

2026 NORTH STAR ANNUAL REPORT

ANNUAL MEETING

Friday, Oct. 2, 2026

Lake of the Woods School,
Baudette, Minnesota



North Star
ELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative 

ENLIGHTENER | VOLUME 71 - NO. 9 |
SEPTEMBER 2026 | BAUDETTE - MINNESOTA

NORTH STAR ELECTRIC COOPERATIVE, INC. MISSION STATEMENT

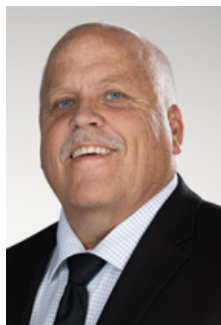
Providing safe, reliable electric services to improve the quality of life in communities we serve.

PRESIDENT & MANAGER'S REPORT

Dedicated to providing safe, reliable and affordable energy across our service territory



Steve Arnesen
Board President



Kevin Holen
General Manager

Welcome, member-owners

Once again, it is time for our annual meeting. This year we are celebrating our 86th year. It seems hard to believe another year has come and gone. Please join us on Friday, Oct. 2, at the Lake of the Woods School in Baudette. The annual business meeting will be held

at 6 p.m., with dinner starting at 5 p.m. Our guest speaker this year is Marcy Douglas from Minnkota Power Cooperative. Marcy is the co-op's executive vice president and Chief Member Services and Communications Officer.

North Star Electric is proud to report the cooperative remains strong, resilient and dedicated to providing safe, reliable and affordable energy across our northern service territory.

Commitment to safety first

If there is one achievement we are most proud to share again this

• Achieving a milestone of zero lost-time work hours is no accident. It is the direct result of a continuous rigorous safety culture at your local electric cooperative.

• We have worked diligently to maintain reliable infrastructure, manage right-of-way clearing to prevent outages and keep operational costs efficient.

• We want to thank our employees for their dedication, our board of directors for their forward-thinking governance, and you, our members, for your continued support.

year, it is our record of safety. We are deeply grateful and proud to announce that North Star Electric Cooperative has achieved no lost-time accidents once



again this year, with a grand total of 310,823 hours of no lost-time work accumulated.

Electricity is a powerful and unforgiving force. Our line crews, technicians and office personnel work in fierce winter storms, high winds and challenging terrain to keep the lights on. Achieving a milestone of zero lost-time work hours is no accident. It is the direct result of a continuous rigorous safety culture. It comes from daily tailgate safety talks, proper equipment and maintenance, looking out for one another on the job site, and every single employee making the conscious choice to return home safely to their families at the end of the day.

Changing energy landscape – reliable infrastructure

Beyond safety, your cooperative has continued to navigate the changing energy landscape with a steady hand. We have worked diligently to maintain reliable infrastructure, manage right-of-way clearing to prevent outages and keep operational costs efficient.



Financials

Last year we completed 2025 with margins of just over \$1,225,000, while maintaining an equity level of 40.42%. We sold over 107 million kilowatts with operating revenue of over \$17 million. An impressive \$399,518 of capital credits were retired this year and given back to you, the member-owners. We currently have over \$58 million in plant investment covering 5,200 square miles.

As I mentioned earlier this year, we had a 4.1% rate increase beginning April 1, 2026. Supply chain availability and a

wholesale cost increase forced us to make an adjustment to our rates. We also had a one-time surcharge from Minnkota at the beginning of the year for just over \$104,000. Your board of directors made the decision to absorb that amount and not pass it on to the members. This was possible due to our strong financial position.

Construction season

We continued to make progress on several work plan projects this past year. Our commitment to convert overhead to underground continued last year, with 14 miles converted to underground. Our annual pole testing by substation remains in play. Every pole is tested at least every 10 years. Our automated metering and mapping system had considerable upgrades, making our system more user friendly and, more importantly, accurate.

Closing

We want to thank our dedicated employees for their day in and day out dedication, our board of directors for their forward-thinking governance and you, our members, for your continued support and engagement. We continue to meet the future with the determination that founded North Star Electric Cooperative back in 1940.

Thank you,

Kevin Holen
General Manager

Steve Arnesen
Board President



NORTH STAR BOARD OF DIRECTORS



Steve Arnesen
District 1 (President)



Shelley Spears
District 2 (Secretary/Treasurer)



Randy Bergan
District 3



Michael Hanson
District 4 (Vice President)

Serving since:

Steve Arnesen.....1986

Michael Hanson1994

Randy Bergan.....1999

Shelley Spears2017

Douglas King.....2022

Richard Ferguson.....2025

Tim Mathews2025



Tim Mathews
District 5



Richard Ferguson
District 6



Douglas King
District 7



ENERGY EFFICIENCY

TIP OF THE MONTH

September kicks off the fall shoulder season, when cooler mornings and milder evenings often mean you can give your heating and cooling system a break. Open windows, use ceiling fans and enjoy the fresh air whenever temperatures allow. It's also the perfect time to schedule annual HVAC maintenance before colder weather arrives.

MISSION STATEMENT

Providing safe, reliable electric services to improve the quality of life in communities we serve.

An annual meeting is a meeting of the member-owners of the cooperative. It provides the opportunity to vote for the director of your choice and to express your opinions about the operations of your cooperative. It also provides you with the opportunity to become better informed through the reports of officers and employees. This will be a successful meeting if all who attend gain some knowledge of their cooperative. A well-informed membership is the basis of a strong cooperative.

BOARD OF DIRECTORS CANDIDATES

District 2 – Shelley Spears (incumbent)

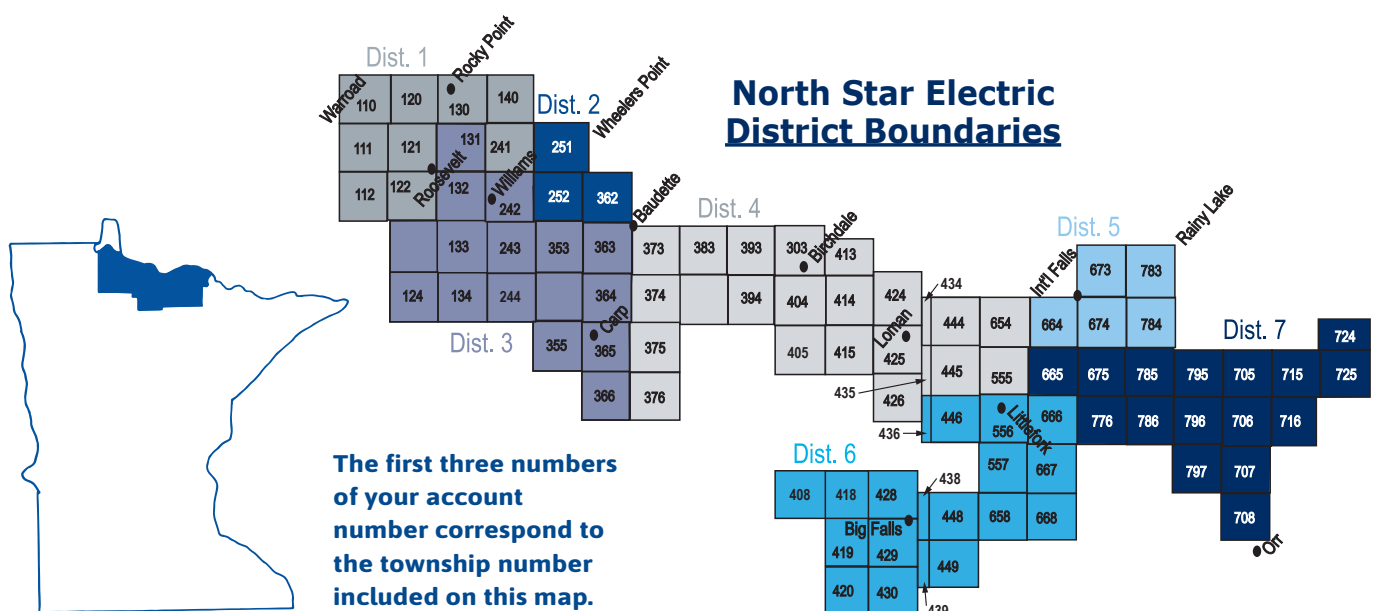


Shelley Spears has lived in the Baudette, Minn., area for many years. She and her husband, Kent, are retired. Retirement allows more time for family, friends and community. They have two children and four grandsons – two who attend Lake of the Woods School. Go Bears! Her hobbies include gardening, fishing and quilting with the Wabanica Church Ladies. Shelley remembers family stories of how rural electrification changed farm life. “It’s important to pay attention – we cannot take our energy for granted. As a director I will work to keep members informed.” Reliable, affordable, clean energy will remain priorities for her. Shelley is a credentialed board member for North Star through training for new directors. Since her appointment in 2017, she has also attended Strategic Planning, Energy Issues Summit, Minnkota and Square Butte annual meetings and other training seminars. She has served on the Chamber Board, Thrivent Chapter Board and Wabanica Church Council. She has a commitment to community service and would like to continue as District 2 Director. She feels her experience gives her the tools needed to help North Star Electric Cooperative achieve the goals that have been set.

District 3 – Randy Bergan (incumbent)



Randy Bergan is a lifelong resident of Lake of the Woods County. He has two grown children, Gordon and Kendra, and two grandchildren. After farming all his life, Randy sold the farm and semi-retired. While farming he also worked 11 winters at GSI, which provides support services for the Bosch Testing Facility in Baudette. Randy was appointed to the North Star board in 1992 to finish out the term for Wilton Anderson. Then, in 1999 when Lee Tisdale moved from the area, he was again appointed to finish the four-year term. Randy has now served on the North Star board for 29½ years and the Square Butte board for 14 years. He has served on several other boards as well: Northern Farmer’s board – 15 years; Soil and Water Conservation District board – 15 years; and the Williams Pilgrim Congregational Church board – 57 years. During his term as a director, Bergan has attended several seminars enabling him to be a credentialed board member for North Star. He has also attended the annual meeting for Minnkota Power, Square Butte and MREA on several occasions. Randy would like to continue to serve on the board out of his commitment to community service.



ANNUAL MEETING INFORMATION

ORGANIZATION VOTING FORM

If you plan to cast the vote of a membership held by an organization, the form shown below will need to be completed and presented before we can issue a ballot. The form must be fully completed.

The

(Name of Organization) has, at an official meeting, authorized

(Name)

to represent us at the 2026 annual meeting of
North Star Electric Cooperative, Incorporated.

Attest _____
(Mayor, Chairperson)

Attest _____
(Clerk, Secretary)

STATEMENT OF NONDISCRIMINATION

North Star Electric Cooperative, Inc. is an equal opportunity provider and employer and does not discriminate on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202-690-7442) or email (program.intake@usda.gov).

ANNUAL MEETING GUEST SPEAKER



Marcy Douglas serves as executive vice president and Chief Member Services and Communications Officer at Minnkota Power Cooperative, the wholesale power provider for North Star. In this role, she works closely with Minnkota's 11 member cooperatives, including North Star, to understand their needs, strengthen relationships, and deliver effective member services and shared opportunities. She also leads the cooperative's economic development, communications and rates teams. Douglas earned a Master of Business Administration in Energy Management and a master's degree in Business Management from the University of Mary. Prior to joining Minnkota, she spent 13 years at Missouri River Energy Services, most recently serving as Vice President of Member Services and Communications. Earlier in her career, she worked for the City of Northwood, North Dakota, as City Administrator and Utility Manager.

Free Bus Service to Annual Meeting

Call or send us a note to confirm your seat on the bus.

The bus is free, but we are asking that you give us a call or drop a note to let us know that you plan to ride. Also, it would be helpful to know where you plan to board. With your help, we can make sure everyone finds a seat.

Call us to confirm your seat on the bus:

634-2202 (Baudette)
or toll-free (888) 634-2202

Bus schedule for annual meeting Friday, Oct. 2, 2026

EAST END ROUTE

Gateway Store	Kabetogama	3:10 p.m.
North Star Electric	Littlefork	3:40 p.m.
Y-Knot Quick Stop	Pelland Junction	4:00 p.m.
Loman Church	Loman	4:20 p.m.
Birchdale Church	Birchdale	4:40 p.m.
LOW School	Baudette	5:05 p.m.

Destination – Lake of the Woods School

Registration and Supper	5 - 6 p.m.
Business Meeting	6 p.m.

Assistance offered to disabled members for attending North Star annual meeting

Any member with a disability who needs assistance to attend our annual meeting is requested to notify Member Service Manager Clayton Gubbels of their needs for assistance at least two weeks prior to the meeting. We will do our best to accommodate your needs so that you may take part in the annual meeting of your cooperative.

2025 ANNUAL MEETING MINUTES



Annual meeting of the members of North Star Electric Cooperative, Inc., Oct. 3, 2025

The annual meeting of the members of North Star Electric Cooperative, Inc. was held at the Lake of the Woods School in Baudette, Minnesota, on Friday, Oct. 3, 2025, pursuant to the notice of the meeting published in the cooperative's newsletter.

The meeting was preceded by the registration of the members. A delicious ham dinner was served by the Lake of the Woods School kitchen staff. Entertainment was provided by the Sloughgrass band from Birchdale, Minnesota.

President Steve Arnesen welcomed the members to their 85th annual meeting. The colors were presented, and the national anthem was sung by the Sloughgrass band.

President Arnesen thanked the color guard and the Sloughgrass band, called the meeting to order at 6 p.m. and introduced Pastor Richard Broberg who gave the invocation. He then introduced the board of directors. The current board consists of President Steve Arnesen, Vice President Michael Hanson, Secretary-Treasurer Shelley Spears, Randy Bergan, Tim Mathews, Richard Ferguson Jr. and Douglas King.

President Arnesen recognized past and retired employees Steve and Norma Anderson and Lynette Dostall in the audience. He also recognized visiting distinguished guests, which included Mac McLennan, Sam Schmitz and Matt Marshall from Minnkota Power Cooperative, and Wes Waller from the Minnesota Rural Electric Association.

President Arnesen reported the number of registered members as 144, which exceeded the minimum requirements of 50 for a quorum.

President Arnesen reviewed a portion of the bylaws stating that district boundaries are reviewed annually and may be realigned to remain equitable. Each director represents approximately 802 members, and no boundaries were adjusted this year.

Secretary-Treasurer Shelley Spears read the Notice of the 2025 Annual Meeting, reported that the minutes of the 2024 annual meeting of the members were printed in the annual report handed out during registration and gave the Treasurer's report, which highlighted the favorable results of the annual audit conducted by CliftonLarsonAllen.

A motion was made by Linda Burk, seconded by Clarence Meeker and unanimously carried to approve the 2025 notice and agenda as presented.

A motion was made by Mary Boomgaarden, seconded by Nicholas Gerulli and unanimously carried to approve the minutes of the 2024 annual meeting as presented.

President Arnesen introduced Attorney Sam Schmitz to conduct the election for the directors in District 5 and 6. Attorney Schmitz introduced the two unopposed candidates, Tim Mathews, as the only candidate for District 5, and Richard Ferguson, as the only candidate for District 6.

Attorney Schmitz explained that if a motion was made to cast a unanimous ballot for the reelection of the unopposed candidates in Districts 5 and 6, there would be no need to conduct an election.

A motion was made by Doug Ebeltoft, seconded by Tabitha Ubel and unanimously carried to cast a unanimous ballot for District 5 candidate Tim Mathews and District 6 candidate Richard Ferguson.

President Arnesen introduced General Manager Kevin Holen, who gave a cooperative update discussing the 2024 financials, the cost and availability of materials, the recent rate increase, maintenance of rights of way, current construction projects, capital purchases, and future challenges of the cooperative.

President Arnesen then introduced Mac McLennan, President and CEO, Minnkota Power Cooperative, to the audience. Mr. McLennan gave a brief overview of Minnkota and where their power comes from and spoke to the audience about market volatility, Minnkota's recent rate increase, and their struggles with rising costs of products and materials.

President Arnesen addressed the membership, thanked them for attending their annual meeting and gave a brief history of electricity and how cooperatives began.

President Arnesen asked the members for any old business. There was no old business. President Arnesen asked the members for any new business. There was no new business.

Prizes drawings included a 55" smart TV, an Apple iPad, an Apple Watch, four \$50 energy credits, and one \$100 bill for a children's coloring contest. The winners were:

- **55" Smart TV** – Dan Crompton
- **Apple iPad** – Shawn Ostlund
- **Apple Watch** – Brigitte Carlson
- **\$50 Energy Credit** – Toby Burk, Wayne Rud, Barbara Welberg, Amy Ebeltoft
- **\$100 Cash Youth Prize** – Kate Albrecht (daughter of Aprille and Matt Albrecht)

President Arnesen thanked the membership for attending their annual meeting.

There being no further business, a motion was made and unanimously carried to adjourn the meeting at 7:03 p.m.

NORTH STAR ELECTRIC EMPLOYEES



Kevin Holen



Tim Pelach



Robyn Sonstegard



Clayton Gubbels



Todd Thydean



Susan Williams



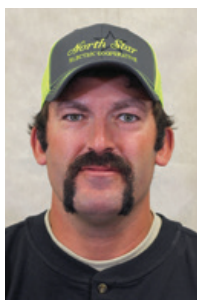
Glen Marcotte



Todd Higgins



Tessa Strohl



Jesse Huot



Preston Kennedy



Brittany Hanson



Nick Horne



Nathan Zortman



Travis Pederson



Josh Hamm



Blake Huwe



Wayne Brown



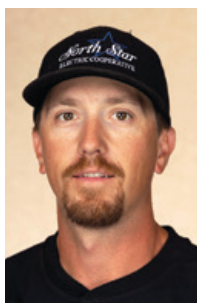
Jody Solo



Cale Ubel



Jessica Hell



Keegan Moyer



Ashton Neudahl



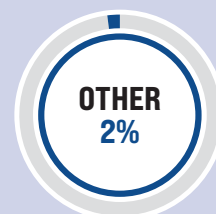
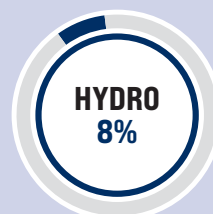
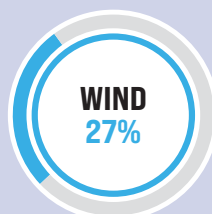
Andrea Whitfield

	<u>POSITION</u>	<u>YEARS OF SERVICE</u>
Kevin Holen	General Manager	30
<u>STAFF</u>		
Tim Pelach	Operations Manager	35
Robyn Sonstegard	Finance Manager	19
Clayton Gubbels	Member Services Manager	7
<u>EMPLOYEES</u>		
Todd Thydean	Line Foreman	38
Susan Williams	Supervisor, District Office Services	38
Glen Marcotte	Engineering Specialist	24
Todd Higgins	Line Foreman	23
Tessa Strohl	Assistant Finance Manager/Accountant	17
Jesse Huot	Line Sub-Foreman	13
Preston Kennedy	Line Sub-Foreman	13
Brittany Hanson	Billing Coordinator	12
Nick Horne	Journeyman Lineman	12
Nathan Zortman	Lead Lineman	11
Travis Pederson	Lead Lineman	6
Josh Hamm	Journeyman Lineman	4
Blake Huwe	Journeyman Lineman	4
Wayne Brown	Journeyman Lineman	2
Jody Solo	Member Services Representative/Custodian	2
Cale Ubel	Member Services Electrician	1
Jessica Hell	Plant Accountant	
Keegan Moyer	Equipment Operator	
Ashton Neudahl	Summer Laborer	
Andrea Whitfield	Member Services Representative	

JOINT SYSTEM POWER GENERATION PORTFOLIO

(WHERE YOUR POWER COMES FROM)

North Star Electric Cooperative distributes a diverse supply of electricity generated from coal, wind and water.



The figures represent Minnkota Power Cooperative's generation in terms of capacity.

POWER SUPPLY REPORT

Planning today for the power needs of tomorrow

Mac McLennan, *Minnkota Power Cooperative President & CEO*

Minnkota Power Cooperative is preparing for one of the most important power supply planning periods in its history – and our members are at the heart of our decision-making process.

As the wholesale power provider for North Star Electric Cooperative and 10 other member cooperatives across eastern North Dakota and northwestern Minnesota, Minnkota is responsible for making sure reliable, affordable and sustainable electricity is available not only today, but decades into the future.

That responsibility is becoming more complex. Electricity demand is growing. Power markets are changing. Environmental requirements continue to evolve. New technologies are creating opportunities, but also new challenges. At the same time, members continue to expect dependable electric service they can afford.

Minnkota takes the job of managing these issues seriously. The path ahead is being shaped by extensive planning, detailed analysis and a long-term

commitment to the members and communities we serve.

Our approach is an all-of-the-above energy strategy. That means we're working to strengthen the coal, wind and hydro resources we already have in place, while adding new resources that make our system more diverse, flexible and reliable.

One important step already in progress is the development of the Flickertail Wind Farm near New Rockford, North Dakota. Minnkota has entered into a purchase power agreement to receive energy from the 370-megawatt wind project, which is expected to be completed in 2028. When complete, Flickertail will more than double Minnkota's current wind energy portfolio.

Because wind energy output changes with weather conditions, we also need resources that can respond when electricity demand is high or when other resources are producing less. That's why Minnkota is closely

- New large electricity consumers can bring opportunity to our region, but only if they are served in a way that protects existing members and strengthens the overall system.

- As a not-for-profit co-op, Minnkota's focus remains on the people and communities we serve. That focus will continue to guide the decisions being made today and the power needs of tomorrow.

evaluating the addition of natural gas generation in North Dakota.

This effort is connected to the development of the Bakken East natural gas pipeline, which is planned to move natural gas from the oilfields of western North Dakota to the eastern side of the state. Natural gas generation can start up, ramp down and adjust output to help match electricity supply with demand across the region. Minnkota is still determining the right technology, location and size for this potential facility, but current planning is focused on having it available in the early 2030s.

Minnkota's existing coal-based resources at the Milton R. Young Station in western North Dakota continue to provide tremendous value. This facility produces dependable, around-the-clock electricity and supports the reliability our members expect.



At the same time, Minnkota's existing coal-based resources at the Milton R. Young Station in western North Dakota continue to provide tremendous value. This facility produces dependable, around-the-clock electricity and supports the reliability our members expect. That's why Minnkota continues to pursue Project Tundra, an effort to add carbon capture technology at the Young Station. If implemented, Project Tundra would capture CO₂ emissions from the power plant and help position it to meet potential future environmental regulations.

Project Tundra is being advanced by a technology developer with the significant help of state and federal funding. Importantly, the project is being structured with limited required capital investment from Minnkota, minimizing financial risk to the

membership. If a decision is made to move forward, the facility could be online prior to the end of the decade.

These power supply decisions are being made for Minnkota's legacy members, including the homes, farms, schools and businesses served by North Star. You are the foundation of our system, and your needs remain at the center of our planning.

That same member-first approach also guides how Minnkota evaluates electric growth. New large electricity consumers can bring opportunity to our region, but only if they are served in a way that protects existing members and strengthens the overall system. That's the standard Minnkota is applying to the data center being developed near Harwood, North Dakota.

The data center will cover the costs for its dedicated infrastructure up front and pay its own way for all its energy needs. The agreement is designed to ensure this new load does not shift costs to existing members. In fact, the revenues from this data center project can help cover a portion of the costs tied to future power supply investments Minnkota is already pursuing.

With each of these projects now in motion, the work is moving from planning to action. The decisions ahead are significant, but necessary to keep power reliable. As a not-for-profit cooperative, Minnkota's focus remains on the people and communities we serve. That focus will continue to guide the decisions being made today for the power needs of tomorrow.

2025 Average Residential Electric Rates

(cents per kilowatt-hour; data shows year-to-date rates as of December 2025)

**2026 North Star
Electric Rate
(projected)
16.90¢**

West North Central

Iowa	13.95
Kansas	13.72
Minnesota	14.56
Missouri	15.82
Nebraska	13.49
North Dakota	12.34
South Dakota	11.81

Mountain

Arizona	14.41
Colorado	15.32
Idaho	15.85
Montana	11.82
Nevada	12.98
New Mexico	13.15
Utah	15.08
Wyoming	13.07

Pacific Contiguous

California	24.74
Oregon	32.54
Washington	15.37

East North Central

Illinois	17.70
Indiana	17.69
Michigan	16.23
Ohio	20.01
Wisconsin	16.96

New England

Connecticut	28.91
Maine	29.38
Massachusetts	27.78
New Hampshire	30.48
Rhode Island	24.56
Vermont	29.46

Middle Atlantic

New Jersey	22.70
New York	22.63
Pennsylvania	26.39

South Atlantic

Delaware	15.31
District of Columbia	17.13
Florida	21.94
Georgia	15.24
Maryland	14.73
North Carolina	19.48
South Carolina	14.02
Virginia	14.96
West Virginia	15.28

East South Central

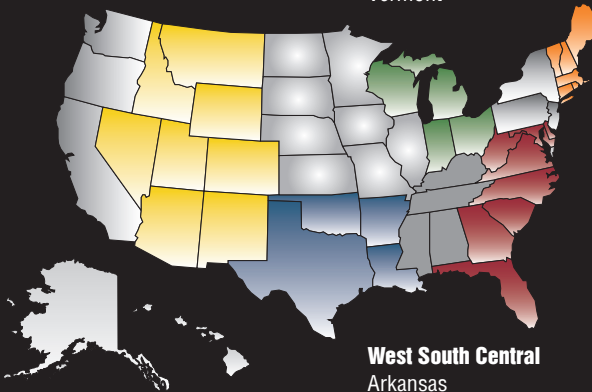
Alabama	14.10
Kentucky	16.10
Mississippi	13.24
Tennessee	14.03

West South Central

Arkansas	14.65
Louisiana	12.84
Oklahoma	12.57
Texas	13.12

Pacific Noncontiguous

Alaska	34.40
Hawaii	26.09



Source: Energy Information Administration

2025 INCOME STATEMENT

WHERE IT CAME FROM:

Farms and Homes	\$ 11,506,034
Small Commercial	4,201,270
Large Commercial	784,158
Seasonal	417,881
Street Lighting	31,102
Consumer Penalties & Misc. Electric Revenue	65,082
Rent from Electric Property	54,250
TOTAL REVENUE	\$ 17,059,777

WHERE IT WENT:

Purchased Power	\$ 9,445,079
Operations <i>(includes supervision, safety, mapping, cable locating, etc.)</i>	844,927
Maintenance of Distribution Plant <i>(includes right-of-way maintenance, outage costs, etc.)</i>	1,204,326
Consumer Accounts	379,761

Consumer Services and Information	388,801
Sales	17,886
Administrative and General	1,554,358
Depreciation	1,462,933
Interest	740,519
Taxes	64,761

TOTAL COST OF ELECTRIC SERVICE **\$ 16,103,351**

OPERATING MARGINS **\$ 956,426**
(Revenue less Expense)

Interest and Dividend Income	134,439
Misc. Non-Operating Margins	29,160
Generation and Transmission Capital Credits <i>(Minnkota Power Cooperative)</i>	40,340
Other Capital Credits & Patronage Dividends	65,215

NET MARGINS **\$ 1,225,580**

TIPS TO AVOID ENERGY SCAMS



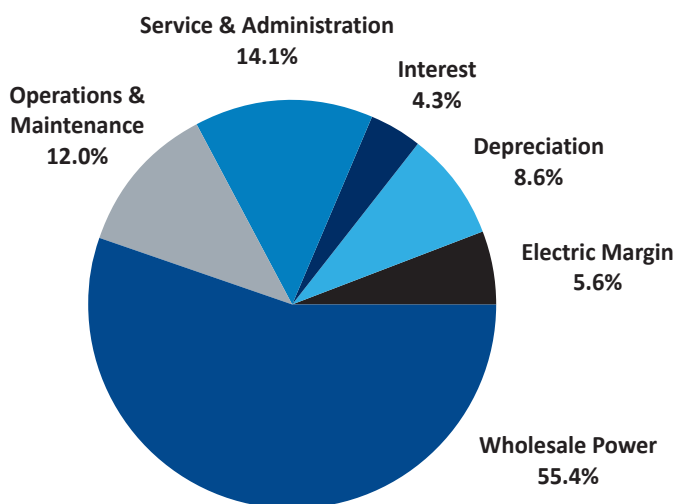
Your smart thermostat, security camera, video doorbell and other connected devices make life more convenient—but they can also be targets for cybercriminals if they're not properly secured. Change default usernames and passwords, use strong, unique passwords for each device and enable multi-factor authentication when available. Keep your devices up to date by installing software and firmware updates, which often include important security fixes. Secure your home Wi-Fi network with a strong password and modern encryption. A few simple steps can help keep your personal information and smart devices safe from scammers.

Source: CISA



HOW YOUR 2025 DOLLAR WAS SPENT

Revenue from the sale of our service amounted to \$17,059,777 as of the year ending Dec. 31, 2025.



2025 BALANCE SHEET

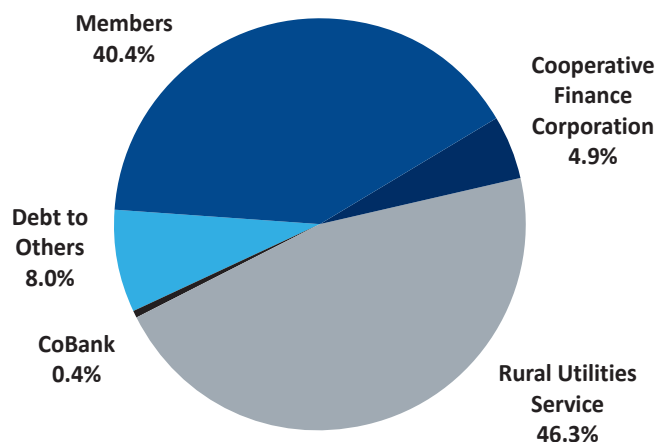
WHAT WE OWN:

Electric Plant, Buildings and Equipment	\$ 58,230,805
Less Accumulated Depreciation	20,775,992
Net Plant Assets	\$ 37,454,813
General Funds	\$ 813,754
Investments	2,489,722
Temporary Investments	1,576,524
Receivables	2,118,975
Material and Supplies	1,170,750
Prepaid Expenses <i>(includes insurance)</i>	107,083
Other Current and Accrued Assets <i>(accrued revenue)</i>	3,300
Deferred Debits <i>(includes engineering studies)</i>	58,780
Total Other Assets	\$ 8,338,888
TOTAL OF WHAT WE OWN	\$ 45,793,701

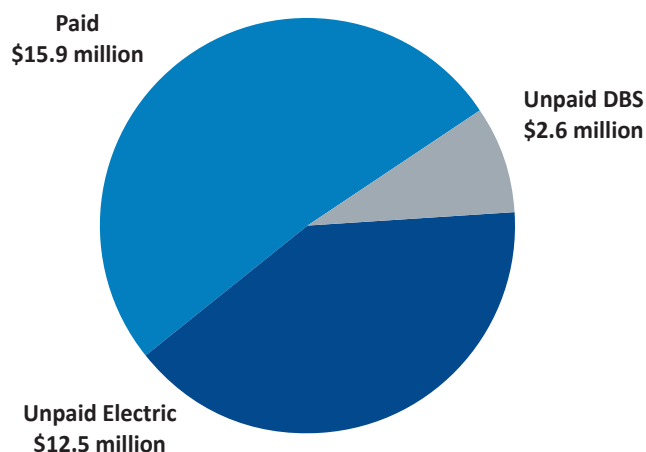
WHAT WE OWE:

Membership Fees	\$ 28,140
Patronage Capital and Other Equities	18,479,464
Total Member Equity	\$ 18,507,604
Long-Term Obligations	\$ 24,196,426
Current and Accrued Liabilities <i>(includes accounts payable, taxes, interest, deposits, etc.)</i>	3,009,092
Deferred Credits <i>(includes member prepayments)</i>	80,579
Total Liabilities	\$ 27,286,097
TOTAL OF WHAT WE OWE	\$ 45,793,701

WHO OWNS WHAT



CAPITAL CREDITS (as of Aug. 2026)

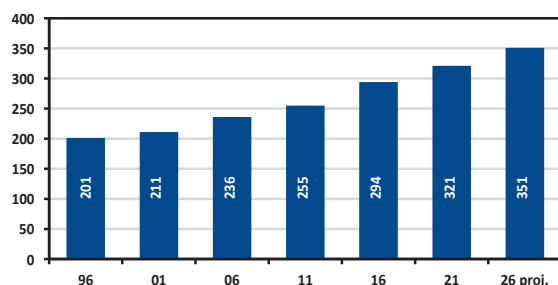


COMPARATIVE OPERATING STATISTICS

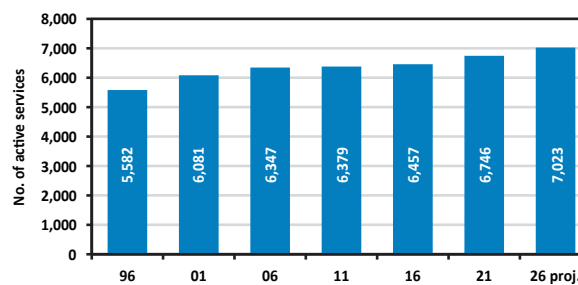
	2021	2022	2023	2024	2025	2026 proj.
REVENUES	\$14,974,871	\$15,942,721	\$15,741,757	\$15,778,937	\$17,059,777	\$17,553,703
Cost of Purchased Power	8,698,818	9,172,406	8,808,814	8,699,243	9,445,079	9,907,783
Operating Expenses	3,688,228	4,115,804	3,815,407	3,935,482	4,390,059	4,624,001
Depreciation	1,283,392	1,327,078	1,349,982	1,401,611	1,462,933	1,507,641
Property Taxes	69,839	66,616	66,666	66,656	64,761	65,975
Interest	667,436	667,908	650,629	640,555	740,520	781,983
TOTAL EXPENSES	\$14,407,713	\$15,349,812	\$14,691,498	\$14,743,547	\$16,103,352	\$16,887,383
OPERATING MARGIN	\$567,158	\$592,909	\$1,050,259	\$1,035,390	\$956,425	\$666,320
kWh Purchased	110,423,269	120,835,264	112,476,010	108,911,161	114,106,357	112,555,411
kWh Sold	102,907,919	112,918,145	104,886,791	101,915,540	107,114,513	105,562,951
Miles of Line	1,459	1,468	1,470	1,468	1,471	1,473
Connected Accounts	6,746	6,832	6,944	6,957	6,984	7,023
Average Residential Usage*	1,021	1,110	1,006	962	1,015	1,100
Average Residential Bill*	152.46	160.24	156.56	154.40	168.72	185.45
Average Residential Rate/kWh* (excludes seasonals)	0.149	0.144	0.156	0.160	0.166	0.169
Average Power Cost to North Star per kWh Sold	0.0845	0.0812	0.0840	0.0854	0.0882	0.0939

* Monthly billed residential accounts

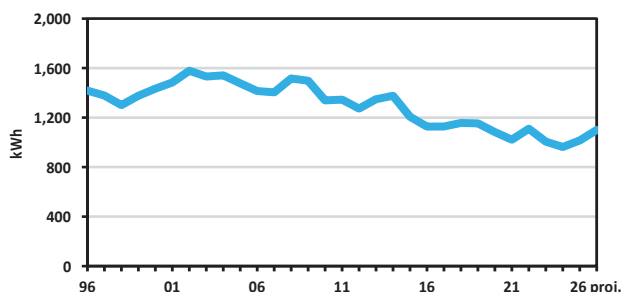
ACCOUNTS PER EMPLOYEE



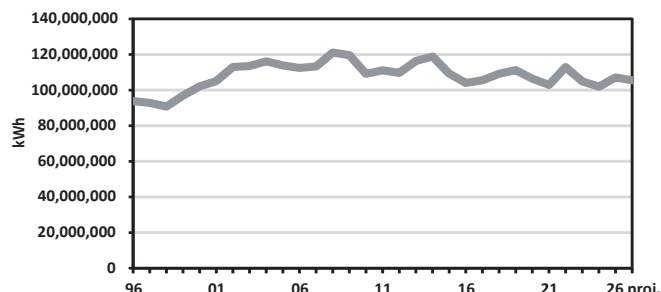
TOTAL ELECTRICAL ACCOUNTS



ELECTRICITY CONSUMED PER RESIDENCE



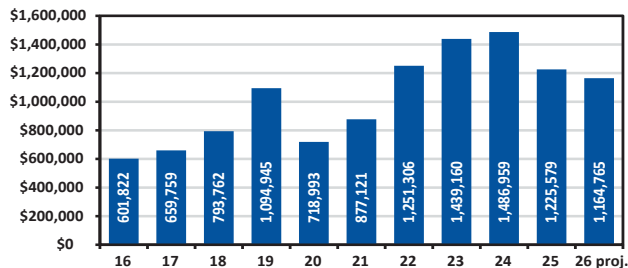
ELECTRICITY CONSUMED CO-OP TOTAL



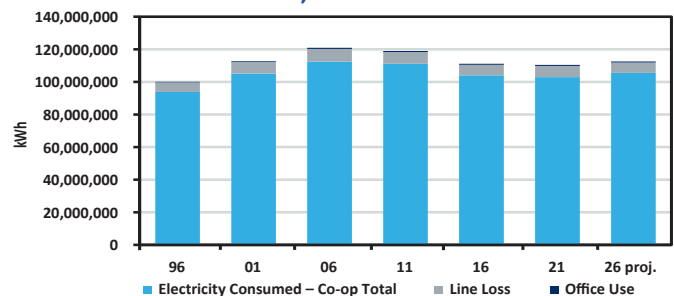
OPERATING COMPARISONS

	New Services	Retired Services	Reconnects	Disconnects	Net Gain	Sec. Lights Installed	Sec. Lights Removed
2011	41	25	93	133	1	17	48
2012	63	30	97	137	23	21	40
2013	38	20	92	133	-3	18	26
2014	46	26	109	134	21	15	40
2015	65	36	80	112	33	22	32
2016	58	37	87	104	41	17	23
2017	82	58	78	104	56	29	31
2018	100	54	75	116	59	23	23
2019	54	36	88	117	25	16	20
2020	89	43	81	75	95	10	21
2021	119	23	75	87	107	14	21
2022	84	54	80	78	86	18	34
2023	80	67	73	101	52	16	26
2024	58	64	91	140	9	16	22
2025	53	30	84	106	31	6	19

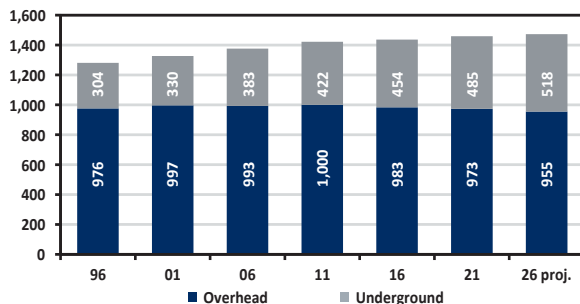
MARGINS



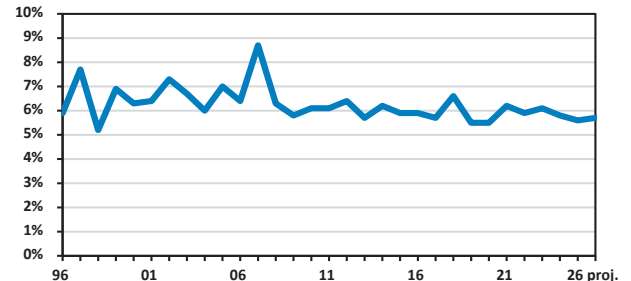
KWH SOLD, OFFICE USE AND LOSSES



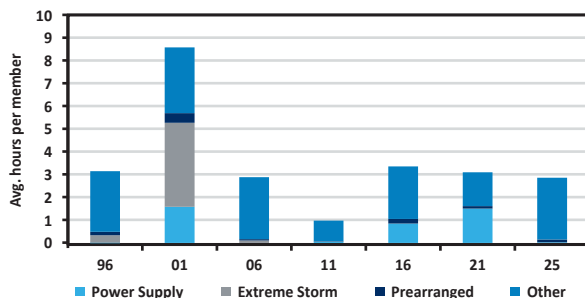
MILES OF LINE



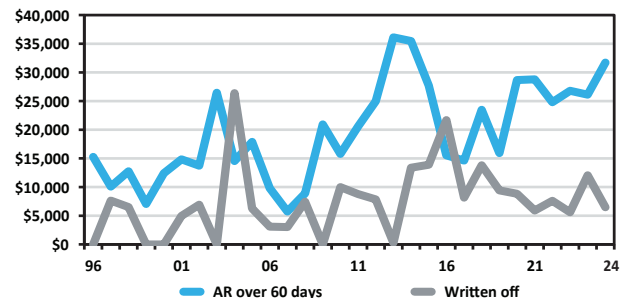
LINE LOSS



OUTAGE TYPES



BAD DEBTS AND WRITE-OFFS



This is your Express Registration ticket. Please bring it to the meeting.



2026 ANNUAL MEETING AGENDA

LAKE OF THE WOODS SCHOOL | BAUDETTE, MINNESOTA FRIDAY, OCT. 2, 2026 (STARTING AT 5 P.M.)

- 5 - 6 p.m.** – Dinner and Registration
 - Entertainment
- 5:30 p.m.** – Free Childcare Until Meeting Adjournment
- 6 p.m.** – Presentation of Colors & National Anthem
 - Welcome Steve Arnesen, *President*
 - Call to Order Steve Arnesen, *President*
 - Invocation..... Richard Broberg
 - Welcome Guests..... Steve Arnesen, *President*
 - Notice of 2026 Meeting Shelley Spears, *Secretary*
 - Minutes of 2025 Meeting..... Shelley Spears, *Secretary*
 - Audit Report
 - Introduction of Board Candidates
 - Election of Directors (*Districts 2 and 3*)
 - Manager's Report..... Kevin Holen, *General Manager*
 - Guest Speaker Marcy Douglas, *Minnkota Executive VP, Chief Member Services and Communications Officer*
 - President's Report..... Steve Arnesen, *President*
 - Old and New Business..... Members
 - Prize Drawings (*must be present to win*)
 - Portable Power Station (*grand prize*)
 - Blink Security System - \$50 Energy Credit (4)
 - Nest Wi-Fi Thermostat
 - \$100 Kids' Coloring Contest
 - Adjourn



Annual meeting gift for ALL attending members –
Cutting board with the North Star Electric Cooperative logo



ANNUAL MEETING PRIZES

GRAND PRIZE Portable Power Station

- 1 – Blink Security System
- 1 – Nest Wi-Fi Thermostat
- 4 – \$50 Energy Credit
- 1 – \$100 Kids' Coloring Contest

Thank you for attending the annual meeting and being a part of YOUR local cooperative!

OFFICE HOURS | 7:30 A.M. - 4 P.M. | MONDAY - FRIDAY

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