

Financial Highlights – December, 2023

	<u>MTD Variance (K's)</u>	<u>YTD Variance (K's)</u>
December Net Income:	\$(387)	(\$91)

Operating Revenue	\$1,058	(\$251)
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KWH sales in December are \$429k more than budget for the month but \$170k less YTD. The average price/KWH sold is \$135k less than budget for the month and \$89k less for the year. Non-energy services, pole attachments, and wheeling revenues are \$21k less than budget for the month but \$69k better for the year. Unbilled revenues are \$110k less than budget for the month and \$111k less for the year. The sale of Renewable Energy Credits is \$895k better than budget for the month and \$50k better YTD.

Purchased Power Costs	(\$609)	\$691
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Purchased KWH is \$64k over budget for the month but \$48k under for the year. Our overall costs/KWH is \$545k over budget for the month but \$643k under YTD.

Transmission Costs	(\$214)	(\$1,062)
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Transmission support for substations and supervision is \$8k over budget for the month and \$56k over YTD. Transmission by Others is \$215k over budget for the month and \$1,056k over YTD. Property taxes are on budget for the month but \$3k over YTD. Maintenance for SCADA and overhead lines is \$1k under budget for the month but \$10k over for the year. Transmission vegetative maintenance is \$8k under budget for the month and \$63k under YTD.

Distribution Operations/Mtce	(\$637)	\$1,014
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Major Storm costs are \$95k under budget for the month and \$178k under for the year. Meter/AMI Expense is \$14k under budget for the month and \$36k under YTD. Supervisory related costs are \$25k under budget for the month but \$80k over YTD. Overall Distribution Maintenance costs are \$613k over budget for the month but \$48k under YTD. Miscellaneous Distribution and Customer Installation expenses are \$13k under budget for the month and \$204k under YTD. Property tax expense is on budget for the month and \$1k under budget for the year. Distribution vegetative maintenance program spending is \$171k over budget for the month but \$627k under YTD. The overall vegetative maintenance program (transmission + distribution) is \$164k over budget for the month but \$690k under for the year.

Customer Accounts	\$24	\$61
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Meter Reading & Disconnect Services are \$7k under budget for the month and \$58k under YTD. Member service administration is \$1k over budget for the month and \$73 over YTD. Uncollectible Accounts are \$12k under budget for the month and YTD. Communications, Patronage Capital and SQRP Costs are \$6k under budget for the month and \$64k under YTD.

Administrative & General **\$10** **(\$253)**

Regulatory related expenses are \$3k over budget for the month but \$20k under YTD. Payroll and Benefits are \$42k under budget for the month and \$78k under YTD. Outside Services is \$21k under budget for the month and \$59k under YTD. Director Expenses are \$9k under budget for the month and \$37k under YTD. Costs incurred for TIER 3 Projects are \$46k over budget for the month and \$323k over YTD. Expenses for Coop-Life, Business Development, Dues, Annual and Employee Meeting are \$2k under budget for the month but \$1k over budget for the year. Office related expenses are \$15k over budget for the month and \$103k over YTD. Safety and Facility related expenses are on budget for the month and \$20k over YTD.

Total Depreciation & Other Exp **(\$33)** **(\$450)**

Depreciation expense is \$2k under budget for the month and \$31k under YTD. Interest expense is \$43k over budget for the month and \$487k over YTD. Gross Receipt & Revenue Taxes is \$7k under budget for the month but \$1k over YTD. Other Expenses are \$1k under budget for the month and \$7k under YTD.

Total Non-Operating Margins **\$14** **\$159**

Capital Credits from CFC, CoBank, NISC and Federated are on budget for the month and \$33k better for the year. Interest and Dividend Income is \$2k better for the month and \$108k better for the year. Miscellaneous Jobbing Revenue is \$12k better than budget for the month and \$26k more YTD. Gain/Loss on disposition of property are on budget for the month and \$8k less for the year.

Capital Spending Plan **(\$1,738)** **\$843**

Annual and Routine Capital Projects are \$691k over budget for the month and \$1,392k over YTD. Pole Replacements are \$307k under budget for the month and \$105k under YTD. Energy Transformation Projects are \$80k over budget for the month but \$354k under for the year. Make-Ready Pole Replacements are \$80k less than budget for the month and \$49k less YTD. Distribution projects are \$802k over budget for the month but \$605k under YTD. Generation related projects are \$235k over budget for the month and \$342k over YTD. SCADA Projects are \$158 over budget for the month and \$70k over YTD. Substation projects are \$59k over budget for the month but \$160k under for the year. Transmission projects on budget for the month and \$560k under YTD. Metering projects are \$13k under budget for the month and \$24k under YTD. IT Projects are \$86k over budget for the month but \$111k under for the year. Fleet Purchases are \$27k over budget for the month but \$650k under for the year. Facilities projects are on budget for the month and \$29k under YTD.

TIER and Debt Service Coverage

Due to significant transmission and interest costs we did not meet our budgeted TIER of 2.0. We ended the year 2023 with a TIER of 1.87. Our Debt Service payments for 2023 were \$9.6 million.

Cash Flow and Line of Credit

In December, we used up to a peak of \$12.4M on our line of credit on December 29th. The January high for the line of credit was \$13.5M on January 30th.

Balance Sheet

Our equity ratio in December finished at 42.42% slightly lower than November at 43.60%. Our current ratio, a measure of liquidity, is .82 slightly lower than November at .87.

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

	December, 2023		Actual- Budget		December, 2022		Prior Year	
	Actual	Budget	Variance Fav (Unfav) \$	%	Actual	Variance Fav (Unfav) \$	%	
kWh Statistics								
kWh Units Sold	40,631,999	38,274,904	2,357,095	6.2%	38,754,843	1,877,156	4.8%	
kWh Units Purchased	46,523,000	45,849,000	(674,000)	-1.5%	44,045,700	(2,477,300)	-5.6%	
Net System Losses (kWh)	5,891,001	7,574,096	1,683,095	22.2%	5,290,857	(600,144)	-11.3%	
Sytem Losses (%)	12.66%	16.52%			12.01%			
Revenue								
Operating Revenue	9,201,583	8,144,127	1,057,456	13.0%	7,380,467	1,821,116	24.7%	
Sales for Resale	49,799	394,822	(345,023)	-87.4%	101,014	(51,215)	-50.7%	
Total revenues	\$ 9,251,382	\$ 8,538,949	\$ 712,433	8.3%	\$ 7,481,481	\$ 1,769,901	23.7%	
Power supply cost								
Purchased power cost	4,932,840	4,324,157	(608,683)	-14.1%	3,996,183	(936,657)	-23.4%	
Sales for Resale	49,799	394,822	345,023	87.4%	101,014	51,215	50.7%	
Transmission	1,608,735	1,395,199	(213,536)	-15.3%	1,146,949	(461,786)	-40.3%	
Total Power supply cost	6,591,374	6,114,178	(477,196)	-7.8%	5,244,147	(1,347,228)	-25.7%	
Gross Margin	\$ 2,660,008	\$ 2,424,770	\$ 235,237	9.7%	\$ 2,237,334	\$ 422,673	18.9%	
Operating expenses								
Distribution: Operations & Mtce	2,084,030	1,447,095	(636,935)	-44.0%	1,474,181	(609,849)	-41.4%	
Customer accounts	229,690	253,366	23,675	9.3%	207,036	(22,654)	-10.9%	
Administrative & general	380,192	389,737	9,545	2.4%	412,284	32,092	7.8%	
Total operating expenses	\$ 2,693,912	\$ 2,090,197	\$ (603,714)	-28.9%	\$ 2,093,501	\$ (600,411)	-28.7%	
Depreciation & amortization	547,155	549,716	2,561	0.5%	543,145	(4,009)	-0.7%	
Gross revenue & receipts taxes	85,456	92,111	6,655	7.2%	71,955	(13,501)	-18.8%	
Interest on long-term debt	333,086	293,532	(39,554)	-13.5%	299,542	(33,543)	-11.2%	
Other interest expenses	50,315	46,544	(3,770)	-8.1%	50,157	(157)	-0.3%	
Other Deductions	-	567	567	100.0%	11,614	11,614	-100.0%	
Total depreciation & other expenses	1,016,011	982,470	(33,541)	-3.4%	976,414	(39,597)	-4.1%	
Income from operations	\$ (1,049,915)	\$ (647,897)	\$ (402,019)	-62.0%	\$ (832,581)	\$ (217,334)	-26.1%	
Interest income	1,334,014	1,331,724	2,290	0.2%	1,362,165	(28,151)	-2.1%	
Other income (expenses)	131,203	118,305	12,898	10.9%	39,619	91,584	231.2%	
Other capital credits & dividends	-	-	-	N/A	-	-	N/A	
Total non-operating margins	1,465,217	1,450,029	15,189	1.0%	1,401,784	63,433	4.5%	
Net income (loss)	415,302	802,132	(386,830)	-48.2%	569,203	(153,901)	-27.0%	
Extraordinary expenses	-	-	-	N/A	-	-	N/A	
Total net income (loss)	\$ 415,302	\$ 802,132	\$ (386,830)	-48.2%	\$ 569,203	\$ (153,901)	-27.0%	

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

	December, 2023 Actual	December, 2023 Budget	Actual- Budget Variance Fav (Unfav)		December, 2022 Actual	Prior Year Variance Fav (Unfav)	
			\$	%		\$	%
kWh Statistics							
kWh Units Sold	462,307,851	463,230,237	(922,386)	-0.2%	461,973,489	334,362	0.1%
kWh Units Purchased	494,801,000	495,331,000	530,000	0.1%	494,078,700	(722,300)	-0.1%
Net System Losses (kWh)	32,493,149	32,100,763	(392,386)	-1.2%	32,105,211	(387,938)	-1.2%
Sytem Losses (%)	6.57%	6.48%			6.50%		
Revenue							
Operating Revenue	92,492,998	92,743,857	(250,859)	-0.3%	83,940,413	8,552,585	10.2%
Sales for Resale	1,483,440	3,112,801	(1,629,361)	-52.3%	2,280,013	(796,573)	-34.9%
Total revenues	\$ 93,976,438	\$ 95,856,658	\$ (1,880,220)	-2.0%	\$ 86,220,426	\$ 7,756,012	9.0%
Power supply cost							
Purchased power cost	43,951,023	44,641,634	690,611	1.5%	40,963,190	(2,987,833)	-7.3%
Sales for Resale	1,483,440	3,112,801	1,629,361	52.3%	2,280,013	796,573	34.9%
Transmission:	15,453,627	14,392,058	(1,061,569)	-7.4%	14,443,776	(1,009,851)	-7.0%
Total Power supply cost	60,888,089	62,146,493	1,258,403	2.0%	57,686,979	(3,201,110)	-5.5%
Gross Margin	\$ 33,088,348	\$ 33,710,165	\$ (621,817)	-1.8%	\$ 28,533,447	\$ 4,554,902	16.0%
Operating expenses							
Distribution: Operations & Mtce	16,362,305	17,375,957	1,013,653	5.8%	15,420,919	(941,385)	-6.1%
Customer accounts	3,094,847	3,156,145	61,297	1.9%	2,786,972	(307,875)	-11.0%
Administrative & general	5,141,270	4,888,031	(253,240)	-5.2%	4,709,705	(431,565)	-9.2%
Total operating expenses	24,598,422	25,420,132	821,710	3.2%	22,917,596	(1,680,826)	-7.3%
Depreciation & amortization	6,564,591	6,595,152	30,561	0.5%	6,533,926	(30,665)	-0.5%
Gross revenue & receipts taxes	911,876	911,381	(495)	-0.1%	835,137	(76,739)	-9.2%
Interest on long-term debt	4,110,546	3,553,616	(556,929)	-15.7%	3,548,229	(562,316)	-15.8%
Other interest expenses	310,066	380,026	69,960	18.4%	244,803	(65,264)	-26.7%
Other deductions	-	6,800	6,800	100.0%	18,932	18,932	100.0%
Total depreciation & other exp	11,897,080	11,446,976	(450,104)	-3.9%	11,181,027	(716,053)	-6.4%
Income from operations	(3,407,154)	(3,156,943)	(250,211)	-7.9%	(5,565,177)	2,158,023	38.8%
Interest income	5,470,973	5,363,170	107,803	2.0%	5,490,013	(19,040)	-0.3%
Other income (expenses)	1,440,343	1,421,993	18,350	1.3%	1,317,456	122,886	9.3%
Other capital credits & dividends	628,343	595,056	33,287	5.6%	672,506	(44,163)	-6.6%
Total non-operating margins	7,539,659	7,380,219	159,440	2.2%	7,479,975	59,683	0.8%
Net income (loss)	4,132,505	4,223,276	(90,771)	-2.1%	1,914,799	2,217,706	115.8%
Extraordinary expenses	-	-	-	N/A	-	-	N/A
Total net income (loss)	\$ 4,132,505	\$ 4,223,276	\$ (90,771)	-2.1%	\$ 1,914,799	\$ 2,217,706	115.8%

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

	December, 2023	November, 2023	Variance Fav/(Unfav)		December, 2022	Variance Fav/(Unfav)	
	Actual	Actual	\$	%	Actual	\$	%
Electric plant, at cost:							
Electric plant in service	209,086,416	207,410,453	1,675,964	0.81%	203,457,949	5,628,467	2.77%
Less accumulated depreciation	(70,267,023)	(70,114,951)	152,072	0.22%	(65,662,829)	4,604,194	7.01%
Net electric plant in service	138,819,393	137,295,501	1,523,892	1.11%	137,795,121	1,024,272	0.74%
Construction work in progress	5,771,762	7,027,506	(1,255,744)	-17.87%	3,295,238	2,476,524	75.15%
Net electric plant	144,591,155	144,323,008	268,147	0.19%	141,090,359	3,500,796	2.48%
Other assets:							
Non-utility property	65,697	65,697	-	0.00%	65,697	-	0.00%
Other investments	49,652,519	47,498,305	2,154,214	4.54%	47,212,356	2,440,163	5.17%
Deferred charges	-	9,751	(9,751)	-100.00%	17,152	(17,152)	-100.00%
Total other assets	49,718,215	47,573,752	2,144,463	4.51%	47,295,205	2,423,010	5.12%
Current assets:							
Cash	1,114,944	1,239,582	(124,638)	-10.05%	170,654	944,290	553.34%
Notes receivable (net)	-	-	-	0.00%	-	-	0.00%
Accounts receivable (net)	10,322,567	9,328,433	994,134	10.66%	9,783,259	539,308	5.51%
Other receivables (net)	7,452,712	3,822,939	3,629,773	94.95%	6,101,157	1,351,555	22.15%
Inventories	7,331,544	7,661,950	(330,406)	-4.31%	6,278,912	1,052,632	16.76%
Prepaid expenses	1,200,925	812,657	388,268	47.78%	862,742	338,183	39.20%
Total current assets	27,422,691	22,865,561	4,557,130	19.93%	23,196,723	4,225,968	18.22%
Total assets	\$ 221,732,061	\$ 214,762,321	\$ 6,969,741	3.25%	\$ 211,582,287	\$ 10,149,774	4.80%

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

	December, 2023	November, 2023 *	Variance Fav/(Unfav)		December, 2022 *	Variance Fav/(Unfav)	
	Actual	Actual *	\$	%	Actual *	\$	%
Equities:							
Memberships issued & subscribed	-	- *	-	0.00% *	- *	-	0.00%
Patronage capital assignable	(1)	(1) *	-	0.00% *	(16,394) *	16,394	2215348.65%
Other earnings	94,056,790	93,645,171 *	411,619	0.44% *	90,626,543 *	3,430,247	3.65%
Contributions in aid of construction	-	- *	-	0.00% *	- *	-	0.00%
Net equity	94,056,789	93,645,170 *	411,619	0.44% *	90,610,148 *	3,446,641	3.66%
Long-term debt	93,758,532	94,187,496 *	(428,964)	-0.46% *	87,393,274 *	6,365,258	6.79%
Capital leases - non current	417,243	390,299 *	26,944	6.46% *	346,344 *	70,899	16.99%
Current liabilities:							
Current portion of long-term debt	5,411,331	5,529,762 *	(118,430)	-2.19% *	5,305,714 *	105,617	1.95%
Line of Credit	12,405,952	7,318,739 *	5,087,213	41.01%	11,000,000	1,405,952	11.33%
Accounts payable	11,088,911	8,784,448 *	2,304,463	20.78% *	9,692,697 *	1,396,213	12.59%
Customer deposits	1,753,584	1,762,237 *	(8,653)	-0.49% *	1,913,765 *	(160,180)	-9.13%
Other accrued expenses	2,832,825	2,920,420 *	(87,595)	-3.09% *	3,559,226 *	(726,401)	-25.64%
Total current liabilities	33,492,603	26,315,605 *	7,176,998	21.43% *	31,471,402 *	2,021,201	6.03%
Deferred credits	6,894	223,750 *	(216,856)	-3145.39% *	1,761,119 *	(1,754,224)	-25444.19%
Total liabilities and equity	\$ 221,732,061	\$ 214,762,321 *	\$ 6,969,741	3.14% *	\$ 211,582,287 *	\$ 10,149,774	4.80%

Vermont Electric Cooperative, Inc.
Statement of Cash Flows

	Month		Year-to-date		Variance Fav (Unfav)
	December, 2023	December, 2022	December, 2023	December, 2022	
	Actual	Actual	Actual	Actual	\$
Cash flows from operating activities:					
Net income	\$ 415,302	\$ 569,203	\$ 4,132,505	\$ 1,914,799	2,217,706
Noncash expenses (income) included in earnings:					
Depreciation & amortization	\$ 765,532	\$ 584,005	\$ 8,215,591	\$ 7,696,920	518,671
(Gain) loss on sale of investments	\$ -	\$ -	\$ -	\$ -	-
(Gain) loss on sale of fixed assets	\$ (800)	\$ -	\$ (1,700)	\$ (1,000)	(700)
Changes in assets and liabilities:					
Decrease (increase) in notes receivable	\$ -	\$ -	\$ -	\$ -	-
Decrease (increase) in accounts receivable	\$ (994,134)	\$ (1,174,864)	\$ (539,308)	\$ (736,442)	197,134
Decrease (increase) in other receivable	\$ (3,629,773)	\$ (4,478,463)	\$ (1,351,555)	\$ (2,906,043)	1,554,488
Decrease (increase) in inventories	\$ 330,406	\$ (75,296)	\$ (1,052,632)	\$ (543,914)	(508,718)
Decrease (increase) in prepayments	\$ (388,268)	\$ (57,813)	\$ (338,183)	\$ (172,586)	(165,597)
Decrease (increase) in deferred charges	\$ 9,751	\$ 10,285	\$ 34,305	\$ 75,879	(41,575)
Increase (decrease) in accounts payable	\$ 2,304,463	\$ 2,129,817	\$ 1,396,213	\$ 1,281,571	114,642
Increase (decrease) in customer deposits	\$ (8,653)	\$ (25,697)	\$ (160,180)	\$ (16,245)	(143,936)
Increase (decrease) in accrued expenses	\$ (87,595)	\$ (3,586)	\$ (726,401)	\$ 378,828	(1,105,229)
Increase (decrease) in deferred credits	\$ (101,139)	\$ (99,217)	\$ (365,624)	\$ (366,495)	871
Increase (decrease) in regulatory liability	\$ (115,717)	\$ -	\$ (1,388,600)	\$ (1,200,000)	(188,600)
Net cash provided (used) by operating activities	(1,500,625)	(2,621,625)	7,854,431	5,405,273	2,449,158
Cash flows from investing activities:					
Additions to electric plant in service and construction work in progress	\$ (937,738)	\$ 639,175	\$ (10,177,984)	\$ (9,964,518)	(213,466)
Proceeds from retirements of electric plant in service	\$ (95,141)	\$ 20,532	\$ (1,553,856)	\$ (1,046,336)	(507,519)
Return on capital investments	\$ -	\$ -	\$ (241,994)	\$ (272,765)	30,771
Proceeds (payments) from sale (purchase) of investments	\$ (2,127,270)	\$ 927,740	\$ (2,127,270)	\$ 927,740	(3,055,010)
Net cash provided (used) in investing activities	(3,160,149)	1,587,447	(14,101,104)	(10,355,879)	(3,745,225)
Cash flows from financing activities:					
Proceeds from borrowings LOC	\$ 7,437,213	\$ 3,128,432	\$ 43,300,356	\$ 33,393,320	9,907,036
Proceeds from borrowings Long-Term	\$ -	\$ -	\$ 12,000,000	\$ 12,000,000	-
Payments to creditors LOC	\$ (2,350,000)	\$ (1,928,432)	\$ (41,894,404)	\$ (34,029,327)	(7,865,078)
Payments to creditors Long-Term	\$ (547,395)	\$ (1,081,571)	\$ (5,529,125)	\$ (5,294,784)	(234,341)
Patronage Capital Retirements - Net	\$ (3,683)	\$ (5,112)	\$ (685,864)	\$ (1,353,394)	667,530
Memberships issued, net of refunds	\$ -	\$ -	\$ -	\$ -	-
Additions to donated capital, net	\$ -	\$ -	\$ -	\$ -	-
Net cash provided (used) by financing activities	4,536,135	113,317	7,190,963	4,715,815	2,475,147
Net increase (decrease) in cash and equivalents	(124,638)	(920,861)	944,290	(234,791)	1,179,080
Cash & cash equivalents at beginning of period	\$ 1,239,582	\$ 1,091,516	\$ 170,654	\$ 405,445	(234,791)
Cash & cash equivalents at end of period	\$ 1,114,944	\$ 170,654	\$ 1,114,944	\$ 170,654	\$ 944,290