

2019 ANNUAL REPORT

JUNE 2020



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Yampa Valley Electric Association is a cooperative that provides value to its consumer-members by delivering safe and reliable electric service in an environmentally and financially responsible manner.

**YAMPA VALLEY ELECTRIC
ASSOCIATION
IS AN EQUAL OPPORTUNITY
PROVIDER AND EMPLOYER.**



In 2019, YVEA received a grant from Charge Ahead Colorado to install EV chargers at both its Craig and Steamboat offices. Pictured is the YVEA Board of Directors and management team unveiling the new EV charger at the Steamboat office on June 25, 2019.

GENERAL MANAGER'S REPORT



STEVE JOHNSON

The Annual Report for 2019 provides statistical information showing the financial condition and operations for the year. The financial and operating results for 2019 show a decrease in kilowatt-hour sales of 1.54% and a 1.38% decrease in revenue. The detail of our revenue and expense report shows an operating margin of \$3,500,335. The amount to be allocated to members for 2019 is \$3,255,889.85. The report also shows other income of \$386,968. These items include interest, loss from equity investments and capital credit allocations received from other organizations in which Yampa Valley Electric Association has a membership. The amounts received, which are in cash, are allocated to YVEA's current membership. The board of directors approved the retirement of \$1.6 million, which will be paid against the 2002 and 2003 patronage margin allocations. We are pleased to continue the refund of capital credits to our consumer-members.

I thank all the members, board of directors and employees for your continued support.

Sincerely,
Steve Johnson
President and General Manager

**Find capital credits information
online at yvea.com.**

2020 Annual Meeting Postponed

The YVEA 2020 Annual Meeting has been postponed from June 23, 2020, in Baggs, Wyoming, to a tentative date of September 22, 2020. The location will be determined later. Based on state and county requirements for COVID-19 in the fall, the meeting may also be held virtually. The election process remained the same with all petitions for nominations of directors being returned to YVEA by May 8, 2020. Ballots will be now mailed out on August 21, 2020. To be valid and counted, each ballot must be signed by the member whose name is on the label and the ballot must be received at the location of the third-party ballot counter by Thursday, September 17, 2020. If the meeting is held virtually the director election will be completed by mail in ballot process only.



2019 Keystone Substation upgrade. YVEA crews worked through the night to complete the project.

TREASURER'S REPORT



AMY MAHON

The financial statement for the fiscal year ending December 31, 2019, reflects the sound financial status of Yampa Valley Electric Association, Inc. The association was audited by Bolinger, Segars, Gilbert & Moss, L.L.P, certified public accountants of Lubbock, Texas. Our auditors have reviewed and gave an opinion on Yampa Valley Electric Association's balance sheet as of December 31, 2019, and 2018, and the related statements of income and patronage capital and cash flows for the years ended, as well as the related notes to the financial statements.

YVEA management's responsibility is to prepare and present the financial statement 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 misstatements and errors.

The financial statements were presented to the auditors in February 2020. Yampa Valley Electric Association's 2019 audit was presented to the board of directors in April 2020 with a clean audit, and all consolidated financial statements have been presented fairly, in all material respects.

The data presented in this report is from the 2019 financial statements. Copies of the audited financial statements and the annual report are available at Yampa Valley Electric Association's headquarters.

Amy Mahon, MBA, CFPC
Finance Manager - YVEA

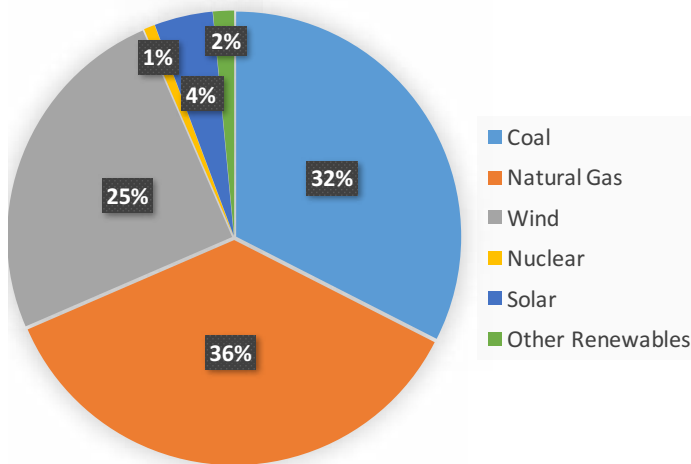
2019 YVEA BOARD OF DIRECTORS

DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5
				
Glynda Sheehan	Larry Elgen	Jean Stetson	Dean Brosious	Patrick Delaney
DISTRICT 6	DISTRICT 7	DISTRICT 8	DISTRICT 9	
				
Tom Fox	Sonja Macys	Scott McGill	Ken Rogers	

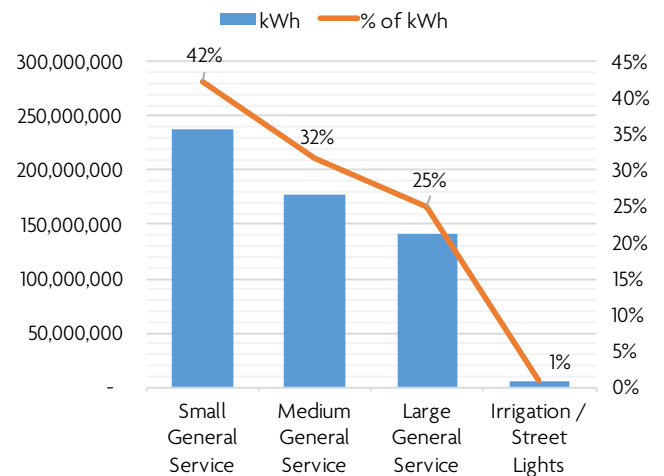
2019 Statement of Operations

	2019	2018	2017
Operating Revenue and Patronage Capital	\$58,667,577	\$59,569,286	\$56,192,236
Operation & Maintenance Expense			
Power Cost	32,637,462	35,206,836	33,704,348
Operating and Maintenance Expenses	15,181,338	13,596,264	12,990,002
Interest	1,322,565	1,197,730	1,008,788
Taxes	-	-	-
Other Expenses	68,168	60,286	49,125
Total Operation & Maintenance Expense	\$49,029,533	\$50,061,116	\$47,752,263
Earnings Before Interest & Amortization	9,458,044	9,508,170	8,439,973
Depreciation & Amortization	(5,957,709)	(6,041,860)	(5,373,823)
Patronage Capital & Operating Margins	\$3,500,335	\$3,466,310	\$3,066,150
Other Capital Credits & Patronage Dividends	318,764	275,330	266,492
Nonoperating Margins - Other	\$68,204	\$1,136,180	\$119,411
Patronage Capital or Margins	\$3,887,303	\$4,877,820	\$3,452,053

2019 YVEA Resource Mix



2019 kWh Sales by Rate Class



Highlights of Operations

	2019	2018
New Construction & System Improvements		
Miles of Line Built	6.75	2.95
New Security Lights	9	12
New Services Installed	275	148
Services Upgraded	27	19
Operations & Maintenance		
Average Outage Minutes		
Per Month Per Consumer	38.4	36.3
Members Per Employee	395	385
Meter Orders Processed	6,272	13,181
(connects, disconnects & changes)		
Meters Tested	226	150
Miles of Distribution Line Patrolled	467	494
Miles of Transmission Line Patrolled	280	285
Number of Consumer Work Orders Written	652	551
Number of Poles Inspected	2,806	4,073
UG Cable Locations	6,002	5,203
UG Dig-Ins Repaired	27	25

Comparative Operating Statistics

Category	2019	2018
kWh Purchased	576,336,895	590,598,932
kWh Sold	562,944,607	568,356,746
Annual Peak Demand	120,462	116,329
Percent Line Loss	2.32%	3.77%
Average Number of Members	27,819	26,983
Miles of Line	2,881	2,874
Members Per Mile	9.66	9.39
Average Return per kWh Sold	\$0.1042	\$0.1048
Total Revenue	\$58,667,577	\$59,569,286
Property Taxes Paid	\$1,178,574	\$1,050,154
Power Cost as % of Electric Sales	56%	59%
Principal Paid on Debt	\$1,510,849	\$2,533,970
Total Utility Plant	\$163,185,502	\$169,935,509
Total Margins	\$3,887,303	\$4,877,820
Members Equity	59.2%	68.6%

Financial report as of December 31, 2019

Assets	2019	2018
Current Assets		
Cash - General Fund	4,489,708	3,922,689
A/R General Association	3,415,707	2,780,367
Materials - Our Stock	4,147,229	2,130,451
Prepayments	20,055	16,956
	\$12,072,699	\$8,850,463
Deferred Debits	\$2,062,076	\$2,037,184
Investments		
Associated Organization and special funds	3,482,021	3,305,455
Equity in Other Organizations	132,139	205,091
Property Held for Sale	-	-
	\$3,614,160	\$3,510,546
Utility Plan		
Electric Plant	185,311,408	169,935,509
Accumulated Depreciation	(67,396,732)	(63,605,474)
Total Plant	117,914,676	106,330,035
Total Assets	\$135,663,611	\$120,728,228

Liabilities	2019	2018
Current Liabilities		
Current Maturities of Long-Term Debt	1,213,559	1,513,512
Line of Credit	3,000,000	-
Accounts Payable	10,269,013	5,733,203
Accrued Expenses	917,989	686,469
Accrued Taxes	1,628,104	1,545,845
Customer Deposits	578,804	585,178
	17,607,469	10,064,207
Long-Term Liabilities	35,749,492	30,688,750
Deferred Credits	1,805,012	1,207,686
Other Long-Term Obligations	132,140	205,091
Total Liabilities	\$55,294,113	\$42,165,734
Equity		
Capital Equities		
Patronage Capital	79,897,692	78,107,602
Other Equities	471,806	454,892
Total Equity	\$80,369,498	\$78,562,494
Total Liabilities and Equity	\$135,663,611	\$120,728,228

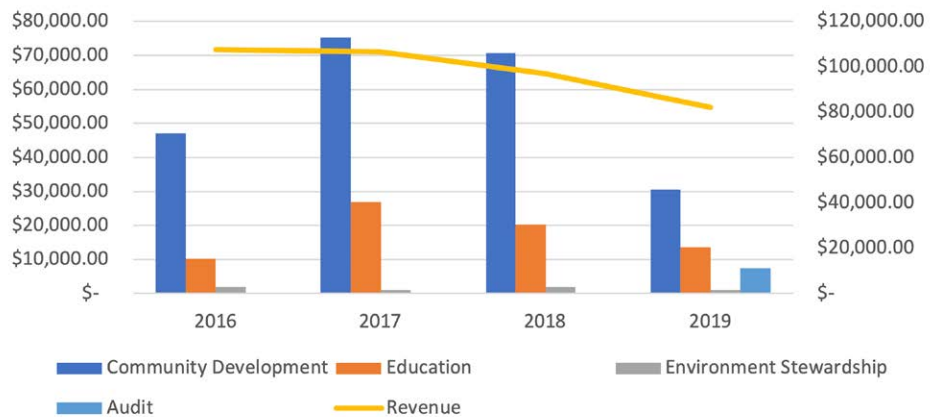
OPERATION ROUND UP 2019

In 2015, Yampa Valley Electric Association adopted Operation Round Up, which was originally started in 1989 by Palmetto Electric Co-op with the principle of "concern for community." Today, 255 electric cooperatives across the country have adopted the ORU model. ORU is made possible by thousands of generous YVEA consumer-members who round up their electric bill each month to the next highest dollar and donate that "extra change" to the foundation. The accumulated funds then go directly back into the communities that YVEA serves. The average annual donation a member makes is \$6.

Through 2019, consumer-members have contributed \$392,100 to ORU and nonprofit organizations have received \$351,472 for community projects, programs and needs.

Your small change makes a BIG difference. Choose to round up your bill and help our communities thrive. For more information visit our website at www.yvea.com/operation-roundup, email Operationroundup@yvea.com or call 970-879-1160.

Operation Round Up Allocations



Operation Round Up Statement of Activity

Contributions	2016	2017	2018	2019
Revenue	\$107,542.08	\$106,531.74	\$96,901.40	\$82,095.91
Expenditures				
Community Development	\$47,119.00	\$75,361.00	\$70,710.00	\$30,516.00
Education	\$10,320.00	\$26,892.00	\$20,310.00	\$13,771.30
Environment Stewardship	\$2,000.00	\$1,000.00	\$2,000.00	\$1,000.00
Health Care	\$6,210.00	\$17,284.00	\$9,130.00	\$1,000.00
Audit	\$-	\$-	\$-	\$7,550.00
Bank Charges	\$-	\$60.00	\$30.00	\$-
Office Expenses	\$146.57	\$-	\$-	\$-
Licenses/Organization Fees	\$150.00	\$-	\$-	\$-
Total	\$65,945.57	\$120,597.00	\$102,180.00	\$53,837.30
Loss/Profit	\$41,596.51	\$(14,065.26)	\$(5,278.60)	\$28,258.61