



GM'S REPORT

THE VALUE OF VOTING



Dan McNaull
GENERAL MANAGER

Firelands Electric Cooperative's number one priority is providing safe, reliable, and affordable electricity. This involves more than just power line installation and maintenance. It requires political engagement by both the co-op's leaders and its members. This may seem far removed from our core mission, but it is essential to serving our members and our community.

Make a difference

As a member-owned, not-for-profit cooperative, Firelands Electric understands the importance of engaged and qualified leadership. Governed by a board made up of the very people it serves, Firelands depends on the guidance of those who actively participate in making decisions that best meet the needs of the cooperative and its membership. Unlike investor-owned utilities, these board members are not appointed, but are democratically elected by members like you.

But the board of trustees is just one piece of the legislative puzzle affecting electric cooperatives. What happens at every level of the political arena has an impact in our local communities. Some see "smaller" elections as less important than national ones. In reality, state and local elections have an even greater impact on local communities because the candidates and issues being decided affect voters' everyday lives.

This is why Firelands Electric, along with cooperatives across the country, encourages members to participate in national, state, and local elections. By exercising your right to vote — at all levels — you can encourage lawmakers to pay more attention to the issues affecting small communities.

Cast your ballot for co-op trustees

Voting for Firelands Electric Cooperative's board of trustees is now easier than ever. With the passage of an amendment by the membership at last year's annual meeting, voting is taking place by mail or online for the 2020 elections. Available on May 1, completed ballots must be received by June 17 at 11:59 p.m. Results will be announced in *Ohio Cooperative Living*, at the annual meeting, and on www.firelandsec.com.

To ensure the safety of our members, employees, and the community during the current COVID-19 situation, Firelands Electric has made the decision to convert its annual meeting to an online format this year. An in-person event will not take place. Fortunately, the new voting method gives every member the ability to vote from the comfort of their own home, on their own schedule, allowing the cooperative to complete the election process as scheduled.

Having board members and elected officials who understand the important role electric cooperatives play in their communities is vital. Be sure to vote in every election that affects you — whether it be on the cooperative, local, state, or national level. You can feel good knowing that you had a voice in the decisions that impact your family and your community.

**Voting for board of trustees closes
Wednesday, June 17, at 11:59 p.m.**

Visit <http://firelandsec.coopballot.com> to cast your ballot.





ENERGY EFFICIENCY

Energy-efficient windows in four easy steps

Windows provide natural light and a panoramic view of the outdoors, but they can also add to your energy bills by bringing in unwanted solar heat in summer and leaking out conditioned air all year long. This is especially true if you have older, single-pane windows.

Although upgrading to new, energy-efficient windows will reduce your energy costs, an expensive window replacement project may not fit your budget. Fortunately, there are a number of simple, low-cost measures you can take to improve the efficiency of your existing windows.

1. Weatherize

Caulking and weatherstripping are two of the easiest and most cost-effective ways to reduce leaks and drafts due to small cracks and gaps around window frames. Use caulk to seal gaps around window frames. Install weatherstripping to tighten window panels, while leaving room for opening and closing.

2. Use window treatments

Shades, blinds, and draperies save energy by reducing summer heat gain and winter heat loss.

Shades are the simplest and often most-effective window treatment for saving energy. Mount shades close to the glass with the sides touching the wall to create a sealed space. Lower shades on sunlit windows in the summer. In the winter, raise shades on south-facing windows during the day and lower them at night.

Interior blinds can reduce solar heat gain by up to 45%, although they provide little protection against winter heat loss.

Draperies may help to reduce heat loss and heat gain, depending on the color and weight of the fabric. Studies have shown that conventional draperies can reduce heat gain by 33% and heat loss by 10%.

3. Install storm windows

Storm windows save energy by reducing air leakage. They can be installed on the inside or outside of windows and are available in plastic or glass. Interior storm windows are more convenient, and they're easier to install and maintain. Glass units offer better visibility and longer life. Plastic panes cost less and are easier to install and remove with the changing seasons.

4. Install window film

Window films are available as a simple, do-it-yourself project for reducing winter heat loss. The film is typically sold in sheets that you can cut to fit each window. Attach the film to the window frame with double-sided tape and use a hair dryer to shrink the film, creating a tight seal. Low-emissivity (low-e) window film is made from a nearly invisible metallic coating that is more effective at reducing heat loss. However, low-e film is more expensive and more difficult to install than standard film.

If you do opt to replace your windows, select units that are ENERGY STAR-certified. ENERGY STAR-certified windows lower household energy bills by an average of 7% to 15% nationwide. The Efficient Windows Collaborative (<https://www.efficientwindows.org/existing.php>) provides valuable information on window selection, performance, and available incentives.

If you have additional questions about the energy efficiency of your home, contact Firelands Electric Cooperative's energy advisors at 1-800-533-8458.



Lighting Lives

Powering People



Firelands
Electric
COOPERATIVE
A Touchstone Energy® Cooperative

Shining a light on reliability

A message from your President and General Manager

Firelands Electric Cooperative is pleased to announce that 2019 was a very successful year for your cooperative. Thanks to the diligent efforts of management and employees, we finished the year with margins totaling over \$1.1 million. Margins are the money left over after bills are paid, which are returned to members in the form of capital credits.

We returned over \$1 million in capital credits to our members last year — the largest amount ever disbursed. This is one of the many benefits you receive as a member of a not-for-profit electric cooperative. Firelands Electric has retired over \$16.5 million in capital credits back to our membership since 1948.

Your cooperative's board of trustees, management, and employees work every day to keep the company's controllable costs at the lowest levels possible. However, the time eventually comes when additional revenue is needed to maintain operations.

Firelands Electric conducted a rate study in 2017, in response to financial forecasting that showed a need for additional future revenue to maintain operations. Your cooperative's management and board of trustees fully expected a need for increased revenue, but thanks to strong kilowatt-hour sales combined with internal operational changes, we were able to delay a rate adjustment for nearly two years.

Looking ahead at the cooperative's future financial situation, your board of trustees saw the need for a rate adjustment in 2020. Firelands Electric has not needed a rate increase since 2016, but nearly everything the cooperative purchases in order to maintain a reliable electrical system has increased in price over the past four years.

Since your cooperative is not-for-profit, we don't need to raise rates to generate more profits — we simply need to cover the cost of doing business. Beginning with members' June bills, the distribution charge for residential and small commercial meters will increase \$2 per month, and the kilowatt-hour charges will increase 3%. For a residential member, this represents an average 3.27% increase to the monthly bill, which equates to less than 17 cents per day. Even with these rate changes, electricity remains a truly outstanding value when you consider everything it does for us every minute of the day.



Dan Schloemer, President
BOARD OF TRUSTEES



Dan McNaull
GENERAL MANAGER

REBUILDING FOR RELIABILITY

To maintain efficiency, an electrical distribution system requires regular upgrades to the delivery system — the poles, transformers, wires, and other equipment. Firelands Electric carries out a work plan every year to ensure that members' electric service remains dependable. This plan is in addition to the outage restoration and maintenance duties that Firelands' crews are responsible for on a day-to-day basis.

In 2019, crews rebuilt nearly 13 miles of power lines in Ashland and Huron counties. Contractors employed by Firelands Electric increased our inter-substation capacities by upgrading a 3.65-mile segment of the cooperative's lines in Vermillion Township, Ashland County, to a higher-capacity wire.

A rebuild project involved constructing a 0.65-mile span of three-phase line between State Route 60 and County Road 775, permitting the cooperative to balance circuit load across multiple phases for several members in an area that has seen significant load growth over the past few years.

Firelands Electric upgraded a 1.4-mile section of line on County Road 775 in Ashland County to carry and balance the power load along this and several other roads in the neighborhood. This improvement project involved relocating 1.6 miles of power lines to the road right-of-way to make them more accessible when repairs or maintenance are required.

A 3-mile portion of Firelands Electric's distribution system was also upgraded to create a tie-line between the Ashland and Jeromesville substations. With this installation, the cooperative is more ready to meet members' needs during a power outage by backfeeding from another substation — a benefit for every member throughout the area.

The final completion of our 2019 work plan included 2.5 miles of line in Huron County's Peru Township, which will again increase capacity and Firelands Electric's ability to balance load in the area.

DEPENDABLE SERVICE

Firelands Electric's line crews were extremely busy upgrading and maintaining the cooperative's distribution system throughout 2019. Along with the construction of new services, upgrades to existing services, moving into the new facility, and an abundance of maintenance projects, the co-op's operations team also completed a great deal of line rebuild work.

While this work included some small jobs scattered across Firelands Electric's system, the bulk of our 2019 completed rebuild projects took place in the Village of New London. Due to the vast difference in population density when compared to more rural areas, the work within New London was more complex and time-consuming than the cooperative's other rebuilds. The span lengths, or distance between homes and businesses, is much shorter, requiring more poles per mile. Also, unlike most rural construction, there are multiple services being fed from nearly every pole, which increases the time and hardware needed for the assembly of each pole. While the cooperative's typical rural construction includes 20 poles, seven transformers, and eight services per mile, each mile of work done within New London involved 41 poles, 36 transformers, and 120 services.

In pursuing greater reliability, the cooperative's right-of-way maintenance program included 325 miles of brush hogging, cutting, trimming, and necessary tree removals in 2019. Much of this work was completed in Clear Creek and Green townships in Ashland County; along with Bronson, Greenfield, New London, Norwich, and Peru townships, and the Village of New London in Huron County. Crews also completed vegetation management in certain areas for line rebuild projects.

Continued on page 20D

DEPENDABLE

Firelands Electric strives to reach our goal of 100% reliability by patrolling electric lines and trimming trees along 995 miles of line in 28 townships and five counties. The continued focus on vegetation maintenance, brush cutting, trimming, and necessary tree removal contributed to a reduction of outages from our five-year average — improving service quality for all cooperative members. Since 2018, and continuing into 2020, our annual right-of-way management budgets are significantly higher than previous years.

As we wrapped up another year of projects, Firelands Electric's management and crews immediately began the planning phase for future projects. Beginning our next four-year construction work-plan is essential to keeping our service steadfast — so members can continue to receive the reliable, affordable electric power they have come to expect from their cooperative.

CO-OP OWNERS FOR POLITICAL ACTION

In 2019, Firelands Electric hosted our first-ever ACRE Co-op Owners for Political Action breakfast and legislative update at the co-op's new facility in New London. 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.

At the event, members had the opportunity to meet and hear updates from several local and state government officials, including U.S. Congressman Bob Gibbs, Ohio Senator Nathan Manning, Ohio Representative Darrell Kick, and Ohio's Electric Cooperatives' Director of Government Affairs Marc Armstrong.

The ACRE breakfast event provided Firelands Electric the opportunity to celebrate the members who invest in ACRE Co-op Owners for Political Action and serve as champions for the cooperative difference. The cooperative looks forward to providing an ACRE event again in the future.

MEMBER SERVICES AND COMMUNICATIONS

In keeping up with our commitment to providing outstanding service, we are proud that Firelands Electric ranks among the top energy utilities in the country in customer satisfaction. According to the 2020 American Customer Satisfaction Index, on a zero-to-100 scale, your cooperative scored 89, which is an all-time high score. This is a two-point increase over Firelands Electric's previous score. Our score ranks us above the combined average among Ohio's electric cooperatives, and is well above the national average for investor-owned energy utilities and municipal energy utilities.

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 2019, Firelands Electric's energy advisor assisted more than 230 members with energy concerns and upgrades. The cooperative provided 279 appliance rebates totaling \$49,128. That's a big savings!

Firelands Electric has continued to enhance our safe and secure SmartHub application that empowers members with information. SmartHub provides members with detailed electricity use, billing history, and bill comparisons with local weather trends. The system also permits the cooperative to communicate with members by sending text and email messages regarding power outages, billing notifications, and more. These message alerts are automated with the

YEAR

cooperative's system, providing members with timely information they can access anywhere (by phone, computer, or tablet).

In 2019, the cooperative enhanced our information technology with added security and protection against the latest cyber threats, which are constantly evolving. We continued to integrate multi-system platforms for added efficiency and functionality, further benefiting Firelands Electric's members.

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 online at www.firelandsec.com, which contains a recently upgraded platform with advanced features for improved mobile device functionality. The cooperative is #AlwaysOn through our wide array of communication channels on Facebook, LinkedIn, Twitter, YouTube, Pinterest, and Flickr.

CONCERN FOR COMMUNITY

Firelands Electric's commitment to community continues with our youth programs, funding \$10,600 last year in scholarships for graduating high school seniors and sponsoring the Youth Tour to Washington, D.C., for high school sophomores and juniors. Educating the next generation of community leaders with a better understanding of energy and efficient use is our responsibility. Firelands Electric teaches kids about electrical safety and energy efficiency by supporting various youth education programs. The cooperative is 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 non-perishable 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 16 years, Firelands Electric's office employees have been permitted to dress down on certain workdays in exchange for a \$5 per week donation. Although everyone enjoys wearing jeans to work, the real reason behind their deep pockets is that it's all for a good cause. The money raised each month is donated to a local charity or family in need and is distributed to a different cause each month. In 2019, office employees raised \$2,780 in addition to the cooperative and employee contributions of \$1,150 to the Ashland County and Huron County United Way agencies last year.

FIRELANDS ELECTRIC PEOPLE FUND

For 25 years, 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 over 83% of our 9,111 members.

In 2019, members supporting Operation Round Up contributed \$47,876 to the People Fund. To date, the People Fund has awarded over \$1.1 million to individuals and organizations within our local communities to help with special needs — making a big difference with small change.

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 2020 and beyond.

IN REVIEW

Capital credits

Your ownership in the co-op

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.

2

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

3

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

4

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

5

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

CAPITAL CREDITS RETIREMENTS

1948-2009	\$ 7,950,430
2010	\$ 125,778
2011	\$ 717,451
2012	\$ 970,368
2013	\$ 962,762
2014	\$ 959,541
2015	\$ 923,723
2016	\$ 1,071,487
2017	\$ 856,661
2018	\$ 840,708
2019	\$ 1,195,238
TOTAL	\$ 16,574,147

REFUNDS

Lighting lives, powering people

Official annual meeting notice

Due to circumstances beyond our control, Firelands Electric regretfully announces the cancellation of our traditional, in-person annual meeting. The cooperative is planning a virtual meeting to take its place.

Firelands Electric is committed to the health and safety of our members, employees, and the communities we serve. Due to the COVID-19 situation and the directives of the state of Ohio and the CDC, the cooperative has made the difficult decision to move our annual meeting to a virtual format for 2020.

Instead of our customary, in-person meeting at Ashland University, Firelands Electric Cooperative's annual meeting will be conducted as a video broadcast at 9 a.m. on Saturday, June 20. Members will be able to participate in the meeting through one of two options: 1) streaming video on their computer, tablet, or smartphone; or 2) calling a specially designated phone number to take part in an audio-only option.

Members will be mailed an official invitation postcard in early June, which will include detailed instructions for connecting and accessing the cooperative's virtual annual meeting. On the day of the event, members can log in to participate in Firelands Electric's meeting and hear updates from General Manager Dan McNaull and the co-op's board of trustees. Since the membership is voting for trustees via online and mail

ballot prior to the meeting, election results will also be announced during the broadcast.

Although we are unable to meet face-to-face, Firelands Electric wants to be sure its members are still able to stay informed of their cooperative's operations, financial health, and plans for the future. This virtual format will allow us to accomplish this goal while still protecting the health of our community. Unfortunately, delivering our message virtually does not allow us to track attendance, eliminating the ability to issue the \$5 bill credit for participating.

We would very much like to see all of you, but the well-being of our members and employees comes first. Thank you for your understanding during these unusual circumstances, and we hope you will join us for our virtual annual meeting!

MEETING

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.

2020 VIRTUAL ANNUAL MEETING

Date: June 20 Time: 9 a.m.
Location: Online or by phone

Invitations with complete details will be mailed to members by early June.

Leading the way

Your current 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

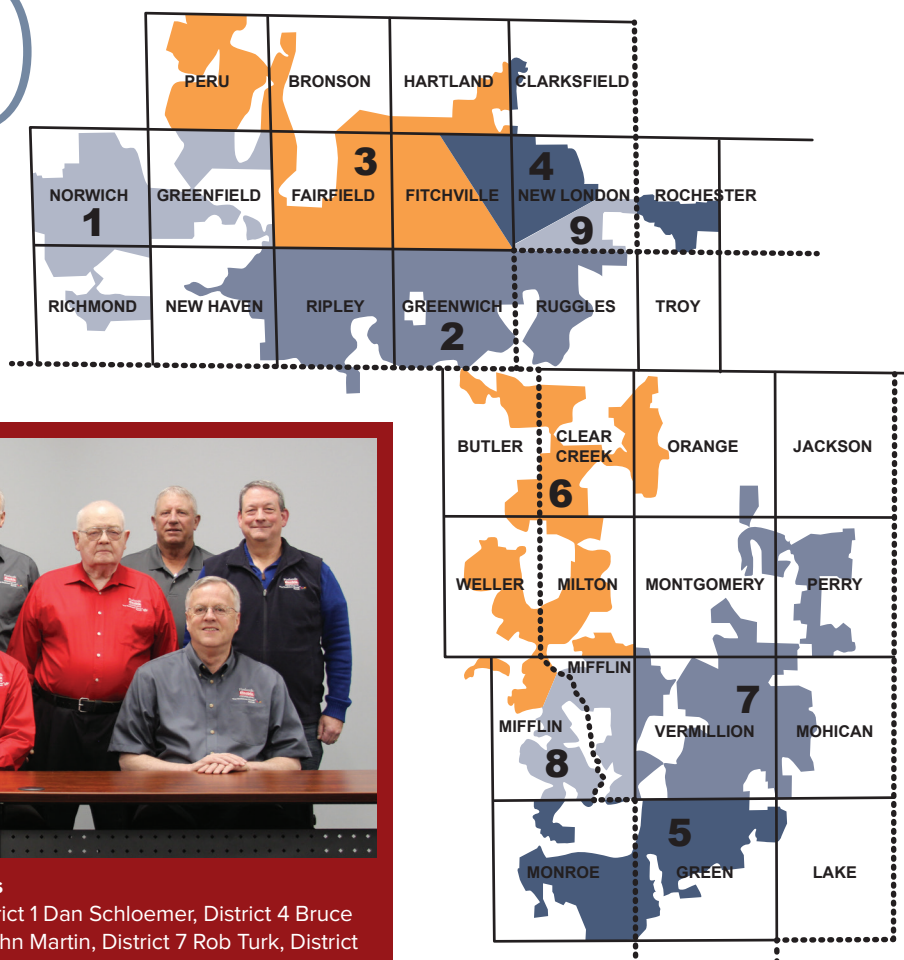
District 5 — Monroe, Green, and Lake townships

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 Steve Gray, District 6 Kevin Reidy.

Meet the candidates

Firelands Electric Cooperative serves 9,111 homes and businesses throughout rural areas of Ashland, Huron, Lorain, and Richland counties. It is governed by a board of trustees made up of co-op members nominated and elected by the membership. Districts are drawn based on equitable representation of the geographic areas served by the cooperative, and one trustee is chosen to represent each of the nine districts.

In accordance with our Code of Regulations, each candidate has submitted a valid petition signed by members living within their Firelands Electric

Cooperative district. In 2020, all members will vote for candidates to represent districts 1, 3, and 6 for the next three years on the board of trustees.

For the 2020 elections, voting is taking place by mail or online, rather than at the annual meeting. Voting opened on May 1, and completed ballots must be received by June 17 at 11:59 p.m. Results will be announced in *Ohio Cooperative Living* magazine, at the annual meeting, and on www.firelandsec.com. Refer to your paper ballot or the website for complete details on how to cast your vote.

District 1 – Richmond, Norwich, and Greenfield townships



DAN SCHLOEMER • 2545 Niver Road, Willard, Ohio 44890

Schloemer has been a member of Firelands Electric Cooperative for 35 years. He is executive vice president and chief lending officer for Croghan Colonial Bank and has over 40 years of business and financial management experience. Schloemer is also a board member of the Huron County Reach Our Youth mentoring program.

He has served on the cooperative's board of trustees for twelve years, currently serves as board president, and is an ACRE Century Club member. Schloemer believes a major challenge facing the electric utility industry is maintaining reliable and affordable power in an environment where kilowatt-hour sales are expected to be flat in the foreseeable future. His knowledge and solid background in business and finance areas have provided him with insight to make sound business decisions, which benefit the cooperative and its members.

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



TOM LUCHA • 473 Edwards Road, North Fairfield, Ohio 44855

Lucha has been a member of Firelands Electric Cooperative for 14 years. He is an associate sales representative of Pioneer products and works for Walcher Seeds. He has past experience as a cable technician and serving in the United States Army. Lucha has been an active board member of South Central Local Schools for the past four years, and has served as a legislative liaison for the Ohio School Board Association. In addition to other volunteer work, Lucha has been active with the Girl Scouts of America program for the past six years.

Serving on a school board has provided him with experience in updated policies, laws, regulations, and procedures in the constantly changing educational process. Lucha looks forward to working with Firelands Electric's board of trustees and management to set policies and make financial decisions that will strengthen the cooperative for future generations.

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



KEVIN REIDY • 1394 County Road 1008, Ashland, Ohio 44805

Reidy has been a member of Firelands Electric Cooperative for 24 years. His past experience includes the building trades, as well as many years in public sector instruction and education management. Reidy currently serves as an officer for several organizations, including Ashland First Presbyterian Church, Savannah Lions Club, Ohio Lions District OH-2, and Crestview Local Schools' Levy Committee.

He has served on the cooperative's board of trustees for three years and is an ACRE Century Club member. Reidy believes mandates are constantly changing and will continue to have a significant impact on the price of electricity generation. As a trustee, he feels a responsibility to stay up-to-date on the latest information in the utility industry and advocate for the co-op and its membership at both the state and national levels.

By the numbers

COMPARATIVE BALANCE SHEET

For the years ended December 31, 2019 and 2018

UTILITY PLANT

Electric plant in service	\$ 43,484,211
Construction work in progress	8,206,278
	<u>51,690,489</u>
Less: Accumulated provision for depreciation and amortization	<u>(16,285,287)</u>
Net Utility Plant	<u>35,405,202</u>

NON-CURRENT ASSETS

Investments in associated organizations	10,103,931
Deferred charges	<u>386,695</u>
Total Non-Current Assets	<u>10,490,626</u>

CURRENT ASSETS

Cash and cash equivalents	1,389,376
Accounts receivable, consumers and other, less allowance for doubtful accounts of \$219,364 (\$213,593 in 2018)	1,510,293
Materials and supplies	494,494
Accrued utility revenues	358,873
Assets held for sale	-
Other current and accrued assets	<u>36,874</u>
Total Current Assets	<u>3,789,910</u>

Total Assets

MEMBERS' EQUITIES

Memberships	\$ 29,328
Patronage capital	21,636,835
Other equities	<u>1,832,996</u>
Total Members' Equities	<u>23,499,159</u>

NON-CURRENT LIABILITIES

Long-term debt	<u>22,441,099</u>
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CURRENT LIABILITIES

Current portion of long-term debt	984,786
Accounts payable	1,275,876
Consumer deposits	280,591
Accrued taxes	761,912
Other current and accrued liabilities	<u>442,315</u>
Total Current Liabilities	<u>3,745,480</u>

Total Members' Equities & Liabilities

2019

\$ 43,484,211
8,206,278
<u>51,690,489</u>
<u>(16,285,287)</u>
<u>35,405,202</u>

10,103,931

386,695

10,490,626

1,389,376

1,510,293

494,494

358,873

-

36,874

3,789,910

\$ 49,685,738

\$ 29,328

21,636,835

1,832,996

23,499,159

22,441,099

984,786

1,275,876

280,591

761,912

442,315

3,745,480

\$ 49,685,738

2018

\$ 43,093,295
6,284,764
<u>49,378,059</u>
<u>(15,113,517)</u>
<u>34,264,542</u>

9,931,172

463,662

10,394,834

865,504

1,635,817

321,525

389,872

293,742

36,570

3,543,030

\$ 48,202,406

\$ 30,633

21,576,297

1,748,707

23,355,637

21,211,434

811,782

1,409,982

283,591

734,668

395,312

3,635,335

\$ 48,202,406

ASSETS

EQUITIES & LIABILITIES

STATEMENTS OF REVENUE & EXPENSES

For the years ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUE	\$ 19,620,726	\$ 20,132,551
OPERATING EXPENSES		
Cost of power	11,117,294	11,627,349
Distribution expense - operations	1,303,314	1,260,183
Distribution expense - maintenance	1,579,863	1,543,941
Consumer accounts	789,928	766,577
Administrative and general	1,394,893	1,236,002
Depreciation and amortization	1,398,871	1,367,607
Taxes	545,977	567,796
Total Operating Expenses	18,130,140	18,369,455
Operating margins before fixed charges	1,490,586	1,763,096
Interest on long-term debt	830,496	750,323
Operating margins after fixed charges	660,090	1,012,773
Patronage capital assigned by associated organizations	573,379	843,932
Net Operating Margins	1,233,469	1,856,705
NON-OPERATING MARGINS		
Interest income	52,851	40,566
Gain on sale of assets	(113,377)	5,374
Loss on impairment of assets	-	(182,184)
Other income (expense)	(17,816)	(17,027)
Total Non-Operating Margins	(78,342)	(153,271)
Net Margins for Period	\$ 1,155,127	\$ 1,703,434
PATRONAGE CAPITAL & OTHER EQUITY		
Net Margins	\$ 1,155,127	\$ 1,703,434
Beginning of Year	21,576,297	20,651,237
Subtotal	22,731,424	22,354,671
Retirement of Capital Credits and Other Adjustments (Net)	(1,094,589)	(778,374)
Patronage Capital & Other Equities End of Year	\$ 21,636,835	\$ 21,576,297

MARGINS & EXPENSES

EQUITY

The accounts of your cooperative for the years ended December 31, 2019 and 2018 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.

FINANCIALS



safe
reliable
affordable

Firelands
Electric
COOPERATIVE
A Touchstone Energy® Cooperative 

since 1936

YOUTH PROGRAMS



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

ACADEMIC EXCELLENCE

Winners of April drawing receive iTunes gift card



Izzy Lucha
South Central Middle School
Daughter of Thomas and Sarah Lucha



Xavia Immel
Norwalk Main Street School
Daughter of Justin and Brooke Immel

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

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.

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 available at www.firelandsec.com/content/team.



AJ Brown
Hillsdale Middle School
Son of Dustin and Katie Brown



COOPERATIVE UPDATE

BOARD MEETING *highlights*

Firelands Electric Cooperative's board of trustees met March 24 and covered the following items:

- Board President Dan Schloemer reported that the cooperative received 30 membership applications for approval by the board.
- Director of Operations Don Englet reviewed recent activities and projects in the operations department.
- The board reviewed and approved a report from a safety meeting held Feb. 12 and a compliance inspection report from March 4.
- General Manager Dan McNaull reviewed the recent stay-at-home orders from the state of Ohio regarding the coronavirus emergency. The board discussed how the co-op was making adjustments to comply with these mandates.
- The board reviewed and approved the 2019 audit report from BHM CPA Group, Inc.
- McNaull reviewed the outage report for February and the status of the 2020 tree trimming program.
- The board approved appointments for the credentials committee for the upcoming trustee elections.

- District 8 Trustee W.E. Anderson and District 9 Trustee John Martin were congratulated for recently earning their Board Leadership and Credentialed Co-op Director certificates.
- Director of Finance and Accounting Tabi Shepherd reviewed the February financials and reported on recent accounting and billing department activities.
- Trustee Kevin Reidy reported on an OREC meeting he attended on March 9.
- Director of Communications and Technology Andrea Gravenhorst reported on recent activities involving the member services and IT departments.

Firelands Electric Co-op is democratically controlled and governed by local people committed to policies that result in a safe and reliable electric system, fair rates, financial responsibility, and superior member service.

The cooperative's next board meeting is scheduled for 7 p.m. on Tuesday, June 23. 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

103 Industrial Drive
P.O. Box 32
New London, OH 44851
419-929-1571

OFFICE HOURS

Mon.-Fri. 7:30 a.m.-4 p.m.
www.firelandsec.com



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

Steve Gray
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

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Electric
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