

# ORCAS POWER AND LIGHT COOPERATIVE 2021 Q1 FINANCIAL REPORT



THE ISLAND WAY



MEMORANDUM

May 14, 2021

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2021 First Quarter Financial Report

Please see attached the full 2021 1st quarter financial report. Included in the report package are the Statement of Revenues and Margins (along with a notable driver analysis), Balance Sheet, Statement of Cash Flows (GAAP), and capital projects budget tracking.

The energy charge adjustment (ECA) returned \$349k (\$211k in January based on December 2020 calculation) to the membership in 2021, which was the driven by higher kWh sales than budgeted. The continued impact of COVID-19 on our commercial members is notable as commercial revenue was below budget by ~\$165k. While much commercial consumption shifted to residential, sales were also bolstered by higher overall kWh sales than budgeted. Coupled with overall expenses coming in under budget by ~\$171k, all factors combined resulted in an increase in the margin of \$710k as compared to budget.

The table below is a high-level projection of full-year 2021 financial results using actuals from Q1 and budget projections for future months.

Income Statement Summary (in thousands)	2021 Projection w/ Q1 actuals		
	Budget	Projected	Variance
Operating Revenue	\$ 31,454	\$ 32,343	\$ 889
ECA Surcharge / (Credit)*	\$ -	\$ (349)	\$ (349)
Revenue	\$ 31,454	\$ 31,994	\$ 540
Expenses:			
Cost of Purchased Power	\$ 9,727	\$ 9,666	\$ (61)
Transmission & Distribution Expense	6,798	6,480	(318)
General & Administrative Expense	5,421	5,344	(77)
Depreciation, Tax, Interest & Other	8,826	8,544	(282)
Total Expenses	30,772	30,034	(738)
Non-op rev (Int, Patronage, other)	373	371	(2)
Net Margin	1,055	2,680	1,625
TIER	1.52	2.15	0.63
HDD	1,398	1,375	(23)
kWh Purchases	216,000	224,558	8,558
kWh Sales	203,260	214,558	11,298

\* The ECA returned \$349k to members in the form of bill credits through March 2021

For more detail, please note the following key points:

- Heating Degree Days (HDD) were ~3.2% below budgeted levels (actual of 702 vs. budget of 725). Overall kWh sales were 11.3M kWh above budget (75.8M vs. budget of 64.5M) primarily resulting from residential revenue which is ~8.7% above budget.
- 2021 power purchases were \$90k higher than budgeted, due to a combination of higher peak charges and residential kWh sales. Actual kWh purchases were 8.5M kWh above budget (77M vs. budget of 68.5M).
- Excluding purchased power, Q1 YTD operating expenses were approximately \$300k under budgeted amounts.
- The ECA for 2021 was a net credit to members (and reduction to operating revenue) of \$349k, or \$14.10 for a member using 1000 kWh/month. Due to the one-month lag in billing the calculated ECA, ~\$211k of the 2021 ECA was derived from December 2020 results.
- Rock Island Communications 2021 Financials included in separate packet.

OPALCO 2021 Financial Package under separate cover.

# ORCAS POWER AND LIGHT COOPERATIVE

## STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

		A. Actual Year End 12/31/2019	B. Unaudited Year End 12/31/2020	C. Budget Period End 3/31/2021	D. Actual Period End 3/31/2021	E. Budget \$ Change (D - C)	F. Budget % Change (D - C)
1	kWh Purchases	221,869,000	225,413,000	68,472,000	77,030,000	8,558,000	12.5%
2	Gross Revenue	31,702,000	33,116,000	10,096,000	10,984,000	888,000	8.8%
3	Energy Charge Adjustment	(341,000)	(651,000)	-	(349,000)	(349,000)	
4	Gross Revenue Total	31,361,000	32,465,000	10,096,000	10,635,000	539,000	5.3%
5	Cost of power	9,262,000	9,513,000	3,042,000	3,132,000	90,000	3.0%
6	Operations & G&A	11,178,000	12,076,000	3,389,000	3,219,000	(170,000)	-5.0%
7	Depr, Int & Taxes	8,189,000	8,497,000	2,268,000	2,177,000	(91,000)	-4.0%
8		28,629,000	30,086,000	8,699,000	8,528,000	(171,000)	-2.0%
9	Net Margins	\$ 2,732,000	\$ 2,379,000	\$ 1,397,000	\$ 2,107,000	710,000	50.8%
10	TIER	2.40	2.18	3.75	5.19	1.44	
11	Equity % of Total Cap	39.7%	36.0%	37.4%	37.5%	0%	
12	Equity	38,403,000	38,341,000	39,893,000	40,059,000	166,000	0.4%
13	Total Debt (Note 1)	59,899,000	69,876,000	69,367,000	69,368,000	1,000	0.0%
14	Capital Spending	(7,004,861)	(7,050,000)	(1,726,000)	(1,737,000)	(11,000)	0.6%
15	Capital Credit Retirement (net)	(1,115,000)	(1,151,000)	(30,000)	(27,000)	3,000	-10.0%
16	Annual HDD	1,323	1,315	725	702	(23)	-3.2%

Notes

1 No borrowings in 2021: board approved advanced borrowing of \$6.4M in 2020 due to historic low interest rates

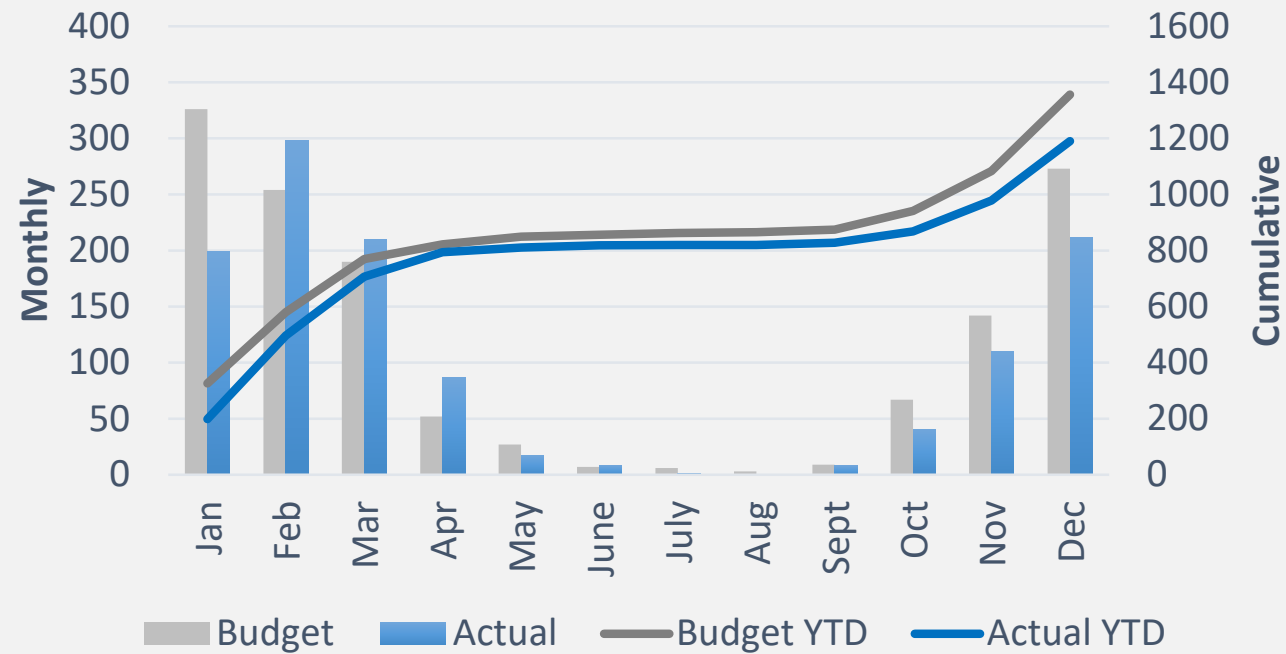
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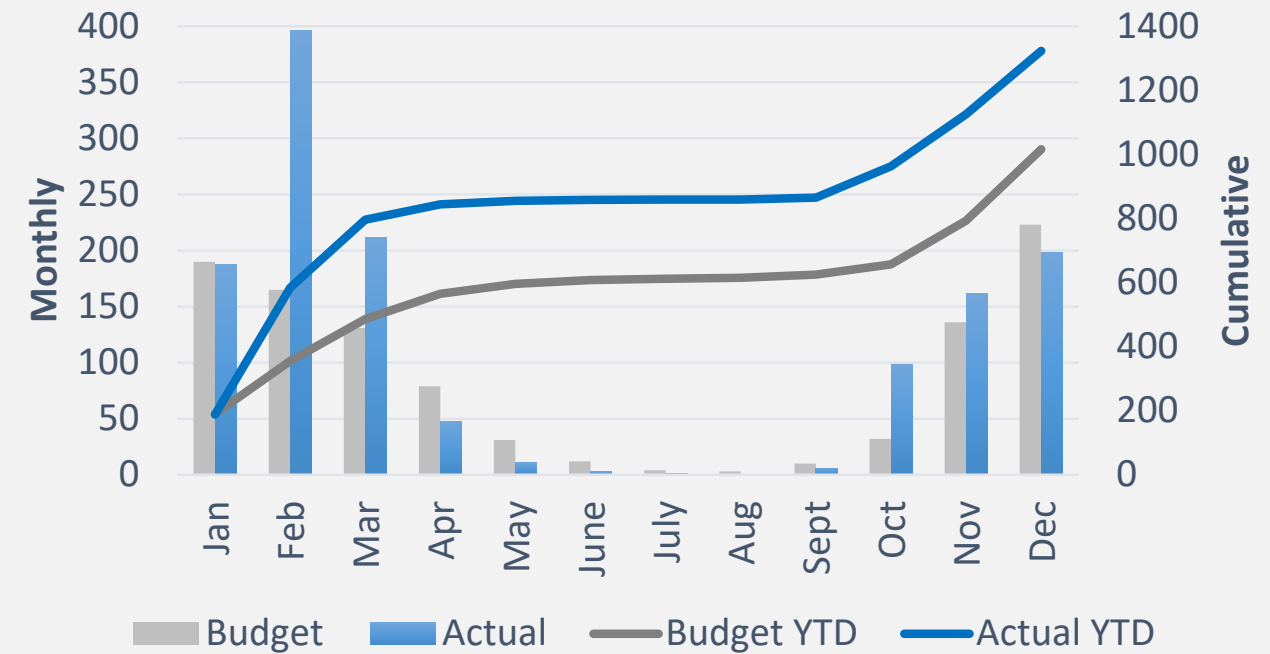
# 2021 Q1 Financial Highlights

# 2021 Budget to Actual: Heating Degree Days

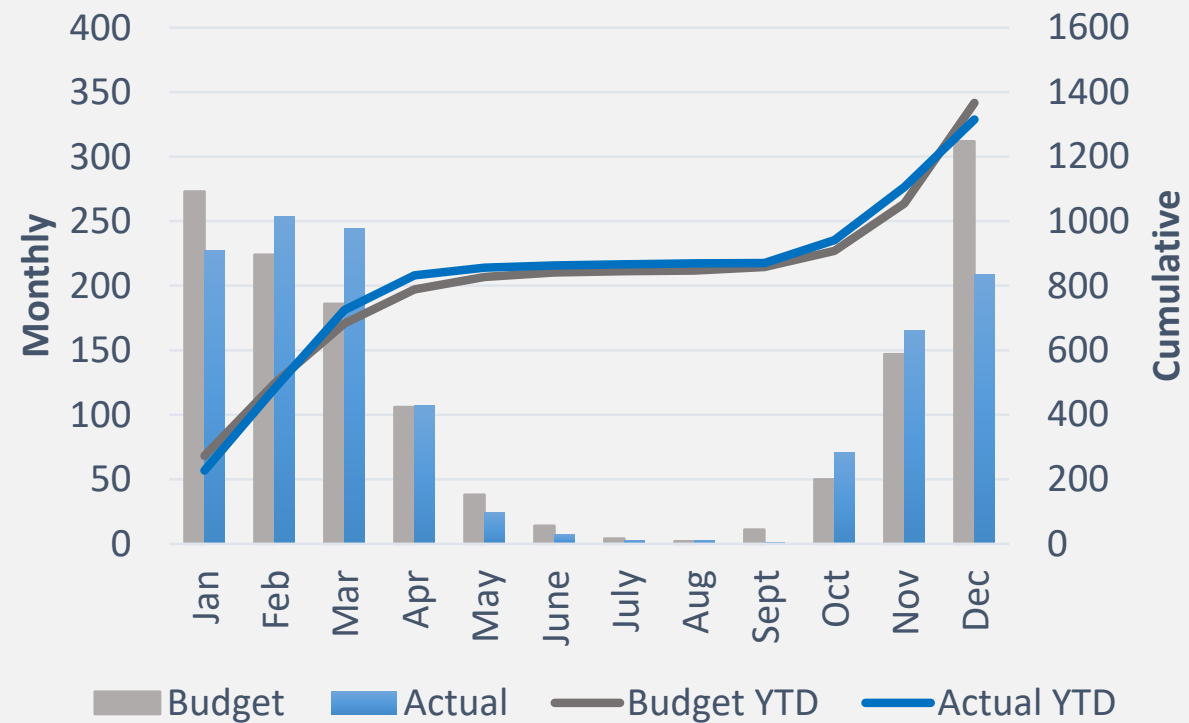
## 2018 HDD's



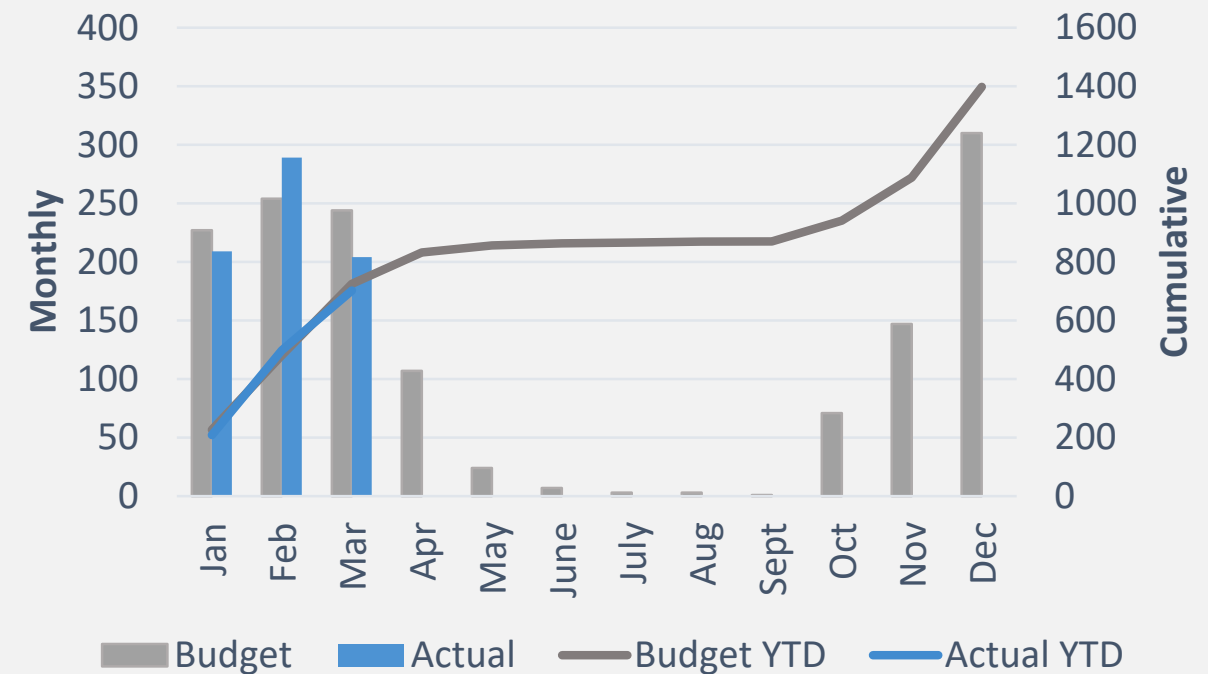
## 2019 HDD's



## 2020 HDD's

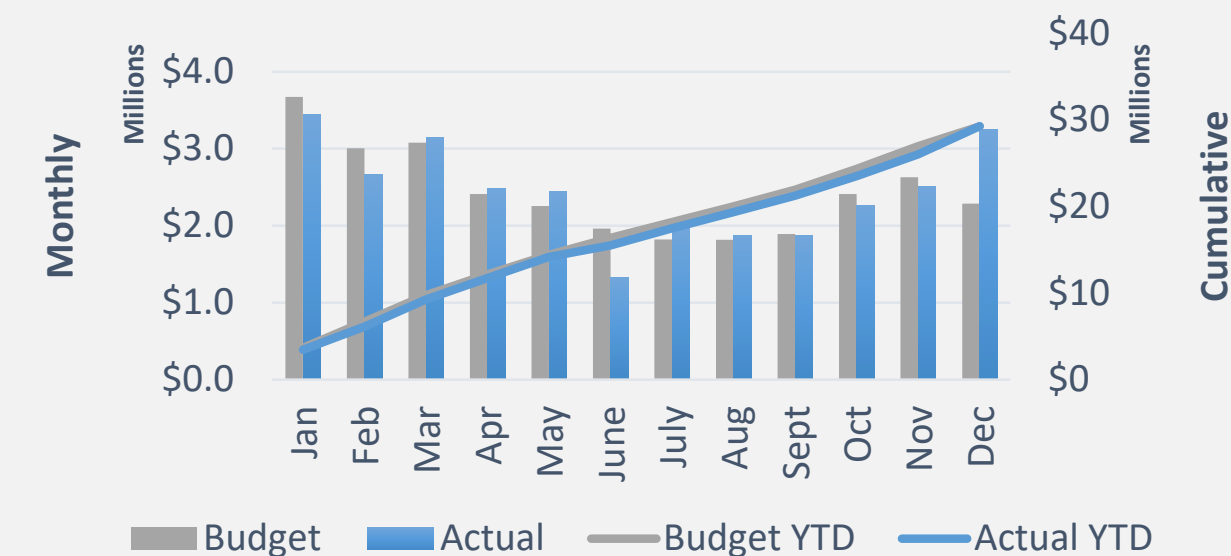


## 2021 HDD's

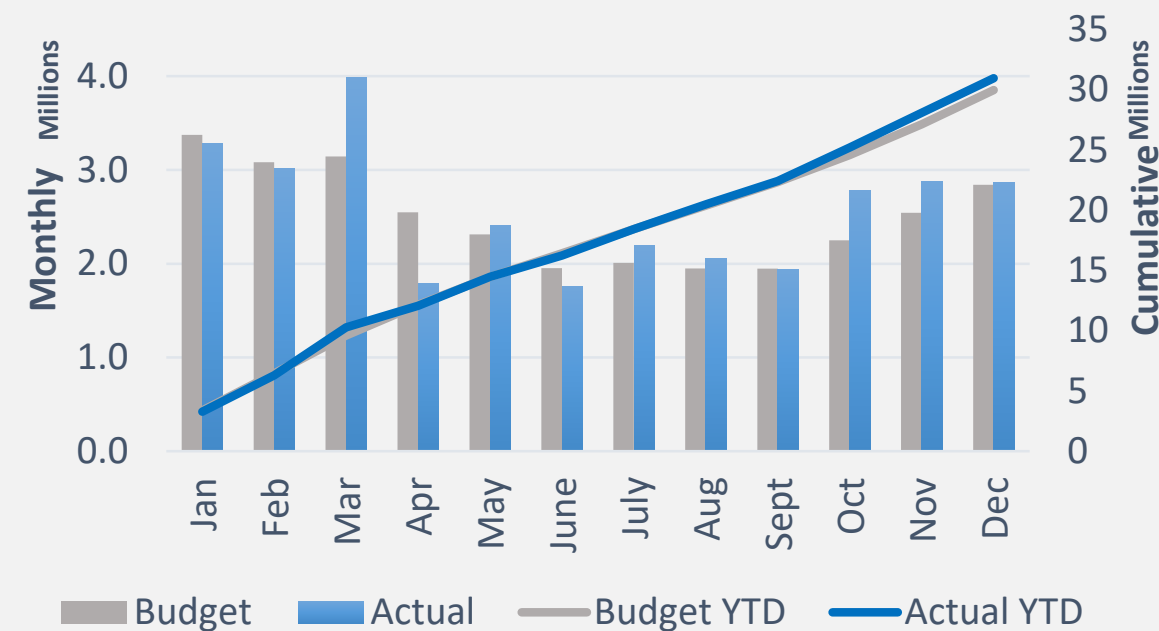


# 2021 Budget to Actual: Revenue

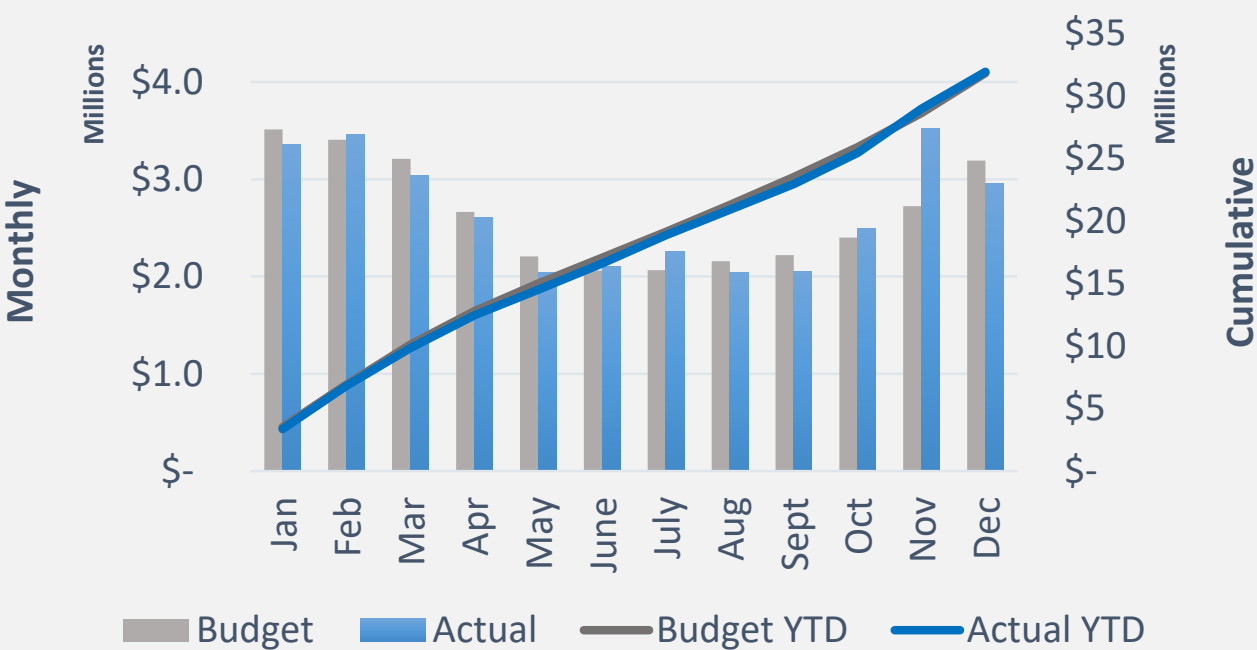
## 2018 Revenue



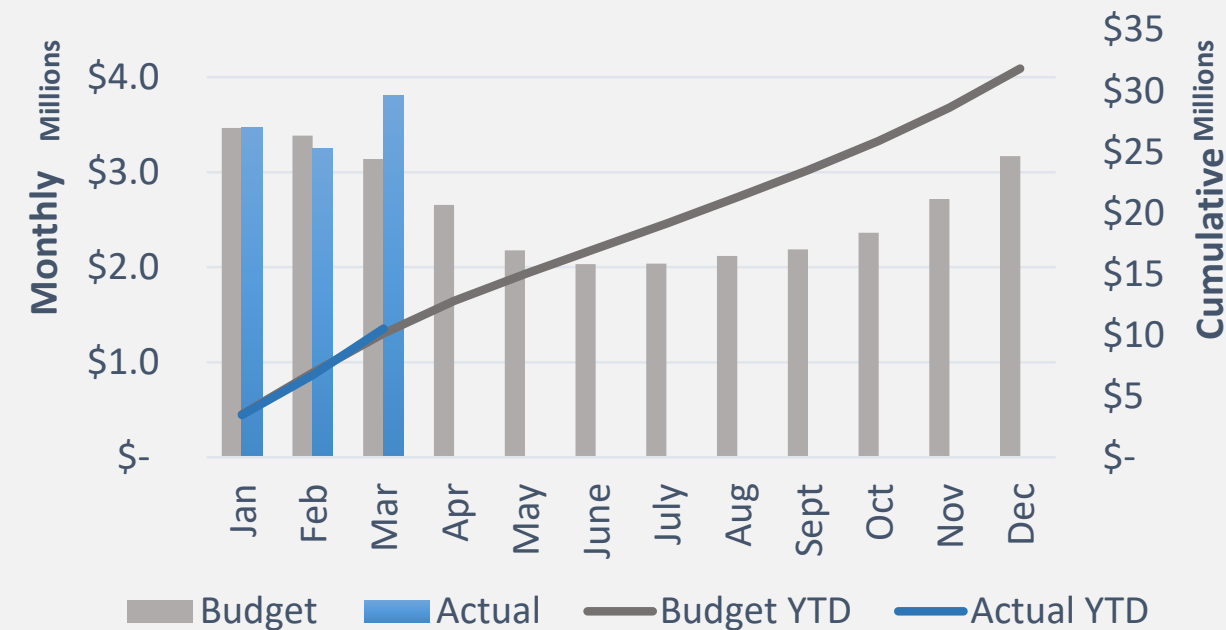
## 2019 Revenue



## 2020 Revenue



## 2021 Revenue



\* Revenue net of ECA



# 2021 Q1 Budget to Actual: Statement of Operations

	A. Audited Year End 12/31/2019	B. Unaudited Year End 12/31/2020	C. Budget Year End 12/31/2021	Budget Period End 3/31/2021	D. Actual Period End 3/31/2021	E. Budget Variance (E - D)
1 OPERATING REVENUES						
2 Residential	\$ 22,679,087	\$ 24,062,590	\$ 23,478,420	\$ 7,449,674	\$ 8,156,930	707,256
3 Commercial	7,999,086	7,714,074	7,865,526	2,515,215	2,350,192	(165,023)
4 Other						
5 Penalties and fees	190,397	75,175	42,538	9,100	7,505	(1,595)
6 Other	69,974	73,596	67,388	17,544	16,889	(655)
7 Total operating revenue	30,938,545	31,925,435	31,453,872	9,991,533	10,531,516	539,983
9 OPERATING EXPENSES						
10 Cost of power	9,262,362	9,512,760	9,735,462	3,042,305	3,132,324	90,019
11 Transmission	458,165	388,576	428,447	166,336	219,760	53,425
12 Distribution - operations	3,604,825	3,570,350	3,636,851	1,154,814	973,055	(181,760)
13 Distribution - maintenance	2,170,783	2,825,081	2,733,082	706,660	703,859	(2,801)
14 Consumer accounts	1,097,439	1,093,791	1,003,546	288,106	287,382	(723)
16 General and administration						
17 Administration	3,390,513	3,739,823	3,957,880	961,913	965,489	3,576
18 Energy services	395,013	369,201	408,389	88,885	46,073	(42,812)
19 Subsidiary charges (RIC network mgt services)	61,378	89,284	89,625	22,406	23,016	609
20 Total general and administration	3,846,904	4,198,308	4,455,894	1,073,204	1,034,577	(38,627)
22 Depreciation and amortization	4,923,805	5,015,406	5,279,563	1,329,498	1,252,592	(76,906)
23 Taxes	1,444,843	1,514,553	1,573,530	452,056	445,279	(6,778)
25 Total operating expenses	26,809,125	28,118,825	28,846,375	8,212,979	8,048,828	(164,151)
27 Operating margins before fixed charges	4,129,420	3,806,610	2,607,497	1,778,554	2,482,687	704,134
29 FIXED CHARGES						
30 Interest on long-term debt	1,820,581	1,966,936	1,962,740	486,696	478,726	(7,970)
32 Operating margins after fixed charges	2,308,838	1,839,673	644,757	1,291,857	2,003,961	712,104
34 PATRONAGE CAPITAL CREDITS	125,254	122,952	129,893	45,463	35,048	(10,415)
36 Net operating margins	2,434,092	1,962,625	774,650	1,337,320	2,039,009	701,690
38 NON-OPERATING MARGINS						
39 Interest income	123,252	89,550	70,985	17,746	15,823	(1,923)
40 Other income (loss)	4,259	157,313	2,473	(801)	5,040	5,840
41 Total Opalco non-operating margins	127,511	246,863	73,458	16,946	20,863	3,917
42 Non-operating margins from Subsidiary						
43 Interest Income (RIC loan)	79,346	79,471	79,476	19,869	19,890	21
44 Other income (use of OPALCO backbone)	89,976	89,976	89,976	22,494	27,435	4,941
45 Total non-operating margins from Subsidiary	169,322	169,447	169,452	42,363	47,325	4,962
46 Net non-operating margins	296,833	416,309	242,910	59,309	68,188	8,879
48 NET MARGINS	\$ 2,730,925	\$ 2,378,935	\$ 1,017,560	\$ 1,396,628	\$ 2,107,197	710,569
50 TIER	2.40	2.18	1.50	3.75	5.19	1.44
51 Equity % of Total Cap	39.7%	35.9%	36.1%	37.4%	37.5%	0.1%



## Notes:

- Through Q1 the ECA returned a net \$349k 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 \$211K in January 2021, related to the calculation based on December 2020 factors.
- Net Margin: \$2.107M (\$711k increase)



# 2021 Q1 Budget to Actual: Financial Metrics





ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2019	B. Unaudited Year End 12/31/2020	C. Budget Year End 12/31/2021	D. Budget Period End 3/31/2021	E. Actual Period End 3/31/2021	F. Budget Variance (E - D)
1 OPERATING REVENUES						
2     Residential	\$ 22,679,087	\$ 24,062,590	\$ 23,478,420	\$ 7,449,674	\$ 8,156,930	707,256
3     Commercial	7,999,086	7,714,074	7,865,526	2,515,215	2,350,192	(165,023)
4     Other						
5         Penalties and fees	190,397	75,175	42,538	9,100	7,505	(1,595)
6         Other	69,974	73,596	67,388	17,544	16,889	(655)
7     Total operating revenue	30,938,545	31,925,435	31,453,872	9,991,533	10,531,516	539,983
8						
9 OPERATING EXPENSES						
10    Cost of power	9,262,362	9,512,760	9,735,462	3,042,305	3,132,324	90,019
11    Transmission	458,165	388,576	428,447	166,336	219,760	53,425
12    Distribution - operations	3,604,825	3,570,350	3,636,851	1,154,814	973,055	(181,760)
13    Distribution - maintenance	2,170,783	2,825,081	2,733,082	706,660	703,859	(2,801)
14    Consumer accounts	1,097,439	1,093,791	1,003,546	288,106	287,382	(723)
15						
16    General and administration						
17         Administration	3,390,513	3,739,823	3,957,880	961,913	965,489	3,576
18         Energy services	395,013	369,201	408,389	88,885	46,073	(42,812)
19         Subsidiary charges (RIC network mgt services)	61,378	89,284	89,625	22,406	23,016	609
20         Total general and administration	3,846,904	4,198,308	4,455,894	1,073,204	1,034,577	(38,627)
21						
22    Depreciation and amortization	4,923,805	5,015,406	5,279,563	1,329,498	1,252,592	(76,906)
23    Taxes	1,444,843	1,514,553	1,573,530	452,056	445,279	(6,778)
24						
25         Total operating expenses	26,809,125	28,118,825	28,846,375	8,212,979	8,048,828	(164,151)
26						
27         Operating margins before fixed charges	4,129,420	3,806,610	2,607,497	1,778,554	2,482,687	704,134
28						
29 FIXED CHARGES						
30     Interest on long-term debt	1,820,581	1,966,936	1,962,740	486,696	478,726	(7,970)
31						
32         Operating margins after fixed charges	2,308,838	1,839,673	644,757	1,291,857	2,003,961	712,104
33						
34 PATRONAGE CAPITAL CREDITS	125,254	122,952	129,893	45,463	35,048	(10,415)
35						
36         Net operating margins	2,434,092	1,962,625	774,650	1,337,320	2,039,009	701,690
37						
38 NON-OPERATING MARGINS						
39     Interest income	123,252	89,550	70,985	17,746	15,823	(1,923)
40     Other income (loss)	4,259	157,313	2,473	(801)	5,040	5,840
41         Total Opalco non-operating margins	127,511	246,863	73,458	16,946	20,863	3,917
42						
41     Non-operating margins from Subsidiary						
42         Interest Income (RIC loan)	79,346	79,471	79,476	19,869	19,890	21
43         Other income (use of OPALCO backbone)	89,976	89,976	89,976	22,494	27,435	4,941
44         Total non-operating margins from Subsidiary	169,322	169,447	169,452	42,363	47,325	4,962
45						
46         Net non-operating margins	296,833	416,309	242,910	59,309	68,188	8,879
47						
48 NET MARGINS	\$ 2,730,925	\$ 2,378,935	\$ 1,017,560	\$ 1,396,628	\$ 2,107,197	710,569
49						
50     TIER	2.40	2.18	1.50	3.75	5.19	1.44
51     Equity % of Total Cap	39.7%	35.9%	36.1%	37.4%	37.5%	0.1%



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL  
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget Period End 3/31/2021	Unaudited Year End 3/31/2021	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)
1	I OPERATING REVENUES	9,991,533	10,531,516	539,983	
2					
3					Budget Actual Variance
4					HDD 725 702 23
5	Operating Revenue - Line 7 Detail Breakout:				kWh Sales 64,434 75,732 11,298
6	Residential Sales	7,449,674	8,156,930	707,256	(kWh in thousands) kWh sales higher than budgeted & shift from CML to RES consumption
7	Commercial Sales	2,515,215	2,350,192	(165,023)	Drop in commercial revenue
8	Other Operating Revenue				
9	Penalties and Fees	(9,100)	(7,505)	(1,595)	Less penalties collected
10	Other	(17,544)	(16,889)	(655)	Less pole attachment revenue
11					
12	TOTAL OPERATING REVENUES	9,991,533	10,531,516	539,983	Overall kWh sales higher than budget, offset by a slight reduction in CML revenue
13					
14					
15	II OPERATING EXPENSES	8,212,979	8,048,828	(164,151)	Overall Decrease in operating expenses
16					
17	Cost of Power - Line 10	3,042,305	3,132,324	90,019	Increase in expense - more kwh purchased than budgeted
18					Budget Actual Variance
19					kWh Purchases 68,472 77,030 8,558
20					(kWh in thousands)
21	Transmission - Line 11 Detail Breakout:	166,336	219,760	53,425	Increase in expense - power outage Q1, offset Distribution costs
22					
23	Distribution - Operations - Line 12 Detail Breakout:	1,154,814	973,055	(181,760)	Decrease in expense - 50% decrease in labor time coded to other efforts, 50% decrease in non-labor operating expenses
24					
25	Distribution - Maintenance - Line 13 Detail Breakout:	706,660	703,859	(2,801)	Decrease in expense
26					
27	Consumer accounts - Line 14 Detail Breakout:	288,106	287,382	(723)	Decrease in expense - no disconnects or penalties still in effect for 2021
28					
29	Total General and Administrative (G&A):	1,073,204	1,034,577	(38,627)	Decrease in expense - see energy services below
30					
31	Administration G&A - Line 17 Detail Breakout:	961,913	965,489	3,576	Increase in expense
32					
33	Energy Services G&A - Line 18	88,885	46,073	(42,812)	Decrease in expense - less rebates, fuel switching, & EV Charger rebates and no snapshot expenses due to COVID-19 restrictions still in place
34					
35	Subsidiary Charges G&A - Line 19	22,406	23,016	609	Increase in expense
36					
37	Total General and Administrative (G&A)	1,073,204	1,034,577	(38,627)	Overall decrease in expense
38					
39	Deprec. & Amort. - Line 22	1,329,498	1,252,592	(76,906)	Decrease in expense - lower capitalizations to general plant
40					



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL  
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget	Unaudited	Budget	
		Period End	Year End	Variance	
		3/31/2021	3/31/2021	(B - A)	Comments: Budget To Actual (Column C.)
41	Taxes - Line 23	452,056	445,279	(6,778)	Decrease in expense
42					
43	TOTAL OPERATING EXPENSES	8,212,979	8,048,828	(164,151)	Overall decrease in expense
44					
45					
46	III FIXED CHARGES - Interest Expense - Line 30	486,696	478,726	(7,970)	Decrease in expense
47					
48	IV PATRONAGE CAPITAL CREDITS (Income) - Line 34	45,463	35,048	(10,415)	Decrease in income - received from associated cooperatives
49					
50	TOTAL NET OPERATING MARGINS	1,337,320	2,039,009	701,690	Increase in margin
51					
52	V NON-OPERATING MARGINS	59,309	68,188	8,879	Increase in margin
60					
61	TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	1,396,628	2,107,197	710,569	Increase in margin

# ORCAS POWER AND LIGHT COOPERATIVE

## BALANCE SHEET

	A. Audited Year End 12/31/2018	B. Audited Year End 12/31/2019	C. Unaudited Year End 12/31/2020	D. Actual Period End 3/31/2021	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4     Electric plant in service	\$ 136,469,139	\$ 144,301,230	\$ 148,966,539	\$ 150,209,799	1,243,260
5     Construction work in progress	6,790,804	5,015,317	6,633,154	6,911,079	277,925
6					
7	143,259,943	149,316,547	155,599,693	157,120,878	1,521,185
8     Less accumulated depreciation and amortization	49,148,193	53,456,306	58,016,597	59,106,447	1,089,850
9					
10       Net utility plant	94,111,750	95,860,241	97,583,096	98,014,431	431,335
11					
12     Investments in associated organizations					
13       Other (CFC, Federated, PNGC, etc.)	1,737,909	1,814,993	1,866,511	1,385,643	(480,868)
14       Non-utility investment subsidiary (Note 1)	(7,444,503)	(9,279,459)	(10,664,353)	(11,020,105)	(355,752)
15       Total investments in associated organizations	(5,706,594)	(7,464,466)	(8,797,842)	(9,634,462)	(836,620)
16					
17       Other property and investments	(5,706,594)	(7,464,466)	(8,797,842)	(9,634,462)	(836,620)
18					
19 CURRENT ASSETS					
20     Cash and cash equivalents	2,041,535	3,928,582	6,475,385	7,091,773	616,388
21     Cash and cash equivalents - board designated	530,765	538,699	6,376,649	6,880,090	503,441
22     Accounts receivable, less doubtful accts allowance	4,501,319	3,910,241	4,286,644	5,026,425	739,781
23     Interest receivable	6,316	24,279	6,240	12,796	6,556
24     Materials and supplies	3,045,487	3,006,903	3,460,300	3,797,139	336,839
25     Prepaid expenses	384,379	452,011	491,537	274,790	(216,747)
26					
27       Total current assets	10,509,801	11,860,715	21,096,755	23,083,013	1,986,258
28					
29 DEFERRED CHARGES (Note 2)	-	647,075	1,110,562	1,222,860	112,298
30					
29     Total assets	\$ 98,914,957	\$ 100,903,565	\$ 110,992,571	\$ 112,685,842	\$ 1,693,271



# ORCAS POWER AND LIGHT COOPERATIVE

## BALANCE SHEET

	A. Audited Year End 12/31/2018	B. Audited Year End 12/31/2019	C. Unaudited Year End 12/31/2020	D. Actual Period End 3/31/2021	E. Change (D - C)	
30						
31	EQUITIES, MARGINS, AND LIABILITIES					
32						
33	EQUITIES AND MARGINS					
34	Memberships	\$ 56,580	\$ 56,355	\$ 57,595	\$ 57,865	270
35	Patronage capital - OPALCO	41,668,217	42,747,665	43,510,710	45,547,101	2,036,391
36	Donated and other equities					
37	OPALCO donated & other margins	6,479,464	7,011,501	7,570,208	7,610,178	39,970
38	Subsidiary margins	(9,571,004)	(11,412,680)	(12,797,590)	(13,155,859)	(358,269)
39						
40	Total equities and margins	38,633,257	38,402,841	38,340,923	40,059,285	1,718,362
41						
42	LONG-TERM DEBT, less current maturities					
43	RUS mortgage notes (Note 3)	47,256,888	49,959,161	58,091,826	57,240,942	(850,884)
44	RUS economic development	-	-	-	-	-
45	CFC mortgage notes	8,300,502	8,029,709	7,747,858	7,675,644	(72,214)
46						
47	Total long-term debt	55,557,390	57,988,870	65,839,684	64,916,586	(923,098)
48						
49	OTHER NONCURRENT LIABILITIES (Note 4)	-	251,562	2,477,302	1,842,578	(634,724)
50						
51	Total long-term liabilities	55,557,390	58,240,432	68,316,986	66,759,164	(1,557,822)
52						
53	CURRENT LIABILITIES					
54	Accounts payable	1,979,818	1,622,227	1,498,762	1,683,073	184,311
55	Customer deposits	83,857	85,259	72,900	49,800	(23,100)
56	Accrued liabilities	691,055	583,736	840,583	1,160,809	320,226
57	Current maturities of long-term debt	1,628,954	1,640,280	1,540,751	2,593,730	1,052,979
58	Current maturities capital leases	24,443	18,057	18,057	15,044	(3,013)
59						
60	Total current liabilities	4,408,127	3,949,559	3,971,053	5,502,456	1,531,403
61						
62	DEFERRED CREDITS	316,183	310,733	363,609	364,937	1,328
63						
64	Total equities and liabilities	\$ 98,914,957	\$ 100,903,565	\$ 110,992,571	\$ 112,685,842	\$ 1,693,271
65						
66	Note:					
67	1 Investment in subsidiary consists of OPALCO's invested dollars in Island Network LLC (+\$2,135,754) less IN LLC's cumulative net deficit of (\$13,547,890) seen in 'equities & margins'.					
68	2 Member Switch-It-Up On Bill Financing (OBF) Long Term Receivables					
69	3 No borrowings in 2021: board approved advanced borrowing of \$6.4M in 2020 due to historic low interest rates					
70	4 Amount includes PPP \$1.790M + \$622k in RESP					

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW  
GAAP

	A. Audited Year End 12/31/2019	B. Unaudited Year End 12/31/2020	C. Actual Period End 3/31/2021
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins	\$ 2,730,925	\$ 2,378,935	\$ 2,107,197
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	4,923,805	5,015,406	1,252,592
6 Changes in assets and liabilities			
7 Accounts receivable	(55,997)	(376,403)	(739,781)
8 Interest receivable	(17,963)	18,039	(6,556)
9 Prepaid expenses	(67,635)	(39,526)	216,747
10 Accounts payable	(357,591)	(123,465)	184,311
11 Customer deposits	1,402	(12,359)	(23,100)
12 Accrued liabilities	(107,317)	256,849	320,226
13 Deferred credits	(5,449)	52,874	1,328
14 Deferred Charges	-	(463,487)	(112,298)
14 Net cash from operating activities	7,044,180	6,706,863	3,200,666
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(7,659,387)	(8,112,759)	(1,838,163)
18 Change in materials and supplies	38,584	(453,397)	(336,839)
19 (Increase) decrease in investment in Subsidiary	1,834,956	1,384,894	355,752
20 (Increase) decrease in other OPALCO property and investments, net	(77,084)	(51,518)	480,868
21			
22 Net cash from investing activities	(5,862,931)	(7,232,780)	(1,338,382)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net	(1,544,018)	(1,812,990)	(507,856)
25 Proceeds from debt (Note 1)	4,232,000	11,790,016	-
26 Memberships	(225)	1,240	270
27 Retirements of patronage capital, net	(1,119,442)	(1,057,183)	(30,836)
28 Change in subsidiary equities	(1,841,675)	(1,384,910)	(358,269)
29 Contributions in aid of construction	987,092	1,374,497	154,236
30			
30 Net cash from financing activities	713,732	8,910,670	(742,455)
31			
31 NET CHANGE IN CASH	1,894,981	8,384,753	1,119,829
32			
32 CASH AND CASH EQUIVALENTS, beginning of year/period	2,572,300	4,467,281	12,852,034
33			
33 CASH AND CASH EQUIVALENTS, end of year/period	4,467,281	12,852,034	13,971,863
34			
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 1,948,626	\$ 2,021,376	\$ 503,493
36			
36 OUTSTANDING DEBT BALANCE	(59,898,769)	(69,875,795)	(69,367,938)
37			
37 Notes:			
38 1 No borrowings in 2021: board approved advanced borrowing of \$6.4M in 2020 due to historic low interest rates			



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands		A. Audited Year-End 12/31/2019	B. Unaudited Year-End 12/31/2020	C. Approved Budget 3/31/2021	D. Actual Period-End 3/31/2021	E. Budget Variance ( D - C )
1	% Rate Increase	6%	3%	0%	0%	
2	OPERATING ACTIVITIES:					
3	Margins	\$ 2,700	\$ 2,400	\$ 1,400	\$ 2,100	\$ 700
4	Plus depreciation/amortization	4,900	5,000	1,300	1,300	-
5	Cash flow operations	7,600	7,400	2,700	3,400	700
6						
7	PLANT INVESTMENT (NET)					
8	Plant investment (including material inventory)	(4,400)	(7,100)	(1,800)	(1,700)	100
9	Cash flow from operations and plant investment	3,200	300	900	1,700	800
10						
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,100)	(1,200)	(30)	(30)	-
12	Cash flow before borrowings	2,100	(900)	870	1,670	800
13						
14	NET BORROWINGS	2,700	10,000	(510)	(500)	10
15	Cash increase (decrease) after net borrowings	\$ 4,800	\$ 9,100	\$ 360	\$ 1,170	\$ 810
16						
17						
18	OUTSTANDING DEBT BALANCE	59,900	69,900	69,400	69,400	-

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	G.
RUS CWP DESCRIPTION			Unaudited Year End 12/31/2020	Budget Year End 12/31/2021	Budget Period End 3/31/2021	Actual Period End 3/31/2021	Budget Variance (D- C)	Comments
1	DISTRIBUTION							
2	100	New Services	\$ 429,487	\$ 416,000	\$ 83,200	\$ 210,280	\$ 127,080	Member request for overhead to underground (Offset to Line 38)
3	200	New Tie Lines	337,637	200,000	-	26	26	
4	300	Conversions and Line Changes	513,186	1,680,000	700,000	681,662	(18,338)	
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,148,926	1,980,000	75,000	59,486	(15,514)	
7	600	Miscellaneous Distribution Equipment						
8	601	Transformers & Meters	674,405	672,000	168,000	141,162	(26,838)	
9	602	Sets of Service Wires to increase Capacity	-		-	-	-	
10	603	Sectionalizing Equipment	177,127	315,000	130,000	129,791	(209)	
11	604	Regulators	49,127	150,000	-	-	-	
12	606	Ordinary Replacements	375,670	250,000	10,000	9,782	(218)	
13	607	Overhead to Underground Replacements		95,000	5,000	3,308	(1,692)	
14	608	Underground Dist. Cable Replacement	2,025,373	1,637,000	500,000	422,951	(77,049)	Labor shifted to member projects – line 2 member projects
15	700	Other Distribution Items						
16	701	Engineering Fees	-	-	-	-	-	
17	704	LMS & SCADA	96,700	213,000	65,000	64,822	(178)	
18	705	AMR	34,430	-	-	-	-	
19	706	Communications	123,699	150,000	-	264	264	
20	TRANSMISSION							
21	800	New Tie Line	-		-	-	-	
22	900	New Substations, switching station, metering point, etc.	75,055	71,000	5,000	14,942	9,942	
23	1000	Line and Station Changes	23,510	350,000	10,000	3,624	(6,376)	
24	1100	Other Transmission	-	-	-	-	-	
25	GENERATION							
26	1200	Generation	-	150,000	-	300	300	
27	OTHER							
28	1300	Headquarters Facilities	666,958	247,000	25,000	31,853	6,853	
29	1400	Acquisitions	519,133	40,000	-	-	-	
30	1500	All Other (Transportation, Etc.)						
31	1501	Transportation/Equipment/Tools/Radios	717,348	271,500	70,000	74,048	4,048	
32	1502	Office Equipment/Furniture/Etc.	72,945	15,000	5,000	1,511	(3,489)	
33	1503	Computer/Servers/Software	227,575	133,000	5,000	3,372	(1,628)	
34	1504	Electrical Infrastructure to Support Community Solar	908	1,500,000	-	2,638	2,638	
35	1600	Minor Projects	134,979	162,000	50,000	34,959	(15,041)	
36	RUS CWP SUBTOTAL		8,424,179	10,697,500	1,906,200	1,890,782	(15,418)	
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)							
38		New Services	(495,055)	(425,000)	(106,250)	(100,853)	5,397	Offset to Line 2 - New Services
39		Meters and Transformers	(271,615)	(297,000)	(74,250)	(53,383)	20,867	Offset to Line 8 Transformers & Meters
40		Joint Projects	(87,826)	(254,000)	-	-	-	
41		WA DOC Grant Funding	(520,000)	(1,000,000)	-	-	-	
42		Community Solar Member Contributions	-	(1,500,000)	-	-	-	
43	CIAC SUBTOTAL		(1,374,497)	(3,476,000)	(180,500)	(154,236)	26,264	
44								
45	RUS CWP NET TOTAL		7,049,683	7,221,500	1,725,700	1,736,546	10,846	



ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7  
STATEMENT OF OPERATIONS

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

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION

BORROWER DESIGNATION  
WA0009

PERIOD ENDED  
March '21

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	9,849,597	10,531,516	9,991,533	3,810,485
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	3,100,440	3,132,324	3,042,305	893,945
4. Transmission Expense	134,514	219,760	166,336	33,764
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	1,075,850	973,055	1,154,814	283,445
7. Distribution Expense - Maintenance	720,275	703,859	706,660	186,622
8. Customer Accounts Expense	321,578	287,382	288,106	86,234
9. Customer Service and Informational Expense	139,119	85,602	119,923	17,114
10. Sales Expense	10,485	9,826	9,158	5,038
11. Administrative and General Expense	889,961	939,150	944,123	296,400
12. Total Operation & Maintenance Expense (2 thru 11)	6,392,221	6,350,957	6,431,425	1,802,563
13. Depreciation and Amortization Expense	1,262,576	1,252,592	1,329,498	416,159
14. Tax Expense - Property & Gross Receipts	91,066	88,404	98,351	28,665
15. Tax Expense - Other	344,865	356,875	353,705	121,049
16. Interest on Long-Term Debt	483,901	503,493	508,185	167,493
17. Interest Charged to Construction - Credit	(16,712)	(24,767)	(21,489)	(9,892)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	-	-	-	-
20. Total Cost of Electric Service (12 thru 19)	8,557,918	8,527,554	8,699,676	2,526,037
21. Patronage Capital & Operating Margins (1 minus 20)	1,291,678	2,003,961	1,291,857	1,284,449
22. Non Operating Margins - Interest	41,926	35,713	37,615	12,190
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	84,193	32,475	21,693	7,845
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	29,581	35,048	45,463	35,048
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (21 thru 28)	1,447,379	2,107,197	1,396,628	1,339,531

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7  
BALANCE SHEET

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		
			March '21		
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	55	31	5. Miles Transmission	42.65	46.39
2. Services Retired	-	2	6. Miles Distribution – Overhead	149.78	147.32
3. Total Services in Place	15,274	15,435	7. Miles Distribution - Underground	1,065.60	1,066.44
4. Idle Services (Exclude Seasonals)	757	769	8. Total Miles Energized (5 + 6 + 7)	1,258.03	1,260.15
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	150,209,799		30. Memberships	57,865	
2. Construction Work in Progress	7,022,312		31. Patronage Capital	41,060,969	
3. Total Utility Plant (1 + 2)	157,232,112		32. Operating Margins - Prior Years	2,378,935	
4. Accum. Provision for Depreciation and Amort.	59,217,681		33. Operating Margins - Current Year	2,074,723	
5. Net Utility Plant (3 - 4)	98,014,431		34. Non-Operating Margins	32,475	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	(5,545,681)	
7. Investments in Subsidiary Companies	(11,020,105)		36. Total Margins & Equities (30 thru 35)	40,059,285	
8. Invest. in Assoc. Org. - Patronage Capital	836,929		37. Long-Term Debt - RUS (Net)	-	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	58,929,412	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	536,474		39. Long-Term Debt - Other - RUS Guaranteed	-	
11. Investments in Economic Development Projects	-		40. Long-Term Debt Other (Net)	10,423,482	
12. Other Investments	1,940		41. Long-Term Debt - RUS - Econ. Devel. (Net)	-	
13. Special Funds	7,048,945		42. Payments – Unapplied	-	
14. Total Other Property & Investments (6 thru 13)	(2,585,516)		43. Total Long-Term Debt (37 thru 41 - 42)	69,352,894	
15. Cash - General Funds	3,110,717		44. Obligations Under Capital Leases - Noncurrent	-	
16. Cash - Construction Funds - Trustee	37,917		45. Accumulated Operating Provisions and Asset Retirement Obligations	-	
17. Special Deposits	-		46. Total Other Noncurrent Liabilities (44 + 45)	-	
18. Temporary Investments	3,876,153		47. Notes Payable	-	
19. Notes Receivable (Net)	114,257		48. Accounts Payable	1,683,073	
20. Accounts Receivable - Sales of Energy (Net)	3,000,913		49. Consumers Deposits	49,800	
21. Accounts Receivable - Other (Net)	77,076		50. Current Maturities Long-Term Debt	-	
22. Renewable Energy Credits	-		51. Current Maturities Long-Term Debt - Economic Development	-	
23. Materials and Supplies - Electric & Other	3,797,139		52. Current Maturities Capital Leases	15,044	
24. Prepayments	274,791		53. Other Current and Accrued Liabilities	1,160,808	
25. Other Current and Accrued Assets	1,745,105		54. Total Current & Accrued Liabilities	2,908,725	
26. Total Current and Accrued Assets	16,034,067		55. Regulatory Liabilities	-	
27. Regulatory Assets	-		56. Other Deferred Credits	364,938	
28. Other Deferred Debits	1,222,860		57. Total Liabilities and Other Credits	112,685,842	
29. Total Assets and Other Debits	112,685,842				