



# 2023

## ANNUAL REPORT

# BOARD OF DIRECTORS

Darren Sletten, President

Jeff Braun, Director

Don Robinson, Director

Jay Harstad, Vice President

Shawn Kaylor, Director

Owen Fiedler, Director

Robert Schmidt, Secretary/Treasurer

## LEADERSHIP TEAM

|                |                           |                 |                             |
|----------------|---------------------------|-----------------|-----------------------------|
| Tony Bernhardt | CEO - Retiring            | Sheri Endresen  | Energy Sales                |
| Ricky Aberle   | CEO - Incoming            | Seth Kostenko   | Energy Sales                |
| Megan Awalt    | CFO                       | Craig Giroux    | Machinery Sales             |
| Lavon Wolf     | Office Manager            | Becky Kuntz     | Machinery Sales             |
| Becky Nelson   | Human Resource Manager    | Richard Faul    | Machinery Sales             |
| Lori Fettig    | Acct. Rec./Credit Manager | Shawna Chilcoat | C-Store Operations Manager  |
| Mandy Briggs   | Financial Analyst         | Paul Chilcoat   | Agrabase Assembly Manager   |
| Paula Nelson   | Accounts Payable          | Eric Giroux     | Agrabase Operations Manager |
| Kathy Gonzalez | Petroleum Manager         | Warren Boehler  | Agrabase Sales              |
| Amanda Haugen  | Asst. Petroleum Manager   | Brad MacClennan | Warehouse Mgr./Logistics    |

## YEARS OF SERVICE AWARDS

**Thank you for your dedication to this cooperative!**

**5  
YEARS**

Matthew Brown  
Warren Haller  
Jayden Chilcoat  
Rebecca Kuntz

Lori Fettig  
Ronald Lang  
Jeremy Ford

Aimee O'Keefe  
Denise Gunning  
Robert Preston

**10  
YEARS**

Amanda Haugen  
Robert Reum

Dana Solberg

**15  
YEARS**

Shawna Chilcoat  
Larry Dove

Roger Gonzalez  
Lavon Wolf

**30  
YEARS**

Darryl Endresen

# 95th ANNUAL MEETING MINUTES

## MARCH 28, 2023

The 95th Annual Meeting was called to order at 6:00 pm at the Grand International Inn by Board President Darren Sletten. Patrons were able to attend the meeting in person this year and it was also live streamed. Board Secretary Robert Schmidt was unable to attend so Board Member Owen Fiedler read the notice of meeting and declared a quorum with 162 ballots confirmed. Special guests Trent Sherven and Merlin Routledge from CHS SunPrairie and Jon Erickson from CHS Board of Directors were in attendance and introduced. A motion was made by Trent Sherven and seconded by Merlin Routledge to accept the 2022 minutes.

Vice President Jay Harstad presented the scholarship report. Eight scholarships were awarded this year with five of the recipients in attendance. The scholarship winners were: Annaliese Rauschenber-South Prairie High School, Brecken Bieber-Beulah High School, Cade Kjelstrup-Underwood High School, Charlee Schenfisch-North Shore Plaza High School, Connor Martin-Glenburn High School, Hailey Haugen-Minot High School, Isabell Buynak-Mohall Lansford Sherwood High School, and Lydia Repnow-Minot High School.

Enerbase CFO Ricky Aberle presented the financial report. Enerbase had sales of \$185,786,106 in 2022 and a net savings of \$7,480,222 which is a return on sales of 4 percent. Enerbase total assets were \$134,605,692 at the end of 2022 which is an increase of \$8,167,750 from 2021. A motion was made by Mike Smith and seconded by Jon Erickson to accept the annual report.

The Dakota Agronomy Partners report was also presented by Ricky Aberle. DAP had sales of \$191,089,251 with a net savings of \$10,710,729. Ricky also broke down the current DAP ownership with CHS-SunPrairie at 59 percent, Border Ag at 26 percent, and Enerbase at 15 percent.

Darren Sletten presented his chairman's report. Darren spoke on the opening of Makoti's new C-store, the closing of the Ryder C-store, and the opening of a cardtrol site in Ryder in 2022. A lot of work and planning by the Board of Directors went into each of these and the closing of a location is never an easy or

popular decision to make. He also touched on an equity bylaw change that will be voted on at the CHS annual meeting that will be held in December 2023. Once more information is available it will be shared with our patrons.

Tony Bernhardt presented his manager's report. Years of service awards were announced with Susan Ahrendt-Ronnie, Kurt Boechler, Jeffrey Cepak, Craig Giroux, Kari Kautzman and Randy Michalenko with 5 years; Ricky Aberle, Eloyce Anderson, Louis Anderson, Mandy Briggs, Warren Boehler, Kathy Gonzalez, Myrna Moberg, and Roger Peterson with 10 years; and Roger Folden and Todd Olson with 15 years. He also announced the retirement of 18 years of patronage equity. Minot will be retiring 2007-2009, Velva 1986-1995, and Plaza 2004-2008. Tony also stated that earlier in the day at the monthly board meeting a clock was presented to Ricky Scheid for his years of service on the Board of Directors.

In new business, a patron from the Ryder area brought up a concern with filling semis at the new Ryder cardtrol site. He said it is difficult to turn semis around in the lot. Tony responded that there is still more dirt work and landscaping that needs to take place in 2023 and that should help alleviate that problem.

Darren Sletten announced the Board of Directors election results. Darren Sletten ran unopposed and was reelected to the SW District, Jeff Braun ran unopposed and was reelected to the NE District, and Donald Robinson was elected to the South of Lake Sakakawea District that was left vacant when Ricky Scheid decided not to seek reelection. 162 ballots were returned with 9 spoiled ballots.

Next year Jay Harstad's NW District and Shawn Kaylor's At Large District terms will expire with both eligible to run.

Jeff Larson, Kevin Bonness, Tom Burtch, and Merlin Routledge will continue on the Nominating Committee for the 2024 Annual Meeting.

Darren Sletten declared the meeting adjourned at 6:43pm.

# BALANCE SHEET

December 31, 2023 and 2022

| ASSETS   | 2023                 | 2022                 |
|--|----------------------|----------------------|
| <b>CURRENT ASSETS</b>                              |                      |                      |
| Cash & cash equivalents                            | \$1,214,672          | \$2,521,965          |
| Trade accounts receivable                          | 5,045,680            | 6,283,188            |
| Current portion of investment in sales-type leases | 109,912              | 44,666               |
| Other receivables                                  | 239,675              | 296,248              |
| Inventories  | 13,814,148           | 11,526,751           |
| Prepays  | 480,151              | 265,819              |
| Prepaid income tax                                 | 106,089              | 211,858              |
| Total current assets                               | <u>\$21,010,327</u>  | <u>\$21,150,495</u>  |
| <b>FIXED ASSETS</b>                                |                      |                      |
| Property & equipment                               | \$67,539,160         | \$63,612,894         |
| Less accumulated depreciation                      | 19,291,411           | 18,585,099           |
|  | <u>\$48,247,749</u>  | <u>\$45,027,795</u>  |
| Investment in sales-type leases, net of current    | \$494,718            | \$184,547            |
| <b>INVESTMENTS</b>                                 |                      |                      |
| Cooperatives                                       | \$55,526,917         | \$56,828,649         |
| Dakota Agronomy Partners, LLC                      | 11,389,462           | 11,414,206           |
|  | <u>66,916,379</u>    | <u>68,242,855</u>    |
|  | <u>\$136,669,173</u> | <u>\$134,605,692</u> |
| <b>LIABILITIES &amp; MEMBERS' EQUITY</b>           |                      |                      |
| <b>CURRENT LIABILITIES</b>                         |                      |                      |
| Short-term notes payable                           | \$0                  | \$3,107,878          |
| Current portion of long-term debt                  | 2,669,440            | 2,119,440            |
| Trade accounts payable                             | 5,061,415            | 6,395,594            |
| Customer deposits                                  | 802,944              | 1,707,814            |
| Other accrued expenses                             | 2,002,273            | 1,717,245            |
| Total current liabilities                          | <u>\$10,536,072</u>  | <u>\$15,047,971</u>  |
| <b>DEFERRED INCOME TAXES</b>                       |                      |                      |
|  | \$3,413,000          | \$3,422,000          |
| <b>LONG-TERM DEBT, NET OF CURRENT PORTION</b>      |                      |                      |
|  | \$4,834,464          | \$6,015,431          |
| <b>MEMBERS' EQUITY</b>                             |                      |                      |
| Patronage equity & reinvested refunds              | \$34,559,781         | \$36,717,284         |
| Allocated capital reserve                          | 100,346              | 100,346              |
| Unallocated capital reserve                        | 83,225,510           | 73,302,660           |
| Total members' equity                              | <u>117,885,637</u>   | <u>110,120,290</u>   |
|  | <u>\$136,669,173</u> | <u>\$134,605,692</u> |

# STATEMENT OF OPERATIONS

December 31, 2023 and 2022

|                               | 2023                | 2022               |
|-------------------------------|---------------------|--------------------|
| Gross sales                   | \$166,708,358       | \$185,786,106      |
| Cost of sales                 | 141,745,939         | 162,011,398        |
| Gross profit                  | <u>24,962,419</u>   | <u>23,774,708</u>  |
| Operating expenses            |                     |                    |
| Other operating expenses      | 17,587,840          | 16,824,395         |
| Local savings from operations | <u>7,374,579</u>    | <u>6,950,313</u>   |
| Other income (expenses)       |                     |                    |
| Other income (expenses)       | <u>(1,063,470)</u>  | <u>(1,579,290)</u> |
| Local savings                 | 6,311,109           | 5,371,023          |
| Net income from DAP, LLC      | 1,175,256           | 1,593,766          |
| Cooperative dividends         | <u>7,523,914</u>    | <u>643,902</u>     |
| Savings before income tax     | 15,010,279          | 7,608,691          |
| Provisions for income tax     | <u>(1,773,169)</u>  | <u>(128,469)</u>   |
| Net savings                   | <u>\$13,237,110</u> | <u>\$7,480,222</u> |

# STATEMENT OF MEMBERS' EQUITY

December 31, 2023 and 2022

|                                      | Members' Equity Credits | Nonqualified Equity Credits | Patronage Ref. for Reinvest. | Allocated Capital Reserve | Unallocated Capital Reserve | Total                |
|--------------------------------------|-------------------------|-----------------------------|------------------------------|---------------------------|-----------------------------|----------------------|
| Members' Equity Jan. 1, 2022         | \$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 Velva/Drake/Butte stock ret. | (85,211)                |                             |                              |                           |                             | (85,211)             |
| 1996-00 Plaza stock ret.             | (29,916)                |                             |                              |                           |                             | (29,916)             |
| 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        | 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+                        | (677,117)               | (208,258)                   |                              |                           |                             | (885,375)            |
| 2007-09 Minot Stock Retirement       | (2,476,830)             |                             |                              |                           |                             | (2,476,830)          |
| 1986-95 Velva/Drake/Butte stock ret. | (587,057)               |                             |                              |                           |                             | (587,057)            |
| 2004-08 Plaza stock retirement       | (308,414)               |                             |                              |                           |                             | (308,414)            |
| Account receivable payoffs           | (27)                    | (64)                        |                              |                           |                             | (91)                 |
| Adjustments                          |                         |                             |                              |                           | 19,250                      | 19,250               |
| Net savings                          |                         |                             | 5,458,719                    |                           | 7,778,391                   | 13,237,110           |
| Members' equity Dec. 31, 2023        | <u>\$23,167,125</u>     | <u>\$8,056,123</u>          | <u>\$5,458,719</u>           | <u>\$100,346</u>          | <u>\$81,103,324</u>         | <u>\$117,885,637</u> |

# NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

## INVENTORIES

Inventory costs at December 31 are

|                                     | 2023                      | 2022                      |
|-------------------------------------|---------------------------|---------------------------|
| New whole goods                     | \$5,821,730               | \$2,124,137               |
| Parts                               | 1,588,796                 | 1,285,988                 |
| Petroleum products                  | 3,074,796                 | 3,694,891                 |
| Used whole goods                    | 447,699                   | 317,173                   |
| Hardware products                   | 446,931                   | 369,298                   |
| Hopper bins                         | 921,833                   | 1,623,792                 |
| C-store inventories                 | 1,130,638                 | 1,194,363                 |
| Propane, LP, NH3 tanks and trailers | 194,628                   | 722,397                   |
| Miscellaneous inventories           | 80,098                    | 70,472                    |
| Tires                               | 55,035                    | 68,393                    |
| Antifreeze                          | 51,964                    | 55,847                    |
|                                     | <hr/> <b>\$13,814,148</b> | <hr/> <b>\$11,526,751</b> |

## PROPERTY & EQUIPMENT

Property & equipment costs at December 31 are

|                          | 2023                      | 2022                      |
|--------------------------|---------------------------|---------------------------|
| Land & improvements      | \$24,296,877              | \$23,342,742              |
| Buildings & improvements | 21,067,771                | 20,368,939                |
| Machinery & equipment    | 15,680,600                | 14,106,081                |
| Vehicles                 | 4,254,072                 | 3,406,355                 |
| Construction in progress | 766,363                   | 915,300                   |
|                          | <hr/> <b>\$66,065,683</b> | <hr/> <b>\$62,139,417</b> |

## INVESTMENT IN COOPERATIVES

|                             | 2023                      | 2022                      |
|-----------------------------|---------------------------|---------------------------|
| CHS Inc.                    | \$53,239,782              | \$54,573,575              |
| Land O' Lakes, Inc          | 1,538,969                 | 1,528,260                 |
| Souris River Telephone      | 224,490                   | 214,470                   |
| Farmers Union of Wilton     | 141,686                   | 139,044                   |
| West River Mutual Telephone | 129,539                   | 111,995                   |
| All others                  | 252,451                   | 261,305                   |
|                             | <hr/> <b>\$55,526,917</b> | <hr/> <b>\$56,828,649</b> |

## INVESTMENT IN DAKOTA AGRONOMY PARTNERS, LLC

Summary of the cooperative's 15% ownership activity for the years ended December 31, 2023 & 2022

|                           | 2023                      | 2022                      |
|---------------------------|---------------------------|---------------------------|
| Beginning of year balance | \$11,414,206              | \$11,020,440              |
| Share of net income       | 1,175,256                 | 1,593,766                 |
| Capital distributions     | (1,200,000)               | (1,200,000)               |
| End of year balance       | <hr/> <b>\$11,389,462</b> | <hr/> <b>\$11,414,206</b> |

Condensed financial information of DAP, LLC as of/and for the periods ended August 31, 2023 & 2022

|                                     | 2023                       | 2022                       |
|-------------------------------------|----------------------------|----------------------------|
| Current assets                      | \$62,707,647               | \$70,931,146               |
| Property and equipment, net         | 33,161,487                 | 33,413,562                 |
| Investment in Cooperatives          | 660,214                    | 374,337                    |
| Other assets                        | 12,187,040                 | 12,187,040                 |
| Right-of-use finance lease assets   | 982,232                    | 0                          |
| Right-of-use operating lease assets | 220,882                    | 0                          |
|                                     | <hr/> <b>\$109,919,502</b> | <hr/> <b>\$116,906,085</b> |

# SCHEDULE OF OPERATING EXPENSES

December 31, 2023 and 2022

## DISTRIBUTION

|                         | <b>2023</b>         | <b>2022</b>         |
|-------------------------|---------------------|---------------------|
| Salaries & wages        | \$8,539,527         | \$7,882,504         |
| Delivery expenses       | 1,242,047           | 1,201,872           |
| Employee insurance      | 1,124,975           | 1,185,082           |
| Payroll taxes           | 602,357             | 557,398             |
| Advertising & promotion | 117,870             | 156,279             |
| Pension contributions   | 241,789             | 240,532             |
| Consulting              | 35,805              | 10,412              |
|                         | <b>\$11,904,370</b> | <b>\$11,234,079</b> |

## GENERAL

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| Repairs & supplies    | \$1,574,656        | \$1,675,003        |
| Depreciation          | 2,021,815          | 1,724,028          |
| Utilities             | 606,067            | 694,706            |
| Insurance             | 369,173            | 408,248            |
| Property taxes        | 429,610            | 386,544            |
| Rent                  | 24,920             | 57,920             |
| Business licenses     | 78,715             | 55,630             |
| Recruitment & testing | 34,859             | 22,107             |
| Uniforms              | 31,922             | 22,464             |
|                       | <b>\$5,171,737</b> | <b>\$5,046,650</b> |

## ADMINISTRATION

|                       |                     |                     |
|-----------------------|---------------------|---------------------|
| Telephone             | \$117,453           | \$122,547           |
| Professional services | 83,221              | 96,583              |
| Meetings & travel     | 47,129              | 65,369              |
| Educational fund      | 43,000              | 43,000              |
| Data processing       | 115,432             | 129,208             |
| Office supplies       | 51,500              | 38,075              |
| Director fees         | 30,954              | 29,036              |
| Dues & donations      | 22,943              | 22,374              |
| Bad debts             | 101                 | (2,526)             |
|                       | <b>511,733</b>      | <b>543,666</b>      |
|                       | <b>\$17,587,840</b> | <b>\$16,824,395</b> |

## LIABILITIES

|  | <b>2023</b>          | <b>2022</b>          |
|--|----------------------|----------------------|
| Current liabilities                        | \$38,950,113         | \$44,654,966         |
| Long-term debt, net of current portion     | 6,956,250            | 9,387,565            |
| Long-term finance lease liabilities, net   | 351,743              | 0                    |
| Long-term operating lease liabilities, net | 192,978              | 0                    |
| Members' equity                            | 63,468,418           | 62,863,554           |
|  | <b>\$109,919,502</b> | <b>\$116,906,085</b> |

## INCOME STATEMENT

|            |                    |                     |
|------------|--------------------|---------------------|
| Sales      | \$192,766,521      | \$191,089,251       |
| Net income | <b>\$8,604,864</b> | <b>\$10,710,729</b> |

For the years ended December 31, 2023 and 2022, the Cooperative had sales to Dakota Agronomy Partners, LLC totaling \$672,846 and \$758,258 respectively, of which \$16,054 and \$18,053, respectively was receivable. For the years ended December 31, 2023 and 2022, the Cooperative had purchases from Dakota Agronomy Partners, LLC of \$10,456 and \$16,117, respectively, of which \$852 and \$3,183 respectively, was payable.

**CORPORATE OFFICE**

DRAWER F

205 46th Avenue NE

Minot, ND 58703

701-852-2501

[WWW.ENERBASE.COOP](http://WWW.ENERBASE.COOP)



**CENEX-BRANDED LOCATIONS:**

7 IN MINOT  
GLENBURN  
MAXBASS

WASHBURN  
RYDER  
DRAKE

VELVA  
MAKOTI  
PLAZA