

We're fit financially and completing important projects

Your electric cooperative is working diligently to deliver a brighter future to the membership and the communities we serve.

In 2019, we continued our commitment of delivering affordable electricity with excellent customer service, and we spent your dollars wisely by investing in infrastructure improvements, which leads to greater levels of reliability.

Most notably, we continued to install our Advanced Metering Infrastructure. AMI is a meter system that offers a number of exciting new benefits. Advanced meters use digital technology to read your electric use and communicate it to us over a secure wireless network. With advanced meters, we're able to detect outages, turn power on and off remotely, and perform other customer service tasks much more quickly than before. You also have more information about how much power you use and when, giving you more control.

We also implemented technology improvements that helps us complete tasks more efficiently and kept pace with the changing energy environment. In August 2019, we installed an 18-kW solar system at our Gainesville and Lake City district offices. Additionally, our old headquarters building was demolished and construction of the new Keystone Heights District Office began. The updated office, which will allow us to better serve members, will open to the public soon. The drive-thru is currently available.

We're completing these projects while keeping our rates stable. Our cost for 1,000 kWh is among the lowest in the state. As your cooperative, we continually strive to maintain costs and provide competitive rates.

Remember, we're not-for-profit, which means we

provide service to you at cost. Many of you receive a Capital Credits refund credit or check each March. These refunds are a reflection of our not-for-profit status, and they're certainly a benefit of being served by a cooperative. In March 2019, \$12 million was returned to members.

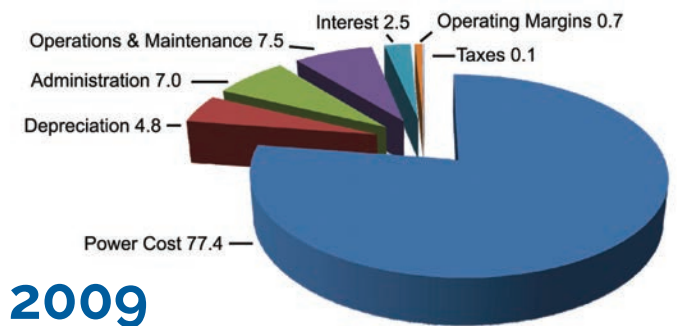
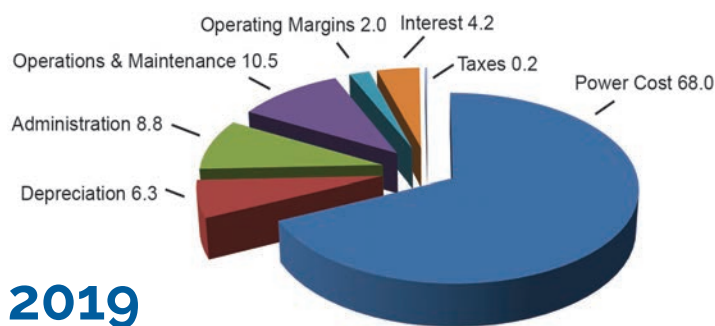
Speaking of member benefits, 2019 was our eighth year of providing you with the Co-op Connections Card program. As a co-op, we believe our commitment to you goes beyond providing safe, reliable and affordable electricity. Our participation in the Co-op Connections Card program is a moneysaving tool we are proud to offer to you. Our members have saved more than \$200,000 on prescription drug costs alone.

We also continue to help hundreds of members a year with energy efficiency and energy conservation information. We offer free home energy surveys to all members to assist you with recommendations that can help you get the most out of your energy dollars.

Beyond electricity, it is our goal to improve the quality of life of those we serve by demonstrating a strong commitment to community empowerment and economic development through various programs and outreach efforts. We offer safety demonstrations to schools and civic organizations, provide skilled volunteer labor for local projects such as those undertaken by Habitat for Humanity and donate money to worthy causes. Operation Round Up, a member-driven program that collects charitable donations to benefit organizations in the co-op's service area, launched in October 2016. At the end of 2019, a little more than \$2.6 million had been distributed throughout North Florida.

These commitments are truly an investment that will yield benefits for many years to come. We will continue to improve our communities and provide you with safe, reliable and affordable electricity. We are proud to be your cooperative and pledge to maintain our financial health as we seek new ways to serve you and adapt for the future.

How each dollar was spent



2019

2009

Financial statements

Copies of audited financial statements are available upon request.

REVENUE AND EXPENSE STATEMENTS

Years Ending December 31	2019	2018
REVENUES		
Energy Sales.....	\$ 354,830,435	\$ 363,296,802
Other Electric Revenues.....	9,886,848	9,933,595
Total Operating Revenues	\$ 364,717,283	\$ 373,230,397
EXPENSES		
Purchased Power.....	\$ 248,083,510	\$ 257,305,461
Transmission and Generation.....	1,594,629	1,474,815
Operations.....	17,071,679	16,255,003
Maintenance.....	19,824,980	16,854,271
Customer Accounting.....	14,166,294	13,124,218
Customer Service & Information.....	2,990,485	2,950,536
Administrative & General.....	14,744,355	13,556,551
Depreciation.....	22,967,088	21,600,167
Taxes.....	949,838	826,430
Interest.....	15,181,199	14,370,884
Other Deductions	33,962	83,011
Total Expenses.....	\$ 357,608,019	\$ 358,401,347
MARGINS		
Operating Margins.....	\$ 7,109,264	\$ 14,829,050
Non-Operating Margins.....	4,367,412	516,653
Capital Credits from Associated Organizations.....	7,883,491	6,996,788
Total Margins.....	\$ 19,360,167	\$ 22,342,491

BALANCE SHEETS

As of December 31	2019	2018
ASSETS		
Cash/Cash Equivalents.....	\$ 920,348	\$ 4,105,994
Investments.....	106,326,202	99,642,778
Accounts Receivable.....	24,250,840	34,935,846
Inventory.....	6,905,315	7,425,330
Other Current & Accrued Assets.....	20,979,497	22,151,521
Prepayments.....	668,948	625,106
Deferred Debits.....	40,537,995	34,626,843
Net Utility Plant.....	545,933,753	499,959,456
Total Assets.....	\$ 746,522,898	\$ 703,472,874
LIABILITIES		
Notes Payable	\$ 298,647,034	\$ 275,800,695
Accounts Payable.....	27,150,943	23,909,823
Customer Deposits.....	13,572,304	13,379,925
Other Current & Accrued Liabilities.....	14,007,791	11,591,486
Deferred Credits & Miscellaneous Reserves	8,947,601	7,750,823
Total Liabilities.....	\$ 362,325,673	\$ 332,432,752
MEMBER EQUITIES		
Membership Fees.....	\$ 747,190	\$ 740,065
Accumulated Other Comprehensive Income.....	10,883,622	6,455,907
Capital Credits.....	372,566,413	363,844,150
Total Equities.....	\$ 384,197,225	\$ 371,040,122
Total Liabilities and Equities.....	\$ 746,522,898	\$ 703,472,874

YEAR-END STATISTICS

	2009	2019	2018
Average Number of Members			
Receiving Service Per Month.....	165,718	178,812	177,027
Total kWh Purchased by Cooperative Members.....	3,137,593,570	3,349,588,672	3,316,391,743
Average Monthly Residential kWh Usage.....	1,235	1,178	1,186
Total kWh Purchased by Cooperative.....	3,295,278,054	3,502,209,415	3,462,738,717
Cost of Power Purchased by Cooperative.....	266,845,872	248,083,510	257,305,461
Average Cost per kWh Purchased by Cooperative.....	.0810	0.0708	0.0743
Clay Peak Demand in Kilowatts (kW).....	912,494	777,780	920,895
Month of Clay Peak Demand.....	February	May	January