

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 2023 and to provide information for 2024 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 2024 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 2023 calendar year, the board chose to pay back patronage capital credits in the amount of \$538,000.

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 helps 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, 2023. The 2023 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 regarding this report.

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

Presented to the Membership on Thursday, August 1, 2024. Held at Consumers Energy's Headquarters.



Denny Beckman
Board President



Bridget Itzen
CEO/General Manager



Consumers Energy's Board of Directors
Front Row: Bill Hobson, Pat VonAhnen, Tony Lem, Denny Beckman
Back Row: Arden Greiner, Jennifer Sease, Steve Quick,
Craig Griffieon, Bob Meimann



VOTE

FUN! & EDUCATION

PRIZE DRAWINGS HELD AT THE CONCLUSION OF THE ANNUAL MEETING. MUST BE PRESENT TO WIN.

1



Cash prize drawing
- 3 winners from
each district!

2



Electric trimmer & electric
mower- 1 winner of each
prize from each district!

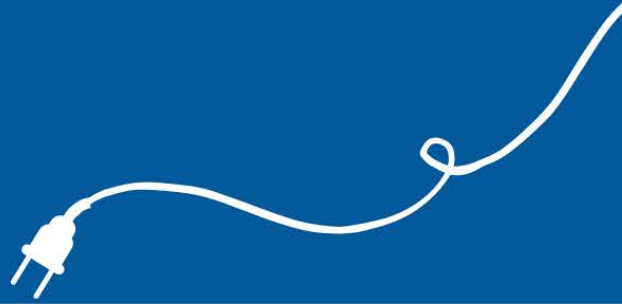
3



8750 Watt Generator
- 1 winner of the
grand prize!

Brands of prizes may vary depending on availability.

FINANCIAL REPORT



BALANCE SHEET

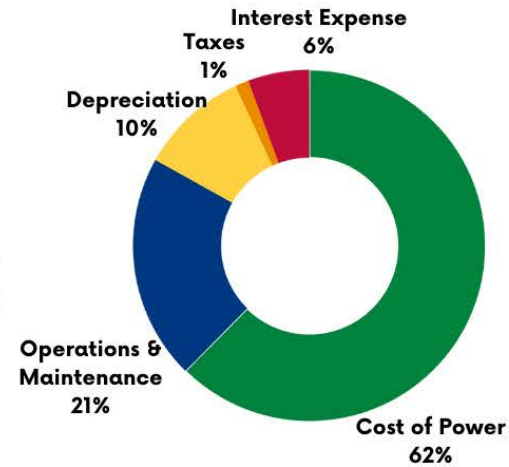
Assets

| | 2023 | 2022 |
|--------------------------------|-------------------|-------------------|
| Cash & Temporary Investments | 4,839,309 | 3,404,832 |
| Investments in Associated Orgs | 9,426,391 | 8,671,387 |
| Current Assets | 6,200,506 | 7,710,025 |
| Other Assets | 1,559,126 | 652,753 |
| Total Utility Plant | 68,647,991 | 64,610,906 |
| Less Accumulated Depreciation | 26,648,958 | 24,787,277 |
| Net Utility Plant | 41,999,033 | 39,823,629 |
| Total Assets | 64,024,365 | 60,262,626 |

Liabilities

| | | |
|---------------------------------------|-------------------|-------------------|
| Current Liabilities | 5,757,756 | 5,976,585 |
| Long-Term Debt | 28,098,475 | 25,766,272 |
| Other Liabilities & Credits | 65,502 | 50,637 |
| Operating Margins Prior Years | 20,382,043 | 19,699,790 |
| Patronage Capital | 7,511,230 | 6,826,976 |
| Margins | 2,209,359 | 1,942,366 |
| Total Liabilities & Equity | 64,024,365 | 60,262,626 |

2023 EXPENSES



STATEMENT OF OPERATIONS

Operating Revenues

2023
23,659,083

2022
22,947,703

Operating Expenses

| | | |
|----------------------------------|-------------------|-------------------|
| Cost of Purchased Energy | 14,098,274 | 13,464,512 |
| Cost of Operations & Maintenance | 4,678,181 | 4,753,359 |
| Depreciation | 2,266,483 | 1,964,085 |
| Taxes | 278,848 | 287,857 |
| Interest Expense | 1,272,970 | 969,061 |
| Total Expense | 22,594,756 | 21,438,874 |

Margins from Operations

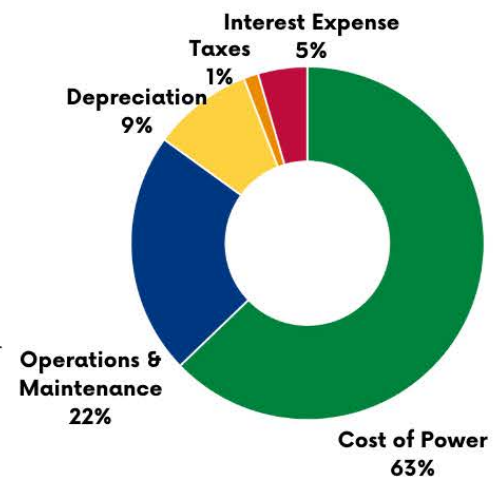
| | | |
|---|-----------|-----------|
| Patronage Capital received from Associated Orgs | 1,064,327 | 1,508,829 |
| Nonoperating Margins | 1,211,167 | 435,977 |
| | -66,135 | -2,440 |

Total Margins

2,209,359

1,942,366

2022 EXPENSES



2023 STATS

194

new services added

7,717

services in place

1,285

miles of line

0.81

average number of outages per member in 2023

31

free electric water heaters provided to members through the rebate program

162

energy efficiency rebates paid out to members

