

WIRED

FOR WHAT'S

NEXT



HARRISON COUNTY
RURAL ELECTRIC COOPERATIVE

Wired for What's Next: Celebrating Progress, Positivity, and Community Spirit

As we look back on an incredible year, our cooperative shines brighter and is truly "Wired for What's Next." We are excited to welcome change, champion our community, and set our sights on an exciting future filled with promise. Here are the many achievements and moments that have made this year one to remember.

Welcoming New Talent and Building a Stronger Team

This year, we were delighted to welcome four outstanding individuals to our cooperative family: Tim DeForest, Morgan Wadsworth, and River Meeker. Their diverse talents, fresh perspectives, and dedication to



service have already helped energize our mission and set the stage for continued innovation. Each new team member has brought unique strengths, enriching our workplace culture and enhancing our collective expertise.

Advocating for Members: Legislative Engagement

We remained steadfast in our advocacy for cooperative members, working closely with local legislators on pivotal issues such as service territory. These efforts ensure that our members'



interests are protected and that our cooperative can continue to provide affordable, reliable, and community-focused service. A particular highlight was our meeting with Randy Feenstra during his 99-county tour, where we discussed the challenges our area faced in the aftermath of recent weather disasters. By engaging directly with policymakers,

we reaffirmed our commitment to being the voice of our members at every level of government.

Tackling Challenges: Winter Storm Nyla

This year tested our resilience with the arrival of Winter Storm Nyla, which inflicted substantial damage across our system. Through determination and teamwork, we restored power to every corner of our service area. Our success would not have been possible without the support of two partnering cooperatives, TIP Rural Electric Cooperative from Brooklyn, IA and Franklin REC from Hampton, IA, who answered our call for mutual aid. The principle of cooperation amongst cooperatives that was exemplified during Nyla's aftermath embodies the very essence of what it means to be "Wired for What's Next."



Celebrating Leadership: Promotions and Appointments

Our cooperative's commitment to growth from within was on display as we celebrated several well-deserved promotions. Shadon Blum stepped into the role of CEO, bringing vision and dedication to lead us into the future. Robert Wakehouse was appointed Director of Operations, while Jacolby Ehlert advanced to Operations Assistant. These leaders have demonstrated exemplary service, inspiring those around them and ensuring our cooperative is truly wired for what's next. We also welcomed Tim Faylor as our newest director representing the at-large District 9 during our director election in April. We look forward to his contributions as we navigate new opportunities and challenges.



Embracing Change with a Modern Vision

Change is at the heart of progress, and as our cooperative evolves to meet the demands of a modern world, we are thrilled to unveil our newest logo—a bold visual statement that reflects both our history and our forward-looking spirit. Every organization experiences moments of transformation. For Harrison County REC, recent years have brought significant growth and change. As we've adopted new technologies and embraced innovative ways of serving our members, it became clear that we needed a visual identity to match our evolving mission. Our previous logo has served us well, but we wanted to adapt—to present ourselves as modern, energetic, and future-ready. The new logo is not just a change in design; it is a declaration of our willingness to move forward, to stay relevant, and to continue providing exceptional service while honoring our roots.



Investing in the Future Generation

Education and youth engagement remain at the heart of our cooperative's mission. We proudly awarded \$1,000 scholarships to seven students from all of our area schools, supporting their academic pursuits and future dreams. Additionally, one fortunate student enjoyed the once-in-a-lifetime opportunity to represent our cooperative at the National Youth Tour in Washington, DC with other co-op students from the state of Iowa. By investing in our young people, we're not only supporting individual achievement but also nurturing the next generation of leaders who will shape our community.

Looking Ahead

As we close the chapter on this remarkable year, we do so with gratitude for our members, staff, and partners. Harrison County Rural Electric Cooperative is more connected, more innovative, and more resilient than ever before.

Thank you for being an integral part of our cooperative story. The future is bright, and we are wired for all that comes next.

THE COOPERATIVE TEAM THAT DRIVES TOMORROW



YOUR COOPERATIVE TEAM

Pictured L to R Top Row Green Shirts:

River Meeker (Journeyman), Derek Hamik (Journeyman), Brady Melby (Temporary Apprentice Lineman).

Pictured L to R Middle Row Green Shirts:

Jim Andersen (Foreman), Bryce Jensen (Journeyman/Staking), Clay Kuhlman (Apprentice Electrician), Robert Wakehouse (Dir. of Operations), Jeremy Jochims (Foreman), Jacolby Ehlert (Operations Assistant), Alan Mumm (Electric Service Technician), Ryan Fouts (Journeyman), Drake Johnsen (Journeyman), Tim DeForest (Mechanic).

Pictured L to R Middle Row Purple Shirts: Alexis Boes (Billing Supervisor), Amy Krapfl (Accounts Payable/Accounting Clerk), Lori Barry (CFO), Kristi Travis (Dir. of Communications/IT), Morgan Wadsworth (CSR/Billing Assistant), Shanell Dickman (Accounting Manager).

Pictured L to R Front Row White Shirts:

Brenda Lundergard (Secretary, District 1), Doug Pitt (Vice President, District 2), Tim Faylor (District 9), Bruce Pauley (District 4), Shadon Blum (CEO), Tom Bothwell (President, District 3), Randy Koenig (District 7), Kent Kersten (Treasurer, District 6), Curtis Lee (District 8), Randy Mitchell (District 5).

Celebrating Milestones



Clay Kuhlman
5 YEARS OF SERVICE





**HARRISON COUNTY
RURAL ELECTRIC COOPERATIVE**

2025 Annual Report

COOPERATIVE BALANCE SHEETS

FROM DECEMBER 31 2024 AND 2023

Assets (What we have)			Liabilities (What We Owe)		
	2024	2023		2024	2023
Current Assets			Current Liabilities		
Cash, Temporary Investments, Special Funds	\$ 8,966,010	\$ 9,952,523	Accrued and Deferred Credits	\$ 2,159,679	\$ 1,946,319
Notes & Accounts Receivable	\$ 1,443,703	\$ 1,205,612	Consumer Deposits	\$ 43,008	\$ 36,577
Materials & Supplies	\$ 1,275,678	\$ 1,114,163	Current Portion Long-Term Debt	\$ 998,336	\$ 976,508
Accrued & Deferred Debits	\$ 215,503	\$ 239,696			
Current Asset Totals	\$ 11,900,893	\$ 12,541,994	Current Liability Totals	\$ 3,201,023	\$ 2,959,404
Fixed Assets			Long Term Liabilities		
Poles, Lines, Transformers, Equipment	\$ 43,824,327	\$ 42,102,295	RUS (Rural Utilities Service)	\$ 12,958,595	\$ 13,528,626
Less: Provision For Depreciation	\$ (14,118,328)	\$ (13,164,144)	RUS Economic Development Loans	\$ 308,616	\$ 308,616
Fixed Asset Totals	\$ 29,705,998	\$ 28,938,151	CFC (Cooperative Finance Corporation)	\$ 2,692,252	\$ 3,005,787
			CoBank	\$ 2,189,455	\$ 2,326,019
Asset Totals	\$ 41,606,891	\$ 41,480,145	Long Term Liability Totals	\$ 18,148,918	\$ 19,169,048
			Net Worth (What We Own)		
			Membership Fees	\$ 12,370	\$ 12,215
			Deferred Patronage Allocated	\$ 7,841,210	\$ 7,376,680
			Current Year Margins	\$ 1,289,381	\$ 1,551,325
			Margin Reserves	\$ 11,113,990	\$ 10,411,472
			Net Worth Total	\$ 20,256,951	\$ 19,351,692
			Total Liabilities and Net Worth	\$ 41,606,891	\$ 41,480,145

STATEMENT OF REVENUE AND EXPENSES

Our Receipts		
	2024	2023
Electricity Sold	\$ 14,013,499	\$ 13,868,941
Other Operating Revenue	\$ 138,871	\$ 72,830
Non-Operating Revenue	\$ 937,882	\$ 1,337,444
Total Revenue	\$ 15,090,252	\$ 15,279,215
Our Expenses		
Purchased Power	\$ 8,848,115	\$ 8,887,237
Operation Expense	\$ 441,732	\$ 417,076
Maintenance Expense	\$ 789,356	\$ 652,166
Meter Accounting and Collection	\$ 189,289	\$ 240,261
Customer Service and Information	\$ 266,150	\$ 257,874
Other General Expenses	\$ 1,346,901	\$ 1,377,705
Depreciation Expense	\$ 1,298,879	\$ 1,242,059
Interest on RUS, CFC, and CoBank Loans	\$ 620,450	\$ 653,312
Other Miscellaneous Expenses	\$ 0	\$ 0
Total Operating Expenses	\$ 13,800,871	\$ 13,727,890
Margin for the Year	\$ 1,289,381	\$ 1,551,325

FINANCIAL NOTES

In 2023, HCREC received an allocation of patronage in the amount of \$950,061 from Northwest Iowa Power Cooperative (NIPCO). This allocation was not a cash payment, but represents a receivable that will be paid by NIPCO at a future time. This allocation resulted in overall margins of \$1,551,325 instead of \$601,264.

In 20234 HCREC received an allocation of patronage in the amount of \$655,828 from NIPCO. This allocation was not a cash payment, but represents a receivable that will be paid by NIPCO at a future time. This allocation resulted in overall margins of \$1,289,381 instead of \$633,553.

This unaudited financial report shall be regarded as confidential information and not distributed to other than members of the Cooperative. Reprinting of any information in this report is strictly forbidden without the permission of the Board of Directors.

In compliance with regulations issued by the Rural Utilities Service, a copy of the Cooperative's bylaws are also available to all members upon request. Please contact HCREC's office at 712.647.2727 if you would like a copy. Members can also view a digital copy of the Cooperative's bylaws by visiting our website at www.hcrec.coop.

RESPECTFULLY SUBMITTED BY COOPERATIVE TREASURER: KENT KERSTEN

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