Seize the Day, Shape the Future

DAIRYLAND POWER®
COOPERATIVE

A Touchstone Energy® Cooperative

2024 ANNUAL REPORT

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2024 At a Glance

24 DAIRYLAND MEMBER SYSTEMS

27 MUNICIPALS SERVED

500 EMPLOYEES

$25.8 MILLION MARGINS

6.9 BILLION kWh POWER SALES (GENERATION AND PURCHASED)

$483.2 MILLION TOTAL OPERATING REVENUE

$1.56 BILLION TOTAL ASSETS

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

1,168 MW PEAK DEMAND REPORTED TO MISO (8/26/24)

750,000 APPROXIMATE POPULATION SERVED

Cardinal-Hickory Creek Photo Credit:
Dubuque Telegraph Herald, Dave Kettering, 2024

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 over 750,000 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's generating resources, which include wind, solar, natural gas, coal, hydro and biogas, support reliability and energy diversification through an all-of-the-above approach. Electricity is delivered via 3,720 miles of transmission lines to 400 distribution substations located throughout the system's 44,500 square mile service area.

Dairyland, a Touchstone Energy® Cooperative, is headquartered in La Crosse, Wis. Its service area encompasses 62 counties in four states (Wisconsin, Minnesota, Iowa and Illinois).

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

Seize the Day, Shape the Future

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Members of Dairyland's Board of Directors and Dairyland President & CEO Brent Ridge joined U.S. President Joe Biden at the Investing in Rural America grant award event hosted by Dairyland at Vernon Electric Cooperative in September 2024.

Seize the Day, Shape the Future

Letter From President & CEO and Board Chair

The past year was transformative for Dairyland Power Cooperative, with many successes providing a solid foundation to deliver on our mission: "To safely power our communities and empower cooperative members to improve the quality of their lives."

Recognizing every challenge presents an opportunity, the Dairyland team remains adaptable in the pursuit of achieving our strategic priorities and goals. With constantly evolving political, policy, regulatory and business landscapes, flexibility is integral to providing long-term value to our members and the rural communities we serve. *Seize the Day, Shape the Future* embodies the innovative ethos necessary to advance our mission and position the Dairyland system for growing prosperity.

There is much to reflect on from a successful and productive year. Dairyland's financial position remains strong, as evidenced by an A+ rating from S&P Global and an A3/Stable rating from Moody's, as well as a 2025 budget and rate process that resulted in a 0.99% average rate reduction for our members. Dairyland's rate competitiveness is attracting new investments and economic development opportunities, along with new power supply customers – Oconto Electric Cooperative and Norris Electric Cooperative – beginning June 2026. Expanding our service territory and growing load positions Dairyland as a leading utility, to the benefit of our Class A members.

Grants and economic development continue to exceed expectations and deliver tremendous value. In 2024, Dairyland's Economic Development team facilitated the addition of 27 new projects totaling 20.4 megawatts of new load. The Grants team secured federal awards, including cost-share funding for three Long Duration Energy Storage (LDES) projects, two Powering Affordable Clean Energy (PACE) solar and storage facilities, and the $595 million Empowering Rural America (New ERA) award, which was announced last September by President Joe Biden in Westby, Wis., and marked the first time a sitting U.S. President visited a Wisconsin electric cooperative.

Safety and reliability remain paramount. The Operations team completed successful maintenance outages at our John P. Madgett (JPM), RockGen and Elk Mound generating units – ensuring these assets are available and providing vital capacity during peak demand. The Transmission team notched numerous accomplishments, from completing and energizing the 345 kV Cardinal-Hickory Creek transmission line to safely executing critical transmission infrastructure upgrades and maintenance across the Dairyland system. Shaping our future, the team has won competitive bids for new high-voltage transmission lines, positioning Dairyland to participate in Long-Range Transmission Plan (LRTP) projects led by the Midcontinent Independent System Operator (MISO). Serving and providing value to our members remains a top priority and the Transmission team, in collaboration with Economic Development, developed capacity heat maps for each of Dairyland's 24 Class A members, identifying areas with available capacity to support business investment, expansion and new economic development.

As a critical service provider, Dairyland's ability to deliver reliable, cost-competitive energy and transmission service is predicated on a robust safety culture. Committed to continuous improvement and the pursuit of excellence, Dairyland is raising the bar on safety: In the past year, we updated and strengthened the Safety Rules Manual, established the Corporate Safety Review Board (CSRB) and implemented a rigorous Observation Program to improve performance and ensure compliance with safety and operational standards. Operating safely is not only Dairyland's top priority and moral obligation, it is an indispensable prerequisite in our ability to deliver on our mission, vision and strategic priorities.

To maintain our momentum and build on last year's success into 2025 and beyond, Dairyland's Board of Directors and leadership team adopted new Strategic Priorities and Shared Values. You'll see each section that follows focuses on each one of our Strategic Priorities of Safe Outcomes, Financial Strength, Organizational Development, Reliability, Member Satisfaction and Environmental Stewardship.

Seize the Day, Shape the Future reflects Dairyland's dedication to a strategic mindset that embraces challenges and opportunities to position Dairyland, our members and the communities we serve for sustainable growth and enduring prosperity. We want to shape our future, not be shaped by it. With a commitment to safety, reliability and affordability, as well as an unyielding focus and an enterprising cooperative resolve, Dairyland is well-positioned to do just that.

Jenny Schamer

Jenny Scharmer
Chair, Board of Directors

Brent Ridge
President and CEO

Dairyland hosted an Empowering Rural America (New ERA) grant award event in September 2024, attended by President Joe Biden - marking the first time a sitting U.S. president visited an electric cooperative in Wisconsin.

Mission

To safely 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, cost-competitive and sustainable solutions.

Shared Values

We have an unwavering **commitment** to **safe behaviors** & outcomes
We are **dedicated** to our **members** & to exceeding expectations
We take initiative, **continuously improve** & achieve results
We seize **opportunities** & embrace **new prospects**
We are **hands-on** & **value-driven**, acting with an entrepreneurial mindset
We are **productive** & **innovative**, seeking better ways to achieve goals

Cooperative Leaders

Executive Committee

CHAIR
Jenny Scharmer
MiEnergy Cooperative

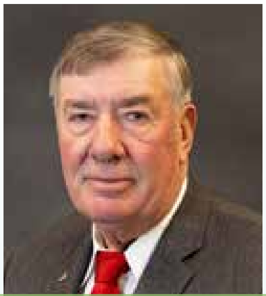
VICE CHAIR
Mark Kingland
Heartland Power Cooperative

TREASURER
Dan Korn
Vernon Electric Cooperative

SECRETARY
Jeff Bradley
Allamakee-Clayton Electric Cooperative

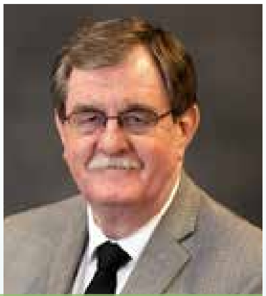
ASSISTANT SECRETARY
Courtney Cuta
Dairyland Power Cooperative

MEMBER-AT-LARGE
Michael Baker
Barron Electric Cooperative



MEMBER-AT-LARGE
Clarence Boettcher
Eau Claire Energy Cooperative

MEMBER-AT-LARGE
Jerry Huber
Jackson Electric Cooperative



MEMBER-AT-LARGE
Bill Trygstad
Freeborn Mower Electric Cooperative

GENERAL COUNSEL
Joyce Peppin
Dairyland Power Cooperative

Board of Directors

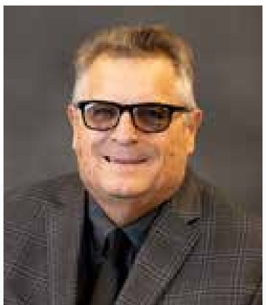

Brian Berg
Pierce Pepin
Cooperative Services


Sandra Davidson
Scenic Rivers
Energy Cooperative


Dennis Frame
Riverland Energy
Cooperative


Art Friedrich
People's Energy
Cooperative


Ed Gullickson
Polk-Burnett Electric
Cooperative


James Hager
Clark Electric
Cooperative


Robert Hess
Oakdale Electric
Cooperative

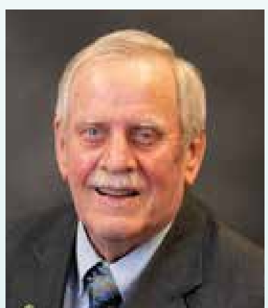

Joe Mattingley
JCE Co-op


Jeff Monson
Richland Electric
Cooperative


Karen Newbury
Price Electric
Cooperative


John Petska
Chippewa Valley
Electric Cooperative


Neil Plourde
St. Croix Electric
Cooperative


Barry Radloff
Bayfield Electric
Cooperative


Jane Reich
Jump River Electric
Cooperative


Dean Stokke
Dunn Energy
Cooperative


Chuck Zenner
Taylor Electric
Cooperative

Member control of Dairyland is vested in its Board of Directors, consisting of representatives from each of its 24 Class A member distribution cooperatives.

Selected by their local members, directors represent a broad spectrum of interests, including their members, the business interests of their local cooperative and, perhaps the most challenging of all, the affairs of a power supply system providing energy to more than 750,000 people in four states.

Executive Team

BRENT RIDGE
President & CEO

AMANDA HOEFLING
Executive Vice President & Chief Administrative Officer

KEVIN NORDT
Executive Vice President & Chief Strategy Officer

JOYCE PEPPIN
Executive Vice President & General Counsel

BEN PORATH
Executive Vice President & Chief Operating Officer

APRIL WEHLING
Executive Vice President & Chief Financial Officer

JEREMY BROWNING
Vice President, Generation

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

JOHN YOUNG
Vice President & Chief Risk Officer

JOHN CARR
Vice President, Special Projects*

**retired in January 2025*

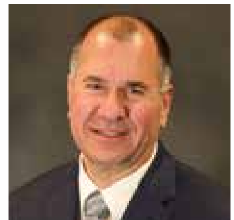
Dairyland Managers Association

Class A Member Leadership

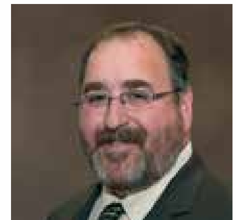
HOLLEE MCCORMICK
Allamakee-Clayton Electric Cooperative

AARON TORUD
Barron Electric Cooperative

CHRIS KOPEL
Bayfield Electric Cooperative



RUSS FALKENBERG
Chippewa Valley Electric Cooperative



TIM STEWART
Clark Electric Cooperative

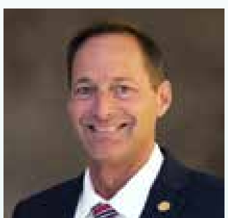
JESSE SINGERHOUSE
Dunn Energy Cooperative

MONICA OBRYCKI
Eau Claire Energy Cooperative

JIM KRUEGER
Freeborn Mower Electric Cooperative

JON LEERAR
Heartland Power Cooperative

KEVIN BABCOCK
Jackson Electric Cooperative

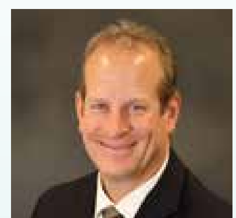


MIKE CASPER
JCE Co-op

KURT HARRIS
Jump River Electric Cooperative

BRIAN KRAMBEER
MiEnergy Cooperative

CHRIS TACKMANN
Oakdale Electric Cooperative



MIKE HENKE
People's Energy Cooperative

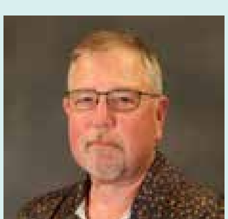
NATE BOETTCHER
Pierce Pepin Cooperative Services

STEVE STROSHANE
Polk-Burnett Electric Cooperative

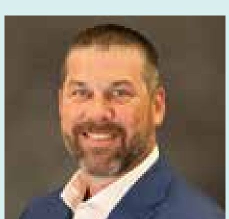
JEFF OLSON
Price Electric Cooperative

AMY MARTIN
Richland Electric Cooperative

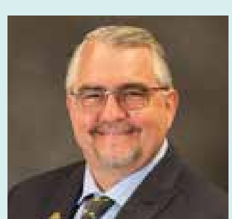
TIM HOLTAN
Riverland Energy Cooperative



STEVE LUCAS
Scenic Rivers Energy Cooperative



ROB DOOLEY
St. Croix Electric Cooperative



KENNY CEAGLSKE
Taylor Electric Cooperative

CRAIG BUROS
Vernon Electric Cooperative

Safe Outcomes

Achieve & maintain a zero-incident, safe workplace

Seize the Day with Safety First

Safety is the bedrock on which every success is built. In 2024, new safety resources were launched, including a Corporate Safety Review Board – an independent advisory body, fostering 200% accountability for the individual and team. Paired with a revised Safety Manual, Dairyland's Observations Program recognizes exceptional performance, provides constructive feedback and promotes a culture of continuous improvement.

At Last: Cardinal-Hickory Creek Serves Region

Following a decade-long journey, the 102-mile, 345 kilovolt (kV) Cardinal-Hickory Creek transmission line was placed in service at the end of September, representing a major accomplishment for regional reliability and safety. Dairyland is a co-owner of the line with ATC and ITC Midwest. More than 160 renewable energy projects – enough to power millions of homes – were dependent upon its construction.

Pathways for the Future

A strong interstate transmission connection between Minnesota and Wisconsin will improve the reliability and flexibility of the region's power delivery system, while supporting economic benefits and growth. Dairyland and GridLiance Heartland, LLC (GridLiance), a subsidiary of NextEra Energy Transmission, LLC, will jointly develop and co-own the MariBell Transmission Project, a 139-mile, 765 kV transmission line from Marion, Minn., to Bell Center, Wis.

MariBell is part of a portfolio of solutions approved in the Midcontinent Independent System Operator (MISO) Long-Range Transmission Plan (LRTP) Tranche 2.1 in December 2024.

Dairyland's 345 kV Alma-Blair (Wis.) Transmission Project is also part of MISO's LRTP and will strengthen regional reliability to support carbon reduction goals. The Wabasha Relocation Project will relocate an existing 161 kV transmission line that serves a critical role in providing reliable electric service to homes and businesses in southeast Minnesota.

Innovation Supports Cybersecurity

Excellence in technology leadership is essential for safe outcomes in the digital age. Dairyland's Vice President & CIO Nate Melby was the 2024 Wisconsin CIO of the Year ORBIE® award winner in the Large Corporate category. Foundry's CIO named Dairyland Power Cooperative as a 2025 CIO 100 Award Winner, highlighting Dairyland's innovative use of artificial intelligence (AI).

Dairyland launched VoltWrite, a generative AI tool, in 2024 as a secure and robust in-house alternative to external AI platforms. Now, VoltWrite is available as a service to electric cooperatives nationwide.

ZERO By Choice
EVERYONE HOME SAFE EVERY DAY

Remember Your Why Safety Campaign

Dairyland Fleet Mechanic Jonah Rieber assisted in the power restoration effort in South Carolina following Hurricane Helene. Dairyland administers the Restoration of Power in an Emergency (ROPE) program, enabling electric cooperatives to share crews, equipment and materials after major outages.

Thank a Lineworker! EVP & COO Ben Porath and Area Supervisor, Transmission Maintenance Jason Hovey review safe work practices on Lineworker Appreciation Day.

President & CEO Brent Ridge and Dairyland leaders gathered at the NRECA TechAdvantage Conference Expo in March. The event spotlighted Dairyland's development and nationwide launch of the VoltWrite generative AI platform.

TRANSMISSION LINES

Voltage–kV	Miles as Operated
34.5	0.7
69	2,623.6
115	1.4
161 * *	703.5
345 *	392.0
Total	**3,721.2**

Part Owner of 392 miles
*** *Part Owner of 44.9 miles***

Dairyland's Observations Program helps everyone go home safely, every day. EVP & CAO Amanda Hoefling conducted a real-time observation of Telecommunications Technician II Hunter Pedretti's task.

Financial Strength

Fortify our financial position to ensure resiliency and capitalize on opportunities

Seizing the Day with Top Performance

Members benefit from Dairyland's investments and business strategy in the form of stable rates that are among the lowest in the region. Dairyland's wholesale rate, overall, saw nearly a 1% reduction in 2025; member cooperatives also received $5.4 million in capital credits retirement. In 2024, the wholesale power contract extended through 2066.

In 2024, a Wholesale Rate Study Task Force was formed. Cost-competitive rates are tools cooperatives use to improve member satisfaction and attract new members and businesses. The growth of beneficial electrification, artificial intelligence and data centers all factor into rate forecasting, power supply planning and infrastructure needs.

Shaping the Future with Strong Credit

Dairyland holds credit ratings of "A3" with a stable outlook from Moody's Investors Service and A+ with a stable outlook from Standard and Poor's. These rating agency opinions are vital to Dairyland fulfilling its mission as a critical services provider. Dairyland's member cooperatives leverage economic development opportunities to create an environment for growth. In 2024, members facilitated 27 new projects totaling 20 MW of growth.

Building Solid Relationships

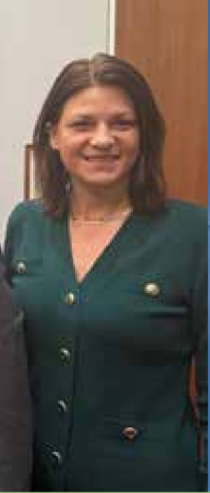
Dairyland will be expanding its service footprint by serving Oconto Electric Cooperative (Oconto Falls, Wis.) and Norris Electric Cooperative (Newton, Ill.) as power supply customers beginning June 1, 2026.

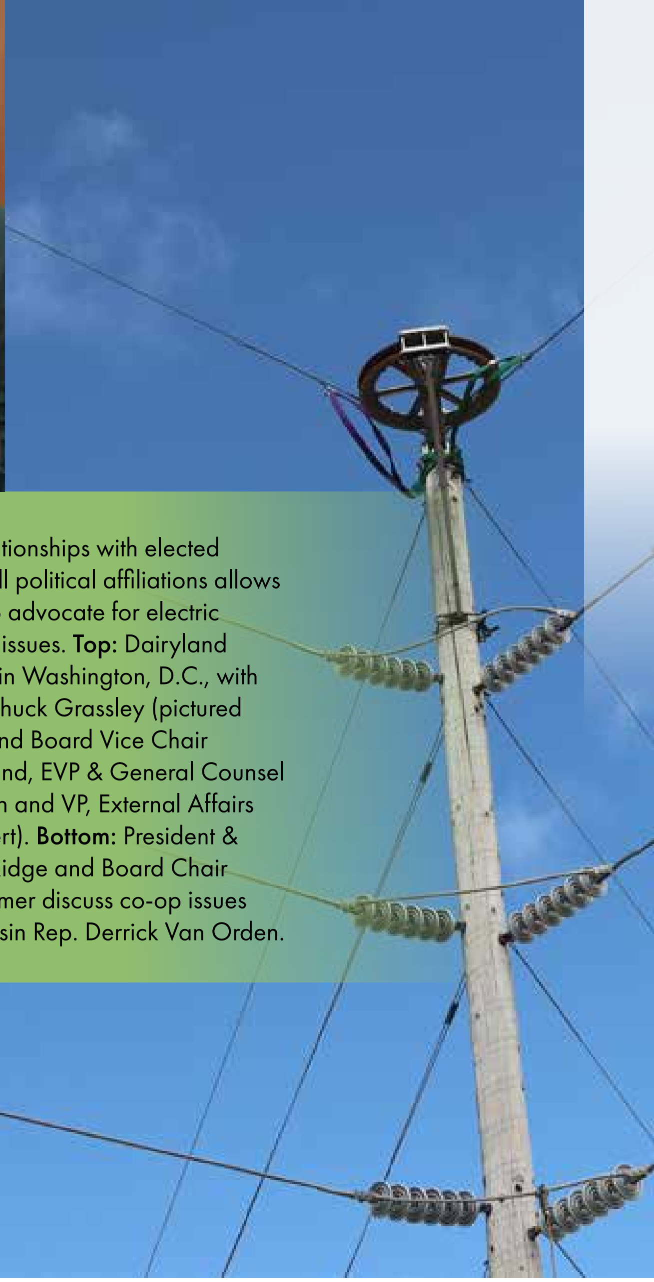
In 2024, Dairyland celebrated more than $600 million in grants through the Inflation Reduction Act and the bipartisan Infrastructure Investment and Jobs Act. In April 2025, the Trump Administration affirmed Dairyland's $595 million Empowering Rural America (New ERA) grant award, which means Dairyland will pursue over 1,000 megawatts (MW) of clean energy projects. In turn, these projects will create jobs, support economic development and generate new sources of tax revenue in rural areas.

New ERA will also facilitate transmission infrastructure projects to ensure a reliable grid and yield downward rate pressure for rural residents. At the end of 2024, the Midcontinent Independent System Operator (MISO) approved the largest portfolio of transmission projects in the nation's history. Dairyland is a participant in MISO Tranche 2.1 with the MariBell Transmission Project.

Dairyland – alongside our statewide associations and the National Rural Electric Cooperative Association – works with elected officials, regardless of party affiliation, to advocate for co-op priorities.

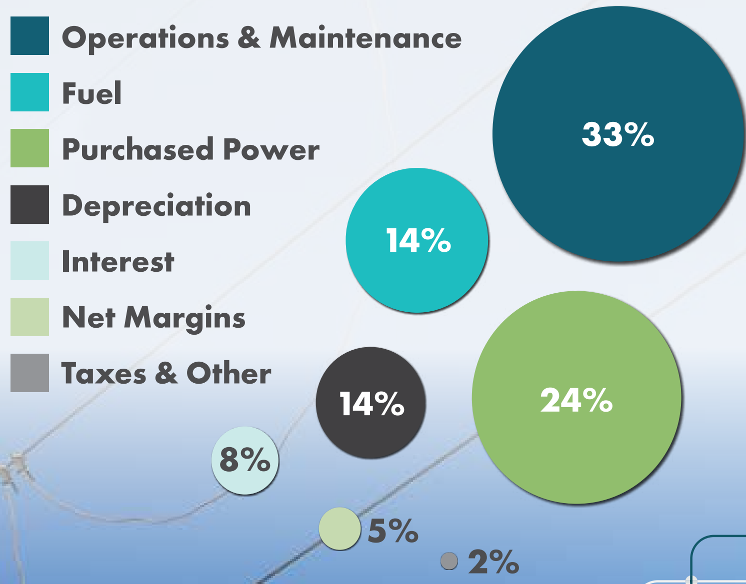
Dairyland Transmission Policy and Strategy Manager Tzu-Yuan Su (right) testified in Madison, Wis., alongside representatives from ATC (left) and Xcel Energy (middle) on Right of First Refusal (ROFR) legislation in Wisconsin. ROFR would allow incumbent utilities, such as Dairyland, to build and operate transmission lines, increasing reliability and lowering costs for members.





Building relationships with elected officials of all political affiliations allows Dairyland to advocate for electric cooperative issues. **Top:** Dairyland leaders met in Washington, D.C., with Iowa Sen. Chuck Grassley (pictured with Dairyland Board Vice Chair Mark Kingland, EVP & General Counsel Joyce Peppin and VP, External Affairs Jason Herbert). **Bottom:** President & CEO Brent Ridge and Board Chair Jenny Scharmer discuss co-op issues with Wisconsin Rep. Derrick Van Orden.

2024 EXPENSE DOLLAR



More than $600 million in grants help fund innovation and reliability at Dairyland. With support from a $14.89 million grant, work continues installing middle-mile fiber to expand internet access in underserved rural communities.

EQUITY TO TOTAL ASSETS

2020	2021	2022	2023	2024
25.0%	22.2%	23.4%	23.8%	25.4%

MEMBER SALES (Billions of kWh)

2020	2021	2022	2023	2024
5.14 kWh	5.28 kWh	5.42 kWh	5.35 kWh	5.28 kWh

Organizational Development

Develop and retain a highly qualified and skilled workforce to meet needs and exceed expectations

Through employee donations, plus a match from Dairyland's Board of Directors, more than $102,000 was donated to the United Way. In July, 35 employees volunteered for the Great Rivers United Way's Day of Caring.

Skilled Workforce Shapes the Future

Developing and maintaining a highly qualified and effective workforce committed to Dairyland's mission is one of Dairyland's top three strategic priorities for 2025. Leadership Academy meetings, Dairyland Interest Groups (DIGs) and Dairyland's Observation Program have all been launched. Dairyland's Intern Cohort continues to expand and prepares students for success through networking and hands-on learning experiences throughout the summer.

Dairyland's Board of Directors kicked off the new year by recognizing employees who made transformational contributions to Dairyland, our members and the communities we serve. These Circle of Excellence Award project teams were:

- Cardinal-Hickory Creek 345 kV transmission line in-service
- New ERA Application and Event Team
- RockGen Distributed Control System Upgrade Project Team
- Transmission Capacity Reports and Capacity Heat Maps
- VoltWrite Team

Staying in the Know

Another first for employees was the coordination of nine Employee Symposiums throughout Dairyland's service territory so leaders could share the latest Dairyland updates and 2025 Strategic Plan. These were scheduled in January leading immediately up to Dairyland's District Meetings.

In addition to Dairyland's Observation Program, Executive in the Field involves Dairyland's Executive Team engaging in regular field, plant and administrative visits.

Seize the Day by Giving Back

Dairyland strives to be a good steward in the communities where we live, work and serve. Through Dairyland's Contributions Program, more than $100,000 is donated to local non-profits. Bolstered by donations from President & CEO Brent Ridge and his wife Lisa, Dairyland continues to support Hintgen Elementary's snack fund through the La Crosse Adopt-A-School program. Additionally, the 2nd annual JPM Golf Outing also raised more than $15,000 for the Waumandee-Montana-Lincoln Fire Department, which supports Dairyland's Alma Site.

Contributions also come in the form of time and talents shared. Through Dairyland's Volunteer Time Off (VTO) program, employees are allowed up to 16 hours annually to use volunteering for an organization of their choice.

Employees at RockGen gathered with Vice President, Generation Jeremy Browning to celebrate Dairyland's 2024 accomplishments and learn about the 2025 Strategic Plan during one of nine Employee Symposium sessions in January 2025.

Dairyland's Intern Cohort continues to expand and prepares students for success through networking and hands-on learning experiences throughout the summer.

Dairyland's Administrative Team are behind-the-scenes experts. Conference participation ensures the team builds skills to benefit the organization.

Dairyland Board of Directors Chair Jenny Scharmer was the keynote speaker for the Women in Energy Dairyland Interest Group's first meeting. The group is open to all employees and highlights the careers of women in energy while providing resources for professional development, networking and mentoring.

Reliability

Enhance system reliability through effective planning, operations & maintenance

Reliability Keeps the Promise

In the ever-evolving landscape of the energy sector, the cornerstone of safe operations is reliability. In turn, reliability allows Dairyland to achieve its mission to power communities. Over 750,000 people depend on the Dairyland system from the moment they wake up and brew their morning coffee to the time they switch off their lights at night.

Dairyland's John P. Madgett (JPM) Generating Station, RockGen Energy Center and Elk Mound Combustion Turbines provide stable and reliable power to the region. Their places in Dairyland's generation portfolio are valuable to members – keeping the lights on when electricity is in highest demand and most expensive. These units achieve industry top quartile in plant availability.

Plant maintenance is essential to ensure operational excellence. Planned outages occur during the spring and fall when energy loads are typically lower due to moderate seasonal temperatures resulting in less demand for heating and air conditioning. Safety leads every task, with every employee in command of Stop Work Authority.

Preparing for Tomorrow

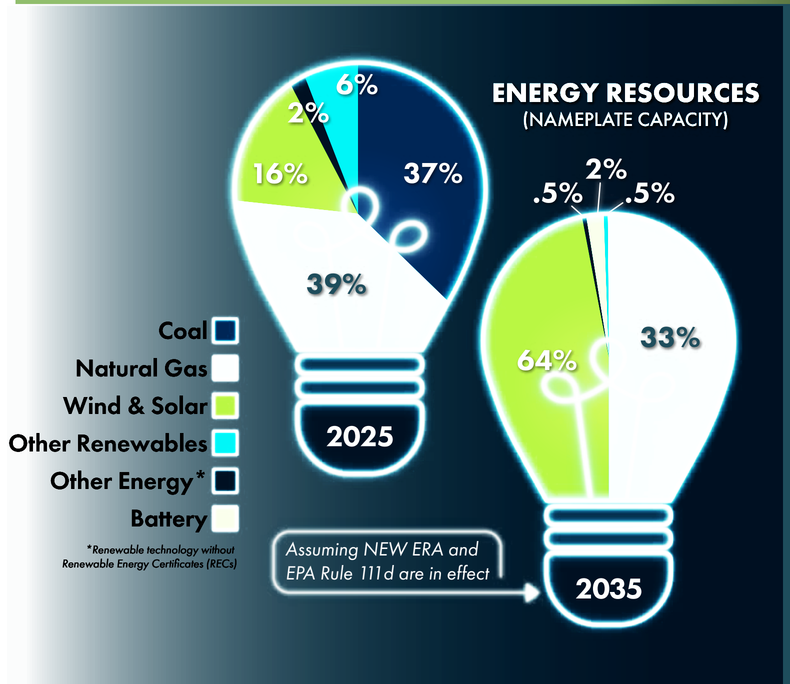
The North American Electric Reliability Corporation (NERC) Long-Term Reliability Assessment published in December 2024 found that most of the country faces mounting resource adequacy challenges over the next 10 years due to surging demand growth and power plant retirements. According to a recent National Electrical Manufacturers Association study, U.S. electricity demand will increase 2% annually and 50% by 2050, driven by data centers and transportation electrification.

Utilities must be ready to meet reliability requirements through prudent resource planning focused on an all-of-the-above approach. Dairyland is dedicated to advancing the clean energy transition and has decommissioned 579 MW of coal generation since 2014. Nuclear energy is carbon-free and reliable. Dairyland continues to explore advanced nuclear technologies (such as small modular reactors, or SMRs) to support renewable energy investments.

Regional transmission projects shape the future of grid reliability. Dairyland and GridLiance Heartland, LLC (GridLiance), a subsidiary of NextEra Energy Transmission, LLC, will jointly develop and co-own the MariBell Transmission Project, a 139-mile, 765 kV transmission line from Marion, Minn., to Bell Center, Wis. Dairyland's 345 kV Alma-Blair (Wis.) Transmission Project and Wabasha Relocation Project also fulfill critical reliability roles in Dairyland's service territory.

Reliability is not just about meeting today's needs; it's about preparing for tomorrow.

There are no "holidays" for a utility's System Operations Center (SOC). The highly trained, certified dispatchers in Dairyland's recently modernized SOC perform real-time operations every minute of every day, supporting our mission through grid reliability.



Cardinal-Hickory Creek strengthens grid reliability and resilience at a time of great change in the energy industry. More than 95% of the transmission line in Wisconsin was co-located with existing infrastructure rights-of-way.

Cardinal-Hickory Creek Photo Credit:
Dubuque Telegraph Herald, Dave Kettering, 2024

Top: Wisconsin Sen. Rob Stafsholt learns about the importance of "always available" generation resources during a tour of Dairyland's John P. Madgett power plant with Alma Site Training Coordinator Janet Cleveland. **Right:** The Flambeau Hydroelectric Station (Ladysmith, Wis.) has provided emission-free electricity since 1951. Dairyland will celebrate Flambeau's 75th anniversary in 2026.

Member Satisfaction

Provide outstanding service for our members

Dairyland Power Cooperative is proud to serve our 24 member cooperatives, 27 municipal utilities and power supply customers. Ensuring the generation and delivery of safe, reliable electricity is why Dairyland was created in 1941. Today, Dairyland works to elevate our value to members through the availability of additional services and programs.

Upgrades for the Future

In 2024, the Load Management Modernization program's technologies and systems became ready for full deployment. Member cooperatives are installing new equipment, which is easier to monitor remotely and allows expansion of load management programs to increase member engagement, incorporate distributed energy resources and support smart electricity use and reliability.

Dairyland's members also received access to Dairyland's artificial intelligence (AI) platform – VoltWrite – to securely utilize for efficiencies at their own cooperatives.

Education, Training and Information

Dairyland offers multiple opportunities for directors and employees from its member cooperatives to gather for training. In 2024, A Day with Your G&T events surpassed the 500-participant mark. Training days and meetings included conferences for human resources and administrative employees, communications and member services teams, as well as line superintendents and co-op operations. Dairyland works with the Wisconsin Electric Cooperative Association to provide a Job Training and Safety program for lineworkers.

Commitment to Community

To kick-off National Co-op Month in October, Dairyland coordinated six service projects and joined forces with employees from 10 member cooperatives to showcase our concern for community via the 2nd annual Cooperative Day of Service. Tasks included trail brush clearing and mulching, event set up, cleaning cabins, staining, painting, working in gardens and splitting wood.

The same day, more than 40 lineworkers and staff from Wisconsin traveled to South Carolina after Hurricane Helene ravaged cooperative lines. Additional crews from Dairyland member cooperatives in Minnesota, Iowa and Illinois answered the call to help repair thousands of broken poles and restore power in North Carolina and South Carolina.

Dairyland was 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 and educational programs exemplify the strength of cooperatives collaborating to engage members.

Through the Cooperative Contributions Program, Dairyland and its member cooperatives strive to make a positive impact in our local communities. Dairyland annually donates $1,000 to a nonprofit selected by each of its 24 member cooperatives.

Chippewa Valley Electric Cooperative donated $1,000 to the Cadott Police Department in support of their AED initiative. Through the Cooperative Contributions Program, Dairyland also donated $1,000 to the police department, maximizing the impact cooperatives make in our local communities.

Nearly 200 volunteers from Dairyland and our member cooperatives participated in the 2nd annual Cooperative Day of Service. Volunteers completed a variety of projects at six sites throughout Dairyland's service territory.

Dairyland's Economic Development team worked with members to help businesses secure over $668,000 in loans from Dairyland in 2024. Members also applied for $6 million through USDA's loan program for rural businesses.

CAPITAL CREDITS TO MEMBERS

2020 — **$11.5 MILLION**

2021 — **$4.7 MILLION**

2022 — **$4.9 MILLION**

2023 — **$5.1 MILLION**

2024 — **$5.4 MILLION**

Environmental Stewardship

Operate in full regulatory compliance as responsible stewards of natural and cultural resources

On the Horizon: Sun and Wind

Powering communities with safe, reliable energy goes hand-in-hand with protecting the environment we all share.

As part of Dairyland's $595 million New ERA grant award, Dairyland will secure power purchase agreements (PPAs) for over 1,000 MW in wind and solar projects in the Midwest, reducing our carbon intensity by 70%. Dairyland also has a PPA with Ranger Power for the 149 MW Badger State Solar facility in development in southern Wisconsin. Badger State is scheduled to be in service in 2027, powering at least 25,000 homes.

Being a Good Neighbor

Dairyland is excited for the development of the Outdoor Recreation Alliance (ORA) Trail Farm in La Crosse, supporting the project with a total donation of $20,000. The 277-acre forest and farmland project will provide 15 miles of accessible, shared-use trails.

In tandem with GROW La Crosse, Dairyland supports a garden at our partner school - Hintgen Elementary - where students learn about sustainable garden practices and growing nutritious food.

In early 2025, Dairyland received a "Forward Fleet" award from Wisconsin Clean Cities for strides to incorporate electric and hybrid vehicles into the business fleet. Dairyland is a founding member of chargEV™, a national EV charging network. Always championing the interests of the communities we serve, Dairyland has supported the installation of over 160 EV chargers in rural areas of Wisconsin, Minnesota, Iowa and Illinois.

Winnebago Wind Farm (Iowa)

Innovation to Seize Opportunities

Beneficial electrification and intelligent technology developments are shaping the future of energy. Dairyland is exploring power supply technologies, including small modular reactor nuclear plants and pumped storage hydropower.

Grants accelerate the timeline to achieve power supply planning goals, while bringing value to the membership. Three Long-Duration Energy Storage facilities will be developed in Dairyland's rural service territory following our successful application for a $28 million U.S. Department of Energy (DOE) Office of Clean Energy Demonstrations (OCED) cooperative agreement award.

The major National Telecommunications and Information Administration (NTIA) grant is supporting the completion of Dairyland's Fiber Deployment project, helping to connect rural residents with the high-speed internet needed for communities to thrive.

Dairyland supports hundreds of acres of pollinator habitat at solar arrays and substation sites throughout our service territory. An eight-acre site is being established this year adjacent to the Flambeau Hydroelectric Station.

Dairyland's Peregrine Falcon Restoration Program began in the 1990s. Since then, approximately 170 falcons have fledged from Dairyland nesting sites.

Dairyland Vegetation Management crews lent their safety expertise to land maintenance tasks with the Kickapoo Valley Reserve during the 2024 Cooperative Day of Service.

Dairyland supports major environmental and recreational enhancements to parks and land adjacent to its Flambeau Hydroelectric Station in Ladysmith, Wis. Projects include boat landings and handicap-accessible areas to improve the quality of life for all residents and visitors.

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, 2024 and 2023, 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, 2024 and 2023, 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 27, 2025

CONSOLIDATED BALANCE SHEETS

As of December 31, 2024 & 2023 (All dollar amounts in thousands)

ASSETS

	2024	2023
ELECTRIC PLANT:		
Plant and equipment—at original cost	$ 2,237,104	$ 2,134,866
Less accumulated depreciation	(994,476)	(957,471)
Net plant and equipment	1,242,628	1,177,395
Construction work in progress	77,398	126,813
Total electric plant	1,320,026	1,304,208
OTHER ASSETS:		
Nuclear decommissioning funds	2,209	2,108
Intangible asset—net (Note 2)	16,623	22,607
Other investments (Note 8)	7,894	8,606
Investments in capital term certificates of National Rural Utilities Cooperative Finance Corporation (Note 8)	9,176	9,176
Regulatory assets (Note 2)	18,143	19,093
Investment for deferred compensation	2,357	1,988
Deferred charges (Note 2)	26,740	20,185
Other assets	1,550	2,460
Total other assets	84,692	86,223
CURRENT ASSETS:		
Cash and cash equivalents	4,379	38,285
Designated funds (Note 2)	11,800	15,965
Accounts receivable:		
Energy sales	43,161	39,510
Other	6,839	1,964
Inventories:		
Fossil fuels	45,449	52,342
Materials and supplies	31,628	22,917
Prepaid expenses and other	19,450	23,890
Total current assets	162,706	194,873
TOTAL	$ 1,567,424	$ 1,585,304

(Continued)

CONSOLIDATED BALANCE SHEETS

As of December 31, 2024 & 2023 (All dollar amounts in thousands)

CAPITALIZATION AND LIABILITIES

	2024	2023
CAPITALIZATION:		
Member and patron equities:		
Membership fees	$ 1	$ 1
Patronage capital (Note 9)	394,095	373,733
Accumulated other comprehensive income	3,353	3,272
Total member and patron equities	397,449	377,006
Long-term obligations (Note 6)	885,257	939,827
Total capitalization	1,282,706	1,316,833
OTHER LIABILITIES:		
Deferred credits (Note 2)	10,600	6,830
Obligations under finance leases (Note 7)	9,102	8,312
Postretirement health insurance obligation (Note 11)	3,688	3,677
Decommissioning and asset retirement obligations (Note 14)	5,927	2,351
Other noncurrent liabilities	14,141	14,785
Total other liabilities	43,458	35,955
COMMITMENTS AND CONTINGENCIES (Note 10)		
CURRENT LIABILITIES:		
Current maturities of long-term obligations and obligations under finance leases	57,856	68,865
Line of credit (Note 5)	115,000	95,000
Nuclear decommissioning obligations (Note 14)	-	60
Advances from member cooperatives and other prepayments	1,463	1,821
Regulatory liabilities (Note 2)	1,800	5,965
Accounts payable	43,680	33,596
Accrued expenses:		
Payroll, vacation, and benefits	7,828	7,169
Interest	-	8,500
Property and other taxes	4,002	3,374
Other	9,631	8,166
Total current liabilities	241,260	232,516
TOTAL	$ 1,567,424	$ 1,585,304

(Concluded)

See notes to consolidated financial statements.

Consolidated Statements of

REVENUES, EXPENSES & COMPREHENSIVE INCOME

For the years ended December 31, 2024 & 2023 (All dollar amounts in thousands)

UTILITY OPERATIONS:	**2024**	**2023**
Operating revenues:		
Sales of electric energy	$ 450,503	$ 466,178
Other	32,689	25,131
Total operating revenues	483,192	491,309
Operating expenses:		
Fuel	67,672	85,590
Purchased and interchanged power	118,318	122,939
Other operating expenses	129,367	107,542
Depreciation and amortization	68,019	65,602
Maintenance	28,975	42,301
Property and other taxes	9,533	10,045
Total operating expenses	421,884	434,019
Operating margin before interest and other	61,308	57,290
Interest and other:		
Interest expense	40,359	38,433
Allowance for funds used in construction—equity	(982)	(1,468)
Other—net	-	(279)
Total interest and other	39,377	36,686
OPERATING MARGIN	21,931	20,604
NONOPERATING MARGIN	3,820	3,683
NET MARGIN AND EARNINGS	25,751	24,287
OTHER COMPREHENSIVE INCOME		
Postretirement health insurance obligation adjustments	81	395
COMPREHENSIVE INCOME	$ 25,832	$ 24,682

See notes to consolidated financial statements.

Consolidated Statements of

MEMBER & PATRON EQUITIES

For the years ended December 31, 2024 & 2023 (All dollar amounts in thousands)

	Membership Fees	**Patronage Capital**	**Accumulated Other Comprehensive Income**	**Total Member and Patron Equities**
BALANCE—January 1, 2023	$ 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
Net margin and earnings	-	25,751	-	25,751
Postretirement health insurance obligation adjustments	-		81	81
Retirement of capital credits (Note 9)	-	(5,389)	-	(5,389)
BALANCE—December 31, 2024	$ 1	$ 394,095	$ 3,353	$ 397,449

See notes to consolidated financial statements.

Consolidated Statements of

CASH FLOWS

For the years ended December 31, 2024 & 2023 (All dollar amounts in thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin and earnings	$ 25,751	$ 24,287
Adjustments to reconcile net margin and earnings to net cash provided by operating activities:		
Loss on disposal of assets	221	1,015
Depreciation and amortization:		
Charged to operating expenses	68,019	65,602
Charged through other operating elements such as fuel expense	341	968
Allowance for funds used in construction—equity	(982)	(1,468)
Changes in operating elements:		
Accounts receivable	(8,525)	3,493
Inventories	(1,739)	(28,957)
Prepaid expenses and other assets	12,396	(5,099)
Accounts payable	6,654	9,978
Accrued expenses and other liabilities	(16,461)	(6,276)
Deferred charges and other	(14,150)	(11,625)
Total adjustments	45,774	27,631
Net cash provided by operating activities	71,525	51,918
CASH FLOWS FROM INVESTING ACTIVITIES:		
Electric plant additions	(73,279)	(71,757)
Asset acquisition	(229)	(412)
Proceeds from sale of assets	374	987
Purchase of investments	(100)	(106)
Proceeds from sale of investments and economic development loans	101	223
Net cash used in investing activities	(73,133)	(71,065)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under line of credit	20,000	94,000
Repayments under line of credit	-	(5,000)
Borrowings under long-term obligations	5,140	5,177
Repayments of long-term obligations	(69,770)	(54,310)
Retirement of capital credits	(5,389)	(5,109)
Borrowings of advances from member cooperatives	400,641	400,441
Repayments of advances from member cooperatives	(401,151)	(405,729)
Net cash provided by (used in) financing activities	(50,529)	29,470
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(52,137)	10,323
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of year	56,516	46,193
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—End of year	$ 4,379	$ 56,516

See notes to consolidated financial statements.

As of and for the years ended December 31, 2024 & 2023 (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, 2024 and 2023. 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	2024	2023
Production	11–60 years	$ 1,231,332	$ 1,212,929
Transmission	23–50 years	740,123	664,125
Distribution	38 years	87,857	86,139
General plant	5–47 years	176,030	169,911
Other	32 years	1,762	1,762
Construction work in process		77,398	126,813
		2,314,502	2,261,679
Less accumulated depreciation		(994,476)	(957,471)
Electric plant		$ 1,320,026	$ 1,304,208

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 2.7% and 2.8% of depreciable plant balances for 2024 and 2023, 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 (5.170% in 2024 and 4.137% in 2023) to certain construction work in progress. The amount of such allowance was $2,565 in 2024 and $3,794 in 2023. The borrowed funds component of AFUDC for 2024 and 2023, was $1,583 and $2,326, respectively (representing 3.646% and 2.799% in 2024 and 2023, respectively). The equity component of AFUDC for 2024 and 2023 was $982 and $1,468, respectively, (representing 1.524% and 1.338% in 2024 and 2023, 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, 2024 and 2023 were as follows:

	2024	2023
Gross intangible asset	$ 30,221	$ 30,221
Less accumulated amortization	(13,598)	(7,614)
Intangible asset, net	$ 16,623	$ 22,607

Amortization expense for the years ended December 31, 2024 and 2023 was $5,984 and $4,964, respectively.

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

Years Ending December 31	
2025	$ 3,993
2026	2,076
2027	1,731
2028	1,731
2029	1,731
Thereafter	5,361
Total	$ 16,623

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, 2024 and 2023, include the following:

	2024	2023
Genoa #3 unrecovered plant balances	$ 9,634	$ 15,024
RockGen regulatory asset	8,509	4,069
Total regulatory assets	$ 18,143	$ 19,093

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, 2024 and 2023 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 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, 2024 and 2023, the Cooperative's deferred charges are being reflected in rates charged to customers. 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, 2024 and 2023, include the following:

	2024	2023
Nemadji Trail Energy Center	$ 25,220	$ 19,812
Other	1,520	373
Total deferred charges	$ 26,740	$ 20,185

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, 2024 and 2023, 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, 2024 and 2023 is as follows:

	2024	2023
Planned 2024 J.P. Madgett maintenance	$ -	$ 2,290
System Enhancements	-	1,875
Planned 2026-2027 RockGen outage costs	10,000	10,000
Battery Storage Innovation	1,800	1,800
	$ 11,800	$ 15,965

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, 2024 and 2023 is $10,000 and $10,000, respectively. These amounts are recorded in other noncurrent 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, 2024, the Cooperative's deferred credits are being considered when determining rates charged to customers.

Deferred credits as of December 31, 2024 and 2023 were comprised of the following:

	2024	2023
RockGen startup revenue deferral	$ 8,091	$ 5,155
Elk Mound startup revenue deferral	1,485	1,675
Other	1,024	-
	$ 10,600	$ 6,830

The current portion of deferred credits as of December 31, 2024 and 2023 is $7,808 and $7,263, respectively. These amounts are recorded in Accrued expenses –Other.

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. In 2024, the power cost adjustment and revenue volatility adjustment for Class A members led to a charge of $142 to sales billed, while in 2023, it resulted in credits of $11,864 to sales billed. 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, 2024 and 2023.

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 33% 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, 2024, through March 27, 2025, the date the consolidated financial statements were available to be issued.

3. ACCOUNTING STANDARDS

During the current fiscal year, the Company has not adopted any new accounting standards that have a material impact on its financial statements. Additionally, there are no new accounting standards issued but not yet effective that are expected to have a significant impact on the Company's financial position or results of operations upon adoption.

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 2024 and 2023. Information regarding line of credit balances and activity for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Interest rate at year-end	5.45 %	6.46 %
Total borrowings outstanding at year-end	$ 115,000	$ 95,000
Average borrowings outstanding during year	$ 101,667	$ 61,500

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 $1,463 and $1,821 at December 31, 2024 and 2023, respectively. Interest expense on member cooperative advances was $152 and $262 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, consist of the following:

	2024	2023
Federal Financing Bank obligations—1.24%—4.49%	$ 534,420	$ 568,941
Federal Financing Bank obligations—4.50%—5.20%	164,268	179,221
Total Federal Financing Bank	698,688	748,162
RUS obligations—4.125% and grant funds	969	1,491
CoBank notes— 4.32%	179,375	192,188
Private bonds placement obligations—3.42%	60,834	64,167
Long-term debt	939,866	1,006,008
Less current maturities	(54,609)	(66,181)
Net long-term obligations	$ 885,257	$ 939,827

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, 2024.

Scheduled maturities of the Cooperative's long-term obligations as of December 31, 2024, were as follows:

Years Ending December 31	
2025	$ 54,648
2026	56,082
2027	57,461
2028	58,391
2029	60,038
Thereafter	653,246
Total	$ 939,866

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	2024	2023
Assets:			
Finance lease right-of-use assets	Plant and equipment—at cost	$ 22,096	$ 18,199
Liabilities:			
Current portion of finance lease liability	Current maturities of long-term obligations and obligations and obligations under finance leases	3,248	2,684
Long-term portion of finance lease liability	Obligations under finance leases	9,102	8,312

The components of lease and their classification in the consolidated statements of revenues, expense, and comprehensive income for the years ended December 31, 2024 and 2023, were as follows:

Component of Lease Expenses	Classification in Statements of Revenues, Expenses, and Comprehensive Income	2024	2023
Operating lease expense	Other operating expenses	$ 59	$ 97
Finance lease amortization	Depreciation and amortization	2,661	2,116
Finance lease interest	Interest expense	542	387
Short-term lease expense	Other operating and maintenance expenses	655	596
Total lease expense		$ 3,917	$ 3,196

The weighted average remaining lease term and weighted average discount rate as of and for the years ended December 31, 2024 and 2023, were as follows:

	2024	
	Weighted Average Remaining Lease Term (Years)	Weighted Average Discount Rate
Finance leases	5.56	4.83 %
	2023	
	Weighted Average Remaining Lease Term (Years)	Weighted Average Discount Rate
Finance leases	5.58	4.13 %

Supplemental cash flow information related to leases for the years ended December 31, 2024 and 2023, was as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from finance leases	$ 3,235	$ 3,069
Right-to-use assets obtained in exchange for lease obligations:		
Finance leases	4,417	4,773

The reconciliation of the future undiscounted cash flows to the lease liabilities presented on the Consolidated Balance Sheet as of December 31, 2024, were as follows:

	Leases
2025	$ 3,938
2026	3,407
2027	2,700
2028	1,976
2029	1,162
Thereafter	442
Total lease payments	$ 13,625
Less discount	(1,275)
Total lease liabilities	$ 12,350

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, 2024 and 2023, is estimated to be as follows:

	2024		2023	
	Recorded Value	Fair Value	Recorded Value	Fair Value
Assets:				
Other investments	$ 7,894	$ 7,894	$ 8,606	$ 8,606
Investments in capital term certificates of NRUCFC	9,176	9,176	9,176	9,176
Liabilities—long-term debt	939,866	768,300	1,006,008	847,071

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, 2024 and 2023, 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
2024	Fair Value	(Level 1)	(Level 2)	(Level 3)
Assets—investments:				
Nuclear decommissioning funds	$ 2,209	$ 2,209	$ -	$ -
Other investments	7,894	1,486	1,483	4,925
Investments in capital term certificates of National Rural Utilities Cooperative Finance Corporation	9,176	-	-	9,176
Investment for deferred compensation	2,357	-	2,357	-
	$ 21,636	$ 3,695	$ 3,840	$ 14,101

		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 Cooperative Finance Corporation	9,176	-	-	9,176
Investment for deferred compensation	1,988	-	1,988	-
	$ 21,938	$ 4,434	$ 3,456	$ 14,048

The changes in Level 3 recurring fair value measurements using significant unobservable inputs for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Other investments:		
Balance—beginning of year	$ 4,872	$ 5,554
Patronage capital allocations	1,831	629
Patronage capital retirements	(1,778)	(1,311)
Balance—end of year	$ 4,925	$ 4,872

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, 2024 and 2023, are as follows:

	Assigned	Unassigned	Total
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
Retirement of capital credits	(5,389)	-	(5,389)
Current year margins	20,948	4,803	25,751
Balance—December 31, 2024	$ 285,017	$ 109,078	$ 394,095

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 two-year terms. The estimated commitments under these contracts as of December 31, 2024, is as follows:

Years Ending December 31	
2025	$ 36,268
2026	16,565
Total	$ 52,833

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 2024 and 2023 represented less than 5% of the total contributions made to the plan by all participating employers. Expenses for the RS Plan were $9,422 in 2024 and $8,789 in 2023.

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, 2024 and 2023, 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, 2024 and 2023, are as follows:

	2024	**2023**
Amount recognized in the consolidated balance sheets:		
Total accrued qualified and nonqualified benefit obligation	$ 3,875	$ 3,860
Less current portion included in accrued expenses—other	(187)	(183)
Long-term portion	$ 3,688	$ 3,677
Change in benefit obligation:		
APBO—beginning of year	$ 3,861	$ 4,392
Service cost	295	205
Interest cost	179	207
Actuarial loss	(276)	(557)
Benefits paid	(183)	(386)
APBO—end of year	$ 3,876	$ 3,861
Funded status of plan—December 31	$ (3,876)	$ (3,861)
Accrued postretirement health insurance obligations recorded at year-end	$ 3,876	$ 3,861
Change in plan assets:		
Employer contribution	$ (183)	$ (386)
Benefits paid	183	386
	$ -	$ -
Change in accumulated other comprehensive income:		
Net income at prior measurement date	$ 3,272	$ 2,877
Actuarial assumption changes	277	557
Recognition in expense:		
Amortization of prior service cost	-	-
Amortization of unrecognized actuarial gain	(196)	(162)
Accumulated other comprehensive income	$ 3,353	$ 3,272
Components of net periodic postretirement benefit cost:		
Service cost-benefits attributed to service during the year	$ 296	$ 205
Interest cost on accrued postretirement health insurance obligation	179	207
Amortization of prior service cost	-	-
Amortization of unrecognized actuarial gain	(196)	(162)
Net periodic postretirement benefit expense	$ 279	$ 250

Employer cash contributions expected to be made to the plan during the fiscal year ending December 31, 2025, is $183. The amount of accumulated other comprehensive income expected to be recognized during the fiscal year ending December 31, 2025, is an actuarial gain of $201 and amortization of prior service cost of $0. All prior service costs have been fully amortized.

For measurement purposes, a 5.42% and 4.75% discount rate were assumed for 2024 and 2023, respectively, to determine net periodic benefit cost. The 2024 and 2023 annual health care cost increase assumed is 6.25% and 6.50%, respectively, decreasing gradually to 4.46% for 2043 and thereafter.

Estimated future benefit payments from the plan as of December 31, 2024, are as follows:

Years Ending December 31	
2025	$ 187
2026	257
2027	258
2028	269
2029	242
2030–2033	1,647

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 $2,625 and $2,087 for 2024 and 2023, 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 $2,565 and $2,150 as of December 31, 2024 and 2023, 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 $10,618 and $9,197 for 2024 and 2023, respectively. The liability for these plans of $674 and $38 as of December 31, 2024 and 2023, 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 $404,498 and $403,930 in 2024 and 2023, respectively, for these services. The Cooperative has accounts receivable from its Class A members of $38,202 and $34,250 as of December 31, 2024 and 2023, respectively.

The Cooperative has advances from Class A members of $1,461 and $1,821 as of December 31, 2024 and 2023, 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 $153 and $262 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023.

In 2024, AROs were added for four landfill sites due to new environmental compliance requirements, including costs for additional wells and monitors to ensure groundwater safety. The inactive sites, JPM/Alma $265 and Genoa $321 recognized future expenses immediately, while the active Alma Off Site $466 will be amortized over its useful life until March 2037. Additionally, $2,423 in expense for closing the inactive Stoneman landfill were recorded.

In total the balance as of December 31, 2024, is $3,718. The prior balance ending in 2023 was $244. 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 $2,209 and $2,168 as of December 31, 2024 and 2023, respectively, are outside the Cooperative's administrative control and are available solely to satisfy the future costs of 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 LaCrosse*Solutions* LLC (*Solutions*), a subsidiary of Energy*Solutions* 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, 2024 and 2023:

	2024	2023
Cash paid for interest	$ 41,789	$ 40,497
Electric plant additions funded through accounts payable and accrued expenses	3,477	729
Electric plant additions under capital leases	4,951	5,177

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, 2064. 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, 2024 and 2023:

	2024	2023
Class A	$ 404,498	$ 403,930
Class D	37,842	29,057
Class E, including MISO	8,163	33,191
Other sales	32,689	25,131
Total	$ 483,192	$ 491,309

17. GRANTS

As of December 31, 2024, the Cooperative has been awarded two government grants to help support strategic initiatives. Below is an overview of the financial activity and key details related to these grants:

Grant Program	Total Awarded	Amount Spent	Amount Reimbursed	Remaining Balance
Middle-Mile Broadband Infrastructure Grant	$ 14,890	$ 3,385	$ -	$ 14,890
Energy Innovation Grant Program Grant	188	182	-	188

<u>**Middle-Mile Broadband Infrastructure Grant**</u>

Administering Agency: National Telecommunications and Information Administration

Purpose: The Cooperative will implement its Tri-State Fiber Deployment Project (TSFDP), which involves retrofitting 247 miles of fiber optic communication networks using primarily optical ground wire (OPGW) on the Cooperative's existing WI, MN, and IA transmission lines over three years. Through the TSFDP, last-mile providers in these regions will gain enhanced capacity to reach underserved and unserved residents at affordable rates, helping to bridge the nation's digital divide.

<u>**Energy Innovation Grant Program (EIGP)**</u>

Administering Agency: Public Service Commission of Wisconsin, Office of Energy Innovation

Purpose: The Cooperative will integrate microgrid management with its Demand Response Management System by interconnecting two existing microgrids owned by the Bad River Tribe, enabling these resources to benefit the grid and provide economic advantages to the Tribe. This pilot project will help the Cooperative and its members gain insights and plan for future microgrid integration.

Accounting Treatment for Grants: The Cooperative accounts for reimbursement grants using the Contribution in Aid of Construction (CIAC) approach. Grant expenditures are recorded as reductions in the carrying amount of the constructed assets upon fulfillment of grant conditions. This accounting treatment does not fall under ASC 606, Revenue from Contracts with Customers, as reimbursement grants are considered non-exchange transaction. As of December 31, 2024, a receivable in the amount of $188 was established for the EIGP grant upon meeting the grant conditions, reflecting the expected future reimbursement. Conversely, no receivable has been recorded for the Middle-Mile Grant Program, as the Cooperative has not yet met the conditions required for reimbursement. The Cooperative is actively working towards fulfilling the remaining conditions of the grant to secure the associated reimbursement. The form of reimbursement for both projects will be in cash.

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

* *Dairyland 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****	57.7
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
	Rosewind	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 338.2
TOTAL CAPACITY IN SERVICE 1,486.18

System Information

SPECIAL SERVICES/ UPCOMING MEMBERS
Adams-Columbia Electric Cooperative | Friendship, Wis.
Central Wisconsin Electric Cooperative | Iola, Wis.
Norris Electric Cooperative | Newton, Ill.
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.

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.

Waste Management, Inc., Facilities
Central Disposal Landfill | Lake Mills, Iowa
Timberline Trails Landfill | Weyerhaeuser, Wis.

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

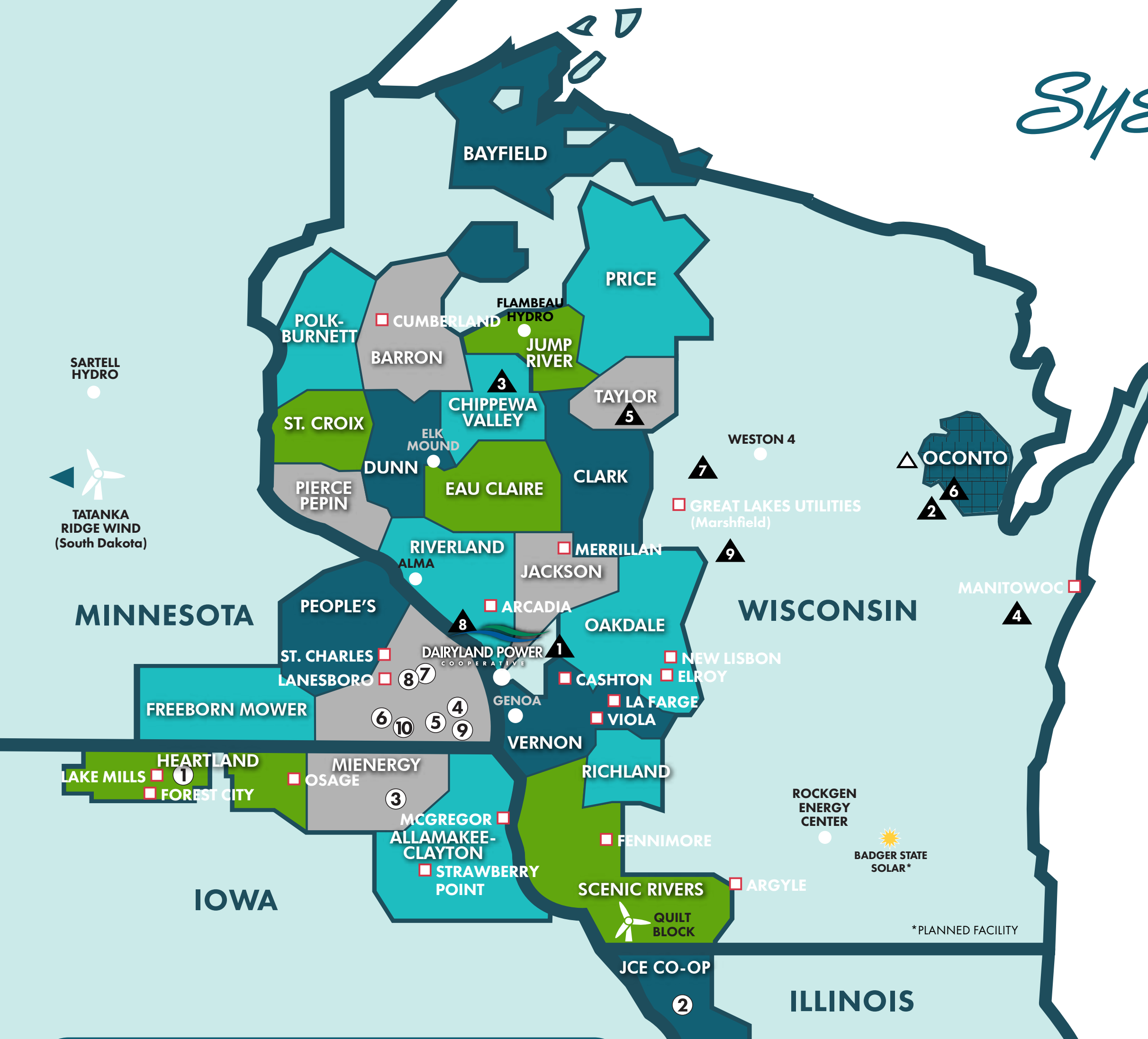
Minnesota: Albert Lea & Oronoco

Illinois: Thomson

Iowa: Decorah & Strawberry Point

Headquarters | La Crosse, Wis.
Badger State Solar | Jefferson, Wis. (Ranger Power)
Elk Mound Generating Station | Elk Mound, Wis.
Flambeau Hydro Station | Ladysmith, Wis.
Genoa Site | Genoa, Wis.
John P. Madgett Station | Alma, Wis.
Quilt Block Wind | Darlington, Wis. (EDP Renewables)
RockGen Energy Center | Cambridge, Wis.
Sartell Hydro Station | Sartell, Minn. (Eagle Creek Renewable Energy, LLC)
Weston 4 Generating Station | Wausau, Wis.

System Map



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

ILLINOIS

JCE Co-op | Elizabeth

IOWA

Allamakee-Clayton Electric Cooperative | Postville

Heartland Power Cooperative
Thompson & St. Ansgar

IOWA/MINNESOTA

MiEnergy Cooperative
Cresco & Rushford

MINNESOTA

Freeborn Mower Electric Cooperative | Albert Lea

People's Energy Cooperative
Oronoco

MUNICIPAL UTILITIES

☐ CLASS D MUNICIPAL MEMBERS

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

GREAT LAKES UTILITIES POWER SUPPLY MUNICIPALS

1. Village of Bangor, WI
2. City of Clintonville, WI
3. City of Cornell, WI
4. City of Kiel, WI
5. City of Medford, WI
6. City of Shawano, WI
7. Village of Stratford, WI
8. Village of Trempealeau, WI
9. City of Wisconsin Rapids, WI

A8 MEMBERS

1. City of Grafton, IA
2. Village of Hanover, IL
3. City of Lawler, IA
4. City of Caledonia, MN
5. City of Spring Grove, MN
6. City of Harmony, MN
7. City of Rushford, MN
8. City of Peterson, MN
9. City of Eitzen, MN
10. City of Mabel, MN

2026 POWER SUPPLY

ILLINOIS

△ **Norris Electric Cooperative** | Newton

WISCONSIN

△ **Oconto Electric Cooperative** | Oconto Falls

THE
SEVEN
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

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