

Committed to Our
COMMUNITY



WAKE ELECTRIC 2020 ANNUAL REPORT

wemc.com | information@wemc.com

Commitment to YOU



JIM MANGUM
GENERAL MANAGER & CEO



SUZY MORGAN
BOARD PRESIDENT

Wake Electric line crews are ready to take care of our members 24 hours a day, 7 days a week, 52 weeks a year.

The effects of the pandemic will impact our members for years to come, and we are dedicated to helping support our members in need. Here are just a few of the ways we have tried to help.

- **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.
- **Returned \$2 million in capital credits** early to assist members.
- **Extended our payment arrangement policy** to give members more time to pay their bills.
- **Delayed our annual meeting** and then conducted it via drive through voting to ensure the safety of our members and employees.
- **Closed our offices to the public** to slow the spread of the virus.
- **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.
- **Donated scrap aluminum** for mask nose-strip production.

If you or someone you know is in need of assistance, we encourage you to contact us at information@wemc.com or call us at 919.863.6300 or 800.474.6300.



Volunteer Renae Hill (left) and project lead Dean Verhoeven (right) work alongside a local veteran to produce metal strips for face masks at the American Legion of Wake Forest.



A Community Banding Together

During a year of unforeseen challenges, we have witnessed communities working together in many different ways displaying the spirit of cooperation. This past year, Wake Electric covered the story of Wake Forest resident and small-business owner Dean Verhoeven's great idea to help his community during the COVID-19 pandemic. Using his skills as a metalsmith, Verhoeven began re-purposing scrap metal into nose strips for homemade face masks. His search for scrap metal led him to the local electric cooperative, Wake Electric.

"When he came to us looking for aluminum scrap cable to help make metal strips for face masks, I knew he had come to the right place," said Don Bowman, vice-president of engineering & operations at Wake Electric.

Initially working from his own workshop, Verhoeven and a small group of volunteers began making

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and shipping hundreds of metal nose strips to people making homemade cloth masks. In order to accommodate the growing operation, new volunteers were recruited and the operation moved from his workshop to the Corner of Wake Forest building and then to the American Legion

Post 187 in Wake Forest.

"There are many things that have made this project successful, but the main thing has been our community banding together. We have volunteers ranging from teenagers to senior citizens and I myself am a veteran. This has been a very humbling,

rewarding, enjoyable experience and we are grateful the community in Wake Forest is helping to make a difference all across the world," said Renae Hill, one of the original volunteers who has been with the project since April 2020.

Since the start of this project, Verhoeven and his dedicated team of volunteers have produced and shipped 135,000 metal nose strips all over the world including Australia, Canada, Iceland and England to name a few.

"We'll continue to do that as long as there's demand. I really believe that these strips make masks more comfortable, easier to wear and more effective. I want to make sure they continue to be available as long as they're needed," Verhoeven said. These metal strips are available through Verhoeven's Joeveo company website at Joveo.com and are being given away just for the price of shipping.

"Wake Electric is thankful for the opportunity to provide scrap metal for this operation," Bowman said. "We are proud of all the hard work and community cooperation it has taken to make this project such a success."

Commitment to Our **COMMUNITY**

Give us an "A" program granted gift cards to students with "A" grades
\$2,011



Member assistance
\$23,965

Classroom technology grants to public schools and community colleges
\$22,769


Operation RoundUp grants to nonprofits
\$37,158



College scholarships
\$24,575

 **Bright Ideas**
EDUCATION GRANTS
\$53,910



\$103,264 Total amount dedicated to educational grants

Commitment to SERVICE

The Next Thing in Neighborhoods

A family sits around the dining room table kicking off their weekend with a family game night. Suddenly a crack of thunder rolls outside the home, and the lights go out. While the kids panic, the parents stay calm and before you can say “Yahtzee” the power is back on. Power outages have just about become a thing of the past for the residents of the Eagle Chase neighborhood. This is the dream Wake Electric and Winslow Homes are building and testing in one Youngsville neighborhood. If this pilot program runs smoothly it could be a model for more neighborhoods built in the future.



The project got underway when Winslow Homes discussed installing whole home generators at each of the 31 homes they were planning to build. After some research, Wake Electric recommended developing a microgrid and installing a 300-kilowatt generator, and in partnership with North Carolina Electric Membership Corporation (NCEMC), adding a 1-megawatt-hour/500 kilowatt Tesla PowerPack battery system. Residents of the neighborhood will pay a resiliency fee for Wake Electric to maintain the system and will enjoy the benefits of increased reliability and resiliency.

The generator is enough to power the entire neighborhood for up to 36 hours when thunderstorms, ice, accidents or even proactive maintenance might have otherwise meant a power outage. The system also saves the expense and noise of installing and operating 31 separate generators.

When the weather is good and the microgrid is not needed for power during an outage it can provide power back to the main grid which increases reliability, resiliency and helps save money for all Wake Electric members. Homes are still under construction with plans to be completed by the end of the year.

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WeCare Recap for 2020

BEGINNING BALANCE 1/1/2020	\$187,769
Contributions Received	149,293
Bank Fees/Check Reorder	—
Interest Earned	876
TOTAL FUNDS AVAILABLE	\$337,938

Community Grants

- Alice Aycock Poe Center for Health Education
- Assistance League of the Triangle
- Autism Society of NC
- Bullock Volunteer Fire Department
- Granville County Extension Volunteer Association
- Habitat for Humanity of Wake County
- Hope House Inc
- Life Line Outreach
- Louisburg College
- Meals on Wheels of Wake County
- Middlesex Volunteer Fire Department
- NC Cooperative Extension of Franklin County
- Northeast Wake Backpack Buddies
- Prevent Blindness NC
- Transitions Lifecare
- Tri-Area Ministry
- Watkins Volunteer Fire Department

COMMUNITY GRANTS TOTAL	\$(37,158)
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Educational

Bright Ideas Teacher Grants	(53,910)
Classroom Technology Grants	(22,769)
Wake Electric Scholarships	(24,575)
Give Us An “A”	(2,011)

EDUCATIONAL GRANTS TOTAL	\$(103,264)
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MEMBER ASSISTANCE	(23,965)
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ENDING BALANCE 12/31/2020	\$173,551
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Commitment in the **FIELD**

Our Consumers



Total miles of line

Transmission

2019	58
2020	58

Overhead

2019	1,841
2020	1,839

Underground

2019	1,495
2020	1,559

Total Miles Energized

2019	3,394
2020	3,456

RESIDENTIAL KWH SOLD (EXCLUDING SEASONAL)

627,362,199 in 2019

622,467,590 in 2020

TOTAL KWH SOLD

811,376,536 in 2019

793,517,116 in 2020

AVERAGE MONTHLY KWH/RESIDENTIAL CONSUMERS

1,200 in 2019

1,144 in 2020



Consolidated Balance Sheets

AS OF DECEMBER 31	2020	2019
Assets		
UTILITY PLANT		
Property, plant, & equipment	\$279,110,340	\$264,190,296
Less: accumulated depreciation	(76,805,481)	(72,521,855)
Net plant	202,304,859	191,668,441
Construction work in progress	14,035,048	12,419,985
TOTAL NET UTILITY PLANT	216,339,907	204,088,426
OTHER ASSETS		
Investments in associated organizations	24,529,707	22,587,550
Economic development project investments	1,617,463	1,865,859
Other investments	1,661,880	1,734,175
Nonutility property	0	0
TOTAL OTHER ASSETS	27,809,050	26,187,584
CURRENT ASSETS & DEFERRED CHARGES		
Cash & cash receivables	84,785	466,521
Accounts receivable, net	11,836,168	10,793,883
Other current assets	4,122,694	4,135,768
Deferred charges	231,065	430,770
TOTAL CURRENT ASSETS & DEFERRED CHARGES	16,274,712	15,826,942
TOTAL ASSETS	\$260,423,669	\$246,102,952

Equities & Liabilities

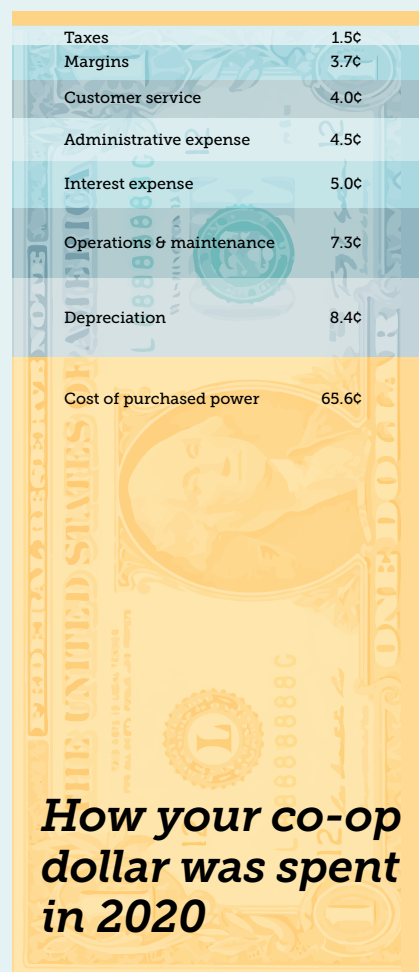
EQUITIES		
Membership fees	217,310	207,000
Patronage capital	99,756,148	95,325,506
Other equities	5,912,712	5,664,729
TOTAL EQUITIES	105,886,170	101,197,235
TOTAL LONG-TERM DEBT	117,652,238	111,831,841
CURRENT LIABILITIES		
Current portion of long-term debt	5,221,245	4,206,743
Operating line of credit	13,890,730	9,513,812
Accounts payable & deferred credits	14,529,075	15,826,314
Other accrued liabilities	1,977,205	1,735,873
Consumer deposits	1,267,006	1,791,134
TOTAL CURRENT LIABILITIES	36,885,261	33,073,876
TOTAL EQUITIES & LIABILITIES	\$260,423,669	\$246,102,952

Consolidated Statement of Operations

AS OF DECEMBER 31	2020	2019
OPERATING REVENUE	\$94,116,245	\$97,228,590
OPERATING EXPENSES		
Cost of purchased power	61,612,976	62,760,737
Operations & maintenance	6,895,310	6,212,769
Consumer accounting	3,161,979	3,109,979
Consumer service & information	582,064	579,527
Administrative & general	4,266,318	4,240,746
Depreciation	7,899,239	7,625,856
Taxes	1,434,909	1,486,138
TOTAL OPERATING EXPENSE	85,852,795	86,015,752
OTHER INCOME/EXPENSES		
Interest expense on debt	(4,751,549)	(4,826,128)
Patronage capital from other cooperatives	3,150,447	2,954,433
Other income/expenses	167,448	172,193
TOTAL OTHER INCOME/EXPENSES	(1,433,654)	(1,699,502)
NET MARGINS	\$6,829,796	\$9,513,336

Wake Electric

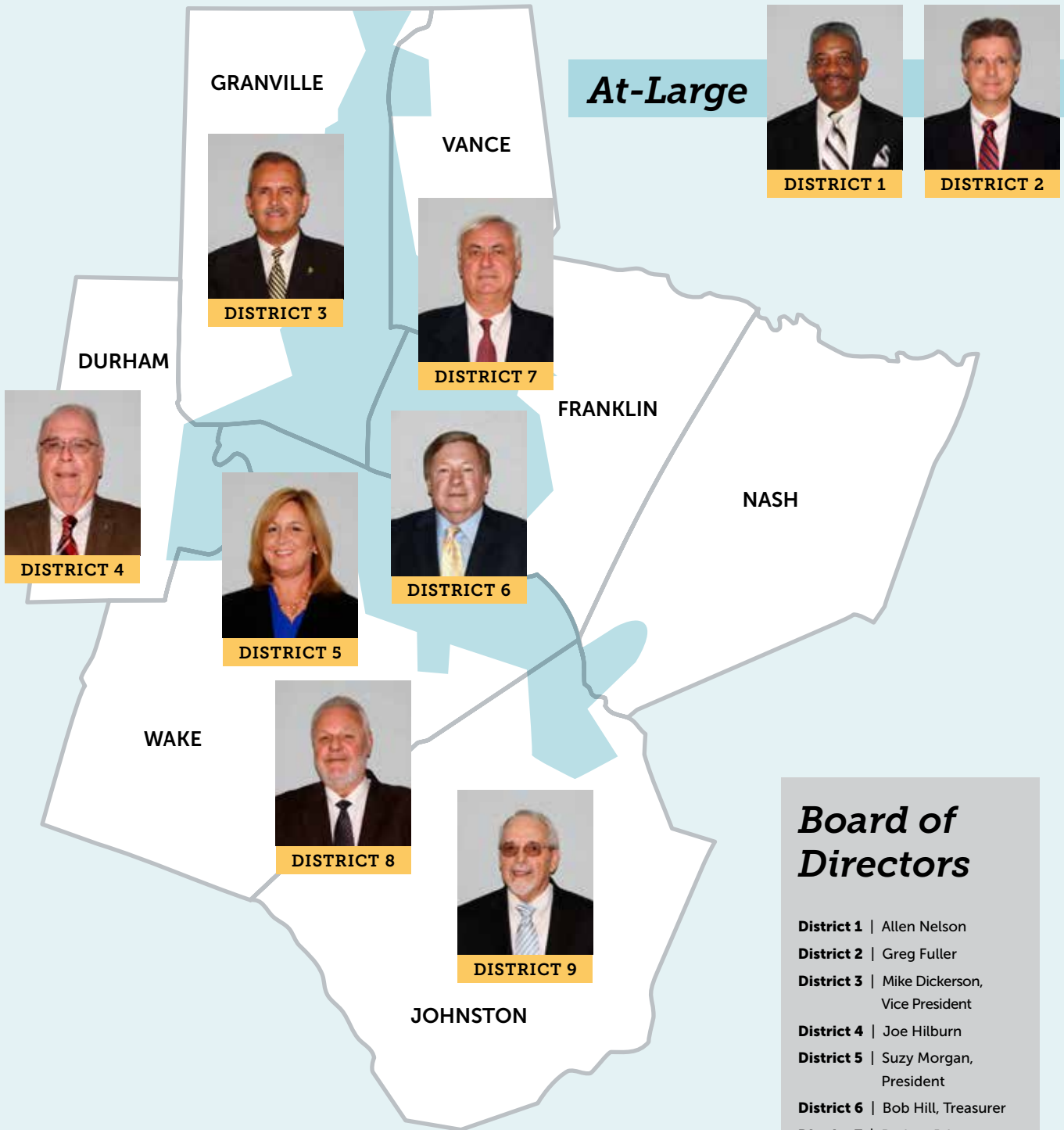
continues to be one of the fastest-growing co-ops in North Carolina and in the nation. We continue to balance costs, affordability and reliability as part of our continued commitment to our members.



How your co-op dollar was spent in 2020

Wake Electric's financial records were audited by McNair, McLemore, Middlebrooks & Co., LLP, of Macon, Ga. The reports for the fiscal years ending December 31, 2020 and 2019 are available for review at the cooperative's facility in Youngsville.

Commitment to our **REGION**



At-Large



DISTRICT 1



DISTRICT 2

Board of Directors

- 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