

ORCAS POWER AND LIGHT COOPERATIVE

2023 YEAR END FINANCIAL REPORT



MEMORANDUM

March 21, 2024

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2023 Year End Unaudited Financial Report

Under separate cover, please see the 2023 Year End Unaudited financial report. The Year End results are extremely positive with a net margin of ~\$5.6M compared to the budget of ~\$3.2M. Of the margin variance ~\$2.4M, ~\$1.1M was associated with the BPA Reserve Distribution Clause (RDC). With the goal not to over collect or under collect, the yearend financials are within 3.7% of budgetary figures, excluding the RDC.

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 a net \$328k to the membership throughout 2023. This is driven by a combination of higher kWh sales revenue, lower power costs than budgeted due to BPA dividend credits that were included through April'23. The board approved, at the May 2023 regular meeting, a prospective adjustment to the Tariff ECA calculation which became effective as of the date of the board action, May 18th, 2023. The calculation now excludes the Bonneville Power Administrations' provision known as the Reserves Distribution Clause (RDC) from the total purchased cost of power. Overall operating revenue was higher than budget with kWh sales coming in slightly over budget.

The table below provides a summary of the financial results of 2023.

Income Statement Summary (in thousands)	Year End 2023 (unaudited)		
	Budget	Unaudited	Variance
Operating Revenue	\$ 35,842	\$ 36,836	\$ 994
ECA Surcharge / (Credit)*	\$ -	\$ (328)	\$ (328)
Revenue	\$ 35,842	\$ 36,508	\$ 666
Expenses:			
Cost of Purchased Power	\$ 9,631	\$ 8,572	\$ (1,059)
Transmission & Distribution Expense	7,780	8,359	579
General & Administrative Expense	6,621	5,913	(708)
Depreciation, Tax, Interest & Other	9,080	8,816	(264)
Total Expenses	33,112	31,660	(1,452)
Operating Margin	2,730	4,848	2,118
Non-op margin	457	778	321
Net Margin*	3,187	\$ 5,626	2,439
OTIER	2.30	3.47	1.17
TIER	2.37	3.86	1.49
Equity %	39.6%	41.6%	2.0%
HDD	1,367	1,090	(277)
kWh Purchases	222,000	228,592	6,592
kWh Sales	208,700	214,371	5,671

* The ECA returned \$328k to members through Dec 2023. The credit is partially driven by BPA dividend credits (of \$543k through April 2023) included in, and artificially reducing Cost of Power.

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~20% below budgeted levels (actual of 1,090 vs. budget of 1,367). Overall kWh sales were ~5.7M kWh above budget (214.4M vs. budget of 208.7M).
- 2023 power purchases were \$1.1M lower than budgeted due to a combination of higher overall kWh purchases offset by large BPA dividend credits of approx. \$1.44M. Actual kWh purchases were 6.6M kWh above budget (228.6M vs. budget of 222M).
- Excluding purchased power, 2023 operating expenses were approximately \$316k under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- For 2023, Transmission Expense came in at \$1.3M (\$786k over budget) due to increased ROW clearing contracting expense throughout 2023 carried over from delay in Q4 of 2022.
- The ECA for 2023 was a net credit to members (and decrease to operating revenue) of \$328k, or \$10.35 for a member using 1000 kWh/month. This was partially driven by BPA dividend credits that were included in the calculation through April 2023 of \$543k. The board approved, at the May 2023 regular meeting, a prospective adjustment to the Tariff ECA calculation which became effective as of the date of the board action, May 18th, 2023. The calculation now excludes the Bonneville Power Administrations' provision known as the Reserves Distribution Clause (RDC) from the total purchased cost of power.
- Rock Island Communications 2023 Financials included in separate packet.

OPALCO 2023 Financial Package under separate cover.

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

		A. Audited Year End 12/31/2021	B. Audited Year End 12/31/2022	C. Budget Year End 12/31/2023	D. Unaudited Year End 12/31/2023	E. Budget \$ Change (D - C)	F. Budget % Change (E / C)
1	kWh Purchases	238,379,768	241,801,858	222,000,000	228,638,000	6,638,000	3.0%
2	Gross Operating Revenue	34,893,000	35,679,000	35,842,000	36,836,000	994,000	2.8%
3	Energy Charge Adjustment	(1,294,000)	1,000	-	(328,007)	(328,007)	
4	Net Operating Revenue Total	33,599,000	35,680,000	35,842,000	36,507,993	665,993	1.9%
5	Cost of power	9,935,000	9,756,000	9,631,000	8,572,000	(1,059,000)	-11.0%
6	Operations & G&A	12,035,000	13,501,000	14,401,000	14,282,000	(119,000)	-0.8%
7	Depr, Int, Taxes & Other	8,348,000	8,874,000	9,080,000	8,805,000	(275,000)	-3.0%
8		30,318,000	32,131,000	33,112,000	31,659,000	(1,453,000)	-4.4%
9	Net Operating Margins	\$ 3,281,000	\$ 3,549,000	\$ 2,730,000	\$ 4,848,993	2,118,993	77.6%
10	Non-Operating Margins (Note 1)	\$ 2,058,000	\$ 439,000	\$ 457,000	\$ 778,000	321,000	70.2%
11	Net Margin	<u>\$ 5,339,000</u>	<u>\$ 3,988,000</u>	<u>\$ 3,187,000</u>	<u>\$ 5,626,993</u>	2,439,993	76.6%
12	OTIER	2.62	2.75	2.31	3.47	1.15	
13	TIER	3.63	2.97	2.53	3.86	1.33	
14	Equity % of Total Cap	39.3%	40.0%	39.3%	41.6%	2.3%	
15	Equity	42,130,000	44,990,000	46,879,298	51,310,000	4,430,702	9.5%
16	Total Debt (Note 2)	67,076,000	69,194,000	74,352,000	75,141,000	789,000	1.1%
17	Capital Spending	(6,243,027)	(10,320,000)	(11,063,000)	(11,931,803)	(868,803)	7.9%
18	Capital Credit Retirement (net)	(1,100,000)	(1,189,000)	(1,051,000)	(1,137,000)	(86,000)	8.2%
19	Annual HDD	1,446	1,543	1,367	1,090	(277)	-20.3%

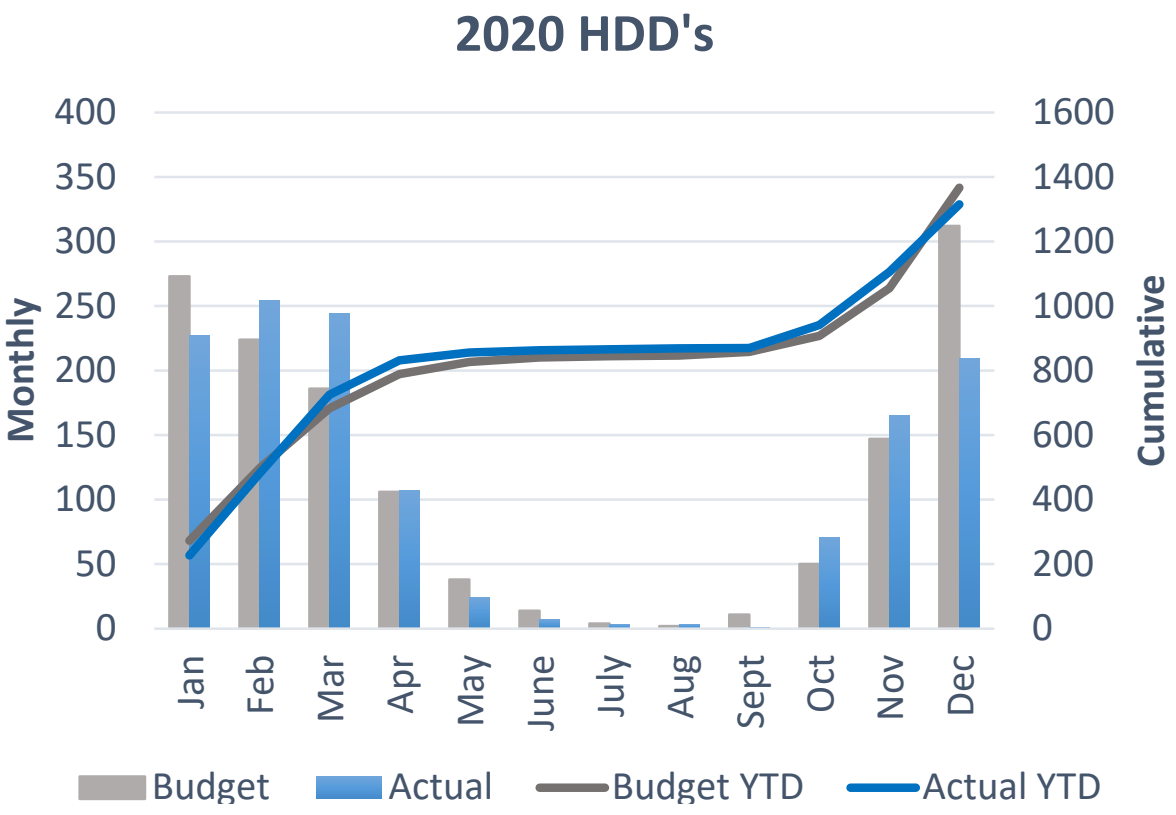
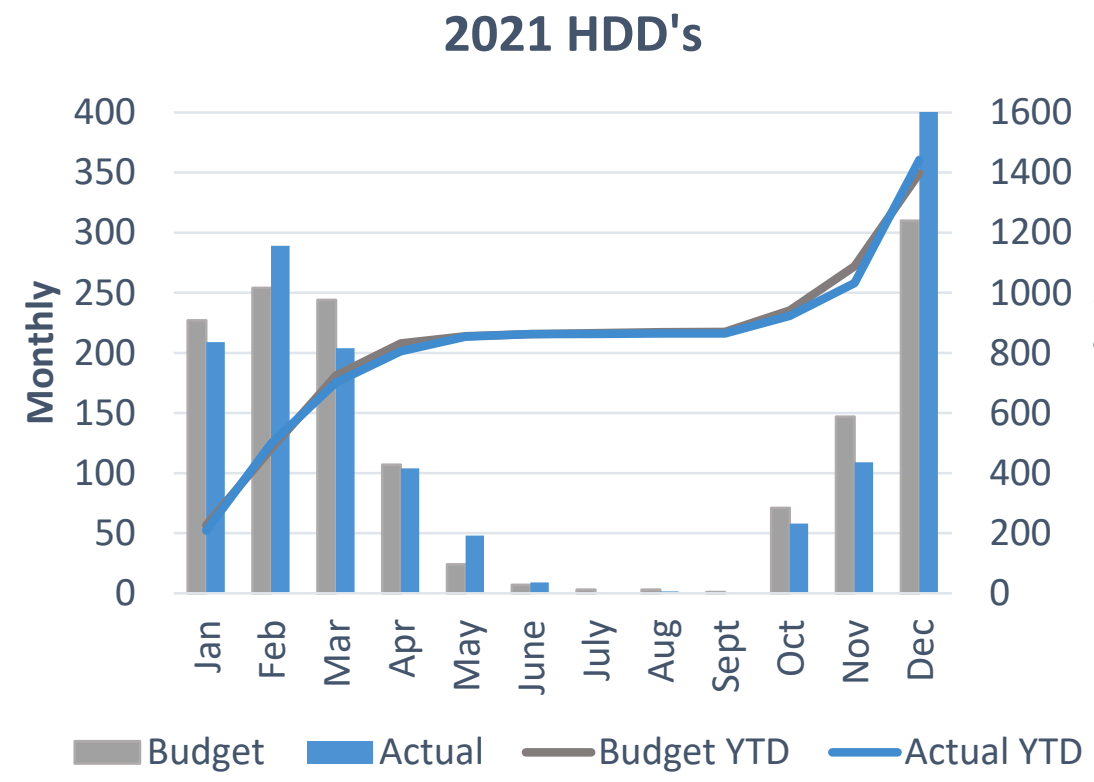
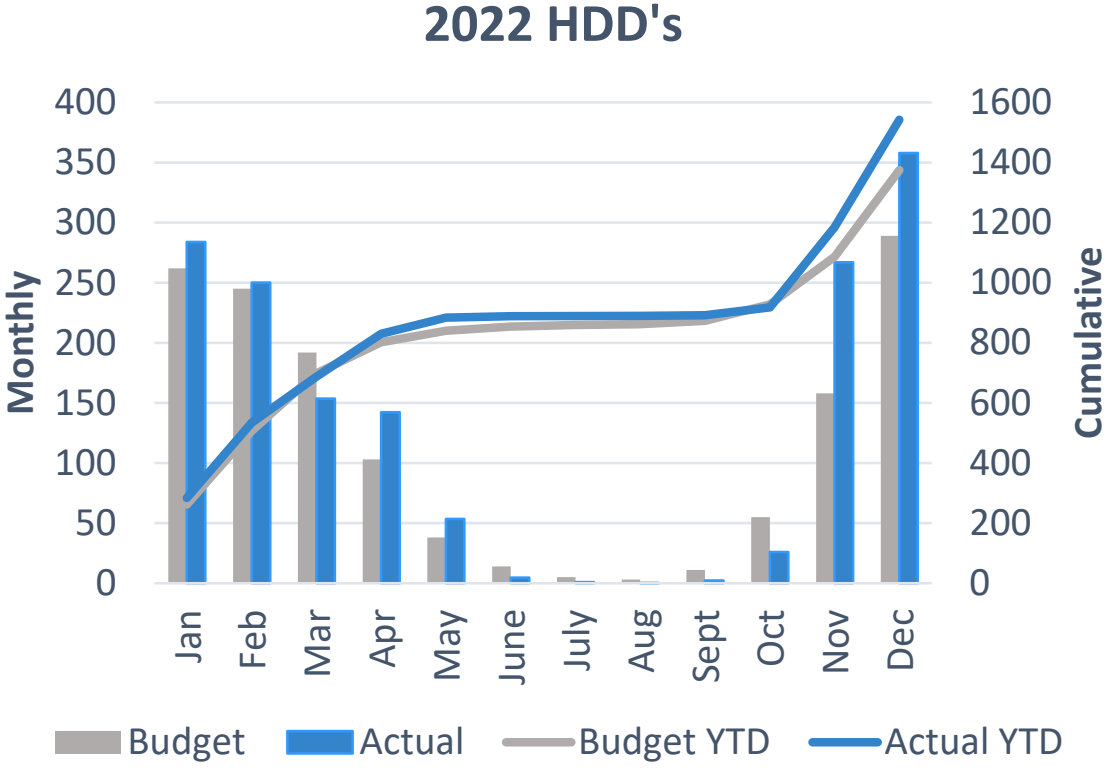
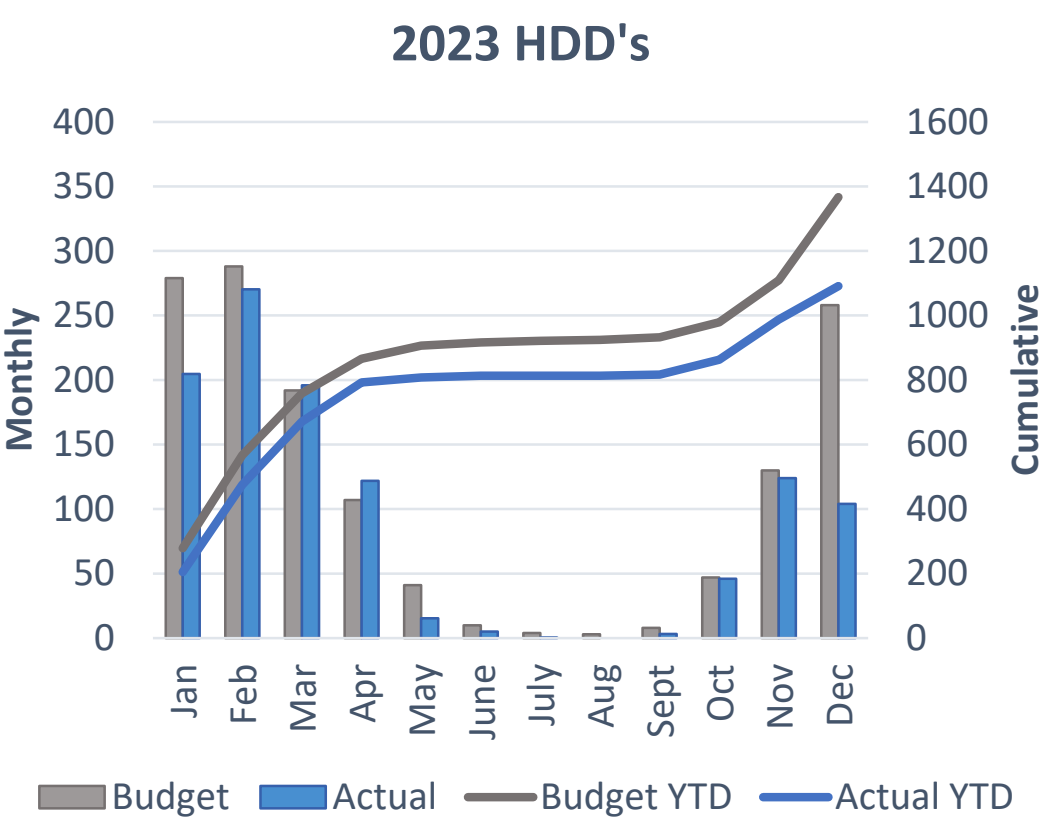
Notes

- 1
- 2021 - PPP loan forgiveness of \$1.79M
- 2
- Delayed FFB borrowing for contract finalization, replaced with available RESP funds borrowing



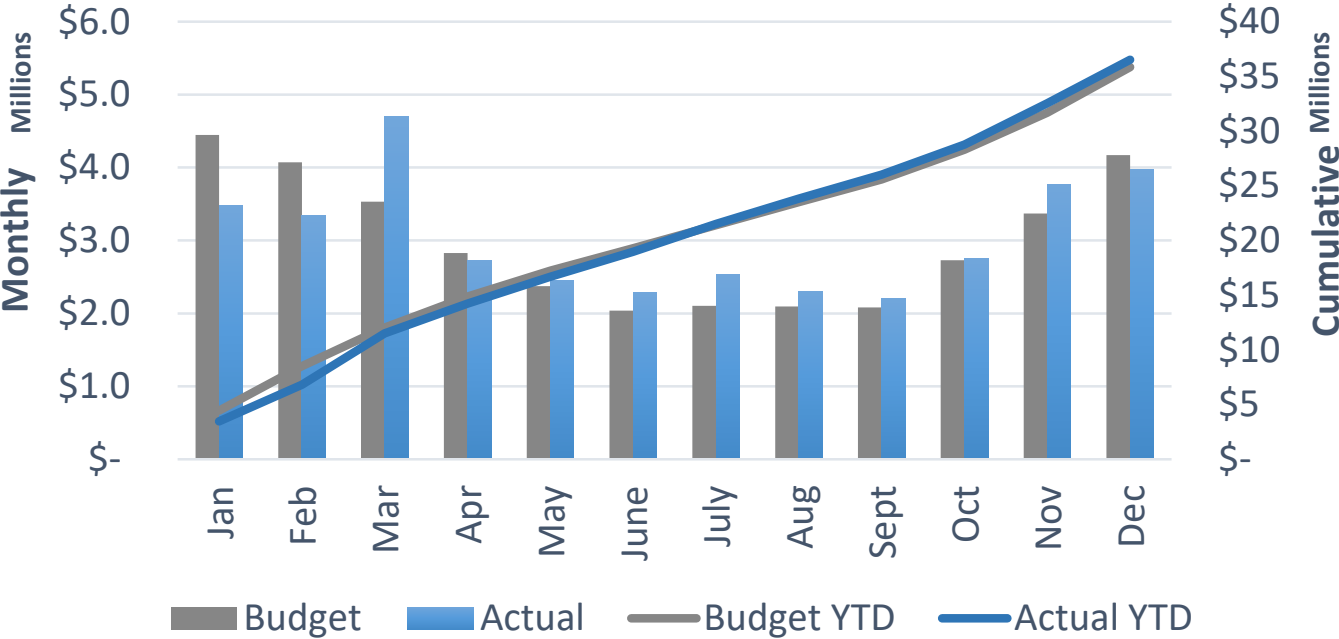
2023 Q4 Financial Highlights

2023 Budget to Actual: Heating Degree Days

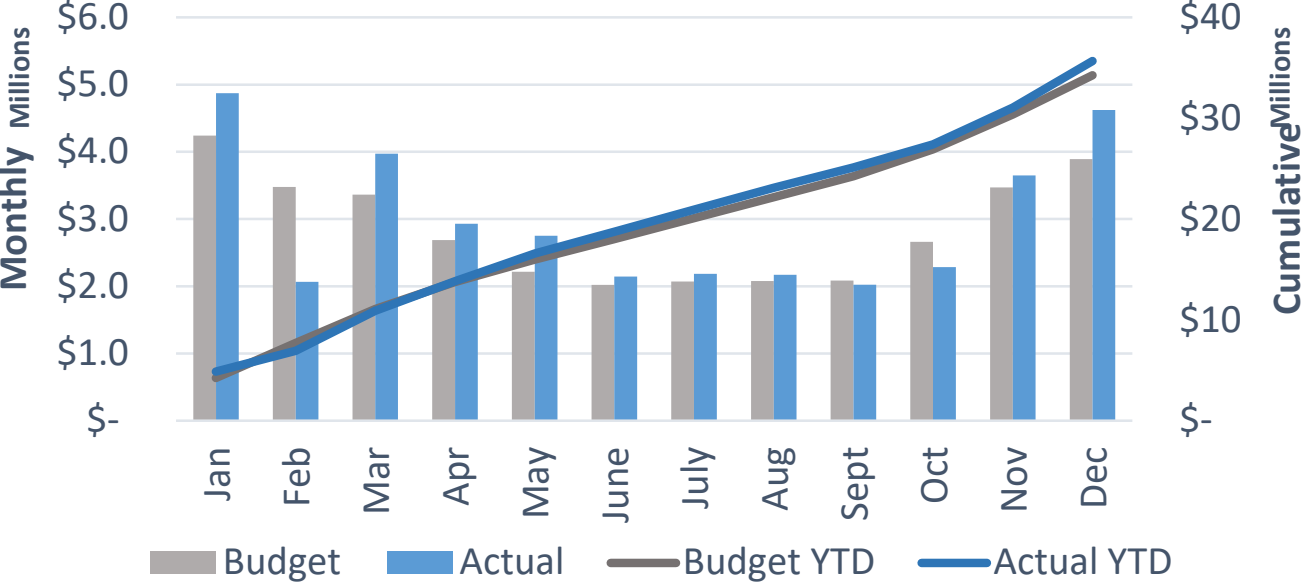


2023 Budget to Actual: Revenue

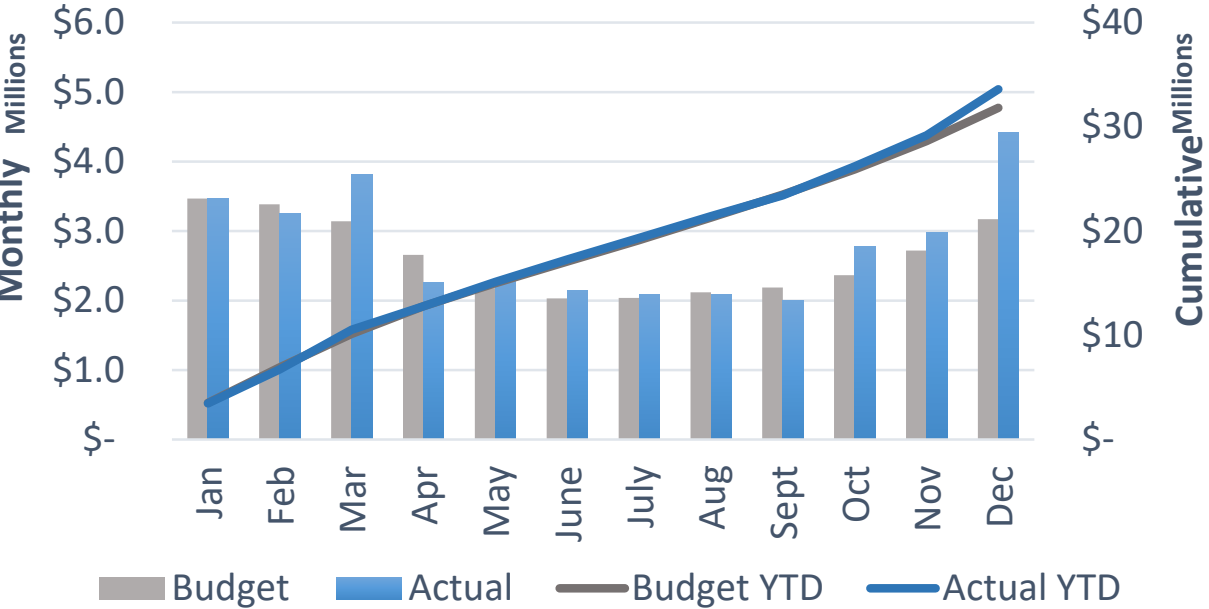
2023 Revenue



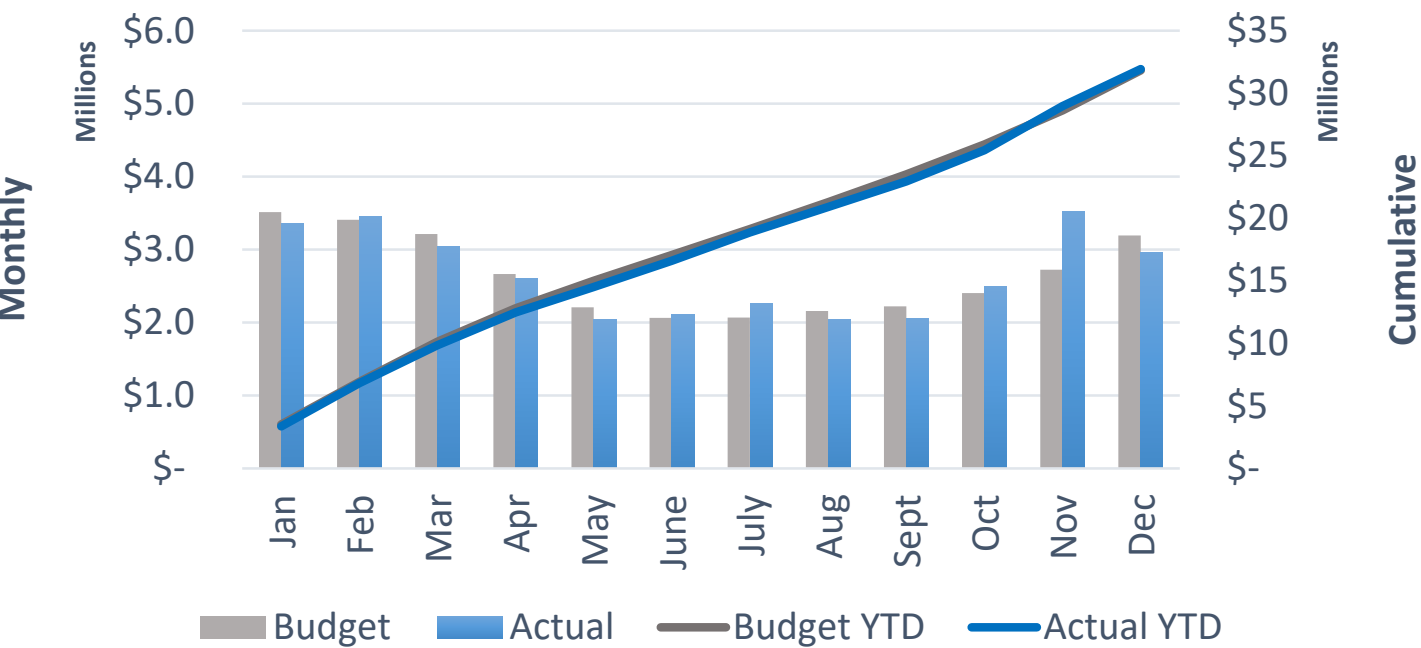
2022 Revenue



2021 Revenue



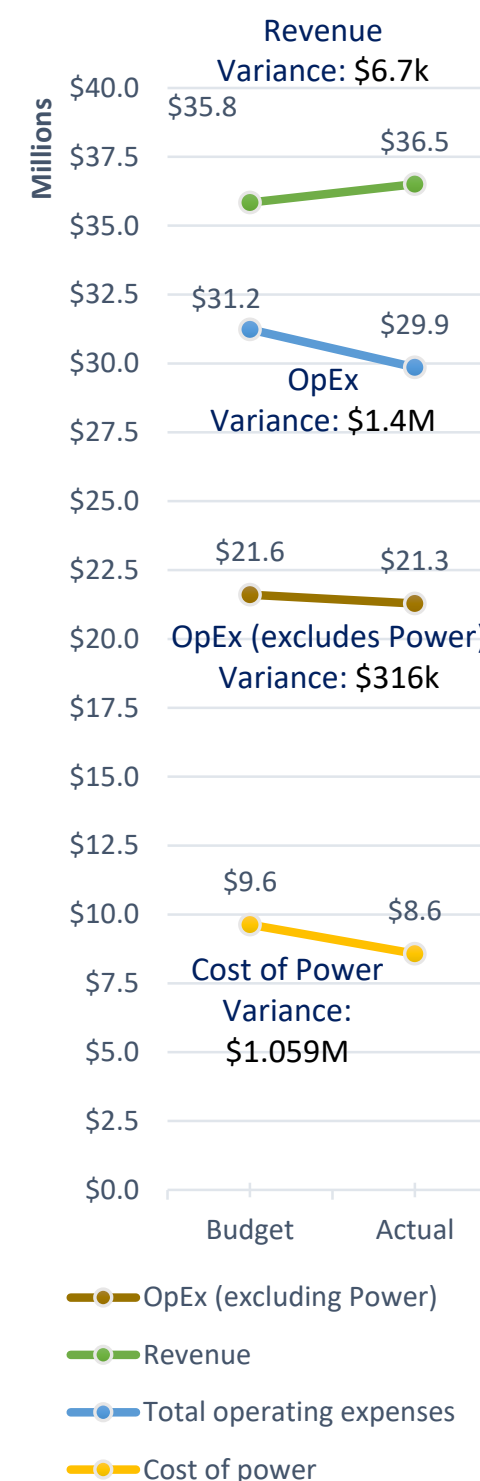
2020 Revenue



* Revenue net of ECA

2023 Q4 Budget to Actual: Statement of Operations

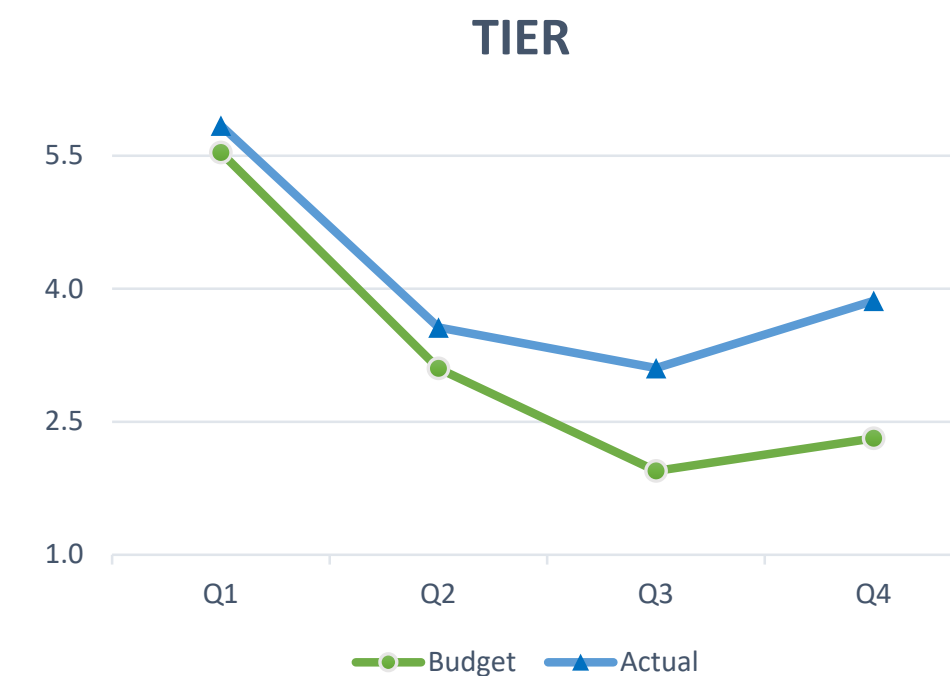
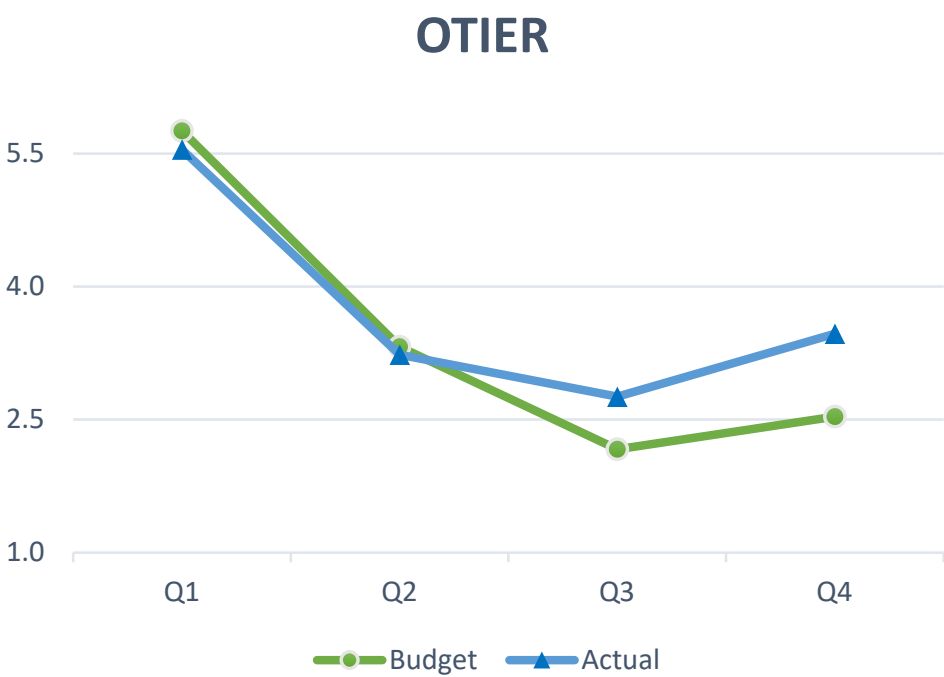
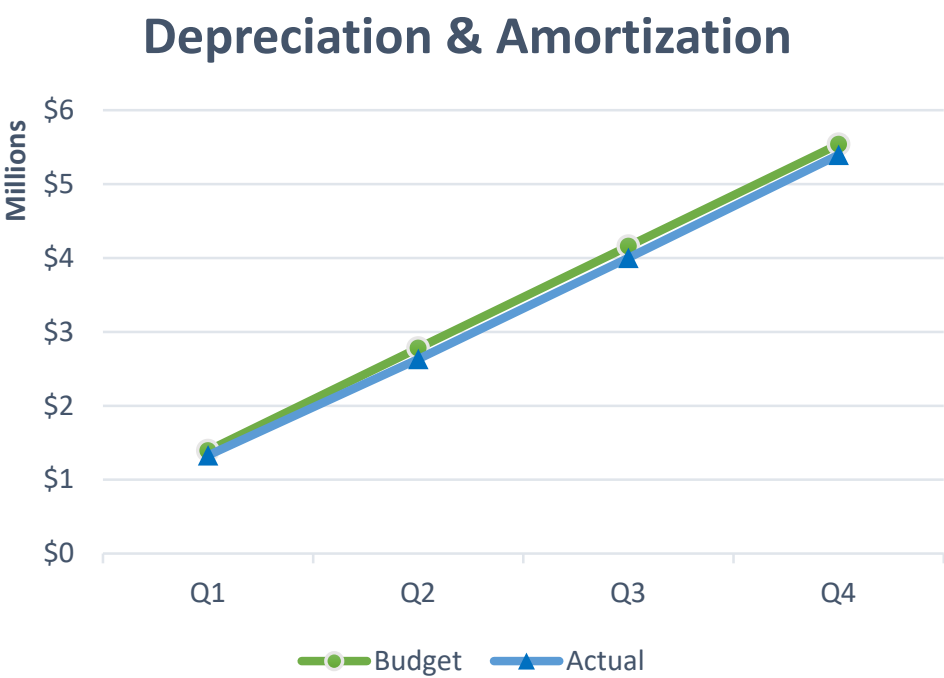
	A. Audited Year End 12/31/2021	B. Audited Year End 12/31/2022	C. Budget Year End 12/31/2023	D. Budget Year End 12/31/2023	E. Unaudited Year End 12/31/2023	F. Budget Variance (E - D)
1 OPERATING REVENUES						
2 Residential	\$ 25,597,555	\$ 26,565,416	\$ 26,438,064	\$ 26,438,064	\$ 27,321,332	883,268
3 Commercial	7,880,616	8,841,060	9,136,502	9,136,502	8,892,792	(243,710)
4 Other						
5 Penalties and fees	59,492	213,648	212,557	212,557	234,574	22,017
6 Other	61,697	59,501	55,023	55,023	59,031	4,008
7 Total operating revenue	33,599,361	35,679,624	35,842,146	35,842,146	36,507,728	665,582
8						
9 OPERATING EXPENSES						
10 Cost of power	9,934,871	9,756,442	9,631,310	9,631,310	8,571,913	(1,059,397)
11 Transmission	402,069	730,538	561,801	561,801	1,348,268	786,467
12 Distribution - operations	3,625,309	3,900,840	3,888,958	3,888,958	3,796,463	(92,495)
13 Distribution - maintenance	2,564,054	3,107,333	3,329,063	3,329,063	3,214,269	(114,794)
14 Consumer accounts	1,093,181	1,113,268	1,197,992	1,197,992	1,085,072	(112,920)
15						
16 General and administration						
17 Administration	4,057,726	4,316,867	5,095,737	5,095,737	4,595,125	(500,612)
18 Energy services	200,205	239,843	228,109	228,109	151,220	(76,889)
19 Subsidiary charges (RIC network mgt services)	92,062	92,039	99,420	99,420	91,979	(7,441)
20 Total general and administration	4,349,993	4,648,749	5,423,266	5,423,266	4,838,324	(584,942)
21						
22 Depreciation and amortization	5,047,791	5,416,108	5,540,419	5,540,419	5,396,359	(144,060)
23 Taxes	1,502,418	1,629,555	1,663,434	1,663,434	1,610,154	(53,280)
24						
25 Total operating expenses	28,519,686	30,302,833	31,236,243	31,236,243	29,860,821	(1,375,422)
26						
27 Operating margins before fixed charges	5,079,674	5,376,791	4,605,903	4,605,903	6,646,907	2,041,004
28						
29 FIXED CHARGES						
30 Interest on long-term debt	1,932,928	1,958,757	2,017,820	2,017,820	1,906,039	(111,781)
31						
32 Operating margins after fixed charges	3,146,747	3,418,035	2,588,083	2,588,083	4,740,869	2,152,786
33						
34 PATRONAGE CAPITAL CREDITS	135,327	130,840	141,902	141,902	107,198	(34,704)
35						
36 Net operating margins	3,282,073	3,548,875	2,729,985	2,729,985	4,848,066	2,118,081
37						
38 NON-OPERATING MARGINS						
39 Interest income	69,515	260,916	200,835	200,835	607,039	406,204
40 Other income (loss)	1,799,001	(11,287)	66,709	66,709	(18,861)	(85,570)
41 Total Opalco non-operating margins	1,868,516	249,629	267,544	267,544	588,178	320,634
42						
43 Non-operating margins from Subsidiary						
44 Interest Income (RIC loan)	79,516	79,572	79,582	79,582	79,587	5
45 Other income (use of OPALCO backbone)	109,740	109,740	109,740	109,740	109,740	-
46 Total non-operating margins from Subsidiary	189,256	189,312	189,322	189,322	189,327	5
47						
48 Net non-operating margins	2,057,772	438,941	456,866	456,866	777,505	320,639
49						
50 NET MARGINS	\$ 5,339,845	\$ 3,987,816	\$ 3,186,851	\$ 3,186,851	\$ 5,625,571	2,438,720
51						
52 OTIER	2.62	2.75	2.31	2.31	3.47	1.15
53 TIER	3.63	2.97	2.53	2.53	3.86	1.33
54 Equity % of Total Cap	39.3%	40.0%	39.7%	39.3%	41.6%	2.3%



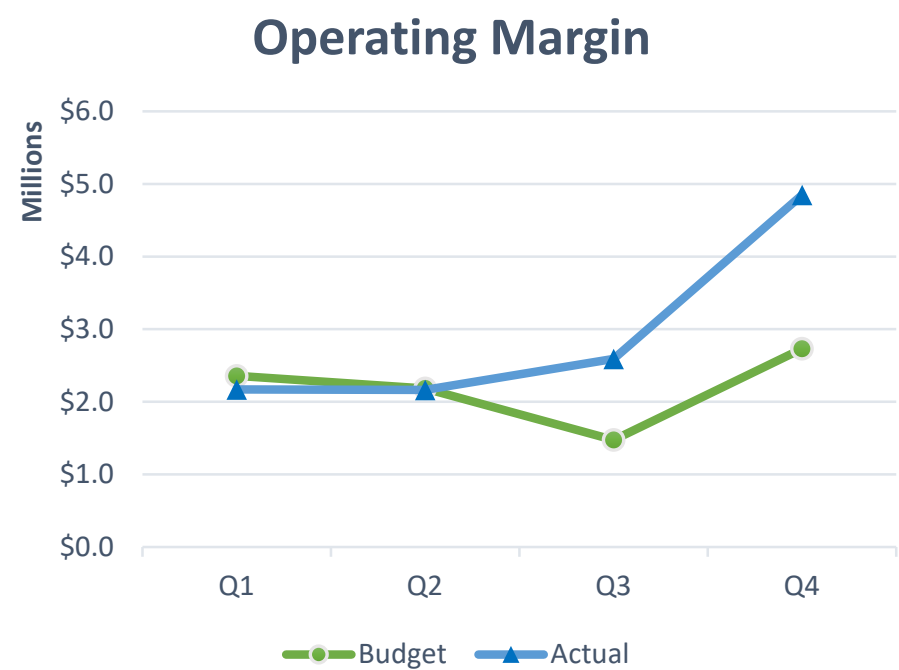
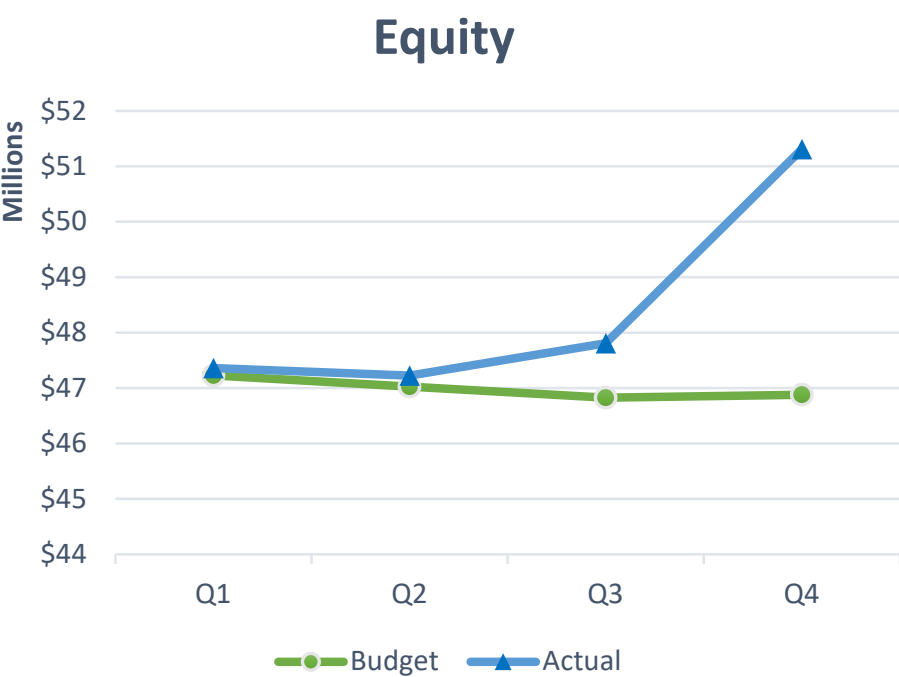
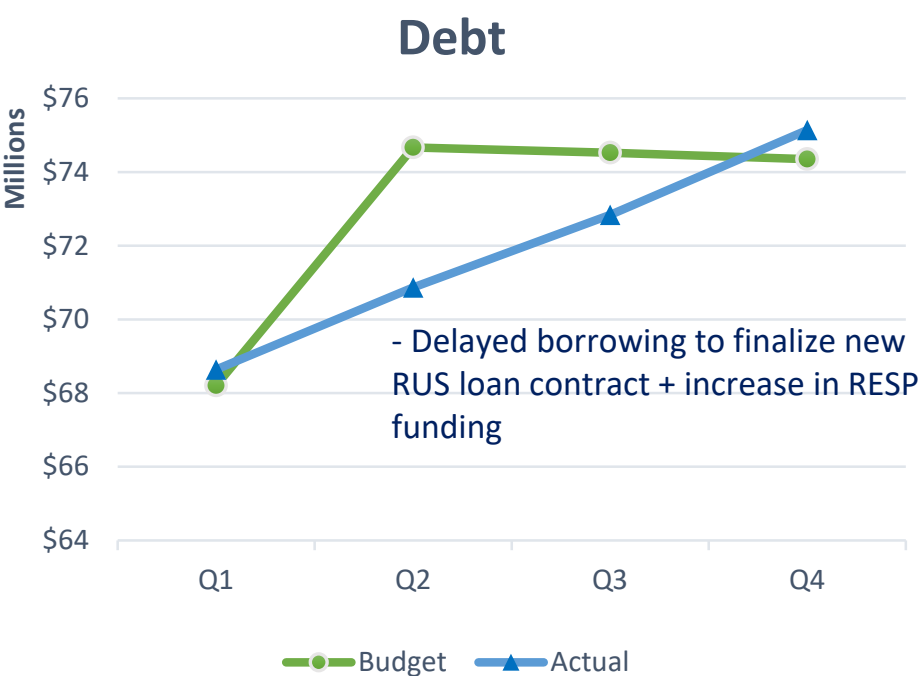
Notes:

- Throughout 2023 the ECA returned a net \$328k to the membership **Note:** Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA returned \$253k in January 2023, related to the calculation based on December 2022 factors. The ECA credit is partially driven by BPA dividend credits through April (\$543k), that were included in, and artificially reducing Cost of Power.
- Transmission Expense came in at \$1.3M (\$786k increase) due to increased ROW clearing contracting expense in Q1 carried over from delay in 2022 Q4, offset in line 12 Distributions operations and line 13 Distributions maintenance
- Net Operating Margin: \$4.8M (\$2.1M increase over budget)
- Net Margin: \$5.6M (\$2.4M increase over budget)

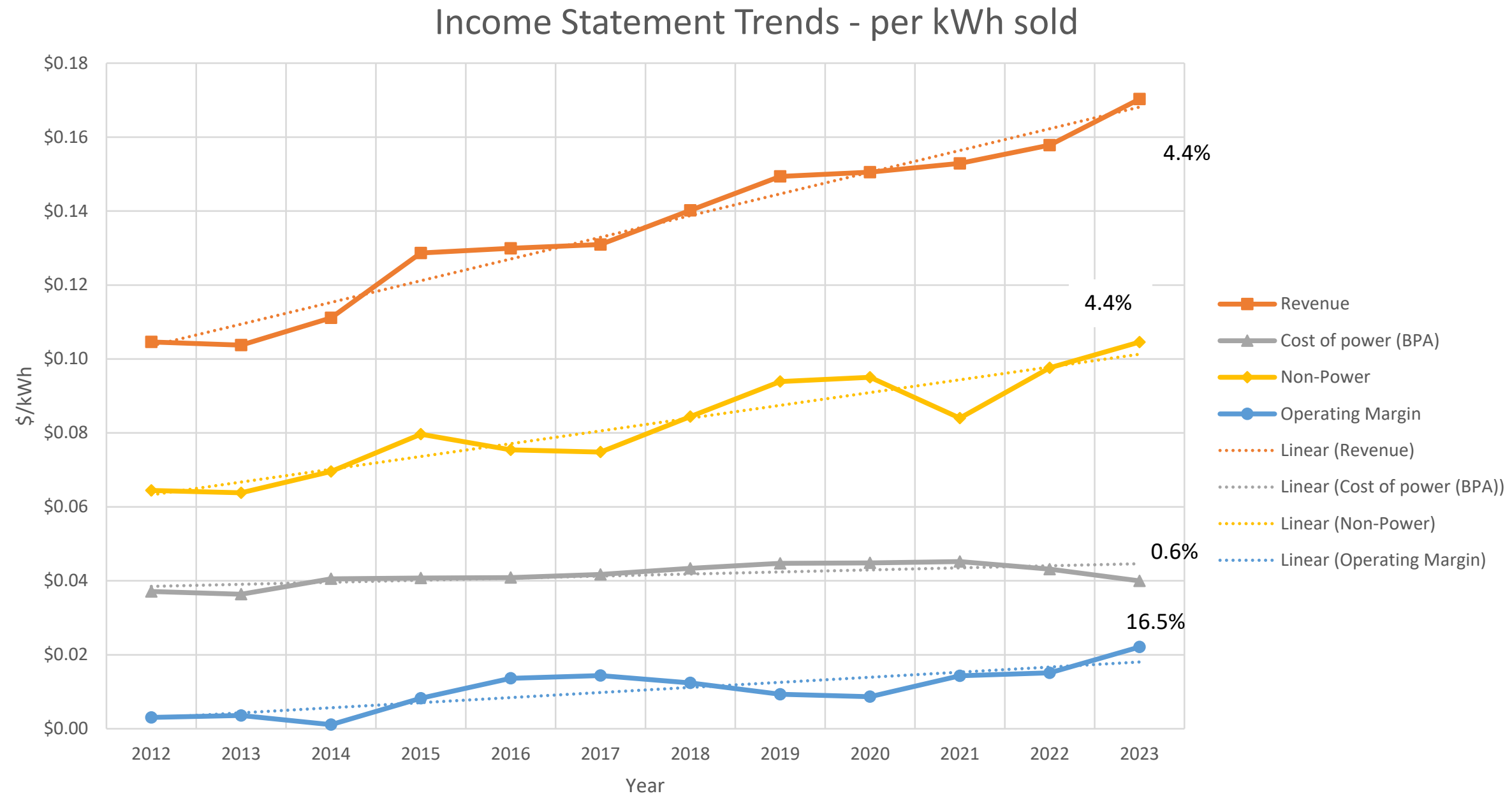
2023 Q4 Budget to Actual: Financial Metrics



2023 Q4 Budget to Actual: Financial Metrics



2023 Income Statement Trends



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2021	B. Audited Year End 12/31/2022	C. Budget Year End 12/31/2023	D. Unaudited Year End 12/31/2023	E. Budget Variance (D - C)
1 OPERATING REVENUES					
2 Residential	\$ 25,597,555	\$ 26,565,416	\$ 26,438,064	\$ 27,321,332	883,268
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4 Other					
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6 Other	61,697	59,501	55,023	59,031	4,008
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16 General and administration					
17 Administration	4,057,726	4,316,867	5,095,737	4,595,125	(500,612)
18 Energy services	200,205	239,843	228,109	151,220	(76,889)
19 Subsidiary charges (RIC network mgt services)	92,062	92,039	99,420	91,979	(7,441)
20 Total general and administration	4,349,993	4,648,749	5,423,266	4,838,324	(584,942)
21					
22 Depreciation and amortization	5,047,791	5,416,108	5,540,419	5,396,359	(144,060)
23 Taxes	1,502,418	1,629,555	1,663,434	1,610,154	(53,280)
24					
25 Total operating expenses	28,519,686	30,302,833	31,236,243	29,860,821	(1,375,422)
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36 Net operating margins	3,282,073	3,548,875	2,729,985	4,848,066	2,118,081
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38 NON-OPERATING MARGINS					
39 Interest income	69,515	260,916	200,835	607,039	406,204
40 Other income (loss)	1,799,001	(11,287)	66,709	(18,861)	(85,570)
41 Total Opalco non-operating margins	1,868,516	249,629	267,544	588,178	320,634
42					
43 Non-operating margins from Subsidiary					
44 Interest Income (RIC loan)	79,516	79,572	79,582	79,587	5
45 Other income (use of OPALCO backbone)	109,740	109,740	109,740	109,740	-
46 Total non-operating margins from Subsidiary	189,256	189,312	189,322	189,327	5
47					
48 Net non-operating margins	2,057,772	438,941	456,866	777,505	320,639
49					
50 NET MARGINS	\$ 5,339,845	\$ 3,987,816	\$ 3,186,851	\$ 5,625,571	2,438,720
51					
52 OTIER	2.62	2.75	2.31	3.47	1.15
53 TIER	3.63	2.97	2.53	3.86	1.33
54 Equity % of Total Cap	39.3%	40.0%	39.3%	41.6%	2.3%

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.		
		Budget Period End 12/31/2023	Unaudited Period End 12/31/2023	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)		
1	I OPERATING REVENUES	35,842,146	36,507,728	665,582			
2							
3					HDD	Budget	Actual
4					kWh Sales	1,367	1,090
5	Operating Revenue - Line 7 Detail Breakout:					208,700	214,371
6	Residential Sales	26,438,064	27,321,332	883,268			
7	Commercial Sales	9,136,502	8,892,792	(243,710)			
8							(kWh in thousands)
9	Other Operating Revenue				kWh sales higher than budget		
10	Penalties and Fees	(212,557)	(234,574)	22,017	misc - CML pretty close to budget despite ECA & kWh sales fluctuations,		
11	Other	(55,023)	(59,031)	4,008	mostly impacting RES		
12	TOTAL OPERATING REVENUES	35,842,146	36,507,728	665,582	Increase in Revenue - kWh sales ~2.7% higher than budget, revenue ~1.9% higher (limited by ECA credit of \$328k in 2023).		
13							
14							
15	II OPERATING EXPENSES	31,236,243	29,860,821	(1,375,422)	Overall decrease in operating expenses		
16							
17	Cost of Power - Line 10	9,631,310	8,571,913	(1,059,397)	Decrease in expense - kWh purchases above budget but BPA power dividend distribution credit (\$1.4M)		
18						Budget	Actual
19					kWh Purchases	222,000	228,638
20							(kWh in thousands)
21	Transmission - Line 11 Detail Breakout:	561,801	1,348,268	786,467	Increase in expense - Board/Foster approved more spending in ROW transmission and distribution as offset by BPA credits along with a slight offset in line 12 and 13 Distribution Expenses		
22							
23	Distribution - Operations - Line 12 Detail Breakout:	3,888,958	3,796,463	(92,495)	Decrease in expense - offset in Line 11 Transmission Exp		
24							
25	Distribution - Maintenance - Line 13 Detail Breakout:	3,329,063	3,214,269	(114,794)	Decrease in expense - offset in Line 11 Transmission Exp		
26							
27	Consumer accounts - Line 14 Detail Breakout:	1,197,992	1,085,072	(112,920)	Decrease in expense - vacant position		
28							
29	Total General and Administrative (G&A):						
30							
31	Administration G&A - Line 17 Detail Breakout:	5,095,737	4,595,125	(500,612)	Decrease in expense - delay of community solar, less expense of Annual meeting by going virtual, less legal expenses, & multiple vacant positions (4)		
32							
33	Energy Services G&A - Line 18	228,109	151,220	(76,889)	Decrease in expense - no fair expense, less rebates, not as many grants as budgeted, and 3 to 4 energy audits and weatherization projects were budgeted but did not come to fruition		
34							
35	Subsidiary Charges G&A - Line 19	99,420	91,979	(7,441)	Decrease in expense		

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	Period End	Variance	
		12/31/2023	12/31/2023	(B - A)	Comments: Budget To Actual (Column C.)
36					
37	Total General and Administrative (G&A)	5,423,266	4,838,324	(584,942)	Overall decrease in expense
38					
39	Deprec. & Amort. - Line 22	5,540,419	5,396,359	(144,060)	Decrease in expense - less general capitalization
40					
41	Taxes - Line 23	1,663,434	1,610,154	(53,280)	Decrease in expense
42					
43	TOTAL OPERATING EXPENSES	31,236,243	29,860,821	(1,375,422)	Overall decrease in expense
44					
45					
46	III FIXED CHARGES - Interest Expense - Line 30	2,017,820	1,906,039	(111,781)	Decrease in expense - delayed FFB borrowing for 2023
47					
48	IV PATRONAGE CAPITAL CREDITS (Income) - Line 34	141,902	107,198	(34,704)	Decrease in income - received from associated cooperatives
49					
50	TOTAL NET OPERATING MARGINS	2,729,985	4,848,066	2,118,081	Increase in margin
51					
52	V NON-OPERATING MARGINS	456,866	777,505	320,639	Increase in margin
60					
61	TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	3,186,851	5,625,571	2,438,720	Increase in margin

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2020	B. Audited Year End 12/31/2021	C. Audited Year End 12/31/2022	D. Unaudited Year End 12/31/2023	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4 Electric plant in service	\$ 148,966,539	\$ 156,749,824	\$ 159,009,290	\$ 168,725,154	9,715,864
5 Construction work in progress	6,633,154	4,342,145	9,984,056	11,412,238	1,428,182
6					
7	155,599,693	161,091,969	168,993,346	180,137,392	11,144,046
8 Less accumulated depreciation and amortization	58,016,597	62,700,104	67,446,380	72,429,392	4,983,012
9					
10 Net utility plant	97,583,096	98,391,865	101,546,966	107,708,000	6,161,034
11					
12 Investments in associated organizations					
13 Other (CFC, Federated, PNGC, etc.)	1,866,511	1,452,951	1,539,530	1,616,371	76,841
14 Non-utility investment subsidiary (Note 1)	(10,664,353)	(11,093,287)	(11,173,486)	(9,331,007)	1,842,479
15 Total investments in associated organizations	(8,797,842)	(9,640,336)	(9,633,956)	(7,714,636)	1,919,320
16					
17 Other property and investments	(8,797,842)	(9,640,336)	(9,633,956)	(7,714,636)	1,919,320
18					
19 CURRENT ASSETS					
20 Cash and cash equivalents	6,475,385	9,509,141	9,697,635	9,076,867	(620,768)
21 Cash and cash equivalents - board designated	6,376,649	3,081,838	1,002,529	1,061,098	58,569
22 Accounts receivable, less doubtful accts allowance	4,286,644	5,561,142	6,240,612	6,247,535	6,923
23 Interest receivable	6,240	6,800	55,550	49,108	(6,442)
24 Materials and supplies	3,460,300	4,122,049	3,766,502	4,544,853	778,351
25 Prepaid expenses	491,538	490,688	733,743	750,804	17,061
26					
27 Total current assets	21,096,756	22,771,658	21,496,571	21,730,265	233,694
28					
29 DEFERRED CHARGES (Note 2)	1,110,562	1,518,849	4,501,196	9,440,198	4,939,002
30					
29 Total assets	\$ 110,992,572	\$ 113,042,036	\$ 117,910,777	\$ 131,163,827	\$ 13,253,050

BALANCE SHEET

Updated 3/13/2024

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

		A.	B.	C.
		Audited	Audited	Unaudited
		Year End	Year End	Year End
		12/31/2021	12/31/2022	12/31/2023
1	CASH FLOWS FROM OPERATING ACTIVITIES			
2	Net margins	\$ 3,872,388	\$ 3,987,816	\$ 5,625,571
3	Adjustments to reconcile net margin to cash			
4	from operating activities			
5	Depreciation and amortization	5,047,791	5,416,108	5,396,359
6	Changes in assets and liabilities			
7	Accounts receivable	192,959	(679,470)	(6,923)
8	Interest receivable	(560)	(48,750)	6,442
9	Prepaid expenses	851	(243,056)	(17,064)
10	Accounts payable	512,391	(114,837)	1,301,519
11	Customer deposits	(21,294)	18,523	1,242
12	Accrued liabilities	578,074	42,596	(398,616)
13	Deferred credits	(9,724)	(55,179)	82,449
14	Deferred Charges	(408,287)	(2,982,347)	(4,939,002)
14	Net cash from operating activities	9,764,589	5,341,404	7,051,977
15				
16	CASH FLOWS FROM INVESTING ACTIVITIES			
17	Additions to utility plant, net	(6,941,645)	(10,287,226)	(13,477,509)
18	Reduction to non-utility plant (Island Network transition)	-	-	-
18	Change in materials and supplies	(661,749)	355,547	(778,351)
19	(Increase) decrease in investment in Subsidiary	428,934	80,199	(1,842,479)
20	(Increase) decrease in other OPALCO property and investments, net	413,560	(86,579)	(76,841)
21				
22	Net cash from investing activities	(6,760,900)	(9,938,059)	(16,175,180)
23	CASH FLOWS FROM FINANCING ACTIVITIES			
24	Payments on long-term debt, net	(3,399,451)	(2,521,842)	(2,416,835)
25	Proceeds from debt (Note 1)	600,000	4,640,000	8,363,000
26	Memberships	630	155	175
27	Retirements of patronage capital, net	(1,119,575)	(1,045,891)	(1,150,403)
28	Change in subsidiary equities	(431,431)	(82,599)	1,844,950
29	Contributions in aid of construction	1,085,085	1,716,016	1,920,116
30	Net cash from financing activities	(3,264,742)	2,705,839	8,561,003
31	NET CHANGE IN CASH	(261,053)	(1,890,816)	(562,200)
32	CASH AND CASH EQUIVALENTS, beginning of year/period	12,852,034	12,590,981	10,700,165
33	CASH AND CASH EQUIVALENTS, end of year/period	12,590,981	10,700,165	10,137,965
34	SUPPLEMENTAL DISCLOSURES			
35	Cash paid for interest	\$ 1,594,095	\$ 2,458,019	\$ 1,964,597
36	OUTSTANDING DEBT BALANCE	(67,076,343)	(69,194,501)	(75,140,665)
37	Notes:			
38	1 Full budgeted FFB borrowings not taken in Q4, RESP borrowings in Q4			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands		A. Audited Year-End 12/31/2021	B. Audited Year-End 12/31/2022	C. Approved Budget 12/31/2023	D. Unaudited Period-End 12/31/2023	E. Budget Variance (D - C)
1	% Rate Increase	0%	4%	6%	6%	
2	OPERATING ACTIVITIES:					
3	Margins	\$ 3,900	\$ 4,000	\$ 3,200	\$ 5,600	\$ 2,400
4	Plus depreciation/amortization	5,000	5,400	5,500	5,400	(100)
5	Cash flow operations	8,900	9,400	8,700	11,000	2,300
6						
7	PLANT INVESTMENT (NET)					
8	Plant investment (including material inventory)	(6,200)	(8,900)	(11,100)	(11,900)	(800)
9	Cash flow from operations and plant investment	2,700	500	(2,400)	(900)	1,500
10						
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,100)	(1,190)	(1,050)	(1,140)	(90)
12	Cash flow before borrowings	1,600	(690)	(3,450)	(2,040)	1,410
13						
14	NET BORROWINGS	(2,800)	2,100	5,160	5,900	740
15	Cash increase (decrease) after net borrowings	\$ (1,200)	\$ 1,410	\$ 1,710	\$ 3,860	\$ 2,150
16						
17						
18	OUTSTANDING DEBT BALANCE	67,080	69,200	74,400	75,140	740

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.
			Audited	Budget	Unaudited	Budget	
			Year End	Period End	Period End	Variance	
			12/31/2022	12/31/2023	12/31/2023	(C-B)	Comments
1	DISTRIBUTION						
2	100	New Services	\$ 683,235	\$ 797,000	\$ 783,026	\$ (13,974)	Offset to Line 38 - New Services
3	200	New Tie Lines	19,467	20,000	241,980	221,980	Single phase loop feed projects reprioritized due to delayed conversions
4	300	Conversions and Line Changes	1,407,717	910,000	381,236	(528,764)	See note above (Line 3)
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,980,169	4,800,000	2,203,996	(2,596,004)	Delay in Substation Rebuild and Battery project to 2024. Shift Budget to URD (Line 14) (Offset to Line 41)
7	600	Miscellaneous Distribution Equipment					
8	601	Transformers & Meters	928,653	1,232,000	1,289,078	57,078	Offset to Line 39 - Transformers & Meters
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	
10	603	Sectionalizing Equipment	153,382	695,000	254,716	(440,284)	Supply chain delays
11	604	Regulators	-	-	-	-	
12	606	Ordinary Replacements	370,825	400,000	20,079	(379,921)	See transmission pole replacements (Line 23)
13	607	Overhead to Underground Replacements	109,820	300,000	33,794	(266,206)	Delays in permitting and easement acquisition.
14	608	Underground Dist. Cable Replacement	3,236,205	2,270,000	3,817,644	1,547,644	Increase joint utility opportunities. (Offset to Line 6 & 40)
15	700	Other Distribution Items					
16	701	Engineering Fees	-	-	-	-	
17	704	LMS & SCADA	110,941	135,000	150,400	15,400	Delayed SCADA staged deployment to Q1 2023
18	705	AMR	-	-	-	-	
19	706	Communications	252,059	205,000	492,489	287,489	Increased trenching cost and carryover from prior year.
20	TRANSMISSION						
21	800	New Tie Line	-	-	-	-	
22	900	New Substations, switching station, metering point, etc.	10,049	-	32,072	32,072	Quotes for relaying overbudget, project canceled
23	1000	Line and Station Changes	639,300	700,000	1,015,026	315,026	Easement acquisition delaying project to 2023
24	1100	Other Transmission	-	-	-	-	
25	GENERATION						
26	1200	Generation	119,474	225,000	146,484	(78,516)	Delay in contract execution with WA Commerce (Offset to Line 41)
27	OTHER						
28	1300	Headquarters Facilities	96,809	420,000	139,468	(280,532)	Shift to Line 33
29	1400	Acquisitions	-	50,000	-	(50,000)	shifted to other efforts
30	1500	All Other (Transportation, Etc.)					
31	1501	Transportation/Equipment/Tools/Radios	264,227	798,000	483,609	(314,391)	Digger Truck Purchase Delayed due to faulty equipment
32	1502	Office Equipment/Furniture/Etc.	8,156	11,000	3,219	(7,781)	
33	1503	Computer/Servers/Software	156,812	100,000	374,082	274,082	Network switch replacement arrived sooner than anticipated.
34	1504	Electrical Infrastructure to Support Community Solar	29,878	7,500,000	1,918,563	(5,581,437)	Permitting delays with Conditional Use and NEPA Processes
35	1600	Minor Projects	68,327	184,000	70,958	(113,042)	Less joint projects than anticipated
36	RUS CWP SUBTOTAL		10,645,505	21,752,000	13,851,918	(7,900,082)	
37	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)						
38		New Services	(516,683)	(686,000)	(389,586)	296,414	Offset to Line 2 - New Services
39		Meters and Transformers	(375,080)	(432,000)	(297,391)	134,609	Offset to Line 8 Transformers & Meters
40		Joint Projects	(214,254)	(71,000)	(354,476)	(283,476)	Offset to Lines 3, 4, 14 and 35
41		WA DOC Grant Funding	(560,000)	(3,000,000)	(508,663)	2,491,337	Permitting delays with Conditional Use and NEPA Processes
42		Community Solar Member Contributions	(50,000)	(6,500,000)	(370,000)	6,130,000	Permitting delays with Conditional Use and NEPA Processes
43	CIAC SUBTOTAL		(1,716,016)	(10,689,000)	(1,920,116)	8,768,884	
44							
45	RUS CWP NET TOTAL		8,929,489	11,063,000	11,931,803	868,803	

ORCAS POWER AND LIGHT COOPERATIVE

SALES AND USAGE REPORT

		A. Year to Date Total	B. January	C. February	D. March	E. April	F. May	G. June	H. July	I. August	J. September	K. October	L. November	M. December	N. Total
1	HEATING DEGREE DAYS (HDD)														
2	Budget HDD	1,367	279	288	192	107	41	10	4	3	8	47	130	258	1,367
3	Actual HDD	1,091	205	270	196	122	15	5	0	0	3	46	124	104	1,091
4	Variance	(276)	(74)	(18)	4	15	(26)	(5)	(3.6)	(3.0)	(5)	(1)	(6)	(154)	(276)
5															
6	ENERGY USAGE (kWh)														
7	Residential														
8	Budget	155,109,033	19,249,274	17,614,205	15,310,236	12,188,730	10,256,375	8,769,941	9,067,228	9,067,226	8,992,909	11,817,124	14,641,335	18,134,450	155,109,033
9	Actual	158,787,876	18,893,476	17,256,268	19,705,685	15,150,201	9,774,614	6,569,246	8,727,641	8,200,883	8,314,523	10,132,966	16,266,325	19,796,048	158,787,876
10	Variance (Budget to Actual)	3,678,843	(355,798)	(357,937)	4,395,449	2,961,471	(481,761)	(2,200,695)	(339,587)	(866,343)	(678,386)	(1,684,158)	1,624,990	1,661,598	3,678,843
11															
12	Commercial														
13	Budget	53,590,969	6,650,726	6,085,795	5,289,763	4,211,269	3,543,625	3,030,060	3,132,772	3,132,774	3,107,091	4,082,877	5,058,664	6,265,551	53,590,969
14	Actual	56,900,806	5,955,053	5,469,492	6,398,997	4,769,482	3,950,459	3,398,595	4,061,307	4,099,324	3,799,110	3,866,057	5,175,897	5,957,033	56,900,806
15	Variance (Budget to Actual)	3,309,837	(695,673)	(616,303)	1,109,234	558,213	406,834	368,535	928,535	966,550	692,019	(216,820)	117,233	(308,518)	3,309,837
16															
17	Combined Energy Usage (kWh)														
18	Budget	208,700,002	25,900,000	23,700,000	20,599,999	16,399,999	13,800,000	11,800,001	12,200,000	12,200,000	12,100,000	15,900,001	19,699,999	24,400,001	208,700,002
19	Actual	215,688,682	24,848,529	22,725,760	26,104,682	19,919,683	13,725,073	9,967,841	12,788,948	12,300,207	12,113,633	13,999,023	21,442,222	25,753,081	215,688,682
20	Variance (Budget to Actual)	6,988,680	(1,051,471)	(974,240)	5,504,683	3,519,684	(74,927)	(1,832,160)	588,948	100,207	13,633	(1,900,978)	1,742,223	1,353,080	6,988,680
21															
22	SALES REVENUE (kWh based)														
23	Residential														
24	Budget	26,415,230	3,286,436	3,005,624	2,603,447	2,079,902	1,745,548	1,495,674	1,543,269	1,540,888	1,528,990	2,012,080	2,489,218	3,084,154	26,415,230
25	Actual	27,296,709	2,593,061	2,555,175	3,654,881	2,040,753	1,799,432	1,619,990	1,822,408	1,636,791	1,583,525	2,051,322	2,868,638	3,070,736	27,296,709
26	Variance (Budget to Actual)	881,479	(693,375)	(450,449)	1,051,434	(39,149)	53,884	124,316	279,139	95,903	54,535	39,242	379,420	(13,418)	881,479
27															
28	Commercial														
29	Budget	9,126,598	1,135,481	1,038,458	899,504	718,617	603,095	516,763	533,207	532,385	528,273	695,184	860,039	1,065,592	9,126,598
30	Actual	8,882,858	850,454	764,730	1,010,550	655,276	619,874	637,004	686,914	638,742	591,310	677,965	873,160	876,879	8,882,858
31	Variance (Budget to Actual)	(243,740)	(285,027)	(273,728)	111,046	(63,341)	16,779	120,241	153,707	106,357	63,037	(17,219)	13,121	(188,713)	(243,740)
32															
33	Combined kWh Sales Revenue														
34	Budget	35,541,828	4,421,917	4,044,082	3,502,951	2,798,519	2,348,643	2,012,437	2,076,476	2,073,273	2,057,263	2,707,264	3,349,257	4,149,746	35,541,828
35	Actual	36,179,567	3,443,514	3,319,905	4,665,431	2,696,029	2,419,306	2,256,993	2,509,322	2,275,534	2,174,835	2,729,286	3,741,797	3,947,614	36,179,567
36	Variance (Budget to Actual)	637,739	(978,403)	(724,177)	1,162,480	(102,490)	70,663	244,556	432,846	202,261	117,572	22,022	392,540	(202,132)	637,739
37	NOTE: Excluded Other Revenue and Revenues that are not usage based.														
38															
39	POWER COST														
40	Budget	9,631,310	1,177,830	1,079,680	939,531	756,647	651,709	553,126	574,019	583,715	571,709	738,495	897,746	1,107,103	9,631,310
41	Actual	8,571,913	1,023,611	1,113,837	834,846	813,952	470,604	426,114	324,784	392,323	511,512	899,952	865,026	895,350	8,571,913
42	Variance (Budget to Actual)	(1,059,397)	(154,219)	34,157	(104,685)	57,305	(181,105)	(127,012)	(249,235)	(191,392)	(60,197)	161,457	(32,720)	(211,753)	(1,059,397)

ORCAS POWER AND LIGHT COOPERATIVE

2023 BUDGET TO ACTUAL STAFFING LEVELS

	A.	B.	C.	D.	E.
		APPROVED BUDGET	ACTUAL		
		# EMPLOYEES	# EMPLOYEES		
	DEPARTMENT	2023	2023	Net	Comment
1	Operations ¹	23.5	22.5	-1	Line worker
2	Engineering ¹	8.5	7.5	-1	Staking tech
3	General Management	8	4	-4	Office manager, 3 Grant positions
4	Technical Services	1	1	0	
5	Member Services	6	5	-1	Member service rep
6	Administration	4	4	0	
7	Energy Savings	1	1	0	
8	Total	52 ²	45	-7	

Notes:

- 1 Engineering & Operations Manager split between departments
- 2 Includes vacant-funded positions not filled

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 2023
	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	35,679,624	36,507,728	35,842,146	3,977,039
2. Power Production Expense				
3. Cost of Purchased Power	9,756,442	8,571,913	9,631,310	895,350
4. Transmission Expense	730,538	1,348,268	561,801	62,247
5. Regional Market Expense				
6. Distribution Expense - Operation	3,900,840	3,796,463	3,888,958	315,328
7. Distribution Expense - Maintenance	3,107,333	3,214,269	3,329,063	270,781
8. Customer Accounts Expense	1,113,268	1,085,072	1,197,992	80,215
9. Customer Service and Informational Expense	428,194	378,630	512,776	36,548
10. Sales Expense	62,685	59,386	72,558	2,403
11. Administrative and General Expense	4,157,670	4,390,307	4,837,932	352,022
12. Total Operation & Maintenance Expense (2 thru 11)	23,256,970	22,844,308	24,032,390	2,014,894
13. Depreciation and Amortization Expense	5,416,108	5,396,359	5,540,419	470,325
14. Tax Expense - Property & Gross Receipts	312,733	270,262	337,752	22,222
15. Tax Expense - Other	1,316,822	1,339,892	1,325,682	130,378
16. Interest on Long-Term Debt	2,023,282	1,964,597	2,077,820	160,321
17. Interest Charged to Construction - Credit	(64,526)	(58,559)	(60,000)	1,177
18. Interest Expense - Other				
19. Other Deductions	453	10,000	0	0
20. Total Cost of Electric Service (12 thru 19)	32,261,842	31,766,859	33,254,063	2,799,317
21. Patronage Capital & Operating Margins (1 minus 20)	3,417,782	4,740,869	2,588,083	1,177,722
22. Non Operating Margins - Interest	340,489	686,623	280,417	94,973
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	98,706	90,879	176,449	49,978
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	130,840	107,198	141,902	65,198
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	3,987,817	5,625,569	3,186,851	1,387,871

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 2023		
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	137	156	5. Miles Transmission	46.39	46.39
2. Services Retired	2	5	6. Miles Distribution – Overhead	142.09	139.16
3. Total Services in Place	15,704	15,855	7. Miles Distribution - Underground	1,077.19	1,087.86
4. Idle Services (Exclude Seasonals)	802	832	8. Total Miles Energized (5 + 6 + 7)	1,265.67	1,273.41
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	168,725,154		30. Memberships	58,555	
2. Construction Work in Progress	11,318,276		31. Patronage Capital	45,682,153	
3. Total Utility Plant (1 + 2)	180,043,430		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	72,335,430		33. Operating Margins - Current Year	4,848,066	
5. Net Utility Plant (3 - 4)	107,708,000		34. Non-Operating Margins	777,505	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	(56,114)	
7. Investments in Subsidiary Companies	(9,331,007)		36. Total Margins & Equities (30 thru 35)	51,310,165	
8. Invest. in Assoc. Org. - Patronage Capital	1,068,042		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	56,054,232	
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)	15,973,524	
12. Other Investments	1,555		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	1,226,884		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	(6,487,752)		43. Total Long-Term Debt (37 thru 41 - 42)	72,027,756	
15. Cash - General Funds	3,500,694		44. Obligations Under Capital Leases - Noncurrent	0	
16. Cash - Construction Funds - Trustee	37,917		45. Accumulated Operating Provisions and Asset Retirement Obligations	35,257	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	35,257	
18. Temporary Investments	5,423,288		47. Notes Payable	0	
19. Notes Receivable (Net)	926,252		48. Accounts Payable	3,197,832	
20. Accounts Receivable - Sales of Energy (Net)	3,311,455		49. Consumers Deposits	71,371	
21. Accounts Receivable - Other (Net)	98,781				
22. Renewable Energy Credits	0		50. Current Maturities Long-Term Debt	3,077,652	
23. Materials and Supplies - Electric & Other	4,544,853		51. Current Maturities Long-Term Debt - Economic Development	0	
24. Prepayments	750,805		52. Current Maturities Capital Leases	0	
25. Other Current and Accrued Assets	1,909,336		53. Other Current and Accrued Liabilities	1,062,639	
26. Total Current and Accrued Assets (15 thru 25)	20,503,381		54. Total Current & Accrued Liabilities (47 thru 53)	7,409,494	
27. Regulatory Assets	0		55. Regulatory Liabilities	0	
28. Other Deferred Debits	9,440,198		56. Other Deferred Credits	381,155	
29. Total Assets and Other Debits (5+14+26 thru 28)	131,163,827		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	131,163,827	

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 2023
PART D. NOTES TO FINANCIAL STATEMENTS	

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION WA0009
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PART D. CERTIFICATION LOAN DEFAULT NOTES	

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION WA0009			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2023			
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	92,712,489	7,661,703	471,878	520	99,902,834		
2. General Plant	25,074,263	1,839,158	36,681		26,876,740		
3. Headquarters Plant	5,327,059	139,468			5,466,527		
4. Intangibles	1,539,562				1,539,562		
5. Transmission Plant	34,355,358	817,972	233,879	(520)	34,938,931		
6. Regional Transmission and Market Operation Plant							
7. All Other Utility Plant	559				559		
8. Total Utility Plant in Service (1 thru 7)	159,009,290	10,458,301	742,438	0	168,725,153		
9. Construction Work in Progress	9,914,955	1,403,322			11,318,277		
10. Total Utility Plant (8 + 9)	168,924,245	11,861,623	742,438	0	180,043,430		
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	3,766,504	2,170,847	11,270	1,423,125		19,359	4,544,855
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	1,008,500	0.000	164,500	117,800	1,290,800		
2. Five-Year Average	728,860	70.380	60.620	216,060	1,075,920		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	47	4. Payroll - Expensed				4,360,513	
2. Employee - Hours Worked - Regular Time	98,932	5. Payroll - Capitalized				808,328	
3. Employee - Hours Worked - Overtime	3,482	6. Payroll - Other				814,140	
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			1,400,000	18,543,543		
	b. Special Retirements			163,567	5,979,672		
	c. Total Retirements (a + b)			1,563,567	24,523,215		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power						
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			26,346			
	c. Total Cash Received (a + b)			26,346			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	12,825	2. Amount Written Off During Year	\$	2,620		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %				4. Anticipated Loan Default %			
2. Actual Loan Delinquency %				5. Actual Loan Default %			
3. Total Loan Delinquency Dollars YTD	\$				6. Total Loan Default Dollars YTD	\$	

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PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Pacific Northwest Genertg Coop	14323			228,626,716	8,394,269	3.67		
2	*Miscellaneous	700000	Net Metering	Solar - photovoltaic	2,109,228	177,644	8.42		
	Total				230,735,944	8,571,913	3.72		

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INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2023	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			
2			

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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 2023	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
	TOTAL		

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WA0009	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2023	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 4/29/2023	2. Total Number of Members 11,682	3. Number of Members Present at Meeting 76	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 2,048	6. Total Number of Board Members 7	7. Total Amount of Fees and Expenses for Board Members \$ 121,883	8. Does Manager Have Written Contract? Y

RUS Financial and Operating Report Electric Distribution

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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 2023		
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	6,832,012	302,068	305,109	607,177
3	CoBank, ACB				
4	Federal Financing Bank	56,054,232	1,662,529	1,847,669	3,510,198
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	9,141,513		287,429	287,429
	TOTAL	72,027,757	1,964,597	2,440,207	4,404,804

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION WA0009		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2023		
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	13,874	13,813	
	b. kWh Sold			157,470,045
	c. Revenue			27,321,332
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	1,973	1,965	
	b. kWh Sold			56,833,544
	c. Revenue			8,882,858
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	8	7	
	b. kWh Sold			67,262
	c. Revenue			9,934
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)		15,855	15,785	
11. Total kWh Sold (lines 1b thru 9b)				214,370,851
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				36,214,124
13. Transmission Revenue				
14. Other Electric Revenue				293,605
15. kWh - Own Use				1,676,177
16. Total kWh Purchased				230,735,944
17. Total kWh Generated				
18. Cost of Purchases and Generation				9,920,181
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>				67,654

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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION WA0009		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2023		
INSTRUCTIONS - See help in the online application.						
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)	620	266,782	2,844	9,088	6,620,384	36,186
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less	16	91,474	764	624	2,002,704	14,309
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	636	358,256	3,608	9,712	8,623,088	50,495

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<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</p>	<p>BORROWER DESIGNATION WA0009</p> <p>PERIOD ENDED December 2023</p>
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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
2	Investments in Associated Organizations				
	Misc. Memberships	9,300	1,000		
	Misc. Patronage Capital	129,067	639,007	92,601	
	Federated Rural Electric Stock Certificate	299,968		14,597	
	CFC Capital Term Certificate		536,474		
	Investment in Subsidiary	(9,331,007)			
	Totals	(8,892,672)	1,176,481	107,198	
4	Other Investments				
	Computershare	1,555			
	Totals	1,555			
5	Special Funds				
	CFC Select Notes		524,901		
	Washington Federal Savings		232,129		
	HomeStreet Bank		114,119		
	CoBank		154,691		
	Banner Bank (Project PAL and Low Inc. Solar)		165,787		
	Special Funds - Deferred Compensation		35,257		
	Totals		1,226,884		
6	Cash - General				
	Key Bank		(471,939)		
	Banner Bank	3,654,158	250,000		
	Wells Fargo		17,057		
	Petty Cash	600			
	Cash Clearing	50,818			
	Totals	3,705,576	(204,882)		
8	Temporary Investments				
	CFC Select Notes		2,525,039		
	CoBank		2,898,249		
	Totals		5,423,288		
9	Accounts and Notes Receivable - NET				
	Notes Receivable - OBF	1,136,929			
	OBF Loss Reserve	(210,677)			
	Custom Orders	98,781			
	Totals	1,025,033			
11	TOTAL INVESTMENTS (1 thru 10)	(4,160,508)	7,621,771	107,198	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS	BORROWER DESIGNATION WA0009
	PERIOD ENDED December 2023

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	9/30/2024	4,480,000	4,095,000	
2	IN LLC	4/20/2036	7,500,000	6,392,709	
3	IN LLC	4/20/2036	6,000,000	5,139,915	
4	IN LLC	12/20/2037	4,050,000	3,841,352	
5	IN LLC	12/20/2037	1,450,000	1,375,829	
6	IN LLC	12/20/2038	3,500,000	3,486,800	
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	12/20/2041	2,000,000	1,857,461	
11	IN LLC	9/20/2043	1,100,000	1,093,320	
	TOTAL		33,580,000	30,782,386	
	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 2023			
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]					-2.31 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	TOTAL				

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