

Financial Highlights – March, 2023

	<u>MTD Variance (K's)</u>	<u>YTD Variance (K's)</u>
March Net Income:	\$216	\$1,141

Operating Revenue	\$308	\$506
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KWH sales in March are \$26k less than budget for the month and \$580k less YTD. The average price/KWH sold is \$99k more than budget for the month and \$457k more for the year. Non-energy services, pole attachments, and wheeling revenues are \$9k better than budget for the month and \$72k better for the year. Unbilled revenues are \$238k more than budget for the month and \$203k more YTD. The sale of Renewable Energy Credits is \$12k less than budget for the month but \$354k more YTD.

Purchased Power Costs	\$(32)	\$792
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Purchased KWH is \$70k over budget for the month but \$253k under for the year. Our overall costs/KWH is \$38k under budget for the month and \$539k under YTD.

Transmission Costs	(\$197)	(\$568)
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Transmission support for substations and supervision is \$4k over budget for the month but \$9k under YTD. Transmission by Others is \$182k over budget for the month and \$589k over YTD. Maintenance for SCADA and overhead lines is \$23k over budget for the month and \$27k over for the year. Transmission vegetative maintenance is \$12k under budget for the month and \$39k under YTD.

Distribution Operations/Mtce	\$166	\$572
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Major Storm costs are \$24k under budget for the month and \$13k under for the year. Meter/AMI Expense is \$11k under budget for the month and \$28k under YTD. Supervisory related costs are \$10k over budget for the month and \$17k over YTD. Overall Distribution Maintenance costs are \$35k under budget for the month and \$303k under YTD. Miscellaneous Distribution and Customer Installation expenses are on budget for the month and \$49k under YTD. Distribution vegetative maintenance program spending is \$106k under budget for the month and \$196k under YTD. The overall vegetative maintenance program (transmission + distribution) is \$118k under budget for the month and \$235k under for the year.

Customer Accounts	(\$7)	(\$5)
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Meter Reading & Disconnect Services are on under budget for the month and \$11k under YTD. Member service administration is \$5k over budget for the month and \$14k over YTD. Uncollectible Accounts are on budget for the month and YTD. Communications, Patronage Capital and SQRP Costs are \$2k over budget for the month and YTD.

Administrative & General**(\$75)****(\$111)**

Regulatory related expense are \$2k under budget for the month and YTD. Payroll and Benefits are \$1k over budget for the month and YTD. Outside Services is \$4k under budget for the month and \$12k under YTD. Director Expenses are \$3k under budget for the month and \$13k under YTD. Costs incurred for TIER 3 Projects are \$31k over budget for the month and \$43k over YTD. Expenses for Coop-Life, Business Development, Dues, Annual and Employee Meeting are \$32k over budget for the month and \$62k over YTD. Office related expenses are \$10k over budget for the month and \$19k over YTD. Safety and Facility related expenses are \$10k over budget for the month and \$13k over YTD.

Total Depreciation & Other Exp**(\$33)****(\$109)**

Depreciation expense is \$1k under budget for the month and \$7k under YTD. Interest expense is \$32k over budget for the month and \$115k over YTD. Gross Receipt & Revenue Taxes is \$2k over budget for the month and \$3k over YTD. Other Expenses are on budget for the month and \$2k under YTD.

Total Non-Operating Margins**\$86****\$64**

Capital Credits from CFC, CoBank, NISC and Federated are \$43k better than budget for the month and \$24k better for the year. Interest and Dividend Income is \$2k better for the month and \$8k better for the year. Miscellaneous Jobbing Revenue is \$42k more than budget for the month and \$34k more YTD. Gain/Loss on disposition of property is are \$1k less than budget for the month and \$2k less for the year.

Capital Spending Plan**(\$39)****(\$263)**

Annual and Routine Capital Projects are \$134k over budget for the month and \$81k over YTD. Pole Replacements are \$50k under budget for the month but \$64k over YTD. Energy Transformation Projects are \$12k under budget for the month and \$9k under for the year. Make-Ready Pole Replacements are \$81k more than budget for the month and \$203k more YTD. Distribution projects are \$56k over budget for the month but \$13k under YTD. Generation related projects are \$36k over budget for the month and \$103k over YTD. SCADA Projects are \$17k over budget for the month and \$58k over YTD. Substation projects are \$67k under budget for the month and \$86k under for the year. Transmission projects are \$70k under budget for the month and \$140k under YTD. Metering projects are \$102k under budget for the month but \$21k over YTD. IT Projects are \$33k under budget for the month and \$63k under for the year. Fleet Purchases are on budget for the month and \$3k under for the year. Facilities projects are \$49k over budget for the month and \$47k over YTD.

TIER and Debt Service Coverage

We are expecting to meet our budgeted TIER of 2.00 by year-end 2023. Our Debt Service payments for 2023 are expected to be \$8.9 million.

Cash Flow and Line of Credit

In March, we used up to a peak of \$2.9M on our line of credit on March 20th. The April high for the line of credit is expected to be \$2.1M on April 12th.

Balance Sheet

Our equity ratio in March finished at 43.23% slightly higher than February at 42.03%. Our current ratio, a measure of liquidity, is 1.10 up from February at 1.07.

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

	March, 2023 Actual	March, 2023 Budget	Actual- Budget Variance Fav (Unfav)		March, 2022 Actual	Prior Year Variance Fav (Unfav)	
			\$	%		\$	%
kWh Statistics							
kWh Units Sold	40,144,339	40,280,085	(135,746)	-0.3%	40,280,085	(135,746)	-0.3%
kWh Units Purchased	45,556,000	44,814,000	742,000	1.7%	44,814,000	742,000	1.7%
Net System Losses (kWh)	5,411,661	4,533,915	877,746	19.4%	4,533,915	877,746	19.4%
Sytem Losses (%)	11.88%	10.12%			10.12%		
Revenue							
Operating Revenue	9,165,693.81	8,856,859.81	308,834	3.5%	8,372,476.76	793,217	9.5%
Sales for Resale	110,702	326,884	(216,182)	-66.1%	191,384	(80,682)	42.2%
Total revenues	\$ 9,276,396	\$ 9,183,744	\$ 92,652	1.0%	\$ 8,563,861	\$ 712,535	8.3%
Power supply cost							
Purchased power cost	4,256,695	4,224,594	(32,101)	-0.8%	3,506,755	(749,939)	21.4%
Sales for Resale	110,702	326,884	216,182	66.1%	191,384	80,682	-42.2%
Transmission	1,421,121	1,224,241	(196,880)	-16.1%	1,389,966	(31,154)	2.2%
Total Power supply cost	5,788,517	5,775,718	(12,799)	0.2%	5,088,106	(700,412)	13.8%
Gross Margin	\$ 3,487,879	\$ 3,408,025	\$ 79,853	2.3%	\$ 3,475,755	\$ 12,124	-0.3%
Operating expenses							
Distribution: Operations & Mtce	1,268,982	1,434,650	165,667	11.5%	1,572,894	303,911	-19.3%
Customer accounts	265,481	258,202	(7,279)	-2.8%	240,600	(24,881)	10.3%
Administrative & general	476,548	400,963	(75,585)	-18.9%	392,435	(84,113)	21.4%
Total operating expenses	\$ 2,011,012	\$ 2,093,815	\$ 82,803	4.0%	\$ 2,205,929	\$ 194,917	-8.8%
Depreciation & amortization	547,321	548,542	1,221	0.2%	550,385	3,064	-0.6%
Gross revenue & receipts taxes	81,027	78,594	(2,433)	-3.1%	74,596	(6,431)	8.6%
Interest on long-term debt	348,759	304,857	(43,901)	-14.4%	267,994	(80,765)	30.1%
Other interest expenses	10,282	21,711	11,429	52.6%	27,547	17,265	-62.7%
Other Deductions	-	567	567	100.0%	4,626	4,626	-100.0%
Total depreciation & other expenses	987,389	954,270	(33,119)	3.5%	925,148	(62,241)	6.7%
Income from operations	\$ 489,478	\$ 359,940	\$ 129,538	36.0%	\$ 344,679	\$ 144,799	-42.0%
Interest income	1,334,172	1,331,724	2,448	0.2%	1,360,733	(26,562)	-2.0%
Other income (expenses)	135,761	94,983	40,778	42.9%	161,899	(26,138)	-16.1%
Other capital credits & dividends	459,593	416,727	42,866	10.3%	493,138	(33,545)	-6.8%
Total non-operating margins	1,929,525	1,843,434	86,091	4.7%	2,015,770	(86,245)	-4.3%
Net income (loss)	2,419,003	2,203,374	215,629	9.8%	2,360,449	58,554	-2.5%
Extraordinary expenses	-	-	-	N/A	-	-	N/A
Total net income (loss)	\$ 2,419,003	\$ 2,203,374	\$ 215,629	9.8%	\$ 2,360,449	\$ 58,554	-2.5%

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

	March, 2023 Actual	March, 2023 Budget	Actual- Budget		March, 2022 Actual	Prior Year	
			Variance Fav (Unfav)	%		Variance Fav (Unfav)	%
			\$	%		\$	%
kWh Statistics							
kWh Units Sold	127,733,723	130,899,462	(3,165,739)	-2.4%	130,899,462	(3,165,739)	-2.4%
kWh Units Purchased	135,400,000	137,875,000	(2,475,000)	-1.8%	137,875,000	(2,475,000)	-1.8%
Net System Losses (kWh)	7,666,277	6,975,538	690,739	9.9%	6,975,538	690,739	9.9%
Sytem Losses (%)	5.66%	5.06%			5.06%		
Revenue							
Operating Revenue	25,655,231.68	25,149,485.51	505,746	2.0%	24,510,247.73	1,144,984	4.7%
Sales for Resale	627,934	1,511,161	(883,227)	-58.4%	593,631	34,303	-5.8%
Total revenues	\$ 26,283,166	\$ 26,660,647	\$ (377,481)	-1.4%	\$ 25,103,879	\$ 1,179,287	4.7%
Power supply cost							
Purchased power cost	13,296,459	14,088,370	791,911	5.6%	12,007,136	(1,289,323)	10.7%
Sales for Resale	627,934	1,511,161	883,227	58.4%	593,631	(34,303)	5.8%
Transmission:	4,344,796	3,776,597	(568,199)	-15.0%	3,926,147	(418,649)	10.7%
Total Power supply cost	18,269,189	19,376,128	1,106,939	-5.7%	16,526,914	(1,742,275)	10.5%
Gross Margin	\$ 8,013,977	\$ 7,284,519	\$ 729,458	10.0%	\$ 8,576,965	\$ (562,988)	6.6%
Operating expenses							
Distribution: Operations & Mtce	3,778,197	4,349,682	571,485	13.1%	4,397,667	619,469	-14.1%
Customer accounts	768,590	763,508	(5,082)	-0.7%	698,312	(70,278)	10.1%
Administrative & general	1,330,824	1,220,986	(109,838)	-9.0%	1,070,032	(260,792)	24.4%
Total operating expenses	5,877,611	6,334,176	456,565	7.2%	6,166,010	288,399	-4.7%
Depreciation & amortization	1,640,954	1,647,961	7,007	0.4%	1,649,284	8,330	-0.5%
Gross revenue & receipts taxes	248,433	245,762	(2,671)	-1.1%	239,204	(9,230)	3.9%
Interest on long-term debt	1,006,730	897,537	(109,194)	-12.2%	802,724	(204,007)	25.4%
Other interest expenses	61,567	55,546	(6,021)	-10.8%	75,265	13,698	-18.2%
Other deductions	-	1,700	1,700	100.0%	4,790	4,790	-100.0%
Total depreciation & other exp	2,957,685	2,848,505	(109,180)	3.8%	2,771,267	(186,419)	6.7%
Income from operations	(821,319)	(1,898,162)	1,076,843	-56.7%	(360,312)	(461,007)	-127.9%
Interest income	1,340,149	1,332,334	7,815	0.6%	1,360,600	(20,451)	-1.5%
Other income (expenses)	372,154	340,005	32,149	9.5%	476,927	(104,774)	-22.0%
Other capital credits & dividends	467,380	443,568	23,812	5.4%	519,979	(52,600)	-10.1%
Total non-operating margins	2,179,682	2,115,907	63,776	3.0%	2,357,506	(177,824)	-7.5%
Net income (loss)	1,358,363	217,744	1,140,619	523.8%	1,997,194	(638,831)	32.0%
Extraordinary expenses	-	-	-	N/A	-	-	N/A
Total net income (loss)	\$ 1,358,363	\$ 217,744	\$ 1,140,619	523.8%	\$ 1,997,194	\$ (638,831)	32.0%

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

	March, 2023	February, 2023	Variance Fav/(Unfav)		March, 2022	Variance Fav/(Unfav)	
	Actual	Actual	\$	%	Actual	\$	%
Electric plant, at cost:							
Electric plant in service	203,666,692	203,339,520	327,172	0.16%	196,343,623	7,323,069	3.73%
Less accumulated depreciation	(66,908,696)	(66,490,306)	418,390	0.63%	(62,302,877)	4,605,819	7.39%
Net electric plant in service	136,757,996	136,849,214	(91,218)	-0.07%	134,040,746	2,717,250	2.03%
Construction work in progress	5,214,484	4,710,400	504,084	10.70%	3,918,634	1,295,850	33.07%
Net electric plant	141,972,480	141,559,614	412,866	0.29%	137,959,381	4,013,099	2.91%
Other assets:							
Non-utility property	65,697	65,697	-	0.00%	65,697	-	0.00%
Other investments	47,378,520	47,219,750	158,770	0.34%	48,092,080	(713,560)	-1.48%
Deferred charges	13,141	16,001	(2,859)	-17.87%	72,493	(59,352)	-81.87%
Total other assets	47,457,358	47,301,447	155,911	0.33%	48,230,269	(772,911)	-1.60%
Current assets:							
Cash	604,034	1,057,558	(453,525)	-42.88%	(91,754)	695,787	-758.32%
Notes receivable (net)	-	-	-	0.00%	-	-	#DIV/0!
Accounts receivable (net)	10,395,277	10,918,669	(523,392)	-4.79%	10,062,405	332,873	3.31%
Other receivables (net)	4,484,897	4,681,117	(196,220)	-4.19%	3,376,994	1,107,902	32.81%
Inventories	6,873,291	6,633,232	240,059	3.62%	6,083,649	789,642	12.98%
Prepaid expenses	966,140	913,080	53,060	5.81%	614,873	351,266	57.13%
Total current assets	23,323,639	24,203,656	(880,017)	-3.64%	20,046,168	3,277,471	16.35%
Total assets	\$ 212,753,477	\$ 213,064,718	\$ (311,241)	-0.15%	\$ 206,235,818	\$ 6,517,659	3.16%

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

	March, 2023 Actual	February, 2023 Actual	Variance Fav/(Unfav)		March, 2022 Actual	Variance Fav/(Unfav)	
			\$	%		\$	%
Equities:							
Memberships issued & subscribed	-	-	-	0.00%	-	-	0.00%
Patronage capital assignable	(16,394)	(16,394)	-	0.00%	(5)	(16,390)	99.97%
Other earnings	91,981,639	89,561,281	2,420,358	2.63%	92,031,692	(50,053)	-0.05%
Contributions in aid of construction	-	-	-	0.00%	-	-	0.00%
Net equity	91,965,245	89,544,887	2,420,358	2.63%	92,031,688	(66,443)	-0.07%
Long-term debt	97,493,382	98,611,965	(1,118,583)	-1.15%	91,258,278	6,235,104	6.40%
Capital leases - non current	349,944	349,944	-	0.00%	376,268	(26,323)	-7.52%
Current liabilities:							
Current portion of long-term debt	5,630,714	5,630,714	-	0.00%	5,293,656	337,058	5.99%
Line of Credit	1,500,000	1,800,000	(300,000)	-20.00%	1,000,000	500,000	33.33%
Accounts payable	8,731,061	9,200,094	(469,033)	-5.37%	7,405,423	1,325,638	15.18%
Customer deposits	1,857,340	1,876,762	(19,422)	-1.05%	1,917,219	(59,879)	-3.22%
Other accrued expenses	3,483,070	4,090,588	(607,519)	-17.44%	3,761,594	(278,524)	-8.00%
Total current liabilities	21,202,185	22,598,159	(1,395,974)	-6.58%	19,377,892	1,824,293	8.60%
Deferred credits	1,742,721	1,959,763	(217,042)	-12.45%	3,191,693	(1,448,972)	-83.14%
Total liabilities and equity	\$ 212,753,477	\$ 213,064,718	\$ (311,241)	-0.15%	\$ 206,235,818	\$ 6,517,659	3.16%

Vermont Electric Cooperative, Inc.
Statement of Cash Flows

	Month		Year-to-date		Variance Fav (Unfav)
	March, 2023	March, 2022	March, 2023	March, 2022	
	Actual	Actual	Actual	Actual	\$
Cash flows from operating activities:					
Net income	\$ 2,419,003	\$ 2,360,449	\$ 1,358,363	\$ 1,997,194	(638,831)
Noncash expenses (income) included in earnings:					
Depreciation & amortization	\$ 652,087	\$ 658,616	\$ 1,916,731	\$ 1,932,069	(15,337)
(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	\$ 523,392	\$ 802,028	\$ (612,019)	\$ (1,015,589)	403,570
Decrease (increase) in other receivable	\$ 196,220	\$ (1,047,327)	\$ 1,616,260	\$ (181,881)	1,798,141
Decrease (increase) in inventories	\$ (240,059)	\$ (128,787)	\$ (594,379)	\$ (348,651)	(245,728)
Decrease (increase) in prepayments	\$ (53,060)	\$ (101,441)	\$ (103,398)	\$ 75,282	(178,681)
Decrease (increase) in deferred charges	\$ 5,718	\$ (275)	\$ 12,588	\$ (5,192)	17,780
Increase (decrease) in accounts payable	\$ (469,033)	\$ (855,820)	\$ (961,636)	\$ (1,005,703)	44,066
Increase (decrease) in customer deposits	\$ (19,422)	\$ 2,257	\$ (56,425)	\$ (12,791)	(43,634)
Increase (decrease) in accrued expenses	\$ (607,519)	\$ (443,622)	\$ (76,156)	\$ 581,196	(657,352)
Increase (decrease) in deferred credits	\$ (101,325)	\$ (99,112)	\$ 328,752	\$ 314,080	14,672
Increase (decrease) in regulatory liability	\$ (115,717)	\$ (150,000)	\$ (347,150)	\$ (450,000)	102,850
Net cash provided (used) by operating activities	2,190,285	996,966	2,480,632	1,880,016	600,616
Cash flows from investing activities:					
Additions to electric plant in service and construction work in progress	\$ (973,456)	\$ (772,300)	\$ (2,477,208)	\$ (1,791,499)	(685,709)
Proceeds from retirements of electric plant in service	\$ (94,356)	\$ (132,748)	\$ (329,322)	\$ (298,796)	(30,526)
Return on capital investments	\$ (158,770)	\$ (186,666)	\$ (162,564)	\$ (194,825)	32,261
Proceeds (payments) from sale (purchase) of investments	\$ -	\$ -	\$ -	\$ -	-
Net cash provided (used) in investing activities	(1,226,581)	(1,091,715)	(2,969,094)	(2,285,119)	(683,974)
Cash flows from financing activities:					
Proceeds from borrowings LOC	\$ -	\$ -	\$ 1,500,000	\$ -	1,500,000
Proceeds from borrowings Long-Term	\$ -	\$ -	\$ 12,000,000	\$ -	12,000,000
Payments to creditors LOC	\$ (300,000)	\$ (12,650,000)	\$ (11,000,000)	\$ (10,636,007)	(363,993)
Payments to creditors Long-Term	\$ (1,118,583)	\$ 11,004,201	\$ (1,574,892)	\$ 10,558,162	(12,133,054)
Patronage Capital Retirements - Net	\$ 1,355	\$ 140	\$ (3,267)	\$ (14,250)	10,983
Memberships issued, net of refunds	\$ -	\$ -	\$ -	\$ -	-
Additions to donated capital, net	\$ -	\$ -	\$ -	\$ -	-
Net cash provided (used) by financing activities	(1,417,228)	(1,645,659)	921,842	(92,095)	1,013,936
Net increase (decrease) in cash and equivalents	(453,525)	(1,740,408)	433,380	(497,199)	930,578
Cash & cash equivalents at beginning of period	\$ 1,057,558	\$ 1,648,654	\$ 170,654	\$ 405,445	(234,791)
Cash & cash equivalents at end of period	\$ 604,034	\$ (91,754)	\$ 604,034	\$ (91,754)	\$ 695,787