

EASTERN ILLINI ELECTRIC COOPERATIVE

ANNUAL REPORT 2024



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330 W. Ottawa
Paxton, IL



2024 Annual Meeting Events

Eastern Illini is hosting three Annual Meeting events in 2024. Members are invited to enjoy a chicken dinner from 4 p.m. to 6 p.m. The business meeting will follow at 6 p.m.

Thursday, May 30 Tuscola Community Building
Tuesday, June 4 Ford County Fairgrounds
Thursday, June 6 Iroquois County Fairgrounds

We invite members to come for the meal and stay for the meeting. The annual meeting is an opportunity for you to become involved in the operation of Eastern Illini Electric Cooperative by electing the directors that represent you. When you arrive at the annual meeting event, you may pick up and complete a ballot for the board of directors' election. The annual meeting is an opportunity to inform you, our members, as to the changes and progress of the past, opportunities and challenges of the present, and the direction of the future. Our goal at Eastern Illini is to provide safe and reliable energy solutions and exceptional service.

Sit-down chicken dinner	Serving from 4 p.m. to 6 p.m.
Musical entertainment by Jimm Wood	4 p.m. to 6 p.m.
Bucket truck rides	4 p.m. to 6 p.m.
Master Gardener Seminar	4:30 p.m.
New Rate Structure Questions and Answers	5:15 p.m.
Bounce House (June 4 and 6)	4 p.m. to 6 p.m.
Eastern Illini Business Meeting	6 p.m.

We look forward to seeing you at one of the upcoming Annual Meeting Events!

EASTERN ILLINI ELECTRIC COOPERATIVE BUSINESS MEETING AGENDA

- Call to Order
- National Anthem
- Pledge of Allegiance
- Invocation
- Quorum Determination (Iroquois Co. Fairgrounds)
- Notice and Proof of Mailing (Iroquois Co. Fairgrounds)
- 2023 Meeting Minutes (Iroquois Co. Fairgrounds)
- Treasurer's Report (Iroquois Co. Fairgrounds)
- Chairman and CEO Report
- Director Election (Iroquois Co. Fairgrounds)
- Unfinished Business (Iroquois Co. Fairgrounds)
- New Business (Iroquois Co. Fairgrounds)
- Adjournment

Board of Directors Election

Eastern Illini Electric Cooperative has nine co-op members who serve on the Board of Directors. Elected directors serve three-year terms. Directors advocate for the cooperative business model and establish the strategic direction of the co-op. Each year, your vote in the Board of Directors election is your voice at Eastern Illini, a chance to have a say on leaders who will represent you and your interests. This year's election is uncontested for directors in Directorate Districts 3, 4, and 6. The election will be on June 6, 2024 at the annual meeting event at the Iroquois County Fairgrounds.



Tyler Finegan

District 1
Ashkum
5 years of service



Mark Slagel

District 2
Strawn
1 year of service



Steve Meenen

Secretary/Treasurer
District 3
Melvin
18 years of service



Bruce Ristow

Vice Chairman
District 4
Cissna Park
18 years of service



Kevin Moore

Chairman
District 5
Hoopeston
10 years of service



Bradley J. Ludwig

District 6
Fithian
39 years of service



Steve Gordon

District 7
Rantoul
8 years of service



Chad Larimore

Assistant Secretary/Treasurer
District 8
Bement
8 years of service



Lauri Quick

District 9
Tolono
6 years of service

Financial Review

The enclosed financial information represents the Cooperative's operation for the fiscal years ended December 31, 2023, 2022, and 2021. These reports were taken directly from the Cooperative's books and records which have been audited by the auditing firm of LWG CPAs & Advisors in 2023 and Kerber, Eck & Braeckel LLP in 2022 and 2021. The American Institute of Certified Public Accountants sets the standards and scope of the audit.

BALANCE SHEET

ASSETS	2023	2022	2021
UTILITY PLANT			
Cost of Electric Plant	\$126,056,812	\$120,444,502	\$116,214,748
Less: Accumulated Depreciation	53,048,910	53,547,412	51,550,503
Net Utility Plant	\$73,007,902	\$66,897,090	\$64,664,245
CURRENT & OTHER ASSETS			
Cash-General	\$659,296	\$682,265	\$708,740
Investments	21,243,341	21,440,067	23,152,441
Accounts Receivable, Net	3,430,651	2,580,658	1,951,035
Materials and Supplies	2,516,894	1,661,707	964,194
Prepaid and Other Assets	702,787	802,084	780,894
Total Assets	\$101,560,871	\$94,063,871	\$92,221,549
MEMBERS' EQUITY AND LIABILITIES			
Membership Fees & Other Equities	\$6,643,853	\$6,303,104	\$4,857,468
Patronage Capital	38,416,078	37,129,296	35,950,189
Operating Margins	1,472,472	982,546	948,125
Non-Operating Margins	8,129,981	8,093,398	6,810,579
Long-Term Debt	\$35,256,459	\$32,929,334	\$34,096,325
CURRENT & OTHER LIABILITIES			
Accounts Payable & Accrued Expenses	\$3,614,199	\$3,668,519	\$3,539,022
Notes Payable - Line of Credit	3,088,181	-	-
Consumers' Deposits & Prepayments	521,220	517,870	482,145
Other Non-current Liabilities	4,418,428	4,439,804	5,537,696
Total Members' Equity and Liabilities	\$101,560,871	\$94,063,871	\$92,221,549

HOW YOUR ELECTRIC DOLLAR WAS SPENT

	2023	2022	2021
Wholesale Power Cost	60.38%	60.48%	59.25%
Operations	22.87%	23.83%	24.65%
Depreciation & Other	8.88%	9.21%	9.58%
Interest	4.08%	3.79%	3.75%
Operating Margins	3.79%	2.69%	2.76%

Financial Review

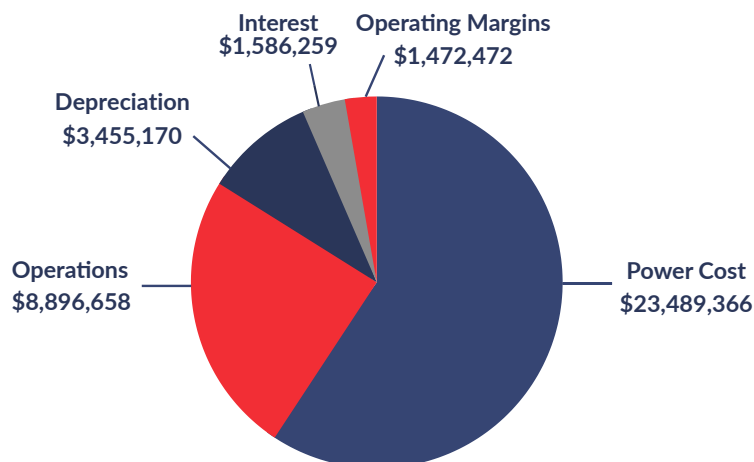
STATEMENT OF REVENUE AND EXPENSE

	2023	2022	2021
Total Operating Revenue	\$38,899,925	\$36,551,119	\$34,296,967
Operating Expenses:			
Cost of Power	\$23,489,366	\$22,106,409	\$20,321,987
Operations and Maintenance Expenses	5,095,556	4,951,198	4,938,262
Consumer Accounts Expense	519,758	726,726	770,741
Customer Service and Information Expense	487,681	475,573	458,620
Administrative and General Expense	2,623,588	2,499,595	2,195,845
Depreciation	3,455,170	3,366,392	3,286,403
Interest Expense	1,586,259	1,384,237	1,286,647
Other Deductions	170,075	58,443	90,337
Total Operating Expense	\$37,427,453	\$35,568,573	\$33,348,842
Operating Margins (Loss)	\$1,472,472	\$982,546	\$948,125
Non-Operating Margins (Loss)	\$1,652,112	\$2,850,972	\$1,571,079
Income or (Loss) from Equity Investments	12,991	35,117	32,190
Net Margins (Loss) for the Year	\$3,137,575	\$3,868,635	\$2,551,394

OPERATING STATISTICS

	2023	2022	2021
Total KWH Purchased	252,331,330	264,644,992	260,015,105
Total KWH Sold	236,736,495	246,386,862	241,649,371
Average Number Consumers Served	13,501	13,522	13,532
Average kWh Usage per Month per Consumer	1,461	1,518	1,488
Average Revenue per kWh Sold to Consumers	\$0.164	\$0.148	\$0.142
Average Cost per kWh Purchased	\$0.093	\$0.084	\$0.078

2023 EXPENSES



2023 Meeting Minutes

The Thirty-Sixth Annual Meeting of Members of Eastern Illini Electric Cooperative, Inc. (Cooperative) was held at the Iroquois County Fairgrounds, 1390 E 2000 North Road, Watseka, Illinois on Thursday, June 8, 2023, with the member meeting called to order at 6:00 p.m.

CALL TO ORDER

The business portion of the meeting was called to order by the Chairman of the Board, Kevin D. Moore, who presided and acted as Chairman. Secretary of the Board, Steve Meenen, acted as Secretary of the meeting and kept the minutes thereof.

NATIONAL ANTHEM

The National Anthem was led by Ginny Tabb.

PLEDGE OF ALLEGIANCE

The membership then recited the Pledge of Allegiance.

INVOCATION

Director Finegan delivered the invocation.

QUORUM DETERMINATION

The Chairman announced that the registration was completed and a quorum of 477 members overall had been achieved. Attendance of at least 100 members as required by the bylaws is necessary to constitute a quorum.

RECOGNITION OF GUESTS

The Cooperative employees were acknowledged for their presence and helpful assistance with the meeting. Also recognized were the current directors in attendance. Other noted attendees were: Illinois Senator Tom Bennett, former Cooperative director Harold Loy, Brian Stagen of CFC, and Micah Bushnell of PPI. Senator Bennett briefly addressed the members. Chairman Moore also recognized those attending the Youth to Washington tour: Clarity Crawford and Rae Stucki.

READING OF PROOF OF SERVICE OF NOTICE OF MEETING AND PROOF OF MAILING AND DELIVERY

Chairman Moore indicated that Secretary Meenen had certified the Official Notice of the meeting and that delivery of the same through the proof of service that the Notice of Annual Meeting was promptly delivered to the U.S. Postal Service on or after April 28, 2023, otherwise mailed to members, or sent to them via electronic delivery in compliance with the Cooperative bylaw requirements. The Chairman directed the Secretary to annex to the minutes of this meeting a copy of the Notice together with the Affidavit of the Secretary.

APPROVAL OF MINUTES – 2022 ANNUAL MEETING

The minutes of the Thirty-Fifth Annual Meeting of Members held June 9, 2022, as printed in the 2023 Annual Report, and distributed to all members were presented for consideration. Member Robert Apperson made a motion that the rules be suspended; that the reading of the minutes of the Annual Meeting of June 9, 2022, be waived; and that the minutes be approved as presented in the official Annual Report of this meeting. His motion was seconded by member Marlene Brucker and unanimously approved.

REPORT OF TREASURER

Chairman Moore informed the membership that the Treasurer's Financial Review and Report was contained in the official Annual Report and that it was also posted on the Cooperative's website. He indicated there would be no oral report describing the amounts and matters set forth therein. The Treasurer's Financial Review and Report included operating statistics, the balance sheet for the years ending December 31, 2020, December 31, 2021, and December 31, 2022, respectively. Consolidated statements of revenues and expenses of the Cooperative and its subsidiaries for those years, as well as other information were provided.

2023 Meeting Minutes

The balance sheet reflected the following information for 2022:

Net Utility Plant	\$66,897,090
Total Assets	\$94,063,871
Long Term Debt	\$32,929,334
Total Members' Equity & Liabilities	\$94,063,871

The Chairman entertained questions from the membership. There were no questions. Thereafter, the financial reporting period was concluded, and Chairman Moore entertained a motion to accept the Treasurer's Financial Review and Report. A motion to accept the Treasurer's Financial Review and Report was made by member Paul Ahlden. The motion was seconded by member Robert Apperson, and unanimously approved.

EXECUTIVE REPORT

Chairman Moore indicated that the condition of the Cooperative for the prior year was noted in a written Executive Report (Board Chairman and CEO Report), included as part of the official Annual Report of the Meeting. In addition, that report was delivered to all members. It was indicated that the executives would respond to further questions after the conclusion of further meeting business.

President/CEO Robert Hunzinger addressed the members regarding a number of matters. He first thanked JR's Catering for supplying food for the attendees. He then thanked the employees and noted Susan Brown, who will be retiring. It was indicated that 2022 was a good year for the Cooperative. The members were thanked for their attendance. He noted the rebates, capital credit retirement, and the Cooperative's favorable survey rating. Mr. Hunzinger also addressed planned capital improvements along with the pending cost of service study. Micah Bushnell of PPI joined Mr. Hunzinger to address related energy matters. Chairman Moore thanked Mr. Hunzinger for his report.

ELECTION OF DIRECTORS

The next item of business was the election of directors. Attorney Hall was called upon to address this matter. There were no contested district director elections. There were three (3) directorships up for election. The directors seeking reelection were Kevin Moore and Lauri Quick. Mark Slagel was seeking election for the first time. Mr. Hall thanked the employees and staff who put in substantial effort to make sure that the election matters were able to be addressed at this meeting. He noted that the EIEC Credentials Committee, consisting of EIEC members, found that all of the directors standing for election met the necessary director qualifications. Since there were no other candidates other than those approved by the Credentials Committee, Mr. Hall entertained a motion to waive the written ballot and elect the nominated director candidates pursuant to Section 2.6 of the Cooperative bylaws. A motion was made by member Robert Apperson to elect all of the director candidates so nominated and qualified pursuant to Section 2.6 of the bylaws. That motion was seconded by member Gerald Loschen and unanimously approved by the members.

QUESTIONS FROM THE FLOOR / UNFINISHED BUSINESS

Chairman Moore indicated that he and President/CEO Hunzinger would entertain questions or any unfinished business to be presented. There was no unfinished business presented. He then acknowledged retiring Director Tom Schlatter for his 17 years of service.

NEW BUSINESS

It was indicated that there was time to address any new business or further items. No new business was presented by any of the membership.

ADJOURNMENT

There being no further business to come before the meeting, upon a motion duly made by member Gary Storm, seconded by member Jeffrey McGehee and unanimously approved, the meeting was adjourned at 6:47 p.m.

Board Chairman & CEO Report

On behalf of Eastern Illini's Board of Directors and employees, we would like to welcome you to the 2024 Annual Meeting events! We retained the multiple member engagement meeting format from prior years. We hope you enjoy this concise summary of 2023.

SAFETY

Our driving and continual focus for the cooperative is the safety of our employees, our members, and the public. The main portion of our safety goal each year is to experience zero lost time incidents. We had a good safety year but had a few lost-time injuries that did not allow us to achieve this goal in 2023. A sincere thanks to our employees and directors for their dedication to safety.

RELIABILITY

Our distribution system performed well this year, except for a few large storms that caused extended outages. Our overall reliability was 99.88%, which amazingly is slightly below our target of 99.95%.

MEMBER SATISFACTION

Our member satisfaction scores are particularly good! We earned an ACSI score of 89 in the annual October survey. EIEC employees and directors take pride in providing the exceptional service level our members deserve and expect. We are proud of the level of service that we provide and are constantly looking for ways to improve.

FINANCIAL AND CAPITAL CREDIT UPDATE

Eastern Illini had a very good financial year in 2023. Operating margins totaled \$1.47 million, with total operating revenues of \$38.9 million. Positive margins are allocated as capital credits to be returned to members at a future date. In 2023, we returned nearly \$1.17 million in capital credits to members who received electric service in 2002.

RATES

The Board approved a revised rate structure in August 2023 which implemented a demand billing component for all members, along with adjusting the monthly base charge and lowering energy charges. This structure became effective with the March 2024 billing usage.

SYSTEM IMPROVEMENTS

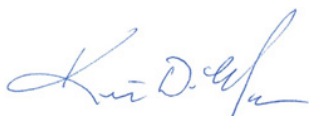
We continue to maintain and upgrade the delivery system within budget constraints. 2024 will be the third year in the implementation of a long-term construction and system replacement plan. A new Westridge Substation (east of the Tuscola area) is nearly completed. Overall, our member base is stable with a very slight increase in electric sales.

LEADERSHIP

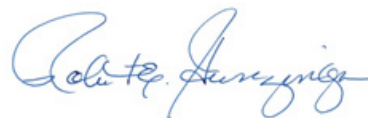
I have announced my retirement effective February 2025. As such, this will be my last joint summary report. Thank you for being loyal and dedicated EIEC cooperative members! The 11 years that I was fortunate to work with your Board, provide guidance for our employees, and to help prepare EIEC for the future have been both challenging and rewarding. I appreciate your support and am confident the Board will choose a person with the skills and leadership to continue the great level of safety, service, and reliability to our members in the manner that you deserve and expect.

THANK YOU

We are in our 87th year operating a successful electric distribution cooperative, and we appreciate the confidence that you have placed in us and our employees to represent your interests. We hope you have enjoyed this brief recap of our 2023 performance. Thank you for the opportunity to serve you.



Kevin Moore
Board Chairman



Bob Hunzinger
President/CEO