



**Valley Electric Association, Inc.**

A Touchstone Energy® Cooperative



Monthly Reports and Financial Results

As of February 29, 2020





**VALLEY ELECTRIC ASSOCIATION CONSOLIDATED YEAR OVER YEAR MONTHLY RESULTS**

**PRELIMINARY UNAUDITED FEBRUARY STATEMENT**

	2020	2019	VARIANCE	BUDGET	VARIANCE
VEA	\$ 6,024,388	\$ 5,929,457	1.6%	\$ 5,983,976	0.7%
VETA	\$ 518,883	\$ 810,352	-36.0%	\$ 670,190	-22.6%
Comms	\$ 733,670	\$ 545,398	34.5%	\$ 705,488	4.0%
<b>Operating Income</b>	<b>\$ 7,276,941</b>	<b>\$ 7,285,208</b>	<b>-0.1%</b>	<b>\$ 7,359,653</b>	<b>-1.1%</b>
Total Cost of Power	3,495,693	4,133,056	15.4%	3,576,366	2.3%
<b>GROSS OPERATING MARGIN</b>	<b>3,781,247</b>	<b>3,152,151</b>	<b>20.0%</b>	<b>3,783,288</b>	<b>-0.1%</b>
Distribution Expense - Operation	628,161	745,022	15.7%	779,733	19.4%
Distribution Expense - Maintenance	279,224	316,990	11.9%	321,813	13.2%
Consumer Accounts Expense	196,275	174,591	-12.4%	216,177	9.2%
Customer Service & Informational Expense	66,507	43,737	-52.1%	62,228	-6.9%
Sales Expense	38,450	85,304	54.9%	49,879	22.9%
Administrative and General Expense	701,468	1,251,368	43.9%	701,503	0.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>1,910,085</b>	<b>2,617,011</b>	<b>27.0%</b>	<b>2,131,333</b>	<b>10.4%</b>
Fixed Costs (Depr. & Taxes)	1,105,556	1,072,124	-3.1%	1,102,079	-0.3%
Interest Expense (LTD)	747,699	732,107	-2.1%	762,373	1.9%
Interest Charged to Construction	838	718	-16.7%	1,220	0.0%
Interest Expense - Other	38,589	161,528	76.1%	36,981	-4.3%
Other Deductions	11,987	11,247	-6.6%	6,763	-77.2%
<b>TOTAL EXPENSES FOR VEA</b>	<b>3,814,755</b>	<b>4,594,735</b>	<b>17.0%</b>	<b>4,040,749</b>	<b>5.6%</b>
<b>NET OPERATING MARGIN</b>	<b>(33,508)</b>	<b>(1,442,584)</b>	<b>97.7%</b>	<b>(257,461)</b>	<b>87.0%</b>
Interest Income (Non-Operating)	10,163	19,440	-47.7%	8,080	25.8%
Non-Operating Margins - Other	(5,271)	127,147	-104.1%	(9,775)	46.1%
Other - Capital Credits & Patronage Dividends	-	-	-	-	0.0%
<b>NET NON-OPERATING MARGIN</b>	<b>4,893</b>	<b>146,587</b>	<b>-96.7%</b>	<b>(1,695)</b>	<b>388.6%</b>
<b>TOTAL MARGINS</b>	<b>\$ (28,615)</b>	<b>\$ (1,295,998)</b>	<b>97.8%</b>	<b>\$ (259,156)</b>	<b>89.0%</b>
<b>EBITDA</b>	<b>\$ 1,859,175</b>	<b>\$ 523,893</b>	<b>254.9%</b>	<b>\$ 1,645,192</b>	<b>13.0%</b>

CONSOLIDATED



**VALLEY ELECTRIC ASSOCIATION**  
**PRELIMINARY CONSOLIDATED INCOME STATEMENT - UNAUDITED**  
**PERIOD ENDED FEBRUARY 29, 2020**

	YTD(FEB)	YTD(FEB)	YTD(FEB)	FEB	2020 VS 2019		2020 VS BUD	
	2019	2020	BUD	2020	Dollars	%	Dollars	%
1. Operating Revenue and Patronage Capital	14,784,996	15,461,247	15,400,309	7,276,941	676,250	4.6%	60,938	0.4%
2. Power Production Expense						-		-
3. Cost of Purchased Power	7,869,057	6,944,885	7,029,329	3,495,693	924,172	11.7%	84,444	1.2%
6. Distribution Expense - Operation	1,408,805	1,558,056	1,563,244	628,161	(149,251)	-10.6%	5,188	0.3%
7. Distribution Expense - Maintenance	642,730	573,343	643,846	279,224	69,387	10.8%	70,503	11.0%
8. Consumer Accounts Expense	423,334	421,701	432,728	196,275	1,633	0.4%	11,027	2.5%
9. Customer Service and Informational Expense	94,614	142,410	124,548	66,507	(47,796)	-50.5%	(17,862)	-14.3%
10. Sales Expense	169,437	91,292	99,766	38,450	78,146	46.1%	8,475	8.5%
11. Administrative and General Expense	2,763,213	1,477,652	1,402,725	701,468	1,285,561	46.5%	(74,927)	-5.3%
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>13,371,190</b>	<b>11,209,339</b>	<b>11,296,188</b>	<b>5,405,779</b>	<b>2,161,851</b>	<b>16.2%</b>	<b>86,849</b>	<b>0.8%</b>
13. Depreciation & Amortization Expense	2,122,317	2,179,213	2,171,158	1,089,034	(56,897)	-2.7%	(8,055)	-0.4%
14. Tax Expense - Property & Gross Receipts					0	-	0	-
15. Tax Expense - Other	43,703	33,059	33,000	16,522	10,644	24.4%	(59)	-0.2%
16. Interest on Long-Term Debt	1,481,758	1,512,821	1,527,607	747,699	(31,063)	-2.1%	14,786	1.0%
17. Interest Charged to Construction (Credit)	1,443	2,124	2,440	838	(681)	-47.2%	316	12.9%
18. Interest Expense - Other	331,944	78,830	75,551	38,589	253,115	76.3%	(3,279)	-4.3%
19. Other Deductions	24,196	23,153	13,527	11,987	1,043	4.3%	(9,626)	-71.2%
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>17,376,550</b>	<b>15,038,539</b>	<b>15,119,470</b>	<b>7,310,449</b>	<b>2,338,011</b>	<b>13.5%</b>	<b>80,931</b>	<b>0.5%</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>(2,591,553)</b>	<b>422,708</b>	<b>280,838</b>	<b>(33,508)</b>	<b>3,014,261</b>	<b>116.3%</b>	<b>141,869</b>	<b>50.5%</b>
22. Non Operating Margins - Interest	45,041	20,168	16,080	10,163	(24,873)	-55.2%	4,088	25.4%
23. Allowance for Funds Used During Construction	0	0	0	0	0	-	0	-
24. Income (Loss) from Equity Investments					0	-	0	-
25. Non Operating Margins - Other	120,273	(27,668)	(19,550)	(5,271)	(147,941)	-123.0%	(8,118)	-41.5%
26. Generation & Transmission Capital Credits					0	-	0	-
27. Other Capital Credits & Patronage Dividends	0	0	0	0	0	-	0	-
28. Extraordinary Items					0	-	0	-
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>(2,426,240)</b>	<b>415,208</b>	<b>277,368</b>	<b>(28,615)</b>	<b>2,841,448</b>	<b>117.1%</b>	<b>137,839</b>	<b>49.7%</b>
<b>30. EBITDA</b>	<b>1,389,611</b>	<b>4,228,755</b>	<b>4,090,594</b>	<b>1,859,175</b>	<b>2,839,144</b>	<b>204.3%</b>	<b>138,161</b>	<b>3.4%</b>

**VALLEY ELECTRIC ASSOCIATION**  
**CONSOLIDATED BALANCE SHEET - UNAUDITED**

AS OF FEBRUARY 29, 2020

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	\$338,723,843	30. Memberships	\$193,380
2. Construction Work in Progress	4,116,605	31. Patronage Capital	130,999,045
<b>3. Total Utility Plant (1+2)</b>	<b>342,840,448</b>	32. Operating Margins - Prior Years	(63,046,995)
4. Accum. Provision for Depreciation and Amort	95,597,711	33. Operating Margins - Current Year	422,708
<b>5. Net Utility Plant (3-4)</b>	<b>247,242,737</b>	34. Non-Operating Margins	(7,500)
6. Nonutility Property - Net	0	35. Other Margins & Equities	10,607,581
7. Investment in Subsidiary Companies	0	<b>36. Total Margins &amp; Equities (30 thru 35)</b>	<b>79,168,219</b>
8. Invest. in Assoc. Org. - Patronage Capital	5,446,510	37. Long-Term Debt RUS (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$_____))	
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,846,304	38. Long-Term Debt - FFB - RUS Guaranteed (Net)	0
11. Investments in Economic Development Projects		(Payments-Unapplied (\$_____))	
12. Other Investments	1,130,249	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt - Other(Net)	228,828,856
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>8,423,064</b>	41. Long-Term Debt - RUS Economic Development (Net)	0
15. Cash-General Funds	3,757,919	42. Payments - Unapplied	
16. Cash-Construction Funds-Trustee	0	<b>43. Total Long-Term Debt (37 thru 41 - 42)</b>	<b>228,828,856</b>
17. Special Deposits	4,288,684	44. Obligations Under Capital Leases	2,656,914
18. Temporary Investments	0	45. Accumulated Operating Provisions - Asset Retirement Obligations	2,401,816
19. Notes Receivable - Net	0	<b>46. Total Other Noncurrent Liabilities (44+45)</b>	<b>5,058,730</b>
20. Accounts Receivable - Net Sales of Energy	6,451,852	47. Notes Payable	0
21. Accounts Receivable - Net Other	2,304,128	48. Accounts Payable	6,770,802
22. Renewable Energy Credits	0	49. Consumers Deposits	883,910
23. Materials & Supplies - Electric and Other	4,429,126	50. Current Maturities Long-Term Debt	7,943,571
24. Prepayments	1,789,596	51. Current Maturities Long-Term Debt-Economic Dev.	
25. Other Current & Accrued Assets	12,519	52. Current Maturities Capital Leases	3,463,552
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>23,033,824</b>	53. Other Current & Accrued Liabilities	4,727,200
27. Regulatory Assets	0	<b>54. Total Current &amp; Accrued Liabilities (47 thru 53)</b>	<b>23,789,035</b>
28. Deferred Debits	60,969,192	55. Regulatory Liabilities	0
<b>29. Total Assets &amp; Other Debits (5+14+26+thru 28)</b>	<b>\$339,668,817</b>	56. Deferred Credits	2,823,977
		<b>57. Total Liabilities &amp; Other Credits (36+43+46+54 thru 56)</b>	<b>\$339,668,817</b>

VALLEY ELECTRIC ASSOCIATION  
ADDITIONAL SUPPORTING REPORTS  
AS OF FEBRUARY 29, 2020



## SALES DATA

FEB 2020	Current Month				Year to Date			
	2020	2019	Change	Var.	2020	2019	Change	Var.
Member Sales	48,560,027	52,716,412	(4,156,385)	-7.9%	102,488,853	107,937,821	(5,448,968)	-5.0%
SCE Interchange	839,520	934,800	(95,280)	-10.2%	1,918,680	2,004,000	(85,320)	-4.3%
VEA Internal Use	210,781	215,098	(4,317)	-2.0%	432,669	447,224	(14,555)	-3.3%
<b>Total Sales</b>	<b>49,610,328</b>	<b>53,866,310</b>	<b>(4,255,982)</b>	<b>-7.9%</b>	<b>104,840,202</b>	<b>110,389,045</b>	<b>(5,548,843)</b>	<b>-5.0%</b>
Purchases	47,466,145	53,885,656	(6,419,511)	-11.9%	104,114,798	110,311,291	(6,196,493)	-5.6%
SCE Interchange	624,960	602,640	22,320	3.7%	1,272,240	1,127,160	145,080	12.9%
<b>Total Purchases</b>	<b>48,091,105</b>	<b>54,488,296</b>	<b>(6,397,191)</b>	<b>-11.7%</b>	<b>105,387,038</b>	<b>111,438,451</b>	<b>(6,051,413)</b>	<b>-5.4%</b>
<b>System Losses</b>	<b>-3.16%</b>	<b>1.14%</b>	<b>-4.30%</b>		<b>0.52%</b>	<b>0.94%</b>		
<b>System Demand</b>	<b>126,145</b>	<b>128,332</b>	<b>(2,187)</b>	<b>-1.7%</b>	<b>126,145</b>	<b>130,634</b>	<b>(4,489)</b>	<b>-3.4%</b>
<b>Month Demand Occurred</b>	<b>FEB'20</b>	<b>FEB'19</b>			<b>FEB'20</b>	<b>JAN'19</b>		
<b>ENERGY REVENUE</b>								
Residential	\$3,829,982	\$3,760,801	\$69,180	1.8%	\$8,270,226	\$7,759,421	\$510,805	6.6%
Irrigation	\$37,920	\$14,383	\$23,537	163.6%	\$58,916	\$37,114	\$21,802	58.7%
Commercial - <50 KW	\$498,467	\$460,501	\$37,966	8.2%	\$1,017,988	\$929,883	\$88,104	9.5%
Commercial - 50-249 KW	\$516,391	\$472,744	\$43,647	9.2%	\$1,018,217	\$947,545	\$70,671	7.5%
Commercial - 250 KW & Up	\$511,470	\$494,123	\$17,347	3.5%	\$1,003,859	\$971,247	\$32,612	3.4%
Contract Sales	\$437,999	\$516,768	(\$78,770)	-15.2%	\$904,405	\$1,054,190	(\$149,785)	-14.2%
Street Lighting	\$3,628	\$3,402	\$226	6.7%	\$7,256	\$6,803	\$453	6.7%
<b>Total Revenue</b>	<b>\$5,835,856</b>	<b>\$5,722,722</b>	<b>\$113,134</b>	<b>2.0%</b>	<b>\$12,280,866</b>	<b>\$11,706,203</b>	<b>\$574,662</b>	<b>4.9%</b>
<b>ENERGY SALES</b>								
Residential	28,499,375	31,370,056	(2,870,681)	-9.2%	62,075,384	64,903,085	(2,827,701)	-4.4%
Irrigation	419,866	169,073	250,793	148.3%	652,634	422,745	229,889	54.4%
Commercial - <50 KW	3,565,153	3,666,857	(101,704)	-2.8%	7,318,375	7,420,895	(102,520)	-1.4%
Commercial - 50-249 KW	4,984,697	4,715,685	269,012	5.7%	9,690,022	9,455,310	234,712	2.5%
Commercial - 250 KW & Up	4,923,472	5,064,552	(141,080)	-2.8%	9,675,068	9,928,276	(253,208)	-2.6%
Contract Sales	6,157,490	7,720,446	(1,562,956)	-20.2%	13,057,429	15,788,024	(2,730,595)	-17.3%
Street Lighting	9,974	9,743	231	2.4%	19,941	19,486	455	2.3%
<b>Total Sales (kwh)</b>	<b>48,560,027</b>	<b>52,716,412</b>	<b>(4,156,385)</b>	<b>-7.9%</b>	<b>102,488,853</b>	<b>107,937,821</b>	<b>(5,448,968)</b>	<b>-5.0%</b>

## SALES DATA

AVG KWH SALES									
Residential	1,388	1,569	(181)	-11.5%		1,512	1,623	(111)	-6.8%
Irrigation	1,858	769	1,089	141.6%		1,444	961	483	50.3%
Commercial - <50 KW	1,668	1,725	(57)	-3.3%		1,712	1,745	(33)	-1.9%
Commercial - 50-249 KW	22,154	21,632	522	2.4%		21,533	21,686	(153)	-0.7%
Commercial - 250 KW & Up	133,067	144,701	(11,634)	-8.0%		130,744	141,833	(11,089)	-7.8%
Contract Sales	6,157,490	7,720,446	(1,562,956)	-20.2%		6,528,714	7,894,012	(1,365,298)	-17.3%
Street Lighting	1,662	3,248	(1,586)	-48.8%		1,662	3,248	(1,586)	-48.8%
<b>Total</b>	<b>2,097</b>	<b>2,333</b>	<b>(236)</b>	<b>-10.1%</b>		<b>2,213</b>	<b>2,388</b>	<b>(175)</b>	<b>-7.3%</b>
CONSUMERS									
	FEB'20	FEB'19	Change		FEB'20	FEB'19	Change		
Residential	49	12	37		20,528	19,996	532	2.7%	
Irrigation	0	0	0		226	220	6	2.7%	
Commercial - <50 KW	0	(5)	5		2,138	2,126	12	0.6%	
Commercial - 50-249 KW	1	0	1		225	218	7	3.2%	
Commercial - 250 KW & Up	0	0	0		37	35	2	5.7%	
Contract Sales	0	0	0		1	1	0	0.0%	
Street Lighting	0	0	0		6	3	3	100.0%	
<b>Total Consumers</b>	<b>50</b>	<b>7</b>	<b>43</b>		<b>23,161</b>	<b>22,599</b>	<b>562</b>	<b>2.5%</b>	
REVENUE PER KWH									
Residential	0.1344	0.1199	0.0145	12.1%	0.1332	0.1196	0.0137	11.4%	
Irrigation	0.0903	0.0851	0.0052	6.2%	0.0903	0.0878	0.0025	2.8%	
Commercial - <50 KW	0.1398	0.1256	0.0142	11.3%	0.1391	0.1253	0.0138	11.0%	
Commercial - 50-249 KW	0.1036	0.1002	0.0033	3.3%	0.1051	0.1002	0.0049	4.9%	
Commercial - 250 KW & Up	0.1039	0.0976	0.0063	6.5%	0.1038	0.0978	0.0059	6.1%	
Contract Sales	0.0711	0.0669	0.0042	6.3%	0.0693	0.0668	0.0025	3.7%	
Street Lighting	0.3637	0.3491	0.0146	4.2%	0.3639	0.3491	0.0147	4.2%	
<b>Total</b>	<b>0.1202</b>	<b>0.1086</b>	<b>0.0116</b>	<b>10.7%</b>	<b>0.1198</b>	<b>0.1085</b>	<b>0.0114</b>	<b>10.5%</b>	

**VALLEY ELECTRIC ASSOCIATION, INC.**  
**13 Month Cash Flow**

Sources of Cash	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Energy & Broadband Billing	5,881,409	6,051,808	5,793,031	5,829,173	4,817,736	6,275,117	7,181,800	6,955,970	7,001,334	5,110,451	5,754,027	7,143,788	6,734,401
Line of Credit													
Capital Credits/Interest Income	15,754	243,130	25,304	10,966	12,156	11,263	4,600	343,439	18,625	4,764	10,360	5,417	2,881
Aid to Construction	367,003	80,990	99,666	93,301	60,581	143,628	284,580	71,720	260,138	136,193	173,484	185,264	253,626
Accounts Receivable	473,849	988,823	780,514	1,196,193	409,920	429,654	1,174,804	1,556,632	1,362,504	548,247	2,549,480	410,265	560,630
CAISO/AEPCO	20,651	7,749	181,430	54,489	50,651		338,487	144,742	205,926	203,897	36	46,306	84
<b>Total Sources of Cash</b>	<b>6,758,666</b>	<b>7,372,500</b>	<b>6,879,946</b>	<b>7,184,122</b>	<b>5,351,045</b>	<b>6,859,661</b>	<b>8,984,272</b>	<b>9,072,502</b>	<b>8,848,527</b>	<b>6,003,552</b>	<b>8,487,387</b>	<b>7,791,040</b>	<b>7,551,622</b>

**VALLEY ELECTRIC ASSOCIATION, INC.**  
**13 Month Cash Flow**

Uses of Cash	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
<b>Plant</b>													
Plant Materials													
VEA	176,323	207,613	123,537	119,841	130,646	144,466	78,038	194,049	52,184	152,369	252,005	17,668	61,266
VETA				31,544					2,624				
VCA	136,302	31,253	22,656	90,581	17,509	213,027	68,676	115,797	5,829	139,316	42,454	160,176	119,732
Construction Work in Progress													
VEA	165,438	100,776	153,795	138,336	48,104	140,509	104,280	79,478	20,681	1,387	99,093	7,500	13,976
VETA	191,087	232,324	205,878	28,354	136,235		575,731	110,751	747,469	138,121	28,244	91,147	11,852
VCA	22,683	28,362	30,630	40,000	59,640	87,261	69,500	8,740	32,988	47,619			197,372
General Plant		36,165	125,137			56,411	7,681	27,972	28,050	38,927	32,700	10,265	44,073
<b>Total Plant</b>	<b>691,834</b>	<b>636,492</b>	<b>661,633</b>	<b>448,655</b>	<b>392,133</b>	<b>641,676</b>	<b>903,906</b>	<b>536,787</b>	<b>889,825</b>	<b>517,739</b>	<b>454,496</b>	<b>286,756</b>	<b>448,271</b>
<b>Investments</b>													
<b>Total Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Debt Service</b>													
Long Term Debt - Principal	624,666	1,434,647	97,070	100,464	1,439,848	100,959	630,943	1,454,667	101,703	98,863	1,472,735	99,382	99,639
Long Term Debt - Interest	323,678	2,024,750	204,654	197,674	2,034,450	196,141	316,114	1,993,543	190,350	164,908	1,846,301	172,536	161,758
Line of Credit													
<b>Total Debt Service</b>	<b>948,345</b>	<b>3,459,397</b>	<b>301,724</b>	<b>298,139</b>	<b>3,474,298</b>	<b>297,100</b>	<b>947,058</b>	<b>3,448,210</b>	<b>292,053</b>	<b>263,771</b>	<b>3,319,036</b>	<b>271,919</b>	<b>261,397</b>
<b>Operations</b>													
Purchased Power/Margin Calls	2,940,655	3,177,628	2,323,888	2,101,322	2,361,796	2,544,922	3,226,335	2,899,754	2,518,846	2,293,678	2,863,009	3,636,297	2,928,518
Gross Payroll	1,532,172	1,125,933	1,143,086	1,141,056	1,163,806	1,218,773	1,585,984	1,073,076	1,131,490	1,191,902	1,112,963	1,934,746	1,106,840
NRECA Benefits	1,240,843	970,113	1,116,389	990,101	1,036,334	1,006,630	1,041,203	391,383	477,565	412,256	383,305	1,196,665	1,259,698
Capital Credits	31,966	28,838	12,696	1,376	44,851	14,263	37,830	28,527	102,511	34	35,405	9,853	17,170
Transmission Sale													
Operating Material & Services	1,772,104	1,294,732	1,400,136	1,276,666	1,047,430	980,820	1,505,253	933,058	1,536,656	947,872	1,375,556	1,251,810	886,736
<b>Total Operations</b>	<b>7,517,739</b>	<b>6,597,244</b>	<b>5,996,195</b>	<b>5,510,522</b>	<b>5,654,217</b>	<b>5,765,407</b>	<b>7,396,605</b>	<b>5,325,798</b>	<b>5,767,068</b>	<b>4,845,742</b>	<b>5,770,238</b>	<b>8,029,371</b>	<b>6,198,962</b>
<b>Total Uses of Cash</b>	<b>9,157,918</b>	<b>10,693,133</b>	<b>6,959,552</b>	<b>6,257,316</b>	<b>9,520,647</b>	<b>6,704,183</b>	<b>9,247,569</b>	<b>9,310,795</b>	<b>6,948,945</b>	<b>5,627,252</b>	<b>9,543,770</b>	<b>8,588,046</b>	<b>6,908,629</b>
<b>Net Cash Increase/(Decrease)</b>	<b>(2,399,252)</b>	<b>(3,320,633)</b>	<b>(79,606)</b>	<b>926,806</b>	<b>(4,169,602)</b>	<b>155,478</b>	<b>(263,297)</b>	<b>(238,293)</b>	<b>1,899,582</b>	<b>376,300</b>	<b>(1,056,383)</b>	<b>(797,006)</b>	<b>642,993</b>

# VALLEY COMMUNICATIONS ASSOCIATION

**MONTHLY REPORTS &  
FINANCIAL RESULTS**  
AS OF FEBRUARY 29, 2020



# VALLEY COMMUNICATION ASSOCIATION

## CONSOLIDATED INCOME STATEMENT - UNAUDITED

PERIOD ENDED FEBRUARY 29, 2020

	YTD(FEB)	YTD(FEB)	YTD(FEB)	FEB	2020 VS 2019		2020 VS BUD	
	2019	2020	BUD	2020	Dollars	%	Dollars	%
REVENUE - INTERNET	1,060,387	1,450,953	1,366,945	701,096	390,566	36.8%	84,008	6.1%
COST OF SALES - INTERNET	483,462	591,235	615,086	259,880	(107,773)	-22.3%	23,851	3.9%
<b>GROSS MARGINS - INTERNET</b>	<b>576,925</b>	<b>859,718</b>	<b>751,859</b>	<b>441,217</b>	<b>282,793</b>	<b>49.0%</b>	<b>107,859</b>	<b>14.3%</b>
REVENUE - VOIP	20,893	50,054	31,352	33,710	29,161	139.6%	18,702	59.7%
COST OF SALES - VOIP	32,594	30,807	34,761	14,193	1,787	5.5%	3,955	11.4%
<b>GROSS MARGINS - VOIP</b>	<b>(11,700)</b>	<b>19,248</b>	<b>(3,409)</b>	<b>19,518</b>	<b>30,948</b>	<b>264.5%</b>	<b>22,657</b>	<b>664.6%</b>
VEEK REVENUE	3,665	5,456	4,766	3,073	1,791	48.9%	690	14.5%
SMART HOME REVENUE	-	-	-	-	0	0.0%	0	0.0%
<b>TOTAL REVENUE</b>	<b>1,085,013</b>	<b>1,506,464</b>	<b>1,403,063</b>	<b>737,880</b>	<b>421,451</b>	<b>38.8%</b>	<b>103,401</b>	<b>7.4%</b>
<b>TOTAL COST OF SALES</b>	<b>560,531</b>	<b>622,041</b>	<b>649,902</b>	<b>274,072</b>	<b>(61,511)</b>	<b>-11.0%</b>	<b>27,861</b>	<b>4.3%</b>
<b>GROSS MARGINS</b>	<b>524,482</b>	<b>884,423</b>	<b>753,161</b>	<b>463,808</b>	<b>359,941</b>	<b>68.6%</b>	<b>131,261</b>	<b>17.4%</b>
MAINTENANCE EXPENSE	11,990	28,038	11,595	21,626	(16,048)	-133.9%	(16,443)	-141.8%
CONSUMER ACCOUNTS EXPENSE	46,932	59,740	86,005	25,687	(12,808)	-27.3%	26,264	30.5%
CUSTOMER SERVICE (VEEK) EXPENSE	-	-	-	-	0	0.0%	0	0.0%
SALES EXPENSE	58,003	16,092	24,834	9,016	41,911	72.3%	8,741	35.2%
ADMIN AND GENERAL EXPENSE	155,148	170,753	156,470	68,564	(15,605)	-10.1%	(14,283)	-9.1%
<b>TOTAL CONTROLLABLE COSTS</b>	<b>272,072</b>	<b>274,624</b>	<b>278,903</b>	<b>124,893</b>	<b>(2,551)</b>	<b>-0.9%</b>	<b>4,279</b>	<b>1.5%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>832,603</b>	<b>896,665</b>	<b>928,805</b>	<b>398,965</b>	<b>(64,062)</b>	<b>-7.7%</b>	<b>32,140</b>	<b>3.5%</b>
DEPRECIATION & AMORT EXPENSE	833,649	883,856	874,698	442,377	(50,207)	-6.0%	(9,158)	-1.0%
TAX EXPENSE-OTHER	28,775	33,044	33,000	16,522	(4,269)	-14.8%	(44)	-0.1%
INTEREST EXPENSE	112,377	75,551	75,551	36,981	36,826	32.8%	0	0.0%
INT CHARGED TO CONST					0	0.0%	0	0.0%
OTHER DEDUCTIONS	(59)	-	-	-	(59)	-100.0%	0	0.0%
<b>TOTAL EXPENSES</b>	<b>1,807,345</b>	<b>1,889,116</b>	<b>1,912,054</b>	<b>894,846</b>	<b>(81,771)</b>	<b>-4.5%</b>	<b>22,938</b>	<b>1.2%</b>
<b>NET MARGIN</b>	<b>(722,333)</b>	<b>(382,652)</b>	<b>(508,991)</b>	<b>(156,966)</b>	<b>339,680</b>	<b>47.0%</b>	<b>126,339</b>	<b>24.8%</b>
<b>EBITDA</b>	<b>252,469</b>	<b>609,799</b>	<b>474,258</b>	<b>338,914</b>	<b>357,330</b>	<b>141.5%</b>	<b>135,541</b>	<b>28.6%</b>



# VALLEY COMMUNICATION ASSOCIATION

## BALANCE SHEET - UNAUDITED

AS OF FEBRUARY 29, 2020

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Plant in Service	\$45,447,250	30. Memberships	\$0
2. Construction Work in Progress	1,130,419	31. Patronage Capital	0
<b>3. Total Plant (1+2)</b>	<b>46,577,669</b>	32. Operating Margins - Prior Years	(21,550,556)
4. Accum. Prov for Deprec and Amort	14,449,105	33. Operating Margins - Current Year	(655,972)
<b>5. Net Plant (3-4)</b>	<b>32,128,564</b>	34. Non-Operating Margins	0
<b>14. Total Other Property &amp; Investments</b>	<b>0</b>	35. Other Margins & Equities	45,000,000
15. Cash-General Funds	15,330	<b>36. Total Margins &amp; Equities (30 thru 35)</b>	<b>22,793,471</b>
16. Cash-Construction Funds-Trustee	0	40. Long-Term Debt - Other(Net)	0
17. Special Deposits	0	<b>43. Total Long-Term Debt</b>	<b>0</b>
18. Temporary Investments	0	44. Obligations Under Capital Leases	2,656,914
19. Notes Receivable - Net	0	<b>46. Total Other Noncurrent Liabilities</b>	<b>2,656,914</b>
20. Accounts Receivable Trade	517,598	47. Notes Payable	0
21. Accounts Receivable - Net Other	0	48. Accounts Payable	8,786,619
23. Materials & Supplies	1,461,512	49. InterCompany payable	0
24. Prepayments	92,673	50. Current Maturities Long-Term Debt	0
25. Other Current & Accrued Assets	0	52. Current Maturities Capital Leases	3,463,552
<b>26. Total Current &amp; Accrued Assets</b>	<b>2,087,113</b>	53. Other Current & Accrued Liabilities	8
28. Deferred Debits	3,484,887	<b>54. Total Current &amp; Accrued Liabilities</b>	<b>12,250,178</b>
		56. Deferred Credits	0
<b>29. Total Assets &amp; Other Debits</b>	<b>\$37,700,564</b>	<b>57. Total Liabilities &amp; Other Credits</b>	<b>\$37,700,564</b>

# 13 Month Broadband Revenues and Subscribers

■ Broadband Revenue    — Subscribers

