

ORCAS POWER AND LIGHT COOPERATIVE 2022 Q2 FINANCIAL REPORT



MEMORANDUM

August 18, 2022

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2022 Second Quarter Financial Report

The 2022 second quarter financial report is posted online and included under separate cover. The second quarter results are consistent with the budget. 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) collected \$115k from the membership through Q2 2022 which was the driven primarily by higher power costs than budgeted. The continued impact of COVID-19 on our commercial members is waning as commercial revenue was above budget by ~\$340k. Overall operating revenue was higher than budget as kWh sales come in over budget.

The table below presents the projection of full-year 2022 financial results using actuals from Q2 and budget projections for future months.

Income Statement Summary (in thousands)	2022 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 34,260	\$ 34,883	\$ 623
ECA Surcharge / (Credit)*	\$ -	\$ 115	\$ 115
Revenue	\$ 34,260	\$ 34,998	\$ 738
Expenses:			
Cost of Purchased Power	\$ 9,496	\$ 10,011	\$ 515
Transmission & Distribution Expense	7,075	6,845	(230)
General & Administrative Expense	5,998	5,779	(219)
Depreciation, Tax, Interest & Other	8,576	8,781	205
Total Expenses	31,145	31,416	271
Operating Margin	3,115	3,582	467
Non-op margin	284	302	18
Net Margin*	3,399	\$ 3,884	485
OTIER**	2.53	2.78	0.25
TIER**	2.64	2.93	0.29
Equity %	39.9%	40.1%	0.2%
HDD	1,375	1,410	35
kWh Purchases	220,000	234,209	14,209
kWh Sales	206,800	218,681	11,881

* The ECA collected \$115k from members through June 2022

** TIER is a 'full-year' metric, thus not representative in early months as there has not been an accumulation of interest expense

For more detail, please note the following key points:

- Heating Degree Days (HDD) were ~4% above budgeted levels (actual of 888 vs. budget of 854). Overall kWh sales were 12M kWh above budget (121M vs. budget of 109M).
- 2022 power purchases are \$515k higher than budgeted due to a combination of higher overall kWh sales and large peak charges. Actual kWh purchases were 14.3M kWh above budget (129.8M vs. budget of 115.5M).
- Excluding purchased power, Q2 YTD operating expenses were approximately \$102k under budgeted amounts.
- The ECA for 2022 was a net charge to members (and increase to operating revenue) of \$115k, or \$.46 for a member using 1000 kWh/month.
- Rock Island Communications 2022 Financials included in separate packet.

OPALCO 2022 Financial Package under separate cover.

ORCAS POWER AND LIGHT COOPERATIVE

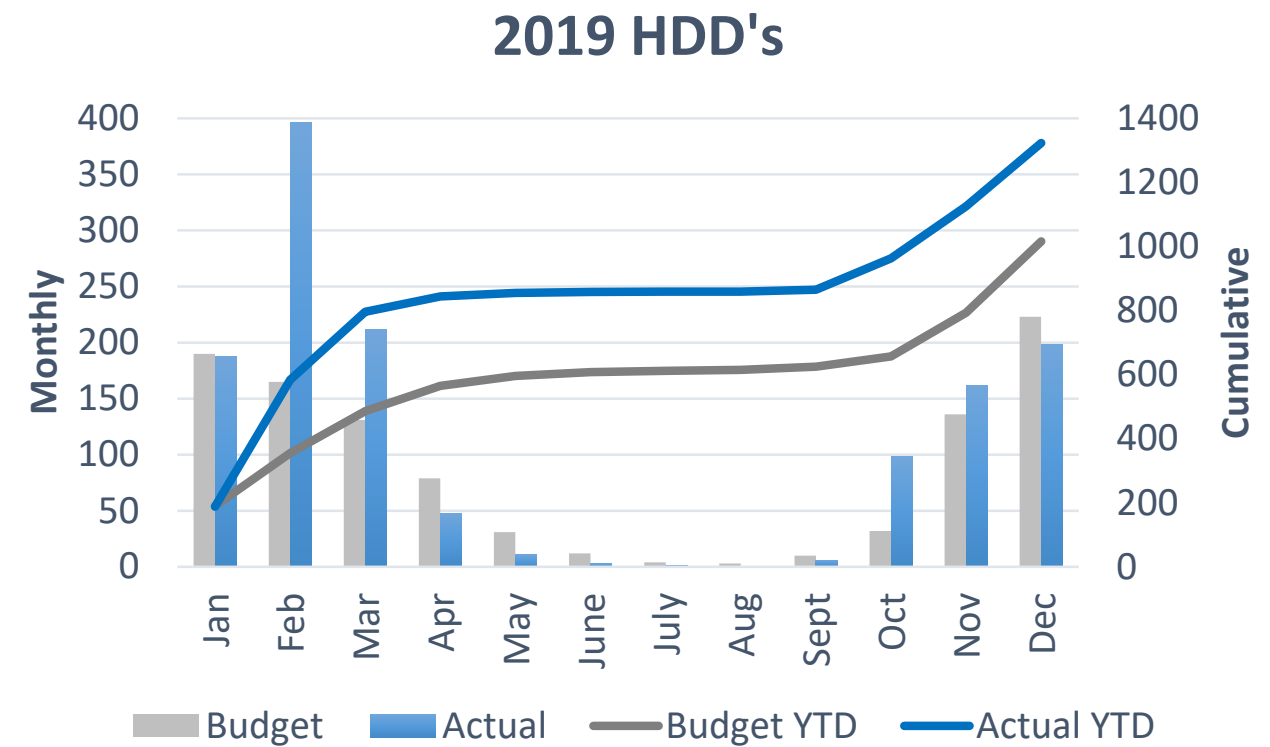
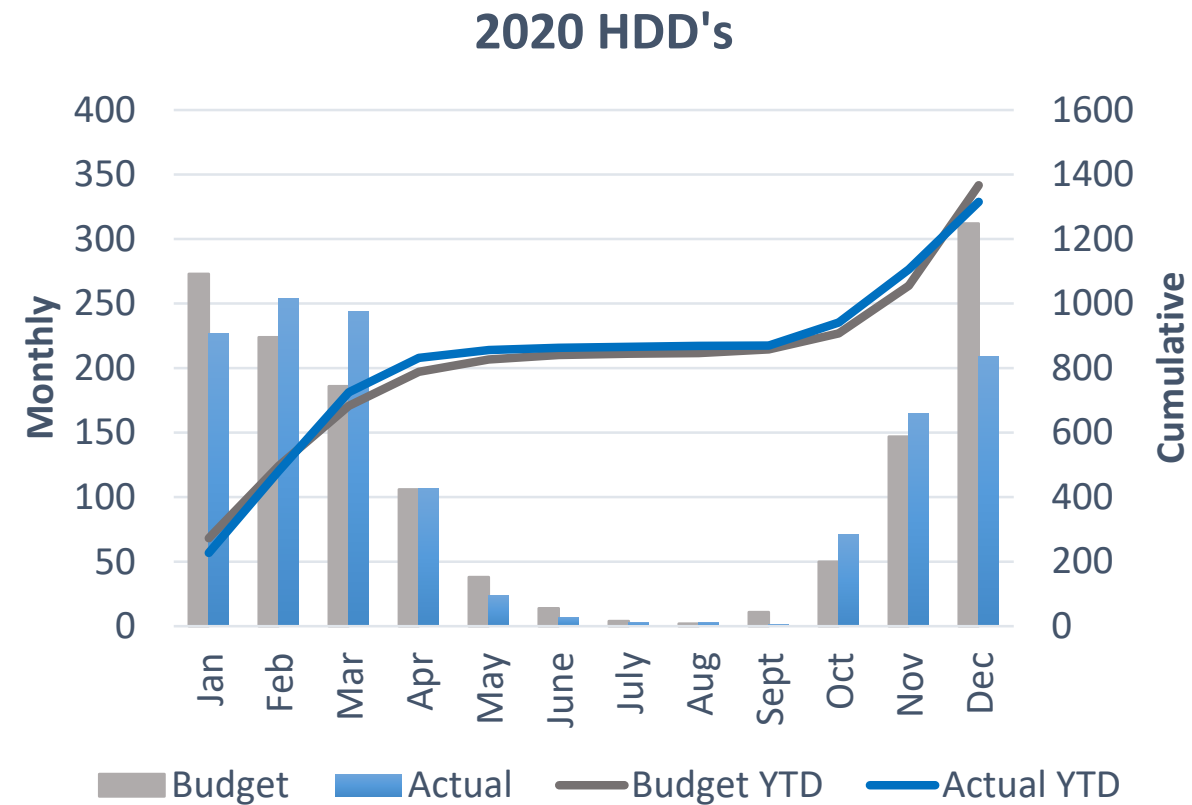
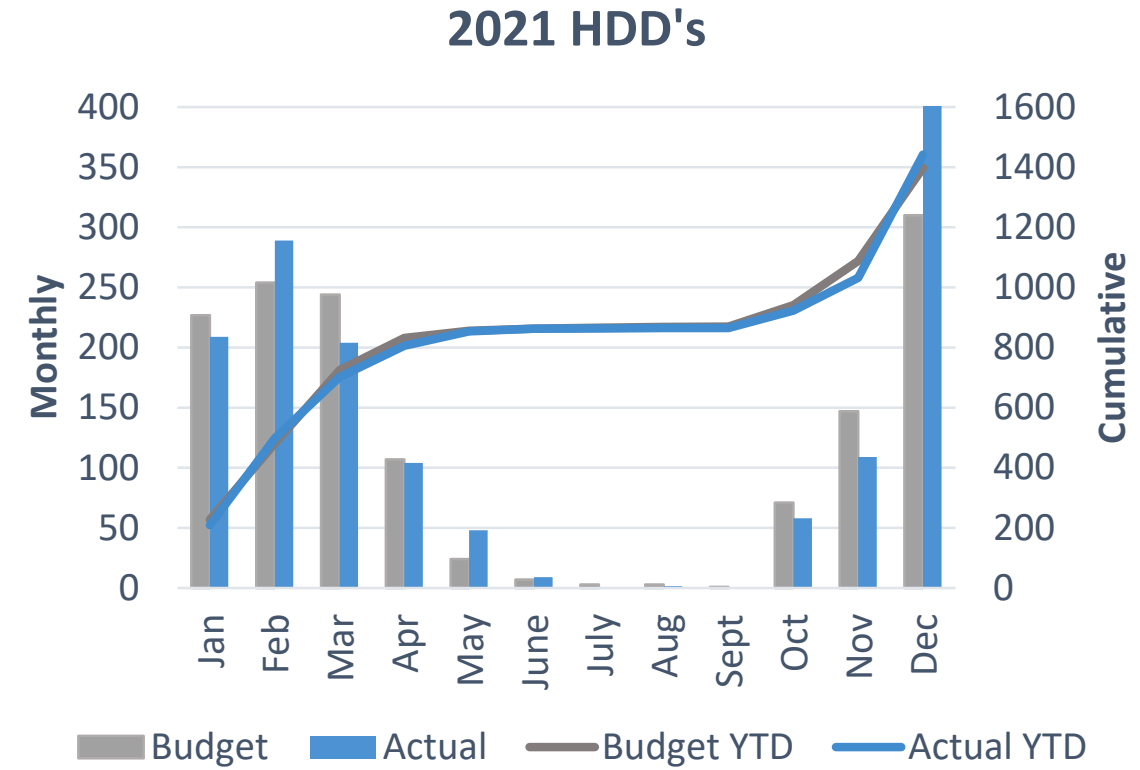
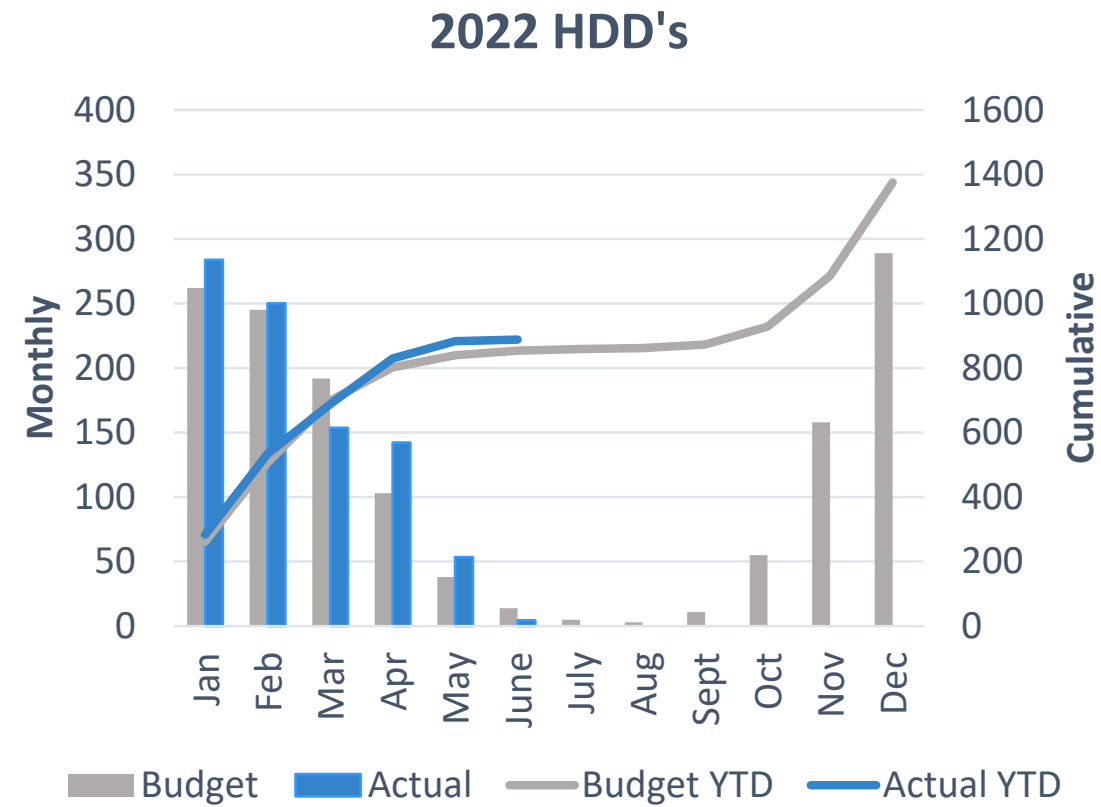
STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

		A. Audited Year End 12/31/2020	B. Audited Year End 12/31/2021	C. Budget Period End 6/30/2022	D. Actual Period End 6/30/2022	E. Budget \$ Change (D - C)	F. Budget % Change (D - C)
1	kWh Purchases	225,413,000	238,379,768	115,500,000	129,775,000	14,275,000	12.4%
2	Gross Operating Revenue	32,577,000	34,893,000	17,999,000	18,622,000	623,000	3.5%
3	Energy Charge Adjustment	(651,000)	(1,294,000)	-	115,000	115,000	
4	Net Operating Revenue Total	31,926,000	33,599,000	17,999,000	18,737,000	738,000	4.1%
5	Cost of power	9,513,000	9,935,000	4,969,000	5,484,000	515,000	10.4%
6	Operations & G&A	12,076,000	12,035,000	6,413,000	6,106,000	(307,000)	-4.8%
7	Depr, Int, Taxes & Other	8,374,000	8,348,000	4,334,000	4,552,000	218,000	5.0%
8		29,963,000	30,318,000	15,716,000	16,142,000	426,000	2.7%
9	Net Operating Margins	\$ 1,963,000	\$ 3,281,000	\$ 2,283,000	\$ 2,595,000	312,000	13.7%
10	Non-Operating Margins (Note 1)	\$ 416,000	\$ 2,058,000	\$ 135,000	\$ 153,000	18,000	13.3%
11	Net Margin	\$ 2,379,000	\$ 5,339,000	\$ 2,418,000	\$ 2,748,000	330,000	13.6%
12	OTIER	1.97	2.62	3.23	3.61	0.37	
13	TIER	2.18	3.63	3.37	3.76	0.39	
14	Equity % of Total Cap	36.0%	39.3%	36.5%	39.8%	3%	
15	Equity	38,341,000	42,130,000	39,179,000	45,038,000	5,859,000	15.0%
16	Total Debt	69,876,000	67,076,000	70,264,000	70,244,000	(20,000)	0.0%
17	Capital Spending	(7,050,000)	(6,243,027)	3,827,000	2,956,349	(870,651)	-22.8%
18	Capital Credit Retirement (net)	(1,151,000)	(1,100,000)	(59,000)	(45,000)	14,000	-23.7%
19	Annual HDD	1,315	1,442	854	888	34	4.0%
Notes							
1	2021 - PPP loan forgiveness of \$1.79M						



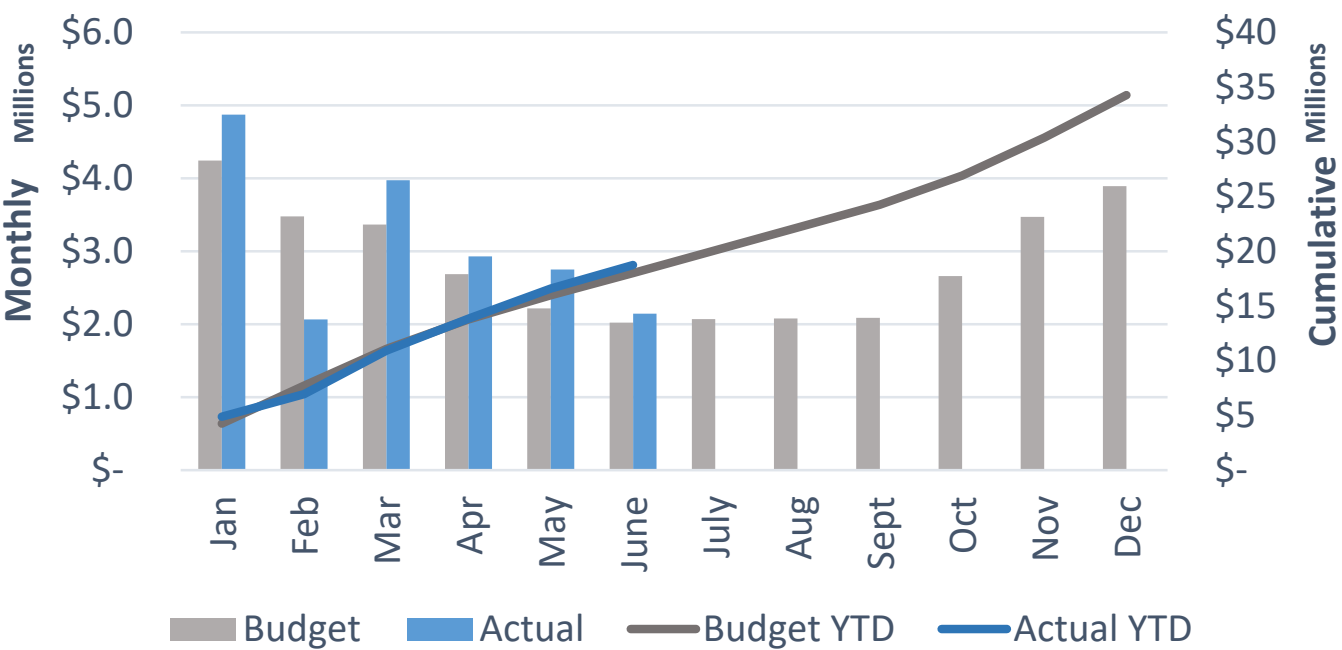
2022 Q2 Financial Highlights

2022 Budget to Actual: Heating Degree Days

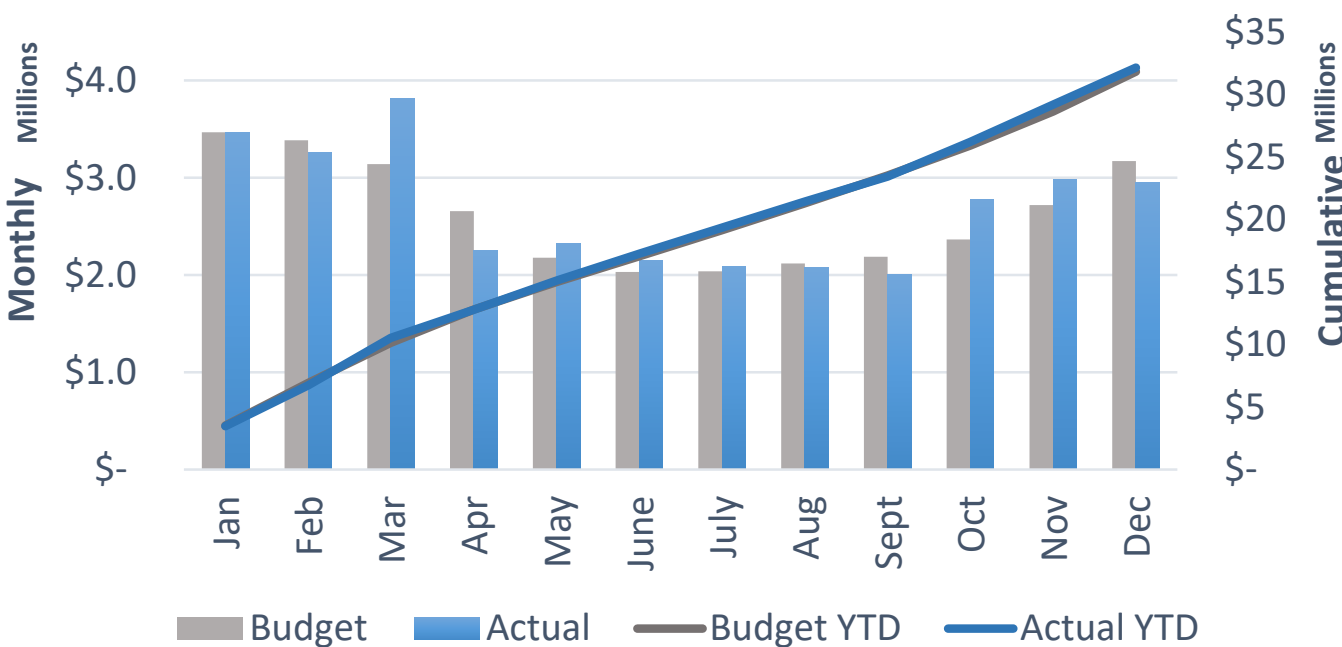


2022 Budget to Actual: Revenue

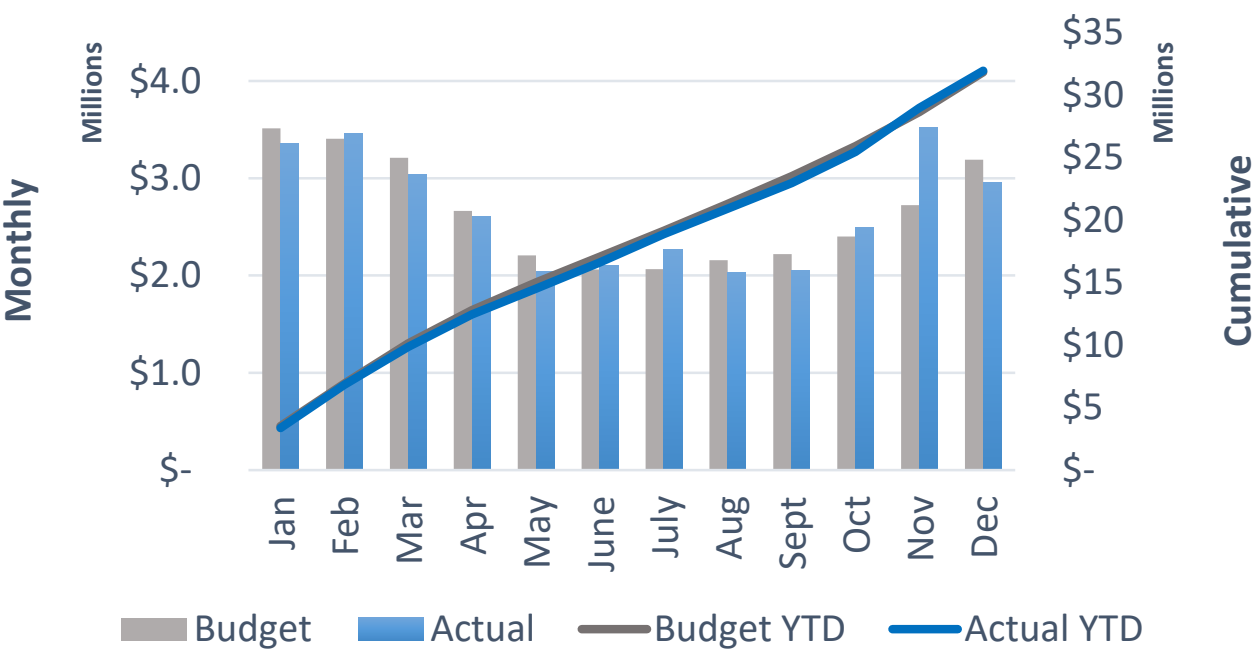
2022 Revenue



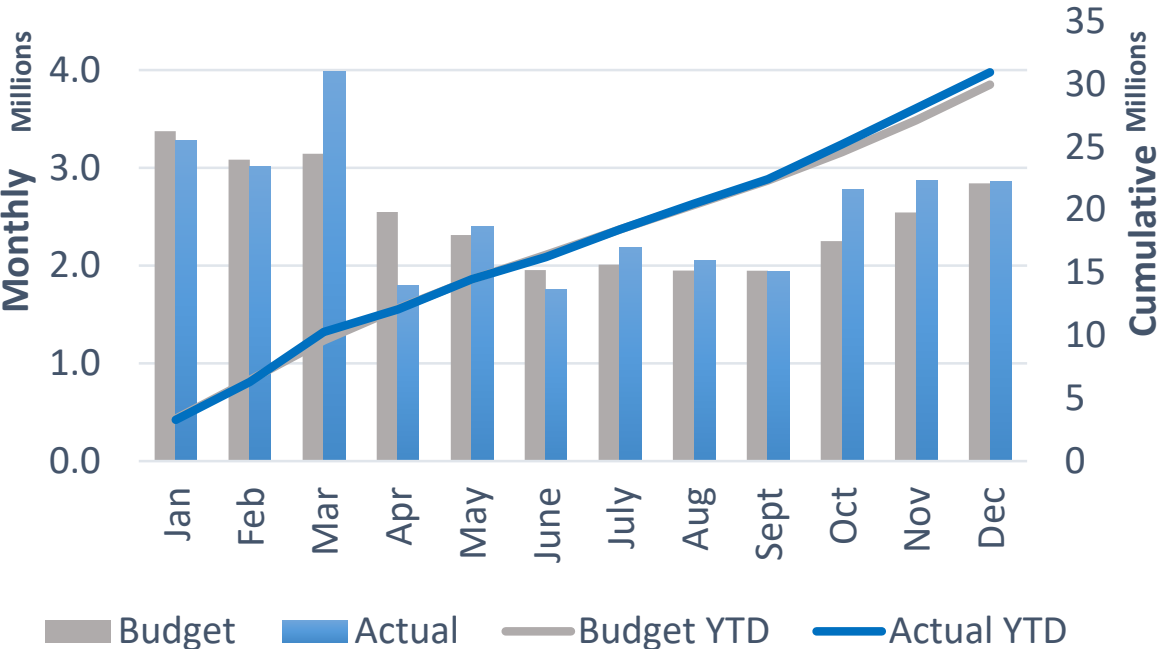
2021 Revenue



2020 Revenue



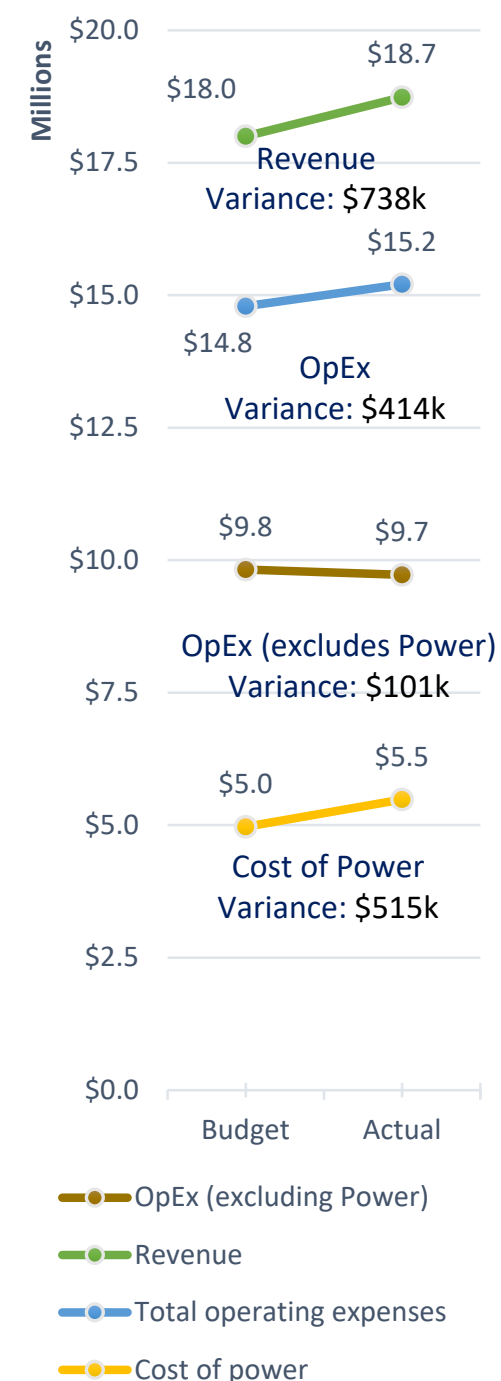
2019 Revenue



* Revenue net of ECA

2022 Q2 Budget to Actual: Statement of Operations

	A. Audited Year End 12/31/2020	B. Audited Year End 12/31/2021	C. Budget Year End 12/31/2022	D. Budget Period End 6/30/2022	E. Actual Period End 6/30/2022	F. Budget Variance (E - D)
1 OPERATING REVENUES						
2 Residential	\$ 24,062,590	\$ 25,597,555	\$ 25,697,862	\$ 13,528,384	\$ 13,900,715	372,331
3 Commercial	7,714,074	7,880,616	8,338,411	4,354,948	4,694,483	339,535
4 Other						
5 Penalties and fees	75,175	59,492	170,390	84,025	112,179	28,154
6 Other	73,596	61,697	60,463	31,898	29,839	(2,059)
7 Total operating revenue	31,925,435	33,599,361	34,267,126	17,999,255	18,737,216	737,961
8						
9 OPERATING EXPENSES						
10 Cost of power	9,512,760	9,934,871	9,496,026	4,968,574	5,483,703	515,129
11 Transmission	388,576	402,069	398,130	332,998	77,149	(255,849)
12 Distribution - operations	3,570,350	3,625,309	3,646,738	1,826,470	1,974,815	148,345
13 Distribution - maintenance	2,825,081	2,564,054	2,846,288	1,254,240	1,244,365	(9,875)
14 Consumer accounts	1,093,791	1,093,181	1,157,086	588,129	549,380	(38,749)
15						
16 General and administration						
17 Administration	3,739,823	4,057,726	4,499,480	2,214,322	2,097,432	(116,890)
18 Energy services	369,201	200,205	296,023	148,012	116,789	(31,223)
19 Subsidiary charges (RIC network mgt services)	89,284	92,062	96,665	48,333	46,031	(2,301)
20 Total general and administration	4,198,308	4,349,993	4,892,168	2,410,667	2,260,252	(150,415)
21						
22 Depreciation and amortization	5,015,406	5,047,791	5,164,706	2,562,955	2,724,056	161,100
23 Taxes	1,514,553	1,502,418	1,593,704	849,374	893,269	43,895
24						
25 Total operating expenses	28,118,825	28,519,686	29,394,846	14,793,406	15,206,987	413,581
26						
27 Operating margins before fixed charges	3,806,610	5,079,674	4,872,280	3,205,849	3,530,229	324,380
28						
29 FIXED CHARGES						
30 Interest on long-term debt	1,966,936	1,932,928	1,943,958	967,194	974,137	6,943
31						
32 Operating margins after fixed charges	1,839,673	3,146,747	2,928,322	2,238,655	2,556,092	317,437
33						
34 PATRONAGE CAPITAL CREDITS	122,952	135,327	129,784	45,424	39,403	(6,021)
35						
36 Net operating margins	1,962,625	3,282,073	3,058,106	2,284,079	2,595,495	311,415
37						
38 NON-OPERATING MARGINS						
39 Interest income	89,550	69,515	69,833	34,917	71,712	36,795
40 Other income (loss)	157,313	1,799,001	26,186	5,609	(13,730)	(19,338)
41 Total Opalco non-operating margins	246,863	1,868,516	96,019	40,525	57,982	17,457
42						
43 Non-operating margins from Subsidiary						
44 Interest Income (RIC loan)	79,471	79,516	79,575	39,788	39,791	3
45 Other income (use of OPALCO backbone)	89,976	109,740	109,740	54,870	54,870	-
46 Total non-operating margins from Subsidiary	169,447	189,256	189,315	94,658	94,661	3
47						
48 Net non-operating margins	416,309	2,057,772	285,334	135,183	152,643	17,460
49						
50 NET MARGINS	\$ 2,378,935	\$ 5,339,845	\$ 3,343,440	\$ 2,419,262	\$ 2,748,137	328,875
51						
52						
53						
54						
55						
56						
57 OTIER	1.97	2.62	2.50	3.23	3.61	0.37
58 TIER	2.18	3.63	2.64	3.37	3.76	0.39
59 Equity % of Total Cap	35.9%	39.3%	39.9%	36.5%	39.7%	3.2%



Notes:

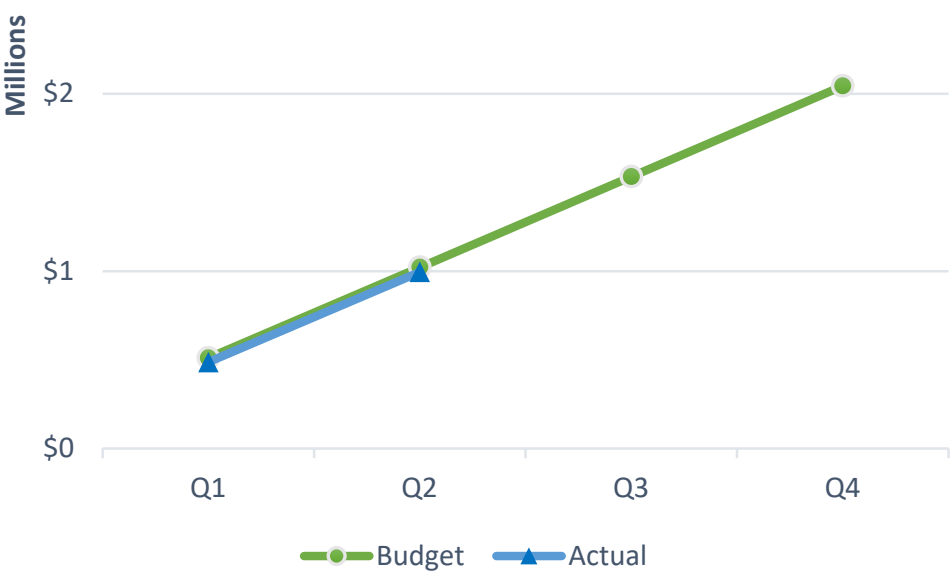
- Through Q2 the ECA returned a net \$115k from the membership
Note: Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA collected \$598k in January 2022, related to the calculation based on December 2021 factors.
- Net Operating Margin: \$2.595M (\$311k increase)
- Net Margin: \$2.748M (\$329k increase)

2022 Q2 Budget to Actual: Financial Metrics

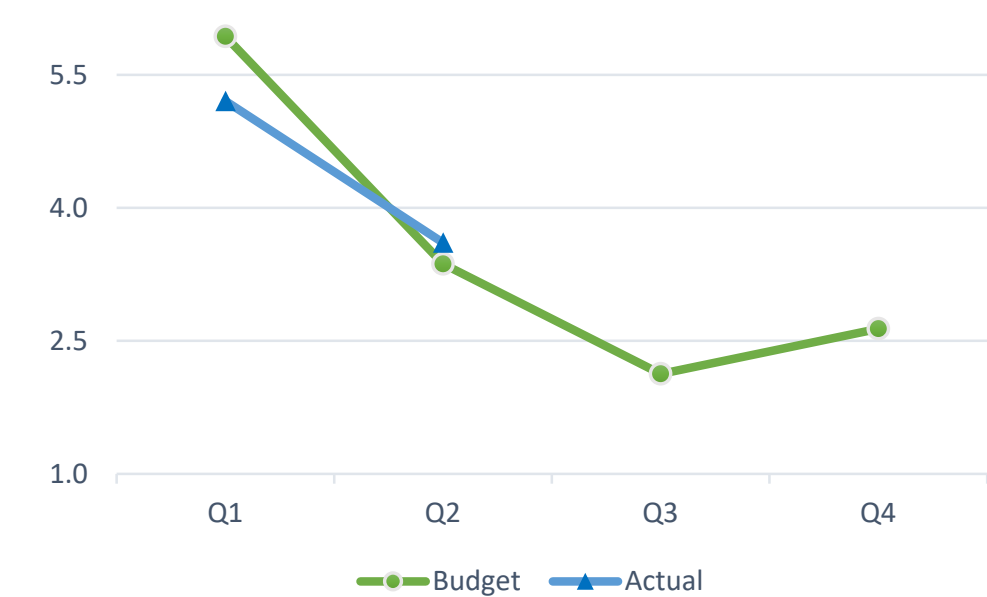
Depreciation & Amortization



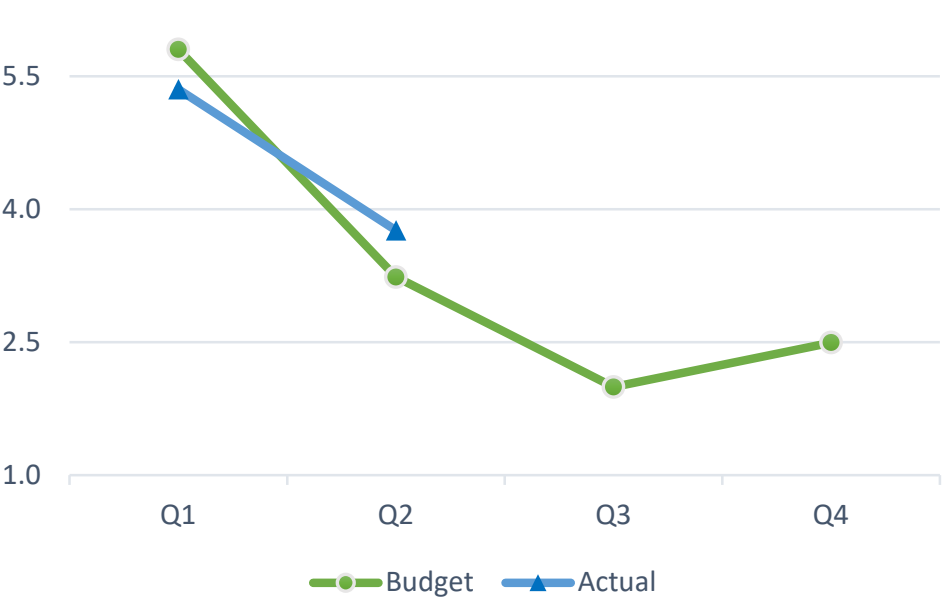
Interest



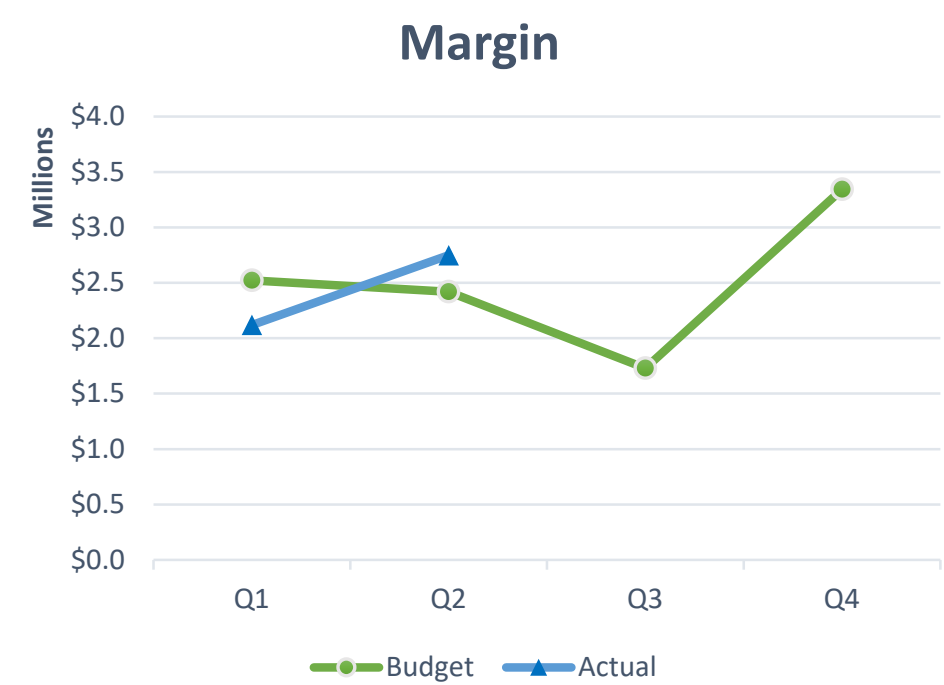
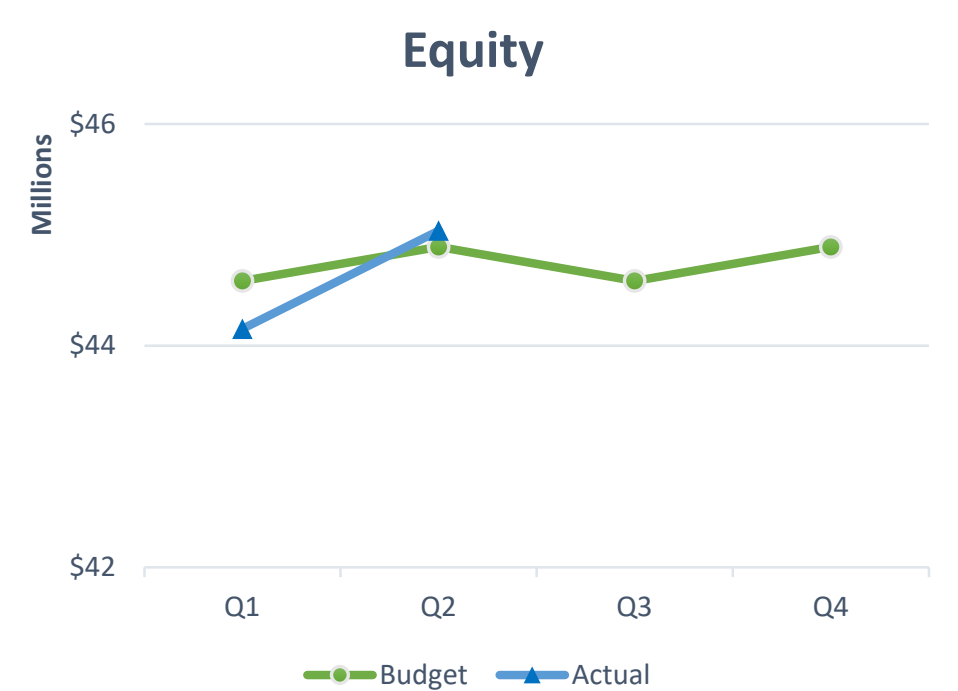
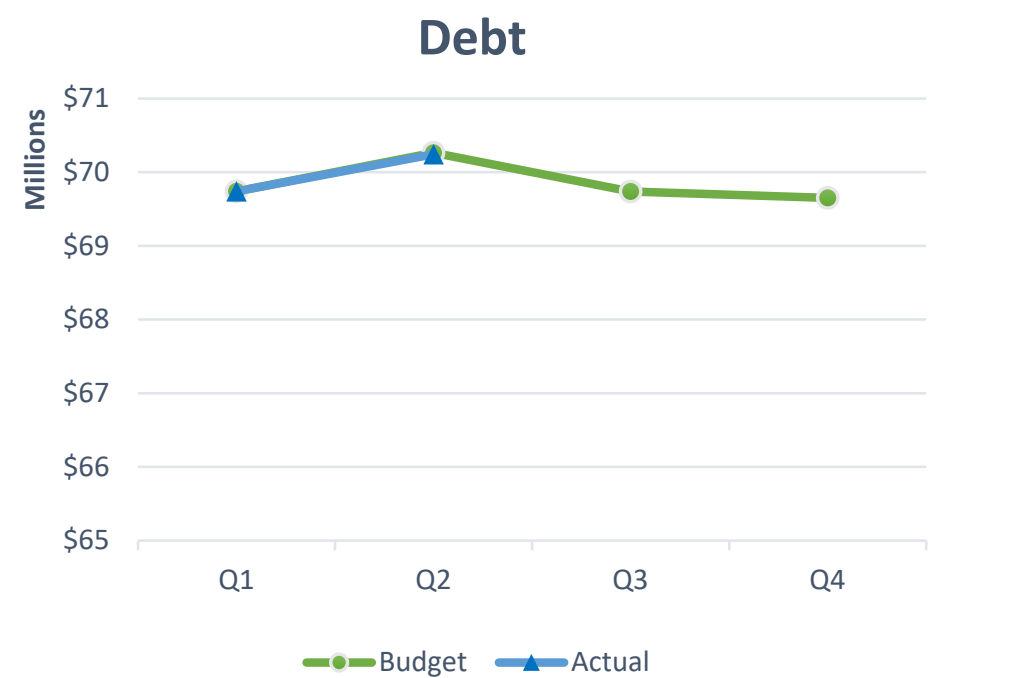
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TIER



2022 Q2 Budget to Actual: Financial Metrics



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

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51 Total non-operating margins from Subsidiary	169,447	189,256	189,315	94,658	94,661	3
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58 TIER	2.18	3.63	2.64	3.37	3.76	0.39
59 Equity % of Total Cap	35.9%	39.3%	39.9%	36.5%	39.8%	3.3%

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	
	6/30/2022	6/30/2022	(B - A)	Comments: Budget To Actual (Column C.)
1	17,999,255	18,737,216	737,961	
2				
3				Budget Actual Variance
4				HDD 854 888 34
5				kWh Sales 108,600 120,481 11,881
6				(kWh in thousands)
7	13,528,384	13,900,715	372,331	kWh sales higher than budgeted through Q2
8	4,354,948	4,694,483	339,535	kWh sales higher than budgeted through Q2
9				
10	(84,025)	(112,179)	28,154	Misc fees & charges back for 2022, higher than budgeted
11	(31,898)	(29,839)	(2,059)	Less pole attachment revenue
12				
13				
14				
15	14,793,406	15,206,987	413,581	Overall Increase in operating expenses
16				
17	4,968,574	5,483,703	515,129	Increase in expense - higher kWh purchases than budget through Q2
18				Budget Actual Variance
19				kWh Purchases 115,500 129,775 14,275
20				(kWh in thousands)
21	332,998	77,149	(255,849)	Decrease in expense - efforts shift to Distribution Operations, offset Line 23 - less ROW clearing expense
22				
23	1,826,470	1,974,815	148,345	Increase in expense - Q2 efforts shift to Distribution Operations Exp, offset Line 11 Transmission Exp
24				
25	1,254,240	1,244,365	(9,875)	Decrease in expense - efforts shift to Distribution Operations, offset Line 23
26				
27	588,129	549,380	(38,749)	Decrease in expense - vacant position filled 7/12/22
28				
29				
30				
31	2,214,322	2,097,432	(116,890)	Decrease in expense
32				
33	148,012	116,789	(31,223)	Decrease in expense - less rebates processed
34				
35	48,333	46,031	(2,301)	Decrease in expense
36				
37	2,410,667	2,260,252	(150,415)	Overall decrease in expense
38				
39	2,562,955	2,724,056	161,100	Increase in expense - higher capitalizations through Q2 than budgeted
40				
41	849,374	893,269	43,895	Increase in expense - higher sales through Q2
42				
43	14,793,406	15,206,987	413,581	Overall increase in expense
44				
45				

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	
			6/30/2022	6/30/2022	(B - A)	Comments: Budget To Actual (Column C.)
46	III	FIXED CHARGES - Interest Expense - Line 30	967,194	974,137	6,943	Increase in expense
47						
48	IV	PATRONAGE CAPITAL CREDITS (Income) - Line 34	45,424	39,403	(6,021)	Decrease in income - received from associated cooperatives
49						
50		TOTAL NET OPERATING MARGINS	2,284,079	2,595,495	311,415	Increase in margin
51						
52	V	NON-OPERATING MARGINS	135,183	152,643	17,460	Increase in margin
60						
61		TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	2,419,262	2,748,137	328,875	Increase in margin

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2019	B. Audited Year End 12/31/2020	C. Audited Year End 12/31/2021	D. Actual Period End 6/30/2022	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4 Electric plant in service	\$ 144,301,230	\$ 148,966,539	\$ 156,749,824	\$ 158,261,052	1,511,228
5 Construction work in progress	5,015,317	6,633,154	4,342,145	5,482,553	1,140,408
6					
7	149,316,547	155,599,693	161,091,969	163,743,605	2,651,636
8 Less accumulated depreciation and amortization	53,456,306	58,016,597	62,700,104	65,180,235	2,480,131
9					
10 Net utility plant	95,860,241	97,583,096	98,391,865	98,563,370	171,505
11					
12 Investments in associated organizations					
13 Other (CFC, Federated, PNGC, etc.)	1,814,993	1,866,511	1,452,951	1,475,905	22,954
14 Non-utility investment subsidiary (Note 1)	(9,279,459)	(10,664,353)	(11,093,287)	(11,048,553)	44,734
15 Total investments in associated organizations	(7,464,466)	(8,797,842)	(9,640,336)	(9,572,648)	67,688
16					
17 Other property and investments	(7,464,466)	(8,797,842)	(9,640,336)	(9,572,648)	67,688
18					
19 CURRENT ASSETS					
20 Cash and cash equivalents	3,928,582	6,475,385	9,509,141	13,879,962	4,370,821
21 Cash and cash equivalents - board designated	538,699	6,376,649	3,081,838	3,085,950	4,112
22 Accounts receivable, less doubtful accts allowance	3,910,241	4,286,644	5,561,142	3,636,877	(1,924,265)
23 Interest receivable	24,279	6,240	6,800	31,691	24,891
24 Materials and supplies	3,006,903	3,460,300	4,122,049	4,386,232	264,183
25 Prepaid expenses	452,011	491,537	490,688	821,221	330,533
26					
27 Total current assets	11,860,715	21,096,755	22,771,658	25,841,933	3,070,275
28					
29 DEFERRED CHARGES (Note 2)	647,075	1,110,562	1,518,849	2,886,564	1,367,715
30					
29 Total assets	\$ 100,903,565	\$ 110,992,571	\$ 113,042,036	\$ 117,719,219	\$ 4,677,183

BALANCE SHEET

Updated 8/5/2022

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

	A.	B.	C.
	Audited	Audited	Actual
	Year End	Year End	Period End
	12/31/2020	12/31/2021	6/30/2022
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins (Note 1)	\$ 2,378,935	\$ 3,872,388	\$ 2,748,137
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	5,015,406	5,047,791	2,724,056
6 Changes in assets and liabilities			
7 Accounts receivable	(376,403)	192,959	1,924,265
8 Interest receivable	18,039	(560)	(24,891)
9 Prepaid expenses	(39,526)	851	(330,537)
10 Accounts payable	(123,465)	512,391	(1,047,279)
11 Customer deposits	(12,359)	(21,294)	14,365
12 Accrued liabilities	256,849	578,074	(355,897)
13 Deferred credits	52,874	(9,724)	(9,081)
14 Deferred Charges	(463,487)	(408,287)	(1,367,715)
14 Net cash from operating activities	6,706,863	9,764,589	4,275,423
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(8,112,759)	(6,941,645)	(4,144,721)
18 Reduction to non-utility plant (Island Network transition)	-	-	-
18 Change in materials and supplies	(453,397)	(661,749)	(264,183)
19 (Increase) decrease in investment in Subsidiary	1,384,894	428,934	(44,734)
20 (Increase) decrease in other OPALCO property and investments, net	(51,518)	413,560	(22,954)
21			
22 Net cash from investing activities	(7,232,780)	(6,760,900)	(4,476,592)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net	(1,812,990)	(3,399,451)	(1,472,714)
25 Proceeds from debt (Note 1)	11,790,016	600,000	4,640,000
26 Memberships	1,240	630	135
27 Retirements of patronage capital, net	(1,057,183)	(1,119,575)	114,214
28 Change in subsidiary equities	(1,384,910)	(431,431)	45,304
29 Contributions in aid of construction	1,374,497	1,085,085	1,249,161
30			
30 Net cash from financing activities	8,910,670	(3,264,742)	4,576,100
31			
31 NET CHANGE IN CASH	8,384,753	(261,053)	4,374,931
32			
32 CASH AND CASH EQUIVALENTS, beginning of year/period	4,467,281	12,852,034	12,590,981
33			
33 CASH AND CASH EQUIVALENTS, end of year/period	12,852,034	12,590,981	16,965,912
34			
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 2,021,376	\$ 1,594,095	\$ 1,429,952
36			
36 OUTSTANDING DEBT BALANCE	(69,875,795)	(67,076,343)	(70,243,629)
37			
37 Notes:			
38 1 Drew full 2022 FFB borrowing budget (\$3.6M) in Q1 to take advantage of lower interest rates. Received \$1.04M in RESP funds for Q2.			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands		A. Audited Year-End 12/31/2020	B. Audited Year-End 12/31/2021	C. Approved Budget 6/30/2022	D. Actual Period-End 6/30/2022	E. Budget Variance (D - C)	F. Comments
1	% Rate Increase	3%	0%	4%	4%		
2	OPERATING ACTIVITIES:						
3	Margins	\$ 2,400	\$ 3,900	\$ 2,400	\$ 2,700	\$ 300	
4	Plus depreciation/amortization	5,000	5,000	2,600	2,700	100	
5	Cash flow operations	7,400	8,900	5,000	5,400	400	
6							
7	PLANT INVESTMENT (NET)						
8	Plant investment (including material inventory)	(7,100)	(6,200)	(3,800)	(3,000)	800	
9	Cash flow from operations and plant investment	300	2,700	1,200	2,400	1,200	
10							
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,200)	(1,100)	(60)	(50)	10	
12	Cash flow before borrowings	(900)	1,600	1,140	2,350	1,210	
13							
14	NET BORROWINGS	10,000	(2,800)	3,190	3,200	10	
15	Cash increase (decrease) after net borrowings	\$ 9,100	\$ (1,200)	\$ 4,330	\$ 5,550	\$ 1,220	
16							
17							
18	OUTSTANDING DEBT BALANCE	69,900	67,080	70,300	70,240	(60)	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	A.	B.	C.	D.	E.	G.
			Unaudited	Audited	Budget	Budget	Actual	Budget	
			Year End	Year End	Year End	Period End	Period End	Variance	
			12/31/2020	12/31/2021	12/31/2022	6/30/2022	6/30/2022	(D- C)	Comments
1	DISTRIBUTION								
2	100	New Services	\$ 429,487	\$ 684,462	\$ 650,000	\$ 325,000	\$ 412,913	\$ 87,913	Member request for overhead to underground (Offset to Line 38)
3	200	New Tie Lines	337,637	24,576	-	-	12,979	12,979	
4	300	Conversions and Line Changes	513,186	1,326,787	1,600,000	1,100,000	948,284	(151,716)	Anticipated start of projects on Blandard Rd, Warbass St, and Harrison-Urner St.
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,148,926	351,612	3,020,500	500,000	308,726	(191,274)	Bid solicitation for battery in progress
7	600	Miscellaneous Distribution Equipment							
8	601	Transformers & Meters	674,405	911,137	955,000	500,000	580,219	80,219	Delays in transformer deliveries
9	602	Sets of Service Wires to increase Capacity	-	-		-	-	-	
10	603	Sectionalizing Equipment	177,127	200,825	200,000	150,000	137,150	(12,850)	
11	604	Regulators	49,127	211,038	-	-	-	-	
12	606	Ordinary Replacements	375,670	311,213	260,000	200,000	142,245	(57,755)	Delay in contractor arrival
13	607	Overhead to Underground Replacements		47,006	35,000	20,000	2,921	(17,079)	
14	608	Underground Dist. Cable Replacement	2,025,373	2,288,599	1,910,000	1,100,000	1,047,029	(52,971)	
15	700	Other Distribution Items							
16	701	Engineering Fees	-	-	-	-	-	-	
17	704	LMS & SCADA	96,700	205,671	220,000	140,000	84,832	(55,168)	Delayed SCADA staged deployment to Q3
18	705	AMR	34,430	-	-	-	-	-	
19	706	Communications	123,699	52,598	287,500	150,000	1,078	(148,922)	Delay in Point Lawrence installation, awaiting contracting
20	TRANSMISSION								
21	800	New Tie Line	-	-	-	-	-	-	
22	900	New Substations, switching station, metering point, etc.	75,055	16,293	100,000	30,000	10,049	(19,951)	
23	1000	Line and Station Changes	23,510	42,518	700,000	500,000	18,855	(481,145)	Delayed transmission pole replacements to Q3/Q4
24	1100	Other Transmission	-	-	-	-	-	-	
25	GENERATION								
26	1200	Generation	-	4,332	150,000	100,000	59,574	(40,426)	Delay in WA DOC Contracting
27	OTHER								
28	1300	Headquarters Facilities	666,958	242,768	330,000	100,000	96,809	(3,191)	
29	1400	Acquisitions	519,133	-	-	-	-	-	
30	1500	All Other (Transportation, Etc.)							
31	1501	Transportation/Equipment/Tools/Radios	717,348	230,217	282,000	150,000	181,992	31,992	
32	1502	Office Equipment/Furniture/Etc.	72,945	27,088	10,000	7,000	3,607	(3,393)	
33	1503	Computer/Servers/Software	227,575	185,732	190,000	150,000	84,710	(65,290)	
34	1504	Electrical Infrastructure to Support Community Solar	908	111,711	5,500,000	50,000	12,158	(37,842)	Equipment availability per bidder will extend installation to 2023
35	1600	Minor Projects	134,979	77,111	170,000	90,000	59,378	(30,622)	
36	RUS CWP SUBTOTAL		8,424,179	7,553,295	16,570,000	5,362,000	4,205,510	(1,156,490)	
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)								
38		New Services	(495,055)	(607,103)	(635,000)	(317,500)	(363,784)	(46,284)	Offset to Line 2 - New Services
39		Meters and Transformers	(271,615)	(378,177)	(400,000)	(200,000)	(209,378)	(9,378)	Offset to Line 8 Transformers & Meters
40		Joint Projects	(87,826)	(204,987)	(215,000)	(107,500)	(65,999)	41,501	Offset to Lines 3, 4, 14 and 35
41		WA DOC Grant Funding	(520,000)	(120,000)	(2,500,000)	(710,000)	(560,000)	150,000	
42		Community Solar Member Contributions	-	-	(2,500,000)	(200,000)	(50,000)	150,000	Design effort delayed to Q4 completion
43	CIAC SUBTOTAL		(1,374,497)	(1,310,268)	(6,250,000)	(1,535,000)	(1,249,161)	285,839	
44									
45	RUS CWP NET TOTAL		7,049,683	6,243,027	10,320,000	3,827,000	2,956,349	(870,651)	

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

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	17,255,406	18,737,216	17,999,255	2,145,294
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	5,200,236	5,483,703	4,968,574	578,019
4. Transmission Expense	264,695	77,149	332,998	7,244
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	1,825,853	1,974,815	1,826,470	291,278
7. Distribution Expense - Maintenance	1,151,613	1,244,365	1,254,240	186,631
8. Customer Accounts Expense	550,215	549,380	588,129	85,240
9. Customer Service and Informational Expense	220,714	205,341	263,891	32,276
10. Sales Expense	25,666	37,079	27,070	6,664
11. Administrative and General Expense	1,858,387	2,017,632	2,109,706	313,236
12. Total Operation & Maintenance Expense (2 thru 11)	11,097,379	11,589,463	11,371,077	1,500,589
13. Depreciation and Amortization Expense	2,504,923	2,724,056	2,562,955	448,994
14. Tax Expense - Property & Gross Receipts	174,399	157,787	183,118	25,824
15. Tax Expense - Other	626,189	735,482	666,255	91,020
16. Interest on Long-Term Debt	1,008,037	995,215	1,021,979	166,747
17. Interest Charged to Construction - Credit	(52,541)	(21,078)	(54,785)	(7,321)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	10,000	200	10,000	-
20. Total Cost of Electric Service (12 thru 19)	15,368,386	16,181,124	15,760,600	2,225,853
21. Patronage Capital & Operating Margins (1 minus 20)	1,887,020	2,556,092	2,238,655	(80,559)
22. Non Operating Margins - Interest	73,264	111,502	74,704	30,563
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	60,626	41,140	60,479	(7,104)
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	35,048	39,403	45,424	-
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (21 thru 28)	2,055,958	2,748,137	2,419,262	(57,100)

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

Updated 8/5/2022

2022 Q2 Financial Report
Page 19 of 20

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 June '22		
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	69	70	5. Miles Transmission	46.39	46.39
2. Services Retired	7	-	6. Miles Distribution – Overhead	147.25	142.31
3. Total Services in Place	15,468	15,639	7. Miles Distribution - Underground	1,067.96	1,074.31
4. Idle Services (Exclude Seasonals)	747	787	8. Total Miles Energized (5 + 6 + 7)	1,261.60	1,263.01
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	158,261,052		30. Memberships	58,360	
2. Construction Work in Progress	5,391,176		31. Patronage Capital	45,177,754	
3. Total Utility Plant (1 + 2)	163,652,229		32. Operating Margins - Prior Years	-	
4. Accum. Provision for Depreciation and Amort.	65,088,858		33. Operating Margins - Current Year	2,595,495	
5. Net Utility Plant (3 - 4)	98,563,371		34. Non-Operating Margins	152,643	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	(2,946,069)	
7. Investments in Subsidiary Companies	(11,048,553)		36. Total Margins & Equities (30 thru 35)	45,038,182	
8. Invest. in Assoc. Org. - Patronage Capital	926,523		37. Long-Term Debt - RUS (Net)	-	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	60,390,780	
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)	9,852,848	
12. Other Investments	2,608		41. Long-Term Debt - RUS - Econ. Devel. (Net)	-	
13. Special Funds	3,215,267		42. Payments – Unapplied	-	
14. Total Other Property & Investments (6 thru 13)	(6,357,381)		43. Total Long-Term Debt (37 thru 41 - 42)	70,243,628	
15. Cash - General Funds	4,333,918		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	9,430,238		47. Notes Payable	-	
19. Notes Receivable (Net)	262,691		48. Accounts Payable	963,874	
20. Accounts Receivable - Sales of Energy (Net)	2,098,916		49. Consumers Deposits	65,971	
21. Accounts Receivable - Other (Net)	85,247		50. Current Maturities Long-Term Debt	-	
22. Renewable Energy Credits	-		51. Current Maturities Long-Term Debt - Economic Development	-	
23. Materials and Supplies - Electric & Other	4,386,232		52. Current Maturities Capital Leases	-	
24. Prepayments	821,222		53. Other Current and Accrued Liabilities	1,062,759	
25. Other Current and Accrued Assets	1,170,285		54. Total Current & Accrued Liabilities	2,092,605	
26. Total Current and Accrued Assets	22,626,666		55. Regulatory Liabilities	-	
27. Regulatory Assets	-		56. Other Deferred Credits	344,804	
28. Other Deferred Debits	2,886,564		57. Total Liabilities and Other Credits	117,719,219	
29. Total Assets and Other Debits	117,719,219				