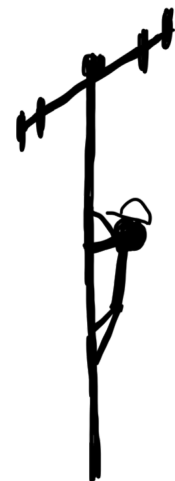
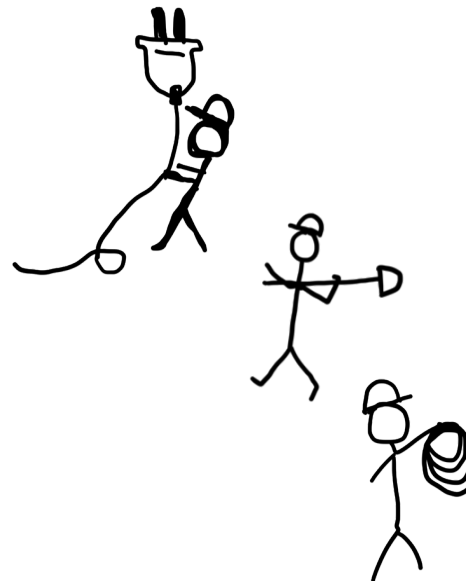
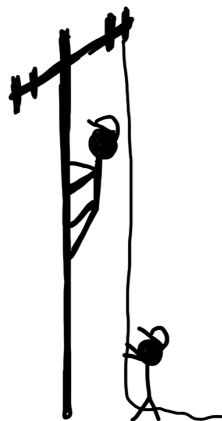
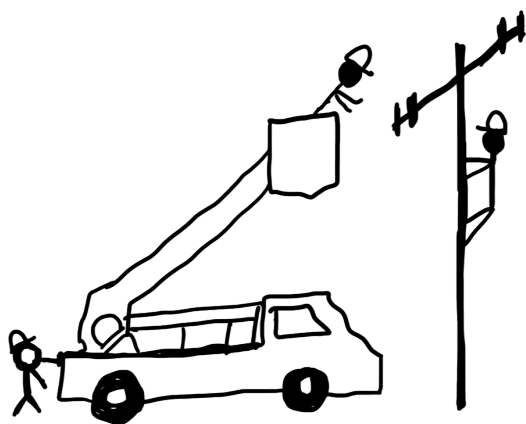
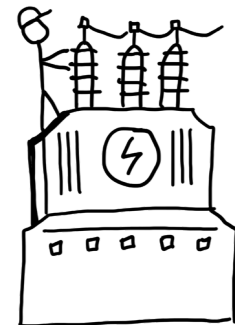


2024



Annual
Report



Purpose of Electric Cooperatives

Electric cooperatives exist to serve people—not make profit.

Formed to bring electricity to rural America when no one else would, electric cooperatives were created by local communities to provide reliable, affordable power where investor-owned utilities saw no financial incentive to go. That cooperative spirit still drives us today.

Core Purpose

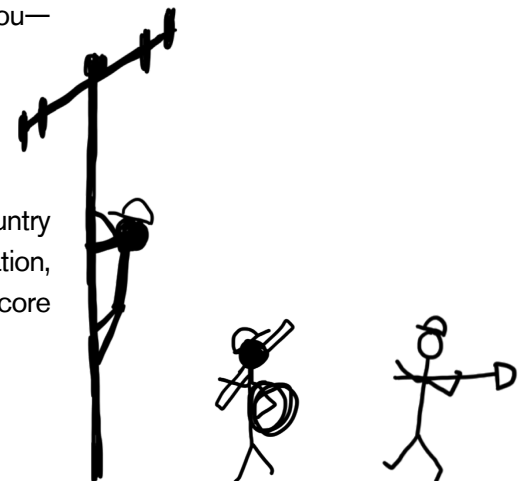
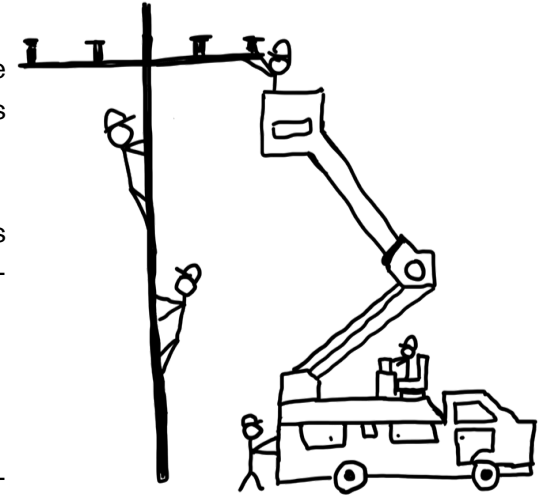
At their heart, electric cooperatives are member-owned, not-for-profit utilities. Our purpose is simple: Deliver safe, reliable, and affordable electricity, serve the best interests of our member-owners, and support the communities we power.

What makes us different?

1. We're Owned by You
2. When you receive power from Garkane Energy, you're not just a customer—you're a member-owner. You have a say in how your co-op is run, including voting for (or serving on) the board of directors.
3. We Operate at Cost. Co-ops aren't in business to make a profit. Any excess revenue is allocated back to its members and is reinvested in system improvements, and then later refunded back.
4. We Serve the Community. Co-ops are rooted in the communities they serve. Whether it's keeping the lights on, supporting local schools, or responding to storms, we're here for you—because we live here too.
5. We Follow Cooperative Principles

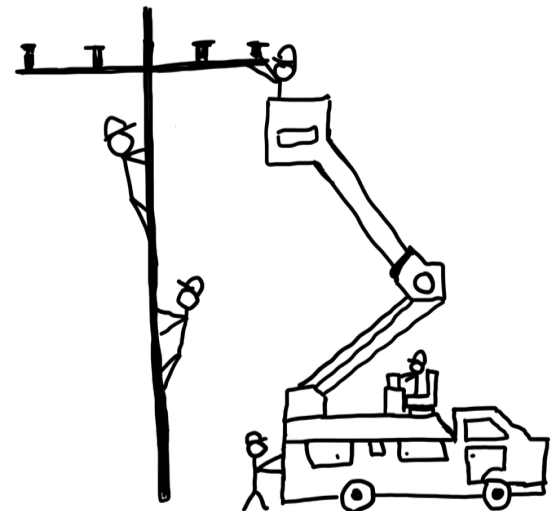
Our Mission Today

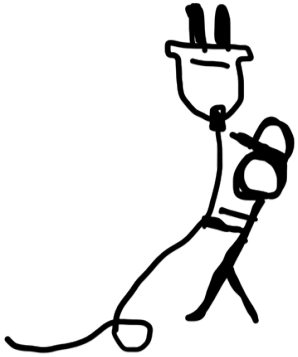
While the technology has changed since the early days of stringing power lines down country roads, our mission has not. Today, electric cooperatives are leaders in grid modernization, renewable energy, broadband deployment, and energy efficiency—all while staying true to our core mission: people over profit, service over sales.



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Board President & CEO Report

We are pleased to announce that 2024 was a great year for the cooperative. We are proud to report that Garkane Energy Cooperative remains strong, resilient, and deeply committed to serving you—our member-owners—with safe, reliable, and affordable electricity. Through a year of both challenges and progress, our cooperative has stayed true to its mission, with an increased focus on reliability and member service.

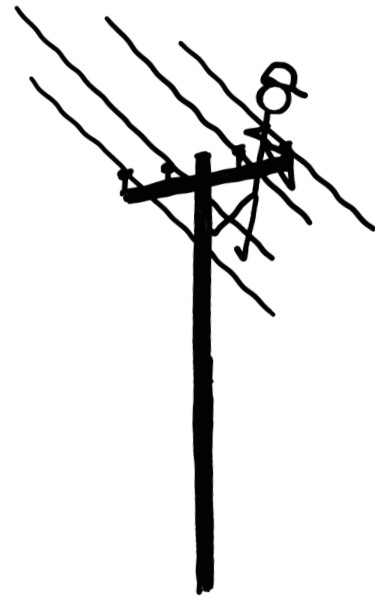


Operational Excellence

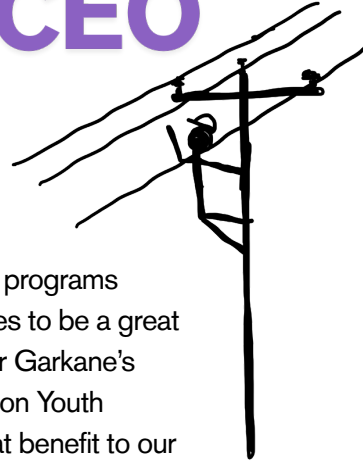
This year, we maintained a system reliability (ASAI) rating of 99.9%. The Average Service Availability Index (ASAI) is a key metric used by electric utilities to measure the reliability of their service. It represents the percentage of time that a customer receives uninterrupted electrical service. The cooperative continued to invest in smart grid technologies and cybersecurity measures to enhance service reliability and protect our systems. We also completed the deployment of advanced metering infrastructure (AMI), allowing for better outage detection, faster restorations, and remote technology.

Financial Performance

Financially, the cooperative remains on solid footing. Revenues reached \$37.9 million with a net margin of \$1.9 million, compared to a net margin of \$2.8 million from revenues of \$36.8 million in 2023. We continued to operate efficiently, returning \$1.5 million in capital credits to our members. This is a testament to our cooperative model—when we do well, our members benefit directly.



Board President & CEO Report. (cont...)



Member Focused Initiatives

Our commitment to members is reflected in several new and ongoing programs aimed to provide value to our members. Our scholarship program continues to be a great benefit to the students in our service territory. Over 38 students applied for Garkane's scholarship program and 33 students participated in the Michael F. Peterson Youth Leadership camp in 2024. Our youth programs continue to provide a great benefit to our members. The cooperative model is rooted in community. This year, we contributed to local schools, fire departments, and nonprofits through Operation Round Up and other charitable giving. Employees also volunteered many hours to local events and causes, underscoring our commitment to community stewardship.

Our Commitment To You

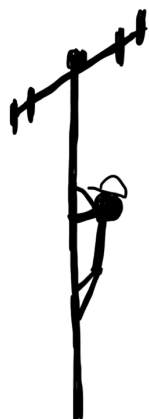
We are optimistic about what lies ahead. With a clear vision, sound financial management, and a steadfast commitment to our members, Garkane Energy Cooperative is well positioned to navigate the evolving energy landscape.

Thank you for your trust and support. It is our honor to serve you.

Ron Cazier
Board President

Dan McClendon
CEO/General Manager

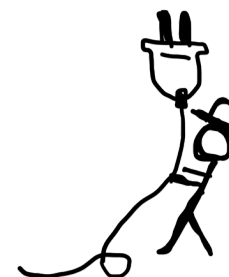
2024 Annual Financial Report of Garkane Energy Cooperative, Inc. - Consolidated Statement of Revenues



	2024	2023
Operating Revenue		
Revenues	\$37,986,627	\$36,891,863
Expenses & Deductions		
Cost of Sales	16,897,070	16,768,684
Transmission Expense	1,076,703	882,039
Distribution Expense	3,268,606	3,131,897
Consumer Accounts Expense	893,842	760,789
Customer Service Expense	395,115	438,629
Administrative & General Expense	7,089,294	6,276,813
Depreciation & Amortization Expense	4,809,187	4,488,080
Tax Expense	536,133	495,614
Interest Expense	1,840,812	1,478,573
Other Deductions	23,533	43,399
TOTAL COST OF SERVICE	\$36,830,295	\$34,764,517
OPERATING MARGINS	\$1,156,332	\$2,127,346
Non-Operating Margins & Other Credits		
Interest Earnings	53,239	48,000
Other Capital Credits & Allocations	546,695	536,768
Misc. Non-Operating Income	24,193	60,746
Gain/Loss on Disposition of Property	130,149	133,196
Other (Including Extraordinary Items)	20,663	38,363
Provision for Income Taxes	-	(57,815)
NET MARGINS	\$1,931,271	\$2,886,604
Patronage Capital - Beginning of Year	\$56,119,801	\$54,784,392
Prior Period Adjustment		
Refund of Patronage Capital Credits	(1,560,814)	(1,551,195)
PATRONAGE CAPITAL - END OF YEAR	\$56,490,258	\$56,119,801

2024 Annual Financial Report of Garkane Energy Cooperative, Inc. - Consolidated Balance Sheet

ASSETS	2024	2023
Long-Term Assets		
Plant	\$160,317,253	\$150,840,211
Less: Depreciation	(74,400,741)	(70,693,936)
NET PLANT	85,916,512	80,146,275
Non-Utility Property	3,253,530	3,051,687
Investments in Assoc. Organizations	2,172,508	2,166,880
Other Investments	3,476,490	1,645,441
TOTAL LONG-TERM ASSETS	\$94,819,040	\$87,010,283
Current Assets		
Cash	4,261,307	4,271,387
Accounts Receivable - Net	7,240,545	7,178,388
Materials & Supplies	8,547,361	6,951,791
Prepayments & Other Accrued Assets	388,050	452,502
Total Current Assets	20,437,263	18,854,068
TOTAL ASSETS	\$115,256,303	\$105,864,351
LIABILITIES & PATRONAGE		
Patronage Capital	\$56,490,258	\$56,119,801
LONG-TERM DEBT		
Deferred Income Tax Liability - NET	545,653	542,837
Accumulated Operating Provisions	46,140	26,340
Other Long-Term Debt	395,596	411,681
CFC Mortgage Notes	38,070,956	34,422,871
TOTAL LONG TERM DEBT	\$39,058,345	\$35,403,729
CURRENT LIABILITIES		
Accounts Payable	5,969,790	3,159,113
Consumer Deposits	638,344	624,462
Other Current Liabilities	10,627,945	7,960,029
TOTAL CURRENT LIABILITIES	\$17,236,079	\$11,743,604
Deferred Credits	2,471,621	2,597,217
TOTAL LIABILITIES & PATRONAGE	\$115,256,303	\$105,864,351



Secretary Treasurer Report

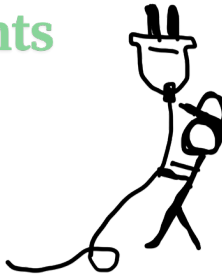
The Board of Directors, along with management, takes its fiduciary duties seriously. Throughout the year, we conducted regular reviews of financial statements, budgets, capital expenditures, and investment activities. Independent audits, internal controls, and consistent oversight ensure that your cooperative operates transparently and in your best interest.

We are proud to report that our financial records received a clean, unqualified opinion from our independent auditors, Kimball & Roberts, once again this year. This confirms that the cooperative's financial statements present fairly, in all material respects, the financial position of the organization.



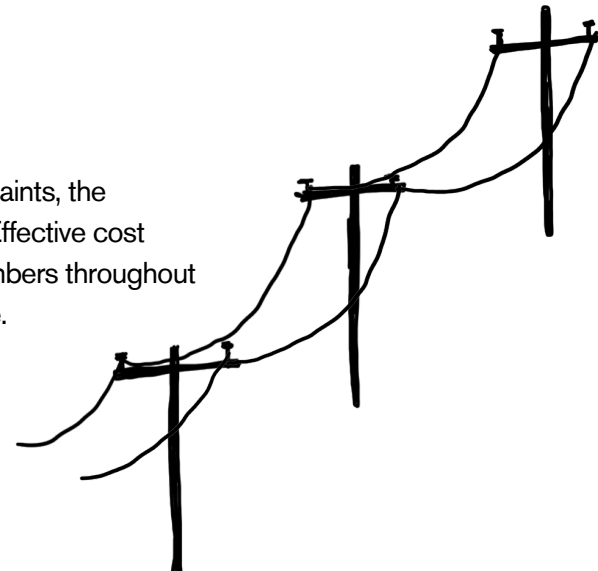
Key Financial Highlights

- Total Revenue: \$37,986,627
- Operating Expenses: \$36,830,295
- Net Margins: \$1,931,271
- Total Assets: \$115,256,303
- Total Equity: \$56,490,258
- Capital Credits Returned to Members: \$1,500,000

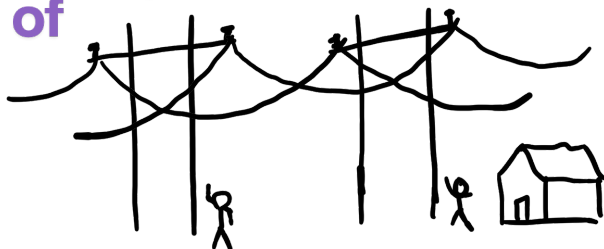


Despite economic uncertainties, inflationary pressures, and supply chain constraints, the cooperative remained financially stable and exceeded several budget targets. Effective cost control measures and operational efficiencies helped keep rates stable for members throughout the year. We appreciate your support, and your comments are always welcome.

Secretary Treasurer,
Ray Clark
District 10



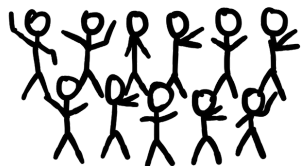
Members per
mile of
line
5.93



Expenditure Mix

Percentage of the overall expenditure mix of Garkane Energy Cooperative, comparing the year 2024 with 2023.

Members 16,080



Miles of
line
2,713

	2024	2023
Wholesale Power	40.74%	41.40%
Operational Expense	34.9%	33.30%
Depreciation & Interest	19.25%	18.75%
Taxes	1.62%	1.62%
Margin	3.49%	4.90%

Consumer Mix



Residential

2024
55.02%

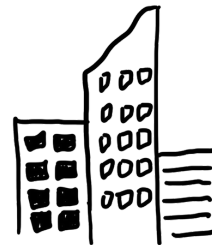
2023
55.2%



Small Commercial

2024
31.02%

2023
30.17%



Large Commercial

2024
3.97%

2023
4.53%



Street Lights & Facilities

2024
7.76%

2023
7.93%



Irrigation

2024
2.23%

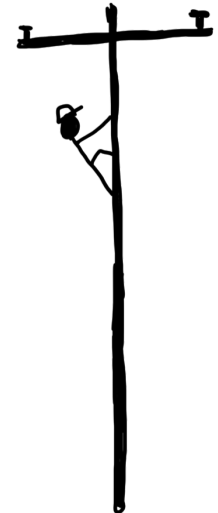
2023
2.17%

Percentage of the overall consumer mix of Garkane Energy Cooperative, comparing the year 2024 with 2023.

Historical Growth Statistics



Year	No. of Members	Electric Revenues	KWHs Sold (Millions)	Plant (Millions)	Wholesale Power Costs	Miles of Line	Members/per Line Mile
1960	1,786	\$314,823	14.8	4.50	\$19,610.	722	2.50
1970	2,665	\$924,651	42.1	8.00	51,927	1,085	2.50
1980	4,646	\$3,443,740	112.9	13.20	1,693,783	1,499	3.10
1990	6,273	\$8,527,906	120.3	28.10	3,448,521	1,672	3.75
2000	7,964	\$9,372,769	120.8	44.40	2,221,999	1,826	4.36
2004	10,318	\$10,992,825	138.8	53.35	3,061,284	1,979	5.21
2009	12,721	\$18,596,689	211.7	84.58	5,618,945	2,168	5.87
2010	12,731	\$21,659,647	231.4	88.79	7,271,209	2,181	5.84
2011	12,798	\$21,925,338	231.5	92.65	7,369,190	2,202	5.81
2012	12,842	\$21,187,447	229.8	95.74	7,171,567	2,212	5.81
2013	12,825	\$22,746,974	248.4	102.42	7,974,991	2,225	5.83
2014	12,922	\$22,184,562	239.8	108.36	7,378,971	2,245	5.76
2015	13,079	\$23,102,962	240.5	113.01	8,380,091	2,294	5.70
2016	13,293	\$25,182,149	255.9	117.6	8,804,659	2,310	5.75
2017	13,320	\$23,818,704	241.5	122.5	9,190,139	2,393	5.57
2018	13,606	\$24,248,291	242.6	126.4	9,366,594	2,527	5.38
2019	13,874	\$24,615,222	249.9	132.5	10,783,600	2,546	5.45
2020	14,263	\$25,012,376	259.3	138.2	9,980,114	2,595	5.50
2021	14,696	\$26,238,298	268.4	141.8	10,586,489	2,628	5.59
2022	15,217	\$28,730,445	287.3	147.4	12,244,382	2,671	5.70
2023	15,676	\$29,521,456	293.2	150.8	12,367,426	2,692	5.82
2024	16,080	\$31,905,658.	293.1	160.3	13,016,086	2,713	5.93



Board of Directors



Ron Lazier
DISTRICT 1



Chad Williams
DISTRICT 2



Tracy Potter
DISTRICT 3



Reed Munson
DISTRICT 4



Terry Griffiths
DISTRICT 5



George Thompson
DISTRICT 6



Andy Gant
DISTRICT 7



Rod Ence
DISTRICT 8



William Hammon
DISTRICT 9



Raymond Clark
DISTRICT 10



Guy Timpson
DISTRICT 11



Dan McClendon
CEO/GENERAL MANAGER

Community Support



Michael F. Peterson Youth Leadership Camp

The MFP youth leadership camp is for all high-school juniors looking to improve their leadership skills. Building the next generation of leaders is one way Garkane continues to give back to our communities. Hundreds of Garkane youth have gone through this leadership camp, dating back to the 1980's when it first started.

High School Scholarships

Garkane continues to help graduating seniors get a kickstart on their secondary education by providing scholarships to students in all 11 districts. We believe that supporting education is one of the most powerful ways we can invest in the future of our communities.



Operation Roundup Program

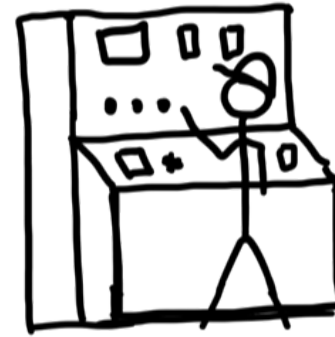
Operation Round Up is a simple and powerful way to support your neighbors and strengthen your community. While your monthly contribution is small, when combined with thousands of other members doing the same, it creates a significant fund for good. Garkane has given back thousands of dollars through this program over the years.

Operations & Safety Report

New Dispatch Center

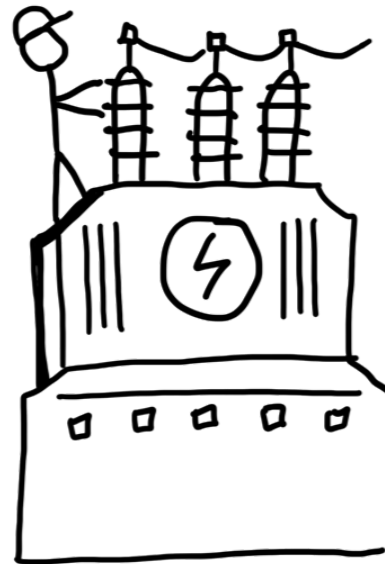


To better serve our members and prepare for the demands of a modern electric grid, we are proud to announce that a new dispatch center was installed in the Kanab office. This is a major investment in system reliability, safety, and communication. It will act as the main communication hub where our operations team monitors the electric system, manages power outages, and communicates with field crews in real time.



Operations Report

Our operation crews closed out 607 work orders in 2024, compared to 452 in 2023. The dramatic increase shows the growth that continues to happen in our communities. With that growth, we are always looking for ways to minimize outages and improve response times. Our dedicated operations team responded to over 442 outage calls in 2024. The SAIFI index measures the average number of times a Garkane member experiences an outage per year. Garkane's 2024 SAIFI index was 1.10, meaning on average, members experienced an outage 1.1 times. Crews also worked on miles of line maintenance, replacing transmission cross-arms, which helped reinforced the backbone of our electric grid. We also received federal grants to do a major replacements to the underground lines in the Kanab Creek Ranchos and a portion feeding the Grand Canyon lodge. We continue to place a top priority on service reliability for our members.



Employees

Kanab

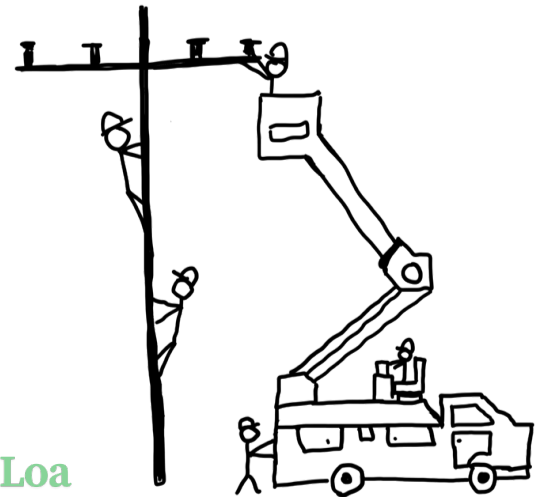
Tony Baird - Substation Tech Apprentice
Neal Brown - Marketing & Member Service Mgr.
Wade Brush - Apprentice Lineman
Brett Bunting - Meter Reader
Jared Burrows - Controls & Comms (hired in 2025)
James Clegg - Energy Advisor/ Facilities
Scott Colson - Meter Technician
Todd Crowther - Journeyman Lineman
Talmage Daley - Engineer
Kaber Esplin - IT Manager
Terek Esplin - Journeyman Lineman
Travis Fox - GIS Mapping
James Garrard - Drafting & Design Tech.
Tyler Gates - Journeyman Lineman
Jarret Glover- Staking Technician
Taylor Goodnow - Boring / RoW
Kit Goulding - Journeyman Lineman
Jeff Hafen - Line Compliance
Gerry Hoyt - Safety Coordinator
Wes Hoyt - Substation Tech. Supervisor
Brock Hutchings - Journeyman Lineman
Jessica Johnson - Executive Assistant
Mark Kabonic - Journeyman Lineman
Chris Lacorti - Utility Locating Tech.
Shay Lamb - IT Project Coordinator
Kim Lathim - Boring Crew / RoW
Trevor Lathim - Journeyman Lineman
Jon Lee - Network Administrator
Nate Lyman - Engineer Technician
Dan McClendon - General Manager/CEO
Julie McQuivey - Member Service Rep.
Codan Minniear - Warehouse / Inventory
Kory Phelps - Systems / Network Admin
Bryan Pollpeter - GIS/Mapping

cont...

Clayton Reidhead - Communications Tech.
Zeb Rogers - Staking Technician
Jake Sawyer - Apprentice Lineman
Bryant Shakespear - COO
Charlie Steed - Drafting/Design (hired in 2025)
Rick Stewart - Substation Technician
Alivia Swapp - Field Service Rep
Daniel Thompson - Engineer Manager
Trace Torgersen - Journeyman Lineman
Wes Troy - Meter Tech. Apprentice
Jeff Vaughn - Kanab Operations Manager (retired in 2025)
Taleana Virostko - Staking/GIS Supervisor
Birkette Willis - Member Service Rep

Hatch

Susie Anderson - Member Service Rep
Kesler Blood - Mechanic
Josh Chappell - Journeyman Lineman
Flint Chynoweth - Journeyman Lineman
Korde Chynoweth - Journeyman Lineman
Justin Cooper - Journeyman Lineman
Nikki Dinges - Meter Tech Supervisor
Josh Ferrin - Journeyman Lineman
Clayton Johnson - Meter Technician
Justin Miller - Operations Manager
Kaden Pollock - Staking Tech.
Adam Sawyer - Journeyman Lineman
Justin Spencer - Warehouseman
Beau Sylvester - App. Lineman
Guy Renzello - Journeyman Lineman
Cole Twitchell - Substation Technician
Ralph Wilcok - Meter Reader Tech
Rob Wolfley - Hatch Operations Manager



Loa

Taylor Albrecht - Meter Technician
Phillip Burr - Loa Operations Manager (retired in 2025)
Courtney Cropper - Journeyman Lineman
Saige Taylor - Accounting Supervisor
Candis Fillmore - Member Service Rep.
Brage Greenhalg- Apprentice Lineman
Scott Grundy - Journeyman Lineman (retired in 2025)
Dalton Hoyt - Lineman (hired in 2025)
Marcus Lewis - Finance Manager / CFO
Denise Macklin - Accountant
Cary Simmons - Accounting Clerk
Paige Tomlinson - Accounting Clerk
Heather Torgerson - Accountant
Brad Webb - Journeyman Lineman
Derek Woolsey - Journeyman Lineman

Propane

Dan Hatch - Propane Delivery
James Hoyt - Propane Manager
Rob Matthews - Propane Delivery
Adam Millet- Propane Delivery
Bobby Owen - Propane Delivery
Derrick Pollock - Propane Delivery
Dusty Riddle - Service Tech.
Matt Spencer - Propane Delivery

