



**Darke Rural Electric
Cooperative, Inc.**

Your Touchstone Energy® Cooperative 

Annual REPORT

2025

Presented at :
89th Annual Meeting of Members

MISSION, PRINCIPLES & VALUES

Mission

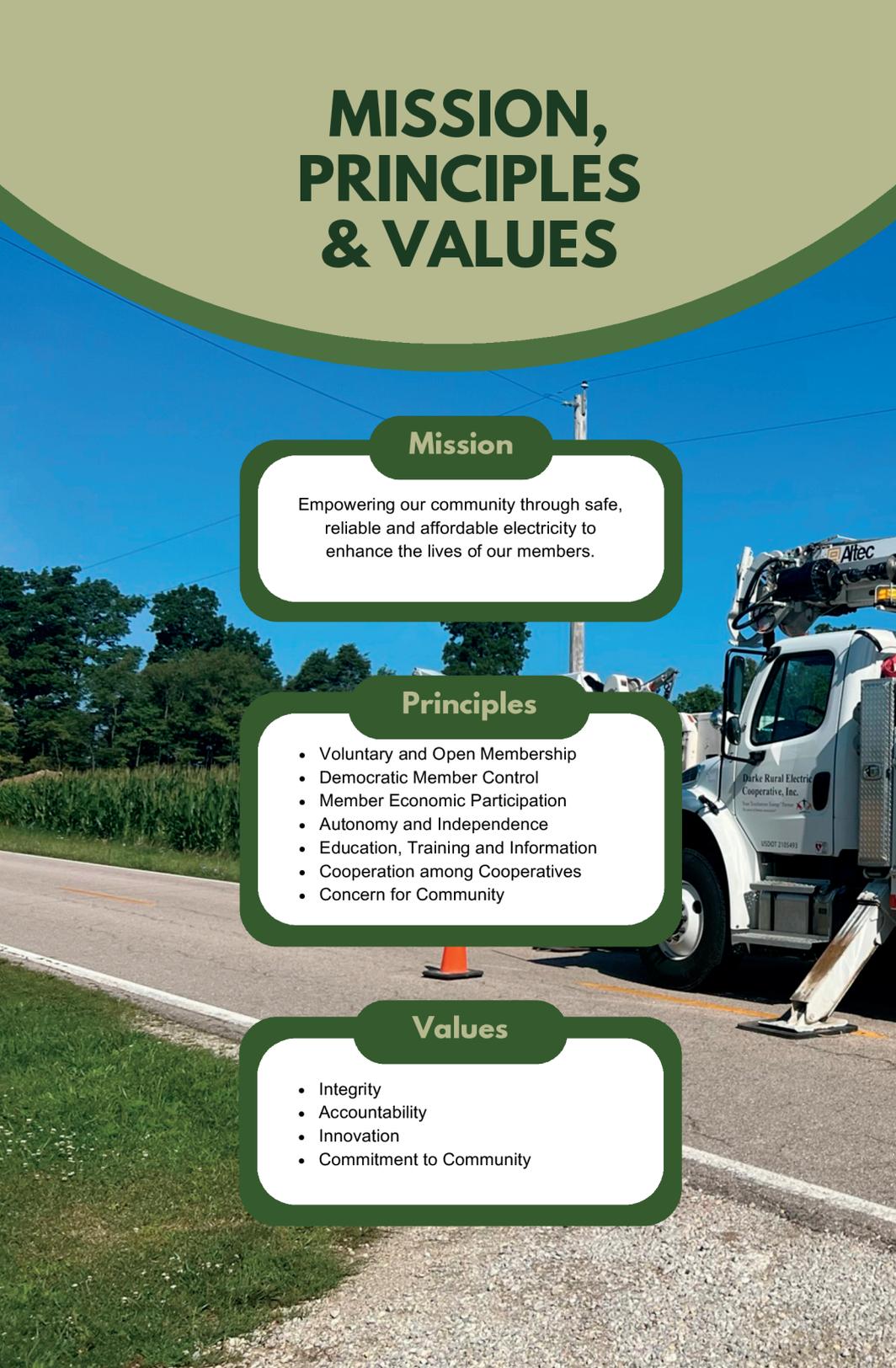
Empowering our community through safe, reliable and affordable electricity to enhance the lives of our members.

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 2025, I'm proud of what Darke Rural Electric Cooperative accomplished together. Every year brings new challenges and opportunities in the electric industry, but our purpose remains the same: to provide safe, reliable, and affordable electricity while improving the quality of life in the communities we serve.

Throughout 2025, Darke REC made steady and intentional investments in our electric system to strengthen reliability and prepare for future growth. Ongoing infrastructure improvements, pole replacements, and system maintenance projects are helping reduce outages and improve overall performance. While much of this work happens behind the scenes, it plays a critical role in ensuring our members receive dependable service day in and day out.

Service extends beyond the power lines, and 2025 was also a year of strong community engagement. Darke REC continued to support local schools, students, first responders, and nonprofit organizations through scholarships, Youth Tour, safety demonstrations, energy efficiency education, and our Operation Round Up program.

At the core of everything we do is the cooperative difference. You are not just a customer; you are a member-owner. Your participation, feedback, and trust guide our decisions and shape the direction of your cooperative.

Looking ahead to 2026, Darke REC enters an exciting milestone as we celebrate 90 years of service. This anniversary is not just about honoring our past, but about expressing gratitude to the members who have made those 90 years possible.

One of the ways we will mark this occasion is through our 90 Days of Giving campaign. Throughout the year, we will be creating 90 opportunities to give back through bill credits, community events, and outreach efforts that directly benefit our members and the communities we serve. It is a simple way to say thank you for being part of the Darke REC family.

As we move forward, our focus remains on strengthening our system, communicating openly, offering practical energy solutions, and being a trusted local partner. We will continue to plan responsibly, invest wisely, and put our members first in every decision we make.

Thank you for your membership, your involvement, and your continued support of Darke Rural Electric Cooperative. Together, we are powering not just homes and businesses, but a stronger community.

2025 ANNUAL MEETING MINUTES

MINUTES OF THE ANNUAL MEETING

March 20, 2025

The Annual Meeting of Darke Rural Electric Cooperative, Inc. was held at Romer's Catering in Greenville, Ohio, on March 20, 2025, 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 Trustees, 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 14, 2024, 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 the "Notice of Annual Meeting" that was mailed on December 31, 2024. The motion was seconded, and the motion carried.

John Suter, CFC, presented on "The Rapidly Changing Outlook of the U.S. Economy," discussing key economic trends and challenges impacting the energy sector and cooperative members.

This year, Darke REC awarded the Children of Members scholarships:

\$1,000 scholarships to Emma Rogers, Matthew Davis, Jr., Daniel Hartzell, and Margaret McGlinch.

A \$2,000 scholarship to Ryan Mestemaker, who will represent Darke REC at the statewide competition against 23 other cooperatives.

Brad Flora, CEO, delivered the Manager's Report, highlighting Darke REC's ongoing commitment to providing safe, reliable, and affordable electricity. He emphasized the cooperative's achievements over the past year, including improvements in reliability, member satisfaction, and strategic initiatives for 2025.

A video presentation from Ohio's Electric Cooperatives featured Craig Grooms, the new CEO of Buckeye Power & Ohio's Electric Cooperatives, providing an update on statewide cooperative initiatives and energy industry developments.

Attorney Eric Brand reported on the results of the trustee elections. All incumbents retained their seats and will serve a three-year term:

District 1: Aaron Siefring

District 3: Tod Carroll

District 5: Robert Godown

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 FEBRUARY 26, 2026, IN THE OHIO COOPERATIVE LIVING MAGAZINE, 4,252 NOTICES OF ANNUAL MEETING THAT READS AS FOLLOWS:

Official notice:

Darke Rural Electric Cooperative, Inc.
2026 Annual Meeting of Members
Thursday, March 26, 2026

- Annual meeting on-site parking is limited
- Additional parking will be available in surrounding areas
- Darke REC employees will be available for parking assistance

Romer's Catering - Greenville, Ohio
Door Prizes

Program:

Registration: 11: 00 a. m.
Lunch: 11:30 a.m. - 12:30 p.m.
Business Meeting: 12:30 p.m.
Election Results: Districts 4 & 7

Be sure to mark meal reservations on your bill that is due March 10 or RSVP online at www.darkerec.com/annualmeeting.

The candidates are as follows:

District #4
Michelle Marker
Kay Wieser

District #7
Matt Webster
Oscar "Ray" Smith



2025 BY THE NUMBERS

\$19,657,954

Total Operating Revenue

4,405

Members

\$46,083,946

Total Assets

5.8

Consumers per Mile
of Line

\$1,283,522

Net Margins

917

Miles of Primary Line

129,382,774

Kilowatts Sold

156,562

Vehicle Miles Driven

\$1,412,842

Capital Credits Paid

9.0

Member Overall Satisfaction
10 point scale



THE COST OF SAFETY



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

-
- Extendo Stick \$710
 - Safety Glasses \$10
 - Arc-Rated Vest \$100
 - Body Belt \$600
 - Hand Tools \$350
 - Arc-Rated Pants \$120
 - Climber Pads \$230
 - Lineworker Boots \$400
 - Pole Climbers \$590
 - Dielectric Overshoes \$165
 - Hard Hat: \$25
 - Arc-Rated Shirt \$120
 - Rubber Sleeves \$635
 - Rubber Gloves \$200
 - Rubber Glove Protectors \$60
 - Secondary Lanyard \$400
 - Wood Pole Fall Restrict Device \$1,000



20

SCHOLARSHIP WINNERS



RYAN MESTEMAKER

\$2,000 Darke REC
\$1,900 Ohio's Electric
Cooperative

Wright State University
Parents: Jerry & Charlene
Mestemaker



Matthew Davis, Jr. \$1,000

Miami University
Parents: Matthew & Rhonda Davis



Margret McGlinch \$1,000

Wright State University
Parents: Greg & Janet McGlinch



Emma Rogers \$1,000

Ohio Northern University
Parents: Ryan & Ashlee Slites



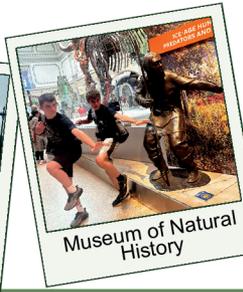
Daniel Hartzell \$1,000

The Ohio State University
Parents: Joseph & Carmen Hartzell

25



White House



Museum of Natural History



Museum of Natural History

YOUTH TOUR DELEGATES

Darke Rural Electric Cooperative was proud to sponsor two outstanding students, Russel Hart (son of Matt and Chrissy Hart) and Owin Rauh (son of David and Linda Rauh), for the 2025 Youth Tour held in mid-June in Washington, D.C.

Each year, students representing electric cooperatives from across Ohio — and throughout the country — gather for this leadership-focused experience in our nation's capital. Youth Tour brings together young leaders for a week filled with education, history, and opportunities to build lasting connections with peers from across the United States.

During their time in Washington, Russel and Owin visited many of our country's most significant historic landmarks and memorials, explored Smithsonian museums, and experienced firsthand how our federal government operates.

Delegates also had opportunities to meet with elected officials and learn more about the cooperative business model and the important role electric cooperatives play in their communities.

For more than 50 years, Youth Tour has provided high school sophomores and juniors living on cooperative lines the opportunity to broaden their horizons, strengthen leadership skills, and gain a deeper understanding of civic engagement. Darke REC is honored to invest in the next generation of leaders and congratulates Russel and Owin on representing our cooperative in this life-changing experience.



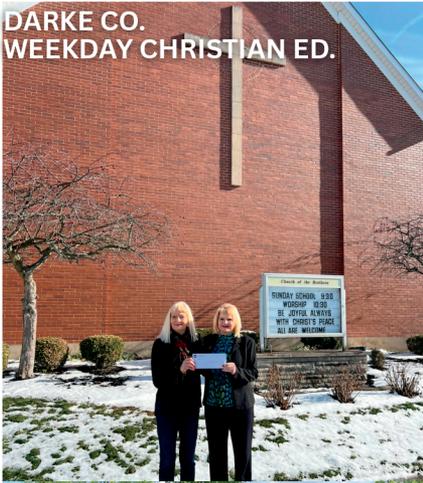
OPERATION ROUND UP



2025 RECIPIENTS

ORGANIZATION	USE	AMOUNT
DARKE COUNTY AG SOCIETY / GOAT COMMITTEE	ELECTRICAL UPGRADE FOR GOAT BARN	\$2,349
LEWISBURG FIRE / EMS DEPARTMENT	NEW VOLUNTEER FIRE EQUIPMENT	\$3,280
LIBERTY TOWNSHIP VOL FIRE DEPARTMENT	ICE RESCUE EQUIPMENT	\$2,739
NORTH STAR FIRE DEPARTMENT	VENTILATION FAN	\$2,500
PREBLE COUNTY HISTORICAL SOCIETY	PICNIC TABLES	\$982
GATEWAY YOUTH PROGRAMS CORS	FITNESS & ART ACTIVITIES	\$800
LIFEWISE ACADEMY NATIONAL TRAIL	PRINTER & STAND	\$425
DARKE COUNTY CENTER FOR THE ARTS	ARTIST PERFORMANCES & TOLEDO SYMPHONY ORCHESTRA	\$1,000
HOLLANSBURG COMMUNITY FIRE DEPARTMENT	THERMAL CAMERA / SAFETY & MEDICAL EQUIPMENT	\$3,500
GETTYSBURG RURAL FIRE DEPARTMENT	FIRE HOSE & NOZZLES	\$2,350
DARKE CO. WEEKDAY CHRISTIAN ED.	SUPPLIES	\$750
FINAL BOW CENTER - PERFORMING ARTS	DIGITAL PIANO STATIONS	\$1,300
HOME IS THE FOUNDATION	SENIOR HOME REPAIR	\$2,000

DARKE CO.
WEEKDAY CHRISTIAN ED.



DARKE COUNTY
CENTER FOR THE
ARTS



PREBLE COUNTY
HISTORICAL
SOCIETY



NORTH STAR
FIRE DEPARTMENT



LIFEWISE
ACADEMY
NATIONAL TRAIL



GOAT COMMITTEE



GETTYSBURG
RURAL FIRE
DEPARTMENT



LEWISBURG
FIRE/EMS
DEPARTMENT

BOARD OF TRUSTEES



Matt Webster
District 7
President



Aaron Siefing
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

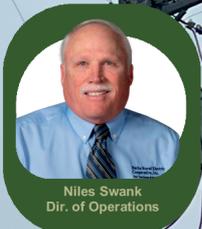
Nominating Committee

- District 1 - Jerry Siefing
- 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 Comm. & Member Engagement



John Blinn
Line Supervisor



Tyler Goettemoeller
Lineman



Kaleb Earick
Line Foreman



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



Janelle Barga
Accounting & Executive Assist.



Lonnie Beam
MSR / Billing Specialist



Teresa Fritz
Member Service Representative

BALANCE SHEET

AS OF DECEMBER 31, 2025

ASSETS

ELECTRIC PLANT

In Service - at cost	\$44,945,245
Construction Work in Progress	382,093
Subtotal	<u>\$45,327,338</u>

Less Accumulated Provision for Depreciation and Amortization Net Electric Plant	10,941,394
	<u>\$34,385,944</u>

OTHER ASSETS & INVESTMENTS

Investments in Associated Organizations	\$7,991,652
Total Other Assets & Investments	<u>\$7,991,652</u>

CURRENT ASSETS

Cash & Cash Equivalents	\$302,203
Accounts Receivable (less accumulated provision for uncollectible accounts of \$124)	1,538,561
Materials and Supplies	596,920
Prepayments	48,484
Other Current Assets	902,709
Total Current Assets	<u>\$3,388,877</u>

DEFERRED DEBITS

\$317,473

TOTAL ASSETS

\$46,083,946

EQUITIES AND LIABILITIES

EQUITIES

Patronage Capital	\$19,259,541
Accumulated Other Comprehensive Income	265,148
Other Equities	307,340
Total Equities	<u>\$19,832,029</u>

LONG-TERM DEBT

USDA Rural Development	\$17,938,142
Cooperative Finance Corporation	5,399,936
Total Long-Term Debt	<u>\$23,338,078</u>

CURRENT LIABILITIES

Accounts Payable	1,129,182
Consumer Deposits	43,735
Other Current & Accrued Liabilities	1,366,007
Total Current Liabilities	<u>\$2,538,924</u>

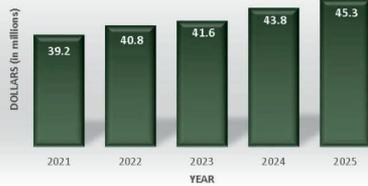
DEFERRED CREDITS

\$374,915

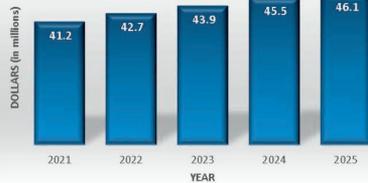
TOTAL EQUITIES AND LIABILITIES

\$46,083,946

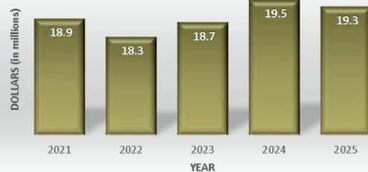
Total Utility Plant



Total Assets



Total Patronage Capital



STATEMENT OF REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2025

OPERATING REVENUES \$19,657,954

OPERATING EXPENSES

Cost of Power	\$11,731,316
Distribution - Operation	1,539,645
Distribution - Maintenance	1,010,059
Customer Accounts Expense	338,248
Customer Service and Informational Expense	219,564
Administrative and General Expense	1,521,993
Depreciation and Amortization	1,246,386
Taxes	562,978
Other Deductions	10,227
Interest on Long-Term Debt	807,892
Other Interest Expense	1,142
Total Operating Expenses	\$18,989,450

Operating Margins Before Capital Credits \$668,504

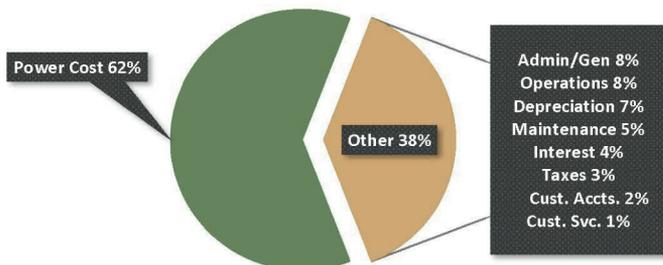
Buckeye Capital Credits	398,688
Other Capital Credits	117,295
Net Operating Margins	\$1,184,488

NONOPERATING MARGINS

Interest and Dividend Income	\$95,583
Other Nonoperating Income	3,451
Total Nonoperating Margins	\$99,034

NET MARGINS \$1,283,522

How Your Electric Dollar Was Spent in 2025



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Patronage Capital or Margins	\$1,283,522
Depreciation and Amortization Expense	1,246,386
Loss from Disposal of Assets	(484,857)
Total Funds from Operations	<u>\$2,045,051</u>

Temporary Investments	(34,542)
Accounts Receivable - Sale of Energy	\$94,335
Materials and Supplies	30,402
Other Operating Assets	42,352
(Increase)/Decrease in Operating Assets	<u>132,547</u>

Notes Payable	(500,000)
Accounts Payable	(131,436)
Other Current and Accrued Liabilities	315,329
Increase/(Decrease) in Operating Liabilities	<u>(316,107)</u>

CASH FROM OPERATING ACTIVITIES \$1,861,491

INVESTMENT ACTIVITIES

Utility Plant	(\$1,831,518)
Construction Work-in-Progress	254,787
Other Property and Investments	(106,920)

CASH FROM INVESTMENT ACTIVITIES (\$1,683,651)

FINANCING ACTIVITIES

Margins and Equities	(\$1,430,900)
Long-Term Debt	1,080,225
Consumer Deposits	862

CASH FROM FINANCING ACTIVITIES (\$349,813)

CASH FROM ALL ACTIVITIES (\$171,973)

TOTAL CASH BEGINNING OF PERIOD 439,634

TOTAL CASH END OF PERIOD \$267,661





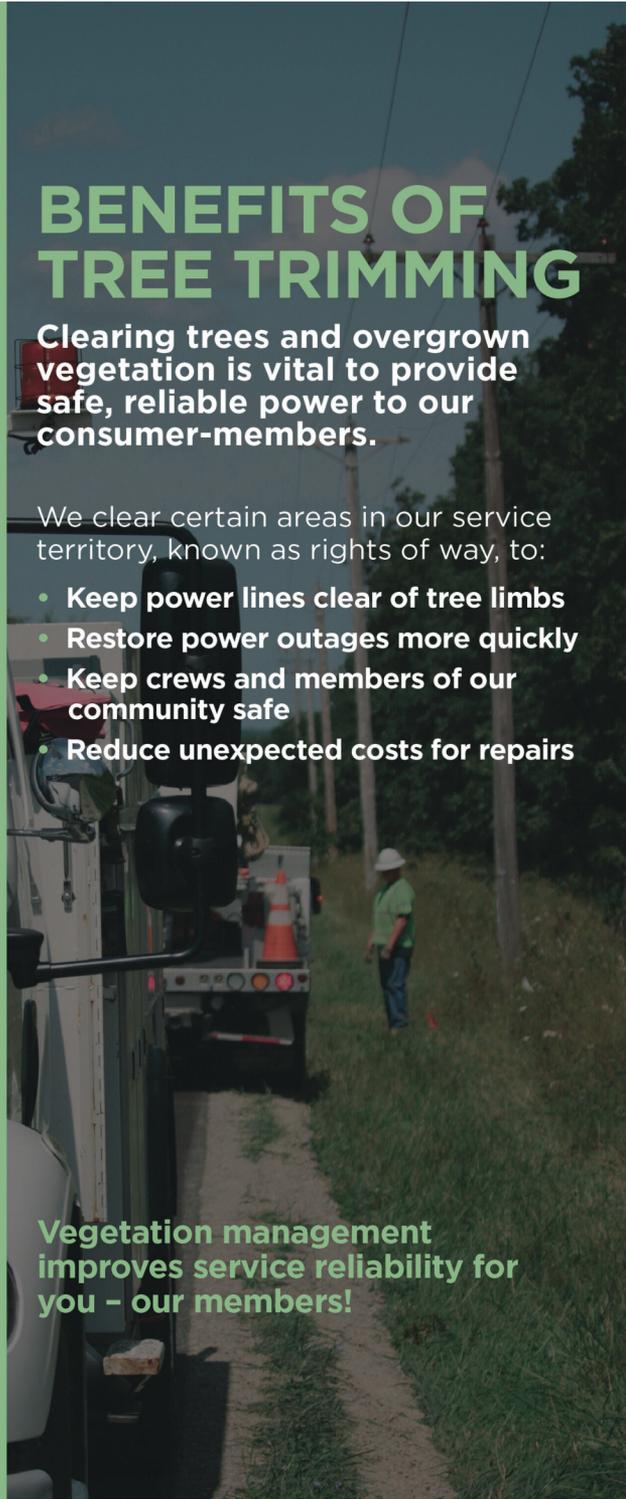
BENEFITS OF TREE TRIMMING

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:

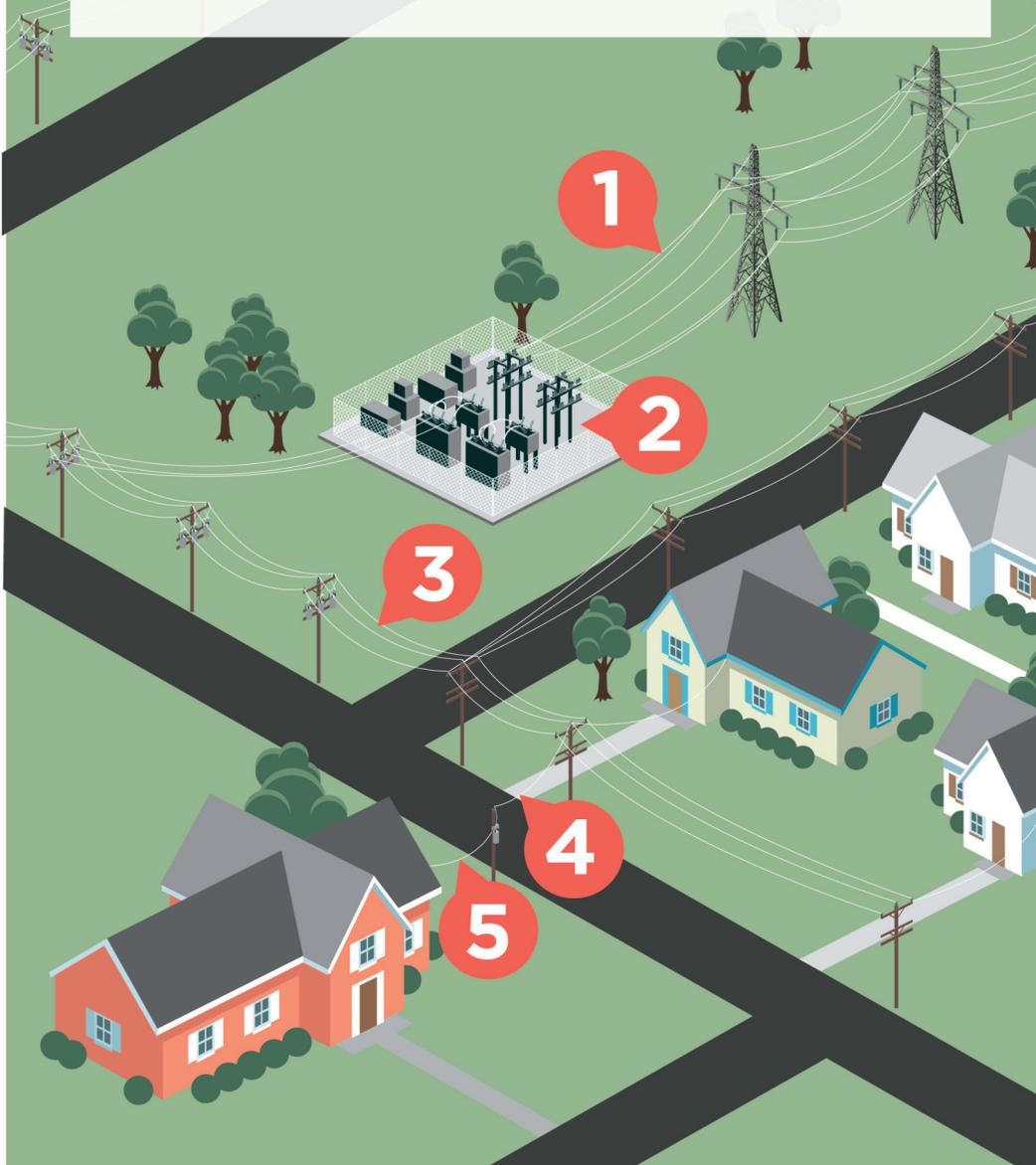
- **Keep power lines clear of tree limbs**
- **Restore power outages more quickly**
- **Keep crews and members of our community safe**
- **Reduce unexpected costs for repairs**

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:





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.

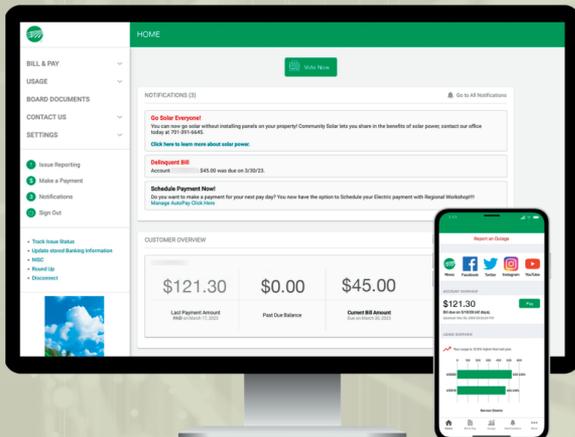
4. Tap Lines:

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



SMARTHUB
download the app



ONLINE
darkerec.com



MAIL-IN
must arrive by the 10th



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



DROP BOX
24/7/365



AUTOPAY
credit/debit/checking/savings



PHONE 24/7/365
855-939-3577