

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

BOARD OF DIRECTORS AND OFFICERS (UNAUDITED)	1
INDEPENDENT AUDITORS' REPORT	2
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED BALANCE SHEETS	5
CONSOLIDATED STATEMENTS OF OPERATIONS AND PATRONAGE CAPITAL	7
CONSOLIDATED STATEMENTS OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
CONSOLIDATING BALANCE SHEET	21
CONSOLIDATING STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL	23
INDEPENDENT AUDITORS' REPORT ON LOAN FUND EXPENDITURES	24

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
BOARD OF DIRECTORS AND OFFICERS (UNAUDITED)
DECEMBER 31, 2024**

Kathrine Wunderlich	President
Kenneth Purdy	Vice President
Kurt Olson	Secretary
Mike Bixler	Treasurer
Henry Bentley	Assistant Secretary
Joel Carstensen	Director
Aubrey "Lee" Cartwright	Director
Allan Duffe	Director
Dinise Timmerman	Director
Gary Bruns	Director
Mike Shuger	Director
Tom Hotz	Director
Robert Schneider	Director
Gary Kester	Director
Brad Weiss	Director
* * *	
Kirk Trede	Chief Executive Officer



INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Iowa Light and Power Cooperative
and Subsidiary
Wilton, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Eastern Iowa Light and 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 operations and patronage capital, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above 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 Auditors' 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating balance sheet and supplementary consolidating statement of operations and patronage capital (collectively, the “supplementary information”) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Cedar Rapids, Iowa
April 4, 2025

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
UTILITY PLANT		
Electric Plant in Service	\$ 222,338,225	\$ 205,155,790
Construction Work in Progress	<u>11,469,474</u>	<u>19,086,257</u>
Total	233,807,699	224,242,047
Less: Accumulated Provision for Depreciation	<u>(80,763,612)</u>	<u>(78,279,644)</u>
Net Utility Plant	153,044,087	145,962,403
OTHER PROPERTY AND INVESTMENTS		
Investments in Associated Organizations	34,368,904	32,489,883
Nonutility Property, Net	260,859	260,859
Other Investments, Net of Current Portion	<u>5,256,349</u>	<u>4,648,570</u>
Total Other Property and Investments	39,886,112	37,399,312
CURRENT ASSETS		
Cash and Cash Equivalents	3,874,609	3,094,715
Accounts Receivable, Net Credit Loss Allowance of \$257,068 in 2024 and \$350,423 in 2023	6,269,123	6,555,667
Materials and Supplies Inventory	3,536,966	4,445,982
Current Portion of Other Investments	576,572	558,053
Other Current and Accrued Assets	<u>99,642</u>	<u>144,847</u>
Total Current Assets	14,356,912	14,799,264
DEFERRED DEBITS	<u>4,286,947</u>	<u>3,996,405</u>
Total Assets	<u><u>\$ 211,574,058</u></u>	<u><u>\$ 202,157,384</u></u>

See accompanying Notes to Consolidated Financial Statements.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2024 AND 2023**

EQUITIES AND LIABILITIES	<u>2024</u>	<u>2023</u>
EQUITIES		
Memberships	\$ 187,890	\$ 187,000
Patronage Capital	41,035,962	40,760,333
Other Equities	<u>58,139,466</u>	<u>56,298,971</u>
Total Equities	99,363,318	97,246,304
 LONG-TERM DEBT, Less Current Maturities		
CoBank Notes	90,804,894	84,755,667
CFC Mortgage Notes	2,950,004	3,132,326
Economic Development Loans and Grants	<u>5,972,949</u>	<u>5,252,407</u>
Total Long-Term Debt	99,727,847	93,140,400
 CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	4,128,847	3,885,708
Accounts Payable	4,319,400	3,838,659
Other Current Accrued Liabilities	<u>2,113,466</u>	<u>1,994,686</u>
Total Current Liabilities	10,561,713	9,719,053
 DEFERRED CREDITS	<u>1,921,180</u>	<u>2,051,627</u>
 Total Equities and Liabilities	<u><u>\$ 211,574,058</u></u>	<u><u>\$ 202,157,384</u></u>

See accompanying Notes to Consolidated Financial Statements.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND PATRONAGE CAPITAL
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Electric Revenue	\$ 64,071,947	\$ 64,378,593
Other Operating Revenue	358,958	270,046
Total Operating Revenue	<u>64,430,905</u>	<u>64,648,639</u>
OPERATING EXPENSES		
Cost of Power	39,381,845	39,483,697
Distribution Expense - Operations	2,969,590	3,150,025
Distribution Expense - Maintenance	4,411,956	4,093,528
Consumer Account Expense	484,478	677,552
Customer Service and Information Expense	106,388	142,213
Sales Expense	112,533	145,917
Administrative and General Expense	5,332,007	4,743,605
Depreciation Expense	6,946,278	6,623,659
Other Deductions	19,272	20,178
Total Operating Expenses	<u>59,764,347</u>	<u>59,080,374</u>
OPERATING MARGINS BEFORE FIXED CHARGES	4,666,558	5,568,265
INTEREST ON LONG-TERM DEBT	<u>3,754,644</u>	<u>3,246,820</u>
OPERATING MARGINS AFTER FIXED CHARGES	911,914	2,321,445
GENERATION AND TRANSMISSION AND OTHER CAPITAL CREDITS	<u>3,901,959</u>	<u>3,343,077</u>
NET OPERATING MARGINS	4,813,873	5,664,522
NONOPERATING MARGINS		
Interest Income	102,318	103,801
Equity in Earnings of Associated Companies	571	(1,677)
Other Nonoperating Margins	65,153	117,712
Total Nonoperating Margins	<u>168,042</u>	<u>219,836</u>
NET MARGINS	4,981,915	5,884,358
Patronage Capital - Beginning of Year	40,760,333	38,879,071
Transfers to Other Equities	(1,881,509)	(1,213,452)
Capital Credits Retired	<u>(2,824,777)</u>	<u>(2,789,644)</u>
PATRONAGE CAPITAL - END OF YEAR	<u>\$ 41,035,962</u>	<u>\$ 40,760,333</u>

See accompanying Notes to Consolidated Financial Statements.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	\$ 4,981,915	\$ 5,884,358
Adjustments to Reconcile Net Margins to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	7,098,117	6,775,498
G & T and Other Capital Credits	(3,901,959)	(3,343,077)
(Increase) Decrease in Assets:		
Accounts Receivable	286,544	1,020,408
Materials and Supplies Inventory	909,016	(1,050,624)
Other Current and Accrued Assets	45,205	11,494
Deferred Debits	(442,381)	(619,675)
Increase (Decrease) in Liabilities:		
Accounts Payable	480,741	(910,414)
Other Current and Accrued Liabilities	118,780	(18,478)
Deferred Credits	(130,447)	(37,368)
Total Adjustments	<u>4,463,616</u>	<u>1,827,764</u>
Net Cash Provided by Operating Activities	9,445,531	7,712,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction and Acquisition of Plant	(14,027,962)	(12,708,026)
Cash Received from Retirement of Patronage Capital	2,023,553	2,080,668
Issuance of Economic Development Loans	(1,200,000)	(3,860,000)
Payments Received from Economic Development Loans	576,572	193,254
Change in Investments in Associated Organizations		
and Other Investments	<u>(3,485)</u>	<u>10,845</u>
Net Cash Used by Investing Activities	(12,631,322)	(14,283,259)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	11,200,000	11,300,000
Principal Payments on Long-Term Debt	(4,369,414)	(3,932,458)
Increase in Memberships and Other Equities	(40,124)	174,932
Retirements of Patronage Capital	<u>(2,824,777)</u>	<u>(2,789,644)</u>
Net Cash Provided by Financing Activities	3,965,685	4,752,830
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	779,894	(1,818,307)
Cash and Cash Equivalents - Beginning of Year	<u>3,094,715</u>	<u>4,913,022</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,874,609</u>	<u>\$ 3,094,715</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	<u>\$ 3,692,830</u>	<u>\$ 3,219,807</u>

See accompanying Notes to Consolidated Financial Statements.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Eastern Iowa Light and Power Cooperative (the Cooperative) is a rural electric cooperative which provides electric energy to consumers. The majority of these consumers are located in rural areas of seven counties in eastern Iowa.

The Cooperative's wholly owned subsidiary, New Ventures, Inc. (New Ventures), is a nonprofit corporation formed for the purpose of promoting economic development.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Cooperative and New Ventures. All significant intercompany transactions and accounts have been eliminated in consolidation.

Basis of Accounting

The Cooperative follows the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts prescribed for Class A and Class B Electric Utilities as modified by Rural Utilities Services (RUS). The accounting policies conform to accounting principles generally accepted in the United States of America as applied in the case of regulated electric utilities.

The board of directors, as regulators of the Cooperative, establishes all rates, charges, and fees charged to members-owners.

Cash and Cash Equivalents

Cash in excess of daily requirements is invested in commercial paper and select notes of the National Rural Utilities Cooperative Finance Corporation with maturities of three months or less and are deemed to be cash equivalents for purposes of the consolidated statements of cash flows, in addition to cash on hand and in the bank.

The following is a summary of these items at December 31:

	2024	2023
Cash	\$ 3,435,742	\$ 2,756,954
Revolving Loan Funds	355,202	257,788
Commercial Paper – NRUCFC	83,665	79,973
Total	<u>\$ 3,874,609</u>	<u>\$ 3,094,715</u>

The Cooperative maintains cash and investments in deposit accounts at financial institutions approved by the board of directors and insured by Federal Deposit Insurance Corporation (FDIC). Accumulated deposits in these institutions may at times exceed FDIC insurance limits.

Revolving loan fund cash is restricted for the purpose of making economic development loans to businesses. The cash is provided through the Rural Economic Development Loan and Grant Program.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, Net

The Cooperative provides electric energy to its consumers whose invoices are due on the 30th of each month or the next working day. The Cooperative uses historical loss information and an analysis of the collectability of individual accounts to determine expected credit losses for receivables. The majority of receivables are aged current, and there have been very limited losses over the lifetime of the Cooperative. The Cooperative believes that the composition of trade receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. The Cooperative believes that current economic conditions are consistent with its historical assumptions. Accounts past due are written off after one year. At December 31 the allowance for credit losses was as follows:

	2024	2023
Allowance for Credit Losses:		
Balance - Beginning of Year	\$ 350,423	\$ 408,162
Provision for Losses	10,000	55,995
Recoveries on Accounts Previously Charged Off	(117,439)	(135,188)
Accounts Charged Off	(68,132)	(78,302)
Transfer from Other Provisions	82,216	99,756
Balance - End of Year	<u>\$ 257,068</u>	<u>\$ 350,423</u>

Accounts receivable balances are as follows on December 31:

2024	2023	2022
<u>\$ 6,526,191</u>	<u>\$ 6,906,090</u>	<u>\$ 7,984,237</u>

Materials and Supplies Inventory

Inventories are valued at the lower of cost or net realizable value using the average unit cost method.

Electric Plant and Depreciation Procedures

Property and equipment are stated at cost. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred.

Provisions for depreciation of distribution plant are computed using a composite straight-line method. When distribution plant assets are sold or retired, the original cost is removed from the accounts and charged, together with any cost of removal, to the accumulated provision for depreciation. Any salvage realized is credited to the same accumulated provision.

Provisions for depreciation of general plant are computed using straight-line methods on an item basis. When general plant assets are sold or retired, the original cost and accumulated provision for depreciation are removed from the accounts and any gain or loss is recognized in operations.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in Associated Organizations

Investments in associated organizations include patronage capital, term certificates, and other investments. Patronage capital investments are stated at cost plus undistributed allocated equities from other cooperatives. Term certificates and other investments are carried at cost, which approximates market value.

Other Investments

Other investments include energy efficiency loans, economic development notes receivable, and land held for resale. Loans and notes receivable are recorded at cost. Land held for resale is recorded at the lower of cost or market.

Allowance for Credit Losses

The Notes receivable consist of economic development loans to companies within or near the Cooperative's service territory for purposes of promoting economic development.

The allowance for credit losses on loans (allowance) is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount of amortized cost basis not expected to be collected at the balance sheet date. Loan losses are charged off against the allowance for credit losses on loans when the Cooperative determines the loan balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance for credit losses on loans.

Loans are evaluated on an individual basis. When management determines that the borrower is experiencing financial difficulty at the reporting date, management determines the amount that is expected to be collected on the loan, including the value of collateral pledged by the borrower as security on the loan, and an allowance for loan credit losses is deducted from the loan's amortized cost basis to present the net amount expected to be collected on the loan. Loan balances are charged off against the allowance when management believes the uncollectability of the loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The valuation of the allowance for loan credit losses is determined as follows: repayment is expected to be provided substantially through the operation or sale of the collateral so expected loan losses are based on the fair value of the collateral, adjusted for selling costs as appropriate.

Accrued interest receivable totaled \$-0- at December 31, 2024 and 2023, and was reported in accrued interest receivable on the balance sheet and is excluded from the estimate of loan credit losses. Interest income is accrued on the unpaid principal balance.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Cooperative is exempt from income taxes under Section 501(c)(12) of the Internal Revenue Code, thus there is no provision for income taxes at December 31, 2024 and 2023.

New Ventures is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code, thus there is no provision for income taxes at December 31, 2024 and 2023.

The Cooperative evaluated its tax positions and determined that it has no uncertain tax positions as of December 31, 2024 and 2023.

Presentation of Sales Taxes

The Cooperative does business in various taxing jurisdictions which impose sales taxes on sales to nonexempt customers. The Cooperative collects that sales tax from customers and remits the entire amount to the taxing jurisdictions. The Cooperative's accounting policy is to exclude the tax collected and remitted to the taxing jurisdictions from revenues and costs of sales.

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 disclosures of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Revenue from Contract with Customers

The Cooperative primarily generates revenue from the distribution and sale of electricity to members. The Cooperative satisfies the performance obligation when the energy is delivered to the member. The Cooperative recognizes revenue from energy sales based on meter readings of the member's usage. Meters are read the last day of the month. Bills are sent out the third day after the meter reading and payment is due in 30 days. Rates charged to members are based on rates approved by the Cooperative's Board of Directors. The Cooperative has elected to use the Invoice Practical Expedient allowing the Cooperative to recognize revenue in the amount that directly corresponds to the value transferred to the customer.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contract with Customers (Continued)

The following table presents the Cooperative's revenues disaggregated by type of customer at December 31:

	2024	2023
Residential	\$ 37,454,120	\$ 38,409,096
Seasonal	826,404	836,515
Irrigation	521,488	879,241
Small Commercial	8,389,380	8,439,080
Large Commercial	15,165,468	14,027,735
Public Street and Highway	43,012	44,625
Sales to Public Buildings	316,508	328,335
Sales for Resale	1,355,567	1,413,966
Total	<u>\$ 64,071,947</u>	<u>\$ 64,378,593</u>

Leases

Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received are recognized in revenue on the straight-line basis.

Lessor costs such as property taxes, insurance and maintenance paid directly by a lessee to third parties on the lessor's behalf are excluded from variable lease payments. Reimbursements paid by lessees to Myriad Developers, Inc. are included in variable lease payments.

Subsequent Events

In preparing these consolidated financial statements, the Cooperative has evaluated events and transactions for potential recognition or disclosure through April 4, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 ASSETS PLEDGED

Substantially all assets are pledged as security for the long-term debt to NRUCFC and CoBank.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 ELECTRIC PLANT

The following is a summary of major classes of the electric plant as of December 31:

	2024	2023
Intangible Plant	\$ 8,334	\$ 8,334
Distribution Plant	192,313,850	176,129,058
General Plant	30,016,041	29,018,398
Electric Plant in Service	222,338,225	205,155,790
Construction Work in Progress	11,469,474	19,086,257
Total Utility Plant	<u>\$ 233,807,699</u>	<u>\$ 224,242,047</u>

Distribution plant is depreciated at a straight-line composite rate of 3.53% per annum. General plant is depreciated on a unit basis using the straight-line method with a range of useful lives from 3 to 50 years.

NOTE 4 OTHER PROPERTY AND INVESTMENTS

Investments in Associated Organizations

Investments in associated organizations consist of the following at December 31:

	2024	2023
National Rural Utilities Cooperative Finance Corporation:		
Membership	\$ 1,000	\$ 1,000
Term Certificates	1,702,865	1,702,865
Capital Credits	89,421	94,295
Central Iowa Power Cooperative	30,304,091	28,639,719
Rural Electric Supply Cooperative:		
Common Stock	500	500
Capital Credits	962,333	857,554
CoBank:		
Membership	1,000	1,000
Capital Credits	870,410	765,207
New Resources, Inc. - Equity	187,644	187,644
Other Associated Organizations	249,640	240,099
Total	<u>\$ 34,368,904</u>	<u>\$ 32,489,883</u>

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 OTHER PROPERTY AND INVESTMENTS (CONTINUED)

Investments in Associated Organizations (Continued)

Investments in associated organizations include patronage capital, capital term certificates, and loan term certificates of the National Rural Utilities Cooperative Finance Corporation (NRUCFC). Capital term certificates bear interest at 5% and mature in the years 2070 to 2080. Loan term certificates bear interest at 3% and mature in the year 2025.

The Cooperative is a voting member of Central Iowa Power Cooperative (CIPCO), a generation and transmission facility headquartered in Cedar Rapids, Iowa, supplying power to 12 distribution cooperatives in Iowa. These voting members or owners share margins realized by CIPCO, on the Cooperative principle, based on power purchased. This investment or patronage capital earned by voting members is being returned as approved by CIPCO's Board of Directors.

Investments in associated organizations also includes an investment accounted for using the equity method. The Cooperative has a 47.5% ownership interest in New Resources, Inc., a joint venture with two other area distribution cooperatives. The Cooperative's returns on this investment were \$1,156 and (\$1,668) for the years ended December 31, 2024 and 2023, respectively.

Nonutility Property

Nonutility property consists of the Cooperative's former headquarters which is held for sale as of December 31, 2024. The property is reported at its estimated fair value less costs to sell which was determined by an appraisal of the property by a certified general real estate appraiser.

Other Investments

Other investments at December 31 are as follows:

	2024	2023
Economic Development Notes Receivable	\$ 5,769,779	\$ 5,143,481
Land Held for Resale	63,142	63,142
Total Other Investments	5,832,921	5,206,623
Less: Current Portion	(576,572)	(558,053)
Other Investment - Net of Current Portion	<u>\$ 5,256,349</u>	<u>\$ 4,648,570</u>

Economic development notes receivable are amounts loaned to businesses for the purpose of promoting economic development in the Cooperative's service territory. The loans bear interest at a rate of 0% to 5% and are due from May 2029 to September 2034. The Cooperative has not provided an allowance for uncollectible notes receivable at December 31, 2024 and 2023. All loans were current as of December 31, 2024 and 2023.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 DEFERRED DEBITS

The following is a summary of amounts recorded as deferred debits as of December 31:

	2024	2023
Work Plans	\$ 27,803	\$ 47,429
Nonwork Plan Capital Projects	1,634,651	1,160,529
CoBank Refinance Fee	47,847	95,693
Deferred Penalty and Interest of RUS Debt	1,736,927	1,840,920
Maintenance Assets	196,821	258,975
Other	642,898	592,859
Total	<u>\$ 4,286,947</u>	<u>\$ 3,996,405</u>

NOTE 6 DETAIL OF PATRONAGE CAPITAL

The following is a summary of patronage capital assignable and assigned at December 31:

	2024	2023
Assignable	\$ 4,981,915	\$ 5,884,358
Assigned	36,054,047	34,875,975
Balance	<u>\$ 41,035,962</u>	<u>\$ 40,760,333</u>

The mortgage provisions restrict the retirement of patronage capital unless after retirement, the capital of the Cooperative equals at least 30% of the total assets of the Cooperative; provided; however, that retirements can be made if such distributions do not exceed 25% of the preceding year's margins. No distribution can be made if there are unpaid, when due, any installments of principal or interest on the notes.

Distributions to estates are made at the request of the estates. As of December 31, 2024, capital credits through 2008 had been fully retired.

NOTE 7 OTHER EQUITIES

As of December 31, other equities consisted of the following:

	2024	2023
Surplus – Operating Margins	\$ 34,936,255	\$ 34,936,255
Donated Capital	158,749	158,749
Contingency Reserve	20,850,000	18,925,000
Appropriated Margins Education	83,790	83,790
Capital Gains and Losses	80,702	80,702
Retained Patronage Capital	739,760	696,331
Unclaimed Patronage Capital	1,290,210	1,418,144
Total	<u>\$ 58,139,466</u>	<u>\$ 56,298,971</u>

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 OTHER EQUITIES (CONTINUED)

The Cooperative's Articles of Incorporation require that at least 10% of the Cooperative's earnings remaining after provision is made for depreciation, obsolescence, bad debts, or contingent losses or expense, must be added to statutory surplus until the surplus equals either \$1,000 or 30% of all capital paid in for memberships plus unpaid patronage dividends, earnings from nonmember business, and earnings from allocations of other cooperatives, whichever is greater, but is not to exceed 50% of that total.

The Contingency Reserve was established to provide a reserve fund for maintenance, depreciation, obsolescence, bad debts, and contingent losses or expenses.

The Cooperative's Articles of Incorporation also provide that no less than 1% nor more than 5% of the above-mentioned earnings may be placed to Appropriated Margins Education. The Cooperative has not added to the education fund in 2024 or 2023.

Unclaimed Patronage Capital is retained by the Cooperative as allowed by Iowa law and will be used for education and economic development.

NOTE 8 LONG-TERM DEBT

The following is a summary of outstanding long-term debt as of December 31:

	<u>2024</u>	<u>2023</u>
CoBank Mortgage Notes:		
2.56% to 6.62% Fixed Rate Notes Due Through 2053	\$ 94,751,419	\$ 88,467,291
CFC Mortgage Notes:		
3.53% to 4.84% Fixed Rate Notes Due Through 2037	3,132,326	3,306,410
Rural Economic Development Grants	<u>5,972,949</u>	<u>5,252,407</u>
Total Long-Term Debt	103,856,694	97,026,108
Less: Current Maturities	<u>(4,128,847)</u>	<u>(3,885,708)</u>
Total Long-Term Debt (Net of Current Maturities)	<u>\$ 99,727,847</u>	<u>\$ 93,140,400</u>

Annual maturities of long-term debt outstanding for the next five years are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 4,128,847
2026	3,915,120
2027	4,052,538
2028	4,195,155
2029	4,196,485

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 8 LONG-TERM DEBT (CONTINUED)

The loan agreements with CoBank and NRUCFC impose certain restrictions upon the Cooperative relating to the purchase, sale, construction, and maintenance of distribution plant, as well as future financing and retirement of patronage capital. These notes are secured by all assets of the Cooperative. As of December 31, 2024, the Cooperative has unadvanced loan funds from CoBank of \$1,000,000.

The Cooperative has a total of \$5,972,949 under the Rural Economic Development Loan and Grant Program. These are noninterest-bearing loans used to establish a fund to finance approved rural economic development projects. The original loans made from the fund are at 0% interest and loans made from the repayment of the original loans can bear interest up to the prevailing prime rate. At the termination of the loan program, the balance in the fund is due back to the government.

NOTE 9 NOTES PAYABLE

The Cooperative has available from NRUCFC a perpetual line of credit of \$8,000,000. The interest rate was 7.25% December 31, 2024 and 2023. There were no outstanding balances at December 31, 2024 and 2023.

Additionally, the Cooperative has available from CoBank a line of credit of \$3,000,000. The interest rate was 6.39% and 7.26% at December 31, 2024 and 2023, respectively. There were no outstanding balances at December 31, 2024 and 2023.

NOTE 10 RETIREMENT PLANS

Narrative Description

The Retirement Security Plan (RS Plan), sponsored by the National Rural Electric Cooperative Association (NRECA), is a defined benefit plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is considered a multiemployer plan under the accounting standards. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single employer plan is that 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.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 10 RETIREMENT PLANS (CONTINUED)

Plan Information

The Cooperative's contributions to the RS Plan in 2024 and in 2023 represented less than 5% of the total contributions made to the plan by all participating employers. The Cooperative made contributions to the plan of \$1,412,924 and \$1,334,873 in 2024 and 2023, respectively. There have been no significant changes that affect the comparability of 2024 and 2023 contributions.

For 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 January 1, 2024 and January 1, 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.

At the December 2012 meeting of the I&FS Committee of the NRECA Board of Directors, the committee approved an option to allow participating cooperatives in the RS Plan to make a contribution prepayment and reduce future required contributions. The prepayment amount is a cooperative's share, as of January 1, 2013, of future contributions required to fund the RS Plan's unfunded value of benefits earned to date using RS Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative's annual RS Plan required contribution as of January 1, 2013. After making the prepayment, for most cooperatives the billing rate is reduced by approximately 25%, retroactive to January 1, 2013. The 25% differential in billing rates is expected to continue for approximately 15 years. However, changes in interest rates, asset returns and other plan experience different from expected, plan assumption changes and other factors may have an impact on the differential in billing rates and the 15-year period.

NOTE 11 DEFERRED CREDITS

Deferred credits are made up of the following amounts at December 31:

	2024	2023
Consumer Advances for Construction	\$ 1,146,282	\$ 1,244,379
Unclaimed Patronage Credits	772,468	804,737
Other	2,430	2,511
Total	<u>\$ 1,921,180</u>	<u>\$ 2,051,627</u>

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 12 LEASES

Nature of Leases

Leasing operations consist principally of operating leases of commercial real estate and a tower expiring in various years through 2041 in which the Cooperative is the lessor.

Lease Income

Revenue from lease payments recognized on the consolidated statements of operations and patronage capital is summarized as follows:

	2024	2023
Lease Payments	\$ 12,834	\$ 12,749

Maturity Analysis

Following is a maturity analysis of annual undiscounted cash flows to be received from operating leases as of the end of 2024:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 12,921
2025	10,509
2026	4,599
2027	4,691
2028	4,785
Thereafter	65,461
Total	<u>\$ 102,966</u>

NOTE 13 COMMITMENTS AND CONTINGENCIES

Sources of Supply

Under its wholesale power agreement, the Cooperative is committed to purchase electric power and energy requirements from Central Iowa Power Cooperative through December 31, 2062. Although there are other suppliers of electric power, a change in suppliers would cause a delay, which could ultimately affect operating results.

NOTE 14 MAJOR CUSTOMER

During the years ended December 31, 2024 and 2023, approximately 10.1% of its sales were to one member.

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2024**

	Eastern Iowa Light and Power Cooperative	New Ventures	Eliminations	Consolidated	PY Consolidated
ASSETS					
UTILITY PLANT					
Electric Plant in Service	\$ 222,338,225	\$ -	\$ -	\$ 222,338,225	\$ 205,155,790
Construction Work in Progress	11,469,474	-	-	11,469,474	19,086,257
Total	233,807,699	-	-	233,807,699	224,242,047
Less: Accumulated Provision for Depreciation	(80,763,612)	-	-	(80,763,612)	(78,279,644)
Net Utility Plant	153,044,087	-	-	153,044,087	145,962,403
OTHER PROPERTY AND INVESTMENTS					
Investments in Associated Organizations	34,667,129	726	(298,951)	34,368,904	32,489,883
Nonutility Property, Net	260,859	-	-	260,859	260,859
Other Investments, Net of Current Portion	5,193,207	63,142	-	5,256,349	4,648,570
Total Other Property and Investments	40,121,195	63,868	(298,951)	39,886,112	37,399,312
CURRENT ASSETS					
Cash and Cash Equivalents	3,640,009	234,600	-	3,874,609	3,094,715
Accounts Receivable, Net	6,268,640	-	483	6,269,123	6,555,667
Materials and Supplies Inventory	3,536,966	-	-	3,536,966	4,445,982
Current Portion of Other Investments	576,572	-	-	576,572	558,053
Other Current and Accrued Assets	99,642	-	-	99,642	144,847
Total Current Assets	14,121,829	234,600	483	14,356,912	14,799,264
DEFERRED DEBITS					
	4,286,947	-	-	4,286,947	3,996,405
Total Assets	<u>\$ 211,574,058</u>	<u>\$ 298,468</u>	<u>\$ (298,468)</u>	<u>\$ 211,574,058</u>	<u>\$ 202,157,384</u>

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2024**

	Eastern Iowa Light and Power Cooperative	New Ventures	Eliminations	Consolidated	PY Consolidated
EQUITIES AND LIABILITIES					
EQUITIES					
Memberships	\$ 187,890	\$ -	\$ -	\$ 187,890	\$ 187,000
Patronage Capital	41,035,962	298,951	(298,951)	41,035,962	40,760,333
Other Equities	58,139,466	-	-	58,139,466	56,298,971
Total Equities	<u>99,363,318</u>	<u>298,951</u>	<u>(298,951)</u>	<u>99,363,318</u>	<u>97,246,304</u>
LONG-TERM DEBT, Less Current Maturities					
CoBank Notes	90,804,894	-	-	90,804,894	84,755,667
CFC Mortgage Notes	2,950,004	-	-	2,950,004	3,132,326
Economic Development Loans and Grants	5,972,949	-	-	5,972,949	5,252,407
Total Long-Term Debt	<u>99,727,847</u>	<u>-</u>	<u>-</u>	<u>99,727,847</u>	<u>93,140,400</u>
CURRENT LIABILITIES					
Current Maturities of Long-Term Debt	4,128,847	-	-	4,128,847	3,885,708
Accounts Payable	4,319,400	(483)	483	4,319,400	3,838,659
Other Current Accrued Liabilities	2,113,466	-	-	2,113,466	1,994,686
Total Current Liabilities	<u>10,561,713</u>	<u>(483)</u>	<u>483</u>	<u>10,561,713</u>	<u>9,719,053</u>
DEFERRED CREDITS					
	<u>1,921,180</u>	<u>-</u>	<u>-</u>	<u>1,921,180</u>	<u>2,051,627</u>
Total Equities and Liabilities	<u>\$ 211,574,058</u>	<u>\$ 298,468</u>	<u>\$ (298,468)</u>	<u>\$ 211,574,058</u>	<u>\$ 202,157,384</u>

**EASTERN IOWA LIGHT AND POWER COOPERATIVE
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL
YEAR ENDED DECEMBER 31, 2024**

	Eastern Iowa Light and Power Cooperative	New Ventures	Eliminations	Consolidated	PY Consolidated
OPERATING REVENUES					
Electric Revenue	\$ 64,071,947	\$ -	\$ -	\$ 64,071,947	\$ 64,378,593
Other Operating Revenue	358,958	-	-	358,958	270,046
Total Operating Revenues	<u>64,430,905</u>	<u>-</u>	<u>-</u>	<u>64,430,905</u>	<u>64,648,639</u>
OPERATING EXPENSES					
Cost of Power	39,381,845	-	-	39,381,845	39,483,697
Distribution Expense - Operations	2,969,590	-	-	2,969,590	3,150,025
Distribution Expense - Maintenance	4,411,956	-	-	4,411,956	4,093,528
Consumer Account Expense	484,478	-	-	484,478	677,552
Customer Service and Information	106,388	-	-	106,388	142,213
Sales Expense	112,533	-	-	112,533	145,917
Administrative and General Expense	5,362,007	-	(30,000)	5,332,007	4,743,605
Depreciation Expense	6,946,278	-	-	6,946,278	6,623,659
Other Deductions	19,272	-	-	19,272	20,178
Total Operating Expenses	<u>59,794,347</u>	<u>-</u>	<u>(30,000)</u>	<u>59,764,347</u>	<u>59,080,374</u>
OPERATING MARGINS BEFORE FIXED CHARGES	4,636,558	-	30,000	4,666,558	5,568,265
INTEREST ON LONG-TERM DEBT	<u>3,754,644</u>	<u>-</u>	<u>-</u>	<u>3,754,644</u>	<u>3,246,820</u>
OPERATING MARGINS AFTER FIXED CHARGES	881,914	-	30,000	911,914	2,321,445
GENERATION AND TRANSMISSION AND OTHER CAPITAL CREDITS	<u>3,901,959</u>	<u>-</u>	<u>-</u>	<u>3,901,959</u>	<u>3,343,077</u>
NET OPERATING MARGINS	4,783,873	-	30,000	4,813,873	5,664,522
NONOPERATING MARGINS					
Interest Income	100,745	31,573	(30,000)	102,318	103,801
Equity in Earnings of Assoc. Companies	4,071	-	(3,500)	571	(1,677)
Other Nonoperating Margins (Expenses)	93,226	(28,073)	-	65,153	117,712
Total Nonoperating Margins	<u>198,042</u>	<u>3,500</u>	<u>(33,500)</u>	<u>168,042</u>	<u>219,836</u>
NET MARGINS	4,981,915	3,500	(3,500)	4,981,915	5,884,358
Patronage Capital - Beginning of Year	40,760,333	295,451	(295,451)	40,760,333	38,879,071
Transfers to Other Equities	(1,881,509)	-	-	(1,881,509)	(1,213,452)
Capital Credits Retired	<u>(2,824,777)</u>	<u>-</u>	<u>-</u>	<u>(2,824,777)</u>	<u>(2,789,644)</u>
PATRONAGE CAPITAL - END OF YEAR	<u>\$ 41,035,962</u>	<u>\$ 298,951</u>	<u>\$ (298,951)</u>	<u>\$ 41,035,962</u>	<u>\$ 40,760,333</u>



INDEPENDENT AUDITORS' REPORT ON LOAN FUND EXPENDITURES

Board of Directors
Eastern Iowa Light and Power Cooperative
and Subsidiary
Wilton, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Eastern Iowa Light and Power Cooperative and Subsidiary (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2024, and the related consolidated statements of operations and patronage capital, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 4, 2025.

During the year ended December 31, 2024, the Cooperative received no advances from the National Rural Utilities Cooperative Finance Corporation (NRUCFC) on loans controlled by the NRUCFC's Loan Agreement and Mortgage (the agreement). In connection with our audit, nothing came to our attention that caused us to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of the NRUCFC agreement, insofar as they related to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the agreement, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of directors, management of the Cooperative, and NRUCFC and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
April 4, 2025

