

2023  
ANNUAL REPORT

Firelands  
**Electric**

COOPERATIVE

A Touchstone Energy® Cooperative 



CHARGING  
*Lives...*

POWERING  
*People*





**DAN SCHLOEMER**  
District 1 Trustee  
Board President



**DAN MCNAULL**  
General Manager

## *Message from Management*

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**FOUNDED** in 1936, Firelands Electric Cooperative is a not-for-profit utility that has grown to serve 9,257 members across 31 townships in four counties. Firelands Electric and its employees are local, accountable, and committed.

Firelands Electric's primary goals are reliability — keeping the lights on for our members — and keeping the cost of electricity affordable. For us, this includes finding the right balance of investment in ongoing maintenance and making sure we are adequately planning and preparing for the future.

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**Enhancing reliability continues to be a priority for the cooperative. Over the past five years, Firelands Electric has invested nearly \$16.5 million in capital improvements in our distribution system to provide reliable service to our members.**

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The board of trustees and management also prioritizes our past when it comes to capital credits. In 2023, our cooperative retired \$1 million in general retirements, returning it to our members. These capital credits were previously invested in our distributions system, supplying funds for important upgrades necessary for the delivery of reliable power. Since 1948, Firelands Electric has returned nearly \$20 million in capital credits to its membership — just one of the many benefits enjoyed by members of a not-for-profit electric cooperative.

Significant increases in the cost of doing business over the past four years have been a challenge, especially with the rate of inflation and rising material costs. This inflation, along with significant investments in the distribution system, resulted in the need for a rate adjustment, which was reflected on members' February 2024 bills. Rest assured, Firelands Electric will continue working diligently to find the right balance between reliability and affordability.

# *Board of Trustees*

**T**he board of trustees, elected by the membership, oversees the general manager, sets company policy, and monitors the finances of the cooperative. They receive education and training to help better serve the membership.



**GENE LAMOREAUX**  
District 2 Trustee



**TOM LUCHA**  
District 3 Trustee



**BRUCE LEIMBACH**  
District 4 Trustee  
Board Vice President



**CARL AYERS**  
District 5 Trustee  
Board Secretary/Treasurer



**KEVIN REIDY**  
District 6 Trustee



**ROB TURK**  
District 7 Trustee



**ELAINE OSWALD**  
District 8 Trustee



**JOHN MARTIN**  
District 9 Trustee



# THE 7 COOPERATIVE PRINCIPLES

- ◆ Voluntary and Open Membership
- ◆ Democratic Member Control
- ◆ Members' Economic Participation
- ◆ Autonomy and Independence
- ◆ Education, Training, and Information
- ◆ Cooperation Among Cooperatives
- ◆ Concern for Community

**FIRELANDS ELECTRIC  
COOPERATIVE**

## **MISSION STATEMENT**

Improving the quality of life of our members by delivering reliable electric service at competitive prices, following the Seven Cooperative Principles, while supporting the communities where our members live and work.



# Focused on Reliability

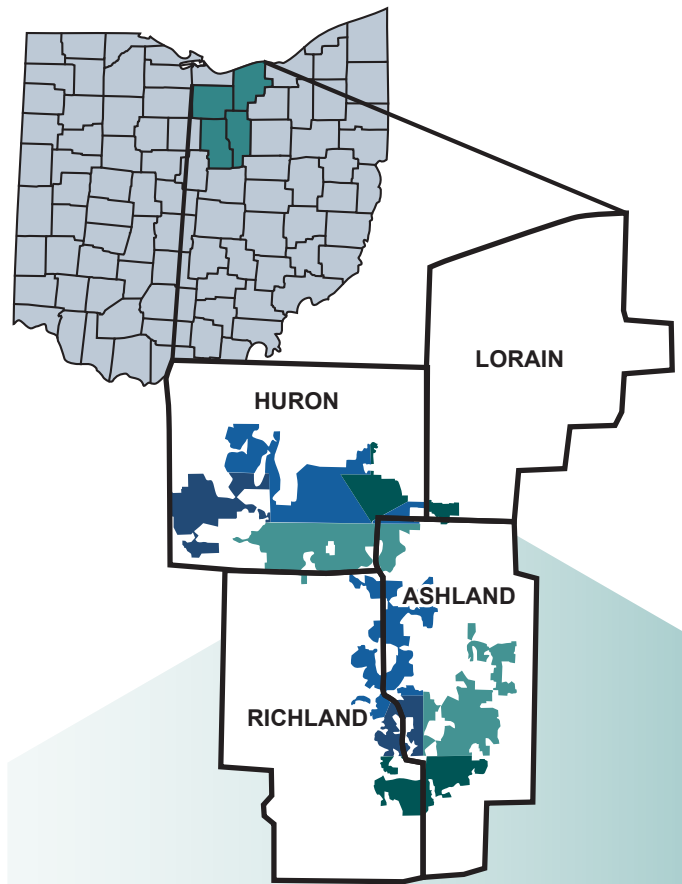
**KEEPING** the lights on 100% of the time is the ultimate, and sometimes elusive, goal here at Firelands Electric Cooperative. Although completely avoiding outages is often impossible due to uncontrollable factors such as weather, trees, transmission networks, and various climbing and flying critters, we are constantly working to improve our distribution system and give you, the members, better service to improve your quality of life.

In order to provide reliable electric service, we must maintain our existing infrastructure, replace dated equipment, have necessary equipment and human resources, and plan for a future with increased demands for electricity and possible regulatory issues.

A major component of Firelands' commitment to reliability is the cooperative's right-of-way maintenance program. In 2023, the co-op completed over 279 miles of brush-hogging, trimming, and necessary tree removals at a cost of more than \$678,120. Much of this work was completed throughout portions of Bronson, Greenfield, New London, and Norwich townships in Huron County, as well as Ruggles and Clear Creek townships in Ashland County.

Over the past year, Firelands Electric replaced and retired more than 150 poles that failed to meet our standards. This is part of the cooperative's on-going efforts to make our system more resistant to storms and extreme weather events. We are now in year three of our 2022-2025 Construction Work Plan, which includes the rebuilding of over 45 miles of our 997 miles of lines. Multiple line-rebuilding projects have been completed using heavier-grade aluminum conductor with a steel reinforced wire core. These projects will help maintain and improve reliability, add more backfeeding capability between substations, and increase load capacity for members' future electricity needs.

Wherever possible, power lines and poles that are located away from the roadway or in other hard-to-reach areas are being relocated closer to the road for easier access in the event of an outage. New poles are also taller to improve ground clearance for farm equipment and provide space for the attachment of future telecommunications lines.



In one location near Lucas, a new section of line will be built this year, using extra-durable "tree cable" that will be mounted on ductile iron poles, making it more resistant to damage from falling trees. Later in the year, Firelands Electric will be breaking ground on a new Coulter substation, near Perrysville. The new substation's transformer capacity will be increased nearly 2.5 times to meet the area's growing demand for electricity.

Firelands Electric is actively taking many steps to make sure the cooperative is fully prepared to ensure that our member-owners will always have a reliable and affordable supply of power for their homes and businesses.



# *Serving Our Community the Cooperative Way*

## REBATES & INCENTIVES

186 appliance rebates were awarded  
for a total of

**\$24,501**

PAID TO MEMBERS IN 2023.\*

*\*Cost is shared with Buckeye Power.*

## RENEWABLE ENERGY

**264**

SOLAR PANELS HAVE BEEN  
SOLD TO RESIDENTIAL MEMBERS  
PARTICIPATING IN FIRELANDS'  
COMMUNITY SOLAR PROJECT,  
OURSOLAR, WHICH WAS  
FURTHER EXPANDED TWO  
YEARS AGO.

**11,960**

MEMBER CONTACTS  
WITH CO-OP  
REPRESENTATIVES

**7,104**

PAYMENT ASSISTANCE  
QUESTIONS ADDRESSED  
IN 2023

## OPERATION ROUND UP

Members supporting  
Operation Round Up contributed more than

**\$40,373**

TO THE PEOPLE FUND IN 2023. SINCE 1995,  
THE PEOPLE FUND HAS AWARDED

**OVER \$1.3  
MILLION**

TO INDIVIDUALS AND ORGANIZATIONS  
WITHIN OUR LOCAL COMMUNITIES  
TO HELP WITH SPECIAL NEEDS  
IN ASHLAND, HURON, LORAIN,  
AND RICHLAND COUNTIES.

## COMMUNITY ENGAGEMENT

Concern for community is another way  
the electric cooperative distinguishes  
itself from other utilities.

**\$2,610**

HAS BEEN DONATED BY FIRELANDS'  
EMPLOYEE FUNDRAISING INITIATIVE  
TO MORE THAN A DOZEN CHARITIES  
AND LOCAL FAMILIES IN 2023, WHICH  
HAS BEEN TRADITION OVER THE  
PAST 20 YEARS.



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- ◆ **9,701** SERVICES IN PLACE
  - ◆ **9,257** MEMBERS-OWNERS
  - ◆ **996** MILES OF ENERGIZED LINE
  - ◆ **9.74** MEMBERS PER MILE
  - ◆ **29** EMPLOYEES (27 FULL TIME)

## **SCHOLARSHIPS**

**\$10,500**

IN SCHOLARSHIPS,  
INCLUDING ONE CAREER  
SCHOLARSHIP, WAS  
AWARDED TO 11 CHILDREN  
OF MEMBERS.

## **CAPITAL CREDITS**

**\$1,238,402**

WAS RETURNED TO  
CURRENT AND FORMER  
MEMBERS IN 2023.



# *Advocating for our members &* DEMONSTRATING SERVICE EXCELLENCE

## MANAGEMENT

**DAN MCNAULL**  
General Manager



**DON ENGLET**  
Director of Operations



**TABI SHEPHERD**  
Director of Finance & Accounting



**ZACH COLLINS**  
Line Superintendent



**ANDREA GRAVENHORST**  
Director of Communications & IT



**SHELLEY MAGYAR**  
Director of Human Resources

## *Your 86th Annual Meeting*

**FIRELANDS** Electric's management and staff encourage members to attend the cooperative's 86th annual meeting event to be held on Saturday, April 6, at the Ashland University Myers Convocation Center.

Members who did not already RSVP for the breakfast buffet are still welcome and encouraged to attend the business meeting at 9:15 a.m. Attendees must bring their invitation postcard to receive a complimentary membership gift bag and to be entered in special prize drawings. Winners must be present to win.

Shuttle service will be provided from Ashland University parking areas that are accessed from Broad and Jefferson streets. To view a parking map, visit [www.firelandsec.com/annual-meeting-members](http://www.firelandsec.com/annual-meeting-members).

At the annual meeting, Firelands Electric will also be collecting pop tabs for the Ronald McDonald House of Akron. Please bring a container or resealable plastic bag filled with pop tabs and help make a difference.

### *86th Annual Meeting of Members*

**SATURDAY, APRIL 6**

*Ashland University  
Myers Convocation Center*

638 Jefferson St, Ashland, OH 44805

**DOORS OPEN: 8:30 A.M.**

**BREAKFAST SERVED: 8:30 – 9:15 A.M.**

**BUSINESS MEETING: 9:15 – 10:15 A.M.**

**MEMBER PRIZE DRAWINGS: 10:15 – 10:30 A.M.**

# EMPLOYEES



**Julie Amato**  
Billing  
Representative



**Rick Bowers**  
Lead Lineman



**Evan Clemons**  
Lead Lineman



**Tracy Gibb**  
Communications &  
Member Relations  
Specialist



**Zach Hart**  
Apprentice  
Lineman



**April Hicks**  
Operations  
Assistant



**Chris Kent**  
Journeyman  
Lineman



**Josh Kirk**  
Operations  
Technician



**James Miller**  
System  
Right-of-Way  
Coordinator



**Phil Pickering**  
Lead Lineman



**Stephanie Schmidt**  
Consumer Services &  
AMI Coordinator



**Jessica Schwanger**  
Part-Time  
Consumer Services  
Representative



**Robert Shepherd**  
Journeyman  
Lineman



**Bob Stokes**  
Contracted  
Energy Advisor



**Dave Sumpter**  
Lead Lineman



**Rob Swiger**  
Engineering  
Operations  
Coordinator



**Cindy Thompson**  
Accountant



**Jake White**  
Apprentice  
Lineman



**Matt Whiteside**  
Journeyman  
Lineman



**Jake Willbond**  
Apprentice  
Lineman



**Melissa Wilson**  
Engineering &  
Operations Data  
Coordinator



**Melissa Zacharias**  
Accounting Clerk

**AMERICAN  
CONSUMER  
SATISFACTION  
INDEX SCORE**

**88**

*\*This is 16% higher than the average  
of other utilities nationwide.*



# Financial Health

## COMPARATIVE BALANCE SHEET

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

### UTILITY PLANT

Electric plant in service  
Construction work in progress

Less: Accumulated provision for  
depreciation and amortization

#### Net Utility Plant

### NON-CURRENT ASSETS

Investments in associated organizations  
Deferred charges

#### Total Non-Current Assets

### CURRENT ASSETS

Cash and cash equivalents  
Accounts receivable, consumers and  
other, less allowance for doubtful  
accounts of \$255,763 (\$249,145 in 2022)  
Materials and supplies  
Accrued utility revenues  
Other current and accrued assets

#### Total Current Assets

#### Total Assets

### MEMBERS' EQUITIES

Memberships  
Patronage capital  
Other equities

#### Total Members' Equities

### NON-CURRENT LIABILITIES

Long-term debt

### CURRENT LIABILITIES

Current portion of long-term debt  
Accounts payable  
Consumer deposits  
Accrued taxes  
Other current and accrued liabilities

#### Total Current Liabilities

#### Total Members' Equities & Liabilities

#### 2023

\$ 57,101,442  
2,435,508  
59,536,950

(20,762,252)

38,774,698

10,235,774

35,235

10,271,009

899,343

1,911,656

821,139

483,237

155,367

4,270,742

\$ 53,316,449

#### 2022

\$ 54,943,851  
1,897,399  
56,841,250

(19,568,612)

37,272,638

10,025,275

87,266

10,112,541

1,258,570

1,763,052

581,211

473,201

37,435

4,113,469

\$ 51,498,648

## ASSETS

## EQUITIES & LIABILITIES

# STATEMENTS OF REVENUE & EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

## OPERATING REVENUE

## OPERATING EXPENSES

Cost of power  
Distribution expense - operations  
Distribution expense - maintenance  
Consumer accounts  
Administrative and general  
Depreciation and amortization  
Taxes

### Total Operating Expenses

Operating margins before fixed charges  
Interest on long-term debt

Operating margins after fixed charges  
Patronage capital assigned by associated organizations

### Net Operating Margins

## NON-OPERATING MARGINS

Interest income  
Gain on sale of assets  
Other income (expense)

### Total Non-Operating Margins

### Net Margins for Period

## PATRONAGE CAPITAL & OTHER EQUITY

Net Margins  
Beginning of Year  
Subtotal  
Retirement of Capital Credits and Other Adjustments (Net)

### Patronage Capital & Other Equities End of Year

**2023**  
\$ 22,709,297

12,376,048

1,428,400

2,424,531

808,808

1,365,019

1,786,852

509,893

20,699,551

2,009,746

780,242

1,229,504

771,383

2,000,887

77,004

8,841

(25,599)

60,246

\$ 2,061,133

**2022**

\$ 22,116,905

12,825,852

1,256,117

2,236,491

858,153

1,339,726

1,709,636

531,889

20,757,864

1,359,041

782,478

576,563

676,816

1,253,379

36,118

-

(18,151)

17,967

\$ 1,271,346

MARGINS & EXPENSES

EQUITY

\$ 2,061,133

22,982,156

25,043,289

(1,156,453)

\$ 23,886,836

\$ 1,271,346

22,846,405

24,117,751

(1,135,595)

\$ 22,982,156

2023 FINANCIALS DISCLAIMER: Due to a two-month lead time requirement for information printed in the magazine, the financial numbers printed are only preliminary until they are reviewed by the cooperative's board during their regularly scheduled meeting with the auditing firm.



Power cost – 53¢

Operations/maintenance – 16¢

Depreciation – 8¢

Administrative – 6¢

Margins – 9¢

Consumer, accounting, and sales – 3¢

Interest – 3¢

Taxes – 2¢

2023 ENERGY DOLLAR – HOW EACH \$ WAS SPENT





**FIRELANDS ELECTRIC COOPERATIVE, INC.**  
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**Office Hours: Mon.–Fri. 7:30 a.m.–4 p.m.**

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