

# Financial report

for the years ended December 31, 2022 and 2021

## Consolidated balance sheet

ASSETS	2022	2021
<b>Plant assets</b>		
1 Utility plant	\$236,013,759	\$220,133,133
2 Construction work in progress	3,769,014	1,341,902
3 <b>Total utility plant</b>	<b>239,782,773</b>	<b>221,475,035</b>
4 Less accumulated depreciation	89,361,462	83,618,521
5 <b>Net utility plant</b>	<b>150,421,311</b>	<b>137,856,514</b>
<b>Other property and investments</b>		
6 Investments in associated organizations	\$56,236,778	\$54,696,924
7 Non-utility property-net	2,871,411	2,409,605
8 Notes receivable	18,085	23,812
9 Other investments	1,687,176	1,718,277
10 <b>Total other property and investments</b>	<b>60,813,450</b>	<b>58,848,618</b>
<b>Current and other assets</b>		
11 Cash and cash equivalents	\$13,335,591	\$19,580,952
12 Accounts receivable	6,708,607	5,403,905
13 Other accounts receivable	1,345,638	998,694
14 Accrued unbilled revenue	7,604,023	6,602,523
15 Contract assets	123,786	230,389
16 Materials and supplies inventory	2,479,314	2,820,084
17 Other current and accrued assets	1,675,440	512,476
18 <b>Total current and other assets</b>	<b>33,272,399</b>	<b>36,149,023</b>
19 <b>Deferred debits</b>	<b>1,496,791</b>	<b>1,663,642</b>
20 <b>Total assets</b>	<b>246,003,951</b>	<b>234,517,797</b>
<b>EQUITY</b>	<b>2022</b>	<b>2021</b>
<b>Members' equity</b>		
21 Patronage capital	\$84,644,534	\$85,662,716
22 Other equities	17,367,666	12,777,316
23 <b>Total members' equity</b>	<b>102,012,200</b>	<b>98,440,032</b>
<b>LIABILITIES</b>	<b>2022</b>	<b>2021</b>
<b>Long-term debt (less current maturities)</b>		
24 RUS notes	\$69,386,607	\$63,151,621
25 Nat. Rural Utilities Co-op Finance Corp	8,881,510	10,083,308
26 CoBank notes	21,061,907	22,987,159
27 <b>Total long-term debt</b>	<b>99,330,024</b>	<b>96,222,088</b>
<b>Current and other liabilities</b>		
28 Current maturities of long-term debt	\$6,830,283	\$5,530,584
29 Accounts payable	1,989,001	1,973,076
30 Accounts payable-purchased power	9,741,063	7,624,295
31 Consumer deposits	1,884,241	1,903,702
32 Other current and accrued liabilities	10,645,599	8,763,022
33 <b>Total current and other liabilities</b>	<b>31,090,187</b>	<b>25,794,679</b>
34 <b>Deferred credits</b>	<b>13,571,540</b>	<b>14,060,998</b>
35 <b>Total members' equity and liabilities</b>	<b>246,003,951</b>	<b>234,517,797</b>

## Statement of operations

	2022	2021
51 <b>Operating revenues</b>	<b>\$120,114,322</b>	<b>\$108,871,315</b>
52 <b>Deferred revenues</b>	<b>800,000</b>	<b>95,971</b>
53 <b>Cost of power</b>	<b>82,150,583</b>	<b>70,384,769</b>
<b>Local operating expenses</b>		
54 Distribution (operations and maintenance)	\$8,476,564	\$8,930,237
55 Member accounts and service	3,970,703	3,669,096
56 Administrative and general	5,358,463	4,628,596
57 <b>Total local operating expenses</b>	<b>17,805,730</b>	<b>17,227,929</b>
<b>Fixed charges</b>		
58 Property tax	\$2,786,835	\$2,664,687
59 Depreciation and amortization	6,993,145	6,726,880
60 Interest on long-term debt	3,196,436	2,986,012
61 <b>Total fixed charges</b>	<b>12,976,416</b>	<b>12,377,579</b>
62 Extraordinary items	-	-
63 <b>Net Operating Margins</b>	<b>7,981,593</b>	<b>8,977,009</b>
64 Conservation improvement program	(565,246)	(573,795)
65 Non-operating margins	741,621	1,663,902
66 <b>Net operating and non-operating margins</b>	<b>8,157,968</b>	<b>10,067,116</b>
67 Generation and transmission and other capital credits	3,993,448	2,326,528
68 <b>Net margins</b>	<b>\$12,151,416</b>	<b>\$12,393,644</b>

## Letter to the members of Wright-Hennepin Cooperative Electric Association, Rockford, Minn.

Eide Bailly LLP, an independent certified public accounting firm, has audited Wright-Hennepin Cooperative Electric Association's financial statements for the year ended December 31, 2022. The audit firm has issued their unmodified opinion dated March 6, 2023, on the financial statements. Copies of the audited financial statements are on file at the cooperative's office for inspection.

