

# ADAMS RURAL ELECTRIC COOPERATIVE 2023 ANNUAL REPORT

## *Join us at the annual meeting*

**IT** is time once again to welcome our members to your annual meeting, on Saturday, August 17, 2024. The cooperative's bylaws require that an annual meeting of members be held each year in August to share reports on the financial condition and activities for the prior year.

**ON** behalf of the employees and board to trustees, I would like to invite you to attend the 84th annual meeting at 8:00 a.m. on August 17 in our linemen's room in the warehouse. You can park in front of the office and employees will direct you on where to go. You can visit with other members and hear about the 2023 activities of your cooperative. The results of the board of trustee's election will also be announced at the meeting.

**ONCE** the annual meeting is over, you can join the Member Appreciation Drive-Thru Event, which begins at 9 a.m. This is our fifth year for the event, and it continues to grow in numbers each year. You will enter on the State Route 125 side of our parking lot. There will be five stops along the drive-thru. Members will receive gifts, hats, and a food coupon. All children in the vehicle will also receive a gift. Dog treats will be available for each dog in the vehicle. In addition, the equipment that our crews use every day to power your homes will be on display as you drive through. Every member who attends will be entered for a chance to win one of ten \$50 bill credits that will be given away. The event runs until noon.



**ERIKA ACKLEY**  
GENERAL MANAGER

**I hope you will join us on August 17! I look forward to seeing you there as we celebrate another successful year of your electric cooperative.**

# Financial Health

A copy of the auditor's report may be obtained by contacting the cooperative office.

## BALANCE SHEET

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

### ELECTRIC PLANT

In service – at cost  
Construction work in progress  
Subtotal Electric Plant  
Less: Accumulated depreciation  
and amortization

#### NET ELECTRIC PLANT

### INVESTMENTS AND OTHER ASSETS

Investments – patronage capital  
Right of use asset, net of accumulated amortization  
Deferred charges  
Other investments

#### TOTAL INVESTMENTS AND OTHER ASSETS

### CURRENT ASSETS

Cash and cash equivalents  
Accounts receivable, less provision for  
uncollectible accounts of \$36,032 and  
\$37,144 for 2023 and 2022, respectively  
Unbilled revenue  
Other current assets  
Materials and supplies  
Prepayments

#### TOTAL CURRENT ASSETS

#### TOTAL ASSETS

### EQUITIES

Memberships  
Patronage capital  
Other equities

#### TOTAL EQUITIES

### LONG-TERM DEBT

Mortgage and notes payable, less current maturities  
Long-term portion of lease payments

#### TOTAL LONG-TERM DEBT

### OTHER NON-CURRENT LIABILITIES

Deferred Credits

#### TOTAL OTHER NONCURRENT LIABILITIES

### CURRENT LIABILITIES

Current maturities of long-term debt  
Line of credit  
Current portion of lease payments  
Accounts payable – other  
Accounts payable – cost of purchased power  
Consumer deposits  
Accrued taxes  
Other current liabilities

#### TOTAL CURRENT LIABILITIES

#### TOTAL EQUITIES & LIABILITIES

	2023	2022
	\$ 46,586,624	\$ 45,511,070
	26,112	21,598
	46,612,736	45,532,668
	(18,069,116)	(16,815,485)
	28,543,620	28,717,183
	8,405,429	8,286,151
	17,294	102,133
	7,437	15,467
	1,050	1,050
	8,431,210	8,404,801
	790,447	445,323
	1,780,689	1,636,797
	334,140	441,703
	73,351	64,891
	573,496	464,171
	130,587	40,843
	3,682,710	3,093,728
	\$ 40,657,540	\$ 40,215,712

	2023	2022
	\$ 90,830	\$ 90,665
	22,605,513	22,194,579
	(368,274)	(369,481)
	22,328,069	21,915,763
	13,107,487	13,022,647
	0	5,609
	13,107,487	13,028,256
	3,457	13,306
	3,457	13,306
	905,707	1,106,282
	1,525,000	1,550,000
	5,610	37,886
	492,089	131,893
	959,555	1,068,230
	366,061	377,461
	508,919	508,854
	455,586	477,781
	5,218,527	5,258,387
	\$ 40,657,540	\$ 40,215,712

ASSETS

EQUITIES & LIABILITIES

# STATEMENTS OF REVENUE & EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

## OPERATING REVENUE

## OPERATING EXPENSES

Cost of purchased power  
 Distribution – operations  
 Distribution – maintenance  
 Consumer accounts  
 Administrative and general  
 Depreciation and amortization  
 Taxes  
 Interest

### TOTAL OPERATING EXPENSES

Operating margins before capital credits

Buckeye Power, Inc., capital credits  
 Other capital credits

### NET OPERATING MARGINS

## NON-OPERATING MARGINS

Interest income  
 Miscellaneous non-operating (expense) income

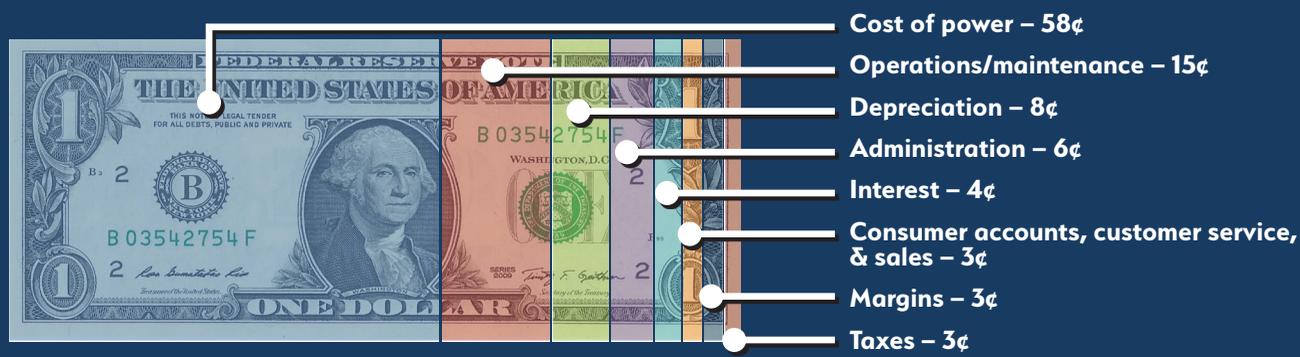
### TOTAL NON-OPERATING MARGINS

### NET MARGINS

	2023	2022
	\$ 17,600,561	\$ 17,557,824
	10,198,239	10,518,359
	1,106,274	1,046,347
	1,601,603	1,396,885
	540,951	481,457
	979,621	1,065,075
	1,421,297	1,436,020
	498,923	522,462
	701,300	657,390
	<u>17,048,208</u>	<u>17,123,995</u>
	552,353	433,829
	593,121	516,088
	<u>76,868</u>	<u>782,478</u>
	<u>1,222,342</u>	<u>1,032,421</u>
	26,823	17,848
	<u>(13,953)</u>	<u>(18,151)</u>
	<u>12,870</u>	<u>22,338</u>
	<u>\$ 1,235,212</u>	<u>\$ 1,054,759</u>

MARGINS & EXPENSES

Our auditors have completed their audit of the financial statements of Adams Rural Electric Cooperative (the Cooperative), which comprise the balance sheets as of December 31, 2023, and the related statements of revenue and patronage capital, changes in members' equity and cash flows for the year then ended and the related notes to the financial statements. They issued an unmodified opinion on the financial statement dated March 6, 2024. The financial statements as of and for the year ended December 31, 2022 were audited by different auditors who issued an unmodified opinion on those financial statements dated March 1, 2023. When an auditor issues an unmodified opinion it means the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles in the United States of America. The accompanying statements were derived from the audited financial statements, but excludes the statements changes in members' equity and cash flows, and notes to the financial statements. The audited financial statements are available to members upon request.



## 2023 ENERGY DOLLAR – HOW EACH \$ WAS SPENT

# THE 7 COOPERATIVE PRINCIPLES

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

## ADAMS RURAL ELECTRIC COOPERATIVE

For 83 years, Adams REC has delivered safe, reliable, and affordable electricity to members' homes, farms, businesses, churches, and schools throughout our five-county service territory.

- ◆ **7,724 METERS SERVED TO 6,092 MEMBER-OWNERS**
- ◆ **1,335 MILES OF ELECTRIC LINE SERVING CO-OP TERRITORY**
- ◆ **5.79 MEMBERS SERVED PER MILE OF LINE**
- ◆ **35 MILES OF LINE CLEARED BY ADAMS AND CONTRACTOR CREWS**
- ◆ **1,958 TREES TRIMMED**
- ◆ **7,193 TREES REMOVED**
- ◆ **21 TOTAL EMPLOYEES**

# CAPITAL CREDITS



# \$837,377

**WAS RETURNED TO CURRENT AND FORMER MEMBERS IN 2023.**

# Board of Trustees

Adams Rural Electric Cooperative, Inc., is governed by a board of nine trustees. Each trustee represents a district in the cooperative service area, which is made up of a portion of five counties: Adams, Brown, Highland, Pike, and Scioto. Elected by the membership, these trustees are also members of the cooperative. They live and work in the same communities they serve. Each board of trustees member serves a three-year term. The board of trustees meets monthly at the cooperative office. Throughout the year, trustees receive education and training to better serve the membership.

The board of trustees provides strategic guidance to serve the best interest of all member-owners. They are responsible for establishing policies, approving the annual budget and cooperative rate schedules and fees, reviewing and approving major work plans for maintenance and improvement to the cooperative's distribution system, and continuously monitoring the financial condition of the cooperative.



**BLANCHARD "BUCK" CAMPBELL**  
District 1 Trustee



**WILLIAM WYLIE**  
District 2 Trustee



**DALE GROOMS**  
District 3 Trustee



**WILLIAM SEAMAN**  
District 4 Trustee



**KENNETH McCANN**  
District 5 Trustee  
Secretary/Treasurer



**DONALD McCARTY, SR.**  
District 6 Trustee  
President



**DAVID ABBOTT**  
District 7 Trustee



**STEPHEN HUFF**  
District 8 Trustee



**CHARLES NEWMAN**  
District 9 Trustee  
Vice President

# MANAGEMENT



**Erika Ackley**  
General Manager



**Steve Hoop**  
Manager of Operations



**Kacee Cox**  
Manager of  
Member Services



**Jaimie Bayless**  
Accounting Clerk



**Nathan Colvin**  
Journeyman  
Lineman



**Brett Fawns**  
Journeyman  
Lineman



**Randy Johnson**  
Tree Trimmer



**Sam Kimmerly**  
Tree Trimmer



**Rodney Little**  
Staking Engineer



**Cody Rigdon**  
Journeyman  
Lineman



**Dewayne Sexton**  
Safety and Purchasing  
Coordinator



**Mike Whitley**  
Foreman/  
Journeyman  
Lineman



**Jacob Alexander**  
Journeyman Lineman



**Lindsay Gill**  
Work Order  
Specialist



**Trace Pistole**  
Apprentice Lineman



**Samantha Barr**  
Billing Member  
Services  
Representative



**John Hayslip**  
ROW Crew Chief



**David Ralston**  
Tree Trimmer



**Jennifer Baughey**  
Executive  
Assistant



**David Henry**  
Foreman/Journeyman  
Lineman



**Zach Rowe**  
Journeyman  
Lineman

# EMPLOYEES

## COMMITMENT TO YOUTH

Adams REC awarded  
\$4,300 in college  
scholarships to children of  
members in 2023 and sent  
one student on the Youth  
Tour to Washington, D.C.

# *You're invited!*

## **Adams Rural Electric Cooperative's**

### **84th Annual Meeting of Members and Member Appreciation Drive-Thru**

# ▶ **AUGUST 17, 2024** ◀

*at the Adams REC office*

**4800 State Route 125, West Union, Ohio**

**BUSINESS MEETING BEGINS: 8:00 A.M.**

**DRIVE-THRU: 9:00 A.M – NOON**

Enter from the St. Rt. 125 entrance. For the business meeting, park in front of the building and you will be directed on where to go.

(The business meeting will also be posted on Facebook.)

For the drive-thru, stay in your vehicle. Members will receive a gift and food coupon and those who attend the drive-thru will be entered for a chance to win a \$50 bill credit.

## **Ballot reminder**

Trustee election ballots were mailed to the member of record on July 19, 2024. Ballots must be postmarked by August 9, 2024, and include the member's signature to be counted. Please return your ballot in the envelope provided and mail to the CPA. The CPA will make sure all ballots are valid by checking for any duplication and that the signature on the ballot is the member of record.

Do not send your ballot to cooperative office, as it will not be accepted and counted.

**Election results will be announced at the annual meeting on August 17, 2024.**