

Orcas Power and Light Coorperative

2020 Year End Unaudited Financial Report



MEMORANDUM

March 12, 2021

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2020 Year End Unaudited Financial Report

OPALCO and Rock Island teams are very proud of the fact that we have safely kept the power on and internet functioning during the challenges of COVID-19 in 2020. We refer to it as “holding up our end of the bargain” for our community and membership and following our mission of serving our members with safe, reliable, sustainable and cost-effective essential utility services with no service disconnections. Despite the unexpected financial impacts of the pandemic in 2020, OPALCO ended the year in a strong financial position as evidenced in the attached 2020 Year End Unaudited Financial Report. OPALCO ended the year with less than 0.5% variance in budgets for purchased power, all other expenses and revenues. 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 2020 RUS Financial and Operating Report Electric Distribution.

The impacts from COVID-19 began to influence kWh sales / revenue in March and continued through the end of the year. There are ~400 co-op members participating in assistance measures through EAP, EAP-C, and PAL (heating season October through April). Members’ situations were compounded by the long duration of the pandemic disruption: restaurants and businesses were closed for most of the year and continue to struggle with less than their full business model, some businesses have closed permanently, many parents were – and are – unable to work while their kids are schooling from home. OPALCO’s COVID-19 relief measures have helped the membership to get through this challenging period to date, but the work is not nearly done. The pandemic continues and the membership has yet to face the restoration phase of getting back to work, businesses reopened and OPALCO account balances caught up.

The energy charge adjustment (ECA) returned \$651k (\$300k in January based on December 2019 calculation) to the membership in 2020, which was the result of higher kWh sales than budgeted and slightly lower wholesale cost of power per kWh purchased. The impact of COVID-19 on our commercial members is also notable as commercial revenue was below budget by ~\$697k. While much commercial consumption shifted to residential, sales were also bolstered by higher kWh sales than budgeted. All factors combined resulted in an increase in the margin of \$264k as compared to budget.

The table below provides a summary of the financial results of 2020.

Income Statement Summary (in thousands)	Year End 2020 (unaudited)		
	Budget	Actual	Variance
Gross Revenue	\$ 32,185	\$ 33,116	\$ 931
ECA Surcharge / (Credit)*	-	(651)	(651)
Revenue	32,185	32,465	280
Expenses			
Cost of Power	9,533	9,513	(20)
Transmission & Distribution Expense	6,616	6,784	168
General & Administrative Expense	5,316	5,292	(24)
Depreciation, Tax, Interest & Other	8,605	8,497	(108)
Total Expenses	30,070	30,086	16
Margin	\$ 2,115	\$ 2,379	\$ 264
TIER	2.06	2.18	0.12
HDD	1,367	1,315	(52)
kWh Purchases	212,000	225,413	13,413
kWh Sales	198,930	212,087	13,157

* The ECA returned \$651k to members in the form of bill credits in 2020

For more detail, please note the following key points:

- Heating Degree Days (HDD) were ~3.8% below budgeted levels (actual of 1,315 vs. budget of 1,367) however, kWh sales were 13.1M kWh above budget (212M vs. budget of 198.9M) primarily resulting from stay-at-home orders increasing residential revenue to ~4% above budget.
- 2020 power purchases were only \$20k less than budgeted, a slightly lower cost/kWh purchased. Actual kWh purchases were 13.4M kWh above budget (225.4M vs. budget of 212M).
- Excluding purchased power, 2020 operating expenses were approximately \$77k under budgeted amounts.
- The ECA for 2020 was a net credit to members (and reduction to operating revenue) of \$651k, or \$21.11 for a member using 1000 kWh/month. Due to the one-month lag in billing the calculated ECA, ~\$300k of the 2020 ECA was derived from December 2019.
- Borrowings were accelerated in 2020, primarily due to COVID-19 pandemic uncertainties. OPALCO borrowed the 2020 budgeted amount of \$3.1M to ensure funding in case the pandemic impacts continued throughout the year. OPALCO borrowed an additional \$6.4M in restricted funding which was approved by the Board during the May meeting in order to take advantage of lower interest rates to save member funds in the future.
- As another measure to offset the economic uncertainty of the COVID-19 pandemic, OPALCO applied for and received late April ~\$1.79M as part of the CARES Act - Paycheck Protection Program (PPP). The funds are currently included as part of other long-term debt. Applying for the PPP was an act of precaution to protect the 50 jobs OPALCO provides in an atmosphere of uncertainty.
- Dynamically lowered overall expenses to combat possibility of lower revenue.
- TIER ended the year slightly higher at 2.18 vs. the budget of 2.06. 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 2.42 (average of highest 2 of the last 3 years).
- Rock Island Communications 2020 Financials included in separate packet.

OPALCO 2020 Financial Package under separate cover.

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS
EXECUTIVE SUMMARY

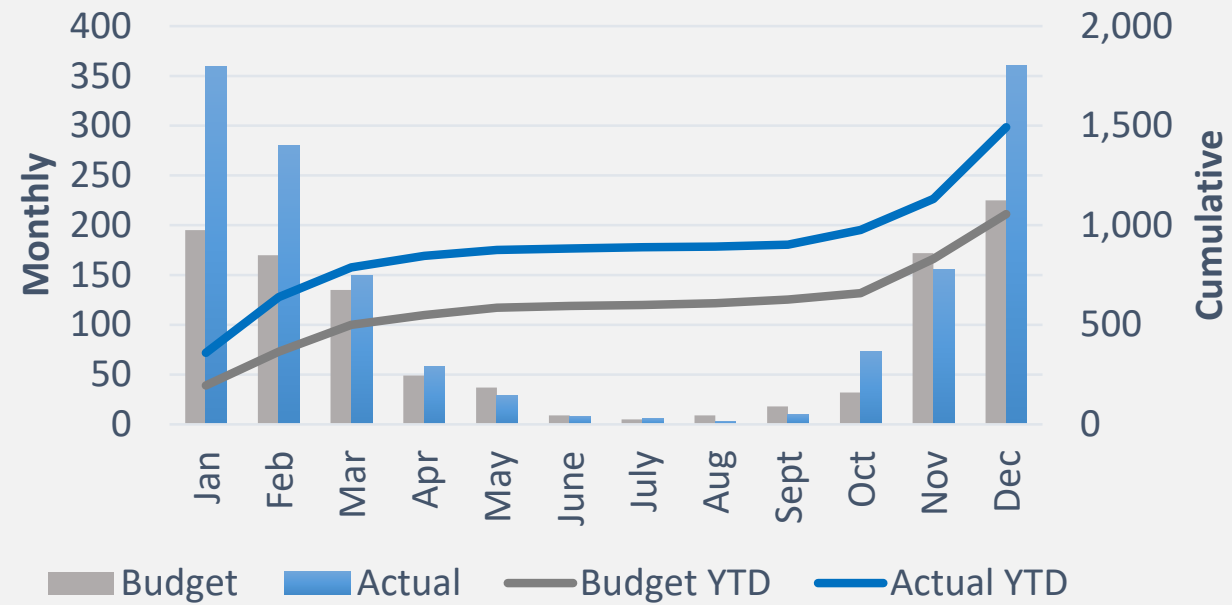
		A. Audited Year End 12/31/2018	B. Actual Period End 12/31/2019	C. Budget Year End 12/31/2020	D. Unaudited Year End 12/31/2020	E. Budget \$ Change (D - C)	F. Budget % Change (D - C)	
1	kWh Purchases	217,948,000	221,869,000	212,000,000	225,413,000	13,413,000	6.3%	
2	Gross Revenue	29,683,000	31,702,000	32,185,000	33,116,000	931,000	2.9%	
3	Energy Charge Adjustment	-	(341,000)	-	(651,000)	(651,000)		
4	Gross Revenue Total	29,683,000	31,361,000	32,185,000	32,465,000	280,000	0.9%	
5	Cost of power	9,054,000	9,262,000	9,533,000	9,513,000	(20,000)	-0.2%	
6	Operations & G&A (Note 2)	10,181,000	11,178,000	11,931,000	12,076,000	145,000	1.2%	
7	Depr, Int & Taxes	7,441,000	8,189,000	8,605,000	8,497,000	(108,000)	-1.3%	
8		26,676,000	28,629,000	30,069,000	30,086,000	17,000	0.1%	
9	Net Margins	\$ 3,007,000	\$ 2,732,000	\$ 2,116,000	\$ 2,379,000	263,000	12.4%	
10	TIER	2.67	2.40	2.06	2.18	0.12		
11	Equity % of Total Cap	41.0%	39.7%	38.3%	36.0%	-2%		Note: 1
12	Equity	38,633,000	38,403,000	37,719,000	38,341,000	622,000	1.6%	
13	Total Debt (Note 1)	57,211,000	59,899,000	62,432,000	69,876,000	7,444,000	11.9%	Note: 1
14	Capital Spending	(11,181,000)	(7,004,861)	(5,837,000)	(7,050,000)	(1,213,000)	20.8%	
15	Capital Credit Retirement (net)	(1,084,000)	(1,115,000)	(1,051,000)	(1,151,000)	(100,000)	9.5%	
16	Annual HDD	1,190	1,323	1,367	1,315	(52)	-3.8%	
Notes								
1	\$3.1M (full budget for 2020) on 3/20, \$6.4M Restricted Funds on 6/5, RESP \$500k, PPP \$1.790M, less principal payments of ~\$1.794M							
2	Amount does not include an accounts receivable write off adjustment for the 60 day and greater accounts in arrears for approximately \$120k							



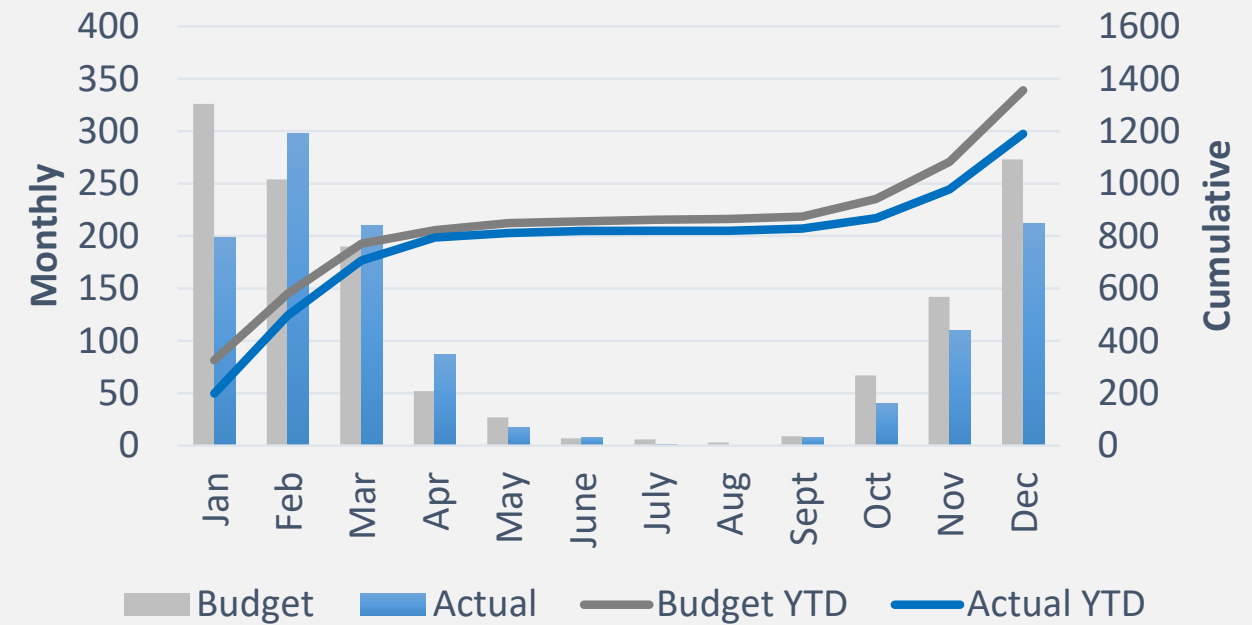
2020 Q4 Financial Highlights

2020 Budget to Actual: Heating Degree Days

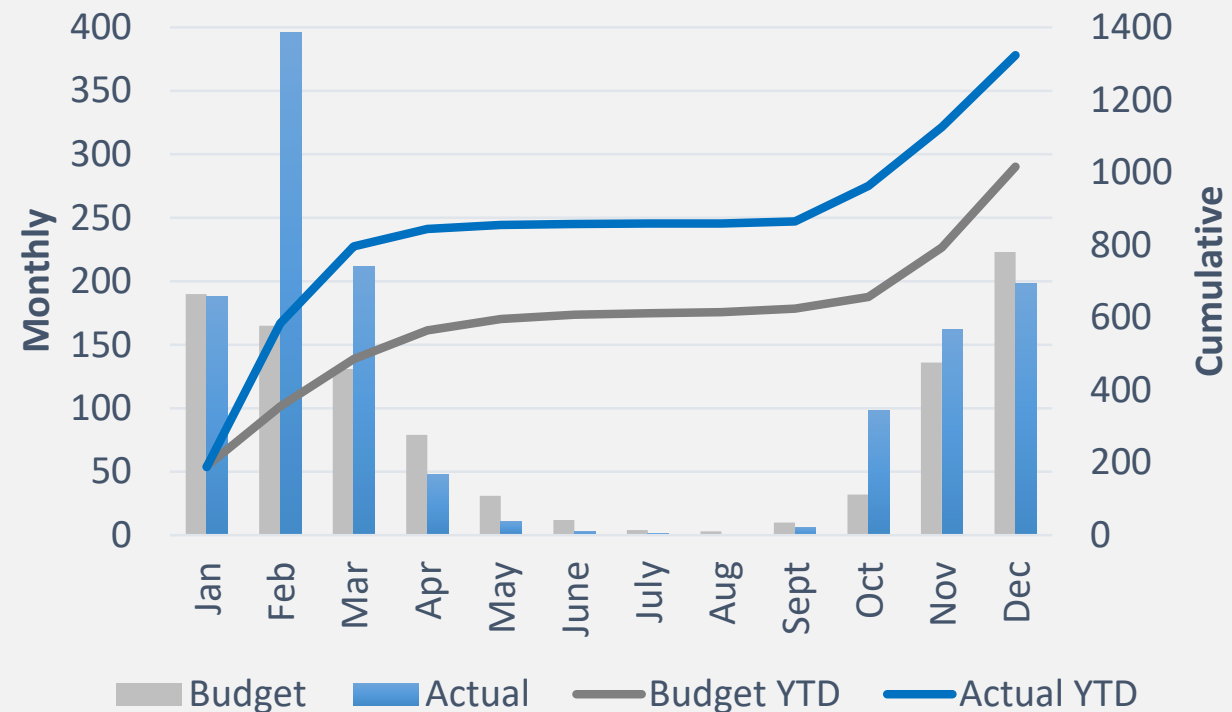
2017 HDD's



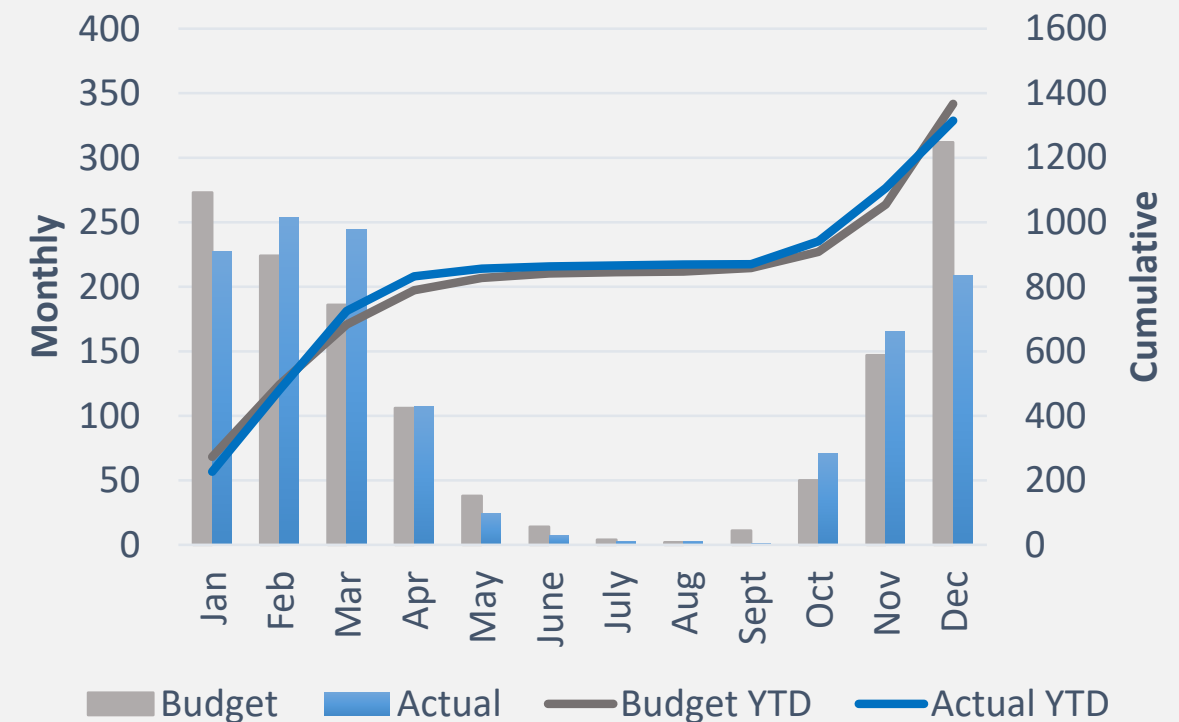
2018 HDD's



2019 HDD's

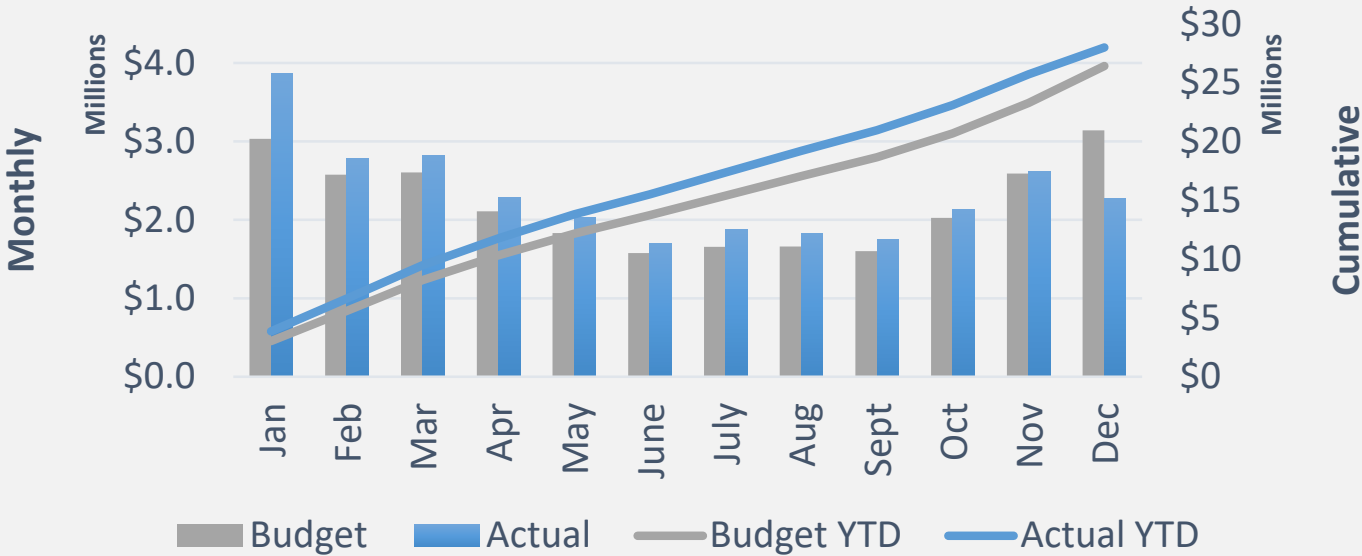


2020 HDD's

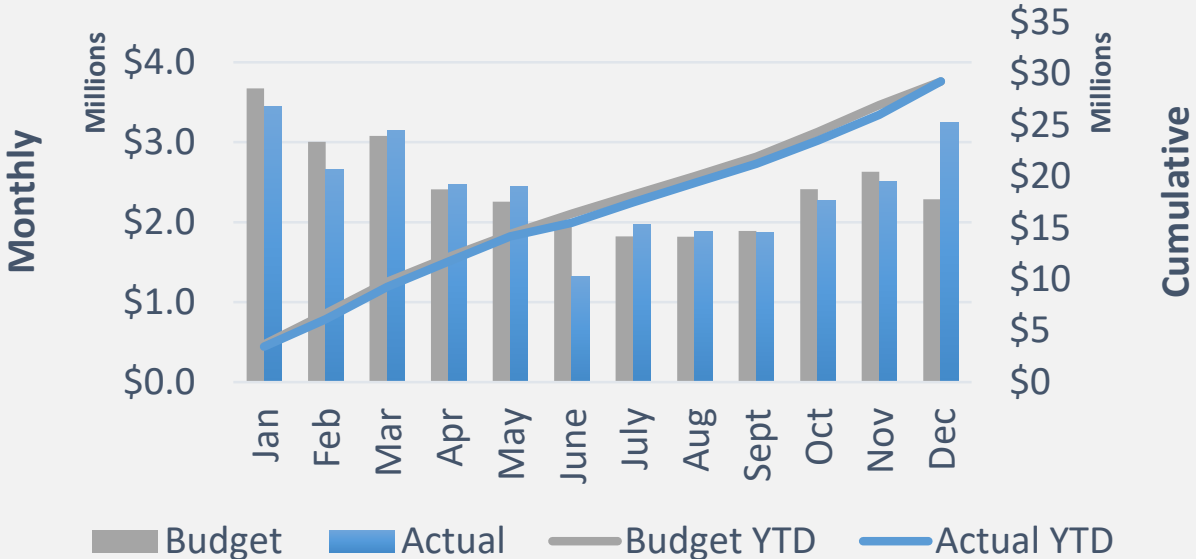


2020 Budget to Actual: Revenue

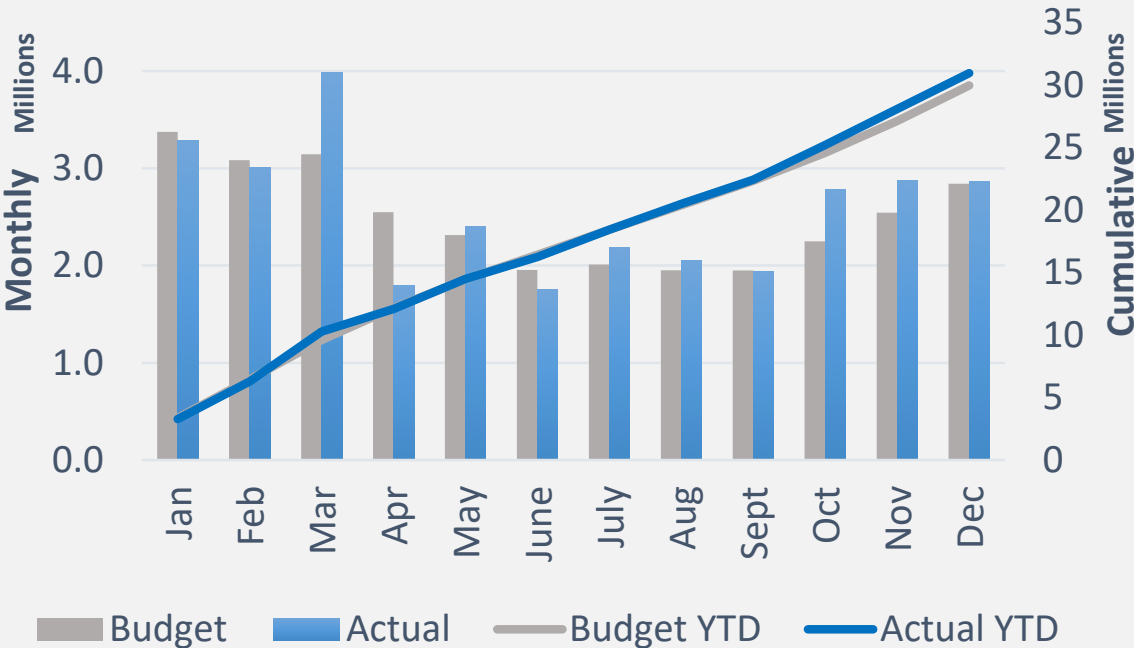
2017 Revenue



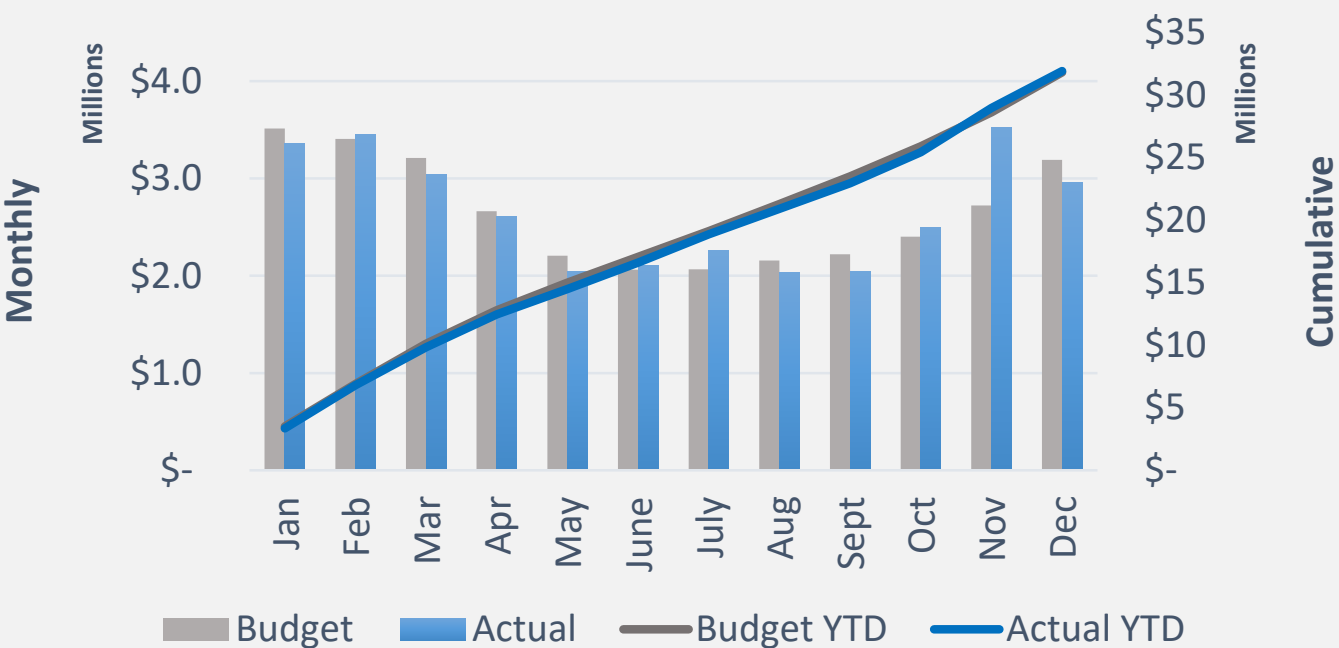
2018 Revenue



2019 Revenue



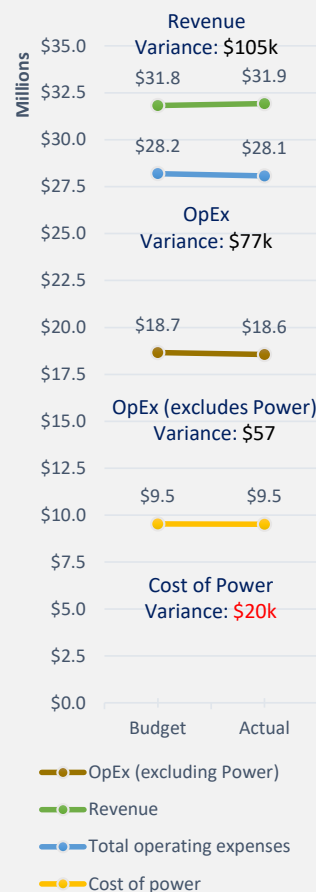
2020 Revenue



* Revenue net of ECA

2020 Q4 Budget to Actual: Statement of Operations

	A. Audited Year End 12/31/2018	B. Audited Year End 12/31/2019	C. Budget Year End 12/31/2020	D. Unaudited Year End 12/31/2020	E. Budget Variance (E-D)
1 OPERATING REVENUES					
2 Residential	\$ 21,373,137	\$ 22,679,087	\$ 23,156,921	\$ 24,062,590	905,669
3 Commercial	7,655,416	7,999,086	8,411,026	7,714,074	(696,952)
4 Other					
5 Penalties and fees	186,774	190,397	188,239	75,175	(113,064)
6 Other	48,047	69,974	64,692	73,596	8,904
7 Total operating revenue	29,263,375	30,938,545	31,820,878	31,925,435	104,557
8					
9 OPERATING EXPENSES					
10 Cost of power	9,053,663	9,262,362	9,532,908	9,512,760	(20,148)
11 Transmission	252,433	458,165	377,727	388,576	10,849
12 Distribution - operations	3,365,842	3,604,825	3,913,175	3,570,350	(342,825)
13 Distribution - maintenance	1,945,822	2,170,783	2,324,623	2,825,081	500,458
14 Consumer accounts	1,014,503	1,097,439	1,153,739	1,093,791	(59,948)
15					
16 General and administration					
17 Administration	3,191,624	3,390,513	3,593,738	3,739,823	146,085
18 Energy services	375,582	395,013	505,230	369,201	(136,029)
19 Subsidiary charges (RIC network mgt services)	34,920	61,378	63,219	89,284	26,065
20 Total general and administration	3,602,127	3,846,904	4,162,187	4,198,308	36,121
21					
22 Depreciation and amortization	4,528,224	4,923,805	5,216,895	5,015,406	(201,489)
23 Taxes	1,365,016	1,444,843	1,514,661	1,514,553	(108)
24					
25 Total operating expenses	25,127,630	26,809,125	28,195,915	28,118,825	(77,090)
26					
27 Operating margins before fixed charges	4,135,745	4,129,420	3,624,963	3,806,610	181,647
28					
29 FIXED CHARGES					
30 Interest on long-term debt	1,547,868	1,820,581	1,873,848	1,966,936	93,088
31					
32 Operating margins after fixed charges	2,587,877	2,308,838	1,751,115	1,839,673	88,558
33					
34 PATRONAGE CAPITAL CREDITS	143,090	125,254	132,375	122,952	(9,423)
35					
36 Net operating margins	2,730,967	2,434,092	1,883,490	1,962,625	79,135
37					
38 NON-OPERATING MARGINS					
39 Interest income	97,091	123,252	81,464	89,550	8,086
40 Other income (loss)	13,812	4,259	(18,842)	157,313	176,155
41 Total Opalco non-operating margins	110,903	127,511	62,622	246,863	184,241
42					
43 Non-operating margins from Subsidiary					
44 Interest Income (RIC loan)	79,214	79,346	79,260	79,471	211
45 Other income (use of OPALCO backbone)	86,285	89,976	89,976	89,976	-
46 Total non-operating margins from Subsidiary	165,499	169,322	169,236	169,447	211
47					
48 Net non-operating margins	276,402	296,833	231,858	416,309	184,451
49					
50 NET MARGINS	\$ 3,007,369	\$ 2,730,925	\$ 2,115,348	\$ 2,378,935	263,587
51					
TIER	2.67	2.40	2.06	2.18	0.12
Equity % of Total Cap	41.0%	39.7%	38.3%	36.0%	-2.3%



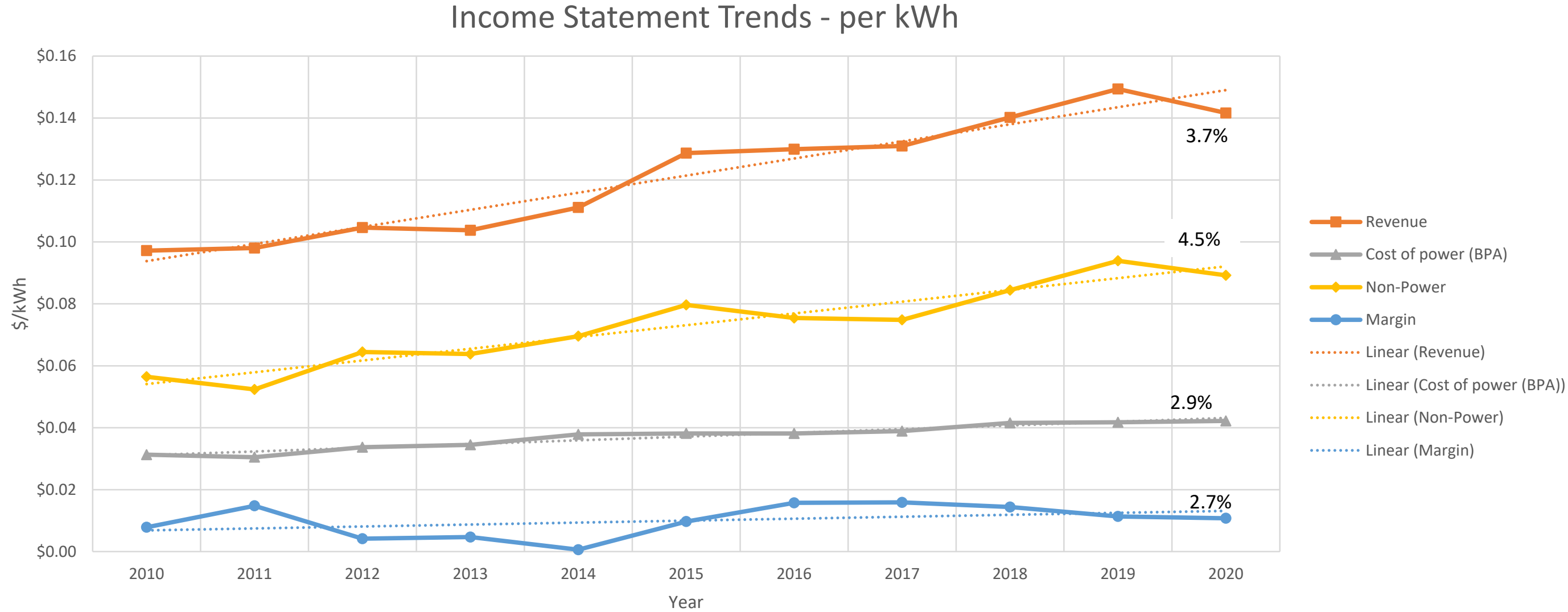
Notes:

- Through Q4 the ECA returned a net \$651k in the form of bill credits to the membership
Note: Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA returned \$300K in January 2020, related to the calculation based on December 2019 factors.
- Consumer accounts does not include an accounts receivable write off adjustment for the 60 day and greater accounts in arrears for approximately \$120k
- Net Margin: \$2.379M (\$264k increase)

2020 Q4 Budget to Actual: Financial Metrics



Income Statement Trends



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2018	B. Audited Year End 12/31/2019	C. Budget Year End 12/31/2020	D. Unaudited Year End 12/31/2020	E. Budget Variance (E - D)
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7 Total operating revenue	29,263,375	30,938,545	31,820,878	31,925,435	104,557
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50 TIER	2.67	2.40	2.06	2.18	0.12
51 Equity % of Total Cap	41.0%	39.7%	38.3%	36.0%	-2.3%
52 Notes					
53 1 Amount does not include an accounts receivable write off adjustrnt for the 60 day and greater accounts in arrears for approximately \$120k					

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL DETAILED BREAKOUT OF NOTABLE DRIVERS

	A.	B.	C.	D.
	Budget Period End 12/31/2020	Unaudited Year End 12/31/2020	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)
I OPERATING REVENUES	31,820,878	31,925,435	104,557	
				Budget Actual Variance
				HDD 1,367 1,315 52
				kWh Sales 198,930 212,087 13,157
				(kWh in thousands)
Operating Revenue - Line 7 Detail Breakout:				
Residential Sales			905,669	kWh sales higher than budgeted & shift from CML to RES consumption
Commercial Sales			(696,952)	Drop in commercial revenue since March
Other Operating Revenue				
Penalties and Fees	(188,239)	(75,175)	(113,064)	Less penalties collected
Other	(64,692)	(73,596)	8,904	More pole attachment revenue
TOTAL OPERATING REVENUES	31,820,878	31,925,435	104,557	Overall kWh sales higher than budget, offset by reduction in CML revenue due to business closures & return of \$651k via ECA
II OPERATING EXPENSES	28,195,915	28,118,825	(77,090)	Overall Decrease in operating expenses
Cost of Power - Line 10	9,532,908	9,512,760	(20,148)	Decrease in expense - lower cost/kwh purchased than budgeted returned via the ECA
				Budget Actual Variance
				kWh Purchases 212,000 225.413 13,413
				(kWh in thousands)
Transmission - Line 11 Detail Breakout:	377,727	388,576	10,849	Increase in expense
Distribution - Operations - Line 12 Detail Breakout:	3,913,175	3,570,350	(342,825)	Decrease in expense - offset Distribution Maintenance
Distribution - Maintenance - Line 13 Detail Breakout:	2,324,623	2,825,081	500,458	Increase in expense - offset Distribution Operations
Consumer accounts - Line 14 Detail Breakout:	1,153,739	1,093,791	(59,948)	Decrease in expense - vacant position filled 08/31, excludes a write off adjustment for \$120k for AR accounts in arrears that are 60 days and greater
Total General and Administrative (G&A):	4,162,187	4,198,308	36,121	Increase in expense
Administration G&A - Line 17 Detail Breakout:	3,593,738	3,739,823	146,085	Increase in expense -Board COVID-19 relief funding offset by less expenses
Energy Services G&A - Line 18	505,230	369,201	(136,029)	Decrease in expense
Subsidiary Charges G&A - Line 19	63,219	89,284	26,065	Increase in expense - 2020 inter-co increase
Total General and Administrative (G&A)	4,162,187	4,198,308	36,121	Overall increase in expense
Deprec. & Amort. - Line 22	5,216,895	5,015,406	(201,489)	Decrease in expense - reduction due to less capitalizations in 2020 (delay from COVID-19) along with a drop in amortization

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget Period End 12/31/2020	Unaudited Year End 12/31/2020	Budget Variance (B - A)	
42					Comments: Budget To Actual (Column C.)
43					
44					
45					
46	III				
47					
48	IV				
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50					
51					
52	V				
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BALANCE SHEET

	A. Audited Year End 12/31/2017	B. Audited Year End 12/31/2018	C. Audited Year End 12/31/2019	D. Unaudited Year End 12/31/2020	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4 Electric plant in service	\$ 124,265,509	\$ 136,469,139	\$ 144,301,230	\$ 148,966,540	4,665,310
5 Construction work in progress	10,630,332	6,790,804	5,015,317	6,633,154	1,617,837
6					
7	134,895,841	143,259,943	149,316,547	155,599,694	6,283,147
8 Less accumulated depreciation and amortization	45,632,268	49,148,193	53,456,306	58,016,597	4,560,291
9					
10 Net utility plant	89,263,573	94,111,750	95,860,241	97,583,097	1,722,856
11					
12 Investments in associated organizations					
13 Other (CFC, Federated, PNGC, etc.)	1,654,603	1,737,909	1,814,993	1,866,511	51,518
14 Non-utility investment subsidiary (Note 1)	(4,944,798)	(7,444,503)	(9,279,459)	(10,664,353)	(1,384,894)
15 Total investments in associated organizations	(3,290,195)	(5,706,594)	(7,464,466)	(8,797,842)	(1,333,376)
16					
17 Other property and investments	(3,290,195)	(5,706,594)	(7,464,466)	(8,797,842)	(1,333,376)
18					
19 CURRENT ASSETS					
20 Cash and cash equivalents	3,269,223	2,041,535	3,928,582	6,475,386	2,546,804
21 Cash and cash equivalents - board designated	750,000	530,765	538,699	6,376,648	5,837,949
22 Accounts receivable, less doubtful accts allowance (Note 4)	3,136,480	4,501,319	3,910,241	4,286,644	376,403
23 Interest receivable	13,218	6,316	24,279	6,240	(18,039)
24 Materials and supplies	3,221,936	3,045,487	3,006,903	3,460,300	453,397
25 Prepaid expenses	343,441	384,379	452,011	491,537	39,526
26					
27 Total current assets	10,734,298	10,509,801	11,860,715	21,096,755	9,236,040
28					
29 DEFERRED CHARGES (Note 2)	-	-	647,075	1,110,562	463,487
30					
29 Total assets	\$ 96,707,676	\$ 98,914,957	\$ 100,903,565	\$ 110,992,572	\$ 10,089,007

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2017	B. Audited Year End 12/31/2018	C. Audited Year End 12/31/2019	D. Unaudited Year End 12/31/2020	E. Change (D - C)
30					
31	EQUITIES, MARGINS, AND LIABILITIES				
32					
33	EQUITIES AND MARGINS				
34	Memberships	\$ 55,960	\$ 56,580	\$ 57,595	1,240
35	Patronage capital - OPALCO	40,181,088	41,668,217	43,510,710	763,045
36	Donated and other equities				
37	OPALCO donated & other margins	5,984,621	6,479,464	7,570,208	558,707
38	Subsidiary margins	(7,069,953)	(9,571,004)	(12,797,590)	(1,384,910)
39					
40	Total equities and margins	39,151,716	38,633,257	38,340,923	(61,918)
41					
42	LONG-TERM DEBT, less current maturities				
43	RUS mortgage notes	41,809,367	47,256,888	58,091,827	8,132,666
44	RUS economic development	3,333	-	-	-
45	CFC mortgage notes	8,561,284	8,300,502	7,747,858	(281,851)
46					
47	Total long-term debt	50,373,984	55,557,390	65,839,685	7,850,815
48					
49	OTHER NONCURRENT LIABILITIES (Note 3)				
50		24,443	-	2,426,882	2,175,320
51	Total long-term liabilities	50,398,427	55,557,390	68,266,567	10,026,135
52					
53	CURRENT LIABILITIES				
54	Accounts payable	2,997,993	1,979,818	1,498,762	(123,465)
55	Customer deposits	87,219	83,857	72,900	(12,359)
56	Accrued liabilities	2,032,946	691,055	840,585	256,849
57	Current maturities of long-term debt	1,734,041	1,628,954	1,591,171	(49,109)
58	Current maturities capital leases	29,332	24,443	18,057	-
59					
60	Total current liabilities	6,881,531	4,408,127	4,021,475	71,916
61					
62	DEFERRED CREDITS				
63		276,002	316,183	363,607	52,874
64	Total equities and liabilities	\$ 96,707,676	\$ 98,914,957	\$ 110,992,572	\$ 10,089,007
65					
66	Note:				
67	1 Investment in subsidiary consists of OPALCO's invested dollars in Island Network LLC (+\$2,133,237) less IN LLC's cumulative net deficit of (\$12,797,590) seen in 'equities & margins'.				
68	2 Member Switch-It-Up On Bill Financing (OBF) Long Term Receivables				
69	3 Amount includes PPP \$1.790M + \$635k in RESP				
70	4 Amount does not include an accounts receivable write off adjustment for the 60 day and greater accounts in arrears for approximately \$120k				

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

	A.	B.	C.
	Audited	Audited	Unaudited
	Year End	Year End	Year End
	12/31/2018	12/31/2019	12/31/2020
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins	\$ 3,007,369	\$ 2,730,925	\$ 2,378,935
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	4,528,224	4,923,805	5,015,406
6 Changes in assets and liabilities			
7 Accounts receivable (Note 2)	(1,364,839)	(55,997)	(376,403)
8 Interest receivable	6,902	(17,963)	18,039
9 Prepaid expenses	(40,936)	(67,635)	(39,526)
10 Accounts payable	(1,018,175)	(357,591)	(123,465)
11 Customer deposits	(3,362)	1,402	(12,359)
12 Accrued liabilities	(1,341,890)	(107,317)	256,849
13 Deferred credits	40,180	(5,449)	52,874
14 Deferred Charges	-	-	(463,487)
14 Net cash from operating activities	3,813,473	7,044,180	6,706,863
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(11,357,751)	(7,659,387)	(8,112,759)
18 Change in materials and supplies	176,449	38,584	(453,397)
19 (Increase) decrease in investment in Subsidiary	2,499,705	1,834,956	1,384,894
20 (Increase) decrease in other OPALCO property and investments, net	(83,306)	(77,084)	(51,518)
21			
22 Net cash from investing activities	(8,764,903)	(5,862,931)	(7,232,780)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net	548,985	(1,544,018)	(1,812,990)
25 Proceeds from debt (Note 1)	4,500,000	4,232,000	11,790,016
26 Memberships	620	(225)	1,240
27 Retirements of patronage capital, net	(1,025,396)	(1,119,442)	(1,057,183)
28 Change in subsidiary equities	(2,501,052)	(1,841,675)	(1,384,910)
29 Contributions in aid of construction	1,981,350	987,092	1,374,497
30			
30 Net cash from financing activities	3,504,507	713,732	8,910,670
31			
31 NET CHANGE IN CASH	(1,446,923)	1,894,981	8,384,753
32			
32 CASH AND CASH EQUIVALENTS, beginning of year/period	4,019,223	2,572,300	4,467,281
33			
33 CASH AND CASH EQUIVALENTS, end of year/period	2,572,300	4,467,281	12,852,034
34			
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 3,083,072	\$ 1,948,626	\$ 2,021,376
36			
36 OUTSTANDING DEBT BALANCE	(57,210,787)	(59,898,769)	(69,875,795)
37			
37 Notes:			
38 1 \$3.1M (full budget for 2020) + board approved additional \$6.4M Restricted Funds due to historic low interest rates + RESP \$500k expected in Dec'19 & received in Jan '20 + \$1.79M PPP			
39 2 Amount does not include an accounts receivable write off adjustment for the 60 day and greater accounts in arrears for approximately \$120k			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands						F. Comments
	A. Audited Year-End 12/31/2018	B. Audited Year-End 12/31/2019	C. Approved Budget 12/31/2020	D. Actual Period-End 12/31/2020	E. Budget Variance (D - C)	
1 % Rate Increase	5%	6%	3%	3%		
2 OPERATING ACTIVITIES:						
3 Margins	\$ 3,000	\$ 2,700	\$ 2,100	\$ 2,400	\$ 300	
4 Plus depreciation/amortization	<u>4,500</u>	<u>4,900</u>	<u>5,200</u>	<u>5,000</u>	<u>(200)</u>	
5 Cash flow operations	7,500	7,600	7,300	7,400	100	
6						
7 PLANT INVESTMENT (NET)						
8 Plant investment (including material inventory)	(10,300)	(4,400)	(5,800)	(7,100)	(1,300)	Unbudgeted: approved land acquisition, HVAC failures, battery carryover from 2019 and reprioritized URD projects
9 Cash flow from operations and plant investment	<u>(2,800)</u>	<u>3,200</u>	<u>1,500</u>	<u>300</u>	<u>(1,200)</u>	
10						
11 CASH FLOWS FROM PATRONAGE CAPITAL	<u>(1,100)</u>	<u>(1,100)</u>	<u>(1,050)</u>	<u>(1,150)</u>	<u>(100)</u>	
12 Cash flow before borrowings	(3,900)	2,100	450	(850)	(1,300)	
13						
14 NET BORROWINGS	5,000	2,700	2,540	10,000	7,460	Additional Board approved \$6.4M to take advantage of lower interest rates + \$1.79M SBA PPP loan
15 Cash increase (decrease) after net borrowings	<u>\$ 1,100</u>	<u>\$ 4,800</u>	<u>\$ 2,990</u>	<u>\$ 9,150</u>	<u>\$ 6,160</u>	
16						
17						
18 OUTSTANDING DEBT BALANCE	<u>57,200</u>	<u>59,900</u>	<u>62,400</u>	<u>69,900</u>	<u>7,500</u>	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	F.
			Audited	Actual	Budget	Actual	Budget	
			Year End	Period End	Period End	Period End	Variance	
			12/31/2018	12/31/2019	12/31/2020	12/31/2020	(D- C)	Comments
1	DISTRIBUTION							
2	100	New Services	\$ 397,842	\$ 389,793	\$ 397,000	\$ 429,487	\$ 32,487	Offset to Line 38 - New Services
3	200	New Tie Lines	3,147	(6,874)	115,000	337,637	222,637	Missing Mountain Road (SJC PW) and Vista Road
4	300	Conversions and Line Changes	754,232	751,525	1,165,000	513,186	(651,814)	Reprioritized projects to URD Replacements and Tie Projects
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,502,357	1,312,375	1,005,000	1,148,926	143,926	Decatur Battery project carryover from 2019. Failure of 3 LTC controllers.
7	600	Miscellaneous Distribution Equipment			-			
8	601	Transformers & Meters	801,046	619,180	646,000	674,405	28,405	Offset to Line 39 - Transformers & Meters
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	-	
10	603	Sectionalizing Equipment	1,063	1,258	140,000	177,127	37,127	Relay replacements due to failures
11	604	Regulators	114,440	(1,499)	100,000	49,127	(50,873)	Delayed project to Q2 2021, Reprioritized to sectionalizing
12	606	Ordinary Replacements	146,639	226,830	350,000	375,670	25,670	Greater pole inspection failures than anticipated
13	607	Overhead to Underground Conversion			70,000		(70,000)	Reprioritized projects
14	608	Underground Dist. Cable Replacement	1,679,837	2,350,837	1,600,000	2,025,373	425,373	Reprioritized projects
15	700	Other Distribution Items			-			
16	701	Engineering Fees	-	-	-	-	-	
17	704	LMS & SCADA	139,991	138,265	70,000	96,700	26,700	
18	705	AMR	232,872	44,876	55,000	34,430	(20,570)	Delay in integration, anticipated in Q4 or 2021 Q1
19	706	Communications	534,627	157,426	110,000	123,699	13,699	
20	TRANSMISSION				-			
21	800	New Tie Line	-	-	-	-	-	
22	900	New Substations, switching station, metering point, etc.	526,038	-	110,000	75,055	(34,945)	Shift in projects due
23	1000	Line and Station Changes	2,672,572	196,951	100,000	23,510	(76,490)	Shift in projects due
24	1100	Other Transmission	-	-	-	-	-	
25	GENERATION				-			
26	1200	Generation	-	-	-	-	-	
27	OTHER				-			
28	1300	Headquarters Facilities	77,349	574,560	355,000	666,958	311,958	Multiple HVAC failures across multiple buildings (unrelated to remodel)
29	1400	Acquisitions	219,235	-	60,000	519,133	459,133	Unbudgeted/Board Approved
30	1500	All Other (Transportation, Etc.)			-			
31	1501	Transportation/Equipment/Tools/Radios	612,005	596,410	539,000	717,348	178,348	Timing issue at year end 2019.
32	1502	Office Equipment/Furniture/Etc.	9,746	20,662	80,000	72,945	(7,055)	
33	1503	Computer/Servers/Software	264,369	310,903	222,000	227,575	5,575	
34	1504	Electrical Infrastructure to Support Community Solar	984,612	40,263	1,500,000	908	(1,499,093)	Delayed due to siting issues
35	1600	Minor Projects	605,704	268,214	155,000	134,979	(20,021)	Shift in projects due to COVID-19
36	RUS CWP SUBTOTAL		12,279,724	7,991,954	8,944,000	8,424,179	(519,821)	
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)							
38		New Services	(448,823)	(439,694)	(408,000)	(495,055)	(87,055)	Offset to Line 2 - New Services
39		Meters and Transformers	(273,110)	(280,290)	(285,000)	(271,615)	13,385	Offset to Line 8 - Transformers & Meters
40		Joint Projects	(94,806)	(266,480)	(244,000)	(87,826)	156,174	Less joint project due to COVID-19 (Offset to Lines 3, 4, 14 and 35)
41		WA DOC Grant Funding	(180,000)	-	(670,000)	(520,000)	150,000	Submitted for \$280k in Sept. (Decatur Battery Project)
42		Community Solar Member Contributions	(984,612)	(627)	(1,500,000)	-	1,500,000	Delayed due to siting issues
43	CIAC SUBTOTAL		(1,981,350)	(987,092)	(3,107,000)	(1,374,497)	1,732,504	
44								
45	RUS CWP NET TOTAL		10,298,373	7,004,861	5,837,000	7,049,683	1,212,683	

ORCAS POWER AND LIGHT COOPERATIVE

SALES AND USAGE REPORT

		A. Year to Date Total	B. January	C. February	D. March	E. April	F. May	G. June	H. July	I. August	J. September	K. October	L. November	M. December	N. Total
1	HEATING DEGREE DAYS (HDD)														
2	Budget HDD	1,367	273	224	186	106	38	14	4	2	11	50	147	312	1,367
3	Actual HDD	1,315	227	254	244	107	24	7	3	3	1	71	165	209	1,315
4	Variance	(52)	(46)	30	58	1	(14)	(7)	(1)	1	(10)	21	18	(103)	(52)
5															
6	ENERGY USAGE (kWh)														
7	Residential														
8	Budget	145,947,558	16,040,280	15,609,417	14,560,666	12,390,987	10,189,579	9,495,228	9,511,172	9,949,438	10,234,224	10,946,272	12,404,517	14,615,778	145,947,558
9	Actual	157,416,556	18,948,661	17,705,839	16,636,049	13,837,589	8,277,463	7,976,792	8,716,984	8,659,730	8,257,314	11,006,618	17,802,459	19,591,058	157,416,556
10	Variance (Budget to Actual)	11,468,998	2,908,381	2,096,422	2,075,383	1,446,602	(1,912,116)	(1,518,436)	(794,188)	(1,289,708)	(1,976,910)	60,346	5,397,942	4,975,280	11,468,998
11															
12	Commercial														
13	Budget	52,982,442	5,841,720	5,676,583	5,332,334	4,518,013	3,735,421	3,434,772	3,418,828	3,577,562	3,690,776	3,973,728	4,504,483	5,278,220	52,982,442
14	Actual	54,670,827	6,164,848	5,974,411	5,752,129	3,934,977	3,007,548	3,164,937	3,847,009	3,895,435	3,716,449	4,078,511	5,387,424	5,747,149	54,670,827
15	Variance (Budget to Actual)	1,688,385	323,128	297,828	419,795	(583,036)	(727,873)	(269,835)	428,181	317,873	25,673	104,783	882,941	468,929	1,688,385
16															
17	Combined Energy Usage (kWh)														
18	Budget	198,930,000	21,882,000	21,286,000	19,893,000	16,909,000	13,925,000	12,930,000	12,930,000	13,527,000	13,925,000	14,920,000	16,909,000	19,893,998	198,930,000
19	Actual	212,087,383	25,113,509	23,680,250	22,388,178	17,772,566	11,285,011	11,141,729	12,563,993	12,555,165	11,973,763	15,085,129	23,189,883	25,338,207	212,087,383
20	Variance (Budget to Actual)	13,157,383	3,231,509	2,394,250	2,495,178	863,566	(2,639,989)	(1,788,271)	(366,007)	(971,835)	(1,951,237)	165,129	6,280,883	5,444,209	13,157,383
21															
22	SALES REVENUE (kWh based)														
23	Residential														
24	Budget	23,141,595	2,558,069	2,479,822	2,331,483	1,945,157	1,607,617	1,492,721	1,498,175	1,564,628	1,613,126	1,742,841	1,980,442	2,327,514	23,141,595
25	Actual	24,046,199	2,544,980	2,598,317	2,280,081	2,031,761	1,554,027	1,570,417	1,650,317	1,455,948	1,492,345	1,862,872	2,717,190	2,287,945	24,046,199
26	Variance (Budget to Actual)	904,604	(13,089)	118,495	(51,402)	86,604	(53,590)	77,696	152,142	(108,680)	(120,781)	120,031	736,748	(39,569)	904,604
27															
28	Commercial														
29	Budget	8,401,086	931,625	901,822	853,824	709,245	589,340	539,972	538,525	562,600	581,743	632,688	719,163	840,539	8,401,086
30	Actual	7,704,245	786,613	833,920	736,053	564,567	476,743	521,552	600,000	568,902	544,347	618,678	797,987	654,884	7,704,245
31	Variance (Budget to Actual)	(696,841)	(145,012)	(67,902)	(117,771)	(144,678)	(112,597)	(18,420)	61,475	6,302	(37,396)	(14,010)	78,824	(185,655)	(696,841)
32															
33	Combined kWh Sales Revenue														
34	Budget	31,542,681	3,489,694	3,381,644	3,185,307	2,654,402	2,196,957	2,032,693	2,036,700	2,127,228	2,194,869	2,375,529	2,699,605	3,168,053	31,542,681
35	Actual	31,750,444	3,331,593	3,432,236	3,016,134	2,596,327	2,030,770	2,091,969	2,250,317	2,024,851	2,036,692	2,481,549	3,515,177	2,942,829	31,750,444
36	Variance (Budget to Actual)	207,763	(158,101)	50,592	(169,173)	(58,075)	(166,187)	59,276	213,617	(102,377)	(158,177)	106,020	815,572	(225,224)	207,763
37	NOTE: Excluded Other Revenue and Revenues that are not usage based.														
38															
39	POWER COST														
40	Budget	9,532,908	1,044,213	1,016,110	950,536	810,022	669,507	622,669	622,669	650,771	669,507	716,345	810,022	950,537	9,532,908
41	Actual	9,507,743	1,173,716	966,987	959,737	797,770	631,140	602,609	610,268	579,228	616,834	828,393	750,047	991,014	9,507,743
42	Variance (Budget to Actual)	(25,165)	129,503	(49,123)	9,201	(12,252)	(38,367)	(20,060)	(12,401)	(71,543)	(52,673)	112,048	(59,975)	40,477	(25,165)
	NOTE: Excludes Green Power														

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 2020

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	30,938,545	31,925,435	31,820,878	2,954,579
2. Power Production Expense	0			
3. Cost of Purchased Power	9,262,362	9,512,760	9,532,909	991,173
4. Transmission Expense	458,165	388,576	377,727	64,873
5. Regional Market Expense	0			
6. Distribution Expense - Operation	3,604,825	3,570,350	3,913,175	287,041
7. Distribution Expense - Maintenance	2,170,783	2,825,081	2,324,623	263,809
8. Customer Accounts Expense	1,097,439	1,093,791	1,153,739	85,811
9. Customer Service and Informational Expense	538,987	501,803	668,784	(8,387)
10. Sales Expense	54,995	47,145	59,452	3,907
11. Administrative and General Expense	3,245,423	3,639,360	3,426,450	300,537
12. Total Operation & Maintenance Expense (2 thru 11)	20,432,979	21,578,866	21,456,859	1,988,764
13. Depreciation and Amortization Expense	4,923,805	5,015,406	5,216,895	420,381
14. Tax Expense - Property & Gross Receipts	347,042	370,727	381,746	31,073
15. Tax Expense - Other	1,097,801	1,143,825	1,132,915	110,691
16. Interest on Long-Term Debt	1,948,626	2,021,376	1,993,848	173,706
17. Interest Charged to Construction - Credit	(128,044)	(54,439)	(120,000)	(8,793)
18. Interest Expense - Other	0			
19. Other Deductions	7,500	10,000	7,500	0
20. Total Cost of Electric Service (12 thru 19)	28,629,709	30,085,761	30,069,763	2,715,822
21. Patronage Capital & Operating Margins (1 minus 20)	2,308,836	1,839,674	1,751,115	238,757
22. Non Operating Margins - Interest	202,598	169,020	160,724	12,507
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	94,235	247,289	71,134	7,642
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	125,254	122,952	132,375	61,488
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,730,923	2,378,935	2,115,348	320,394

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 2020		
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	182	196	5. Miles Transmission	42.65	46.39
2. Services Retired	89	25	6. Miles Distribution – Overhead	150.01	148.55
3. Total Services in Place	15,235	15,406	7. Miles Distribution - Underground	1,057.59	1,066.74
4. Idle Services (Exclude Seasonals)	758	757	8. Total Miles Energized (5 + 6 + 7)	1,250.25	1,261.68
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	148,966,539		30. Memberships	57,595	
2. Construction Work in Progress	6,747,770		31. Patronage Capital	41,131,776	
3. Total Utility Plant (1 + 2)	155,714,309		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	58,131,212		33. Operating Margins - Current Year	2,131,646	
5. Net Utility Plant (3 - 4)	97,583,097		34. Non-Operating Margins	247,289	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	(5,227,382)	
7. Investments in Subsidiary Companies	(10,664,353)		36. Total Margins & Equities (30 thru 35)	38,340,924	
8. Invest. in Assoc. Org. - Patronage Capital	1,317,797		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	58,091,852	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	536,474		39. Long-Term Debt - Other - RUS Guaranteed	635,541	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	9,537,874	
12. Other Investments	1,940		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	6,519,792		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	(2,278,050)		43. Total Long-Term Debt (37 thru 41 - 42)	68,265,267	
15. Cash - General Funds	3,951,772		44. Obligations Under Capital Leases - Noncurrent	1,505	
16. Cash - Construction Funds - Trustee	37,917		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	1,505	
18. Temporary Investments	2,377,976		47. Notes Payable	0	
19. Notes Receivable (Net)	101,562		48. Accounts Payable	1,498,762	
20. Accounts Receivable - Sales of Energy (Net)	2,784,984		49. Consumers Deposits	72,900	
21. Accounts Receivable - Other (Net)	45,818		50. Current Maturities Long-Term Debt	1,590,964	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	3,460,300		52. Current Maturities Capital Leases	18,057	
24. Prepayments	491,537		53. Other Current and Accrued Liabilities	840,584	
25. Other Current and Accrued Assets	1,325,096		54. Total Current & Accrued Liabilities (47 thru 53)	4,021,267	
26. Total Current and Accrued Assets (15 thru 25)	14,576,962		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	363,608	
28. Other Deferred Debits	1,110,562		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	110,992,571	
29. Total Assets and Other Debits (5+14+26 thru 28)	110,992,571				

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PART D. NOTES TO FINANCIAL STATEMENTS	

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PART D. CERTIFICATION LOAN DEFAULT NOTES	

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FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2020			
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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	82,090,252	3,502,805	503,061		85,089,996		
2. General Plant	23,013,732	1,291,693	284,214		24,021,211		
3. Headquarters Plant	3,352,270	589,959		71,632	4,013,861		
4. Intangibles	1,539,562				1,539,562		
5. Transmission Plant	34,304,852	26,724	30,226		34,301,350		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	559				559		
8. Total Utility Plant in Service (1 thru 7)	144,301,227	5,411,181	817,501	71,632	148,966,539		
9. Construction Work in Progress	4,949,226	1,798,544			6,747,770		
10. Total Utility Plant (8 + 9)	149,250,453	7,209,725	817,501	71,632	155,714,309		
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	3,006,903	1,242,778	263,988	1,062,942		9,573	3,460,300
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	24,500	0.000	52,100	145,700	222,300		
2. Five-Year Average	163,900	212,800	63,700	305,200	745,600		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	50	4. Payroll - Expensed				3,923,831	
2. Employee - Hours Worked - Regular Time	106,027	5. Payroll - Capitalized				865,888	
3. Employee - Hours Worked - Overtime	2,661	6. Payroll - Other				719,745	
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			1,300,000	14,443,543		
	b. Special Retirements			315,889	8,076,643		
	c. Total Retirements (a + b)			1,615,889	22,520,186		
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			122,952			
	c. Total Cash Received (a + b)			122,952			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	77,291	2. Amount Written Off During Year	\$	14,151		
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	\$	

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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			225,413,273	9,507,743	4.22		
2	*Miscellaneous	700000	Net Metering	Solar - photovoltaic	93,230	5,017	5.38		
	Total				225,506,503	9,512,760	4.22		

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PART K. kWh PURCHASED AND TOTAL COST		
No	Comments	
1		
2		

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INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2020	
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	18,057
	TOTAL		18,057

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INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/23/2020	2. Total Number of Members 11,519	3. Number of Members Present at Meeting 16	4. Was Quorum Present? N/A
5. Number of Members Voting by Proxy or Mail 1,399	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 288,253	8. Does Manager Have Written Contract? Y

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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	7,747,858	336,535	270,794	607,329
3	CoBank, ACB				
4	Federal Financing Bank	58,091,852	1,684,840	1,477,920	3,162,760
5	RUS - Economic Development Loans				
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	635,541		46,218	46,218
11	Dell Financial Services	1,505		18,057	18,057
12	Paycheck Protection Program	1,790,016			
	TOTAL	68,266,772	2,021,375	1,812,989	3,834,364

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FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2020		
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	13,486	13,379	
	b. kWh Sold			157,416,556
	c. Revenue			24,062,590
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	1,914	1,908	
	b. kWh Sold			54,606,455
	c. Revenue			7,704,245
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			64,373
	c. Revenue			9,829
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)		15,406	15,293	
11. Total kWh Sold (lines 1b thru 9b)				212,087,384
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				31,776,664
13. Transmission Revenue				
14. Other Electric Revenue				148,771
15. kWh - Own Use				1,344,759
16. Total kWh Purchased				225,506,503
17. Total kWh Generated				
18. Cost of Purchases and Generation				9,901,336
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				66,307

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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)	420	309,471	338	6,996	3,984,410	16,013
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	21	145,683	291	565	1,737,598	12,128
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	441	455,154	629	7,561	5,722,008	28,141

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<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</p>	<p>BORROWER DESIGNATION WA0009</p> <p>PERIOD ENDED December 2020</p>
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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)
2	Investments in Associated Organizations				
	Misc. Memberships	9,300	1,000		
	Misc. Patronage Capital	116,618	458,215	7,082	
	Federated Rural Electric Stock Cert.	240,404		29,581	
	CFC Capital term Certificate		536,474	30,972	
	PNGC Capital Term Certificate		502,560	55,317	
	Investment in Subsidiary	(10,664,353)			
	Totals	(10,298,031)	1,498,249	122,952	
4	Other Investments				
	Computershare	1,940			
	Totals	1,940			
5	Special Funds				
	WA Federal Savings		224,032		
	Home Street Bank		111,223		
	CoBank		6,041,394		
	Islanders Bank (Project PAL & MORE)		143,145		
	Totals		6,519,794		
6	Cash - General				
	Key Bank		(107,482)		
	Islanders Bank	3,667,545	250,000		
	Wells Fargo		105,685		
	Petty Cash	600			
	Cash Clearing	35,424			
	Totals	3,703,569	248,203		
8	Temporary Investments				
	CFC Select Notes		1,858,830		
	CoBank		519,147		
	Totals		2,377,977		
9	Accounts and Notes Receivable - NET				
	Notes Receivable - OBF	126,299			
	OBF Loss Reserve	(24,737)			
	Custom Orders	45,753			
	AR Employees	65			
	Totals	147,380			
11	TOTAL INVESTMENTS (1 thru 10)	(6,445,142)	10,644,223	122,952	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION WA0009 PERIOD ENDED December 2020
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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	9/30/2021	3,500,000	2,892,582	
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	
7	Island Network LLC	1/20/2040	2,000,000	2,000,000	
8	Island Network LLC	1/20/2040	500,000	500,000	
	TOTAL		28,500,000	27,892,582	
	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 2020			
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]					-4.14 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				