



A *BRIGHTER ENERGY* **FUTURE**

Wake Electric

2018 ANNUAL REPORT

wemc.com > information@wemc.com

BUILDING A **BRIGHTER** ENERGY **FUTURE**



*Jim Mangum,
General Manager & CEO*



*Suzy Morgan,
Board President*

Here at Wake Electric we are focused on providing you safe, reliable, affordable and environmentally sustainable power. As the electric grid evolves, we know that achieving this mission means that we have to develop forward-looking energy solutions that will help us continue to support you, both now and in the years to come.

Every day, we are working alongside members like you to build a brighter energy future for the people, businesses and communities we serve by investing in advancements such as:

- › **Smarter energy use.** Thanks to new technology, our members now have an unprecedented level of control of their energy use. Today's meters provide real-time data regarding how much electricity you're consuming so you can make informed decisions that help save both energy and money.
- › **Better, more efficient power.** Improved monitoring and control of electricity is also enabling us to use it in new and better ways, offering a smarter, cheaper and cleaner alternative to power generated onsite by fossil fuels. Expanding the use of electricity in a variety of industries provides many benefits, including improved energy efficiency, cost savings and lower carbon emissions. Electric vehicles, which are rapidly growing in popularity, are a primary example of this conversion.
- › **A more flexible grid.** The integration of technology is resulting in a more interconnected and flexible electric grid that enables two-way communication between co-ops and their members.

As technology develops further, we will continue to partner with our members to pursue innovative solutions that will help us manage energy use, reduce costs and maintain a high level of service. Learn more about the tools and resources we have available at wemc.com.

Lower electric rates for 2019

For the past several years, Wake Electric's wholesale power costs have been declining. As a result, the Wake Electric board of directors approved a \$2 million rate reduction which began in January 2019. The reduction is in two parts:

- › The separate charge of \$2 per month per meter for NC REPS compliance will be eliminated. While we will still have compliance costs for the North Carolina renewable portfolio standard, those costs will be rolled into the energy rate.
- › The energy charge for the residential rate will drop from 10.944 cents to 10.8 cents.

Please see the new rate schedules on our website for all the details.

Innovative rates give members more options

Wake Electric offers a variety of rates that match your lifestyle and can help you save energy and money.

- › **Time-of-use:** Our time-of-use rate rewards members for shifting their energy use from high use times to lower use times. If you can reduce or shift your energy use for just two hours each weekday you can see significant savings!
- › **Electric vehicle:** Do you charge your electric vehicle at home? If so, you should try one of our electric vehicle rates which offer a discount for charging overnight. Most electric vehicles can be programmed to do this automatically so that you can plug your vehicle in when you get home and save money while you sleep!
- › **Renewable energy:** Wake Electric now offers those who generate their own electricity the ability to combine their generation with a time-of-use rate and save even more!

Wake Electric believes that supporting energy efficiency, renewable resources and electric vehicles is the right thing to do for our members and our community. Give us a call today at 800.474.6300 to learn more about what we can do for you!

Growing to meet member needs

For much of the past decade, Wake Electric has been one of the fastest growing electric cooperatives in the state. As we grow, we are designing and improving our system in ways to improve its efficiency. These efficiencies save our members energy and money while also making our system more resilient to storms. This means fewer and shorter outages for you. When severe weather strikes, and the power does go out these improvements help us restore power quicker and safer.

No matter how much Wake Electric grows, your local electric cooperative will always work to best serve you!



COMMITMENT TO COMMUNITY



Bright Ideas teacher grants
\$50,500



Operation RoundUp grants to nonprofits
\$37,790



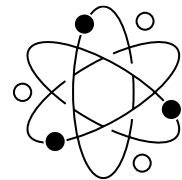
College scholarships
\$21,125



Sent 2 students to Touchstone Energy Sports Camps at NCSU and UNC-Chapel Hill



Sent 2 high school students on Youth Tour to D.C.



Classroom technology grants to public schools and community colleges
\$20,575



Give us an "A" program granted gift cards to students with "A" grades on report cards
\$3,240

COMMITMENT *TO SERVICE*



More than **1,800 members** have taken advantage of **PrePay**, our pay-as-you-go program. No deposit, no late fees and it is easier than putting gas in your car!



Reduce or shift your energy use for two hours a day and save the other 22! Try our **time-of-use rate** today!



More than **50% of members** have signed up for **SmartHub**, our online service that makes paying a bill, requesting service or asking a question even easier.

Wake Electric supports **electric vehicles** with charging stations in our community and a rate that helps our members save the most with their EV.



WE Care Recap for 2018

BEGINNING BALANCE 1/1/2018	\$194,281
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Contributions Received	151,484
Bank Fees/Check Reorder	–
Interest Earned	1,732

TOTAL FUNDS AVAILABLE	\$347,497
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Community Grants

Assistance League of the Triangle
 Autism Society of NC
 Boys and Girls Clubs of NC
 Brassfield Volunteer Fire Department
 Called to Peace Ministries Inc
 Concord Community Center Inc
 Franklin County Cooperative Extension
 Franklin County Education Foundation
 Girl Scouts of NC Coastal Pines
 Hope Reins
 Housing for New Hope Inc
 Inter-Faith Food Shuttle
 Life-Line Outreach Inc
 Meals on Wheels of Wake County
 Middlesex Volunteer Fire Department
 POE Center for Health Education
 Prevent Blindness NC
 Seby B. Jones Arts Center
 Special Olympics of NC
 Transitions Lifecare
 Vance County 4-H
 Wake Forest Chamber Foundation
 Wake Forest Crisis Ministry

COMMUNITY GRANTS TOTAL	\$(37,790)
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Educational

Bright Ideas Teacher Grants	(50,502)
Classroom Technology Grants	(20,575)
2018 Rural Electric Youth Tour	(6,800)
Wake Electric Scholarships	(21,125)
Give Us An "A"	(3,240)

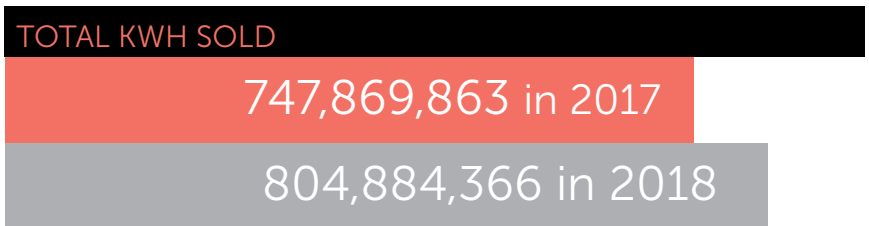
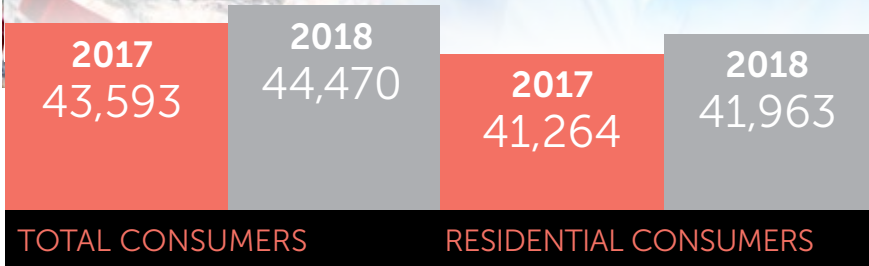
EDUCATIONAL GRANTS TOTAL	\$(102,242)
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MEMBER ASSISTANCE	(19,800)
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ENDING BALANCE 12/31/2018	\$187,665
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Our Consumers



Total miles of line

Transmission	
2017	58
2018	58
Overhead	
2017	1,847
2018	1,844
Underground	
2017	1,371
2018	1,435
Total Miles Energized	
2017	3,276
2018	3,337

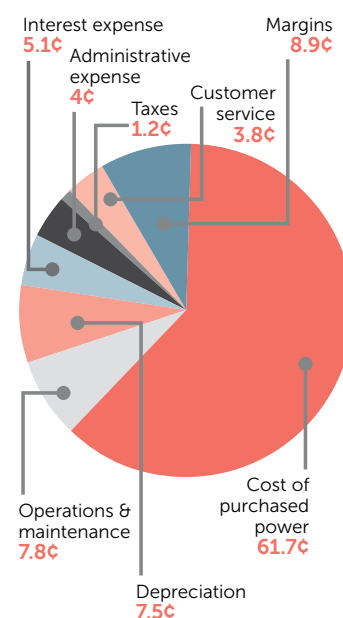
Consolidated Balance Sheets

AS OF DECEMBER 31	2018	2017
ASSETS		
Utility plant		
Property, plant, & equipment	\$254,681,578	\$243,384,575
Less: accumulated depreciation	(66,309,676)	(60,488,793)
Net plant	188,371,902	182,895,782
Construction work in progress	8,074,762	5,816,831
TOTAL NET UTILITY PLANT	196,446,664	188,712,613
OTHER ASSETS		
Investments in associated organizations	20,379,752	18,232,039
Economic development project investments	1,968,725	1,598,317
Other investments	1,810,879	1,810,879
Nonutility property	0	306,246
TOTAL OTHER ASSETS	24,159,356	21,947,481
CURRENT ASSETS & DEFERRED CHARGES		
Cash & cash receivables	531,470	693,115
Accounts receivable, net	10,980,606	10,505,188
Other current assets	3,728,950	5,316,312
Deferred charges	606,683	517,406
TOTAL CURRENT ASSETS & DEFERRED CHARGES	15,847,709	17,032,021
TOTAL ASSETS	\$236,453,729	\$227,692,115
EQUITIES & LIABILITIES		
Equities		
Membership fees	\$199,525	\$191,660
Patronage capital	88,274,252	77,699,823
Other equities	5,150,370	4,966,994
TOTAL EQUITIES	93,624,147	82,858,477
TOTAL LONG-TERM DEBT	112,693,951	114,413,846
CURRENT LIABILITIES		
Current portion of long-term debt	2,503,000	1,834,000
Operating line of credit	5,329,351	5,924,122
Accounts payable & deferred credits	18,791,093	18,983,427
Other accrued liabilities	1,739,387	1,952,142
Consumer deposits	1,772,800	1,726,101
TOTAL CURRENT LIABILITIES	30,135,631	\$30,419,792
TOTAL EQUITIES & LIABILITIES	\$236,453,729	\$227,692,115

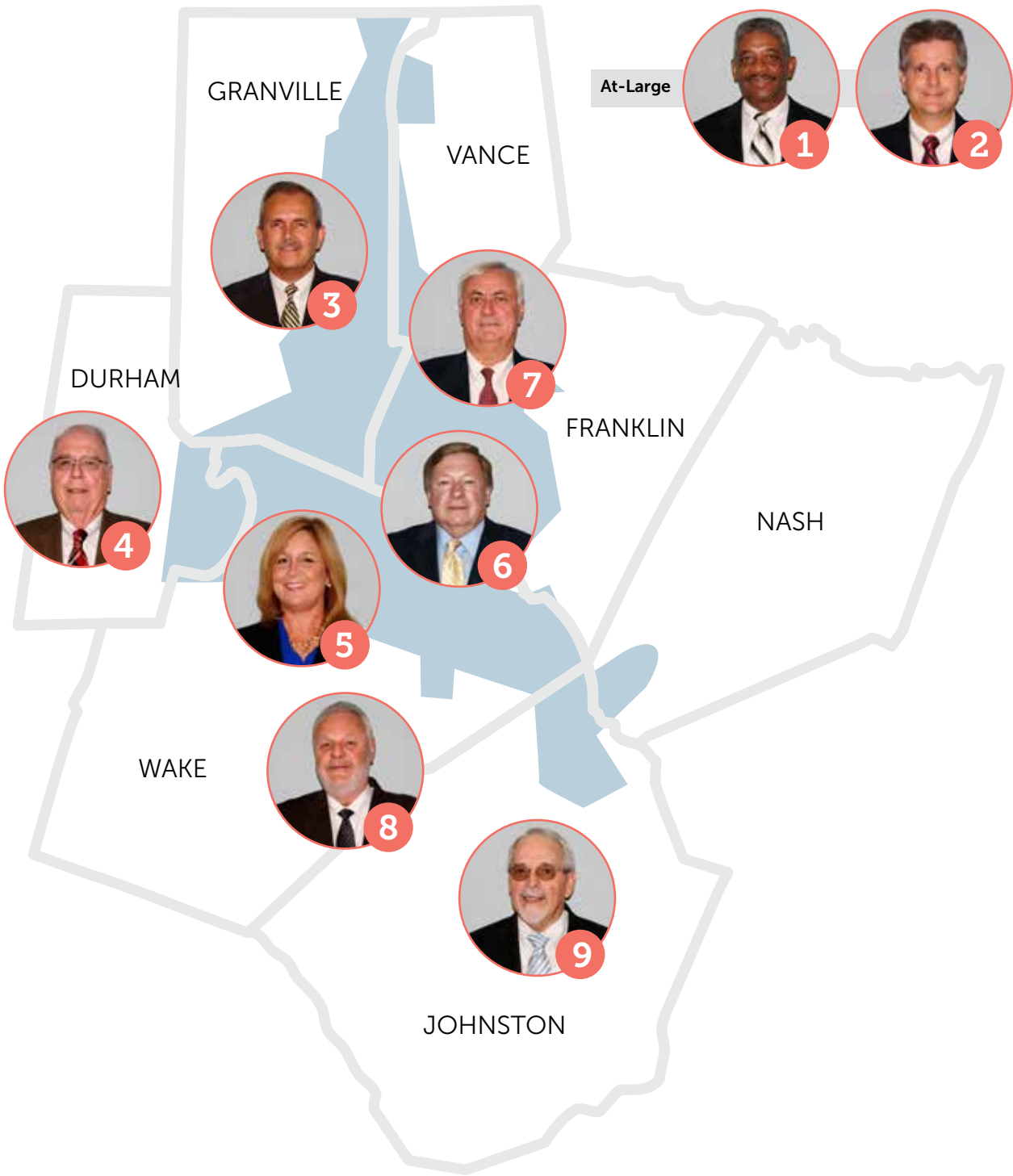
Consolidated Statement of Operations

As of December 31	2018	2017
OPERATING REVENUE	\$97,573,907	\$88,481,742
OPERATING EXPENSES		
Cost of purchased power	60,102,833	54,966,226
Operations & maintenance	7,650,912	5,833,429
Consumer accounting	3,122,017	2,988,012
Consumer service & information	588,516	559,414
Administrative & general	3,998,996	4,251,387
Depreciation	7,303,568	7,063,129
Taxes	1,213,982	1,225,748
TOTAL OPERATING EXPENSE	83,980,824	76,887,345
OTHER INCOME/EXPENSES		
Interest expense on debt	(4,950,926)	(5,292,616)
Patronage capital from other cooperatives	3,152,459	2,595,594
Other income/expenses	147,108	(238,615)
TOTAL OTHER INCOME/EXPENSES	(1,651,359)	(2,935,637)
NET MARGINS	\$11,941,724	\$8,658,760

Wake Electric continues to be one of the fastest-growing co-ops in North Carolina and in the nation. We continue to balance costs, affordability and reliability as part of our continued commitment to our members.

How your co-op dollar was spent in 2018

Wake EMC's financial records were audited by McNair, McLemore, Middlebrooks & Co., LLP, of Macon, GA. The reports for the fiscal years ending December 31, 2018 and 2017 are available for review at the cooperative's facility in Youngsville, NC.



At-Large

District 1 | Allen Nelson
District 2 | Greg Fuller
District 3 | Mike Dickerson, Vice President

District 4 | Joe Hilburn, Jr.
District 5 | Suzy Morgan, President
District 6 | Bob Hill, Treasurer

District 7 | Rodney Privette
District 8 | Joe Eddins, Secretary
District 9 | Reuben Matthews



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