

2024 ANNUAL REPORT



A SPECIAL EDITION OF
NEWSLINE

APRIL 2025



A NOTE FROM YOUR BOARD PRESIDENT



**GARY (ANDY)
ANDERSON**
BOARD PRESIDENT

Like many other businesses, inflation has directly affected everything we do at Runestone Electric Association (REA). As the budgeting process began late last summer, management worked to identify several key areas to reduce costs in 2025 without negatively impacting the service we provide to you, our members.

We received a clean report from the auditors. At year-end, the cooperative's total assets were \$108 million. That includes plant assets like the office and warehouse, lines, poles, and transformers. Our equity is 38.1%. All our ratios exceed lending requirements. The cooperative finished 2024 with 152 new accounts, which is on average for the past five years.

Take yourself back to ninety years ago. Imagine yourself as one of the forty farmers attending a meeting to form a committee to investigate the possibility of rural electrification. That was in August 1935. By November, Douglas County Light and Power Association (Runestone Electric Association's precursor) was incorporated, and as the saying goes, the rest is history! I look forward to sharing more of this incredible story at the Annual Meeting as we celebrate Runestone Electric Association's 90th Anniversary.

When I think of REA pioneers, I think of former REA Director Audrey Hjelle. Audrey was smart, witty, funny, and a good friend. During her 28-year tenure on the REA Board of Directors, Audrey paved the way for women on boards traditionally consisting of only men. Audrey passed away in June. We have three candidates in District 3 vying to fill the remainder of Audrey's term. If you live in District 3, please complete and mail the ballot you will receive or bring it to the Annual Meeting.

In addition to the District 3 election, Districts 1 and 4 directors will be elected by acclamation. We will ask for your consideration in approving directors receiving a \$300 monthly retainer in addition to per diems currently in effect. The last adjustment to Board compensation was in 2015.

We have lots of good things happening at the cooperative. Come to the Annual Meeting and learn about where your power comes from, regional transmission projects, and more. Receive a \$25 gift certificate to participating REA-member businesses, and help us celebrate the 19 students receiving \$1,000 scholarships. We look forward to seeing you on April 23rd!



MEET YOUR BOARD

Joel Seela, District 6; Barbara Johnson, District 2; Dave Staples, District 4; Andy Anderson, District 1; Mike Loken, District 5; and Matthew Mattson, District 7.

4-5 PM: Registration

5 PM: Meeting Begins

ANNUAL MEETING

WEDNESDAY, APRIL 23, 2025

ALEXANDRIA AREA HIGH SCHOOL
4300 Pioneer Rd SE, Alexandria, MN 56308

ATTEND THE ANNUAL MEETING AND RECEIVE A

\$25 GIFT CERTIFICATE
(one per membership)



Redeemable Only at Participating REA Member Businesses:

Arrowwood Resort & Conference Center
320-762-1124

Beau Coffee Company
320-239-2078

Blairview Saddle Shop
320-762-5664

Brother's Market: Carlos
320-852-7331

Brother's Market: Miltona
218-943-3333

Burr Vineyards
651-726-4397

Carlos Creek
320-846-5443

Chet's Lakeside Inn
218-943-2471

Country Blossom Farm
320-334-1620

Diamond Waves & Wags Car Wash
320-759-8040

Doraisamy Farm
320-524-2513

Hardwood Hills Golf Course
320-886-1400

Jim & Judy's
320-852-7604

Kadejan Market
320-460-8710

Lake Miltona Golf Club
320-852-7078

Lake Reno Bar & Grill
320-283-5030

L'Etoile du Nord Vineyard
320-298-4686

Long Lake Lodge
320-808-3426

Miltona Greenhouses
218-943-3601

Rolling Forks Vineyards
320-634-7655

Selective TV
320-763-5924

Stivland Gardens
320-283-5227

Taylor's Market
320-805-0405

Tipsinah Mounds Golf Course
218-685-4271

Must be present at Annual Meeting to receive a gift certificate.

December 31, 2024
BALANCE SHEET

For Fiscal Years Ending December 31, 2024 & 2023
REVENUE & EXPENSE

WHAT WE OWN

UTILITY PLANT

Electric Plant in Service	\$119,026,324
Construction Work in Progress	549,706
TOTAL UTILITY PLANT	\$119,576,030
Less: Reserve for Depreciation	35,029,151
NET UTILITY PLANT	\$84,546,879

NON UTILITY PROPERTY

NON UTILITY PROPERTY	\$161,897
PATRONAGE CAPITAL - ASSOCIATED ORGANIZATIONS	\$13,509,638
CFC INVESTMENTS	\$574,090
OTHER INVESTMENTS	\$1,241,375

CURRENT & ACCRUED ASSETS

Cash & Temporary Investments	\$1,837,745
Accounts Receivable, Less Reserve	3,474,297
Materials & Supplies	1,885,444
Prepayments	975,753
Interest Receivable	6,885
TOTAL CURRENT & ACCRUED ASSETS	\$8,180,124

DEFERRED DEBITS

DEFERRED DEBITS	\$37,303
TOTAL ASSETS & OTHER DEBITS	\$108,251,306

LONG-TERM OBLIGATION TO FFB	\$47,810,750
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LONG-TERM OBLIGATION TO RUS	\$7,977,520
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LONG-TERM OBLIGATION TO CFC	\$2,182,320
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LONG-TERM OBLIGATION TO COBANK	\$411,456
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LONG-TERM OBLIGATION-RURAL DEVELOPMENT	\$300,000
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OTHER NON-CURRENT LIABILITIES	\$256,207
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EQUITIES & MARGINS

Capital Credits Assigned to Membership - REA & Other	\$25,945,628
Capital Credits Assigned to Membership - GRE	10,556,580
Capital Credits Assignable Current Year	2,474,510
Other Equities	2,277,083
Donated Capital	7,612
TOTAL EQUITIES AND MARGINS	\$41,261,413

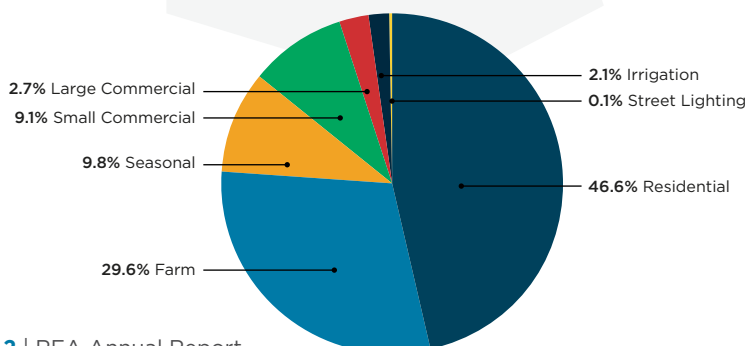
CURRENT & ACCRUED LIABILITIES

Accounts & Notes Payable	\$3,752,858
Current Maturities of Long-Term Debt	2,210,964
Taxes & Interest Payable	362,734
Other Liabilities	628,462
Consumer Deposits	32,614
TOTAL CURRENT & ACCRUED LIABILITIES	\$6,987,632

DEFERRED CREDITS

DEFERRED CREDITS	\$1,064,008
TOTAL LIABILITIES & OTHER CREDITS	\$108,251,306

WHERE IT CAME FROM



OPERATING SALES & REVENUE

	2024	2023
Electric Energy Revenue	\$32,120,020	\$31,515,421
Consumer Late Payments	102,063	112,983
Miscellaneous Electric Revenue	16,358	22,049
TOTAL OPERATING REVENUE	\$32,238,441	\$31,650,453

OPERATING EXPENSE

Cost of Power	\$17,551,122	\$17,397,341
Depreciation	4,325,490	4,141,848
Operations and Maintenance Expense	3,639,684	3,776,371
Interest	2,038,290	1,840,551
Consumer Service and Information	899,014	821,012
Consumer Accounting and Collecting	776,665	766,165
General Office Expense	756,574	730,189
Maintenance of General Property	602,583	581,103
Miscellaneous General Expense	162,783	170,014
Special Services	97,910	85,256
Directors' Fees and Expense	89,136	73,292
Other Deductions	3,707	4,583
TOTAL OPERATING EXPENSE	\$30,942,958	\$30,387,725

OPERATING MARGIN

OPERATING MARGIN	\$1,295,483	\$1,262,728
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NON OPERATING MARGIN - Interest	\$76,632	\$48,405
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NON OPERATING MARGIN - Other	\$82,950	\$123,571
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TOTAL REA MARGIN	\$1,455,065	\$1,434,704
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CAPITAL CREDITS ASSIGNABLE:

Runestone Electric Association Margin	\$1,455,065	\$1,434,704
Power Supply Patronage Capital	\$524,292	\$972,594
Other Patronage Capital	\$495,153	\$158,837

TOTAL ASSIGNABLE CURRENT YEAR	\$2,474,510	\$2,566,135
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PRINCIPAL AND INTEREST PAYMENTS	\$4,999,656	\$3,995,863
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PROPERTY TAX PAYMENTS	\$187,707	\$201,439
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kWh PURCHASED	243,925,532	259,296,312
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kWh SOLD	228,930,188	243,801,555
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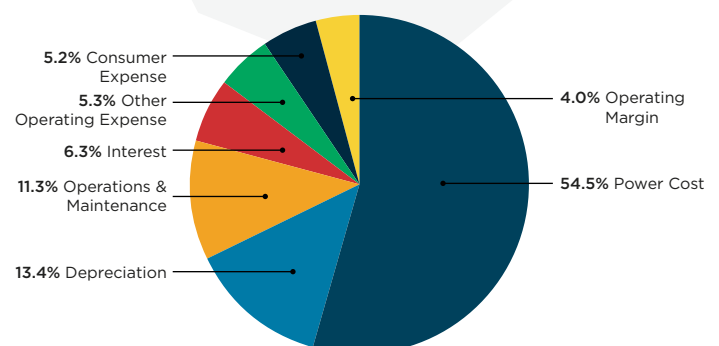
In total, REA has retired

\$24 MILLION

IN CAPITAL CREDITS
to our members

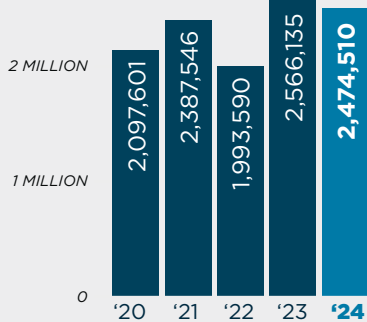
Capital Credit checks will be mailed mid-April

WHERE IT WENT



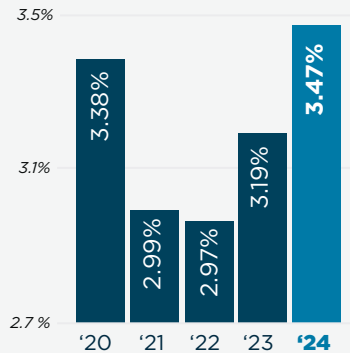
2024 HIGHLIGHTS

Net Margin



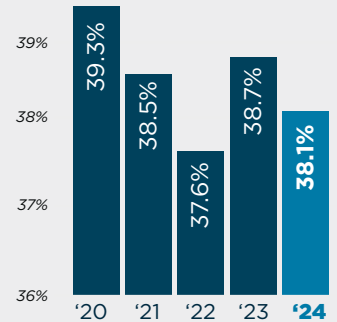
REA net margin and patronage capital allocated from GRE and other associated organizations.

Interest Rate on Debt



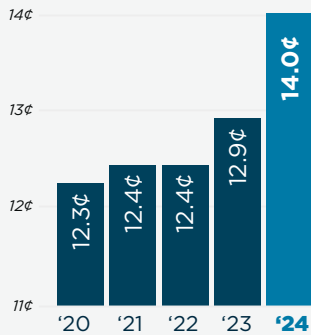
This is a blended rate for the long term debt we have with our lenders.

Equity

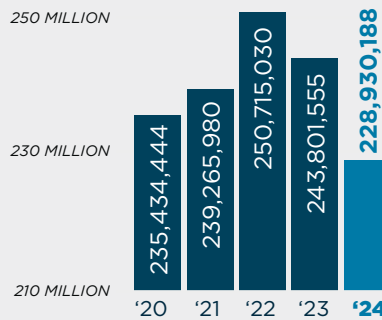


Members' ownership as a percent of assets.

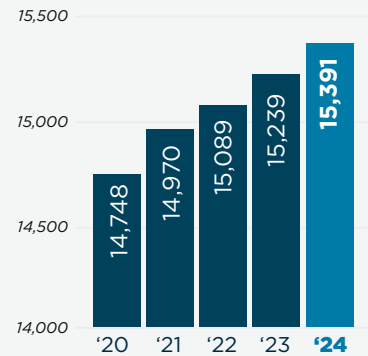
Revenue Per kWh Sold Cents/kWhs Sold



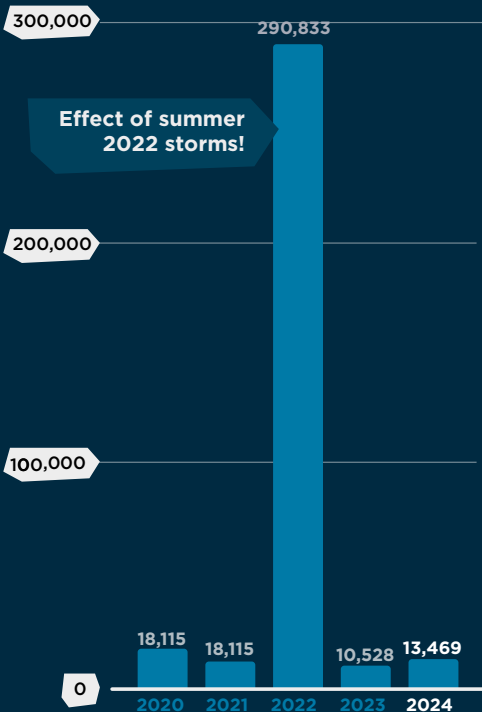
kWhs Sold



Total Service Accounts



Outage Hours Due to Major Storms



37 Full Time Employees

\$26,000

In scholarships given in 2024
funded by unclaimed capital credits

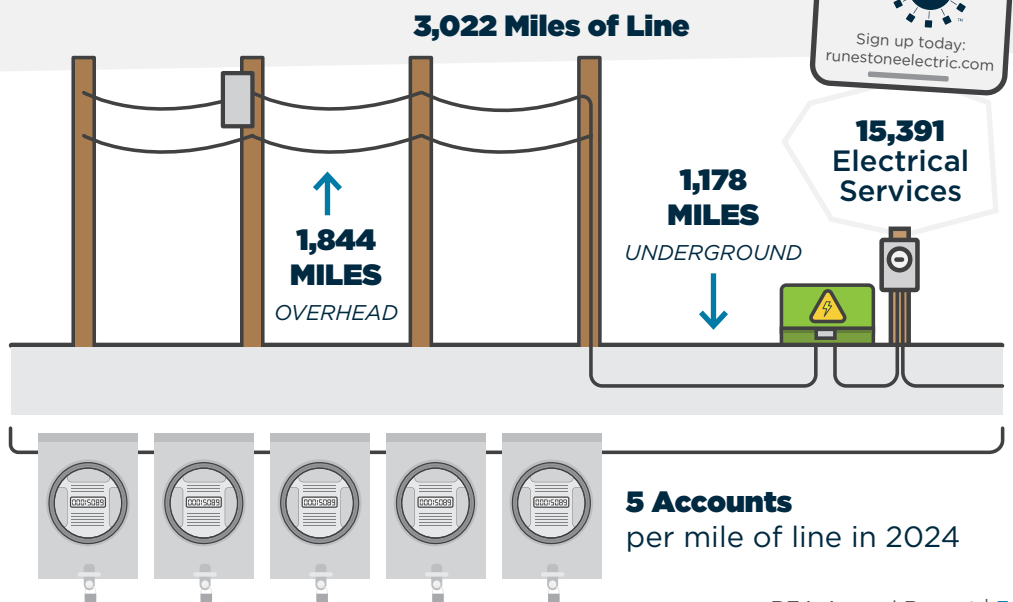
49%

of our 12,736 members take control of their account using



Sign up today:
runestoneelectric.com

15,391 Electrical Services



2024 HIGHLIGHTS

Operation Round Up®

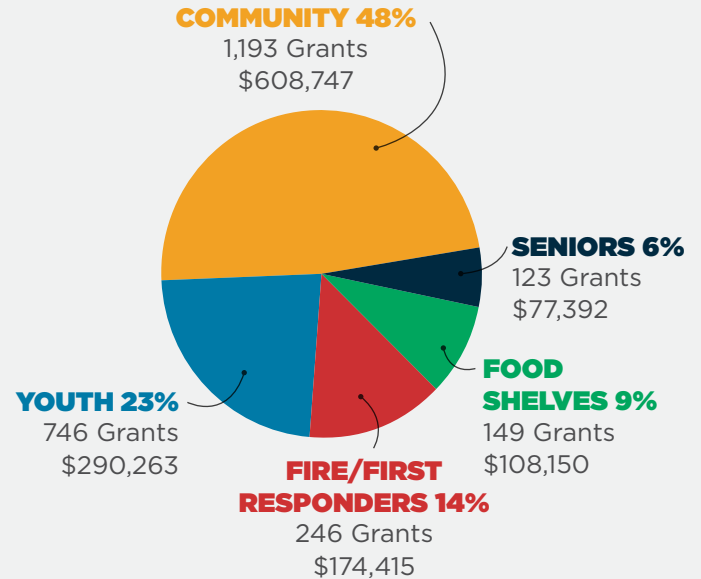
Operation Round Up provides grants to local non-profit organizations and community service programs. Over the past 22 years, Operation Round Up funds have been used to help youth and senior organizations, food shelves, community organizations, park and recreation associations, health groups, emergency responders and more. With 64% of REA members contributing an average of \$6.07 for the year of 2024, it proves that small change can have a big impact.

The Runestone Electric Association Community Trust Board of Directors is made up of volunteers from Runestone's seven districts in the service territory.



June 2024 Check Distribution

Total Distribution of Grants Since 2003



Total Grants: **2,457** Total Amount: **\$1,258,967**



LAKE MARY SUBSTATION

In April of 2024, we energized the new Lake Mary Substation. Due to line permitting issues, the lost COVID year, and material shortages, the project took nearly seven years to complete.

The new substation is served from the 115 kV transmission network, which is more reliable than the previous line. The 115 kV power line provides better voltage stability and is more resistant to momentary outages and other power reliability issues.



MEMBER TOUR

The month of October is Co-op Month. To celebrate, we hosted a one day member bus tour! We started at the REA office, visited Central Specialties, Country Blossom Farm, the REA Lake Mina Substation, an osprey nest by Lake Latoka, Lake Brophy County Park, Carlos Creek Winery, Lake Carlos State Park, and Lakes Area Graphics & Signwork's banner, fabric & flat sign production facility. It was a full day of learning and fun! Watch for details on the 2025 tour later this year.



MUTUAL AID

After Hurricanes Helene and Milton blew through the south, REA provided mutual aid help to Laurens Electric Cooperative, with headquarters in Laurens, SC, and Peace River Electric Cooperative in Wauchula, FL. REA Linemen Kyle Blade, Kolby Goff, Will Hergott and Ross King left for South Carolina on October 3 and returned from Florida on October 17. Helping those in need is the cooperative way!