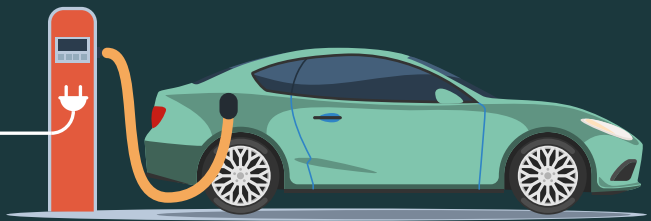
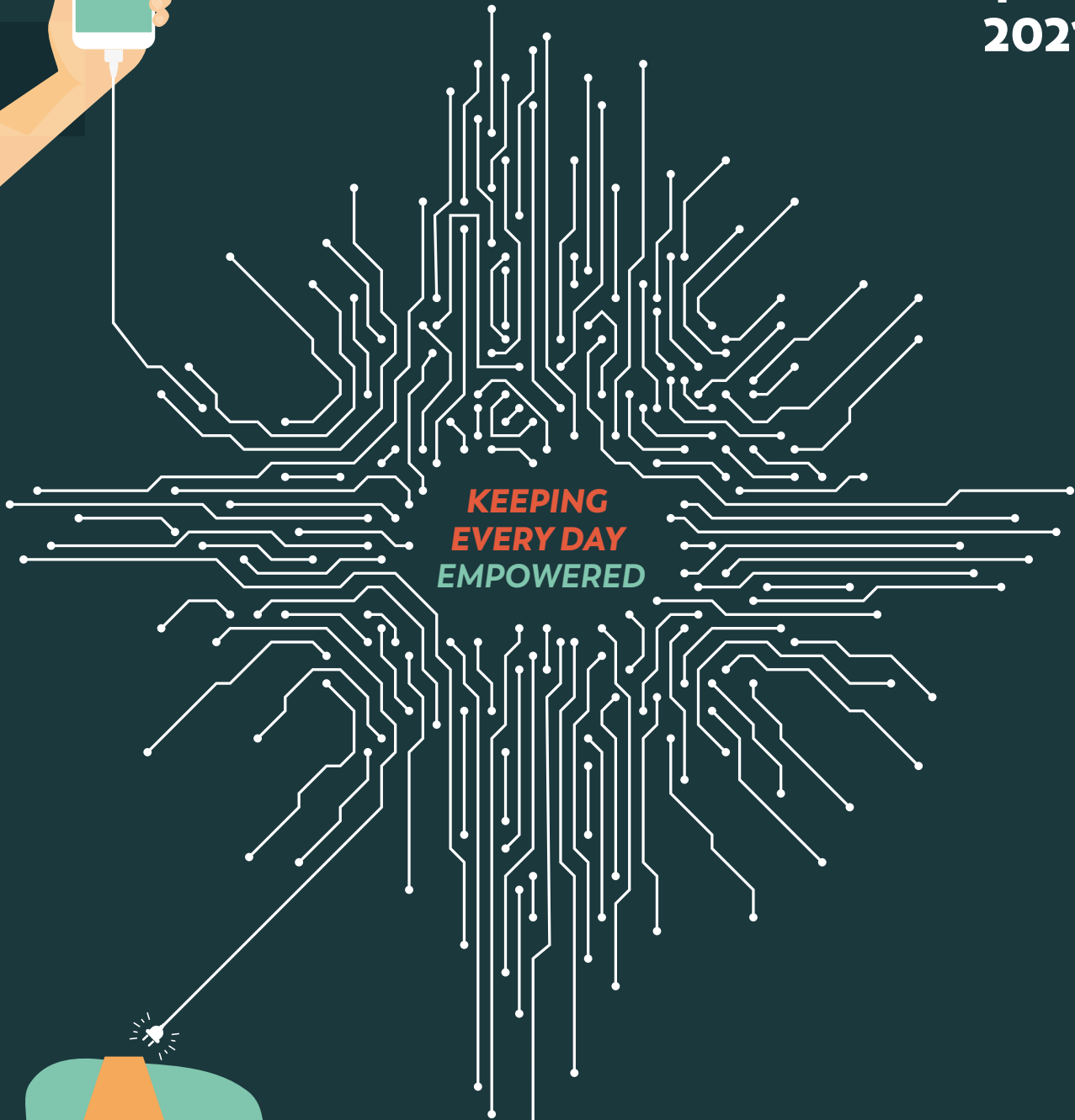
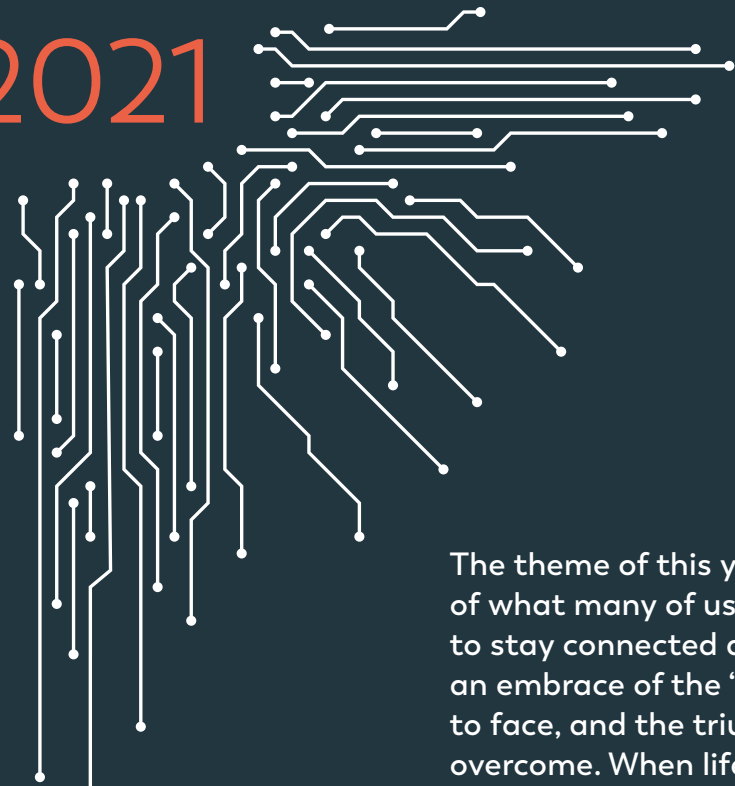


Annual Report 2021

**KEEPING
EVERY DAY
EMPOWERED**



2021



The theme of this year's annual report is reflective of what many of us felt 2021 to symbolize. A need to stay connected despite the social distance, an embrace of the "new normal" we've all come to face, and the triumph of the human spirit to overcome. When life hands you lemons, it seems, we have made lemonade, created empowering outcomes, and then some. Just take a look inside this 2021 Annual Report, and it will prove it.



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A LETTER FROM THE CEO & PRESIDENT

After the uncertainty of 2020, many of us looked to 2021 with welcome relief — and in many ways, the year met those expectations. We saw humanity pivot to adapt within new conditions, we saw travel begin to resume in small but profound ways, and we began reconnecting with others within our communities. And though things were far from the normal we once knew, we adapted to this “new normal” in ways big, small — and always empowering.

Our mission to keep **Every Day Empowered** has never been more urgent or more needed. And every day this past year, I have had the privilege to see this in action, as members, industries and community pillars of every size look to our cooperative to keep their lives, businesses and vital growth humming along. Those working from home counted on our 99.99% reliability rating to connect to colleagues the same way that many new developments, institutions and companies relied on us for their vital expansion.

2021 confirmed to us what we already knew to be true — that care and compassion are vital to both a thriving company and a close-knit community. This past year, we developed a new framework to help strengthen our teams and deliver success both internally as a cooperative and externally within the communities where we live and serve. Our company-wide communication improvement initiative has been instrumental in creating collaborative shifts, sparking interesting discourse and bonding teams across divisions. The result? Improved company morale in a time when global resignations have never been higher, and even more positive feedback from members across our service areas.

I'm proud of all that we've accomplished in 2021, both as a cooperative and as a community. I can't wait to share with you the economic development, sustainability and affordability advancements that we have made in the past year, and hope that you find this annual report as inspiring as I have.

I look forward to seeing the future unfold in even more positive and impactful ways. And by keeping **Every Day Empowered**, it sure feels like we're on the right track.

Sincerely,

H. Wayne Wilkins



Dr. Max Walser



OUR PROMISE TO YOU



For over 80 years, we have remained consistent in our commitment to our core values, mission, vision and purpose. It's through these principles that we've defined ourselves as not only an energy services provider but also as a community leader. This is a tradition that's over eight decades strong, and it's one we don't intend on breaking anytime soon.

OUR CORE VALUES



SAFETY To keep our employees, members and communities safe, we operate with safety protocols to protect the good of all involved. Safety is first on our list because it's the foundation of our co-op and our community.



INTEGRITY We trust each other, and through a collaborative effort, decisions affecting all aspects of our business are made — and full cooperation to support these efforts is expected. It's a different approach to business and one that we will always live by.

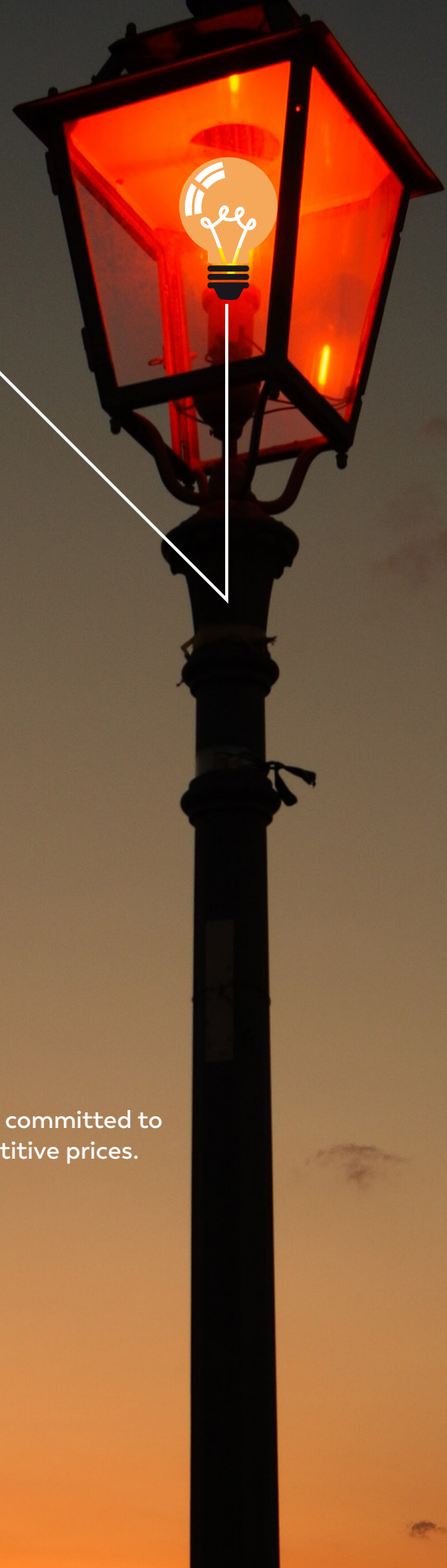


COMMITMENT We are dedicated to our members, customers, employees, communities and to ourselves. We do what we say we will do and maintain our tradition of citizenship and service with actions that demonstrate care for the people we serve.



EXCELLENCE Like they say, there's always room for improvement and our pillar of excellence is no exception. We continually strive to improve our products and services so that we all can prosper both as individuals and as a corporation.

- **OUR MISSION**
EnergyUnited is a member-owned business committed to delivering reliable energy services at competitive prices.
- **OUR VISION**
EnergyUnited strives to be the leading energy services cooperative.
- **OUR PURPOSE**
To improve the quality of life for our members, customers and communities.



EXECUTIVE STAFF AND SERVICE AREAS

EXECUTIVE STAFF

H. Wayne Wilkins
Chief Executive Officer

Alec Natt
Chief Financial Officer

Brett Alkins
Vice President
Energy Services

Steve McCachern
Vice President
Energy Delivery

Thomas Golden
Chief Operating Officer

Pam Britt
Vice President
Human Resources

Gaudy Jandron
Vice President
Information Technology

2021 BOARD OF DIRECTORS

DISTRICT 1



Jerry Anderson



Edgar Cartner
Vice President



Ann Eller

DISTRICT 2



Dr. Max Walser
President



Ronnie Harrison
Treasurer



Glenn Smith

DISTRICT 3



Craig Black



Brian Sisson



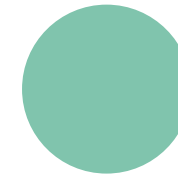
Cheryl Wright

Longtime EnergyUnited director, **Glenn Smith**, passed away Monday, December 13, 2021, due to complications caused by COVID-19. Smith devoted more than four decades of his life to serving our members. Smith's service to the cooperative began in 1977 as a member of the Davidson EMC Board of Directors and he served on the EnergyUnited Board of Directors from its inception in 1998. We, as a cooperative, were so lucky to have Glenn as a member of our Board and serve our members for so long. He will be greatly missed.

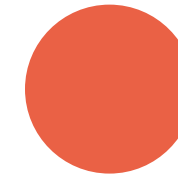
SERVICE AREAS

We're excited to announce that our membership grew in 2021 across our 19-county service area, and we are proud to now serve nearly 135,000 meters. This has impacted the diversity of thought and talent within our areas and led to even more exciting community development. Additionally, we've seen an increase in our Operation Round-Up participants, and with the help of the EnergyUnited Foundation extended more than \$300,000 (2021) grants to organizations, individuals and educators across the state.

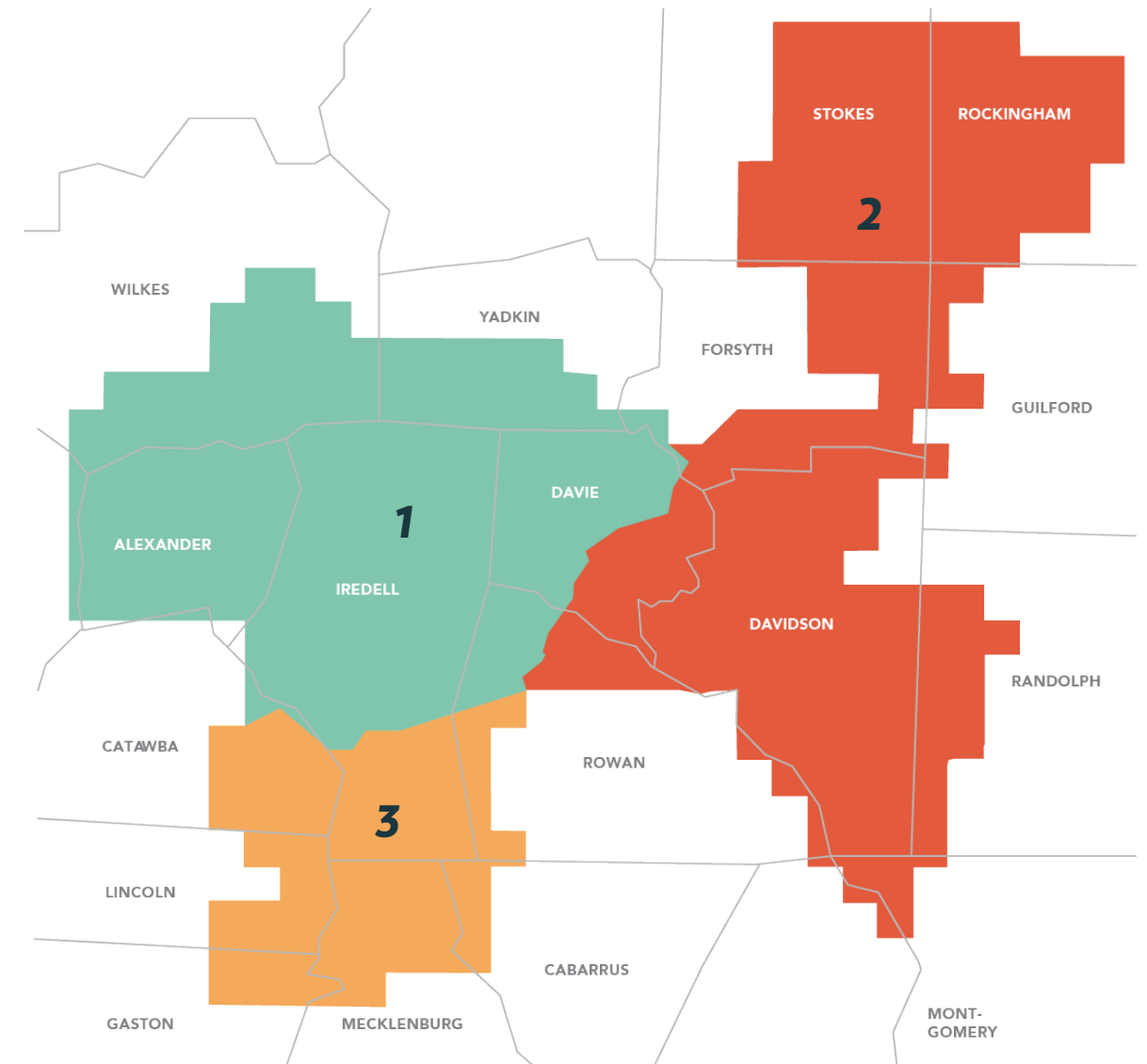
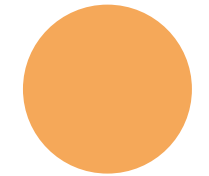
DISTRICT 1



DISTRICT 2



DISTRICT 3



CORPORATE PROFILE BY THE NUMBERS

CONSOLIDATED BALANCE SHEETS

	2021	2020
Assets		
UTILITY PLANT		
Electric plant in service	\$ 663,088,820	\$ 628,099,722
Property and equipment – subsidiaries	468,119	468,119
Construction work in process	15,000,275	27,588,978
Subtotal	678,557,214	656,156,819
Less accumulated depreciation	260,618,858	247,679,173
Total Utility Plant	417,938,356	408,477,646
OTHER PROPERTY AND INVESTMENTS		
Restricted property and investments	1,391,470	1,077,920
Investments in associated organizations	29,460,861	28,828,754
Other assets	8,869,480	3,036,518
Notes receivable	3,510,058	4,395,920
Total Other Property and Investments	43,231,869	37,339,112
CURRENT ASSETS		
Cash and cash equivalents	4,463,388	34,465,030
Consumer accounts receivable, less allowance for doubtful accounts of \$907,626 and \$1,385,590 for 2021 and 2020, respectively	10,192,671	12,438,951
Other accounts receivable	787,338	2,861,866
Unbilled accounts receivable	12,326,669	17,128,177
Inventories and supplies	8,214,692	5,905,463
Current maturities of notes receivable	885,862	898,362
Other current assets	6,582,788	1,442,867
Total Current Assets	43,453,408	75,140,716
DEFERRED CHARGES	9,277,843	10,878,299
TOTAL ASSETS	\$ 513,901,476	\$ 531,835,773

	2021	2020
EQUITIES		
Member shares	\$ 559,090	\$ 560,795
Patronage capital	21,620,945	20,230,043
Other equities	220,162,366	220,002,517
Accumulated comprehensive gain/(loss)	8,383,031	(19,739,784)
Total Equities	250,725,432	221,053,572
NON-CURRENT LIABILITIES		
Long-term debt, less current maturities	173,830,919	182,536,959
Accumulated obligation for pensions and benefits, less current amount	10,468,338	10,689,074
Other non-current accrued liabilities	5,961,148	21,800,424
Total Non-Current Liabilities	190,260,405	215,026,457
CURRENT LIABILITIES		
Current maturities of long-term debt	10,202,630	13,632,249
Accounts payable	21,482,876	22,962,930
Consumer deposits	3,755,479	3,534,896
Other current liabilities	2,693,408	13,065,012
Total Current Liabilities	38,134,393	53,195,087
DEFERRED CREDITS	34,781,246	42,560,657
TOTAL EQUITIES and LIABILITIES	\$ 513,901,476	\$ 531,835,773

Equities and Liabilities

	2021	2020
OPERATING REVENUE	\$ 277,016,268	\$ 284,076,664
COST OF SALES	224,426,323	224,128,942
GROSS PROFIT ON SALES	52,589,945	59,947,722
OTHER EXPENSES		
Advertising, marketing and sales	1,089,556	815,462
Product services and labor	5,231,113	8,112,656
Other G&A expenses	14,920,397	15,633,178
Depreciation and amortization	22,872,548	22,889,615
Interest	6,215,040	7,936,100
Other	516,155	381,068
Total Expenses	50,844,809	55,768,079
NET OPERATING MARGINS	1,745,136	4,179,643
NONOPERATING MARGINS		
Interest income	886,312	2,478,612
Other income	2,063,541	1,862,712
Gain (Loss) on disposal of property	72,104	36,290,873
Total Nonoperating Margins	3,021,957	40,632,197
MARGINS Before Income Taxes	\$ 4,767,093	\$ 44,811,840
Provision for Income Taxes	(466,928)	9,200,000
Net Margins	\$ 5,234,021	\$ 35,611,840

Consolidated Statements of Revenues, Expenses and Patronage Capital

OPERATIONS & MAINTENANCE 14%

COST OF POWER
74%



MARGINS
2%

DEBT INTEREST
2%

DEPRECIATION 8%

EVERY DAY EMPOWERED, SAFELY

SAFETY FIRST

We always take safety precautions very seriously, and it shows: In 2021 we had zero electricity-related incidents. Since we're members of the community too, we make it a point to communicate safety learnings and tips to you through our Connect newsletters, emails and social channels.

This past year we worked to prevent potential hazards and outages with our Vegetation Management program, a method that uses both traditional and mechanical means to maintain right-of-ways.

Our Vegetation Management program helps us ensure safe, reliable and cost-effective electricity to our members by limiting the number of vegetation-related interruptions. By trimming and maintaining these areas, we're able to reduce line obstructions and access right-of-way areas to make necessary repairs quickly and safely.

8,000 MILES OF OVERHEAD DISTRIBUTION LINES

+ 200 MILES OF TRANSMISSION LINES

SUPPLY ELECTRICITY TO **NEARLY 135,000 METERS** WITHIN OUR SERVICE TERRITORY.

APPROXIMATELY **25,455 ACRES** OF DISTRIBUTION

2,425 ACRES OF TRANSMISSION CORRIDOR THAT MUST BE PATROLLED AND MAINTAINED ON A ROUTINE BASIS.



EVERY DAY EMPOWERED, RELIABLY

KEEPING EVERY DAY EMPOWERED, LITERALLY

We're proud of our 99.99% reliability rating.

WHERE COST SAVINGS MEET INNOVATION

We are always striving (and so far, succeeding) to provide you with the lowest possible cost for your electricity. And while we keep operating costs low with a lean employee base, we also understand the need to update outdated technologies to provide energy and cost-efficient solutions for all, today and well into the future.

In addition to updating old meters to the new AMI technology, this past year we implemented our NISC Enterprise software, My EnergyHub, which launched in Spring 2021. My EnergyHub technology gives members the ability to view hourly meter usage, identify energy spending trends and adjust accordingly to better manage energy spending. This tool enables us to better communicate with our members and deliver the most up-to-date information. We also completed updates to our Little Mountain Substation with the latest equipment to better serve our growing customer base and notify our systems more quickly of outages and downed lines.

We proudly welcomed new members in 2021, with 2,364 new service installations! This is record growth for us and served as an even bigger reminder that our efforts to implement new technologies are well worth it.



EVERY DAY EMPOWERED, ECONOMICALLY

CONNECTING COMMUNITIES TO OPPORTUNITY

Our role within the neighborhoods we serve is about so much more than supplying safe and reliable energy. It's also about providing power at the lowest possible cost, making sure our communities feel taken care of and building opportunities for our members. One major way we accomplished this over the past year was by empowering businesses to invest in our counties.

We continued to see more new economic development opportunities in 2021. The initiatives, strategies and hard work of county and state economic developers have ushered in new industry establishments statewide, and even helped grow current industries across our service areas. These new business developments are not only a blessing to our state economy and employment rate, but also to EnergyUnited. Serving as the local connection to large industries is a tremendous asset to all ratepayers and a direct reflection of the growing and thriving communities we serve.

We are proud of the partnerships we've cultivated over the past year with companies, development councils and local chambers to create service plans that help each individual entity meet its unique power needs. Take a look at the economic development projects that evolved over the past year:

HAYWARD HOLDINGS IN MOCKSVILLE

Hayward Holdings, a global manufacturer of pool equipment and systems, set up a **324,000-square-foot distribution facility** in Mocksville this past year, bringing with it new job opportunities and a new EnergyUnited member. The project brought an **investment of nearly \$25 million** to the Davie County community, and hundreds of jobs. Projects like this require experience, meticulous planning and preparation, cooperation, patience, and Davie County's secret sauce; a ready supply of speculative buildings. EnergyUnited was thrilled to work alongside the Davie County Economic Development Commission (DCEDC) in welcoming this new business, and to supply power, infrastructure consultations and a generator program to make sure the facility's power meets their unique needs.

THOMASVILLE FIRE DEPARTMENT

Thomasville Fire & Rescue was able to establish four specialized rescue teams as a result of the Rural Economic Development Loan & Grant (REDLG) program. The funding provided the necessary equipment needed to perform these rescue functions safely and efficiently. The teams are already providing these services across Davidson County as requested. And the Swiftwater team has already affected the rescue of one person who was stuck in floodwaters shortly after the teams' inception. EnergyUnited was critical in securing funding and consulting on electrical infrastructures so that these teams could work optimally.



DID YOU KNOW?

EnergyUnited has been a proud partner with the United States Department of Agriculture through their Rural Economic Development Loan & Grant (REDLG) program since 2000. In that time we've received over \$5 million to invest in our communities to help our members grow and thrive. Some recipients within that time include:

DAVIDSON COUNTY

TOWN OF MOCKSVILLE

DAVIE COUNTY

IREDELL STATESVILLE SCHOOLS

TOWN OF THOMASVILLE

EVERY DAY EMPOWERED, SUSTAINABLY

WORKING TOWARD A BRIGHTER ENERGY FUTURE

Energy efficiency and conservation take on more and more gravity with each passing year. And more than we think, our small actions can result in big changes. Enrolling in our paperless billing program to keep our costs low or our Beat the Peak and Peak Time Perks programs are just a few ways to make a collective impact on energy conservation.

OUR SUSTAINABILITY REPORT

As an electric cooperative, we have an innate responsibility to be good stewards of the environment as it pertains to our energy mix, and we've taken great strides in 2021 to do just that. This past year we boasted 55% carbon-free in our energy mix, **MOVED FORWARD WITH PLANS TO BUILD A NEW SOLAR FARM IN DAVIE COUNTY TO HAVE LOCALLY USED RENEWABLE ENERGY**, and shifted toward even more ways to keep energy costs low.

We invite you to read all about these initiatives and plans for what's ahead in this year's Sustainability Report. Check it out by scanning the QR code below!



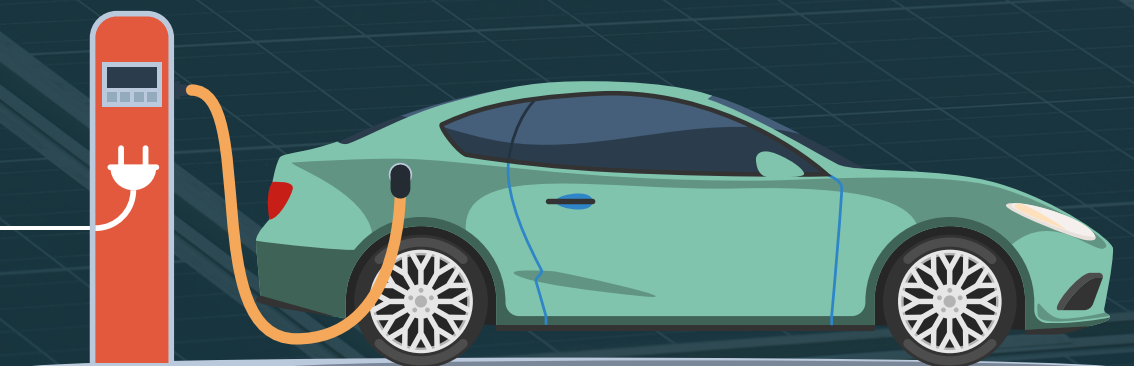
SCAN TO VIEW OUR 2021
SUSTAINABILITY REPORT

DEMAND RESPONSE PROGRAMS

In 2021 we awarded **\$56,100 in energy efficiency rebates for installing eco-friendly heat pumps**. We also grew our Demand Response programs of **Beat the Peak** and **Peak Time Perks**, which continued to help members take control of their energy spending. Together, these programs engaged more than **30,000** members and granted more than **\$85,550** in bill credits.

- More than 1,529 thermostats participated in Peak Time Perks to shave the peak during the time of high demand for energy.
- Around 30K members were actively participating to Beat the Peak, reducing the usage of their appliances during peak events.

OUR DIGITAL WORK ENVIRONMENT HAS HELPED US CUT APPROXIMATELY 200 METRIC TONS OF CARBON.



EVERY DAY EMPOWERED, COOPERATIVELY

OUR COMMUNITY CONNECTIONS

EnergyUnited is committed to serving its members and the communities that came together to shape the electric cooperative we all know and love today. While our primary service is providing safe, affordable, reliable and environmentally responsible energy to our members, we also believe in the importance of giving back. That's why we choose to invest in outreach programs each year that provide unique opportunities for EnergyUnited members and communities who reside within our 19-county service area.

ENERGYUNITED FOUNDATION

The EnergyUnited Foundation plays a critical role in providing support for those who are facing financial hardship each year. To address these needs, the Foundation awarded more than \$300,000 in grants to individuals and nonprofit organizations throughout our service area in 2021. **The foundation is funded solely by Operation Round-Up**, an initiative that calls upon our members to round up their monthly bills to help our neighbors in need.

CELEBRATING 25 YEARS

2021 proved to be especially meaningful as we celebrated the 25th anniversary of the EnergyUnited Foundation. Since its inception, we've provided countless opportunities for underserved communities as well as donations across our service area. Thanks to the generosity of our members who have rounded up their bills, we've been able to make immense contributions to those who really need it. **Since its founding, the Foundation has been able to donate \$7.5 million to 4,579 individuals, households and nonprofit organizations.** It's truly empowering to know that when we all work together in small and incremental ways through Operation Round-Up, we can impact our communities in a truly profound and meaningful way.

\$25-FOR-25 YEARS GIVING DRIVE

We held our very first giving campaign in honor of the 25-year anniversary of the EnergyUnited Foundation. Thanks to the generosity of you, our members, we raised over \$5,000 to go toward the Foundation's good works. We are so appreciative to all who contributed!

Foundation board approves Round Up® grants

CRESCENT CONDUCTS November 1996

The Crescent Electric Foundation Board has approved \$25,200 in grant disbursements of monies generated from the Operation Round-Up Program.

The following requests were approved for individuals in need of help due to illness, disability, or other problems:

- \$2,000 to someone badly burned in a house fire (home completely destroyed) to use for medical bills and living expenses;
- \$1,000 to an individual confined to a wheelchair for insurance and living expenses;
- \$1,000 for living expenses to an individual physically and mentally challenged as a result of a car accident;
- up to \$1,000 to a mentally challenged child for dental expenses;
- \$2,000 to assist an individual seriously ill with cancer to be used for medical bills;
- \$2,000 for the living expenses and medical bills of someone seriously ill with no income or insurance.

These disbursements have been approved for organizations providing help in communities served by Crescent EMC:

- \$3,000 to the Yokefellow Ministry for their ongoing "Good Samaritan Fund";
- \$5,000 to Fifth Street Shelter Ministries to help fund a new Battered Women's Shelter;
- \$3,000 to Big Brothers/Big Sisters for shelter, clothing, food, and various emergencies, as requested by needy families;
- \$3,000 to Mooresville Area Christian Mission to enable them to assist families with fuel, water, and medical bills, as well as provide year-round assistance to stranded motorists;
- \$3,000 to the Salvation Army to enable them to provide assistance to the needy with utility bills.

Applications to request funds are received on an on-going basis and are available at any Crescent EMC office.

The Crescent Electric Foundation Board is a 12-member board which meets monthly to evaluate the applications and decide how best to disburse Round Up funds to help people in communities served by Crescent.

Operation Round Up is a volunteer program in which Crescent members allow their electric bills to be rounded up to the next highest dollar. Approximately 66 percent of Crescent's members are participating in Operation Round Up.



Dusty Rhodes, fiscal agent of the Crescent Electric Foundation, presents a check for \$5,000 to Leigh Beyer, chairperson of "My Sister's House" board of directors. The check goes to the building fund for a new battered women's shelter in Statesville. (Statesville Record and Landmark Photo)



SCHOLARSHIP AND GRANT PROGRAMS

The **2021 Electric Cooperative Youth Tour** took place virtually this year as a COVID precaution, but in doing so afforded us the opportunity to offer twice the participants this experience. EnergyUnited selected four outstanding students to recognize as our 2021 Electric Cooperative Youth Tour delegates: Arianna Allen, Sydney Loflin, Alexandra Maynard and Connor Robinson. Congratulations again to our 2021 winners!

Unfortunately, **Touchstone Energy Sports Camp** scholarships for summer 2021 were postponed due to the continued uncertainty of the COVID-19 pandemic. Future Sports Camp winners will be able to participate in the Wolfpack Women's Basketball Camp at NC State University and Carolina Basketball Camp at the University of North Carolina at Chapel Hill, respectively.

We were also honored to award two \$5,000 **Empowering the Future** scholarships in 2021: Sadie Essic of Davie Country and Amaya Hanley of Mecklenburg County. Both students received \$5,000 college scholarships from EnergyUnited to cover educational expenses. Essic went on to attend UNC-Chapel Hill, and Hanley went on to attend Duke University. We are so proud of you both!

We understand that excellence in the classroom is often inspired by teachers who demonstrate the same level of commitment to their profession. So, in 2021 we awarded approximately \$45,000 to 40 teachers via the **NC Bright Ideas Education Grant** program. 2021 winners received funding from EnergyUnited for many innovative projects to help facilitate safe remote and in-person learning.



EVERY DAY EMPOWERED, CONVENIENTLY

SMART ENERGY MANAGEMENT FOR A SMARTER LIFE WITH MY ENERGYHUB

One of the biggest adaptations we worked toward in 2021 was the integration of **My EnergyHub**. This smart platform not only offers a seamless and convenient way to pay your bill but also makes managing your account as easy as possible. Whether through the web or on the app through your smartphone or tablet (Android or iOS), members are now able to pay their bill, view their usage, contact customer service and get the latest news all in one place. Here are just a few of the highlights of what makes **My EnergyHub** so great.

THE POWER IS IN YOUR HANDS

My EnergyHub allows you to customize how EnergyUnited communicates, so you get the information you need, however you want it. Set outage alerts, account preferences or even go paperless — the choice is yours.

MAKING PAYMENTS EASY

Whether you make a payment through the web or through your mobile device, members can now securely store payment information for future transactions. Members can also set up autopay, and switch to paperless billing — it's one way to help us keep rates low for our members!

KNOWLEDGE IS POWER

My EnergyHub users are able to view current bills, along with bills from the previous month or even the previous summer, if you want to compare costs. Not only does this allow you to see billing history, but now you are able to see actual energy use and how it trends over time. This has empowered many to take steps to lower their energy consumption and positively impact their bills!

We've enjoyed seeing our members make positive changes to their energy usage and look forward to providing even more tools and programs to help you live a life that is truly empowered.



THE COOPERATIVE DIFFERENCE

We're different from other energy companies. We visit the same mom-and-pop shops, send our kids to the same schools and experience the same gorgeous North Carolina scenery you do. And it's in this spirit that we feel it's only right to make sure our leadership teams are reflective of that. Our Board of Directors is drawn from a distinct representation of our service areas, and our Executive Leadership Team travels across the 19 counties we serve to connect with local committees, key players and affinity groups to make sure we stay plugged in to the beautiful places and smiling faces that we feel so proud to serve.



2021 BOARD MEMBERS



2021 EXECUTIVE LEADERSHIP TEAM



EnergyUnited.com

1-800-522-3793

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Statesville, NC 28687**

Facebook: **EnergyUnited**

Instagram: **@EnergyUnitedEMC**

YouTube: **EnergyUnited
Electric Cooperative**

Twitter: **@EnergyUnitedEMC**