

Financial Highlights – September, 2024

	<u>MTD Variance (K's)</u>	<u>YTD Variance (K's)</u>
September Net Income:	(\$551)	(\$1,335)

Operating Revenue	(\$297)	\$2,255
--------------------------	----------------	----------------

KWH sales in August are \$90k less than budget for the month but \$2,507 better YTD. The average price/KWH sold is \$86k less than budget for the month and \$360k less than budget for the year. Non-energy services, pole attachments, and wheeling revenues are \$56k less than budget for the month and \$64k less for the year. Unbilled revenues are \$22k less than budget for the month but \$23k better for the year. The sale of Renewable Energy Credits is \$43k less than budget for the month but \$149k better YTD.

Purchased Power Costs	\$5	\$1,191
------------------------------	------------	----------------

Purchased KWH is \$520k over budget for the month and \$1,069k over for the year. Our overall costs/KWH is \$525k under budget for the month and \$2,260 under YTD.

Transmission Costs	\$98	(\$1,146)
---------------------------	-------------	------------------

Transmission support for substations and supervision is \$7k over budget for the month and \$37k over YTD. Transmission by Others is \$9k under budget for the month but \$1,055k over YTD. Property taxes are \$30k over budget for the month and \$64k over YTD. Maintenance for SCADA and overhead lines is \$12k under budget for the month and \$27k under for the year. Transmission vegetative maintenance is \$114k under budget for the month but \$17k over YTD.

Distribution Operations/Mtce	(\$309)	(\$3,484)
-------------------------------------	----------------	------------------

Major Storm costs are \$45k over budget for the month and \$2,313k over for the year. Meter/AMI Expense is \$8k over budget for the month but \$32k under YTD. Supervisory related costs are \$13k over budget for the month and \$27k over YTD. Overall Distribution Maintenance costs are \$32k under budget for the month but \$596k over YTD. Miscellaneous Distribution and Customer Installation expenses are \$7k over budget for the month and \$53k over YTD. Property tax expense is \$328k over budget for the month and \$691k over for the year. Distribution vegetative maintenance program spending is \$60k under budget for the month and \$164k under YTD. The overall vegetative maintenance program (transmission + distribution) is \$174k under budget for the month and \$147k under for the year.

Customer Accounts	(\$10)	\$112
--------------------------	---------------	--------------

Meter Reading & Disconnect Services are \$8k under budget for the month and \$86k under YTD. Member service administration is \$13k over budget for the month and \$9k over YTD. Uncollectible Accounts are on budget for the month and YTD. Property taxes are \$1k over budget for the month and \$2k over YTD. Communications, Patronage Capital and SQRP Costs are \$4k over budget for the month but \$37k under YTD.

Administrative & General**\$38****\$33**

Regulatory related expenses are \$5k under budget for the month and \$3k under YTD. Payroll and Benefits are \$9k under budget for the month but \$4k over YTD. Outside Services is \$2k under budget for the month and \$21k under YTD. Director Expenses are \$4k over budget for the month but \$6k under YTD. Costs incurred for TIER 3 Projects are \$2k over budget for the month but \$25k under YTD. Expenses for Coop-Life, Business Development, Dues, Annual and Employee Meeting are \$20k under budget for the month but are \$5k over for the year. Office related expenses are \$4k over budget for the month and \$36k over YTD. Safety and Facility related expenses are \$12k under budget for the month and \$23k under budget YTD.

Total Depreciation & Other Exp**(\$6)****(\$256)**

Depreciation expense is \$2k under budget for the month and \$35k under budget YTD. Interest expense is \$11k over budget for the month and \$266k over YTD. Gross Receipt & Revenue Taxes is \$2k under budget for the month but \$26k over YTD. Other Expenses are \$1k under budget for the month and YTD.

Total Non-Operating Margins**(\$70)****(\$40)**

Capital Credits from CFC, CoBank, NISC and Federated are \$66k less than budget for the month and \$51K less for the year. Interest and Dividend Income is \$1K better than budget for the month and \$84k better for the year. Miscellaneous Jobbing Revenue is \$5k less than budget for the month and is \$71k less than budget YTD. Gain/Loss on disposition of property is on budget for the month but \$2k less for the year.

Capital Spending Plan**(\$36)****\$560**

Annual and Routine Capital Projects are \$335k over budget for the month and \$940k over YTD. Pole Replacements are \$018k over budget for the month and \$755k over YTD. Energy Transformation Projects are \$68k under budget for the month and \$272k under for the year. Make-Ready Pole Replacements are \$40k over budget for the month and \$63k over YTD. Distribution projects are \$165k under budget for the month and \$639k under YTD. Generation related projects are \$26k over budget for the month and \$18k over YTD. SCADA Projects are \$1k over budget for the month and \$27k over YTD. Substation Projects are \$155k under budget for the month and \$138k under for the year. Transmission Projects are on budget for the month and \$144k under for the year. Metering projects are \$5k under budget for the month and \$44k under YTD. IT Projects are \$43k over budget for the month but \$327k under for the year. Fleet Purchases are \$8k over for the month but \$526k under for the year. Facilities projects are \$10k over budget for the month but \$237K under YTD.

TIER and Debt Service Coverage

Due to major storm events we are not expected to meet our budgeted TIER of 2.00 by year end 2024. Our Debt Service payments for 2024 are expected to be \$9.8M.

Cash Flow and Line of Credit

In September, we used up to a peak of \$14.6M on our line of credit on September 30th. The October high for the line of credit is expected to be \$14.3M on October 25th.

Balance Sheet

Our equity ratio in September and August finished at 42.41%. Our current ratio, a measure of liquidity, is .80, lower than August at .84.

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

	September, 2024		Actual- Budget		September, 2023		Prior Year	
	Actual	Budget	Variance Fav (Unfav) \$	%	Actual	Variance Fav (Unfav) \$	%	
kWh Statistics								
kWh Units Sold	38,047,878	38,505,913	(458,035)	-1.2%	35,922,104	2,125,774	5.9%	
kWh Units Purchased	42,828,000	36,707,000	(6,121,000)	-16.7%	36,176,000	(6,652,000)	-18.4%	
Net System Losses (kWh)	4,780,122	(1,798,913)	(6,579,035)	365.7%	253,896	(4,526,226)	-1782.7%	
Sytem Losses (%)	11.16%	-4.90%			0.70%			
Revenue								
Operating Revenue	7,804,447	8,102,167	(297,720)	-3.7%	7,039,372	765,075	10.9%	
Sales for Resale	84,913	101,592	(16,679)	-16.4%	66,486	18,427	27.7%	
Total revenues	\$ 7,889,360	\$ 8,203,759	\$ (314,399)	-3.8%	\$ 7,105,858	\$ 783,503	11.0%	
Power supply cost								
Purchased power cost	3,111,998	3,116,836	4,837	0.2%	2,834,515	(277,483)	-9.8%	
Sales for Resale	84,913	101,592	16,679	16.4%	66,486	(18,427)	-27.7%	
Transmission	1,138,675	1,237,061	98,386	8.0%	918,927	(219,748)	-23.9%	
Total Power supply cost	4,335,586	4,455,488	119,902	2.7%	3,819,927	(515,659)	-13.5%	
Gross Margin	\$ 3,553,774	\$ 3,748,271	\$ (194,497)	-5.2%	\$ 3,285,930	\$ 267,844	8.2%	
Operating expenses								
Distribution: Operations & Mtce	1,739,114	1,430,119	(308,995)	-21.6%	1,301,134	(437,981)	-33.7%	
Customer accounts	288,105	278,264	(9,841)	-3.5%	253,585	(34,520)	-13.6%	
Administrative & general	379,116	416,990	37,874	9.1%	411,578	32,462	7.9%	
Total operating expenses	\$ 2,406,335	\$ 2,125,374	\$ (280,962)	-13.2%	\$ 1,966,297	\$ (440,038)	-22.4%	
Depreciation & amortization	558,704	561,174	2,470	0.4%	546,969	(11,735)	-2.1%	
Gross revenue & receipts taxes	79,406	81,125	1,719	2.1%	71,373	(8,034)	-11.3%	
Interest on long-term debt	355,383	347,754	(7,629)	-2.2%	330,229	(25,154)	-7.6%	
Other interest expenses	64,325	61,378	(2,947)	-4.8%	24,699	(39,625)	-160.4%	
Other Deductions	311	1,179	869	73.7%	-	(311)	N/A	
Total depreciation & other expenses	1,058,128	1,052,610	(5,518)	-0.5%	973,270	(84,858)	-8.7%	
Income from operations	\$ 89,311	\$ 570,287	\$ (480,977)	-84.3%	\$ 346,364	\$ (257,053)	-74.2%	
Interest income	1,401,789	1,400,655	1,134	0.1%	1,334,463	67,327	5.0%	
Other income (expenses)	(2,367)	2,846	(5,213)	-183.2%	118,484	(120,851)	-102.0%	
Other capital credits & dividends	93,920	159,669	(65,749)	-41.2%	160,964	(67,043)	-41.7%	
Total non-operating margins	1,493,343	1,563,170	(69,828)	-4.5%	1,613,910	(120,568)	-7.5%	
Net income (loss)	1,582,653	2,133,457	(550,804)	-25.8%	1,960,274	(377,621)	-19.3%	
Extraordinary expenses	-	-	-	N/A	-	-	N/A	
Total net income (loss)	\$ 1,582,653	\$ 2,133,457	\$ (550,804)	-25.8%	\$ 1,960,274	\$ (377,621)	-19.3%	

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

	September, 2024	September, 2024	Actual- Budget		September, 2023	Prior Year	
	Actual	Budget	Variance Fav (Unfav)	%	Actual	Variance Fav (Unfav)	%
			\$	%		\$	%
kWh Statistics							
kWh Units Sold	365,093,825	352,367,938	12,725,887	3.6%	351,207,236	13,886,589	4.0%
kWh Units Purchased	383,593,000	372,070,714	(11,522,286)	-3.1%	367,653,000	(15,940,000)	-4.3%
Net System Losses (kWh)	18,499,175	19,702,776	1,203,601	6.1%	16,445,764	(2,053,411)	-12.5%
Sytem Losses (%)	4.82%	5.30%			4.47%		
Revenue							
Operating Revenue	77,158,443	74,903,417	2,255,027	3.0%	69,161,836	7,996,607	11.6%
Sales for Resale	1,296,641	1,467,927	(171,286)	-11.7%	1,252,931	43,710	3.5%
Total revenues	\$ 78,455,084	\$ 76,371,344	\$ 2,083,741	2.7%	\$ 70,414,767	\$ 8,040,317	11.4%
Power supply cost							
Purchased power cost	33,347,746	34,538,256	1,190,510	3.4%	32,604,097	(743,649)	-2.3%
Sales for Resale	1,296,641	1,467,927	171,286	11.7%	1,252,931	(43,710)	-3.5%
Transmission:	13,305,597	12,158,210	(1,147,387)	-9.4%	11,559,626	(1,745,971)	-15.1%
Total Power supply cost	47,949,984	48,164,393	214,409	0.4%	45,416,653	(2,533,331)	-5.6%
Gross Margin	\$ 30,505,100	\$ 28,206,951	\$ 2,298,150	8.1%	\$ 24,998,114	\$ 5,506,987	22.0%
Operating expenses							
Distribution: Operations & Mtce	16,513,646	13,029,861	(3,483,786)	-26.7%	11,461,172	(5,052,475)	-44.1%
Customer accounts	2,483,105	2,595,561	112,456	4.3%	2,363,217	(119,888)	-5.1%
Administrative & general	3,754,010	3,786,847	32,837	0.9%	3,894,490	140,480	3.6%
Total operating expenses	22,750,761	19,412,268	(3,338,493)	-17.2%	17,718,878	(5,031,883)	-28.4%
Depreciation & amortization	4,999,421	5,034,426	35,005	0.7%	4,923,590	(75,831)	-1.5%
Gross revenue & receipts taxes	763,740	737,240	(26,500)	-3.6%	685,964	(77,775)	-11.3%
Interest on long-term debt	3,204,861	3,087,527	(117,334)	-3.8%	3,082,768	(122,092)	-4.0%
Other interest expenses	643,182	493,828	(149,355)	-30.2%	177,071	(466,111)	-263.2%
Other deductions	9,299	10,611	1,312	12.4%	-	(9,299)	N/A
Total depreciation & other exp	9,620,503	9,363,631	(256,872)	-2.7%	8,869,394	(751,109)	-8.5%
Income from operations	(1,866,164)	(568,949)	(1,297,215)	-228.0%	(1,590,159)	(276,005)	-17.4%
Interest income	4,316,133	4,231,893	84,240	2.0%	4,036,140	279,993	6.9%
Other income (expenses)	14,510	85,186	(70,676)	-83.0%	1,072,796	(1,058,286)	-98.6%
Other capital credits & dividends	503,958	555,586	(51,628)	-9.3%	628,343	(124,385)	-19.8%
Total non-operating margins	4,834,601	4,872,665	(38,065)	-0.8%	5,737,278	(902,678)	-15.7%
Net income (loss)	2,968,436	4,303,716	(1,335,280)	-31.0%	4,147,119	(1,178,683)	-28.4%
Extraordinary expenses	-	-	-	N/A	-	-	N/A
Total net income (loss)	\$ 2,968,436	\$ 4,303,716	\$ (1,335,280)	-31.0%	\$ 4,147,119	\$ (1,178,683)	-28.4%

Vermont Electric Cooperative, Inc.
Balance Sheet (Assets)
September, 2024

	September, 2024	August, 2024	* Variance Fav/(Unfav) *		September, 2023	* Variance Fav/(Unfav) *	
	Actual	Actual	\$	%	Actual	\$	%
Electric plant, at cost:							
Electric plant in service	213,624,463	213,247,372	377,092	0.18%	206,615,957	7,008,506	3.39%
Less accumulated depreciation	(74,091,366)	(73,653,264)	438,101	0.59%	(69,273,228)	4,818,138	6.96%
Net electric plant in service	139,533,098	139,594,107	(61,010)	-0.04%	137,342,729	2,190,368	1.59%
Construction work in progress	9,156,083	8,561,187	594,896	6.95%	6,422,110	2,733,973	42.57%
Net electric plant	148,689,181	148,155,295	533,886	0.36%	143,764,839	4,924,341	3.43%
Other assets:							
Non-utility property	65,697	65,697	-	0.00%	65,697	-	0.00%
Other investments	49,895,232	49,676,200	219,031	0.44%	47,498,305	2,396,927	5.05%
Deferred charges	43,247	35,813	7,434	20.76%	10,647	32,600	306.19%
Total other assets	50,004,176	49,777,710	226,465	0.45%	47,574,648	2,429,527	5.11%
Current assets:							
Cash	524,321	1,240,385	(716,064)	-57.73%	(298,569)	822,891	-275.61%
Notes receivable (net)	-	-	-	0.00%	-	-	0.00%
Accounts receivable (net)	10,420,131	11,051,866	(631,735)	-5.72%	9,321,590	1,098,541	11.78%
Other receivables (net)	6,802,923	5,397,951	1,404,972	26.03%	4,532,859	2,270,064	50.08%
Inventories	8,398,080	8,306,766	91,314	1.10%	7,577,383	820,698	10.83%
Prepaid expenses	1,158,261	1,097,951	60,310	5.49%	889,703	268,558	30.19%
Total current assets	27,303,717	27,094,919	208,798	0.77%	22,022,966	5,280,752	23.98%
Total assets	\$ 225,997,074	\$ 225,027,925	\$ 969,149	0.43%	\$ 213,362,454	\$ 12,634,620	5.92%

Vermont Electric Cooperative, Inc.
Balance Sheet (Liabilities & Equity)
September, 2024

	September, 2024	August, 2024	Variance Fav/(Unfav)		September, 2023	Variance Fav/(Unfav)	
	Actual	Actual	\$	%	Actual	\$	%
Equities:							
Memberships issued & subscribed	-	-	-	0.00%	-	-	0.00%
Patronage capital assignable	(2)	(2)	-	0.00%	(1)	(1)	-55.95%
Other earnings	95,839,105	95,427,331	411,774	0.43%	94,097,622	1,741,483	1.82%
Contributions in aid of construction	-	-	-	0.00%	-	-	0.00%
Net equity	95,839,104	95,427,329	411,774	0.43%	94,097,621	1,741,482	1.82%
Long-term debt	95,496,457	96,684,950	(1,188,493)	-1.24%	94,791,202	705,255	0.74%
Deferred Compensation 457B	473,827	295,532	178,296	37.63%	390,299	83,528	17.63%
Current liabilities:							
Current portion of long-term debt	5,411,331	5,411,331	-	0.00%	5,529,762	(118,430)	-2.19%
Line of Credit	14,606,833	10,774,048	3,832,784	26.24%	6,300,000	8,306,833	56.87%
Accounts payable	10,045,534	11,299,022	(1,253,489)	-12.48%	7,963,592	2,081,942	20.73%
Customer deposits	1,680,351	1,670,444	9,907	0.59%	1,776,398	(96,047)	-5.72%
Other accrued expenses	2,229,870	3,182,162	(952,292)	-42.71%	1,854,723	375,147	16.82%
Total current liabilities	33,973,919	32,337,009	1,636,911	4.82%	23,424,474	10,549,445	31.05%
Deferred credits	213,767	283,105	(69,338)	-32.44%	658,857	(445,090)	-208.21%
Total liabilities and equity	\$ 225,997,074	\$ 225,027,925	\$ 969,149	0.43%	\$ 213,362,454	\$ 12,634,620	5.92%

Vermont Electric Cooperative, Inc.
Statement of Cash Flows

	Month		Year-to-date		Variance Fav (Unfav) \$
	September, 2024 Actual	September, 2023 Actual	September, 2024 Actual	September, 2023 Actual	
Cash flows from operating activities:					
Net income	\$ 1,582,653	\$ 1,960,274	\$ 2,968,436	\$ 4,147,119	(1,178,683)
Noncash expenses (income) included in earnings:					
Depreciation & amortization	\$ 689,621	\$ 671,200	\$ 6,166,122	\$ 6,099,295	66,827
(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	\$ 631,735	\$ (80,679)	\$ (97,565)	\$ 461,668	(559,233)
Decrease (increase) in other receivable	\$ (1,404,972)	\$ (1,330,467)	\$ 649,789	\$ 1,568,298	(918,508)
Decrease (increase) in inventories	\$ (91,314)	\$ 10,550	\$ (1,066,537)	\$ (1,298,471)	231,934
Decrease (increase) in prepayments	\$ (60,310)	\$ (14,571)	\$ 42,663	\$ (26,962)	69,625
Decrease (increase) in deferred charges	\$ (7,434)	\$ (5,846)	\$ (43,247)	\$ 23,658	(66,905)
Increase (decrease) in accounts payable	\$ (1,253,489)	\$ (904,865)	\$ (1,043,377)	\$ (1,729,105)	685,729
Increase (decrease) in customer deposits	\$ 9,907	\$ (4,613)	\$ (73,233)	\$ (137,367)	64,134
Increase (decrease) in accrued expenses	\$ (952,292)	\$ (537,106)	\$ (602,955)	\$ (1,704,503)	1,101,548
Increase (decrease) in deferred credits	\$ (69,338)	\$ (101,604)	\$ 206,873	\$ (60,812)	267,684
Increase (decrease) in regulatory liability	\$ -	\$ (115,717)	\$ -	\$ (1,041,450)	1,041,450
Net cash provided (used) by operating activities	(925,234)	(453,445)	7,106,970	6,300,469	806,501
Cash flows from investing activities:					
Additions to electric plant in service and construction work in progress	\$ (1,087,434)	\$ (1,254,912)	\$ (9,059,921)	\$ (7,570,833)	(1,489,088)
Proceeds from retirements of electric plant in service	\$ (136,072)	\$ (134,778)	\$ (1,204,226)	\$ (1,219,194)	14,968
Return on capital investments	\$ (40,736)	\$ (79,430)	\$ (186,129)	\$ (241,994)	55,865
Proceeds (payments) from sale (purchase) of investments	\$ -	\$ -	\$ -	\$ -	-
Net cash provided (used) in investing activities	(1,264,242)	(1,469,120)	(10,450,276)	(9,032,022)	(1,418,254)
Cash flows from financing activities:					
Proceeds from borrowings LOC	\$ 6,082,784	\$ 4,576,504	\$ 43,025,881	\$ 30,639,701	12,386,180
Proceeds from borrowings Long-Term	\$ -	\$ -	\$ 6,000,000	\$ 12,000,000	(6,000,000)
Payments to creditors LOC	\$ (2,250,000)	\$ (1,776,504)	\$ (40,825,000)	\$ (35,339,701)	(5,485,298)
Payments to creditors Long-Term	\$ (1,188,493)	\$ (1,039,175)	\$ (4,262,075)	\$ (4,378,024)	115,949
Patronage Capital Retirements - Net	\$ (1,170,879)	\$ (626,750)	\$ (1,186,122)	\$ (659,647)	(526,476)
Memberships issued, net of refunds	\$ -	\$ -	\$ -	\$ -	-
Additions to donated capital, net	\$ -	\$ -	\$ -	\$ -	-
Net cash provided (used) by financing activities	1,473,412	1,134,074	2,752,684	2,262,329	490,355
Net increase (decrease) in cash and equivalents	(716,064)	(788,491)	(590,622)	(469,223)	(121,399)
Cash & cash equivalents at beginning of period	\$ 1,240,385	\$ 489,922	\$ 1,114,944	\$ 170,654	944,290
Cash & cash equivalents at end of period	\$ 524,321	\$ (298,569)	\$ 524,321	\$ (298,569)	\$ 822,891