



2023 ANNUAL REPORT
AUGUST 3, 2023



1938 - 2023

**POWERING LIVES AND EMPOWERING
THE COMMUNITIES WE SERVE**

PRESIDENT'S & MANAGER'S REPORT

It is our privilege on behalf of Consumers Energy's directors, management, and employees to report on some of the activities and financial position of the cooperative for the year 2022 and to provide information for 2023 to date.

The cooperative's Board of Directors and management continue to focus on Consumers Energy's core electric distribution business. A cost-conscious approach is used in managing the cooperative. This has contributed to positive financial performance and margins that are reflected in Consumers Energy's 2023 year-to-date financial statements.

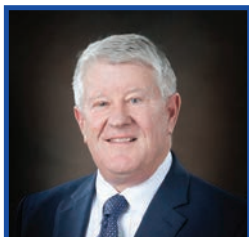
Consumers Energy is a cooperative, and its members are the owners of this company. The amount a member pays for electricity and services provided by the cooperative that is not needed to operate Consumers Energy is paid back in the future to members as patronage capital credits. For the 2022 calendar year, the board chose to pay back patronage capital credits in the amount of \$500,000.

The cooperative has 24 full-time employees. We are most grateful to them for the effort and dedication they put forth to provide the membership with reliable electricity and energy advice. While we focus on the needs of our members, we also address the needs of our employees so the work in the office and out in the field can be performed safely and efficiently.

There are nine members serving on the cooperative's Board of Directors. The board annually holds 12 regular meetings and occasional special meetings. The directors also attend training seminars and meetings of affiliated state, regional, and national organizations and serve as the cooperative's delegates. Their participation in these meetings help the cooperative have a well-informed Board of Directors.

The financial report listed in this annual report provides the facts of the financial position of Consumers Energy as of December 31, 2022. The 2022 audit of the cooperative's financial statements was successfully completed by our auditor, Eide Bailly LLP, in March of this year. Please contact the cooperative office with any questions you might have in regard to this report.

We wish to extend our thanks to each member for the support and cooperation provided to Consumers Energy this past year.



Denny Beckman
Board President



Bridget Itzen
CEO/General Manager



Youth Tour Representative Jaci McMinamen

AGENDA:

Call to Order

Pledge of Allegiance & Invocation

Introductions

Reading of Notice of Meeting

Minutes of Last Year's Meeting

Treasurer's Report

Report of Nominating Committee

CIPCO's Andrew St. John

President's Report

Manager's Report

Report of Election

Adjournment

Drawing for Prizes

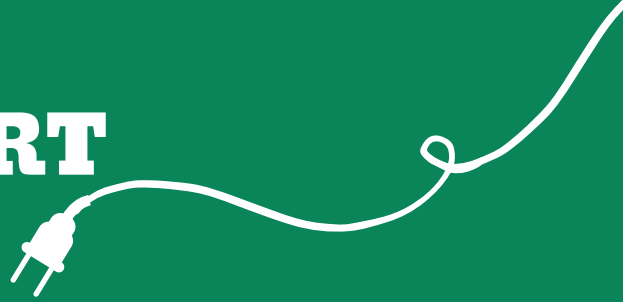
GUEST SPEAKER: ANDREW ST. JOHN



In June 2023, Andrew St. John was named Executive Vice President & CEO of Central Iowa Power Cooperative (CIPCO). Andrew joined CIPCO in 2016, as Vice President & CFO, where he was responsible for overseeing the accounting and finance operations of CIPCO, financial risk mitigation, wholesale rate design, and investment strategy. In addition, Andrew played an influential role on the team responsible for executing CIPCO's most recent strategic plan that led to a modernized wholesale power contract with CIPCO's Member-owners, managed through the early retirement of Duane Arnold Energy Center, and brought 157 MW of new wind, 106 MW of solar, and 55 MW of dispatchable natural gas capacity into the CIPCO resource portfolio.

Prior to joining CIPCO, St. John oversaw financial reporting at Businessolver, Inc. and served power & utilities clients within Deloitte & Touche, LLP's audit practice. Andrew is a graduate of the University of Northern Iowa with a Bachelor of Arts degree in Accounting. He is an Iowa-licensed CPA. Andrew has been active in the Des Moines business community and has been involved in local civic organizations. He was a member of the Leadership Iowa Class of 2022-2023 and has served as a Director of the National Renewables Cooperative Organization. Andrew and his wife, Natalie, are residents of Polk City along with their daughter Charlotte.

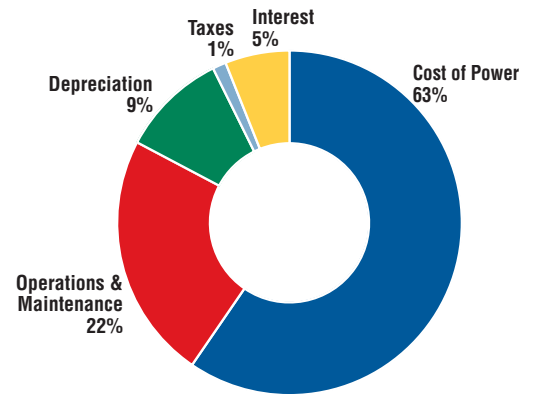
FINANCIAL REPORT



Balance Sheet December 31, 2022 and 2021

	2022	2021
Assets		
Cash & Temporary Investments	3,404,832	3,840,564
Investments in Associated Organizations	8,671,387	8,797,042
Current Assets	7,710,025	5,568,733
Other Assets	652,753	529,599
Total Utility Plant	64,610,906	59,392,589
Less Accumulated Depreciation	<u>24,787,277</u>	<u>23,111,412</u>
Net Utility Plant	39,823,629	<u>36,281,177</u>
Total Assets	<u>60,262,626</u>	<u>55,017,115</u>
Liabilities		
Current Liabilities	5,976,585	5,392,559
Long-Term Debt	25,766,272	22,483,390
Other Liabilities & Credits	50,637	48,224
Operating Margins Prior Years	19,699,790	18,973,789
Patronage Capital	6,826,976	5,719,407
Margins	<u>1,942,366</u>	<u>2,399,746</u>
Total Liabilities & Equity	<u>60,262,626</u>	<u>55,017,115</u>

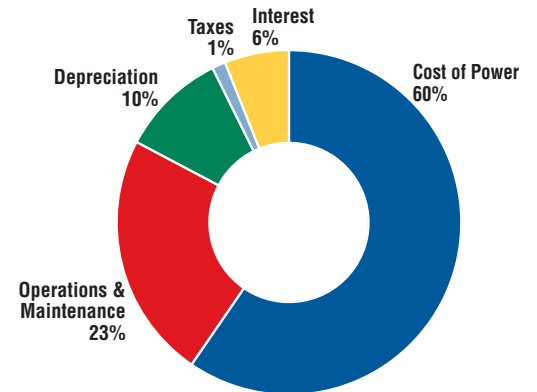
2022 EXPENSES



Statement of Operations For the years ended December 31, 2022 and 2021

	2022	2021
Operating Revenues	22,947,703	20,119,762
Operating Expenses		
Cost of Purchased Energy	13,464,512	11,016,614
Cost of Operations & Maintenance	4,753,359	4,284,244
Depreciation	1,964,085	1,841,095
Taxes	287,857	234,070
Interest Expense	<u>969,061</u>	<u>1,118,345</u>
Total Expense	<u>21,438,874</u>	<u>18,494,368</u>
Margins from Operations		
Patronage Capital Received from Associated Organizations	435,977	738,837
Nonoperating Margins	<u>-2,440</u>	<u>35,515</u>
Total Margins	<u>1,942,366</u>	<u>2,399,746</u>

2021 EXPENSES



2022 STATS

198

new services added

7,325

services in place

1,282

miles of line

0.71

average number of outages per member in 2022

39

free electric water heaters provided to members through the rebate program

240

energy efficiency rebates paid out to members



1938 - 2023



85 YEARS AND CHARGING FORWARD

BY POWERING LIVES AND EMPOWERING THE COMMUNITIES WE SERVE.



Board of Directors

- Denny Beckman, District 1
- Arden Greiner, District 2
- Craig Griffieon, District 3
- Bill Hobson, District 1
- Tony Lem, District 3
- Bob Meimann, District 2
- Steve Quick, District 2
- Jennifer Sease, District 3
- Pat VonAhnen, District 1



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