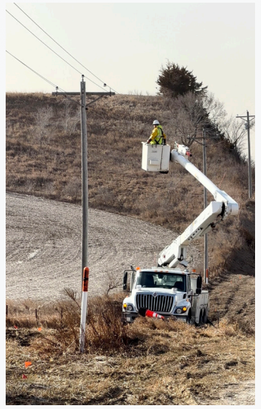
HONORING OUR PAST. READY TO POWER OUR FUTURE.

For 90 years, Harrison County Rural Electric Cooperative has existed for one simple reason: you. Electric Cooperatives are more than just a utility. They are the result of neighbors coming together to serve neighbors. From the very beginning in 1936, our forefathers built this cooperative to bring power to rural areas that others overlooked. As we reflect on this milestone year, we are deeply grateful for the trust you have placed in us to serve your homes, farms, and businesses for nearly a century.



This year's theme, "Honoring our past. Powering our future" captures the heart of who we are. We are proud to be celebrating 90 years at Harrison County REC, honoring the hard work, dedication, and community spirit of the generations who came before us, while keeping our eyes on the future of the communities we serve.

SHAPING POLICY FOR A BRIGHTER TOMORROW.

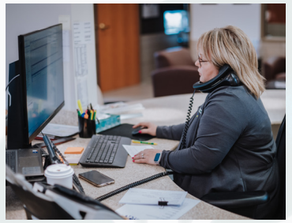
A key part of protecting that future is advocacy on behalf of our membership that is rooted in two core co-op principles: upholding our cooperative responsibility to educate our members and lawmakers, and maintaining our cooperative's concern for community. As a member and owner of Harrison County REC, everything we do at the state capitol and in Washington, D.C., will ultimately impact you on the local level. Every year, the Iowa electric cooperative legislative agenda is thoughtfully crafted, based on impacts to safety, reliability and the affordability of power in rural Iowa.

While we proactively advocate for bills to support electricity delivery in Iowa, we are also on the lookout for bills that could have significant impacts on the way your co-op is able to conduct business and power your life. For example, during the 2025 State Legislative Session we are proud to have defended Iowa's service territory law, a cornerstone that ensures cooperatives can continue to deliver reliable, affordable electricity to our members. We also stopped proposals from advancing that would have allowed third-party renewable energy companies to operate as utilities without being held to the same standards and could have shifted costs to consumers. By advocating for our membership, we are helping preserve the cooperative model and ensuring we can continue serving you, not just today, but for generations to come.

TEAMWORK THAT POWERS PROGRESS.

While policies and planning are important, it's our people who make Harrison County REC work. We were pleased to welcome two new members to our cooperative family in 2025. River Meeker joined our operations team as an Apprentice Lineman and Kert Barnum joined HCREC as our Director of Member Services and Economic Development. These additions help to strengthen our local workforce and reinforce our commitment to safety and reliable service while focusing on the needs of our members and the communities we serve.





As our team continues to grow, we remain focused on creating a culture where safety is always the top priority. At HCREC, our goal is simple: to make sure every employee goes home safe at the end of each day. That doesn't happen by chance, it takes continuous training, awareness, and a shared responsibility for looking out for one another. We firmly believe a well-trained employee is a safer employee, which is why our entire team takes part in regular training to stay current on best practices, whether they're working in the office or out in the field.

BUILT ON TRUST. FOCUSED ON YOU.

As we look ahead, Harrison County REC's mission to our membership remains the same. We will continue investing in your cooperative to provide safe, reliable, and affordable power while ensuring the kind of personal and dependable service our members have come to know and trust. Rooted in our past and committed to our future, we are honored to serve you and proud to call this community home.

Thank you for 90 years of trust, shared purpose, and for being the heart of Harrison County Rural Electric Cooperative.

ROOTED IN OUR PAST. READY TO POWER OUR FUTURE.
90
1936 2026

CELEBRATING MILESTONES

Employees



Lori Barry
35 YEARS OF SERVICE



Alan Mumm
30 YEARS OF SERVICE

Directors



Shadon Blum
5 YEARS OF SERVICE



Tom Bothwell
10 YEARS OF SERVICE



Curtis Lee
5 YEARS OF SERVICE



Doug Pitt
5 YEARS OF SERVICE

THE COOPERATIVE TEAM THAT DRIVES TOMORROW



YOUR COOPERATIVE TEAM

Pictured L to R Top Row:
Clay Kuhlman (Electric Serviceman), Alan Mumm (Electric Serviceman), Kert Barnum (Dir. of Member Services)

Pictured L to R Middle Row:
Jim Andersen (Foreman), Tim DeForest (Warehouseman), Ryan Fouts (Journeyman), Drake Johnsen (Journeyman), Jacolby Ehlert (Operations Assistant), Jeremy Jochims (Foreman), Bryce Jensen (Journeyman), River Meeker (Apprentice Lineman), Derek Hamik (Journeyman), Robert Wakehouse (Dir. of Operations)

Pictured L to R Front Row:
Shanell Dickman (Accounting Manager), Lori Barry (CFO), Amy Krapfl (Accounts Payable), Shadon Blum (CEO), Alexis Jensen (Billing Supervisor), Morgan Wadsworth (Customer Service Representative), Kristi Travis (Dir. of Communications/IT)



YOUR BOARD OF DIRECTORS

Pictured L to R:
Bruce Pauley (District 4), Brenda Lundergard (District 1), Randy Mitchell (District 5), Tim Faylor (District 9), Curtis Lee (District 8), Doug Pitt (District 2), Tom Bothwell (District 3), Randy Koenig (District 7), Kent Kersten (District 6).



COOPERATIVE BALANCE SHEETS

FROM DECEMBER 31, 2025 AND 2024

Assets (What we have)

Current Assets	2025	2024
Cash, Temporary Investments, Special Funds	$ 7,514,103	$ 8,966,010
Notes & Accounts Receivable	$ 1,574,267	$ 1,443,703
Materials & Supplies	$ 1,454,951	$ 1,275,678
Accrued & Deferred Debits	$ 715,705	$ 215,503
Current Asset Totals	$ 11,259,206	$ 11,900,893
Fixed Assets		
Poles, Lines, Transformers, Equipment	$ 47,029,620	$ 43,824,327
Less: Provision For Depreciation	$ (14,971,319)	$ (14,118,328)
Fixed Asset Totals	$ 32,058,301	$ 29,705,998
Asset Totals	$ 43,317,327	$ 41,606,891

Liabilities (What We Owe)

Current Liabilites	2025	2024
Accrued and Deferred Credits	$ 2,833,886	$ 2,159,679
Consumer Deposits	$ 221,801	$ 43,008
Current Portion Long-Term Debt	$ 2,519,372	$ 998,336
Current Liability Totals	$ 5,575,059	$ 3,201,023
Long Term Liabilities		
RUS (Rural Utilities Service)	$ 12,388,563	$ 12,958,595
RUS Economic Development Loans	$ 308,616	$ 308,616
CFC (Cooperative Finance Corporation)	$ 2,388,534	$ 2,692,252
CoBank	$ 2,045,162	$ 2,189,455
Long Term Liability Totals	$ 17,130,876	$ 18,148,918
Net Worth (What We Own)		
Membership Fees	$ 12,270	$ 12,370
Deferred Patronage Allocated	$ 8,096,811	$ 7,841,210
Current Year Margins	$ 708,970	$ 1,289,381
Margin Reserves	$ 11,793,341	$ 11,113,990
Net Worth Total	$ 20,611,392	$ 20,256,951
Total Liabilities and Net Worth	$ 43,317,326	$ 41,606,891

STATEMENT OF REVENUE AND EXPENSES

Our Receipts

	2025	2024
Electricity Sold	$ 15,076,649	$ 14,013,499
Other Operating Revenue	$ 40,000	$ 138,871
Non-Operating Revenue	$ 569,918	$ 937,882
Total Revenue	$ 15,686,567	$ 15,090,252

Our Expenses

Purchased Power	$ 9,864,107	$ 8,848,115
Operation Expense	$ 410,041	$ 441,732
Maintenance Expense	$ 855,409	$ 789,356
Meter Accounting and Collection	$ 257,844	$ 189,289
Customer Service and Information	$ 297,717	$ 266,150
Other General Expenses	$ 1,362,567	$ 1,346,901
Depreciation Expense	$ 1,337,590	$ 1,298,879
Interest on RUS, CFC, and CoBank Loans	$ 592,322	$ 620,450
Total Operating Expenses	$ 14,977,597	$ 13,800,871
Margin for the Year	$ 708,969	$ 1,289,381

FINANCIAL NOTES

In 2024, HCREC received an allocation of patronage in the amount of $655,828 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 $1,289,381, instead of $633,553.

In 2025, the Harrison County REC board approved of a $500,000 Revenue Deferral that decreased margins from $1,208 970, to $708,969. This $500,000 deferral will be applied in 2026 to offset an expected 9.90% increased power cost, and reduce the effect on the power cost adjustment factor used in billing 2026 electricity. Also in 2025, HCREC received an allocation of patronage in the amount of $552,997 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 $708,970, instead of $155,973.

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

2026 Annual Report

HARRISON COUNTY RURAL ELECTRIC COOPERATIVE