

ORCAS POWER AND LIGHT COOPERATIVE
2024 Q1 FINANCIAL REPORT



MEMORANDUM

May 16, 2024

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2024 First Quarter Financial Report

The 2024 first quarter financial report is posted online and included under separate cover. The first 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 a net \$66k from the membership through Q1 2024 which was driven by an increase in power costs in Q1 of \$346k. Overall operating revenue was higher than the budget, corresponding with higher kWh sales.

The table below presents the projection of full-year 2024 financial results using actuals from Q1 and budget projections for future months.

Income Statement Summary (in thousands)	2024 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 37,407	\$ 38,043	\$ 636
ECA Surcharge / (Credit)*	\$ -	\$ 66	\$ 66
Revenue	\$ 37,407	\$ 38,109	\$ 702
Expenses:			
Cost of Purchased Power	\$ 9,159	\$ 9,505	\$ 346
Transmission & Distribution Expense	10,001	9,735	(266)
General & Administrative Expense	7,120	6,817	(303)
Depreciation, Tax, Interest & Other	9,316	9,368	52
Total Expenses	35,596	35,425	(171)
Operating Margin	1,811	2,684	873
Non-op margin	673	731	58
Net Margin*	2,484	\$ 3,415	931
OTIER	1.85	2.28	0.44
TIER	2.16	2.63	0.47
Equity %	40.3%	40.7%	0.4%
HDD	1,029	960	(69)
kWh Purchases	219,000	225,878	6,878
kWh Sales	208,000	215,960	7,960

* The ECA collected \$66k from members through March 2024.

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~13% below budgeted levels (actual of 481 vs. budget of 550). Overall kWh sales were ~8M kWh above budget (76M vs. budget of 68M).
- 2024 power purchases were \$346k higher than budgeted due to higher overall kWh purchases. Actual kWh purchases were 6.9M kWh above budget (78.5M vs. budget of 71.6M).
- Excluding purchased power, 2024 operating expenses were approximately \$508k under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- The ECA for Q1 2024 was a net charge to members (and increase to operating revenue) of \$66k, or \$3.28 for a member using 1000 kWh/month.
- Rock Island Communications 2024 Financials included in separate packet.

OPALCO 2024 Financial Package under separate cover.

ORCAS POWER AND LIGHT COOPERATIVE

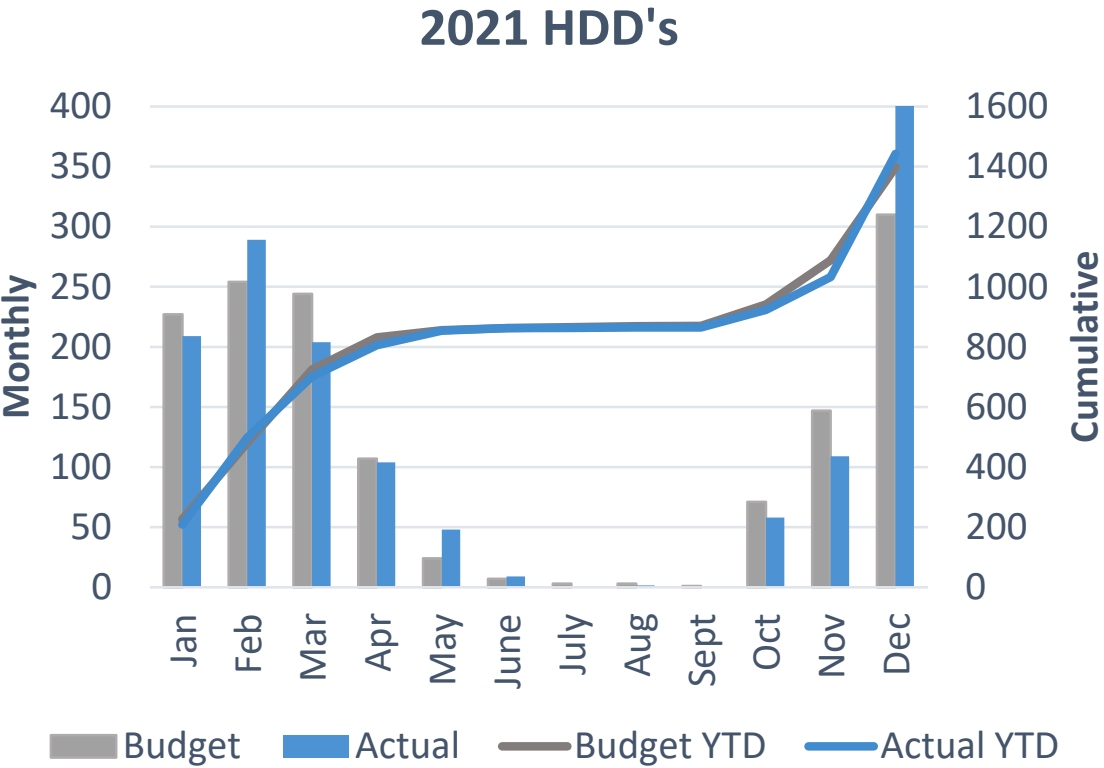
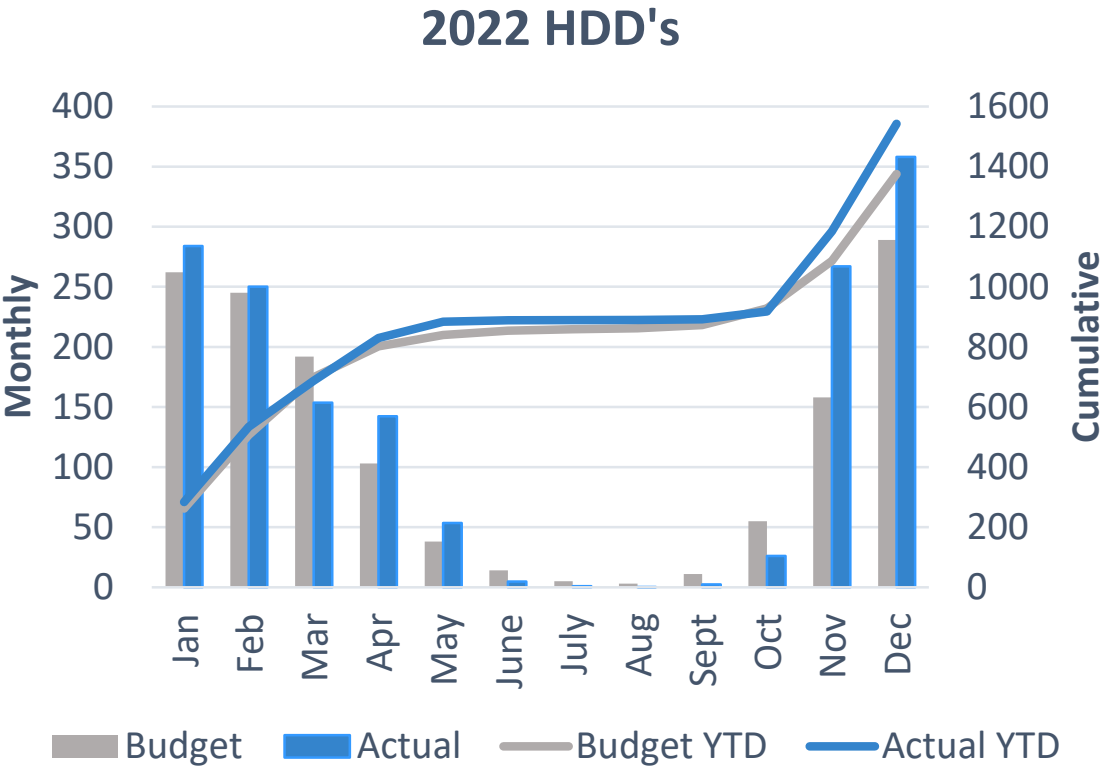
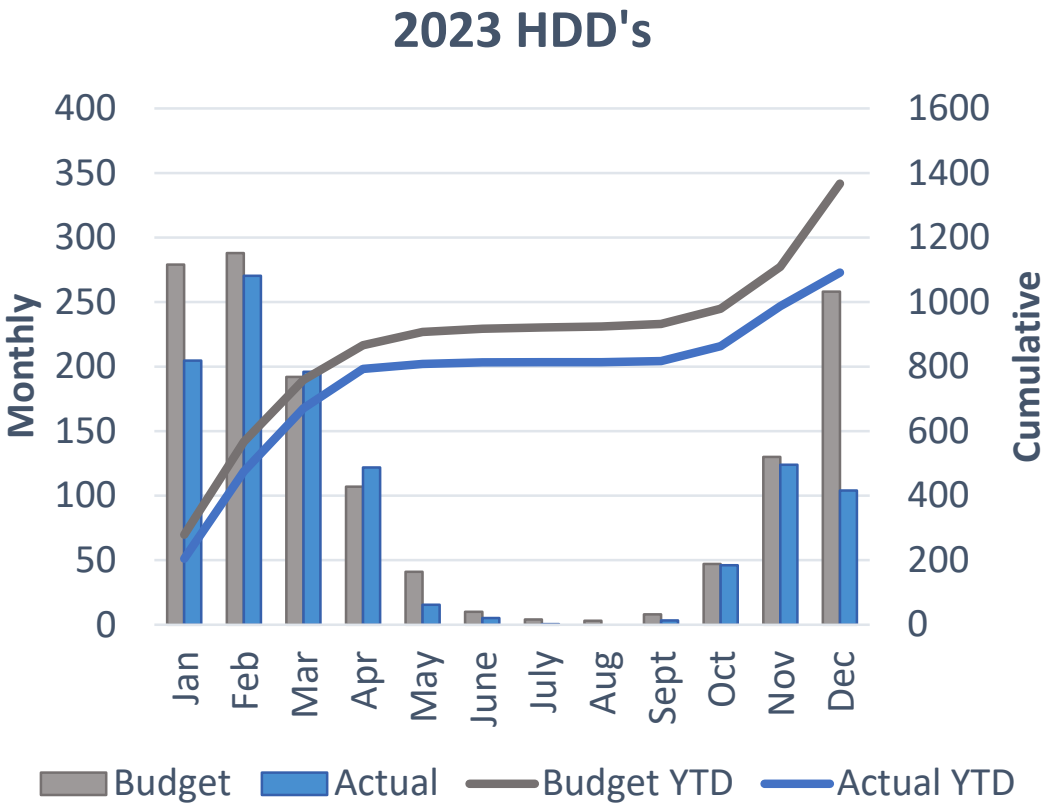
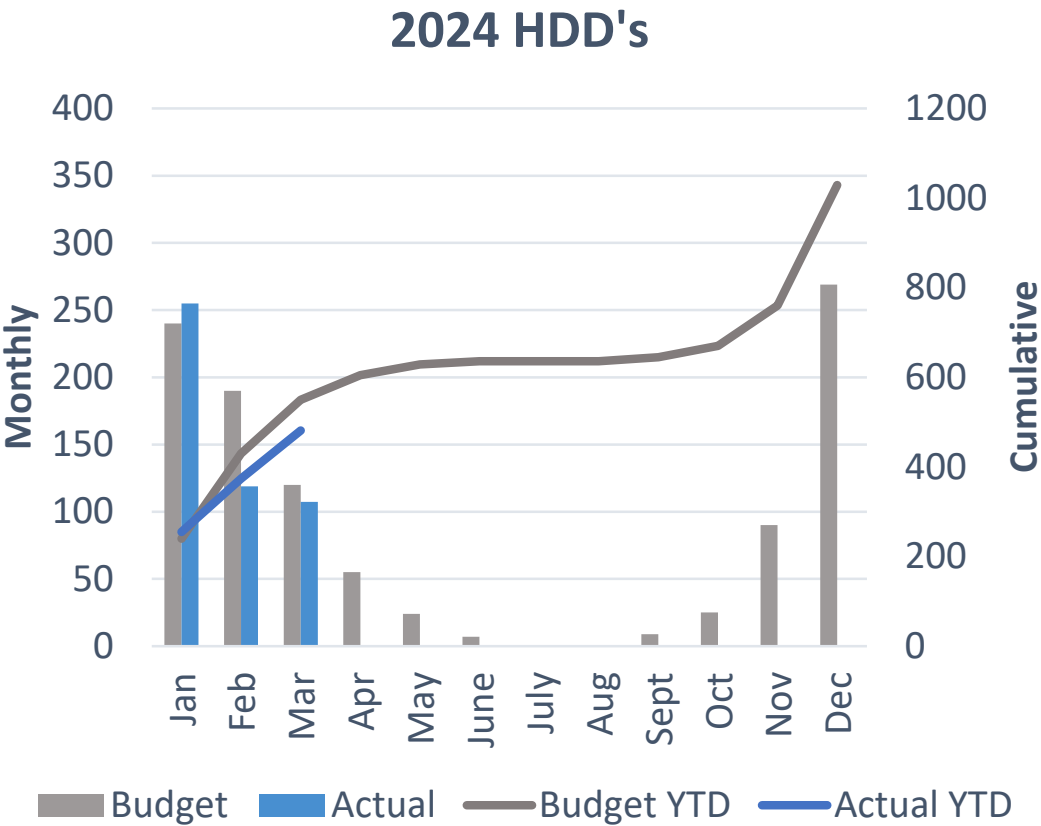
STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

		A. Audited Year End 12/31/2022	B. Unaudited Year End 12/31/2023	C. Budget Period End 3/31/2024	D. Actual Period End 3/31/2024	E. Budget \$ Change (D - C)	F. Budget % Change (E / C)
1	kWh Purchases	241,801,858	228,638,000	71,580,000	78,457,533	6,877,533	9.6%
2	Gross Operating Revenue	35,679,000	36,836,000	12,192,000	12,828,000	636,000	5.2%
3	Energy Charge Adjustment	1,000	(328,007)	-	66,000	66,000	
4	Net Operating Revenue Total	35,680,000	36,507,993	12,192,000	12,894,000	702,000	5.8%
5	Cost of power	9,756,000	8,572,000	2,901,000	3,247,000	346,000	11.9%
6	Operations & G&A	13,501,000	14,282,000	4,930,000	4,361,000	(569,000)	-11.5%
7	Depr, Int, Taxes & Other	8,874,000	8,805,000	2,368,000	2,420,000	52,000	2.2%
8		32,131,000	31,659,000	10,199,000	10,028,000	(171,000)	-1.7%
9	Net Operating Margins	\$ 3,549,000	\$ 4,848,993	\$ 1,993,000	\$ 2,866,000	873,000	43.8%
10	Non-Operating Margins	\$ 439,000	\$ 778,000	\$ 168,000	\$ 226,000	58,000	34.5%
11	Net Margin	<u>\$ 3,988,000</u>	<u>\$ 5,626,993</u>	<u>\$ 2,161,000</u>	<u>\$ 3,092,000</u>	931,000	43.1%
12	OTIER	2.75	3.47	4.73	6.89	2.16	
13	TIER	2.97	3.86	5.04	7.35	2.31	
14	Equity % of Total Cap	40.0%	41.6%	41.2%	41.7%	0.5%	
15	Equity	44,990,000	51,310,000	53,544,342	54,392,000	847,658	1.6%
16	Total Debt	69,194,000	75,141,000	79,377,000	79,262,000	(115,000)	-0.1%
17	Capital Spending	10,320,000	11,931,803	6,890,000	5,858,932	(1,031,068)	-15.0%
18	Capital Credit Retirement (net)	1,189,000	1,137,000	30,000	25,000	(5,000)	-16.7%
19	Annual HDD	1,543	1,090	550	481	(69)	-12.5%



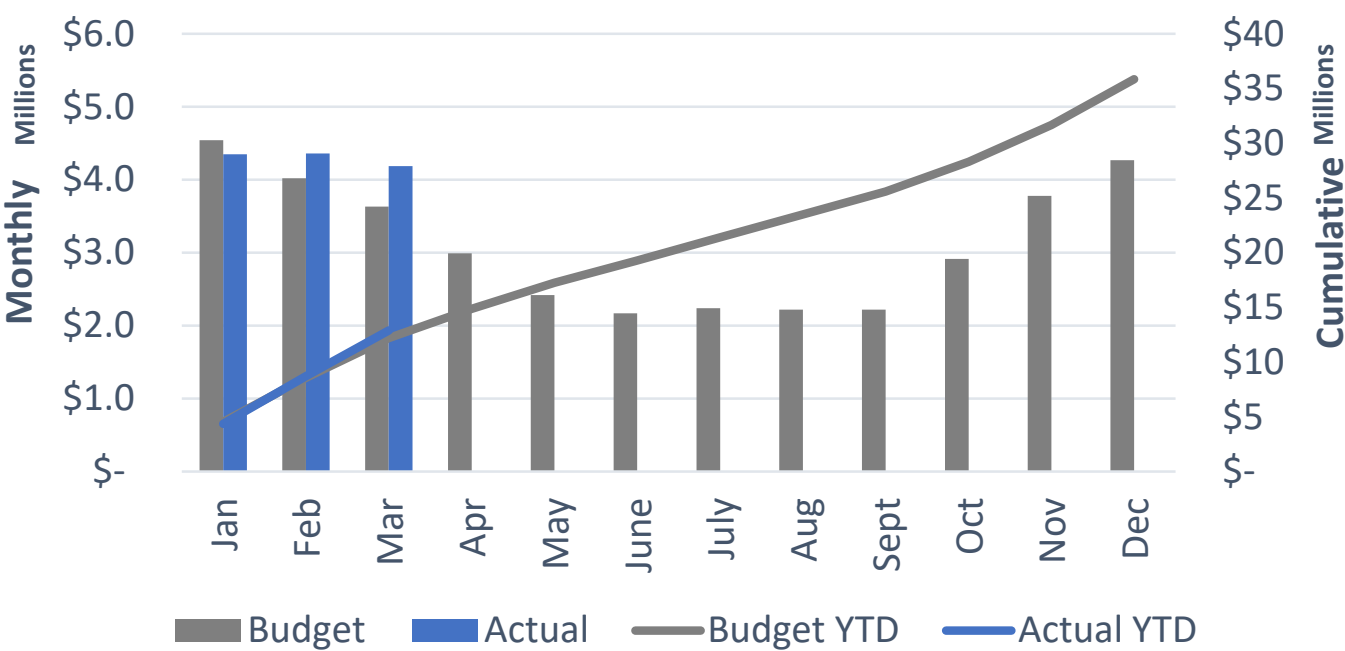
2024 Q1 Financial Highlights

2024 Budget to Actual: Heating Degree Days

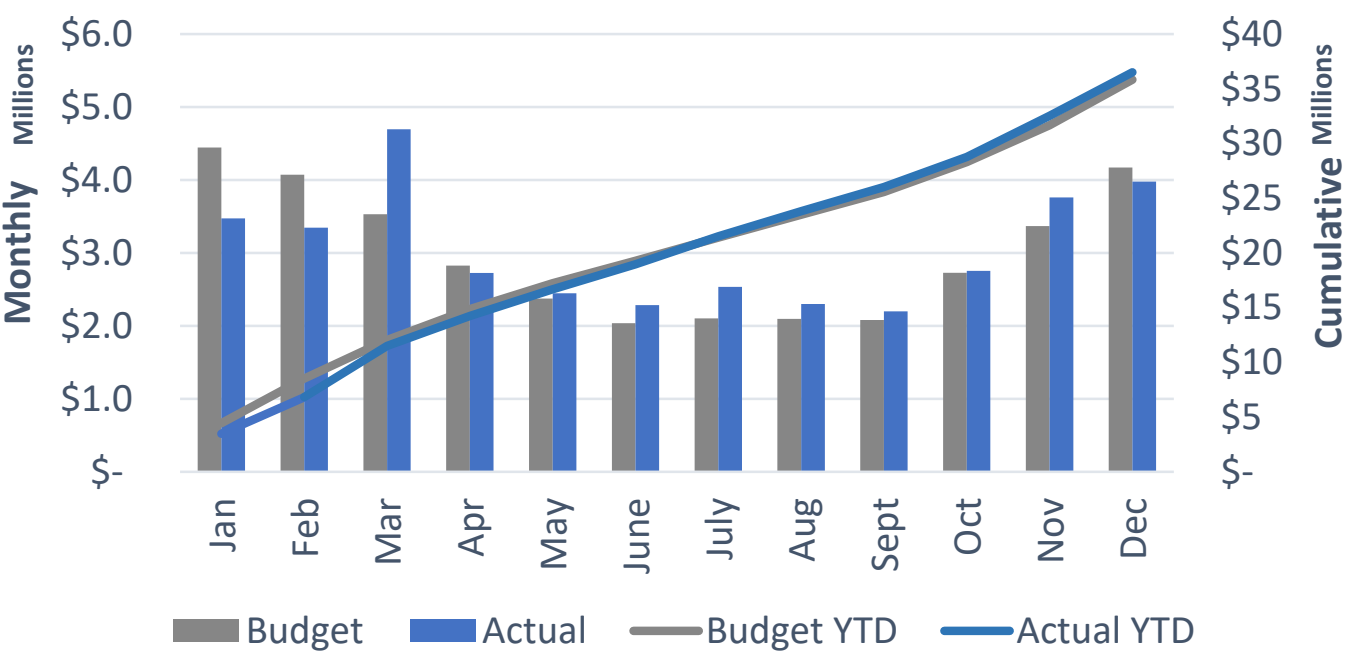


2024 Budget to Actual: Revenue

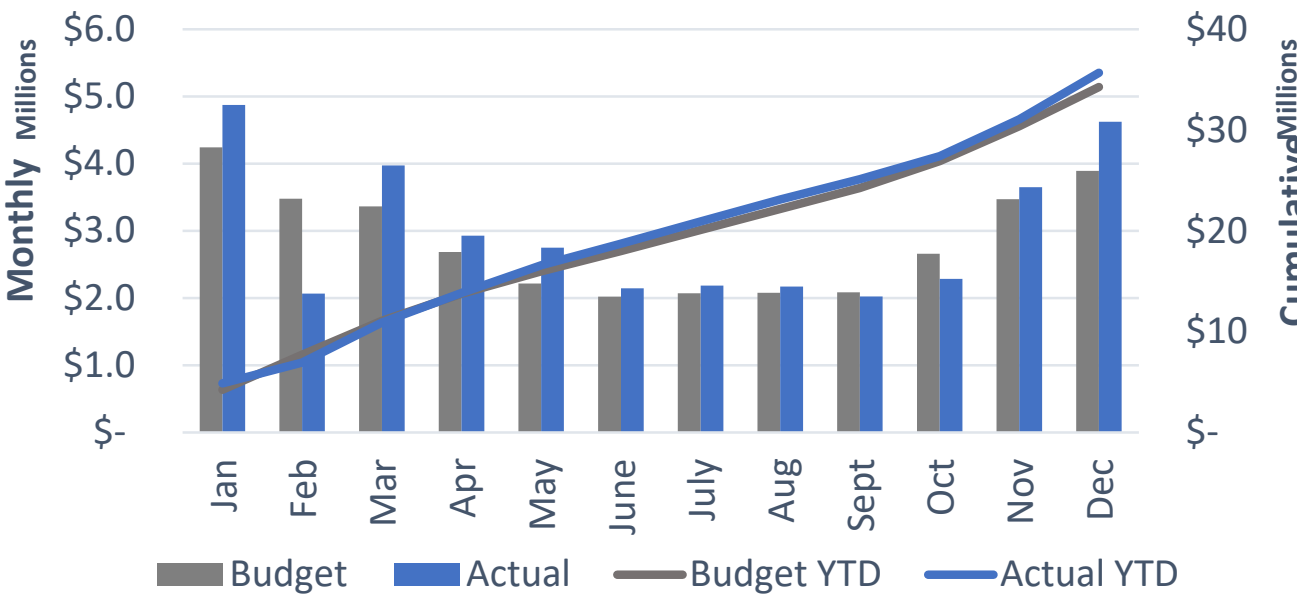
2024 Revenue



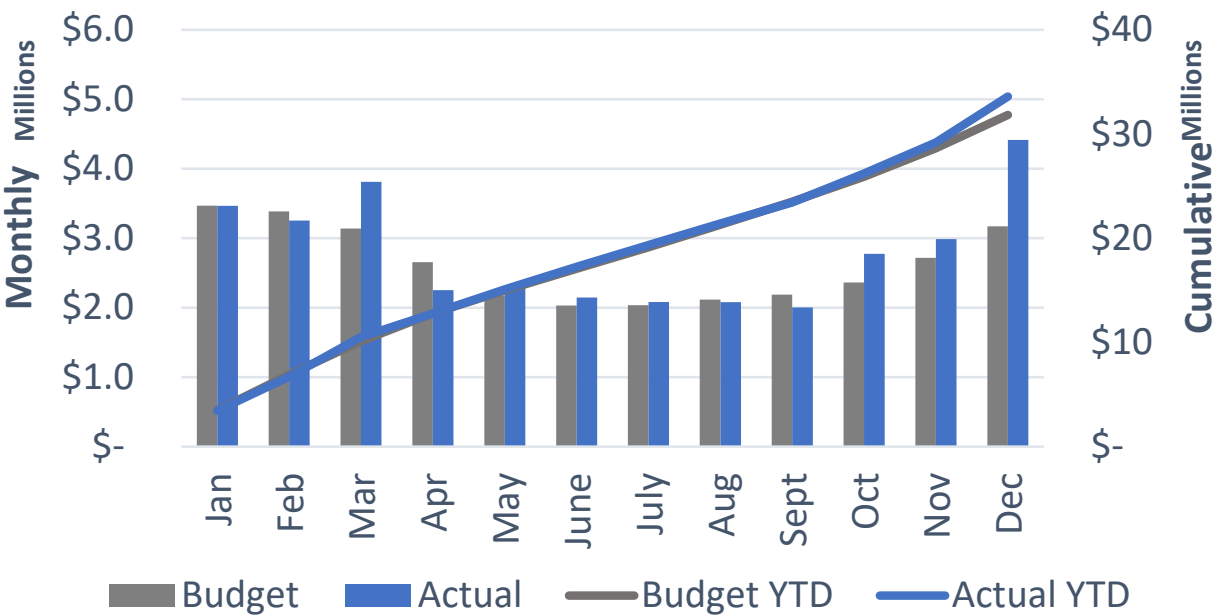
2023 Revenue



2022 Revenue



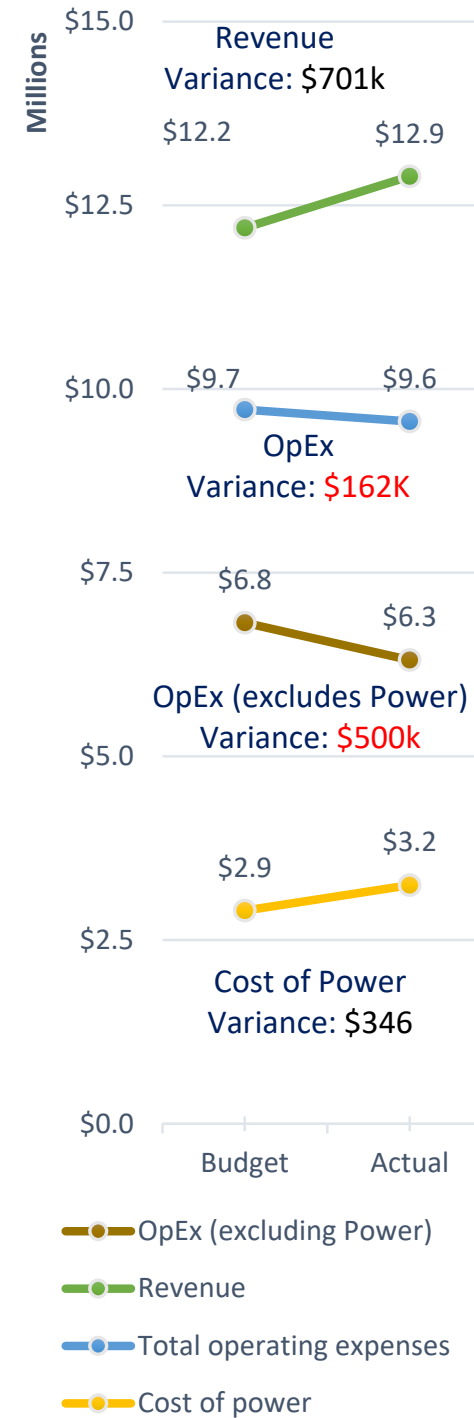
2021 Revenue



Revenue net of ECA

2024 Q1 Budget to Actual: Statement of Operations

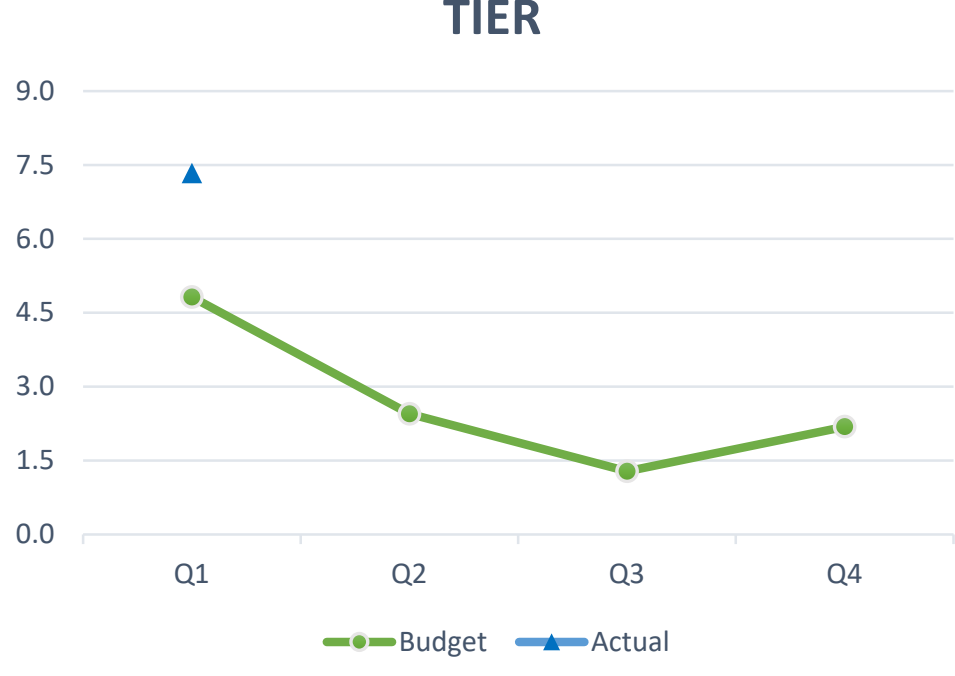
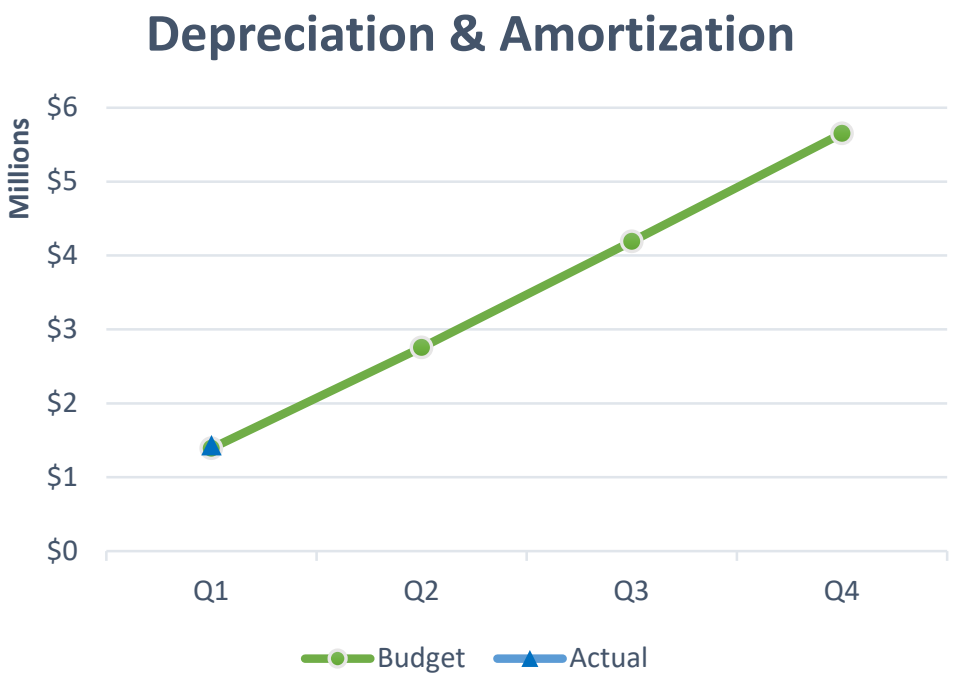
	A. Audited Year End 12/31/2022	B. Unaudited Year End 12/31/2023	C. Budget Year End 12/31/2024	D. Budget Period End 3/31/2024	E. Actual Period End 3/31/2024	F. Budget Variance (D - C)
1 OPERATING REVENUES						
2 Residential	\$ 26,565,416	\$ 27,321,332	\$ 27,769,404	\$ 9,063,559	\$ 9,926,047	862,488
3 Commercial	8,841,060	8,892,792	9,342,762	3,049,098	2,879,155	(169,943)
4 Other						
5 Penalties and fees	213,648	234,574	228,162	61,544	74,584	13,040
6 Other	59,501	59,031	66,898	18,258	14,081	(4,177)
7 Total operating revenue	35,679,624	36,507,728	37,407,226	12,192,459	12,893,867	701,408
8						
9 OPERATING EXPENSES						
10 Cost of power	9,756,442	8,571,913	9,159,300	2,901,406	3,247,255	345,849
11 Transmission	730,538	1,348,268	1,369,332	913,463	618,360	(295,103)
12 Distribution - operations	3,900,840	3,796,463	4,123,097	1,143,032	1,087,052	(55,979)
13 Distribution - maintenance	3,107,333	3,214,269	3,850,445	956,857	1,042,266	85,409
14 Consumer accounts	1,113,268	1,085,072	1,231,969	347,373	256,050	(91,322)
15						
16 General and administration						
17 Administration	4,316,867	4,595,125	5,491,691	1,438,343	1,256,378	(181,965)
18 Energy services	239,843	151,220	243,479	106,871	78,266	(28,605)
19 Subsidiary charges (RIC network mgt services)	92,039	91,979	96,586	24,146	23,007	(1,139)
20 Total general and administration	4,648,749	4,838,324	5,831,756	1,569,360	1,357,652	(211,708)
21						
22 Depreciation and amortization	5,416,108	5,396,359	5,650,687	1,390,957	1,433,164	42,208
23 Taxes	1,629,555	1,610,154	1,689,196	496,999	515,968	18,969
24						
25 Total operating expenses	30,302,833	29,860,821	32,905,782	9,719,446	9,557,768	(161,678)
26						
27 Operating margins before fixed charges	5,376,791	6,646,907	4,501,444	2,473,013	3,336,099	863,086
28						
29 FIXED CHARGES						
30 Interest on long-term debt	1,958,757	1,906,039	2,077,260	519,315	486,954	(32,361)
31						
32 Operating margins after fixed charges	3,418,035	4,740,869	2,424,184	1,953,698	2,849,145	895,447
33						
34 PATRONAGE CAPITAL CREDITS	130,840	107,198	111,362	38,977	15,962	(23,015)
35						
36 Net operating margins	3,548,875	4,848,066	2,535,546	1,992,675	2,865,107	872,432
37						
38 NON-OPERATING MARGINS						
39 Interest income	260,916	607,039	566,120	141,530	163,451	21,921
40 Other income (loss)	(11,287)	(18,861)	(82,467)	(20,551)	14,816	35,367
41 Total Opalco non-operating margins	249,629	588,178	483,653	120,979	178,267	57,288
42						
43 Non-operating margins from Subsidiary						
44 Interest Income (RIC loan)	79,572	79,587	79,602	19,901	19,899	(2)
45 Other income (use of OPALCO backbone)	109,740	109,740	109,740	27,435	27,435	-
46 Total non-operating margins from Subsidiary	189,312	189,327	189,342	47,336	47,334	(2)
47						
48 Net non-operating margins	438,941	777,505	672,995	168,314	225,601	57,286
49						
50 NET MARGINS	\$ 3,987,816	\$ 5,625,571	\$ 3,208,541	\$ 2,160,989	\$ 3,090,708	929,718
51						
52 OTIER	2.75	3.47	2.19	4.73	6.89	2.16
53 TIER	2.97	3.86	2.50	5.04	7.35	2.31
54 Equity % of Total Cap	40.0%	41.6%	40.2%	41.2%	41.6%	0.4%



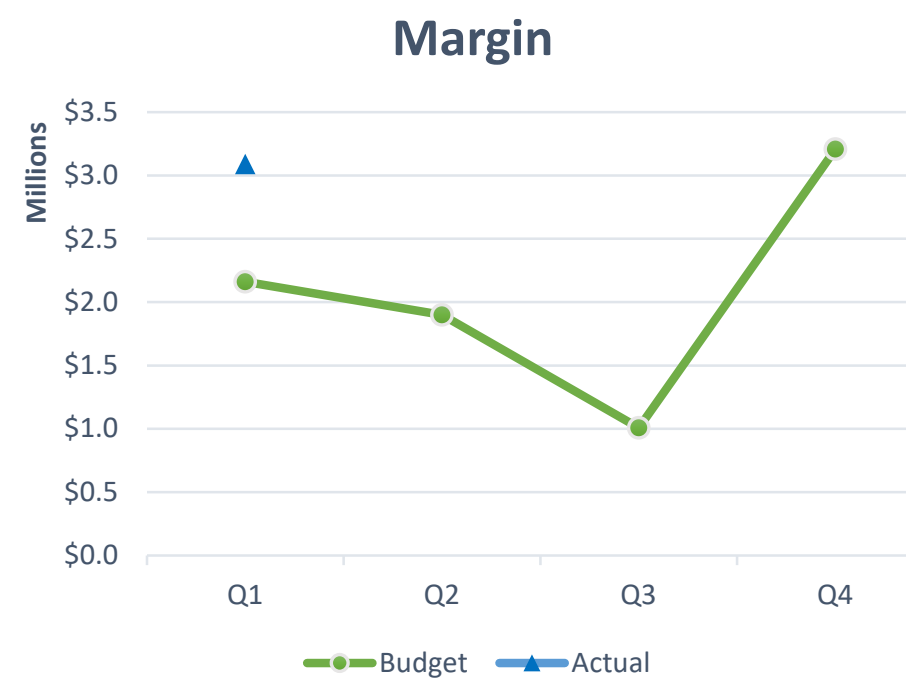
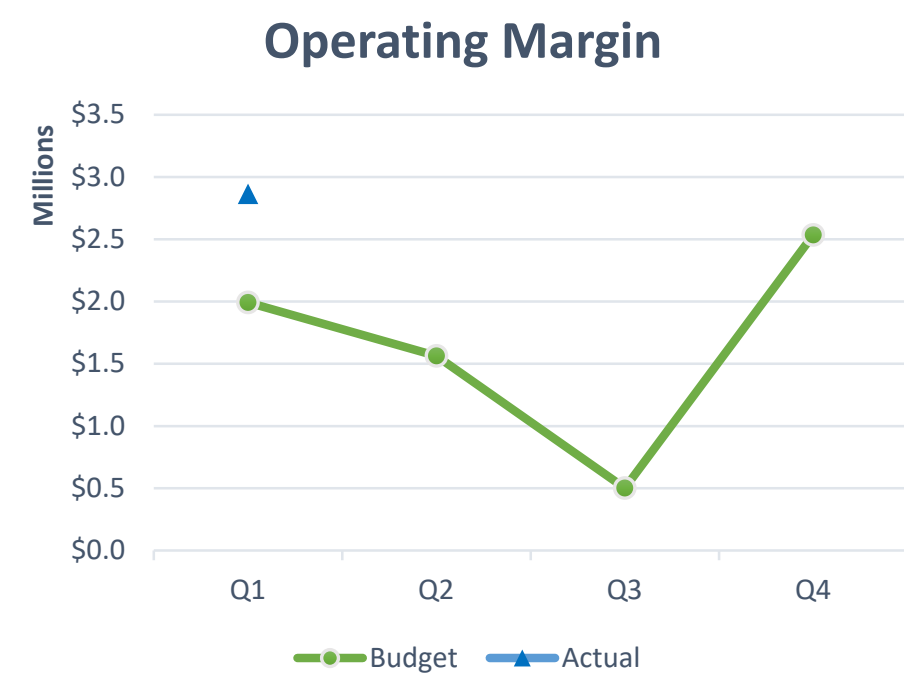
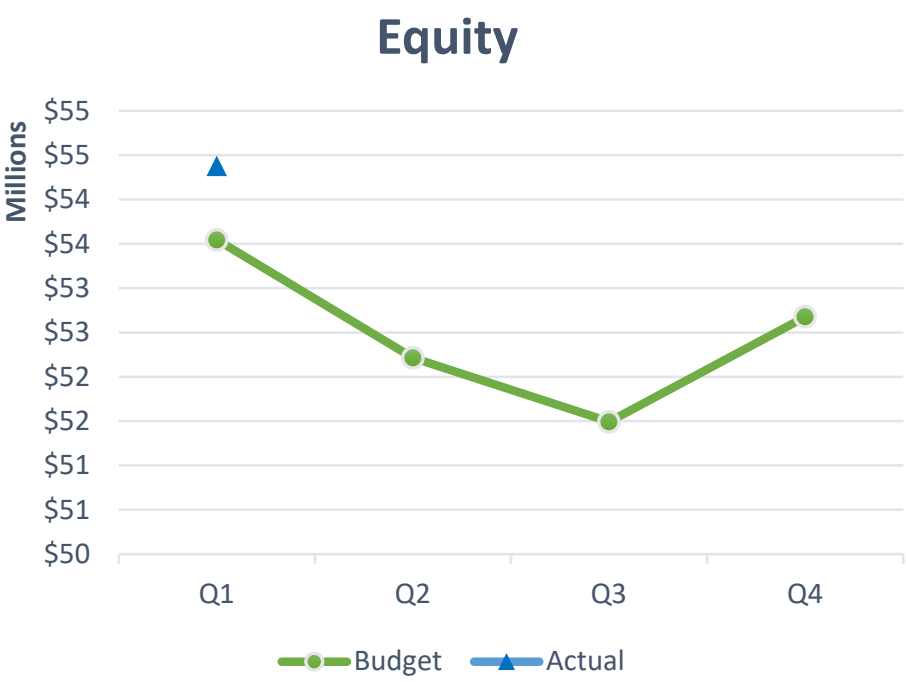
Notes:

- Throughout Q1 the ECA collected a net \$66k from the membership
Note: Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA returned \$165k in January 2024, related to the calculation based on December 2023 factors.
- Net Operating Margin: \$2.9M (\$872K increase over budget)
- Net Margin: \$3.1M (\$930k increase over budget)

2024 Q1 Budget to Actual: Financial Metrics



2024 Q1 Budget to Actual: Financial Metrics



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

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53 TIER	2.97	3.86	2.50	5.04	7.35	2.31
54 Equity % of Total Cap	40.0%	41.6%	40.2%	41.2%	41.7%	0.5%

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.		
		Budget Period End 3/31/2024	Actual Period End 3/31/2024	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)		
1	I OPERATING REVENUES	12,192,459	12,893,867	701,408			
2							
3					HDD	Budget	Actual
4					kWh Sales	550	481
5	Operating Revenue - Line 7 Detail Breakout:						Variance
6	Residential Sales	9,063,559	9,926,047	862,488	kWh sales higher than budget		69
7	Commercial Sales	3,049,098	2,879,155	(169,943)	lower Commercial sales than budgeted, offset in Residential sales		
8	Other Operating Revenue						
9	Penalties and Fees	(61,544)	(74,584)	13,040	Misc fees & penalty charges higher than budgeted		
10	Other	(18,258)	(14,081)	(4,177)	Lower pole contact rentals		
11							
12	TOTAL OPERATING REVENUES	12,192,459	12,893,867	701,408	Increase in Revenue		
13							
14							
15	II OPERATING EXPENSES	9,719,446	9,557,768	(161,678)	Overall decrease in operating expenses		
16							
17	Cost of Power - Line 10	2,901,406	3,247,255	345,849	Increase in expense - kWh purchases above budget		
18						Budget	Actual
19					kWh Purchases	71,580	78,458
20							Variance
21	Transmission - Line 11 Detail Breakout:	913,463	618,360	(295,103)	Decrease in expense - offset in line 12 and 13 Distribution Expenses		6,878
22							(kWh in thousands)
23	Distribution - Operations - Line 12 Detail Breakout:	1,143,032	1,087,052	(55,979)	Decrease in expense - offset in Line 13 Distribution Maintenance		
24							
25	Distribution - Maintenance - Line 13 Detail Breakout:	956,857	1,042,266	85,409	Increase in expense - offset in Line 11 Trans Exp & Line 12 Dist Ops		
26							
27	Consumer accounts - Line 14 Detail Breakout:	347,373	256,050	(91,322)	Decrease in expense - vacant position filled April 2024		
28							
29	Total General and Administrative (G&A):						
30							
31	Administration G&A - Line 17 Detail Breakout:	1,438,343	1,256,378	(181,965)	Decrease in expense - vacant position (filled Q2 '24), lower tech & outside contract services		
32							
33	Energy Services G&A - Line 18	106,871	78,266	(28,605)	Decrease in expense - lower outreach expenses & timing of member rebates		
34							
35	Subsidiary Charges G&A - Line 19	24,146	23,007	(1,139)	Decrease in expense		
36							
37	Total General and Administrative (G&A)	1,569,360	1,357,652	(211,708)	Overall decrease in expense		
38							
39	Deprec. & Amort. - Line 22	1,390,957	1,433,164	42,208	Increase in expense - higher general & distribution capitalization		
40							
41	Taxes - Line 23	496,999	515,968	18,969	Increase in expense - higher sales		
42							

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	
			3/31/2024	3/31/2024	(B - A)	Comments: Budget To Actual (Column C.)
43		TOTAL OPERATING EXPENSES	9,719,446	9,557,768	(161,678)	Overall decrease in expense
44						
45						
46	III	FIXED CHARGES - Interest Expense - Line 30	519,315	486,954	(32,361)	Decrease in expense - lower rate on new borrowings
47						
48	IV	PATRONAGE CAPITAL CREDITS (Income) - Line 34	38,977	15,962	(23,015)	Decrease in income - received from associated cooperatives
49						
50		TOTAL NET OPERATING MARGINS	1,992,675	2,865,107	872,432	Increase in margin
51						
52	V	NON-OPERATING MARGINS	168,314	225,601	57,286	Increase in margin
60						
61		TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	2,160,989	3,090,708	929,718	Increase in margin

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2021	B. Audited Year End 12/31/2022	C. Unaudited Year End 12/31/2023	D. Actual Period End 3/31/2024	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4 Electric plant in service	\$ 156,749,824	\$ 159,009,290	\$ 168,725,153	\$ 170,934,303	2,209,150
5 Construction work in progress	4,342,145	9,984,056	11,412,238	14,530,521	3,118,283
6					
7	161,091,969	168,993,346	180,137,391	185,464,824	5,327,433
8 Less accumulated depreciation and amortization	62,700,104	67,446,380	72,429,392	73,450,063	1,020,671
9					
10 Net utility plant	98,391,865	101,546,966	107,707,999	112,014,761	4,306,762
11					
12 Investments in associated organizations					
13 Other (CFC, Federated, PNGC, etc.)	1,452,951	1,539,530	1,616,371	1,627,218	10,847
14 Non-utility investment subsidiary (Note 1)	(11,093,287)	(11,173,486)	(9,331,007)	(9,317,932)	13,075
15 Total investments in associated organizations	(9,640,336)	(9,633,956)	(7,714,636)	(7,690,714)	23,922
16					
17 Other property and investments	(9,640,336)	(9,633,956)	(7,714,636)	(7,690,714)	23,922
18					
19 CURRENT ASSETS					
20 Cash and cash equivalents	9,509,141	9,697,635	9,076,867	10,861,843	1,784,976
21 Cash and cash equivalents - board designated	3,081,838	1,002,529	1,061,098	1,088,864	27,766
22 Accounts receivable, less doubtful accts allowance	5,561,142	6,240,612	6,247,535	7,138,985	891,450
23 Interest receivable	6,800	55,550	49,108	38,044	(11,064)
24 Materials and supplies	4,122,049	3,766,502	4,544,853	4,759,137	214,284
25 Prepaid expenses	490,688	733,743	750,805	441,780	(309,025)
26					
27 Total current assets	22,771,658	21,496,571	21,730,266	24,328,653	2,598,387
28					
29 DEFERRED CHARGES (Note 2)	1,518,849	4,501,196	9,440,198	10,652,669	1,212,471
30					
29 Total assets	\$ 113,042,036	\$ 117,910,777	\$ 131,163,827	\$ 139,305,369	\$ 8,141,542

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2021	B. Audited Year End 12/31/2022	C. Unaudited Year End 12/31/2023	D. Actual Period End 3/31/2024	E. Change (D - C)
30					
31 EQUITIES, MARGINS, AND LIABILITIES					
32					
33 EQUITIES AND MARGINS					
34 Memberships	\$ 58,225	\$ 58,380	\$ 58,555	\$ 58,685	130
35 Patronage capital - OPALCO	47,343,880	47,684,660	50,530,219	54,123,572	3,593,353
36 Donated and other equities					
37 OPALCO donated & other margins	7,957,308	10,558,452	12,188,061	11,663,511	(524,550)
38 Subsidiary margins	(13,229,021)	(13,311,620)	(11,466,670)	(11,453,744)	12,926
39					
40 Total equities and margins	42,130,392	44,989,872	51,310,164	54,392,024	3,081,859
41					
42 LONG-TERM DEBT, less current maturities					
43 RUS mortgage notes (Note 3)	57,527,604	60,293,610	65,195,745	69,188,162	3,992,417
44 CFC mortgage notes	7,454,617	7,149,506	6,832,012	6,750,566	(81,446)
45					
46 Total long-term debt	64,982,221	67,443,116	72,027,757	75,938,728	3,910,971
47					
48 OTHER NONCURRENT LIABILITIES	-	11,885	35,257	41,257	6,000
49					
50 Total long-term liabilities	64,982,221	67,455,001	72,063,013	75,979,985	3,916,971
51					
52 CURRENT LIABILITIES					
53 Accounts payable	2,011,153	1,896,315	3,197,832	3,786,932	589,099
54 Customer deposits	51,606	70,129	71,371	71,446	75
55 Accrued liabilities	1,418,656	1,461,254	1,062,638	1,405,185	342,547
56 Current maturities of long-term debt	2,092,617	1,739,499	3,077,652	3,281,960	204,308
57 Current maturities capital leases	1,505	-	-	-	-
58					
59 Total current liabilities	5,575,537	5,167,197	7,409,494	8,545,523	1,136,029
60					
61 DEFERRED CREDITS	353,886	298,707	381,155	387,838	6,683
62					
63 Total equities and liabilities	\$ 113,042,036	\$ 117,910,777	\$ 131,163,827	\$ 139,305,369	\$ 8,141,542
64					
65 Note:					
66 1 Investment in subsidiary consists of OPALCO's invested dollars in Island Network LLC (+\$2,135,812) less IN LLC's cumulative net deficit of (\$11,453,744) seen in 'equities & margins'.					
67 2 Member Switch-It-Up On Bill Financing (OBF) Long Term Receivables					
68 3 Includes RESP borrowing					

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

	A. Audited Year End 12/31/2022	B. Unaudited Year End 12/31/2023	C. Actual Period End 3/31/2024
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins	\$ 3,987,816	\$ 5,625,571	\$ 3,090,708
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	5,416,108	5,396,359	1,433,164
6 Changes in assets and liabilities			
7 Accounts receivable	(679,470)	(6,923)	(891,450)
8 Interest receivable	(48,750)	6,442	11,064
9 Prepaid expenses	(243,056)	(17,064)	309,025
10 Accounts payable	(114,837)	1,301,519	589,098
11 Customer deposits	18,523	1,242	75
12 Accrued liabilities	42,596	(398,616)	342,547
13 Deferred credits	(55,179)	82,449	6,683
14 Deferred Charges	(2,982,347)	(4,939,002)	(1,212,471)
14 Net cash from operating activities	5,341,404	7,051,977	3,678,443
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(10,287,226)	(13,477,509)	(6,023,566)
18 Change in materials and supplies	355,547	(778,351)	(214,284)
19 (Increase) decrease in investment in Subsidiary	80,199	(1,842,479)	(13,075)
20 (Increase) decrease in other OPALCO property and investments, net	(86,579)	(76,841)	(10,847)
21			
22 Net cash from investing activities	(9,938,059)	(16,175,180)	(6,261,772)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net	(2,521,842)	(2,416,835)	(778,721)
25 Proceeds from debt (Note 1)	4,640,000	8,363,000	4,900,000
26 Memberships	155	175	130
27 Retirements of patronage capital, net	(1,045,891)	(1,150,403)	(21,904)
28 Change in subsidiary equities	(82,599)	1,844,950	12,926
29 Contributions in aid of construction	1,716,016	1,920,116	283,640
30			
30 Net cash from financing activities	2,705,839	8,561,003	4,396,071
31			
31 NET CHANGE IN CASH	(1,890,816)	(562,200)	1,812,742
32			
32 CASH AND CASH EQUIVALENTS, beginning of year/period	12,590,981	10,700,165	10,137,965
33			
33 CASH AND CASH EQUIVALENTS, end of year/period	10,700,165	10,137,965	11,950,707
34			
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 2,458,019	\$ 1,964,597	\$ 486,714
36			
36 OUTSTANDING DEBT BALANCE	(69,194,501)	(75,140,665)	(79,261,945)
37			
37 Notes:			
38 1 RUS Treasury borrowings of \$3M and \$1.9M in RESP			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands		A. Audited Year-End 12/31/2022	B. Unaudited Year-End 12/31/2023	C. Approved Budget 3/31/2024	D. Actual Period-End 3/31/2024	E. Budget Variance (D - C)
1	% Rate Increase	4%	6%	6%	6%	
2	OPERATING ACTIVITIES:					
3	Margins	\$ 4,000	\$ 5,600	\$ 2,200	\$ 3,100	\$ 900
4	Plus depreciation/amortization	5,400	5,400	1,400	1,400	-
5	Cash flow operations	9,400	11,000	3,600	4,500	900
6						
7	PLANT INVESTMENT (NET)					
8	Plant investment (including material inventory)	(8,900)	(11,900)	(6,900)	(5,900)	1,000
9	Cash flow from operations and plant investment	500	(900)	(3,300)	(1,400)	1,900
10						
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,190)	(1,140)	(30)	(30)	-
12	Cash flow before borrowings	(690)	(2,040)	(3,330)	(1,430)	1,900
13						
14	NET BORROWINGS	2,100	5,900	4,240	4,100	(140)
15	Cash increase (decrease) after net borrowings	\$ 1,410	\$ 3,860	\$ 910	\$ 2,670	\$ 1,760
16						
17						
18	OUTSTANDING DEBT BALANCE	69,200	75,140	79,400	79,260	(140)

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

RUS CWP DESCRIPTION			A. Audited Year End 12/31/2022	B. Unaudited Year End 12/31/2023	C. Budget Year End 12/31/2024	D. Budget Period End 3/31/2024	E. Actual Period End 3/31/2024	F. Budget Variance (E- D)	Comments
1	DISTRIBUTION								
2	100	New Services	\$ 683,235	\$ 783,026	\$ 600,000	\$ 100,000	\$ 94,316	\$ (5,685)	Member request for overhead to underground (Offset to Line 38)
3	200	New Tie Lines	19,467	241,980	-	-	162,331	162,331	Joint Opportunities for URD ties
4	300	Conversions and Line Changes	1,407,717	381,236	1,825,000	600,000	582,148	(17,852)	Doe Bay to Eagle Lake OH to UG Conversion
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	1,980,169	2,203,996	5,800,000	1,700,000	1,676,917	(23,083)	Friday Harbor Substation rebuild is underway
7	600	Miscellaneous Distribution Equipment							
8	601	Transformers & Meters	928,653	1,289,078	1,100,000	800,000	795,943	(4,057)	
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	-	-	
10	603	Sectionalizing Equipment	153,382	254,716	650,000	25,000	10,962	(14,038)	Switchgear delivery anticipated in Q3
11	604	Regulators	-	-	-	-	-	-	
12	606	Ordinary Replacements	370,825	20,079	412,000	25,000	27,790	2,790	
13	607	Overhead to Underground Replacements	109,820	33,794	100,000	25,000	98,887	73,887	Projected to exceed
14	608	Underground Dist. Cable Replacement	3,236,205	3,817,644	3,500,000	600,000	515,232	(84,768)	Shift in efforts to Tie projects related to URD projects
15	700	Other Distribution Items							
16	701	Engineering Fees	-	-	-	-	-	-	
17	704	LMS & SCADA	110,941	150,400	-	-	38,937	38,937	Delay close out invoicing of SCADA/ADMS upgrades from prior year
18	705	AMR	-	-	-	-	-	-	
19	706	Communications	252,059	492,489	216,000	-	-	-	
20		ARPA Grant Fiber Projects			7,600,000	1,900,000	1,245,485	(654,515)	Late start due to materials delivery and Federal contracting
21	TRANSMISSION								
22	800	New Tie Line	-	-	-	-	-	-	
23	900	New Substations, switching station, metering point, etc.	10,049	32,072	-	-	-	-	
24	1000	Line and Station Changes	639,300	1,015,026	540,000	100,000	97,395	(2,605)	
25	1100	Other Transmission	-	-	-	-	-	-	
26	GENERATION								
27	1200	Generation	119,474	146,484	100,000	25,000	19,669	(5,331)	
28	OTHER								
29	1300	Headquarters Facilities	96,809	139,468	578,000	75,000	49,783	(25,217)	
30	1400	Acquisitions	-	-	-	-	-	-	
31	1500	All Other (Transportation, Etc.)							
32	1501	Transportation/Equipment/Tools/Radios	264,227	483,609	716,000	300,000	280,179	(19,821)	
33	1502	Office Equipment/Furniture/Etc.	8,156	3,219	12,000	-	-	-	
34	1503	Computer/Servers/Software	156,812	374,082	138,000	25,000	12,355	(12,645)	Equipment selection for substation cameras delayed deployment
35	1504	Electrical Infrastructure to Support Community Solar	29,878	1,918,563	6,000,000	750,000	428,777	(321,223)	Delays in Permitting with SJC
36	1600	Minor Projects	68,327	70,958	135,000	25,000	5,465	(19,535)	
37	RUS CWP SUBTOTAL		10,645,505	13,851,918	30,022,000	7,075,000	6,142,572	(932,428)	
38	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)								
39		New Services	(516,683)	(389,586)	(500,000)	(85,000)	(130,965)	(45,965)	Offset to Line 2 - New Services
40		Meters and Transformers	(375,080)	(297,391)	(325,000)	(50,000)	(130,705)	(80,705)	Offset to Line 8 Transformers & Meters
41		Joint Projects	(214,254)	(354,476)	(100,000)	-	15,530	15,530	Offset to Lines 3, 4, 14 and 36
42		WA DOC Grant Funding	(560,000)	(508,663)	(1,368,000)	(50,000)	(37,500)	12,500	
43		Community Solar Member Contributions	(50,000)	(370,000)	(8,000,000)	-	-	-	
44		ARPA Grant Fiber Funding	-	-	(7,600,000)	(1,900,000)	-	-	Offset to Line 20 - Reimbursement received Quarter after Expenditure
45	CIAC SUBTOTAL		(1,716,016)	(1,920,116)	(10,293,000)	(185,000)	(283,640)	(98,640)	
46	RUS CWP NET TOTAL		8,929,489	11,931,803	19,729,000	6,890,000	5,858,932	(1,031,068)	
47									

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7
STATEMENT OF OPERATIONS

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.				
UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION WA0009		
		PERIOD ENDED March '24		
		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)				
<div>CERTIFICATION</div> <p>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.</p> <p>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.</p> <p>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</p> <p>(check one of the following)</p>				
<div><div><input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.</div><div><input type="checkbox"/> 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.</div></div> <div>_____</div> <div>_____</div> <div>Date</div>				
PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	11,515,812	12,893,867	12,192,459	4,185,004
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	2,972,295	3,247,255	2,901,406	835,145
4. Transmission Expense	902,122	618,360	913,463	296,151
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	1,042,583	1,087,052	1,143,032	347,771
7. Distribution Expense - Maintenance	776,044	1,042,266	956,857	309,734
8. Customer Accounts Expense	305,844	256,050	347,373	66,122
9. Customer Service and Informational Expense	147,355	140,006	159,473	56,169
10. Sales Expense	14,014	13,356	17,061	5,055
11. Administrative and General Expense	1,130,318	1,204,290	1,392,826	401,120
12. Total Operation & Maintenance Expense (2 thru 11)	7,290,575	7,608,635	7,831,490	2,317,266
13. Depreciation and Amortization Expense	1,328,312	1,433,164	1,390,957	477,272
14. Tax Expense - Property & Gross Receipts	70,268	63,450	75,889	20,614
15. Tax Expense - Other	403,805	452,518	421,110	146,067
16. Interest on Long-Term Debt	477,215	486,714	534,315	158,714
17. Interest Charged to Construction - Credit	(27,145)	240	(15,000)	(7,375)
18. Interest Expense - Other		-	-	-
19. Other Deductions	-	-	-	-
20. Total Cost of Electric Service (12 thru 19)	9,543,029	10,044,722	10,238,761	3,112,559
21. Patronage Capital & Operating Margins (1 minus 20)	1,972,782	2,849,145	1,953,698	1,072,445
22. Non Operating Margins - Interest	133,173	183,349	161,431	104,907
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	8,070	42,251	6,884	(15,315)
26. Generation and Transmission Capital Credits			-	-
27. Other Capital Credits and Patronage Dividends	14,597	15,962	38,977	15,962
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (21 thru 28)	2,128,622	3,090,708	2,160,989	1,177,999
RUS Financial and Operating Report Electric Distribution				

Revision Date 2014

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7
BALANCE SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION WA0009		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED March '24		
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	27	26	5. Miles Transmission	46.39	46.39
2. Services Retired	-	-	6. Miles Distribution – Overhead	141.37	138.81
3. Total Services in Place	15,720	15,880	7. Miles Distribution - Underground	1,079.82	1,089.02
4. Idle Services (Exclude Seasonals)	802	830	8. Total Miles Energized (5 + 6 + 7)	1,267.58	1,274.22
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	170,934,302		30. Memberships	58,685	
2. Construction Work in Progress	14,469,650		31. Patronage Capital	45,632,894	
3. Total Utility Plant (1 + 2)	185,403,952		32. Operating Margins - Prior Years	5,625,571	
4. Accum. Provision for Depreciation and Amort.	73,389,192		33. Operating Margins - Current Year	2,865,107	
5. Net Utility Plant (3 - 4)	112,014,760		34. Non-Operating Margins	225,601	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	(15,835)	
7. Investments in Subsidiary Companies	(9,317,932)		36. Total Margins & Equities (30 thru 35)	54,392,023	
8. Invest. in Assoc. Org. - Patronage Capital	1,078,890		37. Long-Term Debt - RUS (Net)	2,999,279	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	57,476,506	
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)	18,744,903	
12. Other Investments	1,555		41. Long-Term Debt - RUS - Econ. Devel. (Net)	-	
13. Special Funds	1,243,323		42. Payments – Unapplied	-	
14. Total Other Property & Investments (6 thru 13)	(6,447,391)		43. Total Long-Term Debt (37 thru 41 - 42)	79,220,688	
15. Cash - General Funds	3,333,215		44. Obligations Under Capital Leases - Noncurrent	-	
16. Cash - Construction Funds - Trustee	37,917		45. Accumulated Operating Provisions and Asset Retirement Obligations	41,257	
17. Special Deposits	-		46. Total Other Noncurrent Liabilities (44 + 45)	41,257	
18. Temporary Investments	7,436,137		47. Notes Payable	-	
19. Notes Receivable (Net)	1,068,225		48. Accounts Payable	3,786,932	
20. Accounts Receivable - Sales of Energy (Net)	3,703,038		49. Consumers Deposits	71,446	
21. Accounts Receivable - Other (Net)	109,533		50. Current Maturities Long-Term Debt	-	
22. Renewable Energy Credits	-		51. Current Maturities Long-Term Debt - Economic Development	-	
23. Materials and Supplies - Electric & Other	4,759,137		52. Current Maturities Capital Leases	-	
24. Prepayments	441,782		53. Other Current and Accrued Liabilities	1,405,185	
25. Other Current and Accrued Assets	2,196,348		54. Total Current & Accrued Liabilities	5,263,563	
26. Total Current and Accrued Assets	23,085,331		55. Regulatory Liabilities	-	
27. Regulatory Assets	-		56. Other Deferred Credits	387,839	
28. Other Deferred Debits	10,652,668		57. Total Liabilities and Other Credits	139,305,369	
29. Total Assets and Other Debits	139,305,369				