



# Orcas Power & Light Cooperative 2017 Q1 Financials

MEMORANDUM

Date: May 12, 2017

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2017 1<sup>st</sup> Quarter Financial Report

Please see attached the full 2017 1<sup>st</sup> quarter financial report. Included in the report package are the Statement of Revenues and Margins (along with a notable driver analysis), Balance Sheet, Statement of Cash Flows (GAAP), and capital projects budget tracking.

The cold weather experienced in Q1 of 2017 resulted in total revenue being 15% (\$1.25M) higher than budgeted. This was partially offset by the related increase in purchased power of 11% (\$310k), though there were not significant peak charges from BPA in Q1. All combined resulted in an increased margin of (\$1.0M).

For more detail, please note the following key points:

- Q1 Heating Degree Days (HDD) were up ~58% above normal budgeted levels (Actual of 789 vs. budget of 500). Actual kWh sales were 14.2M kWh above budget (73.1M vs. budget of 58.9M). We expect weather and heating fluctuations to produce dramatic sales revenue volatility, and have budgeted based on those assumptions. We will continue to monitor revenue and expenses closely.
- Q1 power purchases were up (\$310k) due to higher kWh consumption. Actual kWh purchases were 14.7M kWh above budget (77.7M vs. budget of 63M).
- Q1 operating expenses were approximately \$228k over budgeted amounts, primarily due to the increase in purchased power and taxes as a result of higher power sales.
- Rock Island Communications paid \$22k to OPALCO for use of the communications backbone in Q1. This was partially offset by \$17k in expense paid to Rock Island Communications for Internet & network operations services.
- Rock Island Communications Q1 Financials included in separate packet.

# ORCAS POWER AND LIGHT COOPERATIVE

## STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2013	B. Audited Year End 12/31/2014	C. Audited Year End 12/31/2015	D. Audited Year End 12/31/2016	E. Budget Year End 12/31/2017	F. Budget Period End 3/31/2017	G. Actual Period End 3/31/2017	H. Budget Variance (G - F)	I. Audited Period End 3/31/2016
1 OPERATING REVENUES									
2 Residential	\$ 15,598,797	\$ 15,913,325	\$ 17,694,706	\$ 18,104,756	\$ 18,910,272	\$ 5,894,401	\$ 7,012,988	1,118,587	\$ 5,493,593
3 Commercial	5,467,588	5,694,901	6,356,143	6,463,561	6,851,153	2,133,643	2,180,743	47,100	1,788,691
4 Other	364,892	420,798	531,069	680,713	648,188	199,412	286,822	87,410	238,445
5 Total operating revenue	21,431,278	22,029,025	24,581,918	25,249,029	26,409,613	8,227,456	9,480,552	1,253,096	7,520,729
6									
7 OPERATING EXPENSES									
8 Cost of power	7,514,128	8,037,428	7,787,142	7,942,885	8,402,223	2,715,290	3,025,251	309,961	2,458,298
9 Transmission	70,117	92,874	179,264	94,462	177,500	27,194	80,874	53,680	16,671
10 Distribution - operations	2,968,003	2,961,250	3,391,150	3,215,893	3,514,721	1,013,646	975,792	(37,855)	923,756
11 Distribution - maintenance	1,669,524	1,778,516	1,713,924	1,692,345	1,851,312	642,871	607,328	(35,543)	644,004
12 Consumer accounts	853,211	898,198	893,766	947,326	1,045,340	277,177	272,178	(4,999)	251,222
13									
14 General and administration									
15 Administration	2,718,889	2,822,439	2,950,777	2,787,995	3,110,220	822,630	750,353	(72,277)	775,972
16 Energy services	462,966	373,323	658,939	103,671	491,931	94,074	68,807	(25,267)	(53,594)
17 Subsidiary charges (RIC network mgt services)	-	-	29,100	34,920	69,720	17,430	17,460	30	8,730
18 Total general and administration	3,181,855	3,195,763	3,638,816	2,926,586	3,671,871	934,134	836,620	(97,514)	731,108
19									
20 Depreciation and amortization	2,719,560	2,975,650	3,308,154	3,546,977	3,801,831	932,991	921,218	(11,773)	870,527
21 Taxes	930,482	961,815	1,046,626	1,137,058	1,220,252	348,759	400,788	52,029	324,637
22									
23 Total operating expenses	19,906,881	20,901,493	21,958,841	21,503,532	23,685,051	6,892,062	7,120,047	227,986	6,220,223
24									
25 Operating margins before fixed charges	1,524,397	1,127,532	2,623,077	3,745,497	2,724,563	1,335,394	2,360,505	1,025,111	1,300,507
26									
27 FIXED CHARGES									
28 Interest on long-term debt	786,193	908,934	1,047,248	1,095,316	1,019,178	242,160	236,642	(5,517)	297,558
29									
30 Operating margins after fixed charges	738,204	218,598	1,575,829	2,650,181	1,705,384	1,093,234	2,123,863	1,030,628	1,002,948
31									
32 PATRONAGE CAPITAL CREDITS	38,048	67,853	83,608	81,361	79,323	27,763	28,851	1,088	-
33									
34 Net operating margins	776,252	286,451	1,659,437	2,731,543	1,784,707	1,120,997	2,152,714	1,031,716	1,002,948
35									
36 NON-OPERATING MARGINS									
37 Interest income	33,261	32,130	127,804	217,758	36,146	6,826	10,822	3,996	6,852
38 Other income	46,893	23,458	71,081	112,957	25,163	6,319	2,556	(3,764)	4,213
39 Total Opalco non-operating margins	80,154	55,588	198,886	330,715	61,309	13,145	13,377	232	11,065
40									
41 Fiber Optics Division (Island Network Department)									
42 IN Income	388,117	519,819	-	-	-	-	-	-	-
43 IN Expenses	273,006	739,907	-	-	-	-	-	-	-
44 Total Fiber Optics Division	115,111	(220,088)	-	-	-	-	-	-	-
45									
46 Non-operating margins from Subsidiary									
47 Interest Income (RIC loan)	-	-	-	-	76,211	19,053	19,875	822	76,395
48 Other income (use of OPALCO backbone)	-	-	-	-	87,873	17,647	21,968	4,321	17,647
49 Total non-operating margins from Subsidiary	-	-	-	-	164,084	36,700	41,843	5,143	94,042
50									
51 Net non-operating margins	195,265	(164,500)	198,886	330,715	225,393	49,845	55,220	5,375	105,107
52									
53 NET MARGINS	\$ 971,518	\$ 121,951	\$ 1,858,322	\$ 3,062,257	\$ 2,010,100	\$ 1,170,842	\$ 2,207,934	1,037,091	\$ 1,108,056
54									
55 TIER	2.24	1.13	2.51	3.24	2.36	4.28	7.20	2.92	4.35
56 Equity % of Total Cap	69.5%	61.3%	53.3%	48.7%	42.9%	44.9%	48.4%	3.5%	52.2%



# ORCAS POWER AND LIGHT COOPERATIVE

## STATEMENT OF OPERATIONS BUDGET TO ACTUAL DETAILED BREAKOUT OF NOTABLE DRIVERS

	A.	B.	C.	D.
	Budget	Actual	Budget	
	Period End	Period End	Variance	
	3/31/2017	3/31/2017	(B - A)	Comments: Budget To Actual (Column C.)
39			(12,450)	Reduced dues and expenses in Q1
40			(5,545)	Majority of annual meeting expenses to be reflected in Q2
41			14,837	New maintenance contractor and additional Friday Harbor grounds maintenance needed
42			(9,118)	Variance among multiple general ledger accounts (11 accounts)
43			<u>(72,277)</u>	
44				
45			<u>(25,267)</u>	<b>Decrease in expense</b>
46			4,227	Increase in training
47			(35,399)	Fewer rebates than anticipated in Q1. Marketing efforts increasing over summer
48			12,558	BPA reimbursements are pending Q2 through Q4
49			(6,652)	Variance among multiple general ledger accounts (8 accounts)
50			<u>(25,267)</u>	
51				
52			<u>30</u>	<b>Increase in expense</b>
53			30	
54			<u>30</u>	
55				
56			<u>(97,514)</u>	<b>Overall decrease in expense</b>
57				
58			<u>(11,773)</u>	<b>Decrease in expense</b>
59				
60			<u>52,029</u>	<b>Increase in expense - higher sales (see revenue variance)</b>
61				
62			<u>227,986</u>	<b>Overall increase in expense</b>
63				
64				
65			<u>(5,517)</u>	<b>Decrease in expense</b>
66				
67			<u>1,088</u>	<b>Increase in income received from associated cooperatives</b>
68				
69				
70			<u>1,031,716</u>	<b>Increase in margin</b>
71				
72				
73			<u>5,375</u>	<b>Increase in margin</b>
74				
75			<u>4,818</u>	<b>Increase in income</b>
76				
77			<u>558</u>	<b>Increase in income</b>

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL  
 DETAILED BREAKOUT OF NOTABLE DRIVERS

	A.	B.	C.	D.
	Budget	Actual	Budget	
	Period End	Period End	Variance	
	3/31/2017	3/31/2017	(B - A)	Comments: Budget To Actual (Column C.)
78			4,321	
79			(3,764)	
80			558	
81				
82	<b>49,845</b>	<b>55,220</b>	<b>5,375</b>	<b>Increase in margin</b>
83				
84				
85	<b>1,170,842</b>	<b>2,207,934</b>	<b>1,037,091</b>	<b>Increase in margin</b>

# ORCAS POWER AND LIGHT COOPERATIVE

## BALANCE SHEET

	A. Audited Year End 12/31/2013	B. Audited Year End 12/31/2014	C. Audited Year End 12/31/2015	D. Audited Year End 12/31/2016	E. Actual Period End 3/31/2017	F. Change (E - D)
1 ASSETS						
2						
3 UTILITY PLANT, at cost						
4 Electric plant in service	\$ 86,319,230	\$ 91,153,200	\$ 100,576,686	\$ 105,702,896	\$ 106,286,690	\$ 583,794
5 Construction work in progress	2,456,829	5,696,090	3,434,810	12,489,462	16,071,436	3,581,974
6						
7	88,776,059	96,849,290	104,011,496	118,192,358	122,358,126	4,165,768
8 Less accumulated depreciation and amortization	36,237,594	38,650,755	41,160,577	44,622,436	45,445,012	822,575
9						
10 Net utility plant	52,538,465	58,198,535	62,850,919	73,569,921	76,913,114	3,343,193
11						
12 OTHER PROPERTY AND INVESTMENT, at cost						
13 Island Network (department only) (Note 1)	426,272	74,891	-	-	-	-
14						
15 Investments in associated organizations						
16 Other	941,203	1,063,004	1,093,965	1,125,332	1,138,983	13,651
17 Non-utility investment subsidiary (Note 2)	-	-	5,249,879	(2,389,473)	(3,220,242)	(830,769)
18 Total investments in associated organizations	941,203	1,063,004	6,343,844	(1,264,141)	(2,081,259)	(817,118)
19						
20 Other property and investments	1,367,476	1,137,895	6,343,844	(1,264,141)	(2,081,259)	(817,118)
21						
22 CURRENT ASSETS						
23 Cash and cash equivalents	797,873	2,254,475	1,697,386	3,906,844	4,189,535	282,691
24 Cash and cash equivalents - board designated	2,006,348	1,279,616	-	-	-	-
25 Accounts receivable, less doubtful accts allowance	3,146,966	3,036,986	3,558,213	3,610,821	3,589,735	(21,086)
26 Interest receivable	7,394	6,330	6,140	9,386	12,772	3,386
27 Materials and supplies	2,141,563	2,720,342	3,341,939	3,711,223	3,746,194	34,971
28 Prepaid expenses	122,451	586,081	311,801	349,741	234,838	(114,903)
29						
30 Total current assets	8,222,594	9,883,830	8,915,479	11,588,015	11,773,075	185,060
31						
32 DEFERRED CHARGES	-	50,371	-	-	-	-
33						
34 Total assets	\$ 62,128,535	\$ 69,270,631	\$ 78,110,242	\$ 83,893,795	\$ 86,604,930	\$ 2,711,135

# ORCAS POWER AND LIGHT COOPERATIVE

## BALANCE SHEET

	A. Audited Year End 12/31/2013	B. Audited Year End 12/31/2014	C. Audited Year End 12/31/2015	D. Audited Year End 12/31/2016	E. Actual Period End 3/31/2017	F. Change (E - D)
35						
36	EQUITIES, MARGINS, AND LIABILITIES					
37						
38	EQUITIES AND MARGINS					
39	\$ 55,655	\$ 56,880	\$ 56,395	\$ 56,905	\$ 56,800	\$ (105)
40	37,250,119	36,348,023	37,130,221	38,334,633	40,443,241	2,108,609
41	-	(220,088)	-	-	-	-
42	Donated and other equities					
43	4,024,439	4,477,375	4,763,939	5,403,526	5,457,731	54,205
44	-	-	(1,780,113)	(4,517,947)	(5,347,649)	(829,701)
45						
46	41,330,213	40,662,189	40,170,442	39,277,116	40,610,124	1,333,008
47						
48	LONG-TERM DEBT, less current maturities					
49	14,982,671	22,446,072	25,094,574	31,370,096	33,429,510	2,059,414
50	-	72,663	64,659	48,651	18,333	(30,318)
51	2,575,694	2,468,531	8,821,516	8,812,642	8,750,663	(61,978)
52						
53	17,558,365	24,987,266	33,980,749	40,231,389	42,198,506	1,967,118
54						
55	OTHER NONCURRENT LIABILITIES					
56	-	-	-	53,775	67,933	14,158
57	17,558,365	24,987,266	33,980,749	40,285,163	42,266,439	1,981,276
58						
59	CURRENT LIABILITIES					
60	1,732,736	1,931,399	1,765,437	1,692,979	1,545,050	(147,929)
61	86,161	91,717	82,377	89,928	93,228	3,300
62	696,741	751,049	712,118	1,144,751	779,662	(365,089)
63	555,793	663,885	1,181,603	1,092,588	991,736	(100,852)
64	-	-	-	29,332	29,332	-
65						
66	3,071,431	3,438,051	3,741,535	4,049,578	3,439,008	(610,570)
67						
68	DEFERRED CREDITS					
69	168,527	183,124	217,517	281,938	289,359	7,421
70	\$ 62,128,535	\$ 69,270,631	\$ 78,110,242	\$ 83,893,795	\$ 86,604,930	\$ 2,711,135
71						

72 Note:

73 1 Combination of all balance sheet accounts for Island Network (department only).

74 2 Investment in subsidiary consists of OPALCO's invested dollars in Island Netwk LLC (+\$2,127,407) LESS IN LLC's cumulative net decifit of(\$5,347,649) seen in 'equities & margins'.

# ORCAS POWER AND LIGHT COOPERATIVE

## STATEMENT OF CASH FLOW

### GAAP

	A.	B.	C.	D.	E.
	Audited	Audited	Audited	Audited	Actual
	Year End	Year End	Year End	Year End	Period End
	12/31/2013	12/31/2014	12/31/2015	12/31/2016	3/31/2017
1 CASH FLOWS FROM OPERATING ACTIVITIES					
2 Net margins	\$ 971,520	\$ 121,951	\$ 1,858,322	\$ 3,062,257	\$ 2,207,934
3 Adjustments to reconcile net margin to cash					
4 from operating activities					
5 Depreciation and amortization	2,719,561	2,975,650	3,308,154	3,546,977	921,218
6 Changes in assets and liabilities					
7 Accounts receivable	(758,796)	109,980	(521,227)	(52,608)	21,086
8 Interest receivable	(546)	1,064	190	(3,245)	(3,386)
9 Prepaid expenses	(7,219)	(463,630)	274,279	(37,939)	114,903
10 Accounts payable	435,535	198,663	(165,962)	(72,458)	(147,929)
11 Customer deposits	9,160	5,557	(9,340)	7,551	3,300
12 Accrued liabilities	(157,453)	54,308	(38,931)	432,633	(365,089)
13 Deferred credits	11,414	14,598	34,392	64,421	7,421
14					
15 Net cash from operating activities	3,223,176	3,018,141	4,739,878	6,947,587	2,759,458
16					
17 CASH FLOWS FROM INVESTING ACTIVITIES					
18 Additions to utility plant, net	(5,632,016)	(9,831,711)	(8,597,475)	(15,199,049)	(4,345,197)
19 Reduction to non-utility plant (Island Network transition)	(173,419)	351,381	74,891	-	-
20 Change in materials and supplies	(638,632)	(578,779)	(621,597)	(369,284)	(34,971)
21 (Increase) decrease in investment in Subsidiary	-	-	(5,249,879)	7,639,352	830,769
22 (Increase) decrease in other OPALCO property and investments, net	(12,063)	(121,801)	(30,961)	(31,367)	(13,651)
23					
24 Net cash from investing activities	(6,456,130)	(10,180,909)	(14,425,021)	(7,960,347)	(3,563,050)
25					
26 CASH FLOWS FROM FINANCING ACTIVITIES					
27 Payments on long-term debt (Note 1)	(1,027,495)	156,993	(4,347,789)	(2,497,268)	(519,577)
28 Proceeds from debt	3,200,000	7,380,000	13,858,989	8,742,000	2,400,000
29 Memberships	855	1,225	(485)	510	(105)
30 Retirements of patronage capital, net	(813,770)	(791,199)	(569,472)	(1,218,259)	(45,120)
31 Change in subsidiary equities	-	-	(1,780,113)	(2,737,834)	(829,701)
32 Contributions in aid of construction	583,883	1,145,619	687,308	933,069	80,786
33					
34 Net cash from financing activities	1,943,473	7,892,638	7,848,438	3,222,218	1,086,283
35					
36 NET CHANGE IN CASH	(1,289,481)	729,870	(1,836,705)	2,209,458	282,691
37					
38 CASH AND CASH EQUIVALENTS, beginning of year/period	4,093,702	2,804,221	3,534,091	1,697,386	3,906,844
39					
40 CASH AND CASH EQUIVALENTS, end of year/period	2,804,221	3,534,091	1,697,386	3,906,844	4,189,535
41					
42 SUPPLEMENTAL DISCLOSURES					
43 Cash paid for interest	\$ 786,193	\$ 908,934	\$ 1,234,621	\$ 1,085,134	\$ 635,932
44					
44 OUTSTANDING DEBT BALANCE	(18,114,158)	(25,651,151)	(35,162,351)	(41,377,751)	(43,287,507)
45 Notes:					
46 1 Includes Economic Development loan from RUS and is offset by RUS Cushion of Credit balance of \$127k (2015), \$1.7M (2016), \$1.8M (Q1 2017)					

# ORCAS POWER AND LIGHT COOPERATIVE

## CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	F.	G.
			Unaudited	Budget	Budget	Actual	Budget	Actual	
			Year End	Year End	Period End	Period End	Variance	Period End	
			12/31/2016	12/31/2017	3/31/2017	3/31/2017	(D- C)	3/31/2016	Comments
<b>RUS CWP DESCRIPTION</b>									
1	<b>DISTRIBUTION</b>								
2	100	New Services	\$ 384,240	\$ 291,000	\$ 75,000	\$ 118,166	\$ 43,166	\$ 45,940	
3	200	New Tie Lines	(13,438)	200,000	-	55	55	639	
4	300	Conversions and Line Changes	679,000	1,335,000	350,000	322,973	(27,027)	5,468	
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	2,443	126,000	-	-	-	-	
7	600	Miscellaneous Distribution Equipment							
8	601	Transformers & Meters	671,830	525,000	35,000	31,534	(3,466)	198,079	
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	-	-	
10	603	Sectionalizing Equipment	(185,844)	100,000	50,000	46,675	(3,325)	23,038	
11	604	Regulators	-	-	-	2,677	2,677	5,805	
12	605	Capacitors	-	-	-	-	-	-	
13	606	Ordinary Replacements	291,336	119,000	10,000	5,615	(4,385)	22,745	
14	608	Underground Dist. Cable Replacement	3,137,344	1,942,000	490,000	505,991	15,991	817,790	
15	700	Other Distribution Items							
16	701	Engineering Fees	-	-	-	-	-	-	
17	704	LMS & SCADA	87,054	89,000	30,000	36,705	6,705	6,128	
18	705	AMR	-	-	-	-	-	-	
19	706	Communications							
20		706.0 Island Network	-	-	-	-	-	-	
21		706.1 Fiber/Microwave Infrastructure	2,694,821	1,290,000	725,000	757,218	32,218	602,871	Accelerated due to joint trench savings (CenturyLink joint projects)
22	<b>TRANSMISSION</b>								
23	800	New Tie Line	-	-	-	-	-	-	
24	900	New Substations, switching station, metering point, etc.	68,174	650,000	-	6,530	6,530	-	
25	1000	Line and Station Changes	6,229,978	8,408,000	2,500,000	2,430,511	(69,489)	103	
26	1100	Other Transmission	-	-	-	-	-	-	
27	<b>GENERATION</b>								
28	1200	Generation	-	-	-	-	-	-	
29	<b>OTHER</b>								
30	1300	Headquarters Facilities	178,301	300,000	30,000	36,647	6,647	17,679	
31	1400	Acquisitions	-	-	-	-	-	-	
32	1500	All Other (Transportation, Etc.)							
33	1501	Transportation/Equipment/Tools/Radios	604,272	450,000	25,000	24,309	(691)	425,220	
34	1502	Office Equipment/Furniture/Etc.	44,740	20,000	5,000	9,802	4,802	5,978	
35	1503	Computer/Servers/Software	339,289	298,000	60,000	31,996	(28,004)	80,754	
36	1504	Electrical Infrastructure to Support Community Solar	-	-	-	-	-	-	
37	1600	Minor Projects	205,310	100,000	30,000	50,545	20,545	58,941	Orcas Park and Ride released for construction by County
38	<b>RUS CWP SUBTOTAL</b>		15,418,851	16,243,000	4,415,000	4,417,946	2,946	2,317,177	
39	<b>CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)</b>								
40		New Services	(495,959)	(291,000)	(70,000)	(32,361)	37,639	(78,072)	
41		Meters and Transformers	(398,561)	(209,000)	(50,000)	(45,808)	4,192	(20,691)	
42		Joint Projects	(38,549)	(298,000)	-	(2,617)	(2,617)	(63,953)	
43		Island Network Department	-	-	-	-	-	-	
44		WA DOC Grant Funding	-	-	-	-	-	-	
45		Community Solar Member Contributions	-	(250,000)	-	-	-	-	
46	<b>RUS CWP NET TOTAL</b>		14,485,782	15,195,000	4,295,000	4,337,161	42,161	2,154,461	

Notes:

- \$119,361 in Allowance for Funds Used During Construction (AFUDC). This cost is embedded in the associated projects listed above for capitalization purposes.
- \$17,734 in Environmental Consultants. This cost is embedded in the associated projects listed above for capitalization purposes.

# ORCAS POWER AND LIGHT COOPERATIVE

## SALES AND USAGE REPORT

	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.	K.	L.	M.	N.	
	Year to Date Total	January	February	March	April	May	June	July	August	September	October	November	December	Total	
1	HEATING DEGREE DAYS (HDD)														
2	Budget HDD	500	195	170	135	49	37	9	5	9	18	32	172	225	500
3	Actual HDD	789	359	280	150										789
4	<b>Variance</b>	<b>289</b>	<b>164</b>	<b>110</b>	<b>15</b>	-	-	-	-	-	-	-	-	-	<b>289</b>
5															
6	ENERGY USAGE (kWh)														
7	Residential														
8	Budget	43,328,484	16,015,245	13,581,039	13,732,200	11,086,683	9,610,471	8,266,636	8,691,524	8,715,331	8,393,981	10,650,777	13,653,188	16,581,646	138,978,722
9	Actual	54,785,008	24,638,206	16,705,550	13,441,252										54,785,008
10	<b>Variance (Budget to Actual)</b>	<b>11,456,524</b>	<b>8,622,961</b>	<b>3,124,511</b>	<b>(290,948)</b>	-	-	-	-	-	-	-	-	-	<b>11,456,524</b>
11															
12	Commercial														
13	Budget	15,627,769	5,776,398	4,898,425	4,952,946	3,998,758	3,466,316	2,981,620	3,134,869	3,143,456	3,027,551	3,841,535	4,924,448	5,980,688	50,127,010
14	Actual	18,362,449	7,392,539	5,823,756	5,146,154										18,362,449
15	<b>Variance (Budget to Actual)</b>	<b>2,734,680</b>	<b>1,616,141</b>	<b>925,331</b>	<b>193,208</b>	-	-	-	-	-	-	-	-	-	<b>2,734,680</b>
16															
17	Combined Energy Usage (kWh)														
18	Budget	58,956,254	21,791,643	18,479,465	18,685,146	15,085,441	13,076,787	11,248,256	11,826,394	11,858,787	11,421,533	14,492,312	18,577,636	22,562,334	189,105,732
19	Actual	73,147,457	32,030,745	22,529,306	18,587,406	-	-	-	-	-	-	-	-	-	73,147,457
20	<b>Variance (Budget to Actual)</b>	<b>14,191,203</b>	<b>10,239,102</b>	<b>4,049,841</b>	<b>(97,740)</b>	-	-	-	-	-	-	-	-	-	<b>14,191,203</b>
21															
22	SALES REVENUE (kWh)														
23	Residential														
24	Budget	5,894,401	2,178,546	1,847,654	1,868,202	1,508,585	1,307,917	1,125,244	1,183,001	1,186,237	1,142,555	1,449,331	1,857,461	2,255,539	18,910,272
25	Actual	7,008,430	2,926,809	2,037,409	2,044,213	-	-	-	-	-	-	-	-	-	7,008,430
26	<b>Variance (Budget to Actual)</b>	<b>1,114,029</b>	<b>748,263</b>	<b>189,755</b>	<b>176,011</b>	-	-	-	-	-	-	-	-	-	<b>1,114,029</b>
27															
28	Commercial														
29	Budget	2,124,349	785,210	665,864	673,275	543,568	471,191	405,304	426,136	427,303	411,548	522,196	669,401	812,980	6,813,978
30	Actual	2,173,754	825,570	658,245	689,940	-	-	-	-	-	-	-	-	-	2,173,754
31	<b>Variance (Budget to Actual)</b>	<b>49,405</b>	<b>40,360</b>	<b>(7,619)</b>	<b>16,665</b>	-	-	-	-	-	-	-	-	-	<b>49,405</b>
32															
33	Combined kWh Sales Revenue														
34	Budget	8,018,750	2,963,756	2,513,517	2,541,477	2,052,153	1,779,108	1,530,548	1,609,137	1,613,541	1,554,103	1,971,527	2,526,862	3,068,519	25,724,250
35	Actual	9,182,185	3,752,379	2,695,654	2,734,152	-	-	-	-	-	-	-	-	-	9,182,185
36	<b>Variance (Budget to Actual)</b>	<b>1,163,435</b>	<b>788,623</b>	<b>182,136</b>	<b>192,676</b>	-	-	-	-	-	-	-	-	-	<b>1,163,435</b>
37															
38	NOTE: Excluded Other Revenue and Revenues that are not usage based.														

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION	WA0009
	PERIOD ENDED	March '17
	BORROWER NAME	Orcas Power & Light Cooperative

INSTRUCTIONS - See help in the online application.  
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

**CERTIFICATION**  
We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.  
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.  
**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.  There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

\_\_\_\_\_ Date \_\_\_\_\_

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	7,520,729	9,480,552	8,227,456	2,825,305
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	2,458,298	3,025,251	2,715,290	831,147
4. Transmission Expense	16,671	80,874	27,194	36,164
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	923,756	975,792	1,013,646	300,003
7. Distribution Expense - Maintenance	644,004	607,328	642,871	292,385
8. Customer Accounts Expense	251,222	272,178	277,177	90,452
9. Customer Service and Informational Expense	(35,408)	99,464	122,087	26,262
10. Sales Expense	10,482	7,506	12,495	4,279
11. Administrative and General Expense	756,034	729,650	799,552	239,364
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>5,025,059</b>	<b>5,798,042</b>	<b>5,610,312</b>	<b>1,820,056</b>
13. Depreciation and Amortization Expense	870,527	921,218	932,991	303,083
14. Tax Expense - Property & Gross Receipts	56,523	66,928	59,350	23,160
15. Tax Expense - Other	268,113	333,859	289,409	97,919
16. Interest on Long-Term Debt	330,572	356,003	357,101	116,503
17. Interest Charged to Construction - Credit	(33,013)	(119,361)	(114,941)	(44,307)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	-	-	-	-
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>6,517,781</b>	<b>7,356,690</b>	<b>7,134,222</b>	<b>2,316,415</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,002,948</b>	<b>2,123,863</b>	<b>1,093,234</b>	<b>508,890</b>
22. Non Operating Margins - Interest	83,247	30,696	25,879	10,582
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	21,860	24,524	23,966	8,680
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	-	28,851	27,763	28,851
28. Extraordinary Items	-	-	-	-
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>1,108,056</b>	<b>2,207,934</b>	<b>1,170,842</b>	<b>557,003</b>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION		
INSTRUCTIONS - See help in the online application.			WA0009		
			PERIOD ENDED March 2017		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	35	41	5. Miles Transmission	42.65	42.65
2. Services Retired	-	-	6. Miles Distribution - Overhead	155.78	154.40
3. Total Services in Place	15,044	15,205	7. Miles Distribution - Underground	1,143.01	1,143.95
4. Idle Services (Exclude Seasonals)	1,192	1,207	8. Total Miles Energized (5 + 6 + 7)	1,341.44	1,341.00
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	106,286,690		30. Memberships	56,800	
2. Construction Work in Progress	16,072,896		31. Patronage Capital	35,173,050	
<b>3. Total Utility Plant (1 + 2)</b>	<b>122,359,586</b>		32. Operating Margins - Prior Years	3,062,257	
4. Accum. Provision for Depreciation and Amort.	45,446,472		33. Operating Margins - Current Year	2,183,410	
<b>5. Net Utility Plant (3 - 4)</b>	<b>76,913,114</b>		34. Non-Operating Margins	24,524	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	110,082	
7. Investments in Subsidiary Companies	(3,220,242)		<b>36. Total Margins &amp; Equities (30 thru 35)</b>	<b>40,610,124</b>	
8. Invest. in Assoc. Org. - Patronage Capital	534,224		37. Long-Term Debt - RUS (Net)	-	
9. Invest. in Assoc. Org. - Other - General Funds	7,000		38. Long-Term Debt - FFB - RUS Guaranteed	35,952,018	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	558,274		39. Long-Term Debt - Other - RUS Guaranteed	-	
11. Investments in Economic Development Projects	38,333		40. Long-Term Debt Other (Net)	9,016,784	
12. Other Investments	1,152		41. Long-Term Debt - RUS - Econ. Devel. (Net)	38,333	
13. Special Funds	201,980		42. Payments - Unapplied	(1,795,402)	
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>(1,879,278)</b>		<b>43. Total Long-Term Debt (37 thru 41 - 42)</b>	<b>43,211,734</b>	
15. Cash - General Funds	2,065,666		44. Obligations Under Capital Leases - Noncurrent	46,442	
16. Cash - Construction Funds - Trustee	30,647		45. Accumulated Operating Provisions and Asset Retirement Obligations	-	
17. Special Deposits	-		<b>46. Total Other Noncurrent Liabilities (44 + 45)</b>	<b>46,442</b>	
18. Temporary Investments	1,929,830		47. Notes Payable	-	
19. Notes Receivable (Net)	-		48. Accounts Payable	1,545,050	
20. Accounts Receivable - Sales of Energy (Net)	2,411,161		49. Consumers Deposits	93,228	
21. Accounts Receivable - Other (Net)	131,380		50. Current Maturities Long-Term Debt	-	
22. Renewable Energy Credits	-		51. Current Maturities Long-Term Debt - Economic Development	29,332	
23. Materials and Supplies - Electric & Other	3,746,194		52. Current Maturities Capital Leases	779,662	
24. Prepayments	234,838		53. Other Current and Accrued Liabilities	2,447,272	
25. Other Current and Accrued Assets	1,021,378		<b>54. Total Current &amp; Accrued Liabilities</b>	<b>-</b>	
<b>26. Total Current and Accrued Assets</b>	<b>11,571,094</b>		55. Regulatory Liabilities	289,359	
27. Regulatory Assets	-		56. Other Deferred Credits	-	
28. Other Deferred Debits	-		<b>57. Total Liabilities and Other Credits</b>	<b>86,604,930</b>	
<b>29. Total Assets and Other Debits</b>	<b>86,604,930</b>				