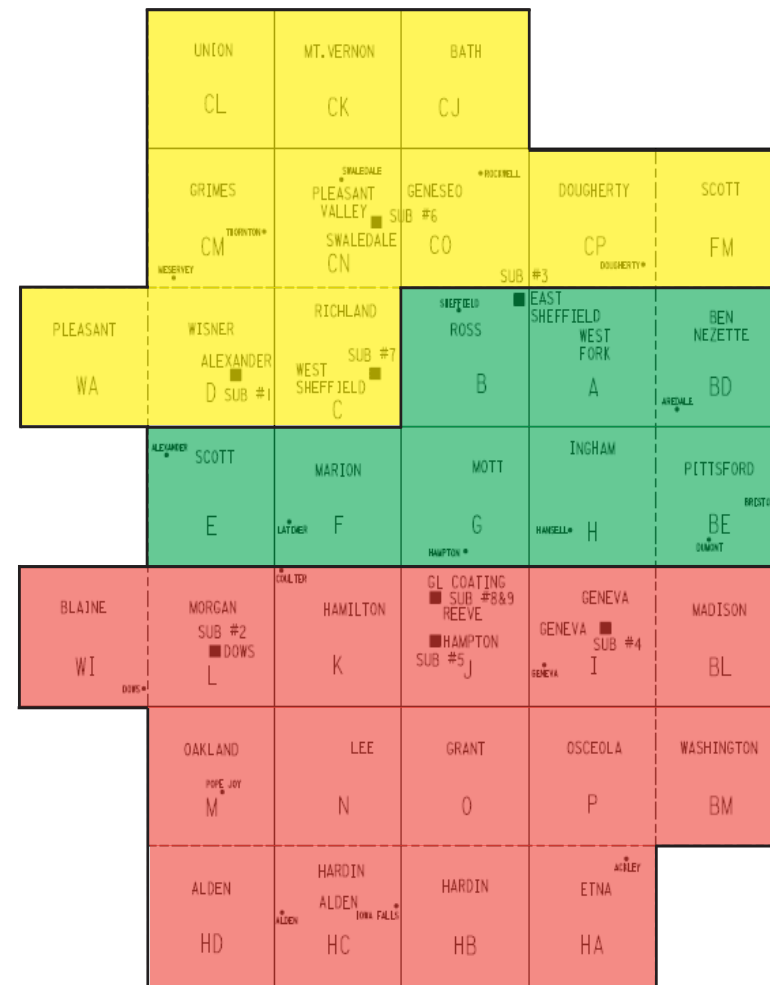
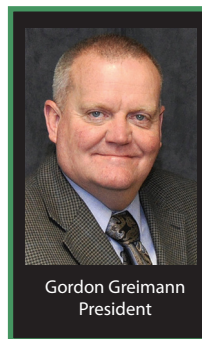
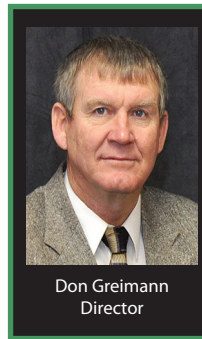


FRANKLIN REC SERVICE TERRITORY

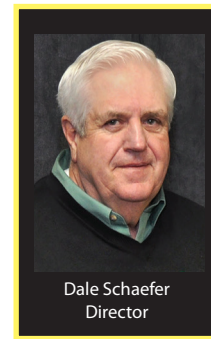
THREE-YEAR TERM DIRECTOR CANDIDATES

MINUTES OF 2020/2021 ANNUAL MEETING

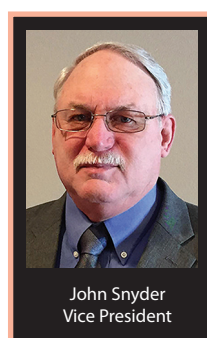
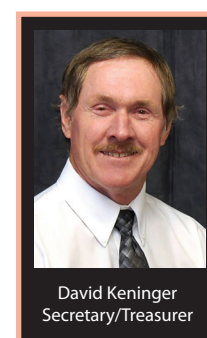
District 2



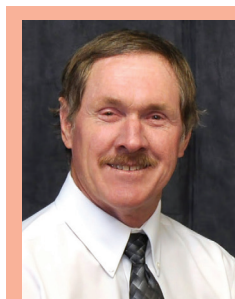
District 3



District 1



David Keninger — District 1



David Keninger
Ackley

Dave Keninger (incumbent) has been a member of Franklin REC since 1987. He is finishing his fourth three-year term on the board and is currently secretary-treasurer. He holds a Director Gold credential from the National Rural Electric Cooperative Association (NRECA). He also represents Iowa RECs on the Rural Electric Supply Cooperative (RESCO) board.

Dave lives west of Ackley with his wife, Barb. They have three grown children and seven grandchildren.

Dave holds a bachelor's degree in agronomy and earned a master's degree in soils from Iowa State University. He has farmed since he was in eighth grade, and he also operated a small business from 1994 to 2008. He is a member of St. Mary's Catholic Church in Ackley, where he has served on numerous committees. He has also been active on various committees in Franklin County.

John Snyder — District 1



John Snyder
Dows

John Snyder (incumbent) has been a member of Franklin REC since 1985. He is finishing his third three-year term on the board and is currently vice president. He has achieved Director Gold certification from NRECA and has completed the Board Leadership Program.

John lives on a family farm northeast of Dows, where he raises corn and soybeans. He and his wife, LeAnn, have a son and a daughter and six grandchildren.

John is a crop agent for Farm Bureau Financial Services. He earned his bachelor's degrees in management, finance, and insurance from Northwest Missouri State University, Maryville. He has served on the Franklin County Fair Board and is a member of Alden United Methodist Church.

Gordon Greimann — District 2



Gordon Greimann
Hampton

Gordon Greimann (incumbent) has been a member of FREC since 1993. He has served as a director since 1995 and is currently president. He holds a Credentialed Cooperative Director Certificate and completed the Board Leadership Program from NRECA. He also serves on the state board of the Iowa Association of Electric Cooperatives.

Gordon and his wife, Laurie, live west of Hampton on a farm where they raise corn and soybeans. His family includes two grown stepdaughters, a granddaughter, and a grandson. In addition to farming, Gordon is a representative for Ritchie Industries, Inc. He is a member of Zion St. John Lutheran Church in Sheffield.



The Annual Meeting of the Members of Franklin Rural Electric Cooperative was held at the Cooperative headquarters in Hampton, Iowa, at 5:00 P.M. on the 6th day of April, 2021.

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

It was noted that the COVID-19 pandemic had caused the Board to make the difficult decision to conduct this year's annual meeting differently by restricting attendance and completing the essential business of the Director election by mail.

Attorney James noted that the Bylaws of the Cooperative allowed the members voting by mail to be deemed present for determining a quorum for purposes of the Director election, but not for other purposes. She stated that there were a sufficient number of members represented by mail ballot so a quorum of the members was deemed present for the conducting of Director election.

It was noted that the record of those voting by mail would be accepted in lieu of a roll call. It was noted that the Notice of the Annual Meeting of the Members had been mailed to all members of the Cooperative. In the absence of any members being present in person, the reading of the Notice was declared unnecessary.

The minutes of the Annual Meeting of the Members held April 2, 2019 and the Treasurer's Report were approved as voted upon by mail in ballot.

The Chairman introduced attorney James and stated that the next order of business was the election of three (3) directors for a term of (3) three years and one (1) director for a term of two (2) years. Attorney James reported that, in accordance with the By-Laws, the Board of Directors had appointed from the Members of the Cooperative a Nominating Committee consisting of District No. 1 - Alan Brown, Ron Sailer; and District No. 2 - David Bamrick, Verlynn Mensing. She called on David Bamrick who served as Chair of the committee to present the report, which indicated that the Committee had nominated the following members as candidates for directors:

2021 Meeting

District 1: - One to be Elected

Four to be elected

Three-year Term
Matthew Roelfs
Brenton Schwab

District 2: - One to be Elected

Three-year Term
Don Greimann

District 3: - One to be Elected

Three-year term
Dale Schaefer

2020 Meeting

District 3: - One to be Elected

Two-year term
Darwin VanHorn

The report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting. Attorney James explained that in addition to the nominations by the Nominating Committee, the Bylaws provide a process for nominations by Petition. She indicated that there were no nominations by petition.

The Chairman had previously appointed Alan Brown, Ron Sailer, David Bamrick, and Verlynn Mensing as Tellers/Inspectors of Election. A vote was had by mail-in ballot and in-person drop off and the ballots were previously delivered to the Inspectors, who proceeded to count them.

The 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 directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

2021 Meeting

District 1: - One to be Elected

Four to be elected

Three-year Term
Matthew Roelfs

District 2: - One to be Elected

Three-year Term
Don Greimann

District 3: - One to be Elected

Three-year term
Dale Schaefer

2020 Meeting

District 3: - One to be Elected

Two-year term
Darwin VanHorn

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.

It was noted that the President's, Manager's, and Treasurer's reports were printed and included in the newsletter mailed to each member.

Since there was not a quorum for the transaction of any other business, the Chairman declared the meeting adjourned.

Gordon Greimann, Chairman

Amanda James, Acting Secretary

TREASURER'S REPORT

By Board Secretary/Treasurer David Keninger

INCOME STATEMENT

REVENUE	2021	2020
Sale of Electricity	\$7,581,408	\$7,372,183
Miscellaneous Electric Revenue	\$16,695	\$17,800
Total Revenue	\$7,598,103	\$7,389,983
EXPENSES		
Cost of Power	\$4,632,322	\$4,648,347
Operations and Maintenance	\$824,766	\$639,275
Consumer Accounts Expense	\$119,731	\$102,513
Customer Service & Sales Expense	\$125,092	\$66,881
Administrative & General Expense	\$937,758	\$812,090
Depreciation	\$582,956	\$569,069
Interest Expense - Other	\$764	\$9,474
Interest on Long-Term Debt	\$281,641	\$280,678
Total Expenses	\$7,505,030	\$7,128,327

MARGINS

Operating Margins	\$93,073	\$261,656
Corn Belt, Basin and Other Patronage Capital	\$399,383	\$453,271
Net Operating Margins	\$492,456	\$714,927
Non-Operating Margin - Interest	\$15,451	\$15,796
Non-Operating Margin - Other	\$4,264	\$4,219
Total Margins	\$512,171	\$734,942

BALANCE SHEET

ASSETS	2021	2020
Electric and General Plant	\$16,793,303	\$16,250,343
less Depreciation Reserve	\$(6,229,925)	\$(5,757,772)
Utility Plant	\$10,563,378	\$10,492,571
Investments in Subsidiary Companies	\$606,259	\$606,259
Patronage Capital from Associated Cooperatives	\$3,862,133	\$3,722,144
Investments in Associated Organizations	\$395,972	\$795,972
Investments in Economic Development Projects	\$1,473,775	\$1,625,319
Total Investments	\$6,338,139	\$6,749,694
Cash & Cash Equivalents	\$1,906,935	\$1,844,303
Accounts and Notes Receivable	\$720,898	\$579,968
Materials and Supplies on Hand	\$159,784	\$182,736
Prepayments	\$39,270	\$32,066
Other Current and Accrued Assets	\$2,283	\$2,268
Current Assets	\$2,829,170	\$2,641,341
Deferred Debits	\$76,088	\$151,739
Total Assets	\$19,806,775	\$20,035,345

LIABILITIES

Patronage Capital	\$3,688,281	\$3,422,900
Operating Margins	\$492,456	\$714,927
Non-Operating Margins	\$19,715	\$20,015
Other Margins and Equities	\$4,045,382	\$3,876,810
Margins and Equities	\$8,245,834	\$8,034,652
Long-Term Debt - CoBank	\$423,707	\$474,179
Long-Term Debt - CFC	\$1,658,989	\$1,862,605
Long-Term Debt - FFB	\$6,744,965	\$6,854,501
Long-Term Debt - Economic Development	\$1,460,000	\$1,620,000
Total Long-Term Debt	\$10,287,661	\$10,811,285
Current Maturities of Long Term Debt	\$542,550	\$447,747
Accounts Payable	\$357,693	\$431,704
Notes Payable	--	--
Consumer Deposits	\$25,290	\$21,819
Other Current and Accrued Liabilities	\$187,440	\$156,347
Current and Accrued Liabilities	\$1,112,973	\$1,057,617
Deferred Credits	\$160,307	\$131,791
Total Equities and Liabilities	\$19,806,775	\$20,035,345

TREASURER'S REPORT - CONTINUED



EXECUTIVE MESSAGE

By President Gordon Greimann and General Manager/CEO Garrett Thompson

We want to start this message off by saying thank you members! You helped make it another successful year here at Franklin REC (FREC). Without you we wouldn't be able to do what we do best, keeping the lights on year-round. 2021 was another busy year with a lot of noteworthy events to highlight. We have narrowed it down to a few featured items.

FREC Named Business of the Year

During the Franklin County Chamber's Annual Appreciation Night, FREC was chosen as the 2021 Business of the Year due in large part to the cooperative's leadership in organizing the inaugural "Light up the Night" event (more on that below). We are so proud of all our employees, especially Emily Rush and Madison Alert who spearheaded the event. It was a group effort with every employee helping in some way. It was a lot of fun to serve our community, and we are already planning and gearing up for this year's event to be even better!

Light Up the Night Event

On Nov. 27, 2021, event goers were treated to over 20 entires in the lighted parade, kicking off the evening. The parade ended at Band Shell Park in Hampton where the lighting of the park and a 20-foot Christmas tree took place. There was an opportunity for children to have their picture taken with Santa and Mrs. Claus, as well as get a cup of hot chocolate and listen to the community choir sing Christmas carols. It was estimated that there were over 500 people in attendance.

New AMI System Chosen

Due to the increased cost to maintain our current metering system, as well as opportunities to leverage technological advancements since our last system was put in place in 2009, FREC began the process of researching a new advanced metering infrastructure (AMI). The board of directors decided on the Tantalus AMI system, which will allow FREC to narrow down outages to a single meter(s) before a truck is dispatched. It will also provide a great deal of data and information, giving us a better picture of where system upgrades need to take place. In addition, it will also allow you, the members, to access more in-depth usage information through SmartHub. The scheduled deployment for the new AMI is July 2022, with more details coming in the months ahead.

Text Messaging Software Implemented

Another new item implemented in 2021 was a text messaging software allowing FREC to communicate more efficiently and effectively with our members. So far, we have used this software to reach those members experiencing an outage, information about the upcoming annual meeting, member appreciation events, and much more. If you are interested in signing up, please call the office and we will assist you in registering.

Financial Overview

2021 was a good financial year for the cooperative with margins (or Net Income) on Dec. 31, 2021, totaling just under \$500,000. This past year the board of directors approved patronage payouts totaling \$309,500, which appeared on members' monthly power bill. After the completion of FREC's 2021 audit, the board will again discuss a potential patronage payout for 2022.

Thank you again to all our members for a successful 2021. As always, we look forward to serving you and our communities.



FREC named Franklin County 2021 Business of the Year.

FRANKLIN RURAL ELECTRIC COOPERATIVE

ANNUAL REPORT

2021

FRANKLIN RURAL ELECTRIC COOPERATIVE NOTICE OF ANNUAL MEETING OF MEMBERS

The 2022 Annual Meeting of the Members of Franklin Rural Electric Cooperative will be held at the Franklin County Convention Center, in Hampton, Iowa, at 5:30 p.m., on **Tuesday, April 5, 2022**, to take action upon the following matters:

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

In connection with the election of directors scheduled for this meeting, the following members have 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 (Three to be elected)

District 1: - Two to be Elected

David Keninger
John Snyder

District 2: - One to be Elected

Gordon Greimann

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

DATED this 1st day of March 2022

FRANKLIN RURAL ELECTRIC COOPERATIVE
David Keninger, Secretary

