



MEMORANDUM

August 21, 2025

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2025 Second Quarter Financial Report

The 2025 second quarter financial report is posted online and included under separate cover. The second quarter’s results are consistent with the budget. Included in the 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.

Overall operating revenue was lower than budget, driven by the ECA, which returned ~\$818k to members through June. The ECA credit was driven by slightly increased kWh sales (up 2.4%) in relation to lower comparative power costs of (\$440k).

The table below presents the projection of full-year 2025 financial results using actuals from Q2 and budget projections for future months.

Income Statement Summary (in thousands)	2025 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 42,821	\$ 42,578	\$ (243)
ECA Surcharge / (Credit)*	\$ -	\$ (818)	\$ (818)
Revenue	\$ 42,821	\$ 41,760	\$ (1,061)
Expenses:			
Cost of Purchased Power	\$ 10,985	\$ 10,545	\$ (440)
Transmission & Distribution Expense	9,385	9,254	(131)
General & Administrative Expense	7,387	7,008	(379)
Depreciation, Tax, Interest & Other	10,171	9,743	(428)
Total Expenses	37,928	36,550	(1,378)
Operating Margin	4,893	5,210	317
Non-op margin	793	785	(8)
Net Margin*	5,686	\$ 5,995	309
OTIER	2.99	3.23	0.24
TIER	3.31	3.57	0.25
Equity %	39.7%	39.9%	0.1%
HDD	1,446	1,278	(168)
kWh Purchases	235,000	235,052	52
kWh Sales	223,000	225,750	2,750

* The ECA returned a net \$818k to members through June 2025.

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~19% below budgeted levels (actual of 695 vs. budget of 863). Overall kWh sales were ~2.8M kWh above budget (119.2M vs. budget of 116.4M).
- 2025 power purchases were \$440 lower than budgeted, driven by a lower average cost per kWh than budgeted from our power supplier, while actual kWh purchases were right on budget at 122.7M.
- Excluding purchased power, 2025 operating expenses were approximately \$836k under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- The ECA through Q2 2025 was a net credit to members (and decrease to operating revenue) of \$818k, or \$33.38 for a member using 1000 kWh/month.
- Rock Island Communications 2025 Financials included in separate packet.

OPALCO 2025 Financial Package under separate cover.

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS
EXECUTIVE SUMMARY

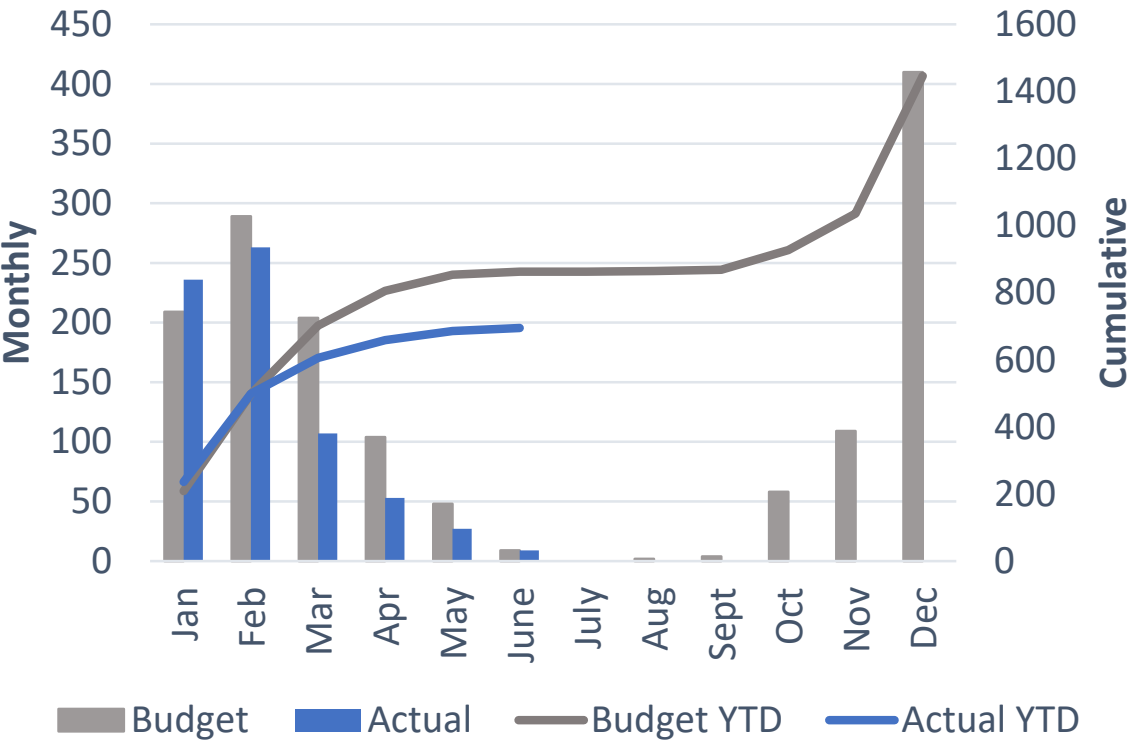
		A. Audited Year End 12/31/2023	B. Audited Year End 12/31/2024	C. Budget Period End 6/30/2025	D. Actual Period End 6/30/2025	E. Budget \$ Change (D - C)	F. Budget % Change (E / C)
1	kWh Purchases	228,638,000	230,984,773	122,620,000	122,672,139	52,139	0.0%
2	Gross Operating Revenue	36,836,000	39,492,000	22,359,000	22,116,000	(243,000)	-1.1%
3	Energy Charge Adjustment	(328,000)	147,000	-	(817,755)	(817,755)	
4	Net Operating Revenue Total	36,508,000	39,639,000	22,359,000	21,298,245	(1,060,755)	-4.7%
5	Cost of power	8,572,000	9,126,000	5,741,000	5,301,000	(440,000)	-7.7%
6	Operations & G&A	14,282,000	15,232,000	9,306,000	8,810,000	(496,000)	-5.3%
7	Depr, Int, Taxes & Other	8,805,000	9,386,000	5,510,000	5,067,000	(443,000)	-8.0%
8		31,659,000	33,744,000	20,557,000	19,178,000	(1,379,000)	-6.7%
9	Net Operating Margins	\$ 4,849,000	\$ 5,895,000	\$ 1,802,000	\$ 2,120,245	318,245	17.7%
10	Non-Operating Margins	\$ 778,000	\$ 829,000	\$ 402,000	\$ 394,000	(8,000)	-2.0%
11	Net Margin	\$ 5,627,000	\$ 6,724,000	\$ 2,204,000	\$ 2,514,245	310,245	14.1%
12	OTIER	3.47	3.90	2.47	2.92	0.45	
13	TIER	3.86	4.31	2.79	3.27	0.48	
14	Equity % of Total Cap	39.7%	40.8%	39.5%	40.6%	1.1%	
15	Equity % (excl RESP)	42.7%	46.1%	45.2%	46.6%	1.4%	
16	Equity	51,310,000	56,943,000	58,825,163	59,607,000	781,837	1.3%
17	Capital Debt	65,099,000	68,984,000	73,853,000	70,853,000	(3,000,000)	-4.1%
18	RESP Debt	10,006,000	17,631,000	20,766,000	21,077,000	311,000	1.5%
19	Capital Spending	11,932,000	19,996,000	6,215,980	5,308,899	(907,081)	-14.6%
20	Capital Credit Retirement (net)	(1,137,000)	(1,179,000)	(65,000)	(136,000)	(71,000)	109.2%
21	Annual HDD	1,090	801	863	695	(168)	-19.5%



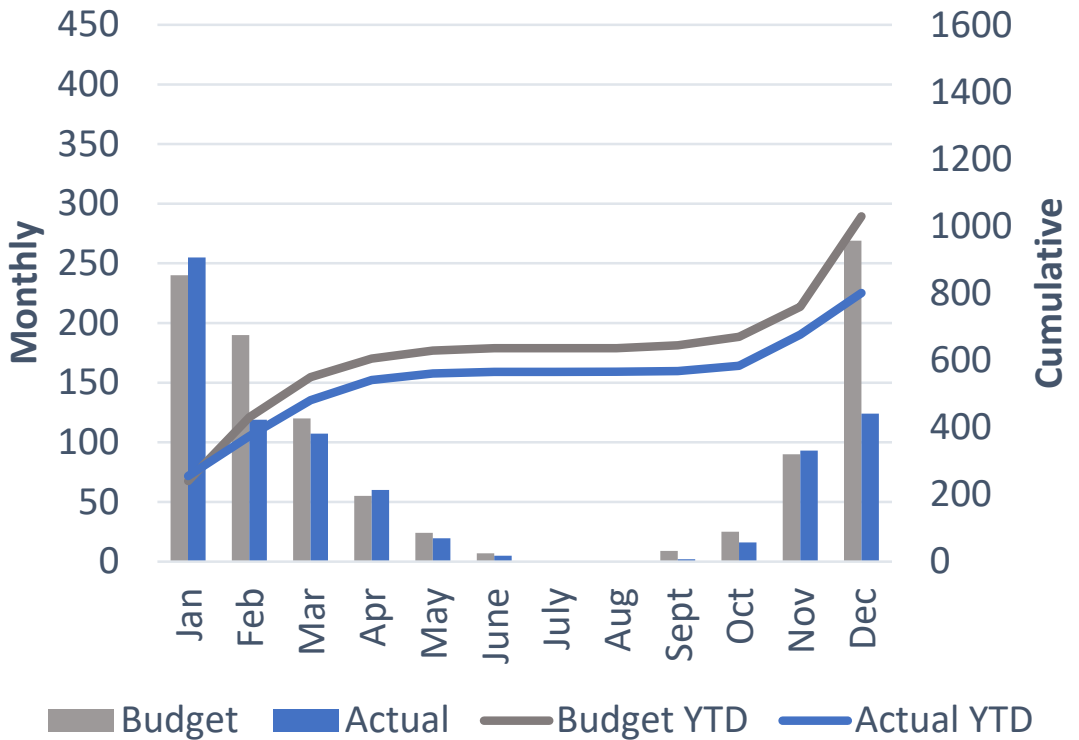
2025 Q2 Financial Highlights

2025 Budget to Actual: Heating Degree Days

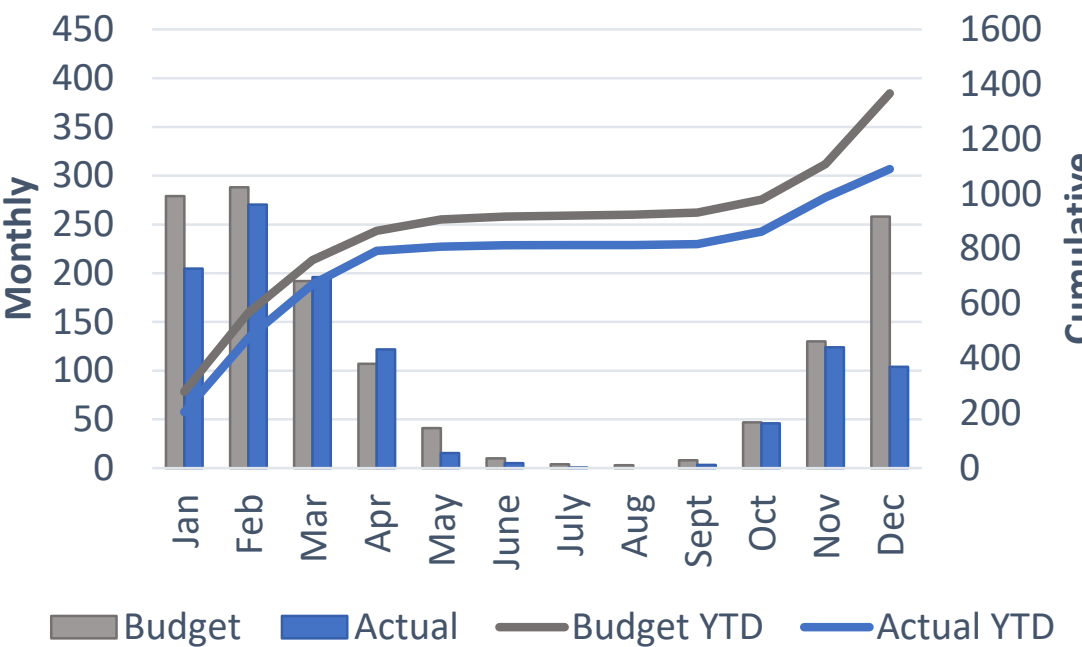
2025 HDD's



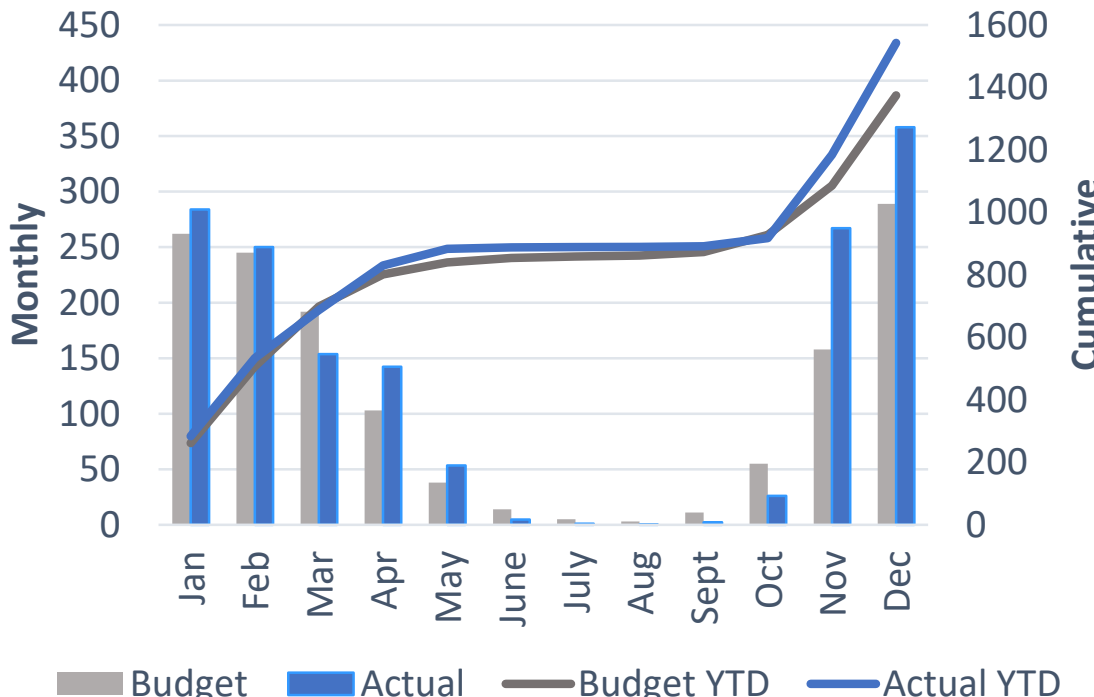
2024 HDD's



2023 HDD's

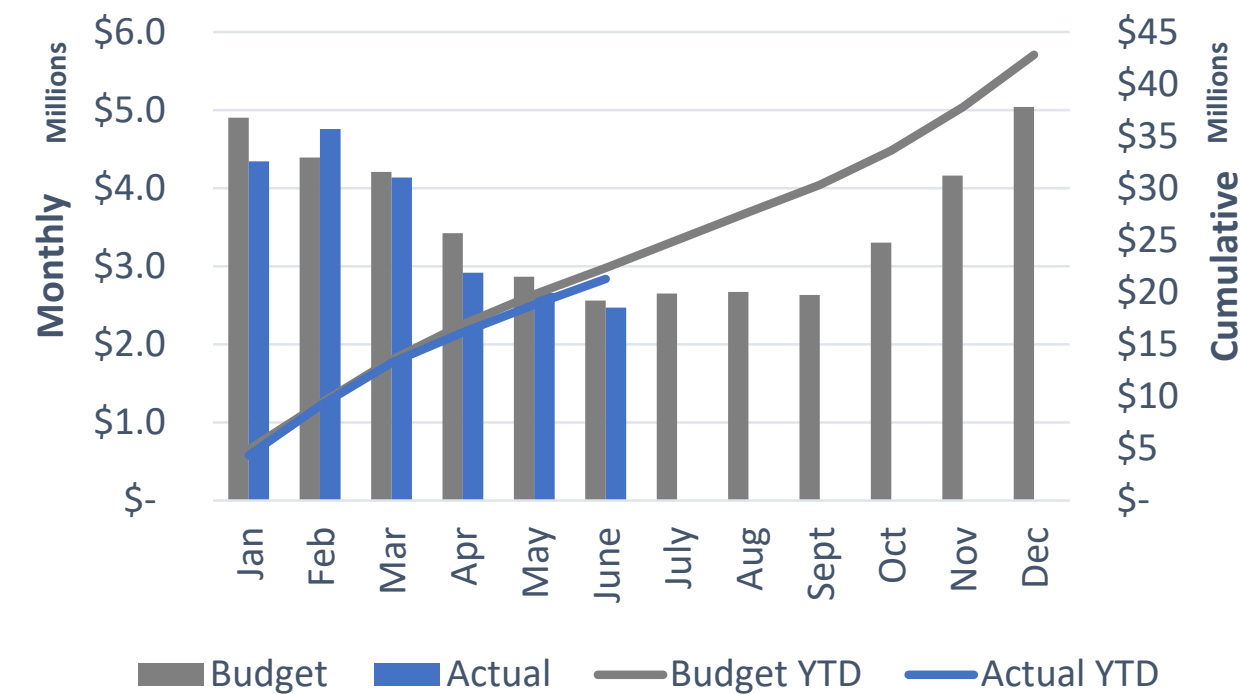


2022 HDD's

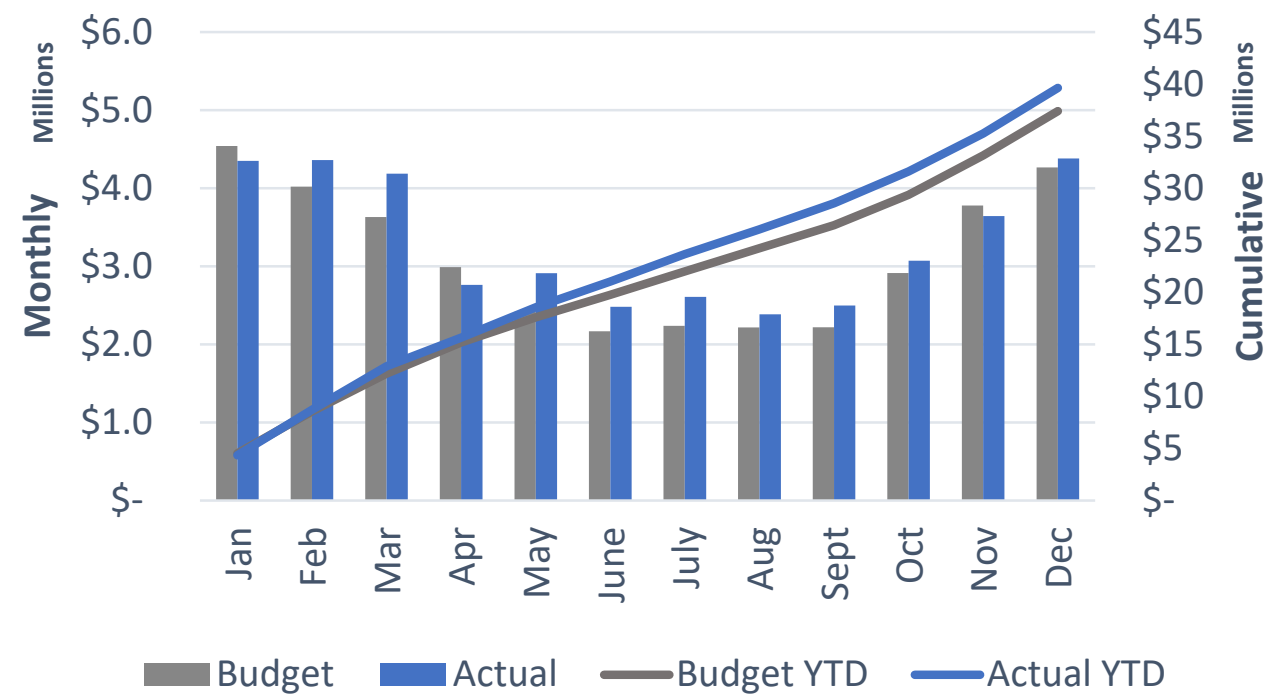


2025 Budget to Actual: Revenue

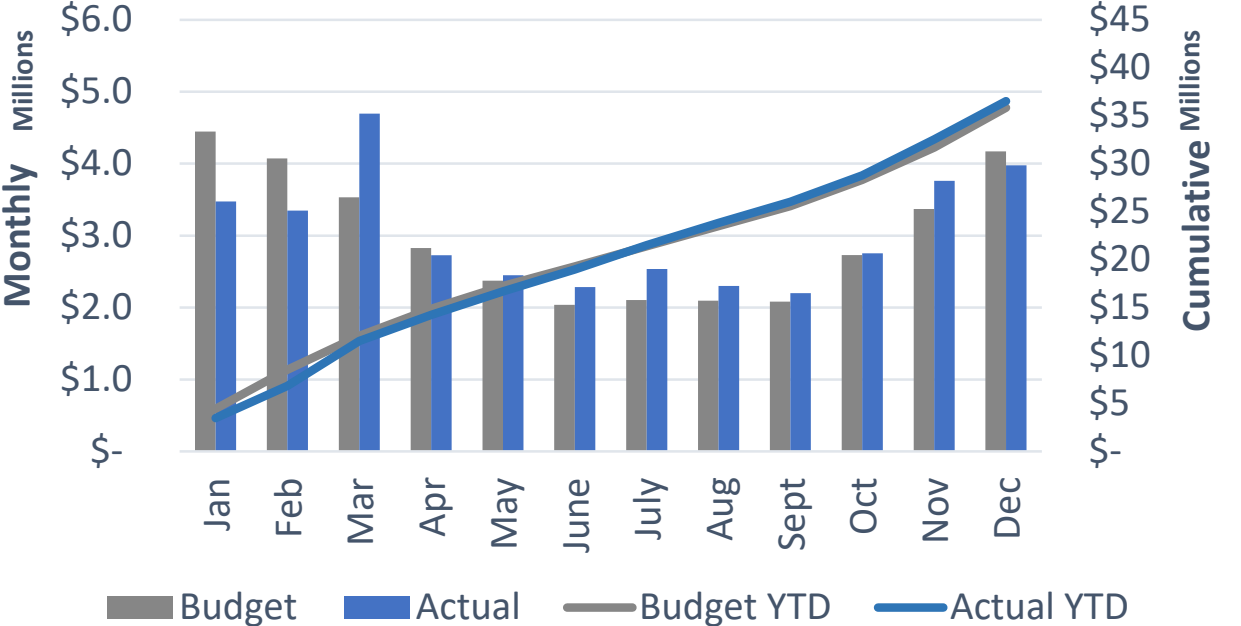
2025 Revenue



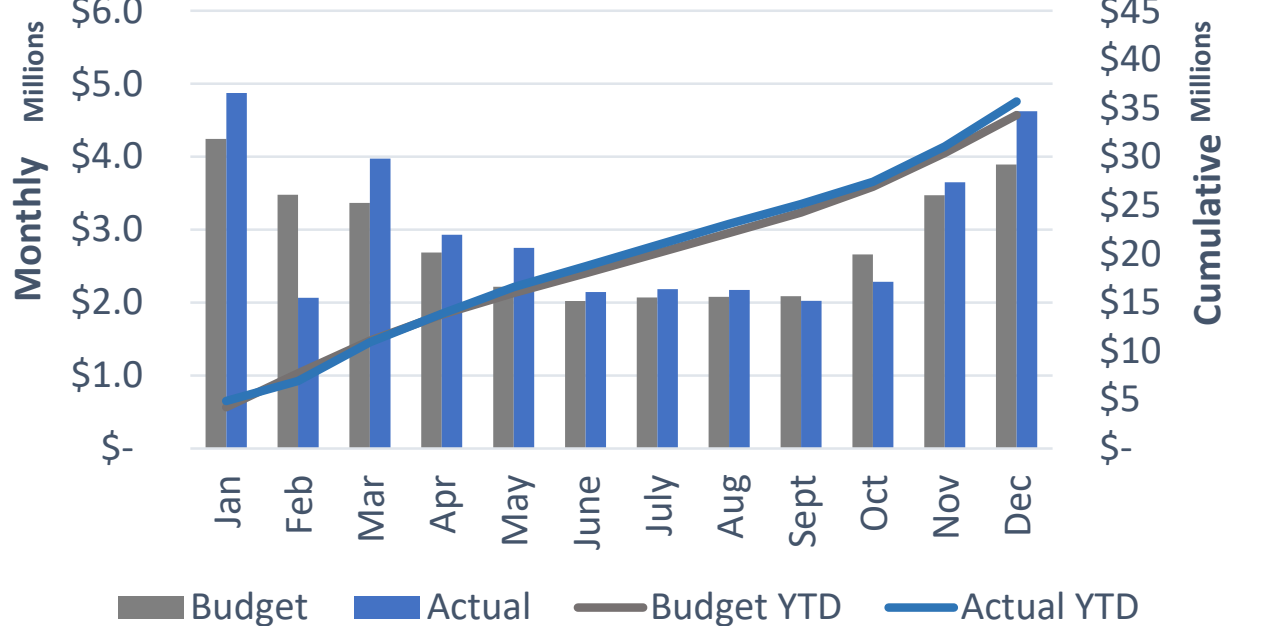
2024 Revenue



2023 Revenue



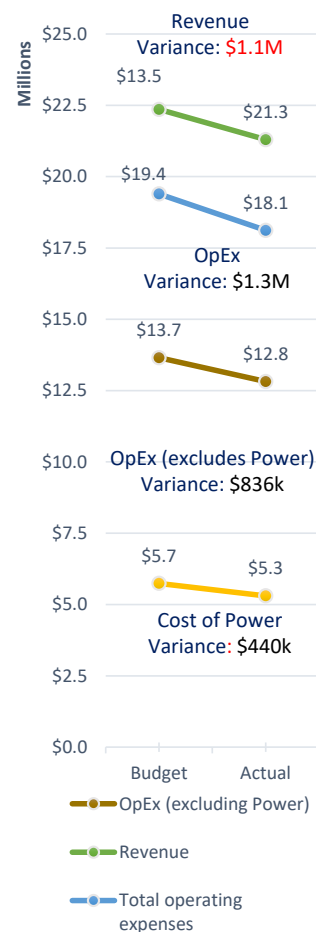
2022 Revenue



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2025 Q2 Budget to Actual: Statement of Operations

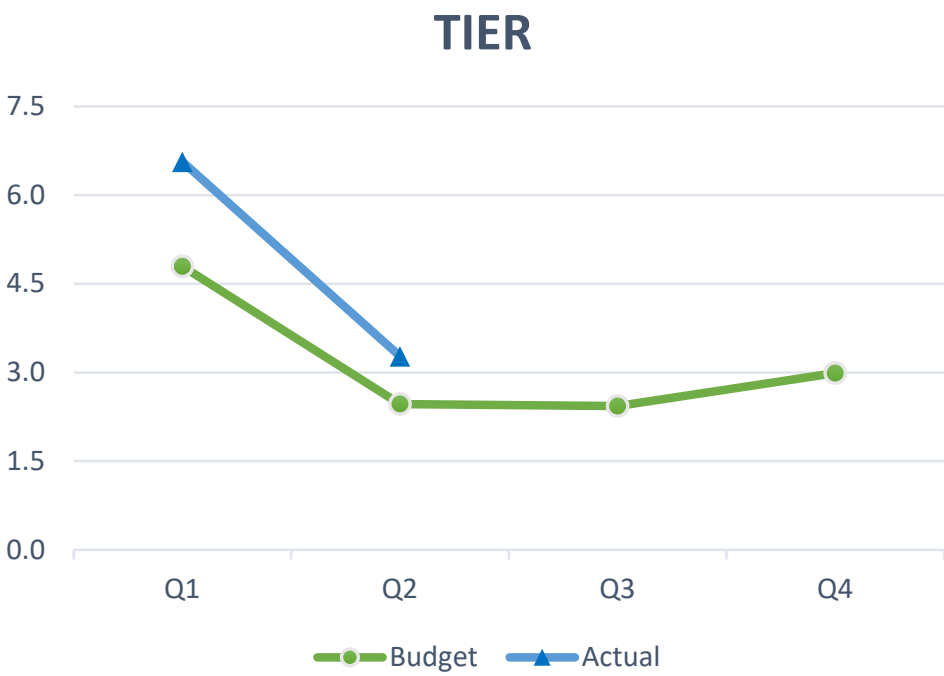
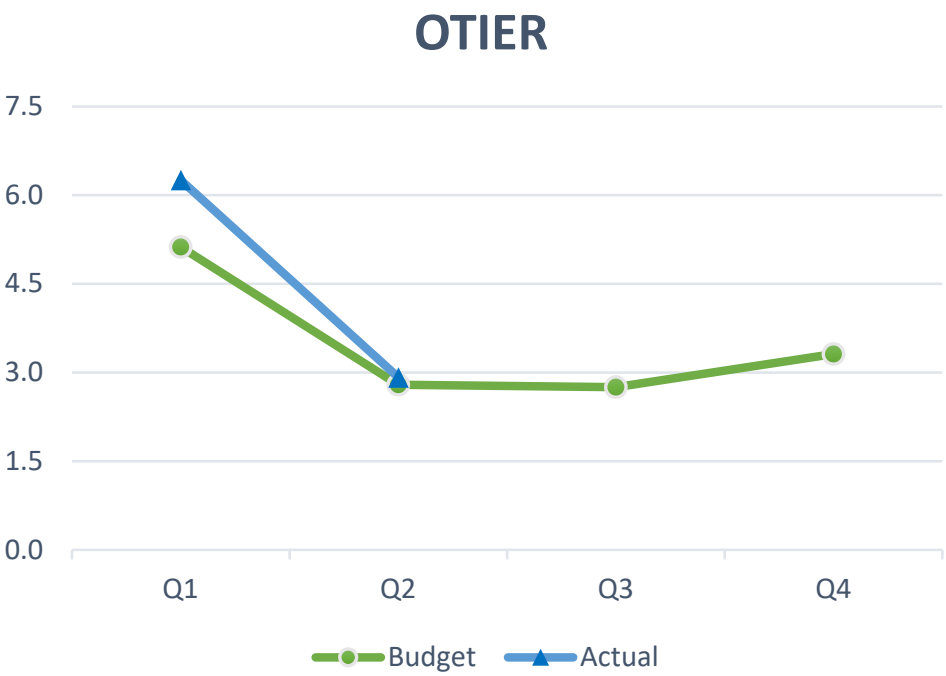
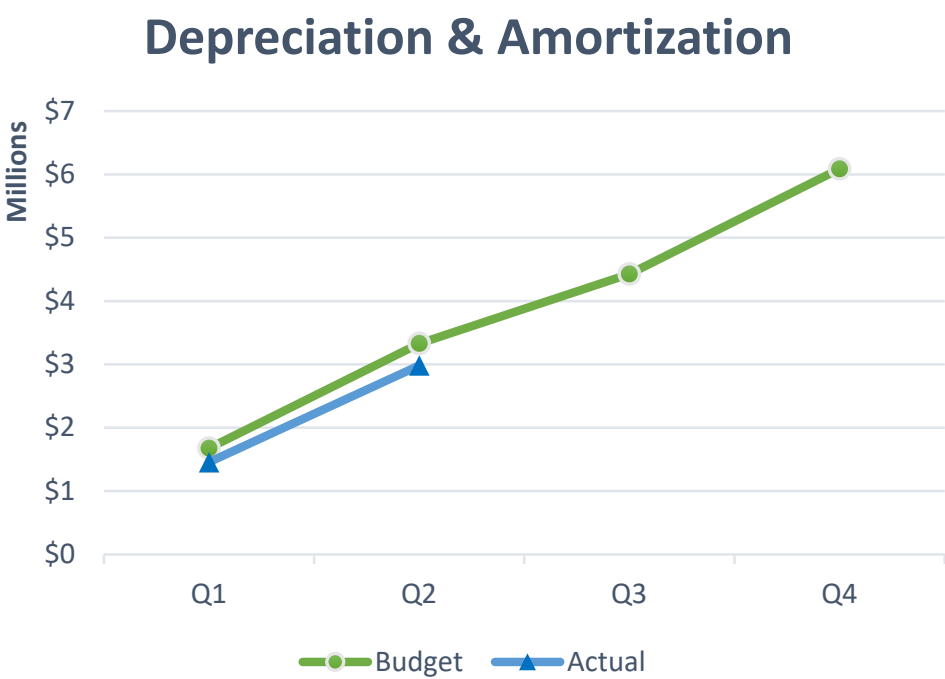
	A. Audited Year End 12/31/2023	B. Audited Year End 12/31/2024	C. Budget Year End 12/31/2025	D. Budget Period End 6/30/2025	E. Actual Period End 6/30/2025	F. Budget Variance (E - D)
OPERATING REVENUES						
Residential	\$ 27,321,332	\$ 29,822,748	\$ 32,025,967	\$ 16,717,830	\$ 16,054,125	(663,705)
Commercial	8,892,792	9,490,777	10,484,601	5,472,460	5,063,170	(409,291)
Other						
Penalties and fees	234,574	243,437	246,302	140,493	135,299	(5,194)
Other	59,031	82,132	63,908	27,930	45,176	17,346
Total operating revenue	36,507,728	39,639,094	42,820,778	22,358,713	21,297,770	(1,060,943)
OPERATING EXPENSES						
Cost of power	8,571,913	9,126,474	10,985,004	5,741,172	5,301,328	(439,844)
Transmission	1,348,268	1,049,768	724,734	579,024	586,088	7,064
Distribution - operations	3,796,463	3,914,167	4,793,580	2,762,208	2,418,222	(343,986)
Distribution - maintenance	3,214,269	4,077,748	3,866,737	2,014,180	2,219,675	205,495
Consumer accounts	1,085,072	1,151,107	1,466,846	784,493	699,114	(85,379)
General and administration						
Administration	4,595,125	4,747,811	5,465,625	2,970,701	2,750,878	(219,823)
Energy services	151,220	198,951	357,968	147,213	90,148	(57,065)
Subsidiary charges (RIC network mgt services)	91,979	92,028	96,629	48,312	46,030	(2,282)
Total general and administration	4,838,324	5,038,790	5,920,222	3,166,226	2,887,056	(279,170)
Depreciation and amortization	5,396,359	5,688,475	6,088,561	3,330,674	2,983,560	(347,114)
Taxes	1,610,154	1,825,621	1,784,180	1,014,911	1,021,728	6,817
Total operating expenses	29,860,821	31,872,151	35,629,864	19,392,888	18,116,770	(1,276,118)
Operating margins before fixed charges	6,646,907	7,766,943	7,190,914	2,965,825	3,181,000	215,175
FIXED CHARGES						
Interest on long-term debt	1,906,039	1,965,138	2,397,754	1,198,878	1,098,965	(99,913)
Operating margins after fixed charges	4,740,869	5,801,805	4,793,160	1,766,947	2,082,035	315,088
PATRONAGE CAPITAL CREDITS	107,198	93,527	99,621	34,867	37,276	2,409
Net operating margins	4,848,066	5,895,332	4,892,781	1,801,814	2,119,311	317,497
NON-OPERATING MARGINS						
Interest income	607,039	704,061	721,270	360,636	335,531	(25,105)
Other income (loss)	(18,861)	(63,211)	(118,115)	(58,968)	(29,521)	29,447
Total Opalco non-operating margins	588,178	640,851	603,155	301,668	306,010	4,342
Non-operating margins from Subsidiary						
Interest Income (RIC loan)	79,587	79,656	79,649	39,822	39,861	39
Other income (use of OPALCO backbone)	109,740	108,653	109,740	60,510	48,348	(12,162)
Total non-operating margins from Subsidiary	189,327	188,309	189,389	100,332	88,209	(12,123)
Net non-operating margins	777,505	829,160	792,544	402,000	394,219	(7,781)
NET MARGINS	\$ 5,625,571	\$ 6,724,491	\$ 5,685,325	\$ 2,203,814	\$ 2,513,530	309,716



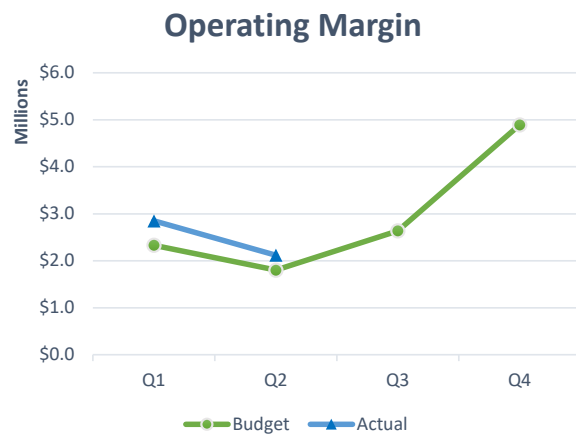
Notes:

- Through Q2 the ECA returned net \$818k to the membership
- Note:** Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA returned \$175k in January 2025, related to the calculation based on December 2024 factors.
- Net Operating Margin: \$2.1M (~\$317k increase over budget)
- Net Margin: 2.5M (~\$310k increase over budget)

2025 Q2 Budget to Actual: Financial Metrics



2025 Q2 Budget to Actual: Financial Metrics



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

	A. Audited Year End 12/31/2023	B. Audited Year End 12/31/2024	C. Budget Year End 12/31/2025	D. Budget Period End 6/30/2025	E. Actual Period End 6/30/2025	F. Budget Variance (E - D)
1 OPERATING REVENUES						
2 Residential	\$ 27,321,332	\$ 29,822,748	\$ 32,025,967	\$ 16,717,830	\$ 16,054,125	(663,705)
3 Commercial	8,892,792	9,490,777	10,484,601	5,472,460	5,063,170	(409,291)
4 Other						
5 Penalties and fees	234,574	243,437	246,302	140,493	135,299	(5,194)
6 Other	59,031	82,132	63,908	27,930	45,176	17,246
7 Total operating revenue	36,507,728	39,639,094	42,820,778	22,358,713	21,297,770	(1,060,943)
8						
9 OPERATING EXPENSES						
10 Cost of power	8,571,913	9,126,474	10,985,004	5,741,172	5,301,328	(439,844)
11 Transmission	1,348,268	1,049,768	724,734	579,024	586,088	7,064
12 Distribution - operations	3,796,463	3,914,167	4,793,580	2,762,208	2,418,222	(343,986)
13 Distribution - maintenance	3,214,269	4,077,748	3,866,737	2,014,180	2,219,675	205,495
14 Consumer accounts	1,085,072	1,151,107	1,466,846	784,493	699,114	(85,379)
15						
16 General and administration						
17 Administration	4,595,125	4,747,811	5,465,625	2,970,701	2,750,878	(219,823)
18 Energy services	151,220	198,951	357,968	147,213	90,148	(57,065)
19 Subsidiary charges (RIC network mgt services)	91,979	92,028	96,629	48,312	46,030	(2,282)
20 Total general and administration	4,838,324	5,038,790	5,920,222	3,166,226	2,887,056	(279,170)
21						
22 Depreciation and amortization	5,396,359	5,688,475	6,088,561	3,330,674	2,983,560	(347,114)
23 Taxes	1,610,154	1,825,621	1,784,180	1,014,911	1,021,728	6,817
24						
25 Total operating expenses	29,860,821	31,872,151	35,629,864	19,392,888	18,116,770	(1,276,118)
26						
27 Operating margins before fixed charges	6,646,907	7,766,943	7,190,914	2,965,825	3,181,000	215,175
28						
29 FIXED CHARGES						
30 Interest on long-term debt	1,906,039	1,965,138	2,397,754	1,198,878	1,098,965	(99,913)
31						
32 Operating margins after fixed charges	4,740,869	5,801,805	4,793,160	1,766,947	2,082,035	315,088
33						
34 PATRONAGE CAPITAL CREDITS	107,198	93,527	99,621	34,867	37,276	2,409
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36 Net operating margins	4,848,066	5,895,332	4,892,781	1,801,814	2,119,311	317,497
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38 NON-OPERATING MARGINS						
39 Interest income	607,039	704,061	721,270	360,636	335,531	(25,105)
40 Other income (loss)	(18,861)	(63,211)	(118,115)	(58,968)	(29,521)	29,447
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47						
48 Net non-operating margins	777,505	829,160	792,544	402,000	394,219	(7,781)
49						
50 NET MARGINS	\$ 5,625,571	\$ 6,724,491	\$ 5,685,325	\$ 2,203,814	\$ 2,513,530	309,716
51						
52 OTIER	3.47	3.90	2.99	2.47	2.92	0.45
53 TIER	3.86	4.31	3.31	2.79	3.27	0.48
54 Equity % of Total Cap	39.7%	40.8%	39.7%	39.5%	40.6%	1.1%
55 Equity % of Total Assets (RUS - 30%)	39.1%	38.3%	36.2%	39.1%	38.4%	-0.7%
56 Equity % of Total Cap (excluding RESP)	42.7%	46.1%	45.8%	45.2%	46.6%	1.4%

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			
		3/31/2025	3/31/2025	(B - A)	Comments: Budget To Actual (Column C.)		
1	I OPERATING REVENUES	22,358,713	21,297,770	(1,060,943)			
2							
3					HDD	Budget	Actual
4					kWh Sales	863	695
5	Operating Revenue - Line 7 Detail Breakout:					116,400	119,150
6	Residential Sales	16,717,830	16,054,125	(663,705)	(kWh in thousands)		
7	Commercial Sales	5,472,460	5,063,170	(409,291)			
8	Other Operating Revenue						
9	Penalties and Fees	140,493	135,299	(5,194)	sales offset by ECA credit through Q2		
10	Other	27,930	45,176	17,246	sales offset by ECA credit through Q2		
11					Misc fees & penalty charges lower than budgeted		
12	TOTAL OPERATING REVENUES	22,358,713	21,297,770	(1,060,943)	Higher pole contact rentals		
13					Decrease in Revenue - kWh sales offset from ECA credit of \$818k through Q2		
14							
15	II OPERATING EXPENSES	19,392,888	18,116,770	(1,276,118)	Overall decrease in operating expenses		
16							
17	Cost of Power - Line 10	5,741,172	5,301,328	(439,844)	Decrease in expense - kWh purchases higher but a lower all-in cost/kWh		
18						Budget	Actual
19					kWh Purchases	122,620	122,672
20					(kWh in thousands)		
21	Transmission - Line 11 Detail Breakout:	579,024	586,088	7,064	Increase in expense		
22							
23	Distribution - Operations - Line 12 Detail Breakout:	2,762,208	2,418,222	(343,986)	Decrease in expense - labor coded to other efforts (work orders)		
24							
25	Distribution - Maintenance - Line 13 Detail Breakout:	2,014,180	2,219,675	205,495	Increase in expense - more Distribution ROW		
26							
27	Consumer accounts - Line 14 Detail Breakout:	784,493	699,114	(85,379)	Decrease in expense		
28							
29	Total General and Administrative (G&A):						
30							
31	Administration G&A - Line 17 Detail Breakout:	2,970,701	2,750,878	(219,823)	Decrease in expense - vacant position, lower expense across several GLs		
32							
33	Energy Services G&A - Line 18	147,213	90,148	(57,065)	Decrease in expense - lower reabtes & contractor education/outreach		
34							
35	Subsidiary Charges G&A - Line 19	48,312	46,030	(2,282)	Decrease in expense		
36							
37	Total General and Administrative (G&A)	3,166,226	2,887,056	(279,170)	Overall decrease in expense		
38							
39	Deprec. & Amort. - Line 22	3,330,674	2,983,560	(347,114)	Decrease in expense - lower depr - lower Q4'24 -Q2'25 capitalizations		
40							
41	Taxes - Line 23	1,014,911	1,021,728	6,817	Increase in expense - higher B&O tax from high grant CIAC		
42							
43	TOTAL OPERATING EXPENSES	19,392,888	18,116,770	(1,276,118)	Overall decrease in expense		

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	
			3/31/2025	3/31/2025	(B - A)	Comments: Budget To Actual (Column C.)
44						
45						
46	III	FIXED CHARGES - Interest Expense - Line 30	1,198,878	1,098,965	(99,913)	Decrease in expense - lower interest rate on new borrowings
47						
48	IV	PATRONAGE CAPITAL CREDITS (Income) - Line 34	34,867	37,276	2,409	Increase in income - received from associated cooperatives
49						
50		TOTAL NET OPERATING MARGINS	1,801,814	2,119,311	317,497	Increase in margin
51						
52	V	NON-OPERATING MARGINS	201,000	394,219	193,219	Decrease in margin
60						
61		TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	2,002,814	2,513,530	510,716	Increase in margin

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2022	B. Audited Year End 12/31/2023	C. Audited Year End 12/31/2024	D. Actual Period End 6/30/2025	E. Change (D - C)
1 ASSETS					
2					
3 UTILITY PLANT, at cost					
4 Electric plant in service	\$ 159,009,290	\$ 168,725,153	\$ 183,941,874	\$ 188,342,090	4,400,216
5 Construction work in progress	9,984,056	11,412,238	14,673,906	15,372,586	698,680
6					
7	168,993,346	180,137,391	198,615,780	203,714,676	5,098,896
8 Less accumulated depreciation and amortization	67,446,380	72,429,392	77,071,163	80,019,244	2,948,081
9					
10 Net utility plant	101,546,966	107,707,999	121,544,617	123,695,432	2,150,815
11					
12 OTHER PROPERTY AND INVESTMENT, at cost					
13					
14 Investments in associated organizations					
15 Other (CFC, Federated, PNGC, etc.)	1,539,530	1,616,371	1,675,311	1,702,712	27,401
16 Non-utility investment subsidiary (Note 1)	(11,173,486)	(9,331,007)	(9,245,876)	(8,968,099)	277,777
17 Total investments in associated organizations	(9,633,956)	(7,714,636)	(7,570,565)	(7,265,387)	305,178
18					
19 Other property and investments	(9,633,956)	(7,714,636)	(7,570,565)	(7,265,387)	305,178
20					
21 CURRENT ASSETS					
22 Cash and cash equivalents	9,697,635	9,076,867	5,403,649	7,633,421	2,229,772
23 Cash and cash equivalents - board designated	1,002,529	1,061,098	1,150,993	1,192,134	41,141
24 Accounts receivable, less doubtful accts allowance	6,240,612	6,247,535	7,251,802	5,802,922	(1,448,880)
25 Interest receivable	55,550	49,108	24,753	21,606	(3,147)
26 Materials and supplies	3,766,502	4,544,853	5,165,169	5,286,063	120,894
27 Prepaid expenses	733,743	750,806	670,845	764,023	93,178
28					
29 Total current assets	21,496,571	21,730,267	19,667,211	20,700,169	1,032,958
30					
31 DEFERRED CHARGES (Note 2)	4,501,196	9,440,198	14,874,483	18,156,505	3,282,022
32					
29 Total assets	\$ 117,910,777	\$ 131,163,828	\$ 148,515,746	\$ 155,286,719	\$ 6,770,973

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET

	A. Audited Year End 12/31/2022	B. Audited Year End 12/31/2023	C. Audited Year End 12/31/2024	D. Actual Period End 6/30/2025	E. Change (D - C)
30					
31 EQUITIES, MARGINS, AND LIABILITIES					
32					
33 EQUITIES AND MARGINS					
34 Memberships	\$ 58,380	\$ 58,555	\$ 58,755	\$ 58,785	30
35 Patronage capital - OPALCO	47,684,660	50,530,219	54,804,172	56,554,790	1,750,619
36 Donated and other equities					
37 OPALCO donated & other margins	10,558,452	12,188,061	13,471,437	14,097,322	625,885
38 Subsidiary margins	(13,311,620)	(11,466,670)	(11,391,703)	(11,104,287)	287,416
39					
40 Total equities and margins	44,989,872	51,310,164	56,942,661	59,606,611	2,663,950
41					
42 LONG-TERM DEBT, less current maturities					
43 RUS construction notes	58,119,089	56,054,232	60,186,534	62,085,486	1,898,952
44 RUS Rural Energy Savings Program (RESP)	2,174,521	9,141,513	15,869,950	18,871,564	3,001,614
45 CFC mortgage notes	7,149,506	6,832,012	6,501,178	6,330,631	(170,547)
46					
47 Total long-term debt	67,443,116	72,027,757	82,557,662	87,287,681	4,730,019
48					
49 OTHER NONCURRENT LIABILITIES	11,885	35,257	71,828	86,828	15,000
50					
51 Total long-term liabilities	67,455,001	72,063,014	82,629,490	87,374,509	4,745,019
52					
53 CURRENT LIABILITIES					
54 Accounts payable	1,896,315	3,197,832	3,107,981	1,803,949	(1,304,032)
55 Customer deposits	70,129	71,371	79,708	88,059	8,350
56 Accrued liabilities	1,461,254	1,062,639	1,258,050	1,325,636	67,586
57 Current maturities of long-term debt	1,739,499	3,077,652	4,057,559	4,642,154	584,595
58					
59 Total current liabilities	5,167,197	7,409,495	8,503,299	7,859,797	(643,501)
60					
61 DEFERRED CREDITS	298,707	381,155	440,297	445,802	5,505
62					
63 Total equities and liabilities	\$ 117,910,777	\$ 131,163,828	\$ 148,515,746	\$ 155,286,719	\$ 6,770,973
64					
65 Note:					
66 1 Investment in subsidiary consists of OPALCO's invested dollars in Island Network LLC (+\$2,136,188) less IN LLC's cumulative net deficit of (\$11,104,827) seen in 'equities & margins'.					
67 2 Member Switch-It-Up On Bill Financing (OBF) Long Term Receivables					

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

	A. Audited Year End 12/31/2023	B. Audited Year End 12/31/2024	C. Actual Period End 6/30/2025
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins	\$ 5,625,571	\$ 6,724,491	\$ 2,513,530
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	5,396,359	5,688,475	2,983,560
6 Changes in assets and liabilities			
7 Accounts receivable	(6,923)	(1,004,267)	1,448,880
8 Interest receivable	6,442	24,355	3,147
9 Prepaid expenses	(17,064)	79,961	(93,178)
10 Accounts payable	1,301,519	(89,851)	(1,304,032)
11 Customer deposits	1,242	8,337	8,350
12 Accrued liabilities	(398,616)	195,410	67,586
13 Deferred credits	82,449	59,143	5,505
14 Deferred Charges	(4,939,002)	(5,434,285)	(3,282,022)
14 Net cash from operating activities	7,051,977	6,251,769	2,351,326
15			
16 CASH FLOWS FROM INVESTING ACTIVITIES			
17 Additions to utility plant, net	(13,477,509)	(28,492,693)	85,164
18 Change in materials and supplies	(778,351)	(620,316)	(120,894)
19 (Increase) decrease in investment in Subsidiary	(1,842,479)	(85,131)	(277,777)
20 (Increase) decrease in other OPALCO property and investments, net	(76,841)	(58,940)	(27,401)
21			
22 Net cash from investing activities	(16,175,180)	(29,257,080)	(340,908)
23			
23 CASH FLOWS FROM FINANCING ACTIVITIES			
24 Payments on long-term debt, net	(2,416,835)	(3,453,617)	(2,070,386)
25 Proceeds from debt (Note 1)	8,363,000	15,000,000	7,400,000
26 Memberships	175	200	30
27 Retirements of patronage capital, net	(1,150,403)	(1,167,162)	(137,026)
28 Change in subsidiary equities	1,844,950	74,967	287,416
29 Contributions in aid of construction	1,920,116	8,967,600	(5,219,539)
30			
30 Net cash from financing activities	8,561,003	19,421,988	260,495
31			
31 NET CHANGE IN CASH	(562,200)	(3,583,323)	2,270,913
32			
32 CASH AND CASH EQUIVALENTS, beginning of year/period	10,700,165	10,137,965	6,554,642
33			
33 CASH AND CASH EQUIVALENTS, end of year/period	10,137,965	6,554,642	8,825,555
34			
34 SUPPLEMENTAL DISCLOSURES			
35 Cash paid for interest	\$ 1,964,597	\$ 2,031,038	\$ 1,105,568
36			
36 OUTSTANDING DEBT BALANCE	(75,140,665)	(86,687,049)	(92,016,663)
37			
37 Notes:			
38 1 RUS Treasury borrowings of \$3M and \$3M in RESP			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

Note: All numbers in thousands		A.	B.	C.	D.	E.	F.
		Audited Year-End 12/31/2023	Audited Year-End 12/31/2024	Approved Budget 6/30/2025	Actual Period-End 6/30/2025	Budget Variance (D - C)	Comments
1	% Rate Increase	6%	6%	6%	6%		
2	OPERATING ACTIVITIES:						
3	Margins	\$ 5,600	\$ 6,700	\$ 2,200	\$ 2,500	\$ 300	various - see P&L notable drivers
4	Plus depreciation/amortization	5,400	5,700	3,300	3,000	(300)	see P&L notable drivers
5	Cash flow operations	11,000	12,400	5,500	5,500	-	
6							
7	PLANT INVESTMENT (NET)						
8	Plant investment (including material inventory)	(11,900)	(20,000)	(6,200)	(5,300)	900	various projects - see capital budget worksheet
9	Cash flow from operations and plant investment	(900)	(7,600)	(700)	200	900	
10							
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,140)	(1,200)	(70)	(140)	(70)	
12	Cash flow before borrowings	(2,040)	(8,800)	(770)	60	830	
13							
14	NET BORROWINGS	5,900	11,500	8,000	5,300	(2,700)	Q2 borrowing delayed to Q3
15	Cash increase (decrease) after net borrowings	\$ 3,860	\$ 2,700	\$ 7,230	\$ 5,360	\$ (1,870)	
16							
17							
18	OUTSTANDING DEBT BALANCE	75,110	86,600	94,600	91,930	(2,670)	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	F.	G.
			Audited	Audited	Budget	Budget	Actual	Budget	
			Year End	Year End	Year End	Period End	Period End	Variance	
			12/31/2023	12/31/2024	12/31/2025	6/30/2025	6/30/2025	(E- D)	
RUS CWP DESCRIPTION									Comments
1	DISTRIBUTION								
2	100	New Services	\$ 783,026	\$ 360,183	\$ 415,000	\$ 207,500	\$ 133,925	\$ (73,575)	Less new or alter services than anticipated (Offset to Line 38)
3	200	New Tie Lines	241,980	218,715	-	-	142	142	
4	300	Conversions and Line Changes	381,236	2,729,501	1,103,000	500,000	414,441	(85,559)	
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	2,203,996	7,142,575	5,350,000	250,000	321,879	71,879	Permitting delays for Battery System (Rescoped for Eastsound)
7	600	Miscellaneous Distribution Equipment							
8	601	Transformers & Meters	1,289,078	1,962,276	1,640,000	1,200,000	1,195,502	(4,498)	
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	-	-	
10	603	Sectionalizing Equipment	254,716	242,307	450,000	150,000	1,621	(148,379)	Equipment Procurement Delays
11	604	Regulators	-	-	300,000	-	-	-	
12	606	Ordinary Replacements	20,079	28,151	433,000	75,000	45,269	(29,731)	
13	607	Overhead to Underground Replacements	33,794	713,800	355,000	250,000	247,139	(2,861)	Joint project opportunities
14	608	Underground Dist. Cable Replacement	3,817,644	2,893,512	3,625,000	1,800,000	1,811,797	11,797	
15	700	Other Distribution Items							
16	701	Engineering Fees	-	-	-	-	-	-	
17	704	LMS & SCADA	150,400	38,937	-	-	-	-	
18	705	AMR	-	-	-	-	-	-	
19	706	Communications	492,489	1,376	260,000	125,000	82,104	(42,896)	
20		ARPA Grant Fiber Projects		8,501,911	7,373,972	3,150,000	3,039,814	(110,186)	
21	TRANSMISSION								
22	800	New Tie Line	-	-	-	-	-	-	
23	900	New Substations, switching station, metering point, etc.	32,072	-	-	-	-	-	
24	1000	Line and Station Changes	1,015,026	283,960	457,000	400,000	430,314	30,314	Jackson Beach Transmission Line Relocation
25	1100	Other Transmission	-	-	-	-	-	-	
26	GENERATION								
27	1200	Generation	146,484	1,938,904	1,200,000	1,000,000	995,277	(4,723)	DOE Tidal Project
28	OTHER								
29	1300	Headquarters Facilities	139,468	73,228	1,755,000	425,000	491,625	66,625	Eastsound Building Renovations
30	1400	Acquisitions	-	-	-	-	278,570	278,570	Unbudgeted Board Approved Purchase
31	1500	All Other (Transportation, Etc.)							
32	1501	Transportation/Equipment/Tools/Radios	483,609	707,676	617,000	510,000	490,631	(19,369)	
33	1502	Office Equipment/Furniture/Etc.	3,219	19,182	13,000	10,000	24,330	14,330	
34	1503	Computer/Servers/Software	374,082	359,345	177,000	120,000	145,191	25,191	
35	1504	Electrical Infrastructure to Support Community Solar	1,918,563	595,477	6,400,000	500,000	349,895	(150,105)	Delays in Permitting with SJC
36	1600	Minor Projects	70,958	152,659	142,000	75,000	28,972	(46,028)	
37	RUS CWP SUBTOTAL		13,851,918	28,963,677	32,065,972	10,747,500	10,528,437	(219,063)	
38	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)								
39		New Services	(389,586)	(332,200)	(332,000)	(166,000)	(276,046)	(110,046)	Offset to Line 2 - New Services
40		Meters and Transformers	(297,391)	(320,584)	(342,000)	(171,000)	(186,637)	(15,637)	Offset to Line 8 Transformers & Meters
41		Joint Projects	(354,476)	(37,708)	(48,000)	-	(121,207)	(121,207)	Offset to Lines 3, 4, 14 and 36
42		Grant Funding	(508,663)	(1,013,955)	(1,888,000)	(900,000)	(1,482,101)	(582,101)	Tidal Grant Reimbursements
43		Community Solar Member Contributions	(370,000)	-	(9,030,000)	-	-	-	
44		ARPA Grant Fiber Funding	-	(7,263,172)	(7,247,944)	(3,294,520)	(3,153,548)	140,972	Offset to Line 20 - Reimbursement received Quarter after Expenditure
45	CIAC SUBTOTAL		(1,920,116)	(8,967,619)	(18,887,944)	(4,531,520)	(5,219,539)	(688,019)	
46									
47	RUS CWP NET TOTAL		11,931,803	19,996,058	13,178,028	6,215,980	5,308,899	(907,081)	

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7
STATEMENT OF OPS

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		BORROWER DESIGNATION WA0009		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED June '25		
		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 <i>(check one of the following)</i>				
<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 <i>(d)</i>
	LAST YEAR <i>(a)</i>	THIS YEAR <i>(b)</i>	BUDGET <i>(c)</i>	
1. Operating Revenue and Patronage Capital	21,050,815	21,297,770	22,358,713	2,472,069
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	5,117,151	5,301,328	5,741,172	599,709
4. Transmission Expense	859,474	586,088	579,024	62,182
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	2,076,374	2,418,222	2,762,208	465,962
7. Distribution Expense - Maintenance	1,814,864	2,219,675	2,014,180	264,668
8. Customer Accounts Expense	568,031	699,114	784,493	109,490
9. Customer Service and Informational Expense	199,793	197,265	290,151	71,917
10. Sales Expense	27,479	31,203	32,975	5,397
11. Administrative and General Expense	2,398,097	2,643,589	2,843,100	414,664
12. Total Operation & Maintenance Expense (2 thru 11)	13,061,264	14,096,483	15,047,303	1,993,990
13. Depreciation and Amortization Expense	2,848,838	2,983,559	3,330,674	509,006
14. Tax Expense - Property & Gross Receipts	125,293	143,639	143,434	23,940
15. Tax Expense - Other	847,209	878,088	871,477	99,155
16. Interest on Long-Term Debt	995,870	1,105,568	1,228,878	187,757
17. Interest Charged to Construction - Credit	4,890	(6,603)	(30,000)	(2,094)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	-	15,000	-	-
20. Total Cost of Electric Service (12 thru 19)	17,883,365	19,215,734	20,591,766	2,811,754
21. Patronage Capital & Operating Margins (1 minus 20)	3,167,450	2,082,036	1,766,947	(339,685)
22. Non Operating Margins - Interest	379,205	375,391	400,458	107,401
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	95,234	18,827	1,542	(42,246)
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	15,962	37,276	34,867	-
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (21 thru 28)	3,657,851	2,513,530	2,203,814	(274,531)

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		
			June '25		
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	54	57	5. Miles Transmission	46.39	46.39
2. Services Retired	10	4	6. Miles Distribution – Overhead	140.01	135.20
3. Total Services in Place	15,899	16,005	7. Miles Distribution - Underground	1,082.30	1,095.37
4. Idle Services (Exclude Seasonals)	818	851	8. Total Miles Energized (5 + 6 + 7)	1,268.70	1,276.96
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	188,342,090		30. Memberships	58,785	
2. Construction Work in Progress	15,310,160		31. Patronage Capital	54,435,479	
3. Total Utility Plant (1 + 2)	203,652,250		32. Operating Margins - Prior Years	-	
4. Accum. Provision for Depreciation and Amort.	79,956,818		33. Operating Margins - Current Year	2,119,312	
5. Net Utility Plant (3 - 4)	123,695,432		34. Non-Operating Margins	394,219	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	2,598,817	
7. Investments in Subsidiary Companies	(8,968,099)		36. Total Margins & Equities (30 thru 35)	59,606,611	
8. Invest. in Assoc. Org. - Patronage Capital	1,154,567		37. Long-Term Debt - RUS (Net)	9,096,314	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	55,088,505	
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)	27,745,015	
12. Other Investments	1,371		41. Long-Term Debt - RUS - Econ. Devel. (Net)	-	
13. Special Funds	1,371,237		42. Payments – Unapplied	-	
14. Total Other Property & Investments (6 thru 13)	(5,894,151)		43. Total Long-Term Debt (37 thru 41 - 42)	91,929,834	
15. Cash - General Funds	2,973,905		44. Obligations Under Capital Leases - Noncurrent	-	
16. Cash - Construction Funds - Trustee	37,917		45. Accumulated Operating Provisions and Asset Retirement Obligations	86,828	
17. Special Deposits	-		46. Total Other Noncurrent Liabilities (44 + 45)	86,828	
18. Temporary Investments	4,515,406		47. Notes Payable	-	
19. Notes Receivable (Net)	1,879,709		48. Accounts Payable	1,803,949	
20. Accounts Receivable - Sales of Energy (Net)	2,478,089		49. Consumers Deposits	88,059	
21. Accounts Receivable - Other (Net)	77,578			-	
22. Renewable Energy Credits	-		50. Current Maturities Long-Term Debt	-	
23. Materials and Supplies - Electric & Other	5,286,063		51. Current Maturities Long-Term Debt - Economic Development	-	
24. Prepayments	764,023		52. Current Maturities Capital Leases	1,325,636	
25. Other Current and Accrued Assets	1,316,242		53. Other Current and Accrued Liabilities		
26. Total Current and Accrued Assets	19,328,932		54. Total Current & Accrued Liabilities	3,217,643	
27. Regulatory Assets	-		55. Regulatory Liabilities	-	
28. Other Deferred Debits	18,156,505		56. Other Deferred Credits	445,802	
29. Total Assets and Other Debits	155,286,718		57. Total Liabilities and Other Credits	155,286,718	