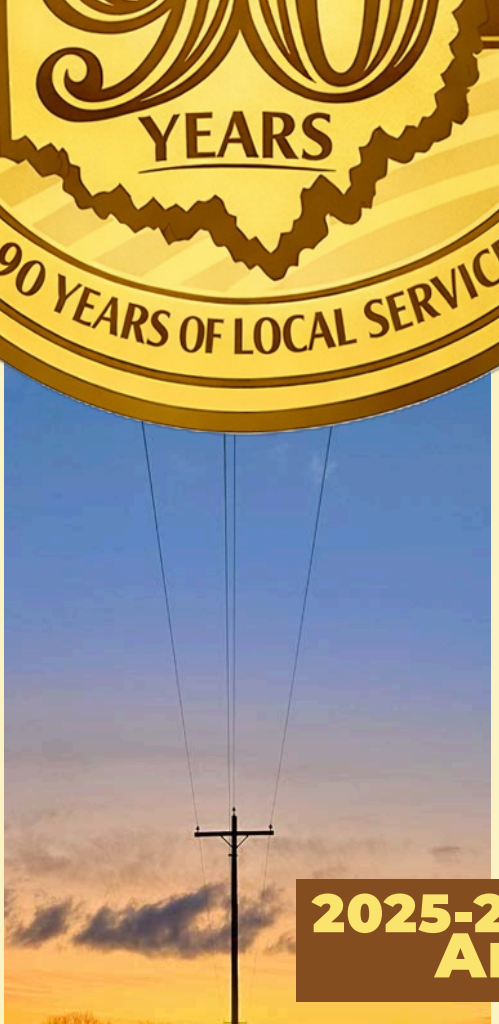
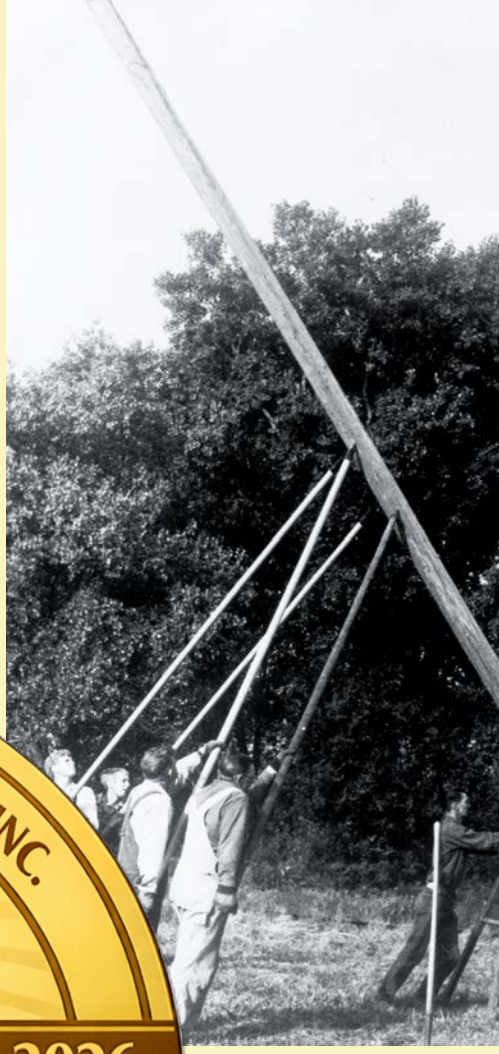
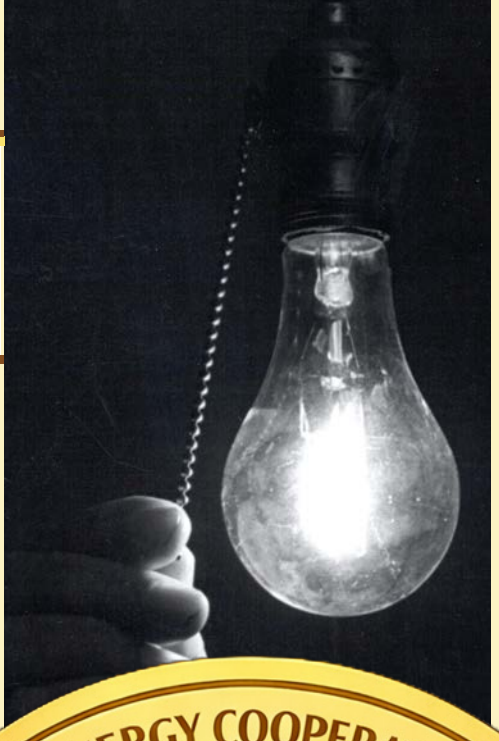




MID-OHIO ENERGY COOPERATIVE, INC.
 A Touchstone Energy Cooperative

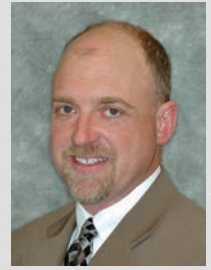


**2025-26
Annual Report**

Powering Connections



John Metcalf
President & CEO



Trevor Fremont
Board Chairman

Report from Management

Our focus

In reflecting on 2025, Mid-Ohio Energy continued to operate in an environment shaped by evolving public policy, economic pressure, and changing expectations within the electric utility industry.

While many of these factors remain outside the direct control of your cooperative, our focus remains unchanged: providing safe, reliable, and affordable electric service to our members while preserving the cooperative principles that guide our organization.

Each year, we provide our annual report and hold an annual meeting of members to provide an update on your cooperative's past, present, and future activities. We appreciate you taking a moment to review this report and the financial report from the past year, and encourage you to view our virtual annual meeting for more.

The 2026 Annual Meeting will be posted online starting Tuesday, April 7, at 7:00 p.m. The meeting will be posted online for later viewing. Members who view the meeting by April 30 will earn a \$20 energy credit when registering for the meeting.

Monitoring energy policy

At the state level, 2025 was marked by the passage of House Bill 15 by the Ohio legislature, representing a significant restructuring of Ohio's energy policy framework. While it is still early to determine the long-term impacts of this legislation on electric cooperatives, Mid-Ohio Energy is actively monitoring its implementation and engaging with statewide partners and

policymakers to ensure that the interests of cooperative members are represented. As with prior legislative changes, we will remain focused on maintaining reliability and affordability for our members as regulatory clarity develops over time.

Engaging members

Governance and member participation continued to be a priority for the cooperative in 2025. We welcomed Cy Prettyman as a new member of the Board of Trustees, representing District 4.

Cy replaces Curtis Byers, who served the cooperative in several capacities over the past six years, including service on the cooperative's Community Fund Board as well as the Member Advisory Committee. Curtis's dedication and service to Mid-Ohio Energy and its membership are sincerely appreciated, and we thank him for his leadership and commitment to the cooperative.

In addition, Mid-Ohio Energy members approved two updates to the cooperative's Code of Regulations. The first amendment removed the one-year waiting period for a cooperative member's spouse who wishes to seek election to the Board of Trustees. The second amendment formally adopted easement protections for cooperative assets that are necessary to reliably deliver electric service. These updates reflect the membership's



Cy Prettyman
District 4 trustee



Curtis Byers
Past District 4 trustee



support for both fair access to governance and the long-term protection of the infrastructure that serves our communities.

Member engagement remained strong throughout the year. In 2025, the cooperative hosted a virtual annual meeting, two family-focused member events, a joint legislative event in partnership with Logan County Cooperative, and a visit by Santa at both our cooperative offices. Collectively, these events drew more than 1,200 members.

These opportunities allowed members to learn more about their cooperative; interact with fellow members, trustees, and employees; and actively participate in the democratic control that defines the co-op model. The strong turnout reinforces the value of continued outreach and engagement.



Rates & reliability

From an operational standpoint, 2025 was a successful year for system reliability. The cooperative experienced relatively few major storm events, allowing crews to focus on preventive maintenance and system improvements.

Even with ongoing inflationary pressures — particularly high within the electric utility industry — Mid-Ohio Energy was able to maintain stable electric rates. This outcome reflects careful financial management, long-term planning, and the continued efforts of our employees to control costs while maintaining service quality.

Looking ahead... and celebrating our past!

As we look ahead, the electric industry continues to face uncertainty driven by regulatory change, supply chain challenges, and increasing demand. While these pressures are real, Mid-Ohio Energy remains well positioned due to prudent planning, strong governance, and an engaged membership. Your board of trustees and employees remain committed to responsible and transparent management of the cooperative while we adapt to changes that may affect our members in the years ahead.

2026 will be a year of celebration for your electric cooperative. The year marks the cooperative's 90th year in business as well as the 20th year since the cooperative Community Fund was established. The fund has provided more than \$844,000 in grants to nonprofit entities within the cooperative's footprint since its creation. Additionally, 2026 marks the 10th anniversary of the cooperative's current headquarters facility in Kenton, which remains to be a functional, state-of-the-art facility today.



On behalf of the Board of Trustees and the employees of Mid-Ohio Energy, thank you for your continued trust and participation in your electric cooperative. We look forward to serving you in 2026 and beyond.

STATEMENTS OF REVENUE AND PATRONAGE CAPITAL

For the years ended December 31, 2025 and 2024

	2025	2024
OPERATING REVENUES	\$ 27,905,961	\$ 26,356,208
OPERATING EXPENSES		
Cost of purchased power	16,589,415	15,594,386
Distribution - operation	1,143,513	1,080,036
Distribution - maintenance	1,970,993	1,922,424
Consumer accounts	806,303	685,090
Administrative and general	2,754,765	2,527,077
Depreciation and amortization	2,164,099	2,123,211
Taxes	789,079	723,907
Interest	1,029,293	1,042,540
Other deductions	12,174	12,174
TOTAL OPERATING EXPENSES	<u>27,259,634</u>	<u>25,710,845</u>
Operating margins before capital credits	646,327	645,363
Buckeye Power, Inc., capital credits	578,945	393,217
Other capital credits	147,027	124,234
NET OPERATING MARGINS	<u>1,372,299</u>	<u>1,162,814</u>
NON-OPERATING MARGINS		
Interest income	152,847	253,485
Miscellaneous non-operating income	1,337	1,446
Gain on disposition of property	32,354	424
TOTAL NON-OPERATING MARGINS	<u>186,538</u>	<u>255,355</u>
NET MARGINS	<u>1,558,837</u>	<u>1,418,169</u>
Patronage capital, beginning of year	30,185,605	29,864,122
Retirement of capital credits	(1,096,950)	(1,219,083)
Reassignment of retired capital credits	47,220	122,397
Patronage capital, end of year	<u>\$ 30,694,712</u>	<u>\$ 30,185,605</u>

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net margins	\$ 1,558,837	\$ 1,418,169
Adjustments to reconcile net margins to net cash provided by operating activities:		
Change in provision for credit losses	11,998	(5,626)
Depreciation and amortization	2,370,017	2,312,281
Other deductions	12,174	12,174
Non-cash capital credits allocation	(725,972)	(517,450)
Gain on disposition of property	(32,354)	(424)
Changes in assets and liabilities:		
Accounts receivable	419,109	120,138
Materials and supplies	(51,774)	183,432
Deferred charges, interest receivable and prepayments	(133,257)	1,024,509
Accounts payable	315,702	291,881
Accumulated provision for non-pension postretirement benefits, patronage capital payable, accrued taxes and other current liabilities	180,958	(54,395)
Total adjustments	<u>2,366,601</u>	<u>3,366,520</u>
Net cash provided by operating activities	<u>3,925,438</u>	<u>4,784,689</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Extension and replacement of electric plant, net of salvage and cost of retirements	(3,935,584)	(3,975,064)
Proceeds from sale of scrap	23,995	7,512
Proceeds from sale of assets	32,354	550
Purchase of investments	-	(990)
Proceeds from redemption of investments - patronage capital	559,036	654,649
Net cash used by investing activities	<u>(3,320,199)</u>	<u>(3,313,343)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in consumer memberships and deposits	22,771	18,483
Proceeds from long-term debt	2,250,000	1,000,000
Payments on long-term debt	(1,846,311)	(1,915,064)
Payments on finance lease obligations	(129,849)	(115,709)
Patronage capital credits retired	(1,049,730)	(1,096,686)
Net cash used by financing activities	<u>(753,119)</u>	<u>(2,108,976)</u>
(Decrease) Increase in cash and cash equivalents	(147,880)	(637,630)
Cash and cash equivalents at beginning of year	1,954,064	2,591,694
Cash and cash equivalents at end of year	<u>\$ 1,806,184</u>	<u>\$ 1,954,064</u>

(The accompanying notes are an integral part of these financial statements.)

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NATURE OF ORGANIZATION

Mid-Ohio Energy Cooperative, Inc. (the Cooperative) was incorporated under the laws of the State of Ohio, operates as a cooperative, and is exempt from federal taxation under Section 501(c)(12) of the Internal Revenue Code. The Cooperative's primary business is that of providing electric service to rural consumers in Hardin, Allen, Auglaize, Marion, Logan, Wyandot, Morrow, Union and Crawford counties in Ohio. Providing electric service includes construction of plant as well as purchasing electricity to sell to consumers.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cooperative's accounting policies conform to generally accepted accounting principles, as applied to Rural Electric Cooperatives, substantially in accordance with the Uniform System of Accounts of the Rural Utilities Service (RUS). Following is a description of the more significant accounting policies used by the Cooperative in the preparation of its financial statements:

Electric plant and depreciation – The Cooperative records improvements and additions to the distribution plant at cost using continuing property records. Retirements are removed from the cost and accumulated depreciation accounts at standard costs which are updated periodically. The actual cost of removing retirements is charged to accumulated depreciation during the year the retirement is completed. General plant and equipment are recorded at cost based on the unit method. Any retirements or disposals of general plant and equipment are removed from the cost and accumulated depreciation accounts. Any salvage received is credited to accumulated depreciation.

Investments – Investments are primarily in the form of patronage and equity capital of other cooperatives. They are included on the balance sheets as long-term assets. These investments are considered equity investments without readily determinable fair values and are accounted for at cost, minus impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment. No impairment or observable price changes were recorded during 2025 and 2024.

Materials and supplies – Inventories of material and supplies not allocated to construction work in progress are valued at the lower of cost (determined using the average cost method) or net realizable value.

Accounts receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides a valuation allowance for potential credit losses through a charge to earnings. In establishing the valuation allowance, using the current expected credit loss methodology, management considers their knowledge of customers, historical losses, and current economic conditions in their service area. Balances that are still outstanding after reasonable collection efforts have been exhausted are written off through a charge to the valuation allowance. Changes in the valuation allowance historically have not been significant. The Cooperative performs ongoing credit evaluations of its consumers and requires a security deposit for consumers meeting specified criteria. The Cooperative had credit loss expense of \$27,554 and \$2,958 for the years ended December 31, 2025 and 2024, respectively for charging off uncollectable accounts. The Cooperative had accounts receivable, less provision for credit losses of \$2,523,275 for the year ended December 31, 2023.

Cash and cash equivalents – The Cooperative considers cash and cash equivalents to be cash on hand, demand deposits, certificates of deposit, money market accounts, and investments in commercial paper having a maturity of ninety days or less. There were no investments in commercial paper at December 31, 2025 or 2024.

Financial instruments – The Cooperative believes that the carrying amount of its financial instruments, which include cash and cash equivalents, receivables, and other current assets and liabilities, approximates fair value based on their short-term duration. The Cooperative has determined that it is not practical to calculate the fair value of investments in other cooperatives and long-term debt due to the excessive cost involved.

Income taxes – The Cooperative has been recognized by the Internal Revenue Service as an organization exempt from income taxes under Internal Revenue Code Section 501(c)(12). Accordingly, no provision for federal income taxes has been recorded.

The Cooperative complies with Accounting Standards Codification (ASC) 740-10, Accounting for Uncertainty in Income Taxes. ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. Management is not aware of any tax positions taken by the Cooperative on its tax returns that they consider to be uncertain or that would jeopardize its tax-exempt status. Tax returns for the years ended 2024, 2023 and 2022 are still open and subject to examination by the Internal Revenue Service.

Retirement related benefits – Generally accepted accounting principles requires the recognition of the funded status of the non-pension postretirement benefit plan as an asset or a liability on the balance sheets. It also requires the recognition of the changes in that funded status in the year in which they occur through other comprehensive income and the recognition of previously unrecognized gains and losses, prior service costs and credits and transition assets or liabilities as a component of accumulated other comprehensive income. However, these amounts were not significant for the Cooperative, therefore other comprehensive income has not been recorded.

Compensated absences – The Cooperative accrues a liability for compensated absences for which the employee has earned a vested, non-forfeitable right. Non-vested benefits related to accumulated sick leave, which cannot be reasonably estimated, are expensed as incurred.

Patronage capital and margins – Mid-Ohio Energy Cooperative, Inc. operates under the Cooperative form of organization. As provided in the code of regulations, any excess of revenues over expenses from operations is treated as advances of capital by the patrons and credited to each of them on an individual basis. Generally, it is the Cooperative's policy to retire capital contributed by patrons periodically as deemed appropriate by management and the Board of Trustees. Capital credits due to patrons who become deceased are paid to the estates of such patrons.

Concentration of credit risk – At various times throughout the year, the Cooperative may have deposits in financial institutions that exceed the federally insured limit. The Cooperative's investments with Cooperative Response Center Inc. (CRC) and National Rural Utilities Finance Corporation (NRUCFC) are uninsured. Management does not believe it is exposed to any significant credit risk related to its cash deposits. Credit risk for accounts receivable is concentrated because substantially all the balances are unsecured credit to consumers, primarily for the sale of electricity, located within the same geographic region. The Cooperative has five major consumers that represent approximately 17.3% and 12.3% of revenue for the years ended December 31, 2025 and 2024.

Revenue recognition and cost of purchased power – Revenues represent amounts billed monthly to members using established rates applied to energy consumption. Revenues and the related cost of purchased power are recognized during the month in which energy is consumed. Revenues from all other sources, primarily services and late charges, are recognized as the service is provided or the consumer is charged. The Cooperative generally meets its performance obligations related to the service within a month of the order. Payments for the service are due upon delivery of the service. The sales price for the services are fixed at established rates or amounts in the contract or agreed to at the time of the sale of the power and services.

Some of the Cooperative's operations provide for deposits or prepayments for power. The revenue and gross profit related to these transactions is not recognized until the power is consumed by the member. These consumer deposit contract liabilities are classified as current liabilities on the balance sheets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The table below includes disaggregated information by the significant type of consumer and services for the years ended December 31:

	2025	2024
Residential	\$ 18,010,870	\$ 17,704,355
General service	2,603,991	2,281,919
Large commercial	988,063	1,083,872
Generator station	716,807	472,923
Large commercial standby	152,119	161,148
Large power	4,950,015	4,196,325
Late charges	151,747	165,109
Pole attachments, net	230,104	211,487
Miscellaneous service	102,245	79,070
Total Operating Revenue	<u>\$ 27,905,961</u>	<u>\$ 26,356,208</u>

Statement of cash flows – Net cash flows from operating activities include cash payments for interest of \$1,019,896 and \$1,214,032 for 2025 and 2024, respectively. There were no payments for federal income taxes.

Use of estimates – The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LITIGATION

The Cooperative is from time to time subjected to litigation through the ordinary course of business. As of December 31, 2025, management is not aware of any litigation pending or pertaining to the Cooperative that is material to the financial statements. The Cooperative is fully insured against any pending litigation.

DEFERRED CHARGES

Starting in 2018, participating Cooperatives in the RS Plan may make an additional contribution prepayment (voluntary contribution acceleration program or 'VCAP' contribution) in order to reduce future required contributions. The reduction in future contributions (contribution discount) and the length of the period over which the contribution reduction extends (discount period) is selected by the Cooperative. The VCAP contribution amount is then determined such that it is expected to fund the contribution discount over the discount period. After making the VCAP contribution, the RS Plan billing rate is reduced to reflect the selected contribution discount, which becomes effective the subsequent January 1. The VCAP contribution is accounted for on a monthly basis by crediting it with the actual monthly RS Plan investment return and reducing it by the reduction in monthly contributions obtained through the contribution discount, until the account value reduces to zero. Changes in plan provisions, demographic changes, asset returns different from the long term expected return on plan assets, and other factors will have an impact on the length of the discount period.

On December 1, 2023, November 1, 2024, and December 1, 2025, the Cooperative made voluntary \$250,000 prepayments to the NRECA RS Plan with a three-year discount period. The Cooperative recorded the prepayments in deferred charges on the balance sheets and is amortizing each over three years.

ELECTRIC PLANT

Listed below are the major classes of the electric plant as of December 31:

	2025	2024
Intangible plant	\$ 339	\$ 339
Transmission plant	129,800	129,800
Distribution plant	49,605,311	49,019,108
General plant	13,100,110	12,803,252
Electric plant in service	62,835,560	61,952,499
Construction work in progress	371,001	36,543
Total Electric Plant	<u>\$ 63,206,561</u>	<u>\$ 61,989,042</u>

General plant depreciation rates have been applied on a composite and straight-line basis as follows:

Structures and improvements	10 to 50 years	Office furniture and fixtures	5 to 24 years
Transportation equipment	5 to 15 years	Laboratory equipment	5 to 10 years
Communications equipment	5 to 12 years	Shop equipment	5 to 20 years

Provisions have been made for depreciation of transmission plant and distribution plant at a straight-line composite rate of 3.10 percent per annum. The depreciation and amortization expense for the years ended December 31, 2025 and 2024 totaled \$2,370,017 and \$2,312,281, respectively, of which \$205,918 and \$189,070, respectively, have been capitalized to distribution plant and expensed to numerous accounts in accordance with RUS policies and procedures.

LEASES

During 2025 and 2024, the Cooperative held leased vehicles under finance lease agreements. For financial reporting purposes, the present value of the minimum lease payments has been capitalized. The equipment has a total cost of \$740,986 and \$628,723 at December 31, 2025 and 2024, respectively, and accumulated amortization of \$372,278 and \$446,701 at December 31, 2025 and 2024, respectively. Amortization of property leased under finance leases is included in depreciation expense and was \$100,135 and \$113,076 for the years ended December 31, 2025 and 2024, respectively. Interest expense related to these leases and charged to operations was \$16,282 and \$7,870 during 2025 and 2024, respectively.

Future minimum lease payments required under finance lease agreements for the years subsequent to December 31, 2025 are as follows:

	Payment	Interest	Principal
2026	130,029	15,511	114,518
2027	81,743	11,400	70,343
2028	61,706	8,230	53,476
2029	61,706	5,325	56,381
2030	61,706	2,262	59,444
Thereafter	14,614	68	14,547
	<u>\$ 411,505</u>	<u>\$ 42,797</u>	<u>\$ 368,708</u>

PATRONAGE CAPITAL

Patronage capital is the retained net margins arising from operations of the Cooperative which have been or are expected to be allocated to its members in the form of capital credits, determined by each member's billings during the year the margins were generated. No portion of any current allocation is paid in cash.

Patronage capital consisted of the following as of December 31:

	2025	2024
Assignable	\$ 1,558,837	\$ 1,418,169
Assigned to date	52,774,097	51,355,928
	54,332,934	52,774,097
Less: Retirements to date	(23,638,222)	(22,588,492)
Total Patronage Capital	<u>\$ 30,694,712</u>	<u>\$ 30,185,605</u>

Under the provisions of the mortgage agreement with RUS, until the equities and margins equal or exceed 30 percent of the total assets of the Cooperative, the return to patrons of capital contributed by them is limited generally to 25% of the patronage capital or margins received by the Cooperative in the prior calendar year.

The equities and margins of the Cooperative represent 47.2% in 2025 and 47.5% in 2024 of the total assets at the balance sheet dates. During 2025, the Board of Trustees approved a 2% general retirement of 2024 capital credits totaling \$600,762.

INVESTMENTS

Investments consisted of the following as of December 31:

	2025	2024
Patronage Capital:		
Buckeye Power, Inc.	\$ 8,989,554	\$ 8,908,157
United Utility Supply (UUS)	437,716	357,510
Meridian Cooperative	107,986	106,416
NRUCFC	190,602	188,307
National Rural Telecommunications Cooperative, Inc. (NRTC)	18,619	20,503
National Information Solutions Cooperative (NISC)	2,865	4,194
CRC	8,391	7,774
Central Ohio Farmers Coop	2,178	3,961
CoBank	159,127	153,599
Federated Rural Electric Insurance Exchange (Federated)	142,208	136,239
Equity Capital:		
Buckeye Power, Inc.	896,059	896,059
Meridian Cooperative	100	100
NRUCFC	1,000	1,000
NRTC	1,000	1,000
NISC	25	25
CRC	2,500	2,500
Central Ohio Farmers Coop	1,000	1,000
Other Investments:		
NRUCFC member capital securities	170,000	170,000
NRUCFC capital term certificates	208,010	213,660
NRUCFC other	1,390	1,390
CRC	10,000	10,000
Total Investments	<u>\$ 11,350,330</u>	<u>\$ 11,183,394</u>

The member capital securities held by NRUCFC earn interest at an annual rate of 5.0%, payable semiannually with a maturity date of July 2044. The NRUCFC has the option to redeem all or a portion of the principal in July 2026.

The capital term certificates held by NRUCFC earn interest at an annual rate of 3.0% or 5.0%, payable semi-annually with maturity dates ranging from 2026 to 2080. The \$10,000 equity investment with CRC earns dividends annually at the discretion of its Board of Directors..

LONG-TERM DEBT

Long-term debt is represented by mortgage notes payable to the Federal Financing Bank (FFB) of the United States of America acting by and through RUS, NRUCFC and CoBank. Following is a summary of outstanding long-term debt as of December 31:

	2025	2024
Mortgage notes payable to FFB:		
3.403% note due December 2042	\$ 1,968,159	\$ 2,052,346
4.197% note due December 2042	2,705,817	2,812,891
2.314% note due December 2042	932,855	977,159
3.912% note due April 2046	1,873,358	1,934,066
2.398% note due January 2046	1,541,894	1,601,311
2.352% note due January 2050	1,372,020	1,414,109
3.055% note due January 2050	1,428,900	1,468,714
2.527% note due January 2050	1,523,062	1,568,688
1.121% note due January 2050	670,186	694,392
1.188% note due December 2053	1,325,217	1,364,886
1.188% note due December 2053	1,861,186	1,902,465
3.710% note due December May 2053	3,338,102	3,404,894
4.165% note due September 2052	980,499	998,672
4.730% note due November 2057	2,246,301	-
Subtotal FFB	<u>23,767,556</u>	<u>22,194,593</u>
Mortgage notes payable to NRUCFC:		
4.35% note due December 2029	3,650,762	4,468,927
3.00% note due December 2031	91,592	103,625
Subtotal NRUCFC	<u>3,742,354</u>	<u>4,572,552</u>
Mortgage notes payable to CoBank		
6.50% notes due March 2029 and December 2030	194,243	229,901
3.78% note due October 2030	1,353,482	1,603,617
3.00% note due September 2034	542,155	595,438
Subtotal CoBank	<u>2,089,880</u>	<u>2,428,956</u>
Total mortgage notes payable	<u>29,599,790</u>	<u>29,196,101</u>
Less: current maturities	(1,942,973)	(1,842,610)
Total Long-term Debt	<u>\$ 27,656,817</u>	<u>\$ 27,353,491</u>

The Cooperative had one variable rate note due to FFB in January 2022 that was classified as long-term debt. This note had a recurring 90-day maturity extension feature with a final maturity date of January 2046. Management continued with the recurring extensions up to September 30, 2022 when the Cooperative refinanced this variable rate note, to a fixed rate note with interest of 3.912%, due April 2046.

LONG-TERM DEBT - Continued

Substantially all assets of the Cooperative are pledged as security for the long-term debt to FFB, NRUFC and CoBank. Loan agreements contain various financial covenants, which the Cooperative was in compliance for both periods presented.

As of December 31, 2025, there are unadvanced loan funds available to the Cooperative from NRUFC and CoBank for lines of credit of \$2,000,000 and \$1,000,000, respectively, of which there was no outstanding balance as of December 31, 2025 and 2024. Unadvanced loan funds available to the Cooperative through FFB were \$8,750,000 and \$11,000,000 at December 31, 2025 and 2024, respectively.

During 2019 certain debt was refinanced resulting in a prepayment penalty of \$182,608. The penalty is included in prepayments on the balance sheets and is being amortized over fifteen years. The amortization expense is included in other deductions on the statements of revenue and patronage capital.

As of December 31, 2025, annual maturities of all long-term debt outstanding for the next five years are as follows:

2026	\$ 1,942,973
2027	1,841,150
2028	2,090,514
2029	2,358,498
2030	1,186,939
Thereafter	20,179,716

PENSION PLAN AND OTHER POSTRETIREMENT BENEFITS

The Cooperative sponsors three retirement related benefit plans, a defined benefit pension plan, a defined contribution retirement plan and a postretirement health care plan. Following is a brief description of each of the plans including financial data recognized in the accompanying financial statements related to each plan.

Defined Contribution Retirement Plan – The Cooperative maintains a 401(k)-profit sharing plan that covers substantially all employees. In accordance with this plan, the Cooperative contributes 0.5% of each participant’s base salary for each 1% of salary that the participant contributes to the plan. The maximum contribution by the Cooperative is 3% of salary. For the years 2025 and 2024, the Cooperative made contributions to the plan of \$94,935 and \$71,321, respectively.

Defined Benefit Pension Plan – Substantially all the employees of the Cooperative are covered by the NRECA RS Plan, which is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The plan Sponsor’s Employer Identification Number is 53-0116145 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

The Cooperative’s contributions to the plan of \$181,374 and \$137,255 for 2025 and 2024, respectively, represented less than 5% of the total contributions made to the plan by all employers.

In the RS Plan, a “zone status” determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80% funded on January 1, 2025 and January 1, 2024 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the RS Plan and may change as a result of plan experience.

Non-pension Postretirement Benefit Plan – The Cooperative sponsors a defined benefit postretirement health care plan covering substantially all employees. The plan is funded by the Cooperative on a “pay as you go” basis and provides a fixed annual benefit for retired employees with 20 years of service between the ages of 61 and 65. ASC 715 *Compensation - Retirement Benefits*, requires the recognition of the funded status of pension plans and non-pension postretirement benefit plans as an asset or liability on the balance sheets, the recognition of changes in that funded status in the year in which they occur through other comprehensive income and the recognition of previously unrecognized gains and losses, prior service costs and credits and transition assets and liabilities as a component of accumulated other comprehensive income. Since the Cooperative’s postretirement benefit plan covers a limited time period for the retiree (between ages 61 and 65) and the benefits paid cannot exceed a total of \$21,600 per participant for the four-year period, management did not obtain an actuarial study and did not implement all of the provisions of this standard. Management estimated the maximum potential liability for the Cooperative and determined that the impact of not implementing the standard was not significant.

The following table sets forth the plan’s estimated funded status and presents the amounts shown in the Cooperative’s financial statements as of December 31:

	2025	2024
Accumulated postretirement benefit obligation	\$ 179,645	\$ 183,905
Accrued benefit cost included on the balance sheets	100,670	99,803
Net periodic postretirement benefit cost for the year	867	(21,009)
Benefits paid	20,142	15,300

As noted above, the total estimated accumulated postretirement benefit obligation is not recorded on the balance sheets but will eventually be recorded through annual charges of net periodic postretirement benefit cost. The accumulated postretirement benefit obligation (\$100,670 as of December 31, 2025) includes estimates for experience gains and losses and unrecognized prior service costs. The discount rate used in determining the accumulated postretirement benefit obligation is 6 percent. The estimated maximum potential for benefits to be paid over the next five years approximates \$73,795. Management believes the estimated accrued benefit cost included on the balance sheets is very conservative since no allowance is included for employee turnover and no reduction in the obligation was made for employees that choose to not retire between ages 61 and 65.

RELATED PARTY TRANSACTIONS

The Cooperative purchases all of its power from Buckeye Power, Inc. at rates determined in its wholesale power agreement. Buckeye Power, Inc. is a cooperative whose membership includes Mid-Ohio Energy Cooperative, Inc. The Cooperative has an investment in and receives patronage from Buckeye Power, Inc. Accounts payable to Buckeye Power, Inc. at December 31, 2025 and 2024 were \$1,483,348 and \$1,508,778, respectively.

There is also a prepaid balance with Buckeye Power, Inc. of \$2,498,826 and \$2,369,230 as of December 31, 2025 and 2024, respectively, that earns interest at an annual weighted average rate of

7.1% and 6.49%, respectively. The prepaid balance is included in current portion of prepayments on the accompanying balance sheets.

The Cooperative borrows funds from CoBank, in which it is an owner and a member. The Cooperative has an investment in CoBank and may receive patronage from time to time.

The Cooperative is a member of the NRUFC, which provides a portion of the Cooperative’s financing. Investments in NRUFC include stock and patronage capital as well as interest bearing capital term certificates and capital security investments.

The Cooperative purchases most of its materials and supplies from UUS of which it is an owner and member. Investments in this organization include patronage capital.

The Cooperative purchases data processing services from Meridian Cooperative of which it is an owner and member. Investments in this organization include stock and patronage capital.

The Cooperative previously purchased data processing services from NISC of which it is still an owner and member. Investments in this organization include a membership fee and patronage capital.

The Cooperative is a member of NRTC. Membership in this association required an investment of \$1,000.

The Cooperative is a member of CRC. Membership in this association required an investment of \$2,500.

Federated, a non-assessable reciprocal insurer, provides property and liability insurance to the Cooperative. The carrying value of this investment represents the Cooperative’s contributions and share of patronage capital.

The Cooperative purchases fuel and other miscellaneous materials from Central Ohio Farmers Coop of which it is a member. Investments in this organization includes a membership fee and patronage capital.

Additional information, including the investment balances in these related entities, is provided in the “INVESTMENTS” note.

Following is a summary of related party purchases for the years ended December 31:

	2025	2024
UUS	\$1,088,489	\$866,903
Meridian Cooperative	357,366	263,942
CRC	35,745	40,734
Federated	124,663	106,577
Central Ohio Farmers Coop	53,468	53,296

Accounts payable due to related parties included the following as of December 31:

	2025	2024
UUS	\$ 116,527	\$ 53,818
Meridian Cooperative	74,181	19,921
CRC	2,782	3,617
Federated	-	-
Central Ohio Farmers Coop	5,442	2,720

The above amounts are included in “accounts payable - other” on the accompanying balance sheets.

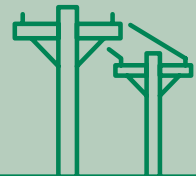
SUBSEQUENT EVENTS

Subsequent events were evaluated through January 28, 2026, which is the date the financial statements were available to be issued.

Quick Cooperative Facts:

Miles of line:

1,336



Substations owned & operated:

13

Total consumers:

8,203

Total taxes paid

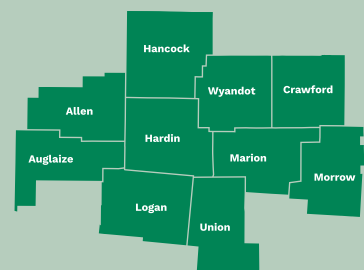
\$1,796,591

Number of employees

23

Counties Served:

Allen, Auglaize, Crawford, Hancock, Hardin, Logan, Marion, Morrow, Union, and Wyandot



As a Touchstone Energy cooperative, we are guided by the principles of integrity, accountability, innovation, and commitment to community.



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Mid-Ohio Energy Cooperative, Inc. • Kenton, Ohio

Opinion

We have audited the accompanying financial statements of Mid-Ohio Energy Cooperative, Inc., which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of revenue and patronage capital, and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mid-Ohio Energy Cooperative, Inc., as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mid-Ohio Energy Cooperative, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mid-Ohio Energy Cooperative, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mid-Ohio Energy Cooperative, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mid-Ohio Energy Cooperative, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical sections and include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the Mid-Ohio Energy Cooperative, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mid-Ohio Energy Cooperative, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Ohio Energy Cooperative, Inc.'s internal control over financial reporting and compliance.

Columbus, Ohio
January 28, 2026

BHM CPA Group, Inc.

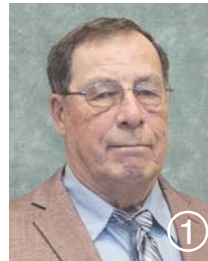
BALANCE SHEETS

December 31, 2025 and 2024

	2025	2024
ASSETS		
ELECTRIC PLANT		
In service - at cost	\$ 62,835,560	\$ 61,952,499
Construction work in progress	371,001	36,543
Subtotal Electric Plant	63,206,561	61,989,042
Less: accumulated provision for depreciation and amortization	(17,966,555)	(18,243,448)
NET ELECTRIC PLANT	<u>45,240,006</u>	<u>43,745,594</u>
INVESTMENTS AND OTHER ASSETS		
Investments - patronage capital	10,059,246	9,886,660
Investments - equity capital	901,684	901,684
Other investments	389,400	395,050
Deferred charges, less current portion	250,000	250,000
Prepayments, less current portion	94,347	106,521
TOTAL INVESTMENTS AND OTHER ASSETS	<u>11,694,677</u>	<u>11,539,915</u>
CURRENT ASSETS		
Cash and cash equivalents	1,806,184	1,954,064
Accounts receivable, less provision for credit losses of \$41,240 and \$29,242, for 2025 and 2024, respectively	2,931,640	2,999,052
Materials and supplies	708,796	657,022
Interest receivable	4,711	4,704
Prepaid power costs	2,498,826	2,369,230
Current portion of deferred charges	250,000	250,000
Current portion of prepayments	115,052	111,398
TOTAL CURRENT ASSETS	<u>8,315,209</u>	<u>8,345,470</u>
TOTAL ASSETS	<u>\$ 65,249,892</u>	<u>\$ 63,630,979</u>
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships	\$ 70,635	\$ 70,275
Patronage capital	30,694,712	30,185,605
TOTAL EQUITIES	<u>30,765,347</u>	<u>30,255,880</u>
LONG-TERM DEBT		
FFB mortgage notes, less current maturities	23,044,888	21,521,257
CoBank mortgage notes, less current maturities	1,736,605	2,089,880
NRUCFC mortgage notes, less current maturities	2,875,324	3,742,354
Capital lease obligations, less current portion	254,190	86,468
TOTAL LONG-TERM DEBT	<u>27,911,007</u>	<u>27,439,959</u>
OTHER NONCURRENT LIABILITIES		
Accumulated provision for non-pension postretirement benefits	100,670	99,803
TOTAL OTHER NONCURRENT LIABILITIES	<u>100,670</u>	<u>99,803</u>
CURRENT LIABILITIES		
Current maturities of long-term debt	1,942,973	1,842,610
Current portion of capital lease obligations	114,518	95,554
Accounts payable - cost of purchased power	1,483,348	1,508,778
Accounts payable - other	657,170	316,038
Patronage capital payable	291,324	287,909
Consumer deposits	446,195	423,784
Accrued taxes	845,796	828,536
Other current liabilities	691,544	532,128
TOTAL CURRENT LIABILITIES	<u>6,472,868</u>	<u>5,835,337</u>
TOTAL EQUITIES AND LIABILITIES	<u>\$ 65,249,892</u>	<u>\$ 63,630,979</u>

BOARD OF TRUSTEES

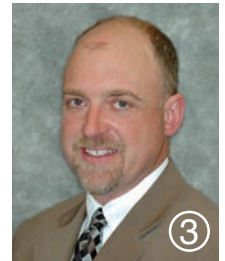
Mid-Ohio Energy Cooperative serves portions of 10 counties in north-central Ohio. The current board is made up of one trustee from each of the cooperative's nine districts. Each year, prior to the annual meeting of members, members vote (either by mail or by online ballot) to elect trustee representatives. Board members are responsible for cooperative policies, rates, and contracts. They are the ambassadors of the cooperative's rural community, focusing on the needs of the membership.



Bill Waggoner



Brice Turner
VICE CHAIRMAN



Trevor Fremont
CHAIRMAN



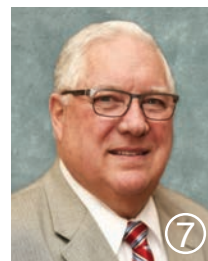
Cy Prettyman



Howard Lyle
SECRETARY



Paul Beineke
TREASURER



Gene McCluer



John Thiel



Robert Imbody

