

EnergyUnitedTM
YOUR LOCAL CONNECTION

*EVERY
DAY*

EMPOWERED

ANNUAL REPORT

2020

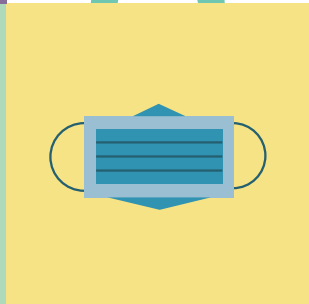
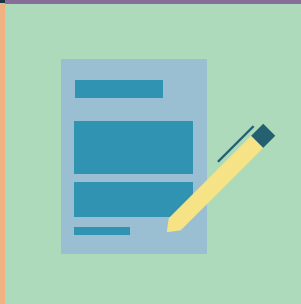
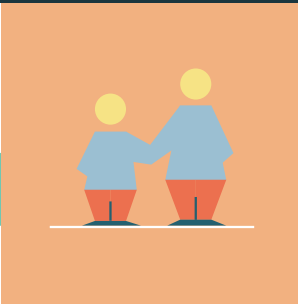
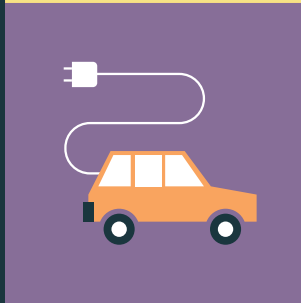
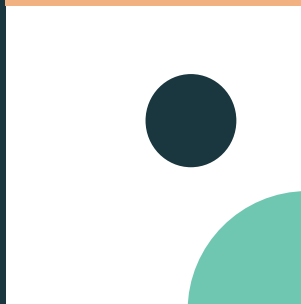
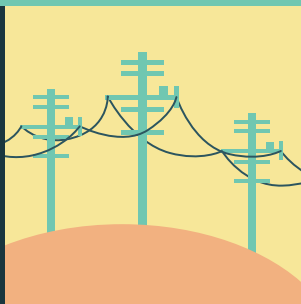
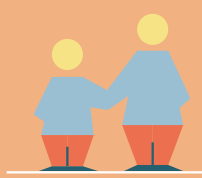


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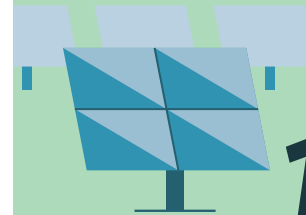
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Corporate Profile



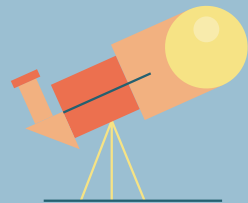
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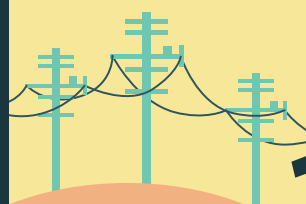
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2020 in Review



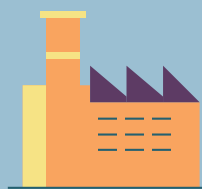
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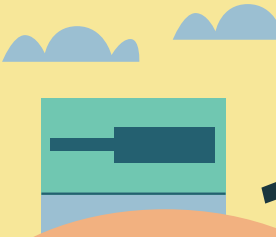
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Brighter Future

To say that this past year has been an unusual one would be putting it lightly. But despite the various hurdles and losses that we've faced there is a certain amount of solace in the fact that we've faced them together. As we reflect on the events of 2020, we feel an immense sense of gratitude to each and every one of our members. You kept us motivated and connected to one another, and we are grateful for your membership in our electric cooperative.

We feel incredibly proud of all that we've accomplished as a co-op. We hope this year's annual report shows you that 2020 wasn't all bad, and in many ways set the groundwork for some pretty exciting things ahead. In fact, this year's design is crafted with that in mind. Let the joyful and light illustrations within these pages serve as a reminder that hope, community, and brighter days are on the horizon, and may feel even nearer than we expected.



A LETTER FROM THE CEO & PRESIDENT

While the start of a new decade typically brings hope, we quickly saw the world come to a standstill in 2020.

Together, we confronted a number of difficult hurdles: a public health and economic crisis, issues of injustice and civil unrest, and severe weather events that caused even more disruption for millions across the country.

In moments like these, it is easy to fall prey to pessimism, or the sense that we individually or as a co-op can't make a difference. But helplessness is corrosive to hope, and in the past year we realized that hope plus hard work are key elements to help navigate this disruption. What's clear is that we have a once-in-a-generation opportunity to harness technological advancements, sustainable initiatives, and community programs to define the world we want to live in. And for that, we as a co-op remain optimistic.

The past year taught us all to be flexible and to make the most of less than ideal situations.

In March of 2020, we closed all our front offices due to the COVID

pandemic while maintaining employment for all of our team members. Our new Transitional Service Delivery Model prioritizes public safety, member service, and cost savings for the cooperative. 2020 also taught us even more about grace and compassion, and gave us the opportunity to help our members who had fallen on hard times, by temporarily suspending disconnects and offering nine-month repayment plans for those who were in arrears.

This year reinforced what we already knew to be true: the importance of community. And we were able to continue implementing the infrastructure to support it. We upgraded our Advanced Metering Infrastructure (AMI) technology and continued our smart grid and sustainability efforts. And all for the sake of one core truth: to keep your Every Day Empowered, especially in the midst of hard times.

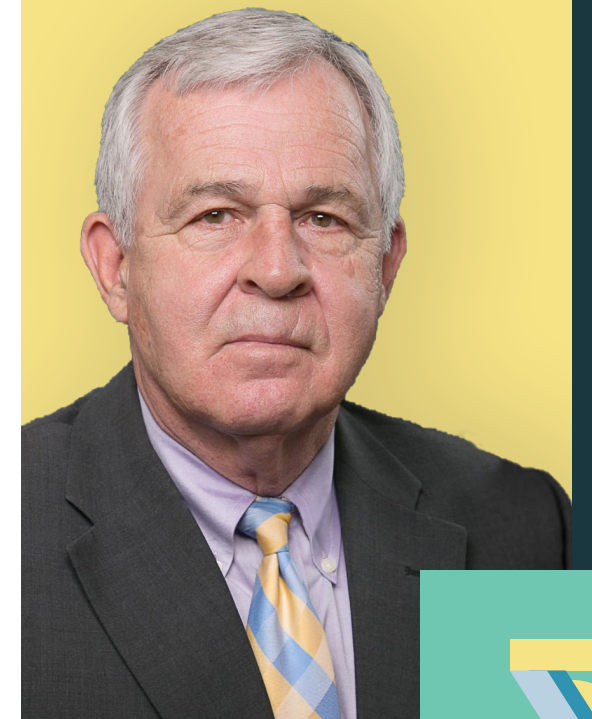


Even though we now find ourselves in a new year, we can't help but look back at 2020 with a renewed sense of gratitude and purpose. The year granted all of us insight and much perspective along with a lot of progress. We look forward to sharing our year in review with you in this annual report, and appreciate your choosing us as your local connection.

Here's to a brighter year ahead, filled with Every Day Empowered.

Sincerely,

H. Wayne Wilkins
&
Dr. Max Walser



OUR PROMISE TO YOU



A lot has changed since our founding back in the 1930s, but one thing that has remained constant is our commitment to our core values, mission, vision, and purpose. It's through these tenets that we've defined ourselves as an energy services provider and a community leader — and at over 80 years strong, we don't intend on breaking that tradition anytime soon.



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



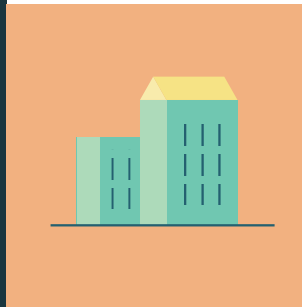
EnergyUnited strives to be the leading energy services cooperative.

our purpose



To improve the quality of life for our members, customers, and communities.

EXECUTIVE STAFF



H. Wayne Wilkins

Chief Executive Officer

Thomas Golden

Chief Operating Officer

Alec Natt

Chief Financial Officer

John McMurray

Vice President, Energy Delivery

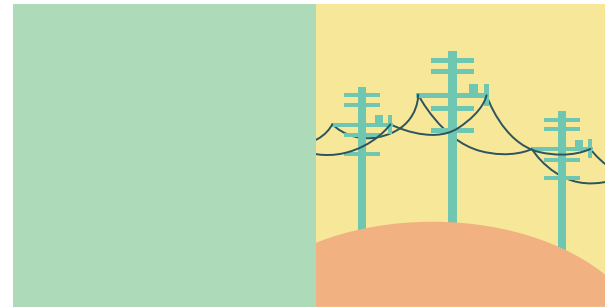
Brett Alkins

Vice President, Energy Services

Pam Britt

Vice President, Human Resources

OUR SERVICE AREA



DISTRICT 1



DISTRICT 2



DISTRICT 3



2020 Board of Directors

DISTRICT 1



Jerry Anderson

DISTRICT 2



Dr. Max Walser
President

DISTRICT 3



Craig Black



Edgar Cartner
Vice President



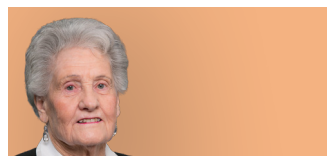
Ronnie Harrison
Treasurer



Brian Sisson



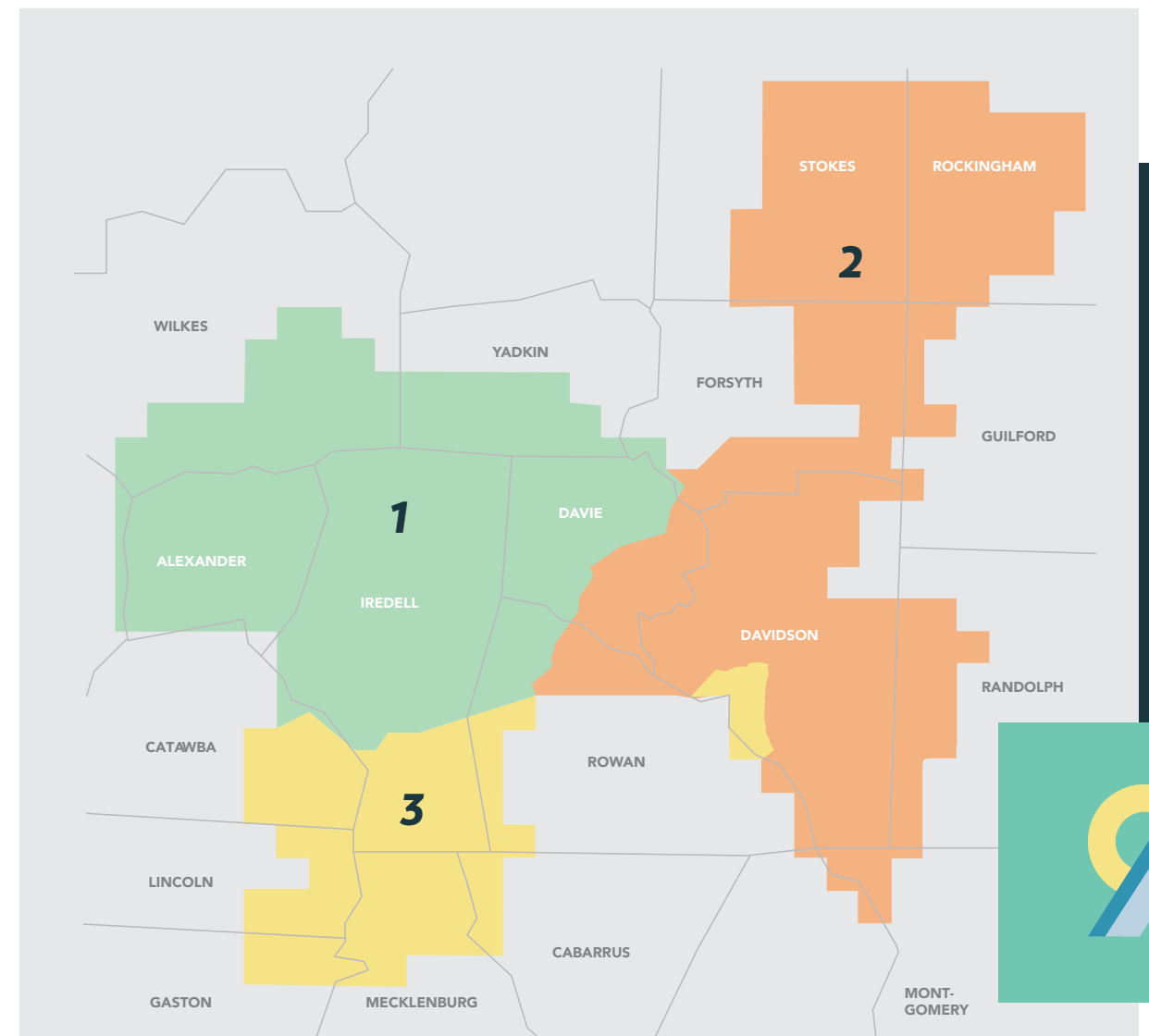
Ann Eller



Jeanette Overby



Glenn Smith



2020 IN REVIEW

Check out our 2020 highlights!

AMI project completed

133,000+

meters deployed at a 99.7% daily read rate. This is a stark improvement over the declining read performance of the old system.

7.2 million

data points are delivered from the Sensus AMI system. Data is being used for engineering planning and proactive outage prevention.

6

EV charging stations

We were awarded grants to install two new DC fast charging stations in Statesville and Mocksville, which builds on the existing EV infrastructure in our service area.

COVID response



During the peak of the COVID-19 pandemic in 2020, we continually supplied power to our members regardless of financial circumstances, offered long-term repayment plans, and provided essential financial relief. Additionally, we offered masks and other PPE to our employees, educated our community on effective social distancing, and continued to update our website and publications to remain a helpful resource to our members.

reduced energy costs

Launched our Beat the Peak and Peak Time Perks programs which engaged close to

2,000 members

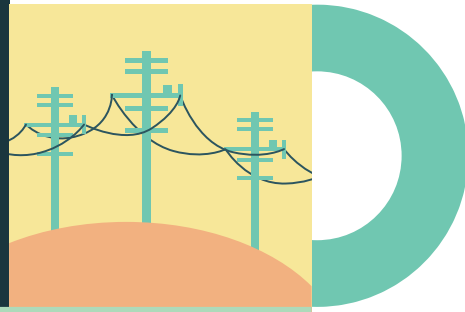
plus:

- Extended a nine-month repayment plan to those members who had accumulated balances during these difficult times. These members have been automatically enrolled in our repayment plan option.
- To help with financial hardships, we issued our Capital Credits refunds in August rather than December to provide our members with quick, timely access to capital when it was needed most.
- Laid groundwork for expanding our DC fast charger capabilities to support more electric vehicles.
- Sold our propane business to leverage strong market conditions and secure a solid return on our members' investment.
- Our HR team implemented new social distancing protocols as well as provided an outlet for employees in need of support.



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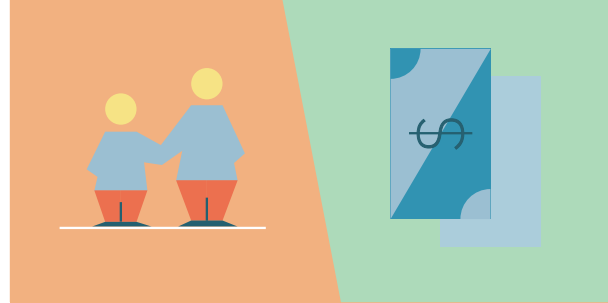
2020 ACCOMPLISHMENTS



1

keeping you connected

Keeping you connected to power is always at the top of our to-do list. And in 2020 our biggest event was Tropical Storm Zeta, with approximately 44,000 members experiencing an outage during the peak of the storm. To keep our members informed, we pushed all major storm communications through our social media channels and website.



2

managing costs & saving energy

Our interactive **Energy Advisor** tool gives you the power to monitor energy spending, all while providing simple solutions to lower your monthly bill. This became especially important as many of us transitioned to working from home. In doing this we may have noticed our home electric bills go up, but our Energy Advisor and **Demand Response Programs** (Beat the Peak and Peak Time Perks) helped you better manage your energy spending.

We also worked to save you energy (and some paper) with our e-billing initiative. In 2020 we awarded randomly selected individuals with perks and rewards, just for signing up through our e-billing contest.



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3

providing power, progressing forward

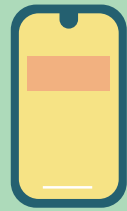
Our operations team worked hard to complete our **Automated Metering Infrastructure (AMI)** upgrade, a task that had been underway since 2019. This system is designed to better collect data, troubleshoot energy surges, and provide instant reads on electricity usage.

4

empowering the community

Keeping our communities empowered took many forms in 2020, including our grants made through the **EnergyUnited Foundation**. And with the help of those who rounded up their bills with **Operation Round-Up**, we've been able to award grants to nonprofits, and help those facing financial hardships. 2020 was our biggest year ever; we granted over \$500,000 to individuals and nonprofits

PAVING THE WAY TO A BRIGHTER 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 e-billing program to save on paper and postage or our Beat the Peak and Peak Time Perks programs are just a few ways to make a collective impact on energy conservation.

Beat the Peak & Peak Time Perks

This past year we launched Beat the Peak and Peak Time Perks to help put energy spending truly in your hands. Together, these programs engaged nearly 2,000 members and granted more than \$30,000 dollars in bill credits.

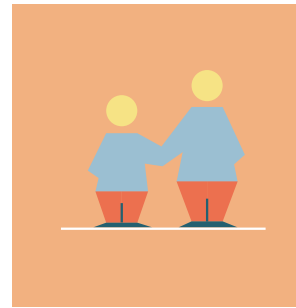
- More than 650 thermostats were participating to shave the peak during times of high demand for energy.
- Over 1,000 members were actively engaged to Beat the Peak, reducing the usage of their appliances during peak events.
- Our partnerships with industry-leading smart-home technology providers helped us to manage Peak Events more efficiently and we plan to include a greater number of manufacturers in 2021 to get even more customer engagement.

Energy Advisor

Our interactive Energy Advisor tool gives you the power to monitor energy spending, all while providing simple solutions to lower your monthly bill. And if you, like us, noticed an increase in your energy bill while working remotely, these tools are even more of a benefit to help manage your spending.

As always, in 2020 we continued our efforts to transition our paper billing to e-billing, which in turn decreased paper waste and postage costs.

DOING BETTER TOGETHER

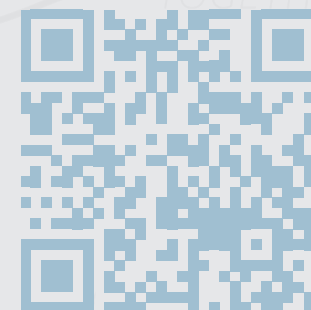


We're excited to announce our first-ever paperless copy of our Sustainability Report. After all, we can't talk the talk if we're not willing to walk the walk. Our 2020 Sustainability Report, which can be found on our website or by scanning the QR code below, has an abundance of updates on initiatives and technologies that can help us all be a little bit greener. In our report you will find:

- News on our growing electric vehicle fleet and the charging stations to support our members across our 19-county service area.
- Updates on our renewable and low-carbon initiatives as we aim to further diversify our energy portfolio.
- Advancements in our co-op's technology.
- Plans to expand our Community Solar program.

- Practical tips to help you, our members, save both energy and money.
- Demand response tools like our Beat the Peak and Peak Time Perks programs to help put the power in your hands.

Check it out by scanning the QR code below with your smartphone's camera or by visiting: EnergyUnited.com/sustainability-report



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CORPORATE PROFILE

BY THE NUMBERS

reliability
rate

99.97%



	2020	2019
UTILITY PLANT		
Electric plant in service	\$ 628,099,722	\$ 603,142,975
Property and equipment	468,119	30,996,293
Subsidiaries		
Construction work in progress	27,588,978	15,633,098
Less accumulated depreciation	247,679,173	252,582,849
TOTAL UTILITY PLANT	408,477,646	397,189,517
OTHER PROPERTY AND INVESTMENTS		
Restricted property and investments	1,077,920	870,174
Investments in associated organizations	28,828,754	18,454,563
Goodwill	-	1,582,265
Investment in leases	-	14,335
Other assets	3,036,518	2,680,599
Notes receivable	4,395,920	4,112,500
TOTAL OTHER PROPERTY & INVESTMENTS	37,339,112	27,714,436
CURRENT ASSETS		
Cash and cash equivalents	34,465,030	12,800,679
Consumer accounts receivable, less allowance for doubtful accounts of \$1,385,590 and \$1,471,752 for 2020 and 2019, respectively	12,438,951	15,275,175
Other accounts receivable	2,861,866	335,779
Unbilled accounts receivable	17,128,177	14,132,571
Inventories and supplies	5,905,463	6,358,141
Current maturities of notes receivable	898,362	795,000
Current investment in leases	-	35,473
Other current assets	1,442,867	1,655,657
TOTAL CURRENT ASSETS	75,140,716	51,388,475
DEFERRED CHARGES	10,878,299	12,280,646
TOTAL ASSETS	\$531,835,773	\$488,573,074

	2020	2019
EQUITIES		
Member shares	\$ 560,795	\$ 550,375
Patronage capital	20,230,043	29,264,127
Other equities	220,002,517	180,086,427
Accumulated comprehensive gain/(loss)	(19,739,783)	(22,739,424)
TOTAL EQUITIES	221,053,572	187,161,505
NON-CURRENT LIABILITIES		
Long-term debt, less current maturities	182,536,959	176,591,710
Accumulated obligation for pensions and benefits, less current amount	10,689,074	9,174,410
Other non-current accrued liabilities	21,800,424	22,016,989
TOTAL NON-CURRENT LIABILITIES	215,026,457	207,783,109
CURRENT LIABILITIES		
Current maturities of long-term debt	13,632,249	15,043,509
Accounts payable	22,962,930	26,174,569
Consumer deposits	3,534,896	3,542,880
Other current liabilities	13,065,012	9,657,961
TOTAL CURRENT LIABILITIES	53,195,087	54,418,919
DEFERRED CREDITS	42,560,657	39,209,541
TOTAL EQUITIES AND LIABILITIES	\$531,835,773	\$488,573,074

	2020	2019
Operating revenue	\$284,076,664	\$299,399,433
Cost of sales	224,128,942	232,626,730
Gross profit on sales	59,947,722	66,772,703
OTHER EXPENSES		
Advertising, marketing, and sales	815,462	827,765
Product services and labor	8,112,656	10,050,596
Other G&A expenses	15,633,178	15,386,416
Depreciation and amortization	22,889,615	22,068,510
Interest	7,936,100	8,822,529
Other	381,068	335,868
TOTAL EXPENSES	55,768,079	57,491,684
NET OPERATING MARGINS	4,179,643	9,281,019
NON-OPERATING MARGINS		
Interest income	2,478,612	3,796,653
Other income	1,862,712	2,289,427
Gain (Loss) on disposal of property	36,290,873	197,690
TOTAL NON-OPERATING MARGINS	40,632,197	6,283,770
MARGINS BEFORE INCOME TAXES	\$ 44,811,840	\$ 15,564,789
PROVISIONS FOR INCOME TAXES	9,200,000	
NET MARGINS	\$ 35,611,840	\$ 15,564,789

Assets

consolidated balance sheets

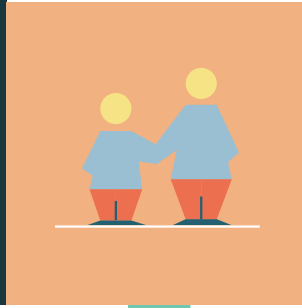
Equities and Liabilities

Consolidated Statements of Revenues, Expenses, and Patronage Capital



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OUR COMMUNITY CONNECTIONS



EnergyUnited is committed to serving 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 community members who reside within our 19-county service area.

scholarship and grant programs



Unfortunately, the 2020 **Electric Cooperative Youth Tour** was canceled due to the pandemic; however, EnergyUnited selected two outstanding students to recognize as our 2020 Electric Cooperative Youth Tour winners: Gavin Gallimore of Lexington (Central Davidson High) and Toni Winiker of Davidson (William A. Hough High). Congratulations again to our 2020 winners, Gavin and Toni!

Mascarro of the Early College of Forsyth County were selected as our two winners.

All of these students went above and beyond each day in the pursuit of academic success and also in support of their communities. They didn't just excel in the classroom; they also exhibited a sincere commitment to community service.

The pandemic also forced the cancellation of our **2020 Touchstone Energy Sports Camps**. While we were saddened by the cancellation of the Roy Williams and NC State Women's Basketball Camps, ensuring the safety of our student-athletes and all participants was certainly the top priority. Caleb Brown of Alexander Graham Middle and Riley Elliott of Central Davidson Middle were both selected as our 2020 Sports Camp winners.

We understand that excellence in the classroom is often inspired by the teachers who demonstrate a strong sense of commitment and enthusiasm. So, in 2020 we awarded more than \$40,000 to 40 teachers via the **NC Bright Ideas Education Grant program**. 2020 winners received funding from EnergyUnited for many innovative projects to help facilitate safe remote and socially distant learning.

We were also honored to award two \$5,000 **Empowering the Future Scholarships** in 2020. Sophia Leeman of William A. Hough High and Madison

Congratulations again to our 2020 scholarship and grant winners!



EnergyUnited Foundation

The EnergyUnited Foundation plays a critical role in providing support for those who are facing financial hardship each year, but last year proved to be a time of extraordinary need for many families. To address these needs, the Foundation awarded more than \$500,000 in grants to individuals and nonprofit organizations throughout our service area.

Highlights include donations to 196 households and to the following nonprofit organizations:

United Way of Iredell County	\$ 10,000.00
The Life Center of Davidson County	\$ 5,000.00
United Way of Davidson County	\$ 10,000.00
St. Francis Springs Center	\$ 10,000.00
SCAN of Iredell	\$ 10,000.00
Lexington Housing Community Development Corp	\$ 10,000.00
Church of the Ascension Food Pantry & Book Bag Program	\$ 10,000.00
Speak Life and Live Inc.	\$ 4,720.00
J. Smith Young YMCA	\$ 10,000.00
Cover the City Project	\$ 1,000.00
Carolina Comfort Coalition at Serenity House	\$ 10,000.00
Top of the Lakes Rotary Club - Mooresville	\$ 5,000.00
G4G Ministries	\$ 2,955.00
	\$ 98,675.00



WHERE COST SAVINGS MEET INNOVATION

We are always striving (and succeeding) to provide you with the lowest possible cost for your electricity. And while we keep operating costs low by keeping 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 latest AMI technology, this past year we implemented the first phase of our NISC Enterprise software. We also started planning our Little Mountain Substation, which will include the latest equipment to better serve our growing customer base and notify our delivery systems more quickly of outages and downed lines.

We have welcomed new members into our co-op over the past six years with 2,316 new service installations. This is record growth for us and served as an even bigger reminder that our efforts to remedy antiquated technologies were not in vain.

Mother Nature also placed some hurdles for us in 2020 in the form of inclement weather. When Tropical Storm Zeta hit in late October 2020, we knew we had quite a task ahead of us. But thanks to the improved technologies that we had in place, we were able to restore power to over 44,000 members in just 3 ½ days, which is no small feat.

We have many convenient payment options available for members. Looking for more information about ways to pay your bill without any associated fees? Visit EnergyUnited.com/pay-electric to learn more.

WAYS TO PAY

bank draft



Automate your payments

pay online



Log in to the member account portal

pay by phone



Dial 1-833-284-5048 and follow the voice prompts

pay by mail



EnergyUnited, P.O. Box 1831, Statesville, NC 28687

third-party pay centers



Visit EnergyUnited.com/pay-electric to find a popular retail location near you

payment kiosks or drop boxes



Located outside of our main offices



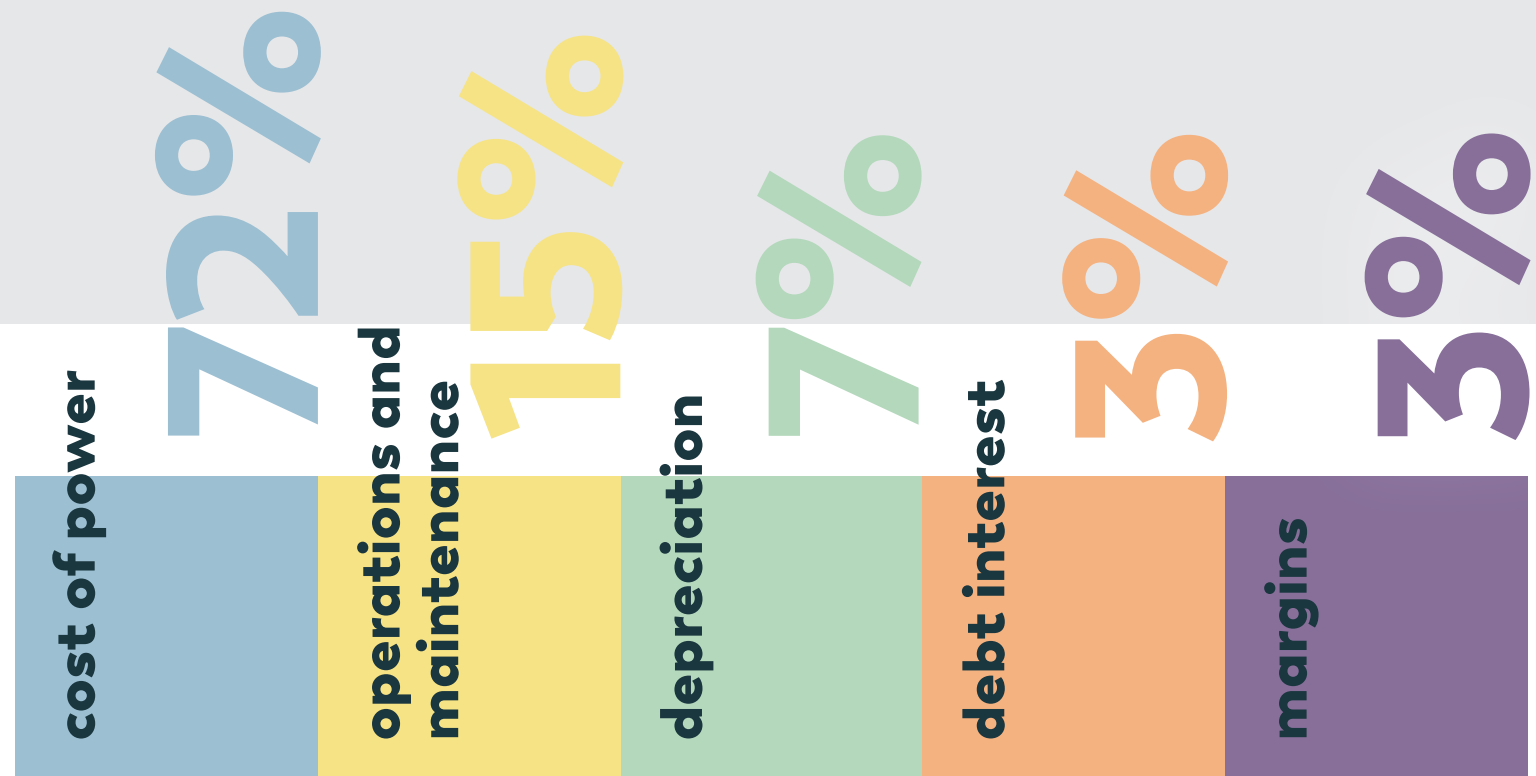
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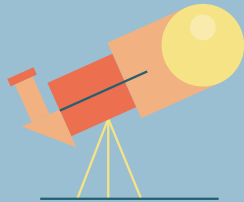
THE POWER OF YOUR DOLLAR



We're proud to provide our members with safe and reliable energy at the lowest cost of any co-op in the state. As a matter of fact, nearly 3/4 of our expenses go directly to the cost of acquiring power, which makes for happy members receiving the best possible value for their energy.

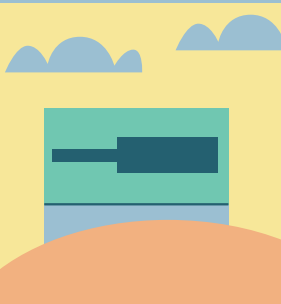


EnergyUnited[™]
YOUR LOCAL CONNECTION



EnergyUnited.com

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Statesville, NC 28687**



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