

ORCAS POWER & LIGHT COOPERATIVE 2021 YEAR END FINANCIAL REPORT



MEMORANDUM

March 11, 2022

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2021 Year End Unaudited Financial Report

Please see attached the full 2021 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), and capital projects budget tracking.

The OPALCO and Rock Island teams met the challenge of the continued pandemic conditions in 2021 while keeping rates flat, continuing to provide COVID assistance and coming into year end with a healthy margin. Power reliability was maintained at 99.87% and Rock Island broadband reliability achieved 99.99%.

The energy charge adjustment (ECA) returned \$1,294M (\$211k in January based on December 2020 calculation) to the membership through Year End 2021, driven by higher kWh sales and a lower cost per kWh purchased than budgeted. The continued impact of COVID-19 on our commercial members is waning as commercial revenue was above budget by ~\$15k. Overall, sales were bolstered by higher kWh sales than budgeted. Coupled with overall expenses coming in under budget and the PPP Loan Forgiveness of \$1.79M, all factors combined resulted in an increase in the margin of \$2,854M as compared to budget.

The table below provides a summary of the financial results of 2021.

Income Statement Summary (in thousands)	Year End 2021 (unaudited)		
	Budget	Unaudited	Variance
Operating Revenue	\$ 31,454	\$ 33,426	\$ 1,972
ECA Surcharge / (Credit)*	\$ -	\$ (1,294)	\$ (1,294)
Revenue	\$ 31,454	\$ 32,132	\$ 678
Expenses:			
Cost of Purchased Power	\$ 9,735	\$ 9,935	\$ 200
Transmission & Distribution Expense	6,798	6,591	(207)
General & Administrative Expense	5,460	5,444	(16)
Depreciation, Tax, Interest & Other	8,686	8,348	(338)
Total Expenses	30,679	30,318	(361)
Operating Margin	775	1,814	1,039
Non-op margin	243	2,058	1,815
Net Margin**	1,018	3,872	2,854
OTIER	1.38	1.89	0.51
TIER	1.50	2.91	1.41
Equity %	35.8%	38.5%	2.7%
HDD	1,398	1,446	48
kWh Purchases	216,000	238,380	22,380
kWh Sales	203,260	219,743	16,483
Capital Expenditures	7,221	6,243	(978)

* The ECA returned \$1.294M to members in the form of bill credits in 2021

** PPP Loan forgiveness recognized as non-operating revenue in Sept '21

For more detail, please note the following key points:

- Heating Degree Days (HDD) were slightly higher than budgeted levels (actual of 1,446 vs. budget of 1,398). Overall kWh sales were 16.5M kWh above budget (219.7M vs. budget of 203.2M) resulting in revenue coming in ~2.11% above budget.
- 2021 power purchases were \$200k higher than budgeted, due to a combination of higher overall kWh purchases (cold weather driven) and a slightly lower cost/kWh than budgeted. Actual kWh purchases were 22.4M kWh above budget (238.4.0M vs. budget of 216.0M).
- Excluding purchased power, 2021 operating expenses were approximately \$526k under budgeted amounts. Note: Some expenses and programs were temporarily cancelled due to COVID-19.
- The ECA for 2021 was a net credit to members (and reduction to operating revenue) of \$1,294k, or \$59.18 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

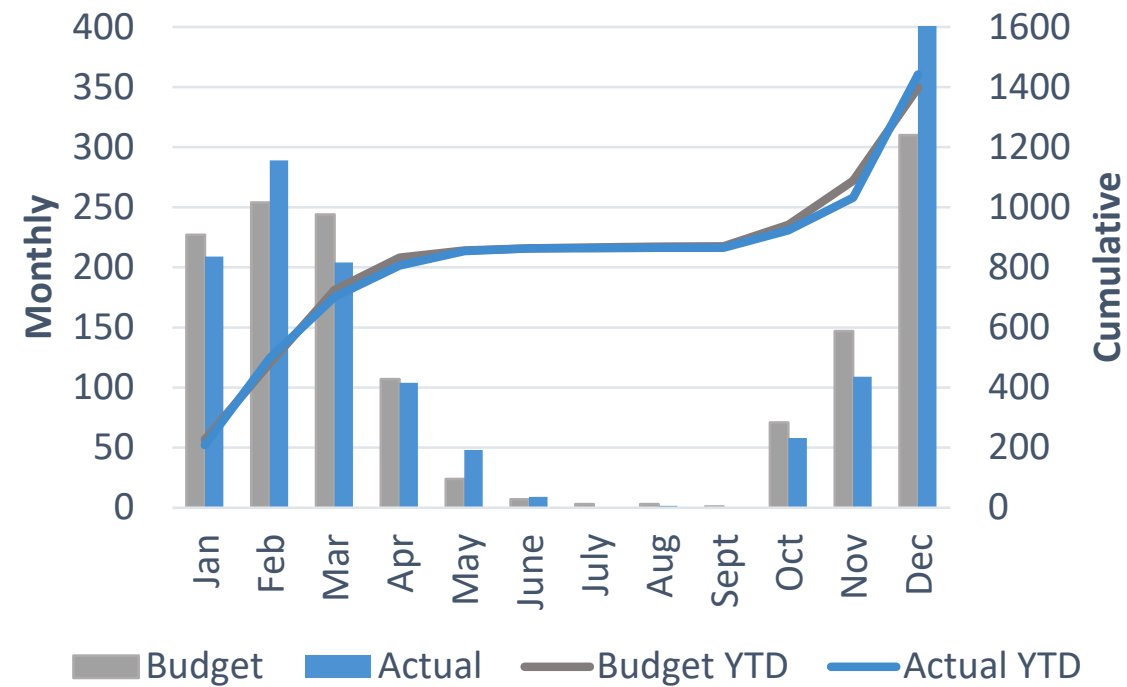
		A. Actual Year End 12/31/2019	B. Actual Year End 12/31/2020	C. Budget Year End 12/31/2021	D. Unaudited Year End 12/31/2021	E. Budget \$ Change (D - C)	F. Budget % Change (D - C)
1	kWh Purchases	221,869,000	225,413,000	216,000,000	238,379,768	22,379,768	10.4%
2	Gross Operating Revenue	31,279,000	32,577,000	31,454,000	33,426,000	1,972,000	6.3%
3	Energy Charge Adjustment	(341,000)	(651,000)	-	(1,294,000)	(1,294,000)	
4	Net Operating Revenue Total	30,938,000	31,926,000	31,454,000	32,132,000	678,000	2.2%
5	Cost of power	9,262,000	9,513,000	9,735,000	9,935,000	200,000	2.1%
6	Operations & G&A	11,178,000	12,076,000	12,258,000	12,035,000	(223,000)	-1.8%
7	Depr, Int, Taxes & Other	8,064,000	8,374,000	8,686,000	8,348,000	(338,000)	-3.9%
8		28,504,000	29,963,000	30,679,000	30,318,000	(361,000)	-1.2%
9	Net Operating Margins	\$ 2,434,000	\$ 1,963,000	\$ 775,000	\$ 1,814,000	1,039,000	134.1%
10	Non-Operating Margins (Note 1)	\$ 297,000	\$ 416,000	\$ 243,000	\$ 2,058,000	1,815,000	746.9%
11	Net Margin	<u>\$ 2,731,000</u>	<u>\$ 2,379,000</u>	<u>\$ 1,018,000</u>	<u>\$ 3,872,000</u>	2,854,000	280.4%
12	OTIER	2.25	1.97	1.38	1.89	0.51	
13	TIER	2.40	2.18	1.50	2.91	1.41	
14	Equity % of Total Cap	39.7%	36.0%	35.8%	38.5%	3%	
15	Equity	38,403,000	38,341,000	37,637,000	40,663,000	3,026,000	8.0%
16	Total Debt (Note 2)	59,899,000	69,876,000	69,579,000	67,076,000	(2,503,000)	-3.6%
17	Capital Spending	(7,004,861)	(7,050,000)	(7,221,500)	(6,243,027)	978,473	-13.5%
18	Capital Credit Retirement (net)	(1,115,000)	(1,151,000)	(1,051,000)	(1,100,000)	(49,000)	4.7%
19	Annual HDD	1,323	1,315	1,398	1,442	44	3.1%
Notes							
1	PPP loan forgiveness in 2021 \$1.79M						
2	PPP Loan Forgiveness \$1.79M and delay in budgeted \$750k 0% RESP borrowing						



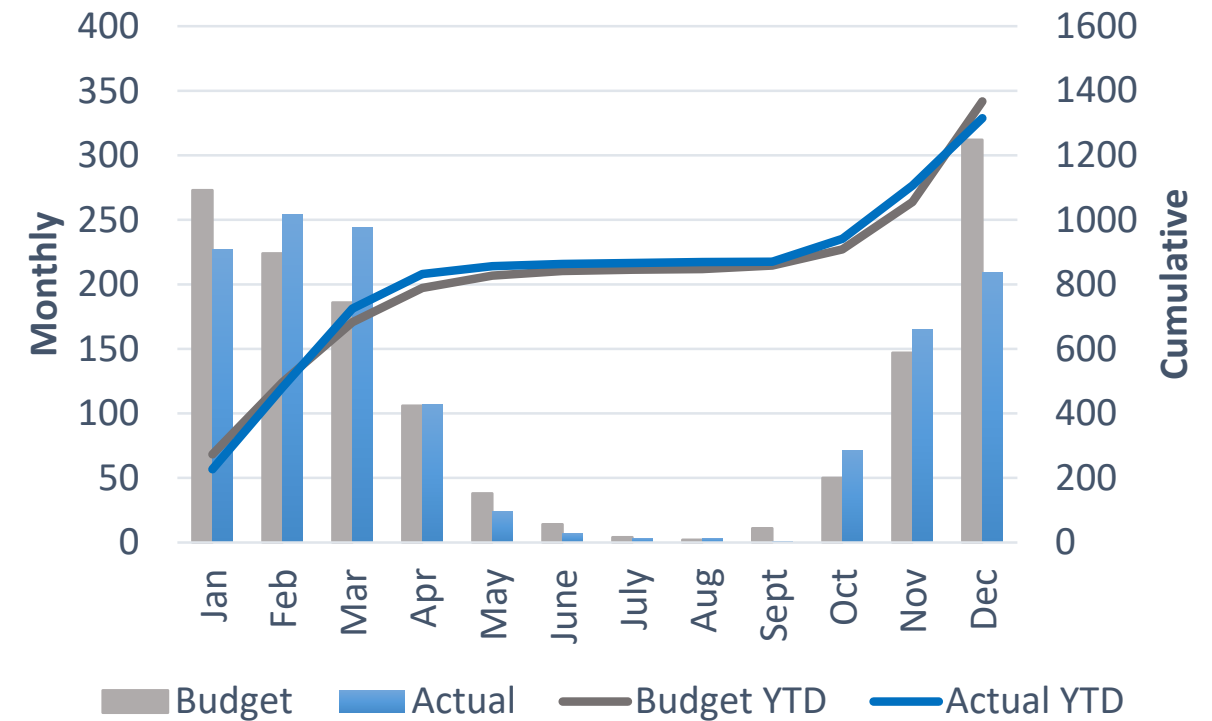
2021 Q4 Financial Highlights

2021 Budget to Actual: Heating Degree Days

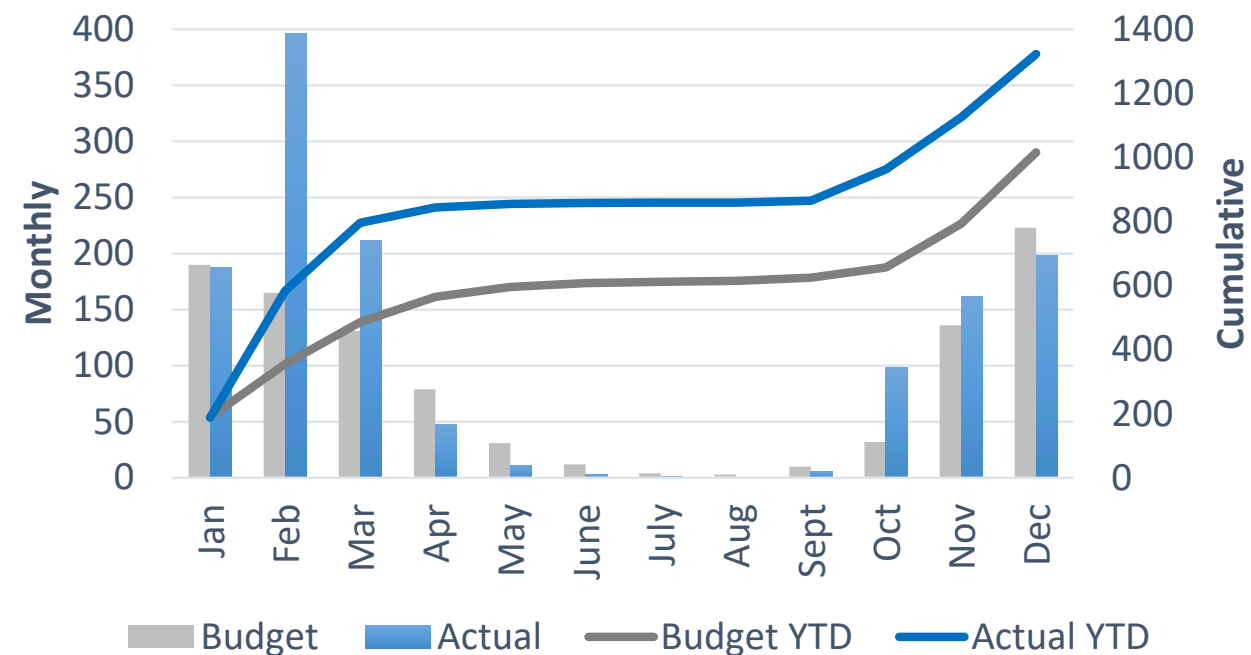
2021 HDD's



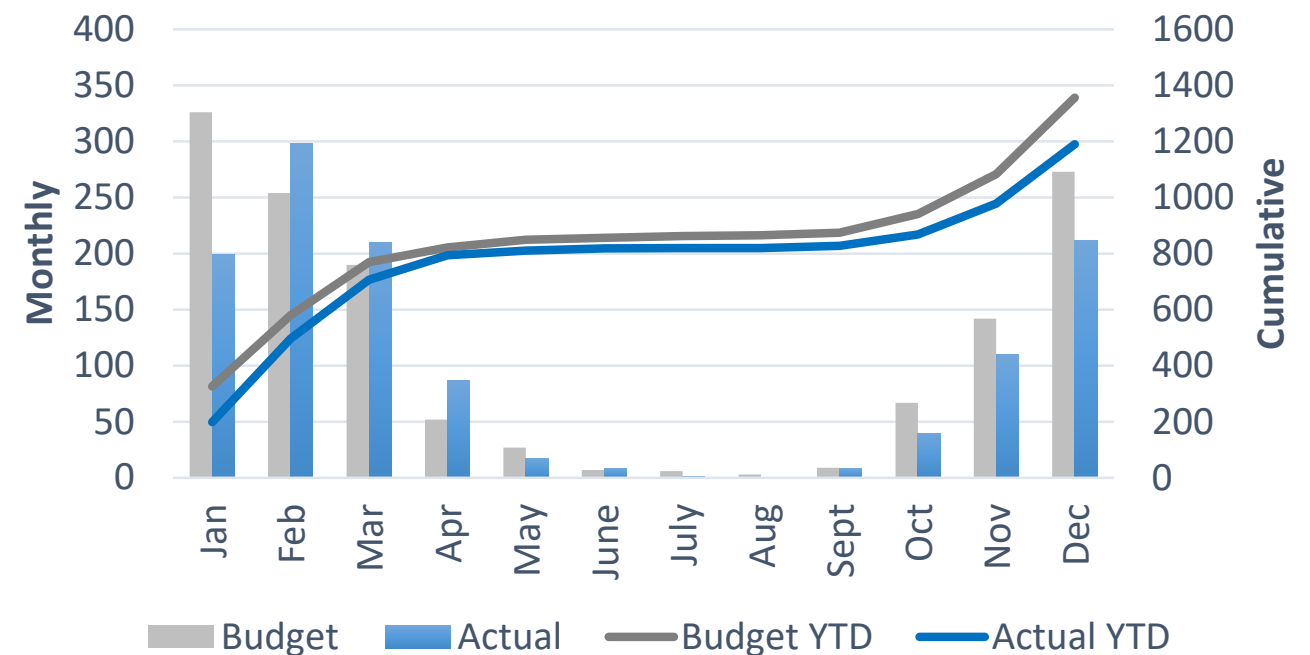
2020 HDD's



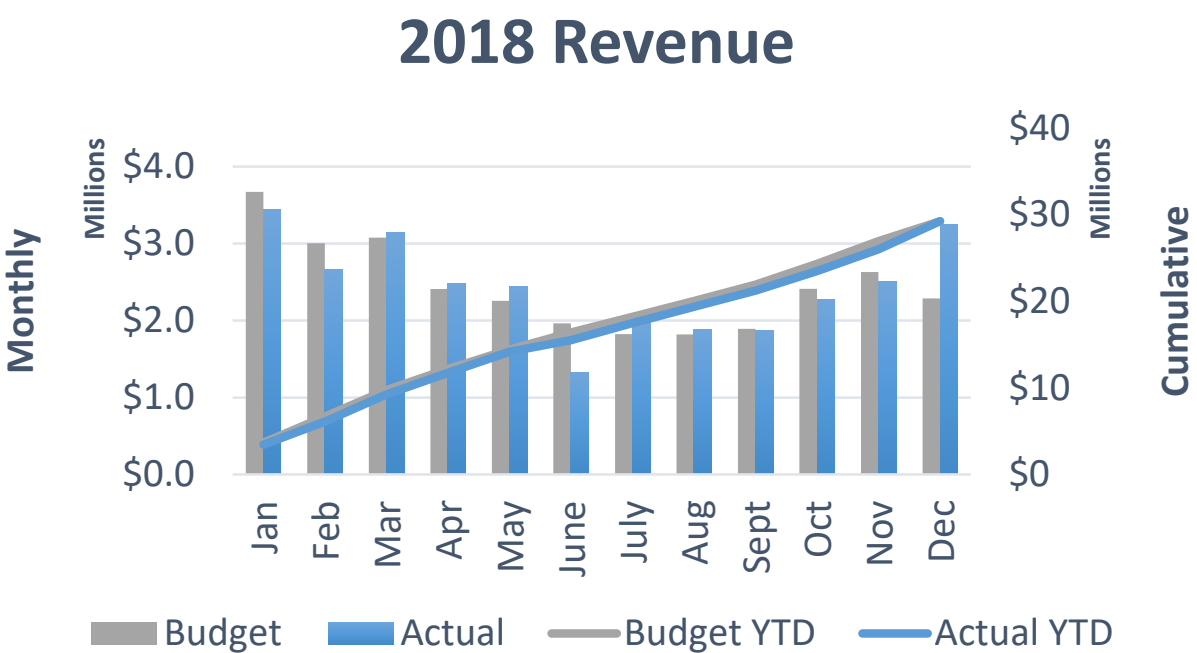
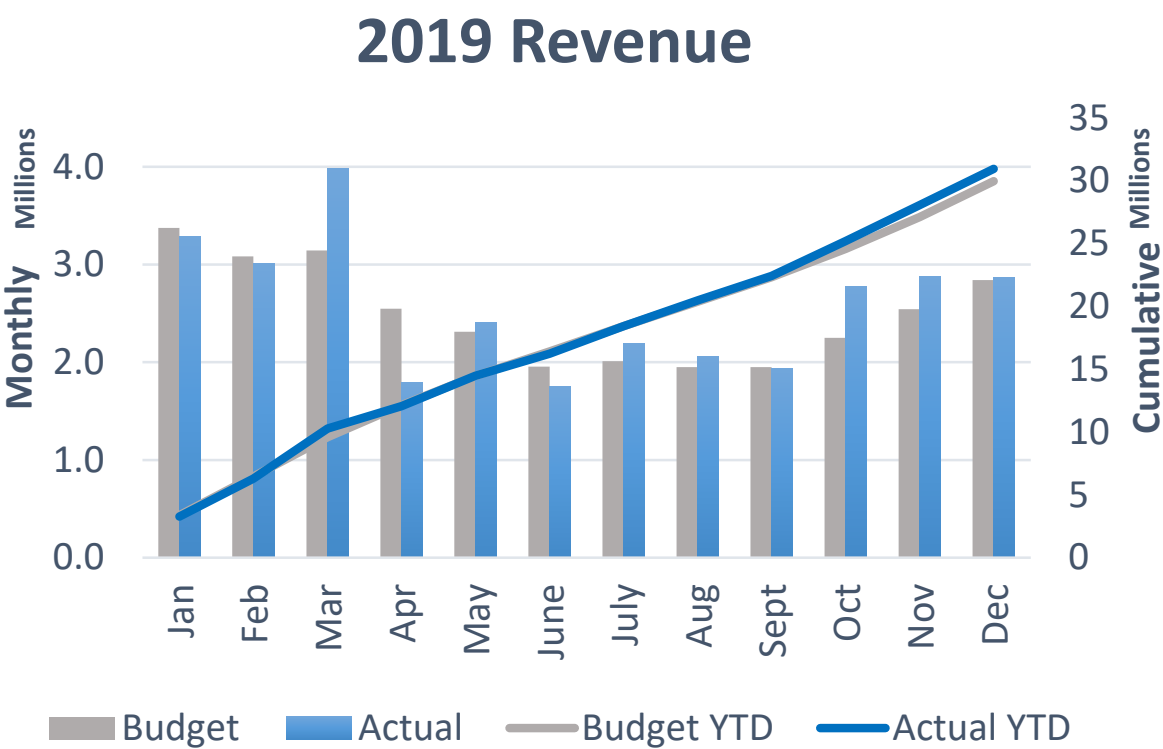
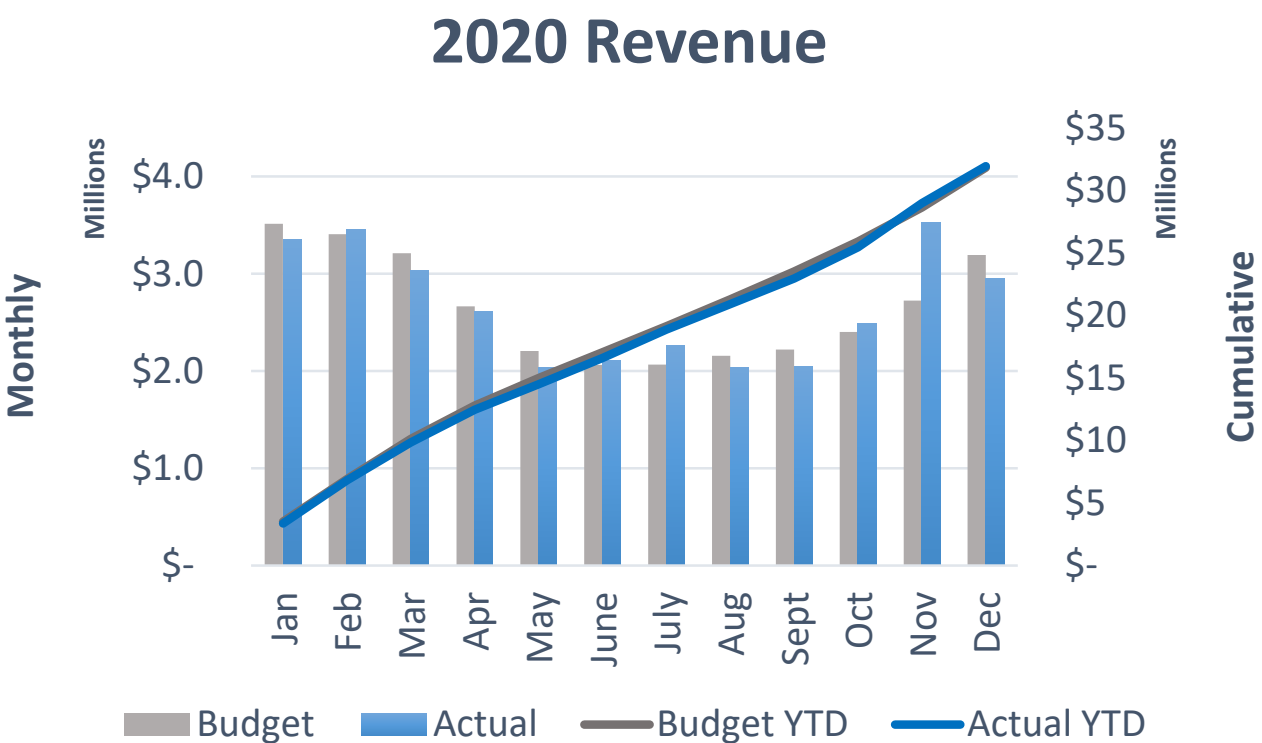
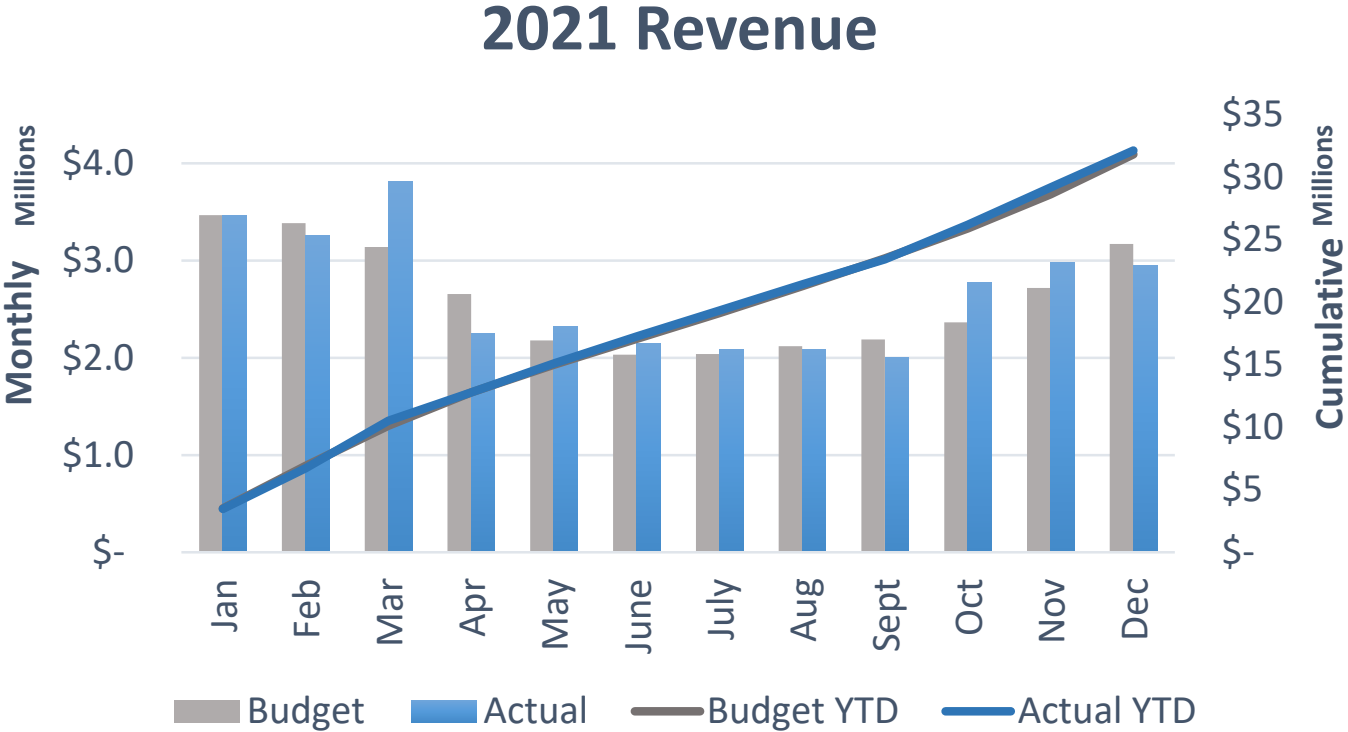
2019 HDD's



2018 HDD's



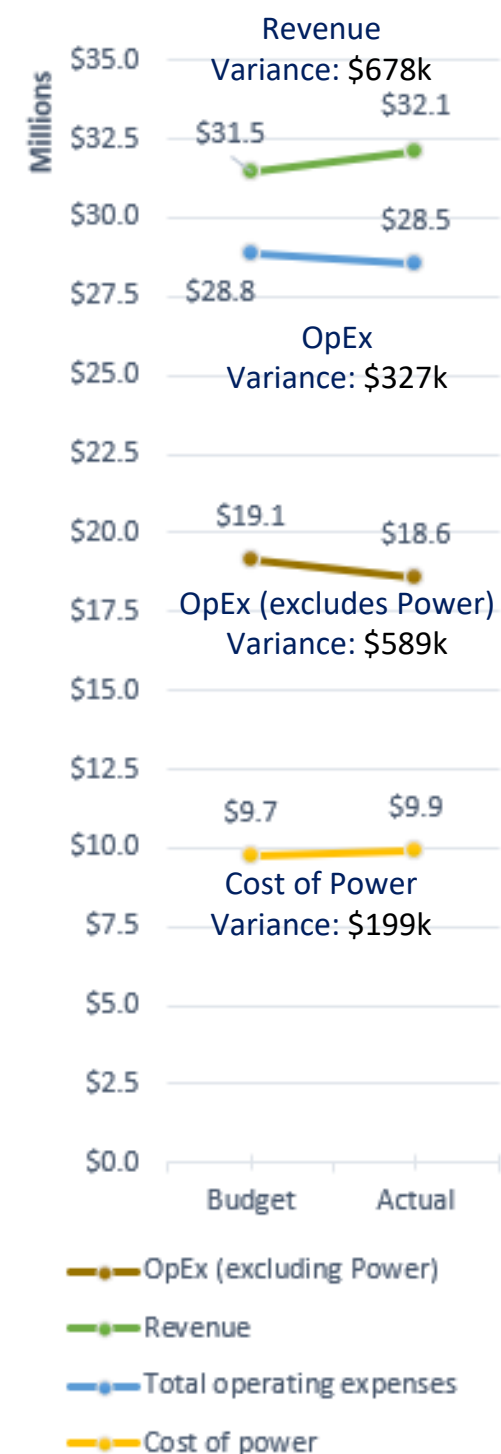
2021 Budget to Actual: Revenue



* Revenue net of ECA

2021 Q4 Budget to Actual: Statement of Operations

	A. Audited Year End 12/31/2019	B. Audited Year End 12/31/2020	C. Budget Year End 12/31/2021	D. Unaudited Year End 12/31/2021	E. Budget Variance (D - C)
1 OPERATING REVENUES					
2 Residential	\$ 22,679,087	\$ 24,062,590	\$ 23,478,420	\$ 24,130,098	651,678
3 Commercial	7,999,086	7,714,074	7,865,526	7,880,616	15,090
4 Other					
5 Penalties and fees	190,397	75,175	42,538	59,492	16,954
6 Other	69,974	73,596	67,388	61,697	(5,691)
7 Total operating revenue	30,938,545	31,925,435	31,453,872	32,131,904	678,032
8					
9 OPERATING EXPENSES					
10 Cost of power	9,262,362	9,512,760	9,735,462	9,934,871	199,409
11 Transmission	458,165	388,576	428,447	402,069	(26,379)
12 Distribution - operations	3,604,825	3,570,350	3,636,851	3,625,309	(11,542)
13 Distribution - maintenance	2,170,783	2,825,081	2,733,082	2,564,054	(169,028)
14 Consumer accounts	1,097,439	1,093,791	1,003,546	1,093,181	89,635
15					
16 General and administration					
17 Administration	3,390,513	3,739,823	3,957,880	4,057,726	99,846
18 Energy services	395,013	369,201	408,389	200,205	(208,184)
19 Subsidiary charges (RIC network mgt services)	61,378	89,284	89,625	92,062	2,437
20 Total general and administration	3,846,904	4,198,308	4,455,894	4,349,993	(105,901)
21					
22 Depreciation and amortization	4,923,805	5,015,406	5,279,563	5,047,791	(231,772)
23 Taxes	1,444,843	1,514,553	1,573,530	1,502,418	(71,112)
24					
25 Total operating expenses	26,809,125	28,118,825	28,846,375	28,519,686	(326,689)
26					
27 Operating margins before fixed charges	4,129,420	3,806,610	2,607,497	3,612,217	1,004,720
28					
29 FIXED CHARGES					
30 Interest on long-term debt	1,820,581	1,966,936	1,962,740	1,932,928	(29,812)
31					
32 Operating margins after fixed charges	2,308,838	1,839,673	644,757	1,679,290	1,034,533
33					
34 PATRONAGE CAPITAL CREDITS	125,254	122,952	129,893	135,327	5,434
35					
36 Net operating margins	2,434,092	1,962,625	774,650	1,814,616	1,039,966
37					
38 NON-OPERATING MARGINS					
39 Interest income	123,252	89,550	70,985	69,515	(1,470)
40 Other income (loss)	4,259	157,313	2,473	1,799,001	1,796,528
41 Total Opalco non-operating margins	127,511	246,863	73,458	1,868,516	1,795,058
42					
43					
44 Non-operating margins from Subsidiary					
45 Interest Income (RIC loan)	79,346	79,471	79,476	79,516	40
46 Other income (use of OPALCO backbone)	89,976	89,976	89,976	109,740	19,764
47 Total non-operating margins from Subsidiary	169,322	169,447	169,452	189,256	19,804
48					
49 Net non-operating margins	296,833	416,309	242,910	2,057,772	1,814,862
50					
51 NET MARGINS	\$ 2,730,925	\$ 2,378,935	\$ 1,017,560	\$ 3,872,388	2,849,394
52					
53 OTIER	2.25	1.97	1.38	1.89	0.51
54 TIER	2.40	2.18	1.50	2.91	1.41
55 Equity % of Total Cap	39.7%	35.9%	35.8%	38.5%	2.7%

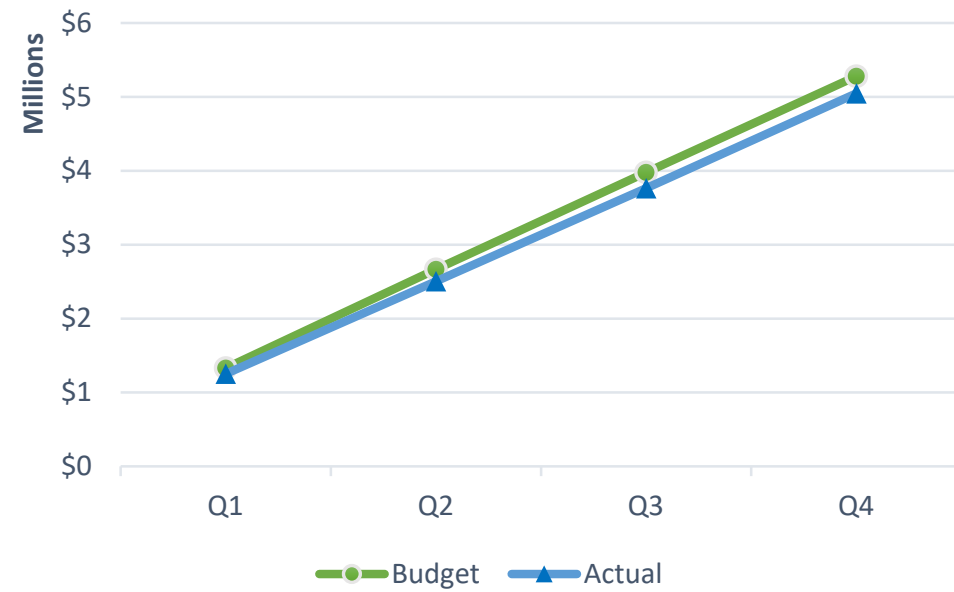


Notes:

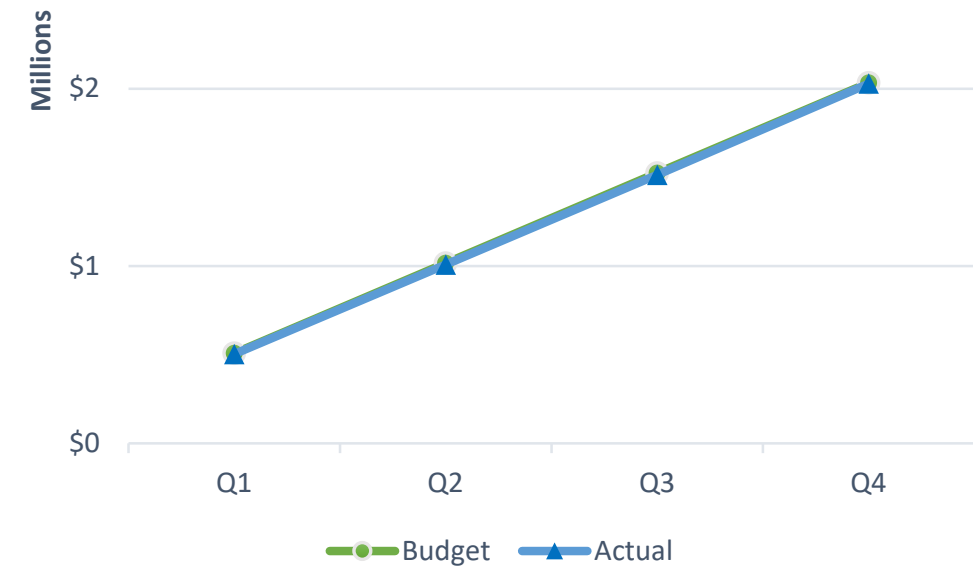
- Through Q4 the ECA returned a net \$1,294M in the form of bill credits to the membership **Note:** Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA returned \$211k in January 2021, related to the calculation based on December 2020 factors.
- Net Operating Margin: \$1.815M (\$1.040M increase)
- Net Margin: \$3.872M (\$2.849M increase)
- Other income: PPP Loan Forgiveness \$1.79M

2021 Q4 Budget to Actual: Financial Metrics

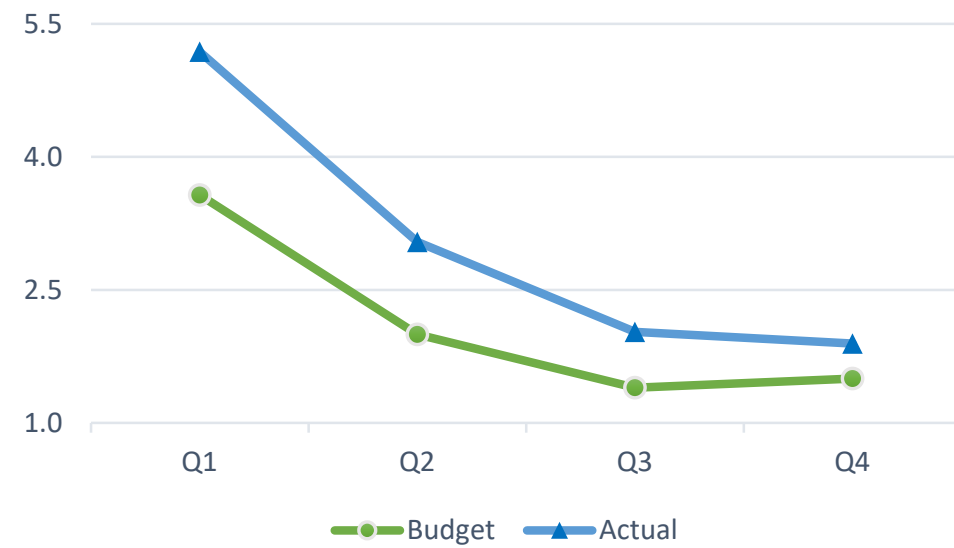
Depreciation & Amortization



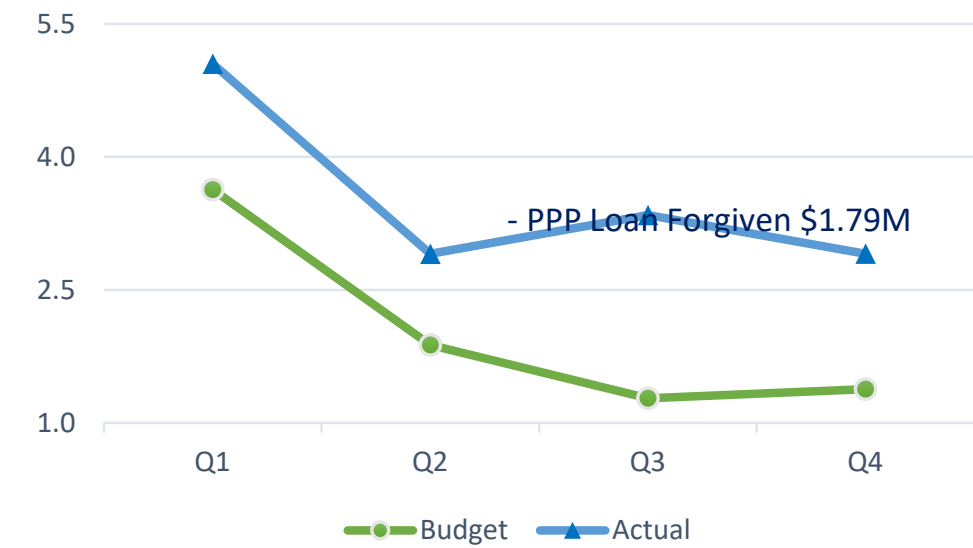
Interest



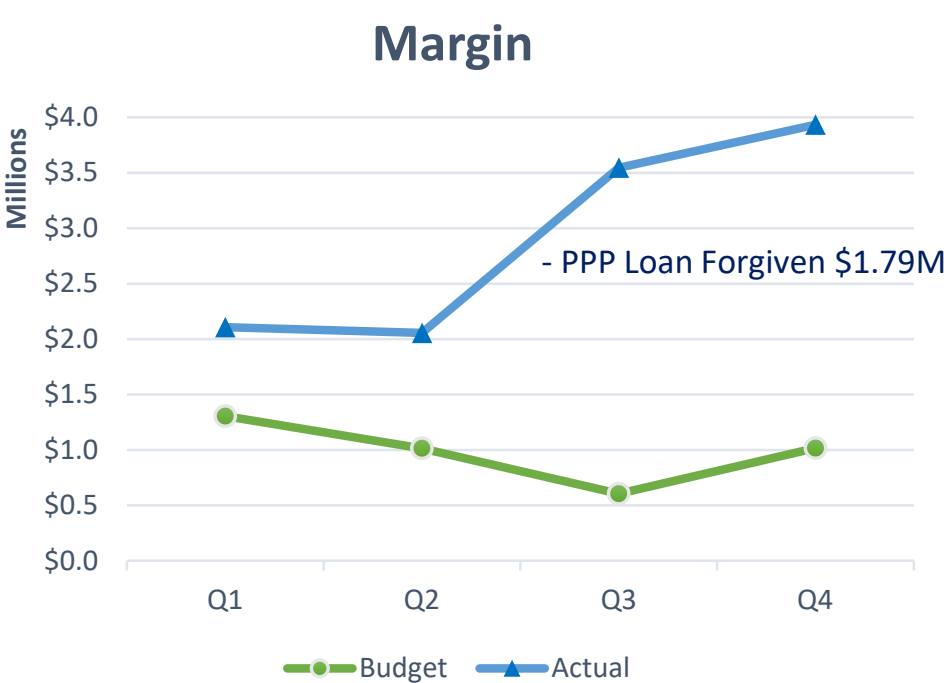
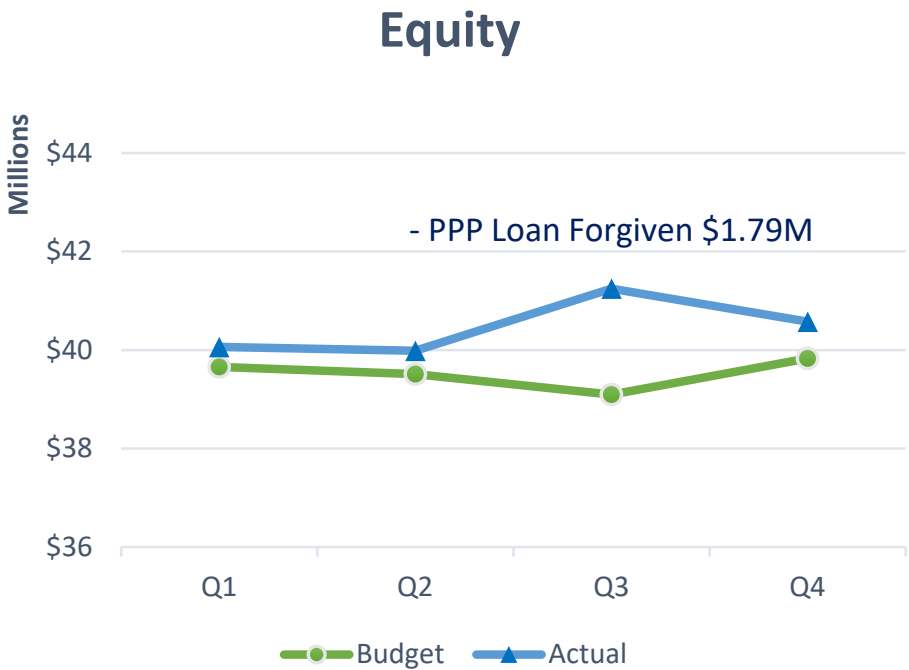
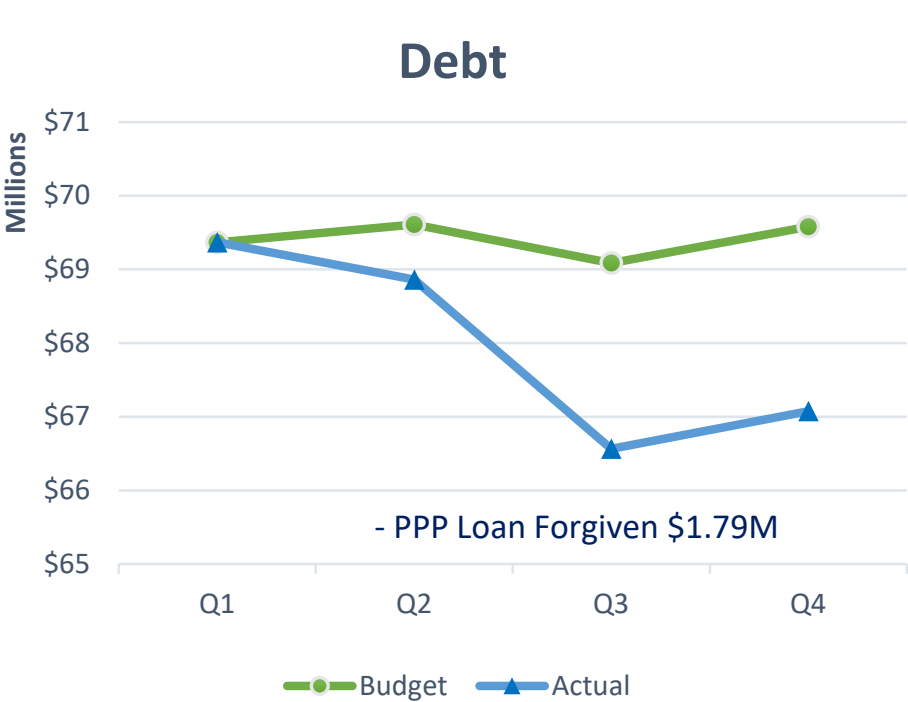
OTIER



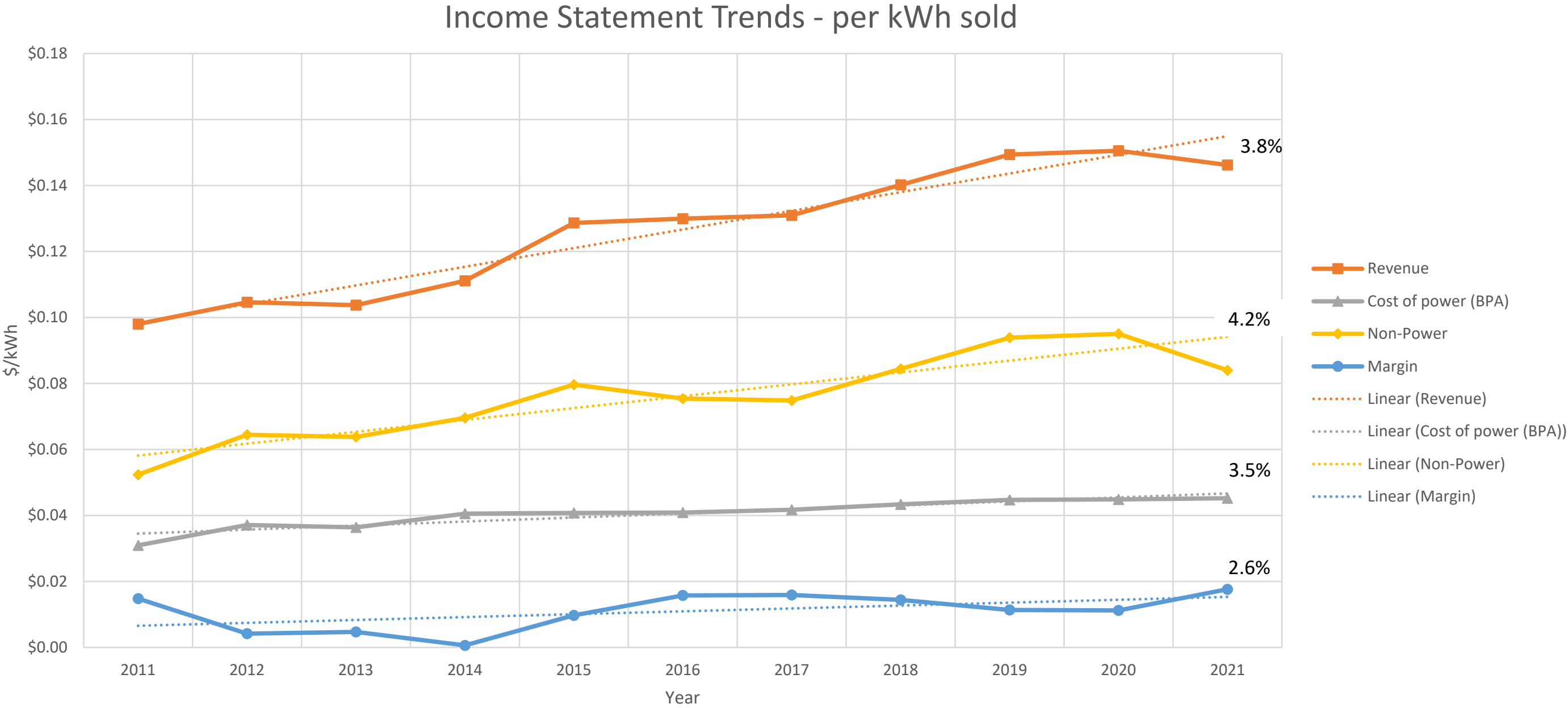
TIER



2021 Q4 Budget to Actual: Financial Metrics



Income Statement Trends



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2019	B. Audited Year End 12/31/2020	C. Budget Year End 12/31/2021	D. Unaudited Year End 12/31/2021	E. Budget Variance (D - C)
1 OPERATING REVENUES					
2 Residential	\$ 22,679,087	\$ 24,062,590	\$ 23,478,420	\$ 24,130,098	651,678
3 Commercial	7,999,086	7,714,074	7,865,526	7,880,616	15,090
4 Other					
5 Penalties and fees	190,397	75,175	42,538	59,492	16,954
6 Other	69,974	73,596	67,388	61,697	(5,691)
7 Total operating revenue	30,938,545	31,925,435	31,453,872	32,131,904	678,032
8					
9 OPERATING EXPENSES					
10 Cost of power	9,262,362	9,512,760	9,735,462	9,934,871	199,409
11 Transmission	458,165	388,576	428,447	402,069	(26,379)
12 Distribution - operations	3,604,825	3,570,350	3,636,851	3,625,309	(11,542)
13 Distribution - maintenance	2,170,783	2,825,081	2,733,082	2,564,054	(169,028)
14 Consumer accounts	1,097,439	1,093,791	1,003,546	1,093,181	89,635
15					
16 General and administration					
17 Administration	3,390,513	3,739,823	3,957,880	4,057,726	99,846
18 Energy services	395,013	369,201	408,389	200,205	(208,184)
19 Subsidiary charges (RIC network mgt services)	61,378	89,284	89,625	92,062	2,437
20 Total general and administration	3,846,904	4,198,308	4,455,894	4,349,993	(105,901)
21					
22 Depreciation and amortization	4,923,805	5,015,406	5,279,563	5,047,791	(231,772)
23 Taxes	1,444,843	1,514,553	1,573,530	1,502,418	(71,112)
24					
25 Total operating expenses	26,809,125	28,118,825	28,846,375	28,519,686	(326,689)
26					
27 Operating margins before fixed charges	4,129,420	3,806,610	2,607,497	3,612,217	1,004,720
28					
29 FIXED CHARGES					
30 Interest on long-term debt	1,820,581	1,966,936	1,962,740	1,932,928	(29,812)
31					
32 Operating margins after fixed charges	2,308,838	1,839,673	644,757	1,679,290	1,034,533
33					
34 PATRONAGE CAPITAL CREDITS	125,254	122,952	129,893	135,327	5,434
35					
36 Net operating margins	2,434,092	1,962,625	774,650	1,814,616	1,039,966
37					
38 NON-OPERATING MARGINS					
39 Interest income	123,252	89,550	70,985	69,515	(1,470)
40 Other income (loss)	4,259	157,313	2,473	1,799,001	1,796,528
41 Total Opalco non-operating margins	127,511	246,863	73,458	1,868,516	1,795,058
42					
48 Non-operating margins from Subsidiary					
49 Interest Income (RIC loan)	79,346	79,471	79,476	79,516	40
50 Other income (use of OPALCO backbone)	89,976	89,976	89,976	109,740	19,764
51 Total non-operating margins from Subsidiary	169,322	169,447	169,452	189,256	19,804
52					
53 Net non-operating margins	296,833	416,309	242,910	2,057,772	1,814,862
54					
55 NET MARGINS	\$ 2,730,925	\$ 2,378,935	\$ 1,017,560	\$ 3,872,388	2,854,828
56					
57 OTIER	2.25	1.97	1.38	1.89	0.51
58 TIER	2.40	2.18	1.50	2.91	1.41
59 Equity % of Total Cap	39.7%	35.9%	35.8%	38.5%	2.7%

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

	A.	B.		C.	D.
	Budget	Actual		Budget	
	Period End	Period End		Variance	
	12/31/2021	12/31/2021		(B - A)	Comments: Budget To Actual (Column C.)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					

I OPERATING REVENUES

31,453,872

32,131,904

678,032

HDD

1398

1442

44

kWh Sales

203,260

219,743

16,483

Operating Revenue - Line 7 Detail Breakout:

Residential Sales

23,478,420

24,130,098

651,678

kWh sales higher than budgeted, curtailed by ECA

Commercial Sales

7,865,526

7,880,616

15,090

CML consumption over budget through YE, curtailed by ECA credit and offset in green power

Other Operating Revenue

Penalties and Fees

(42,538)

(59,492)

(16,954)

16,954

Penalty moratorium ended in Nov

Other

(67,388)

(61,697)

5,691

(5,691)

Less pole attachment revenue

TOTAL OPERATING REVENUES

31,453,872

32,131,904

678,032

CML consumption over budget through YE, curtailed by ECA credit and offset in green power

II OPERATING EXPENSES

28,846,375

28,519,686

(326,689)

Overall Decrease in operating expenses

Cost of Power - Line 10

9,735,462

9,934,871

199,409

Increase in expense - higher kWh purchases than budget at a lower overall cost/kWh than budgeted, partially returned through ECA lower cost/kWh than budgeted, partially returned through ECA

kWh Purchases

216,000

238,380

22,380

Transmission - Line 11 Detail Breakout:

428,447

402,069

(26,379)

Decrease in expense

Distribution - Operations - Line 12 Detail Breakout:

3,636,851

3,625,309

(11,542)

Decrease in expense

Distribution - Maintenance - Line 13 Detail Breakout:

2,733,082

2,564,054

(169,028)

Decrease in expense - decrease in non-labor operating expenses

Consumer accounts - Line 14 Detail Breakout:

1,003,546

1,093,181

89,635

Increase in expense

Total General and Administrative (G&A):

Administration G&A - Line 17 Detail Breakout:

3,957,880

4,057,726

99,846

Increase in expense

Energy Services G&A - Line 18

408,389

200,205

(208,184)

Decrease in expense - decrease in member programs due to COVID

Subsidiary Charges G&A - Line 19

89,625

92,062

2,437

Increase in expense

Total General and Administrative (G&A)

4,455,894

4,349,993

(105,901)

Overall decrease in expense

Deprec. & Amort. - Line 22

5,279,563

5,047,791

(231,772)

Decrease in expense - lower capitalizations to general plant

Taxes - Line 23

1,573,530

1,502,418

(71,112)

Decrease in expense

TOTAL OPERATING EXPENSES

28,846,375

28,519,686

(326,689)

Overall decrease in expense

Updated 3/14/2022

2021 Year End Unaudited Financial Report
Page 13 of 35

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget	Actual	Budget	
		Period End	Period End	Variance	
		12/31/2021	12/31/2021	(B - A)	Comments: Budget To Actual (Column C.)
44					
45					
46	III	FIXED CHARGES - Interest Expense - Line 30	1,962,7401,932,928	(29,812)	Decrease in expense
47					
48	IV	PATRONAGE CAPITAL CREDITS (Income) - Line 34	129,893135,327	5,434	Decrease in income - received from associated cooperatives
49					
50		TOTAL NET OPERATING MARGINS	774,6501,814,616	1,039,966	Increase in margin
51					
52	V	NON-OPERATING MARGINS	242,9102,057,772	1,814,862	Increase in margin
53					
54		Interest and Dividend Income - Line 39 combined with Line 42	150,461149,031	(1,430)	Decrease in income
55					
56		Other Income - Line 40 combined with Line 43	92,4491,908,741	1,816,292	Increase in income - PPP Loan Forgiveness (\$1.79M)
57					
60					
61		TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	1,017,5603,872,388	2,854,828	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. Audited Year End 12/31/2020	D. Unaudited Year End 12/31/2021	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	\$ 156,749,824	7,783,285
5 Construction work in progress	6,790,804	5,015,317	6,633,154	4,342,145	(2,291,009)
6					
7	143,259,943	149,316,547	155,599,693	161,091,969	5,492,276
8 Less accumulated depreciation and amortization	49,148,193	53,456,306	58,016,597	62,700,104	4,683,507
9					
10 Net utility plant	94,111,750	95,860,241	97,583,096	98,391,865	808,769
11					
12 Investments in associated organizations					
13 Other (CFC, Federated, PNGC, etc.)	1,737,909	1,814,993	1,866,511	1,452,951	(413,560)
14 Non-utility investment subsidiary (Note 1)	(7,444,503)	(9,279,459)	(10,664,353)	(11,093,287)	(428,934)
15 Total investments in associated organizations	(5,706,594)	(7,464,466)	(8,797,842)	(9,640,336)	(842,494)
16					
17 Other property and investments	(5,706,594)	(7,464,466)	(8,797,842)	(9,640,336)	(842,494)
18					
19 CURRENT ASSETS					
20 Cash and cash equivalents	2,041,535	3,928,582	6,475,385	9,509,143	3,033,758
21 Cash and cash equivalents - board designated	530,765	538,699	6,376,649	3,081,838	(3,294,811)
22 Accounts receivable, less doubtful accts allowance	4,501,319	3,910,241	4,286,644	4,093,685	(192,959)
23 Interest receivable	6,316	24,279	6,240	6,800	560
24 Materials and supplies	3,045,487	3,006,903	3,460,300	4,122,049	661,749
25 Prepaid expenses	384,379	452,011	491,537	490,686	(851)
26					
27 Total current assets	10,509,801	11,860,715	21,096,755	21,304,201	207,446
28					
29 DEFERRED CHARGES (Note 2)	-	647,075	1,110,562	1,518,849	408,287
30					
29 Total assets	\$ 98,914,957	\$ 100,903,565	\$ 110,992,571	\$ 111,574,579	\$ 582,008

BALANCE SHEET

Updated 3/10/2022

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

	A. Audited Year End 12/31/2019	B. Audited Year End 12/31/2020	C. Unaudited Year End 12/31/2021
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins (Note 1)	\$ 2,730,925	\$ 2,378,935	\$ 3,872,388
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	4,923,805	5,015,406	5,047,791
6 Changes in assets and liabilities			
7 Accounts receivable	(55,997)	(376,403)	192,959
8 Interest receivable	(17,963)	18,039	(560)
9 Prepaid expenses	(67,635)	(39,526)	851
10 Accounts payable	(357,591)	(123,465)	512,391
11 Customer deposits	1,402	(12,359)	(21,294)
12 Accrued liabilities	(107,317)	256,849	578,075
13 Deferred credits	(5,449)	52,874	30,819
14 Deferred Charges	-	(463,487)	(408,287)
14 Net cash from operating activities	7,044,180	6,706,863	9,805,133
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(7,659,387)	(8,112,759)	(6,982,188)
18 Reduction to non-utility plant (Island Network transition)	-	-	-
18 Change in materials and supplies	38,584	(453,397)	(661,749)
19 (Increase) decrease in investment in Subsidiary	1,834,956	1,384,894	881,153
20 (Increase) decrease in other OPALCO property and investments, net	(77,084)	(51,518)	413,560
21			
22 Net cash from investing activities	(5,862,931)	(7,232,780)	(6,349,224)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net (Note 1)	(1,544,018)	(1,812,990)	(3,399,451)
25 Proceeds from debt (Note 2)	4,232,000	11,790,016	600,000
26 Memberships	(225)	1,240	630
27 Retirements of patronage capital, net	(1,119,442)	(1,057,183)	(1,119,576)
28 Change in subsidiary equities	(1,841,675)	(1,384,910)	(883,650)
29 Contributions in aid of construction	987,092	1,374,497	1,085,085
30			
30 Net cash from financing activities	713,732	8,910,670	(3,716,962)
31			
31 NET CHANGE IN CASH	1,894,981	8,384,753	(261,053)
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	12,590,981
34			
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 1,948,626	\$ 2,021,376	\$ 1,594,095
36			
36 OUTSTANDING DEBT BALANCE	(59,898,769)	(69,875,795)	(67,076,343)
37			
37 Notes:			
38 1 2021 includes PPP loan forgiveness (\$1.79M)			
2 Delayed \$750k RESP borrowing			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands		A. Audited Year-End 12/31/2019	B. Audited Year-End 12/31/2020	C. Approved Budget 12/31/2021	D. Actual Period-End 12/31/2021	E. Budget Variance (D - C)	F. Comments
1	% Rate Increase	6%	3%	0%	0%		
2	OPERATING ACTIVITIES:						
3	Margins	\$ 2,700	\$ 2,400	\$ 1,000	\$ 3,900	\$ 2,900	PPP loan forgiveness (\$1.79M) + kWh sales
4	Plus depreciation/amortization	4,900	5,000	5,300	5,000	(300)	
5	Cash flow operations	7,600	7,400	6,300	8,900	2,600	
6							
7	PLANT INVESTMENT (NET)						
8	Plant investment (including material inventory)	(4,400)	(7,100)	(7,200)	(6,200)	1,000	
9	Cash flow from operations and plant investment	3,200	300	(900)	2,700	3,600	
10							
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,100)	(1,200)	(1,050)	(1,100)	(50)	
12	Cash flow before borrowings	2,100	(900)	(1,950)	1,600	3,550	
13							
14	NET BORROWINGS	2,700	10,000	(280)	(2,800)	(2,520)	PPP loan forgiveness (\$1.79M) + delayed RESP funding
15	Cash increase (decrease) after net borrowings	\$ 4,800	\$ 9,100	\$ (2,230)	\$ (1,200)	\$ 1,030	
16							
17							
18	OUTSTANDING DEBT BALANCE	59,900	69,900	69,600	67,080	(2,520)	PPP loan forgiveness (\$1.79M) + delayed RESP funding

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	F.
			Actual	Actual	Budget	Actual	Budget	
			Period End	Period End	Period End	Period End	Variance	
			12/31/2019	12/31/2020	12/31/2021	12/31/2021	(D- C)	
RUS CWP DESCRIPTION								Comments
1	DISTRIBUTION							
2	100	New Services	\$ 389,793	\$ 429,487	\$ 416,000	\$ 684,462	\$ 268,462	Offset to Line 38 - New Services
3	200	New Tie Lines	(6,874)	337,637	200,000	24,576	(175,424)	Delayed Mullis Road Tie Project, shifted to URD Replacements
4	300	Conversions and Line Changes	751,525	513,186	1,680,000	1,326,787	(353,213)	Delayed Beaverton Valley Road Project, shifted to URD Replacements
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,312,375	1,148,926	1,980,000	351,612	(1,628,388)	Delays in contracting and permitting for Bailor Hill Microgrid
7	600	Miscellaneous Distribution Equipment						
8	601	Transformers & Meters	619,180	674,405	672,000	911,137	239,137	Offset to Line 39 - Transformers & Meters
9	602	Sets of Service Wires to increase Capacity	-	-		-	-	
10	603	Sectionalizing Equipment	1,258	177,127	315,000	200,825	(114,175)	Salvage of switchgear allowed for less expense than expected.
11	604	Regulators	(1,499)	49,127	150,000	211,038	61,038	
12	606	Ordinary Replacements	226,830	375,670	250,000	311,213	61,213	More pole replacements than anticipated
13	607	Overhead to Underground Conversion			95,000	47,006	(47,994)	
14	608	Underground Dist. Cable Replacement	2,350,837	2,025,373	1,637,000	2,288,599	651,598	Increase opportunities
15	700	Other Distribution Items						
16	701	Engineering Fees	-	-	-	-	-	
17	704	LMS & SCADA	138,265	96,700	213,000	205,671	(7,329)	
18	705	AMR	44,876	34,430	-	-	-	
19	706	Communications	157,426	123,699	150,000	52,598	(97,402)	Delayed projects due to scheduling. Staff has reprioritize for post 2022.
20	TRANSMISSION							
21	800	New Tie Line	-	-		-	-	
22	900	New Substations, switching station, metering point, etc.	-	75,055	71,000	16,293	(54,707)	
23	1000	Line and Station Changes	196,951	23,510	350,000	42,518	(307,482)	Delayed project due to contractor availability
24	1100	Other Transmission	-	-	-	-	-	
25	GENERATION							
26	1200	Generation	-	-	150,000	4,332	(145,668)	In-kind grant process offset expenditures and delays in WA DOC contract execution
27	OTHER							
28	1300	Headquarters Facilities	574,560	666,958	247,000	242,768	(4,232)	
29	1400	Acquisitions	-	519,133	40,000	-	(40,000)	
30	1500	All Other (Transportation, Etc.)						
31	1501	Transportation/Equipment/Tools/Radios	596,410	717,348	271,500	230,217	(41,283)	
32	1502	Office Equipment/Furniture/Etc.	20,662	72,945	15,000	27,088	12,088	
33	1503	Computer/Servers/Software	310,903	227,575	133,000	185,732	52,732	
34	1504	Electrical Infrastructure to Support Community Solar	40,263	908	1,500,000	111,711	(1,388,289)	Delays due to contracting and permitting
35	1600	Minor Projects	268,214	134,979	162,000	77,111	(84,889)	Less minor and joint projects than anticipated
36	RUS CWP SUBTOTAL		7,991,954	8,424,179	10,697,500	7,553,295	(3,144,205)	
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)							
38		New Services	(439,694)	(495,055)	(425,000)	(607,103)	(182,103)	Offset to Line 2 - New Services
39		Meters and Transformers	(280,290)	(271,615)	(297,000)	(378,177)	(81,177)	Offset to Line 8 - Transformers and Meters
40		Joint Projects	(266,480)	(87,826)	(254,000)	(204,987)	49,013	Offset to Lines 3,4,13,14 - Tie Lines, Conversion, OH to UG Conv., URD
41		WA DOC Grant Funding	-	(520,000)	(1,000,000)	(120,000)	880,000	Offset to Line 6 - Substations for San Juan Battery (CEF projects)
42		Community Solar Member Contributions	(627)	-	(1,500,000)	-	1,500,000	Offset to Line 34 - Community Solar
43	CIAC SUBTOTAL		(987,092)	(1,374,497)	(3,476,000)	(1,310,268)	2,165,732	
44								
45	RUS CWP NET TOTAL		7,004,861	7,049,683	7,221,500	6,243,027	(978,473)	

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	1,398	227	254	244	107	24	7	3	3	1	71	147	310	1,398
3	Actual HDD	1,442	209	289	204	104	48	9	0.4	1.6	0.03	58	109	410	1,442
4	Variance	44	(18)	35	(40)	(3)	24	2	(2.6)	(1.4)	(1)	(13)	(38)	100	44
5															
6	ENERGY USAGE (kWh)														
7	Residential														
8	Budget	152,276,538	16,754,142	16,233,399	15,187,746	12,933,381	10,673,859	9,944,051	9,934,352	10,378,730	10,679,710	11,433,992	12,900,309	15,222,867	152,276,538
9	Actual	162,007,792	19,846,638	18,491,177	20,080,966	12,954,881	9,002,811	8,381,912	7,898,596	8,150,255	8,558,673	12,246,246	16,164,307	20,231,330	162,007,792
10	Variance (Budget to Actual)	9,731,254	3,092,496	2,257,778	4,893,220	21,500	(1,671,048)	(1,562,139)	(2,035,756)	(2,228,475)	(2,121,037)	812,254	3,263,998	5,008,463	9,731,254
11															
12	Commercial														
13	Budget	50,983,463	5,604,858	5,515,601	5,138,254	4,343,619	3,554,141	3,267,949	3,277,648	3,443,270	3,548,290	3,811,008	4,376,691	5,102,133	50,983,463
14	Actual	57,734,875	5,611,496	5,617,814	6,083,855	4,655,605	3,790,424	3,815,701	4,098,115	4,185,311	3,949,035	4,460,426	5,415,073	6,052,020	57,734,875
15	Variance (Budget to Actual)	6,751,412	6,638	102,213	945,601	311,986	236,283	547,752	820,467	742,041	400,745	649,418	1,038,382	949,887	6,751,412
16															
17	Combined Energy Usage (kWh)														
18	Budget	203,260,000	22,359,000	21,749,000	20,326,000	17,277,000	14,228,000	13,212,000	13,212,000	13,822,000	14,228,000	15,245,000	17,277,000	20,325,000	203,260,000
19	Actual	219,742,667	25,458,134	24,108,991	26,164,821	17,610,486	12,793,235	12,197,613	11,996,711	12,335,566	12,507,708	16,706,672	21,579,380	26,283,350	219,742,667
20	Variance (Budget to Actual)	16,482,667	3,099,134	2,359,991	5,838,821	333,486	(1,434,765)	(1,014,387)	(1,215,289)	(1,486,434)	(1,720,292)	1,461,672	4,302,380	5,958,350	16,482,667
21															
22	SALES REVENUE (kWh based)														
23	Residential														
24	Budget	23,461,954	2,589,628	2,518,443	2,337,299	1,980,312	1,626,492	1,520,076	1,523,659	1,582,106	1,633,817	1,763,729	2,020,731	2,365,662	23,461,954
25	Actual	24,115,498	2,707,808	2,503,733	2,941,575	1,680,655	1,711,642	1,554,230	1,469,615	1,478,817	1,451,692	2,074,937	2,267,768	2,273,024	24,115,498
26	Variance (Budget to Actual)	653,544	118,180	(14,710)	604,276	(299,657)	85,150	34,154	(54,044)	(103,289)	(182,125)	311,208	247,037	(92,638)	653,544
27															
28	Commercial														
29	Budget	7,855,695	866,323	855,688	790,745	665,079	541,583	499,548	502,702	524,883	542,829	587,860	685,574	792,881	7,855,695
30	Actual	7,870,755	747,859	741,135	858,741	562,979	598,045	582,665	602,923	592,939	541,183	689,496	698,718	654,072	7,870,755
31	Variance (Budget to Actual)	15,060	(118,464)	(114,553)	67,996	(102,100)	56,462	83,117	100,221	68,056	(1,646)	101,636	13,144	(138,809)	15,060
32															
33	Combined kWh Sales Revenue														
34	Budget	31,317,649	3,455,951	3,374,131	3,128,044	2,645,391	2,168,075	2,019,624	2,026,361	2,106,989	2,176,646	2,351,589	2,706,305	3,158,543	31,317,649
35	Actual	31,986,252	3,455,667	3,244,868	3,800,316	2,243,634	2,309,687	2,136,895	2,072,539	2,071,756	1,992,875	2,764,434	2,966,485	2,927,096	31,986,252
36	Variance (Budget to Actual)	668,603	(284)	(129,263)	672,272	(401,757)	141,612	117,271	46,178	(35,233)	(183,771)	412,845	260,180	(231,447)	668,603
37	NOTE: Excluded Other Revenue and Revenues that are not usage based.														
38															
39	POWER COST														
40	Budget	9,735,462	1,055,637	1,026,602	960,066	818,349	676,249	628,890	629,029	657,275	676,068	758,714	852,860	995,723	9,735,462
41	Actual	9,921,245	1,066,415	1,171,964	893,945	812,522	643,585	598,179	548,991	575,034	643,926	751,585	706,065	1,509,034	9,921,245
42	Variance (Budget to Actual)	185,783	10,778	145,362	(66,121)	(5,827)	(32,664)	(30,711)	(80,038)	(82,241)	(32,142)	(7,129)	(146,795)	513,311	185,783

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 2021
	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	31,925,435	32,131,904	31,453,872	2,947,517
2. Power Production Expense				
3. Cost of Purchased Power	9,512,760	9,934,871	9,735,462	1,693,096
4. Transmission Expense	388,576	402,069	428,447	43,200
5. Regional Market Expense				
6. Distribution Expense - Operation	3,570,350	3,625,309	3,636,851	322,404
7. Distribution Expense - Maintenance	2,825,081	2,564,054	2,733,082	341,494
8. Customer Accounts Expense	1,093,791	1,093,181	1,003,546	86,098
9. Customer Service and Informational Expense	501,803	358,246	549,437	10,650
10. Sales Expense	47,145	52,472	41,179	4,745
11. Administrative and General Expense	3,639,360	3,929,275	3,855,278	333,987
12. Total Operation & Maintenance Expense (2 thru 11)	21,578,866	21,959,477	21,983,282	2,835,674
13. Depreciation and Amortization Expense	5,015,406	5,047,791	5,279,563	432,571
14. Tax Expense - Property & Gross Receipts	370,727	346,389	400,385	28,665
15. Tax Expense - Other	1,143,825	1,156,029	1,173,145	104,865
16. Interest on Long-Term Debt	2,021,376	2,028,831	2,032,740	176,270
17. Interest Charged to Construction - Credit	(54,439)	(95,904)	(70,000)	7,609
18. Interest Expense - Other				
19. Other Deductions	10,000	10,000	10,000	0
20. Total Cost of Electric Service (12 thru 19)	30,085,761	30,452,613	30,809,115	3,585,654
21. Patronage Capital & Operating Margins (1 minus 20)	1,839,674	1,679,291	644,757	(638,137)
22. Non Operating Margins - Interest	169,020	149,031	150,461	12,900
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	247,289	1,908,741	92,449	9,413
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	122,952	135,327	129,893	70,811
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,378,935	3,872,390	1,017,560	(545,013)

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 2021		
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	196	172	5. Miles Transmission	46.39	46.39
2. Services Retired	25	9	6. Miles Distribution – Overhead	148.55	143.25
3. Total Services in Place	15,406	15,573	7. Miles Distribution - Underground	1,066.74	1,070.24
4. Idle Services (Exclude Seasonals)	757	780	8. Total Miles Energized (5 + 6 + 7)	1,261.68	1,259.88
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	156,749,824		30. Memberships	58,225	
2. Construction Work in Progress	4,324,865		31. Patronage Capital	42,004,035	
3. Total Utility Plant (1 + 2)	161,074,689		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	62,682,824		33. Operating Margins - Current Year	1,963,648	
5. Net Utility Plant (3 - 4)	98,391,865		34. Non-Operating Margins	1,908,741	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	(5,271,713)	
7. Investments in Subsidiary Companies	(11,093,287)		36. Total Margins & Equities (30 thru 35)	40,662,936	
8. Invest. in Assoc. Org. - Patronage Capital	903,569		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	56,342,663	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	536,474		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	8,639,738	
12. Other Investments	2,608		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	3,211,603		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	(6,428,733)		43. Total Long-Term Debt (37 thru 41 - 42)	64,982,401	
15. Cash - General Funds	5,369,605		44. Obligations Under Capital Leases - Noncurrent	0	
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)	0	
18. Temporary Investments	3,979,034		47. Notes Payable	0	
19. Notes Receivable (Net)	151,534		48. Accounts Payable	2,011,153	
20. Accounts Receivable - Sales of Energy (Net)	2,482,867		49. Consumers Deposits	51,606	
21. Accounts Receivable - Other (Net)	56,595		50. Current Maturities Long-Term Debt	2,092,437	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	4,122,049		52. Current Maturities Capital Leases	1,505	
24. Prepayments	490,687		53. Other Current and Accrued Liabilities	1,418,655	
25. Other Current and Accrued Assets	1,402,309		54. Total Current & Accrued Liabilities (47 thru 53)	5,575,356	
26. Total Current and Accrued Assets (15 thru 25)	18,092,597		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	353,885	
28. Other Deferred Debits	1,518,849		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	111,574,578	
29. Total Assets and Other Debits (5+14+26 thru 28)	111,574,578				

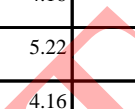
UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION WA0009
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2021
PART D. NOTES TO FINANCIAL STATEMENTS	

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 2021
PART D. CERTIFICATION LOAN DEFAULT NOTES	

DRAFT

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION WA0009			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2021			
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	85,089,996	6,489,784	435,891		91,143,889		
2. General Plant	24,021,211	854,360	357,259		24,518,312		
3. Headquarters Plant	4,013,861	1,202,654			5,216,515		
4. Intangibles	1,539,562				1,539,562		
5. Transmission Plant	34,301,350	57,686	28,049		34,330,987		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	559				559		
8. Total Utility Plant in Service (1 thru 7)	148,966,539	8,604,484	821,199		156,749,824		
9. Construction Work in Progress	6,747,770	(2,422,904)			4,324,866		
10. Total Utility Plant (8 + 9)	155,714,309	6,181,580	821,199		161,074,690		
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	3,460,300	1,679,322	59,300	1,046,054		(30,818)	4,122,050
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	1,161,700	62.200	34,800	393.600	1,652.300		
2. Five-Year Average	396.300	225.200	65.900	327.100	1,014.500		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	48	4. Payroll - Expensed				4,043,611	
2. Employee - Hours Worked - Regular Time	101,673	5. Payroll - Capitalized				794,700	
3. Employee - Hours Worked - Overtime	2,520	6. Payroll - Other				813,462	
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			206,676	8,076,643		
	c. Total Retirements (a + b)			1,506,676	22,520,186		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power			0			
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			135,327			
	c. Total Cash Received (a + b)			135,327			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	52,993	2. Amount Written Off During Year	\$	19,592		
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 2021			
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			238,379,768	9,921,245	4.16		
2	*Miscellaneous	700000	Net Metering	Solar - photovoltaic	261,039	13,626	5.22		
	Total				238,640,807	9,934,871	4.16		

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 2021	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
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 2021	
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

DRAFT

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WA0009	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2021	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/24/2021	2. Total Number of Members 11,645	3. Number of Members Present at Meeting 138	4. Was Quorum Present? N/A
5. Number of Members Voting by Proxy or Mail 1,425	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 322,449 *	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

*\$200k relates to Board approved COVID relief funding

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 2021		
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	7,454,617	325,404	281,851	607,255
3	CoBank, ACB				
4	Federal Financing Bank	56,342,663	1,268,691	1,259,107	2,527,798
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	1,185,121		50,240	50,240
11	Dell Financial Services	0	0	18,057	18,057
	TOTAL	64,982,401	1,594,095	1,609,255	3,203,350

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WA0009		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2021		
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	13,643	13,566	
	b. kWh Sold			162,007,792
	c. Revenue			24,130,098
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	1,920	1,919	
	b. kWh Sold			57,670,515
	c. Revenue			7,870,755
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			64,360
	c. Revenue			9,861
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)		15,569	15,491	
11. Total kWh Sold (lines 1b thru 9b)				219,742,667
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				32,010,714
13. Transmission Revenue				
14. Other Electric Revenue				121,190
15. kWh - Own Use				1,487,322
16. Total kWh Purchased				238,640,807
17. Total kWh Generated				
18. Cost of Purchases and Generation				10,336,940
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				80,045

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 2021		
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)	366	208,418	1,370	7,362	4,192,828	17,383
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	14	69,684	747	579	1,807,282	12,875
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	380	278,102	2,117	7,941	6,000,110	30,258

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

<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 2021</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.

No	DESCRIPTION	INCLUDED	EXCLUDED	INCOME OR LOSS	RURAL DEVELOPMENT
(a)	(b)	(\$)	(\$)	(\$)	(e)
2	Investments in Associated Organizations				
	Misc Memberships	9,300	1,000		
	Misc Patronage Capital	126,073	518,132	13,709	
	Federated Rural Electric Stock Certificate	259,364		35,048	
	CFC Capital Term Certificate		536,474	28,745	
	PNGC Capital Term Certificate			57,825	
	Investment in Subsidiary	(11,093,287)			
	Totals	(10,698,550)	1,055,606	135,327	
4	Other Investments				
	Computershare	2,608			
	Totals	2,608			
5	Special Funds				
	CFC Select Notes		503,617		
	Washington Federal Savings		224,676		
	HomeStreet Bank		111,572		
	CoBank		2,241,973		
	Banner Bank (Project PAL & MORE)		129,765		
	Totals		3,211,603		
6	Cash - General				
	Key Bank		(353,154)		
	Banner Bank	5,135,246	250,000		
	Wells Fargo	79,734	250,000		
	Petty Cash	600			
	Cash Clearing	7,179			
	Totals	5,222,759	146,846		
8	Temporary Investments				
	CFC Select Notes		3,359,815		
	CoBank		619,219		
	Totals		3,979,034		
9	Accounts and Notes Receivable - NET				
	Notes Receivable - OBF	185,623			
	OBF Loss Reserve	(34,089)			
	Custom Orders	56,621			
	AR Employees	(26)			
	Totals	208,129			
11	TOTAL INVESTMENTS (1 thru 10)	(5,265,054)	8,393,089	135,327	

<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 2021</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 II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	IN LLC	9/30/2022	4,000,000	2,300,000	
2	IN LLC	4/20/2036	7,500,000	7,241,157	
3	IN LLC	4/20/2036	6,000,000	5,799,907	
4	IN LLC	12/20/2037	4,050,000	4,050,000	
5	IN LLC	12/20/2037	1,450,000	1,450,000	
6	IN LLC	12/20/2038	3,500,000	3,500,000	
7	IN LLC	1/20/2040	2,000,000	2,000,000	
8	IN LLC	1/20/2040	500,000	500,000	
9	IN LLC	12/20/2040	1,000,000	1,000,000	
10	IN LLC	12/20/2040	2,000,000	2,000,000	
	TOTAL		32,000,000	29,841,064	
	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 2021			
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]					-3.27 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				

DRAFT