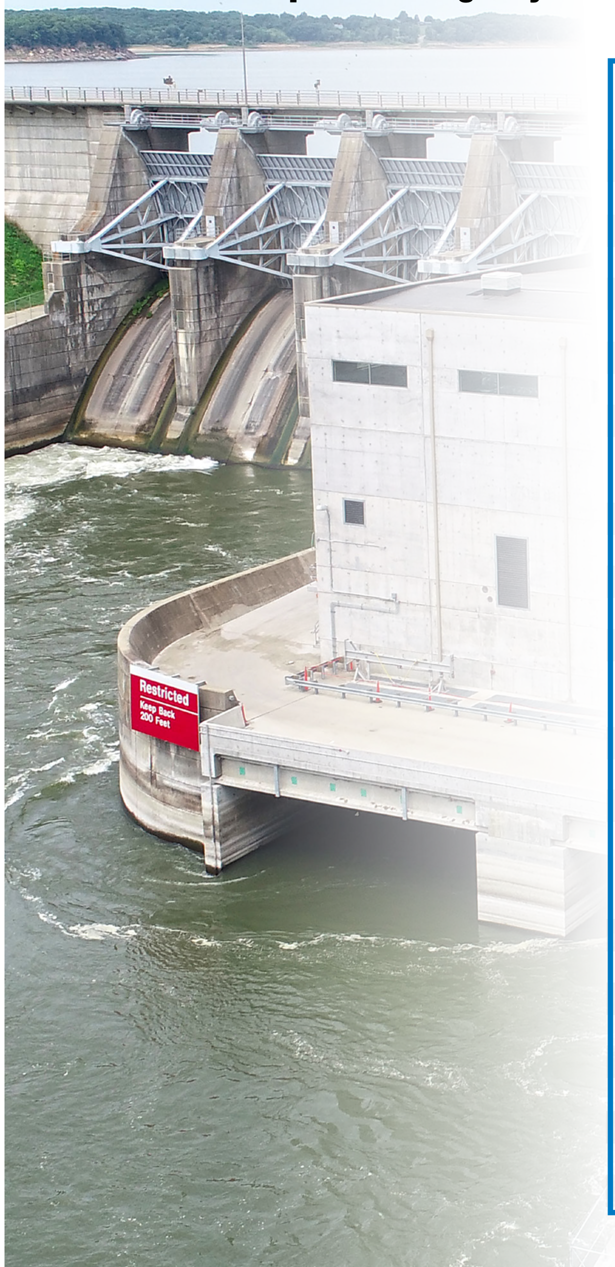
MISSOURI RIVER® ENERGY SERVICES

Western Minnesota Municipal Power Agency



Quarterly Financial Statements

Missouri Basin Municipal Power Agency d/b/a
Missouri River Energy Services
Western Minnesota Municipal Power Agency
Combined Statements of Net Position (Unaudited)

	June 30	
Assets:	**2026**	**2025**
Current Assets:	(thousands of dollars)	
Cash and cash equivalents:		
Restricted	$ 43,740	$ 45,855
Unrestricted	49,049	19,380
Total cash and cash equivalents	92,789	65,235
Short-term investments:		
Restricted	16,874	6,873
Unrestricted	49,598	103,893
Total short-term investments	66,472	110,766
Accounts receivable	28,374	25,598
Advances to Missouri Basin Power Project	27,572	28,000
Fuel stock	1,702	1,915
Materials and supplies	559	335
Other current assets	10,603	6,624
Total current assets	228,071	238,473
Non-Current Assets:		
Long-term investments:		
Restricted	33,407	37,824
Unrestricted	144,832	155,234
Total long-term investments	178,239	193,058
Capital Assets:		
Utility plant in service	1,077,968	1,056,925
Less-accumulated depreciation	366,626	346,629
Net utility plant in service	711,342	710,296
Construction work in progress	56,572	25,630
Net capital assets	767,914	735,926
Advances for mine development	583	787
Unamortized debt expense	2,502	2,467
Other non-current assets	13,519	19,834
Total Assets	1,190,828	1,190,545

	June 30	
Liabilities and Net Position:	**2026**	**2025**
	(thousands of dollars)	
Current Liabilities:		
Accounts payable	$ 22,418	$ 20,942
Accrued taxes	495	2,322
Current liabilities payable from restricted assets:		
Current maturity of revenue bonds	16,145	15,435
Accrued interest	11,318	11,719
Total Current Liabilities	50,376	50,418
Non-Current Liabilities:		
Revenue bonds, net of unamortized debt discount and premium and excluding current maturities	526,003	549,460
Revolving Line of Credit	2,000	
Revenues collected for future costs	37,626	41,130
Other non-current liabilities	45,135	44,523
Total Non-Current Liabilities	610,764	635,113
Total Liabilities	661,140	685,531
Net Position	529,688	505,014
Total Liabilities and Net Position	$ 1,190,828	$ 1,190,545

June 30, 2026 and 2025

MANAGEMENT DISCUSSION

The Combined Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position for the periods ended June 30, 2026 and 2025 are presented for those interested in the operations of the Missouri Basin Municipal Power Agency, doing business as Missouri River Energy Services (MRES), and the Western Minnesota Municipal Power Agency (WMMPA). These statements should be read in conjunction with the 2025 Audited Financial Report.

COMBINED STATEMENTS OF NET POSITION

Total assets were approximately $1.2 billion at both June 30, 2026 and June 30, 2025. At June 30, 2026, MRES and WMMPA held approximately $243 million in unrestricted cash and investments — equivalent to roughly 10 months of budgeted 2026 operating expenses.

LONG-TERM POWER SALES

Long-term power sales revenue totaled approximately $99 million for the six months ended June 30, 2026, a 9 percent increase over the same period in 2025. The increase reflects a higher average rate, along with modestly higher energy sales and demand during the first half of 2026. The average rate for long-term power sales rose to approximately 6.2 cents per kilowatt-hour (kWh), up from 5.9 cents per kWh in the prior-year period.

SHORT-TERM POWER SALES

Short-term power sales revenue totaled $9 million for the six months ended June 30, 2026, down from approximately $10 million in the same period of 2025. The decline was driven by lower megawatt-hours (MWh) sold, partially offset by higher market prices.

OPERATING EXPENSES

Fuel expense for the six months ended June 30, 2026 totaled approximately $11 million, compared to approximately $13 million during the same period in 2025. The decrease was primarily due to reduced generation at the Laramie River Station, offset by a slight increase in generation at the Exira Station.

Purchased power expense was 38 percent higher than the same period in 2025, driven by higher MWh purchases year-to-date and elevated market prices. Winter Storm Fern in late January 2026 was the primary driver of the increase in market prices relative to 2025.

NON-OPERATING REVENUES (EXPENSES)

Investment income for the six months ended June 30, 2026 was approximately 8 percent lower than the same period in 2025, due to lower balances available for investment, offset by a slight decrease in yields.

Interest expense decreased compared to the same period in the prior year, primarily due to bond refinancing completed in October 2025 and a principal payment made in January 2026.

CHANGE IN NET POSITION

The change in net position for the six months ended June 30, 2026 was a net surplus of approximately $5 million, compared to a net surplus of approximately $18 million for the same period in 2025. Year-to-date 2026 results are $400,000 above budget.

MISSOURI BASIN MUNICIPAL POWER AGENCY D/B/A MISSOURI RIVER ENERGY SERVICES

WESTERN MINNESOTA MUNICIPAL POWER AGENCY

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (UNAUDITED)

	Six Months Ended June 30	
	2026	2025
	(thousands of dollars)	
Operating Revenues:		
Long-term power sales	$ 98,550	$ 90,463
Short-term power sales	9,484	9,694
Transmission services	34,369	32,286
Other operating income	226	175
Total Operating Revenues	142,629	132,618
Operating Expenses:		
Fuel	10,537	12,969
Purchased power	56,304	40,812
Other power supply operation and maintenance	20,329	12,995
Depreciation and amortization	10,953	10,597
Transmission operation and maintenance	25,209	21,913
Customer information and collections	106	104
Administrative and general	11,766	11,529
Property taxes	96	1,978
Total Operating Expenses	135,300	112,897
Operating Income	7,329	19,721
Non-Operating Revenues (Expenses):		
Investment income	5,934	6,428
Other income	3,549	3,306
Other expense	(2,465)	(2,482)
Interest expense	(11,325)	(11,719)
Amortization of financing-related costs and premium	853	567
Net Costs recoverable in (for) future years:		
Depreciation and amortization in excess of principal	1,587	2,031
Total Non-Operating Expenses	(1,867)	(1,869)
Change in Net Position	$ 5,462	$ 17,852