




ensuring
RELIABILITY



**WITHLACOOCHEE RIVER ELECTRIC
COOPERATIVE, INC.**



Your Touchstone Energy Cooperative 





VISION REALITY!

Vincent House – Vincent House Pasco focuses on the Clubhouse Model. Their goal is to improve social and vocational skills and help individuals to become employed and lead full successful lives in our community. Vincent House is an organization whose mission is to assist, promote, and celebrate individuals recovering from mental illness.

On June 24, 2019, Vincent House Pasco held a groundbreaking ceremony to begin the construction of a new state-of-the-art facility. Over \$2.7 million was raised to fund the facility with the help of local leaders, organizations, and elected officials such as Senator Wilton Simpson.

On September 16, 2020, after a year of construction, a ribbon cutting ceremony was held to open this new facility that can serve between 75-100 people a day. This could not have been possible without the support shown by many individuals, leaders, and community members. Vincent House Pasco joins Vincent House Hernando as the second facility that WREC has made a reality, and the future may hold more.



Celebrating Recovery Through Work

MESSAGE FROM THE GENERAL MANAGER

Dear Member:

WREC began 2020 with strong growth, a bustling economy, and a very positive outlook for the ensuing year. However, the world was awakening to a new crisis, the Coronavirus otherwise known as COVID-19. As a first responding utility, known for weathering national disasters, no one could imagine the immense threat of the virus, nor the drastic measures we would have to take to respond to it.

As the virus began to spread throughout the country, Florida's infection rate began to climb dramatically. With hurricane season fast approaching, WREC made the painful decision to close its offices to the public on March 17, 2020 and implement strict safety measures to prevent the spread of the virus within our organization. Based on the surmounting loss of life and new state and federal COVID-19 guidelines prohibiting large gatherings, WREC was forced to cancel its Annual Meeting. Conditions in our country were changing daily but our mission remained clear, to keep the power flowing to our Members.

With our economy suffering, basic supplies scarce, and millions of Americans unemployed, WREC's Board of Directors authorized an early \$21 million Capital Credits refund. We worked swiftly to refund these dollars in May to provide much needed relief to our Members!

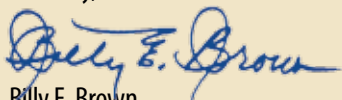
WREC's charitable foundations, Operation Round-Up and the Educational Foundation program, remained active and instrumental throughout the year, disbursing over \$1.3 million. Although there was a large amount of uncertainty surrounding the pandemic, the Co-op remained actively involved when opportunities presented themselves. One such instance was the opportunity for several employees to deliver meals to homebound seniors, bringing a smile and a dose of hope to them.

With the demand for mental health services growing rapidly, construction of the Vincent House Pasco was completed and our second "recovery through work" center opened in December. The 9,500 sq. ft. facility offers life and job training skills to those living with mental illness. Vincent House Pasco was made possible through a collaborative partnership with the Pasco County Board of County Commissioners, Public Defender's Office, Pasco County Sheriff's Office, elected leaders specifically Florida Senate President Wilton Simpson, civic leaders, and local businesses.

WREC closed out the year successfully and even overcame hardships related to the Coronavirus. Seventy-seven Cooperative employees became ill with the virus and three had to be hospitalized. Despite the pandemic, we had many successes, including lowering rates for the third year in a row. Even in the most difficult of times, we had much to be thankful for.

As your General Manager, and neighbor, I ask you to stay safe, and please do not hesitate to contact me or a member of my staff if we can assist you during these trying times. We are all in this together.

Sincerely,



Billy E. Brown

Executive Vice-President & General Manager



Billy E. Brown

Executive Vice-President
and General Manager,
Withlacoochee River
Electric Cooperative, Inc.





Keeping the Power On For Our Members!

For the last 3 years WREC has significantly improved service reliability for our Members.

| Withlacoochee River Electric Cooperative SAIDI (SYSTEM AVERAGE INTERRUPTION DURATION INDEX) NUMBERS | | |
|--|--------------------------|--------------------------|
| 2018 | 2019 | 2020 |
| 127.810 MINUTES | 95.025 MINUTES | 86.993 MINUTES |

SAIDI is a measurement of the average amount of time each Member was without power each year. We strive to keep the power on whether the outage is storm, equipment, or human/animal related (car vs. pole, etc.). By increasing our tree trimming, system upgrades, and the use of our drones for line inspection, our Member outage times have been reduced significantly over the last three years.

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RELIABILITY

WREC's Control Center monitors your electric distribution system around the clock, 365 days a year.



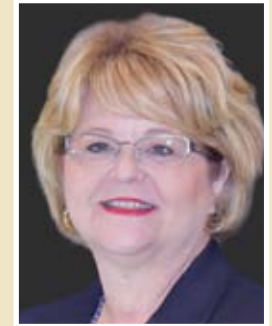
BOARD OF TRUSTEES



DISTRICT 1
Robert W. Strickland
Vice-President



DISTRICT 2
David S. Hunnicutt



DISTRICT 3
Patricia P. Bechtelheimer



DISTRICT 4
Alan F. Hengesbach
Secretary/Treasurer



DISTRICT 5
Robert J. Huss



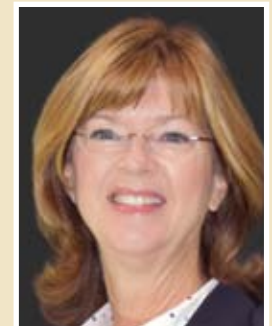
DISTRICT 6
Terrence E. Schrader
President



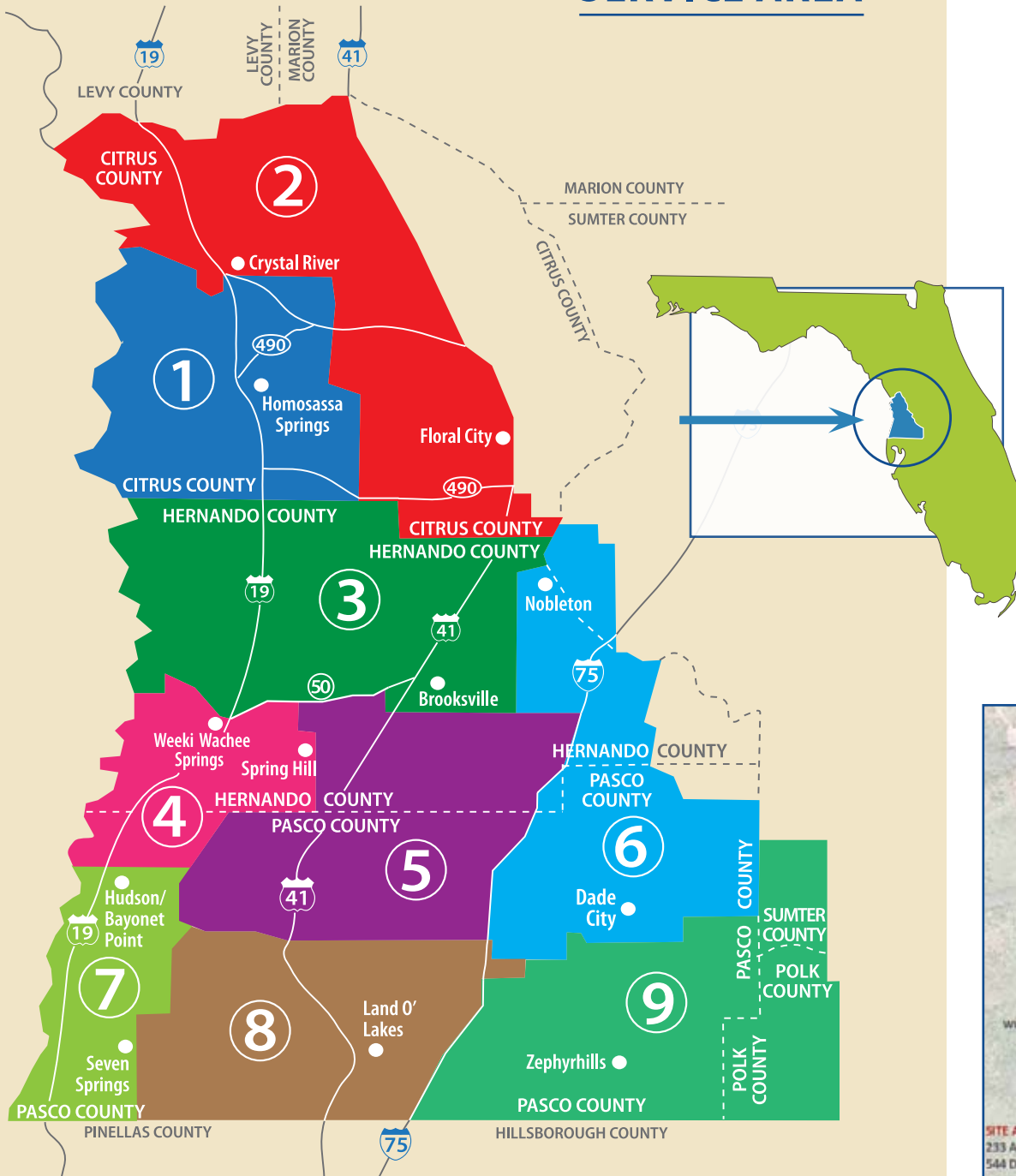
DISTRICT 7
Desmond G. Little



DISTRICT 8
Paul R. Little



DISTRICT 9
Kimberly L. Kinney



Increasing Services

WREC provides electricity to over 237,000 services in our nine Trustee districts with 4,410 new services added during 2020 in our 5-county service area.

This increase in new services is expected to continue, as the building of many new facilities such as the newly funded Moffitt Cancer Center. The Pasco County Commission recently approved a \$25 million incentive that will bring a new 125,000 square foot building on a 775-acre site to the county within the next five years. The development of this center alone could create at least 14,000 jobs in the region and put Pasco County on the national map as an important destination for both cancer treatment and research.



JANUARY

NRECA (*National Rural Electric Cooperative Association*) completed a study on WREC's economic impact on Florida's economy from 2013-2017. WREC had a \$2.6 billion Gross State Product impact and supported over 5,200 jobs, along with \$1 billion in direct labor.

FEBRUARY

Installations of our whole house generator is in full swing with over **250 Generac® Generators** installed throughout our 5-county service territory.

MARCH

WREC closes offices to the General Public to combat the spread of COVID-19 due to the essential nature of electric delivery.

APRIL

WREC 73rd Annual Meeting is canceled due to COVID-19.

MAY

WREC's Board approves an early **\$21 million Capital Credits refund** to help Members affected by COVID-19.

JUNE

Began delivering meals to homebound seniors impacted by COVID-19.

JULY

Began promoting **Power Outage Notifications** on the **SmartHub®** app. At the end of 2020, there were more than 50,000 subscribers combined for the four types of notifications available.

AUGUST

Completed acquisition of property to build a new substation in Spring Hill.

SEPTEMBER

Vincent House Pasco has a ribbon cutting ceremony to open the new 9,500 sq. ft. facility designed to help those living with mental illness.

OCTOBER

Helped 20 families in 2020 by disbursing over \$109,000 from our **Operation Round-Up** program.

NOVEMBER

WREC expands outreach and adds an EV (*Electric Vehicle*) page to the WREC website to help promote EVs.

DECEMBER

Vincent House Pasco is fully staffed and opened to serve the community!





**EXECUTIVE VICE PRESIDENT
& GENERAL MANAGER**
Billy E. Brown



EXECUTIVE ASSISTANT
Paula Lewis
352-567-5133, x6101



ACCOUNTING & FINANCE
Ronnie Deese, Manager
352-567-5133, x6200



ENGINEERING & TECH. SUPPORT
Howard Prim, Manager
352-567-5133, x5100



MEMBER RELATIONS
David Lambert, Manager
352-567-5133, x6102



BAYONET POINT
Joe Marina, District Manager
727-868-9465, x2100



CRYSTAL RIVER
Gary Steele, District Manager
352-795-4382, x4100



ONE PASCO CENTER
Ricky Gude, District Manager
352-588-5115, x1100



SYSTEM OPERATIONS
Marlin Sexton, District Manager
352-567-5133, x5200



WEST HERNANDO
David Gonzalez, District Manager
352-596-4000, x3100



ensuring
RELIABILITY

A dedicated and experienced staff to oversee and direct Cooperative policies and procedures with the goal of helping to improve our local communities' economic well-being.



Over a Quarter Century of Help for Our Members!

“Meet Lynn Simon From Spring Hill”

Lynn Simon was a caretaker of her husband until he passed away in 2016. They were married for 42 years. Now she lives alone on a small income. Lynn is handicapped and walks with a cane 85% of the time. She also has several other health issues and was admitted into the hospital on multiple occasions due to double pneumonia.

Ms. Simon reached out to Operation Round-Up when her hot water heater stopped working.

She could not afford to have it replaced. She was without hot water for over a month, and due to her medical condition, it was vital that she had hot water in her home.

Thanks to the generosity of our Members who participate in this worthwhile program, Ms. Simon was able to replace the hot water heater with a new one.

Thank you for your support of this noble program.

For more information visit our website at: wrec.net.



Catastrophic events can occur at any time throughout our lives, but thanks to the generosity of our Members, a helping hand is there to provide assistance through **WREC's Operation Round-Up**.

This program now has over 31,778 participating Members, who have their monthly energy bill rounded up to the nearest dollar. Since 1994, Operation Round-Up has helped 638 families and provided over \$2.2 million in assistance to those in need.

How Does It Work?

| | |
|---------------|----------|
| Power Bill | \$138.00 |
| Amount Due: | \$137.45 |
| Contribution: | \$0.55 |

DURING 2020, OPERATION ROUND-UP HELPED 20 FAMILIES!

Twenty More Reasons to Join! A total of 638 WREC Families Helped!

This worthwhile program has disbursed \$2,221,019.74!

Providing Opportunity Through Education

\$14.5 Million In Scholarships Awarded!

Dear WREC Scholarship Committee,

I want to express my sincerest gratitude for the very generous scholarship you have bestowed upon me. As the recipient of this gift, I will be able to continue my educational journey. My inter-personal, community, and social relationships will strengthen as I pursue my academic goals thanks to the generosity of the Withlacoochee River Electric Cooperative.

My target moving forward is to immerse myself in the Honor's Program and the Engineering Department within the University of South Florida's Tampa campus, creating a positive track for my future and the world. Again, thank you for your generosity and kindness.

Sincerely,
James "Ryley" Price
Class of 2020 - Lecanto



James "Ryley" Price
Class of 2020 - Lecanto

Congratulations to all of the WREC scholarship recipients.

For more information visit our website at: wrec.net.



Investing in our communities and families continues to be one of the guiding principles of electric cooperatives across the country. **Since 1997, your Cooperative's Educational Foundation has awarded 2,084 college scholarships with a potential payout of \$14.5 million.** The recipients of these scholarships may attend any in-state regionally accredited college, university or technical school.

The Cooperative funds this worthwhile program using abandoned Capital Credits that would otherwise be forfeited to the State of Florida as abandoned property.

**\$14.5 MILLION IN SCHOLARSHIPS
AWARDED AS OF 2020!**



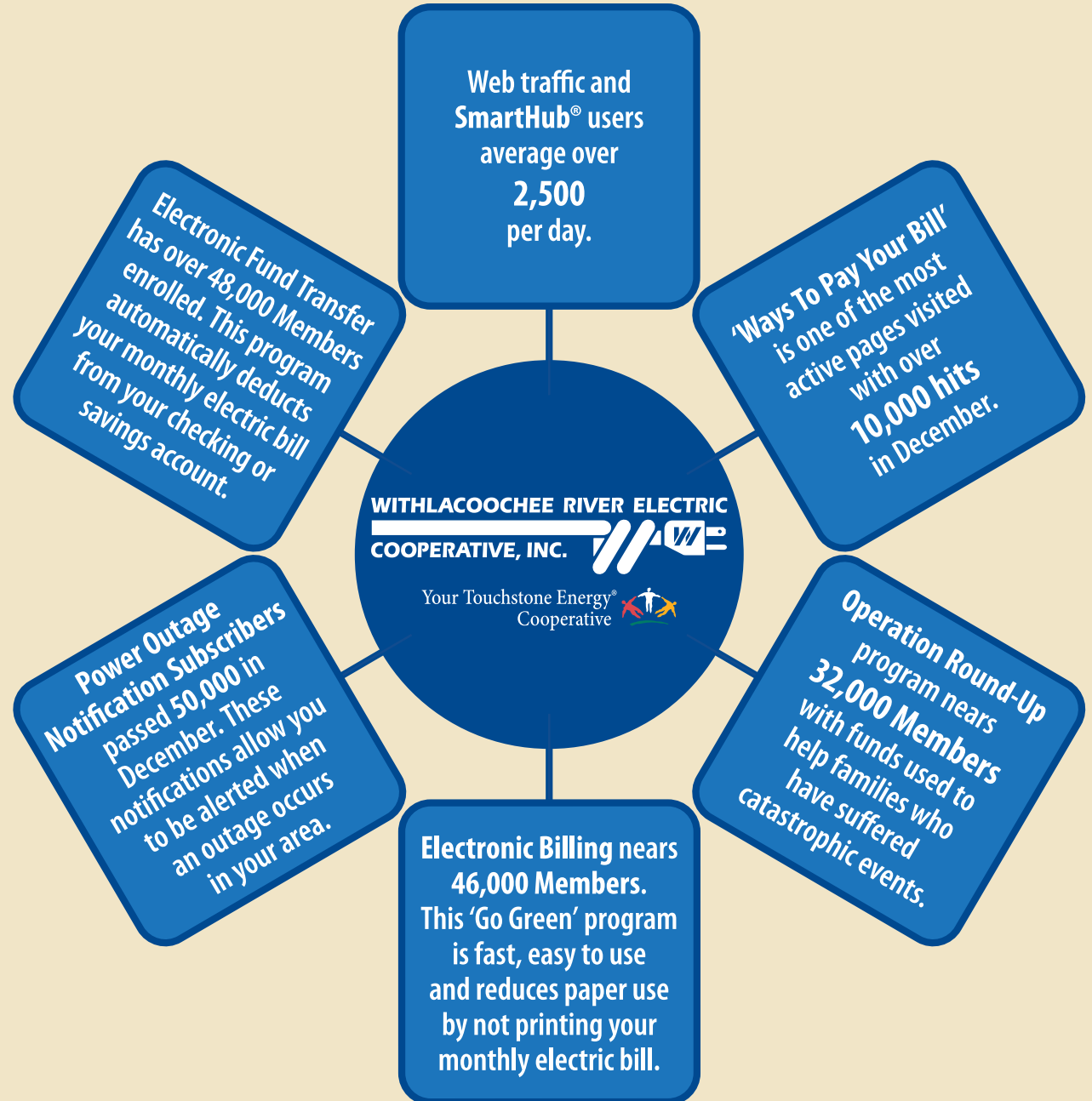
Educational Foundation, Inc.

WREC WEBSITE FACTS

Making It Easier For Members to Connect!



In 2020, WREC went live with an all new website. Moving to a new platform increased our efficiency, reliability, and performance to help us stay connected with our Members. Please be sure to visit us and become familiar with our Member website at: **wrec.net**



DID YOU KNOW ELECTRIC VEHICLES (EVs) HAVE...



LOWER OPERATING COSTS

Fuel and maintenance costs are lower because they have fewer and simpler components and do not require fluid changes or tune-ups.

LESS POLLUTION

They have lower carbon emissions and produce no smog-causing tailpipe emissions.

UNIQUE FEATURES

EVs are quiet, provide instant power, fun to drive, and charging at home is convenient.

| | | | | |
|--|--|---|--|--|
| <p>1. Find out if an EV is right for you.</p>  | <p>2. Choose an EV model.</p>  | <p>3. Find rebates, tax credits, incentives and discounts.</p>  | <p>4. Test drive and purchase your new EV.</p>  | <p>5. Install a level 2, 240Volt charging system.</p>  |
|--|--|---|--|--|

Withlacoochee River Electric Cooperative is dedicated to electric vehicle integration into our electric system.



ELECTRIC VEHICLE PROGRAM

Electric Vehicles Are The Future!



WREC launched its new **Choose EV** feature on our website last year to allow Members to make informed decisions about EVs and provide them with the most accurate and updated information available. This new feature allows you to:

- find out if an EV is right for you; the facts and benefits of EVs.
- see the gas savings calculator over the life of the vehicle!
- choose an EV model that includes average cost, range, kWh consumption, charge time, and federal tax credits associated with the model.
- compare the environmental advantages of CO2 emissions on gas vs. electric vehicles.
- locate charging stations along with the level of the charging station.

improving SYSTEM RELIABILITY

One Of Our Most Important Goals



Our drone program has been operational now for over two years and continues to help isolate and locate potential outages in areas we cannot access on foot. They are used to examine all our lines, poles, and substations to look for possible problems before they occur. Their infrared cameras allow for night use as well as day use, and they are a big reason why our system reliability is improving.

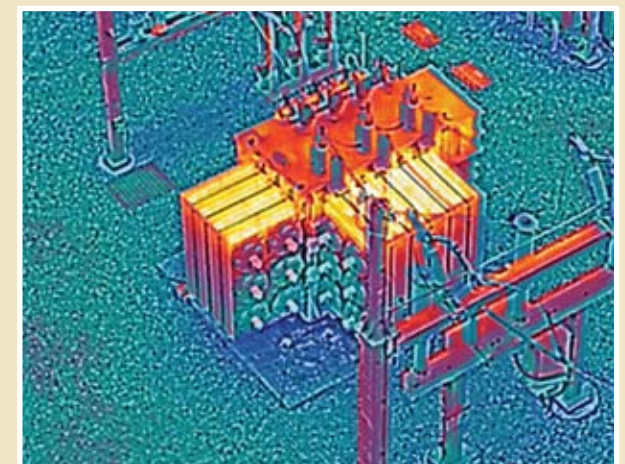
Average outage times are measured by SAIDI (System Average Interruption Duration Index) numbers. Keeping our Members' power on, our system up-to-date and reliable is a very important goal at WREC. This past year, WREC invested \$4 million more than in 2019 to trim right-of-way. We continue to invest in right-of-way maintenance to improve our system reliability. In 2020, the average outage time per Member was 86.993 minutes, another decrease from 2019 when it was 95.025 minutes. WREC logged 1,723 miles of power lines trimmed, an increase of almost 100 miles over 2019 numbers. WREC also invested



over \$29.7 million in new materials and equipment to improve our system reliability.

SYSTEM RELIABILITY CHART

| Year | Cost | Total SAIDI |
|------|-----------------|-------------|
| 2018 | \$ 8,407,607.56 | 127.81 |
| 2019 | \$14,157,325.23 | 95.025 |
| 2020 | \$18,205,123.58 | 86.993 |



Substation images without and with infrared sensors taken by our drones.

| | 2010 | 2019 | 2020 |
|--|----------------|----------------|----------------|
| Average Number of Active Accounts | 199,982 | 220,365 | 224,681 |
| Total kWh Purchased by Cooperative Members | 4,078,477,844 | 4,052,449,888 | 4,247,097,165 |
| Average Monthly Residential kWh Usage | 1,331 | 1,199 | 1,252 |
| Total kWh Purchased by Cooperative | 4,238,126,656 | 4,202,051,135 | 4,385,792,947 |
| Cost of Power Purchased by Cooperative | \$ 341,509,373 | \$ 308,043,210 | \$ 308,791,519 |
| System Peak Demand in Kilowatts (KW) | 1,355,070 | 932,560 | 1,007,470 |
| Number of Full-Time Employees | 444 | 513 | 504 |
| Retirement of Capital Credits/ Deferred Revenue Reduction Refunds | \$ 14,207,534 | \$ 21,195,458 | \$ 21,343,468 |

Your Cooperative grew steadily in 2020.

One of the key elements critical to Member satisfaction is reliability. WREC improved its average Member outage time by 8.5% over 2019, and the average outage time has decreased over the last three years.

2020 YEAR-END STATS

Committed to Strategic Management



In 2020, WREC...

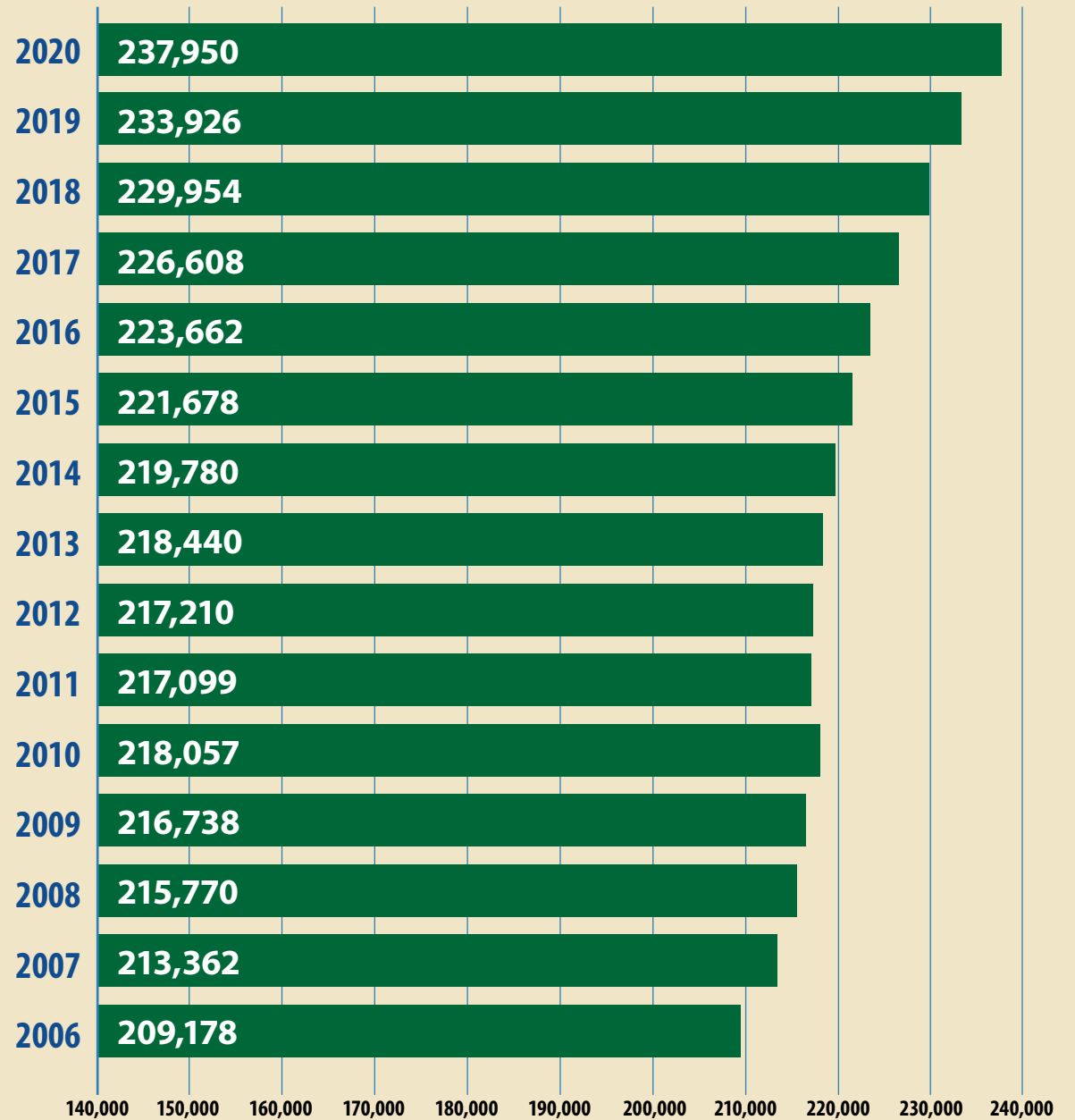
- Ended the year with 504 employees
- Added 4,410 new services
- Closed the year with 11,303 miles of energized power lines
- Completed 10,605 reconnects
- Completed 8,310 disconnects
- Answered 335,720 customer calls
- Trimmed tree limbs away from 1,723 miles of power lines and completed 4,105 right-of-way related service orders to help prevent unnecessary power outages
- Invested over \$29.4 million in new materials and supplies
- Maintained a fleet of 304 vehicles

COOPERATIVE SERVICES

Better Services For Our Members

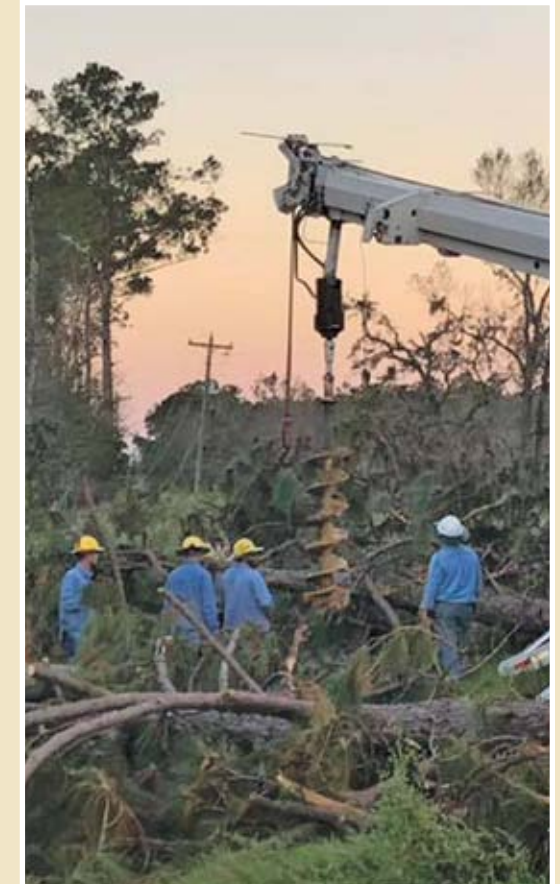
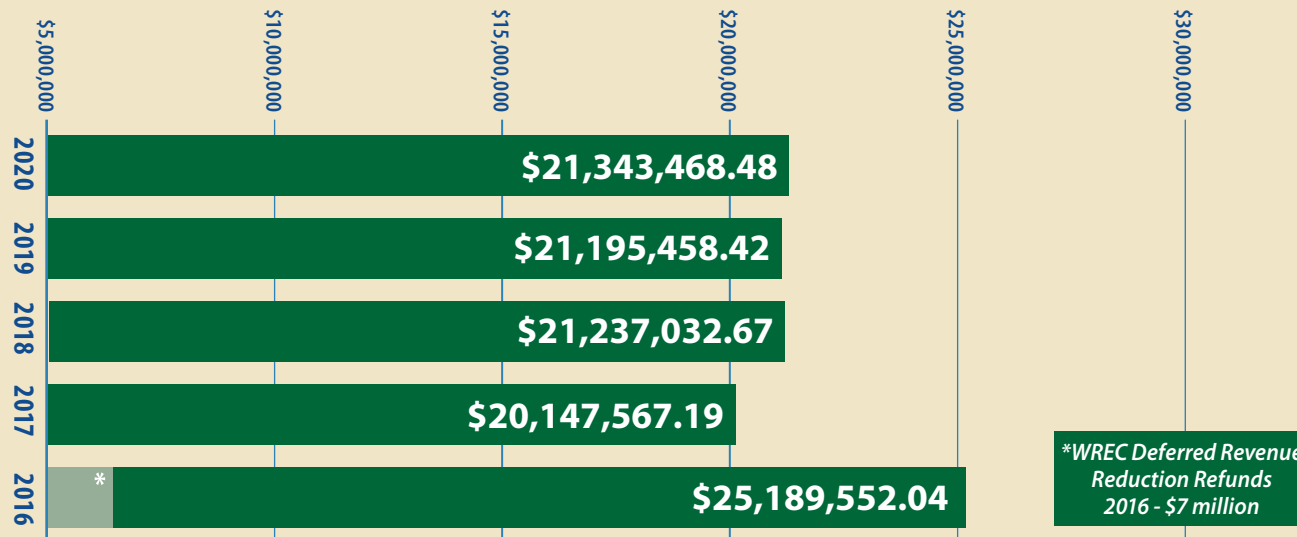


This chart displays your Cooperative's growth for the past 15 years.



CAPITAL CREDITS and DEFERRED REVENUE REDUCTION REFUNDS

WREC's Commitment to Strategic Management



| | | | |
|----------------|------------------|-------------------------|--------------------------|
| 2020 | \$ 21,343,468.48 | 2008 | 14,163,123.30 |
| 2019 | 21,195,458.42 | 2007 | 14,151,954.90 |
| 2018 | 21,237,032.67 | 2006 | 14,000,041.79 |
| 2017 | 20,147,567.19 | 2005 | 13,735,562.17 |
| 2016 | 25,189,552.04 | 2004 | 13,074,532.82 |
| 2015 | 25,187,905.58 | 2003 | 12,082,542.22 |
| 2014 | 15,186,202.39 | 2002 | 12,029,598.91 |
| 2013 | 15,173,453.48 | 2001 | 11,949,301.35 |
| 2012 | 14,177,947.24 | 2000 | 10,000,136.94 |
| 2011 | 14,205,748.61 | 1999 | 9,999,990.72 |
| 2010 | 14,207,534.22 | Prior | 69,632,025.83 |
| 2009 | 14,394,160.28 | Totals | \$ 416,464,841.55 |

Your Cooperative has returned more than \$344 million in Capital Credits and \$72 million in Deferred Revenue Reduction Refunds.

STATEMENTS OF REVENUE AND PATRONAGE CAPITAL AND BALANCE SHEETS

STATEMENTS OF REVENUE AND PATRONAGE CAPITAL

(For years ended December 31)

| | 2019 | 2020 |
|---|---------------------------------|-----------------------|
| OPERATING REVENUES | | |
| Energy Sales | \$ 445,915,842 . . . | \$ 453,417,626 |
| Other Electric Revenues | 18,575,695 | 18,608,497 |
| TOTAL OPERATING REVENUES | \$ 464,491,537 | \$ 472,026,123 |
| OPERATING EXPENSES | | |
| Purchased Power | \$ 308,048,255 | \$ 308,805,132 |
| Operations | 20,975,455 | 21,294,920 |
| Maintenance | 30,672,322 | 34,421,613 |
| Consumer Accounting | 13,286,619 | 13,542,243 |
| Customer Service | 532,519 | 455,537 |
| Administrative and General | 11,332,862 | 11,779,592 |
| Depreciation | 28,189,078 | 28,892,365 |
| Taxes | 11,230,737 | 11,327,271 |
| Interest | 16,070,575 | 15,058,173 |
| TOTAL OPERATING EXPENSES | \$ 440,338,422 | \$ 445,576,846 |
| MARGINS | | |
| Operating Margins | \$ 24,153,115 | \$ 26,449,277 |
| Non-Operating Margins | 11,338,993 | 7,358,406 |
| Capital Credits from | | |
| Associated Organizations | 8,935,868 | 7,970,638 |
| Net Margins | \$ 44,427,976 | \$ 41,778,321 |

BALANCE SHEETS - ASSETS, EQUITIES & LIABILITIES

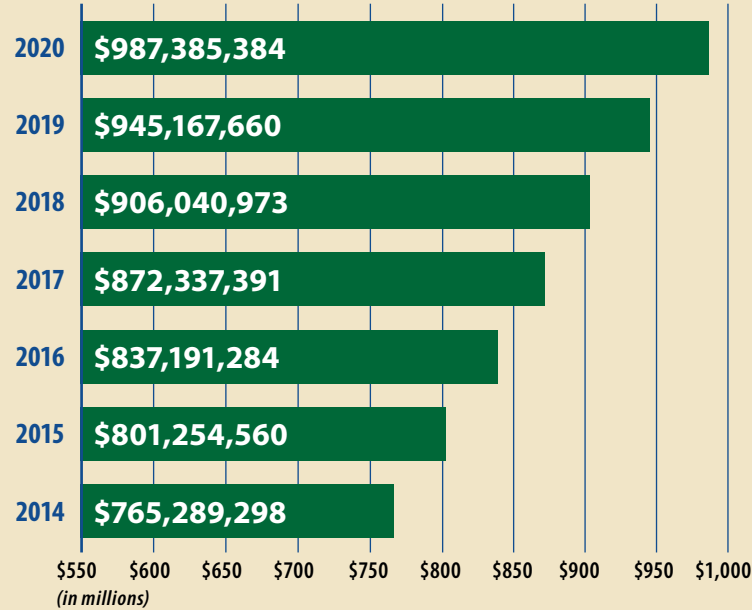
(As of December 31)

| | 2019 | 2020 |
|---|-----------------------------------|-------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 277,577,420 | \$ 222,509,221 |
| Investments in | | |
| Associated Organizations | 131,530,943 | 140,130,638 |
| Accounts Receivable | 14,806,152 | 18,885,976 |
| Notes Receivable | - | 784,737 |
| Inventory | 23,977,637 | 29,465,821 |
| Special Deposits | 108,895 | 104,895 |
| Prepayments | 12,885,719 | 32,658,032 |
| Interest Receivable/Deferred Debits | 29,343,312 | 30,242,518 |
| Non-Utility Property | 593,491 | 565,695 |
| Utility Plant* | 639,141,509 | 663,730,537 |
| TOTAL ASSETS | \$ 1,129,965,078 | \$ 1,139,078,070 |
| MEMBER EQUITIES | | |
| Membership Fees | \$ 968,840 | \$ 994,510 |
| Capital Credits | 577,755,007 | 598,189,853 |
| TOTAL EQUITIES | \$ 578,723,847 | \$ 599,184,363 |
| LIABILITIES | | |
| Long-Term Debt | \$ 423,749,812 | \$ 402,335,895 |
| Accounts Payable | 29,311,465 | 35,925,078 |
| Customer Deposits | 23,853,804 | 24,616,516 |
| Non-Current Liabilities | 108,895 | 104,895 |
| Other Current & Accrued Liabilities | 40,166,671 | 36,692,653 |
| Deferred Credits and | | |
| Miscellaneous Reserves | 34,050,584 | 40,218,670 |
| TOTAL LIABILITIES | \$ 551,241,231 | \$ 539,893,707 |
| TOTAL EQUITIES & LIABILITIES | \$ 1,129,965,078 | \$ 1,139,078,070 |

*Net of Accumulated Depreciation

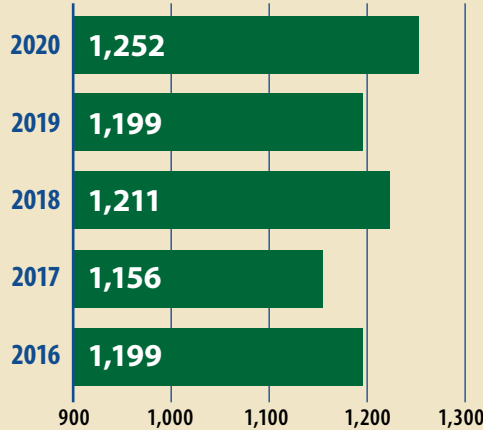
WREC UTILITY PLANT -

Includes substations, poles, wire, meters, etc.



USAGE (kWh) -

Average Residential

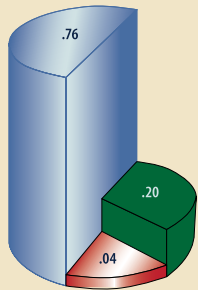


UTILITY PLANT

AVERAGE RESIDENTIAL USAGE

ENERGY DOLLAR

PROPERTY TAXES

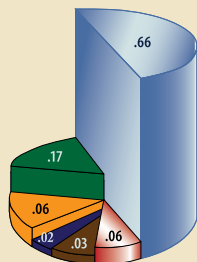


THE ENERGY DOLLAR SOURCE OF REVENUE

| | 2019 | 2020 |
|---------------|---------------|---------------|
| Residential | \$.75 | \$.76 |
| Commercial | .21 | .20 |
| Miscellaneous | .04 | .04 |
| TOTAL | \$1.00 | \$1.00 |

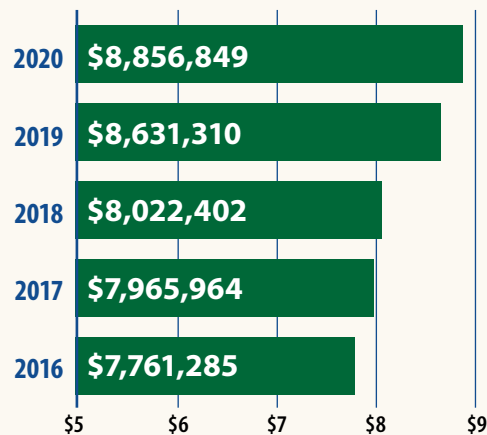
USE OF REVENUE

| | 2019 | 2020 |
|------------------------|---------------|---------------|
| Purchased Power | \$.66 | \$.66 |
| Operations/Maintenance | .17 | .17 |
| Depreciation | .06 | .06 |
| Taxes | .02 | .02 |
| Interest on Debt | .03 | .03 |
| Operating Margins | .06 | .06 |
| TOTAL | \$1.00 | \$1.00 |



WREC PROPERTY TAXES -

(In millions)



WREC's Commitment to Strategic Management



Withlacoochee River Electric **CO-OP OFFICES**

BILLY E. BROWN CORPORATE CENTER

14651 21st Street • Dade City, Florida 33523
Phone: 352-567-5133

ONE PASCO CENTER DISTRICT OFFICE

30461 Commerce Drive • San Antonio, Florida 33576
Phone: 352-588-5115

CRYSTAL RIVER DISTRICT OFFICE

5330 West Gulf-To-Lake Highway • Lecanto, Florida 34461
Phone: 352-795-4382

BAYONET POINT DISTRICT OFFICE

12013 Hays Road • Shady Hills, Florida 34610
Phone: 727-868-9465

WEST HERNANDO DISTRICT OFFICE

10005 Cortez Boulevard • Weeki Wachee, Florida 34613
Phone: 352-596-4000

wrec.net

