

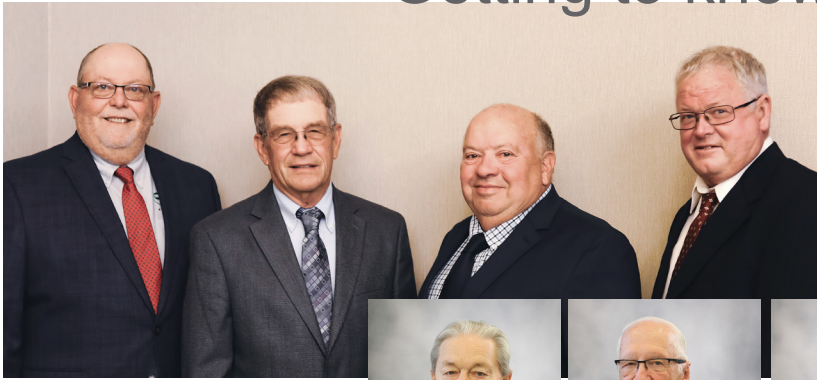


A Touchstone Energy® Cooperative 

*People
make the co-op
difference*

Access Energy Cooperative 2023 Annual Report
A not-for-profit electric distribution cooperative
owned by the members we serve.

Getting to know *your board of directors*



Executive Committee

Michael Holtkamp, Secretary, District 3

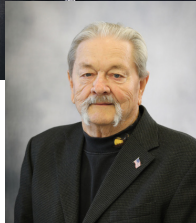
Marvin Larson, President, District 1

Robert Chesnut III, Vice President, District 3

Robert P. Smith, Treasurer, District 2

Directors are elected by the members and serve a three-year term. They govern services in 10 counties:

Davis, Des Moines, Henry, Jefferson, Keokuk, Lee, Louisa, Van Buren, Wapello, and Washington.



Jerry Barker
District 2



Fred Hickenbottom
District 1



David Hollingsworth
District 1



Marvin Newton
District 3



Larry White
District 2

38 Employees
9,414 Meters
2,248 Miles of line

Total assets
\$108,807,145
Operating revenue
\$36,913,640

Your cooperative *at a Glance*

As stewards of your electric cooperative, your board of directors ensures the cooperative's commitment to safe, reliable, and efficient service, while being a good citizen in our communities. As we reflect on the past year, we are reminded that it is the people who make the cooperative difference.

People are the heart that embodies the cooperative spirit every day. From line workers who brave the elements to ensure reliable power delivery, to customer service representatives who provide personalized support, to the board of directors and management who strategically steer our cooperative in safety and efficiency.

In 2023, we continued to invest in advanced technologies and improve infrastructure to enhance efficiencies that ensure members receive safe and reliable power.

Community initiatives continued to make a meaningful impact, touching the lives of those we serve. Through charitable donations, educational programs, and environmental stewardship efforts, your cooperative remains deeply rooted in the well-being and prosperity of our communities.

As we look ahead, we embrace the collective power of our members, the principles of cooperation, and look forward to the relationships our cooperative is built upon. We extend our sincere gratitude to each and every member of the Access Energy Cooperative family. Your support and active participation are the driving forces behind the existence of the cooperative. We are honored to serve you.

Memories of the 2023 annual meeting of members. Members are the heart of our cooperative.



Below: Thank you to the members of the member advisory committee for dedicating your time to work with the board of directors and management for the betterment of your cooperative.

General Manager/CEO

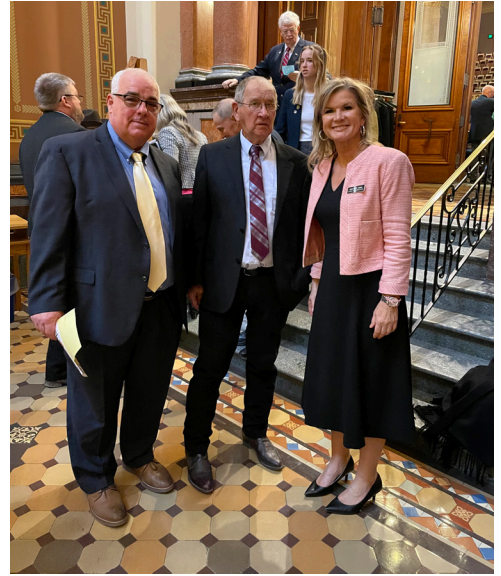
Year in review



Kevin Wheeler



*Above: annual key account visit with Mt. Pleasant City Administrator Brent Schleisman (center of photo)
Right: visiting with State Representative Heather Hora (right of photo) at the Capitol in Des Moines*



Central to our cooperative's philosophy are the seven guiding principles of cooperatives. In 2023, it was the people who showed our cooperation among cooperatives when neighboring cooperatives faced severe storms. Access Energy Cooperative promptly extended assistance, displaying the commonality and strength inherent in the cooperative model. The people and the cooperative spirit of mutual support among electric cooperatives remain the cornerstone of our resilience.

Every year presents a unique set of challenges, and despite meticulous planning, unexpected obstacles often arise. In 2023, Access Energy Cooperative faced its first rate increase since 2016. While raising rates is never the desired course of action, escalating costs compelled the board to take this action. Three primary factors drove the rate increase: the rising cost of power, increased material expenses, and heightened overhead costs.

In addition, the board approved to restructure the single phase and small commercial rates (effective in 2024) to incorporate a demand charge. This change was made to bring member billing in line with the way the cooperative is billed for power.

The cost of power, which is 68% of our overall expenses, rose

significantly due to increases from our power supplier. Similarly, the cost of materials surged by approximately 30% over the past two years, accompanied by prolonged lead times. To mitigate these challenges, Access Energy Cooperative bolstered its inventory levels to ensure uninterrupted service for our members. Additionally, general overhead expenses including fuel, equipment, utilities, and employee-related costs witnessed an upward trend, further impacting our operating expenses.

As a primary piece of the Access Energy Cooperative mission statement, safety is part of every facet of our operations and ensures the well-being of our employees and the integrity of our infrastructure. Our workforce is highly trained, fostering a culture of safety that is unparalleled in our industry.

Our dedicated team of employees, directors, and members remains the driving force behind our success. Whether assisting members over the phone or working diligently on-site, our employees are unwavering in their commitment to serving the community.

We extend an invitation to our members to reach out with any questions or concerns. Your feedback is valuable as we continue to strive for excellence in serving you, our valued members.



Left: safety training at State Patrol office.

Right: providing safety demonstrations at the Capitol, visiting with State Representative Helena Hayes.



People make the co-op difference



Brian Baylor
Mechanic



Tony Brown
District Foreman



Kassie Bulen
Electrical Engineer



Rick Clark
Journeyman Lineman



Kimberly Davis
Dir. Member Services
and Public Relations



Tammy Davis
Engineering Assistant



Trevor Durst
Apprentice Lineman



Mark Fulton
Staking/Engineering
Technician



Jennifer Helling
Customer Service
Manager



Cole Hetzler
Line Foreman



Korbin Johnson
Line Foreman



Cameron Kirchner
Apprentice Lineman



Steven Klein
Storekeeper



Parker LaFoe
Apprentice Lineman



Kurt Lowenberg
Safety Director/Asst.
Operations Manager



Garrett Maddy
Apprentice Lineman



Diane Magnani
Executive Assistant



Trey Metz
Apprentice Lineman



Levon Mullen
Serviceman Technician



Ricardo Ortiz
IT Administrator



Daniel Philips
Director of Operations



Jackson Powell
Apprentice Lineman



Jay Prichard
Meter Technician



Alan Raymer
Member Services
Representative



Jordan Ross
Staking/Engineering
Technician



Shelby Ruby
Customer Service
Representative



Aimee Sanderson
Customer Service
Representative



Bill Simon
Serviceman Technician



Ben Smith
Journeyman Lineman



Gina Smith
Operations Assistant/
Radio Operator



Tammy Snively
Chief Financial Officer/
Asst. General Manager



Colton Stephens
Line Foreman



Tyler Thein
Director of Engineering



Gavin Thompson
Apprentice Lineman



Kevin Wheeler
General Manager/CEO



Kaley White
Customer Service
Representative



Cherity Wibben
Member Services
Assistant/IT Coordinator



Courtney Williamson
Accounting Assistant



Tammy Snavelly
Chief Financial Officer/
Assistant General Manager

Getting to know *dividends and financials*

Receiving a dividend payment is one of the primary benefits of being a member of Access Energy Cooperative.

Organized as a cooperative, we are owned and operated by our members and do not exist to earn profits.

Any revenue generated above the cost of doing business is allocated to members as dividends. The

dividends are then paid to the members when the board determines it is in the best interest of the cooperative.

In 2023, the board allocated dividends in the amount of \$1,834,841 to member accounts. They retired \$1,396,987 in dividends that were paid to the members. The 2023 retirement brought the total dividends paid to members since 1938 to \$30,456,536.



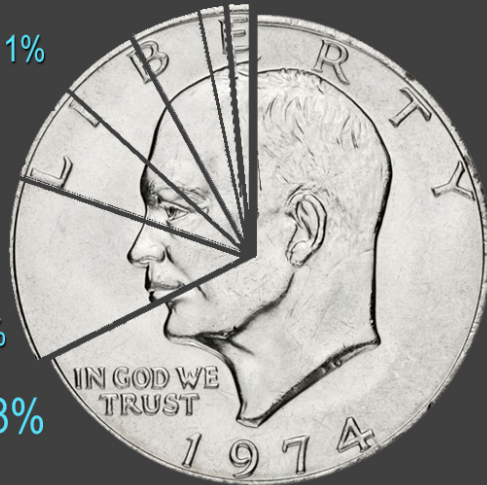
Balance Sheets

December 31, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
UTILITY PLANT IN SERVICE, NET	\$ 70,031,901	\$ 67,133,987
INVESTMENTS	\$ 24,631,393	\$ 22,962,938
RESTRICTED CASH	\$ 1,770,000	\$ 1,770,000
DEFERRED CHARGES, less current portion	\$ 315,921	\$ 364,889
NOTES RECEIVABLE	\$ 2,101,012	\$ 2,467,972
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,764,069	\$ 3,783,740
Accounts receivable, customer, net of allowance for uncollectible accounts of \$40,000 for 2023 and \$40,882 for 2022	\$ 5,417,262	\$ 4,104,586
Materials and supplies	\$ 1,647,915	\$ 1,759,224
Deferred charges - current portion	\$ 48,968	\$ 87,709
Prepaid expenses	\$ 78,704	\$ 85,952
TOTAL CURRENT ASSETS	\$ 9,956,918	\$ 9,821,211
TOTAL ASSETS	\$ 108,807,145	\$ 104,520,997
<u>EQUITIES AND LIABILITIES</u>		
LONG-TERM DEBT, less current portion	\$ 41,272,214	\$ 39,665,767
POST RETIREMENT BENEFITS OTHER THAN PENSIONS	\$ 611,503	\$ 667,015
DEFERRED CREDITS	\$ 3,226	\$ 5,989
MEMBERS' EQUITY AND RETAINED EARNINGS	\$ 58,839,674	\$ 56,755,317
CURRENT LIABILITIES		
Accounts payable	\$ 2,732,724	\$ 2,213,523
Accrued expenses	\$ 1,445,644	\$ 1,361,888
Current portion of long-term debt	\$ 2,030,227	\$ 1,988,379
Consumer deposits	\$ 1,871,933	\$ 1,863,119
TOTAL CURRENT LIABILITIES	\$ 8,080,528	\$ 7,426,909
TOTAL EQUITIES AND LIABILITIES	\$ 108,807,145	\$ 104,520,997

How Your Money Is Spent

Customer Serv/Sales 1%
 Consumer Accts 2%
 Interest 5%
 Admin/General 5%
 Depreciation 6%
 Operations/maint 13%
 Cost of Power 68%



Auditor opinion:

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Access Energy Cooperative as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

LWG CPAs & Advisors,
 Indianapolis, Indiana
 March 21, 2024

Statements of Revenue

Years Ended December 31, 2023 and 2022

	2023	2022
REVENUES	\$ <u>36,913,640</u>	\$ <u>36,894,403</u>
OPERATING EXPENSES		
Purchased power / cost of sales	24,528,259	23,946,113
Operations	2,943,928	3,144,948
Maintenance	1,676,180	1,662,955
Consumer accounting expense	659,866	676,402
Consumer service and sales expense	514,967	523,002
Administrative expense	1,936,006	1,910,167
Depreciation	<u>2,341,918</u>	<u>2,265,793</u>
TOTAL OPERATING EXPENSES	<u>34,601,124</u>	<u>34,129,380</u>
OPERATING MARGINS BEFORE OTHER ITEMS	<u>2,312,516</u>	<u>2,765,023</u>
OTHER OPERATING ITEMS, NET		
Patronage revenue	2,206,711	883,143
Interest expense	<u>(1,690,945)</u>	<u>(1,484,068)</u>
TOTAL OTHER OPERATING ITEMS, NET	515,766	(600,925)
OPERATING MARGINS	<u>2,828,282</u>	<u>2,164,098</u>
NON-OPERATING ITEMS, NET		
Interest and dividend revenue	411,763	237,580
Gain (loss) on disposition of assets	13,751	153,393
Unrealized gain (loss) on investments	73,837	(303,716)
All other, net	<u>(7,381)</u>	<u>(22,926)</u>
TOTAL NON-OPERATING ITEMS, NET	<u>491,970</u>	<u>64,331</u>
NET MARGINS	\$ <u>3,320,252</u>	\$ <u>2,228,429</u>



Daniel Philips
Director of Operations

Getting to know *your operations team*



*A*t the heart of everything we do lies a deep commitment to serving our members. We listen to members' needs and strive to exceed expectations for service to the best of our abilities.

Providing safe, reliable, efficient service means our employees do everything they can to keep your electric service on. For those times when a service interruption occurs, we work until all members have power restored.

We continue the attempt to stay ahead of the challenges Mother Nature sends our way with targeted system maintenance programs, proactive inspection routines, and strategic investments in equipment upgrades. Clearing brush and trees underneath the lines on our system is a significant part of keeping your power reliable. Your cooperative maintains a 5-year vegetation and tree clearing cycle, including pruning, brush mowing and chemical treatments to slow future growth.

In 2023, two new Apprentice Linemen joined our team. We were pleased to welcome Parker LaFoe and Trevor Durst.

Welcome
Parker Lafoe and
Trevor Durst

Vegetation Management *at a Glance*

2023 areas completed

Spraying

300 miles Batavia

180 miles Stockport

Mechanical Trimming

130 miles Coppock

100 miles Perlee

150 miles Lowell

10 miles Mt. Pleasant

Working with other people is part of fulfilling cooperative principle 7: Cooperation Among Cooperatives. Below, our employees help restore power for members of another cooperative after a storm; and in the lower right photo, Access Energy Cooperative crews work in cooperation with Northeast Missouri Electric Power Cooperative employees.



Getting to know *your electric system*

While planning for the future, the Engineering Department remains steadfast in its commitment to innovation and reliability. In the past year, we continued upgrades to equipment and integrating technologies that enhanced our system efficiency and reliability to meet the evolving needs of our members.

We deployed a new style of substation reclosure that will not only improve the viability of our system, but also provide for more accurate data collection and better device coordination. From these changes, we also expect a reduction in momentary outages and faster fault interruption that will result in a reduction of equipment damage. By leveraging data analytics and automation, we're enhancing system reliability, minimizing downtime, and enhancing the overall member experience.

A diligent equipment inspection program also contributes to the reliability of our system. Our 2023 pole inspection plan produced a mere 1.91% fail rate. Out of 4493 poles tested, 86 were rejected and are scheduled to receive attention.

Our successful interconnections with renewable systems not only aligns with our environmental stewardship goals, but also our commitment to serve the needs of our members. In 2023, we added nine solar arrays for a total of 101.5 new kW on our system. With these additions, we now have 1.2 MW of energy produced by member renewable energy generation on our system.

Aligning with the cooperative principle for education and training, we are proud of leadership milestones accomplished by team members Kassie Bulen and Tyler Thein. Kassie graduated from the Henry County Leadership program. Tyler completed the Management Internship Program through the National Rural Electric Cooperative Association.



Tyler Thein
Director of Engineering



System Design *at a Glance*

624 Total work orders designed in 2023

72 New services

30 Service upgrades

192 Pole replacements

330 Misc system improvements

Top left: Kassie Bulen, Henry County Leadership program graduation

Left: sample of new intelligent substation reclosures

Bottom left: Engineering team department meeting including summer intern

Bottom right: Tyler Thein, Management Internship Program graduation





Kimberly Davis
Director of Member Services
and Public Relations

Getting to know *your member services and communications*

People are the reason we communicate. They are who we serve and are the motivation behind helping our communities. The cooperative employees are proud to support local community efforts through volunteerism and with our annual holiday food drive that was founded in 2023. Community events like the Midwest Old Threshers Drive-A-Tractor, Festival of Lights, area county fairs, and local parades could not exist without the support of local businesses. Access Energy Cooperative is proud to sponsor non-profit events that benefit our members.

Employees of the cooperative continue to serve our communities through blood donations. In 2023, 86 cooperative employees and their family members reached a lifetime donation total of 172 gallons of blood with ImpactLife. The cooperative hosts four blood drives per year and is very fortunate to have a supportive core group of donors within the cooperative.

Serving our communities is also demonstrated through our annual donation of electric water heaters for the Henry and Jefferson county Habitat for Humanity programs.

In support of our youth, up to two \$2,000 line worker scholarships and six \$1,500 scholarships are awarded for high school seniors each year. In addition, we sponsor up to two sophomores or juniors on a trip to Washington D.C. through the Youth Tour program. 2023 winners of these programs are highlighted on our website.

Billing and communications saw improvements in 2023 for members. Bills were updated with more descriptive labeling and a new time stamp for demand was added in preparation for the demand billing that was approved to begin in 2024. This allows



Rebates paid \$78,502
Energy efficiency education \$218,105
Energy efficiency improvements financed \$29,013
Economic development loan fund balance \$523,151

Member Services *at a Glance*

members to know the date and time their demand was set. SmartHub is our app members can use

to view their account, pay their bill, and monitor their energy usage, and underwent a significant upgrade. The website is undergoing significant changes in design, layout, and content, to be revealed in 2024.

Your cooperative reinstated offering energy audits to members with no fee, to help you find ways to save energy in your homes and possibly reduce demand.

Members are encouraged to stay up to date with what is happening at your cooperative by reading the *Iowa Electric Cooperative Living* monthly magazine, following us on Facebook, and visiting our website at www.accessenergycoop.com.

Photo above: Habitat For Humanity project water heater delivery

Below: Mt. Pleasant community holiday lighted parade

Below right: employees participate in 1st annual holiday food drive



Getting to know *your safety culture*

Safety is taken very seriously at your cooperative. Monthly safety meetings are coordinated by a safety committee comprised of employees from all departments, including three operations employees and three inside employees. This committee has developed and maintains a cooperative safety improvement plan. In 2023, some of the pieces of the plan implemented included: updating evacuation plans for each room at our facility and the contact lists of other utilities so that our linemen have direct access to this information on their iPads they use in the field. The safety committee also reviews and updates our Standard Operating Procedures.

Your cooperative is dedicated to providing safety education to the members and public. We provide safety demonstrations that teach people to respect electricity and know what to do

if they encounter dangerous situations. These presentations included students of all ages in southeast Iowa, county workers, law enforcement personnel, bus drivers, and first responders. We try to do everything we can to teach people to act safely.



Kurt Lowenberg
Safety Director/
Assistant Operations Manager

“The safety committee is dedicated to promoting a safe working environment for all by mitigating risks, training employees, and supporting a strong safety culture.”



Safety Activities *at a Glance*

22 Community safety demonstrations

932 Individuals participated

66 Cooperative crew observations

52 Accident Investigations

*Photos above: safety presentations to bus drivers and elementary students
Photos right and below: employees participating in various safety training events: pole top rescue, monthly meeting, and substation safety training*





Ricardo Ortiz
IT Administrator

Getting to know

your cooperative information technology

In our modern era, electricity fuels the technology integral to our daily lives. From the indispensable smartphone that connects us to loved ones and captures cherished moments to the servers that facilitate the sharing of these memories, technology permeates our existence. Our main goal is to ensure these devices have access to the power they need in a safe and reliable way.

We equip our line workers with industry-standard hardware and cutting-edge software tools, and we are always exploring new technologies and systems. To that end, in 2023 we updated our line workers' handheld and mobile communication technology. Today, more than ever, our line workers possess the capability to swiftly access and relay real-time information and, therefore, quickly identify events impacting our members. This connectivity boosts productivity and speeds up outage restoration, ensuring reliable power for our members so you can enjoy all the technology in your lives.

In 2023, we also bolstered our already strong lineup of security measures and access controls. Our IT team spearheaded periodic and ongoing cybersecurity initiatives and training sessions for all employees. This included teaching essential practices like managing passwords, maintaining good digital habits, recognizing and avoiding phishing attempts, and more.

We are committed to staying ahead of emerging threats, which is why we collaborate with over 50 other regional cooperatives in the fight against cyber threats. By pooling our resources and experiences, we create a formidable and genuinely industry-leading defense against determined cyber-attacker threats. The entire three-tiered system, including Access Energy Cooperative, NE Missouri Electric Power Cooperative, and Associated Electric Cooperative, Inc. works night and day to protect your data from unauthorized access, data leaks, and ransomware attacks - safeguarding your information and peace of mind. We internally call these processes the "Cyber Dome" of protection.

At the end of the day, the heart of our mission is ensuring our people have reliable power to fuel your lives. By investing in the latest technologies and fostering strong partnerships throughout the region and beyond, we are also dedicated to keeping your electricity flowing safely and securely.

Our linemen use iPads in their daily work for efficiency and accuracy.

Your Information Technology *at a Glance*

8 Servers

42 Work stations

44 Handheld devices

265,000+ External Emails



STATEMENT OF NON-DISCRIMINATION

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866)632-9992.

Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202)690-7442; or
(3) email: program.intake@usda.gov

