

FINANCIAL REPORT

BALANCE SHEET

ASSETS AND OTHER DEBITS

	As of 12/31/20	As of 12/31/19
Total Utility Plant in Service	\$ 67,535,576	\$64,524,255
Construction Work in Progress	1,055,939	994,494
Total Utility Plant	68,591,514	65,518,750
Accumulated Provision for Depreciation	(1,137,272)	(10,349,518)
Net Utility Plant	\$57,454,242	\$55,169,232
Investment in Assoc. Org. - Patronage Capital	\$20,518,313	\$19,541,041
Investment in Assoc. Org. - Other Non-Gen. Funds	516,211	522,579
Other Investments	2,460	2,460
Total Other Property & Investments	\$21,036,984	\$20,066,081
Cash - General Funds	\$403,818	\$1,090,768
Temporary Investments	0	0
Accounts Receivable - Sales of Energy (net)	1,691,957	1,636,026
Accounts Receivable - Other (net)	149,909	57,662
Materials and Supplies	29,351	38,599
Prepayments	221,444	209,258
Other Current and Accrued Assets	0	0
Total Current and Accrued Assets	\$2,496,479	\$3,032,314
Other Deferred Debits	\$631,995	\$809,405
Total Assets and Equities	\$81,619,700	\$79,077,031

MARGINS AND EQUITIES

Memberships	\$20,900	\$20,610
Patronage Capital	42,385,099	40,794,330
Operating Margins - Prior Years	0	0
Operating Margins - Current Year	1,784,559	2,126,939
Nonoperating Margins	57,395	123,265
Other Margins and Equities	60,370	60,370
Total Margins and Equities	\$ 44,308,323	\$43,125,514

LIABILITIES AND OTHER CREDITS

Long-Term Debt	\$35,022,712	\$33,586,942
Accumulated Operating Provisions	23,905	43,905
Accounts Payable	1,494,935	1,381,135
Other Current and Accrued Liabilities	401,092	487,406
Total Current and Accrued Liabilities	\$1,896,027	\$1,868,541
Other Deferred Credits	\$368,733	452,130
Total Liabilities and Other Credits	\$81,619,700	\$79,077,031
Equity as a Percent of Assets	54.286%	54.536%
Equity as a Percent of Capitalization	55.852%	56.217%

SUMMARY OF OPERATING STATEMENT

Revenue	\$21,699,871	\$21,534,251
Less Cost of Power	14,428,636	14,283,246
Gross Margin	7,271,235	7,251,005
Distribution Expense - Operations	611,217	631,326
Distribution Expense - Maintenance	985,221	995,986
Consumer Accounting Expense	437,785	427,041
Customer Service and Information Expense	77,751	82,025
Sales Expense	90,258	85,424
Administration and General Expense	863,152	853,733
Total Operations and Maintenance Expense	\$ 17,494,021	\$17,358,781
Depreciation, Tax and Interest Expense		
Depreciation and Amortization Expense	\$1,913,820	\$1,812,237
Interest Expense - Long-term Debt	1,610,628	1,598,540
Interest Expense - Other	9,310	8,708
Total Depreciation and Interest Expense	\$3,533,758	\$3,419,484
Cost of Electric Service	\$21,027,779	\$20,778,265
Operating Margins	\$672,092	\$755,986
Nonoperating Margins - Interest	20,271	33,428
Nonoperating Margins - Other	37,124	89,837
Generation and Transmission Capital Credits	839,063	1,116,746
Other Capital Credits and Patronage Dividends	273,404	254,207
Patronage Capital or Margins	\$1,841,954	\$2,250,204

2020 REVENUE



2020 EXPENSES



Rick Graff
Secretary/Treasurer

Wharton County
Electric Cooperative

Feb. 18, 2021

INDEPENDENT AUDITOR'S REPORT

Wharton County Electric Cooperative, Inc.

El Campo, Texas

We have audited the accompanying financial statements of Wharton County Electric Cooperative, Inc. (the Cooperative), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of revenue and patronage capital, and cash flows for the years then ended, and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wharton County Electric Cooperative, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bumgardner, Morrison & Company, LLP

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Certified Public Accountants

Victoria, Texas