

Financial Highlights – June, 2023

	<u>MTD Variance (K's)</u>	<u>YTD Variance (K's)</u>
June Net Income:	(\$164)	\$416

Operating Revenue	(\$278)	(\$834)
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KWH sales in June are \$85k less than budget for the month and \$741k less YTD. The average price/KWH sold is \$36k more than budget for the month but \$134k less for the year. Non-energy services, pole attachments, and wheeling revenues are \$4k less than budget for the month but \$54k better for the year. Unbilled revenues are \$12k less than budget for the month but \$35k more YTD. The sale of Renewable Energy Credits is \$213k less than budget for the month and \$48k less YTD.

Purchased Power Costs	(\$39)	\$1,173
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Purchased KWH is \$114k over budget for the month but \$222k under for the year. Our overall costs/KWH is \$75k under budget for the month and \$951k under YTD.

Transmission Costs	(\$81)	(\$924)
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Transmission support for substations and supervision is \$27k over budget for the month and \$28k over YTD. Transmission by Others is \$76k over budget for the month and \$946k over YTD. Maintenance for SCADA and overhead lines is \$2k over budget for the month and \$7k over for the year. Transmission vegetative maintenance is \$24k under budget for the month and \$57k under YTD.

Distribution Operations/Mtce	\$228	\$1,324
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Major Storm costs are \$23k under budget for the month and \$281k under for the year. Meter/AMI Expense is \$1k over budget for the month but \$20k under YTD. Supervisory related costs are \$33k over budget for the month and \$78k over YTD. Overall Distribution Maintenance costs are \$90k under budget for the month and \$513k under YTD. Miscellaneous Distribution and Customer Installation expenses are \$29k under budget for the month and \$97k under YTD. Distribution vegetative maintenance program spending is \$120k under budget for the month and \$491k under YTD. The overall vegetative maintenance program (transmission + distribution) is \$143k under budget for the month and \$548k under for the year.

Customer Accounts	\$9	(\$22)
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Meter Reading & Disconnect Services are \$1k under budget for the month and \$15k under YTD. Member service administration is \$4k under budget for the month but \$47k over YTD. Uncollectible Accounts are on budget for the month and YTD. Communications, Patronage Capital and SQRP Costs are \$4k under budget for the month and \$10k under YTD.

Administrative & General **\$21** **(\$140)**

Regulatory related expenses are \$6k under budget for the month and \$20k under YTD. Payroll and Benefits are \$3k over budget for the month and \$21k over YTD. Outside Services is on \$8k under budget for the month and \$24k under YTD. Director Expenses are on budget for the month but \$17k under YTD. Costs incurred for TIER 3 Projects are \$27k over budget for the month and \$104k over YTD. Expenses for Coop-Life, Business Development, Dues, Annual and Employee Meeting are \$34k under budget for the month but \$15k over YTD. Office related expenses are \$1k under budget for the month but \$42k over YTD. Safety and Facility related expenses are \$2k under budget for the month but \$19k over YTD.

Total Depreciation & Other Exp **(\$25)** **(\$219)**

Depreciation expense is \$1k over budget for the month but \$4k under YTD. Interest expense is \$25k over budget for the month and \$219k over YTD. Gross Receipt & Revenue Taxes is \$1k under budget for the month but \$7k over YTD. Other Expenses are on budget for the month and \$3k under YTD.

Total Non-Operating Margins **\$1** **\$58**

Capital Credits from CFC, CoBank, NISC and Federated are on budget for the month and \$24k better for the year. Interest and Dividend Income is \$2k better for the month and \$12k better for the year. Miscellaneous Jobbing Revenue is on budget for the month but \$26k more YTD. Gain/Loss on disposition of property are \$1k less than budget for the month and \$4k less for the year.

Capital Spending Plan **\$555** **\$345**

Annual and Routine Capital Projects are \$17k under budget for the month but \$314k over YTD. Pole Replacements are \$9k under budget for the month but \$224k over YTD. Energy Transformation Projects are \$94k under budget for the month and \$299k under for the year. Make-Ready Pole Replacements are \$1k less than budget for the month but \$365k more YTD. Distribution projects are \$3k under budget for the month and \$84k under YTD. Generation related projects are \$34k over budget for the month and \$247k over YTD. SCADA Projects are \$7k over budget for the month and \$71k over YTD. Substation projects are \$19k under budget for the month and \$326k under for the year. Transmission projects are \$55k under budget for the month and \$382k under YTD. Metering projects are \$11k under budget for the month but \$18k over YTD. IT Projects are \$10k over budget for the month but \$107k under for the year. Fleet Purchases are \$360k under budget for the month and \$320k under for the year. Facilities projects are \$37k under budget for the month and \$66k under YTD.

TIER and Debt Service Coverage

We are expecting to meet our budgeted TIER of 2.00 by year-end 2023. Our Debt Service payments for 2023 are expected to be \$9.7 million.

Cash Flow and Line of Credit

In June, we used up to a peak of \$4.1 on our line of credit on June 30th. The July high for the line of credit is expected to be \$5.5.M on July 20th.

Balance Sheet

Our equity ratio in June finished at 43.45% slightly higher than May at 43.31%. Our current ratio, a measure of liquidity, is .98 down from May at 1.03.

Vermont Electric Cooperative, Inc.
Statement of Operations
Month to Date

	June, 2023 Actual	June, 2023 Budget	Actual- Budget Variance Fav (Unfav)		June, 2022 Actual	Prior Year Variance Fav (Unfav)	
			\$	%		\$	%
kWh Statistics							
kWh Units Sold	33,944,065	34,412,466	(468,401)	-1.4%	34,412,466	(468,401)	-1.4%
kWh Units Purchased	39,104,000	37,751,000	1,353,000	3.6%	37,751,000	1,353,000	3.6%
Net System Losses (kWh)	5,159,935	3,338,534	1,821,401	54.6%	3,338,534	1,821,401	54.6%
Sytem Losses (%)	13.20%	8.84%			8.84%		
Revenue							
Operating Revenue	6,445,547	6,723,257	(277,710)	-4.1%	5,946,860	498,687	8.4%
Sales for Resale	118,837	132,600	(13,763)	-10.4%	158,314	(39,477)	-24.9%
Total revenues	\$ 6,564,384	\$ 6,855,857	\$ (291,473)	-4.3%	\$ 6,105,174	\$ 459,210	7.5%
Power supply cost							
Purchased power cost	3,226,932	3,187,863	(39,069)	-1.2%	3,003,589	(223,343)	-7.4%
Sales for Resale	118,837	132,600	13,763	10.4%	158,314	39,477	24.9%
Transmission	1,334,991	1,253,894	(81,097)	-6.5%	1,098,650	(236,341)	-21.5%
Total Power supply cost	4,680,760	4,574,357	(106,403)	-2.3%	4,260,553	(420,208)	-9.9%
Gross Margin	\$ 1,883,624	\$ 2,281,500	\$ (397,876)	-17.4%	\$ 1,844,622	\$ 39,002	2.1%
Operating expenses							
Distribution: Operations & Mtce	1,272,852	1,500,737	227,885	15.2%	1,332,760	59,907	4.5%
Customer accounts	241,754	250,785	9,031	3.6%	222,695	(19,059)	-8.6%
Administrative & general	434,153	455,496	21,344	4.7%	423,499	(10,654)	-2.5%
Total operating expenses	\$ 1,948,759	\$ 2,207,019	\$ 258,260	11.7%	\$ 1,978,953	\$ 30,194	1.5%
Depreciation & amortization	547,964	546,696	(1,268)	-0.2%	539,624	(8,340)	-1.5%
Gross revenue & receipts taxes	65,805	66,750	945	1.4%	61,179	(4,626)	-7.6%
Interest on long-term debt	335,221	295,250	(39,972)	-13.5%	294,308	(40,914)	-13.9%
Other interest expenses	15,501	30,597	15,096	49.3%	3,956	(11,545)	-291.8%
Other Deductions	-	567	567	100.0%	-	-	N/A
Total depreciation & other expenses	964,492	939,860	(24,633)	-2.6%	899,067	(65,425)	-7.3%
Income from operations	\$ (1,029,627)	\$ (865,379)	\$ (164,248)	-19.0%	\$ (1,033,399)	\$ 3,771	0.4%
Interest income	1,333,332	1,331,724	1,608	0.1%	1,360,886	(27,554)	-2.0%
Other income (expenses)	116,086	116,995	(909)	-0.8%	145,880	(29,794)	-20.4%
Other capital credits & dividends	-	-	-	N/A	-	-	N/A
Total non-operating margins	1,449,418	1,448,719	700	0.0%	1,506,767	(57,348)	-3.8%
Net income (loss)	419,791	583,340	(163,549)	-28.0%	473,368	(53,577)	-11.3%
Extraordinary expenses	-	-	-	N/A	-	-	N/A
Total net income (loss)	\$ 419,791	\$ 583,340	\$ (163,549)	-28.0%	\$ 473,368	\$ (53,577)	-11.3%

Vermont Electric Cooperative, Inc.
Statement of Operations
Year to Date

	June, 2023 Actual	June, 2023 Budget	Actual- Budget		June, 2022 Actual	Prior Year	
			Variance Fav (Unfav)	%		Variance Fav (Unfav)	%
			\$	%		\$	%
kWh Statistics							
kWh Units Sold	236,451,760	240,491,398	(4,039,638)	-1.7%	240,491,398	(4,039,638)	-1.7%
kWh Units Purchased	247,549,000	249,840,000	(2,291,000)	-0.9%	249,840,000	(2,291,000)	-0.9%
Net System Losses (kWh)	11,097,240	9,348,602	1,748,638	18.7%	9,348,602	1,748,638	18.7%
Sytem Losses (%)	4.48%	3.74%			3.74%		
Revenue							
Operating Revenue	46,651,305	47,485,776	(834,470)	-1.8%	43,728,676	2,922,629	6.7%
Sales for Resale	990,128	1,950,225	(960,097)	-49.2%	1,414,294	(424,166)	-30.0%
Total revenues	\$ 47,641,433	\$ 49,436,001	\$ (1,794,567)	-3.6%	\$ 45,142,970	\$ 2,498,463	5.5%
Power supply cost							
Purchased power cost	23,004,320	24,176,955	1,172,635	4.9%	20,881,757	(2,122,563)	-10.2%
Sales for Resale	990,128	1,950,225	960,097	49.2%	1,414,294	424,166	30.0%
Transmission:	8,362,950	7,438,810	(924,140)	-12.4%	7,689,249	(673,701)	-8.8%
Total Power supply cost	32,357,398	33,565,991	1,208,592	3.6%	29,985,300	(2,372,098)	-7.9%
Gross Margin	\$ 15,284,035	\$ 15,870,010	\$ (585,975)	-3.7%	\$ 15,157,670	\$ 126,365	0.8%
Operating expenses							
Distribution: Operations & Mtce	7,499,590	8,823,114	1,323,524	15.0%	8,593,052	1,093,462	12.7%
Customer accounts	1,522,907	1,501,390	(21,517)	-1.4%	1,384,588	(138,319)	-10.0%
Administrative & general	2,637,819	2,497,929	(139,890)	-5.6%	2,233,983	(403,836)	-18.1%
Total operating expenses	11,660,315	12,822,432	1,162,117	9.1%	12,211,622	551,307	4.5%
Depreciation & amortization	3,287,047	3,290,730	3,683	0.1%	3,275,971	(11,076)	-0.3%
Gross revenue & receipts taxes	461,716	455,029	(6,688)	-1.5%	436,002	(25,715)	-5.9%
Interest on long-term debt	2,042,790	1,788,129	(254,661)	-14.2%	1,711,716	(331,074)	-19.3%
Other interest expenses	103,753	139,150	35,397	25.4%	84,912	(18,841)	-22.2%
Other deductions	-	3,400	3,400	100.0%	4,790	4,790	100.0%
Total depreciation & other exp	5,895,307	5,676,438	(218,869)	-3.9%	5,513,391	(381,916)	-6.9%
Income from operations	(2,271,587)	(2,628,860)	357,273	13.6%	(2,567,343)	295,756	11.5%
Interest income	2,695,827	2,683,892	11,935	0.4%	2,741,320	(45,493)	-1.7%
Other income (expenses)	721,580	698,717	22,863	3.3%	955,508	(233,928)	-24.5%
Other capital credits & dividends	467,380	443,568	23,812	5.4%	519,979	(52,600)	-10.1%
Total non-operating margins	3,884,786	3,826,177	58,609	1.5%	4,216,807	(332,021)	-7.9%
Net income (loss)	1,613,199	1,197,316	415,883	34.7%	1,649,465	(36,265)	-2.2%
Extraordinary expenses	-	-	-	N/A	-	-	N/A
Total net income (loss)	\$ 1,613,199	\$ 1,197,316	\$ 415,883	34.7%	\$ 1,649,465	\$ (36,265)	-2.2%

Vermont Electric Cooperative, Inc.
Balance Sheet (Assets)
June, 2023

	June, 2023 Actual	May, 2023 Actual	* Variance Fav/(Unfav) *		June, 2022 Actual	* Variance Fav/(Unfav) *	
			\$	%		\$	%
Electric plant, at cost:							
Electric plant in service	204,803,762	204,413,205	390,557	0.19%	197,828,373	6,975,389	3.53%
Less accumulated depreciation	(68,205,188)	(67,709,576)	495,612	0.73%	(63,555,170)	4,650,019	7.32%
Net electric plant in service	136,598,573	136,703,629	(105,055)	-0.08%	134,273,203	2,325,370	1.73%
Construction work in progress	6,359,917	6,227,620	132,297	2.12%	4,959,820	1,400,097	28.23%
Net electric plant	142,958,490	142,931,249	27,241	0.02%	139,233,023	3,725,467	2.68%
Other assets:							
Non-utility property	65,697	65,697	-	0.00%	65,697	-	0.00%
Other investments	47,392,965	47,392,965	-	0.00%	48,082,968	(690,003)	-1.44%
Deferred charges	4,761	7,530	(2,769)	-36.77%	61,878	(57,117)	-92.31%
Total other assets	47,463,423	47,466,192	(2,769)	-0.01%	48,210,543	(747,121)	-1.55%
Current assets:							
Cash	345,103	764,545	(419,442)	-54.86%	351,864	(6,761)	-1.92%
Notes receivable (net)	-	-	-	0.00%	-	-	0.00%
Accounts receivable (net)	9,124,487	9,599,022	(474,535)	-4.94%	8,621,774	502,712	5.83%
Other receivables (net)	4,150,329	3,248,310	902,019	27.77%	2,623,203	1,527,127	58.22%
Inventories	7,257,122	7,016,116	241,006	3.44%	6,182,158	1,074,964	17.39%
Prepaid expenses	922,147	895,671	26,476	2.96%	663,625	258,522	38.96%
Total current assets	21,799,189	21,523,664	275,525	1.28%	18,442,625	3,356,564	18.20%
Total assets	\$ 212,221,102	\$ 211,921,105	\$ 299,997	0.14%	\$ 205,886,191	\$ 6,334,911	3.08%

Vermont Electric Cooperative, Inc.
Balance Sheet (Liabilities & Equity)
June, 2023

	June, 2023 Actual	May, 2023 Actual	Variance Fav/(Unfav)		June, 2022 Actual	Variance Fav/(Unfav)	
			\$	%		\$	%
Equities:							
Memberships issued & subscribed	-	-	-	0.00%	-	-	0.00%
Patronage capital assignable	(1)	1,898,404	(1,898,405)	-256541244.59%	(16,394)	16,394	2215348.65%
Other earnings	92,203,793	89,886,924	2,316,869	2.51%	91,697,120	506,673	0.55%
Contributions in aid of construction	-	-	-	0.00%	-	-	0.00%
Net equity	92,203,793	91,785,329	418,464	0.45%	91,680,726	523,067	0.57%
Long-term debt	96,295,146	97,494,967	(1,199,821)	-1.25%	90,104,715	6,190,431	6.43%
Capital leases - non current	364,389	364,389	-	0.00%	367,156	(2,767)	-0.76%
Current liabilities:							
Current portion of long-term debt	5,529,762	5,529,762	-	0.00%	5,293,656	236,106	4.27%
Line of Credit	4,100,000	2,650,000	1,450,000	35.37%	2,800,000	1,300,000	31.71%
Accounts payable	6,260,000	5,885,751	374,250	5.98%	5,890,184	369,817	5.91%
Customer deposits	1,825,710	1,836,666	(10,957)	-0.60%	1,965,800	(140,090)	-7.67%
Other accrued expenses	4,534,440	5,049,056	(514,617)	-11.35%	5,326,508	(792,069)	-17.47%
Total current liabilities	22,249,911	20,951,235	1,298,676	5.84%	21,276,147	973,764	4.38%
Deferred credits	1,107,864	1,325,184	(217,321)	-19.62%	2,457,447	(1,349,583)	-121.82%
Total liabilities and equity	\$ 212,221,102	\$ 211,921,105	\$ 299,997	0.14%	\$ 205,886,191	\$ 6,334,911	3.08%

Vermont Electric Cooperative, Inc.
Statement of Cash Flows

	Month		Year-to-date		Variance Fav (Unfav)
	June, 2023	June, 2022	June, 2023	June, 2022	
	Actual	Actual	Actual	Actual	\$
Cash flows from operating activities:					
Net income	\$ 419,791	\$ 473,368	\$ 1,613,199	\$ 1,649,465	(36,265)
Noncash expenses (income) included in earnings:					
Depreciation & amortization	\$ 692,435	\$ 617,911	\$ 3,993,882	\$ 3,861,452	132,430
(Gain) loss on sale of investments	\$ -	\$ -	\$ -	\$ -	-
(Gain) loss on sale of fixed assets	\$ -	\$ -	\$ (900)	\$ -	(900)
Changes in assets and liabilities:					
Decrease (increase) in notes receivable	\$ -	\$ -	\$ -	\$ -	-
Decrease (increase) in accounts receivable	\$ 474,535	\$ 374,306	\$ 658,772	\$ 425,042	233,730
Decrease (increase) in other receivable	\$ (902,019)	\$ (616,182)	\$ 1,950,827	\$ 571,911	1,378,916
Decrease (increase) in inventories	\$ (241,006)	\$ (31,900)	\$ (978,210)	\$ (447,160)	(531,051)
Decrease (increase) in prepayments	\$ (26,476)	\$ (100,129)	\$ (59,405)	\$ 26,531	(85,936)
Decrease (increase) in deferred charges	\$ 5,628	\$ 5,684	\$ 29,545	\$ 13,999	15,546
Increase (decrease) in accounts payable	\$ 374,250	\$ (530,660)	\$ (3,432,697)	\$ (2,520,942)	(911,755)
Increase (decrease) in customer deposits	\$ (10,957)	\$ 33,738	\$ (88,055)	\$ 35,790	(123,845)
Increase (decrease) in accrued expenses	\$ (514,617)	\$ 34,129	\$ 975,214	\$ 2,146,111	(1,170,897)
Increase (decrease) in deferred credits	\$ (101,604)	\$ (99,218)	\$ 41,045	\$ 29,833	11,211
Increase (decrease) in regulatory liability	\$ (115,717)	\$ (150,000)	\$ (694,300)	\$ (900,000)	205,700
Net cash provided (used) by operating activities	54,242	11,050	4,008,916	4,892,031	(883,115)
Cash flows from investing activities:					
Additions to electric plant in service and construction work in progress	\$ (641,307)	\$ (1,137,508)	\$ (5,145,603)	\$ (4,695,039)	(450,565)
Proceeds from retirements of electric plant in service	\$ (81,228)	\$ (87,597)	\$ (732,665)	\$ (606,858)	(125,807)
Return on capital investments	\$ -	\$ -	\$ (162,564)	\$ (194,825)	32,261
Proceeds (payments) from sale (purchase) of investments	\$ -	\$ -	\$ -	\$ -	-
Net cash provided (used) in investing activities	(722,535)	(1,225,105)	(6,040,832)	(5,496,722)	(544,110)
Cash flows from financing activities:					
Proceeds from borrowings LOC	\$ -	\$ -	\$ 1,500,000	\$ -	1,500,000
Proceeds from borrowings Long-Term	\$ -	\$ -	\$ 12,000,000	\$ -	12,000,000
Payments to creditors LOC	\$ 1,450,000	\$ 1,100,000	\$ (8,400,000)	\$ (8,836,007)	436,007
Payments to creditors Long-Term	\$ (1,199,821)	\$ (1,058,378)	\$ (2,874,080)	\$ 9,404,599	(12,278,680)
Patronage Capital Retirements - Net	\$ (1,328)	\$ (1,644)	\$ (19,555)	\$ (17,482)	(2,073)
Memberships issued, net of refunds	\$ -	\$ -	\$ -	\$ -	-
Additions to donated capital, net	\$ -	\$ -	\$ -	\$ -	-
Net cash provided (used) by financing activities	248,851	39,979	2,206,365	551,110	1,655,254
Net increase (decrease) in cash and equivalents	(419,442)	(1,174,077)	174,449	(53,580)	228,030
Cash & cash equivalents at beginning of period	\$ 764,545	\$ 1,525,941	\$ 170,654	\$ 405,445	(234,791)
Cash & cash equivalents at end of period	\$ 345,103	\$ 351,864	\$ 345,103	\$ 351,864	\$ (6,761)