

# Here for you



**Wake Electric**  
**2019 ANNUAL REPORT**  
wemc.com  information@wemc.com



# Here for you



**Jim Mangum**  
GENERAL MANAGER & CEO



**Suzy Morgan**  
BOARD PRESIDENT

Wake Electric is your local cooperative, and as such, we are here to improve the lives of our members by partnering with them to provide affordable, reliable energy.

Typically, our annual report is a recap of the previous year's accomplishments. A snapshot of the health and vitality of your cooperative, a report on how we have been working toward that mission.

Given all of the challenges our world has faced in 2020 as a result of COVID-19, we wanted to use some of this space to address what we've done to help members through this crisis.

In early March as the impact to our area continued to grow, Wake Electric took decisive action to help our members through this challenging time.

These actions included:

- ▶ **Suspended disconnections** for nonpayment for all accounts, reconnected members who had previously been disconnected and **waived late fees**.
- ▶ **Returned more than \$300,000 in deposits** to members facing financial hardship as a result of the pandemic.
- ▶ **Returned \$2 million in capital credits early** to assist members affected by the pandemic.
- ▶ **Extended our payment arrangement** policy to give members more time to pay their bills.
- ▶ **Delayed** our annual meeting.
- ▶ **Closed** our offices to the public to slow the spread of the virus and protect our employees.
- ▶ **Instituted** work from home policies where possible and social distancing protocols in our office to ensure we continued to deliver you the quality service you have come to expect.

We know that the pandemic will impact our members for years to come, and we are dedicated to helping support our members in need. If you or someone you know is in need of assistance, we encourage you to contact us at [information@wemc.com](mailto:information@wemc.com) or call us at 919.863.6300 or 800.474.6300.

## Helping you manage your energy bill

Even before the pandemic, Wake Electric was dedicated to helping you manage your energy use. Our goal is to best serve you and we wanted to highlight a few things that might help you do that.

### Lower energy rates for 2020

Wake Electric is a not-for-profit cooperative, which means every dollar we spend comes from our members and every dollar we save goes right back to those members. Through strong management of our wholesale power costs, Wake Electric has been able to reduce rates two years in a row.

In January, we lowered our residential rates to 10.7 cents per kilowatt hour. This means an average savings of about \$14 per member per year.

### Innovative rates can help you save even more

Members have several different rate options that can help them save even more.

- **Time-of-use:** Our time-of-use rate rewards members for shifting their energy use from high use times to low 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 own an electric vehicle? 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 offers those who generate their own electricity the ability to combine their generation with a time-of-use rate and save even more!

### Returning money to members

Last December, Wake Electric returned more than \$2 million to members as capital credits. In July, Wake Electric will return an additional \$2 million of capital credits to help those impacted by COVID-19.

When you signed up to receive electric service from Wake Electric, you became a member of an electric cooperative. While investor-owned utilities like Duke Energy return profits back to their shareholders, electric co-ops return profits to the members who use their service.

Wake Electric is here to support our members and our community. Give us a call today at 800.474.6300 to learn more about what we can do for you!



# Commitment to Community



 **Bright Ideas**  
EDUCATION GRANTS  
**\$50,635**



Operation RoundUp grants to nonprofits

**\$24,920**



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

**\$21,378**

Give us an "A" program granted gift cards to students with "A" grades on report cards

**\$3,112**



College scholarships

**\$26,625**



# Commitment to Service



- More than **1,900 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 **60% 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 2019

<b>BEGINNING BALANCE 1/1/2019</b>	<b>\$187,665</b>
Contributions Received	148,446
Bank Fees/Check Reorder	(659)
Interest Earned	1,787
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$337,239</b>

### Community Grants

- Alice Aycock Poe Center for Health Education
- American Red Cross
- Assistance League of the Triangle
- Autism Society of North Carolina
- Boys and Girls Clubs of North Carolina
- Care & Share of Franklin County
- Corinth Volunteer Fire Department
- Girl Scouts North Carolina Coastal Pines
- Made4Me
- Meals on Wheels of Wake County
- Mercy for America's Children
- Middlesex Volunteer Fire Department
- Optimist International Foundation
- Special Olympics of North Carolina
- Wake Forest Chamber Foundation for Common Progress
- Wilton Elementary School

<b>COMMUNITY GRANTS TOTAL</b>	<b>\$(24,920)</b>
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### Educational

Bright Ideas Teacher Grants	(50,635)
Classroom Technology Grants	(21,378)
2018 Rural Electric Youth Tour	(7,000)
Wake Electric Scholarships	(26,625)
Give Us An "A"	(3,112)

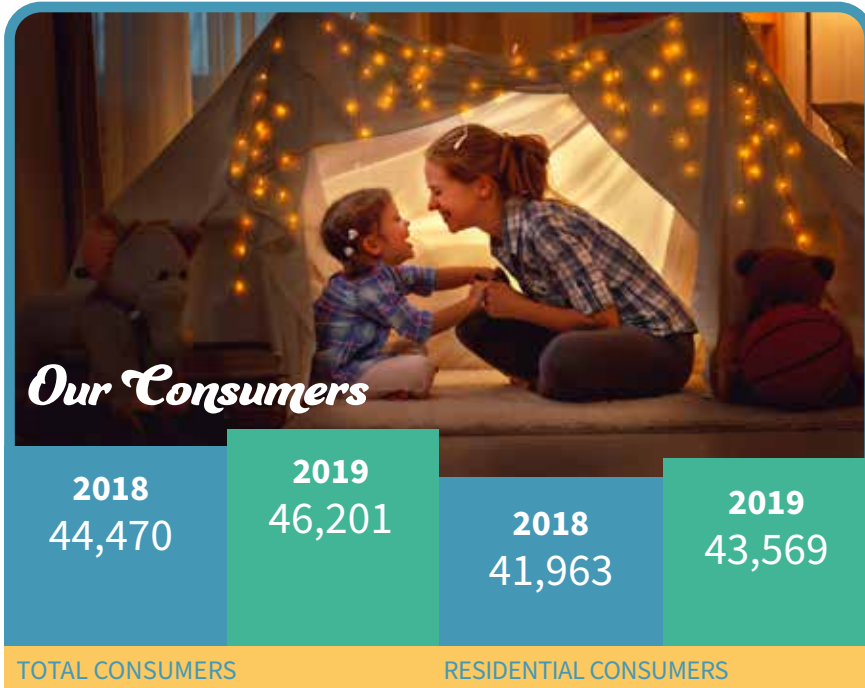
<b>EDUCATIONAL GRANTS TOTAL</b>	<b>\$(108,750)</b>
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<b>MEMBER ASSISTANCE</b>	<b>(15,800)</b>
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<b>ENDING BALANCE 12/31/2019</b>	<b>\$187,769</b>
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# Commitment in the Field



## Total miles of line

### Transmission

2018	58
2019	58

### Overhead

2018	1,844
2019	1,841

### Underground

2018	1,435
2019	1,495

### Total Miles Energized

2018	3,337
2019	3,394

## RESIDENTIAL KWH SOLD (EXCLUDING SEASONAL)

629,950,204 in 2018

627,362,199 in 2019

## TOTAL KWH SOLD

804,884,366 in 2018

811,376,536 in 2019

## AVERAGE MONTHLY KWH/RESIDENTIAL CONSUMERS

1,251 in 2018

1,200 in 2019



## Consolidated Balance Sheets

AS OF DECEMBER 31	2019	2018
<b>Assets</b>		
<b>UTILITY PLANT</b>		
Property, plant, & equipment	\$264,190,296	\$254,681,578
Less: accumulated depreciation	(72,521,855)	(66,309,676)
Net plant	191,668,441	188,371,902
Construction work in progress	12,419,985	8,074,762
<b>TOTAL NET UTILITY PLANT</b>	<b>204,088,426</b>	<b>196,446,664</b>
<b>OTHER ASSETS</b>		
Investments in associated organizations	22,587,550	20,379,752
Economic development project investments	1,865,859	1,968,725
Other investments	1,734,175	1,810,879
Nonutility property	0	0
<b>TOTAL OTHER ASSETS</b>	<b>26,187,584</b>	<b>24,159,356</b>
<b>CURRENT ASSETS &amp; DEFERRED CHARGES</b>		
Cash & cash receivables	466,521	531,470
Accounts receivable, net	10,793,883	10,980,606
Other current assets	4,135,768	3,728,950
Deferred charges	430,770	606,683
<b>TOTAL CURRENT ASSETS &amp; DEFERRED CHARGES</b>	<b>15,826,942</b>	<b>15,847,709</b>
<b>TOTAL ASSETS</b>	<b>\$246,102,952</b>	<b>\$236,453,729</b>

### Equities & Liabilities

<b>EQUITIES</b>		
Membership fees	\$207,000	\$199,525
Patronage capital	95,325,506	88,274,252
Other equities	5,664,729	5,150,370
<b>TOTAL EQUITIES</b>	<b>101,197,235</b>	<b>93,624,147</b>
<b>TOTAL LONG-TERM DEBT</b>	<b>111,831,841</b>	<b>112,693,951</b>
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	4,206,743	2,503,000
Operating line of credit	9,513,812	5,329,351
Accounts payable & deferred credits	15,826,314	18,791,093
Other accrued liabilities	1,735,873	1,739,387
Consumer deposits	1,791,134	1,772,800
<b>TOTAL CURRENT LIABILITIES</b>	<b>33,073,876</b>	<b>30,135,631</b>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<b>\$246,102,952</b>	<b>\$236,453,729</b>

## Consolidated Statement of Operations

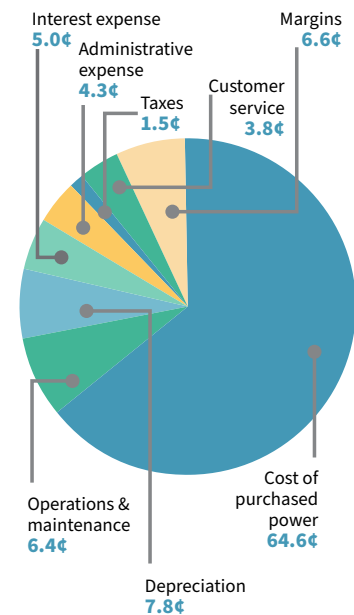
As of December 31	2019	2018
<b>OPERATING REVENUE</b>	<b>\$97,228,590</b>	<b>\$97,573,907</b>
<b>OPERATING EXPENSES</b>		
Cost of purchased power	62,760,737	60,102,833
Operations & maintenance	6,212,769	7,650,912
Consumer accounting	3,109,979	3,122,017
Consumer service & information	579,527	588,516
Administrative & general	4,240,746	3,998,996
Depreciation	7,625,856	7,303,568
Taxes	1,486,138	1,213,982
<b>TOTAL OPERATING EXPENSE</b>	<b>86,015,752</b>	<b>83,980,824</b>
<b>OTHER INCOME/EXPENSES</b>		
Interest expense on debt	(4,826,128)	(4,950,926)
Patronage capital from other cooperatives	2,954,433	3,152,459
Other income/expenses	172,193	147,108
<b>TOTAL OTHER INCOME/EXPENSES</b>	<b>(1,699,502)</b>	<b>(1,651,359)</b>
<b>NET MARGINS</b>	<b>\$9,513,336</b>	<b>\$11,941,724</b>

## 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 2019



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, 2019 and 2018 are available for review at the cooperative's facility in Youngsville, NC.

# Board of Directors

**At-Large**

**District 1** | Allen Nelson

**District 2** | Greg Fuller

**District 3** | Mike Dickerson, Vice President

**District 4** | Joe Hilburn

**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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