



GM'S REPORT

# POWER RESTORATION

## LESSONS LEARNED FROM LINE CREWS



Dan McNaul  
GENERAL MANAGER

*Whether the lights go out because of weather or wildlife, safety comes first*

You can learn a lot about power outages and restoration by watching a Firelands Electric Cooperative crew at work.

The first thing you'll notice is the deliberate, careful pace. They deploy signs to alert motorists. They

mark the work area with orange cones. Always in hardhats and fire-protective clothing, anyone working directly with a power line will also be wearing heavy rubber gloves and overshoes. These gloves and overshoes can withstand 20,000 volts of electricity and have been tested to make sure there's not even a pinhole that could allow a deadly electric current to pass through.

And there's more that you won't see. You won't see the countless hours of safety training and education they engage in, nor the culture of safety that we have here at Firelands Electric. Line crews never compromise on safety.

The next thing you can learn from watching a line crew at work comes from seeing the specific task they're doing. There's a good chance they're updating poles, transformers, or other equipment. Failing equipment can be a significant cause of power outages, and our linemen are always on the lookout for anything that shows signs of wear or tear.

You might also see them replacing a downed utility pole, which is a painstaking and time-consuming process. The old pole must be removed, the new one set in place, and transformers, insulators, guy-wires, and cable lines reattached — often while the lines are still energized with 7,200 volts of electricity.

The pole might be down due to a vehicle accident. Or it could be due to weather, like high winds, flooding, ice, or snow.

It's also possible the crew you're watching will be trimming trees. Trees are beautiful but are a common cause of outages. Wind, rain, and snow can break branches or uproot entire trees, leading to wires shorting out or getting knocked to the ground. Electric cooperatives devote a lot of time and resources to trimming existing trees and making sure that new trees are not planted too close to power lines.

One common cause of outages you probably won't learn about by watching a crew make repairs is wildlife. Squirrels, raccoons, and other critters routinely crawl around utility equipment, occasionally making a connection between high-voltage wires and blowing a transformer fuse. Before replacing the fuse, crews have to investigate and determine if the cause is indeed wildlife or a separate issue altogether.

What lessons can you gain from watching a lineman? Outages can be caused by a variety of factors. Restoring power is an intricate process in a complex system. And safety — for crews and the community — will always be the top priority for everyone at Firelands.





CO-OP NEWS

# CELEBRATING MILESTONES

## Lead Lineman Fred Hartman



Fred Hartman  
LEAD LINEMAN

Firelands Electric's Fred Hartman marks 15 years with the cooperative this month. Fred first joined Firelands as a line clearance tree trimmer in 2007. In just a short time frame, he moved to the position of groundman and rose rapidly to the rank of apprentice lineman. After completing the Central Ohio Lineworker Training (COLT) program at Marion Technical College in 2011, Fred became a journeyman lineman and was promoted to the position of lead lineman in January 2013.

In addition to doing line construction, pole replacements, and service upgrades, Fred's responsibilities include overseeing a line crew; installing transformers, oil circuit breakers, and switches; substation maintenance and system troubleshooting; and meter installation and programming. Fred, along with his crew, works hard to ensure that cooperative members are provided with the best and most reliable service.

Fred says he truly enjoys being a lineman, because working outdoors, in a field where every day is different, always presents new challenges. "I enjoy my job, even when the weather turns bad and the power goes out. It's a great feeling knowing we were able to bring it back on," he says.

When asked about the hardest part of his job, Fred says having to leave his family during a severe storm to restore power during an outage is always a struggle. But Fred sees this as just a part of the commitment a lineman makes and as part of the effort in providing quality power to Firelands Electric's members.

Being a lineman has confirmed Fred's belief to live life with gratitude, making each day count to the fullest. "There are never any guarantees in life, so I take time to appreciate the quality and quantity of health and happiness in life," he says.

A native of New London, Fred resides in the area with his wife, Kathy, and their five children. When not on the job, Fred spends time with his family, works on their small farm, takes camping trips, and lives his life for the Lord.

## District 6 Trustee Kevin Reidy



Kevin Reidy  
DISTRICT 6 TRUSTEE

This month, Kevin Reidy celebrates his fifth year as District 6 trustee for Firelands Electric Cooperative. First elected to the board in June 2017, Kevin is currently serving his second three-year term. In April 2021, he completed the coursework necessary to earn his Credentialed Cooperative Director Certification from NRECA.

During his time on the board, Kevin has learned a great deal about cooperatives and the electric industry, as well as the challenges they currently face. "Ohio's electric cooperatives, including Firelands, are served by Buckeye Power, one of the cleanest coal-powered generation facilities in the world. Yet they, like cooperatives across America, are being affected by a current political narrative declaring 'war' on fossil fuel energy generation," Kevin says. He believes that cooperatives can implement innovative technology for efficient, cleaner energy without abandoning Ohio's "all of the above" approach. "This can be accomplished by incorporating renewables to supplement, not replace, baseline energy," he adds.

As a trustee, Kevin has enjoyed learning about and observing the dedication of Firelands Electric Cooperative's management team, office personnel, and line crews. "Their attention to the delivery of safe, affordable, and environmentally responsible energy is impressive," he says.

In his spare time, Kevin likes to travel, work in his yard, and attend local sporting events. He is also very involved with Lions Club International on the local, district, state, and international levels. Both retired educators, Kevin and his wife, Debbie, have been married for 27 years. Their blended family includes two adult children and two grandchildren.

5 YEARS

15 YEARS



Firelands  
**Electric**  
COOPERATIVE  
A Touchstone Energy® Cooperative

*Local*  
PEOPLE

*Dependable*  
POWER



# Message from management



**Dan Schloemer, President**  
BOARD OF TRUSTEES

Firelands Electric is pleased to announce that 2021 was another successful year for your cooperative. Thanks to the diligent efforts of management and employees, we finished the year with margins totaling over \$1.4 million. These margins have been allocated to members' capital credits accounts and will be refunded to them at a future date.

We returned over \$900,000 in capital credits to our members last year and anticipate a strong capital credits retirement in 2022. Since 1948, Firelands Electric has returned over \$18.3 million in capital credits back to its membership — which is one of the many benefits you receive as a member of a not-for-profit electric cooperative.

Your cooperative's board of trustees, management, and employees strive to keep the company's controllable costs at the lowest levels possible. Since your cooperative is not-for-profit, we don't need to earn excess profits just to pay

dividends to out-of-state shareholders — we simply need to cover the cost of doing business.

With significant increases in the cost of doing business over the past two years, the rate adjustment implemented by your board of trustees in 2020, which was the first in over four years, has helped offset effects of the COVID-19 pandemic and skyrocketed inflation. Due to many economic and regulatory factors, it is expected that the nationwide trend of rising electric rates will continue in the foreseeable future.

Firelands' rates remain very competitive with other area suppliers and electricity remains a truly outstanding value, especially when you consider everything it does for us every minute of the day.



**Dan McNaul**  
GENERAL MANAGER

The 2021 Ohio Statistical Report showed Firelands Electric's summer residential rates for 1500 kWh/month households were 8.6% lower than the Ohio co-op average and 7.9% lower than our primary neighboring investor-owned company.

## OPERATIONS AND SERVICE RELIABILITY

Supply chain issues causing delays in line rebuilding projects was a challenge, but it was still a productive year for Firelands Electric. Lead times for certain transformers increased from one month to 12 months, conductor line from one month to six months, and bucket trucks from one year to three years.

Even with many obstacles, your cooperative made investments and upgrades to its electric distribution system, with emphasis on projects that will enhance reliability, power quality, and safety to our members and line crews.

Firelands Electric and its employees are local, accountable, and committed. We are accessible to our consumer-owners around the clock and use people to communicate, rather than computers and machines. Over the past two years, your dedicated co-op employees have continued working throughout the pandemic.

The cooperative values personal contacts and relationships with members, and all of our employees strive to provide immediate response to outages. From linemen and operation crews working diligently in the field to our office personnel assisting members with an increased amount of electrical usage or those experiencing financial hardship due to loss or reduction of income due to the pandemic, each employee is dedicated to serving our members. The cooperative's employees continue to provide assistance with bills and managing energy usage. Our knowledgeable energy advisor helps members find ways to reduce their energy use and lower their utility bills.

Firelands Electric works hard to reach its goal of 100% reliability for its 9,195 homes and businesses by trimming trees across 995 miles of line in 28 townships and four counties. The continued focus on vegetation maintenance has reduced the number and frequency of outages, improving service quality for all cooperative members.

Firelands Electric's right-of-way maintenance program has faced many challenges over the past two years with contractors experiencing staffing issues and increased

costs. Annual expenditures have more than doubled over the past five years. The cooperative does extensive planning to integrate right-of-way work vegetation management with scheduled line rebuild projects to be most cost-effective.

In 2021, Firelands' right-of-way maintenance program expanded cut zones to remove dead or dying trees beyond the cooperative's traditional rights-of-way. This included over 259 miles of brush-hogging, trimming, and necessary tree removals at a cost of more than \$527,871. Much of this work was completed in Mifflin, Milton, and Perry townships in Ashland County; Fairfield, Fitchville, New Haven, and Richmond townships in Huron County; and Weller Township in Richland County.

The cooperative's right-of-way program also keeps your family safer by ensuring that tree branches and vegetation do not become energized due to close contact with a downed power line or other electrical equipment. With the ability to deliver up to 34,500 volts, a tree branch touching an electric line can be incredibly dangerous — even deadly.

In pursuing greater reliability, Firelands Electric Cooperative and Buckeye Power, the generation and transmission provider serving Ohio's electric cooperatives, has continued working with our transmission providers FirstEnergy/Ohio Edison and American Electric Power (AEP) throughout this past year. Thanks to a joint effort, the 69-kilovolt transmission line improvement project will further enhance dependability for our members.

Enhancing reliability continues to be a primary goal for Firelands Electric. In 2021, the cooperative completed multiple line rebuild projects to replace aging conductors, poles, and equipment, which can better serve increased load capacity. Over 2,700

utility poles were inspected in Ashland, Huron, and Richland counties — implementing a process to replace any deficient poles. Crews completed a wide array of line construction and improvements throughout the Village of New London and in New Haven Township in Huron County and Mohican and Vermillion townships in Ashland County, including Hillsdale School's new campus.

Firelands Electric's management and crews have started on the cooperative's next four-year construction workplan, which entails nearly \$12 million in improvements extending from 2022 through 2025. Over a million dollars alone is dedicated to prioritizing lines with the highest incidents of outages. This next work plan includes increasing capacity and resilience of substation interconnection tie-lines, which is essential in keeping our service steadfast.

The cooperative has also established a 24 year long-range plan that extends out to 2045, which will harden our distribution grid and addresses substation upgrades that will aid/assist the cooperative to meet growing power loads and kilowatt-hour demand. These improvements will ensure our members can continue to receive the reliable and affordable electric power they have come to expect from their cooperative.

*Continued on page 20D*





# Message from management

Continued from page 20C



## CO-OP OWNERS FOR POLITICAL ACTION

The Action Committee for Rural Electrification (ACRE) is the political action committee of the nation's electric cooperatives that works with legislators on issues that are important to electric cooperative members, educates lawmakers about the unique co-op business model, and supports candidates on both the state and federal level.

In 2021, Firelands Electric hosted its second ACRE Co-op Owners for Political Action breakfast and legislative update at the co-op's new facility in New London. Local and state government officials representing portions of Firelands Electric's four-county service territory attended the event. Invited guests were updated on legislative issues currently affecting electric cooperatives and local communities. Topics included federal assistance for rural electric utility infrastructure projects, access to broadband internet, and improved electric reliability.

Firelands Electric's objective in hosting the ACRE breakfast is to develop and foster its relationships with elected legislators, while also providing a face-to-face forum for co-op members to meet and communicate with officials. This exclusive event was available to members who invest in ACRE Co-op Owners for Political Action and served to increase legislators' awareness of what electric cooperatives are and how they benefit their communities. The cooperative is planning to host another ACRE breakfast again this coming fall.

## COMMUNICATIONS AND MEMBER PROGRAMS

Firelands Electric's commitment to outstanding service is a passion throughout the cooperative. We continue to be ranked among the top energy utilities in the country in customer satisfaction.

In 2021, the cooperative enhanced its information technology with added layers of security and protection against the latest cyber threats, which are constantly evolving. We continued to integrate multisystem platforms for added efficiency and functionality, further benefiting Firelands Electric's members.

In addition to providing members with reliable electric service, Firelands Electric continues to offer a variety of energy conservation programs, appliance rebates, and incentives. In 2021, the cooperative provided 315 appliance rebates totaling nearly \$43,000. That's a big savings!

Communication with our members is vital. Whether you prefer news in printed form, on your computer, or on your mobile device, Firelands Electric has you covered. In addition to traditional printed media, such as *Ohio Cooperative Living* magazine and mailers, the cooperative also keeps our members informed of the latest news through numerous online outlets.

Stay connected with Firelands Electric Cooperative online at [www.firelandsec.com](http://www.firelandsec.com), which contains a recently upgraded platform with advanced features for improved



mobile device functionality. You can always find the latest news from your cooperative through our wide array of communication channels on Facebook, Instagram, Twitter, YouTube, and Flickr.

## CONCERN FOR COMMUNITY

One of the ways Firelands Electric demonstrates our commitment to community is through various youth programs, including funding \$10,500 in scholarships last year for graduating high school seniors. Educating the next generation of community leaders with a better understanding of energy and efficient use is our privilege. Firelands Electric teaches kids about electrical safety and energy efficiency by supporting various youth education programs. The cooperative is also a corporate sponsor of school sports teams, community events, county fairs, and 4-H organizations.

Concern for community is another way the electric cooperative distinguishes itself as more than just a power company. Since 2007, Firelands Electric has been a collection site for the USO of Northern Ohio "Step Up for Soldiers" campaign, where members of the community fill boxes with nonperishable care package items for soldiers and their families that are distributed during Christmas.

Since 2009, the cooperative has served as a regional pop tab collection site for the Ronald McDonald House of Akron. Firelands Electric has donated more than 1.5 million tabs for the local chapter over the past decade and continues to collect tabs at our new office facility at 103 Industrial Drive, New London.

Charitable giving is also powered by blue jeans and sneakers. For over 18 years, co-op office employees have been permitted to dress down on certain workdays in exchange for a \$20 per month donation. Although everyone enjoys wearing jeans to work, the real reason behind their deep pockets is that it's all for a good cause. In 2021, office employees raised \$2,915, donating to a different worthy cause each month.



## FIRELANDS ELECTRIC PEOPLE FUND

Since 1995, members of the cooperative have been supporting the Firelands Electric People Fund through the Operation Round Up program. Members generously allow their electric bills to be rounded up to the next dollar, with the average member contributing around 50 cents per month, or \$6 per year. Firelands Electric's participation rate is around 87% of our 9,182 members.

In 2021, members supporting Operation Round Up contributed \$46,273 to the People Fund. To date, the People Fund has awarded over \$1.2 million to individuals and organizations within our local communities to help with special needs. Thank you, Firelands Electric members, for using small change to make a big difference!

Firelands Electric is committed to providing our members with safe, reliable, affordable electricity. In a time when our world is rapidly changing, one thing remains the same — our dedication to our community and our members. We thank you for your membership in Firelands Electric Cooperative, and we look forward to continuing to serve you in 2021 and beyond.

# Local leadership

## YOUR BOARD OF TRUSTEES

District 1 — Richmond, Norwich, and Greenfield townships

District 2 — New Haven, Ripley, Greenwich, Ruggles, Cass, and Blooming Grove townships

District 3 — Peru, Bronson, Fairfield, and Hartland townships, and Fitchville Township west of State Route 250

District 4 — Clarksfield and Rochester townships, Fitchville Township east of State Route 250 and north of CSX rail in New London municipality, and New London Township

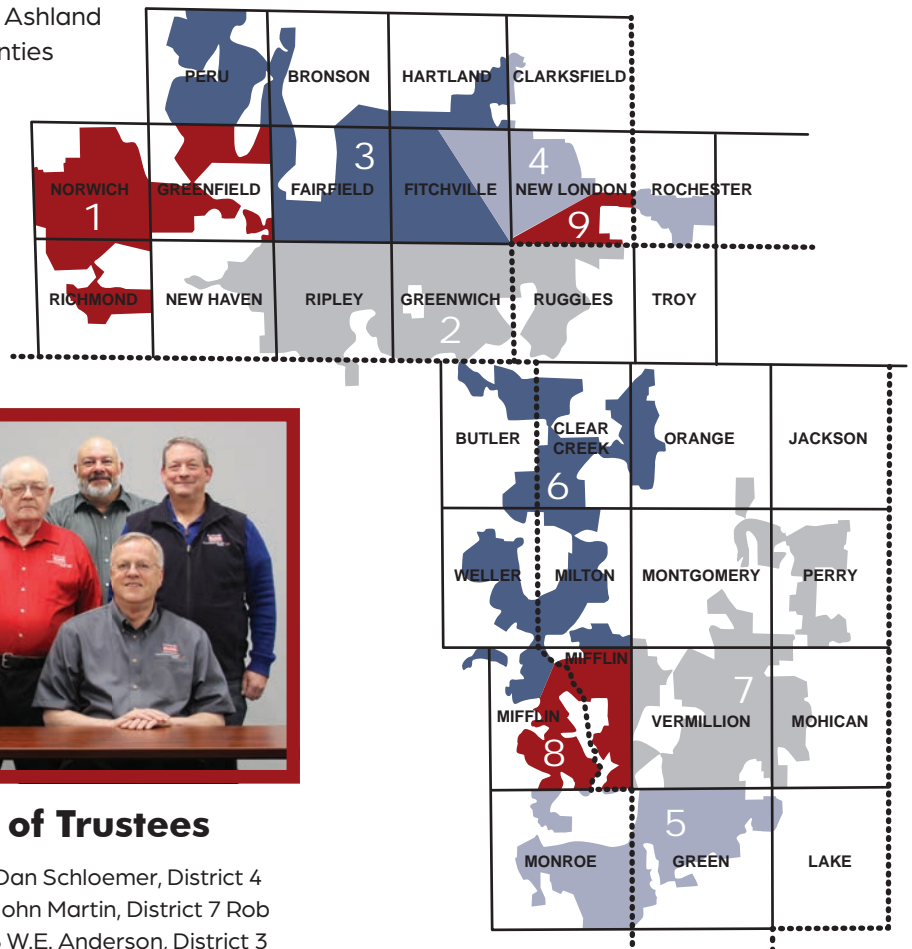
District 5 — Monroe, Green, and Lake townships

District 6 — Butler, Clear Creek, Orange, Weller, Milton, Mifflin, and Madison townships north of State Route 42

District 7 — Vermillion, Mohican, Montgomery, and Perry townships

District 8 — Mifflin Township south of State Route 42 in Ashland and Richland counties

District 9 — South of CSX rail in New London municipality and New London Township



### Firelands Electric Board of Trustees

Sitting (l-r): District 5 Carl Ayers, District 1 Dan Schloemer, District 4 Bruce Leimbach. Standing (l-r): District 9 John Martin, District 7 Rob Turk, District 2 Gene Lamoreaux, District 8 W.E. Anderson, District 3 Tom Lucha, District 6 Kevin Reidy.



# Capital credits

## YOUR OWNERSHIP IN THE COOPERATIVE

As a Firelands Electric member-owner, you receive electric service at cost, and any margin the cooperative makes — the money left over after all bills are paid — is allocated back to your capital credits account. We invest those capital credits in new poles, wire, transformers, substations, and other infrastructure in order to provide a reliable supply of cost-effective electric power. Those credits are then retired, or refunded, to you as it is financially feasible to do so.

1

Your co-op tracks how much electricity you buy and how much you pay for it throughout the year.

At the end of the year, Firelands completes financial matters and determines whether there is excess revenue, called margins.

2

Firelands' trustees allocate the margins to members as capital credits, based upon their use of electricity during the year.

3

When Firelands' financial condition permits, your board of trustees decides to retire, or pay, the capital credits.

4

Firelands Electric notifies you of how and when you'll receive your capital credits retirement.

5

### CAPITAL CREDITS REFUNDS HISTORY

|           |              |       |               |
|-----------|--------------|-------|---------------|
| 1948–2009 | \$ 7,950,430 | 2016  | \$ 1,071,487  |
| 2010      | \$ 125,778   | 2017  | \$ 856,661    |
| 2011      | \$ 717,451   | 2018  | \$ 840,708    |
| 2012      | \$ 970,368   | 2019  | \$ 1,195,238  |
| 2013      | \$ 962,762   | 2020  | \$ 893,717    |
| 2014      | \$ 959,541   | 2021  | \$ 1,168,907  |
| 2015      | \$ 923,723   | TOTAL | \$ 18,636,771 |

# Lasting legacy

## CO-OP LEGAL COUNSEL DAVE HARWOOD RETIRES

Dave Harwood, who has served as legal counsel for Firelands Electric Cooperative over the past 44 years, has announced his retirement. His firm has served the cooperative since 1958, assisting in the ever-changing electric utility industry environment, and the lasting legacy of his firm will continue to represent our Firelands' membership for years to come.

The law firm was originally founded in 1952 by Kenneth Thornton, who was later joined by his brother, Robert Thornton, in 1958. Robert Thornton served as Firelands legal counsel from 1958 until 1977. Dave graduated from The Ohio State University School of Law in 1972, and began practicing law in Columbus, Ohio. He returned to his hometown of Willard in 1977 to join the firm of Thornton & Thornton, which became Thornton, Thornton, & Harwood.

While Dave practiced in Columbus, Ohio, the law firm that employed him represented Buckeye Power and Ohio's Electric Cooperatives (then known as Ohio Rural Electric Cooperative Association). When Dave began practicing law with Bob and Ken Thornton, his prior experience with cooperatives and the electric industry made him the perfect candidate to succeed Robert Thornton as legal counsel for Firelands Electric, a role that he assumed in 1977 and has held since then.

Following retirement, Dave plans to still have some involvement in the law firm but is ready to begin his next chapter and is looking forward to spending more time with his wife, Deb. They have been married 51 years and have two grown children and three grandchildren. Dave and Deb plan to enjoy retirement by traveling, playing golf, and spending more time watching their grandchildren's school and sports activities. Both of their children are married and live with their children in the Columbus, Ohio, area.

"Work has always been challenging all of these years but also exciting and enjoyable," Dave says. "Every day has been something new and different, and I'm very grateful for having the privilege to represent Firelands Electric for more than four decades."

The firm has evolved over the years, but its reputation of developing close working relationships with each of its clients and providing outstanding personalized legal services in each individual situation continues for future generations.

Today, the firm Harwood and Niedermeier continues the tradition of offering high-quality legal services. Attorney

Heather Niedermeier Heyman has been appointed by Firelands Electric's board to serve as the cooperative's legal counsel.

Heather grew up in the Willard area. She graduated from the University of Toledo College of Law in 2012. After graduating from law school, Heather started her own firm in Norwalk and then partnered with Dave in 2016 to form Harwood & Niedermeier. In addition to providing exceptional legal services to Harwood & Niedermeier clients, Heather Niedermeier Heyman also serves as the law director for the city of Willard.

"I have had the opportunity to have an excellent mentor in David, and I am excited to carry on the firm's tradition of offering service to Firelands Electric," she says.

Heather lives on a farm with her husband, Joe. They have two young children. She enjoys spending time on the farm with her family and watching her children learn and grow.

Firelands Electric Cooperative thanks Dave Harwood for his dedicated service and the wisdom he's shared all of these years. "We congratulate Dave on his well-deserved retirement," says President Dan Schloemer. "The co-op's board of trustees welcomes Heather Niedermeier Heyman and looks forward to a continued relationship with her law firm."



**Heather Niedermeier (L) and Dave Harwood (R)**  
HARWOOD AND NIEDERMEIER

# Official meeting notice

Please join us for Firelands Electric Cooperative's 2022 Member Appreciation Event on Saturday, June 18, at the co-op facility at 103 Industrial Drive in New London.

The event will begin promptly at 10 a.m. with a special prize drawing for a \$100 bill credit for those attending the business meeting (member must be present to win). Stay informed of your cooperative's operations, financial health, and plans for the future.

Since the membership is voting for trustees via online and mail ballot prior to the event, election results for board districts 4, 5, and 8 will also be announced during the business meeting.

All registered co-op members will also have the opportunity to be entered into additional prize drawings for up to \$300 in bill credits (four \$25 credits and two \$50 credits in addition to a \$100 credit).

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**You must bring the card with you on June 18 to receive a \$10 bill credit on your August electric bill and a complimentary membership gift bag and to be entered in special prize drawings.**

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After the business meeting, the new format and venue offer something for everyone! A catered lunch by Bone Boy's BBQ will be served from 11 a.m. until 1 p.m. and includes pulled pork sandwiches, hot dogs, chips, macaroni or pasta salad, chips, cookies, and bottled water.

Come see Firelands' three-year-old facility, visit with the employees of your cooperative face-to-face, enjoying delicious food, and more! Children's activities will be available from 11 a.m. until 1 p.m., including inflatables, face art, carnival games, kids' prizes, Gaelic Glen alpacas, and educational and safety displays.

Members will receive an official annual meeting registration card in the mail by June 1.

Members of ACRE Co-op Owners for Political Action will be recognized for their dedication and will receive an additional special gift.

Firelands Electric will also be collecting pop tabs for the Ronald McDonald House of Akron at the cooperative's annual meeting. If you have been saving those pop tabs, this is the time to bring them in to make a difference in lives of families of sick children.



## 2022 Member

### Appreciation and Annual Business Meeting

**DATE:**  
SATURDAY, JUNE 18

**BUSINESS MEETING:**  
STARTS PROMPTLY AT 10 A.M.

**FOOD AND CHILDREN'S ACTIVITIES:**  
11 A.M. – 1 P.M.

**LOCATION:**  
FIRELANDS ELECTRIC COOPERATIVE  
103 INDUSTRIAL DRIVE  
NEW LONDON

*Members attending will be entered into prize drawings for a chance to win one of eight bill credits.*



# Financial Health

## COMPARATIVE BALANCE SHEET

For the years ended December 31, 2021 and 2020

### UTILITY PLANT

|   | 2021                | 2020                |
|---|---------------------|---------------------|
| Electric plant in service                                     | \$ 52,802,653       | \$ 50,963,181       |
| Construction work in progress                                 | <u>2,486,928</u>    | <u>2,439,121</u>    |
|   | 55,289,581          | 53,402,302          |
| Less: Accumulated provision for depreciation and amortization | <u>(18,215,646)</u> | <u>(16,918,732)</u> |
| <b>Net Utility Plant</b>                                      | <u>37,073,935</u>   | <u>36,483,570</u>   |

### NON-CURRENT ASSETS

|   |                |                |
|---|----------------|----------------|
| Investments in associated organizations | 10,067,770     | 10,114,680     |
| Deferred charges                        | <u>196,083</u> | <u>284,928</u> |
| <b>Total Non-Current Assets</b>         | 10,263,853     | 10,399,608     |

### CURRENT ASSETS

|   |                  |                  |
|---|------------------|------------------|
| Cash and cash equivalents   | 2,138,192        | 1,339,962        |
| Accounts receivable, consumers and other, less allowance for doubtful accounts of \$237,838 (\$221,069 in 2020) | 1,695,935        | 1,567,762        |
| Materials and supplies  | 275,508          | 307,856          |
| Accrued utility revenues  | 451,382          | 401,507          |
| Other current and accrued assets  | <u>34,867</u>    | <u>34,949</u>    |
| <b>Total Current Assets</b>   | <u>4,595,884</u> | <u>3,652,036</u> |

### Total Assets

|               |               |
|---------------|---------------|
| \$ 51,933,672 | \$ 50,535,214 |
|---------------|---------------|

### ASSETS

### MEMBERS' EQUITIES

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
| Memberships                    | \$ 27,118         | \$ 28,368         |
| Patronage capital              | 22,846,405        | 22,413,575        |
| Other equities                 | <u>1,941,983</u>  | <u>1,859,594</u>  |
| <b>Total Members' Equities</b> | <u>24,815,506</u> | <u>24,301,537</u> |

### NON-CURRENT LIABILITIES

|                |                   |                   |
|----------------|-------------------|-------------------|
| Long-term debt | <u>23,412,490</u> | <u>22,661,746</u> |
|----------------|-------------------|-------------------|

### CURRENT LIABILITIES

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Current portion of long-term debt     | 1,153,768        | 1,074,493        |
| Accounts payable                      | 1,083,120        | 1,059,837        |
| Consumer deposits                     | 308,826          | 300,211          |
| Accrued taxes                         | 773,952          | 761,749          |
| Other current and accrued liabilities | <u>386,010</u>   | <u>375,641</u>   |
| <b>Total Current Liabilities</b>      | <u>3,705,676</u> | <u>3,571,931</u> |

### Total Members' Equities & Liabilities

|               |               |
|---------------|---------------|
| \$ 51,933,672 | \$ 50,535,214 |
|---------------|---------------|

### EQUITIES & LIABILITIES

# STATEMENTS OF REVENUE & EXPENSES

For the years ended December 31, 2021 and 2020

|   | 2021                 | 2020                 |
|---|----------------------|----------------------|
| <b>OPERATING REVENUE</b>                                  | \$ 21,015,886        | \$ 19,825,233        |
| <b>OPERATING EXPENSES</b>                                 |                      |                      |
| Cost of power   | 12,206,041           | 11,184,379           |
| Distribution expense – operations                         | 1,259,835            | 1,190,996            |
| Distribution expense – maintenance                        | 1,809,826            | 1,677,399            |
| Consumer accounts   | 829,897              | 776,371              |
| Administrative and general                                | 1,132,778            | 1,254,112            |
| Depreciation and amortization                             | 1,653,767            | 1,485,788            |
| Taxes   | 533,182              | 532,378              |
| <b>Total Operating Expenses</b>                           | <u>19,425,326</u>    | <u>18,101,423</u>    |
| Operating margins before fixed charges                    | 1,590,560            | 1,723,810            |
| Interest on long-term debt                                | <u>807,929</u>       | <u>820,370</u>       |
| Operating margins after fixed charges                     | 782,631              | 903,440              |
| Patronage capital assigned by associated organizations    | <u>682,985</u>       | <u>611,758</u>       |
| Net Operating Margins                                     | 1,465,616            | 1,515,198            |
| <b>NON-OPERATING MARGINS</b>                              |                      |                      |
| Interest income   | 27,055               | 33,521               |
| Gain on sale of assets                                    | 16,408               | 34,685               |
| Loss on impairment of assets                              | –                    | –                    |
| Other income (expense)                                    | <u>(26,760)</u>      | <u>(16,143)</u>      |
| <b>Total Non-Operating Margins</b>                        | <u>16,703</u>        | <u>52,063</u>        |
| <b>Net Margins for Period</b>                             | \$ <u>1,482,319</u>  | \$ <u>1,567,261</u>  |
| <b>PATRONAGE CAPITAL &amp; OTHER EQUITY</b>               |                      |                      |
| Net Margins   | \$ 1,482,319         | \$ 1,567,261         |
| Beginning of Year   | <u>22,413,575</u>    | <u>21,636,835</u>    |
| Subtotal  | 23,895,894           | 23,204,096           |
| Retirement of Capital Credits and Other Adjustments (Net) | <u>(1,049,489)</u>   | <u>(790,521)</u>     |
| <b>Patronage Capital &amp; Other Equities End of Year</b> | \$ <u>22,846,405</u> | \$ <u>22,413,575</u> |

MARGINS & EXPENSES

EQUITY

The accounts of your cooperative for the years ended December 31, 2021 and 2020 have been audited. The auditor's complete report is on file at the office of the cooperative and is available for inspection by the members of the cooperative.



*Since 1936*

FIRELANDS ELECTRIC COOPERATIVE, INC.

103 Industrial Drive

P.O. Box 32

New London, OH 44851

1-800-533-8658

OFFICE HOURS

Mon.–Fri. 7:30 a.m.–4 p.m.

[www.firelandsec.com](http://www.firelandsec.com)

**Firelands**  
***Electric***  
**COOPERATIVE**  
A Touchstone Energy® Cooperative 





## YOUTH PROGRAMS



Education helps shape the leaders of tomorrow. That's why Firelands Electric includes it as one of our seven core principles. The A Team is a cooperative program designed to encourage students in their pursuit of academic excellence. Students in grades 6–8 are invited to participate and be recognized for their hard work and dedication to education.

### How you can win

Students in grades 6–8 who have a minimum of three A's on their most recent report card and whose parents or guardians are members of Firelands Electric Cooperative are eligible to apply. A copy of the report card should be submitted by mail to Attn: The A Team, Firelands Electric Cooperative, P.O. Box 32, New London, OH 44851. Report cards may also be emailed to [members@firelandsec.com](mailto:members@firelandsec.com).

Be sure to include the student's name, age, school, grade, address, phone number, parents' name(s), and email address on your entry. Complete program details are also available at [www.firelandsec.com/team](http://www.firelandsec.com/team).

# ACADEMIC EXCELLENCE

Winners of April drawing receive Amazon gift cards



**Mary Stang**  
*Western Reserve Middle School  
Daughter of Doug and Katie Stang*



**Leah Willis**  
*New London Middle School  
Daughter of Mike and Samantha Willis*



**Autumn Fry**  
*South Central Middle School  
Daughter of Tony Fry and Marlene Beal*

**Send us your grade card and win!**  
**The next drawing will be held on July 10.**



## COOPERATIVE UPDATE

# BOARD MEETING *highlights*

*Firelands Electric Cooperative's board of trustees met March 22 and covered the following items:*

- Board President Dan Schloemer reported that the cooperative received 41 membership applications for approval by the board.
- General Manager Dan McNaull reviewed a report for a safety and training meeting held March 16.
- McNaull reviewed the 2021 accident summary, reporting that the cooperative recorded zero injuries or illnesses on the job last year.
- BHM CPA Group was present and reviewed their recent audit of the cooperative's financials, reporting that all findings were positive.
- McNaull reviewed the monthly tree-trimming and outage reports.
- Director of Finance and Accounting Tabi Shepherd reviewed the February financials and reported on recent accounting and billing department activities.
- McNaull reviewed plans for the upcoming Member Appreciation event and annual meeting scheduled for June 18 at Firelands' facility in New London. He also

advised that this year's trustee election in District 8 would be a contested race.

- Director of Communications and Technology Andrea Gravenhorst reviewed recent activities involving the member services and IT department, including the completion of the annual member satisfaction survey through NRECA.
- McNaull advised the board that Credential Committee members for the trustee elections would need to be appointed by the April meeting. He also reminded the board that tellers appointed by each candidate must be in place prior to announcing election results at the annual meeting.
- Director of Operations Don Englet reviewed recent activities and projects in the operations department.
- McNaull recapped the NRECA Annual Meeting held in March, along with a recent Buckeye Power meeting he attended.

The cooperative's next board meeting is scheduled for Tuesday, June 28. If you would like to attend the next scheduled meeting, please contact the Firelands Electric office at 1-800-533-8658.

### FIRELANDS ELECTRIC COOPERATIVE, INC.

#### OUTAGE HOTLINE

1-800-533-8658

#### OFFICE

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### BOARD OF TRUSTEES

Dan Schloemer  
President, District 1

Bruce Leimbach  
Vice President, District 4

Carl Ayers  
Secretary/Treasurer, District 5

W.E. Anderson  
District 8

Tom Lucha  
District 3

Gene Lamoreaux  
District 2

John Martin  
District 9

Kevin Reidy  
District 6

Rob Turk  
District 7

### GENERAL MANAGER

Dan McNaull

#### HAVE A STORY SUGGESTION?

Email your ideas to:  
[members@firelandsec.com](mailto:members@firelandsec.com)

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