

ORCAS POWER AND LIGHT COOPERATIVE  
4TH QUARTER FINANCIAL REPORT





## MEMORANDUM

March 13, 2020

To: Board of Directors

From: Foster Hildreth, General Manager

Re: OPALCO 2019 Year End Unaudited Financial Report

OPALCO ended 2019 in a strong financial position as evidenced in the attached 2019 Year End Unaudited 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), capital projects budget tracking and the Draft 2019 RUS Financial and Operating Report Electric Distribution.

Overall, 2019 was a very volatile year in weather, in the last quarter we experienced the coldest October in 20 years, followed by the warmest December in the last 17 years. Despite the volatility of our largest financial variable (nature), our finances for the year tracked favorably compared to budget. A cold and windy Q1 started the years' kWh sales and revenue off above budget amounts while the mild December brought things back closer in line with budget for the year. For the year, total operating revenue was \$978K or 3.3% higher than budgeted. This was complemented by purchased power being slightly below budget by \$95k or 1.0%. All combined resulted in an increased margin of \$912k.

For more detail, please note the following key points:

- Heating Degree Days (HDD) were up 30% above budgeted levels (Actual of 1,323 vs. budget of 1,016). Although actual kWh sales were 14.6M kWh above budgeted (207.2M vs. budget of 192.6M) driven primarily to cold snaps in February, March and October.
- 2019 power purchases were above budget by 15.9M kWh (221.9M vs. budget of 206M), or 7.7%, while the cost of purchases was below budget by \$96k. This is mostly due to less pass-through oversupply charges from BPA than anticipated.
- 2019 operating expenses, excluding Power Purchases, were approximately \$200k over budgeted amounts. The primary driver here was increased right of way maintenance on our transmission lines and is partially offset by a decrease in distribution expenses of \$88k, as well as the decrease in power cost noted above.
- TIER ended the year slightly higher at 2.40 vs. the budget of 1.93. OPALCO is well above the RUS covenant requirement of 1.25 measured as the average best two out of the three most recent years. As calculated per RUS loan covenant, OPALCO's current average for TIER is 2.89 (average of highest 2 of the last 3 years).
- Borrowings were made as budgeted in 2019.

# ORCAS POWER AND LIGHT COOPERATIVE

## STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

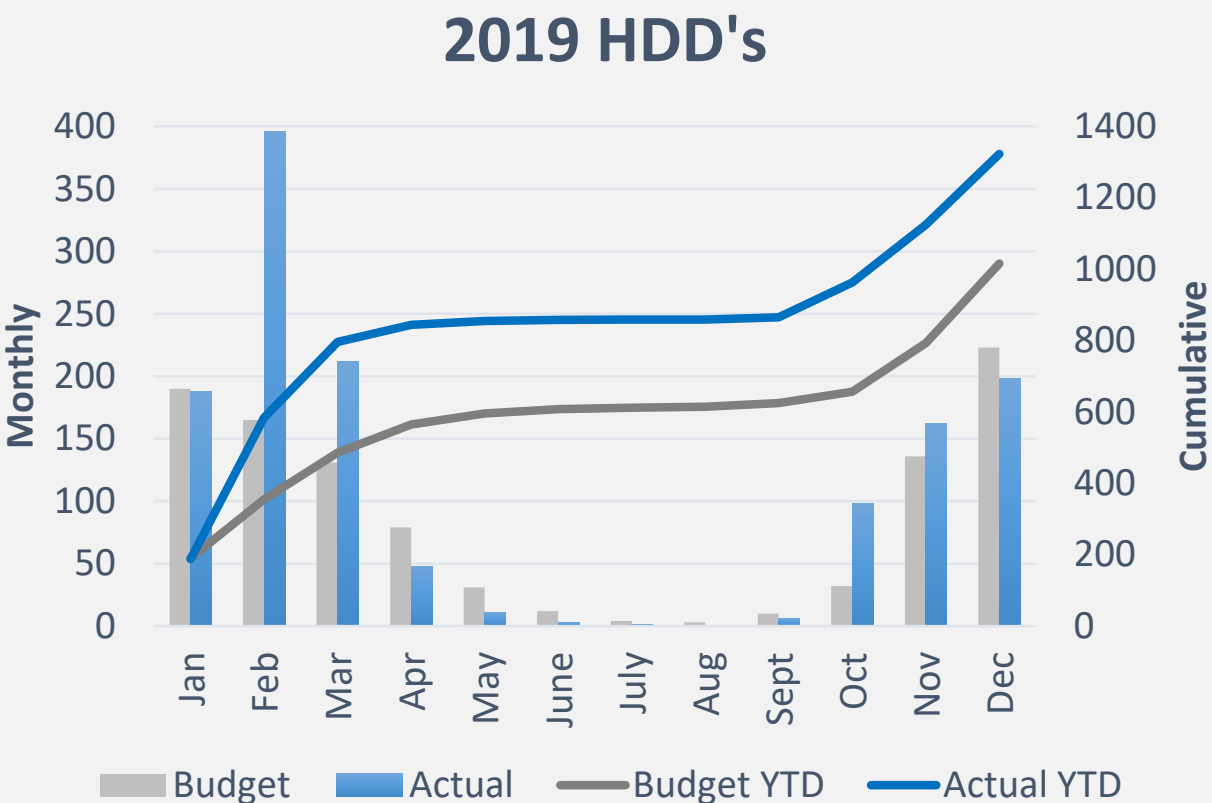
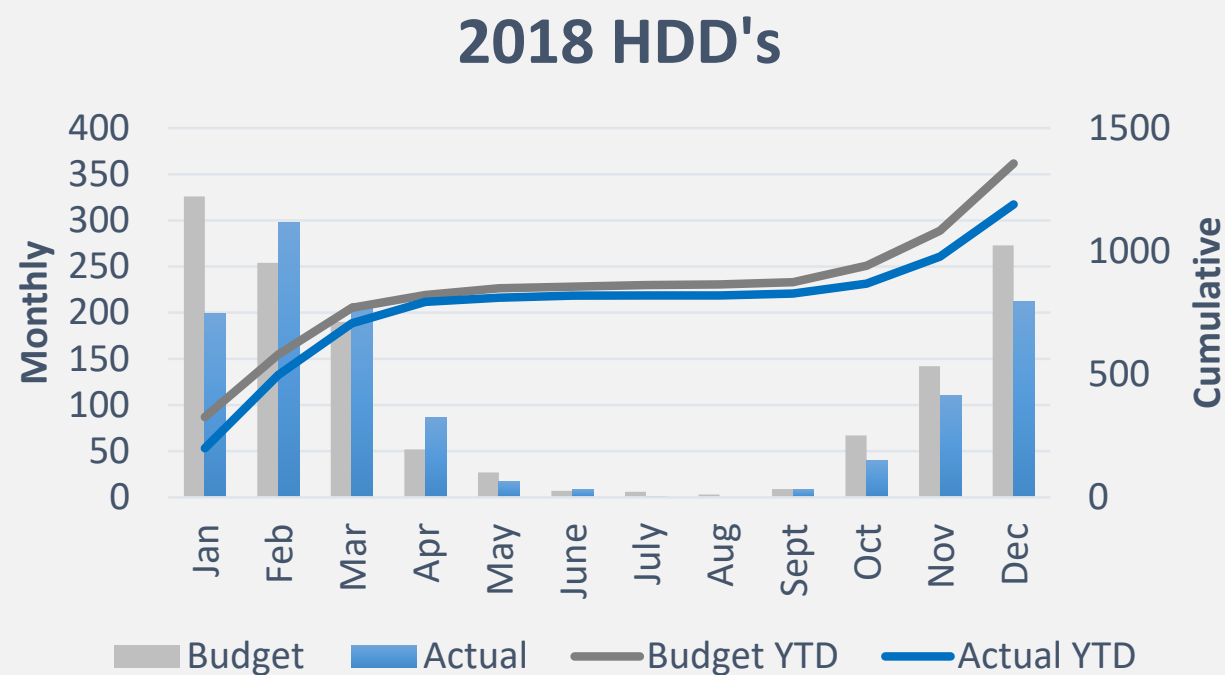
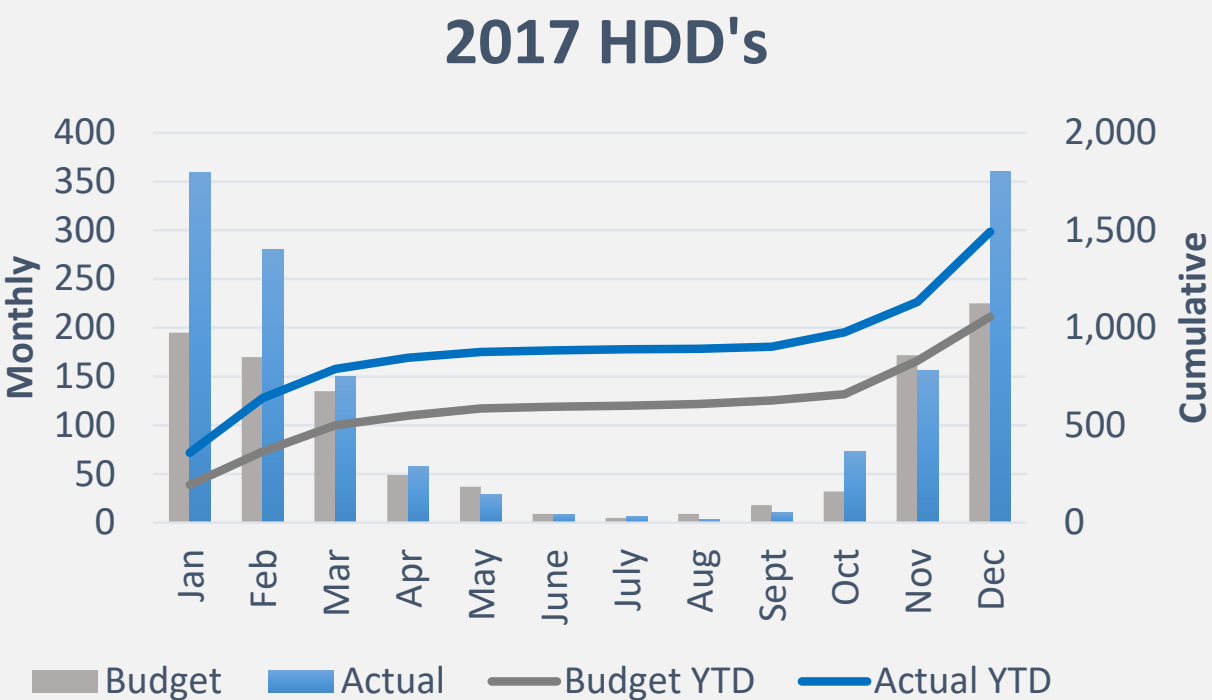
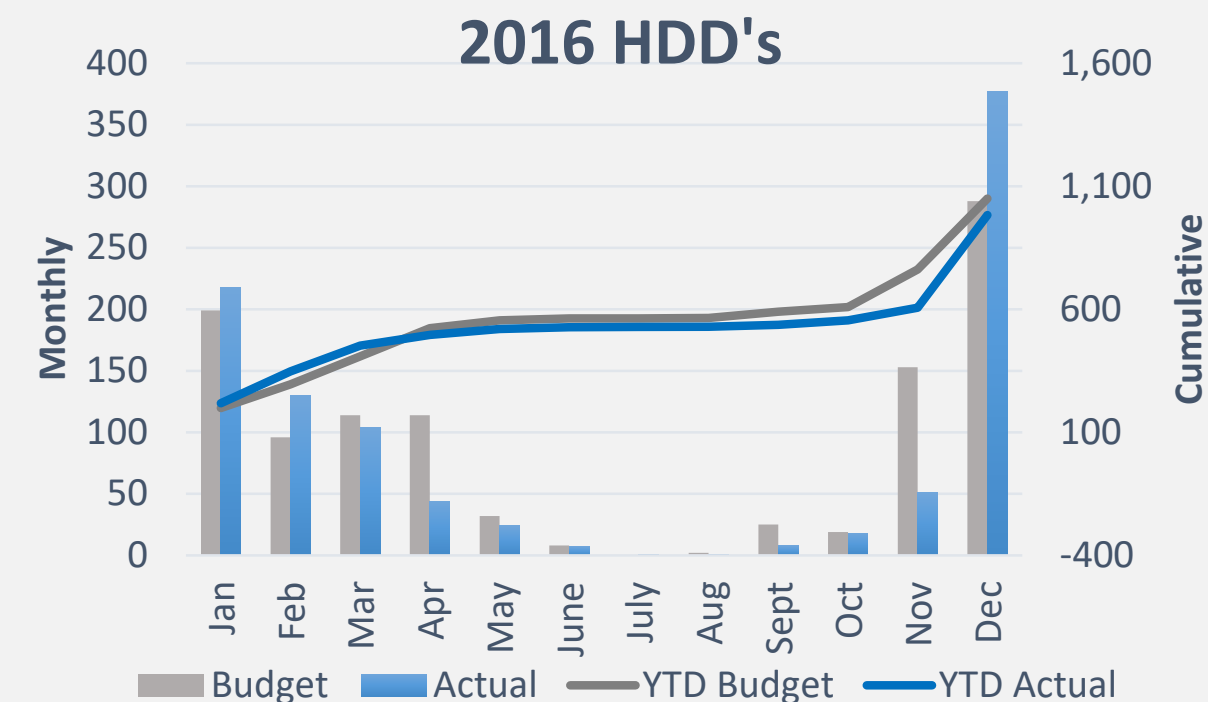
		A. Audited Year End 12/31/2017	B. Audited Year End 12/31/2018	C. Budget Year End 12/31/2019	D. Unaudited Year End 12/31/2019	E. \$ Change (D - C)	F. % Change (D - C)
1	kWh Purchases	229,155,000	217,948,000	206,000,000	<b>221,869,000</b>	15,869,000	7.7%
2	Gross Revenue	28,310,000	29,683,000	30,283,000	<b>31,702,000</b>	1,419,000	4.7%
3	Energy Charge Adjustment	-	-	-	<b>(341,000)</b>	(341,000)	
4	Gross Revenue Total	28,310,000	29,683,000	30,283,000	<b>31,361,000</b>	1,078,000	3.6%
5	Cost of power	8,916,000	9,054,000	9,358,000	<b>9,262,000</b>	(96,000)	-1.0%
6	Operations & G&A	9,971,000	10,181,000	11,034,000	<b>11,178,000</b>	144,000	1.3%
7	Depr, Int & Taxes	6,023,000	7,441,000	8,072,000	<b>8,189,000</b>	117,000	1.4%
8		24,910,000	26,676,000	28,464,000	<b>28,629,000</b>	165,000	0.6%
9	Net Margins	<u>\$ 3,400,000</u>	<u>\$ 3,007,000</u>	<u>\$ 1,819,000</u>	<u><b>\$ 2,732,000</b></u>	913,000	50.2%
10	TIER	3.10	2.67	1.93	<b>2.40</b>	0.47	
11	Equity % of Total Cap	43.7%	41.0%	38.8%	<b>39.7%</b>	1%	
12	Equity	39,152,000	38,633,000	36,897,000	<b>38,403,000</b>	1,506,000	4.1%
13	Total Debt	52,162,000	57,211,000	59,735,000	<b>59,899,000</b>	164,000	0.3%
14	Capital Spending	(18,760,000)	(11,181,000)	(6,341,500)	<b>(7,004,861)</b>	(663,361)	10.5%
15	Capital Credit Retirement (net)	(1,102,034)	(1,084,000)	(1,051,000)	<b>(1,115,000)</b>	(64,000)	6.1%
16	Annual HDD	1,492	1,190	625	<b>865</b>	240	38.4%

---



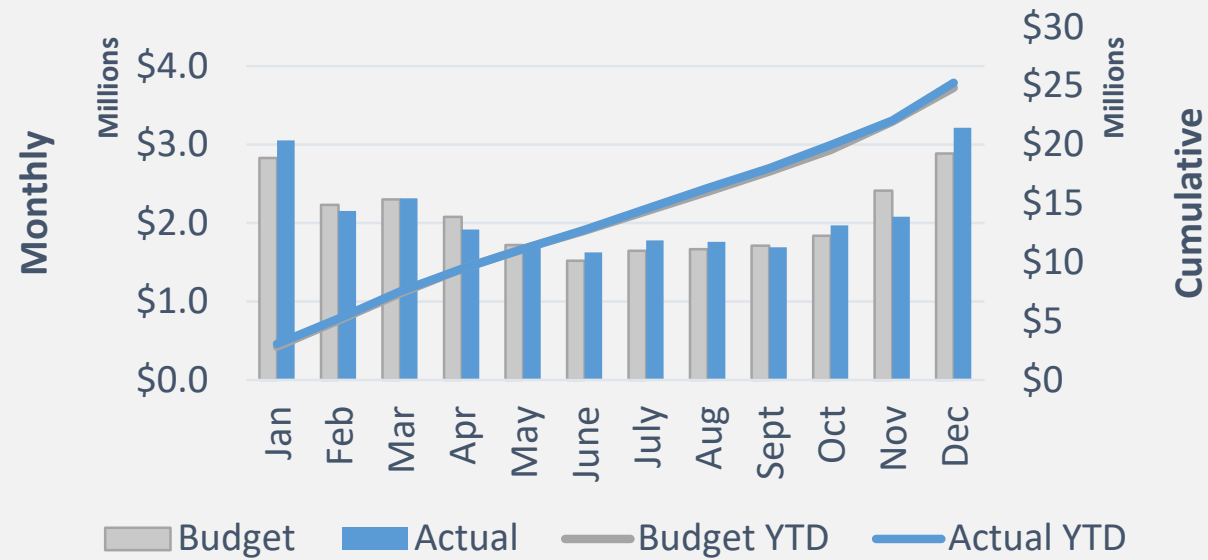
# 2019 Q4 Financial Highlights

# 2019 Budget to Actual: Heating Degree Days

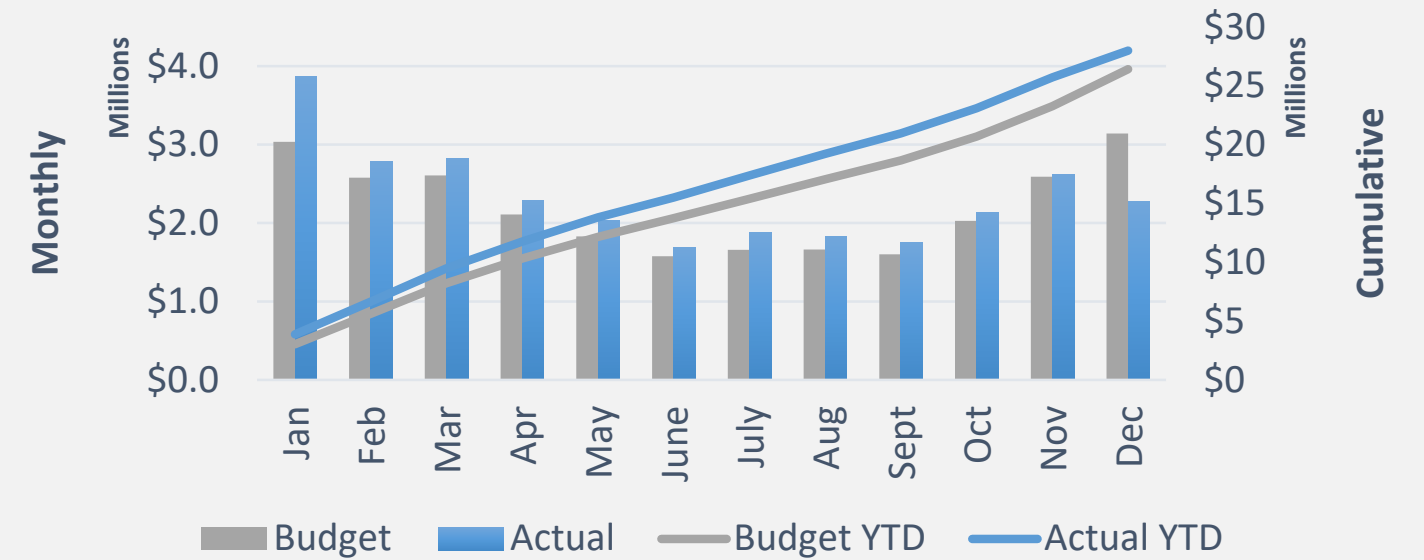


# 2019 Budget to Actual: Revenue

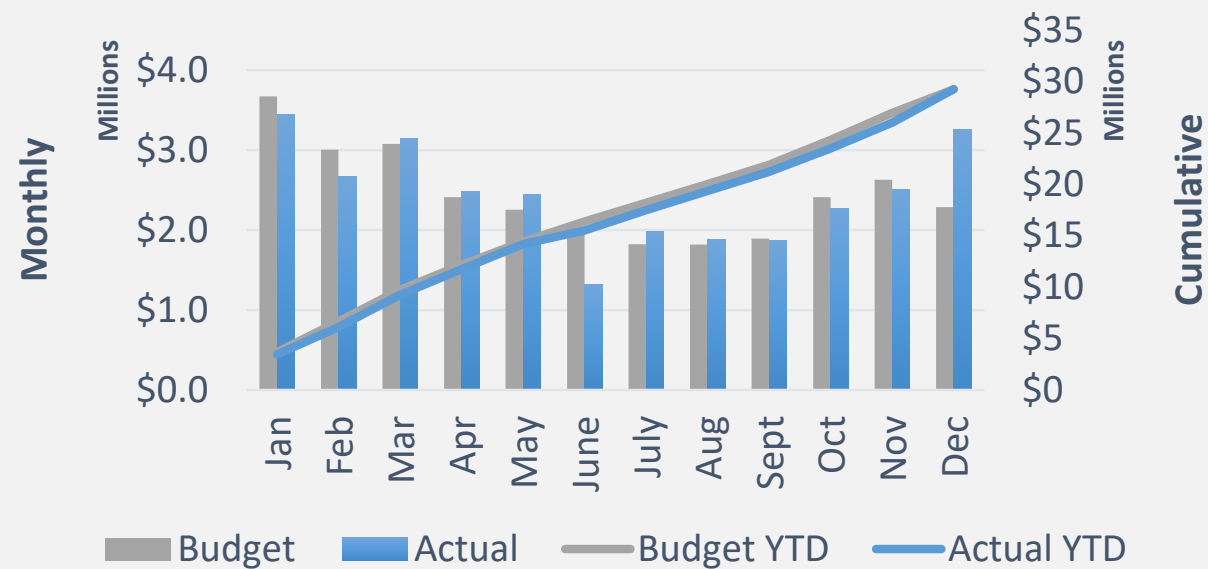
## 2016 Revenue



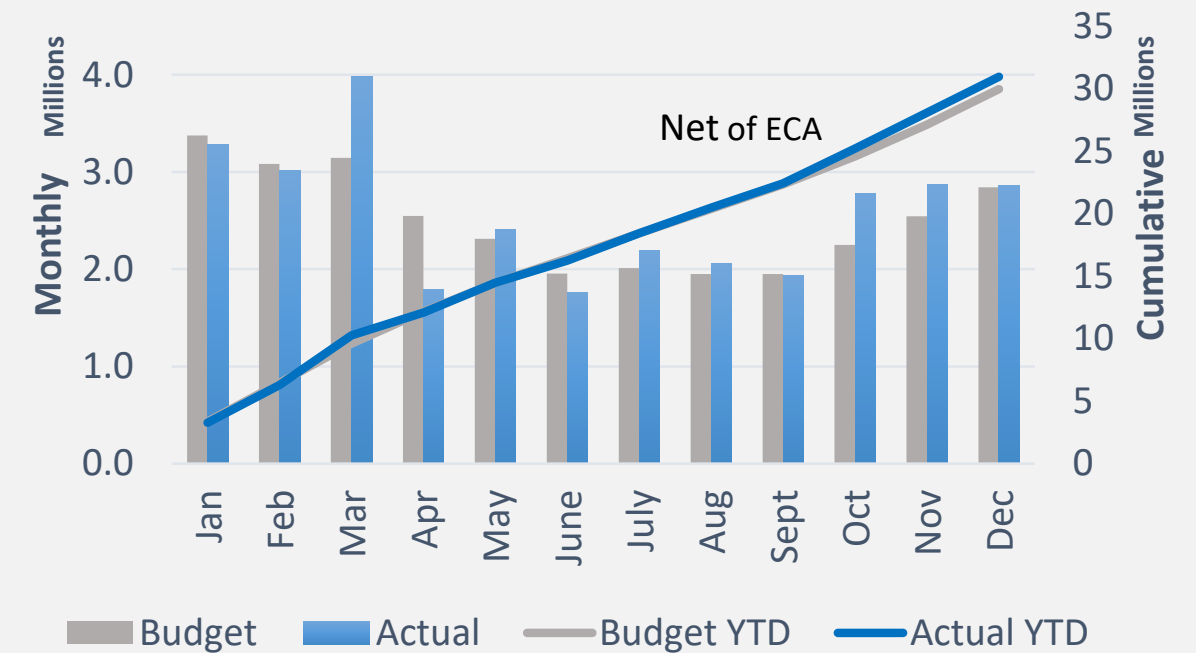
## 2017 Revenue



## 2018 Revenue



## 2019 Revenue





# 2019 Q4 Budget to Actual: Statement of Operations

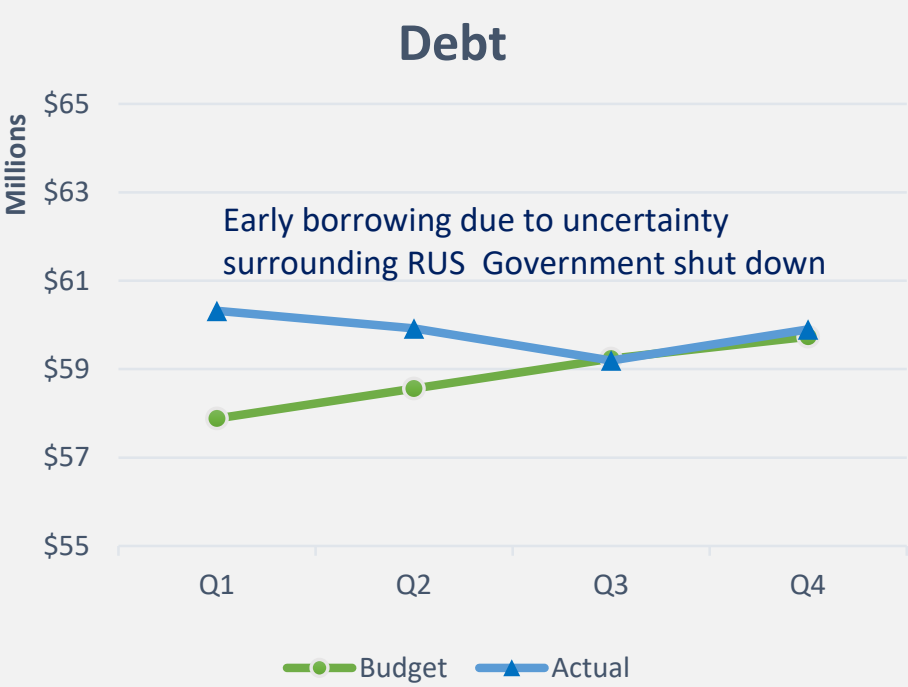
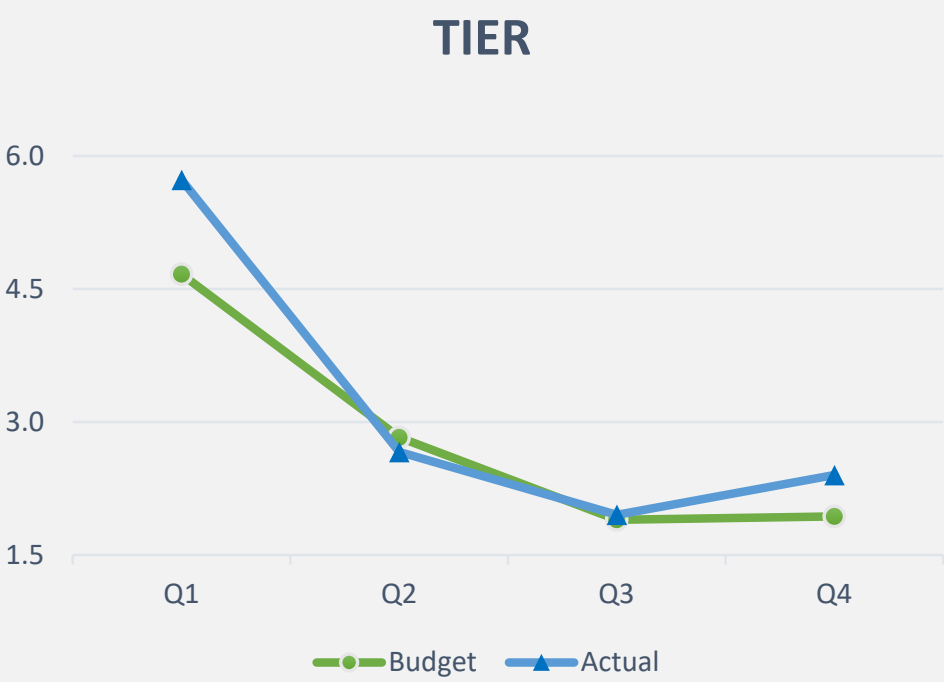
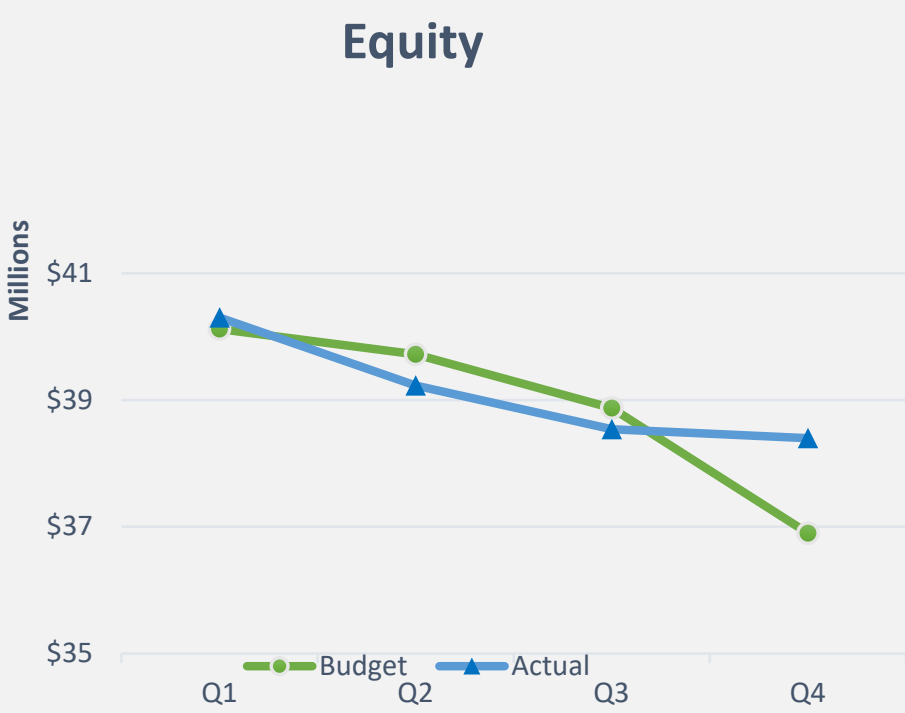
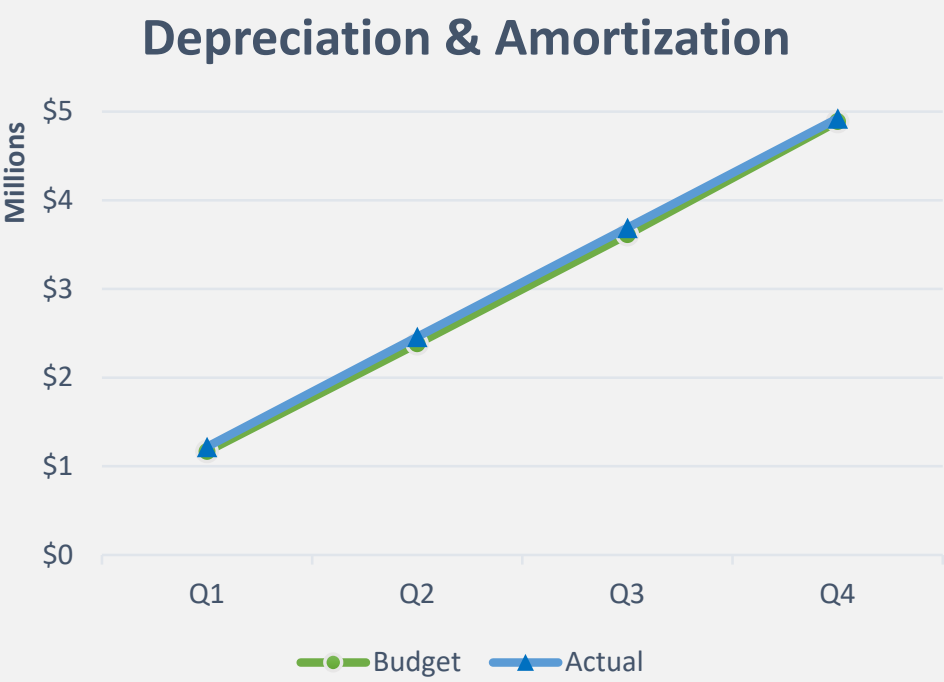
	A. Audited Year End 12/31/2017	B. Audited Year End 12/31/2018	C. Budget Year End 12/31/2019	E. Unaudited Year End 12/31/2019	F. Budget Variance (E - D)
1 OPERATING REVENUES					
2 Residential	\$ 20,153,220	\$ 21,373,137	\$ 21,779,381	\$ 22,679,087	899,706
3 Commercial	7,063,321	7,655,416	7,950,218	7,999,086	48,868
4 Other	768,644	234,822	230,536	260,371	29,835
5 Total operating revenue	27,985,185	29,263,375	29,960,135	30,938,545	978,410
7 OPERATING EXPENSES					
8 Cost of power	8,916,059	9,053,663	9,357,588	9,262,362	(95,226)
9 Transmission	210,740	252,433	262,099	458,165	196,066
10 Distribution - operations	3,617,096	3,365,842	3,665,670	3,604,825	(60,846)
11 Distribution - maintenance	1,767,342	1,945,822	2,197,512	2,170,783	(26,729)
12 Consumer accounts	982,216	1,014,503	1,116,869	1,097,439	(19,430)
14 General and administration					
15 Administration	2,957,169	3,191,624	3,355,745	3,390,513	34,768
16 Energy services	401,970	375,582	400,348	395,013	(5,335)
17 Subsidiary charges (RIC network mgt services)	34,920	34,920	36,055	61,378	25,323
18 Total general and administration	3,394,059	3,602,127	3,792,148	3,846,904	54,756
20 Depreciation and amortization	3,699,958	4,528,224	4,887,249	4,923,805	36,556
21 Taxes	1,261,409	1,365,016	1,424,613	1,444,843	20,230
23 Total operating expenses	23,848,878	25,127,630	26,703,748	26,809,125	105,377
25 Operating margins before fixed charges	4,136,307	4,135,745	3,256,387	4,129,420	873,033
27 FIXED CHARGES					
28 Interest on long-term debt	1,061,579	1,547,868	1,760,491	1,820,581	60,090
30 Operating margins after fixed charges	3,074,728	2,587,877	1,495,896	2,308,838	812,942
32 PATRONAGE CAPITAL CREDITS	77,586	143,090	90,907	125,254	34,347
34 Net operating margins	3,152,314	2,730,967	1,586,803	2,434,092	847,289
36 NON-OPERATING MARGINS					
37 Interest income	144,407	97,091	49,994	123,252	73,258
38 Other income (loss)	(63,005)	13,812	13,426	4,259	(9,167)
39 Total Opalco non-operating margins	81,402	110,903	63,420	127,511	64,091
41 Non-operating margins from Subsidiary					
42 Interest Income (RIC loan)	79,288	79,214	79,214	79,346	132
43 Other income (use of OPALCO backbone)	86,285	86,285	89,785	89,976	191
44 Total non-operating margins from Subsidiary	165,573	165,499	168,999	169,322	323
46 Net non-operating margins	246,975	276,402	232,419	296,833	64,414
48 NET MARGINS	\$ 3,399,289	\$ 3,007,369	\$ 1,819,222	\$ 2,730,925	911,703
50 TIER	3.10	2.67	1.93	2.40	0.47
51 Equity % of Total Cap	43.7%	41.0%	38.8%	39.7%	0.9%



## Notes:

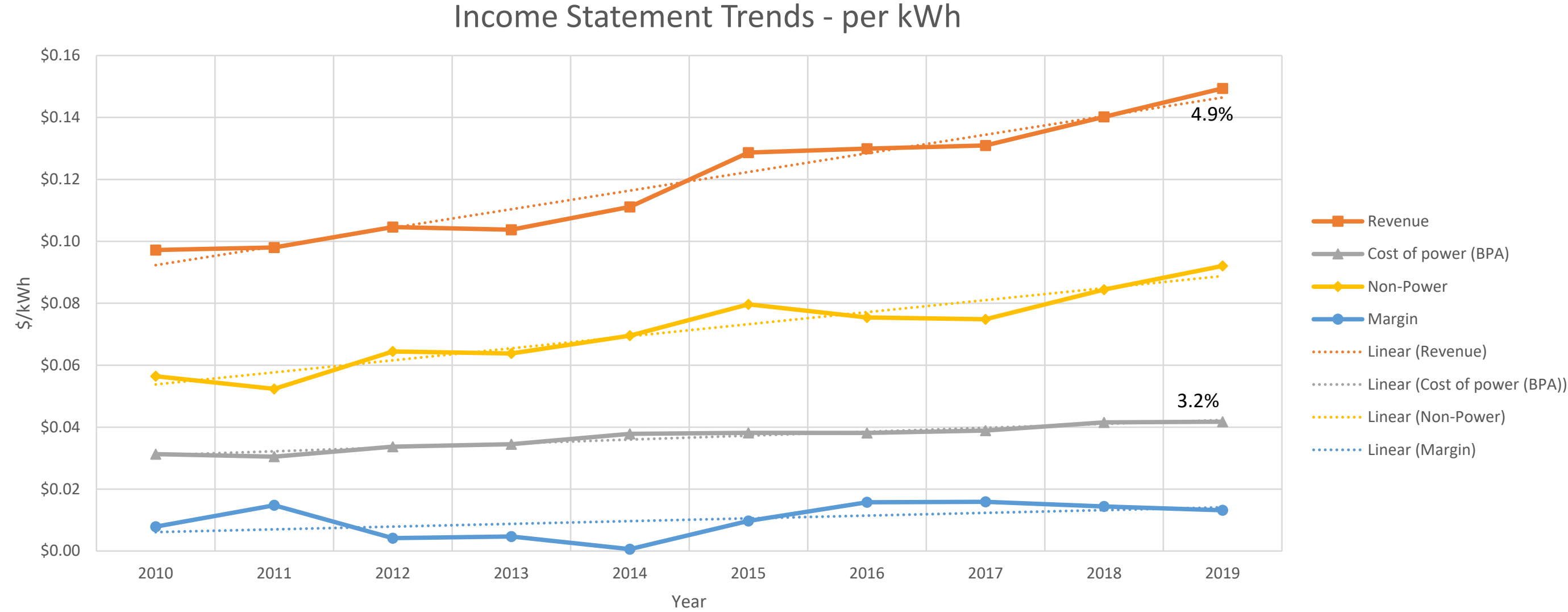
- YTD the ECA has returned a net \$341k in the form of bill credits to the membership which is the primary driver of the overall revenue variance of \$978k.
- Net Margin: \$2.7M (\$912k increase)

# 2019 Q4 Budget to Actual: Financial Metrics





# Income Statement Trends



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2017	B. Audited Year End 12/31/2018	C. Budget Year End 12/31/2019	D. Unaudited Year End 12/31/2019	E. Budget Variance (D - C)	F. Projected Year End 12/31/2019
1 OPERATING REVENUES						
2     Residential	\$ 20,153,220	\$ 21,373,137	\$ 21,779,381	\$ 22,679,087	899,706	\$ 22,250,396
3     Commercial	7,063,321	7,655,416	7,950,218	7,999,086	48,868	8,081,930
4     Other	768,644	234,822	230,536	260,371	29,835	252,931
5         Total operating revenue	27,985,185	29,263,375	29,960,135	30,938,545	978,410	30,585,257
6						
7 OPERATING EXPENSES						
8     Cost of power	8,916,059	9,053,663	9,357,588	9,262,362	(95,226)	9,389,747
9     Transmission	210,740	252,433	262,099	458,165	196,066	374,056
10    Distribution - operations	3,617,096	3,365,842	3,665,670	3,604,825	(60,846)	3,640,906
11    Distribution - maintenance	1,767,342	1,945,822	2,197,512	2,170,783	(26,729)	2,226,848
12    Consumer accounts	982,216	1,014,503	1,116,869	1,097,439	(19,430)	1,032,898
13						
14    General and administration						
15         Administration	2,957,169	3,191,624	3,355,745	3,390,513	34,768	3,361,960
16         Energy services	401,970	375,582	400,348	395,013	(5,335)	389,561
17         Subsidiary charges (RIC network mgt services)	34,920	34,920	36,055	61,378	25,323	61,378
18         Total general and administration	3,394,059	3,602,127	3,792,148	3,846,904	54,756	3,812,899
19						
20    Depreciation and amortization	3,699,958	4,528,224	4,887,249	4,923,805	36,556	4,928,226
21    Taxes	1,261,409	1,365,016	1,424,613	1,444,843	20,230	1,426,009
22						
23         Total operating expenses	23,848,878	25,127,630	26,703,748	26,809,125	105,377	26,831,589
24						
25         Operating margins before fixed charges	4,136,307	4,135,745	3,256,387	4,129,420	873,033	3,753,668
26						
27 FIXED CHARGES						
28     Interest on long-term debt	1,061,579	1,547,868	1,760,491	1,820,581	60,090	1,778,577
29						
30         Operating margins after fixed charges	3,074,728	2,587,877	1,495,896	2,308,838	812,942	1,975,091
31						
32 PATRONAGE CAPITAL CREDITS	77,586	143,090	90,907	125,254	34,347	128,519
33						
34     Net operating margins	3,152,314	2,730,967	1,586,803	2,434,092	847,289	2,103,610
35						
36 NON-OPERATING MARGINS						
37     Interest income	144,407	97,091	49,994	123,252	73,258	121,464
38     Other income (loss)	(63,005)	13,812	13,426	4,259	(9,167)	(3,409)
39         Total Opalco non-operating margins	81,402	110,903	63,420	127,511	64,091	118,055
40						
41     Non-operating margins from Subsidiary						
42         Interest Income (RIC loan)	79,288	79,214	79,214	79,346	132	79,260
43         Other income (use of OPALCO backbone)	86,285	86,285	89,785	89,976	191	89,976
44         Total non-operating margins from Subsidiary	165,573	165,499	168,999	169,322	323	169,236
45						
46     Net non-operating margins	246,975	276,402	232,419	296,833	64,414	287,291
47						
48 NET MARGINS	\$ 3,399,289	\$ 3,007,369	\$ 1,819,222	\$ 2,730,925	911,703	\$ 2,390,901
49						
50     TIER	3.10	2.67	1.93	2.40	0.47	2.23
51     Equity % of Total Cap	43.7%	41.0%	38.8%	39.7%	0.9%	38.7%

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL  
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget Year End 12/31/2019	Unaudited Year End 12/31/2019	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)
1	I OPERATING REVENUES	29,960,135	30,938,545	978,410	
2					Budget Actual Variance
3					HDD 1,016 1,323 307
4					kWh Sales 192,610 207,180 14,570
5	TOTAL OPERATING REVENUES	29,960,135	30,938,545	978,410	Slightly higher than budget - partially due to ECA adjustment to revenue (thru 4th Q \$341k)
6					
7					
8	II OPERATING EXPENSES	26,703,748	26,809,125	105,377	Overall increase in operating expenses
9					
10	Cost of Power - Line 8	9,357,588	9,262,362	(95,226)	Decrease in expense - lower cost per kWh than budgeted (BPA oversupply charges not implemented)
11					Budget Actual Variance
12					kWh Purchases 206,000 221,869 15,869
13					(kWh in thousands)
14	Transmission - Line 9 Detail Breakout:	262,099	458,165	196,066	Increase in expense - right of way maintenance, offset distribution expenses
15					
16	Distribution - Operations - Line 10 Detail Breakout:	3,665,670	3,604,825	(60,846)	Decrease in expense - offset transmission expense
17					
18	Distribution - Maintenance - Line 11 Detail Breakout:	2,197,512	2,170,783	(26,729)	Decrease in expense - offset transmission expense
19					
20	Consumer accounts - Line 12 Detail Breakout:	1,116,869	1,097,439	(19,430)	Decrease in expense
21					
22	Total General and Administrative (G&A):	3,792,148	3,846,904	54,756	Increase in expense
23					
24	Administration G&A - Line 15 Detail Breakout:	3,355,745	3,390,513	34,768	Increase in expense
25					
26	Energy Services G&A - Line 16	400,348	395,013	(5,335)	Decrease in expense
27					
28	Subsidiary Charges G&A - Line 17	36,055	61,378	25,323	Increase in expense - Additional IP block and sales tax
29					
30	Total General and Administrative (G&A)	3,792,148	3,846,904	54,756	Overall increase in expense
31					
32	Deprec. & Amort. - Line 20	4,887,249	4,923,805	36,556	Increase in expense
33					
34	Taxes - Line 21	1,424,613	1,444,843	20,230	Increase in expense
35					
36	TOTAL OPERATING EXPENSES	26,703,748	26,809,125	105,377	Overall increase in expense
37					
38					
39	III FIXED CHARGES - Interest Expense - Line 28	1,760,491	1,820,581	60,090	Increase in expense - early borrowings
40					
41	IV PATRONAGE CAPITAL CREDITS (Income) - Line 32	90,907	125,254	34,347	Increase in income - received from associated cooperatives
42					



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL  
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget Year End 12/31/2019	Unaudited Year End 12/31/2019	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)
43	TOTAL NET OPERATING MARGINS	1,586,803	2,434,092	847,289	Increase in margin
44					
45	V NON-OPERATING MARGINS	232,419	296,833	64,414	Increase in margin
46					
47	Interest and Dividend Income - Line 37 combined with Line 42	129,208	202,598	73,390	Increase in income - interest increase due to investments and OBF
48					
49	Other Income - Line 38 combined with Line 43	103,211	94,235	(8,976)	Decrease in income
50					
51	TOTAL OPALCO NON-OPERATING MARGINS	232,419	296,833	64,414	Increase in margin
52					
53					
54	TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	1,819,222	2,730,925	911,703	Increase in margin

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2016	B. Audited Year End 12/31/2017	C. Audited Year End 12/31/2018	D. <b>Unaudited Year End 12/31/2019</b>	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4    Electric plant in service	\$ 105,702,896	\$ 124,265,509	\$ 136,469,139	\$ 144,301,229	\$ 7,832,090
5    Construction work in progress	12,489,462	10,630,332	6,790,804	5,015,317	(1,775,487)
6					
7	118,192,358	134,895,841	143,259,943	149,316,546	6,056,603
8    Less accumulated depreciation and amortization	44,622,436	45,632,268	49,148,193	53,456,306	4,308,113
9					
10    Net utility plant	73,569,921	89,263,572	94,111,749	95,860,239	1,748,490
11					
12    Investments in associated organizations					
13      Other (CFC, Federated, PNGC, etc.)	1,125,332	1,654,603	1,737,909	1,814,993	77,084
14      Non-utility investment subsidiary (Note 1)	(2,389,473)	(4,944,798)	(7,444,503)	(9,279,459)	(1,834,956)
15      Total investments in associated organizations	(1,264,141)	(3,290,195)	(5,706,594)	(7,464,466)	(1,757,872)
16					
17    Other property and investments	(1,264,141)	(3,290,195)	(5,706,594)	(7,464,466)	(1,757,872)
18					
19 CURRENT ASSETS					
20    Cash and cash equivalents	3,906,844	3,269,223	2,041,535	3,928,583	1,887,048
21    Cash and cash equivalents - board designated	-	750,000	530,765	538,698	7,933
22    Accounts receivable, less doubtful accts allowance	3,610,821	3,136,480	4,501,319	3,910,241	(591,078)
23    Interest receivable	9,386	13,218	6,316	24,279	17,963
24    Materials and supplies	3,711,223	3,221,936	3,045,487	3,006,903	(38,584)
25    Prepaid expenses	349,741	343,443	384,379	452,014	67,635
26					
27    Total current assets	11,588,015	10,734,300	10,509,801	11,860,718	1,350,917
28					
29 DEFERRED CHARGES (Note 2)	-	-	-	647,075	647,075
30					
29    Total assets	\$ 83,893,795	\$ 96,707,676	\$ 98,914,957	\$ 100,903,565	\$ 1,988,608

## BALANCE SHEET

Updated 3/12/2020



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW  
 GAAP

	A.	B.	C.
	Audited	Audited	Unaudited
	Year End	Year End	Year End
	12/31/2017	12/31/2018	12/31/2019
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins	\$ 3,399,289	\$ 3,007,369	\$ 2,730,925
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	3,699,958	4,528,224	4,923,805
6 Changes in assets and liabilities			
7 Accounts receivable	474,341	(1,364,839)	(55,997)
8 Interest receivable	(3,832)	6,902	(17,963)
9 Prepaid expenses	6,298	(40,936)	(67,635)
10 Accounts payable	1,305,014	(1,018,175)	(357,591)
11 Customer deposits	(2,709)	(3,362)	1,402
12 Accrued liabilities	(40,379)	(1,341,890)	(107,317)
13 Deferred credits	(5,936)	40,180	(5,449)
14 Net cash from operating activities	8,832,044	3,813,473	7,044,180
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(19,248,896)	(11,357,751)	(7,659,387)
18 Change in materials and supplies	489,287	176,449	38,584
19 (Increase) decrease in investment in Subsidiary	2,555,325	2,499,705	1,834,956
20 (Increase) decrease in other OPALCO property and investments, net	(529,271)	(83,306)	(77,084)
21			
22 Net cash from investing activities	(16,733,555)	(8,764,903)	(5,862,931)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net (Note 1)	(1,695,281)	548,984	(1,544,017)
25 Proceeds from debt	12,450,000	4,500,000	4,232,000
26 Memberships	(945)	620	(225)
27 Retirements of patronage capital, net	(971,738)	(1,025,396)	(1,119,442)
28 Change in subsidiary equities	(2,552,005)	(2,501,052)	(1,841,675)
29 Contributions in aid of construction	783,860	1,981,350	987,092
30 Net cash from financing activities	8,013,890	3,504,506	713,733
31 NET CHANGE IN CASH	112,379	(1,446,924)	1,894,982
32 CASH AND CASH EQUIVALENTS, beginning of year/period	3,906,844	4,019,223	2,572,299
33 CASH AND CASH EQUIVALENTS, end of year/period	4,019,223	2,572,299	4,467,281
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 1,545,309	\$ 3,083,072	\$ 1,948,626
36 OUTSTANDING DEBT BALANCE	(52,132,468)	(57,210,787)	(59,898,769)
37 Notes:			
38 1 RUS Cushion of Credit no longer exists via the President signing the Agriculture Improvement Act of 2018, as such Cooperatives were no longer allowed to make deposits to the RUS Cushion of Credit after 12/20/18.			

# ORCAS POWER AND LIGHT COOPERATIVE

## STATEMENT OF CASH FLOW

### NON GAAP

Note: All numbers in thousands		A.	B.	C.	D.	E.	F.
		Audited	Audited	Approved	Unaudited	Variance	
		Year-End	Year-End	Budget	Year-End		
		12/31/2017	12/31/2018	12/31/2019	12/31/2019	( D - C )	Comments
1	% Rate Increase	5%	5%	6%	6%		
2	OPERATING ACTIVITIES:						
3	Margins	\$ 3,400	\$ 3,000	\$ 1,800	\$ 2,700	\$ 900	
4	Plus depreciation/amortization	3,700	4,500	4,900	4,900	-	
5	Cash flow operations	7,100	7,500	6,700	7,600	900	
6							
7	PLANT INVESTMENT (NET)						
8	Plant investment (including material inventory)	(18,400)	(10,300)	(4,400)	(4,400)	-	On target
9	Cash flow from operations and plant investment	(11,300)	(2,800)	2,300	3,200	900	
10							
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,100)	(1,100)	(1,050)	(1,120)	(70)	Estate retirements high in Q1 following general retirement
12	Cash flow before borrowings	(12,400)	(3,900)	1,250	2,080	830	
13							
14	NET BORROWINGS	10,800	5,000	2,530	2,700	170	
15	Cash increase (decrease) after net borrowings	\$ (1,600)	\$ 1,100	\$ 3,780	\$ 4,780	\$ 1,000	
16							
17							
18	OUTSTANDING DEBT BALANCE	52,200	57,200	59,700	59,900	200	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	C.	D.	E.	G.
			Audited	Budget	Actual	Budget	
			Year End	Period End	Period End	Variance	
			12/31/2018	12/31/2019	12/31/2019	(D- C)	Comments
1	DISTRIBUTION						
2	100	New Services	\$ 397,842	\$ 372,000	\$ 389,793	\$ 17,793	More new services requests than anticipated (offset to Line 38 - CIAC New Services)
3	200	New Tie Lines	3,147		(6,874)	(6,874)	
4	300	Conversions and Line Changes	754,232	750,000	751,525	1,525	
5	400	New Substations, switching station, metering point, etc.	-		-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,502,357	2,306,000	1,312,375	(993,625)	Decatur Energy Storage Project Delayed to Q2 2020
7	600	Miscellaneous Distribution Equipment					
8	601	Transformers & Meters	801,046	600,000	619,180	19,180	More transclosure replacement opportunities than anticipated
9	602	Sets of Service Wires to increase Capacity	-		-	-	
10	603	Sectionalizing Equipment	1,063	300,000	1,258	(298,742)	Shifted all sectionalizing projects until study complete
11	604	Regulators	114,440	127,000	(1,499)	(128,499)	Shifted regulator installation to 2020 for Orcas Substation
12	605	Capacitors	-	-	-	-	
13	606	Ordinary Replacements	146,639	127,000	226,830	99,830	Greater pole replacements than anticipated
14	608	Underground Dist. Cable Replacement	1,679,837	1,414,000	2,350,837	936,837	Joint CenturyLink projects
15	700	Other Distribution Items					
16	701	Engineering Fees	-		-	-	
17	704	LMS & SCADA	139,991	116,000	138,265	22,265	SCADA network segregation
18	705	AMR	232,872		44,876	44,876	Olga Substation AMR completed in January
19	706	Communications	534,627	150,000	157,426	7,426	
20	TRANSMISSION						
21	800	New Tie Line	-	-	-	-	
22	900	New Substations, switching station, metering point, etc.	526,038	-	-	-	
23	1000	Line and Station Changes	2,672,572	120,000	196,951	76,951	North Shaw Terminal Foundation, Orcas Road Project
24	1100	Other Transmission	-	-	-	-	
25	GENERATION						
26	1200	Generation	-	-	-	-	
27	OTHER						
28	1300	Headquarters Facilities	77,349	630,000	574,560	(55,440)	Eastsound bathroom project kickoff later than anticipated
29	1400	Acquisitions	219,235	-	-	-	
30	1500	All Other (Transportation, Etc.)					
31	1501	Transportation/Equipment/Tools/Radios	612,005	593,000	596,410	3,410	
32	1502	Office Equipment/Furniture/Etc.	9,746	22,000	20,662	(1,338)	
33	1503	Computer/Servers/Software	264,369	293,500	310,903	17,403	UPS Failure
34	1504	Electrical Infrastructure to Support Community Solar	984,612	-	40,263	40,263	Clearing associated with County parcel south of installation
35	1600	Minor Projects	605,704	175,000	268,214	93,214	Greater Joint Projects than anticipated (Cormorant Bay Road and West Beach Culvert)
36	RUS CWP SUBTOTAL		12,279,724	8,095,500	7,991,954	(103,546)	Main driver was the battery grant submittal of \$820k delayed to 2020
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)						
38		New Services	(448,823)	(350,000)	(439,694)	(89,694)	More new services requests than anticipated (offset to Line 2 - New Services)
39		Meters and Transformers	(273,110)	(288,000)	(280,290)	7,710	More new services requests than anticipated (offset to Line 8 - Transformers)
40		Joint Projects	(94,806)	(296,000)	(266,480)	29,520	Offset to Lines 3,4,14,35
41		Island Network Department	-		-	-	
42		WA DOC Grant Funding	(180,000)	(820,000)	-	820,000	WA DOC Submittal Delay (Offset to Line 6)
43		Community Solar Member Contributions	(984,612)		(627)	(627)	
44	CIAC SUBTOTAL		(1,981,350)	(1,754,000)	(987,092)	766,908	
45							
46	RUS CWP NET TOTAL		10,298,373	6,341,500	7,004,861	663,361	
47							
48	Notes:						
49	1	\$127,938.25 in Allowance for Funds Used During Construction (AFUDC). This cost is embedded in the associated projects listed above for capitalization purposes.					
50	2	\$147,213.75 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	1,016	190	165	131	79	31	12	4	3	10	32	136	223	1,016
3	Actual HDD	1,323	188	396	212	48	11	3	1	0	6	98	162	198	1,323
4	Variance	307	(2)	231	81	(31)	(20)	(9)	(3)	(3)	(4)	66	26	(25)	307
5															
6	ENERGY USAGE (kWh)														
7	Residential														
8	Budget	141,121,202	15,946,696	14,535,483	14,817,725	11,995,301	10,866,333	9,172,878	9,455,120	9,172,878	9,172,878	10,584,090	11,995,301	13,406,519	141,121,202
9	Actual	148,275,908	16,109,015	19,286,456	20,103,492	8,494,510	8,887,162	7,190,750	7,918,544	7,635,698	7,733,671	11,741,486	14,891,105	18,284,019	148,275,908
10	Variance (Budget to Actual)	7,154,706	162,319	4,750,973	5,285,767	(3,500,791)	(1,979,171)	(1,982,128)	(1,536,576)	(1,537,180)	(1,439,207)	1,157,396	2,895,804	4,877,500	7,154,706
11															
12	Commercial														
13	Budget	51,488,798	5,818,234	5,303,347	5,406,324	4,376,548	3,964,637	3,346,772	3,449,750	3,346,772	3,346,772	3,861,660	4,376,548	4,891,433	51,488,798
14	Actual	58,904,315	5,719,175	6,201,470	6,507,666	4,149,607	4,210,926	3,909,349	4,192,552	4,291,685	3,802,005	4,702,680	5,211,908	6,005,292	58,904,315
15	Variance (Budget to Actual)	7,415,517	(99,059)	898,123	1,101,342	(226,941)	246,289	562,577	742,802	944,913	455,233	841,020	835,360	1,113,859	7,415,517
16															
17	Combined Energy Usage (kWh)														
18	Budget	192,610,000	21,764,930	19,838,830	20,224,049	16,371,849	14,830,970	12,519,650	12,904,870	12,519,650	12,519,650	14,445,750	16,371,849	18,297,952	192,610,000
19	Actual	207,180,223	21,828,190	25,487,926	26,611,158	12,644,117	13,098,088	11,100,099	12,111,096	11,927,383	11,535,676	16,444,166	20,103,013	24,289,311	207,180,223
20	Variance (Budget to Actual)	14,570,223	63,260	5,649,096	6,387,109	(3,727,732)	(1,732,882)	(1,419,551)	(793,774)	(592,267)	(983,974)	1,998,416	3,731,164	5,991,359	14,570,223
21															
22	SALES REVENUE (kWh based)														
23	Residential														
24	Budget	21,762,277	2,459,137	2,241,515	2,285,039	1,849,794	1,675,695	1,414,548	1,458,073	1,414,548	1,414,548	1,632,171	1,849,794	2,067,416	21,762,277
25	Actual	22,663,733	2,481,051	2,280,418	3,022,915	1,254,770	1,710,616	1,224,574	1,536,586	1,421,143	1,382,307	2,003,479	2,175,817	2,170,056	22,663,733
26	Variance (Budget to Actual)	901,456	21,914	38,904	737,875	(595,023)	34,921	(189,974)	78,514	6,595	(32,241)	371,308	326,024	102,640	901,456
27															
28	Commercial														
29	Budget	7,940,079	897,229	817,828	833,708	674,907	611,386	516,105	531,985	516,105	516,105	595,506	674,907	754,308	7,940,079
30	Actual	7,989,321	777,162	707,092	934,924	509,471	670,666	506,478	630,905	613,536	538,874	753,666	676,105	670,440	7,989,321
31	Variance (Budget to Actual)	49,242	(120,067)	(110,736)	101,216	(165,435)	59,280	(9,627)	98,920	97,431	22,769	158,160	1,198	(83,867)	49,242
32															
33	Combined kWh Sales Revenue														
34	Budget	29,702,356	3,356,366	3,059,343	3,118,747	2,524,700	2,287,081	1,930,653	1,990,058	1,930,653	1,930,653	2,227,677	2,524,700	2,821,724	29,702,356
35	Actual	30,653,054	3,258,213	2,987,511	3,957,839	1,764,241	2,381,282	1,731,052	2,167,492	2,034,680	1,921,181	2,757,145	2,851,922	2,840,496	30,653,054
36	Variance (Budget to Actual)	950,698	(98,153)	(71,832)	839,091	(760,459)	94,201	(199,601)	177,434	104,026	(9,472)	529,469	327,222	18,773	950,698
37	NOTE: Excluded Other Revenue and Revenues that are not usage based.														
38															
39	POWER COST														
40	Budget	9,357,588	1,053,484	961,215	979,669	795,130	721,722	610,591	629,045	610,591	610,591	702,914	795,183	887,452	9,357,588
41	Actual	9,261,694	899,802	1,232,811	972,870	716,007	568,530	586,309	630,634	571,900	649,474	861,792	702,312	869,253	9,261,694
42	Variance (Budget to Actual)	(95,894)	(153,682)	271,596	(6,799)	(79,123)	(153,192)	(24,282)	1,589	(38,691)	38,883	158,878	(92,871)	(18,199)	(95,894)

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 December 2019

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
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	29,263,375	30,938,545	29,960,135	2,863,456
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	9,053,663	9,262,362	9,357,588	869,253
4. Transmission Expense	252,433	458,165	262,099	34,970
5. Regional Market Expense	0	0	0	0
6. Distribution Expense - Operation	3,365,842	3,604,825	3,665,670	275,616
7. Distribution Expense - Maintenance	1,945,822	2,170,783	2,197,512	130,416
8. Customer Accounts Expense	1,014,503	1,097,439	1,116,869	87,980
9. Customer Service and Informational Expense	503,334	538,987	595,255	54,253
10. Sales Expense	45,088	54,995	43,000	4,620
11. Administrative and General Expense	3,048,704	3,245,423	3,148,743	291,812
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>19,229,389</b>	<b>20,432,979</b>	<b>20,386,736</b>	<b>1,748,920</b>
13. Depreciation and Amortization Expense	4,528,224	4,923,805	4,887,249	412,187
14. Tax Expense - Property & Gross Receipts	315,672	347,042	363,023	28,919
15. Tax Expense - Other	1,049,343	1,097,801	1,061,590	103,301
16. Interest on Long-Term Debt	1,802,714	1,948,626	1,946,648	157,945
17. Interest Charged to Construction - Credit	(254,846)	(128,044)	(186,157)	(4,688)
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	5,000	7,500	5,150	0
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>26,675,496</b>	<b>28,629,709</b>	<b>28,464,239</b>	<b>2,446,584</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>2,587,879</b>	<b>2,308,836</b>	<b>1,495,896</b>	<b>416,872</b>
22. Non Operating Margins - Interest	176,305	202,598	129,208	16,845
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	100,097	94,235	103,211	12,756
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	143,090	125,254	90,907	64,647
28. Extraordinary Items				
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>3,007,371</b>	<b>2,730,923</b>	<b>1,819,222</b>	<b>511,120</b>

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION  WA0009		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED  December 2019		
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	227	182	5. Miles Transmission	42.65	42.65
2. Services Retired	93	89	6. Miles Distribution – Overhead	152.10	150.01
3. Total Services in Place	15,142	15,235	7. Miles Distribution - Underground	1,053.36	1,057.59
4. Idle Services (Exclude Seasonals)	811	758	8. Total Miles Energized (5 + 6 + 7)	1,248.11	1,250.25
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	144,301,229		30. Memberships	56,355	
2. Construction Work in Progress	4,949,226		31. Patronage Capital	40,016,739	
3. Total Utility Plant (1 + 2)	149,250,455		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	53,390,215		33. Operating Margins - Current Year	2,636,690	
5. Net Utility Plant (3 - 4)	95,860,240		34. Non-Operating Margins	94,235	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	(4,401,179)	
7. Investments in Subsidiary Companies	(9,279,459)		36. Total Margins & Equities (30 thru 35)	38,402,840	
8. Invest. in Assoc. Org. - Patronage Capital	1,244,479		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	49,958,858	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	558,274		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	8,261,709	
12. Other Investments	1,940		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	698,904		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	(6,765,562)		43. Total Long-Term Debt (37 thru 41 - 42)	58,220,567	
15. Cash - General Funds	2,700,103		44. Obligations Under Capital Leases - Noncurrent	19,562	
16. Cash - Construction Funds - Trustee	37,947		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	19,562	
18. Temporary Investments	1,103,677		47. Notes Payable	0	
19. Notes Receivable (Net)	51,284		48. Accounts Payable	1,622,229	
20. Accounts Receivable - Sales of Energy (Net)	2,403,764		49. Consumers Deposits	85,259	
21. Accounts Receivable - Other (Net)	109,660		50. Current Maturities Long-Term Debt	1,640,582	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	3,006,903		52. Current Maturities Capital Leases	18,057	
24. Prepayments	452,014		53. Other Current and Accrued Liabilities	583,738	
25. Other Current and Accrued Assets	1,296,461		54. Total Current & Accrued Liabilities (47 thru 53)	3,949,865	
26. Total Current and Accrued Assets (15 thru 25)	11,161,813		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	310,732	
28. Other Deferred Debits	647,075		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	100,903,566	
29. Total Assets and Other Debits (5+14+26 thru 28)	100,903,566				




UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  WA0009
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019
<b>PART D. NOTES TO FINANCIAL STATEMENTS</b>	

DRAFT

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  WA0009
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

DRAFT

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION WA0009			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2019			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	75,833,611	8,107,900	1,851,259		82,090,252		
2. General Plant	21,749,311	1,354,882	90,461		23,013,732		
3. Headquarters Plant	3,340,141	12,129			3,352,270		
4. Intangibles	1,539,562				1,539,562		
5. Transmission Plant	34,005,954	460,936	162,038		34,304,852		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	559				559		
8. Total Utility Plant in Service (1 thru 7)	136,469,138	9,935,847	2,103,758		144,301,227		
9. Construction Work in Progress	6,780,795	(1,831,569)			4,949,226		
10. Total Utility Plant (8 + 9)	143,249,933	8,104,278	2,103,758		149,250,453		
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	3,045,487	770,679	32,780	1,039,279		197,236	3,006,903
2. Other	0						0
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	59.600	107.000	29.800	128.400		324.800	
2. Five-Year Average	183.400	314.200	55.500	320.900		874.000	
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	51	4. Payroll - Expensed				3,923,525	
2. Employee - Hours Worked - Regular Time	108,635	5. Payroll - Capitalized				853,230	
3. Employee - Hours Worked - Overtime	3,243	6. Payroll - Other				734,347	
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			1,300,000	13,143,543		
	b. Special Retirements			351,477	7,760,754		
	c. Total Retirements (a + b)			1,651,477	20,904,297		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power						
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			125,254			
	c. Total Cash Received (a + b)			125,254			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	13,613	2. Amount Written Off During Year	\$	17,830		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %		4. Anticipated Loan Default %					
2. Actual Loan Delinquency %		5. Actual Loan Default %					
3. Total Loan Delinquency Dollars YTD	\$		6. Total Loan Default Dollars YTD			\$	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION						BORROWER DESIGNATION  WA0009			
INSTRUCTIONS - See help in the online application						PERIOD ENDED December 2019			
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Pacific Northwest Genertg Coop	14323			221,868,514	9,261,694	4.17		
2	*Miscellaneous	700000	Net Metering	Solar - photovoltaic	12,968	668	5.15		
	Total				221,881,482	9,262,362	4.17		



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT  ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION  WA0009	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2019	
<b>PART K. kWh PURCHASED AND TOTAL COST</b>			
<b>No</b>	<b>Comments</b>		
1			
2			

DRAFT

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION  WA0009	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2019	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	Dell Financial Services	Computer Hardware/Software	40,995
	TOTAL		40,995

DRAFT

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WA0009	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2019	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/13/2019	2. Total Number of Members 11,271	3. Number of Members Present at Meeting 151	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 1,948	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 139,342	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION  WA0009		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2019		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)				
2	National Rural Utilities Cooperative Finance Corporation	8,029,709	346,361	260,781	607,142
3	CoBank, ACB				
4	Federal Financing Bank	49,958,858	1,602,265	1,293,081	2,895,346
5	RUS - Economic Development Loans			3,333	3,333
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	Rural Energy Savings Program (RESP)	232,000			
11	Dell Financial Services	19,562		40,995	40,995
	TOTAL	58,240,129	1,948,626	1,598,190	3,546,816



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WA0009		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2019		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	13,333	13,266	
	b. kWh Sold			148,275,908
	c. Revenue			22,679,087
2. Residential Sales - Seasonal	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
3. Irrigation Sales	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,896	1,891	
	b. kWh Sold			58,840,400
	c. Revenue			7,989,321
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	6	6	
	b. kWh Sold			63,915
	c. Revenue			9,765
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		15,235	15,163	
11. Total kWh Sold (lines 1b thru 9b)				207,180,223
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				30,678,173
13. Transmission Revenue				
14. Other Electric Revenue				260,371
15. kWh - Own Use				1,294,954
16. Total kWh Purchased				221,881,482
17. Total kWh Generated				
18. Cost of Purchases and Generation				9,720,527
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				66,417

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				BORROWER DESIGNATION WA0009		
INSTRUCTIONS - See help in the online application.				PERIOD ENDED December 2019		
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	924	948,580	4,034	6,576	3,674,939	15,675
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	28	140,066	977	544	1,591,915	11,837
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	952	1,088,646	5,011	7,120	5,266,854	27,512

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p><b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</b></p>	<p>BORROWER DESIGNATION WA0009</p> <p>PERIOD ENDED December 2019</p>
--	--

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

**PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)**

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Misc Memberships	9,300	1,000		
	Misc. Patronage Capital	114,322	399,412	11,014	
	Federated Rural Electric Stock Certificate	228,185		26,994	
	CFC Capital term Certificate		558,274	32,523	
	PNGC Capital Term Certificate		502,560	54,723	
	Investment in Subsidiary	(9,279,459)			
	Totals	(8,927,652)	1,461,246	125,254	
<b>4</b>	<b>Other Investments</b>				
	Computershare	1,940			
	Totals	1,940			
<b>5</b>	<b>Special Funds</b>				
	Washington Federal Savings		222,839		
	HomeStreet Bank		109,627		
	CoBank		159,018		
	Islanders' Bank (Project PAL and More)		160,206		
	CFC Commercial Paper		47,215		
	Totals		698,905		
<b>6</b>	<b>Cash - General</b>				
	Key Bank		(341,133)		
	Islanders' Bank	2,640,787	250,000		
	Wells Fargo		76,499		
	Petty Cash	600			
	Cash Clearing	73,350			
	Totals	2,714,737	(14,634)		
<b>8</b>	<b>Temporary Investments</b>				
	CFC Select Notes		1,103,677		
	Totals		1,103,677		
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	Custom Orders	110,276			
	AR Employees	(616)			
	Notes Receivable OBF	64,422			
	OBF Loss Reserve	(13,138)			
	Totals	160,944			
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	(6,050,031)	3,249,194	125,254	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT  ELECTRIC DISTRIBUTION  INVESTMENTS, LOAN GUARANTEES AND LOANS</b>	Borrower Designation WA0009  Period Ended December 2019
--	---

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Island Network LLC	9/30/2020	3,500,000	3,305,000	
2	Island Network LLC	4/20/2036	7,500,000	7,500,000	
3	Island Network LLC	4/20/2036	6,000,000	6,000,000	
4	Island Network LLC	12/20/2037	4,050,000	4,050,000	
5	Island Network LLC	12/20/2037	1,450,000	1,450,000	
6	Island Network LLC	12/20/2038	3,500,000	3,500,000	
	<b>TOTAL</b>		26,000,000	25,805,000	
	TOTAL (Included Loan Guarantees Only)				



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WA0009			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					-4.05 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				