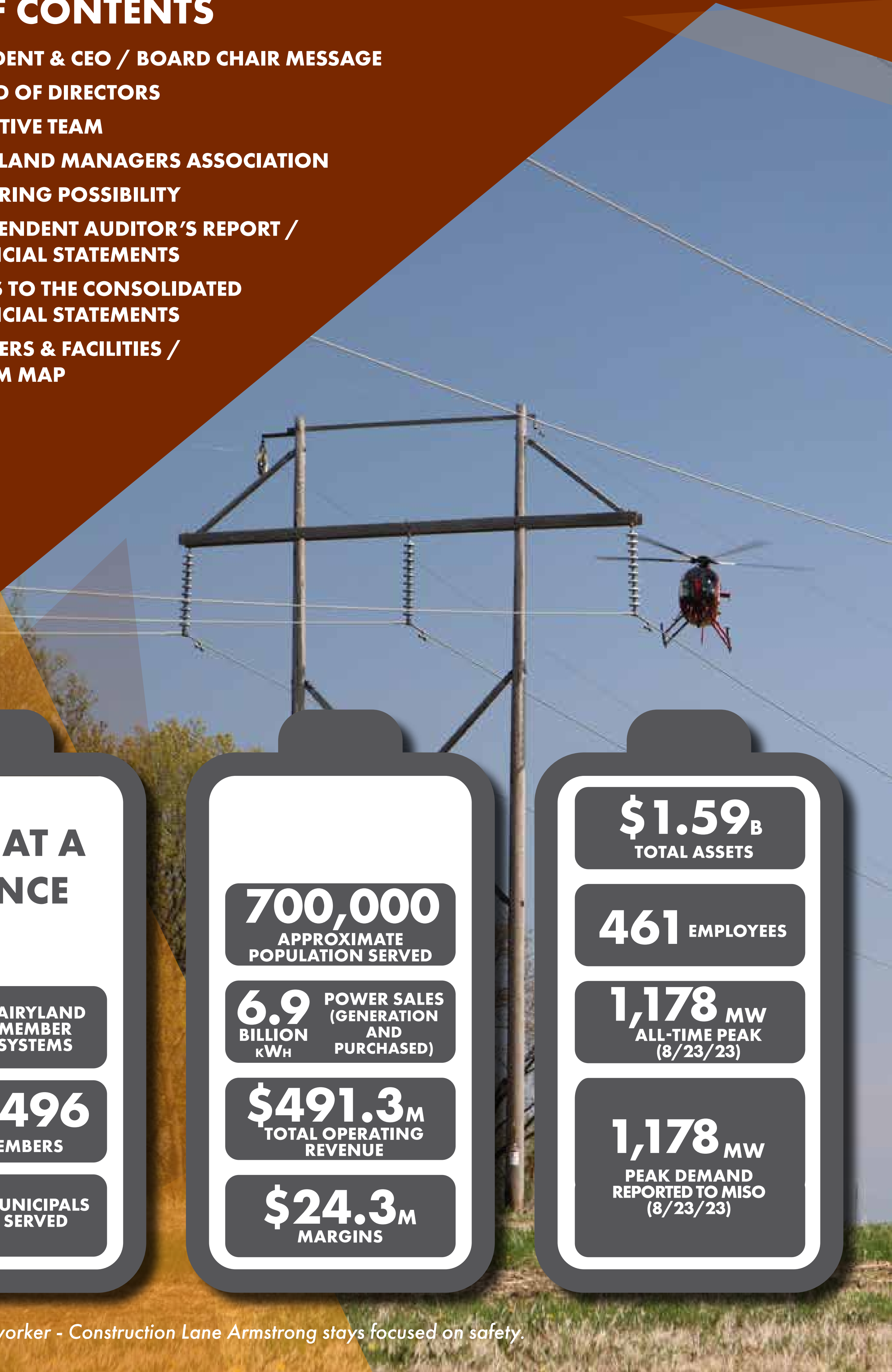
POWERING POSSIBILITY

DAIRYLAND POWER®
COOPERATIVE

A Touchstone Energy® Cooperative

2023 ANNUAL REPORT

TABLE OF CONTENTS



2023 AT A GLANCE

24 DAIRYLAND MEMBER SYSTEMS

289,496 TOTAL MEMBERS

27 MUNICIPALS SERVED

700,000 APPROXIMATE POPULATION SERVED

6.9 BILLION kWh POWER SALES (GENERATION AND PURCHASED)

$491.3M TOTAL OPERATING REVENUE

$24.3M MARGINS

$1.59B TOTAL ASSETS

461 EMPLOYEES

1,178 MW ALL-TIME PEAK (8/23/23)

1,178 MW PEAK DEMAND REPORTED TO MISO (8/23/23)

Cover photo: Lineworker - Construction Lane Armstrong stays focused on safety.

POWERING POSSIBILITY

Dairyland Power Cooperative provides the wholesale electrical requirements and other services for 24 member distribution cooperatives and 27 municipal utilities in the Upper Midwest. In turn, these cooperatives and municipals deliver the electricity to consumers, meeting the energy needs of about 700,000 people.

Dairyland was formed in December 1941 to improve the quality of life for cooperative members with electricity. Today, while maintaining that mission, Dairyland is focused on sustainability and reliably transitioning to a lower carbon future.

Dairyland has been purposefully diversifying its generating resources, which currently include wind, solar, renewable-enabling natural gas, coal, hydro and biogas. Electricity is delivered via over 3,300 miles of transmission lines and 233 substations located throughout the service area.

Dairyland, a Touchstone Energy® Cooperative, is headquartered in La Crosse, Wis. Its service area encompasses parts of Wisconsin, Minnesota, Iowa and Illinois.

To learn more, please visit www.dairylandpower.com and follow us on Facebook, X or LinkedIn for more information.

DAIRYLAND POWER® COOPERATIVE

A Touchstone Energy® Cooperative

POWERING POSSIBILITY

LETTER FROM PRESIDENT & CEO AND BOARD CHAIR

Dairyland Power Cooperative's Board and leadership are committed to our mission of empowering member cooperatives to best serve their communities and improve overall quality of life. Fundamental to this commitment is providing safe, reliable and cost-competitive electricity along with first-class services and support. Energy is the foundation of modern life; it facilitates prosperity and powers the possible. We are proud to serve the people of rural Wisconsin, Minnesota, Iowa and Illinois, and honored by our members' trust in our ability to provide this vital service.

The utility industry is experiencing tremendous change, driven both by member preference and government policy. Adapting to this change is paramount as we plan and build for the future. The shifting policy landscape creates both challenges and opportunities. State and federal carbon and environmental policies are restricting the "always available" generating resources we can employ, while decarbonization efforts and electrification policies – from industrial applications to electric vehicles – are driving increases in load.

Collectively, we are being asked to do more with less without jeopardizing reliability or affordability. Necessity spurs innovation and there are many opportunities ahead: large, new federal grant and funding programs; investments in new generation, transmission and efficiency tools, such as Artificial Intelligence applications; and emerging clean energy technologies such as mined storage, advanced small modular reactors and demand-side management tools. Dairyland's mission, vision and values enable us to evolve into this new era with enthusiasm and confidence.

Dairyland is strategically focused on sustainable solutions and responsible environmental stewardship, as evidenced by our 2030 goal to reduce carbon intensity by 50 percent below 2005 levels and recent investments in renewable resources. Additionally, our successful energy incentives and rebate programs have led to considerable reductions in $C0_2$ emissions, resulting in an estimated 7,500 tons of avoided carbon from our Wisconsin members alone.

Business development, grants and economic development initiatives are central to Dairyland's future plans. Our team is exploring new opportunities to expand load and recruit investment to rural communities, bringing new jobs, new tax revenue and growth.

The host of emerging grant programs offer immense promise, and Dairyland is aggressively pursuing opportunities to utilize these programs to diversify our portfolio. Through cost-shared partnerships, Dairyland and our members can reduce the financial risk associated with deploying new, innovative technologies – modernizing our system while remaining cost competitive. The past year showed significant financial success for Dairyland and our member cooperatives. In 2023, we achieved top-quartile rate competitiveness, strong financial performance and competitive energy costs, returning millions to members in power cost and revenue volatility adjustments.

Dairyland has powered possibility for years and will continue for years to come. With projects like the Nemadji Trail Energy Center (NTEC), the Cardinal-Hickory Creek high-voltage transmission project, the Middle Mile Fiber grant award and the modernization of our System Operations Center, we are preparing for the future while navigating complex permitting and political landscapes. Despite the inherent challenges associated with large infrastructure projects, our team explores every avenue and utilizes novel approaches to overcome obstacles to success.

However, all we can achieve will come down to people. The people we work with, the people we serve and the people we employ. Dairyland is investing in our people through continuing education, training and leadership development programs to ensure the next generation of cooperative leaders are prepared to carry on the pursuit of excellence.

This year's theme, Powering Possibility, demonstrates Dairyland's determination to meet the changes ahead with a safety-first focus and an enterprising, innovative and cooperative spirit. The future is bright and we are excited to work with our members, our communities and our people to deliver on the cooperative promise. Dairyland's focus will always remain on excellence in safety, reliability and affordability; and our purpose is to power your prosperity by striving every day to meet and achieve the highest standards.

Jenny Scharmer
Chair, Board of Directors

Brent Ridge
President and CEO

MISSION

*To power our communities and empower cooperative **members** to improve the quality of their lives.*

VISION

*To grow, innovate and deliver value as a premier **member-driven** energy cooperative through safe, reliable and sustainable solutions.*

STRATEGIC PRIORITIES

SAFETY CULTURE

COOPERATIVE PRINCIPLES

PEOPLE FIRST

ASSET RELIABILITY & DIVERSIFICATION

FINANCIAL & COMPETITIVE STRENGTH

GROWTH & INNOVATION

COOPERATIVE LEADERS
2023-2024

Executive Committee

CHAIR
Jenny Scharmer
MiEnergy Cooperative

VICE CHAIR
Tom Zwiefelhofer
Dunn Energy Cooperative

TREASURER
Sandra Davidson
Scenic Rivers
Energy Cooperative

SECRETARY
Jeff Bradley
Allamakee-Clayton
Electric Cooperative

ASSISTANT SECRETARY
Courtney Cuta
Dairyland Power
Cooperative

MEMBER-AT-LARGE
Jerry Huber
Jackson Electric
Cooperative

MEMBER-AT-LARGE
Mark Kingland
Heartland Power
Cooperative

MEMBER-AT-LARGE
Karen Newbury
Price Electric
Cooperative

MEMBER-AT-LARGE
John Petska
Chippewa Valley
Electric Cooperative

GENERAL COUNSEL
Joyce Peppin
Dairyland Power
Cooperative

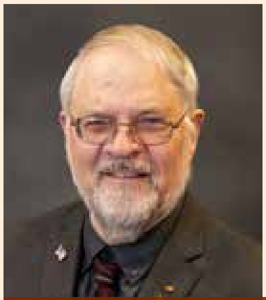
Board of Directors

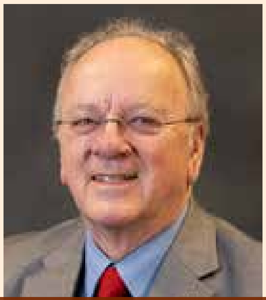

Michael Baker
Barron Electric Cooperative

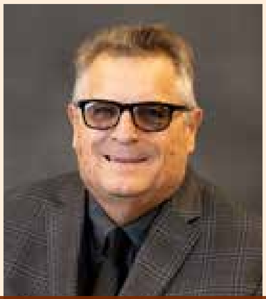

Brian Berg
Pierce Pepin Cooperative Services


Clarence Boettcher
Eau Claire Energy Cooperative


Dennis Frame
Riverland Energy Cooperative


Art Friedrich
People's Energy Cooperative


Ed Gullickson
Polk-Burnett Electric Cooperative


James Hager
Clark Electric Cooperative

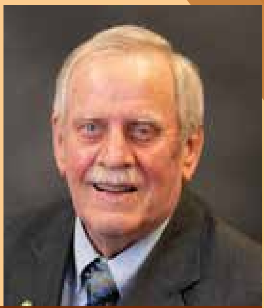

Larry Hall
St. Croix Electric Cooperative


Robert Hess
Oakdale Electric Cooperative

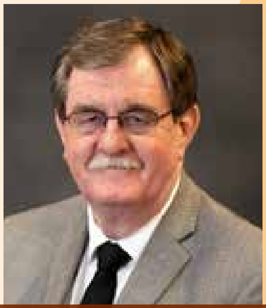

Dan Korn
Vernon Electric Cooperative


Joe Mattingley
JCE Co-op


Jeff Monson
Richland Electric Cooperative


Barry Radloff
Bayfield Electric Cooperative


Jane Reich
Jump River Electric Cooperative


Bill Trygstad
Freeborn Mower Electric Cooperative


Chuck Zenner
Taylor Electric Cooperative

EXECUTIVE TEAM

JEREMY BROWNING
Vice President,
Generation

JOHN CARR
Vice President,
Strategic Growth

COURTNEY CUTA
Senior Executive Assistant
to the CEO & Manager
of Administration

GREG FLEGE
Vice President,
Transmission

KATHLEEN GALIOTO
Vice President &
Deputy General Counsel

JASON HERBERT
Vice President,
External Affairs

NATE MELBY
Vice President &
Chief Information Officer

KEVIN NORDT
Chief Strategy Officer

JOHN YOUNG
Vice President &
Chief Risk Officer

DEB MIRASOLA
Director, Member
Relations & Chief
Communications Officer*

*retired in
March 2024

BRENT RIDGE
President & CEO

BEN PORATH
Executive Vice President &
Chief Operating Officer

AMANDA HOEFLING
Executive Vice President &
Chief Administrative Officer

APRIL WEHLING
Executive Vice President &
Chief Financial Officer

JOYCE PEPPIN
Executive Vice President &
General Counsel

DAIRYLAND MANAGERS ASSOCIATION

Class A Member Leadership

HOLLEE MCCORMICK
Allamakee-Clayton Electric Cooperative

AARON TORUD
Barron Electric Cooperative

CHRIS KOPEL
Bayfield Electric Cooperative

RUSS FALKENBERG
Chippewa Valley Electric Cooperative

TIM STEWART
Clark Electric Cooperative

JESSE SINGERHOUSE
Dunn Energy Cooperative

MONICA OBRYCKI
Eau Claire Energy Cooperative

JIM KRUEGER
Freeborn Mower Electric Cooperative

JON LEERAR
Heartland Power Cooperative

KEVIN BABCOCK
Jackson Electric Cooperative

MIKE CASPER
JCE Co-op

KURT HARRIS
Jump River Electric Cooperative

BRIAN KRAMBEER
MiEnergy Cooperative

CHRIS TACKMANN
Oakdale Electric Cooperative

MIKE HENKE
People's Energy Cooperative

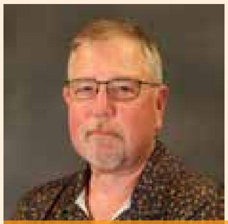
NATE BOETTCHER
Pierce Pepin Cooperative Services

STEVE STROSHANE
Polk-Burnett Electric Cooperative

JEFF OLSON
Price Electric Cooperative

AMY MARTIN
Richland Electric Cooperative

TIM HOLTAN
Riverland Energy Cooperative



STEVE LUCAS
Scenic Rivers Energy Cooperative

ROB DOOLEY
St. Croix Electric Cooperative

KENNY CEAGLSKE
Taylor Electric Cooperative

CRAIG BUROS
Vernon Electric Cooperative

SAFETY CULTURE

Safe, reliable, affordable, responsible. Those four words are used to define Dairyland's mission and requirements as a critical service provider. SAFE always comes first – because nothing is possible without a safety-first business approach.

2023 was a year of progress on safety culture at Dairyland. For the first time, Dairyland scored better than industry average in critical safety metrics, demonstrating improvement in the 200% accountability (for individual and team) it takes to get everyone home safely, every day.

Dairyland's newly expanded Good Catch program focuses on leading indicators and employee engagement to pre-empt incidents and share lessons learned across the organization. A proactive mindset, universal stop-work authority and a commitment to "Speak Up, Listen Up" are essential for continuous improvement as a safe workplace.

STAYING CYBERSAFE IN THE DIGITAL AGE

Artificial Intelligence (AI) is powering possibility – and creating new challenges for internet safety. The dazzling possibilities offered by AI for the energy sector are just beginning to unfold, with the promise of enhanced data analytics, demand response solutions, renewable energy efficiencies and more. Cybersecurity's burden as a 24/7/365 gatekeeper will also continue to grow.

This year, Dairyland launched VoltWrite, a generative AI tool, for all employees. VoltWrite was designed as a secure and robust in-house alternative to external AI platforms. It seamlessly integrated with Dairyland's systems while providing maximum security to safeguard sensitive data.

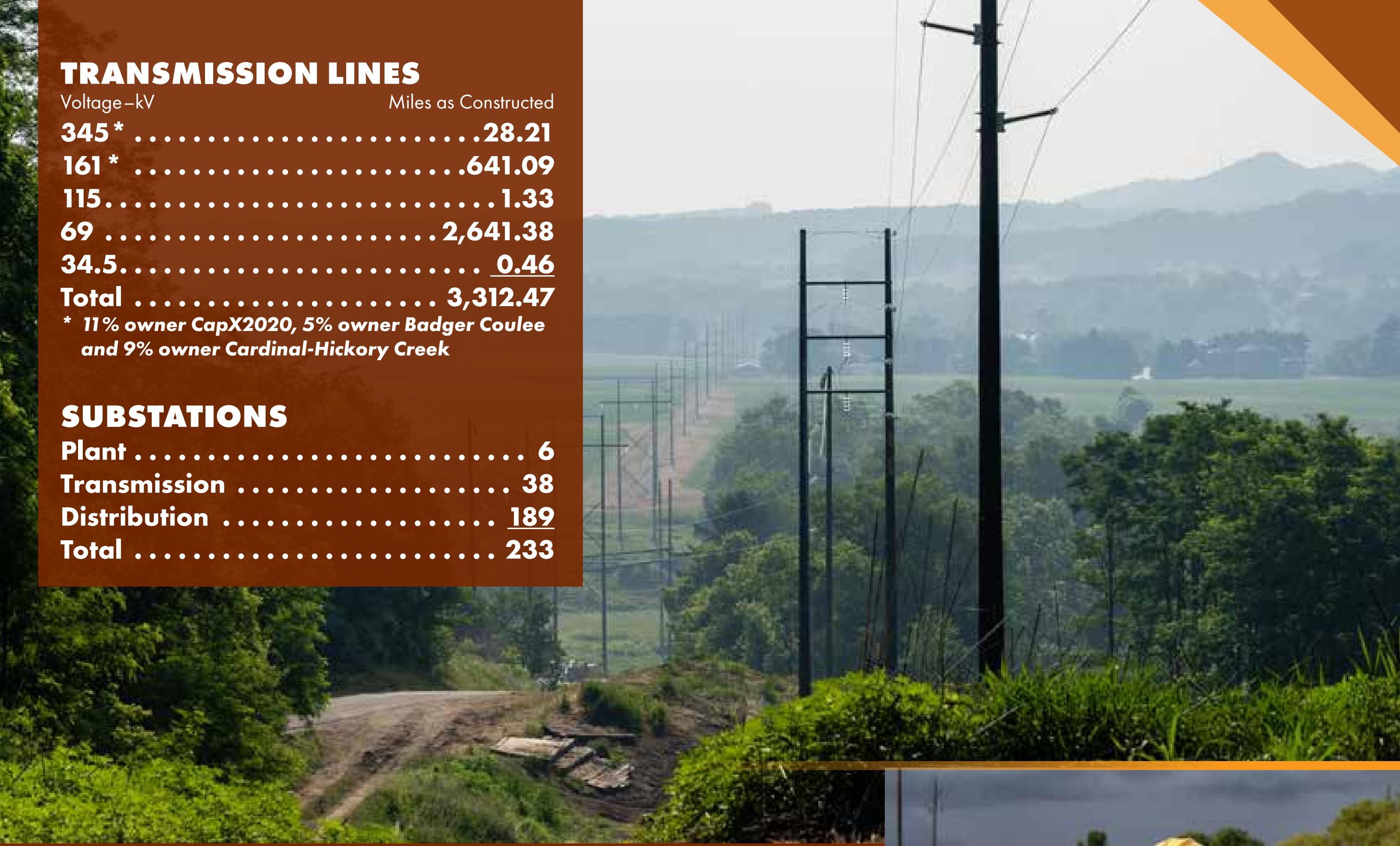
NO TRANSMISSION, NO TRANSITION

There are 161 renewable energy projects dependent upon the completion of the final mile of the 345 kV Cardinal-Hickory Creek transmission line, located between Iowa and Wisconsin. Dairyland, ATC and ITC Midwest are co-owners of the project. The eastern half of the 102-mile line was energized in December 2023, with the remainder expected to be in service in 2024. This backbone project for the Midwest's regional power grid will benefit grid resilience, lower costs and power millions of homes with renewable energy.

In 2023, Dairyland won a competitive bid from the Midcontinent Independent System Operator (MISO) to own and operate a 345 kV line from Alma to Blair, Wis. The Alma-Blair Transmission Project will strengthen regional reliability and support carbon reduction goals by providing a new pathway for renewable energy. Similarly, as part of the MISO Long-Range Transmission Project #4, Dairyland is leading the Wabasha Relocation Project, relocating an existing 161 kV transmission line that serves a critical role in providing reliable electric service to homes and businesses in southeast Minnesota.

Transmission lines have a big job to do – and proper maintenance of infrastructure is a must. Dairyland crews safely rebuild approximately 50 miles of 69 kV transmission line annually. Dairyland also administers the Restoration of Power in an Emergency (ROPE) program, which helps get the lights back on after major outages by enabling electric cooperatives to share crews, equipment and materials.

ZERO By Choice
EVERYONE HOME SAFE EVERY DAY



TRANSMISSION LINES

Voltage – kV	Miles as Constructed
345 *	28.21
161 *	641.09
115	1.33
69	2,641.38
34.5	0.46
Total	3,312.47

***** *11% owner CapX2020, 5% owner Badger Coulee and 9% owner Cardinal-Hickory Creek***

SUBSTATIONS

Plant	6
Transmission	38
Distribution	189
Total	233

1. *VP & CIO Nate Melby led the implementation of VoltWrite, an in-house AI tool that enhances workflow efficiency while ensuring the highest level of cybersecurity. Melby designed this graphic with AI.* **2.** *Line Construction Supervisor Dustin Rosemeyer evaluates worksite safety.* **3.** *Director, Safety & HR Elizabeth Ressie and Lineworker - Construction Spencer Bisek review a job briefing.* **4.** *EVP & COO Ben Porath was interviewed by the "Financial Times" regarding how legal challenges to the Cardinal-Hickory Creek transmission line are delaying the build-out of solar and wind generation. The interview took place adjacent to a portion of the transmission line along the Mississippi River in Cassville, Wis.*

3

4

ASSET RELIABILITY & DIVERSIFICATION

Dairyland's 24/7/365 job is to ensure delivery of the one thing that powers every aspect of modern life: electricity. The Dairyland system set an all-time peak in August 2023 of 1,177.5 megawatts (MW), surpassing the previous record of 1,171 MW set in June 2018.

Through "always available" generation resources (such as natural gas and coal) and growing investments in renewable energy, Dairyland is committed to reducing carbon without sacrificing safety and reliability.

Plant maintenance is essential to ensure the efficient operation of Dairyland's generation assets. Dairyland's John P. Madgett (JPM) Station (Alma, Wis.) is critical to regional reliability, providing power when and where it is needed. JPM underwent a 10-week outage in 2023 to complete a turbine overhaul, along with a precipitator upgrade benefitting the environment. As a result, more than twice the amount of fly ash is collected for recycling and reuse as an additive to cement and concrete applications.

Dairyland's RockGen Energy Center (Cambridge, Wis.) and Elk Mound (Wis.) Generation Station are also ready to be called upon to support energy demand in any weather. These units both achieve industry top quartile in plant availability. The Flambeau Hydro Station (Ladysmith, Wis.) is a valuable resource, providing emission-free electricity since 1951.

TIME + TECHNOLOGY = ENERGY TRANSITION

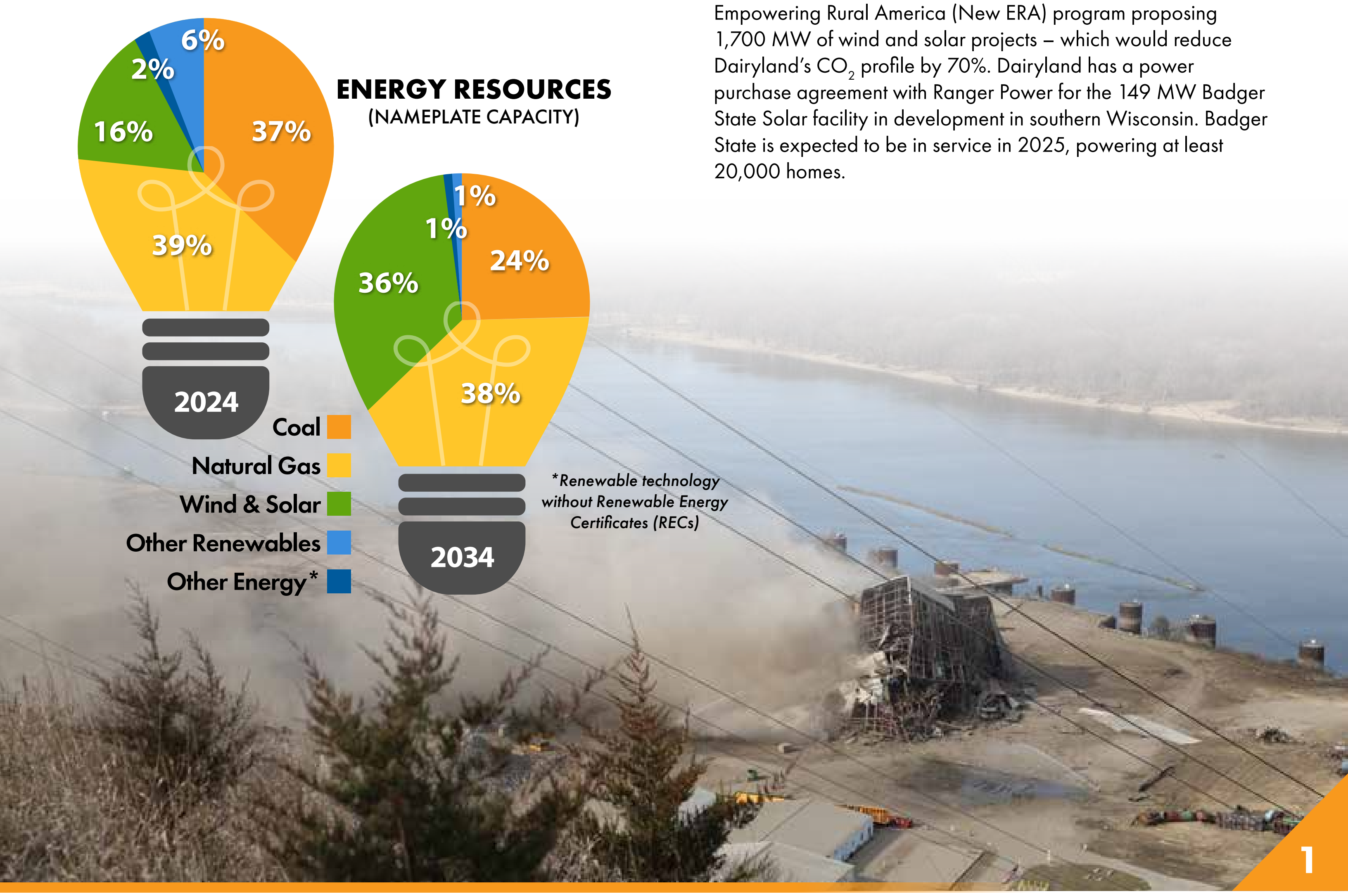
The North American Electric Reliability Corporation (NERC) and MISO are sounding the alarm on the complex challenges facing the power grid due to plant retirements and accelerated decarbonization goals. Regulatory and litigation delays have slowed progress on the Nemadji Trail Energy Center (NTEC) natural gas plant, proven to reduce regional carbon output while supporting renewable energy.

Dairyland is committed to the clean energy transition. As a critical services provider, Dairyland must balance carbon reduction goals with reliability and public safety. Innovation will drive the transition, which is why Dairyland is actively exploring emerging technologies, including small modular nuclear reactors, pumped storage hydro and long-duration battery storage.

As part of Dairyland's Sustainable Generation Plan, the Genoa Station #3 (G-3) coal-fired 345 MW power plant was retired in 2021. In March 2024, G-3's 500-foot stack and main building were demolished, symbolizing a major milestone in Dairyland's energy transition plan. Dairyland is evaluating economic development opportunities for reuse of the power plant site.

FORECAST: SUN AND WIND

Dairyland has submitted a Letter of Interest to the USDA's Empowering Rural America (New ERA) program proposing 1,700 MW of wind and solar projects – which would reduce Dairyland's CO_2 profile by 70%. Dairyland has a power purchase agreement with Ranger Power for the 149 MW Badger State Solar facility in development in southern Wisconsin. Badger State is expected to be in service in 2025, powering at least 20,000 homes.



Since 2014, Dairyland has retired 579 MW of coal generation.

The Quilt Block Wind Farm (Darlington, Wis.) powers more than 36,000 homes.

1. *The safe demolition of the 500-foot stack and main building of Dairyland's retired G-3 power plant in March 2024 was a major milestone as part of Dairyland's energy transition plans. Dairyland contracted with Veit Co. on the demolition, which required 400 lbs. of explosives.* **2.** *The value of always-available generation like the John P. Madgett Station was demonstrated during an August 2023 heat wave when electricity demand was high.* **3.** *President & CEO Brent Ridge provides an overview of Dairyland's resource diversification plans at Allamakee-Clayton Electric Cooperative.* **4.** *Vice President, Strategic Growth John Carr discusses the clean energy transition on Municipal Appreciation Day.*

GROWTH & INNOVATION

Growth and innovation are led by the power of possibility. A growth mindset advances Dairyland's mission to improve quality of life in the communities we serve.

In 2023, Dairyland expanded with the addition of two new Class D Municipal members: Manitowoc Public Utilities and Great Lakes Utilities, which added 10 new municipal power supply customers to the Dairyland system. Oconto Electric Cooperative will become a full requirements wholesale power supply customer of Dairyland in June 2026.

Innovation will drive the clean energy transition. Dairyland is exploring carbon-free power supply technologies, including small modular reactor nuclear plants and pumped storage hydropower. In 2023, Dairyland was awarded a battery storage grant by the Department of Energy and is enthusiastic about the future of new technologies to accelerate decarbonization.

GOOD FOR EVERYONE'S BOTTOM LINE

Safety, reliability and long-term competitive rates are supported by business development initiatives. Dairyland is focused on building expertise-based shared services, including transmission construction, business processes and storm recovery. Dairyland's collaboration with Central Iowa Power Cooperative (CIPCO) on a 161 kV transmission line rebuild was safely and successfully completed in 2023.

Dairyland's Economic Development team works with member cooperatives to support innovation and load growth through business and community development opportunities. In 2023, the Dairyland system had 28 new projects, totaling 15 MW, and secured more than $4 million in economic development funding on behalf of its members.

GRANTS OPEN DOORS

Grants get us where we all want to go faster. Maximizing the potential from federal and state grant applications helps Dairyland achieve clean energy transition goals on an accelerated timeline, while bringing value to the cooperative membership.

Dairyland was awarded more than $20 million in grant funding in 2023 to support middle mile infrastructure for broadband expansion, a microgrid project and long-duration energy storage project. The National Telecommunications and Information Administration (NTIA) grant success supports Dairyland's Fiber Deployment Project, which gives rural residents the high-speed internet they need to work, learn, access telemedicine and improve the quality of their lives. Dairyland is also exploring marketing its "dark fiber" (unused middle mile fiber) for beneficial reuse.

ON THE MAP: AN ALL-ELECTRIC FUTURE

Aligned with carbon reduction goals, Dairyland has supported the installation of 160 electric vehicle (EV) chargers in Wisconsin, Minnesota, Iowa and Illinois. As a critical services provider in rural areas, Dairyland is working to ensure that small towns are considered in plans for federal and state charging infrastructure funds.

Dairyland is a founding member of charg*EV*™, a national EV charging network that supports the growing number of electric-powered vehicles through education and charger installations.

A National Electric Vehicle Infrastructure (NEVI)-compliant charging station will be constructed at the Prentice (Wis.) Truck and Travel Center in spring 2025. The combination EV fast charger, solar array and battery storage project is the result of a successful grant request.

PEOPLE ARE THE CATALYST

People lead innovation behind the scenes. Dairyland's IT team launched VoltWrite, a generative Artificial Intelligence (AI) tool in 2024 to enhance workflow while protecting system data. Modernization of Dairyland's System Operations Center (SOC) and our load management program will support grid reliability with "smart" infrastructure and overall operational efficiencies. In addition to relieving system imbalances, members benefit from load management participation through rate incentives.

2

1. *Dairyland is improving quality of life in local communities by expanding services offered to members and others, including regional transmission construction projects.* **2.** *Dairyland submitted a Letter of Interest for funding through the New ERA grant program, which will result in a 70% reduction in CO_2 if the wind and solar energy projects achieve commercial operation.* **3.** *Dairyland successfully pursued grant funding for an EV fast charging station in northern Wisconsin. Residents and tourists will have access to the the new station in 2025. It also brings a solar energy benefit and the comfort of an overhead canopy.* **4.** *Dairyland celebrated a $14.89 million Middle Mile Infrastructure Grant Award by hosting Sr. Advisor & Assistant to the President/White House Director of Intergovernmental Affairs Tom Perez and U.S. Deputy Secretary of Commerce Don Graves in November 2023. Through this grant, 240 miles of Dairyland's transmission network is being retrofitted with optical ground wire (OPGW).* **5.** *"Middle mile" broadband is the mid-section of internet infrastructure that carries large amounts of data at high speeds over long distances.*

3

4

5

MEMBER SALES (Billions of kWh)

2019	2020	2021	2022	2023
5.34 kWh	5.14 kWh	5.28 kWh	5.42 kWh	5.35 kWh

PEOPLE FIRST

The Dairyland Leadership Academy is designed to develop cooperative employees into knowledgeable and effective leaders within Dairyland and our community. Between courses, employees are challenged to refresh, expand and apply learned skills. The program emphasizes leadership development, teamwork and personal growth.

Technology is always changing and equipping employees with the tools and resources to navigate that change means they can be more confident, efficient and innovative in fulfilling Dairyland's mission. In alignment with Cooperative Principle #5: Education, Training & Information, multiple in-person and web-based trainings are provided on a regular basis to support new software offerings, time management or professional development. One example includes regular M365 trainings covering the variety of tools and opportunities offered by the Microsoft application suite, including Teams, Forms and Outlook.

POWERING OUR PEOPLE

Dairyland continually works to improve and increase learning opportunities for employees and members. In early 2024, Dairyland revived the HR Administrative Conference and, also, developed and offered the first-ever Lineworker U. Sessions were led by industry experts, featuring keynote speakers and breakout workshops covering all aspects of linework.

On Jan. 1, 2024, employees at the RockGen Energy Center (Cambridge, Wis.) became official Dairyland employees as part of the integration of the simple-cycle, dual-fuel generating facility that operates mainly on natural gas, which Dairyland acquired in 2021. At the same time, day-to-day facility operations also merged into Dairyland's Operations Division.

POWERING THE NEXT GENERATION

Internships at Dairyland are not a new concept, but a formal program to support intern onboarding, development and engagement was created for the 2023 Intern Cohort, which supported 22 students throughout Dairyland's facilities. Students participated in scheduled lunches, teambuilding, site visits, a power plant tour and other activities to get to know each other, in addition to their assigned work duties.

WORK-LIFE INTEGRATION

Dairyland's People First culture encourages new opportunities for productive and satisfying work-life integration. Dairyland's You First program centers around three areas: physical, mental and financial wellness with expert information sharing, reduced-fee fitness memberships and other health incentives featured in the internal employee newsletter.

RECOGNIZING AND REWARDING EXCELLENCE

Dairyland employees strive for excellence. Monthly People Powers Awards and nominations recognize employee contributions throughout the year, as nominated by peers and supervisors. Recognition culminates in the Circle of Excellence (COE) Award program, where individuals or teams who, through substantive effort and leadership, made transformational contributions to Dairyland, our members and the communities we serve. COE recipients are selected by Dairyland's Board of Directors and recognized at an annual award ceremony. Recent COE winners were:

- Modernization and Innovation (SOC Modernization Project and NTIA Grant Team)
- JPM Spring 2023 Outage
- Traveling Water Screen Optimization Study Team

2

1. *Lineworkers were recognized for National Lineworker Appreciation Day on April 8. Treats were delivered to crews in recognition of their year-round efforts to keep the lights on day and night, in all kinds of weather and conditions.* **2.** *Three teams were recognized with the 2023 Circle of Excellence Awards by Dairyland's Board of Directors.* **3.** *As part of the JPM optimization study, Dairyland surveyed the survival rate of fish impinged on the plant's TWS (97%). Environmental Specialist III Erik Gulbranson handles a Northern Pike that was successfully returned to the Mississippi River. The study, led by Environmental Biologist Ben Campbell and Director, Environmental & Compliance Brad Foss, earned the 2023 Electric Power Research Institute's (EPRI) Technology Transfer Award. Manager, Environmental Affairs Erik Hoven and Environmental Specialist II Andy Thomes also supported the project.* **4.** *Dairyland's Human Resources team supports regional career fairs and youth outreach days with giveaways and information about electric cooperative careers. Lineworkers-Maintenance Spencer Hovey, Mitch Junk and Lane Peyton, joined Intern, Human Resources Riley Briggs at an event to provide first-hand lineworker perspectives to attendees.* **5.** *Dairyland's Intern Cohort enabled interns to gain valuable hands-on experience and get to know fellow interns. Intern Cohort activities brought students into the field to learn more about the safe, reliable and affordable delivery of power.*

3

4

5

COOPERATIVE PRINCIPLES

In the 1930s and 1940s, bringing electricity to rural America was the purpose and core focus of electric cooperatives. Today, with infrastructure and generation resources in place, Dairyland and our member cooperatives are engaged neighbors, supporting vibrant local communities.

MANY HANDS MAKE LIGHT WORK

Dairyland hosted its inaugural Cooperative Day of Service to kick-off National Co-op Month on Oct. 4, 2023. More than 120 volunteers from Dairyland and 12 member cooperatives participated in six community service projects, including highway clean-ups, painting, replacing exterior lighting, clearing brush and trails, seal-coating a village basketball court, moving light poles at a baseball field and renovating a youth ballfield. Dairyland employees turned out in full force – in part – thanks to the availability of Dairyland's new Volunteer Time-Off opportunity.

COOPERATION AMONG COOPERATIVES

Through Dairyland's Cooperative Contributions Program, $1,000 was donated to a nonprofit organization in each of its 24 member cooperatives' service areas. Projects included an all-abilities playground, youth ballfield, food distribution and outreach program, helicopter pad to expedite critical first responder emergency access, local clothes closets and more.

Together with CoBank's Sharing Success Program (SSP), Dairyland maximized large donations through matching funds. On Earth Day 2024, Dairyland – with $10,000 in matching support from CoBank's SSP – donated $20,000 to support the Outdoor Recreation Alliance's (ORA) development of the Trail Farm Project in La Crosse. The 277-acre site is made up of forest and farmland which will be transformed into a community area, providing access to 15 miles of shared-use trails and other amenities.

Dairyland also contributed $5,000 to Habitat for Humanity's ReNew the Block program, which was matched by CoBank for a total donation of $10,000. The program will be located at Logan Middle School on La Crosse's north side, and will improve the neighborhood, protect the environment, implement hands-on outdoor learning and provide urban community members with access to nature, shared outdoor spaces and healthy food.

Dairyland employees and Board of Directors raised the bar and pledged more than $104,000 to the United Way campaign. Employee donations, event fundraisers and a 65-percent match by the Board ensures our local neighbors have access to vital community programs year-round. In July, employees volunteered for the Great Rivers United Way's Day of Caring, working through heat, humidity and rain. Dairyland President & CEO Brent Ridge was featured in the United Way's Campaign Video, sharing his "Why" behind supporting the organization.

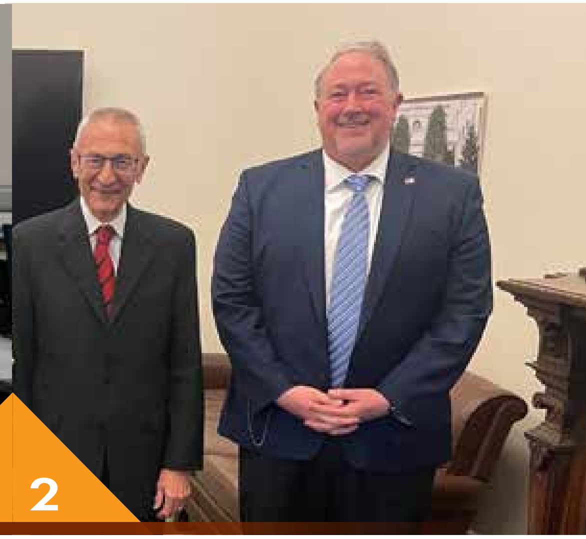
POWERING MEMBER EDUCATION

The highly popular Day with Your G&T events returned in 2023 with their first full schedule (four to five events annually) since 2019. Five events hosted more than 100 employees and directors from Dairyland's member cooperatives. Participants meet with Dairyland leadership, tour the System Operations Center, biology and chemistry labs, telecommunications, Powered Printing and the John P. Madgett Generating Station.

BUILDING RELATIONSHIPS FOR MEMBER ADVOCACY

Dairyland is a nonpartisan organization and works with policymakers to find solutions to energy issues that impact cooperative members. As a not-for-profit generation and transmission cooperative, Dairyland is committed to advancing clean energy in a way that does not sacrifice safety, reliability or affordability for consumers. The cooperative regularly welcomes elected officials to learn about the work Dairyland does on behalf of its members and communities.

Dairyland is a founding regional member of Touchstone Energy® Cooperatives, a national network of Cooperatives created in 1998 to form a national brand, engage cooperative members and strengthen rural communities. Branding, market research, social media, educational programs and developing powerful engagement tools such as the Co-op Web Builder/SHiNE and Touchstone Energy Social platforms exemplify the strength of cooperatives collaborating to engage their members.



1 2

3

4

1. *WI Sen. Julian Bradley was among multiple elected officials who visit Dairyland to learn more about our commitment to delivering safe, reliable and cost-effective electricity.* **2.** *Dairyland leaders also traveled to Washington D.C., to advocate for electric cooperatives on Capitol Hill. President & CEO Brent Ridge met with John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation, to discuss clean energy programs under the Inflation Reduction Act.* **3.** *Dairyland employees volunteer during Rotary Lights. Dairyland also donates equipment to help put up and take down displays.* **4.** *Hintgen Elementary is Dairyland's partner school within the La Crosse Public Education Foundation's Adopt-a-School program. Dairyland supports the school in a variety of ways, including a $1,500 donation to the schoolwide snack fund, which was matched by President & CEO Brent Ridge and his wife, Lisa.* **5.** *Dairyland hosted a charity golf outing to support Tri-Community Fire & Rescue, which reponds to Dairyland's Alma Site. The event raised more than $5,000 toward the replacement of the department's tender truck.* **6.** *A $20,000 donation to the ORA's Trail Farm Project will provide public access to 15 miles of world-class hiking, biking and skiing trails accessible to all user levels.* **7.** *Dairyland donated a Phillips AED to the Cambridge (Wis.) Fire Department, which serves the RockGen Energy Center. Cambridge Fire Chief Joe Evans is also an Operations Technician III (Gas Turbine) at RockGen.*

5

6

7

CAPITAL CREDITS TO MEMBERS

2019	2020	2021	2022	2023
$4.4 MILLION	$11.5 MILLION	$4.7 MILLION	$4.9 MILLION	$5.1 MILLION

FINANCIAL & COMPETITIVE STRENGTH

Financial strength is essential for sustainability and Dairyland's ability to meet its obligation as a critical services provider. The cooperative has earned credit ratings of:

- "A3" with a stable outlook from Moody's Investors Service
- A+ with a stable outlook from Standard and Poor's (S&P)

Positive credit ratings are a reflection of Dairyland's Board, leadership and teams who focus every day on Dairyland's strategic business plan to ensure long-term success.

Competitive rates are crucial to attracting and retaining new businesses and electrification opportunities for member cooperatives. Regionally, Dairyland's wholesale electricity rates are among the lowest, achieving top-quartile rate competitiveness in June 2023. The 2024 budget was approved with a 1% average wholesale rate reduction for Dairyland's member cooperatives. Across all 24 member cooperatives, in 2023, Dairyland returned $11.9 million in power cost and revenue volatility adjustments, and $5.1 million in capital credits.

BUILDING A STRONG FINANCIAL FUTURE

In 2024, Dairyland is conducting a wholesale rate study and evaluating its wholesale power contract. A task force has been formed to review the existing wholesale rate to ensure Dairyland's member cooperatives have the flexibility to offer members – and potential new members – opportunities to safely, reliably and competitively power their lives and businesses.

In 2023, April Wehling was named Executive Vice President & Chief Financial Officer following the retirement of Phil Moilien. Wehling has worked for Dairyland since 2016 and oversees accounting, finance, rates, financial forecasting, enterprise risk management, corporate budget, strategic and business planning, and supply chain.

ADVOCACY EFFORTS POWER BUSINESS DEVELOPMENT

Transmission line projects are critical pieces for a lower-carbon future. But, permitting red tape delays timelines – jeopardizing electric reliability, stalling progress on the clean energy transition and increasing costs. Dairyland advocates on behalf of members both at the state and federal levels, in partnership with four statewide associations: Wisconsin Electric Cooperative Association, Minnesota Rural Electric Association, Iowa Association of Electric Cooperatives and Association of Illinois Electric Cooperatives.

MREA

Association of Illinois Electric Cooperatives
Your Touchstone Energy® Partner

DAIRYLAND POWER COOPERATIVE
A Touchstone Energy® Cooperative

Iowa Association of Electric Cooperatives
A Touchstone Energy® Cooperative

WECA

Dairyland continues to pursue opportunities to own regional transmission lines and has fought to be included as part of Right of First Refusal (ROFR) legislation. Under ROFR, transmission builders must use a competitive bidding process, are subject to approval by the statewide utility services board and conduct extensive environmental reviews under state and federal permitting requirements. All electric cooperative members and utility customers fund local and regional transmission projects through a fee on their bill, regardless of who builds the line. With ROFR in place, incumbent utilities such as Dairyland receive the return on investment, which keeps costs down for electric cooperative members for the life of the transmission line. Bills in Wisconsin and Iowa stalled during the 2024 legislative session.

1

1. *Manager, Transmission Operations and Development Sage Williams discusses plans for the Wabasha Relocation Project during an open house for residents. The project will foster the delivery of renewable energy and strengthen regional reliability.* **2.** *Financial strength – and overall strength of individual cooperatives – lies in cooperation among cooperatives. Dairyland leadership meets with member cooperatives to ensure cooperatives are taking full advantage of the extra services that come with membership.* **3.** *New VP, Transmission Greg Flege was interviewed by La Crosse media last summer to discuss energy conservation during a heat wave, Dairyland's $14.89 million NTIA grant for middle-mile rural broadband and the System Operations Center upgrade. Smart electricity use by consumers, regular plant maintenance and extensive training for SOC dispatchers all contribute to a safe and reliable grid and top-quartile wholesale rates.*

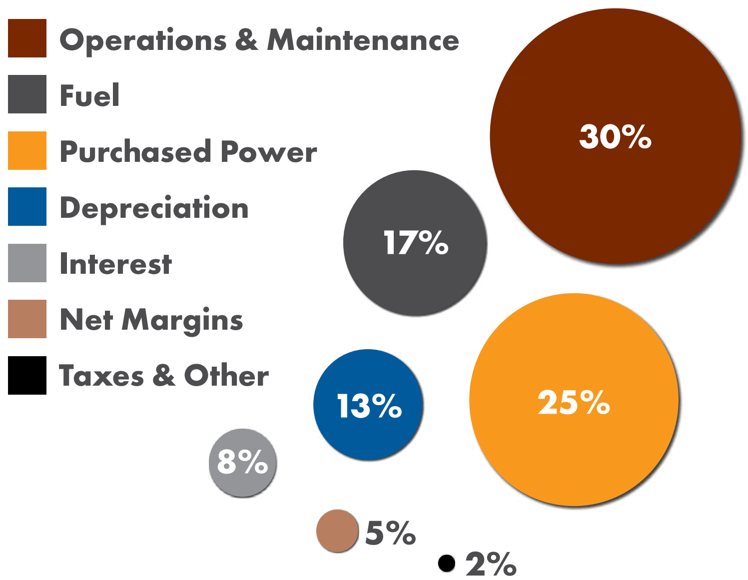
4. *Federal and state regulations impact consumers' electric bills. Dairyland supports its members during electric cooperatives' "Day on the Hill" events, which bring cooperative members to state capitols while the legislatures are in session. Minnesota electric cooperatives had a chance to discuss their legislative priorities with MN Rep. Brad Finstad.*

2

3


4

2023 EXPENSE DOLLAR



EQUITY TO TOTAL ASSETS

2019	2020	2021	2022	2023
23.8%	25.0%	22.2%	23.4%	23.8%

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dairyland Power Cooperative
La Crosse, Wisconsin

Opinion

We have audited the consolidated financial statements of Dairyland Power Cooperative and subsidiary (the "Cooperative"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of revenue, expenses and comprehensive income, member and patron equities, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cooperative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Minneapolis, Minnesota | Deloitte & Touche LLP
March 28, 2024

CONSOLIDATED BALANCE SHEETS

As of December 31, 2023 & 2022 (All dollar amounts in thousands)

ASSETS

ELECTRIC PLANT:	**2023**	**2022**
Plant and equipment—at original cost	$ 2,134,866	$ 2,055,884
Less accumulated depreciation	(957,471)	(906,391)
Net plant and equipment	1,177,395	1,149,493
Construction work in progress	126,813	142,025
Total electric plant	1,304,208	1,291,518
OTHER ASSETS:		
Nuclear decommissioning funds	2,108	2,013
Intangible asset—net (Note 2)	22,607	27,568
Other investments (Note 8)	8,606	7,417
Investments in capital term certificates of National Rural Utilities Cooperative Finance Corporation (Note 8)	9,176	9,176
Regulatory assets (Note 2)	19,093	21,059
Investment for deferred compensation	1,988	1,581
Deferred charges (Note 2)	20,185	15,479
Other assets	2,460	-
Total other assets	86,223	84,293
CURRENT ASSETS:		
Cash and cash equivalents	38,285	25,878
Designated funds (Note 2)	15,965	19,880
Accounts receivable:		
Energy sales	39,510	43,867
Other	1,964	1,100
Inventories:		
Fossil fuels	52,342	27,163
Materials and supplies	22,917	19,315
Prepaid expenses and other	23,890	14,951
Total current assets	194,873	152,154
TOTAL	$ 1,585,304	$ 1,527,965

(Continued)

CONSOLIDATED BALANCE SHEETS

As of December 31, 2023 & 2022 (All dollar amounts in thousands)

CAPITALIZATION AND LIABILITIES

	2023	2022
CAPITALIZATION:		
Member and patron equities:		
Membership fees	$ 1	$ 1
Patronage capital (Note 9)	373,733	354,555
Accumulated other comprehensive income	3,272	2,877
Total member and patron equities	377,006	357,433
Long-term obligations (Note 6)	939,827	1,003,445
Total capitalization	1,316,833	1,360,878
OTHER LIABILITIES:		
Deferred credits (Note 2)	6,830	4,528
Obligations under finance leases (Note 7)	8,312	6,588
Postretirement health insurance obligation (Note 11)	3,677	4,006
Decommissioning and asset retirement obligations (Note 14)	2,351	2,257
Other non-current liabilities	14,785	4,413
Total other liabilities	35,955	21,792
COMMITMENTS AND CONTINGENCIES (Note 10)		
CURRENT LIABILITIES:		
Current maturities of long-term obligations and obligations under finance leases	68,865	56,073
Line of credit (Note 5)	95,000	6,000
Nuclear decommissioning obligations (Note 14)	60	56
Advances from member cooperatives and other prepayments	1,821	6,847
Regulatory liabilities (Note 2)	5,965	19,880
Accounts payable	33,596	31,602
Accrued expenses:		
Payroll, vacation, and benefits	7,169	6,521
Interest	8,500	7,098
Property and other taxes	3,374	3,244
Other	8,166	7,974
Total current liabilities	232,516	145,295
TOTAL	$ 1,585,304	$ 1,527,965

(Concluded)

See notes to consolidated financial statements.

Consolidated Statements of
REVENUES, EXPENSES & COMPREHENSIVE INCOME
For the years ended December 31, 2023 & 2022 (All dollar amounts in thousands)

UTILITY OPERATIONS:	2023	2022
Operating revenues:		
Sales of electric energy	$ 466,178	$ 499,262
Other	25,131	31,861
Total operating revenues	491,309	531,123
Operating expenses:		
Fuel	85,590	146,519
Purchased and interchanged power	122,939	116,420
Other operating expenses	107,542	117,739
Depreciation and amortization	65,602	65,029
Maintenance	42,301	26,212
Property and other taxes	10,045	9,652
Total operating expenses	434,019	481,571
Operating margin before interest and other	57,290	49,552
Interest and other:		
Interest expense	38,433	34,557
Allowance for funds used in construction—equity	(1,468)	(1,165)
Other—net	(279)	(212)
Total interest and other	36,686	33,180
OPERATING MARGIN	20,604	16,372
NONOPERATING MARGIN	3,683	1,658
NET MARGIN AND EARNINGS	24,287	18,030
OTHER COMPREHENSIVE INCOME		
Postretirement health insurance obligation adjustments	395	1,124
COMPREHENSIVE INCOME	$ 24,682	$ 19,154

See notes to consolidated financial statements.

Consolidated Statements of
MEMBER & PATRON EQUITIES
For the years ended December 31, 2023 & 2022 (All dollar amounts in thousands)

	Membership Fees	Patronage Capital	Accumulated Other Comprehensive Income	Total Member and Patron Equities
BALANCE—January 1, 2022	$ 1	$ 341,427	$ 1,753	$ 343,181
Net margin and earnings	-	18,030	-	18,030
Postretirement health insurance obligation adjustments	-	-	1,124	1,124
Retirement of capital credits (Note 9)	-	(4,902)	-	(4,902)
BALANCE—December 31, 2022	1	354,555	2,877	357,433
Net margin and earnings	-	24,287	-	24,287
Postretirement health insurance obligation adjustments	-		395	395
Retirement of capital credits (Note 9)	-	(5,109)	-	(5,109)
BALANCE—December 31, 2023	$ 1	$ 373,733	$ 3,272	$ 377,006

See notes to consolidated financial statements.

Consolidated Statements of

CASH FLOWS

For the years ended December 31, 2023 & 2022 (All dollar amounts in thousands)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin and earnings	$ 24,287	$ 18,030
Adjustments to reconcile net margin and earnings to net cash provided by operating activities:		
Loss on disposal of assets	1,015	87
Depreciation and amortization:		
Charged to operating expenses	65,602	65,029
Charged through other operating elements such as fuel expense	968	2,356
Allowance for funds used in construction—equity	(1,468)	(1,165)
Changes in operating elements:		
Accounts receivable	3,493	(751)
Inventories	(28,957)	(4,706)
Prepaid expenses and other assets	(5,099)	(990)
Accounts payable	9,978	(7,406)
Accrued expenses and other liabilities	(6,276)	6,258
Deferred charges and other	(11,625)	235
Total adjustments	27,631	58,947
Net cash provided by operating activities	51,918	76,977
CASH FLOWS FROM INVESTING ACTIVITIES:		
Electric plant additions	(71,757)	(83,328)
Asset acquisition	(412)	(724)
Proceeds from sale of assets	987	13,245
Purchase of investments	(106)	(215)
Proceeds from sale of investments and economic development loans	223	1,763
Net cash used in investing activities	(71,065)	(69,259)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under line of credit	94,000	20,707
Repayments under line of credit	(5,000)	(224,414)
Borrowings under long-term obligations	5,177	242,886
Repayments of long-term obligations	(54,310)	(50,653)
Retirement of capital credits	(5,109)	(4,902)
Borrowings of advances from member cooperatives	400,441	400,568
Repayments of advances from member cooperatives	(405,729)	(414,629)
Net cash provided by (used in) financing activities	29,470	(30,437)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	10,323	(22,719)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of year	46,193	68,912
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—End of year	$ 56,516	$ 46,193

See notes to consolidated financial statements.

As of and for the years ended December 31, 2023 & 2022 (All dollar amounts in thousands)

1. NATURE OF BUSINESS AND ORGANIZATION

Business—Dairyland Power Cooperative and subsidiary ("Dairyland" or the "Cooperative") is an electric generation and transmission cooperative organized under the laws of the states of Wisconsin and Minnesota. The Cooperative, whose principal offices are located in Wisconsin, provides wholesale electric service to Class A members engaged in the retail sale of electricity to member consumers located in Wisconsin, Minnesota, Iowa and Illinois, and provides electric and other services to Class C, D and E members.

Basis of Accounting—The consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation—The consolidated financial statements include the accounts of Dairyland and Dairyland's wholly owned subsidiary, Genoa FuelTech, Inc. All intercompany balances and transactions have been eliminated in consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

Regulatory Accounting—The accounting records of the Cooperative are maintained in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission as adopted by the Rural Utilities Service (RUS), the Cooperative's principal regulatory agency.

Electric Plant—The cost of renewals and betterments of units of property (as distinguished from minor items of property) includes contract work, direct labor and materials, allocable overhead, and allowance for funds used during construction, and is charged to electric plant accounts. Included in accumulated depreciation are nonlegal or noncontractual costs of removal components. As a result, the cost of units of property retired, sold or otherwise disposed of, plus removal costs, less salvage, is charged to accumulated depreciation and no profit or loss is recognized in connection with ordinary retirements of property units. A provision for these nonlegal or noncontractual costs of removal components is recognized based on depreciation rates determined by a third-party depreciation study completed in September 2021 and approved by RUS in 2021 for rates effective in 2022 through 2026. The Cooperative is unable to obtain the information to separate the cumulative removal costs as of December 31, 2023 and 2022. Maintenance, repair costs and replacement or renewal of minor items of property are charged to operations.

Significant components of electric plant were as follows as of December 31:

	Depreciable Lives	2023	2022
Production	11–60 years	$ 1,212,929	$ 1,210,889
Transmission	23–50 years	664,125	656,156
Distribution	38 years	86,139	82,085
General plant	5–47 years	169,911	104,993
Other	32 years	1,762	1,761
Construction work in process		126,813	142,025
		2,261,679	2,197,909
Less accumulated depreciation		(957,471)	(906,391)
Electric plant		$ 1,304,208	$ 1,291,518

Depreciation—Depreciation, which is based on the straight-line method at rates that are designed to amortize the original cost of properties over their estimated useful lives, includes a provision for the cost of removing and decommissioning the properties. The provision for depreciation averaged 2.8% and 2.7% of depreciable plant balances for 2023 and 2022, respectively.

Allowance for Funds Used During Construction—Allowance for funds used during construction (AFUDC) represents the cost of external and internal funds used for construction purposes, and is capitalized as a component of electric plant by applying a rate (4.137% in 2023 and 4.169% in 2022) to certain construction work in progress. The amount of such allowance was $3,794 in 2023 and $2,870 in 2022. The borrowed funds component of AFUDC for 2023 and 2022, was $2,326 and $1,705, respectively (representing 2.799% and 2.445% in 2023 and 2022, respectively). The equity component of AFUDC for 2023 and 2022 was $1,468 and $1,165, respectively, (representing 1.338% and 1.724% in 2023 and 2022, respectively). The borrowed funds components were included as a reduction of interest expense in the consolidated statements of revenues, expenses and comprehensive income.

Designated Funds—Designated funds represent the amounts collected from customers through rates and deferred for future use. Designated funds are held in cash.

Intangible Asset—In December 2021, the Cooperative recorded an intangible asset as part of the purchase of the RockGen Energy Center. The intangible asset consists of the assignable capacity agreements that were defined in the asset purchase agreement.

The carrying basis and accumulated amortization of the intangible asset as of December 31, 2023 and 2022 were as follows:

	2023	2022
Gross intangible asset	$ 30,221	$ 29,806
Less accumulated amortization	(7,614)	(2,238)
Intangible asset, net	$ 22,607	$ 27,568

Amortization expense for the years ended December 31, 2023 and 2022 was $4,964 and $1,511, respectively.

Estimated amortization expense for each of the following five years and thereafter:

Years Ending December 31	
2024	$ 5,984
2025	4,026
2026	2,110
2027	1,765
2028	1,765
Thereafter	6,957
Total	$ 22,607

Regulatory Assets—The Cooperative's accounting policies and the consolidated financial statements conform to accounting principles generally accepted in the United States of America applicable to electric cooperatives.

The noncurrent portion of regulatory assets as of December 31, 2023 and 2022, include the following:

	2023	2022
Genoa #3 unrecovered plant balances	$ 15,024	$ 20,414
RockGen regulatory asset	4,069	645
Total regulatory assets	$ 19,093	$ 21,059

Genoa #3 Unrecovered Plant Balances—During 2020, the Cooperative established a regulatory asset related to the unrecovered plant balances upon closure of the Genoa #3 generating station that occurred in 2021. Amounts are being recovered in rates through 2029.

The current portion of the Genoa #3 regulatory asset as of both December 31, 2023 and 2022 is $5,390. These amounts are recorded in prepayments and other assets.

RockGen Regulatory Asset—During 2022, the Cooperative established a regulatory asset related to the difference in the amount being recovered in rates on a straight-line basis over the 20-year life and on a GAAP basis which is amortized based on the underlying capacity contracts which have an estimated useful life of seven years. The difference between the GAAP amortization and the amounts recovered in rates are deferred as the regulatory asset.

Deferred Charges—Deferred charges represent future revenue to the Cooperative associated with costs that will be recovered from customers through the rate-making process. As of December 31, 2023 and 2022, the Cooperative's deferred charges are being reflected in rates charged to customers, except the deferred nuclear litigation as noted below. If all or a separable portion of the Cooperative's operations become no longer subject to the provisions of regulatory accounting, a write-off of deferred charges would be required, unless some form of transition recovery (refund) continues through rates established and collected for the Cooperative's remaining regulated operations. In addition, the Cooperative would be required to determine any impairment to the carrying costs of deregulated plant and inventory assets.

The noncurrent portion of deferred charges as of December 31, 2023 and 2022, include the following:

	2023	2022
Nemadji Trail Energy Center	$ 19,812	$ 14,775
Other	373	704
Total deferred charges	$ 20,185	$ 15,479

Cash and Cash Equivalents—Cash equivalents include all highly liquid investments with original maturities of three months or less. Cash equivalents consist primarily of commercial paper, stated at cost, which approximates market.

Fossil Fuels and Materials and Supplies—Coal inventories, as well as materials and supplies inventories, are stated at the lower of average cost or net realizable value.

Regulatory Liabilities—As of December 31, 2023 and 2022, the Cooperative had various revenue deferrals reflected as regulatory liabilities. The revenue deferrals pertained to favorable results from market credits through transactions with the Midcontinent Independent System Operator (MISO) in addition to favorable results due to market conditions. The summary of regulatory liabilities as of December 31, 2023 and 2022 is as follows:

	2023	2022
Planned 2024 J.P. Madgett maintenance	$ 2,290	$ -
System Enhancements	1,875	-
Planned 2026-2027 RockGen outage costs	10,000	-
Battery Storage Innovation	1,800	-
Planned 2023 J.P. Madgett outage costs	-	13,000
Business growth and development	-	6,880
	$ 15,965	$ 19,880

Planned 2023 J.P. Madgett Outage Costs—The Board of Directors approved the creation of a regulatory liability revenue deferral plan in the amount of $13,000 in 2021 for planned outage expense in 2023. The deferral was defeased in 2023.

Business Growth and Development—As of December 31, 2022, the Board of Directors had approved $6,880 of revenue to be deferred for business growth and development. In September of 2023, the Board of Directors approved the amendment to the regulatory liability and approved the return of $6,000 to the members defeasing the remaining balance in the regulatory liability.

Planned 2024 J.P. Madgett Maintenance Costs—The Board of Directors approved the creation of a regulatory liability revenue deferral plan in the amount of $2,290 in 2023. The Cooperative deferred $2,290 of 2023 revenue and plans to recognize this amount in 2024 for the planned maintenance at the plant. The deferral plan was approved RUS in December of 2023.

System Enhancements—The Board of Directors approved the creation of a regulatory liability revenue deferral plan in the amount of $1,875 in 2023 for system enhancements. This consists of $565 for the energy trading software and $1,310 for Enterprise Resource Planning system enhancements. The Cooperative deferred $1,875 of 2023 revenue and plans to recognize this amount in 2024. The deferral plan was approved by RUS in December of 2023.

Planned 2026-2027 RockGen Energy Center Outage Costs—In January 2024, the Board of Directors approved the creation of a regulatory liability revenue deferral plan in the amount of $10,000 as of December 31, 2023. The Cooperative deferred $10,000 of 2023 revenue and plans to recognize this amount in 2026 and 2027 as part of the planned outage. The deferral plan was approved by RUS in February of 2024.

Battery Storage Innovation—In January 2024, the Board of Directors approved the creation of a regulatory liability revenue deferral plan in the amount of $1,800 as of December 31, 2023. The deferral plan was approved by RUS in February of 2024.

The long-term portion of regulatory liabilities as of December 31, 2023 and 2022 is $10,000 and $0 respectively. These amounts are recorded in other non-current liabilities.

Deferred Credits—Deferred credits represent both future revenue to the Cooperative associated with customer prepayments and noncurrent obligations and reserves related to operations. As of December 31, 2023, the Cooperative's deferred credits are being considered when determining rates charged to customers.

Deferred credits as of December 31, 2023 and 2022 were comprised of the following:

	2023	2022
RockGen startup revenue deferral	$ 5,155	$ 2,607
Elk Mound startup revenue deferral	1,675	1,853
Other	-	68
	$ 6,830	$ 4,528

The current portion of deferred credits as of December 31, 2023 and 2022 is $7,263 and $6,483 respectively. These amounts are recorded in other current and accrued liabilities.

Sales of Electric Energy—Revenues from sales of electric energy are recognized when energy is delivered. The Class A wholesale rates approved by the Board of Directors have a power cost adjustment (PCA) and revenue volatility adjustment (RVA) that allows for increases or decreases in Class A member power billings based upon actual power costs compared to plan. For 2023 and 2022, the power cost adjustment to the Class A members resulted in credits to sales billed of ($11,864) and a charge of $15,613, respectively. These amounts are recorded in sales of electric energy in operating revenues on the consolidated statements of revenues, expenses and comprehensive income.

Other Operating Revenue—Other operating revenue primarily includes revenue received from transmission service and is recorded as services are provided.

Accounting for Energy Contracts—The Cooperative does not have any energy contracts that are required to be accounted for at fair value as of December 31, 2023 and 2022.

Leases—The Cooperative determines if an arrangement is a lease at inception of the contract. The right-of-use assets represent the right to use the underlying assets for the lease term and lease liabilities represent the obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. The Cooperative uses the implicit rate noted within the contract, when available. Otherwise, the Cooperative uses its incremental borrowing rate estimated using recent debt issuances that correspond to various lease terms. The Cooperative does not recognize leases, for operating or finance type, with an initial term of 12 months or less ("short-terms leases") on the consolidated balance sheets, and the lease expense for these short-term leases is recognized on a straight-line basis over the lease term within.

Use of Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates in the consolidated financial statements relate to postretirement benefit obligations, asset retirement obligation liabilities, fixed-asset depreciable lives, and litigation and contingencies. Actual results could differ from those estimates.

Concentration of Risk—Approximately 36% of the labor force for the Cooperative is under collective bargaining agreements that expire January 31, 2025.

Subsequent Events—The Cooperative considered events for recognition or disclosure in the consolidated financial statements that occurred subsequent to December 31, 2023, through March 28, 2024, the date the consolidated financial statements were available to be issued.

3. ACCOUNTING STANDARDS

Adopted—The Cooperative adopted Financial Accounting Standards Boards Accounting Standards Update (ASU) 2016-13 *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements* in the current year. The new standard requires entities to shift from an incurred loss model to an expected loss model for credit losses, requiring the entity to immediately recognize estimated credit losses expected over the life of the financial asset. The adoption of ASU 2016-13 did not have a material impact on the Cooperative's financial statement and related disclosures.

4. INCOME TAXES

The Internal Revenue Service has determined that Dairyland is exempt from federal income taxes under Section 501(c)(12) of the Internal Revenue Code. Accordingly, the Cooperative's utility operations are generally exempt from federal and state income taxes and no provision for such taxes is recorded in the consolidated financial statements.

5. LINES OF CREDIT

To provide interim financing capabilities, the Cooperative has arranged committed lines of credit with CoBank. The original line was executed on November 30, 2015, and amended and extended on September 22, 2023, with availability aggregating approximately $350,000. This facility has a five-year term, maturing September 22, 2028, and provides funds both for short-term working capital requirements and for capital projects until permanent financing can be obtained. Some capital projects will last longer than one year, but the intent is to pay down the line of credit as permanent funding is received.

Compensating balance requirements and fees relating to the lines of credit were not significant in 2023 and 2022. Information regarding line of credit balances and activity for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Interest rate at year-end	6.46 %	5.39 %
Total borrowings outstanding at year-end	$ 95,000	$ 6,000
Average borrowings outstanding during year	$ 61,500	$ 101,276

The Cooperative also allows member cooperatives to prepay their power bills and pays interest on these prepayments based on current short-term borrowing rates. Advances from member cooperatives totaled $1,821 and $6,847 at December 31, 2023 and 2022, respectively. Interest expense on member cooperative advances was $262 and $324 for the years ended December 31, 2023 and 2022, respectively. These amounts have been included in interest expense on the consolidated statements of revenues, expenses, and comprehensive income.

6. LONG-TERM OBLIGATIONS

Long-term obligations as of December 31, 2023 and 2022, consist of the following:

	2023	2022
Federal Financing Bank obligations—1.24%—4.49%	$ 568,941	$ 595,514
Federal Financing Bank obligations—4.50%—5.20%	179,221	190,826
Total Federal Financing Bank	748,162	786,340
RUS obligations—4.125% and grant funds	1,491	2,036
CoBank notes— 4.32%	192,188	201,220
Private bonds placement obligations—3.42%	64,167	67,500
Long-term debt	1,006,008	1,057,096
Less current maturities	(66,181)	(53,651)
Net long-term obligations	$ 939,827	$1,003,445

Quarterly principal and interest payments on the long-term obligations to the Federal Financing Bank (FFB) extend through 2053.

Long-term obligations to the RUS are payable in equal monthly principal and interest installments through 2024. The CoBank note is an amortizing 20-year term loan at an interest rate of 4.32%. Quarterly principal and interest payments extend through 2042. The private bond placement is an amortizing 30-year term loan at an interest rate of 3.42%. Quarterly principal and interest payments on this obligation extend through 2043.

The Cooperative executed, filed and recorded an indenture of mortgage, security agreement and financing statement, dated as of September 13, 2011 and as supplemented (the "Indenture"), between the Cooperative, as grantor and U.S. Bank National Association, as trustee. The perfected lien of the Indenture on substantially all of the Cooperative's assets secured equally and ratably all of the Cooperative's long-term debt. The Cooperative is required to maintain and has maintained certain financial ratios related to earnings in accordance with the covenants of its loan agreements as of December 31, 2023.

Scheduled maturities of the Cooperative's long-term obligations as of December 31, 2023, were as follows:

Years Ending December 31	
2024	$ 66,181
2025	54,609
2026	56,082
2027	57,461
2028	58,391
Thereafter	713,284
Total	$ 1,006,008

7. LEASES

The Cooperative has entered into several finance lease agreements for large vehicles and heavy equipment. The transactions are covered in the master lease agreement with lease terms not exceeding seven years. At the end of the lease, the Cooperative can purchase the equipment for a bargain purchase price. The assets are amortized over the lesser of their related lease terms or their estimated productive lives.

The following table presents the components of the Cooperative's right-of-use assets and liabilities related to leases and their classification in the consolidated balance sheets as of December 31:

Component of Lease Balances	Classification in Consolidated Balance Sheets	2023	2022
Assets:			
Finance lease right-of-use assets	Plant and equipment—at cost	$ 18,199	$ 17,521
Liabilities:			
Current portion of finance lease liability	Current maturities of long-term obligations and obligations and obligations under finance leases	$ 2,684	$ 2,302
Long-term portion of finance lease liability	Obligations under finance leases	8,312	6,588

The components of lease and their classification in the consolidated statements of revenues, expense, and comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

Component of Lease Expenses	Classification in Statements of Revenues, Expenses, and Comprehensive Income	2023	2022
Operating lease expense	Other operating expenses	$ 97	$ 455
Finance lease amortization	Depreciation and amortization	2,116	1,834
Finance lease interest	Interest expense	387	287
Short-term lease expense	Other operating and maintenance expenses	596	916
Total lease expense		$ 3,196	$ 3,492

The weighted average remaining lease term and weighted average discount rate as of and for the years ended December 31, 2023 and 2022, were as follows:

	2023	
	Weighted Average Remaining Lease Term (Years)	Weighted Average Discount Rate
Finance leases	5.58	4.13 %

	2022	
	Weighted Average Remaining Lease Term (Years)	Weighted Average Discount Rate
Finance leases	5.05	3.12 %

Supplemental cash flow information related to leases for the years ended December 31, 2023 and 2022, was as follows:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from finance leases	$ 3,069	$ 3,149
Right-to-use assets obtained in exchange for lease obligations:		
Finance leases	4,773	977

The reconciliation of the future undiscounted cash flows to the lease liabilities presented on the Consolidated Balance Sheet as of December 31, 2023, were as follows:

	Leases
2024	$ 3,015
2025	2,942
2026	2,447
2027	1,744
2028	1,164
Thereafter	717
Total lease payments	12,029
Less discount	(1,033)
Total lease liabilities	$ 10,996

8. FINANCIAL INSTRUMENTS

The fair value of the Cooperative's financial instruments other than marketable securities and short-term borrowings, based on the rates for similar securities and present value models using current rates available as of December 31, 2023 and 2022, is estimated to be as follows:

	2023		2022	
	Recorded Value	Fair Value	Recorded Value	Fair Value
Assets:				
Other investments	$ 8,606	$ 8,606	$ 7,417	$ 7,417
Investments in capital term certificates of NRUCFC	9,176	9,176	9,176	9,176
Liabilities—long-term debt	1,006,008	847,071	1,057,096	950,059

Assets and Liabilities Measured at Fair Value—GAAP establishes a framework for measuring fair value by creating a hierarchy for observable independent market inputs and unobservable market assumptions and provides for required disclosures about fair value measurements. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange.

A description of the inputs used in the valuation of assets and liabilities are as follows:

Level 1 inputs utilize observable market data in active markets for identical assets or liabilities. Level 2 inputs consist of observable market data, other than that included in Level 1, that are either directly or indirectly observable. Level 3 inputs consist of unobservable market data, which are typically based on an entity's own assumptions of what a market participant would use in pricing an asset or liability as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The Cooperative's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following table summarizes the Cooperative's assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 and 2022, aggregated by the level in the fair value hierarchy within which those measurements fall:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets and Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
2023	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets—investments:				
Nuclear decommissioning funds	$ 2,168	$ 2,168	$ -	$ -
Other investments	8,606	2,266	1,468	4,872
Investments in capital term certificates of National Rural Utilities Finance Corporation	9,176	-	-	9,176
Investment for deferred compensation	1,988	-	1,988	-
	$ 21,938	$ 4,434	$ 3,456	$ 14,048

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets and Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
2022	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets—investments:				
Nuclear decommissioning funds	$ 2,070	$ 2,070	$ -	$ -
Other investments	7,417	435	1,428	5,554
Investments in capital term certificates of National Rural Utilities Finance Corporation	9,176	-	-	9,176
Investment for deferred compensation	1,748	-	1,748	-
	$ 20,411	$ 2,505	$ 3,176	$ 14,730

The changes in Level 3 recurring fair value measurements using significant unobservable inputs for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
Other investments:		
Balance—beginning of year	$ 5,554	$ 6,751
Patronage capital allocations	629	52
Patronage capital retirements	(1,311)	(1,249)
Balance—end of year	$ 4,872	$ 5,554

The valuation of these assets involved management's judgment after consideration of market factors and the absence of market transparency, market liquidity and observable inputs.

9. RETIREMENT OF CAPITAL CREDITS

The Cooperative's Board of Directors has adopted a policy of retiring capital credits allocated to members on a first-in, first-out basis. As part of an equity development strategy adopted in 2003, patronage capital retired will be limited to no greater than 2% of the total assigned patronage capital balance as of December 31 of the prior year. This policy is subject to annual review and approval by the Board of Directors and the RUS, and no cash retirements are to be made which would impair the financial condition of the Cooperative or violate any terms of its agreements. Since 2003, the amount of nonoperating margins assigned to members each year is at the discretion of the Board of Directors. Any unassigned nonoperating margins will become unallocated reserves and part of permanent equity. Patronage capital amounts for the years ended December 31, 2023 and 2022, are as follows:

	Assigned	Unassigned	Total
Balance—December 31, 2021	$ 245,124	$ 96,302	$ 341,427
Retirement of capital credits	(4,902)	-	(4,902)
Current year margins	15,208	2,823	18,030
Balance—December 31, 2022	255,430	99,125	354,555
Retirement of capital credits	(5,109)	-	(5,109)
Current year margins	19,137	5,150	24,287
Balance—December 31, 2023	$ 269,458	$ 104,275	$ 373,733

10. COMMITMENTS AND CONTINGENCIES

The Cooperative is a party to a number of generation, transmission and distribution agreements, under which costs and/or revenues are recognized currently based upon the Cooperative's interpretations of the provisions of the related agreements. Differences between the estimates used in the consolidated financial statements and the final settlements are recorded in the year of settlement.

The Cooperative has entered into various coal purchase contracts with one- to four-year terms. The estimated commitments under these contracts as of December 31, 2023, is as follows:

Years Ending December 31	
2024	$ 47,010
2025	23,256
2026	1,889
Total	$ 72,155

The Cooperative has been named as a defendant in various lawsuits and claims arising in the normal course of business. Although the outcome of these matters cannot be determined at the present time, management and legal counsel believe these actions can be successfully defended or resolved without a material effect on the consolidated financial position, results of operations or cash flows of the Cooperative.

11. EMPLOYEE BENEFITS

Multiemployer Defined-Benefit Pension Plan—Pension benefits for substantially all employees are provided through participation in the National Rural Electric Cooperative Association (NRECA) Retirement Security Plan ("RS Plan"). This is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. Pension benefits are funded in accordance with the provisions of the RS Plan and are based on salaries, as defined, of each participant. The Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendment Act of 1980, imposes certain liabilities on employers who are contributors to multiemployer plans in the event of a plan termination or an employer's withdrawal. These plans have not been terminated, nor has the Cooperative undertaken any plans to withdraw from participation. Since the RS Plan is a multiemployer plan for accounting purposes, all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers. The Cooperative may be contingently liable for its share of the RS Plan's unfunded vested liabilities.

The Cooperative's contributions to the RS Plan in 2023 and 2022 represented less than 5% of the total contributions made to the plan by all participating employers. Expense for the RS Plan was $8,789 in 2023 and $8,712 in 2022.

In the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80% funded on both January 1, 2023 and 2022, based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Postretirement Health Insurance Obligation—Certain employees of the Cooperative retiring at or after age 55 are eligible to participate in a postretirement health care plan through age 65. Eligible dependents of the retired Cooperative employees are also eligible to participate in this plan through age 65. Retirees pay 100% of the premium amount for this coverage. The premium is based upon the combined medical claims experiences of all active employees and retirees. If premiums were determined based upon the medical claims experience of retirees only, the resulting premium for retirees would be higher. The difference between the premium paid by retirees and the potential actual premium amount is the basis for the postretirement benefit obligation. The Cooperative uses a December 31 measurement date for its plan. The postretirement health care plan is unfunded.

The accumulated postretirement benefit obligation (APBO) and the amounts recognized in the consolidated financial statements as of and for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
Amount recognized in the consolidated balance sheets:		
Total accrued qualified and nonqualified benefit obligation	$ 3,860	$ 4,392
Less current portion included in accrued expenses—other	(183)	(386)
Long-term portion	$ 3,677	$ 4,006
Change in benefit obligation:		
APBO—beginning of year	$ 4,392	$ 5,560
Service cost	205	295
Interest cost	207	137
Actuarial loss	(557)	(1,204)
Benefits paid	(386)	(396)
APBO—end of year	$ 3,861	$ 4,392
Funded status of plan—December 31	$ (3,861)	$ (4,392)
Accrued postretirement health insurance obligations recorded at year-end	$ 3,861	$ 4,392
Change in plan assets:		
Employer contribution	$ (386)	$ (396)
Benefits paid	386	396
	$ -	$ -
Change in accumulated other comprehensive income:		
Net income at prior measurement date	$ 2,877	$ 1,753
Actuarial assumption changes	557	1,204
Recognition in expense:		
Amortization of prior service cost	-	-
Amortization of unrecognized actuarial gain	(162)	(80)
Accumulated other comprehensive income	$ 3,272	$ 2,877
Components of net periodic postretirement benefit cost:		
Service cost-benefits attributed to service during the year	$ 205	$ 295
Interest cost on accrued postretirement health insurance obligation	207	137
Amortization of prior service cost	-	-
Amortization of unrecognized actuarial gain	(162)	(80)
Net periodic postretirement benefit expense	$ 250	$ 352

Employer cash contributions expected to be made to the plan during the fiscal year ending December 31, 2024, is $183. The amount of accumulated other comprehensive income expected to be recognized during the fiscal year ending December 31, 2024, is an actuarial gain of $196 and amortization of prior service cost of $0. All prior service costs have been fully amortized.

For measurement purposes, a 4.75% and 4.93% discount rate was assumed for 2023 and 2022, respectively, to determine net periodic benefit cost. The 2023 and 2022 annual health care cost increase assumed is 6.50% and 6.25%, respectively, decreasing gradually to 4.46% for 2043 and thereafter.

Estimated future benefit payments from the plan as of December 31, 2023, are as follows:

Years Ending December 31	
2024	$ 183
2025	187
2026	257
2027	258
2028	269
2029–2033	1,460

Defined-Contribution Plan—Dairyland has a qualified tax-deferred savings plan for eligible employees. Eligible participants hired prior to January 1, 2020 may make pretax contributions, as defined, with the Cooperative matching up to 2.5% of the participants' annual compensation. Eligible participants hired after December 31, 2019 may make pretax contributions, as defined, with the Cooperative matching up to 13% of the participants' annual compensation. Contributions to this plan by the Cooperative were $2,087 and $1,589 for 2023 and 2022, respectively.

Other Plans—The Cooperative offers key employees deferred compensation plans available through NRECA. The plans permit qualifying employees to defer a portion of their salary until future years. The accumulated deferred compensation balance is not available to employees until termination, retirement or death.

All amounts of compensation deferred under the plans and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Cooperative (not restricted to the payment of benefits under the plan), subject only to the claim of general creditors. Participants' rights under the plans are equal to those of general creditors of the Cooperative in an amount equal to the fair market value of the deferred account for each participant. The related assets and liabilities, totaling $2,150 and $1,748 as of December 31, 2023 and 2022, respectively, are reported at contract value, which approximates fair value.

The Cooperative also provides employees with medical insurance coverage, vision and dental insurance coverage, short-term and long-term disability, and life insurance, which are funded by employer and/or employee contributions. The Cooperative's costs related to these benefits were $9,197 and $9,180 for 2023 and 2022, respectively. The liability for these plans of $38 and $47 as of December 31, 2023 and 2022, respectively, are recorded in other accrued expenses on the consolidated balance sheets.

12. RELATED-PARTY TRANSACTIONS

The Cooperative provides electric and other services to its Class A members. The Cooperative received revenue of $403,930 and $408,146 in 2023 and 2022, respectively, for these services. The Cooperative has accounts receivable from its Class A members of $34,250 and $35,879 as of December 31, 2023 and 2022, respectively.

The Cooperative has advances from Class A members of $1,821 and $6,847 as of December 31, 2023 and 2022, respectively, related to the prepayment program. Class A members have the option of paying their electric bill in advance, and in turn, the Cooperative pays the members' interest income. The Cooperative's interest expense related to the prepayment program was $262 and $324 for the years ended December 31, 2023 and 2022, respectively.

13. ASSET RETIREMENT OBLIGATIONS

An asset retirement obligation (ARO) is the result of legal or contractual obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, or development and/or the normal operation of a long-lived asset. The Cooperative determines these obligations based on an estimated asset retirement cost adjusted for inflation and projected to the estimated settlement dates and discounted using a credit-adjusted risk free interest rate. Upon initial recognition of a liability for ARO, the Cooperative capitalizes the asset retirement cost by increasing the carrying amount of the related long lived asset by the same amount as the liability. The Cooperative allocates that asset retirement cost to expense using the straight-line method over the remaining useful life of the related long-lived asset. The accretion of the obligation is recognized over time up to the settlement date. Any future change in estimate will be recognized as an increase or a decrease in the carrying amount of the liability for an ARO and the related asset retirement cost capitalized as part of the carrying amount of the related long-lived asset.

The Cooperative determined that it has AROs related to future removal and disposal of asbestos at its power plants. There are no assets legally restricted for purpose of settling the ARO related to future removal and disposal of asbestos. The ARO balance related to the future removal and disposal of asbestos was $244 as of both December 31, 2023 and 2022. The balance is recorded within Other Liabilities on the consolidated balance sheets.

The Cooperative has established a decommissioning trust to accumulate the estimated amounts necessary to decommission a nuclear power plant that the Cooperative formerly operated and the related Independent Spent Fuel Storage Installation (ISFSI). The assets of this trust in the amount of $2,168 and $2,070 as of December 31, 2023 and 2022, respectively, are outside the Cooperative's administrative control and are available solely to satisfy the future costs of decommissioning. As the expected completion is planned for 2024, the balance of the trust as of December 31, 2023 of $60 is recorded as current in the consolidated balance sheet. The remaining $2,108 is related to the annual ISFSI costs that will remain after completion of the decommissioning.

The Cooperative did not record a conditional ARO related to the dismantlement of the dam and drainage reservoir for the hydro generation plant at Flambeau, the removal of transmission lines in various corridors, and RockGen Energy Center because the Cooperative does not have sufficient information to estimate the fair value of the ARO.

14. NUCLEAR REACTOR

License—The La Crosse Boiling Water Nuclear Reactor (LACBWR) was voluntarily removed from service by the Cooperative effective April 30, 1987. The intent was to terminate operation of the reactor, and a possession-only license was obtained from the Nuclear Regulatory Commission (NRC) in August 1987. LACBWR will remain in safe storage status (SAFSTOR) until the final stage of decommissioning of LACBWR, involving dismantlement and decontamination, can be completed. In May 2016, the NRC approved transfer of the license to La CrosseSolutions LLC (Solutions), a subsidiary of EnergySolutions LLC. The license reverted back to the Cooperative in 2023 following completion of decommissioning activities. The Cooperative retains a license for its continued ownership of the spent fuel.

Nuclear Waste Policy Act of 1982 (NWPA)—Under the NWPA, the United States government is responsible for the storage and disposal of spent nuclear fuel removed from nuclear reactors. By statute and under contract, the United States government was to have begun accepting spent fuel in January 1998, but has not yet licensed and established a repository.

Due to the Government's breach of contract to store and dispose of LACBWR spent nuclear fuel, prior to 2023 the Cooperative recovered LACBWR expenses from the Government through filing of legal actions in the United States Court of Federal Claims. In alternative to legal action through the court, in 2023, the Cooperative engaged the Government on entry into a settlement agreement whereby the Cooperative could submit and recover, and the Government could approve or deny, certain LACBWR expenses. The settlement agreement remains under negotiation, but in the interim the Government permitted the Cooperative to submit LACBWR expenses for 2019 through 2022 for potential reimbursement. The Cooperative submitted these LACBWR expenses to the Government on September 27, 2023, totaling $14,658. The Government has communicated to the Cooperative the submitted LACBWR expenses continue to be under review.

ISFSI—The Cooperative completed the temporary dry storage facility project located on the LACBWR site and completed the move of the LACBWR spent nuclear fuel to this ISFSI facility in September 2012. The spent nuclear fuel will remain at the ISFSI until it is able to be transferred to the government. Annual ISFSI costs are recorded on an as incurred basis and incorporated into the annual budget and rate making process.

15. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

The statement of cash flows includes the following supplemental information as of December 31, 2023 and 2022:

	2023	2022
Cash paid for interest	$ 40,497	$ 35,928
Electric plant additions funded through accounts payable and accrued expenses	729	5,367
Electric plant additions under capital leases	5,177	977

The amount shown in the consolidated statements of cash flows for cash, cash equivalents and restricted cash as of December 31, 2023 of $56,516 is comprised of cash and cash equivalents of $38,285, designated funds of $15,965 and $2,266 of restricted cash included in other investments. The amount shown in the consolidated statements of cash flows for cash, cash equivalents and restricted cash as of December 31, 2022 of $46,193 is comprised of cash and cash equivalents of $25,878, designated funds of $19,880 and $435 of restricted cash included in other investments.

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales of electric energy consists of sales to members pursuant to long-term wholesale electric contracts. Dairyland recognizes revenue based on the amount of energy delivered to each customer at agreed upon rates. The measurement of energy sales to customers is generally based on meter data, which is collected through the last day of the month. At the end of each month, amounts of energy delivered to customers is recognized.

The Cooperative is an active participant in the MISO Energy Markets, where generation is bid into the Day Ahead and Real Time markets and procure electricity for our wholesale customers and sell energy at prices determined by the MISO Energy Markets. Purchase and sale transactions are recorded using settlement information provided by MISO. Purchase transactions are accounted for on a net hourly position. Net purchases in a single hour are recorded as purchased and interchanged power. Sales of excess energy transacted through MISO are recorded on a gross basis in other sales. For sales to the MISO Energy Markets, the Cooperative has no performance obligation until the energy is sold.

The Cooperative's members consist of Class A, D, and E members. Class A members purchase wholesale electric service and rates are set annually with approval by the Board of Directors. Contract term is determined by the Wholesale Power Contract that is in effect until December 31, 2062. The contract automatically extends an additional (2) years in each odd-numbered year beginning January 1, 2021 unless either the Cooperative or member give notice no later than the preceding September 1 of its election not to extend further. Class D member revenues are based on various contracts with wholesale municipal members. Class E member revenues primarily reflect sales to MISO.

The following table disaggregates revenue by major source for the years ended December 31, 2023 and 2022:

	2023	2022
Class A	$ 403,930	$ 408,146
Class D	29,057	21,423
Class E, including MISO	33,191	69,693
Other sales	25,131	31,861
Total	$ 491,309	$ 531,123

MEMBERS & FACILITIES

CLASS A MEMBERS

WISCONSIN

Barron Electric Cooperative | Barron
Bayfield Electric Cooperative | Iron River
Chippewa Valley Electric Cooperative | Cornell
Clark Electric Cooperative | Greenwood
Dunn Energy Cooperative | Menomonie
Eau Claire Energy Cooperative | Fall Creek
Jackson Electric Cooperative | Black River Falls
Jump River Electric Cooperative | Ladysmith
Oakdale Electric Cooperative | Oakdale
Pierce Pepin Cooperative Services | Ellsworth
Polk-Burnett Electric Cooperative | Centuria
Price Electric Cooperative | Phillips
Richland Electric Cooperative | Richland Center
Riverland Energy Cooperative | Arcadia
St. Croix Electric Cooperative | Hammond
Scenic Rivers Energy Cooperative | Lancaster
Taylor Electric Cooperative | Medford
Vernon Electric Cooperative | Westby

IOWA/MINNESOTA

MiEnergy Cooperative | Cresco & Rushford

IOWA

Allamakee-Clayton Electric Cooperative | Postville
Heartland Power Cooperative | Thompson & St. Ansgar

MINNESOTA

Freeborn Mower Electric Cooperative | Albert Lea
People's Energy Cooperative | Oronoco

ILLINOIS

JCE Co-op | Elizabeth

SPECIAL SERVICES MEMBERS

Adams-Columbia Electric Cooperative | Friendship, Wis.
Central Wisconsin Electric Cooperative | Iola, Wis.
Oconto Electric Cooperative | Oconto Falls, Wis.
Rock Energy Cooperative | Janesville, Wis.

CLASS C MEMBERS

Great River Energy | Maple Grove, Minn.
Minnkota Power Cooperative | Grand Forks, N.D.

MUNICIPAL CUSTOMERS

CLASS D MUNICIPAL MEMBERS

City of Arcadia, Wis.
Village of Argyle, Wis.
Village of Cashton, Wis.
City of Cumberland, Wis.
City of Elroy, Wis.
City of Fennimore, Wis.
City of Forest City, Iowa
Great Lakes Utilities | Marshfield, Wis.
Village of La Farge, Wis.
City of Lake Mills, Iowa
City of Lanesboro, Minn.
City of Manitowoc, Wis.
City of McGregor, Iowa
Village of Merrillan, Wis.
City of New Lisbon, Wis.
City of Osage, Iowa
City of St. Charles, Minn.
City of Strawberry Point, Iowa
Village of Viola, Wis.

POWER SUPPLY CUSTOMERS

Village of Bangor, Wis.
City of Clintonville, Wis.
City of Cornell, Wis.
City of Kiel, Wis.
City of Medford, Wis.
City of Shawano, Wis.
Village of Stratford, Wis.
Village of Trempealeau, Wis.
City of Wisconsin Rapids, Wis.

CLASS E MEMBERS

Alliant Energy | Madison, Wis.
Northwestern Wisconsin Electric Co. | Frederic, Wis.
NSP-Minnesota | St. Paul, Minn.
NSP-Wisconsin | Eau Claire, Wis.
Southern Minnesota Municipal Power Agency | Rochester, Minn.

FACILITIES ON MAP

Headquarters | La Crosse, Wis.
John P. Madgett Station | Alma, Wis.
Elk Mound Generating Station | Elk Mound, Wis.
Flambeau Hydro Station | Ladysmith, Wis.
Genoa Site | Genoa, Wis.
RockGen Energy Center | Cambridge, Wis.
Sartell Hydro Station | Sartell, Minn. (Eagle Creek Renewable Energy, LLC)
Weston 4 Generating Station | Wausau, Wis.

Planned Energy Resources

Nemadji Trail Energy Center | Superior, Wis.
Badger State Solar | Jefferson, Wis. (Ranger Power)

Wind Facilities

Gundersen Wind | Lewiston, Minn.
McNeilus (RWE) Wind | Adams, Minn.
McNeilus Dodge | Dodge Center, Minn.
Prairie Star Wind | Austin, Minn.
Quilt Block Wind | Darlington, Wis. (EDP Renewables)
Tatanka Ridge Wind | Deuel County, S.D. (Tatanka Ridge Wind, LLC)
Winnebago Wind | Thompson, Iowa (Avangrid)

Solar Energy Sites

Wisconsin: Arcadia, Centuria, Conrath, Hallie, Hillsboro, Liberty Pole, Medford, Menomonie, Mt. Hope, Necedah, New Auburn, Phillips, Roberts & Viola

Minnesota: Albert Lea & Oronoco

Illinois: Thomson

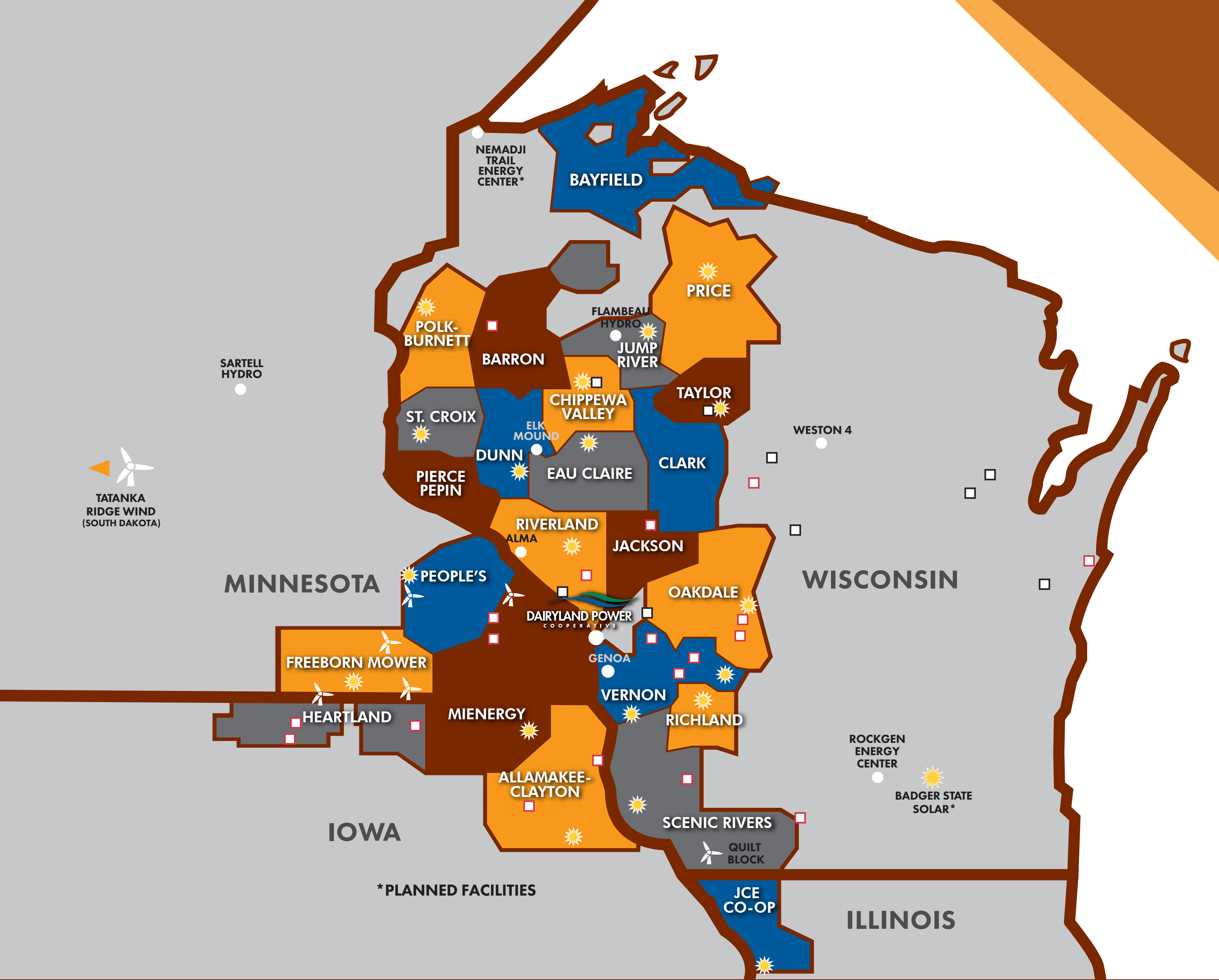
Iowa: Decorah & Strawberry Point

FACILITIES NOT SHOWN

Waste Management, Inc., Facilities:

Central Disposal Landfill | Lake Mills, Iowa
Timberline Trail Landfill | Weyerhaeuser, Wis.

SYSTEM MAP



GENERATING RESOURCES Year-End Capacity in Megawatts (MW)

Generating Stations

Coal (Steam)

John P. Madgett	387
Weston #4*	165

Hydro

Flambeau	18.96

Combustion Turbine (Gas/Oil)

Elk Mound 1-2	74
RockGen	503

TOTAL DAIRYLAND CAPACITY 1,147.96

** DPC Share of Weston #4*
*** 5% Share of 100 MW Wind Farm*
**** 33% Share of 154.8 MW Wind Farm*
***** Some wind, solar and digester technologies do not have associated RECs*

Under Contract

Solar	Small solar****	49.2
Digesters (Biogas)	Small digesters****	1.34
Hydro	Sartell Hydro	10
	Manitoba Diversity Exchange	50
Landfill Gas	Timberline Trails	5.6
	Central Disposal	4.8
Gas Engine	York JCE	2.1
Wind	Gundersen Wind	5
	McNeilus (RWE)	17.4
	McNeilus Dodge	5.7
	Prairie Star Wind**	5
	Quilt Block Wind	98
	Tatanka Wind***	51.6
	Winnebago Wind Farm	20
	Small Wind (< 5 MW)	4

TOTAL UNDER CONTRACT 329.74
TOTAL CAPACITY IN SERVICE 1,477.70

COOPERATIVE PRINCIPLES

1 | Voluntary and Open Membership

2 | Democratic Member Control

3 | Members' Economic Participation

4 | Autonomy and Independence

5 | Education, Training and Information

6 | Cooperation Among Cooperatives

7 | Concern for Community

DAIRYLAND POWER® COOPERATIVE

A Touchstone Energy® Cooperative

3200 East Avenue South • P.O. Box 817
La Crosse, WI 54602-0817 • www.DairylandPower.com

FSC

As part of our sustainability efforts to preserve the environment, this report was designed and printed on FSC Certified paper by Powered Printing, a service of Dairyland Power.

Dairyland Power Cooperative is an equal opportunity provider & employer.

POWERED PRINTING
Design/Print/Mail

Follow us on: