



..... CHERRYLAND ELECTRIC COOPERATIVE

2025 ANNUAL REPORT



PRESIDENT'S MESSAGE

As we navigate a complex world, I am proud to say that your cooperative continues to chart a steady course that keeps the wind at our backs and our eyes on the horizon. From modernizing our system to launching new programs to planning for the future, we're making the investments needed to deliver reliable, affordable service today and for years to come.



Gabe Schneider, Board President
Cherryland Electric Cooperative

When I look back on 2025, we have a lot to be proud of. This year, we advanced several important grid modernization projects and laid the foundation for your cooperative to continue to offer industry-leading reliability and service into the future.

Here are Some Highlights:

- **Strategic Impact Plan**— Last year, we developed and approved a three-year roadmap for your cooperative. The plan sets a clear direction around emerging technology, rate structure exploration, and continued investment in the tools and facilities that will serve you well into the future.
- **Foundational Technology**— We doubled down on technology in 2025. This year marked two major milestones: the successful upgrade of our system controls to allow us to deploy self-healing grid technology and the

installation of our advanced metering infrastructure. These investments will result in fewer outages and shorter ones when they occur.

- **Data Analytics**—We recognize that we increasingly live in a data-driven world. Last year, we added a data analyst to our team. He is already helping us process the data we have for better decision-making, more efficient operations, and better service for you.
- **Member Programs**—In 2025, we began preparing for three programs that will roll out this year. The first is an extensive energy waste reduction program which launched in January. That program includes expanded rebates, an online marketplace, and other personalized energy-saving resources to help you use energy wisely. Later this year, we will also be launching a prepaid metering program for

those who prefer to pay as they go, as well as a voluntary demand response program for those who can shift their energy use at peak times to save themselves (and the co-op) a little money.

Looking Ahead

The energy industry is changing fast, and your board is taking the long view, making decisions today that strengthen our system and keep us ready for whatever comes next. In 2026, a comprehensive five-year workplan and continued progress on your cooperative's new headquarters will help bolster this work. At the end of the day, these capital investments are all about making sure that when our members need us, we're ready.

Thank you for the trust you place in us. I'm proud to report that your cooperative has stayed focused on what matters most, even as the world around us keeps shifting. It's my honor to serve our cooperative and an even greater one to be a member of it.

"I'm proud to report that your cooperative has stayed focused on what matters most, even as the world around us keeps shifting."

NOTICE OF ANNUAL MEETING CHERRYLAND ELECTRIC COOPERATIVE

The Annual Meeting of the members of Cherryland Electric Cooperative will be called to order at Incredible Mo's in Grawn, Michigan, at 5:30 p.m. on Thursday, June 11, 2026. The following will be brought before the members for their action:

1. The reports of officers, directors, and committees.
2. The election of two directors, one at-large and one from Leelanau County, for terms of three years each.
3. Other business properly brought before the membership.

In-person voting will be available from 4–5:30 p.m.

—Melinda Lautner,
Cherryland Electric Cooperative Board Secretary



CO-OP BY THE NUMBERS

2025



39,944
members



3,236
miles of line
(1,587 OH and 1,649 UG)



12
services
per mile



35,127
poles

99.98%
reliability



MEET THE CANDIDATES

AT-LARGE



David Schweitzer (Incumbent)
Grand Traverse County Resident
Cherryland Member Since 1994

What is your occupation?

I am a Chartered Financial Analyst (CFA) and owner of Schweitzer Capital Group LLC, which I launched in 1996. I have been in the investment industry for forty years and have a degree in Finance and Economics. I also served as an adjunct instructor at Davenport University for ten years, where I taught corporate finance and economics. I have been married to my wife, Debra, for forty years and have two adult daughters

What organizations are you involved with?

- I represent Cherryland on the Wolverine Power Board
- Thrive Medical Board
- NMC Business Advisory Board
- Northpointe Property Owners Board
- Along with my wife, Debra, we are longtime volunteers with Single MOMM.

Why are you interested in serving on the board of directors?

Serving as your director is an immense honor. Cherryland Electric is recognized as a national leader, and I am committed to keeping it that way. My primary focus is ensuring continuous service by delivering best-in-class reliability (as evidenced by our recent weather events), upholding uncompromising standards of safety, and prioritizing affordability through disciplined fiscal management. I answer only to you—the members' interest is the only interest.

How will your skills, connections, and expertise benefit the cooperative?

As a business owner with a financial background, I can provide the financial acumen necessary to maintain a close eye on the cooperative's fiscal health. Excellence isn't a destination; it's a constant pursuit, especially in the fast-paced environment that we live in today. If reelected, I will continue advocating for innovative technologies and common-sense policies to preserve our "best-in-country" status for the next generation. I am grateful for your past support and ask for your vote so we can keep our cooperative strong, safe, and member-focused.



Brian Fenlon
Leelanau County Resident
Cherryland Member Since 2022

What is your occupation?

I work as a production winemaker for Black Star Farms in Leelanau County. This gives me valuable insight into the local agricultural economy, and the complex systems from crop growers to production and distribution of wines. Prior to winemaking I graduated from Ferris State University with a Bachelor's degree in Social Work.

What organizations are you currently involved with?

- Chair of Leelanau County Planning Commission
- Leland Township Planning Commissioner
- Leelanau Energy
- Michigan Association of Planning

Why are you interested in serving on the board of directors?

Being born and raised in Leelanau County, my wife and I are now fortunate to raise our own daughter here. I have a strong passion for public service instilled by my grandparents military and civil service and believe that effective policy can have a positive impact on people's lives. Weather patterns have changed here in northern Michigan, severe (100 year) storms are more frequent and cause more damage. We need to make sure our electrical grid and communications services are prepared for the increasing occurrence of severe weather events such as we've seen in recent years.

How will your skills, connections, and expertise benefit the cooperative?

I have a record of fiscal responsibility as President of the Maplewood Hills Condo Association from 2015-2020. Under my leadership, we balanced the budget of a multimillion dollar condo complex encompassing 61 homes. As an appointee of the Leelanau County Planning Commission since 2023, I studied the materials to provide valued feedback resulting in my election to Vice Chair in 2025 and Chair in 2026. As a Director of Cherryland Electric Cooperative I aim to be a voice of working families in northern Michigan, ensuring reliable service, affordable electric bills, and a sustainable future for generations to come.

LEELANAU COUNTY



Tom Van Pelt (Incumbent)
Leelanau County Resident
Cherryland Member Since 1983

What is your occupation?

I own and assist with the operations on our family farm near Northport. (I am 3rd generation, with 4th & 5th also working the farm).

What organizations are you involved with?

- Leelanau Township Emergency Services
- Leelanau Energy
- Prospectors (A Leelanau County organization that provides scholarships to high school graduates, for both academic and career oriented education)

Why are you interested in serving on the board of directors?

Everyone should be involved within their community. Electricity is needed and used by everyone.

RELIABILITY & AFFORDABILITY impacts all members, residents, and visitors to our beautiful community.

How will your skills, connections, and expertise benefit the cooperative?

My experience as a Credentialed Director, a former Leelanau County Commissioner, and organizational training received as a Captain of Leelanau Emergency Services combined with 2 college degrees have given me the skills to understand Budgets, Policies, and Proper Procedures.

BALANCE SHEET

ASSETS	Audited Dec. 31, 2025	Audited Dec. 31, 2024
Current		
Cash	\$ 121,438	\$ 301,155
Receivables, net	9,056,252	8,746,134
Inventories	1,076,802	1,123,527
Other	799,701	912,401
Total Current Assets	11,054,193	11,083,217
Property, Plant, and Equipment		
Electric distribution plant	141,652,876	132,871,109
Non-utility plant	17,865,355	17,310,117
Right-of-use assets	1,620,416	1,332,505
	161,138,647	151,513,731
Less accumulated depreciation and amortization	54,385,680	53,725,151
Net Property, Plant, and Equipment	106,752,967	97,788,580
Other Assets and Investments		
Restricted cash	280,239	353,426
Investments in associated cooperatives	43,299,144	40,165,839
Capital term certificates	689,869	773,192
Deferred compensation	787,029	638,420
Other assets	3,676,418	4,053,594
Total Other Assets and Investments	48,732,699	45,984,471
TOTAL ASSETS	\$ 166,539,858	\$ 154,856,268
LIABILITIES AND EQUITIES		
Current Liabilities		
Lines of credit	\$ 318,692	\$ 3,869,243
Checks issued against future deposits	225,263	111,133
Accounts payable	5,434,709	6,021,693
Accrued expenses	4,386,256	2,353,079
Member deposits and advances	651,283	547,711
Current portion of long-term debt	3,634,033	3,330,905
Current portion of finance lease obligations	248,463	222,316
Total Current Liabilities	14,898,699	16,456,080
Post-retirement Benefit Obligation, Other than Pensions	0	63,423
Deferred Compensation	787,029	638,420
Long-term Debt, less current portion	79,527,749	74,189,573
Lease Obligations, net of current portion	736,343	672,959
Total Liabilities	95,949,821	92,020,455
Equities		
Patronage capital	62,299,482	56,448,587
Current year margins	8,290,555	6,387,226
Total Equities	70,590,037	62,835,813
TOTAL LIABILITIES AND EQUITIES	\$ 166,539,858	\$ 154,856,268

The balance sheet and statement of operations show the results of the cooperative's electric operations for the calendar year 2025. The Dec. 31, 2025, balance sheet and the related statement of operations for Cherryland's electric operations were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of preceding years. In my opinion, the statements shown here present the financial position of the cooperative's electric operations as of Dec. 31, 2025, and the results of its electric operations for the year under review, according to the information and explanation shown in the records of Cherryland Electric Cooperative.

-Dean Adams, Cherryland Electric Cooperative Board Treasurer

STATEMENT OF OPERATIONS

	Audited Dec. 31, 2025	Audited Dec. 31, 2024
Operating Revenues	\$ 65,229,236	\$ 62,169,565
Operating Expenses		
Cost of power	36,041,839	36,363,189
Depreciation and amortization	5,871,614	4,906,495
Distribution—maintenance	4,362,864	4,390,692
Administrative and general	3,710,077	3,634,794
Distribution—operations	2,375,500	2,193,021
Member service and information	1,651,042	1,527,914
Taxes—property and other	1,693,168	1,614,602
Member accounts	1,411,011	1,503,301
Total Operating Expenses	57,117,115	56,134,008
Operating Margin Before Interest Expense	8,112,121	6,035,557
Interest Expense		
Interest expense on long-term debt	3,644,937	3,229,298
Other interest	191,471	550,635
Total Interest Expense	3,836,408	3,779,933
Operating Margins (Loss) After Interest Expense	4,275,713	2,255,624
Other Income		
Income from associated cooperatives	3,518,637	3,343,636
Other income, net	496,205	787,966
Total Other Income	4,014,842	4,131,602
Net Margins	\$ 8,290,555	\$ 6,387,226

Copies of the cooperative's audited financial statements are available upon request.

CONSUMER COOPERATIVE ACT DISCLOSURE

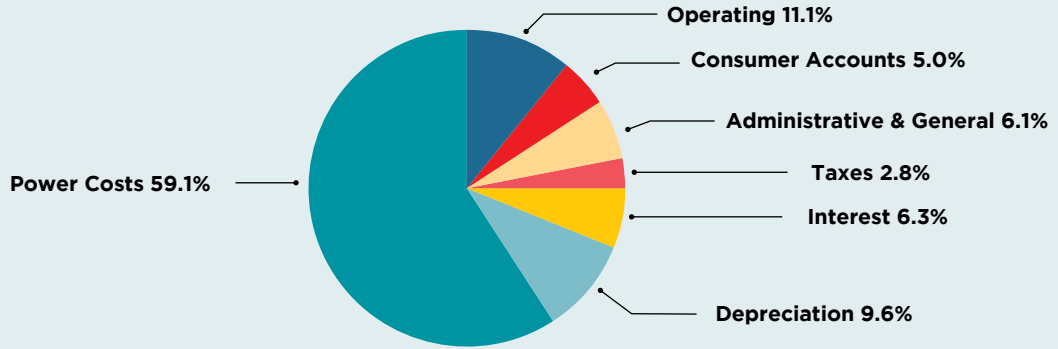
NAME	ADDRESS	EMAIL	TITLE	TERM*
Rachel Johnson	5930 U.S.31 South Grawn, MI 49637	rjohnson@cherrylandelectric.coop	Chief Executive Officer	
Gabe Schneider	5119 Silver Cove Drive Traverse City, MI 49685	gschneider@cherrylandelectric.coop	Director, Grand Traverse/Kalkaska President	2027
Valarie Handy	3858 Lazy Forest Trail Interlochen, MI 49643	vhandy@cherrylandelectric.coop	Director, Benzie/Manistee/Wexford Senior Vice President	2028
Melinda Lautner	12708 S. Solon Road Cedar, MI 49621	mlautner@cherrylandelectric.coop	Director At-Large Secretary	2028
Dean Adams	1980 Evergreen Avenue Traverse City, MI 49696	dadams@cherrylandelectric.coop	Director At-Large Treasurer	2028
Terry Lautner	13718 S. Bugai Road Traverse City, MI 49684	tlautner@cherrylandelectric.coop	Director At-Large	2027
David Schweitzer	4562 Ground Pine Trail Traverse City, MI 49686	dschweitzer@cherrylandelectric.coop	Director At-Large	2026
Tom Van Pelt	6961 N. Overlook Road Northport, MI 49670	tvanpelt@cherrylandelectric.coop	Director, Leelanau	2026

*All terms expire in June.

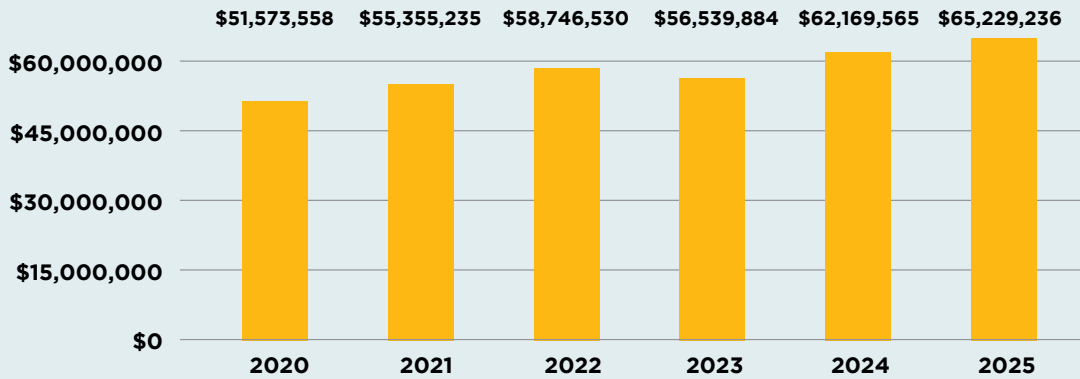
Board members are compensated \$1,100 per board meeting. CEO is compensated \$277,035 annually.

BALANCE SHEET

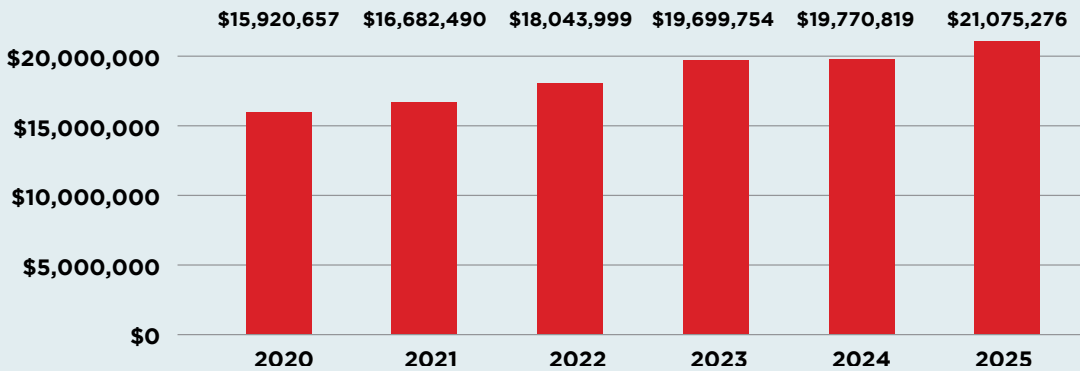
2025 EXPENSES PER DOLLAR



REVENUES



OPERATING EXPENSES



SCHEDULE OF PATRONAGE ASSIGNED TO MEMBERS

