




**Darke Rural Electric
Cooperative, Inc.**

Your Touchstone Energy® Cooperative 

ANNUAL REPORT

2024

PRESENTED AT :

88th Annual Meeting of Members

MISSION, PRINCIPLES & VALUES

MISSION

Empowering our community through safe, reliable and affordable electricity to enhance the lives of our members.

PRINCIPLES

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Cooperation among Cooperatives
- Concern for Community

VALUES

- Integrity
- Accountability
- Innovation
- Commitment to Community

A MESSAGE FROM THE CEO



BRAD FLORA
GENERAL MANAGER / CEO

A YEAR IN REVIEW

As we reflect on 2024, I want to express my gratitude to our members, employees, and trustees for another year of dedication to Darke Rural Electric Cooperative. This past year has brought growth, challenges, and opportunities, all of which have reinforced our commitment to serving you with safe, reliable, and affordable electricity.

One of the highlights of 2024 was celebrating the 20th anniversary of Operation Round Up. Thanks to the generosity of our members, we reached our goal of \$500,000 in total contributions given back to our communities. These funds have supported local organizations, emergency services, and educational initiatives—demonstrating the power of community in action.

Reliability remained a top priority as we invested in system upgrades and maintenance. Strategic infrastructure improvements helped minimize outages and enhance service efficiency. Our team worked diligently to ensure our members had access to dependable power, even as extreme weather events posed challenges throughout the year.

Member engagement was also a focus, with an increased emphasis on communication and transparency. From in-person events to social media outreach, we strived to keep you informed about cooperative initiatives, rate stability, and energy-saving programs. At The Great Darke County Fair, we emphasized the cooperative principle of democratic member control—a cornerstone of the cooperative model, and enjoyed engaging with all of the members visiting our booth.

As we look ahead to 2025, we remain committed to innovation and service excellence. Your support and participation make our cooperative strong, and we are excited for the opportunities that lie ahead. Thank you for being a valued member of Darke REC.

2024 ANNUAL MEETING MINUTES

MINUTES OF THE SPECIAL ANNUAL MEETING March 14, 2024

The Annual Meeting of Darke Rural Electric Cooperative, Inc. was held at Romer's Catering in Greenville on March 14, 2024, at 12:30 p.m. The meeting was held in person.

The meeting was called to order by Matt Webster, President of the Cooperative Board of Directors, who presided. Michelle Marker acted as Secretary of the meeting and kept the minutes thereof.

The Secretary reports there were 118 members present and a copy of the list of members attending the meeting is annexed to these minutes.

A motion was made to approve the minutes of the March 16, 2023, annual meeting of members of Darke Rural Electric Cooperative, as presented. The motion was seconded, and the motion carried.

A motion was made to dispense the reading of "Notice of Annual Meeting" that was mailed December 29, 2023. The motion was seconded, and the motion carried.

Brad Flora, our chief financial officer, shared promising news about Darke REC's financial standing, with revenues increasing by 2.6% over the previous year, totaling \$18 million. Flora explained that our revenue growth stemmed from a rise in usage among our large agricultural customers. Despite facing higher costs and longer lead times, the cooperative is successfully navigating these challenges while keeping membership equity intact.

Darke REC General Manager Ted Holsapple outlined our strategic objectives for 2024 and 2025, emphasizing our dedication to delivering electricity that prioritizes safety and affordability. He touched on the significance of member feedback, highlighting our ongoing efforts to enhance communication channels and elevate customer satisfaction. Darke REC won't be raising its rates this year. In fact, compared to other cooperatives in Ohio, our rates are ranking 6.5% lower. Davey Resource trucks will be assisting us in mapping each of our poles. This initiative will enable us to create a digital mapping system for our infrastructure, enhancing our efficiency in outage dispatching and ultimately improving service reliability for our members.

Pat O'Loughlin, CEO of Ohio's Electric Cooperative and Buckeye Power, delivered a compelling statewide report addressing pressing energy sector issues. He stressed the challenges of inflation and aggressive federal regulations in 2024. O'Loughlin noted the impact of inflation on operational costs and expressed concerns about federal regulations hindering reliable and affordable electricity delivery. Despite these obstacles, his advocacy emphasized a shared commitment to sustainability and community welfare. O'Loughlin's call for collective action connected the importance of unity in overcoming challenges within Ohio's electric cooperative network.

Attorney, Eric Brand reported the results of the trustee election announcing that the following members were elected to the office of Trustee for three (3) year terms by receiving the highest number of votes: District #2 – David Coons and District #6 – Stephen Vanzant.

There being no further business to come before the meeting, Matt Webster declared the meeting adjourned.

Matt Webster, President

Michelle Marker, Secretary-Treasurer

NOTICE OF MEETING

PURSUANT TO ARTICLE III, SECTION 3 OF DARKE RURAL ELECTRIC COOPERATIVE, INC. CODE OF REGULATIONS, THERE WERE MAILED, ON **December 31, 2024**, IN THE OHIO COOPERATIVE LIVING MAGAZINE, **4,243** NOTICES OF ANNUAL MEETING THAT READS AS FOLLOWS:

Mark your calendar
2025 Annual Meeting
Darke REC Annual Meeting will be held
Thursday, March 20, 2025
Lunch & Health Fair 11:00a.m. - 12:30p.m.
Business Meeting - 12:30p.m.
Location:
Romer's Catering
118 East Main Street
Greenville, Ohio
Voting Results - Business Meeting - Door Prizes
You won't want to miss this Annual Meeting!

The nominating committee met January 2, 2025 at the Cooperative office to select candidates from Districts 1, 3 and 5. All Members are eligible to vote for one candidate from each district either online, by phone or by mail. Results will be announced at the Annual Meeting.

The candidates are as follows:

District #1
Aaron Siefring
Greg Brown

District #3
Tod Carroll
Ryan Delk

District #5
Robert Godown
Brent M. Fourman



2024 BY THE NUMBERS

\$19,230,622

Total Operating Revenue

4,400

Members

\$45,466,344

Total Assets

5.7

Consumers per Mile
of Line

\$1,260,687

Net Margins

910

Miles of Primary Line

133,103,832

Kilowatts Sold

135,737

Vehicle Miles Driven

\$594,801

Capital Credits Paid

9.2

Member Overall Satisfaction
10 point scale



THE COST OF SAFETY

At Darke Rural Electric Cooperative, safety is more than a policy—it's a promise. Under the leadership of CEO Brad Flora, our commitment to linemen's safety remains unwavering. Every day, our crews work in challenging conditions to keep the lights on, and we believe that no job is so urgent that it cannot be done safely.

Safety requires investment—not just in the latest protective equipment but also in rigorous training and a culture that prioritizes every employee's well-being. From specialized flame-resistant clothing to ongoing certifications in high-voltage operations, every precaution is taken to ensure our lineworkers return home to their families at the end of each day.

But the cost of safety isn't just measured in equipment and training—it's also felt at home. Linemen's families know the reality of long hours, dangerous conditions, and calls that come in the dead of night. They bear the weight of worry every time their loved one leaves for a storm restoration or climbs a pole in subzero temperatures. Their sacrifices are just as real, and their unwavering support makes this work possible.

Yet, safety isn't just a cost—it's a responsibility. Our members rely on us to provide reliable service, but that service must never come at the expense of those who deliver it. Darke REC continuously evaluates best practices, participates in industry-wide safety programs, and reinforces a mindset that puts safety first, always.

Investing in safety is an investment in our people, their families, and our cooperative's future. It's a cost we will always pay—because nothing is more valuable than the lives of those who serve our community.

Safety Equipment: **\$5,715** Your Life: **Priceless**



Darke Rural Electric Cooperative supports local students through our annual scholarship program, awarding scholarships to outstanding high school seniors from member families. This investment in education reflects our commitment to empowering youth and strengthening our community.

20

SCHOLARSHIP WINNERS



COLLEEN HIESTAND
\$1,000

WRIGHT STATE UNIVERSITY

PARENTS: MATTHEW &
JOCELYN HIESTAND



BRIANNA WAGONER
\$1,000

UNIVERSITY OF DAYTON

PARENTS: BRYAN & ELIZABETH
WAGONER



GARRETT STAMMEN
\$1,000

BOWLING GREEN STATE UNIV.

PARENTS: JAY & DEIDRE
STAMMEN



HANNAH KENDIG
\$1,000

OHIO NORTHERN UNIVERSITY

PARENTS: ADAM & SHANNON
KENDIG



ZOE BILLENSTIEN
\$2,000 DARKE REC
\$2,400 OHIO'S ELECTRIC COOP

THE OHIO STATE UNIVERSITY

PARENTS: JASON & KELLY
BILLENSTEIN

24



White House



Potomac River Boat Dinner Cruise



Steven F. Udvar-Hazy Air & Space Center



YOUTH TOUR DELEGATES

Darke REC was proud to sponsor two outstanding students, Robert Howe and Abigail Bagby, for the 2024 Youth Tour, which concluded on June 21. This year's tour set a new record, with 50 student delegates from 20 Ohio electric cooperatives and one West Virginia co-op traveling to Washington, D.C., for an unforgettable week of education and leadership development.

For the first time, all 2,200 Youth Tour delegates from across the country stayed under one roof at The Gaylord at National Harbor, creating an even greater sense of unity and camaraderie. Under the guidance of Ohio's Electric Cooperatives' Youth Tour Director Missy Kidwell and dedicated volunteer chaperones, students experienced a packed itinerary of historic and cultural landmarks, including:

- Flight 93 Memorial, Pennsylvania
- Gettysburg Battlefield, Maryland
- Potomac River Boat Dinner Cruise
- U.S. Capitol Building and legislator visits
- Steven F. Udvar-Hazy Air & Space Center
- World War II, Korean War, & Vietnam War Memorials
- Iwo Jima Sunset Parade
- Library of Congress
- The U.S. Supreme Court
- The White House
- National 9/11-Pentagon Memorial
- United States Holocaust Memorial Museum
- Arlington National Cemetery
- National Archives
- Natural History & American History Museums
- Washington Monument
- Jefferson Memorial
- Martin Luther King Jr. Memorial
- Franklin D. Roosevelt Memorial

Youth Tour is an incredible opportunity for high school sophomores and juniors living on cooperative lines to expand their horizons. For more than 50 years, this program has allowed students to explore our nation's capital, engage with elected officials, and connect with other young leaders from across the country while learning about the vital role of electric cooperatives in their communities.

We at Darke REC are honored to invest in the next generation of cooperative leaders, and we congratulate Robert and Abigail on their participation in this life-changing experience!



2024 RECIPIENTS



OPERATION ROUND UP

For 20 years, you—our members—have made a lasting impact through Operation Round Up. By simply rounding up your monthly electric bills to the nearest dollar, you have helped fund local organizations, provide emergency assistance, and support meaningful community projects. This year, we launched a special campaign to celebrate the program's 20th anniversary and push toward an incredible milestone—\$500,000 given back to our communities. Thanks to your generosity, we reached that goal! Your small contributions have created a big difference, reinforcing what it means to be part of a cooperative. Thank you for making Operation Round Up a success and for continuing to power positive change in our community.

ANSONIA LOCAL SCHOOLS

\$950

LIFEWISE TRI-COUNTY NORTH OH

\$1,250

HOME IS THE FOUNDATION

\$2,500

DARKE COUNTY RECOVERY & WELLES

\$550

ARCANUM FIRE DEPARTMENT

\$3,680

CORS: GATEWAY YOUTH PROGRAMS

\$1,200

ILLUMINATION MINISTRIES

\$700

VILLAGE OF NEW PARIS

\$720

ROSSBURG FIRE DEPARTMENT

\$3,300

FRIENDS OF PREBLE CO. PARK DIST.

\$1,000

DARKE CO. ASSOC. OF FIRE CHIEFS

\$2,000

PREBLE SOIL & WATER CONSERVATION DIST.

\$1,500

KINDER KORNER PRESCHOOL

\$1,000

CANCER ASSOCIATION OF DARKE COUNTY

\$2,500



Darke Co. Assoc
Fire Chiefs



Darke Co. Recovery &
Wellness



Kinder Korner
Preschool



Rossburg Fire
Department



CORS: Gateway Youth
Programs



Home is the
Foundation



IN LOVING MEMORY OF
PAUL ROBBINS
OPERATION ROUND UP
COMMITTEE MEMBER



At Darke Rural Electric Cooperative, our Commitment to Community is more than just a core value—it's the foundation of everything we do. Throughout the year, we actively engage with our members and local organizations to make a positive impact. From educating students through safety demonstrations to connecting with members at The Darke County Fair booth, we prioritize community involvement. We support young leaders by offering scholarships and sponsoring students for the Youth Tour, where they experience government in action.

COMMITMENT TO COMMUNITY

Our presence at events like the Preble County Fair Exhibitor Picnic and National Trail Local School District's Cooperative Nights allows us to foster relationships with local families and share the cooperative difference. Through Operation Round Up, we help fund essential projects, reinforcing our commitment to giving back. We also spread holiday cheer by participating in the Chenoweth Trails Christmas Tree Display, celebrating the season with our community. Whether through outreach, education, or charitable giving, we are dedicated to empowering and enriching the lives of those we serve.



BOARD OF TRUSTEES



MATT WEBSTER
DISTRICT 7
PRESIDENT



AARON SIEFRING
DISTRICT 1
TRUSTEE



DAVID COONS
DISTRICT 2
TRUSTEE



TOD CARROLL
DISTRICT 3
VICE PRESIDENT



MICHELLE MARKER
DISTRICT 4
SECRETARY/TREASURER



ROB GODOWN
DISTRICT 5
TRUSTEE



STEVE VANZANT
DISTRICT 6
TRUSTEE

Nominating Committee

- District 1 - Jerry Siefring
- District 2 - Ernest DeMange
- District 3 - Linda Rhoades
- District 4 - Steve Myers
- District 5 - Curt Yount
- District 6 - Amy Aldridge
- District 7 - Joel Ryan

STAFF & EMPLOYEES



BRAD FLORA
CEO / GENERAL MANAGER



NILES SWANK
DIR. OF OPERATIONS



BRUCE BURKE
DIR. OF ENGINEERING



PAM HOLSAPPLE
DIR. OF FINANCE &
ADMINISTRATION



JENNIFER DAVENPORT
DIR. OF COMMUNICATIONS &
MEMBER RELATIONS



JOHN BLINN
LINE FOREMAN



**TYLER
GOETTEMOELLER**
LINEMAN



KALEB EARICK
LINEMAN



ROY ENDICOTT
LINEMAN



DOUG SCHOLL
LINEMAN



JASON PIKE
APPRENTICE
LINEMAN



MITCHELL MONTGOMERY
APPRENTICE
LINEMAN



DAVIAN TRUMP
APPRENTICE
LINEMAN



ETHAN STOVER
APPRENTICE
LINEMAN



DUSTIN HOLMES
ENGINEERING
TECHNICIAN



JOE WELKER
METERING & EFFICIENCY
TECHNICIAN



THOMAS WILLIAMS
ENGINEERING
INTERN



JANELLE BARGA
ACCOUNTING &
EXECUTIVE ASSIST.



LONNIE BEAM
MSR / BILLING
SPECIALIST



TERESA FRITZ
MEMBER SERVICE
REPRESENTATIVE

BALANCE SHEET

AS OF DECEMBER 31, 2024

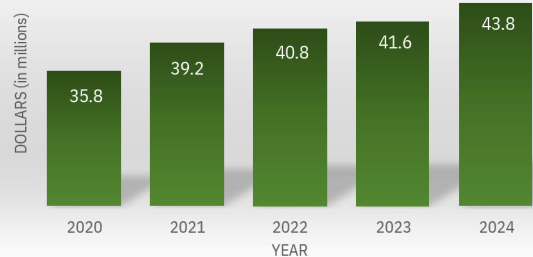
ASSETS

ELECTRIC PLANT	
In Service - at cost	\$43,113,726
Construction Work in Progress	636,880
Subtotal	<u>\$43,750,606</u>
Less Accumulated Provision for Depreciation and Amortization	<u>10,179,864</u>
Net Electric Plant	<u>\$33,570,742</u>
OTHER ASSETS & INVESTMENTS	
Investments in Associated Organizations	<u>\$7,884,732</u>
Total Other Assets & Investments	<u>\$7,884,732</u>
CURRENT ASSETS	
Cash & Cash Equivalents	\$439,634
Accounts Receivable (less accumulated provision for uncollectible accounts of \$586)	1,728,442
Materials and Supplies	627,321
Prepayments Other Current Assets	<u>42,824</u>
Total Current Assets	<u>\$3,844,545</u>
DEFERRED DEBITS	<u>\$166,325</u>
TOTAL ASSETS	<u><u>\$45,466,344</u></u>

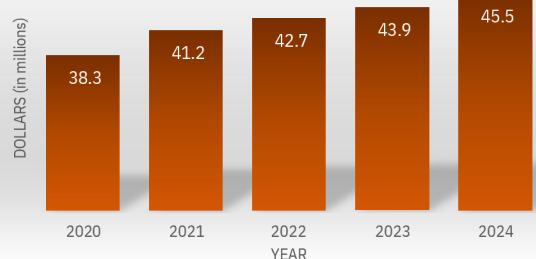
EQUITIES AND LIABILITIES

EQUITIES	
Patronage Capital	\$19,486,061
Accumulated Other Comprehensive Income	222,780
Other Equities	<u>270,567</u>
Total Equities	<u>\$19,979,408</u>
LONG-TERM DEBT	
USDA Rural Development	\$16,576,378
Cooperative Finance Corporation	<u>5,681,475</u>
Total Long-Term Debt	<u>\$22,257,853</u>
CURRENT LIABILITIES	
Notes Payable	\$500,000
Accounts Payable	1,260,618
Consumer Deposits	42,873
Other Current & Accrued Liabilities	<u>1,106,678</u>
Total Current Liabilities	<u>\$2,910,169</u>
DEFERRED CREDITS	<u>\$318,914</u>
TOTAL EQUITIES AND LIABILITIES	<u><u>\$45,466,344</u></u>

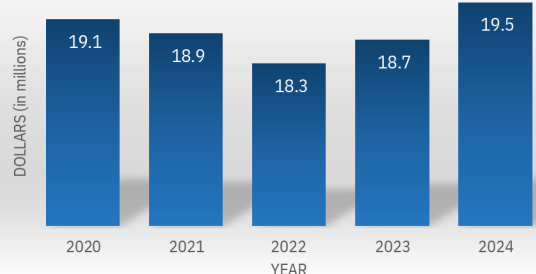
Total Utility Plant



Total Assets



Total Patronage Capital



STATEMENT OF REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES	\$19,230,622
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OPERATING EXPENSES

Cost of Power	\$11,535,766
Distribution - Operation	1,323,597
Distribution - Maintenance	1,018,723
Customer Accounts Expense	314,853
Customer Service and Informational Expense	225,870
Administrative and General Expense	1,506,240
Depreciation and Amortization	1,190,594
Taxes	575,077
Other Deductions	8,337
Interest on Long-Term Debt	740,132
Other Interest Expense	1,160
Total Operating Expenses	<u>\$18,440,347</u>

Operating Margins Before Capital Credits	\$790,275
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Buckeye Capital Credits	285,182
Other Capital Credits	122,918
Net Operating Margins	<u>\$1,198,375</u>

NONOPERATING MARGINS

Interest and Dividend Income	\$61,323
Other Nonoperating Income	988
Total Nonoperating Margins	<u>\$62,311</u>

NET MARGINS	<u><u>\$1,260,686</u></u>
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How Your Electric Dollar Was Spent in 2024



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Patronage Capital or Margins	\$1,260,686
Depreciation and Amortization Expense	1,190,594
Loss from Disposal of Assets	<u>(505,504)</u>
Total Funds from Operations	\$1,945,776

Accounts Receivable - Sale of Energy	(196,138)
Materials and Supplies	212,258
Other Operating Assets	<u>(291,914)</u>
(Increase)/Decrease in Operating Assets	(\$275,794)

Notes Payable	500,000
Accounts Payable	239,352
Other Current and Accrued Liabilities	<u>464,817</u>
Increase/(Decrease) in Operating Liabilities	1,204,169

CASH FROM OPERATING ACTIVITIES \$2,874,151

INVESTMENT ACTIVITIES

Utility Plant	(\$1,908,975)
Construction Work-in-Progress	(271,701)
Other Property and Investments	<u>53,553</u>

CASH FROM INVESTMENT ACTIVITIES (\$2,127,123)

FINANCING ACTIVITIES

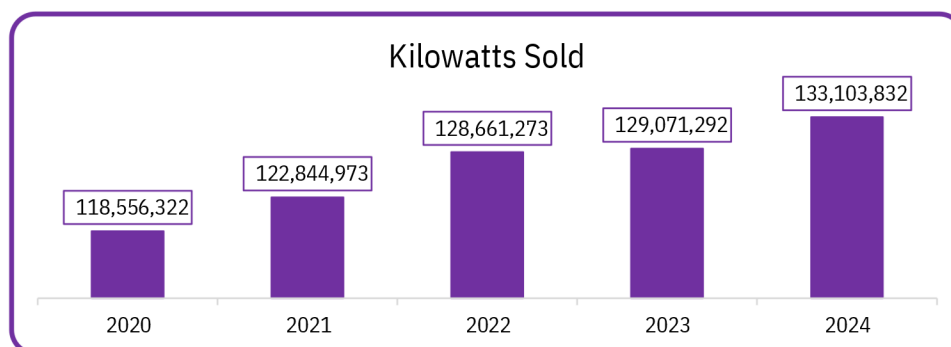
Margins and Equities	(\$581,094)
Long-Term Debt	(346,255)
Consumer Deposits	<u>(3,097)</u>

CASH FROM FINANCING ACTIVITIES (\$930,446)

CASH FROM ALL ACTIVITIES (\$183,418)

TOTAL CASH BEGINNING OF PERIOD 623,051

TOTAL CASH END OF PERIOD \$439,633





BENEFITS OF TREE TRIMMING

Clearing trees and overgrown vegetation is vital to provide safe, reliable power to our consumer-members.

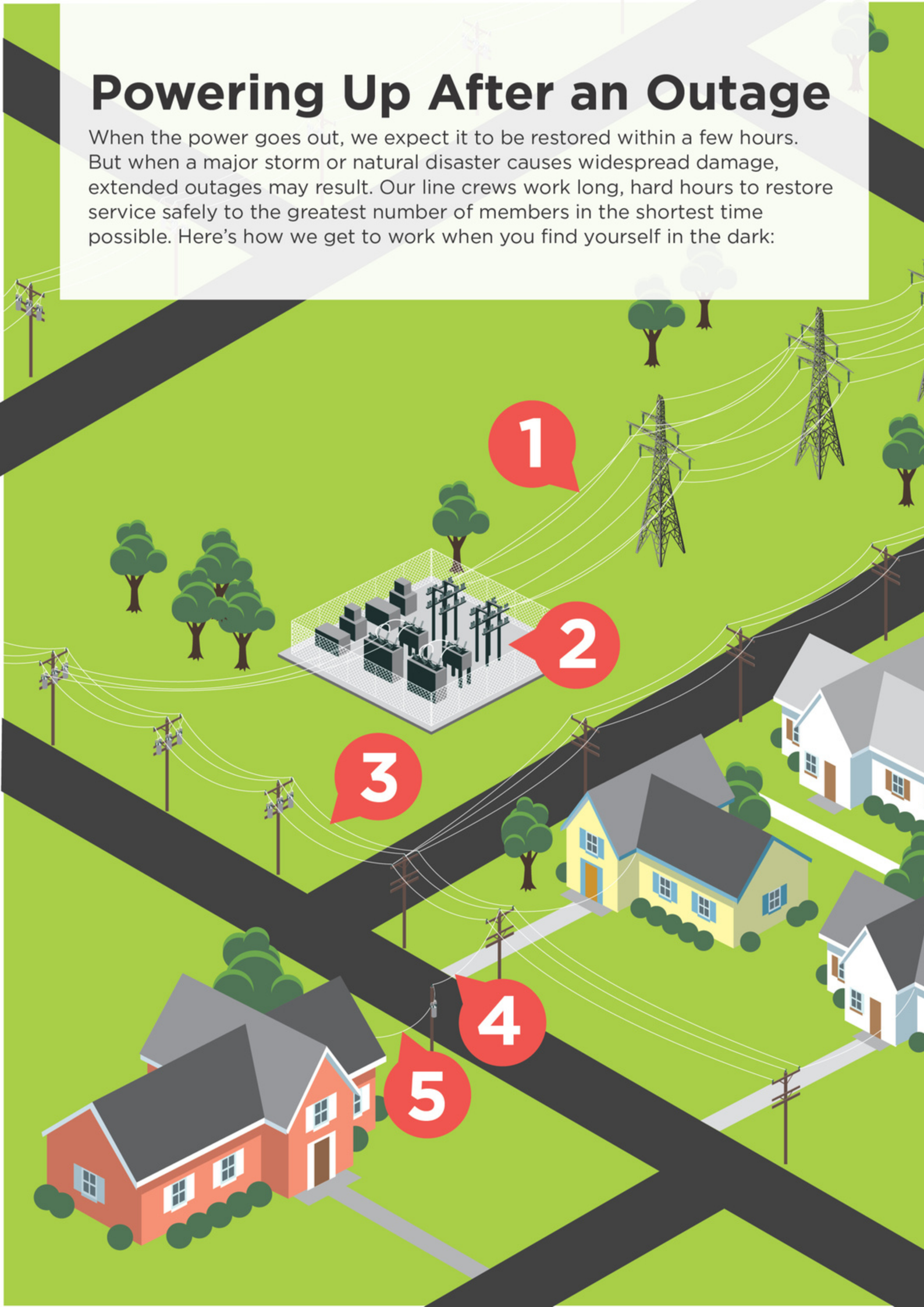
We clear certain areas in our service territory, known as rights of way, to:

- **Keep power lines clear of tree limbs**
- **Restore power outages more quickly**
- **Keep crews and members of our community safe**
- **Reduce unexpected costs for repairs**

Vegetation management improves service reliability for you – our members!

Powering Up After an Outage

When the power goes out, we expect it to be restored within a few hours. But when a major storm or natural disaster causes widespread damage, extended outages may result. Our line crews work long, hard hours to restore service safely to the greatest number of members in the shortest time possible. Here's how we get to work when you find yourself in the dark:



An illustration of a power line tower with several power lines stretching across a green landscape. There are several stylized green trees scattered around. In the bottom left corner, there is a small illustration of a house with a grey roof and blue walls. The background is a solid green color with a white diagonal stripe running from the top left to the bottom right.

1. High-Voltage Transmission Lines:

Transmission towers and cables supply power to transmission substations (and thousands of members), and they rarely fail. But when damaged, these facilities must be repaired before other parts of the system can operate.

2. Distribution Substation:

A substation can serve hundreds or thousands of members. When a major outage occurs, our line crews inspect substations to determine if problems stem from transmission lines feeding into the substation, the substation itself or if problems exist further down the line.

3. Main Distribution Lines:

If the problem cannot be isolated at a distribution substation, distribution lines are checked. These lines carry power to large groups of members in our local communities.

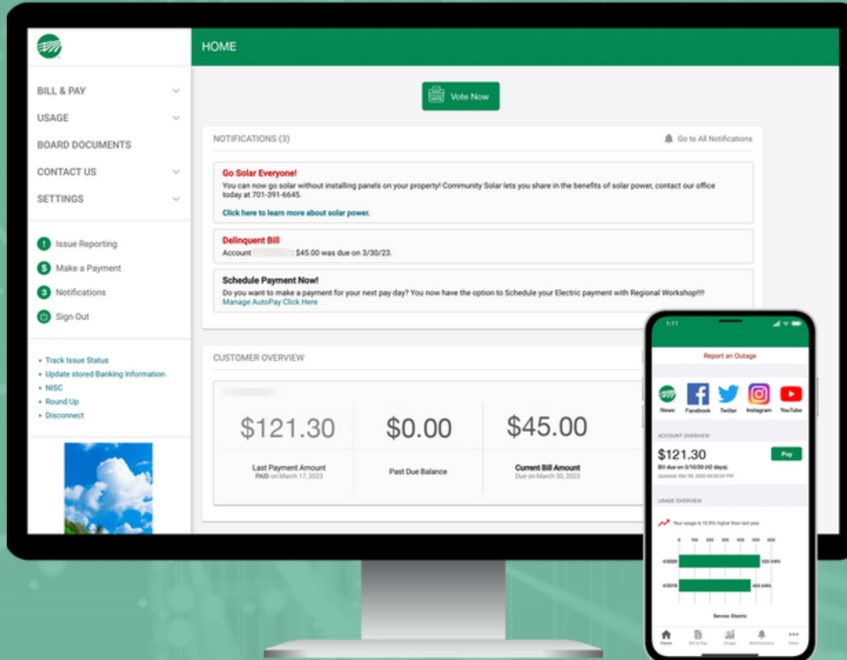
4. Tap Lines:

If local outages persist, supply lines (also known as tap lines) are inspected. These lines deliver power to transformers, either mounted on poles or placed on pads for underground service, outside businesses, schools and homes.

5. Service Lines:

If your home remains without power, the service line between a transformer and your residence may need to be repaired. If you experience an outage, please give us a call so we can isolate the issue.

STAY CONNECTED



Save time and money by
managing your account
anytime from anywhere.



SMART MANAGEMENT. SMART LIFE. SMARTHUB.

CHOOSE YOUR WAY TO PAY

Need flexible payment options? Darke Rural Electric Cooperative has you covered! We offer 6 convenient ways to pay, giving you the freedom to choose what works best for you. Simplify your life and manage your account with ease.



SMARTHUB
www.darkerec.com



PHONE 24/7/365
855-939-3577



WALK-IN
7:30AM-4:30PM Mon-Fri



AUTOPAY
credit/debit/checking/savings



MAIL-IN
must arrive by the 10th



DROP BOX
24/7/365