

521 N. MAIN ST.
PO BOX 98
ALLISON, IA 50602
888.267.2726



BUTLER COUNTY RURAL ELECTRIC COOPERATIVE

**ANNUAL
REPORT
2023**



Butler County REC

Your Touchstone Energy® Cooperative 

LETTER TO MEMBERS



Craig Codner

CEO



Duane Rieckenberg

Board President

Great service cannot be overvalued and can change your opinion of a business. What does great service mean to you?

Service to Members At Butler County REC, great service to our members is why we come to work every day. In 2023, that included completing installation of over 5,000 new meters, returning \$1,151,463.21 to members through patronage, completing 150 work orders, serving over 1,400 meals at member appreciation events, and being dispatched for 199 calls.

With the new metering system, you are able to more closely watch your usage on SmartHub and our crews are able to isolate outages and respond more quickly.

Patronage distribution from Butler County REC is similar to dividends investor-owned utilities pay to their shareholders. The difference is that the cooperative's "shareholders" (members) are you, the people we serve, and the "dividends" (patronage) are distributed to you, our members.

The 150 completed work orders included new builds, underground and overhead line builds, and line extensions. This means that almost every 2.5 days in the 365 days of the year, we were closing a work order for a service to our members.

We were so pleased with the turnout at our member appreciation events in 2023. Employees really enjoyed serving our members and spending time with you and your families.

In addition, we served around 100 people when we held our contractors' appreciation supper. These are the men and women who serve our members through installations of energy-efficiency equipment.

Being dispatched for a member's outage call is part of a lineworker's job. They know as well as anyone the inconvenience of not having power, so they work as safely and quickly as possible to restore your service. The 199 dispatched calls were a fraction of the 2,090 calls taken by our after-hours answering service.

We also provided four scholarships to members' children advancing their education at Iowa State University, Ames; Coe College, Cedar Rapids; NIACC, Mason City; and Northwest Iowa Community College, Sheldon; and we sent one student to Washington, D.C. for the all-expense paid Youth Tour adventure.

Butler County REC is proud to have completed the National Rural Electric Cooperative Association's 10 Co-op Cyber Goals. Earning this distinction illustrates that the safety of our members' information is paramount to us.

Service to Communities Butler County REC employees and directors realize the importance of our members' communities. Through the USDA, we provided five loans benefiting surrounding communities, and seven loans from the Rural Economic Development Loans & Grants Program were awarded or applied for. In addition, we are researching several housing and daycare initiatives because both areas are needed in our members' communities.

For the second time in three years through the statewide Shine the Light contest, one of our community volunteers was awarded for their service. Betty Thronson, head of Project Flo, Chickasaw County, was awarded \$2,500 for her organization and their work on restoring homes in Chickasaw County.

Living our "Commitment to Community" principle, our employees volunteered almost 950 hours to our communities in 2023. This included service to churches, fairs, parks, Meals on Wheels, and a fire department.

Service of Employees and Directors Butler County REC is honored to have a number of employees and directors who have served our members for years. In 2023, eight employees and five directors were honored for a combined 200 years of service. This means consistency and a wealth of knowledge for our members.

Our employees' and directors' continuing education not only helps them, it helps you, as well. Lee Frerichs earned his journeyman lineman status in 2023, and Steve Boevers earned his Director Gold credential. This means more knowledge to serve our membership.

Katie LaBree, business development manager, completed Leadership Iowa, the premier issues-awareness program promoting leadership and civic responsibility in Iowa. She also continues her service on the Empower Rural Iowa executive committee.

Two apprentice line workers joined the Butler County REC family last year. Shane Usher and Cade Bennett began service to our members this past summer.

Once again, our employees had no lost-time accidents during the year. "Safety is our priority" is not just a phrase to us.

In 2023, the yearly audit of our books was completed successfully once again. The Loan Fund and Accounting Review found the cooperative compliant with all requirements.

Great Service One of our goals is for you to think of Butler County REC when you think of great service. The board and employees of Butler County REC work daily to ensure that you receive great service from us. After all, you are an owner and a member of the cooperative. We are here to serve you.

FINANCIAL REPORT

INCOME STATEMENT

2023

2022

REVENUE

Sale of Electricity	\$30,821,366	\$29,247,117
Miscellaneous Electric Revenue	34,419	2,055
TOTAL REVENUE	\$30,855,785	\$29,249,172

EXPENSES

Cost of Power	\$21,953,933	\$19,960,191
Operations & Maintenance Expense	2,027,733	2,004,479
Consumer Account Expense	388,724	535,310
Customer Service & Sales Expense	634,012	594,701
Administrative & General Expense	1,889,249	1,900,034
Depreciation	2,381,697	2,189,060
Taxes	(25,569)	(928)
Other Deductions	6,784	5,210
Interest on Long-Term Debt	1,142,949	1,081,619
TOTAL EXPENSES	\$30,399,512	\$28,269,676

MARGINS

Operating Margins	\$456,273	\$979,496
Non-Operating Margin - Interest	642,355	218,298
Non-Operating Margin - Other	(54,105)	(31,238)
Corn Belt & Other Patronage Capital	2,889,179	3,514,471
TOTAL MARGINS	\$3,933,702	\$4,681,027

BALANCE SHEET

2023

2022

ASSETS

Cash	\$12,946,890	\$11,915,073
Patronage Capital from Associated Cooperatives	18,671,274	17,071,788
Investments in Associated Organizations	714,027	709,179
Investments in Economic Development Projects	7,526,397	5,343,030
Accounts Receivable	3,819,471	3,119,673
Materials & Supplies on Hand	1,797,979	1,538,555
Deferred Debits	65,130	113,400
CURRENT ASSETS	\$45,541,168	\$39,810,698

Total Cost of the System	60,623,782	59,454,066
less Depreciation Reserve	(18,045,965)	(18,474,328)

FIXED ASSETS	\$42,577,817	\$40,979,738
---------------------	---------------------	---------------------

TOTAL ASSETS	\$88,118,985	\$80,790,436
---------------------	---------------------	---------------------

LIABILITIES

Patronage Capital	\$14,329,417	\$12,839,617
Non-Operating Margins	3,500,117	3,760,139
Other Margins & Equities	20,692,246	18,961,689
MARGINS & EQUITIES	\$38,521,780	\$35,561,445

Accounts Payable	\$2,627,753	\$2,604,180
Notes Payable	5,000	5,000
Consumer Deposits	168,435	185,680
Other Current & Accrued Liabilities	1,018,687	1,065,120
CURRENT & ACCRUED LIABILITIES	\$3,819,875	\$3,859,980

Long-Term Debt - RUS & Economic Development	\$43,248,398	\$39,114,980
Long-Term Debt - CFC	393,553	462,054

TOTAL LONG-TERM DEBT	\$43,641,951	\$39,577,034
-----------------------------	---------------------	---------------------

Deferred Credits	2,135,379	1,791,977
TOTAL LIABILITIES	\$88,118,985	\$80,790,436

2023 BY THE NUMBERS

MEMBERS
5,099



BOARD OF DIRECTORS
9



CONSUMERS/MILE OF LINE
2.8



PATRONAGE
\$1,151,463.21



METERS
6,678



MEMBER APPRECIATION EVENT
MEALS SERVED
1,400+



MILES OF ENERGIZED LINE
1,824



LOANS CLOSED
5



ALLOCATION
\$2,881,026.60



EMPLOYEES
34



KWHS SOLD
304,405,184



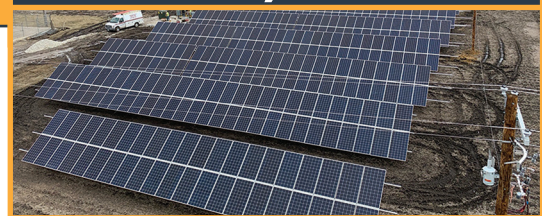
KWHS PURCHASED
310,049,807



SHINE THE LIGHT NOMINEES
9



SOLAR ARRAYS KWHS GENERATED
486,709



OUTAGE HOURS
41.2



SCHOLARSHIP WINNERS
4



DONATIONS
60



2023 IN PHOTOS





Our Touchstone Energy Values



Touchstone Energy®

Integrity | Accountability | Innovation | Commitment to Community | Teamwork

CORN BELT POWER COOPERATIVE REPORT



Ken Kuyper

EXECUTIVE
VICE PRESIDENT, GENERAL
MANAGER



Dave Onken

BOARD PRESIDENT, CORN
BELT POWER; BOARD
PRESIDENT, RACCOON
VALLEY ELECTRIC
COOPERATIVE

Corn Belt Power's theme for 2023 was "Blueprinting for our Future." The theme encapsulates the essence of progress and growth in a world driven by innovation and constant change. As we navigate the ever-evolving landscape of our industry, it is crucial to proactively prepare for the future while upholding the high service standards our member-cooperatives rely on.

Financially, Corn Belt Power Cooperative remains robust, exemplified by the \$8,777,858 returned to its membership through annual quick rolls and patronage payments. Achieving an "A" rating from both S&P Global Ratings and Kroll Bond Rating Agency further underscores the cooperative's financial strength.

Corn Belt Power continues to collaborate with policymakers and regulators on state and federal levels advocating for an inclusive "all-of-the-above" generation strategy in response to challenges outlined in the North American Electric Reliability (NERC) reports on the 2023 Summer and Winter Reliability Assessments. This strategic initiative aims to incorporate all energy sources, ensuring reliability and affordability in the face of operational challenges observed in the Southwest Power Pool system.

Corn Belt Power began to see benefits from its new battery storage facility. Throughout 2023, the system realized \$277,260 in savings using the battery during times of peak electric demand. When added to the entire load management system, Corn Belt Power saved members more than \$2.3 million in demand charges.

Corn Belt Power's vigilance extended to its Wisdom Station power plant and shared coal units on the Missouri River. These units continue to provide vital peaking and baseload generation when needed, despite reduced utilization compared to five years ago.

Membership in the SPP regional tariff continued to yield positive economic results, leading to the upgrade or rebuilding of 69.72 miles of transmission line. Simultaneously, electrical maintenance and meter crews undertook significant infrastructure improvements, replacing aging components, upgrading relays and wiring, and installing new radios and fiber connections across the system.

The cooperative also addressed the need for modernized storage facilities, opening a new vehicle storage facility in 2023 to accommodate the growth and increased size of equipment over the past 70 years.

In the realm of cybersecurity, Corn Belt Power made notable strides by introducing a new phone system, security update service, disaster recovery procedure and security protocols. A comprehensive cybersecurity penetration test at the end of 2023 ensures a robust defense against potential threats, reflecting the cooperative's commitment to technological resilience.

In 2023, Corn Belt Power embraced the theme "Blueprinting for our Future" within the dynamic energy industry landscape. With a dedicated focus on progress and growth, the cooperative proactively prepared for the future while maintaining high service standards. From fortifying transmission infrastructure to safeguarding technology assets, Corn Belt Power persistently strides toward the future, committed to delivering safe, reliable and affordable services.

CO-OPS ARE GUIDED BY 7 PRINCIPLES

- 1** Voluntary & Open Membership
- 2** Democratic Member Control
- 3** Members' Economic Participation
- 4** Autonomy & Independence
- 5** Education, Training, & Information
- 6** Cooperation Among Cooperatives
- 7** Concern for Community