

ORCAS POWER AND LIGHT COOPERATIVE 2024 Q3 FINANCIAL REPORT



MEMORANDUM

November 20, 2024

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2024 Third Quarter Financial Report

The 2024 third quarter financial report is posted online and included under separate cover. The third 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 \$6k from the membership through Q3 2024 which was driven by an increase in power costs in Q3 of \$83k. 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 Q3 and budget projections for future months.

Income Statement Summary (in thousands)	2024 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 37,407	\$ 39,585	\$ 2,178
ECA Surcharge / (Credit)*	\$ -	\$ 74	\$ 74
Revenue	\$ 37,407	\$ 39,659	\$ 2,252
Expenses:			
Cost of Purchased Power	\$ 9,159	\$ 9,242	\$ 83
Transmission & Distribution Expense	9,705	9,167	(538)
General & Administrative Expense	7,021	6,345	(676)
Depreciation, Tax, Interest & Other	9,312	9,420	108
Total Expenses	35,197	34,174	(1,023)
Operating Margin	2,210	5,485	3,275
Non-op margin	673	802	129
Net Margin*	2,883	\$ 6,287	3,404
OTIER	2.03	3.69	1.66
TIER	2.35	4.09	1.74
Equity %	40.3%	41.8%	1.5%
HDD	1,029	943	(86)
kWh Purchases	219,000	228,841	9,841
kWh Sales	208,000	217,106	9,106

* The ECA collected a net \$74k from members through October 2024.

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~12% below budgeted levels (actual of 568 vs. budget of 645). Overall kWh sales were ~9.7M kWh above budget (157M vs. budget of 147M).
- 2024 power purchases were \$83k higher than budgeted due to higher overall kWh purchases. Actual kWh purchases were 10M kWh above budget (165M vs. budget of 155M).
- Excluding purchased power, 2024 operating expenses were approximately \$1.1M under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- The ECA for Q3 2024 was a net charge to members (and increase to operating revenue) of \$6k, or \$.11 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

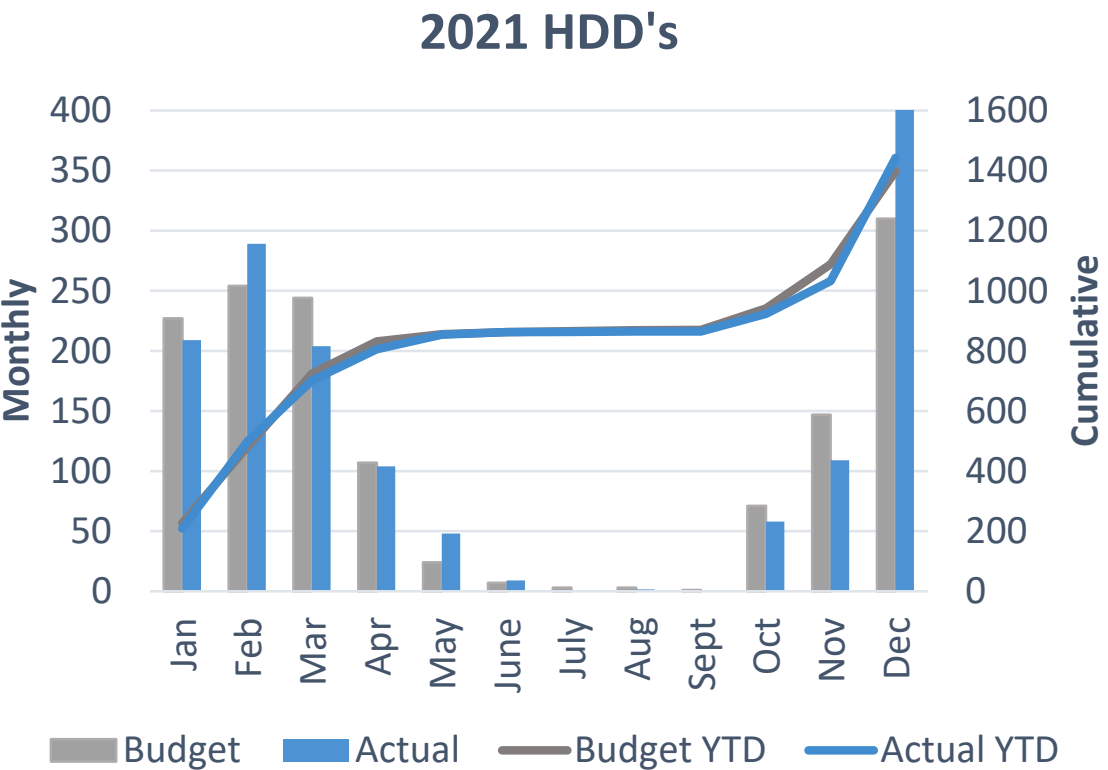
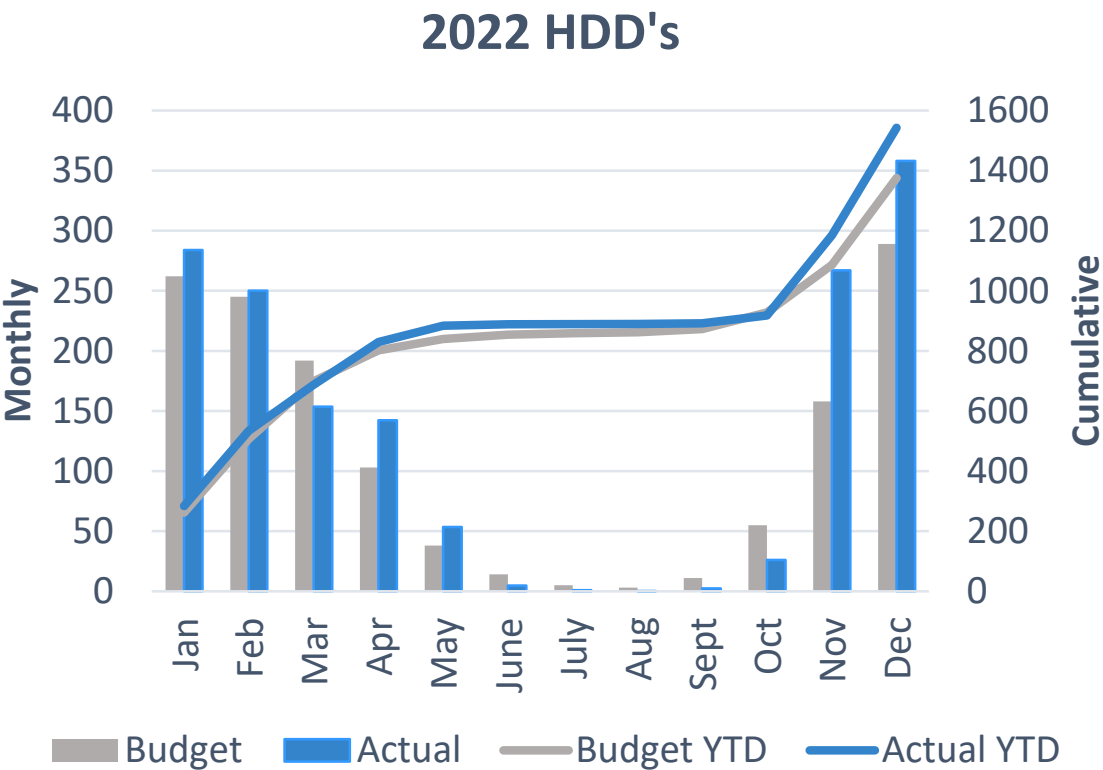
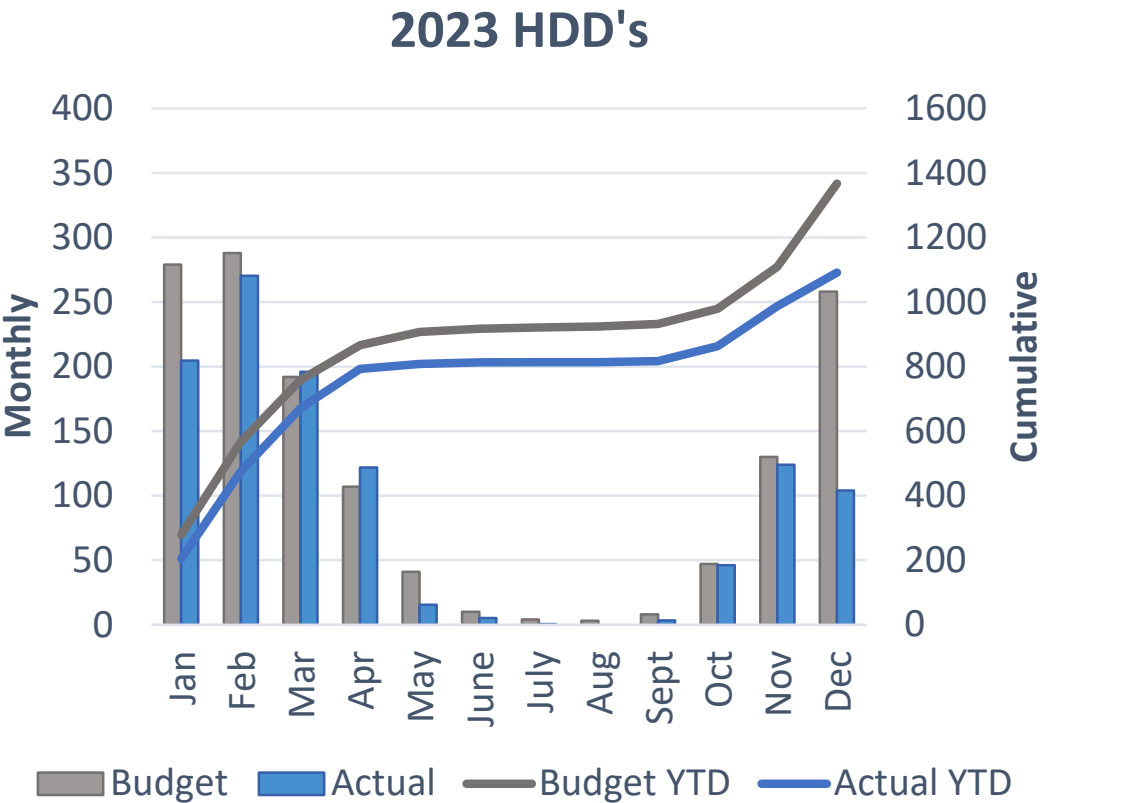
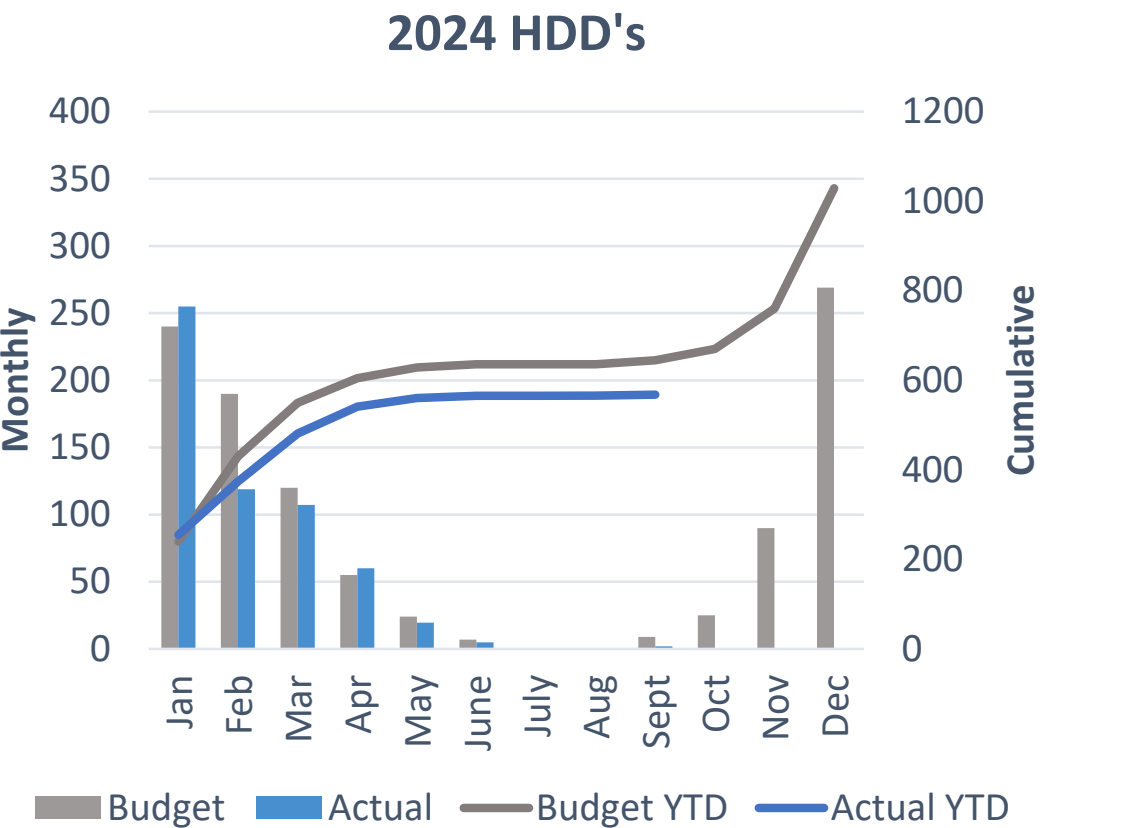
STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

		A. Audited Year End 12/31/2022	B. Audited Year End 12/31/2023	C. Budget Period End 9/30/2024	D. Actual Period End 9/30/2024	E. Budget \$ Change (D - C)	F. Budget % Change (E / C)
1	kWh Purchases	241,801,858	228,638,000	154,770,000	164,610,856	9,840,856	6.4%
2	Gross Operating Revenue	35,679,000	36,836,000	26,448,000	28,537,000	2,089,000	7.9%
3	Energy Charge Adjustment	1,000	(328,007)	-	6,071	6,071	
4	Net Operating Revenue Total	35,680,000	36,507,993	26,448,000	28,543,071	2,095,071	7.9%
5	Cost of power	9,756,000	8,572,000	6,485,000	6,568,000	83,000	1.3%
6	Operations & G&A	13,501,000	14,282,000	12,541,000	11,317,000	(1,224,000)	-9.8%
7	Depr, Int, Taxes & Other	8,874,000	8,805,000	6,921,000	7,039,000	118,000	1.7%
8		<u>32,131,000</u>	<u>31,659,000</u>	<u>25,947,000</u>	<u>24,924,000</u>	(1,023,000)	-3.9%
9	Net Operating Margins	\$ 3,549,000	\$ 4,848,993	\$ 501,000	\$ 3,619,071	3,118,071	622.4%
10	Non-Operating Margins	\$ 439,000	\$ 778,000	\$ 505,000	\$ 633,000	128,000	25.3%
11	Net Margin	<u>\$ 3,988,000</u>	<u>\$ 5,626,993</u>	<u>\$ 1,006,000</u>	<u>\$ 4,252,071</u>	3,246,071	322.7%
12	OTIER	2.75	3.47	1.31	3.41	2.10	
13	TIER	2.97	3.86	1.63	3.83	2.20	
14	Equity % of Total Cap	36.6%	39.7%	39.8%	41.6%	1.9%	
15	Equity % (excl RESP)	37.2%	42.7%	44.0%	46.4%	2.4%	
16	Equity	44,990,000	51,310,000	51,492,702	55,649,000	4,156,298	8.1%
17	Capital Debt	66,958,000	65,099,000	69,506,000	66,439,000	(3,067,000)	-4.4%
18	RESP Debt	2,225,000	10,006,000	13,308,000	15,324,000	2,016,000	15.1%
19	Capital Spending	10,320,000	11,931,803	10,173,750	15,394,424	5,220,674	51.3%
20	Capital Credit Retirement (net)	1,189,000	1,137,000	89,000	36,000	(53,000)	-59.6%
21	Annual HDD	1,543	1,090	645	568	(78)	-12.0%

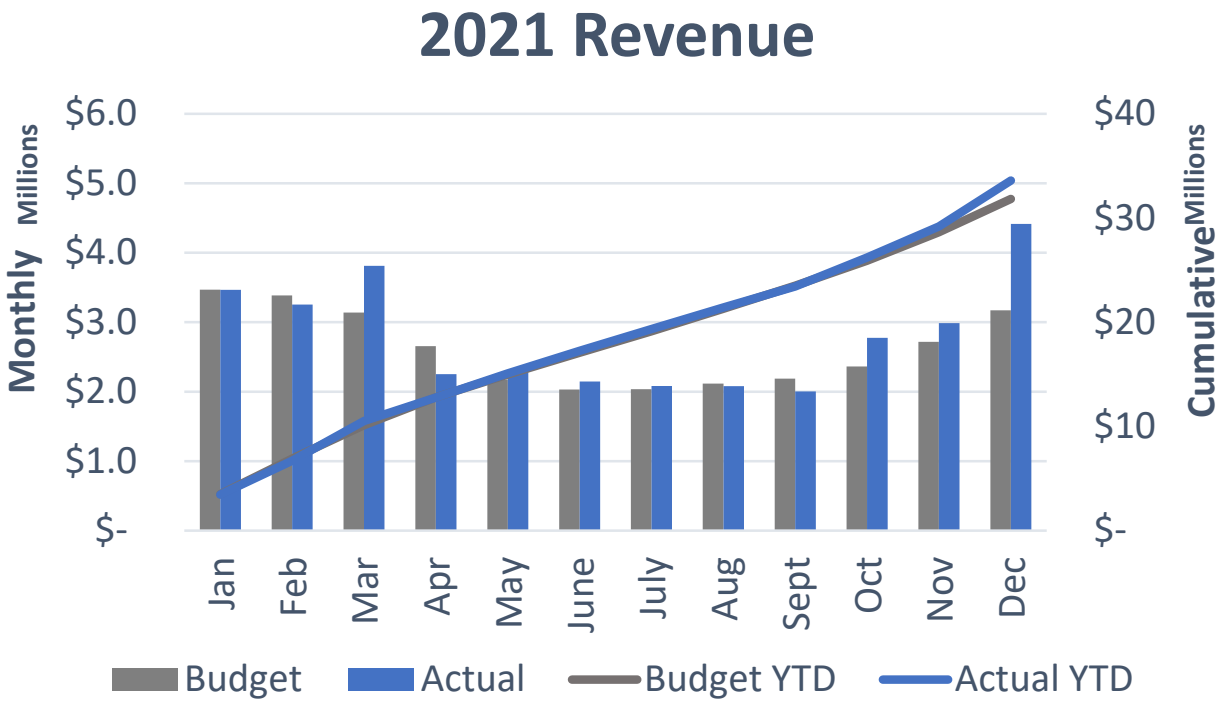
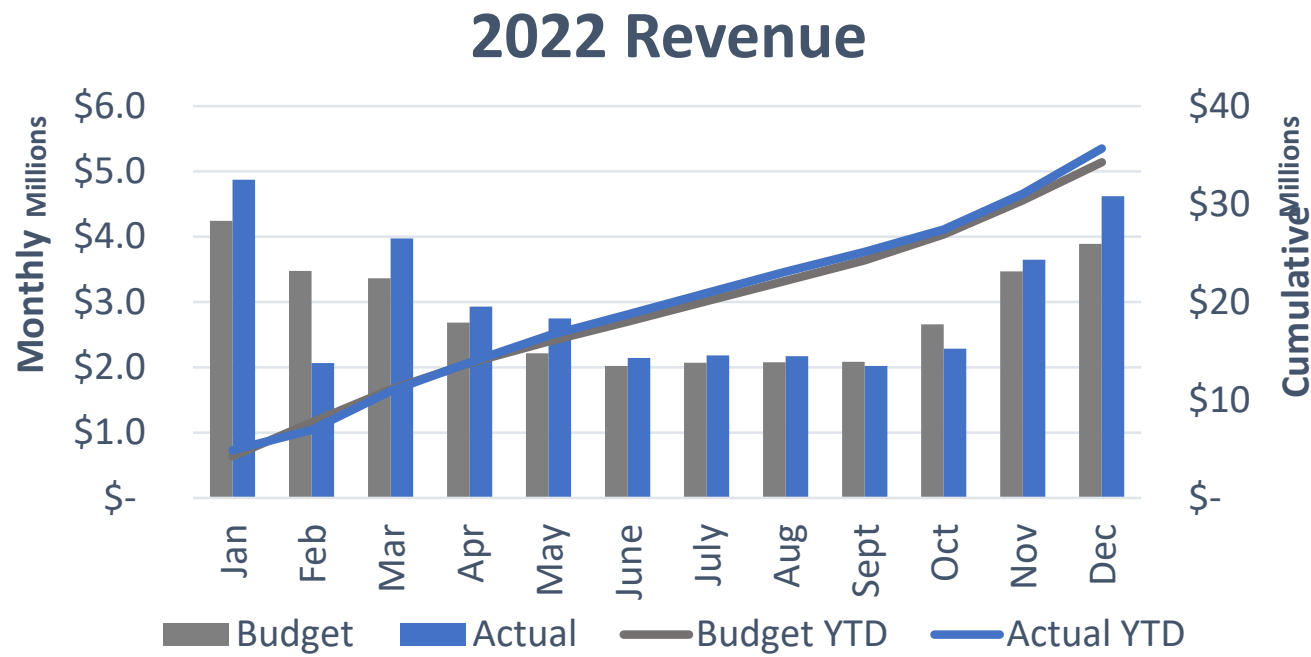
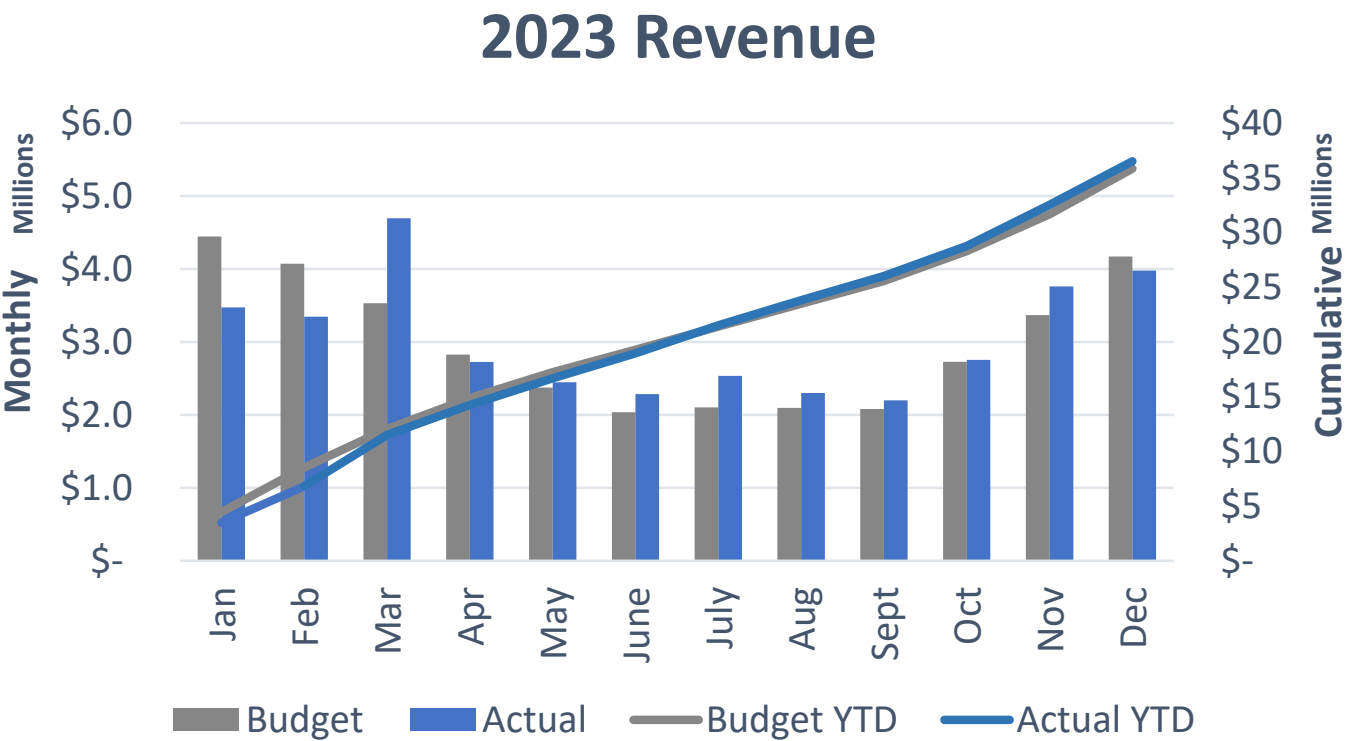
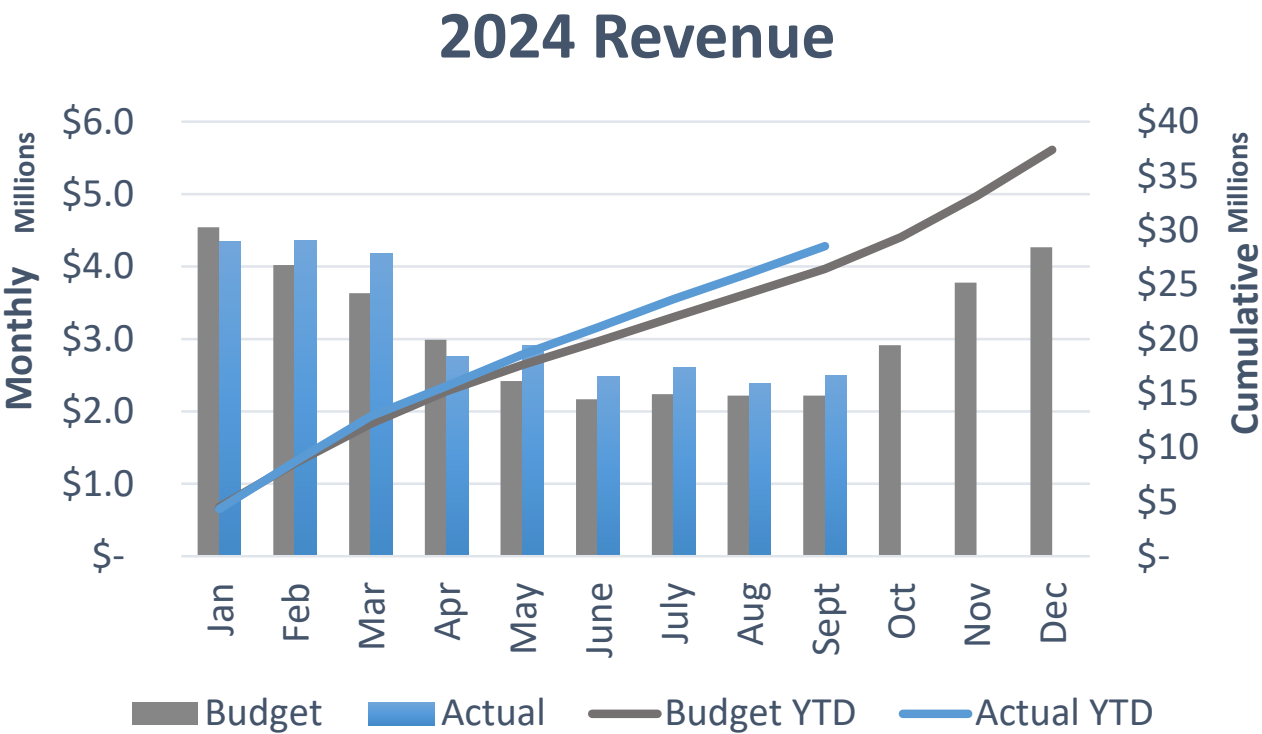


2024 Q3 Financial Highlights

2024 Budget to Actual: Heating Degree Days



2024 Budget to Actual: Revenue



* Revenue net of ECA

2024 Q3 Budget to Actual: Statement of Operations

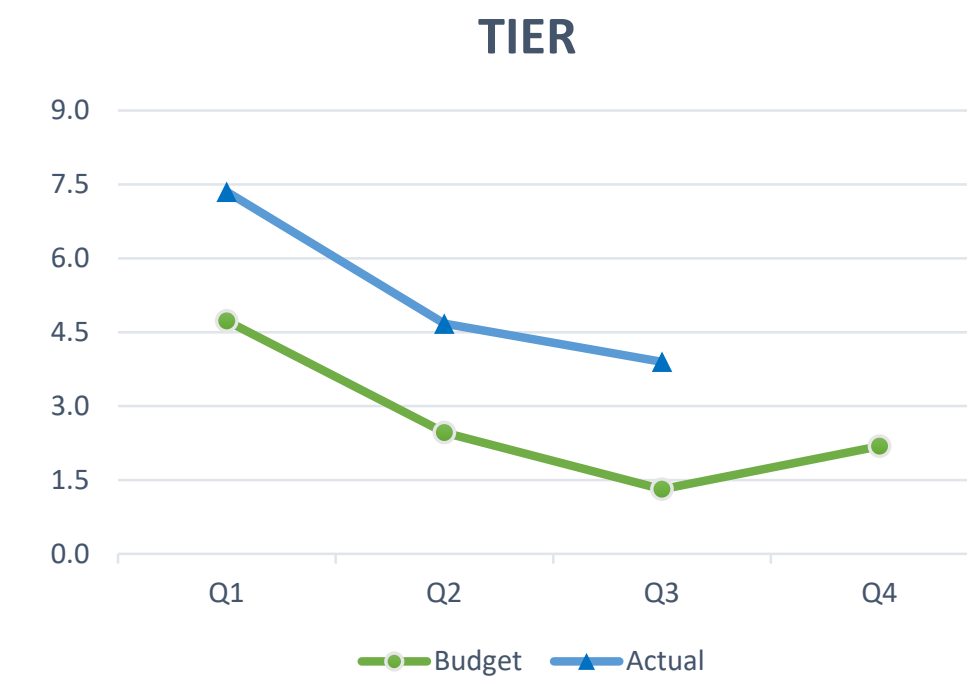
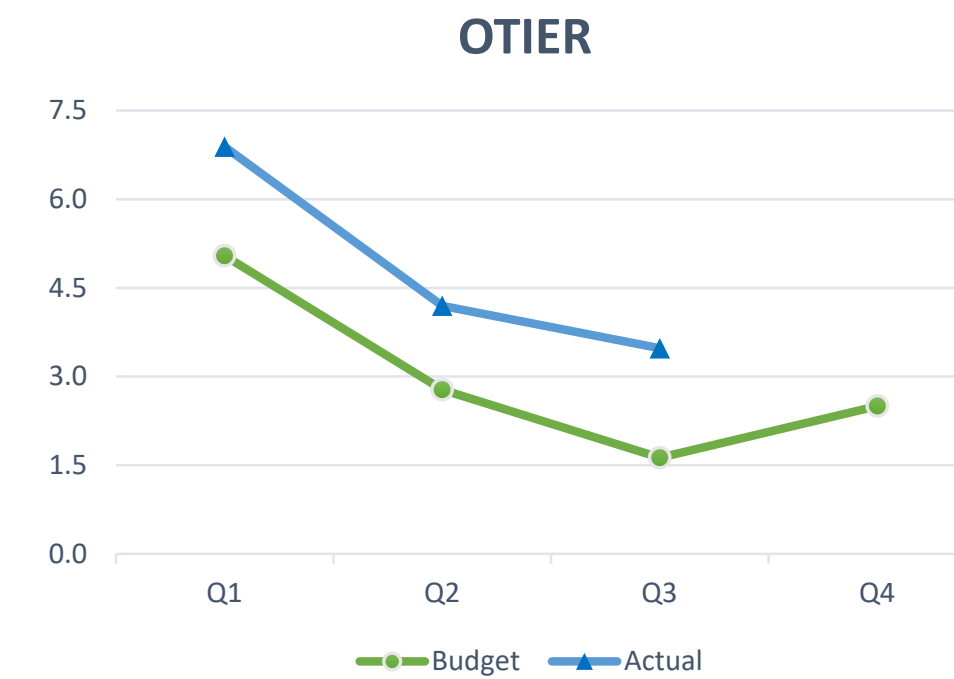
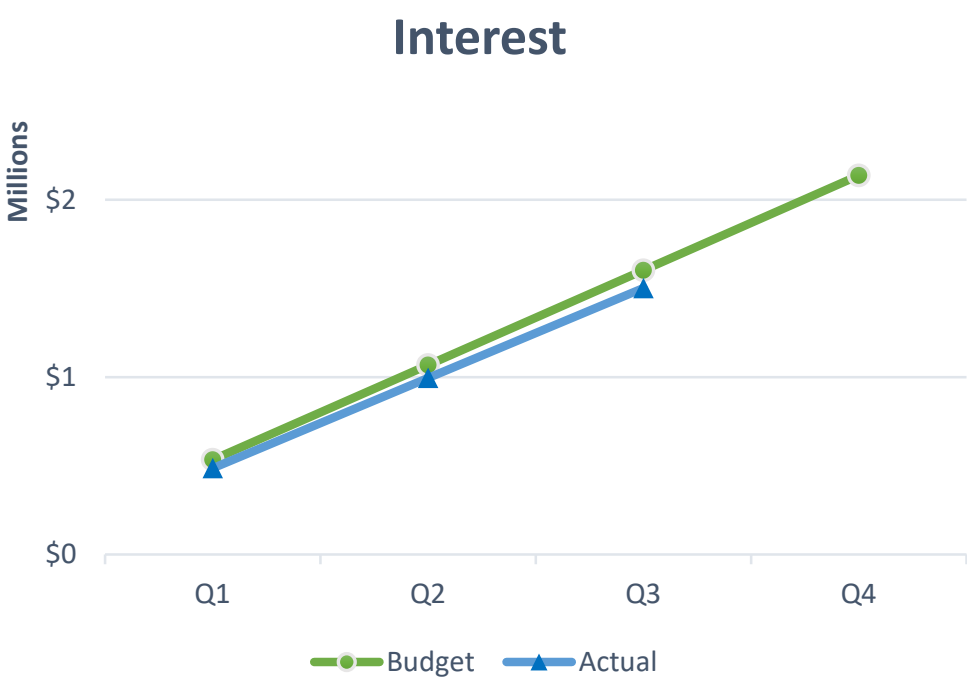
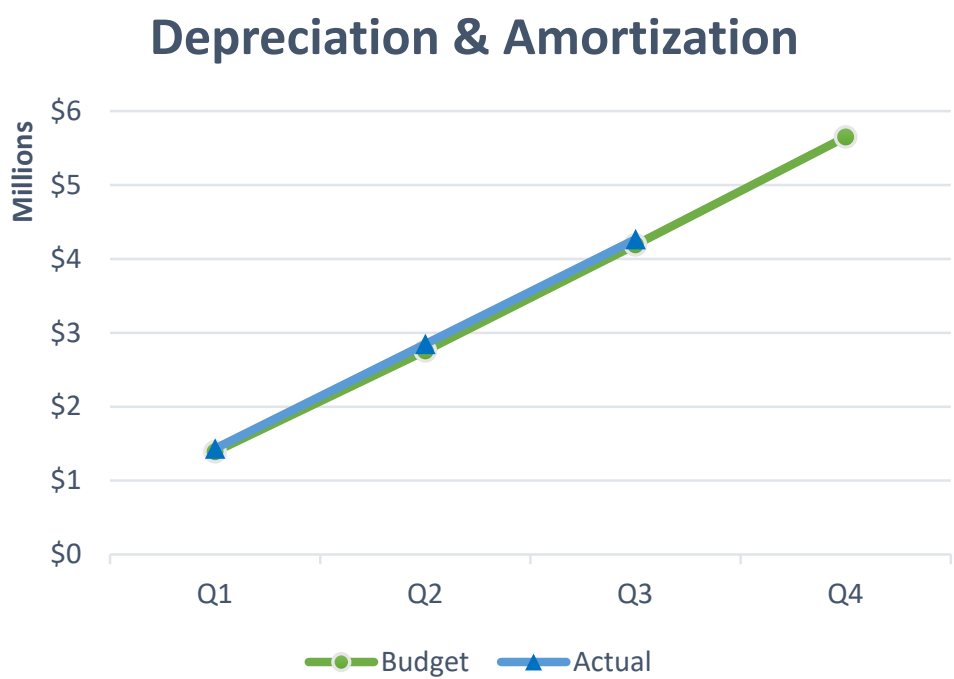
	A. Audited Year End 12/31/2022	B. Audited Year End 12/31/2023	C. Budget Year End 12/31/2024	D. Budget Period End 9/30/2024	E. Actual Period End 9/30/2024	F. Budget Variance (E - D)
1 OPERATING REVENUES						
2 Residential	\$ 26,565,416	\$ 27,321,332	\$ 27,769,404	\$ 19,613,206	\$ 21,357,208	1,744,002
3 Commercial	8,841,060	8,892,792	9,342,762	6,598,743	6,940,716	341,973
4 Other						
5 Penalties and fees	213,648	234,574	228,162	173,783	186,690	12,907
6 Other	59,501	59,031	66,898	62,754	58,754	(4,000)
7 Total operating revenue	35,679,624	36,507,728	37,407,226	26,448,486	28,543,367	2,094,881
9 OPERATING EXPENSES						
10 Cost of power	9,756,442	8,571,913	9,159,300	6,484,582	6,567,453	82,871
11 Transmission	730,538	1,348,268	1,369,332	1,196,684	890,766	(305,917)
12 Distribution - operations	3,900,840	3,796,463	4,123,097	3,087,337	2,955,330	(132,007)
13 Distribution - maintenance	3,107,333	3,214,269	3,850,445	2,965,416	2,865,380	(100,036)
14 Consumer accounts	1,113,268	1,085,072	1,231,969	958,890	866,243	(92,646)
16 General and administration						
17 Administration	4,316,867	4,595,125	5,491,691	4,132,983	3,576,792	(556,191)
18 Energy services	239,843	151,220	243,479	127,439	93,393	(34,046)
19 Subsidiary charges (RIC network mgt services)	92,039	91,979	96,586	72,439	69,021	(3,418)
20 Total general and administration	4,648,749	4,838,324	5,831,756	4,332,861	3,739,206	(593,655)
22 Depreciation and amortization	5,416,108	5,396,359	5,650,687	4,189,642	4,266,544	76,903
23 Taxes	1,629,555	1,610,154	1,689,196	1,250,959	1,334,908	83,950
25 Total operating expenses	30,302,833	29,860,821	32,905,782	24,466,370	23,485,832	(980,538)
27 Operating margins before fixed charges	5,376,791	6,646,907	4,501,444	1,982,116	5,057,535	3,075,419
29 FIXED CHARGES						
30 Interest on long-term debt	1,958,757	1,906,039	2,077,260	1,557,945	1,466,290	(91,655)
32 Operating margins after fixed charges	3,418,035	4,740,869	2,424,184	424,171	3,591,245	3,167,074
34 PATRONAGE CAPITAL CREDITS	130,840	107,198	111,362	77,953	29,240	(48,714)
36 Net operating margins	3,548,875	4,848,066	2,535,546	502,125	3,620,485	3,118,360
38 NON-OPERATING MARGINS						
39 Interest income	260,916	607,039	566,120	424,590	532,477	107,887
40 Other income (loss)	(11,287)	(18,861)	(82,467)	(61,654)	(41,195)	20,459
41 Total Opalco non-operating margins	249,629	588,178	483,653	362,936	491,282	128,346
43 Non-operating margins from Subsidiary						
44 Interest Income (RIC loan)	79,572	79,587	79,602	59,702	59,735	34
45 Other income (use of OPALCO backbone)	109,740	109,740	109,740	82,305	82,305	-
46 Total non-operating margins from Subsidiary	189,312	189,327	189,342	142,007	142,040	34
48 Net non-operating margins	438,941	777,505	672,995	504,943	633,322	128,380
50 NET MARGINS	\$ 3,987,816	\$ 5,625,571	\$ 3,208,541	\$ 1,007,067	\$ 4,253,807	3,246,740
51						
52 OTTER	2.75	3.47	2.19	1.31	3.41	2.10
53 TIER	2.97	3.86	2.50	1.63	3.83	2.20
54 Equity% of Total Cap	36.6%	39.7%	40.3%	39.8%	41.6%	1.9%
55 Equity% of Total Assets (RUS - 30%)	38.2%	39.1%	37.8%	37.5%	39.0%	1.5%
56 Equity% of Total Cap (excluding RESP)	37.2%	42.7%	44.2%	44.0%	46.4%	2.4%



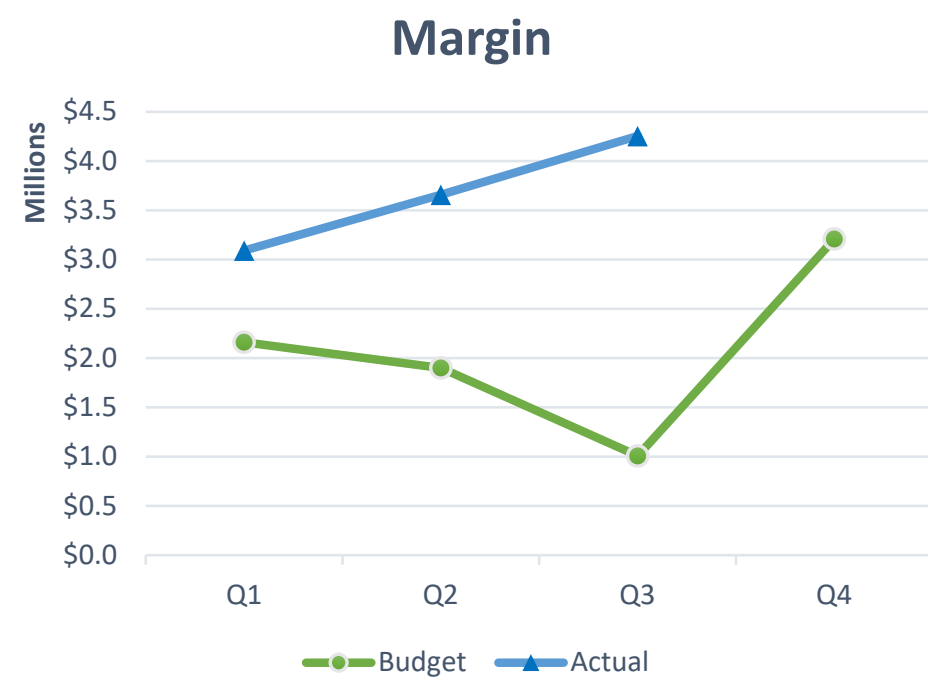
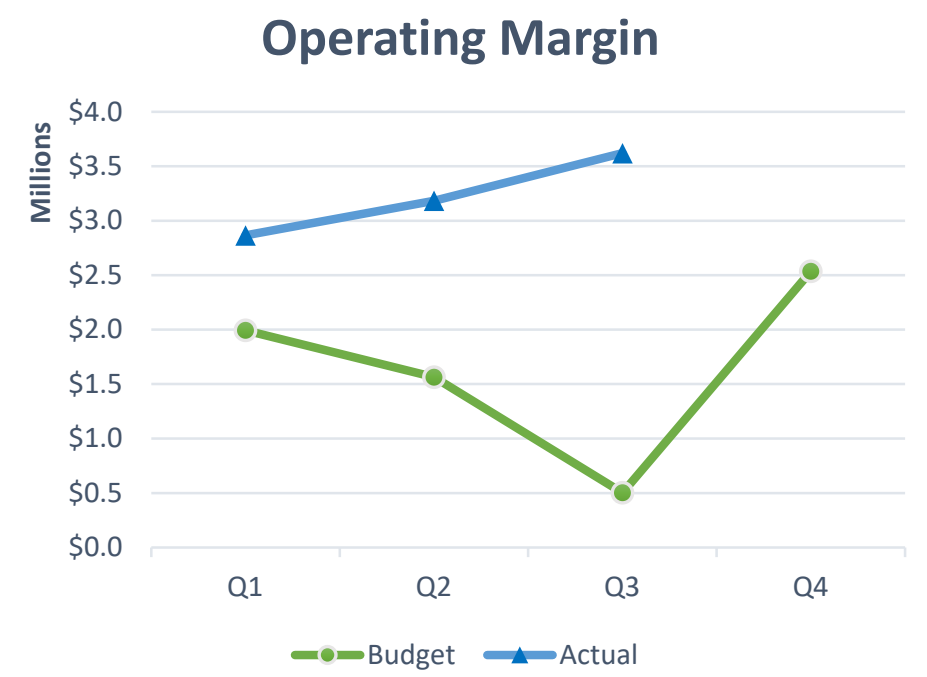
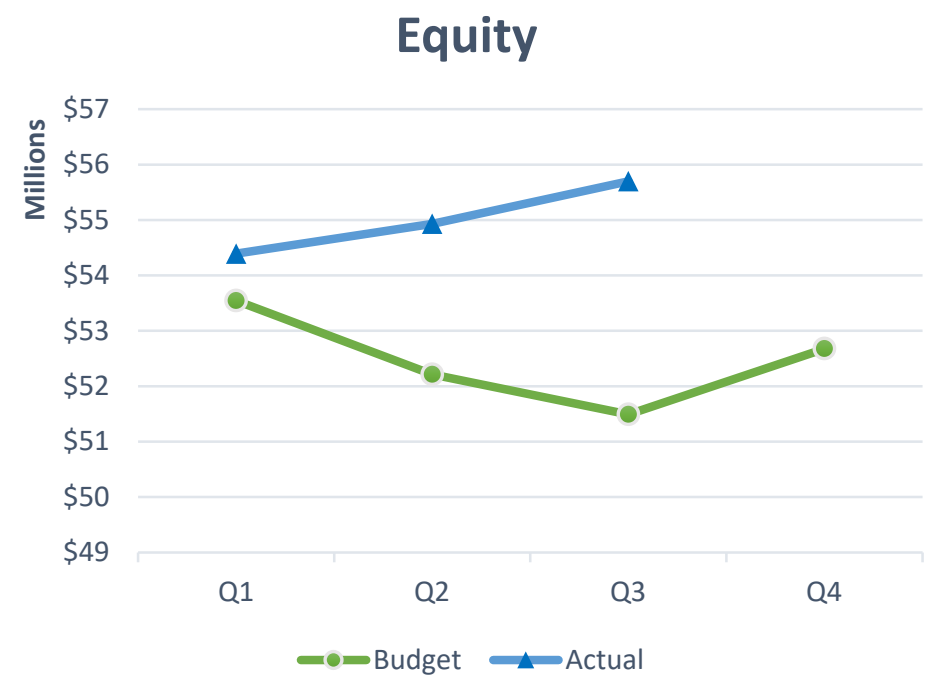
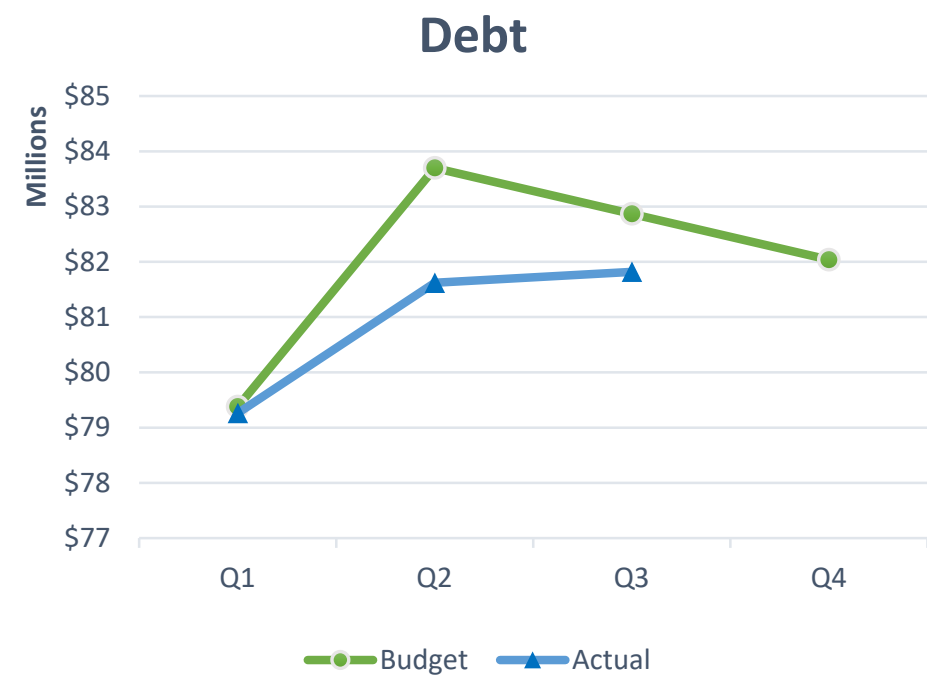
Notes:

- Throughout Q2 the ECA collected a net \$6k 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: \$3.1M (\$3.2M increase over budget)
- Net Margin: \$4.3M (\$3.2M increase over budget)

2024 Q3 Budget to Actual: Financial Metrics



2024 Q3 Budget to Actual: Financial Metrics



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

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34 PATRONAGE CAPITAL CREDITS	130,840	107,198	111,362	77,953	29,240	(48,714)
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36 Net operating margins	3,548,875	4,848,066	2,535,546	502,125	3,620,485	3,118,360
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50 NET MARGINS	\$ 3,987,816	\$ 5,625,571	\$ 3,208,541	\$ 1,007,067	\$ 4,253,807	3,246,740
51						
52 OTIER	2.75	3.47	2.19	1.31	3.41	2.10
53 TIER	2.97	3.86	2.50	1.63	3.83	2.20
54 Equity % of Total Cap	36.6%	39.7%	40.3%	39.8%	41.6%	1.9%
55 Equity % of Total Assets (RUS - 30%)	38.2%	39.1%	37.8%	37.5%	39.0%	1.5%
56 Equity % of Total Cap (excluding RESP)	37.2%	42.7%	44.2%	44.0%	46.4%	2.4%

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.		
		Budget Period End 9/30/2024	Actual Period End 9/30/2024	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)		
1	I OPERATING REVENUES	26,448,486	28,543,367	2,094,881			
2						Budget	Actual
3					HDD	645	567
4					kWh Sales	146,900	156,640
5	Operating Revenue - Line 7 Detail Breakout:					(kWh in thousands)	
6	Residential Sales	19,613,206	21,357,208	1,744,002	kWh sales higher than budget		
7	Commercial Sales	6,598,743	6,940,716	341,973	Higher Commercial sales than budgeted		
8	Other Operating Revenue						
9	Penalties and Fees	(173,783)	(186,690)	12,907	Misc fees & penalty charges higher than budgeted		
10	Other	(62,754)	(58,754)	(4,000)	Lower pole contact rentals		
11							
12	TOTAL OPERATING REVENUES	26,448,486	28,543,367	2,094,881	Increase in Revenue		
13							
14							
15	II OPERATING EXPENSES	24,466,370	23,485,832	(980,538)	Overall decrease in operating expenses		
16							
17	Cost of Power - Line 10	6,484,582	6,567,453	82,871	Increase in expense - kWh purchases above budget along with increase in green power interconnect		
18						Budget	Actual
19					kWh Purchases	154,770	164,611
20						(kWh in thousands)	
21	Transmission - Line 11 Detail Breakout:	1,196,684	890,766	(305,917)	Decrease in expense - less ROW through Q3		
22							
23	Distribution - Operations - Line 12 Detail Breakout:	3,087,337	2,955,330	(132,007)	Decrease in expense - labor coded to other efforts (work orders)		
24							
25	Distribution - Maintenance - Line 13 Detail Breakout:	2,965,416	2,865,380	(100,036)	Decrease in expense -		
26							
27	Consumer accounts - Line 14 Detail Breakout:	958,890	866,243	(92,646)	Decrease in expense - vacant position filled April 2024		
28							
29	Total General and Administrative (G&A):						
30							
31					Decrease in expense - 2 vacant positions (1 filled April '24 and 1 filled Aug '24), lower tech & outside contract services, and legal expenses coded to other efforts		
32	Administration G&A - Line 17 Detail Breakout:	4,132,983	3,576,792	(556,191)			
33							
34	Energy Services G&A - Line 18	127,439	93,393	(34,046)	Decrease in expense - lower outreach expenses & less rebates than expected		
35							
36	Subsidiary Charges G&A - Line 19	72,439	69,021	(3,418)	Decrease in expense		
37	Total General and Administrative (G&A)	4,332,861	3,739,206	(593,655)	Overall decrease in expense		
38							
39	Deprec. & Amort. - Line 22	4,189,642	4,266,544	76,903	Increase in expense - higher general & distribution capitalization		
40							

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	
		9/30/2024	9/30/2024	(B - A)	Comments: Budget To Actual (Column C.)
41	Taxes - Line 23	1,250,959	1,334,908	83,950	Decrease in expense - property tax increase less than budgeted
42					
43	TOTAL OPERATING EXPENSES	24,466,370	23,485,832	(980,538)	Overall decrease in expense
44					
45					
46	III				Decrease in expense - lower rate on new borrowings along with less
	FIXED CHARGES - Interest Expense - Line 30	1,557,945	1,466,290	(91,655)	borrowings so far this year
47					
48	IV				Decrease in income - received from associated cooperatives
	PATRONAGE CAPITAL CREDITS (Income) - Line 34	77,953	29,240	(48,714)	
49					
50	TOTAL NET OPERATING MARGINS	502,125	3,620,485	3,118,360	Increase in margin
51					
52	V				Increase in margin
	NON-OPERATING MARGINS	504,943	633,322	128,380	
53					
54	Interest and Dividend Income - Line 39 combined with Line 44	484,292	592,212	107,921	Increase in income - higher yield investments
55					
56	Other Income - Line 40 combined with Line 45	20,651	41,110	20,459	Increase in income - Cyber Grant \$50k
57					
60					
61	TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	1,007,067	4,253,807	3,246,740	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. Audited Year End 12/31/2023	D. Actual Period End 9/30/2024	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	\$ 175,659,270	6,934,117
5 Construction work in progress	4,342,145	9,984,056	11,412,238	18,455,762	7,043,524
6					
7	161,091,969	168,993,346	180,137,391	194,115,032	13,977,641
8 Less accumulated depreciation and amortization	62,700,104	67,446,380	72,429,392	75,642,462	3,213,070
9					
10 Net utility plant	98,391,865	101,546,966	107,707,999	118,472,570	10,764,571
11					
12 Investments in associated organizations					
13 Other (CFC, Federated, PNGC, etc.)	1,452,951	1,539,530	1,616,371	1,621,397	5,026
14 Non-utility investment subsidiary (Note 1)	(11,093,287)	(11,173,486)	(9,331,007)	(9,282,094)	48,913
15 Total investments in associated organizations	(9,640,336)	(9,633,956)	(7,714,636)	(7,660,697)	53,939
16					
17 Other property and investments	(9,640,336)	(9,633,956)	(7,714,636)	(7,660,697)	53,939
18					
19 CURRENT ASSETS					
20 Cash and cash equivalents	9,509,141	9,697,635	9,076,867	7,153,855	(1,923,012)
21 Cash and cash equivalents - board designated	3,081,838	1,002,529	1,061,098	1,130,786	69,688
22 Accounts receivable, less doubtful accts allowance	5,561,142	6,240,612	6,247,535	4,695,491	(1,552,044)
23 Interest receivable	6,800	55,550	49,108	27,653	(21,455)
24 Materials and supplies	4,122,049	3,766,502	4,544,853	4,849,700	304,847
25 Prepaid expenses	490,688	733,743	750,806	642,869	(107,937)
26					
27 Total current assets	22,771,658	21,496,571	21,730,267	18,500,354	(3,229,913)
28					
29 DEFERRED CHARGES (Note 2)	1,518,849	4,501,196	9,440,198	13,339,979	3,899,781
30					
29 Total assets	\$ 113,042,036	\$ 117,910,777	\$ 131,163,828	\$ 142,652,206	\$ 11,488,378

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2021	B. Audited Year End 12/31/2022	C. Audited Year End 12/31/2023	D. Actual Period End 9/30/2024	E. Change (D - C)	
30						
31	EQUITIES, MARGINS, AND LIABILITIES					
32						
33	EQUITIES AND MARGINS					
34	Memberships	\$ 58,225	\$ 58,380	\$ 58,555	\$ 58,720	165
35	Patronage capital - OPALCO	47,343,880	47,684,660	50,530,219	54,068,983	3,538,764
36	Donated and other equities					
37	OPALCO donated & other margins	7,957,308	10,558,452	12,188,061	12,941,174	753,113
38	Subsidiary margins	(13,229,021)	(13,311,620)	(11,466,670)	(11,419,876)	46,794
39						
40	Total equities and margins	42,130,392	44,989,872	51,310,164	55,649,000	4,338,836
41						
42	LONG-TERM DEBT, less current maturities					
43	RUS construction notes	56,342,663	58,119,089	56,054,232	57,598,400	1,544,168
44	RUS Rural Energy Savings Program (RESP)	1,184,941	2,174,521	9,141,513	13,834,689	4,693,176
45	CFC mortgage notes	7,454,617	7,149,506	6,832,012	6,585,125	(246,887)
46						
47	Total long-term debt	64,982,221	67,443,116	72,027,757	78,018,214	5,990,457
48						
49	OTHER NONCURRENT LIABILITIES	-	11,885	35,257	56,257	21,000
50						
51	Total long-term liabilities	64,982,221	67,455,001	72,063,014	78,074,471	6,011,457
52						
53	CURRENT LIABILITIES					
54	Accounts payable	2,011,153	1,896,315	3,197,832	3,512,791	314,959
55	Customer deposits	51,606	70,129	71,371	71,504	133
56	Accrued liabilities	1,418,656	1,461,254	1,062,639	1,165,238	102,599
57	Current maturities of long-term debt	2,092,617	1,739,499	3,077,652	3,745,026	667,374
58	Current maturities capital leases	1,505	-	-	-	-
59						
60	Total current liabilities	5,575,537	5,167,197	7,409,495	8,494,560	1,085,065
61						
62	DEFERRED CREDITS	353,886	298,707	381,155	434,175	53,020
63						
64	Total equities and liabilities	\$ 113,042,036	\$ 117,910,777	\$ 131,163,828	\$ 142,652,206	\$ 11,488,378
65						
66	Note:					
67	1 Investment in subsidiary consists of OPALCO's invested dollars in Island Network LLC (+\$2,137,782) less IN LLC's cumulative net deficit of (\$11,419,876) seen in 'equities & margins'.					
68	2 Member Switch-It-Up On Bill Financing (OBF) Long Term Receivables					

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

	A.	B.	C.
	Audited	Audited	Actual
	Year End	Year End	Period End
	12/31/2022	12/31/2023	9/30/2024
1CASH FLOWS FROM OPERATING ACTIVITIES			
2Net margins	\$3,987,816	\$5,625,571	\$4,253,807
3Adjustments to reconcile net margin to cash			
4from operating activities			
5Depreciation and amortization	5,416,108	5,396,359	4,266,544
6Changes in assets and liabilities			
7Accounts receivable	(679,470)	(6,923)	1,552,044
8Interest receivable	(48,750)	6,442	21,455
9Prepaid expenses	(243,056)	(17,064)	107,937
10Accounts payable	(114,837)	1,301,519	314,959
11Customer deposits	18,523	1,242	133
12Accrued liabilities	42,596	(398,616)	102,599
13Deferred credits	(55,179)	82,449	53,020
14Deferred Charges	(2,982,347)	(4,939,002)	(3,899,781)
14Net cash from operating activities	5,341,404	7,051,977	6,772,717
15			
16CASH FLOWS FROM INVESTING ACTIVITIES			
17Additions to utility plant, net	(10,287,226)	(13,477,509)	(20,729,210)
18Change in materials and supplies	355,547	(778,351)	(304,847)
19(Increase) decrease in investment in Subsidiary	80,199	(1,842,479)	(48,913)
20(Increase) decrease in other OPALCO property and investments, net	(86,579)	(76,841)	(5,026)
21			
22Net cash from investing activities	(9,938,059)	(16,175,180)	(21,087,996)
23			
23CASH FLOWS FROM FINANCING ACTIVITIES			
24Payments on long-term debt, net	(2,521,842)	(2,416,835)	(2,521,169)
25Proceeds from debt (Note 1)	4,640,000	8,363,000	9,200,000
26Memberships	155	175	165
27Retirements of patronage capital, net	(1,045,891)	(1,150,403)	38,069
28Change in subsidiary equities	(82,599)	1,844,950	46,794
29Contributions in aid of construction	1,716,016	1,920,116	5,698,095
30			
30Net cash from financing activities	2,705,839	8,561,003	12,461,954
31			
31NET CHANGE IN CASH	(1,890,816)	(562,200)	(1,853,325)
32			
32CASH AND CASH EQUIVALENTS, beginning of year/period	12,590,981	10,700,165	10,137,965
33			
33CASH AND CASH EQUIVALENTS, end of year/period	10,700,165	10,137,965	8,284,640
34			
34SUPPLEMENTAL DISCLOSURES			
35			
35Cash paid for interest	\$2,458,019	\$1,964,597	\$1,501,981
36			
36OUTSTANDING DEBT BALANCE	(69,194,501)	(75,140,665)	(81,819,497)
37			
37Notes:			
38			
381RUS Treasury borrowings of \$3M and \$6.2M 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. Audited Year-End 12/31/2023	C. Approved Budget 9/30/2024	D. Actual Period-End 9/30/2024	E. Budget Variance (D - C)	F. Comments
1	% Rate Increase	4%	6%	6%	6%		
2	OPERATING ACTIVITIES:						
3	Margins	\$ 4,000	\$ 5,600	\$ 1,000	\$ 4,300	\$ 3,300	
4	Plus depreciation/amortization	5,400	5,400	4,200	4,300	100	
5	Cash flow operations	9,400	11,000	5,200	8,600	3,400	
6							
7	PLANT INVESTMENT (NET)						
8	Plant investment (including material inventory)	(8,900)	(11,900)	(10,200)	(15,100)	(4,900)	
9	Cash flow from operations and plant investment	500	(900)	(5,000)	(6,500)	(1,500)	
10							
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,190)	(1,140)	(90)	(40)	50	
12	Cash flow before borrowings	(690)	(2,040)	(5,090)	(6,540)	(1,450)	
13							
14	NET BORROWINGS	2,100	5,900	7,730	6,700	(1,030)	includes \$5.1M in RESP borrowings
15	Cash increase (decrease) after net borrowings	\$ 1,410	\$ 3,860	\$ 2,640	\$ 160	\$ (2,480)	
16							
17							
18	OUTSTANDING DEBT BALANCE	69,200	75,140	1,000	4,250	3,250	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	F.	Comments
RUS CWP DESCRIPTION			Audited Year End 12/31/2022	Audited Year End 12/31/2023	Budget Year End 12/31/2024	Budget Period End 9/30/2024	Actual Period End 9/30/2024	Budget Variance (E- D)	
1	DISTRIBUTION								
2	100	New Services	\$ 683,235	\$ 783,026	\$ 600,000	\$ 400,000	\$ 276,253	\$ (123,747)	Member request for overhead to underground (Offset to Line 38)
3	200	New Tie Lines	19,467	241,980	-	-	218,715	218,715	Single phase loop feed projects prioritized due to joint projects
4	300	Conversions and Line Changes	1,407,717	381,236	1,825,000	1,500,000	1,639,140	139,140	Conversion project environmentally released to construction
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	5,000,000	6,023,772	1,023,772	Q4 2023 deliveries delayed to Q1 2025 for FH Substation
7	600	Miscellaneous Distribution Equipment							
8	601	Transformers & Meters	928,653	1,289,078	1,100,000	1,100,000	1,662,743	562,743	Supply chain availability accelerated purchases
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	-	-	
10	603	Sectionalizing Equipment	153,382	254,716	650,000	400,000	202,607	(197,393)	Delayed switchgear replacement
11	604	Regulators	-	-	-	-	-	-	
12	606	Ordinary Replacements	370,825	20,079	412,000	300,000	28,077	(271,923)	Pole replacements shifted to Q3 and Q4
13	607	Overhead to Underground Replacements	109,820	33,794	100,000	100,000	462,567	362,567	Joint project opportunities accelerating undergrounding
14	608	Underground Dist. Cable Replacement	3,236,205	3,817,644	3,500,000	2,500,000	2,007,368	(492,632)	Shifting priorities to undergrounding
15	700	Other Distribution Items							
16	701	Engineering Fees	-	-	-	-	-	-	
17	704	LMS & SCADA	110,941	150,400	-	-	38,937	38,937	Carried completion of SCADA/ADMS system
18	705	AMR	-	-	-	-	-	-	
19	706	Communications	252,059	492,489	216,000	190,000	1,376	(188,624)	Joint participant cost increase to be offset in CIAC (Line 40)
20		ARPA Grant Fiber Project			7,600,000	5,700,000	6,124,652	424,652	Crews are ahead of schedule
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	450,000	219,086	(230,914)	Delays in Jackson Beach Relocation - Easement Negotiation
25	1100	Other Transmission	-	-	-	-	-	-	
26	GENERATION								
27	1200	Generation	119,474	146,484	100,000	75,000	764,495	689,495	US DOE Tidal Investigation - Awarded after Budget - Board Approv
28	OTHER						-		
29	1300	Headquarters Facilities	96,809	139,468	578,000	433,500	49,783	(383,717)	Permitting delay due to SJC
30	1400	Acquisitions	-	-	-	-	-	-	
31	1500	All Other (Transportation, Etc.)							
32	1501	Transportation/Equipment/Tools/Radios	264,227	483,609	716,000	675,000	661,751	(13,249)	
33	1502	Office Equipment/Furniture/Etc.	8,156	3,219	12,000	9,000	11,007	2,007	
34	1503	Computer/Servers/Software	156,812	374,082	138,000	120,000	93,443	(26,557)	
35	1504	Electrical Infrastructure to Support Community Solar	29,878	1,918,563	6,000,000	5,000,000	541,112	(4,458,888)	Continued delays with permitting due to SJC
36	1600	Minor Projects	68,327	70,958	135,000	115,000	65,634	(49,366)	
37	RUS CWP SUBTOTAL		10,645,505	13,851,918	30,022,000	24,067,500	21,092,519	(2,974,981)	
38	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)								
39		New Services	(516,683)	(389,586)	(500,000)	(375,000)	(273,717)	101,283	Offset to Line 2 - New Services
40		Meters and Transformers	(375,080)	(297,391)	(325,000)	(243,750)	(253,555)	(9,805)	Offset to Line 8 Transformers & Meters
41		Joint Projects	(214,254)	(354,476)	(100,000)	(75,000)	7,614	82,614	Offset to Lines 3, 4, 14, 19, and 35
42		Grant Funding	(560,000)	(508,663)	(1,368,000)	(1,000,000)	(109,726)	890,274	Offset to Lines 6 and 26 - (Delayed submittals due to County Permitti
43		Community Solar Member Contributions	(50,000)	(370,000)	(8,000,000)	(6,500,000)	-	6,500,000	
44		ARPA Grant Fiber Funding			(7,600,000)	(5,700,000)	(5,068,711)	631,289	
45	CIAC SUBTOTAL		(1,716,016)	(1,920,116)	(10,293,000)	(13,893,750)	(5,698,095)	8,195,655	
46									
47	RUS CWP NET TOTAL		8,929,489	11,931,803	19,729,000	10,173,750	15,394,424	5,220,674	

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7
STATEMENT OF OPERATIONS

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION

BORROWER DESIGNATION
WA0009

PERIOD ENDED
Sept '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)

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	26,016,358	28,543,367	26,448,486	2,498,004
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	5,911,584	6,567,453	6,484,582	586,351
4. Transmission Expense	1,183,481	890,766	1,196,684	9,302
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	2,813,088	2,955,330	3,087,337	298,339
7. Distribution Expense - Maintenance	2,521,389	2,865,380	2,965,416	297,738
8. Customer Accounts Expense	846,849	866,243	958,890	99,883
9. Customer Service and Informational Expense	231,296	265,397	327,122	(20,045)
10. Sales Expense	42,933	38,470	52,266	3,039
11. Administrative and General Expense	3,289,725	3,435,339	3,943,473	359,333
12. Total Operation & Maintenance Expense (2 thru 11)	16,840,345	17,884,379	19,015,769	1,633,941
13. Depreciation and Amortization Expense	4,001,661	4,266,544	4,189,642	473,015
14. Tax Expense - Property & Gross Receipts	203,597	187,136	219,884	20,614
15. Tax Expense - Other	988,703	1,147,772	1,031,074	101,297
16. Interest on Long-Term Debt	1,473,676	1,501,981	1,602,945	165,040
17. Interest Charged to Construction - Credit	(50,563)	(35,691)	(45,000)	(14,285)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	10,000	-	10,000	-
20. Total Cost of Electric Service (12 thru 19)	23,467,418	24,952,122	26,024,315	2,379,622
21. Patronage Capital & Operating Margins (1 minus 20)	2,548,940	3,591,245	424,171	118,382
22. Non Operating Margins - Interest	491,084	592,212	484,292	105,177
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	20,116	41,110	20,651	(27,055)
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	42,000	29,240	77,953	13,278
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (21 thru 28)	3,102,140	4,253,807	1,007,067	209,782

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		
			September '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	121	87	5. Miles Transmission	46.39	46.39
2. Services Retired	5	11	6. Miles Distribution – Overhead	139.51	137.56
3. Total Services in Place	15,820	15,931	7. Miles Distribution - Underground	1,085.00	1,092.43
4. Idle Services (Exclude Seasonals)	801	830	8. Total Miles Energized (5 + 6 + 7)	1,270.90	1,276.38
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	175,659,270		30. Memberships	58,720	
2. Construction Work in Progress	18,368,148		31. Patronage Capital	50,448,498	
3. Total Utility Plant (1 + 2)	194,027,417		32. Operating Margins - Prior Years	-	
4. Accum. Provision for Depreciation and Amort.	75,554,848		33. Operating Margins - Current Year	3,620,485	
5. Net Utility Plant (3 - 4)	118,472,569		34. Non-Operating Margins	633,322	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	887,975	
7. Investments in Subsidiary Companies	(9,282,094)		36. Total Margins & Equities (30 thru 35)	55,649,000	
8. Invest. in Assoc. Org. - Patronage Capital	1,073,068		37. Long-Term Debt - RUS (Net)	2,998,196	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	56,528,525	
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)	22,236,519	
12. Other Investments	1,555		41. Long-Term Debt - RUS - Econ. Devel. (Net)	-	
13. Special Funds	1,318,218		42. Payments – Unapplied	-	
14. Total Other Property & Investments (6 thru 13)	(6,342,479)		43. Total Long-Term Debt (37 thru 41 - 42)	81,763,239	
15. Cash - General Funds	2,975,946		44. Obligations Under Capital Leases - Noncurrent	-	
16. Cash - Construction Funds - Trustee	37,917		45. Accumulated Operating Provisions and Asset Retirement Obligations	56,257	
17. Special Deposits	-		46. Total Other Noncurrent Liabilities (44 + 45)	56,257	
18. Temporary Investments	4,021,484		47. Notes Payable	-	
19. Notes Receivable (Net)	1,333,409		48. Accounts Payable	3,512,791	
20. Accounts Receivable - Sales of Energy (Net)	2,033,831		49. Consumers Deposits	71,504	
21. Accounts Receivable - Other (Net)	31,376		50. Current Maturities Long-Term Debt	-	
22. Renewable Energy Credits	-		51. Current Maturities Long-Term Debt - Economic Development	-	
23. Materials and Supplies - Electric & Other	4,849,700		52. Current Maturities Capital Leases	-	
24. Prepayments	642,869		53. Other Current and Accrued Liabilities	1,165,238	
25. Other Current and Accrued Assets	1,255,603		54. Total Current & Accrued Liabilities	4,749,534	
26. Total Current and Accrued Assets	17,182,136		55. Regulatory Liabilities	-	
27. Regulatory Assets	-		56. Other Deferred Credits	434,175	
28. Other Deferred Debits	13,339,979		57. Total Liabilities and Other Credits	142,652,205	
29. Total Assets and Other Debits	142,652,205				