

MARCH 2026

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ELECTRIC COOPERATIVE LIVING

SPECIAL INSERT:

**Franklin REC
2025 Annual Report**

Reliability through planning and performance ▶ See Page 6A



ROOTED IN SERVICE POWERED BY COMMUNITY

2025 ANNUAL REPORT





FRANKLIN RURAL ELECTRIC COOPERATIVE NOTICE OF ANNUAL MEETING OF MEMBERS

The 2026 Annual Meeting of the Members of Franklin Rural Electric Cooperative will be held at Franklin Rural Electric Cooperative Headquarters, in Hampton, Iowa, at 11:00 a.m., on Tuesday, April 21, 2026, 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

District 3, One to be Elected: Darwin Van Horn

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

DATED this 1st day of February 2026.

Darwin Van Horn, Secretary

BOARD CANDIDATE

DARWIN VAN HORN – DISTRICT 3



Darwin Van Horn has been a member of Franklin REC since 2019 and currently serves as the District 3 director. He and his wife Koreen live on an acreage west of Chapin, where they manage the family farm.

A 1987 graduate of CAL Community High School, Darwin earned a Bachelor of Science degree in journalism and mass communications from Iowa State University. He brings a strong background in leadership and community service, including more than a decade in youth ministry.

As a Franklin REC director, Darwin has focused on learning the cooperative business model and advocating for members. He has earned the Credentialed Cooperative Director designation and continues to pursue additional board leadership training. During his tenure, the board has overseen major improvements, including a new metering system and significant equipment upgrades, and strengthened safety programs to protect linemen in the field.

Darwin highlights the cooperative's commitment to community, economic development and member advocacy, reflecting his dedication to helping Franklin REC provide reliable, affordable and forward-thinking service.



Office

1560 Highway 65 • P.O. Box 437
Hampton, IA 50441

Office Hours

Monday-Friday 7:00 a.m.-3:30 p.m.
Closed Saturdays, Sundays and holidays

Telephone Number

641-456-2557
Calls answered 24/7

Secure Pay-by-Phone Number

1-855-940-3953

Website

www.franklinrec.coop

This institution is an equal opportunity provider.

WHEN A PENNY DISAPPEARS, THE VALUE OF ELECTRICITY STANDS OUT

BY GARRETT THOMPSON



In late 2025, the U.S. ended one of its longest-running traditions: production of the penny. First introduced in 1793, the one-cent coin

served generations of Americans before rising production costs made it economically impractical, costing taxpayers more to produce than it was worth. Over time, its buying power faded, turning what was once meaningful currency into little more than a pocket souvenir.

Today, there's little you can buy for a penny. A century ago, it could purchase a piece of candy or a small toy. Now, it's often viewed as spare change without real value.

Except when it comes to electricity.

Even in a world of rising prices, electricity continues to deliver extraordinary value. When broken down, just one cent of electricity can still do a surprising amount of work in everyday life.

How valuable is electricity?

Here's what you can get for a penny's worth of power:

- 1 hour of playing video games on a 100-watt gaming console
- 3 hours of keeping ice cream cold in a 35-watt freezer
- 3.5 hours of watching television on a 30-watt TV

- 10 hours of reading with a 10-watt LED light bulb
 - 20 hours of charging a smartphone with a 5-watt charger
- Source: pemc.coop/value-of-electricity*

In fact, for just a few dimes, you could charge your phone every day for an entire year. Try getting that kind of value from gasoline, groceries or a cup of coffee.

While the penny may be disappearing from everyday use, it still reminds us of something important: electricity remains one of the best values available to consumers today.

Value that reaches beyond the meter

At Franklin REC, the value of electricity isn't measured only in kilowatt-hours. It's also measured in how electric service supports our communities and creates opportunities close to home.

As a locally owned electric cooperative, Franklin REC plays an active role in economic development. Reliable, affordable electric service helps attract businesses, support job creation and strengthen the local tax base. Across Iowa, electric cooperatives generate billions in economic activity, support thousands of jobs and contribute significant wages and tax revenue. Those benefits begin locally through investments in infrastructure, reliability and long-term community success.

Investing in community and members

Franklin REC's commitment to value also shows in how we bring people together. Events like Light Up the Night reflect the cooperative principle of concern for community and create moments that matter beyond electricity use or rates.

The dollars members pay for electricity stay local. Through patronage capital, a portion is returned to members while the rest is reinvested in system improvements, local projects and community programs. Even financial decisions, such as postponing a planned base rate adjustment, reflect local governance focused on members' best interests.

The penny may be fading into history, but its lesson remains. Electricity delivers real value every day, and when provided by a local cooperative, that value goes even further.

Garrett Thompson is the general manager/CEO of Franklin REC.



2025 FRANKLIN REC FACTS

Miles of line:
860 miles

Number of service points:
1,972 services

Members per mile of line:
2.29 members

Number of members:
1,439 members

Number of meters:
2,504 meters

Total counties served:
6 counties

BOARD LEADERSHIP GUIDES FRANKLIN REC

The objective of Franklin REC’s member-elected board of directors is to provide strategic oversight and governance for the cooperative. The seven-member board remains committed to strong leadership through continued education, industry awareness and thoughtful decision-making. With a combined 135 years of service, the directors bring valuable perspective, ensuring a focus on long-term reliability, financial stability and member value in an evolving electric utility environment.

The cooperative’s directors regularly participate in trainings, certifications

and professional development through its power supplier, statewide association and national organizations. They also serve as advocates for rural electric cooperatives at the state and national levels, ensuring Franklin REC’s voice is represented in decisions affecting members and the electric utility industry.

Industry involvement and advocacy

Franklin REC’s board is actively involved beyond the cooperative. Board President Gordon Greimann represents Franklin REC and four fellow Iowa cooperatives on the Iowa Association of Electric Cooperatives

board as the District 6 director. Board member Dale Schaefer serves on the board of directors for Corn Belt Power Cooperative, which is Franklin REC’s power supplier. Board member David Keninger serves on the Rural Electric Supply Cooperative board, one of Franklin REC’s material and equipment suppliers.

Leadership focused on members

Franklin REC’s directors take the responsibility entrusted to them seriously. Their leadership, grounded in experience and informed by continued learning, helps guide the cooperative toward continued success, longevity and service to members.

BOARD OF DIRECTORS

FRANKLIN REC SERVICE TERRITORY



- District 1
- District 2
- District 3



DISTRICT 1

DAVID KENINGER



DISTRICT 1

MATTHEW ROELFS



DISTRICT 1

JOHN SNYDER



DISTRICT 2

DON GREIMANN



DISTRICT 2

GORDON GREIMANN



DISTRICT 3

DALE SCHAEFER



DISTRICT 3

DARWIN VAN HORN

FACTS ABOUT FRANKLIN REC’S BOARD

Board leadership certified:
5 directors

Director gold credentials:
3 directors

Received Credentialed Cooperative Director certification:
All 7 directors

BALANCE SHEETS

December 31, 2025 and 2024

ASSETS

	2025	2024
NET UTILITY PLANT	\$ 16,720,797	\$ 13,050,304
OTHER PROPERTY AND INVESTMENTS	7,064,497	7,062,645
CURRENT ASSETS/DEFERRED CREDITS	3,501,756	2,949,396
TOTAL ASSETS	\$ 27,287,050	\$ 23,062,345

LIABILITIES AND EQUITY

MARGINS AND EQUITIES	\$ 10,295,918	\$ 9,858,904
TOTAL LONG-TERM DEBT	14,811,292	\$11,635,153
CURRENT AND ACCRUED LIABILITIES/DEFERRED CREDITS	2,179,840	\$1,568,288
TOTAL LIABILITIES	\$ 27,287,050	\$ 23,062,345

INCOME SHEETS

Franklin Rural Electric Cooperative 2025 Statement of Revenue & Patronage Capital

REVENUE

	2025	2024
OPERATING REVENUE AND PATRONAGE CAPITAL	\$ 9,349,726	\$ 8,501,864

EXPENSES

COST OF POWER	\$ 5,647,669	\$ 5,121,764
OPERATIONS AND MAINTENANCE	1,107,694	969,883
CONSUMER ACCOUNTS EXPENSE	152,266	156,558
CUSTOMER SERVICE & SALES EXPENSE	247,719	202,739
ADMINISTRATIVE & GENERAL EXPENSE	975,795	977,817
DEPRECIATION	671,435	574,312
INTEREST AND OTHER	397,551	332,003

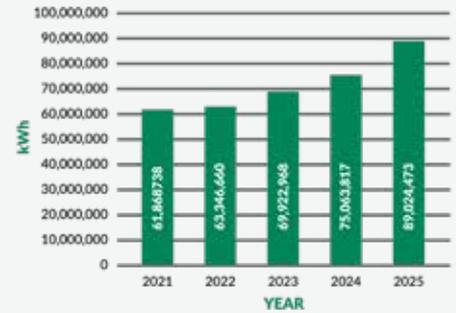
TOTAL EXPENSES	\$ 9,200,129	\$ 8,335,076
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OPERATING MARGINS	\$ 144,648	\$ 166,788
GENERATION & TRANSMISSION CAPITAL	543,457	551,935
OTHER CAPITAL CREDITS	31,721	52,957
NON OPERATING MARGINS	74,919	(81,997)

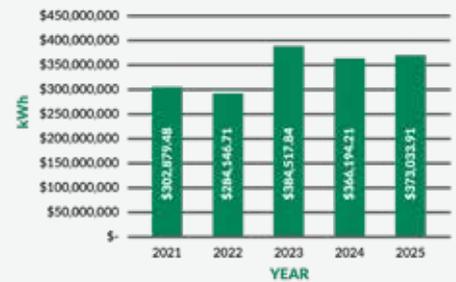
TOTAL OPERATING AND NON-OPERATING MARGINS	\$ 799,694	\$ 689,683
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Financial notes: The figures presented have not been audited. Franklin REC undergoes an independent audit each year beginning in March.

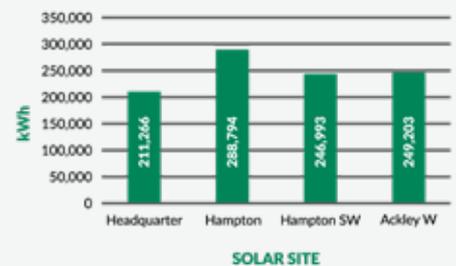
ANNUAL kWh SALES



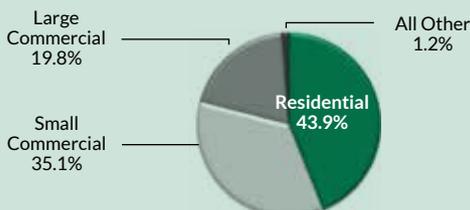
2025 PATRONAGE PAID



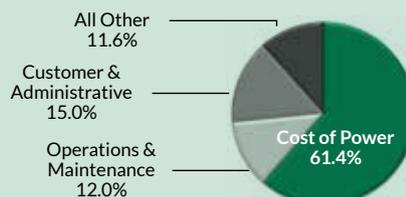
2025 SOLAR PRODUCTION



SOURCES OF REVENUE



EXPENSES



LINE CREW AND OPERATIONS: STRENGTHENING RELIABILITY THROUGH PLANNING AND PERFORMANCE

BY SCOTT HAGENSON



Franklin REC's line crew and operations department experienced another successful and productive year.

The mission of our cooperative has always been, and will continue to be, providing safe, reliable and cost-effective electricity to our members. To deliver the high level of service our members expect, Franklin REC remains focused on long-term planning, proactive system maintenance and adapting to the evolving electric utility industry.

System planning and infrastructure improvements

Every five to seven years, Franklin REC conducts a comprehensive review of our electric system to identify growth trends, outage-prone areas and voltage concerns. In partnership with our engineering firm, these findings – along with input from cooperative staff – are used to develop a work plan and corresponding financial strategy. As line superintendent, my responsibility is to plan, coordinate and execute the projects outlined in this plan.

As we closed out the 2022–2025 work plan, the final year proved to be the most impactful. With the dedication of our linemen and assistance from a contracted third-party utility construction crew, 53 miles of power lines were upgraded across our service territory. These improvements enhanced

resiliency and reliability while reducing voltage issues. Aging infrastructure from the 1950s, including utility poles and copper wire, was replaced with larger poles, modern structures and aluminum wire to reflect industry advancements and ensure consistent, high-quality power.

Franklin REC's reliability remained strong throughout the year, even during long summer days filled with planned outages and challenging weather conditions. The average member experienced less than two hours without power for the entire year. Our system withstood numerous severe weather events, including winds exceeding 50 miles per hour, with limited storm-related damage.

Maintenance, safety and preparing for the future

Preventative maintenance and system inspections remain central to our operations. Each year, our line crew patrols every mile of line, inspecting equipment along distribution lines and service locations. These inspections help strengthen safety awareness, efficiency and familiarity with the service territory while allowing issues to be addressed before becoming outages or safety concerns.

Franklin REC also takes pride in the structural integrity of our system. Utility poles are inspected on a 10-year rotation, with a portion tested annually by a third-party organization. In 2025, only 1% of tested poles required replacement.

Vegetation management remains a critical component of reliability. Our crews, along with a certified tree-trimming contractor, work to keep lines clear and reduce outages caused by tree contact. Emerald ash disease, aging trees and natural growth continue to be leading causes of power disruptions.

As demand for underground electric service grows, Franklin REC completed nearly two dozen underground service installations in 2025. While underground construction requires higher initial investment, it offers long-term safety and reliability benefits.

Reliable service also depends on a safe, well-maintained fleet. Franklin REC follows a structured equipment replacement schedule while monitoring long delivery timelines and adjusting to changing industry conditions. We appreciate the continued support from our board and management in addressing these needs.

Looking ahead, 2026 is expected to be another busy year. Efforts will include finalizing our current work plan, developing plans for 2027 and beyond, maintaining routine system programs, and implementing a grant project that includes installing 50 new poles with TripSaver line devices. As always, weather will play a role in shaping our work.

Scott Hagenson is the line superintendent for Franklin REC.

2025 BY THE NUMBERS

Percentage of reliability:
99.9691%

Average outage time per member:
105 minutes

Miles of power lines constructed:
53 miles

Miles of three-phase power lines:
25 miles

Miles of single-phase power lines:
28 miles

Underground services installed:
23 services

Number of utility poles inspected:
2,643 poles

Number of utility poles replaced:
38 poles

SERVICE AND SAFETY: POWERING TOP-TIER MEMBER SERVICE

Franklin REC is built on a strong culture of service and safety, shaping how the cooperative trains employees, serves members and engages its membership. This approach supports dependable electric service while emphasizing education, communication and continuous improvement to better meet members' needs.

Our commitment is reflected in positive member feedback, with Franklin REC continuing to earn strong results in the American Customer Satisfaction Index (ACSI) survey.

Education and engagement programs deliver value

Franklin REC's Community Solar program remained successful in 2025, with 34 panels purchased following the annual price drop. In six months, members received total savings of \$40.17 per panel subscription, demonstrating the value of informed participation.

Franklin REC also supported energy-efficient choices through its rebate program, offering 19 categories ranging from ENERGY STAR® rated appliances to new heating and cooling systems, helping members invest in efficiency and long-term savings.

Access to account information continued to improve, members increasingly used the SmartHub application to monitor usage, view and pay bills, and utilize online tools.

In 2025, we updated our scholarship program to better align with community educational goals. The new Powered for Success Scholarship Program offers up to \$7,500 in awards to support students pursuing their careers and adults returning to the classroom.

Beyond scholarships, Franklin REC provides leadership opportunities for young people, including sending one delegate to Washington, D.C., and welcoming students to represent Franklin REC at the Iowa Youth Leadership Academy. These programs help prepare the next generation of leaders while strengthening their connection to the cooperative.

Continuous safety and professional development

A strong safety program remains a cornerstone of operations. Employees participate in monthly safety meetings, the ongoing education ensures safe and reliable service while protecting employees and the community.

Franklin REC continues to invest in professional development through linework training, leadership development, accounting education and meetings focused on improving the service experience. This commitment strengthens employee knowledge, collaboration and the high level of service members trust.

SAFETY AND SERVICE

▶ Community Solar Program

- 22 members participated in Community Solar in 2025
- \$16,142.74 total member savings from Community Solar

▶ Rebates

- \$26,218.07 distributed to our members through the rebate program

▶ Member tools

- 41% of members actively use SmartHub
- 52 new SmartHub users added

▶ Employee safety and training

- 33 trainings attended to enhance our members' cooperative experience
- 12-months of in-house safety training
 - All employees CPR certified and first aid trained
 - Linemen Pole Top Rescue proficiency tested
 - Linemen bucket truck proficiency tested
 - All-employee mayday training



Total fleet:

4 bucket trucks
2 digger trucks
2 pickup trucks
1 dump truck
1 skid steer

COMMUNITY IMPACT

At Franklin REC, community isn't just a principle, it's at the heart of everything we do. Being a cooperative means more than providing power; it means being part of the lives of our members and neighbors. We live and work alongside the people we serve, and that connection drives us to listen, learn and lend a hand where it's needed most.

- ▶ **1,000+ pounds** of non-perishable items collected and delivered to local area food pantries
- ▶ Celebrated **5 years** of Light Up the Night
- ▶ **400+ handwritten holiday cards** delivered to local care facilities, senior living facilities
- ▶ **8 miles** of highway cleared of debris through Iowa's Adopt-a-Highway initiative
- ▶ **325 tree seedlings** planted in county parks with the Franklin County Conservation
- ▶ Helped pack **300 student backpacks** for the new school year
- ▶ Nearly **7,000 popsicles** distributed to riders during RAGBRAI
- ▶ Our Gravity Wagon Basketball Game visited **17 community events**
- ▶ **2 community members** highlighted for the statewide Shine the Light Contest



FRANKLIN RURAL ELECTRIC COOPERATIVE ANNUAL MEETING OF BOARD OF DIRECTORS APRIL 1, 2025

The Annual Meeting of the Board of Directors of Franklin Rural Electric Cooperative was held at the Franklin REC headquarters in Hampton, Iowa, at 5:22 p.m. on the 1st day of April 2025. A Waiver of Notice was executed by the Directors.

The meeting was called to order by Gordon Greimann, President, who presided, and Darwin Van Horn, Secretary, acted as Secretary of the meeting and kept the minutes thereof.

The Secretary then called the roll and reported that the following Directors, including those elected at the Annual Meeting of the Members, were present:

Gordon Greimann
David Keninger
Dale Schaefer
John Snyder
Darwin Van Horn

Said persons being all of the Directors who were present. Directors Don Greimann and Matthew Roelfs were unable to attend.

The Chairman thereupon declared the meeting duly organized for the transaction of business.

The Chairman then stated that the next order of business would be the election of officers to hold office until the first meeting of the Board of Directors following adjournment of the next Annual Meeting of the Members, and until their respective successors shall have been elected and shall have qualified.

A motion was duly made, seconded and unanimously carried, to re-elect Gordon Greimann as President. Gordon Greimann was thereupon declared to have been duly elected to the office of President to serve until the next Annual Meeting of the Board of Directors and until his successor shall have been elected and qualified.

A motion was duly made, seconded and unanimously carried, to re-elect John Snyder as Vice President. John Snyder was

thereupon declared to have been duly elected to the office of Vice President to serve until the next Annual Meeting of the Board of Directors and until his successor shall have been elected and qualified.

A motion was duly made, seconded and unanimously carried, to elect Darwin Van Horn as Secretary-Treasurer. Darwin Van Horn was thereupon declared to have been duly elected to the office of Secretary-Treasurer to serve until the next Annual Meeting of the Board of Directors and until his successor shall have been elected and qualified.

A motion was made, seconded and carried to appoint General Manager Garrett Thompson to serve as the Cooperative's representative on Homeward, Inc.'s Board.

The Cooperative did not need to take action regarding the Cooperative's representative on the Corn Belt Power Cooperative Board, as Director Dale Schaefer was just entering his second year of a three-year term.

The Chairman asked for any old or new business.

General Manager Garrett Thompson asked the Board to go into Executive Session to discuss potential confidential business opportunities for the Cooperative. The Chairman recessed the meeting into executive session at 5:40 p.m. All Directors with the exception of Don Greimann and Matthew Roelfs participated in the Executive Session. General Manager Thompson and attorney Kyle Kruidenier also participated in the Executive Session, as did Attorney Dennis Puckett briefly via conference call. The meeting went back into regular session at 6:03 p.m.

With no further business to come before the meeting, Chairman Greimann declared the meeting adjourned at 6:04 p.m.

MINUTES FROM THE 2025 ANNUAL MEETING



IOWA ELECTRIC COOPERATIVE LIVING

The magazine
for members of
Iowa's electric
cooperatives

March 2026

Visit our website at www.franklinrec.coop

A photograph of two men shaking hands in a community setting. The man on the left is older with white hair and a beard, wearing a blue patterned shirt. The man on the right is younger with a beard and glasses, wearing a yellow and grey plaid shirt. They are standing at a table with coffee service. Other people are visible in the background.

WHERE WE HAVE MEMBERS WE ACTIVELY LIVE OUR COMMITMENT



Touchstone Energy® Cooperative
The power of human connections®

As your **Touchstone Energy® cooperative**, we are your energy community. The power we provide is much more than a way to keep the lights on, it plugs into the family, friends, and neighbors that make up your local co-op.