



ENERGY FOR THE JOURNEY



2023
NORTH CENTRAL
ELECTRIC COOPERATIVE
ANNUAL REPORT



DISCOVER THE COOPERATIVE JOURNEY!

We all know the old saying “Life’s a journey.” We recognize that everyone has their own path to follow and unique experiences to discover in life, but as a cooperative, we are lucky enough to share our journey with all of you – the members who make us who we are. North Central Electric Cooperative is in the business of electricity, but our identity is the cooperative way, which sets standards and expectations that have worked to guide us on a path of success and excellent service for more than 85 years.

Our members help define what the cooperative way is and what our journey will continue to look like as the years go by through democratic member control, one of the seven cooperative principles that have paved the path of success for many generations. Without the support and voices of our members, NCE would not exist, and all of our wins that have positively impacted our communities in 2023 and years prior may have never come to pass.

This past year brought a fresh perspective and many new challenges to NCE, but we are excited to share that the co-op remains dedicated to providing the same level of service to our members. Reliability was a top priority for co-op leadership in 2023, confronting material availability and increasing costs head-on by staying ahead of the curve. NCE purchased extra materials where possible to combat potential delays and advocated for common sense energy policies on Capitol Hill to fight increasing pressure on the electric grid. This fight for electric reliability and availability will continue for many years, but the co-op is prepared to continue fighting for our members’ needs.

Many high points marked our path along the cooperative journey throughout 2023. NCE received

a score of 84 from our members on the American Customer Satisfaction Index survey, remaining in line with other Ohio co-ops and significantly higher than investor-owned and municipality scores. Additionally, current and past co-op members received a combined capital credits return of over \$982,000 applied to their December bills, and the co-op was able to put over \$67,000 back into our local communities through donations, scholarships, and People Fund grants.

NCE’s journey also expanded its horizons in 2023 as the renovation project at the office in Attica continued moving forward. This project has been quite a journey, and we are happy to report that it has almost reached its completion. Once we receive the final okay to open the building to the public, we will be accepting rentals of the community hall for meetings and other community events. Stay tuned for more details when they are available!

Another part of our journey’s expansion was growth through our economic development efforts and relationships with local government. When more businesses come into our service territory, our communities receive new job opportunities and additional revenue. This helps NCE spread the cost of providing electricity to our members to more entities, keeping rates and other charges as low as possible. We look forward to sharing our future economic development wins with all of you.

Thank you for your membership and for joining us on our cooperative journey. We look forward to another successful year in 2024, made possible by your continuous support and belief in our path and mission of excellent service for all of you.



ENERGY TO LEAD BY EXAMPLE

North Central Electric Board of Directors, President/CEO, and leadership team



Rodney Snavelly,
Chair
District 4



Michael Scherger,
Vice Chair
District 6



Kevin Bishop,
Secretary
District 1



Steven Seitz,
Treasurer
District 2



David Green
District 1



Dennis Schindler
District 2



Nick Wagner IV
District 3



Ronald Frisch
District 5



Andrew Brose
District 7



Ed VanHoose
President/CEO



Brad Warnement
Chief Operating Officer



Justis Clifford
Chief Strategy Officer



Joshua Long
Chief Financial Officer



Andrew Ruffing
Chief Administrative Officer

The 2nd Cooperative Principle:
"Democratic Member Control"

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership.

ENERGY TO GROW IN OUR JOURNEY

At North Central Electric Cooperative, we always have the energy to grow in our journey. By planning ahead, we can keep moving forward with purpose and focus. NCE places safety, reliability, and affordability of electric service at the top of our list for growing and improving. Over the years, our members have come to expect a high quality of service, and we are continually growing to exceed that expectation. Through system maintenance, right-of-way clearing, employee training, and continuous safety inspections, our employees are striving to demonstrate the cooperative way to our members and push the bar higher for our quality of service.

The journey of the cooperative way means keeping outages low, welcoming new members, and maintaining over 1,600 miles of electric line in eight Ohio counties. Maintaining the cooperative way for our members wouldn't be possible without our employees. They show up daily, work hard to keep the power on, and provide safe, reliable, and at-cost service to our members.

The 5th Cooperative Principle:
"Education, Training, and Information"

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.



NCE People Fund

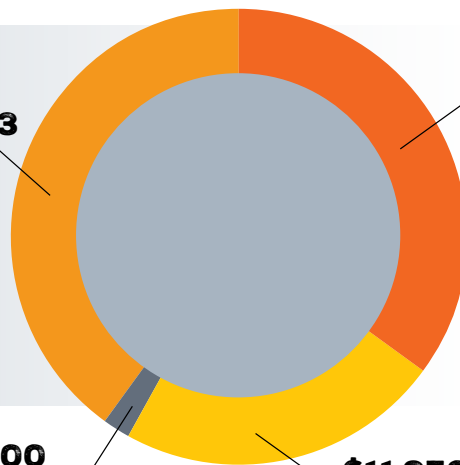
Gave \$52,138.13 through 21 grants to local community organizations in 2023 thanks to the members rounding up their electric bills each month. Since its inception in 1999, the NCE People Fund has granted 588 grants of over \$1.1 million to individuals and organizations in our local communities.

\$20,840.63

Community Organizations

\$18,347.50

Public Safety Services



Service across 8 Counties

- Seneca
- Wyandot
- Crawford
- Huron
- Richland
- Sandusky
- Hancock
- Wood



\$1,000

Individual Members

\$11,950

Local Schools



379

New members



8,165

Members



\$10,500

Given in scholarships to 10 NCE high school seniors



\$15,685

Given in donations, sponsorships, and CoBank partnerships to promote the continued health and growth of our local communities.

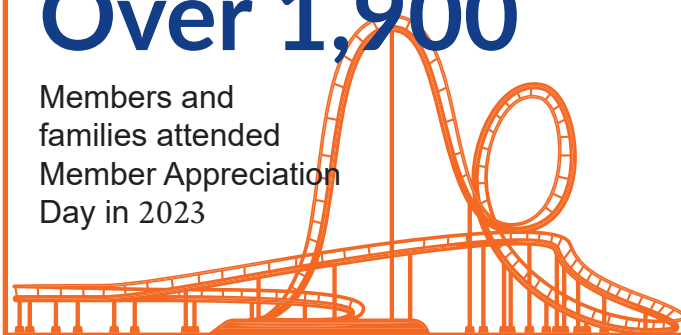
2023 Member satisfaction score

84 out of 100



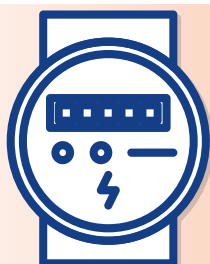
Over 1,900

Members and families attended Member Appreciation Day in 2023



58,075 kWh

Total output produced by the OurSolar program array in 2023



9,708

Meters on co-op lines

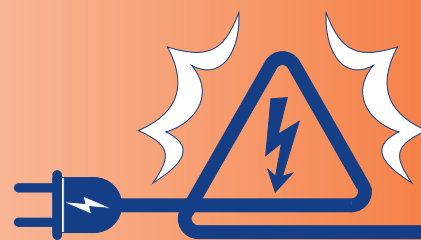
1,607

Miles of electric line



169 Outages

Well below the 10-year average



FINANCIAL REPORTS

Balance sheet

	2023	2022
ASSETS		
UTILITY PLANT IN SERVICE, NET	\$ 64,626,418	\$ 59,412,013
INVESTMENTS	13,927,443	13,610,400
CURRENT ASSETS		
Cash and cash equivalents	1,526,137	363,619
Restricted cash	55,354	53,195
Accounts receivable, net	4,651,979	2,874,937
Materials and supplies and inventories	1,234,467	1,013,203
Other Current and Accrued Assets	230,841	227,441
Prepaid expenses	147,663	140,972
TOTAL CURRENT ASSETS	7,846,441	4,673,366
TOTAL ASSETS	\$ 86,400,302	\$ 77,695,779
EQUITIES AND LIABILITIES		
LONG-TERM DEBT	\$ 37,192,365	\$ 33,142,334
NONCURRENT LIABILITIES	1,443,867	1,350,710
CUSTOMER DEPOSITS	279,544	276,137
DEFERRED CREDIT	76,403	170,158
PATRONAGE CAPITAL/RETAINED EARNINGS	35,818,715	34,343,811
CURRENT LIABILITIES		
Notes Payable	6,000,000	3,200,000
Accounts payable	2,775,037	2,669,881
Other Current and Accrued Liabilities	2,814,373	2,542,749
TOTAL CURRENT LIABILITIES	11,589,409	8,412,630
TOTAL EQUITIES AND LIABILITIES	\$ 86,400,302	\$ 77,695,779

Statement of revenue and expenses

	2023	2022
REVENUES	\$ 31,021,778	\$ 29,257,702
OPERATING EXPENSES		
Purchased power	17,119,147	17,129,073
Operations	1,767,605	2,146,920
Maintenance	1,389,797	1,173,145
Consumer accounting expense	702,117	659,410
Administrative expense	2,525,099	2,094,155
Depreciation	3,718,085	2,781,345
Taxes	904,872	894,566
TOTAL OPERATING EXPENSES	28,126,724	26,878,613
OPERATING MARGINS BEFORE OTHER ITEMS	2,895,054	2,379,089
OTHER OPERATING ITEMS, NET		
Patronage revenue	926,114	828,396
Interest expense	(1,752,841)	(1,323,343)
TOTAL OTHER OPERATING ITEMS, NET	(826,726)	(494,947)
OPERATING MARGINS	2,068,327	1,884,142
NON-OPERATING ITEMS, NET		
All other, net	148,868	122,863
TOTAL NON-OPERATING ITEMS, NET	148,868	122,863
NET MARGINS	\$ 2,217,195	\$ 2,007,006

*Due to a two-month lead time requirement for information printed in the magazine, these numbers are printed as preliminary until they are reviewed by the board at their regularly scheduled meeting with the auditing firm.

ENERGY FOR OUR MEMBERS

NCE is proud to be a not-for-profit organization. As a member and part-owner of the cooperative, you're entitled to receive money back through capital credits every year.

The NCE board of directors approved to return

\$982,683

in 2023 to our members, applied to December bills or provided to former members via check.

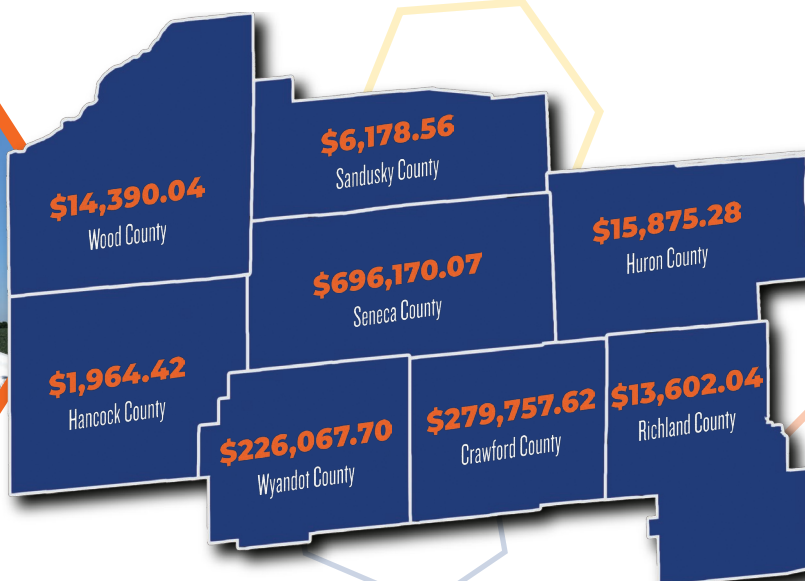
The cooperative retains annual margins to provide working capital for new construction, equipment, and system improvements throughout our service area. If NCE's revenues exceed expenses for the year, the excess allocates back to the members in the form of capital credits.

The amount credited to members is determined by how much electricity a member purchases during the year, and the rate at which the member is billed.



\$25,578,767

in capital credits has been issued to members since 1980



\$1,254,005.73

Total property tax paid in 2023

THE JOURNEY OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

Spotlight on North Central Electric's electric vehicle fleet

You've likely heard or read that most automakers are transitioning many of their new vehicles to electric-only models over the next ten years. Regardless of the type of car you drive today, the electrification of the transportation sector is underway.

Although electric vehicles have increased in popularity, there is still a lot of uncertainty out there. NCE is committed to providing education to our members, employees, and the community. In 2023 we worked on putting together information and case studies on what it is like to drive EVs in rural America. As part of our EV testing, we did a deep dive on the all-electric Ford F-150 Lightning, including Chief Strategy Officer Justis Clifford's long distance trip to a training session in Madison, Wisconsin. Scan the QR code to watch the video that takes you through the journey.



SCAN ME

There are three main types of electric vehicles: Hybrid Electric Vehicle (HEV), Plug-In Hybrid Electric Vehicle (PHEV), and Fully Electric Vehicle (EV). With the use of grants and rebate programs, the co-op has purchased several EV models of various types, at no additional cost than standard combustion engines, and is recording data and experiences about each one to report back to our NCE members.

Another popular question we get is about charging EVs. At NCE we have two types of chargers: levels 2 and 3. Level 3 is also known as a DC fast charger. A level 2 charger can charge 10 to 20 miles of range per hour, whereas a level 3 charger can provide an electric vehicle 80% charge in 20 to 30 minutes (depending on vehicle and battery size.)



Level 3 Charger



Level 2 Charger

As we continue gathering information about driving EVs in rural America, we will share that with our members on our website, Facebook, and in the *Ohio Cooperative Living* magazine. If you have any questions about electric vehicles, give us a call at 419-426-3072, and we will be happy to discuss them with you.



FORD ESCAPE-PHEV



CHEVY BOLT-EV



JEEP GRAND CHEROKEE 4XE-PHEV



CHEVY BLAZER-EV



FORD F-150 LIGHTNING

ENERGY TO STAY SAFE IN OUR JOURNEY

Safety is our highest priority. We believe that everyone deserves to live and work in a safe environment, which is why we share safety messages with our members, employees, and the public. Safety tips are included on social media, in our newsletters, and during presentations for schools and community groups. We are also proud that our employees are embracing our safety culture, providing candid input when we have near misses, and providing suggestions to make our jobs safer.



We saw increased interest in our live line safety demonstration in 2023. We were invited to many schools, fire departments, and community events. These live line safety demonstrations are available to any community group in our service territory as schedule and time allows. If you are interested in scheduling a demonstration, call the cooperative at **419-426-3072**.



NCE employs a Safety Coordinator on-site at our cooperative. The Safety Coordinator is responsible for conducting safety meetings, putting together a safety committee, performing job site observations, and ensuring everyone stays up-to-date on safety training, CPR certifications, and knowing how to operate an AED.



2024 VIRTUAL ANNUAL MEETING

OFFICIAL NOTICE

In accordance with the regulations of North Central Electric Cooperative, the board of directors hereby gives notice that the cooperative will hold its 88th Annual Meeting of Members on June 11, 2024, at 6 p.m. by way of Zoom.

Members are encouraged to participate in this year's annual meeting through one of two options: 1) viewing the annual meeting livestream through their computer, tablet, or smartphone using the link provided after registration; or 2) calling a specially designated phone number to listen in via the audio-only option.

Registration for the annual meeting is available now on the cooperative's website, and all registered members who attend the meeting will receive a \$25 bill credit. Only one credit will be given per member account. It's important to remember that if your registration does not match your login information, there could be a delay in receiving your bill credit after the annual meeting.

Along with receiving updates on the current happenings at the cooperative, NCE will also recognize David

Green, Steven Seitz, and Ronald Frisch as the board directors for districts 1, 2, and 5, respectively following the uncontested race.

The annual meeting, and our members' participation in it, is part of what makes the cooperative different. We hope to see another large turnout at this year's meeting and encourage questions for the co-op president/CEO and board chair either prior to or during the meeting.

All registered members who attend the annual meeting on June 11 will receive a \$25 bill credit.

If you have any questions about the annual meeting or its process, please contact the NCE office at 419-426-3072 for additional information and assistance.

HOW TO REGISTER & ATTEND

Haven't registered for this year's annual meeting yet? There's still time! Visit the co-op's website at www.ncelec.org/annual-meeting to register online or call us at 419-426-3072 if you need additional assistance.

Registration for the meeting will close 15 minutes before the scheduled start time of 6 p.m. on June 11. Please be aware that if your registration doesn't match the information you log in with, there could be a delay in receiving your \$25 bill credit.



Join via computer or telephone



After registering, you will receive an email confirming your registration with a link to view the annual meeting. You will use this link to join the video broadcast of the annual meeting. We'd suggest making sure your Zoom application is up to date the day before the meeting, and joining on the night of the meeting around 15 minutes prior to the 6 p.m. start time.

If you do not have access to a computer to register, please call the office at 419-426-3072 and someone will assist you with the registration process and provide you with a phone number and passcode to listen in to the annual meeting. You do not need to call in any sooner than 5 minutes prior to the 6 p.m. start time.

ANNUAL MEETING AGENDA

- Presentation of colors and call to order - Chair Rodney Snavelly, District 4
- Invocation - Chief Strategy Officer Justis Clifford
- Proof of mailing - Secretary Kevin Bishop, District 1
- Approval of minutes and board introductions - Rodney Snavelly
- Election and voting results - Attorney Brent Howard
- President's report - Rodney Snavelly
- Buckeye Power update
- President/CEO's report - President/CEO Ed VanHoose
- Questions and answers - Rodney Snavelly & Ed VanHoose
- Unfinished business - Rodney Snavelly
- New business - Rodney Snavelly
- Adjournment - Rodney Snavelly

2023 ANNUAL MEETING MINUTES

The regular annual meeting of the members of North Central Electric Cooperative, Inc. was held virtually using the live stream platform on the cooperative website at 6:00 p.m. on the 13th day of June 2023 in accordance with the provisions of Section 1 of Article III of the Code of Regulations of the Cooperative.

The invocation was given by the Director of Communications, Justis Clifford.

The meeting was called to order by Rodney Snavelly, President of the Cooperative, who presided. Michelle Semer, Assistant Secretary, kept the minutes thereof.

President Snavelly reported that members registered for the meeting, with 447 members being present virtually, and that a list of those members present shall be annexed to these minutes. He then advised the members that in accordance with the provisions of Section 3 of Article III of the Code of Regulations of North Central Electric Cooperative, Inc., those members present constitute a quorum of the members of the Cooperative and that the meeting was ready to proceed with business. The President directed Secretary Bishop to annex the Certificate of Members to the minutes of this meeting.

A true copy of the notice of the meeting, together with the proof of the due mailing thereof to all members of the Cooperative, was directed by the President to be annexed to the minutes of the meeting.

The minutes of the 2022 Annual Meeting of the members of North Central Electric Cooperative, Inc. were approved without being read upon motion made by Lisa Zellner of Eden Township and seconded by Ellen Lynch of Scipio Township, and the motion carried.

President Snavelly introduced the current Board of Trustees.

The meeting was then turned over to the Cooperative's legal counsel Attorney Brent T. Howard of Supance & Howard to report on the election of trustees. Attorney Howard explained

that the race for trustees was uncontested, with each candidate from Districts 1, 2, and 3 being the only persons who submitted nominating petitions bearing at least twenty-five signatures of members from their district. He reported that in accordance with the Code of Regulations, the three candidates, Kevin Bishop of District 1 and Dennis Schindler of District 2, and Nick Wagner of District 3, were deemed elected.

President Snavelly updated members on the NCE headquarters building project, stating that the construction work is coming to a close, and employees are operating under a temporary occupancy permit as they wait for the delivery of the final components necessary to open the building to the public. President Snavelly thanked members for their contributions to the People Fund and introduced its Board members. He encouraged all members to join America's Electric Cooperatives PAC, formally known as ACRE, and reported on the new member advisory committee meeting that took place in May 2023, which included updates from General Manager and reports from Energy Advisor. The code of regulation changes are to be presented to the members during the 2023 Annual meeting, and a presentation from Buckeye Power with their updates.

President Snavelly introduced General Manager Ed VanHoose. General Manager VanHoose recognized the 2023 scholarship winners and reviewed the youth programs available. He reported on the current state of the economy and its impact, fuel costs, supply chain issues, labor shortages, reliability, and Broadband's Tech roadmap.

Subsequently, there was a question-and-answer session between the membership and the President and General Manager.

There being no further business to come before the meeting, President Snavelly declared the meeting adjourned at 6:42 p.m.

APRIL BOARD MEETING HIGHLIGHTS

To provide additional transparency to the membership, highlights of the board meetings each month are published in the monthly *Ohio Cooperative Living* (OCL) magazine. Due to the expansive number of topics and discussions, these are only the highlights. In accordance with the Code of Regulations, full meeting minutes are available to all members in-person at the co-op during regular business hours.

Call to Order

- Meeting was called to order at 5:58 p.m.

Attendance

- All directors were present, as well as legal counsel, and President/CEO. Also present were Chief Operating Officer Brad Warnement, Chief Strategy Officer Justis Clifford, Chief Administrative Officer Andy Ruffing, and Executive Assistant Michelle Semer. Absent was Chief Financial Officer Joshua Long.

Approval of the Consent Agenda

- Consent agenda consisting of prior meeting minutes, new members, collection report, delinquent graph, deceased estates, and outage reports.

Action Items

- Safety reports and CoBank account information were approved as presented. PP305 Safety Policy was approved as amended.

- A motion was made and seconded to appoint Joshua Long, CFO, as assistant treasurer.
- Chair Snavelly appointed the voting delegate and alternate for the 2024 CFC Forum and NCSC Annual Meetings. President/CEO VanHoose is the CFC and NCSC delegate, and Secretary Bishop is the alternate. Chair Snavelly is the NCSC alternate.

Departmental Reports

- Monthly Financial, Operations, Key Accounts/Economic Development, Communications, IT, Weekly report, and Billing department reports reviewed.
- President/CEO VanHoose reported on Cash Flow statement and Financial Analysis.
- CSO Clifford provided the 2024 scholarship statistics and reports from Communication Specialist Addie Martin and Communications Manager Holly Storrow over the 2024 NRECA PowerXchange Conference.

Legal

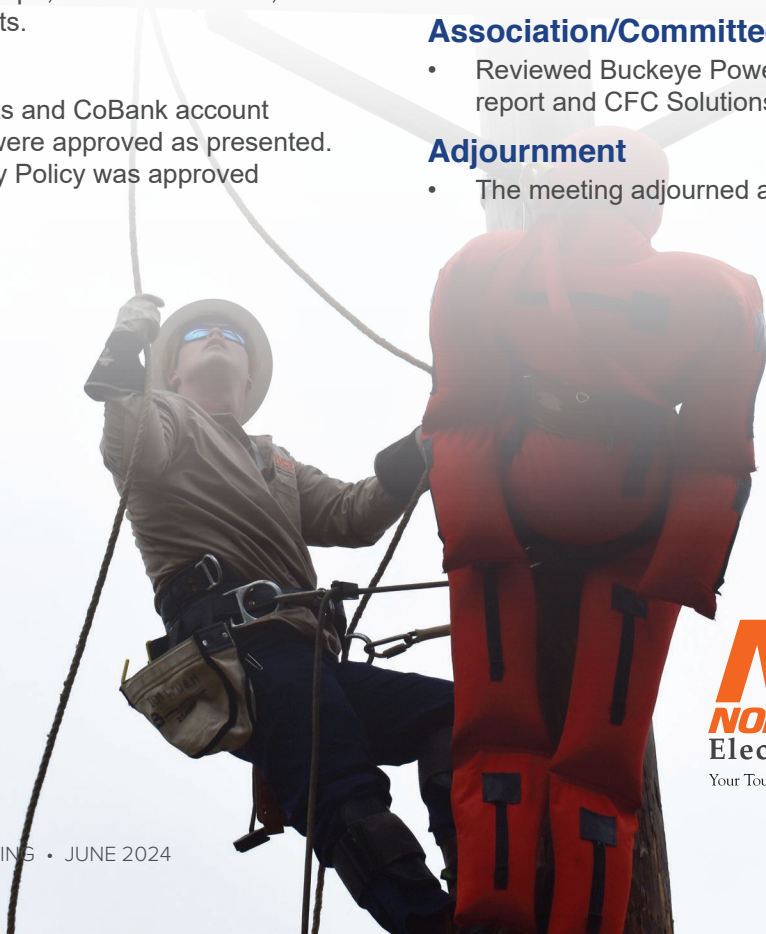
- NRECA Legal Reporting Service Bulletins reviewed.

Association/Committee Reports

- Reviewed Buckeye Power/OREC President's report and CFC Solutions news bulletin.

Adjournment

- The meeting adjourned at 8:22 p.m.



NCE Since 1936
NORTH CENTRAL
Electric Cooperative
Your Touchstone Energy® Cooperative