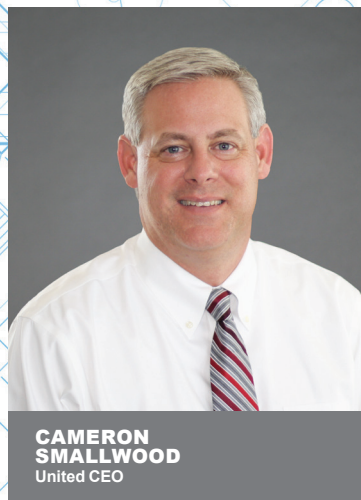


BUILDING FOR TOMORROW



“United exists to serve you with reliable power, innovative solutions and a steadfast commitment to value.”

Cameron L. Smallwood

As I reflect on all that United has accomplished, 2024 stands out as a year of careful planning, steady growth and meaningful investments that will benefit our members for years to come.

We're proud to serve a membership that values connection, progress and reliability—and we're grateful for the opportunity to demonstrate our mission of exceptional service and value to you each day. The work of keeping the lights on (and the internet flowing) takes immense effort and coordination across many teams, and your continued encouragement fuels that commitment. Together, we've accomplished a great deal this past year.

One of the clearest examples of this is United's high-speed internet initiative. Thanks to the hard work and dedication of our talented employees, construction of United's fiber internet backbone was completed in early 2024 and we completed the goal of connecting more than 25,000 internet subscribers.

Along the way, our approach to providing high-speed internet has evolved, but United remains dedicated to ensuring members have access to this vital service. Rather than using unreliable wireless technology for hard to reach areas, we are extending fiber to the home—an approach that requires more time and investment but delivers the best long term service and helps United deliver on our promise to bridge the digital divide that disproportionately affects rural communities, businesses and schools.

ANNUAL REPORT | 2024

Perhaps two of the most visible milestones of 2024 were the completion of United's new Mansfield office and the groundbreaking of the reconstructed Cleburne facility. Both projects are a part of a long-range facilities plan that United developed in 2010 to ensure the cooperative had the space and infrastructure to support a rapidly growing membership and employee group. United's meter count has grown by more than 20,000 in the past six years alone, underscoring the continued need for thoughtful planning and expanded capacity.

With growth often comes change—not only in terms of our facilities, but also in the ways we serve our members. Rising costs for materials, equipment and borrowing for all consumers (including businesses) in 2024 made it necessary for United to adjust rates for the first time since 2021. With guidance from an independent consultant and input from a Member Advisory Committee, the board voted to implement a 6.9 percent increase that took effect in November 2024. On average, this meant a \$14 per month increase for residential members that is projected to sustain United's operational needs for the next three to five years.

As part of that same cost of service analysis, United looked carefully at how much the cooperative can invest per lot when new developments are built in our service territory. Third party consultants reviewed the impact of inflation on materials, equipment and labor and concluded that United could responsibly provide an allowance of \$2,000 per lot—a reduction from the \$5,500 that was previously established in 2020. The new board-approved policy took effect in January 2025, and positions United to continue supporting our territory's growth while preserving the cooperative's financial strength.

United recognized that many of our members were exploring solar installation as a way to help manage energy costs, but discovered they also weren't getting the whole story about the expensive systems they'd just purchased. In 2024, we introduced United's Solar Solution program. The program emphasizes education and

informed decision-making for our members over aggressive sales tactics and encourages them to carefully evaluate every aspect of solar before making the long-term investment.

Since March of 2024, 248 members have taken advantage of United's free solar energy audit. Most ultimately decided that installing solar wasn't the most practical direction, but with United's guidance, discovered other ways to improve energy efficiency in their homes. For United, success isn't measured by record-breaking sales—it's measured by how many members we can educate and engage in honest conversations about energy efficiency. This program is one more example of how the cooperative builds transparency, trust and lasting value for our members.

Despite significant swings in the Texas energy market in 2024, United was able to guarantee members a reliable source of energy at a stable price by securing a contract extension with wholesale energy provider Constellation Energy.

As a result, United's rates stayed below those of average retail providers, giving members a stable, reliable deal in a volatile energy market. Member confidence in our power supply decisions was reflected in polls and United's customer satisfaction scores, as measured by the American Customer Satisfaction Index (ACSI®), a national benchmark that tracks customer sentiment across industries. In 2024, United's electric service score rose from 82 to 88—outperforming publicly reported investor-owned utility scores.

As I reflect on the past year, I am deeply grateful for the trust you place in us. United exists to serve you with reliable power, innovative solutions and a steadfast commitment to value. With careful stewardship, a strong partnership with Constellation Energy and continued investment in both electric and fiber infrastructure, I am confident that the best is still ahead.

Thank you for your support of the cooperative—we strive every day to provide our members with exceptional service and value. May God bless you and keep you safe.

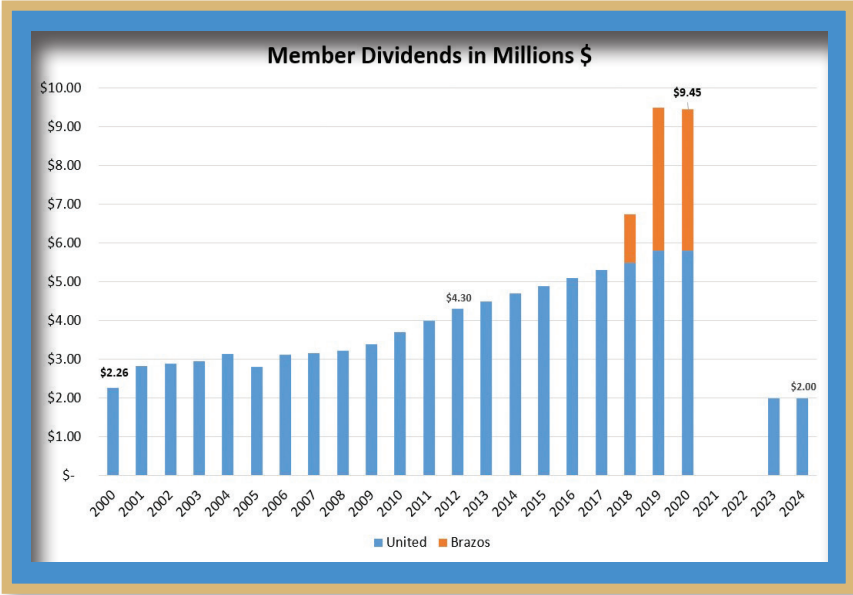
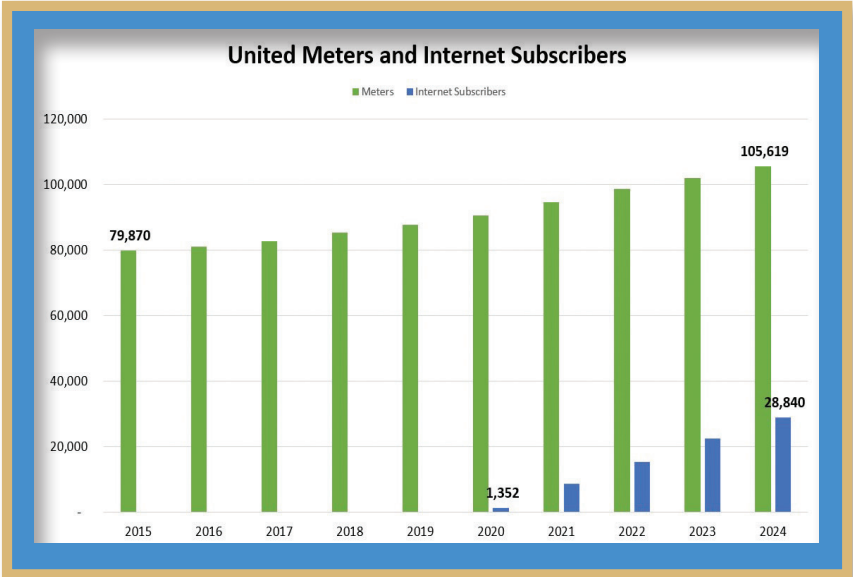
• Balance Sheets

As of December 31, 2024 and 2023

As of December 31,		
	2024	2023
ASSETS		
UTILITY PLANT		
Electric plant in service at cost	\$ 705,946,324	\$ 638,173,193
Construction work in progress	41,039,976	26,959,607
Total utility plant	\$ 746,986,300	\$ 665,132,800
Less accumulated provision for depreciation	185,713,854	167,200,623
Net utility plant	\$ 561,272,446	\$ 497,932,177
INTERNET SERVICE PLANT		
Internet plant in service at cost	\$ 144,190,116	\$ 119,914,687
Construction work in progress	90,239,853	68,385,255
Total non-utility plant	\$ 234,429,969	\$ 188,299,942
Less accumulated provision for depreciation	16,807,991	10,049,319
Net non-utility plant	\$ 217,621,978	\$ 178,250,623
OTHER PROPERTY AND INVESTMENTS AT COST		
Investments in associated organizations	\$ 577,161,507	\$ 578,755,677
Total property and investments	\$ 577,161,507	\$ 578,755,677
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,592,788	\$ 14,739,827
Restricted Cash	\$ 10,907,209	\$ 11,168,313
Accounts receivable-less allowance for doubtful accounts	33,402,371	34,275,475
Material and supplies (at average cost)	9,950,616	13,063,975
Other current and accrued assets	884,512	943,835
Total current assets	\$ 69,737,496	\$ 74,191,425
DEFERRED DEBITS		
	\$ -	\$ -
TOTAL ASSETS	\$ 1,425,793,427	\$ 1,329,129,902
LIABILITIES AND MEMBERS' EQUITY		
EQUITIES AND MARGINS		
Memberships	\$ 119,915	\$ 125,130
Patronage capital	297,134,283	296,746,472
Accumulated other comprehensive income	11,575,664	11,594,338
Other equities	(11,358,009)	(6,845,243)
Total equities and margins	\$ 297,471,853	\$ 301,620,697
LONG-TERM DEBT		
RUS mortgage notes	\$ -	\$ -
CFC mortgage notes	22,733,434	24,897,148
CoBank mortgage notes	29,325,562	29,632,573
FFB mortgage notes	525,090,448	437,651,881
Securitized bonds	428,577,180	436,775,744
Economic development loan	-	-
Total long-term debt	\$ 1,005,726,624	\$ 928,957,346
ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS		
	\$ 1,563,494	\$ 1,852,870
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 13,321,000	\$ 12,605,000
Current portion of securitized bonds	\$ 8,198,564	\$ 7,795,769
Current portion of postretirement benefits	400,000	350,000
Line of Credit	15,000,000	-
Accounts payable - purchased power	20,034,837	20,243,869
Accounts payable - other	13,945,945	10,774,968
Consumer deposits	5,124,810	4,780,383
Accrued taxes	5,426,337	4,800,452
Accrued interest	2,778,061	2,566,496
Other current and accrued liabilities	31,109,695	22,437,219
Total current liabilities	\$ 115,339,249	\$ 86,354,156
DEFERRED CREDITS		
	\$ 5,692,207	\$ 10,344,833
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 1,425,793,427	\$ 1,329,129,902

• Statements of Revenue and Patronage Capital

For the Years Ended December 31, 2024 and 2023



	For the Years Ended December 31,	
	2024	2023
NET SALES		
	\$ 326,675,145	\$ 341,553,374
OPERATING EXPENSES		
Purchased power	\$ 244,612,524	\$ 258,102,317
Distribution expense - operations	11,087,875	9,899,030
Distribution expense - maintenance	15,447,129	14,710,361
Consumer accounts	6,501,394	6,313,081
Customer service and information	2,324,648	2,233,777
Administrative and general	8,181,400	7,555,260
Depreciation and amortization	25,940,290	23,911,426
Taxes	2,877,300	2,339,865
Interest on long-term debt	11,710,130	9,607,567
Other interest and deductions	2,459,300	155,245
Total operating expenses	\$ 331,141,990	\$ 334,827,929
Net operating margins	\$ (4,466,845)	\$ 6,725,445
INTERNET SERVICE REVENUE (EXPENSES)		
Internet Service Revenue	\$ 21,639,743	\$ 15,935,926
Cost of Sales	(2,027,914)	(1,935,455)
Operating expenses	(22,386,892)	(17,895,209)
Total internet service margins	\$ (2,775,063)	\$ (3,894,738)
NONOPERATING MARGINS		
Interest income	\$ 1,205,957	\$ 884,543
Other	(746,841)	1,488,266
Total nonoperating margins	\$ 459,116	\$ 2,372,809
Generation and transmission cooperative and other capital credits	\$ 3,520,734	\$ 2,215,619
NET MARGINS FOR YEAR	\$ (3,262,058)	\$ 7,419,135
Patronage capital - beginning of year	296,746,472	287,135,701
Transfers from (to) other equities	5,652,736	4,191,636
Retirement of capital credits	(2,002,867)	(2,000,000)
PATRONAGE CAPITAL - END OF YEAR	\$ 297,134,283	\$ 296,746,472

2024 FINANCIAL REVIEW

SALES OF ELECTRICITY & INTERNET SERVICES

In 2024, United delivered 2,759 gigawatt-hours to the membership, marking the fourth consecutive year that United’s sales have surpassed 2,500 gigawatt-hours. This was the 6th-highest total

among Texas cooperatives and in the top five percent of cooperatives nationwide. 2024 residential sales decreased 41 gigawatt-hours and commercial sales increased 0.2 gigawatt-hours for an overall percentage decrease of 1.4 percent over 2023’s sales. 2024 saw the continued deployment of fiber internet services to the membership, with 28,840 subscribers at year end. This was a 28 percent growth rate from 2023 and continued the significant expansion dating back to August of 2020.

PLANT INVESTMENT AND EQUITY POSITION

In the past five years, United has invested in electric distribution and internet plant for new construction and system improvements

totaling over \$445 million. Multiple factors produced this sizable investment, most notably significant electric meter growth and the launch of fiber internet services. Funding for these improvements comes from both current operations and a large portion funded by long-term loans. United has an equity ratio of 30 percent, which is below the median on a national level of 41 percent for electric distribution co-ops of like size.

FINANCIAL PERFORMANCE

Net margins for 2024 were \$-3,262,058. Allocable margins were \$2,007,820 with members receiving a patronage capital margin allocation equivalent to 0.6 percent of their 2024 billed electric

service. Times Interest Earned Ratio (TIER) is an important ratio measuring United’s ability to repay debt. United’s lenders require that our TIER level not fall below 1.25 and our Operating TIER level not fall below 1.10 when averaging the two highest annual results over the last three years. United reports an average TIER of 2.42 when using the two highest TIER results from the last three years and an average Operating TIER of 2.49.

Costs composed of distribution, consumer, and administrative expenses amounted to \$412 per meter in 2024 compared to a national average of \$434 for electric distribution co-ops of like size. United’s five-year average for this ratio from 2020 through 2024 is \$381 versus \$407 for like-sized distribution co-ops.

United By The Numbers 2024

Keeping track of your
co-op's growth



AVERAGE METER COUNT – 106,000

- Top 5 percent (#36) in the U.S. among co-ops
- 4.5x the average Texas co-op
- Nearly 7 times the average U.S. co-op



FIBER CABLE MILES ADDED IN 2024 – 1,800

- 35.5 miles per week



TOTAL MWH SOLD – 2,759,000

- Top 5 percent (#29) in the U.S.
- Just over double the amount of MWh sold in 2000



MILES OF LINE – APPROX. 11,700

- 3rd most in Texas (co-ops)
- Top 15 (#13) in the U.S.
- LA to NYC round-trip twice



METER GROWTH PERCENT – 3.64 PERCENT

- 5th consecutive year above 3 percent
- U.S. median – 0.8 percent
- TX median – 1.6 percent



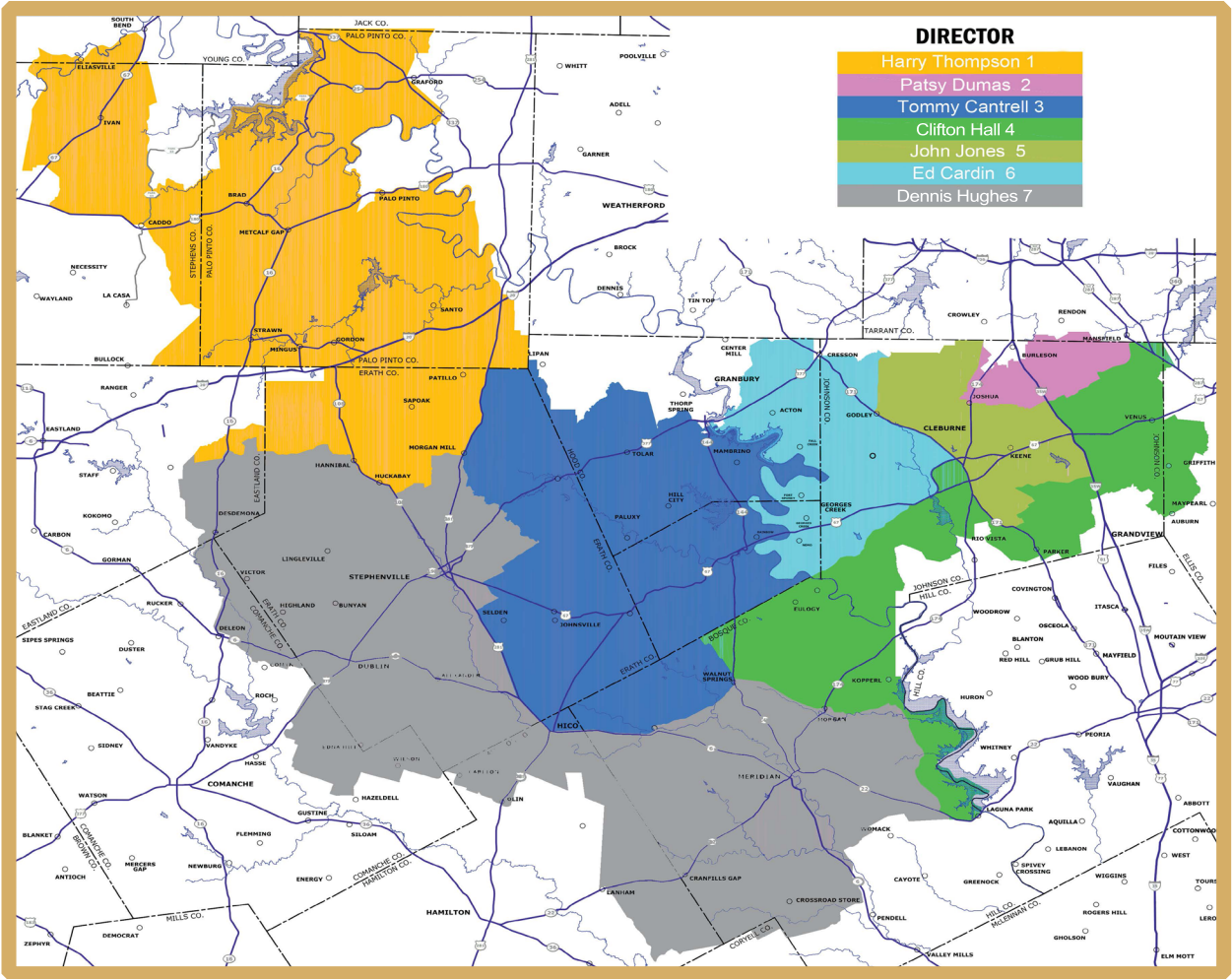
FIBER CABLE MILES – 8,800

- Perimeter of Texas is ~3,100 miles, so almost 3 loops around the Lone Star State



AVERAGE METERS PER MILE – 9

- Median of like-size co-ops – 15.9



The United Cooperative Services Board of Directors consists of United members and business professionals elected from seven service territory districts by the United membership; each charged with the responsibility of setting cooperative policies and providing oversight of all cooperative business.



TOMMY CANTRELL
President
District 3



PATSY DUMAS
Vice President
District 2



HARRY THOMPSON
Secretary-Treasurer
District 1



CLIFTON HALL
District 4



JOHN JONES
District 5



ED CARDIN
District 6



DENNIS HUGHES
District 7

Briscoe, Burke & Grigsby LLP

CERTIFIED PUBLIC ACCOUNTANTS

April 14, 2025

To the Members of United Cooperative Services:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of United Cooperative Services as of December 31, 2024 and 2023, and the related consolidated statements of income and patronage capital, and cash flows for the years then ended and in our report dated April 14, 2025, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying con-

signed financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it was derived.

The complete audit report as described above is on file at the Cooperative's headquarters office.

Briscoe, Burke & Grigsby LLP

Certified Public Accountants