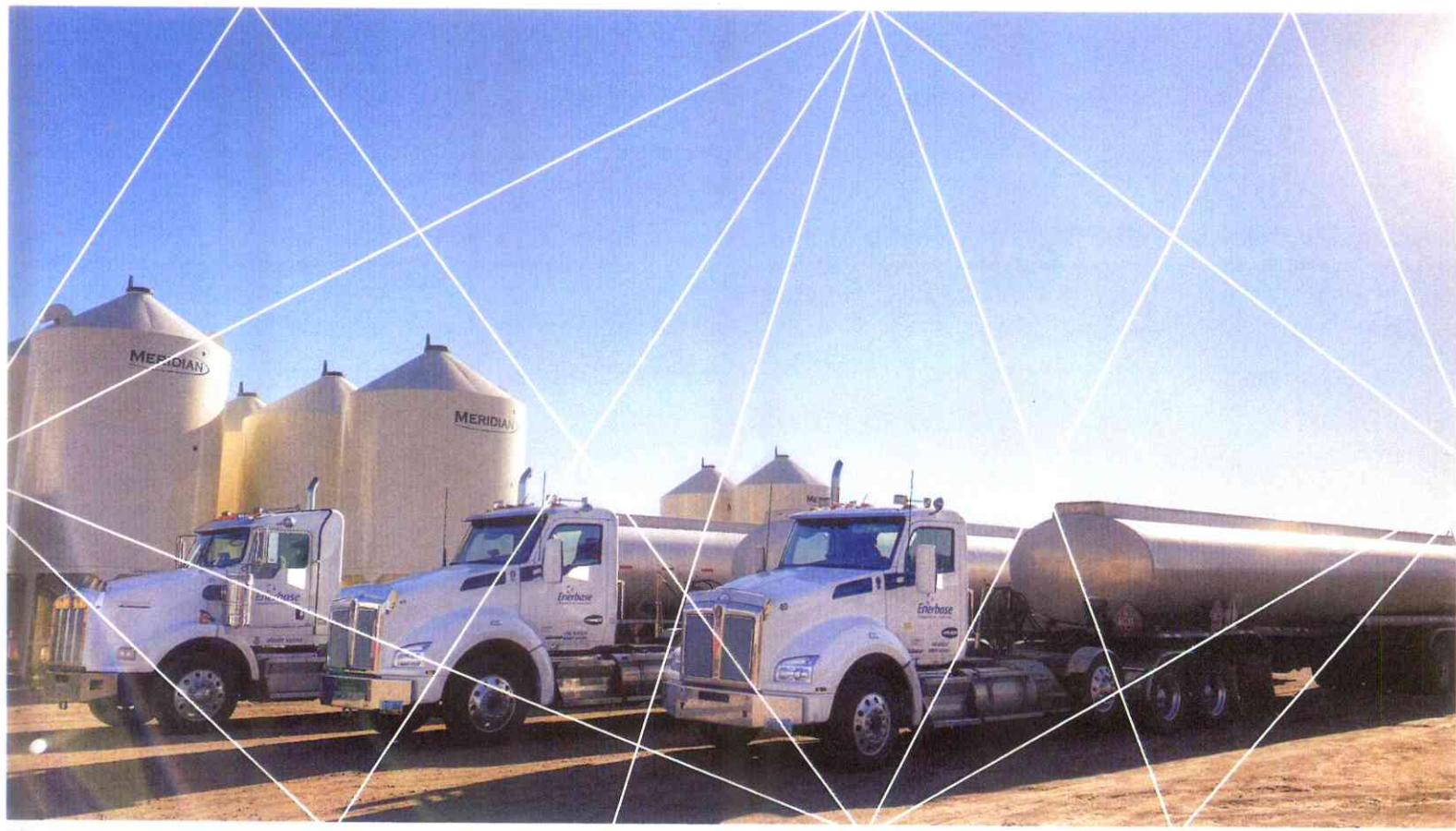


2022



ANNUAL REPORT


Enerbase
Cooperative resources.

BOARD OF DIRECTORS

Darren Sletten, President

Jay Harstad, Vice President

Robert Schmidt, Secretary/Treasurer

Jeff Braun, Director

Shawn Kaylor, Director

Ricky Scheid, Director

Owen Fiedler, Director

Advisory Members:

Dennis Deutsch

LEADERSHIP TEAM

Tony Bernhardt	CEO	Sheri Endresen	Energy Sales
Ricky Aberle	CFO	Al Medler	Sales and Dispatch
Lavon Wolf	Office Manager	Craig Giroux	Machinery Sales
Becky Nelson	Human Resource Manager	Becky Kuntz	Machinery Sales
Lori Fettig	Acct. Rec./Credit Manager	Richard Faul	Machinery Sales
Myrna Moberg	Financial Analyst	Shawna Chilcoat	C-Store Operations Manager
Mandy Hansen	Accounts Payable	Eric Giroux	Agrabase Assembly Manager
Kathy Gonzalez	Petroleum Manager	Brad MacClennan	Warehouse Mgr/Logistics
Amanda Haugen	Asst. Petroleum Manager		

YEARS OF SERVICE AWARDS

Thank you for your dedication to this cooperative!

**5
YEARS**

Susan Ahrendt-Ronnie
Jeffrey Cepak
Kari Kautzman

Kurt Boechler
Craig Giroux
Randy Michalenko

**10
YEARS**

Ricky Aberle
Louis Anderson
Mandy Briggs
Warren Boehler

Myrna Moberg
Kathy Gonzalez
Roger Peterson
Eloyce Anderson

**15
YEARS**

Roger Folden

Todd Olson

94th ANNUAL MEETING MINUTES

MARCH 24, 2022

The 94th Annual Meeting was called to order at 6:00 pm at the Grand International by Board President Darren Sletten. The meeting was live streamed with Board Members Darren Sletten, Jeff Krueger, Robert Schmidt, Ricky Scheid, Jeff Braun, Jay Harstad, and Shawn Kaylor; Advisory Members Owen Fiedler and Dennis Deutsch, Marketing Director/Zoom Coordinator Jayme Burkhart and Recording Secretary Lavon Wolf in attendance.

The annual meeting notice was read by Secretary Schmidt. A quorum was declared with 168 ballots confirmed. A motion was made by Krueger and seconded by Scheid to accept the 2021 minutes.

Vice President Krueger presented this year's scholarship report. There were 15 qualified applicants with eight scholarships awarded. The scholarship winners were Reanna Schmidt - Center, Tanner Hunskor - Minot, Kennedy Limke - Carpio, Ben Scheresky - Max, Riley Hauff - Drake, Shaden Schiele - Balfour, Layton Ludwig - Minot, and Amy Klain - Turtle Lake.

Enerbase CFO Ricky Aberle presented the financial report. Enerbase had sales of \$133,941,943 in 2021 and a net savings of \$9,024,065 which is a return on sales of 6.7%. Petroleum made up 74% of the sales with General Merchandise at 16% and Machinery/Service at 10%. Gross margins grew by almost \$2.3 million dollars in 2021. Enerbase total assets were \$126,437,793 at the end of 2021. A motion was made by Jay Harstad to accept the annual report and was seconded by Rob Schmidt.

Dakota Agronomy Partners report was also presented by Aberle. DAP had profits of \$4,396,700 for 2021 compared to \$1,494,605 in 2020.

Darren Sletten presented his chairman's report. Darren said one of the main jobs of the Board of Directors is to protect the balance sheet and Enerbase has a very strong and healthy balance

sheet. The board through its monthly meetings and annual planning session are always reviewing and looking at opportunities. While some decisions are difficult, the board is always looking out for what is best for the company.

Tony Bernhardt presented his manager's report. Tony thanked the Board and employees for another good year. Years of Service awards were announced by Tony with Harold Lockwood and Lolly Gorze for 5 years, John Young and Edward Montez for 15 years, Randy Thor for 35 years, and Charles Schmaltz for 45 years. He also announced hope of opening the new C-Store in Makoti the first part of August 2022.

Darren Sletten gave the nominating committee report. Vice President Jeff Krueger's term limit of 12 years has expired and he was presented with a clock by Chairman Darren Sletten and Manager Bernhardt for his years of service on the Board of Directors. Owen Fiedler ran unopposed and was elected to the SE District. There was a race for the At Large District with Robert Schmidt seeking re-election and Trent Sherven seeking election with Robert Schmidt declared the winner. Next year Jeff Braun's NE District and Darren Sletten's SW District terms will expire with both eligible to run. Ricky Scheid's term for South of the Lake District will also expire and he has decided not to run again. Jeff Larson, Kevin Bonness, Tom Burch and Merlin Routledge will continue on the Nominating Committee for the 2023 Annual Meeting.

It was announced by Darren Sletten that next year's 95th Annual Meeting will hopefully be open to the members to once again attend in person.

Darren Sletten declared the meeting adjourned at 6:32pm

BALANCE SHEET

December 31, 2022 and 2021

ASSETS	2022	2021
CURRENT ASSETS		
Cash & cash equivalents	\$2,521,965	\$1,467,285
Trade accounts receivable	6,283,188	5,089,879
Current portion of investment in sales-type leases	44,666	30,376
Other receivables	296,248	269,128
Inventories	11,526,751	9,230,883
Prepays	265,819	38,200
Prepaid income tax	211,858	0
Total current assets	\$21,150,495	\$16,125,751
FIXED ASSETS		
Property & equipment	\$63,612,894	\$59,334,543
Less accumulated depreciation	18,585,099	17,487,039
	\$45,027,795	\$41,847,504
Investment in sales-type leases, net of current	\$184,547	\$137,608
INVESTMENTS		
Cooperatives	\$56,828,649	\$57,306,639
Dakota Agronomy Partners, LLC	11,414,206	11,020,440
	68,242,855	68,327,079
	\$134,605,692	\$126,437,942
LIABILITIES & MEMBERS' EQUITY		
CURRENT LIABILITIES		
Short-term notes payable	\$3,107,878	\$2,172,307
Current portion of long-term debt	2,119,440	2,013,355
Trade accounts payable	6,395,594	4,824,219
Customer deposits	1,707,814	863,714
Other accrued expenses	1,717,245	1,570,043
Accrued income tax payable	0	83,632
Total current liabilities	\$15,047,971	\$11,527,270
DEFERRED INCOME TAXES		
	\$3,422,000	\$3,604,000
LONG-TERM DEBT, NET OF CURRENT PORTION		
	\$6,015,431	\$6,008,055
MEMBERS' EQUITY		
Patronage equity & reinvested refunds	\$36,717,284	\$36,411,849
Allocated capital reserve	100,346	100,346
Unallocated capital reserve	73,302,660	68,786,422
Total members' equity	110,120,290	105,298,617
	\$134,605,692	\$126,437,942

STATEMENT OF OPERATIONS

December 31, 2022 and 2021

	2022	2021
Gross sales	\$185,786,106	\$133,813,667
Cost of sales	162,011,398	113,733,951
Gross profit	<hr/>	<hr/>
Operating expenses	23,774,708	20,079,716
Other operating expenses	<hr/>	<hr/>
Local savings from operations	16,824,395	15,215,533
Other income (expenses)	<hr/>	<hr/>
PPP Loan Forgiveness	0	1,588,750
Other expenses	(1,579,290)	(1,113,725)
Local savings	<hr/>	<hr/>
Net income from DAP, LLC	5,371,023	5,339,208
Cooperative dividends	<hr/>	<hr/>
Savings before income tax	1,593,766	1,245,714
Provisions for income tax	<hr/>	<hr/>
643,902	2,023,095	<hr/>
Net savings	7,608,691	8,608,017
	(128,469)	412,425
	<hr/>	<hr/>
	\$7,480,222	\$9,020,442

STATEMENT OF MEMBERS' EQUITY

December 31, 2022 and 2021

	Members' Equity	Nonqualified Equity Credits	Patronage Ref. for Reinvest.	Allocated Capital Reserve	Unallocated Capital Reserve	Total
Members' Equity Jan. 1, 2021	\$30,279,844	\$1,052,597	\$3,287,000	\$100,346	\$63,875,526	\$98,595,313
2020 patronage distribution	0	3,293,881	(3,287,000)		(698,832)	(691,951)
Retirements:						
Estates & 70+	(588,824)	(74,092)				(662,916)
2005 Minot stock retirement	(611,611)					(611,611)
1982 F/U Oil Velva stock ret.	(52,734)					(52,734)
1994 Plaza stock retirement	(96,857)					(96,857)
19.2% 2019 NQ stock ret.		(199,844)				(199,844)
Account receivable payoffs	(1,257)	(6,617)				(7,874)
Adjustments					6,649	6,649
Net savings			3,417,363		5,603,079	9,020,442
Members' Equity Dec. 31, 2021	28,928,561	4,065,925	3,417,363	100,346	68,786,422	105,298,617
2021 patronage distribution		2,148,558	(3,417,363)		28,396	(1,240,409)
Retirements:						
Estates & 70+	(430,961)	(62,082)				(493,043)
2006 & 75% of 2007 stock ret.	(803,628)					(803,628)
1983-85 F/U Oil Velva stock ret.	(85,211)					(85,211)
1996-00 Plaza stock retirement	(29,916)					(29,916)
Account receivable payoffs	0	0				0
Adjustments	(362,275)	11,780			344,153	(6,342)
Net savings			3,336,533		4,143,689	7,480,222
Members' equity Dec. 31, 2022	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$27,216,570	\$6,164,181	\$3,336,533	\$100,346	\$73,302,660	\$110,120,290

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 4 - INVENTORIES

Inventory costs at December 31 are

	2022	2021
New whole goods	\$2,124,137	\$1,162,343
Parts	1,285,988	961,997
Petroleum products	3,694,891	3,279,590
Used whole goods	317,173	287,596
Hardware products	369,298	343,932
Hopper bins	1,623,792	1,704,274
C-store inventories	1,194,363	1,097,845
Propane,LP, NH3 tanks and trailers	722,397	211,412
Miscellaneous inventories	70,472	65,346
Tires	68,393	69,262
Antifreeze	55,847	47,286
	<hr/>	<hr/>
	\$11,526,751	\$9,230,883

NOTE 5 - PROPERTY & EQUIPMENT

Property & equipment costs at December 31 are

Land & improvements	\$23,342,742	\$23,844,427
Buildings & improvements	20,368,939	17,955,237
Machinery & equipment	14,106,081	12,738,471
Vehicles	3,406,355	3,177,341
Construction in progress	915,300	145,590
	<hr/>	<hr/>
	\$62,139,417	\$57,861,066

NOTE 6 - INVESTMENT IN COOPERATIVES

CHS Inc.	\$54,573,575	\$55,037,416
Land O' Lakes, Inc	1,528,260	1,556,699
Souris River Telephone	214,470	204,504
Farmers Union of Wilton	139,044	135,268
West River Mutual Telephone	111,995	101,039
All others	261,305	271,713
	<hr/>	<hr/>
	\$56,828,649	\$57,306,639

INVESTMENT IN DAKOTA AGRONOMY PARTNERS, LLC

Summary of the cooperative's 15% ownership activity for the years ended December 31, 2022 & 2021

Beginning of year balance	\$11,020,440	\$10,674,726
Share of net income	1,593,766	1,245,714
Capital distributions	(1,200,000)	(900,000)
End of year balance	<hr/>	<hr/>
	\$11,414,206	\$11,020,440

For the years ended December 31, 2022 and 2021, the cooperative had sales to DAP, LLC totaling \$758,258 and \$700,493 respectively, of which \$18,053 and \$97,118 was receivable, respectively. For the years ended December 31, 2022 and 2021, the cooperative had purchases from DAP, LLC of \$16,117 and \$28,833 respectively of which \$3,183 and \$1,969 was payable, respectively. DAP, LLC is also 59% owned by CHS SunPrairie, and 26% owned by Border Ag & Energy.

SCHEDULE OF OPERATING EXPENSES

December 31, 2022 and 2021

DISTRIBUTION

	2022	2021
Salaries & wages	\$7,882,504	\$7,319,924
Delivery expenses	1,201,872	1,065,166
Employee insurance	1,185,082	1,105,499
Payroll taxes	557,398	514,936
Advertising & promotion	156,279	130,083
Pension contributions	240,532	236,790
Consulting	10,412	4,700
	<hr/> \$11,234,079	<hr/> \$10,377,098

GENERAL

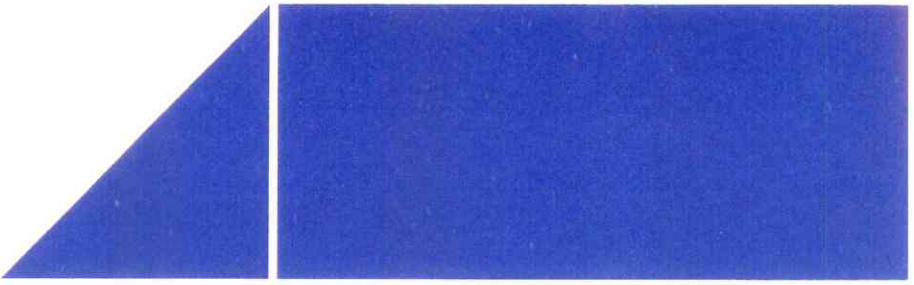
	2022	2021
Repairs & supplies	\$1,675,003	\$1,259,082
Depreciation	1,724,028	1,706,231
Utilities	694,706	615,117
Insurance	408,248	217,396
Property taxes	386,544	367,481
Rent	57,920	57,120
Business licenses	55,630	64,386
Recruitment & testing	22,107	11,780
Uniforms	22,464	33,216
	<hr/> \$5,046,650	<hr/> \$4,331,809

ADMINISTRATION

	2022	2021
Telephone	\$122,547	\$124,460
Professional services	94,847	66,258
Meetings & travel	65,369	29,892
Educational fund	43,000	43,000
Data processing	129,208	150,193
Office supplies	38,075	35,623
Director fees	29,036	35,546
Dues & donations	22,374	17,846
Bad debts	(790)	3,808
	<hr/> 543,666	<hr/> 506,626
	<hr/> \$16,824,395	<hr/> \$15,215,533

Condensed financial information of DAP, LLC as of/and for the periods ended August 31, 2022 & 2021

Current assets	\$70,931,146	\$48,305,255
Property & equipment, net	33,413,562	34,778,739
Investment in cooperatives	374,337	313,652
Other assets	12,187,040	12,187,040
	<hr/> \$116,906,085	<hr/> \$95,584,686
Current liabilities	\$44,654,966	\$24,191,247
Long-term debt	9,387,565	11,240,614
Members' equity	62,863,544	60,152,825
	<hr/> \$116,906,085	<hr/> \$95,584,686
Sales	\$191,089,251	\$127,007,118
Net income	\$10,710,729	\$4,396,700



CORPORATE OFFICE
DRAWER F
205 46th Avenue NE
Minot, ND 58703

701-852-2501

WWW.ENERBASE.COOP



CENEX-BRANDED LOCATIONS:

7 IN MINOT	WASHBURN	VELVA
GLENBURN	RYDER	MAKOTI
MAXBASS	DRAKE	PLAZA