



# ANNUAL REPORT



2020

# BOARD OF DIRECTORS

Darren Sletten, President  
 Mark Larson, Vice President  
 Greg Marshall, Secretary/Treasurer  
 Robert Schmidt, Director  
 Jeff Krueger, Director  
 Ricky Scheid, Director  
 Jeff Braun, Director

Advisory Members:  
 Owen Fiedler  
 Shawn Kaylor  
 Jay Harstad  
 Dennis Deutsch

## ENERBASE EMPLOYEES

### MINOT

Tony Bernhardt  
 Ricky Aberle  
 Lavon Wolf  
 Lolly Gorze  
 Jeanine Lorenz  
 Lori Fettig  
 Myrna Moberg  
 Mandy Hansen  
 Paula Nelson  
 Amanda Randall  
 Charles Schestler  
 Gordy Schmidt  
 Robert Preston  
 Sheri Endresen  
 Kathy Gonzalez  
 Amanda Haugen  
 Al Medler  
 Duane Rockvoy  
 Ryan Schoen  
 Doral Wallace  
 Cory Brattelid  
 Michael Riley  
 Mike Vollmer  
 Darryl Endresen  
 Roger Peterson  
 JR Brown  
 Dana Solberg  
 Aimee O'Keefe  
 Randy Michalenko  
 JC Holmen  
 Larry Dove  
 Jeremy Ford  
 Rebecca Kuntz  
 Edward Montez  
 Ron Johnson  
 Craig Giroux  
 Randy Thor  
 Thomas Hallamayer  
**GLENBURN**  
 Denise Gunning  
 Charlie Cup  
**RYDER**  
 Derek Olson

CEO  
 CFO  
 Office Manager  
 Human Resource Manager  
 Accts. Receivable  
 Credit Manager  
 Financial Analyst  
 Accts. Payable  
 Accts. Payable  
 Receptionist  
 Service Shop Manager  
 Tire Sales/Service  
 Tire Sales/Service  
 Energy Sales  
 Petroleum Manager  
 Asst. Petroleum Manager  
 Sales and Dispatch  
 Petroleum Transport Delivery  
 Petroleum Delivery  
 Petroleum Delivery  
 Petroleum Delivery  
 Propane Delivery  
 Propane Delivery  
 Lube Terminal Warehouse  
 Oil Delivery  
 Oil Delivery  
 Oil Warehouse  
 Hardware/Parts Sales  
 Hardware/Parts Sales  
 Hardware/Parts Sales  
 Machinery Sales  
 Machinery Sales  
 General Maintenance  
 Driver/Delivery  
 Station Manager  
 Service Shop  
 Energy Sales and Delivery

### MINOT C-STORES:

Shawna Chilcoat  
 Crystal Fletcher  
 Todd Olson  
 Thomas Crow  
 David Woiwode  
 Abagayle Tohm  
 Irmina Helmer  
 Angelina Crow  
 Kathy Kastner  
 Bryce Allen  
**WASHBURN**  
 Walker Treasure  
 Dave Duchsherer  
 Jason Gramling  
**VELVA**  
 Melissa Kongslie  
 Chuck Schmaltz  
**DRAKE**  
 Ginger Smith  
 Lance Reider  
**PLAZA**  
 Roger Folden  
 Cole Thunshelle  
 Robert Reum  
**MAKOTI**  
 Becky Harvey

C-Store Operations Mgr  
 C-Store Operations Asst Mgr  
 C-Store Maintenance/OSHA  
 N Bdwy C-Store Mgr  
 Southeast C-Store Mgr  
 S Bdwy C-Store Mgr  
 Corner Express C-Store Mgr  
 Xpressmart C-Store Mgr  
 Travel Plaza Manager  
 Downtown C-Store Mgr  
 Washburn C-Store Mgr  
 Energy Sales and Delivery  
 Energy Sales and Delivery  
 Velva C-Store Mgr  
 Energy Sales and Delivery  
 Drake C-Store Mgr  
 Energy Sales and Delivery  
 Location Manager  
 Energy Sales and Delivery  
 Service Shop  
 C-Store Manager

## AGRABASE EMPLOYEES

Eric Giroux  
 Roger Gonzalez  
 Timothy Pietsch  
 Kurt Boechler  
 Dayton Gotvaslee  
 David Freeman  
 Brandon Hallameyer  
 Devon Gotvaslee  
 Brad Hamel  
 Josiah Jezbera  
 Warren Boehler  
 Brad MacClellan  
 Laura Knapp  
 Dennis Chapman  
 Benjamin Valdez  
 Sierra Hysjulien

Assembly Manager  
 Assembly Line Leader  
 Assembly Line Leader  
 Assembly Line Leader  
 Grounds  
 Assembly  
 Assembly  
 Assembly  
 Assembly  
 Assembly  
 Assembly  
 Sales  
 Warehouse Mgr/Logistics  
 Warehouse  
 Warehouse/small engine repair  
 Warehouse  
 Parts Controller

# 92nd ANNUAL MEETING MINUTES MARCH 26, 2020

Board President Darren Sletten called the annual meeting to order at 6:30 in the Enerbase board room with live streaming by Zoom. The location was changed from the Grand Hotel due to the Covid-19 pandemic. He introduced everyone that was present in the board room which included Rick Aberle- CFO; Board Members Craig Johnson, Jeff Krueger, Ricky Scheid, and Mark Larson; Advisory Member Owen Fiedler; Marketing Director Jayme Burkhart; and Lavon Wolf. Notice of the annual meeting was read by Secretary Craig Johnson. Darren Sletten appointed Lavon Wolf as recording secretary and Jason McKenney, NDFU, as parliamentarian. Craig Johnson declared a quorum with 202 ballots confirmed. Darren Sletten asked for corrections or additions to the 2019 minutes as presented and printed. There were none and a motion was made by Jeff Krueger and seconded by Ricky Scheid to accept the minutes.

Director Mark Larson presented this year's scholarship report. There were 13 applicants this year with eight scholarships awarded. The scholarship recipients were: Grace Mogen, Jericho Limke, Erika Neshem, Shelby Meckle, Rayna Rice, Mackenzie Woodall, James McElwain, and Maggie Eng.

Enerbase CFO Ricky Aberle presented the annual report. Enerbase had sales of \$131,308,518 in 2019 and a net savings of \$5,841,507 which was a 4.4% return on sales compared to \$146,823,154 sales and \$3,098,118 net savings for a return of 2.1% in 2018. Darren Sletten asked for a motion to approve the annual report. Motion was made by Jeff Krueger and a second was messaged in by Greg Marshall to accept the annual report.

Ricky Aberle also presented Dakota Agronomy Partners Report. DAP had profits of about \$4 million in the last two years.

Darren Sletten presented his chairman's report. He thanked the patrons, board of directors, management, and employees for the great year that Enerbase had. At the February planning session the board of directors had everything planned out, now so much has changed with Covid-19. This is our new reality and Enerbase will do everything possible to keep things going as

smoothly as possible during this trying time. Our patrons will be taken care of throughout this process and it was important to be able to bring the annual meeting to our patrons using technology this year. He thanked Jayme Burkhart for everything she did to stream the meeting this year. He also asked patrons to think about running for the board next year as we will have two positions up for election. Mark Larson will term out in the At Large position and Greg Marshall will term out in the N.W. District.

Tony Bernhardt presented the manager's report via a live stream from his home. He went through a slide presentation of when various businesses started with Enerbase. It started with Glenburn and ended with the Velva/Drake merger in 2018. He announced the retirement of Velva's 1979-1981 equity and Enerbase's 2004 equity coming up later this year. He thanked the listening audience and asked for thoughts about streaming meetings going forward.

Darren Sletten gave the nominating committee report. Secretary Craig Johnson's term limit of 12 years has expired and he was presented with a clock from Enerbase in appreciation for his years on the board of directors. Jeff Braun was the only candidate running for N.E District that was vacated by Craig Johnson. Darren Sletten was the only candidate running for S.W. District and Rick Scheid was the only candidate running for South of the Lake District. All three of them won their districts.

Darren Sletten declared the meeting adjourned at 7:06.

Respectfully Submitted,

*Craig Johnson*

Craig Johnson, Secretary

# BALANCE SHEET

December 31, 2020 and 2019

## ASSETS

### CURRENT ASSETS

	2020	2019
Cash & cash equivalents	2,296,164	1,292,325
Trade accounts receivable	3,007,886	4,574,345
Other receivables	266,592	221,806
Inventories	9,154,461	8,599,200
Prepays	45,070	57,910
Prepaid income tax	477,243	153,425
Total current assets	<u>\$15,247,416</u>	<u>\$14,899,011</u>

### FIXED ASSETS

	2020	2019
Property & equipment	58,506,592	56,267,888
Less accumulated depreciation	16,025,711	15,091,555

### INVESTMENTS

	2020	2019
Cooperatives	56,211,890	48,485,409
Dakota Agronomy Partners, LLC	10,674,726	10,802,212

### LIABILITIES & MEMBERS' EQUITY

#### CURRENT LIABILITIES

	2020	2019
Short-term notes payable	0	2,742,813
Current portion of long-term debt	2,120,622	1,830,066
Trade accounts payable	4,173,493	4,268,830
Customer deposits	488,417	344,124
Other accrued expenses	1,917,734	1,353,116
Patronage refunds payable in cash	<u>\$8,700,266</u>	<u>\$10,538,949</u>
Total current liabilities		

#### DEFERRED INCOME TAXES

#### LONG-TERM DEBT, NET OF CURRENT PORTION

#### MEMBERS' EQUITY

	2020	2019
Patronage equity & reinvested refunds	34,619,441	31,277,960
Allocated capital reserve	100,346	100,346
Unallocated capital reserve	63,875,526	56,303,144
Total members' equity	<u>\$98,595,313</u>	<u>\$87,681,450</u>
	<u>\$124,614,913</u>	<u>\$115,362,965</u>

# STATEMENT OF OPERATIONS

December 31, 2020 and 2019

	2020	2019
Gross sales	107,436,934	131,308,518
Cost of sales	89,585,772	113,822,512
Gross profit	\$17,851,162	\$17,486,006
Operating expenses		
Other operating expenses	13,908,090	13,785,878
Local savings from operations	\$3,943,072	\$3,700,128
Other income (expenses)		
PPP Loan Forgiveness	1,579,200	0
Other expenses	(1,174,105)	(1,263,955)
Enerbase local savings	\$4,348,167	\$2,436,173
DAP, LLC local savings	472,514	(44,264)
Cooperative dividends	7,528,631	4,771,830
Savings before income tax	\$12,349,312	\$7,163,739
Provisions for income tax	(2,474,682)	(1,322,232)
Net savings	\$9,874,630	\$5,841,507

# STATEMENT OF MEMBERS' EQUITY

December 31, 2020 and 2019

	Members' Equity Credits	Nonqualified Equity Credits	Patronage Ref. for Reinvest.	Allocated Capital Reserve	Unallocated Capital Reserve	Total
Members' Equity Dec. 31, 2018	\$30,435,392					
Reverse provision-cash refunds			\$547,950			
2018 patronage distribution	461,655		295,050			
Retirements:			(843,000)			
Estates		(610,828)				
02-03 Minot stock retirement		(565,878)				
72-78 F/U Oil Velva stock ret.		(125,546)				
CHS pref. stock equity exch.		(493,307)				
Account receivable payoffs		(35,528)				
Net savings			2,212,000			
				3,629,507		5,841,507
Members' Equity Dec. 31, 2019	29,065,960					
Plaza/Makoti Patronage	2,423,106					
2019 patronage distribution			1,078,311	(2,212,000)		
Retirements:						
Estates		(582,023)				
04 Minot stock retirement		(467,095)				
79-81 F/U Oil Velva stock ret.		(155,519)				
Account receivable payoffs		(4,585)				
Net savings			3,287,000			
Members' equity Dec. 31, 2020	\$30,279,844	\$1,052,597	\$3,287,000	\$100,346	\$63,875,526	\$98,595,313

# NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

## NOTE 4 - INVENTORIES

Inventory costs at December 31 are

	2020	2019
New whole goods	\$1,956,724	\$2,098,339
Parts	774,433	716,238
Petroleum products	2,390,849	2,258,733
Used whole goods	330,193	136,347
Hardware products	288,348	228,855
Hopper bins	1,695,247	1,834,137
C-store inventories	1,014,436	876,335
Propane	528,800	331,078
Miscellaneous inventories	65,988	56,892
Tires	61,639	16,235
Antifreeze	47,804	46,011
	<hr/> <b>\$9,154,461</b>	<hr/> <b>\$8,599,200</b>

## NOTE 5 - PROPERTY & EQUIPMENT

Property & equipment costs at December 31 are

Land & improvements	\$23,844,427	\$23,353,564
Buildings & improvements	17,676,114	16,212,214
Machinery & equipment	12,413,767	12,185,913
Vehicles	3,098,807	2,921,857
	<hr/> <b>\$57,033,115</b>	<hr/> <b>\$54,794,411</b>

## NOTE 6 - INVESTMENT IN COOPERATIVES

CHS Inc.  
Land O' Lakes, Inc  
Souris River Telephone  
Farmers Union of Wilton  
West River Mutual Telephone  
All others

CHS Inc.	\$53,985,528	\$46,353,564
Land O' Lakes, Inc	1,518,833	1,506,795
Souris River Telephone	193,425	184,626
Farmers Union of Wilton	27,725	27,725
West River Mutual Telephone	138,390	117,667
All others	347,989	295,032
	<hr/> <b>\$56,211,890</b>	<hr/> <b>\$48,485,409</b>

## INVESTMENT IN DAKOTA AGRONOMY PARTNERS, LLC

Summary of the cooperative's 15% ownership activity for the years ended December 31, 2020 & 2019

Beginning of year balance	\$10,802,212	\$11,123,976
Share of net income	472,514	(44,264)
Capital distributions	(600,000)	(277,500)
End of year balance	<hr/> <b>\$10,674,726</b>	<hr/> <b>\$10,802,212</b>

For the years ended December 31, 2020 and 2019, the cooperative had sales to DAP, LLC totaling \$556,085 and \$497,405 respectively, of which \$21,213 and \$18,652 was receivable, respectively. For the years ended December 31, 2020 and 2019, the cooperative had purchases from DAP, LLC of \$39,673 and \$44,248, respectively of which \$3,930 and \$1,560 was payable, respectively. DAP, LLC is 59% owned by CHS SunPrairie, and 26% owned by Border Ag & Energy.

# SCHEDULE OF OPERATING EXPENSES

December 31, 2020 and 2019

## DISTRIBUTION

Salaries & wages  
Delivery expenses  
Employee insurance  
Payroll taxes  
Advertising & promotion  
Pension contributions  
Consulting

2020	2019
\$6,721,056	\$6,539,823
908,121	929,782
1,012,611	1,036,288
464,478	472,015
166,946	182,979
247,018	245,279
15,743	34,148
<hr/> <b>\$9,535,973</b>	<hr/> <b>\$9,440,338</b>

## GENERAL

Repairs & supplies  
Depreciation  
Utilities  
Insurance  
Property taxes  
Rent  
Business licenses

2020	2019
\$1,084,934	\$1,007,327
1,568,404	1,608,556
506,474	532,542
211,485	203,440
367,249	366,857
51,000	51,000
79,559	49,489
<hr/> <b>\$3,869,105</b>	<hr/> <b>\$3,819,213</b>

## ADMINISTRATION

Telephone  
Professional services  
Meetings & travel  
Educational fund  
Data processing  
Office supplies  
Director fees  
Dues & donations  
Bad debts

2020	2019
\$107,985	\$106,388
68,688	72,049
73,022	87,874
43,083	43,017
128,850	148,959
33,709	32,829
33,627	31,571
17,158	15,598
(3,110)	(11,958)
<hr/> <b>503,012</b>	<hr/> <b>526,327</b>
<hr/> <b>\$13,908,090</b>	<hr/> <b>\$13,785,878</b>

Condensed financial information of DAP, LLC as of/and for the periods ended December 31, 2020 & 2019

Current assets  
Property & equipment, net  
Investment in cooperatives  
Other assets

2020	2019
\$43,895,312	\$42,905,305
39,171,652	44,475,203
223,358	90,741
12,187,040	12,187,040
<hr/> <b>\$95,477,362</b>	<hr/> <b>\$99,658,289</b>

Current liabilities  
Long-term debt  
Members' equity

2020	2019
\$20,471,205	\$27,390,797
13,250,032	6,155,972
61,756,125	66,111,520
<hr/> <b>\$95,477,362</b>	<hr/> <b>\$99,658,289</b>
<hr/> <b>\$117,279,860</b>	<hr/> <b>\$131,781,994</b>
<hr/> <b>\$1,494,605</b>	<hr/> <b>\$3,718,076</b>

## CENEX-BRANDED LOCATIONS:

7 IN MINOT  
MAXBASS  
RYDER  
VELVA  
PLAZA

GLENBURN  
WASHBURN  
DRAKE  
MAKOTI

**CORPORATE OFFICE**  
DRAWER F  
205 46th Avenue NE  
Minot, ND 58703  
  
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[WWW.ENERBASE.COOP](http://WWW.ENERBASE.COOP)

