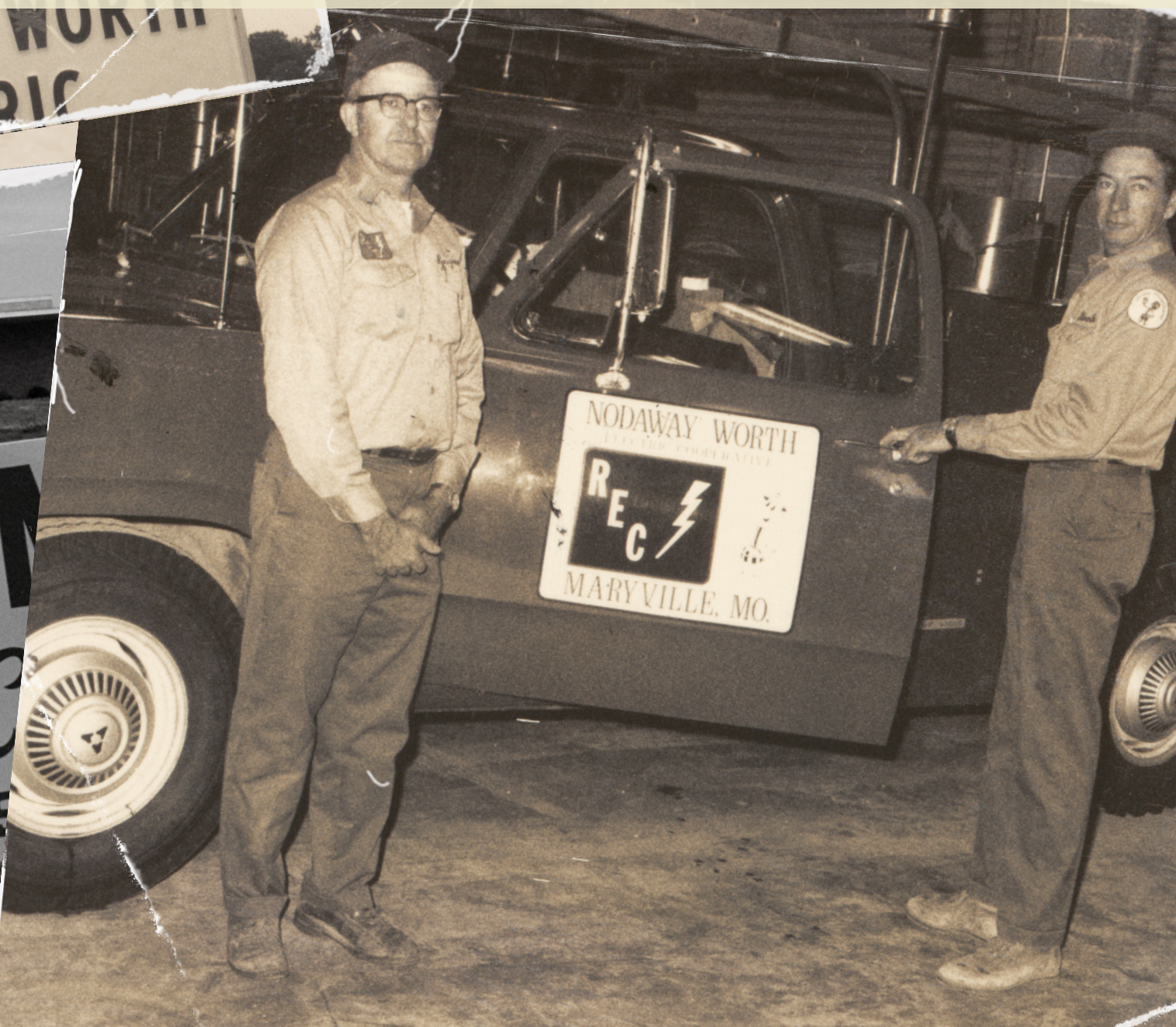




**UNITED ELECTRIC**  
C O O P E R A T I V E

# 2021 MEMBER REPORT

SERVING RURAL NORTHWEST MISSOURI FOR OVER 85 YEARS





# OUR MISSION | ENHANCING THE RURAL WAY OF LIFE THROUGH UNITED



When Northwest Missouri Electric Cooperative and Nodaway-Worth Electric Cooperative were formed in 1939 and 1941 respectively, no one could have imagined the growth and success these two cooperatives would have. In 1997, United Electric Cooperative was formed by the merger of these two cooperatives. To date, United Electric Cooperative has over 7800 members, 9800 meters, and 104 employees. In addition, United Fiber, a subsidiary of United Electric, has over 23,000 fiber subscribers. These numbers tell a story of how two cooperatives formed as one to benefit the rural residents in our local communities.

Although the name United Electric Cooperative has only been in existence since 1997, the cooperative has been serving the rural areas for over eighty-five years. There have been many changes over the years in how we offer you service, but the dedication to our membership has always remained the same. There aren't many companies in the area that have been in operation for eighty-plus years, but United Electric Cooperative is proud to be one of those companies. As always, we appreciate the support of our membership, and we look forward to serving you for many years to come and Enhancing the Rural Way of Life Through United.

## 1939

Northwest Missouri Electric Cooperative was formed.

## 1941

Nodaway-Worth Electric Cooperative was formed.

## 1997

Northwest Missouri Electric and Nodaway-Worth Electric merged to form United Electric Cooperative.





# BOARD OF DIRECTORS



JOHN A. SCHENKEL  
DISTRICT 5  
NODAWAY



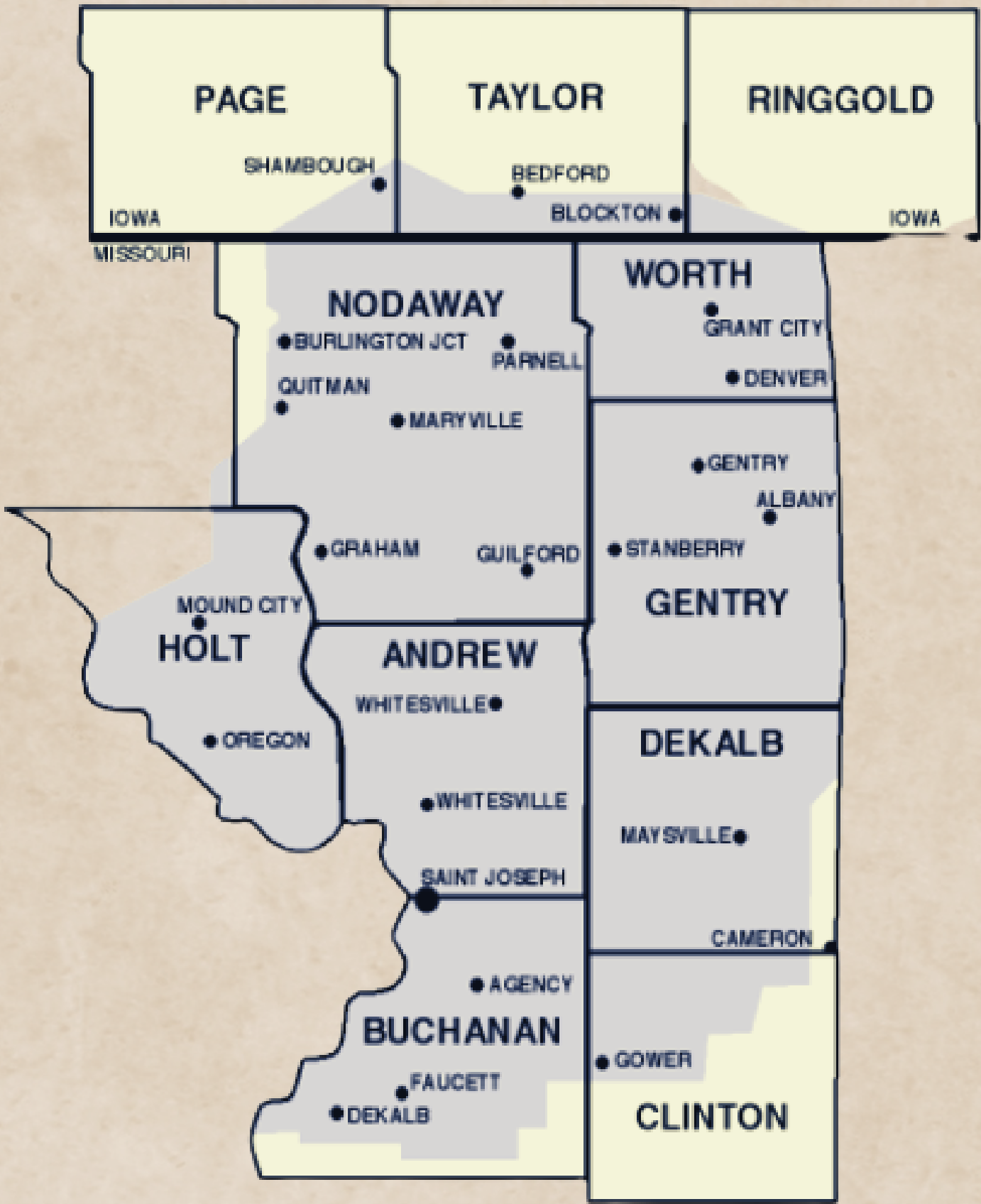
FRANCIS SCHIEBER  
DISTRICT 5  
NODAWAY



JERRY J. FINE  
DISTRICT 7  
PAGE, TAYLOR, RINGGOLD



SCOTT F. LINVILLE  
DISTRICT 5  
NODAWAY



PHILLIP M. JENSEN  
DISTRICT 4  
GENTRY



TRAVIS MILNE  
DISTRICT 3  
ANDREW & HOLT



JON RUNDE  
DISTRICT 4  
GENTRY



KAREN MCGAUGHEY  
DISTRICT 3  
ANDREW & HOLT



PAT HARDY  
DISTRICT 6  
WORTH



DEBORAH K. KNADLER  
DISTRICT 1  
BUCHANAN



JOHN KILLGORE  
DISTRICT 2  
CLINTON & DEKALB



BRADLEY VEALE  
DISTRICT 2  
CLINTON & DEKALB



# DEPARTMENT SUMMARIES

## SAFETY AND HUMAN RESOURCES

Our Human Resources and Safety departments focused on the safety of our employees. 2021 remained challenging as we continued to navigate the impacts of the COVID-19 pandemic.

Over a 10-year period, United Electric and United Services employees worked a combined total of 1,705,849 hours without a lost-time accident.

United onboarded 15 new full-time employees, 5 temporary interns, and 1 permanent part-time employee. We followed social distancing procedures and continued to conduct new employee orientation and safety orientation virtually throughout the majority of the year. We hit a milestone in November, hiring and retaining over 100 employees combined between United Electric and United Services.

## ELECTRIC OPERATIONS

United continues to focus on the safety and health of our line department while finding new and efficient ways to continue serving our membership. We continue to work on our extensive three-phase project of rebuilding nearly 100 miles of three-phase line. In 2021, we were able to complete nearly 29 miles of line for this project.

In addition to the three-phase project, we installed 680 new poles and added 131 new services. The lineman of United Electric continued to serve our members by working a total of 895 outages in 2021. United was able to lend a helping hand to assist with restoration efforts during Hurricane Ida. We sent ten linemen to Louisiana for twenty days to help restore power.

## COMMUNICATIONS & MEMBER SERVICES

In 2021, our Member Services department provided appliance rebates totaling over \$43,000 to members including rebates for geothermal and air-to-air heat pumps.

United's outage text messaging system proved to be very beneficial to our members when an outage occurred with over 17,000 text messages sent to members. When an outage occurs at the member's location, they are notified via text message of the outage. When the outage is restored, they receive an additional text message notifying them that power has been restored.

Our social media presence grew tremendously for both electric and fiber pages with over 200,000 engagements on both pages. We implemented a more digital-friendly website that allows members to access all membership forms and view an interactive outage map. We look to expand more into the digital world to better serve our members in 2022.

## BILLING AND FINANCE

In 2021, United was able to give over two million dollars back to our membership due to the success of United Electric and United Services. \$800,000 of this was in the form of capital credits, \$500,000 was in the form of waiving the service availability charge on your bill, and almost \$1 million was in the form of a 10 percent rate discount for the second half of 2021. In addition to this, we were able to defer revenue again into 2022. Doing this ensures rate stability for the coming year.

We conducted our 2021 audit with our third-party auditor in February. When our audit was complete, we were issued a clean opinion once again, with no material adjustments or disagreements. For 2022, we are planning on retiring around \$600K in capital credits as a general retirement. The general retirement will be in addition to the estate retirements. If you were a member in 2021, you would receive a retirement amount.

## UNITED FIBER

In 2021, United Fiber netted over 7600 new customers. This is an average approximately 640 new customers per month in 2021. We ended 2021 with just over 22,000 total customers. These numbers are outstanding, especially while continuing to manage our customer base during a pandemic.

The ultimate goal at United Fiber is to ensure the United Electric membership have access to some form of high-speed internet. In 2021, we were able to connect 700 additional members with internet access. We will continue to look for opportunities to expand the United Electric membership.

We continue to evaluate and improve our processes in order to meet customer demand while providing the high level of service our customers and members deserve.

## MATERIAL MANAGEMENT

Supply chain issues across the board were a challenge; however, we worked through these challenges by setting minimum inventory levels.

We focused on purchasing inventory and worked towards setting up our reorder points, giving us a better idea of when our orders need to be placed across the business. With forecasting materials out for 2022, United will be in a better buying position for many years to come.

We are continuously scheduling deliveries to support our construction and installation teams. In addition, all inventory is now managed in-house, which allows us to manage our inventory levels better. Supply chain failures and a tight labor market are just a few of the challenges we continue to face, but we are prepared to navigate those challenges to meet the needs of our members.



# BALANCE SHEET

WHAT WE OWN (ASSETS)	DEC 31. 2020	DEC 31. 2021
Total Utility Plant in Service	\$130,183,310	\$135,277,125
Construction Work in Progress	\$2,756,822	\$9,726,496
<b>Total Utility Plant</b>	<b>\$132,940,132</b>	<b>\$145,003,621</b>
<b>LESS:</b> Accum. Provision for Depreciation & Amort.	\$(20,851,335)	\$(23,234,646)
<b>Net Utility Plant</b>	<b>\$112,088,797</b>	<b>\$121,768,974</b>
Non-Utility Property (FIBER PLANT)	\$71,558,541	\$97,186,050
Associated Organizations: CFC, NW Electric Power, Economic Development Loans	\$13,140,249	\$13,392,277
<b>Total Investments</b>	<b>\$84,698,790</b>	<b>\$110,578,327</b>
Cash and cash equivalents	\$1,095,772	\$716,629
Receivables	\$14,313,515	\$15,409,505
Other Current Assets	\$3,174,836	\$6,661,337
<b>Total Current Assets</b>	<b>\$18,584,123</b>	<b>\$22,787,471</b>
<b>Other Deferred Debits</b>	<b>\$3,025,932</b>	<b>\$1,938,861</b>
<b>Total Assets</b>	<b>\$218,397,642</b>	<b>\$257,073,633</b>
WHAT WE OWE (LIABILITIES)	DEC 31. 2020	DEC 31. 2021
<b>MEMBERS' EQUITY</b>		
Patronage Capital	\$33,612,604	\$37,195,116
Other Equities	\$3,693,898	\$5,183,441
<b>Total Margins &amp; Equities</b>	<b>\$37,306,502</b>	<b>\$42,378,556</b>
<b>Long-Term Debt - Other (Net)</b>	<b>\$135,615,513</b>	<b>\$164,467,806</b>
Current Maturities of Long Term Debt	\$5,864,000	\$8,573,000
Accounts & Notes Payable	\$27,862,308	\$26,300,772
Other current liabilities	\$1,488,422	\$6,853,499
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$170,830,243</b>	<b>\$206,195,077</b>
Other Deferred Credits	\$10,260,897	\$8,500,000
<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>\$218,397,642</b>	<b>\$257,073,633</b>



# INCOME STATEMENT

Operating Revenue	DEC 31. 2020	DEC 31. 2021
Sale of Electricity	\$23,283,435	\$23,569,197
Subsidiary revenue	\$31,894,870	\$27,806,793
Other Operating Revenue	\$(5,751,232)	\$1,699,313
Royalty Payments	\$1,043,488	\$1,325,517
<b>Total Operating Revenue</b>	<b>\$50,470,561</b>	<b>\$54,400,820</b>
Operating Expenses		
Cost of power	\$10,260,026	\$10,235,208
Cost of subsidiary revenue	\$6,939,173	\$8,792,568
Distribution – operations	\$2,355,138	\$2,597,906
Distribution – maintenance	\$2,663,979	\$2,761,475
Consumer accounts	\$1,009,193	\$1,194,269
Customer service and information	\$1,081,645	\$1,212,412
Administrative and general	\$6,309,673	\$6,802,546
Depreciation and amortization	\$7,219,537	\$9,136,651
Interest on long-term debt	\$4,690,094	\$4,823,428
Interest expense – other	\$295,287	\$103,442
Tax Expense – Property & Gross Receipts	\$1,824,294	\$2,274,376
Other deductions	\$150,182	\$657,771
<b>Total Operating Expense</b>	<b>\$44,798,221</b>	<b>\$50,592,053</b>
<b>NET OPERATING MARGIN (LOSS)</b>	<b>\$5,672,340</b>	<b>\$3,808,766</b>
NON OPERATING MARGIN		
Interest income	\$111,174	\$42,681
Other non-operating income	\$31,191	\$138,730
CAPITAL CREDITS	\$944,956	\$925,877
<b>NET MARGINS (LOSS) FOR PERIOD</b>	<b>\$6,759,661</b>	<b>\$4,916,055</b>





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