Financial Highlights – June, 2019

<table>
<thead>
<tr>
<th></th>
<th>Variance (K’s)</th>
<th>YTD Variance (K’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June Net Income</td>
<td>($20)</td>
<td>$581</td>
</tr>
</tbody>
</table>

Analysis:

- **Operating Revenue**
  $14  ($43)
  KWH sales in June are $70k less than budget for the month and $221k less YTD. The average price/KWH sold is $77k better than budget for the month but is $207k less for the year. Non-energy services, pole attachments, and wheeling revenues are $5k less than budget for the month but are $123k better for the year. Unbilled revenues are $24k less than budget for the month but is $40k better YTD. The sale of Renewable Energy Credits is $36k better than budget for the month but is $221k better YTD.

- **Purchased Power Costs**
  $125  $652
  Purchased KWH is under budget by $129k for the month and $199k under for the year. Our overall costs/KWH is $3k over budget for the month but is $453k under YTD.

- **Transmission Costs**
  $16  ($59)
  Transmission support for substations and supervision is $3k under budget for the month but is $4k over YTD. Transmission by Others is $36k over budget for the month and $247k over YTD. Maintenance for SCADA and overhead lines is $3k over budget for the month but is $27k under for the year. Property Taxes are on budget for the month but are $3k over YTD. Transmission vegetative maintenance is $52k under budget for the month and $168k under YTD.

- **Distribution Operations/Mtce**
  ($107)  ($131)
  Major Storm costs are $49k under budget for the month and $344k under for the year. Meter/AMI Expense is $7k over budget for the month and $3k over YTD. Supervisory related costs are $2k under budget for the month but is $13k under YTD. Overall Distribution Maintenance costs are $174k over budget for the month and $314k over YTD. Miscellaneous Distribution and Customer Installation expenses are $4k over budget for the month and $22k over YTD. Distribution vegetative maintenance program spending is under budget by $26k for the month but is $148k over YTD. The overall vegetative maintenance program (transmission + distribution) is $79k under budget for the month and $19k under for the year.

- **Customer Accounts**
  $8  ($18)
  Meter Reading & Disconnect Services are $11k under budget for the month and $43k under YTD. Member service administration is $9k over budget for the month and $54k over YTD. Uncollectible Accounts are $3k over budget for the month and $16k over YTD. Communications, Patronage Capital and SQRP Costs are $8k under budget for the month and $8k under YTD.
• **Administrative & General** ($105)  ($42)
  Regulatory related expense is $50k over budget for the month and $11k over YTD. Payroll and Benefits are $6k over budget for the month but is $54k under YTD. Outside Services is $3k over budget for the month and $13k over YTD. Director Expenses are $10k over budget for the month and $12k over YTD. Internal costs incurred for TIER 3 Projects are $12k over budget for the month and $21k over YTD. Expenses for Coop-life, Business Development, Dues, Annual and Employee Meeting expenses are $13k over budget for the month and $28k over YTD. Office related expenses are $3k over budget for the month but is $1k under YTD. Safety and Facility related expenses are $7k over budget for the month and $13k over YTD.

• **Total Depreciation & Other Exp**  $15  $22
  Depreciation expense is $4k under budget for the month and $33k under YTD. Interest expense is $11k under budget for the month but is $15k over YTD. Gross Receipt & Revenue Taxes are on budget for the month but is $4k under budget YTD. Other Expenses are on budget for the month but $1k under YTD.

• **Total Non-Operating Margins**  $14  $201
  Capital Credits from CFC, CoBank, NISC and Federated are on budget for the month but is $138k better YTD. Interest and Dividend Income is $11k better than budget for the month and $25k better YTD. Miscellaneous Jobbing Revenue is $10k better than budget for the month and $16K better YTD. Other Income is $8k less than budget for the month but is $22k better for the year.

• **Capital Spending Plan**  $347  $267
  Transformers and increased capacity are on budget for the month but is $38k under YTD. Line projects, Reconductoring and Ordinary Replacements are $580k under budget for the month and $634k under YTD. Pole Replacements are $26k over budget for the month and $351k over YTD. The Battery Storage project is $30k over budget for the month and $19k over YTD. New Services and Construction are $15k over budget for the month and $22k over for the year. Facilities, Fleet and IT projects are $44k over budget for the month and $122k over for the year. Substation projects are $27k over budget for the month and $83k over for the year. Security lights are $5k under budget for the month and $45k under YTD. Meters and AMI are $95k over budget for the month but is $154k under for the year. Tools are over budget $3k for the month and $6k over YTD. TIER 3 CAP Projects are under budget by $1k for the month but is $2k over for the year.

**TIER and Debt Service Coverage**
We are currently exceeding our budgeted TIER. Our Debt Service payments for 2019 is expected to be $7.9 million.

**Cash Flow and Line of Credit**
In June, we used up to a peak of $4.7M on our line of credit on June 24th. The July high for the line of credit is expected to be $5.9M on July 1st.

**Balance Sheet**
Our equity ratio in June finished at 44.6% consistent with May. Our current ratio, a measure of liquidity, is .81, down slightly from May at .83. VEC's FFO ratio for 2019 YTD (“Funds from Operations/Capital Expenditures Ratio”; Target of 80% desirable) is 1.29, consistent with May.
# Vermont Electric Cooperative, Inc.

## Statement of Operations

**Month to Date**

<table>
<thead>
<tr>
<th></th>
<th>June, 2019 Actual</th>
<th>June, 2019 Budget</th>
<th>Actual - Budget Variance Fav (Unfav) %</th>
<th>June, 2018 Actual</th>
<th>June, 2018 Budget</th>
<th>Variance Fav (Unfav) %</th>
<th>Prior Year Actual</th>
<th>Prior Year Budget</th>
<th>Variance Fav (Unfav) %</th>
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<tbody>
<tr>
<td>kWh Statistics</td>
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<tr>
<td>kWh Units Sold</td>
<td>33,025,628</td>
<td>33,459,777</td>
<td>(434,149) -1.3%</td>
<td>33,459,777</td>
<td>(434,149)</td>
<td>-1.3%</td>
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</tr>
<tr>
<td>kWh Units Purchased</td>
<td>34,957,000</td>
<td>36,633,532</td>
<td>(1,676,532) -4.6%</td>
<td>36,634,000</td>
<td>(1,677,000)</td>
<td>-4.6%</td>
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</tr>
<tr>
<td>Net System Losses (kWh)</td>
<td>1,931,372</td>
<td>3,173,755</td>
<td>(1,242,383) -39.1%</td>
<td>3,174,223</td>
<td>(1,242,851)</td>
<td>-39.2%</td>
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<tr>
<td>System Losses (%)</td>
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<td>5.52%</td>
<td>8.66%</td>
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</table>

| Revenue              |                   |                   |                                        |                   |                   |                        |                   |                   |                         |
| Operating Revenue    | 5,544,324         | 5,530,018         | 14,306 0.3%                           | 5,518,749         | 25,574            | 0.5%                   |                   |                   |                         |
| Sales for Resale     | 159,311           | 75,471            | 83,840 111.1%                         | 169,828           | 10,517            | 6.2%                   |                   |                   |                         |
| Total revenues       | $ 5,703,635       | $ 5,605,489       | $ 98,146 1.6%                         | $ 5,688,577       | $ 15,057          | 0.3%                   |                   |                   |                         |

| Power supply cost    |                   |                   |                                        |                   |                   |                        |                   |                   |                         |
| Purchased power cost | 2,666,450         | 2,811,668         | 125,218 -4.5%                         | 2,508,139         | (178,311)         | 7.1%                   |                   |                   |                         |
| Sales for Resale     | 159,311           | 75,471            | (83,840) -111.1%                       | 169,828           | 10,517            | -6.2%                  |                   |                   |                         |
| Transmission         | 1,085,229         | 1,101,218         | 15,989 1.5%                           | 981,453           | (103,775)         | 10.6%                  |                   |                   |                         |
| Total Power supply cost | 3,930,990         | 3,988,357         | 57,367 -1.4%                          | 3,559,420         | (271,569)         | 7.4%                   |                   |                   |                         |

| Gross Margin         | $ 1,772,645        | $ 1,617,132       | 155,513 9.6%                          | $ 2,029,157       | $ (256,512)       | 12.6%                  |                   |                   |                         |

| Operating expenses   |                   |                   |                                        |                   |                   |                        |                   |                   |                         |
| Distribution: Operations & Mtc | 1,215,694     | 1,108,739         | (106,956) -9.6%                        | 1,143,645         | (72,050)          | 6.3%                   |                   |                   |                         |
| Customer accounts    | 219,445           | 227,227           | 7,782 3.4%                            | 211,167           | (8,278)           | 3.9%                   |                   |                   |                         |
| Administrative & general | 444,876         | 339,554           | (105,322) -31.0%                      | 334,653           | (110,223)         | 32.9%                  |                   |                   |                         |
| Total operating expenses | $ 1,880,015     | $ 1,675,519       | (204,496) -12.2%                      | $ 1,869,465       | (190,551)         | 11.3%                  |                   |                   |                         |
| Depreciation & amortization | 498,322        | 502,119           | 3,797 0.8%                            | 493,860           | (4,462)           | 0.9%                   |                   |                   |                         |
| Gross revenue & receipts taxes | 55,199         | 55,128            | (71) -0.1%                            | 54,912            | (287)             | 0.5%                   |                   |                   |                         |
| Interest on long-term debt | 283,074         | 292,824           | 9,751 3.3%                            | 295,309           | 12,335            | -4.1%                  |                   |                   |                         |
| Other interest expenses | 16,150           | 17,888            | 1,738 8.7%                            | 1,785             | (14,366)          | 804.8%                 |                   |                   |                         |
| Other Deductions     | 74                | 74                |                                      | 74                | (74)              | -100.0%                |                   |                   |                         |
| Total depreciation & other expenses | 852,745         | 867,833           | 15,088 -1.7%                          | 845,939           | (6,806)           | 0.8%                   |                   |                   |                         |

| Income from operations | (960,115)        | (926,220)         | (33,895) -3.7%                        | (306,247)         | (453,868)         | -89.7%                  |                   |                   |                         |
| Interest income      | 1,201,052        | 1,189,839         | 11,213 0.9%                           | 1,128,462         | 72,590            | 6.4%                   |                   |                   |                         |
| Other income (expenses) | (13,704)        | (10,984)          | 2,719 24.8%                           | 4,939             | 8,764             | 177.4%                 |                   |                   |                         |
| Other capital credits & dividends | -              | -                 |                                        | N/A               | -                 |                        |                   |                   |                         |
| Total non-operating margins | 1,214,755       | 1,200,823         | 13,933 1.2%                           | 1,133,402         | 81,354            | 7.2%                   |                   |                   |                         |

<p>| Net income (loss)    | 254,640          | 274,603           | (19,962) -7.3%                        | 627,155           | (372,514)         | 59.4%                  |                   |                   |                         |
| Extraordinary expenses | -                | -                 |                                        | N/A               | -                 |                        |                   |                   |                         |
| Total net income (loss) | $ 254,640       | $ 274,603         | (19,962) -7.3%                        | $ 627,155         | $ (372,514)       | 59.4%                  |                   |                   |                         |</p>
<table>
<thead>
<tr>
<th></th>
<th>June, 2019</th>
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<th>June, 2018</th>
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<th>Prior Year</th>
<th>Prior Year</th>
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<td><strong>KWh Statistics</strong></td>
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<tr>
<td>KWh Units Sold</td>
<td>232,822,198</td>
<td>234,180,512</td>
<td>(1,358,323) -0.6%</td>
<td>234,180,512</td>
<td>(1,358,323)</td>
<td>-0.6%</td>
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<tr>
<td>KWh Units Purchased</td>
<td>239,331,000</td>
<td>242,038,456</td>
<td>(2,707,456) -1.1%</td>
<td>242,039,000</td>
<td>(2,708,000)</td>
<td>-1.1%</td>
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<tr>
<td>Net System Losses (kWh)</td>
<td>6,508,811</td>
<td>7,867,944</td>
<td>(1,358,133) -17.2%</td>
<td>7,858,488</td>
<td>(1,349,677)</td>
<td>-17.2%</td>
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<tr>
<td>System Losses (%)</td>
<td>2.72%</td>
<td>3.25%</td>
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<tr>
<td><strong>Revenue</strong></td>
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<tr>
<td>Operating Revenue</td>
<td>40,458,513</td>
<td>40,501,998</td>
<td>(43,484) -0.1%</td>
<td>40,562,438</td>
<td>(103,925)</td>
<td>-0.3%</td>
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<tr>
<td>Sales for Resale</td>
<td>860,064</td>
<td>858,581</td>
<td>1,483 0.2%</td>
<td>1,226,327</td>
<td>(366,263)</td>
<td>29.9%</td>
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<tr>
<td>Total revenues</td>
<td>$ 41,318,577</td>
<td>$ 41,360,579</td>
<td>$ (42,002) -0.1%</td>
<td>$ 41,788,765</td>
<td>$ (470,188)</td>
<td>-1.1%</td>
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<tr>
<td><strong>Power supply cost</strong></td>
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<tr>
<td>Purchased power cost</td>
<td>17,179,520</td>
<td>17,831,998</td>
<td>652,478 3.7%</td>
<td>17,725,479</td>
<td>545,969</td>
<td>-3.1%</td>
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<tr>
<td>Sales for Resale</td>
<td>860,064</td>
<td>858,581</td>
<td>(1,483) -0.2%</td>
<td>1,226,327</td>
<td>(366,263)</td>
<td>29.9%</td>
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<tr>
<td>Transmission</td>
<td>7,141,024</td>
<td>7,081,703</td>
<td>(50,320) -0.6%</td>
<td>6,203,414</td>
<td>(937,610)</td>
<td>15.1%</td>
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<tr>
<td>Total Power supply cost</td>
<td>25,180,608</td>
<td>25,772,283</td>
<td>591,675 -2.3%</td>
<td>25,155,220</td>
<td>(25,388)</td>
<td>0.1%</td>
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<tr>
<td><strong>Gross Margin</strong></td>
<td>$ 16,137,969</td>
<td>$ 15,588,296</td>
<td>$ 549,673 3.5%</td>
<td>$ 16,633,546</td>
<td>$ (495,576)</td>
<td>3.0%</td>
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<tr>
<td><strong>Operating expenses</strong></td>
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<tr>
<td>Distribution: Operations &amp; Mice</td>
<td>6,807,484</td>
<td>6,676,454</td>
<td>(131,030) -2.0%</td>
<td>6,991,141</td>
<td>183,656</td>
<td>2.6%</td>
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<tr>
<td>Customer accounts</td>
<td>1,393,510</td>
<td>1,375,187</td>
<td>(18,323) -1.3%</td>
<td>1,299,222</td>
<td>(94,288)</td>
<td>7.3%</td>
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<tr>
<td>Administrative &amp; general</td>
<td>2,114,102</td>
<td>2,072,199</td>
<td>(41,903) -2.0%</td>
<td>1,968,300</td>
<td>(145,802)</td>
<td>7.4%</td>
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<tr>
<td>Total operating expenses</td>
<td>10,315,096</td>
<td>10,123,840</td>
<td>(191,256) -1.9%</td>
<td>10,288,662</td>
<td>(66,434)</td>
<td>0.6%</td>
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<tr>
<td>Depreciation &amp; amortization</td>
<td>3,001,637</td>
<td>3,034,247</td>
<td>32,610 1.1%</td>
<td>2,945,656</td>
<td>(55,980)</td>
<td>1.9%</td>
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<tr>
<td>Gross revenue &amp; receivables &amp; taxes</td>
<td>390,696</td>
<td>394,692</td>
<td>3,722 0.9%</td>
<td>393,853</td>
<td>2,884</td>
<td>-0.7%</td>
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<tr>
<td>Interest on long-term debt</td>
<td>1,755,701</td>
<td>1,772,439</td>
<td>16,737 0.9%</td>
<td>1,861,748</td>
<td>106,046</td>
<td>-5.7%</td>
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<tr>
<td>Other interest expenses</td>
<td>109,246</td>
<td>77,340</td>
<td>(31,907) -41.3%</td>
<td>22,378</td>
<td>(86,388)</td>
<td>377.5%</td>
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<tr>
<td>Other deductions</td>
<td>7,714</td>
<td>8,324</td>
<td>611 7.3%</td>
<td>8,324</td>
<td>611</td>
<td>-7.3%</td>
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<tr>
<td>Total depreciation &amp; other expenses</td>
<td>5,265,268</td>
<td>5,287,041</td>
<td>21,774 -0.4%</td>
<td>5,232,460</td>
<td>(32,808)</td>
<td>0.6%</td>
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<tr>
<td><strong>Income from operations</strong></td>
<td>557,606</td>
<td>177,415</td>
<td>380,191 214.3%</td>
<td>1,142,424</td>
<td>(584,818)</td>
<td>51.2%</td>
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<tr>
<td>Interest income</td>
<td>2,419,902</td>
<td>2,395,003</td>
<td>24,899 1.0%</td>
<td>2,623,946</td>
<td>(204,044)</td>
<td>-7.8%</td>
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<tr>
<td>Other income (expenses)</td>
<td>81,975</td>
<td>44,019</td>
<td>37,955 86.2%</td>
<td>125,826</td>
<td>(43,851)</td>
<td>-34.9%</td>
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<tr>
<td>Other capital credits &amp; dividends</td>
<td>396,663</td>
<td>258,939</td>
<td>137,724 53.2%</td>
<td>501,569</td>
<td>(104,906)</td>
<td>-20.3%</td>
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<tr>
<td>Total non-operating margins</td>
<td>2,898,540</td>
<td>2,697,961</td>
<td>200,579 7.4%</td>
<td>3,251,341</td>
<td>(352,801)</td>
<td>-10.9%</td>
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<tr>
<td><strong>Net income (loss)</strong></td>
<td>3,456,145</td>
<td>2,875,376</td>
<td>580,770 20.2%</td>
<td>4,393,765</td>
<td>(937,620)</td>
<td>21.3%</td>
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<tr>
<td>Extraordinary expenses</td>
<td>-</td>
<td>-</td>
<td>- N/A</td>
<td>-</td>
<td>-</td>
<td>- N/A</td>
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<tr>
<td>Total net income (loss)</td>
<td>$ 3,456,145</td>
<td>$ 2,875,376</td>
<td>$ 580,770 20.2%</td>
<td>$ 4,393,765</td>
<td>$ (937,620)</td>
<td>21.3%</td>
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<tr>
<td></td>
<td>June, 2019 Actual</td>
<td>May, 2019 Actual</td>
<td>Variance Fav/(Unfav) $</td>
<td>%</td>
<td>June, 2018 Actual</td>
<td>Variance Fav/(Unfav) $</td>
<td>%</td>
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<td><strong>Electric plant, at cost:</strong></td>
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<tr>
<td>Electric plant in service</td>
<td>173,068,827</td>
<td>172,825,431</td>
<td>243,396</td>
<td>0.14%</td>
<td>167,691,369</td>
<td>5,377,458</td>
<td>3.21%</td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(51,855,927)</td>
<td>(51,396,104)</td>
<td>459,823</td>
<td>0.89%</td>
<td>(49,894,836)</td>
<td>1,961,091</td>
<td>3.93%</td>
<td></td>
</tr>
<tr>
<td><strong>Net electric plant in service</strong></td>
<td>121,212,900</td>
<td>121,429,327</td>
<td>(216,427)</td>
<td>-0.18%</td>
<td>117,796,533</td>
<td>3,416,367</td>
<td>2.90%</td>
<td></td>
</tr>
<tr>
<td><strong>Construction work in progress</strong></td>
<td>2,833,940</td>
<td>2,534,146</td>
<td>299,794</td>
<td>11.83%</td>
<td>2,146,597</td>
<td>687,344</td>
<td>32.02%</td>
<td></td>
</tr>
<tr>
<td><strong>Net electric plant</strong></td>
<td>124,046,840</td>
<td>123,963,473</td>
<td>83,367</td>
<td>0.07%</td>
<td>119,943,130</td>
<td>4,103,710</td>
<td>3.42%</td>
<td></td>
</tr>
<tr>
<td><strong>Other assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-utility property</td>
<td>65,697</td>
<td>65,697</td>
<td>-</td>
<td>0.00%</td>
<td>65,697</td>
<td>-</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>42,065,736</td>
<td>42,065,883</td>
<td>(146)</td>
<td>0.00%</td>
<td>37,484,735</td>
<td>4,581,002</td>
<td>12.22%</td>
<td></td>
</tr>
<tr>
<td>Deferred charges</td>
<td>126,427</td>
<td>127,884</td>
<td>(1,457)</td>
<td>-1.14%</td>
<td>147,839</td>
<td>(21,412)</td>
<td>-14.48%</td>
<td></td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td>42,257,860</td>
<td>42,259,464</td>
<td>(1,603)</td>
<td>0.00%</td>
<td>37,698,271</td>
<td>4,559,590</td>
<td>12.09%</td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>(54,057)</td>
<td>860,677</td>
<td>(914,734)</td>
<td>-106.28%</td>
<td>1,570,361</td>
<td>(1,624,417)</td>
<td>-103.44%</td>
<td></td>
</tr>
<tr>
<td>Notes receivable (net)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable (net)</td>
<td>9,347,773</td>
<td>9,095,661</td>
<td>252,112</td>
<td>2.77%</td>
<td>9,488,325</td>
<td>(140,552)</td>
<td>-1.48%</td>
<td></td>
</tr>
<tr>
<td>Other receivables (net)</td>
<td>2,583,393</td>
<td>1,395,662</td>
<td>1,187,731</td>
<td>85.10%</td>
<td>3,112,949</td>
<td>(529,556)</td>
<td>-17.01%</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>5,261,447</td>
<td>5,201,131</td>
<td>60,316</td>
<td>1.16%</td>
<td>5,160,491</td>
<td>100,956</td>
<td>1.96%</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>695,445</td>
<td>735,302</td>
<td>(39,857)</td>
<td>-5.42%</td>
<td>656,821</td>
<td>38,624</td>
<td>5.88%</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>17,834,001</td>
<td>17,288,433</td>
<td>545,568</td>
<td>3.16%</td>
<td>19,988,947</td>
<td>(2,154,945)</td>
<td>-10.78%</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$184,138,702</td>
<td>$183,511,370</td>
<td>$627,332</td>
<td>0.34%</td>
<td>$177,630,347</td>
<td>$6,508,355</td>
<td>3.66%</td>
<td></td>
</tr>
</tbody>
</table>
### Vermont Electric Cooperative, Inc.
#### Balance Sheet (Liabilities & Equity)
#### June, 2019

<table>
<thead>
<tr>
<th></th>
<th>June, 2019 Actual</th>
<th>May, 2019 Actual</th>
<th>Variance Fav/(Unfav) $</th>
<th>June, 2018 Actual</th>
<th>Variance Fav/(Unfav) $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships issued &amp; subscribed</td>
<td>-</td>
<td>(3)</td>
<td></td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td>Patronage capital assignable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other earnings</td>
<td>82,050,652</td>
<td>81,798,348</td>
<td>252,304</td>
<td>79,920,297</td>
<td>2,130,355</td>
</tr>
<tr>
<td>Contributions in aid of construction</td>
<td>-</td>
<td></td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net equity</strong></td>
<td>82,050,649</td>
<td>81,798,346</td>
<td>252,304</td>
<td>79,920,295</td>
<td>2,130,354</td>
</tr>
<tr>
<td><strong>Long-term debt</strong></td>
<td>77,578,228</td>
<td>78,415,544</td>
<td>(837,316)</td>
<td>81,998,530</td>
<td>(4,420,302)</td>
</tr>
<tr>
<td>Capital leases - non current</td>
<td>387,851</td>
<td>389,763</td>
<td>(1,912)</td>
<td>386,539</td>
<td>1,312</td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>4,360,369</td>
<td>4,360,369</td>
<td>-</td>
<td>4,208,393</td>
<td>151,976</td>
</tr>
<tr>
<td>Line of Credit</td>
<td>5,864,528</td>
<td>4,127,500</td>
<td>1,737,028</td>
<td>29.62%</td>
<td>1,864,528</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>5,383,292</td>
<td>5,664,012</td>
<td>(280,720)</td>
<td>5,534,909</td>
<td>(1,516,617)</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>1,633,109</td>
<td>1,621,025</td>
<td>12,084</td>
<td>1,301,778</td>
<td>331,331</td>
</tr>
<tr>
<td>Other accrued expenses</td>
<td>4,790,219</td>
<td>4,939,685</td>
<td>(149,466)</td>
<td>4,109,959</td>
<td>680,260</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>22,031,516</td>
<td>20,712,590</td>
<td>1,318,826</td>
<td>15,155,039</td>
<td>6,876,477</td>
</tr>
<tr>
<td>Deferred credits</td>
<td>2,090,457</td>
<td>2,195,128</td>
<td>(104,671)</td>
<td>169,944</td>
<td>1,920,513</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>$ 184,138,702</td>
<td>$ 183,511,370</td>
<td>$ 627,332</td>
<td>$ 177,630,347</td>
<td>$ 6,508,355</td>
</tr>
</tbody>
</table>
Vermont Electric Cooperative, Inc,
Statement of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>June, 2019</th>
<th>June, 2018</th>
<th>Year-to-date</th>
<th>June, 2018</th>
<th>Variance Fav (Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>$</td>
</tr>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$ 254,640</td>
<td>$ 627,155</td>
<td>$ 3,456,145</td>
<td>$ 4,393,765</td>
<td>(937,620)</td>
</tr>
<tr>
<td>Noncash expenses (income) included in earnings:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>$ 563,251</td>
<td>$ 622,838</td>
<td>$ 3,326,698</td>
<td>$ 3,347,696</td>
<td>(20,998)</td>
</tr>
<tr>
<td>(Gain) loss on sale of investments</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>(Gain) loss on sale of fixed assets</td>
<td>$ (530)</td>
<td>$ (530)</td>
<td>$ (31,424)</td>
<td>$ (3,280)</td>
<td>(28,144)</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Decrease (increase) in notes receivable</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Decrease (increase) in accounts receivable</td>
<td>$ (252,112)</td>
<td>$ 325,982</td>
<td>$ 145,168</td>
<td>$ 796,587</td>
<td>(651,420)</td>
</tr>
<tr>
<td>Decrease (increase) in other receivable</td>
<td>$ (1,187,731)</td>
<td>$ (138,970)</td>
<td>$ (828,877)</td>
<td>$ (469,762)</td>
<td>(359,115)</td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>$ (60,316)</td>
<td>$ (158,668)</td>
<td>$ (306,597)</td>
<td>$ (98,725)</td>
<td>(207,871)</td>
</tr>
<tr>
<td>Decrease (increase) in prepayments</td>
<td>$ 39,857</td>
<td>$ 27,956</td>
<td>$ (244,723)</td>
<td>$ (180,883)</td>
<td>(63,840)</td>
</tr>
<tr>
<td>Decrease (increase) in deferred charges</td>
<td>$ 4,316</td>
<td>$ 4,601</td>
<td>$ 23,841</td>
<td>$ 14,000</td>
<td>9,841</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>$ (280,720)</td>
<td>$ 139,555</td>
<td>$ (2,204,895)</td>
<td>$ (1,519,132)</td>
<td>(685,763)</td>
</tr>
<tr>
<td>Increase (decrease) in customer deposits</td>
<td>$ 12,084</td>
<td>$ (653)</td>
<td>$ 192,705</td>
<td>$ 67,476</td>
<td>125,229</td>
</tr>
<tr>
<td>Increase (decrease) in accrued expenses</td>
<td>$ (149,466)</td>
<td>$ (164,723)</td>
<td>$ 789,013</td>
<td>$ 1,304,854</td>
<td>(515,841)</td>
</tr>
<tr>
<td>Increase (decrease) in deferred credits</td>
<td>$ (104,871)</td>
<td>$ (20,184)</td>
<td>$ 2,041,818</td>
<td>$ 114,058</td>
<td>1,927,561</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>(1,161,398)</td>
<td>1,264,359</td>
<td>6,358,672</td>
<td>7,666,654</td>
<td>(1,307,983)</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to electric plant in service and construction work in progress</td>
<td>$ (644,389)</td>
<td>$ (834,763)</td>
<td>$ (7,818,295)</td>
<td>$ (4,878,015)</td>
<td>(2,940,280)</td>
</tr>
<tr>
<td>Proceeds from retirements of electric plant in service</td>
<td>$ (4,558)</td>
<td>$ 245,916</td>
<td>$ 592,618</td>
<td>$ 1,144,555</td>
<td>(551,937)</td>
</tr>
<tr>
<td>Return on capital investments</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds (payments) from sale (purchase) of investment</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net cash provided (used) in investing activities</td>
<td>(648,947)</td>
<td>(588,847)</td>
<td>(7,438,998)</td>
<td>(3,866,003)</td>
<td>(3,572,996)</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings LOC</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds from borrowings Long-Term</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Payments to creditors LOC</td>
<td>$ 1,737,028</td>
<td>$</td>
<td>$ 1,164,528</td>
<td>$ (1,553,224)</td>
<td>2,717,753</td>
</tr>
<tr>
<td>Payments to creditors Long-Term</td>
<td>$ (839,081)</td>
<td>$ (810,455)</td>
<td>$ (2,162,600)</td>
<td>$ (2,087,845)</td>
<td>(74,755)</td>
</tr>
<tr>
<td>Patronage Capital Retirements - Net</td>
<td>$ (2,336)</td>
<td>$ 2,265</td>
<td>$ (4,658)</td>
<td>$ (7,736)</td>
<td>3,077</td>
</tr>
<tr>
<td>Memberships issued, net of refunds</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Additions to donated capital, net</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net cash provided (used) by financing activities</td>
<td>895,611</td>
<td>(808,190)</td>
<td>(1,002,730)</td>
<td>(3,648,805)</td>
<td>2,646,075</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and equivalents</td>
<td>(914,734)</td>
<td>(132,678)</td>
<td>(2,083,057)</td>
<td>151,847</td>
<td>(2,234,904)</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents at beginning of period</td>
<td>$ 860,677</td>
<td>$ 1,703,039</td>
<td>$ 2,029,000</td>
<td>$ 1,418,514</td>
<td>610,486</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents at end of period</td>
<td>$ (54,057)</td>
<td>$ 1,570,361</td>
<td>$ (54,057)</td>
<td>$ 1,570,361</td>
<td>(1,624,417)</td>
</tr>
</tbody>
</table>