

THREE-YEAR TERM DIRECTOR CANDIDATE



Darwin VanHorn, Latimer — District 3

Darwin VanHorn (incumbent) has been a member of Franklin REC since 2019. He and his wife, Koreen, live on an acreage 7 miles west of Chapin where they manage and operate the family farm. Their oldest son Ben and his wife Lily live and work in California, middle son Jacob lives and works in Ames, and youngest son Sam lives at home and is a junior at Hampton-Dumont-CAL High School.

A 1987 graduate of CAL Community High School in Latimer, VanHorn went on to earn a Bachelor of Science degree in journalism and mass communications from Iowa State University in Ames.

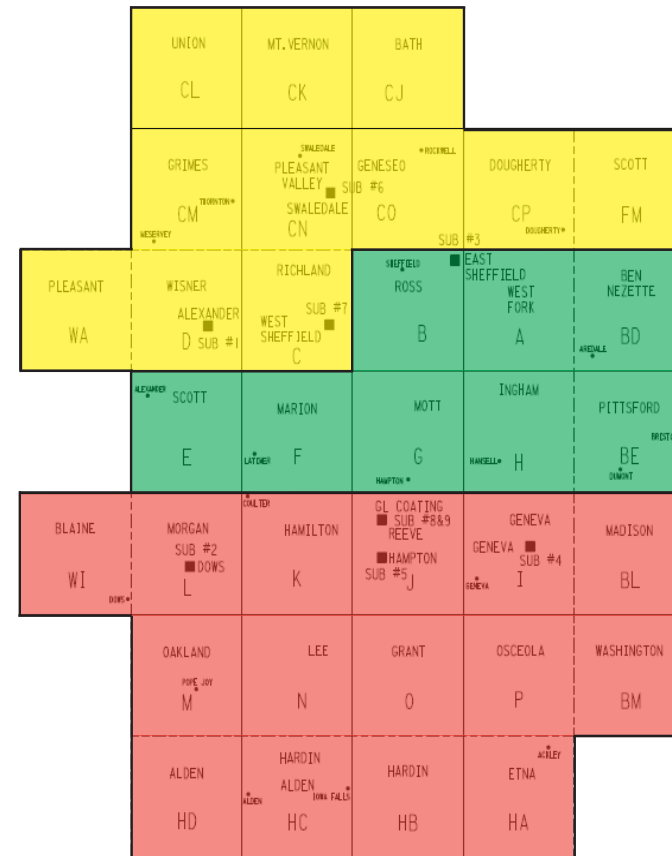
Upon graduation, he served as an account executive and project manager in the advertising field. In 1999, Darwin began a second career as a youth ministry director. He went on to help launch Youth for Christ in Hampton in 2009 and served as the area director until 2020. Darwin continues to serve as a lay minister in the surrounding area.

He has enjoyed the past two years serving on the Franklin REC board and learning about the cooperative business model that benefits its consumer members. He is actively pursuing the Credentialed Cooperative Director and Board Leadership Certificates offered by the NRECA. These courses have broadened his knowledge and skills required to govern and serve on the REC cooperative board. He is grateful to have had

this experience over the past two years and looks forward to serving another term with the great staff and board members assembled at Franklin REC. It requires a tremendous team to provide electricity for Franklin REC members.

FRANKLIN REC SERVICE TERRITORY

District 2



District 3



District 1



2022 IN PHOTOS

Franklin REC is a rural community-focused organization who works to efficiently deliver reliable and safe energy to our members.



MINUTES OF 2022 ANNUAL MEETING

The Annual Meeting of the Members of Franklin Rural Electric Cooperative was held at the Franklin County Convention Center in Hampton, Iowa, on April 5, 2022, beginning at 6:00 p.m., Central Time.

The meeting was called to order by Gordon Greimann, President of the Cooperative, who presided. David Keninger, Secretary of the Cooperative, acted as Secretary of the meeting and kept the minutes thereof.

An invocation was offered by Darwin VanHorn.

The Chairman introduced guests and Board members.

The Chairman stated that the presence of the members indicated that Notice of Meeting had been given to the Members in accordance with the By-Laws. A copy of the Notice and the Proof of Mailing will be filed in the records of the Cooperative.

The Chairman stated that the number of members who had registered at the door had been checked, and that a quorum was present for the transaction of business.

The Chairman stated that, unless there was objection, the minutes of the 2020/2021 Annual Meeting of the members held on April 6, 2021, would be considered approved and would be filed in the records of the Cooperative. In the absence of objection, it was so ordered.

The Chairman introduced Attorney James and stated that the next order of business was the election of three Directors for a term of three years each. Ms. James reported that, in accordance with the By-Laws, the Board of Directors had appointed from the Members of the Cooperative a Nominating Committee, who had nominated the following members as candidates for Director:

THREE-YEAR TERM

District 1 - Two to be Elected: David Keninger
John Snyder

District 2 - One to be Elected: Gordon Greimann

The report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting.

The Chairman then appointed Alan Brown, Ron Sailer, and David Bamrick as inspectors of election. A vote was then taken by ballot on the election of Directors for District 1 and District 2. The ballots were delivered to the inspectors, who proceeded to count them.

The annual Financial Report was presented by Secretary-Treasurer Dave Keninger and, after full discussion, on motion duly made, seconded and carried, the report was approved and ordered to be filed in records of the Cooperative.

The Chairman introduced General Manager Garrett Thompson for his report on the activities of the Cooperative and on issues of current interest in the electric utility industry.

Chairman Greimann then announced the scholarship winners and the Youth Tour winner for the trip this summer. Chairman Greimann introduced Courtney Ringleb, the Cooperative's Youth Tour winner, who gave a presentation on her trip to Washington, D.C.

A Certificate of Inspectors of Election was then presented and read, certifying that the following members, having received the highest number of votes cast, had been duly elected as Directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified:

THREE-YEAR TERM

District 1 David Keninger
District 1 John Snyder
District 2 Gordon Greimann

The Chairman directed the Secretary to annex the Certificate of Inspectors of Election to the minutes of this meeting, and thereupon declared such members duly elected Directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

The Chairman asked for any old or new business and there was none.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting adjourned.

David Keninger, Acting Secretary

Approved:
Gordon Greimann, Chairman

Treasurer’s Report

By Board Secretary/Treasurer David Keninger

Income Statement

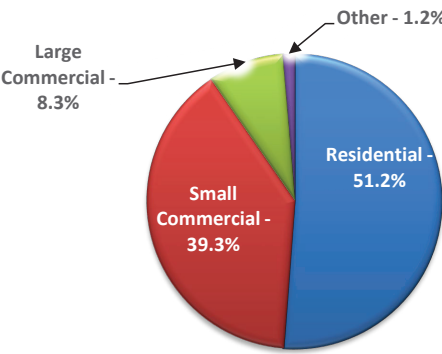
REVENUE	2022	2021
Sale of Electricity	\$7,450,992	\$7,581,408
Miscellaneous Electric Revenue	\$17,487	\$16,695
Total Revenue	\$7,468,479	\$7,598,103
EXPENSES		
Cost of Power	\$4,533,006	\$4,632,322
Operations and Maintenance	\$738,018	\$824,766
Consumer Accounts Expense	\$139,342	\$119,731
Customer Service & Sales Expense	\$127,588	\$125,092
Administrative & General Expense	\$952,120	\$937,758
Depreciation	\$602,563	\$582,956
Other Deductions	--	--
Interest Expense - Other	--	\$764
Interest on Long-Term Debt	\$266,353	\$281,641
Total Expenses	\$7,358,990	\$7,505,030
MARGINS		
Operating Margins	\$109,489	\$93,073
Corn Belt, Basin and Other Patronage Capital	\$810,368	\$399,383
Net Operating Margins	\$919,857	\$492,456
Non-Operating Margin - Interest	\$12,210	\$15,363
Non-Operating Margin - Other	\$43,301	\$4,264
Total Margins	\$975,368	\$512,083

Balance Sheet

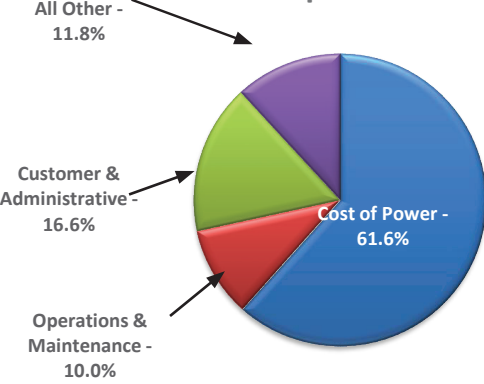
ASSETS	2022	2021
Electric and General Plant	\$18,386,594	\$16,793,303
less Depreciation Reserve	\$(6,570,231)	\$(6,229,925)
Utility Plant	\$11,816,363	\$10,563,378
Investments in Subsidiary Companies	\$606,171	\$606,171
Patronage Capital from Associated Cooperatives	\$4,446,463	\$3,862,133
Investments in Associated Organizations	\$185,972	\$395,972
Investments in Economic Development Projects	\$1,049,520	\$1,473,775
Special Funds	--	--
Total Investments	\$6,288,126	\$6,338,051
Cash & Cash Equivalents	\$1,043,472	\$1,906,935
Accounts and Notes Receivable	\$627,509	\$720,898
Materials and Supplies on Hand	\$345,538	\$159,784
Prepayments	\$38,024	\$39,270
Other Current and Accrued Assets	\$2,283	\$2,283
Current Assets	\$2,056,826	\$2,829,170
Deferred Debits	\$98,312	\$76,088
Total Assets	\$20,259,627	\$19,806,687
LIABILITIES		
Patronage Capital	\$3,793,099	\$3,688,281
Operating Margins	\$919,856	\$492,456
Non-Operating Margins	\$55,512	\$19,627
Other Margins and Equities	\$4,186,153	\$4,045,382
Margins and Equities	\$8,954,620	\$8,245,746
Long-Term Debt - CoBank	\$371,896	\$423,707
Long-Term Debt - CFC	\$1,492,687	\$1,658,989
Long-Term Debt - FFB	\$6,524,881	\$6,744,965
Long-Term Debt - Economic Development	\$1,380,000	\$1,460,000
Total Long-Term Debt	\$9,769,464	\$10,287,661
Current Maturities of Long Term Debt	\$514,219	\$542,550
Accounts Payable	\$633,318	\$357,693
Notes Payable	--	--
Consumer Deposits	\$29,680	\$25,290
Other Current and Accrued Liabilities	\$197,572	\$187,440
Current and Accrued Liabilities	\$1,374,789	\$1,112,973
Deferred Credits	\$160,754	\$160,307
Total Equities and Liabilities	\$20,259,627	\$19,806,687

Treasurer's Report - Continued

Sources of Revenue



Expenses



Executive Message

From President Gordon Greimann and General Manager/CEO Garrett Thompson

We have all had a variation of a conversation where Grandma, Grandpa, our parents, or someone else we know and respect said something along the lines of, “Time only gets faster the older you get.” When we are little, we don’t believe it and think time moves so slow. However, as we become older, we begin to realize that statement is completely true. Because time goes by so fast, it’s always a good reminder to slow down and appreciate what you have. It’s also good to take a moment and reflect on everything accomplished during the last year. As we reflected on 2022, we noted a few events that happened at your cooperative during the year that we wanted to share with you.

New Metering System: Unfortunately, our old metering system was reaching the end of its useful life and was in need of replacement. As you can imagine there are many different options and technologies to choose from, so much so that it becomes overwhelming relatively quickly. But thankfully your board of directors are very sharp individuals who were able to narrow it down to two vendors and ultimately choose Tantalus for our next advanced metering infrastructure (AMI). Installation began in July with 90 percent of the meters replaced by August. Due to supply chain issues, we are waiting for the last few meters to be delivered. The meters are scheduled to arrive in April 2023.

Since implementing the new AMI meters, we have learned a lot about our system and will only learn more as we become accustomed to the new technology. We have already been able to pinpoint outages much faster, saving both time and money!

Light Up the Night: 2022 marked the second year for our Light Up the Night event, which was another huge success. This year we added events during the day for families to enjoy and get into the Christmas spirit—making handmade ornaments, a chili feed, free screening of “The Grinch,” and much more. We are truly thankful for all the support we receive from the communities and couldn’t have done this event without you. We look forward to seeing everyone for Light up the Night in 2023!

Hampton Industrial Park at Capacity: In 2014 Franklin REC partnered with the Franklin County Development Association (FCDA) to construct a speculative building, which was sold in 2022 to Centro, Inc., a company new to Franklin County and headquartered in North Liberty, Iowa. They are a custom plastic molder that does work for John Deere, The Toro Company, and many other organizations. We are excited to have them in our area, and with the purchase of the spec building, the Hampton Industrial Park is now 100 percent full! Mary Amsbaugh, executive director for FCDA, did a marvelous job working with Centro, Inc. throughout the process.

New Four-year Work Plan: Also, during 2022, we worked with our engineering firm and the United States Department of Agriculture (USDA) in creating a new four-year operational work plan. This gives us great direction into the sections of our service territory in need of upgrades over the next four years. This plan also provides us the opportunity to borrow funds directly from the USDA at a lower interest rate than on the open market.

It was another busy year with a lot of big projects we were able to check off our to-do list. Best of all, we had another year in service to you, our member. We are thankful for each one of you, and we look forward to serving you for years to come!

Franklin Rural Electric Cooperative
Annual Report
2022

Franklin Rural Electric Cooperative
Notice of Annual Meeting of Members

The 2023 Annual Meeting of the Members of Franklin Rural Electric Cooperative will be held at the Franklin County Convention Center, in Hampton, Iowa, at 6:30 p.m., on **Tuesday, April 4, 2023**, to take action upon the following matters:

- 1. The reports of officers, directors, and committees;
- 2. The election of one director for a term of three years;
- 3. All other business which may legally come before the meeting or any adjournment or adjournments thereof.

In connection with the election of one director scheduled for this meeting, the following member has been nominated for Director by the Committee on Nominations appointed by the Board of Directors of the Cooperative pursuant to the Bylaws.

THREE-YEAR TERM
(One to be elected)

District 3: - One to be Elected

Darwin VanHorn

You are urged to attend the meeting, hear the reports of the officers, vote for one director, and transact such other business as may come before the meeting.

DATED this 1st day of March 2023

FRANKLIN RURAL ELECTRIC COOPERATIVE
David Keninger, Secretary



Back row (left to right) - Linemen: Ben Waltersdorf, Austin Neff, Cole Marzen, Chace Klein, Tom Demro, Hunter Sutter

Middle row (left to right) - Warehouse and Office: Jens Hovenga, Madison Alert, Christy Mason, Brenda DeYounge, Emily Rush

Front row (left to right) - Management: Garrett Thompson, Karen Ringleb, Scott Hagenson, Chad Foster