

The background of the cover is white, featuring three large, thick, curved bands that sweep across the page. One band is red and the other two are dark blue, arranged in a circular pattern around the central text.

2024

ANNUAL REPORT

BOARD OF DIRECTORS

Darren Sletten, President

Jay Harstad, Vice President

Owen Fiedler, Secretary/Treasurer

Jeff Braun, Director

Shawn Kaylor, Director

Don Robinson, Director

Robert Schmidt, Director

LEADERSHIP TEAM

Ricky Aberle

CEO

Megan Awalt

CFO

Lisa Jundt

Human Resource Manager

Kathy Gonzalez

Petroleum Manager

Sheri Endresen

Energy Sales

Craig Giroux

Machinery Sales

Charles Schestler

Service Manager

Shawna Chilcoat

C-Store Operations Manager

Eric Giroux

Agrabase Operations Manager

Brad MacClennan

Warehouse Manager/Logistics

YEARS OF SERVICE AWARDS

Thank you for your dedication to this cooperative!

5
YEARS

Vincent Hall
William Preston

Lester Vetter
Darren Zuck

10
YEARS

Crystal Fletcher
Derek Olson

Michelle Petz
Paula Nelson

Lance Rieder
David Woiwode

15
YEARS

Bradley MacClennan

20
YEARS

Darryl Endresen

25
YEARS

Bruce Thorson

96th ANNUAL MEETING MINUTES

MARCH 26, 2024

The 96th Annual Meeting was called to order at 6:00 pm at the Grand International Inn by Board President Darren Sletten. Lavon Wolf was appointed Recording Secretary by President Sletten. Board Secretary Robert Schmidt read the notice of the meeting and a quorum was declared with 212 ballots confirmed. A motion was made by Robert Finken and seconded by Kevin Bonness to accept the 2023 minutes.

Vice President Jay Harstad presented the scholarship report. Enerbase awarded eight scholarships this year and five of the eight recipients were in attendance. The scholarship winners were: Ally Wyman-Newburg United, Kylie Stein-Des Lacs Burlington High School, Allison Francis-Our Redeemers Christian School, Taryn Braaten-Velva High School, Isabel Engelhard-Our Redeemers Christian School, Mya Neshem-Berthold High School, Lauryn Chadwick-Velva High School, and Kadin Kolden-Garrison High School.

The 2023 Financial report was presented by Enerbase CFO Ricky Aberle. Enerbase had sales of \$166,708,358 in 2023 compared to \$185,786,106 in 2022. There was a net savings earned of \$13,237,110 in 2023 which was \$5,756,888 more than 2022. A motion was made by Mark Larson and seconded by Tom Burtch to accept the annual report.

Ricky Aberle also presented the Dakota Agronomy Partner's report. DAP had sales of \$192,766,521 with a net savings of \$8,604,864. The ownership in DAP has not changed with CHS-SunPrairie at 59%, Border Ag at 26% and Enerbase at 15%.

The Board Report was presented by President Darren Sletten. The Enerbase Board of Directors was recognized as well as CHS Board members Kevin Throener and Steve Fritel. Darren said the success of Enerbase is a team effort; Patron Loyalty, Indispensable Employees, High End Management, and a Committed Board. Darren also announced the retirement of Tony Bernhardt as Enerbase's CEO.

Tony came to work for Enerbase in 2009 and has 40 years in the cooperative system. Tony is well known in the cooperative system and made an impact on the success of Enerbase. Ricky Aberle was introduced as the new CEO moving into that position from the CFO position. Megan Awalt will replace Ricky as the new CFO.

Tony presented his final Enerbase manager's report. Tony started as an intern at Fessenden while in college and continued his career with stops in Mohall and Rugby before coming to Minot. Tony thanked the patron members. Under Tony's guidance there have been a number of mergers and acquisitions. He also thanked past and current Board Members and employees. DAP was thanked for the great partnership that Enerbase has with them. And Brenda, his wife, was recognized for always being his rock.

President Darren Sletten announced the Board of Directors election results. Jay Harstad ran unopposed and was reelected to the NW District. Shawn Kaylor also ran unopposed and was reelected to one of the At Large positions. 220 ballots were returned with 8 spoiled ballots.

Owen Fielder's SE District term ends in April of 2025. Owen is eligible to run again. Rob Schmidt will term out in April of 2025. Rob will not be eligible to run for his At Large District position.

Jeff Larson, Kevin Bonness, Tom Burch, and Merlin Routledge will continue on the Nominating Committee for the 2025 Annual Meeting.

Darren Sletten declared the meeting adjourned at 6:50pm

BALANCE SHEET

December 31, 2024 and 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash & cash equivalents	\$1,387,737	\$1,214,672
Trade accounts receivable	5,288,640	5,056,396
Current portion of investment in sales-type leases	116,969	109,912
Other receivables	337,830	239,675
Inventories	17,317,378	13,814,148
Prepays	460,401	480,151
Prepaid income tax	—	106,08
Total current assets	<u>\$24,908,955</u>	<u>\$21,021,043</u>
FIXED ASSETS		
Property & equipment	\$72,263,570	\$67,539,160
Less accumulated depreciation	<u>(21,331,262)</u>	<u>(19,291,411)</u>
	\$50,932,308	\$48,247,749
Investment in sales-type leases, net of current	\$438,934	\$494,718
INVESTMENTS		
Cooperatives	\$58,954,885	\$55,526,917
Dakota Agronomy Partners, LLC	11,395,088	11,389,462
	<u>70,349,973</u>	<u>66,916,379</u>
	<u>\$146,630,170</u>	<u>\$136,679,889</u>
LIABILITIES & MEMBERS' EQUITY		
CURRENT LIABILITIES		
Short-term notes payable	\$1,692,090	\$ —
Current portion of long-term debt	2,646,179	2,669,440
Trade accounts payable	5,386,669	5,061,415
Customer deposits	571,803	813,660
Other accrued expenses	1,837,718	2,002,273
Income taxes payable	498,538	—
Total current liabilities	<u>\$12,632,997</u>	<u>\$10,546,788</u>
DEFERRED INCOME TAXES	\$2,953,000	\$3,413,000
LONG-TERM DEBT, NET OF CURRENT PORTION	<u>\$3,922,083</u>	<u>\$4,834,464</u>
MEMBERS' EQUITY		
Patronage equity & reinvested refunds	\$37,636,432	\$36,681,960
Allocated capital reserve	100,346	100,346
Unallocated capital reserve	89,385,312	81,103,331
Total members' equity	<u>\$127,122,090</u>	<u>\$117,885,637</u>
	<u>\$146,630,170</u>	<u>\$136,679,889</u>

STATEMENT OF OPERATIONS

December 31, 2024 and 2023

	2024	2023
Gross sales	\$155,718,603	\$166,708,358
Cost of sales	130,284,004	141,745,939
Gross profit	25,434,599	24,962,419
Operating expenses		
Other operating expenses	18,255,946	17,587,840
Local savings from operations	7,178,653	7,374,579
Other income (expenses)		
Other income (expenses)	(1,238,494)	(1,063,470)
Local savings	5,940,159	6,311,109
Net income from DAP, LLC	905,626	1,175,256
Cooperative dividends	10,820,430	7,523,914
Savings before income tax	17,666,215	15,010,279
Provisions for income tax	(2,249,627)	(1,773,169)
Net savings	\$15,416,588	\$13,237,110

STATEMENT OF MEMBERS' EQUITY

December 31, 2024 and 2023

	Qualified Members' Equity Credits	Nonqualified Members' Equity Credits	Patronage Ref. for Reinvest.	Allocated Capital Reserve	Unallocated Capital Reserve	Total
Members' Equity January 1, 2023	\$27,216,570	\$6,164,181	\$3,336,533	\$100,346	\$73,302,660	\$110,120,290
2022 patronage distribution		2,100,264	(3,336,533)		3,023	(1,233,246)
Retirements:						
Estates & 70 and over	(677,117)	(208,258)				(885,375)
2007-2009 Minot stock ret.	(2,476,830)					(2,476,830)
1986-1995 Velva stock ret.	(587,057)					(587,057)
2004-2008 Plaza stock ret.	(308,414)					(308,414)
Equity to cover credit losses and accounts receivable	(27)	(64)				(91)
Adjustments					19,250	19,250
Net savings			5,458,712		7,778,398	13,237,110
Members' Equity Dec. 31, 2023	\$23,167,125	\$8,056,123	\$5,458,712	\$100,346	\$81,103,331	\$117,885,637
2023 patronage distribution		3,895,492	(5,458,712)		(621,262)	(2,184,482)
Retirement						
Estates & 70 and over	(1,432,030)	(465,601)				(1,897,631)
2010 Minot Stock Retirement	(1,296,649)					(1,296,649)
1996-2008 Velva Stock Ret.	(629,119)					(629,119)
2009-2010 Plaza Stock Ret.	(172,566)					(172,566)
Equity to cover credit losses and accounts receivable	(3,326)	(88)				(3,414)
Adjustments	6,454	(2,728)				3,726
Net savings			6,513,345		8,903,243	15,416,588
Members' Equity Dec. 31, 2024	\$19,639,889	\$11,483,198	\$6,513,345	\$100,346	\$89,385,312	\$127,122,090

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

INVENTORIES

Inventory costs at December 31 are

	2024	2023
New wholegoods	\$8,281,999	\$5,821,730
Parts	1,751,682	1,588,796
Petroleum products	2,931,572	3,074,796
Used wholegoods	932,288	447,699
Hardware products	391,711	446,931
Hopper bins	1,442,244	921,833
C-store inventories	1,355,623	1,130,638
Propane, LP, NH3 tanks and trailers	61,392	194,628
Miscellaneous inventories	64,128	80,098
Tires	47,052	55,035
Antifreeze	57,687	51,964
	<u>\$17,317,378</u>	<u>\$13,814,148</u>

PROPERTY & EQUIPMENT

Property & equipment costs at December 31 are

Land & improvements	\$24,417,921	\$24,296,877
Buildings & improvements	25,030,175	21,067,771
Machinery & equipment	16,472,054	15,680,600
Vehicles	4,869,943	4,254,072
Construction in progress	—	766,363
	<u>\$70,790,093</u>	<u>\$66,065,683</u>

INVESTMENT IN COOPERATIVES

CHS Inc.	\$56,640,159	\$53,239,782
Land O' Lakes, Inc	1,539,039	1,538,969
Souris River Telephone	230,195	224,490
West River Mutual Telephone	135,805	141,686
Verendrye Electric	144,292	129,539
All others	265,395	252,451
	<u>\$58,954,885</u>	<u>\$55,526,917</u>

INVESTMENT IN DAKOTA AGRONOMY PARTNERS, LLC

Summary of the cooperative's 15% ownership activity for the years ended December 31, 2024 & 2023

	2024	2023
Beginning of year balance	\$11,389,462	\$11,414,206
Share of net income	\$905,626	1,175,256
Capital distributions	(900,000)	(1,200,000)
End of year balance	<u>\$11,395,088</u>	<u>\$11,389,462</u>

Condensed financial information of DAP, LLC as of/and for the periods ended August 31, 2024 & 2023

Current assets	\$58,737,186	\$62,643,061
Property and equipment, net	34,333,746	33,161,487
Investment in cooperatives	735,429	660,214
Other assets	12,187,040	12,187,040
Right-of-use finance lease assets	252,309	982,232
Right-of-use operating lease assets	192,978	220,882
	<u>\$106,438,688</u>	<u>\$109,854,916</u>

SCHEDULE OF OPERATING EXPENSES

December 31, 2024 and 2023

DISTRIBUTION

	2024	2023
Salaries & wages	\$8,826,486	\$8,539,527
Delivery expenses	1,136,911	1,242,047
Employee insurance	1,257,330	1,124,975
Payroll taxes	625,222	602,357
Advertising & promotion	193,677	117,705
Pension contributions	233,087	241,789
Consulting	5,611	35,805
	<u>\$12,278,324</u>	<u>\$11,904,205</u>

GENERAL

Repairs & supplies	\$1,647,062	\$1,574,656
Depreciation	2,075,710	2,021,815
Utilities	573,041	606,067
Insurance	456,183	369,173
Property taxes	414,316	429,610
Rent	21,920	24,920
Business licenses	82,347	78,715
Recruitment & testing	22,062	35,024
Uniforms	41,017	31,922
	<u>\$5,333,658</u>	<u>\$5,171,902</u>

ADMINISTRATION

Telephone	\$115,294	\$117,453
Professional services	83,285	83,221
Meetings & travel	91,879	47,129
Educational fund	43,000	43,000
Data processing	166,642	115,432
Office supplies	58,261	51,500
Director fees	32,102	30,954
Dues & donations	14,719	22,943
Bad debts	38,782	101
	<u>\$643,964</u>	<u>\$511,733</u>
	<u>\$18,255,946</u>	<u>\$17,587,840</u>

	2024	2023
Current liabilities	\$27,795,430	\$38,885,527
Long-term debt, net of current portion	5,531,250	6,956,250
Long-term finance lease liabilities, net	—	351,743
Long-term operating lease liabilities, net	164,231	192,978
Members' equity	72,947,777	63,468,418
	<u>\$106,438,688</u>	<u>\$109,854,916</u>
Sales	<u>\$176,468,451</u>	<u>\$192,766,521</u>
Net income	<u>\$9,479,359</u>	<u>\$8,604,864</u>

For the years ended December 31, 2024 and 2023, the Cooperative had sales to Dakota Agronomy Partners, LLC totaling \$870,224 and \$672,846, respectively, of which \$23,281 and \$16,054, respectively, was receivable. For the years ended December 31, 2024 and 2023, the Cooperative had purchases from Dakota Agronomy Partners, LLC of \$12,576 and \$16,117, respectively, of which \$560 and \$852, respectively, was payable.



CORPORATE OFFICE

DRAWER F

205 46th Avenue NE

Minot, ND 58703

701-852-2501

WWW.ENERBASE.COOP



CENEX-BRANDED LOCATIONS:

7 IN MINOT
GLENBURN
MAXBASS

WASHBURN
RYDER
DRAKE

VELVA
MAKOTI
PLAZA