for replacement batteries and charger for the ZOLL AutoPulse Resuscitation System. The

AutoPulse system improves patient outcomes by delivering uninterrupted compressions during cardiac arrest emergencies, especially during transport or in confined environments.

\$8,000 WELLINGTON FIRST CHRISTIAN CHURCH

for the replacement of the baptismal unit open to use by First Christian Church members and other area churches and their members.

\$5,304 ARGONIA SPACES TO PLACES

for new benches and trash receptacles downtown.

\$5,000 OXFORD HIGH SCHOOL

for new equipment for their science classrooms to provide students with more hands-on learning experiences.

\$1,500 SUMNER COUNTY COMMUNITY DRUG ACTION TEAM

for Chalk The Walk Program, an initiative that focuses on the well-being and mental health of Sumner County students through a sidewalk art celebration and educational materials that display messages of hope, support and community pride.

\$1,000 CONWAY SPRINGS HIGH SCHOOL OUTDOOR WILDLIFE LEARNING SITE (OWLS)

for students and the community to enjoy and learn about native wildlife and conservation.



Conway Springs High School Outdoor Wildlife Learning Site (OWLS)



Argonia Spaces To Places



Norwich Ambulance Service



Oxford High School



Wellington Fire/EMS

COMMITTEE MEMBERS

The Concern for Community Program is overseen by a seven-member committee made up of one representative from each of our districts to review applications, ensuring funds are awarded responsibly to organizations that enhance our rural communities. The committee members are: Heather Braungardt, District 1; Reatha Juden, District 2; Cheryl McDermeit, District 3; Brandon Osner, District 4; Paul Shore, District 5; Audra Hudspeth, District 6; and Shelby Fitch, District 7.

REGISTRATION CARD & DRAWING TICKET

BRING THIS TICKET WITH YOU
TO THE ANNUAL MEETING

Receive a
\$10 Bill Credit



**Sumner-Cowley
Electric Co-op, Inc.**

Building on our past. Lighting the way to the future.

2026 Board Election Information

Each year, members of Sumner-Cowley Electric Cooperative help shape the cooperative's future by electing directors. This process ensures that leadership reflects the needs of the membership. Director elections are a key part of cooperative governance, influencing daily operations and long-term goals to provide reliable, affordable electricity.

Pursuant to Bylaw IV, Section 4: *"The open petition period of the Sumner-Cowley Electric Cooperative closed on the last business day of January (Jan. 30, 2026)."* Section 2 states that if the number of qualified nominees matches the number of vacancies, the election is dispensed with, and nominees are deemed elected.

With one petition submitted for District 3, the election is complete. **CHERYL MCDERMEIT** has been elected for a three-year term representing District 3.

MEET CHERYL MCDERMEIT

Cheryl McDermeit offers more than 25 years of financial and administrative leadership. A graduate of Wichita State University with a degree in business administration and accounting, Cheryl currently works as an accountant in Udall following a lengthy career in healthcare management. Having



Cheryl McDermeit

been raised in a rural Cowley County farming family, she is a passionate supporter of the cooperative model and currently serves on Sumner-Cowley Electric's Concern for Community Committee. Her deep local ties include over a decade of service to the Udall Historical Society and acting as the local liaison for Wreaths Across America. Cheryl and her husband, Steve, enjoy operating the Basketball Barn training facility and are active community members who enjoy camping, pickleball and local sports. Cheryl is committed to contributing her financial and managerial experience to ensure the cooperative provides reliable service and consistent value to every member.

SCEC BY THE NUMBERS



**\$4.6
MILLION**
RETURNED
IN CAPITAL
CREDITS TO
MEMBERS
FROM 2018 TO 2025



4,593
METERS
SERVED



1,877
MILES OF
LINE



10
EMPLOYEES



5
COUNTIES
SERVED
(COWLEY, HARPER,
KINGMAN, SEDGWICK
AND SUMNER)

*Receive a
\$10 Bill Credit*

**BRING YOUR
TICKET AND WIN!**

Please bring this ticket with you to receive a \$10 bill credit and speed up the registration process.

Your Co-op Staff

WORK HERE LIVE HERE SERVE HERE

Behind every phone call, service request, and line of power delivered, there's a dedicated team working to serve you. Rooted in our rural communities, we take pride in building strong relationships and delivering reliable service with care and a personal touch. Our annual meeting theme, "From the Ground Up," reflects not only the work we do, but the way we've built our team — growing, adapting and strengthening over time. As we look ahead to 2027, we're excited to continue building from the ground up with plans to bring a line crew back in-house, further enhancing the service and support we provide every day.



CONI ADAMS
CEO



STACY WILEY
Director of Finance



JORDAN CREED
Director of Operations



DANNY CLARK
Systems Operator



MITCH MCCOMB
Field Staking Technician



DALE MILLER
Warehouse Manager



LEAH DROUHARD
Cashier/CSR



TANNER FORD
Member Engagement &
Creative Services



ERIN STRUBLE
Accounting Assistant



CAYENNE WAGONER
Billing/HR