

Bradley Lake Project Management Committee Operating and Revenue Funds

Financial Statements with Supplemental Information

Years Ended June 30, 2023 and 2022
(With Independent Auditor's Report)



**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Financial Statements with Supplemental Information

Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Bradley Lake Project Management Committee
Anchorage, Alaska

Opinion

We have audited the accompanying special-purpose financial statements of the Bradley Lake Project Management Committee (a project management committee) Operating and Revenue Funds, which comprise the special-purpose statements of assets and liabilities as of June 30, 2023 and 2022, the related special-purpose statements of revenues and expenses, the special-purpose statements of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Bradley Lake Project Management Committee Operating and Revenue Funds, as of June 30, 2023 and 2022, its revenues and expenses, and its cash flows for the years then ended, on the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Bradley Lake Project Management Committee Operating and Revenue Funds and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Special-Purpose Financial Statements

The Bradley Lake Project Management Committee is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting requirements of the Operating and Revenue Funds established under the Alaska Energy Authority Power Revenue Bond Resolution as described in Note 1. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Bradley Lake Project Management Committee Operating and Revenue Funds to continue as a going concern within one year after the date that the special-purpose financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the special-purpose financial statements.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements, continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bradley Lake Project Management Committee Operating and Revenue Funds' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bradley Lake Project Management Committee Operating and Revenue Funds' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole. The supplemental special-purpose Statements of Expenses is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

Basis of Accounting

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of accounting. The special-purpose financial statements are prepared on the basis of the accounting requirements of the Operating and Revenue Funds established under the Alaska Energy Authority Power Revenue Bond resolution, as discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with accounting requirements of the bond resolution referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of the Bradley Lake Project Management Committee and is not intended to be and should not be used by anyone other than that specified party.

Aldrich CPAs + Advisors LLP

Salem, Oregon
November 30, 2023

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS

Statements of Assets and Liabilities

June 30, 2023 and 2022

ASSETS

Current Assets:

	2023	2022
Cash and cash equivalents (Note 2)	\$ 3,795,942	\$ 6,403,284
Due from R & C fund (Note 5)	988,805	378,159
Due from debt service fund (Note 4)	-	21,077
Interest receivable (Note 4)	194,558	44,736
Due from utilities - O & M shortage (Note 6)	242,098	-
	<u>5,221,403</u>	<u>6,847,256</u>
Total Assets	\$ <u>5,221,403</u>	\$ <u>6,847,256</u>

LIABILITIES

Current Liabilities:

Due to AEA (Note 4)	\$ 1,135,490	\$ 521,328
Accounts payable	1,400,451	1,354,860
Payable to utilities - O & M refund (Note 5)	1,007,902	1,674,049
Payable to utilities - R & C refund (Note 5)	988,805	378,159
Payable to utilities - GVEA Battle Creek callback (Note 5)	-	1,586,958
Payable to R & C fund (Note 4)	688,755	1,331,902
	<u>5,221,403</u>	<u>6,847,256</u>
Total Liabilities	\$ <u>5,221,403</u>	\$ <u>6,847,256</u>

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS

Statements of Revenues and Expenses

Years Ended June 30, 2023 and 2022

	2023			
	Budget	Actual	Variance Favorable (Unfavorable)	2022 Actual
Revenues:				
Utility contributions, net of surplus refund	\$ 26,711,047	\$ 24,956,429	\$ (1,754,618)	\$ 11,733,638
Interest receipts	-	627,981	627,981	917,957
Other revenue	-	-	-	11,453,278
Total Revenues	<u>26,711,047</u>	<u>25,584,410</u>	<u>(1,126,637)</u>	<u>24,104,873</u>
Expenses, Capital Activity, Transfers and Debt Service:				
Operations and maintenance	10,560,879	9,173,007	1,387,872	8,686,249
Debt service, net of IRS subsidy	14,409,092	14,383,660	25,432	14,429,953
Capital reserve contributions	-	102,823	(102,823)	-
Arbitrage transfer	-	-	-	278,442
Capital activity	1,648,000	1,788,573	(140,573)	544,381
Interfund transfer	<u>93,076</u>	<u>136,347</u>	<u>(43,271)</u>	<u>165,848</u>
Total Expenses, Fixed Asset Replacements, Transfers, and Debt Service	<u>26,711,047</u>	<u>25,584,410</u>	<u>1,126,637</u>	<u>24,104,873</u>
Excess of Revenues Over Expenses, Fixed Asset Replacements, Transfers and Debt Service	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Excess of revenues over expenses, capital activity, transfers and debt service	\$ -	\$ -
Adjustments to reconcile excess of revenues over expenses capital activity, transfers and debt service to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Due from R & C fund	(610,646)	(88,573)
Due from debt service fund	21,077	(21,077)
Due from operating reserve and R & C funds for interest	(149,822)	(44,736)
Due from utilities - O & M shortage	(242,098)	-
Due to AEA	614,162	(755,904)
Accounts payable	45,591	320,913
Payable to utilities - O & M refund	(666,147)	(1,192,750)
Payable to utilities - R & C refund	610,646	88,573
Payable to utilities - GVEA Battle Creek callback	(1,586,958)	1,586,958
Payable to R & C fund	<u>(643,147)</u>	<u>1,331,902</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,607,342)</u>	<u>1,225,306</u>
Cash and Cash Equivalents, beginning of year	<u>6,403,284</u>	<u>5,177,978</u>
Cash and Cash Equivalents, end of year	\$ <u><u>3,795,942</u></u>	\$ <u><u>6,403,284</u></u>
Supplemental Disclosure of Cash Flows Information:		
Interest paid	\$ <u><u>7,581,130</u></u>	\$ <u><u>1,181,813</u></u>

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 1 - Significant Accounting Policies

Description of Business

The Bradley Lake Project Management Committee (the Committee or BPMC) was established pursuant to Section 13 of the Agreement for the Sale and Purchase of Electric Power (Power Sales Agreement) dated December 8, 1987. The purpose of the Committee is to arrange for the operation and maintenance of the Bradley Lake Hydroelectric Project (the Project), which became operational in September 1991, and the scheduling, production and dispatch of power. The members of the Committee include the Alaska Energy Authority (AEA) and the five purchasers under the Power Sales Agreement - Chugach Electric Association, Inc. (CEA); Golden Valley Electric Association, Inc. (GVEA); the City of Seward (Seward Electric System); and the Alaska Electric Generation & Transmission Cooperative, Inc. (AEG&T). AEG&T assigned its rights pertaining to Homer Electric Association, Inc. (HEA) under the Power Sales Agreement to Alaska Electric and Energy Cooperative, Inc. (AE&EC) in 2003. HEA and the Matanuska Electric Association, Inc. (MEA) are additional parties to the Power Sales Agreement but are included as power purchasers for purposes of representation while AEG&T and AE&EC have no direct vote as a consequence of the individual representation of HEA and MEA.

Section 13 of the Power Sales Agreement delineates other Committee responsibilities, including: establishing procedures for each party's water allocation, budgeting for annual Project costs and calculating each party's required contribution to fund annual Project costs. Committee approval of operations and maintenance arrangements for the Project, sufficiency of the annual budgets and wholesale power rates, and the undertaking of optional Project work requires a majority affirmative vote and the affirmative vote of AEA.

The Power Sales Agreement extends until the later of; 1) 50 years after commencement of commercial operation, or 2) the complete retirement of bonds outstanding under the AEA Power Revenue Bond Resolution along with the satisfaction of all other payment obligations under the Power Sales Agreement. Renewal options for additional terms exist.

The Committee developed a project which diverts the water flows of Battle Creek into Bradley Lake to increase the water for use by the Project. All purchasers are supportive of the expansion of the capabilities of the Project through the development of the Battle Creek Diversion Project (BCD Project). The activities of the Committee regarding the BCD Project are authorized as Optional Project Work under the Power Sales Agreement. During the year ended June 30, 2022, GVEA bought back into the BCD Project, and therefore, all purchasers are now participating in the BCD Project.

At the December 10, 2021, meeting, the BPMC approved Resolution No. 21-02 that endorsed a plan to finance and develop a series of projects to increase the energy available to benefit the Bradley Lake Hydroelectric Project. The plan allows the BPMC to leverage past investments and optimize its value without additional costs by applying existing payments to approved Required Project Work as provided in the Power Sales Agreement. To finance this effort, the Alaska Energy Authority issued Power Revenue Bond Eleventh Series on November 30, 2022, in the amount of \$166,013,134. The bond has a fixed interest rate of 6.06% and will mature on June 30, 2050. The bond is a direct and general obligation of AEA and the credit of AEA is pledged to pay principal and interest on the bond. Payment of the bond is secured by pledge of revenues of the Project.

Establishment of Trust Funds

Article V, Section 502 of the Alaska Energy Authority's Power Revenue Bond Resolution established a Revenue Fund and an Operating Fund, including an Operating Reserve account, to be held by AEA. In actuality, these funds along with the Debt Service, Excess Investment Earnings (arbitrage), and various construction funds related to the Project are all held by the Corporate Trust Department of US Bank in Seattle, Washington.

In December 2017, AEA issued debt for the construction of the Battle Creek Diversion project. This debt is parity debt under the current Power Revenue Bond Resolution. A separate Revenue Fund, Operating Fund, Operating Reserve account, Construction Fund, Capital Reserve Fund, and Debt Service Fund were established related to the Battle Creek Diversion project.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 1 - Significant Accounting Policies, continued

Establishment of Trust Funds, continued

In December 2020, AEA issued debt for the purchase of the SSQ Line. The debt is parity debt under the current Power Revenue Bond Resolution. A separate Revenue Fund, Operating Fund, Operating Reserve account, Construction Fund, Capital Reserve Fund, and Debt Service Fund were established related to the SSQ Line purchase.

In November 2022, AEA issued debt for construction of Bradley Lake Required Project Work. The debt is parity debt under the current Power Revenue Bond Resolution. A separate Revenue Fund, Operating Fund, Operating Reserve account, Construction Fund, Capital Reserve Fund, and Debt Service Fund were established related to the Bradley Lake Required Project Work.

All deposits, including utility contributions and interest transferred from other funds, are made into the Revenue Funds. Monthly, transfers approximately equal to one-twelfth of the annual operating and maintenance budget are transferred from the Revenue Funds into the Operating Funds. Additional transfers are made from the Revenue Funds to the Debt Service Funds in order to satisfy semiannual interest payments, and annual and semiannual principal payments on the Project's outstanding bonds payable.

Interest earnings available for operations and maintenance are derived from the following funds: Debt Service Funds, Operating Reserve Funds, Operating Funds, Revenue Funds, Capital Reserve Funds, and the Renewal & Contingency Fund when the fund balance is \$5,000,000 or greater.

Revenue and Expense Recognition

Utility contributions are recognized as revenue when due to be received under the terms of the Power Sales Agreement. Transfers from other funds are recognized when the transfer is made, and interest earnings are recognized when received. Operating and maintenance expenses are recognized when incurred, while transfers to Debt Service Funds and Excess Earnings Funds are recognized when the transfer is made. Purchases of fixed asset replacements are expensed when purchased. The Renewal and Contingency Reserve Fund (R & C Fund) is reimbursed for capital costs over a four year period. Transfers to the R & C Fund for repayment of funds withdrawn for capital costs occur monthly based on the budgeted R & C expenditures. At year end, the actual Operating Fund expenses and R & C Fund repayments are compared to the actual revenue and a refund is given to the utilities when a surplus of revenues occurs, or invoices are issued to the utilities if expenses exceed revenues.

Estimates

The preparation of the special-purpose financial statements of the Operating and Revenue Funds requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Committee is exempt from income taxation under Section 501(a) of the Internal Revenue Code. Therefore, the Committee had no deferred tax liabilities or assets or tax carryforwards as of June 30, 2023 and 2022 and no current or deferred tax expense for the years then ended.

Subsequent Events

The Committee has evaluated subsequent events through November 30, 2023, the date on which the special-purpose financial statements were available to be issued.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 2 - Cash and Cash Equivalents

At June 30, 2023, \$338,945 (\$1,283,975 in 2022) of the balance in the Operating Fund was invested in First American Treasury Obligations money market fund and \$2,842,299 (\$3,328,487 in 2022) of the balance in the Operating Fund was invested in KeyBank Alaska Industrial Development Authority (AIDEA) AIM Treasury Portfolio money market fund.

At June 30, 2023, \$614,698 (\$1,790,822 in 2022) of the balance in the Revenue Fund was invested in First American Treasury Obligations money market fund.

Balances at June 30, 2023 and 2022 are as follows:

	2023	2022
Operating Fund	\$ 3,181,244	\$ 4,612,462
Revenue Fund	614,698	1,790,822
Total cash and cash equivalents	<u>\$ 3,795,942</u>	<u>\$ 6,403,284</u>

Investments are sold as needed to cover operating requisitions submitted to the trustee and are therefore considered to be short-term and available for sale. Investments are presented at aggregate cost, which is equal to fair value.

Management considers the full amount of the cash and cash equivalents balance to be cash available for operations.

Note 3 - Major Contracts and Agreements

During May 1994, AEA entered into the Master Maintenance and Operating agreement with the Committee. The purpose of the agreement is to establish contract administration and budgeting procedures for maintenance and operation contracts of the Bradley Lake Hydroelectric Project and to provide for the lease or other use of facilities and equipment in a manner consistent with the requirements of the Power Sales Agreement. The term of the Master Agreement is indefinite, remaining in effect until termination of the Power Sales Agreement or until AEA no longer legally exists. This agreement authorizes AEA to enter into any contracts necessary to perform operating or maintenance-type services to the Project, subject to the approval of the Committee.

On behalf of the Committee, AEA entered into an agreement with CEA in August 1996, for the provision of all services necessary to dispatch the Project's electric power output. The dispatch agreement runs concurrently with the wheeling and related services contract entered into by and among the parties to the Power Sales Agreement in December 1987, and amended December 2, 2020, per Resolution 2020-06, and remains in effect for the term of the wheeling agreement unless CEA ceases to be the output dispatcher.

In August 1996, AEA entered into an agreement with CEA on behalf of the Committee for the provision of operations and maintenance services for the Daves Creek and Soldotna Static VAR Compensation System (SVS). This agreement terminated as to the Soldotna SVS upon the termination of the lease related to the Soldotna SVS. In January 2018, the Alaska Energy Authority entered into the Soldotna Static VAR Compensation System Operation and Maintenance Agreement with AE&EC. This agreement continues from year to year, except upon written notice to terminate by either party. Notice of termination must be given two years in advance of date of termination.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 3 - Major Contracts and Agreements, continued

In March 2019, AEA entered into an agreement with HEA for the operation and maintenance of the Project with an effective date of January 1, 2019. HEA is to be reimbursed for costs associated with the operation, maintenance and repair of the Project as authorized by the annual project operations and maintenance budget. The term of this agreement is five and one-half years from the effective date and shall automatically be renewed for successive three-year terms thereafter until terminated. Notice of termination shall be given no less than two years in advance of the end of the term.

Prior to March 2019, HEA operated and maintained the Project under an operation and maintenance agreement dated February 11, 1994, between HEA and AEA. In August 1996, the agreement was amended to separate the maintenance of the transmission facilities from the hydroelectric project. The transmission agreement, as amended December 2, 2020, per resolution 2020-06, continues from year-to-year except upon written notice to terminate by either party. Notice of termination must be given six months in advance of termination dates.

Note 4 - Related Party Transactions

During the years ended June 30, 2023 and 2022, the costs incurred under the various contracts with related parties described in Note 3 were as follows:

	2023	2022
Homer Electric Association, Inc. - operation, maintenance, substation service maintenance, communications, and fixed asset replacements	\$ 4,976,979	\$ 4,239,168
Chugach Electric Association, Inc. - substation service maintenance and fixed asset replacements	\$ 485,555	\$ 238,330
Alaska Energy Authority - administrative fees	\$ 766,831	\$ 464,188

For the years ended June 30, 2023 and 2022, Chugach Electric Association, Inc. provided dispatch services to the Committee at the agreed upon amount, which is zero.

Amounts payable to related parties at June 30, 2023 and 2022 were as follows:

	2023	2022
Included in accounts payable:		
Homer Electric Association, Inc.	\$ 968,319	\$ 977,130
Chugach Electric Association, Inc.	\$ 164,268	\$ 304,536
Matanuska Electric Association, Inc.	\$ 73,845	\$ 54,697
Golden Valley Electric Association, Inc.	\$ -	\$ 17,463
Seward Electric System	\$ -	\$ 1,034

Due to others:

Alaska Energy Authority - short-term borrowing for vendor payments	\$ 1,135,490	\$ 521,328
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At June 30, 2023, the balance due to the R & C Fund from the Operating Fund for amounts collected but not transferred at year-end is \$688,755 (\$1,331,902 at June 30, 2022).

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 4 - Related Party Transactions, continued

At June 30, 2023, there was no balance due from the Debt Service Fund (\$21,077 at June 30, 2022).

At June 30, 2023, the balance due from the Operating Reserve and R & C Funds for interest income is \$194,558 (\$44,736 at June 30, 2022).

Note 5 - Surplus Refunds

The \$998,309 operation and maintenance and \$819,703 renewal and contingency surpluses related to Bradley Lake at June 30, 2023, will be refunded to member utilities in fiscal year 2024 pursuant to the Power Sales Agreement and direction of the Committee. The \$9,593 operations and maintenance and \$169,102 renewal and contingency surpluses related to Battle Creek at June 30, 2023, will be refunded to member utilities in fiscal year 2024 pursuant to the Power Sales Agreement, the Battle Creek Diversion Project Share Allocation, and direction of the Committee.

The \$958,542 operation and maintenance and \$209,057 renewal and contingency surpluses related to Bradley Lake at June 30, 2022, were refunded to member utilities in fiscal year 2023 pursuant to the Power Sales Agreement and direction of the Committee. The \$38,490 operation and maintenance and \$169,102 renewal and contingency surpluses related to Battle Creek at June 30, 2022, were refunded to member utilities in fiscal year 2023 pursuant to the Power Sales Agreement, the Battle Creek Diversion Project Share Allocation, and direction of the Committee. The \$677,017 operation and maintenance surplus related to the SSQ Line at June 30, 2022, was refunded to member utilities in fiscal year 2023 pursuant to the Power Sales Agreement and direction of the Committee.

In 2022, GVEA provided a callback notice and payment of \$1,586,958 to participate in the Battle Creek Diversion Project effective June 1, 2022. This amount was refunded to the other member utilities participating in the Battle Creek Diversion Project in fiscal year 2023 pursuant to the Power Sales Agreement, the Battle Creek Diversion Project Share Allocation, and direction of the Committee.

Note 6 - Shortage Receivable

The \$242,098 operation and maintenance shortage related to the SSQ Line will be invoiced to member utilities in fiscal year 2024 pursuant to the Power Sales Agreement and direction of the Committee.

SUPPLEMENTAL INFORMATION

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS

Statements of Expenses

Years Ended June 30, 2023 and 2022

	2023		Variance	2022
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenses:				
Generation expense:				
Operation supervision				
and engineering	\$ 288,759	\$ 275,971	\$ 12,788	\$ 236,511
Hydraulic operation	440,512	257,573	182,939	243,060
Electric plant operation	523,780	532,977	(9,197)	508,730
Hydraulic power				
generation operation	634,297	549,081	85,216	511,129
Structure maintenance	632,929	528,868	104,061	501,032
Reservoir, dam, and				
waterway maintenance	153,933	8,498	145,435	976
Electric plant maintenance	837,788	724,925	112,863	771,450
Hydraulic plant maintenance	206,154	227,728	(21,574)	230,443
System control and load				
dispatching	453,024	465,901	(12,877)	441,004
Substation operation				
and maintenance	235,978	137,946	98,032	460,133
Overhead line maintenance	476,953	234,273	242,680	222,982
Total Generation Expense:	<u>4,884,107</u>	<u>3,943,741</u>	<u>940,366</u>	<u>4,127,450</u>
Administrative, General and				
Regulatory Expense:				
Insurance	1,015,505	1,018,729	(3,224)	1,243,874
Administrative fees	1,299,879	661,338	638,541	394,462
Outside services	249,375	259,110	(9,735)	-
Committee costs	-	1,092,866	(1,092,866)	529,217
Rent	-	103,186	(103,186)	1,250
Regulatory commission:				
FERC administrative fees	150,000	142,033	7,967	179,310
FERC licensing and study	205,000	82,883	122,117	110,022
Total Administrative, General				
and Regulatory Expense	<u>2,919,759</u>	<u>3,360,145</u>	<u>(440,386)</u>	<u>2,458,135</u>
Total Operations and				
Maintenance Expenses,				
before Capital Project				
Reimbursement	7,803,866	7,303,886	499,980	6,585,585
R & C Fund Repayment	<u>2,757,013</u>	<u>1,869,121</u>	<u>887,892</u>	<u>2,100,664</u>
Total Operations and				
Maintenance Expenses	<u>\$ 10,560,879</u>	<u>\$ 9,173,007</u>	<u>\$ 1,387,872</u>	<u>\$ 8,686,249</u>