







# Executive Message

## from Greg Andress

Executive Vice President  
and General Manager

Members are the reason Union Power exists, we remain committed to putting you first. As our employees go about their daily tasks—whether working on the lines or answering calls—we keep in mind that our jobs are about improving your quality of life.

**M**embers are the focus of the Cooperative's efforts to provide safe, reliable electricity and energy services. As a not-for-profit business, our motivation is to deliver exceptional value, whether it's on your monthly electric bill or through the many services we provide. Members are the faces of our communities, and the Co-op will continue to do its part to help our communities thrive.

### Member Satisfaction

At Union Power, member satisfaction is always at the forefront of our minds as we evaluate ways to deliver the exceptional member experience that lets you know you are not just a number. The Co-op:

- Provides personalized, cutting-edge online home energy analysis tools and resources to help you save energy in the home and money on your electric bill
- Connects with you on social media channels to communicate with you faster about important programs and timely news, such as outages/outage restoration
- Offers a completely redesigned website to make it easier for you to connect to all the news and services we offer
- Offers improved programs, such as My Energy Report and Pay Your Way, that can help you be an energy-conscious consumer and proactively take control of your energy use.

As always, your feedback matters. We appreciate the comments we receive through mail, email, on the phone and through member surveys that help us identify areas in which the Co-op is exceeding your expectations as well as those areas where improvement is needed.

### Operational Excellence

We know that you rely on the Cooperative to keep your life powered 24/7. Our goal of providing you with the safe, reliable power you've come to depend on motivates us to:

- Look for ways to increase system reliability and provide faster restoration while maintaining a cost-effective system
- Advance with technology so we can keep outages to a minimum and restore power quickly when outages do occur
- Communicate with you about planned outages and restoration efforts
- Be innovative, putting processes in place that improve efficiency
- Continually monitor performance to ensure quality and value

At Union Power, we have your best interests in mind as we work to improve daily processes and hold down operating costs. We work together to ensure that the light comes on when you flip the switch, that your electronics are powered for work and school, and that your family can enjoy the conveniences of life that electricity brings.

### Strengthening Our Communities

As a cooperative business, we do more than deliver electricity. We deliver on a promise to enhance life in the communities we serve by investing in education, supporting essential community services, and helping make our cooperative communities vibrant places to live and work. As a responsible community partner, the Co-op:

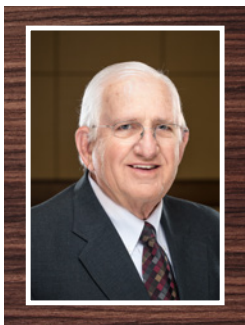
- Advances education through Bright Ideas grants, college scholarships and the Electric Cooperative Youth Tour
- Supports community programs including Hospice, a variety of local charities and causes that help the less fortunate, and programs that stimulate economic growth
- Puts money back in the pockets of members through our capital credits program – money that goes back into our communities

Union Power will continue to take a leadership role in supporting initiatives that improve the quality of life for members and our communities. It is our privilege to serve you, providing you with safe and reliable power and a member-focused dedication to excellence.

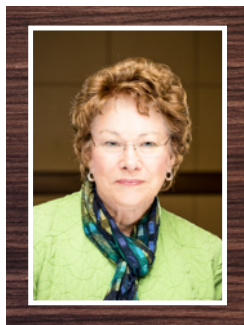
# Board Members



**B. L. Starnes**  
President,  
District III



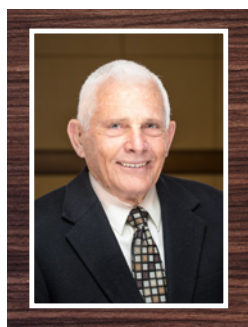
**Lee Roy Kirk, Jr.**  
Vice President,  
District I



**Jan Haigler**  
Secretary-Treasurer,  
District V



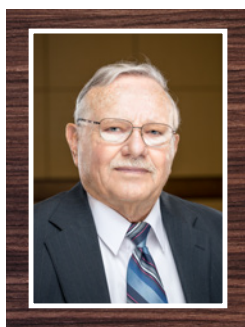
**Dent H. Turner, Jr.**  
Asst. Secretary-Treasurer,  
District I



**Neil W. Hasty**  
District IV



**Carole P. Jones**  
District IV



**Jim T. Hartsell**  
District VI



**David G. Hyatt**  
District II



**Tom J. Caudle**  
District II

## Union Power Cooperative's mission is

To enhance the quality of life of our members and the communities we serve by delivering on our promise to provide safe, reliable electric power and energy services with exceptional value.

## Service Territories

### UNION COUNTY

Miles of energized line: **3,699** Meters covered: **49,230**

### STANLY COUNTY

Miles of energized line: **1,019** Meters covered: **8,592**

### CABARRUS COUNTY

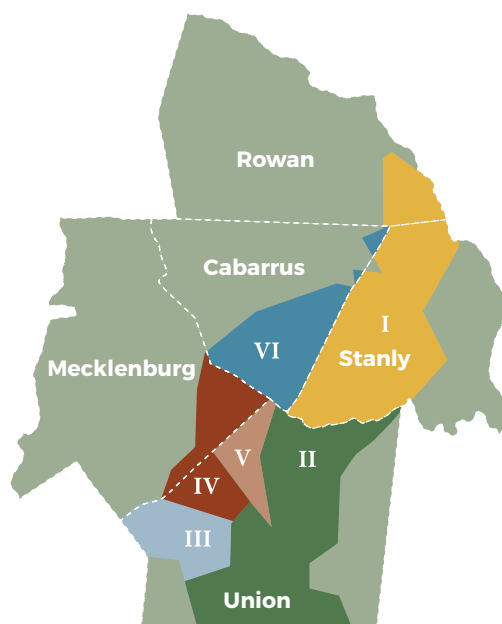
Miles of energized line: **604** Meters covered: **7,275**

### MECKLENBURG COUNTY

Miles of energized line: **353** Meters covered: **6,192**

### ROWAN COUNTY

Miles of energized line: **159** Meters covered: **1,110**



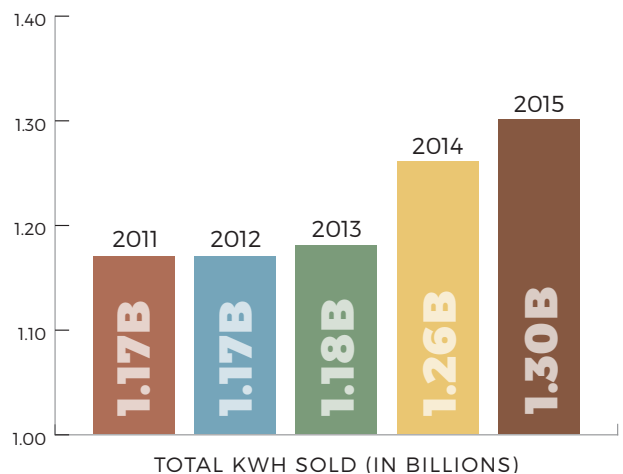
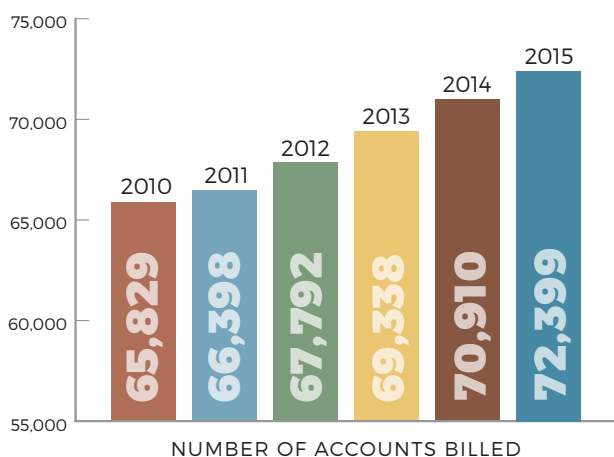
# THREE-YEAR SUMMARY OF *Financial Data*

BALANCE SHEET	December 31,		
	2013	2014	2015
Cash and Temporary Investments	\$ 22,477,800	\$ 7,418,270	\$ 8,372,551
Accounts/Notes Receivable - net of uncollectibles	\$ 11,483,377	\$ 18,739,392	\$ 23,227,144
Materials and Supplies	\$ 1,889,423	\$ 1,919,528	\$ 1,846,334
Other Current Assets	\$ 338,833	\$ 471,942	\$ 391,243
Investments in Associated Organizations	\$ 15,332,750	\$ 17,324,515	\$ 20,067,821
Other Assets	\$ 4,728,199	\$ 3,725,321	\$ 3,747,398
<b>Total Current and Other Assets</b>	<b>\$ 56,250,382</b>	<b>\$ 49,598,968</b>	<b>\$ 57,652,491</b>
Property, Plant and Equipment - net of depreciation	\$ 234,133,414	\$ 245,657,506	\$ 256,186,170
<b>Total Assets</b>	<b>\$ 290,383,796</b>	<b>\$ 295,256,474</b>	<b>\$ 313,838,661</b>
Patronage Capital	\$ 91,996,725	\$ 102,640,632	\$ 104,671,400
Other Equity	\$ 21,937,928	\$ 23,519,268	\$ 27,566,672
<b>Total Equity</b>	<b>\$ 113,934,653</b>	<b>\$ 126,159,900</b>	<b>\$ 132,238,072</b>
Notes Payable - including current portion	\$ 153,356,880	\$ 146,664,105	\$ 156,599,126
Accounts Payable	\$ 8,621,223	\$ 9,954,099	\$ 8,927,802
Customer Deposits	\$ 3,253,020	\$ 3,284,321	\$ 3,224,165
Other Current Liabilities	\$ 3,888,167	\$ 4,500,843	\$ 5,066,358
Other Liabilities	\$ 7,329,853	\$ 4,693,206	\$ 7,783,138
<b>Total Liabilities</b>	<b>\$ 176,449,143</b>	<b>\$ 169,096,574</b>	<b>\$ 181,600,589</b>
<b>Total Equity and Liabilities</b>	<b>\$ 290,383,796</b>	<b>\$ 295,256,474</b>	<b>\$ 313,838,661</b>

Complete audited financial statements are available at Union Power Cooperative's headquarters. The independent audit of 2013, 2014 and 2015 financial statements were completed by the certified public accounting firm of Adams, Jenkins & Cheatham of Richmond, Virginia.

# THREE-YEAR SUMMARY OF *Financial Data*

STATEMENT OF OPERATIONS	December 31,		
	2013	2014	2015
Operating Revenues	\$ 138,269,304	\$ 145,702,114	\$ 147,230,785
Less: Cost of Purchased Power	\$ (87,414,553)	\$ (94,051,198)	\$ (95,247,913)
Gross Margin	\$ 50,854,751	\$ 51,650,916	\$ 51,982,872
Operating Expense	\$ 23,943,400	\$ 26,844,583	\$ 28,252,604
Depreciation	\$ 8,835,003	\$ 9,336,542	\$ 10,005,342
Tax Expense	\$ 4,390,783	\$ 2,156,938	\$ 4,445
Interest Expense	\$ 6,295,791	\$ 7,262,669	\$ 7,083,482
Other Deductions	\$ 73,030	\$ 56,354	\$ 90,615
Total Operating Margins	\$ 7,316,744	\$ 5,993,830	\$ 6,546,384
Interest and Other Income	\$ 298,097	\$ 1,036,087	\$ 1,047,945
Income (Loss) from Affiliates	\$ 180,071	\$ 91,717	\$ 102,447
Capital Credits from Associated Organizations	\$ 2,320,828	\$ 2,353,195	\$ 2,951,402
Total Non-Operating Margins	\$ 2,798,996	\$ 3,480,999	\$ 4,101,794
Net Margins	\$ 10,115,740	\$ 9,474,829	\$ 10,648,178



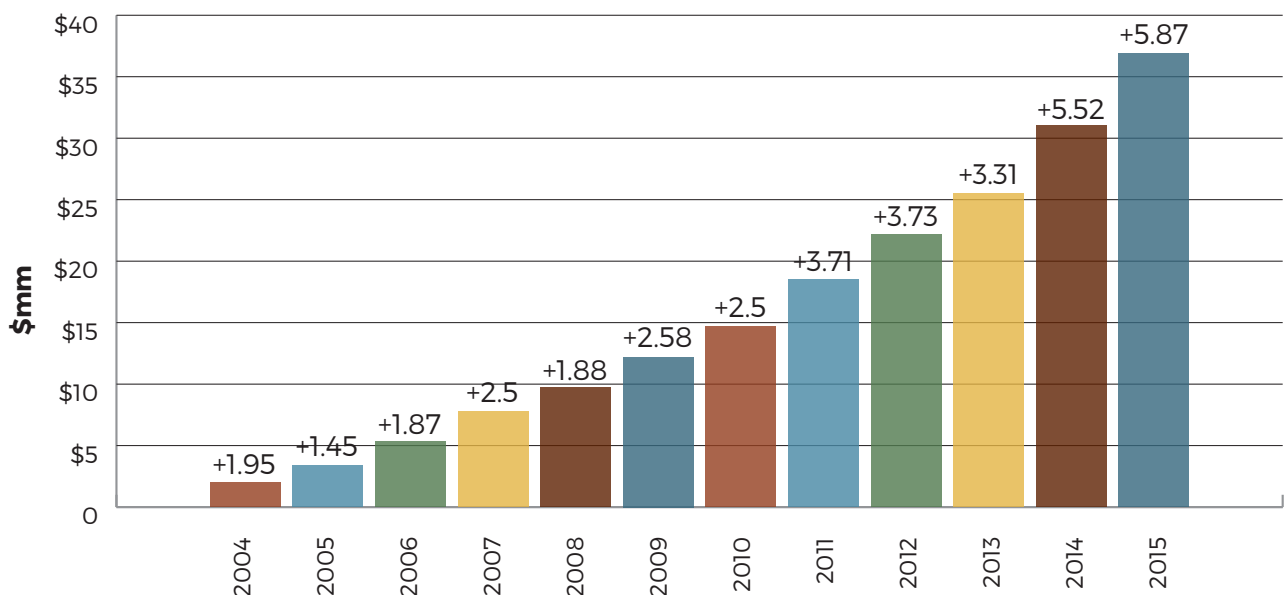


# THREE-YEAR SUMMARY OF *Financial Data*

OTHER INFORMATION	December 31,		
	2013	2014	2015
Service Accounts Billed	69,338	70,910	72,399
Sales, kilowatt hours (kWh)	1,177,947,320	1,256,144,610	1,296,246,645
Average kWh Use per Month (Residential)	1,245	1,303	1,312
Equity as a % of Assets	39.24%	42.73%	42.14%
Capital Credit Retirements (\$ in millions)	\$ 3.31	\$ 5.52	\$ 5.87

## Capital Credit Retirements

(\$37 million since 2004)



# UNION POWER COOPERATIVE *By the Numbers*

Customer  
Service  
calls taken



**121,000+**

**9,250**

Online and  
In-home  
*energy audits*

New  
services  
connected  
**1,582**



**99.9%**  
*Reliability  
Rating*

**\$90,000+**

*to support communities  
and local schools*



Money raised by employees for the  
*Hospices of Union & Stanly counties*  
over the past 6 years  
**\$248,000+**

**101** residential  
*solar accounts*  
interconnected  
with our  
system



Bright Ideas  
Grants awarded to  
Teachers since 1994

**\$256K**  
**324 projects**



Saved our members

**\$52,000**

in Rx Savings by using the  
*Co-op Connections card*



*Our Core Values*  
**Accountability**  
**INTEGRITY**  
**SAFETY**  
**Continuous Improvement**  
**MEMBER FOCUS**  
**COOPERATIVE PRINCIPLES**

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This institution is an  
equal opportunity provider  
and employer.

**Union Power  
Cooperative**

A Touchstone Energy® Cooperative 