



**Dunn Energy
Cooperative**

Your Touchstone Energy® Cooperative 

2024 Annual Report



Working for You

Annual Meeting Program

5:00 p.m. Registration of Members

6:00 p.m. **Welcome – Jeff Gasteyer**

Due Proof of Mailing - Rachel Kummer

Report of Credentials Committee - Tony Baier

President's Report – Jeff Gasteyer

Manager's Report – Jesse Singerhouse

**Guest Speaker – Adam Accola,
Dunn Economic Development**

Business Meeting

- Approval of Minutes
- Old Business (none)
- New Business
- Questions
- Election of Directors

Adjournment

Rules for the Annual Meeting:

1. The meeting will be conducted in accordance with Robert's Rules of Order.
2. Any speaker must be recognized by the chair before speaking.
3. Only members will be recognized by the chair; each member must give his or her name.
4. No resolution on policy affecting Dunn Energy Cooperative may be submitted by any member unless written copies have been submitted to the Board of Directors no later than the date listed on the Notice of Nominations.
5. Members are to limit their questions and comments to three (3) minutes, with any rebuttal limited to two (2) minutes.
6. Members will be limited to one question. If time allows, members may ask additional questions.
7. There will be a designated time for questions and answers during the business session.

2025 Youth Scholarship Recipients

Boyceville High School

Ryker Benitz	Ryan & Amber Benitz	UW-Madison
Emily Fetzer	Frank & Stacy Fetzer	UW-Madison
Jake Bialzik	Tina & Aaron Bialzik	UW-Madison
Jamie Lehmann	Glen & Kim Lehmann	CVTC

Chippewa Falls

Isaiah Henrichs	Rick & Valerie Henrichs	Western Technical College
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Colfax High School

Kaysen Goodell	Mat & Renee Goodell	UW-River Falls
Chelsea Rose	John Rose & Diane Rose Witt	UW-Stout
Brenna Berg	Adam Berg & Melissa Berg	UW-River Falls
Amanda Lemler	Ron & Erin Lemler	Winona State University

Durand High School

Chloe Auth	Ericka & Dustin Auth	Viterbo
Steven Loff -Peterson	John & Linda Loff-Peterson	Michigan Tech. University

Eau Claire Memorial High School

Josh Lortscher	Loren & Amy Lortscher	UW-La Crosse
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Elk Mound High School

Kamron Diermeier	Doug & Darla Diermeier	UW-Whitewater
Aiden Schindler	Cory & Wendy Schindler	UW-La Crosse
Alexis Joachim	Susan & Dominique Joachim	UW-Eau Claire
Ellie Schiszik	Mike & Heidi Schiszik	UW-La Crosse

Menomonie High School

Anika Schoenberger	Dave & Tina Schoenberger	MSU - Mankato
Jonathon Foslid	William & Kimberly Foslid	Michigan Tech. University
Rebekah Bignell	Chris & Sue Bignell	UW-Eau Claire
Hayden Weir	Heidi & Bob Weir	CVTC

In 2024, the Operation Round Up program funded over \$25,000 in grants for local not-for-profit organizations in the communities we serve.

Alano Club of Menomonie
Elk Mound High School
Ridgeland Community Fair
Town of Sand Creek Parks & Rec
Friends of Menomonie Recreation
Wisconsin Foster Closet
Durand Youth Fishing Contest
Wisconsin Milkweed Alliance
CV Boy Scouts of America
Food Harvest Ministry
Reach Out & Read
Staying Put, Inc.
Menomonie Lion's Club
Durand Trapshooter's Association
School District of Elmwood
Durand Women's Club
Dunn County HCE

Heat tape for ice dams
Hygiene closet supplies
Gravel Driveway fund
Playground Upgrade
Thrill Seekers Prom
School supply drive
Fishing Contest supplies
AED
Fall Club Camp
Food purchase
Books
Replace signage
Game Park Shelter
LED Lighting
Sound System
Fill-a-bookbag Program
Project Bookworm

In 2024, Dunn Energy Cooperative started a new educational series for members, *The Power Connection: Conversations with Your Cooperative*. Over the course of five sessions (in 7 months) the inaugural group learned about a myriad of things, including beneficial electrification, the grid and how it works, cooperative financials, the challenges and opportunities the energy industry is facing, and much more.

We would like to recognize the first group of participants and thank them for their time:

Dave Rolley
Diane Traxler Fredrick
Jeff Foster
Jim Wildner
Tim Lienau
Tom Bauer

Thank you!

If this is something you might be interested in,
please contact Jolene Fisher at jolene@dunnenergy.com

STATEMENT OF OPERATIONS

Dunn Energy Cooperative

December 31, 2024 and 2023

	2024 (Audited)	2023 (Audited)
OPERATING REVENUES	<u>\$27,001,327</u>	<u>\$27,612,596</u>
OPERATING EXPENSES		
Cost of Purchased Energy	17,090,983	17,770,951
Distribution Expense - Operation & Maintenance	3,035,578	2,761,029
Consumer Accounting and Collection	341,417	343,733
Consumer Informational and Advertising	257,469	260,506
Sales Expense	67,535	50,628
Administrative and General Expenses	1,636,380	1,585,941
Total Operating Expenses	<u>22,429,362</u>	<u>22,772,788</u>
OPERATING MARGINS BEFORE FIXED EXPENSES	<u>4,571,965</u>	<u>4,839,808</u>
FIXED EXPENSES		
Depreciation Expenses	2,219,304	2,108,704
Tax Expense	316,140	313,949
Other Operating Deductions	20,480	17,887
Interest Expense - Other	221,701	49,811
Interest on Long Term Debt	834,187	848,474
Total Fixed Expenses	<u>3,611,812</u>	<u>3,338,825</u>
OPERATING MARGINS AFTER FIXED CHARGES	960,153	1,500,983
Other Patronage Capital or Margins	<u>1,115,929</u>	<u>1,031,428</u>
NET OPERATING MARGINS	2,076,082	2,532,411
Non-Operating Margins	<u>64,020</u>	<u>90,521</u>
TOTAL PATRONAGE CAPITAL & OPERATING MARGINS	<u>\$2,140,102</u>	<u>\$2,622,932</u>
Dunn Energy Operating Margins	\$1,178,249	\$1,683,224
Dairyland Power Margins	\$897,833	\$849,187
Dunn Energy Non-Operating Margins	<u>\$64,020</u>	<u>\$90,521</u>
TOTAL PATRONAGE CAPITAL & OPERATING MARGINS	<u>\$2,140,102</u>	<u>\$2,622,932</u>

AUDIT REPORTS

Each year the USDA's Rural Utilities Service (RUS), the National Rural Utilities Cooperative Finance Corporation (CFC), and CoBank require an independent audit be made of the Cooperative's records. Our most recent audit was completed for the period ending December 31, 2024.

Each year an independent auditing firm does a complete audit of the past year's operation. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The auditing firm appears before the Board of Directors at a regularly scheduled board meeting to make recommendations, changes, auditing entries, and methods to further enhance the Cooperative. Copies of the completed audit are sent to RUS, CFC, and CoBank and are available at the office of the Cooperative.

BALANCE SHEET

Dunn Energy Cooperative

December 31, 2024 and 2023

	2024 (Audited)	2023 (Audited)
ASSETS		
PLANT		
Utility Plant	\$76,823,356	\$73,559,044
Less: Reserve for Depreciation	(19,338,196)	(18,288,182)
Net Utility Plant	\$57,485,160	55,270,862
INVESTMENTS		
Investments in Associated Organizations	13,478,735	12,786,331
Other Investments	28,951	39,044
Total Investments	13,507,686	12,825,375
CURRENT ASSETS		
Cash and Temporary Investments	\$849,670	288,142
Accounts Receivable - Less Reserve	2,630,505	2,259,568
Materials and Supplies	1,254,559	1,289,281
Prepayments	98,429	102,217
Notes Receivable-Current Portion	9,282	17,754
Interest Receivable	2,918	2,926
Total Current Assets	4,845,363	3,959,888
DEFERRED DEBITS	104,942	71,277
TOTAL ASSETS	<u>\$75,943,151</u>	<u>\$72,127,402</u>
EQUITIES & LIABILITIES		
EQUITIES		
Patronage Capital Credits Assigned	\$27,937,862	\$26,488,812
Other Equities	7,391,339	7,267,169
Current Year Patronage	2,140,102	2,622,932
Total Equities	37,469,303	36,378,913
LONG TERM LIABILITIES	33,497,204	30,257,958
OBLIGATIONS UNDER LEASE AGREEMENTS	16,612	0
CURRENT LIABILITIES		
Current Maturities of Long-Term Liabilities	1,479,551	1,531,693
Accounts Payable	1,747,456	1,998,778
Consumer Deposits	105,925	89,025
Other Current and Accrued Liabilities	883,226	839,938
Total Current Liabilities	4,216,158	4,459,434
DEFERRED CREDITS	743,874	1,031,097
TOTAL EQUITIES AND LIABILITIES	<u>\$75,943,151</u>	<u>\$72,127,402</u>

February 27, 2025

To the Members
Dunn Energy Cooperative
Menomonie, WI

Greetings,

Our firm was engaged by the board of directors to perform an independent audit of the financial statements of the Cooperative for the year ended December 31, 2024. Our firm is independent under generally accepted auditing standards as required by the American Institute of Certified Public Accountants (AICPA) as well as the Government Accountability Office (GAO). Generally speaking this means we are not providing any services which are prohibited, which would consist of us making management decisions of having custody of assets, as well as having any other relationships with the Cooperative which would impair our independence either in fact or in appearance (family or personal relationships, etc.).

Our audit entails a variety of employee interviews, transaction walkthroughs, document reviews and analytical procedures to substantiate year end balances and activities of the Cooperative. As part of the audit, we are also required to obtain an understanding of internal controls (internal checks and balances) which is used to develop the timing and extent of our audit procedures and report to management and the board. Although we do not attest to it, we also review significant compliance requirements as it relates to lenders, the IRS and by-laws of the Cooperative. This includes looking at significant debt covenants as well as member capital credit allocations and retirements as it relates to IRS requirements and the by-laws. The Cooperative currently is maintaining its tax-exempt status and there is no income tax liability.

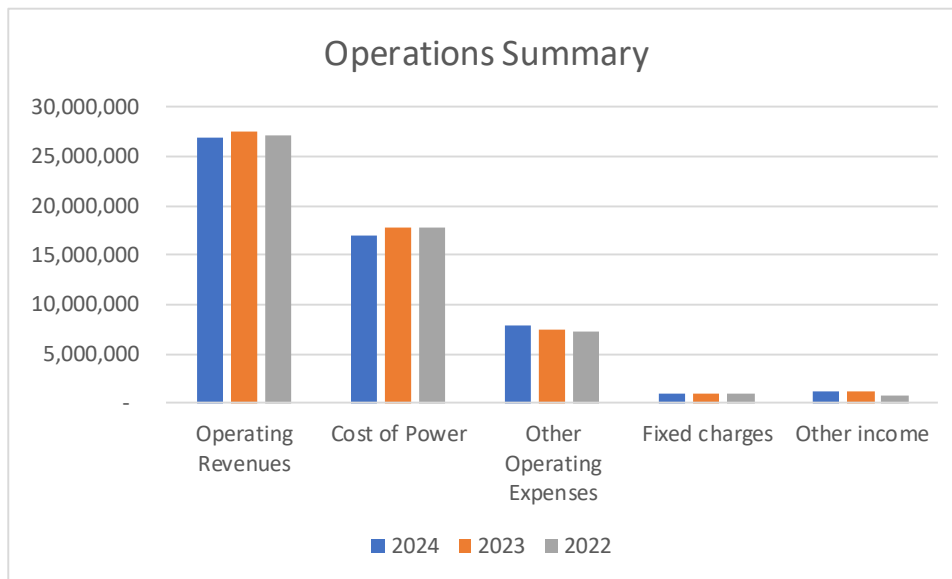
Audit opinion

Our audit opinion dated February 27, 2025 states that in our opinion, the financial statements are fairly presented, in all material respects, for the financial statement period as of and for the year ended December 31, 2024. This is an unmodified opinion which is the highest form of assurance we can offer under professional standards for a financial statement audit.

Financial highlights

See following summary of financial highlights:

Financial highlights (Continued)



In 2024 the Cooperative had net margins of approximately \$2.1 million compared to \$2.6 million in 2023. Operating revenues decreased to \$27.0 million in 2024 compared to \$27.6 million in 2023. Cost of power decreased to \$17.1 million in 2024 from \$17.8 million in 2023. Expenses other than cost of power were approximately \$7.9 million in 2024 versus \$7.4 million in 2023.

In 2024 the Cooperative allocated all of its prior year margins of \$2.6 million to its members in accordance with applicable laws and governing documents to be paid back to members in future periods. Also, during 2024, the Cooperative paid back approximately \$1.05 million to its members from previous years allocated margins.

Total assets on the balance sheet remain relatively consistent with fixed assets accounting for approximately 76% of total assets. The Cooperative currently has a 49.3% equity to asset ratio for 2024 compared to 50.4% in 2023.

The Cooperative has maintained healthy financial ratios and is meeting financial covenants as set forth by its lenders.

Sincerely,

CERTIFIED PUBLIC ACCOUNTANTS

2024 AT-A-GLANCE

27

Employees

9,086

Members

10,610

Meters

5.14

Meters per mile

9378

Residential

109

Seasonal

232

Irrigation

891

Farm/Comm./Oth

Capital Credits Retired in 2024

\$1,173,882

Capital Credits Retired to Date

\$25,244,378

Energy Sense Rebates Awarded

\$67,071

\$25,812

Operation
Round Up
Grants

\$16,000

Scholarships Awarded

2024 AT-A-GLANCE

2,065

Total Miles
of Line

Overhead

1,131

Underground

934

128

New Services Added

\$145.31

Average Monthly Bill

149

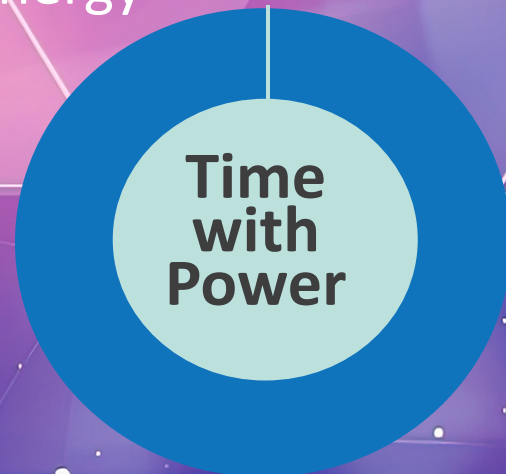
Member-owned
renewable energy
systems

6,703,375 kWh

Locally generated renewable
energy

3.1MW

Cooperative
Renewable Generation



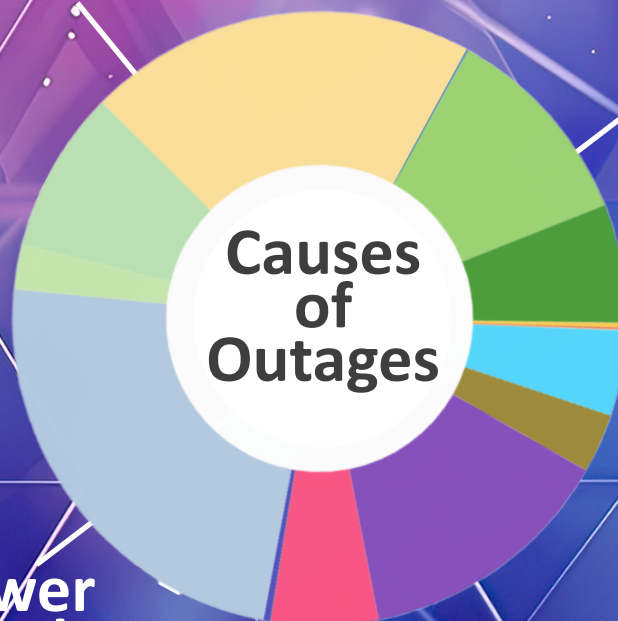
99.9%

Time
with
Power

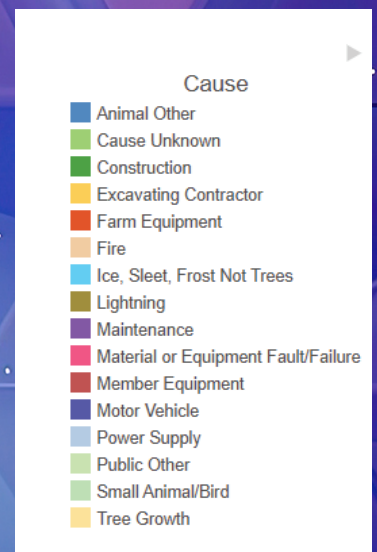
Trees

Unknown

Power
Supply



Causes
of
Outages



Where the Dollars Came from



Residential
61.2%

Small Commercial
18.7%

Large Commercial
16.3%

Irrigation & Other
3.8%

Where the Dollars Were Spent



Purchased Power
66%

Operations & Maintenance
12%

Consumer/Customer/Sales /Admin
9%

Depreciation
9%

Interest/Tax/Other
4%

\$27M
Annual
Revenue

210M
kWh Sold

\$17M
Cost of Energy
& Demand

Statement of Dunn Energy Cooperative

	2024	2014
Total Assets	75,943,151	54,925,264
Total Other Liabilities	4,976,644	3,628,004
Total Long Term Debt	33,497,204	25,179,119
Total Equity	37,469,303	26,118,141
Total Electric Revenue	27,001,327	22,118,468
Total Electric Expenses	26,041,174	21,268,177
Other Margins	1,179,949	888,742
Net Margins	2,140,102	1,739,033

DUNN ENERGY COOPERATIVE
2024 ANNUAL MEETING OF MEMBERS

The 87th Annual Meeting of Dunn Energy Cooperative was held at Dunn Energy Cooperative on Thursday, May 16th, 2024. Jeff Gasteyer, President of the Cooperative, acting as chairman, called the meeting to order at 6:05 p.m. and gave an invocation and led the Pledge of Allegiance. Rachel Kummer, Secretary-Treasurer, was introduced and read the Notice of the Annual Meeting and Due Proof of Mailing. The President had the credentials committee give their report and Chairperson Tony Baier reported that 794 mail-in ballots were received and there are 96 members attending, which means that a quorum is present.

The President then asked the ballot clerks to pick up any ballots that had not yet been turned in. President Gasteyer gave his report. During his President's Speech, he discussed the reliability of power and what that means to consumers. Topics included brushing rights-of-way, work plans, having a diversified energy portfolio, and being fiscally responsible. He ended his speech by telling members that as our country transitions to a cleaner energy future, we must not lose sight of reliability and let time be our friend in this endeavor.

President Gasteyer called on General Manager/CEO Jesse Singerhouse to give a State of the Cooperative Report for 2023. Mr. Singerhouse thanked the members for attending today. He then introduced guests in the audience, including guest speaker Ben Porath, executive vice president and chief operating officer at Dairyland Power Cooperative, as well as State Senator Jesse James who represents the 23rd district. He then introduced the candidates running for the Board of Directors and employees who reached anniversaries in 2023 including Loren Luzinski (30 years), Josh Millar and Mike Frinak (both 10 years).

Scholarship recipients were recognized as well as the three retiring directors; Jim Wildner, Lee Jensen, and Tom Zwiefelhofer, who all received a meter lamp as a token of the Cooperative's appreciation for the 12 years of service on the board.

Mr. Singerhouse spoke to the addition of two 1.5 megawatt solar arrays to the Dunn Energy system in 2023, of which all output is contracted to the Cooperative. He noted a third is in the works for 2026. He then pivoted to the financials of the Cooperative, noting that revenues of \$27.6 million in 2023 exceeded the prior year by \$429,000. Operating expenses were slightly higher than 2023 due to increased costs of materials and services needed to run the day-to-day business of the Cooperative. All in all, however, it was a solid year for Dunn Energy. Mr. Singerhouse pointed out a letter from Bauman and Associates, our independent financial auditors. The letter stated that the 2023 audit has been completed and the Cooperative has received a clean audit.

A few key facts about the Cooperative were pointed out for members as well. In 2023 Dunn Energy returned over \$1 million in capital credits to members, with over \$24 million having been returned since the Cooperative incorporated. It was also noted that locally, the Cooperative returned close to \$70,000 to members in the form of energy efficiency rebates, \$17,000 in scholarships, and over \$31,000 in Operation Round Up grants.

At close, Mr. Singerhouse announced the introduction of a new program at Dunn Energy; The Power Connection: Conversations with your Cooperative. Members will have the opportunity to meet with cooperative leaders to learn more about the business model, financials, our energy landscape, and future challenges of the energy industry.

Mr. Singerhouse then introduced the guest speaker, Ben Porath. Mr. Porath spoke about the Dairyland Power Cooperative diversified energy portfolio, changes over the years in how you think about energy planning including things like reducing carbon, adding more renewable energy, and how to cover consumer energy needs when intermittent resources don't produce enough energy. The key takeaway from the presentation was that the energy transition will happen, but we must maintain reliability and affordability at all costs.

President Gasteyer then stated that we were now moving into the business portion of our meeting. He asked for a motion to accept the minutes as printed from the 86th Annual meeting. A motion was made and seconded by members present. Motion carried.

President Gasteyer stated that there was no Old Business to come before the meeting and asked for any

New Business. None was brought forth by the membership gathered.

President Gasteyer and General Manager/CEO Singerhouse then asked for any questions from the membership. Hearing none, President Gasteyer announced that the Nominating Committee had finished counting the ballots and then had credentials committee chairman Tony Baier read the results of the election. The official results are as follows:

For District 6 Director to succeed Tom Zwiefelhofer:

- | | |
|--------------------|-----|
| 1. Dennis Dvoracek | 416 |
| 2. Stephen Scott | 349 |

Tony then declared that since Dennis Dvoracek received the majority of votes, he was elected as director for a three-year term ending in 2027.

For District 7 Director to succeed Jim Wildner:

- | | |
|-----------------|-----|
| 1. Tim Lienau | 197 |
| 2. Jeff Wildner | 576 |

Tony then declared that since Jeff Wildner received the majority of votes, he was elected as director for a three-year term ending in 2027.

For District 8 Director to succeed Lee Jensen:

- | | |
|-----------------------|-----|
| 1. Krag Blomberg | 280 |
| 2. Michael Jenson Jr. | 494 |

Tony then declared that since Michael Jenson Jr. received the majority of votes, he was elected as director for a three-year term ending in 2027.

The drawing for bill credits was held and the following members each won bill credits:

\$25: Lowell Greenwood

\$50: Avis Behling

\$100: Arlyn Solberg

\$200: Janden Farms LLP

\$300: Dave Frank

\$400: Don Berglin

There being no further business to come before the meeting, on a motion duly made, seconded and unanimously carried, the meeting was adjourned at 7:16 p.m.

APPROVED:

Rachel Kummer, Secretary-Treasurer

Jeff Gasteyer, President