MEMORANDUM

May 15, 2025

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2025 First Quarter Financial Report

The 2025 first quarter financial report is posted online and included under separate cover. The first quarter 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 the budget even though kWh sales came in slightly over budget. This is due to the energy charge adjustment (ECA), which returned a net $477k to the membership through Q1 2025, which was driven by increased kWh sales (up 10%) in relation to lower comparative power costs of $58k.

The table below presents the projection of full-year 2025 financial results using actuals from Q1 and budget projections for future months.

Income Statement Summary (in thousands)	**2025 Projection** (actuals for prior months)		
	Budget	**Projected**	**Variance**
Operating Revenue	$ 42,814	$ 43,030	$ 216
ECA Surcharge / (Credit)*	$ -	$ (477)	$ (477)
Revenue	$ 42,814	$ 42,553	$ (261)
Expenses:			
Cost of Purchased Power	$ 10,985	$ 10,927	$ (58)
Transmission & Distribution Expense	9,385	9,073	(312)
General & Administrative Expense	7,387	7,215	(172)
Depreciation, Tax, Interest & Other	10,171	9,933	(238)
Total Expenses	37,928	37,148	(780)
Operating Margin	4,886	5,405	519
Non-op margin	793	759	(34)
Net Margin*	5,679	$ 6,164	485
OTIER	2.99	3.27	0.28
TIER	3.31	3.58	0.27
Equity %	41.5%	41.6%	0.2%
HDD	1,446	1,350	(96)
kWh Purchases	235,000	240,695	5,695
kWh Sales	223,000	230,048	7,048

* The ECA returned a net $477k to members through March 2025.

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~14% below budgeted levels (actual of 606 vs. budget of 702). Overall kWh sales were ~7M kWh above budget (77M vs. budget of 70M).
- 2025 power purchases were $58k lower than budgeted even though overall kWh purchases were higher. Actual kWh purchases were 5.7M kWh above budget (79.8M vs. budget of 74.1M).
- Excluding purchased power, 2025 operating expenses were approximately $660k under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- The ECA for Q1 2025 was a net credit to members (and decrease to operating revenue) of $477k, or $17.81 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

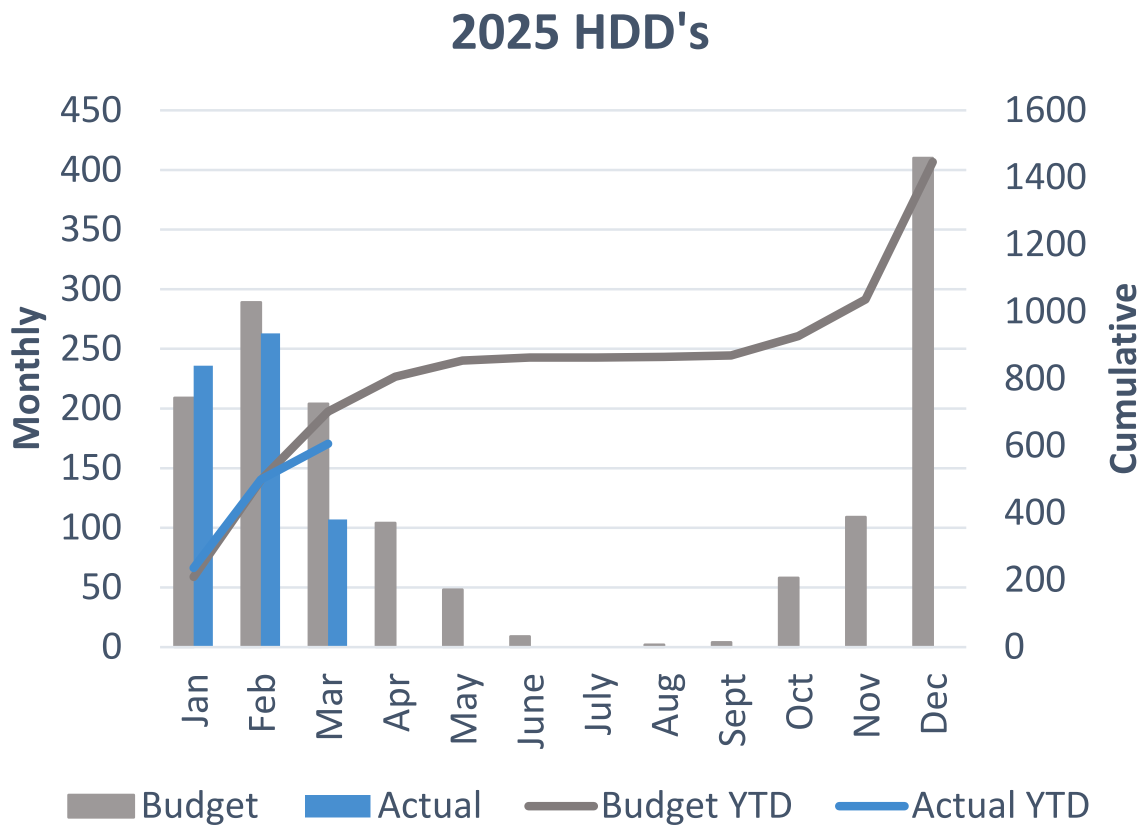
STATEMENT OF OPERATIONS
EXECUTIVE SUMMARY

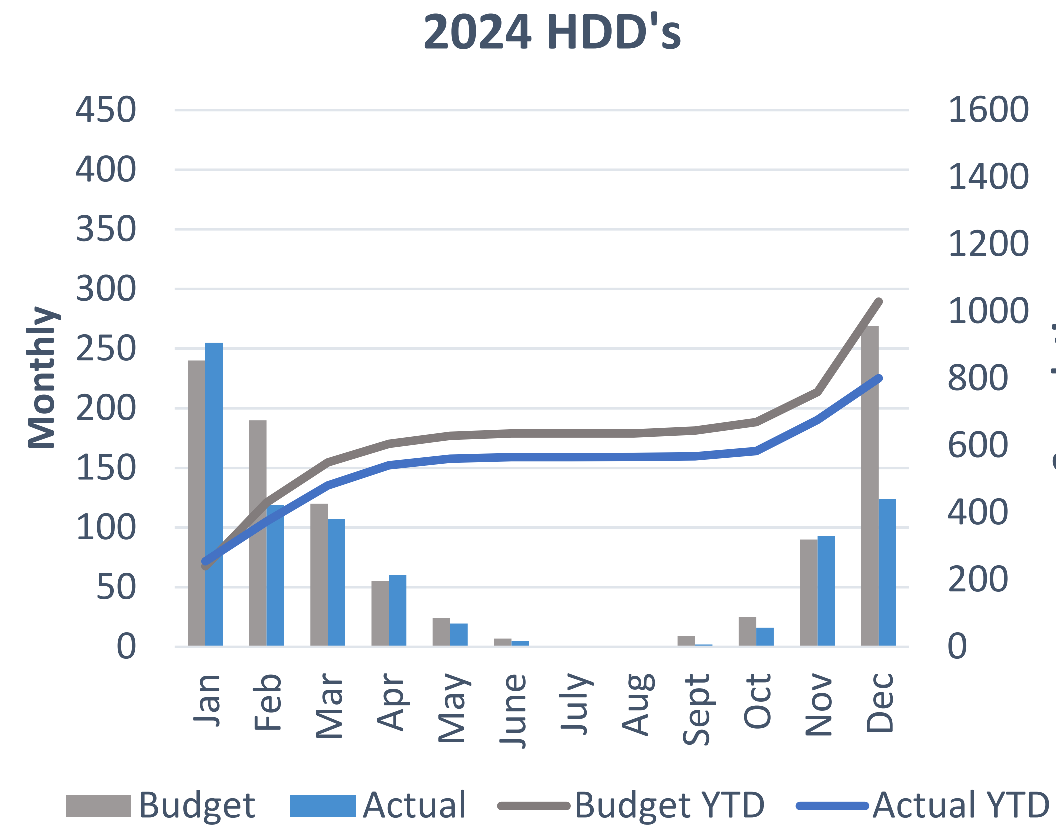
		A. Audited Year End 12/31/2023	B. Audited Year End 12/31/2024	C. Budget Period End 3/31/2025	D. **Actual Period End 3/31/2025**	E. Budget $ Change (D - C)	F. Budget % Change (E / C)
1	kWh Purchases	228,638,000	230,984,773	74,140,000	**79,834,825**	5,694,825	7.7%
2	Gross Operating Revenue	36,836,000	39,492,000	13,506,000	**13,722,000**	216,000	1.6%
3	Energy Charge Adjustment	(328,000)	147,000	-	**(477,000)**	(477,000)	
4	Net Operating Revenue Total	36,508,000	39,639,000	13,506,000	**13,245,000**	(261,000)	-1.9%
5	Cost of power	8,572,000	9,126,000	3,402,000	**3,344,000**	(58,000)	-1.7%
6	Operations & G&A	14,282,000	15,232,000	4,993,000	**4,510,000**	(483,000)	-9.7%
7	Depr, Int, Taxes & Other	8,805,000	9,386,000	2,778,000	**2,541,000**	(237,000)	-8.5%
8		31,659,000	33,744,000	11,173,000	**10,395,000**	(778,000)	-7.0%
9	Net Operating Margins	$ 4,849,000	$ 5,895,000	$ 2,333,000	**$ 2,850,000**	517,000	22.2%
10	Non-Operating Margins	$ 778,000	$ 829,000	$ 201,000	**$ 168,000**	(33,000)	-16.4%
11	Net Margin	$ 5,627,000	$ 6,724,000	$ 2,534,000	**$ 3,018,000**	484,000	19.1%
12	OTIER	3.47	3.90	4.80	**6.26**	1.46	
13	TIER	3.86	4.31	5.12	**6.56**	1.44	
14	Equity % of Total Cap	39.7%	40.8%	43.3%	**41.3%**	-2.0%	
15	Equity % (excl RESP)	42.7%	46.1%	49.5%	**46.5%**	-3.0%	
16	Equity	51,310,000	56,943,000	59,595,928	**60,003,000**	407,072	0.7%
17	Capital Debt	65,099,000	68,984,000	71,418,000	**71,419,000**	1,000	0.0%
18	RESP Debt	10,006,000	17,631,000	19,199,000	**18,183,000**	(1,016,000)	-5.3%
19	Capital Spending	11,932,000	19,996,000	3,550,674	3,802,216	251,542	7.1%
20	Capital Credit Retirement (net)	(1,137,000)	(1,179,000)	(32,000)	(114,000)	(82,000)	256.3%
21	Annual HDD	1,090	801	702	**606**	(96)	-13.7%

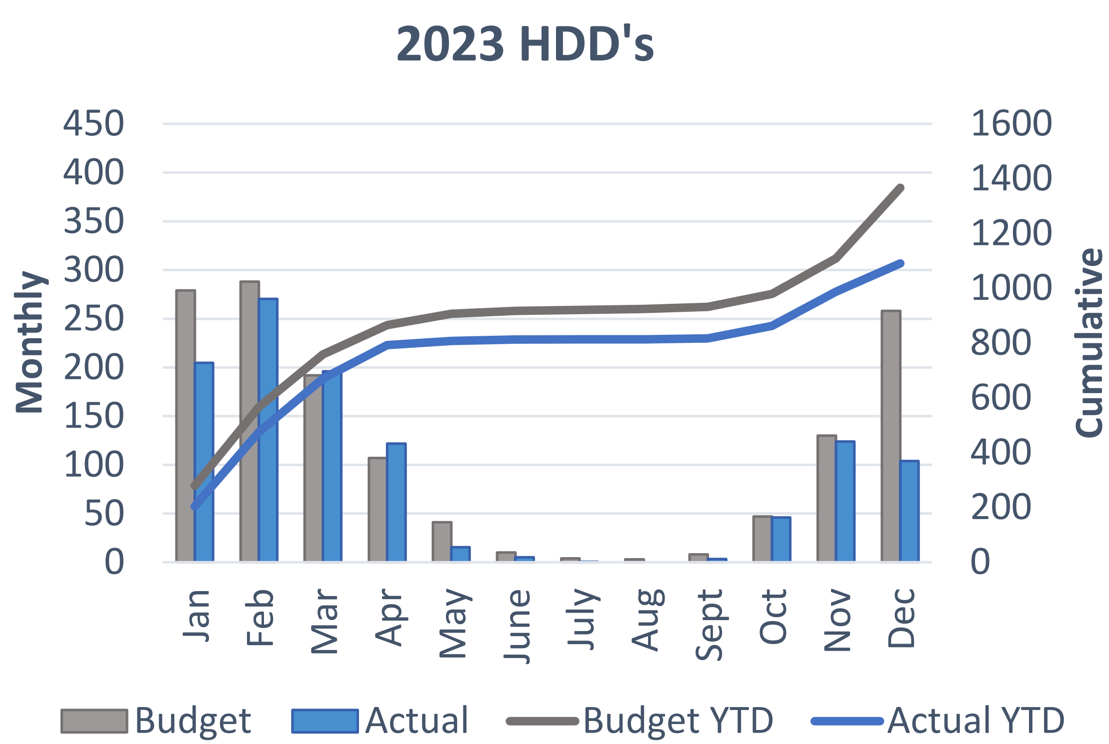
Updated 5/9/2025

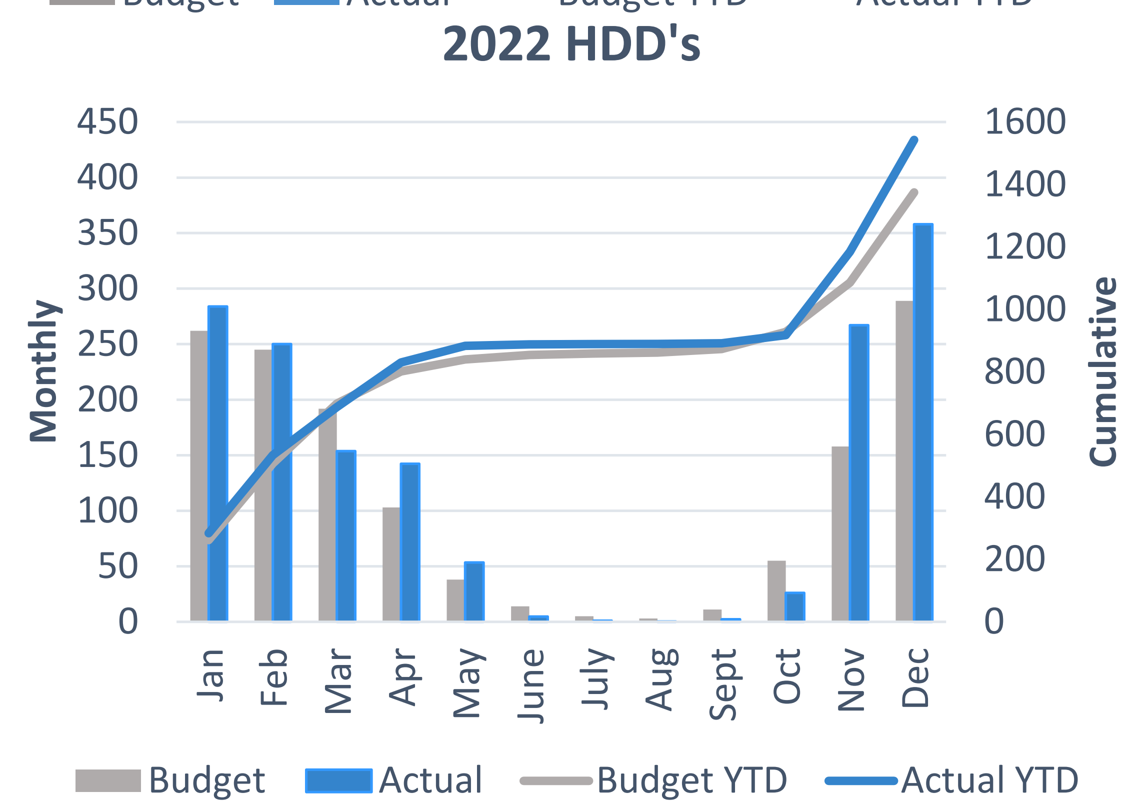
2025 Q1 Financial Highlights

2025 Budget to Actual: Heating Degree Days

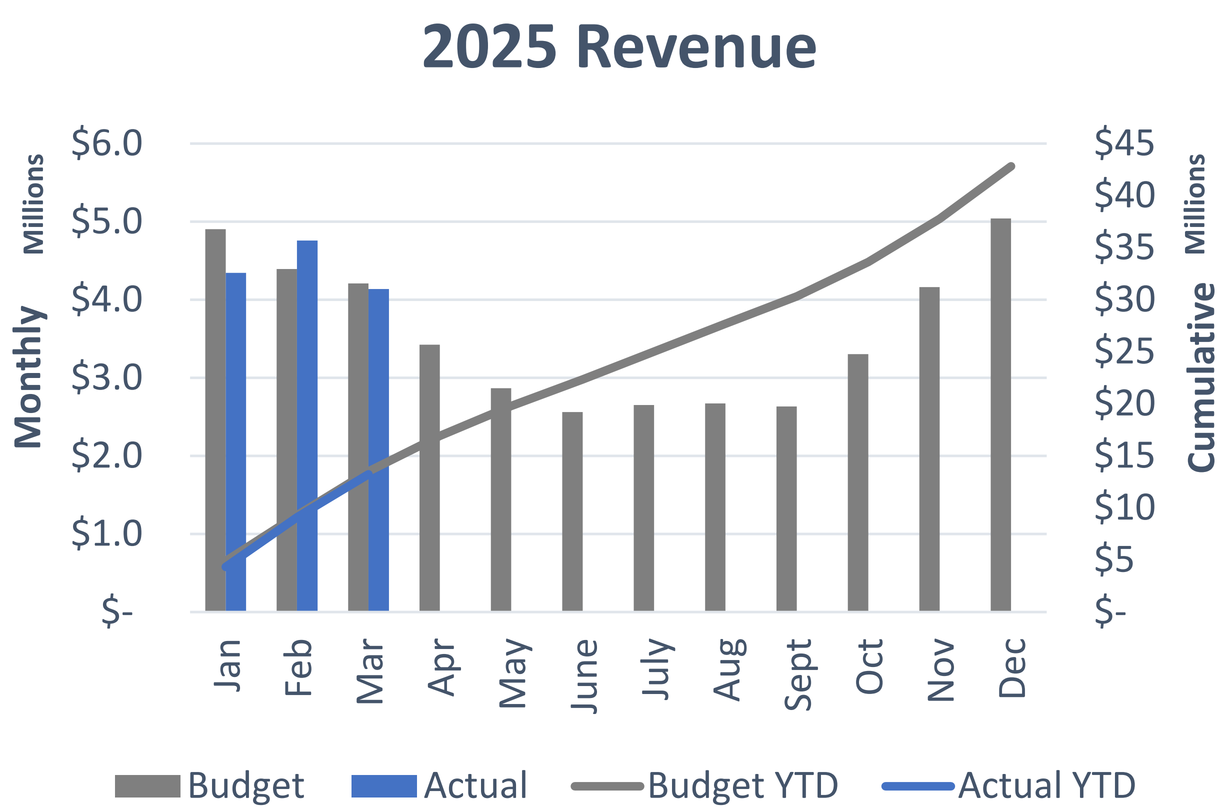


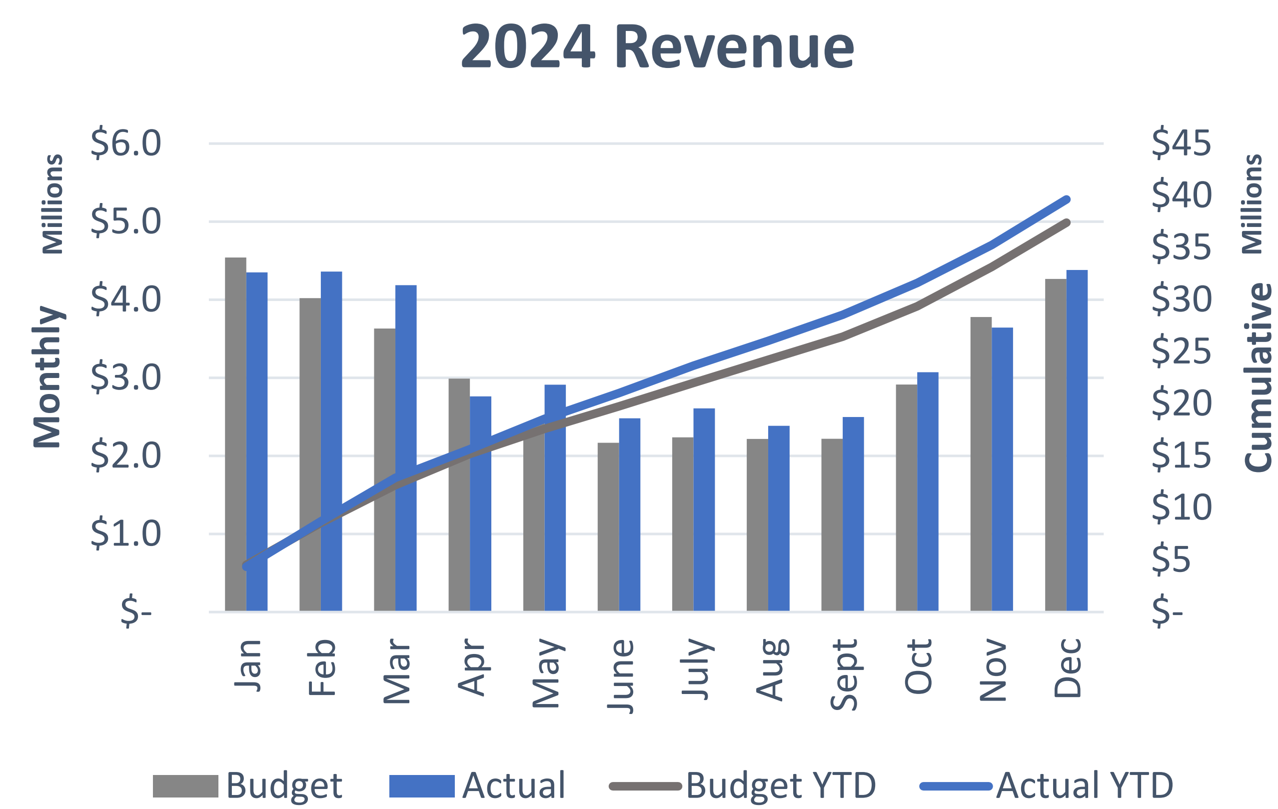


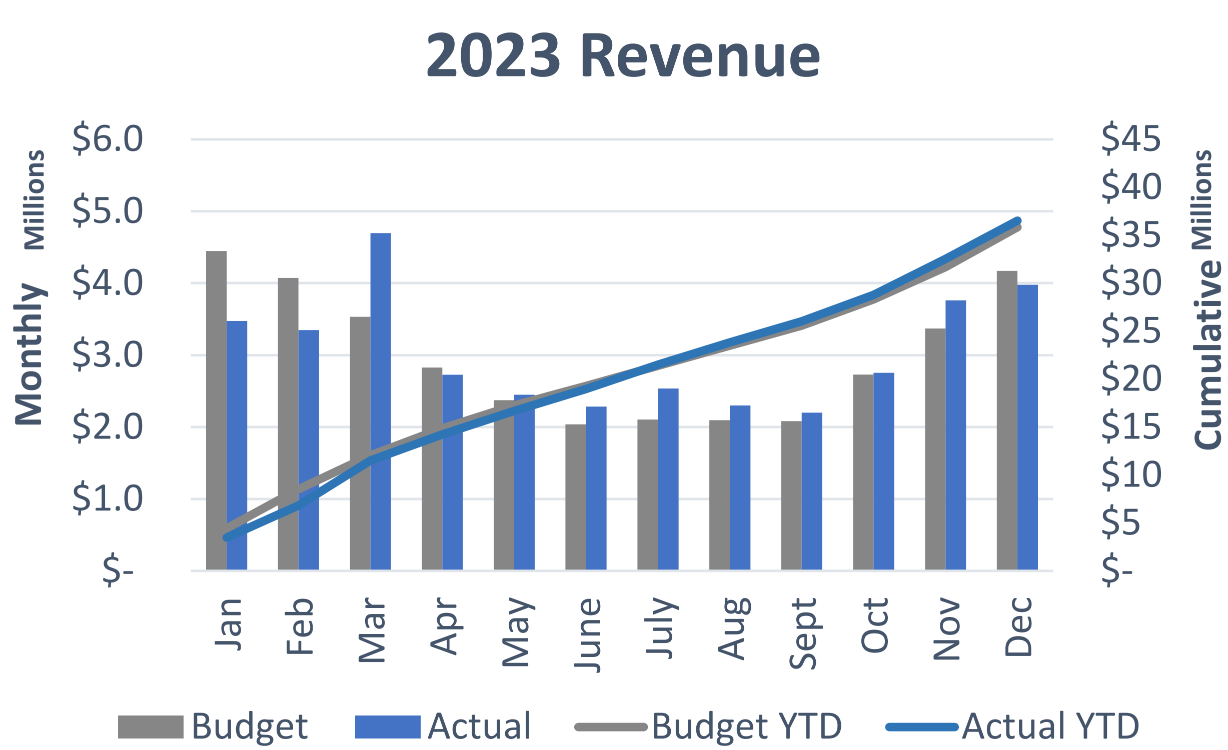


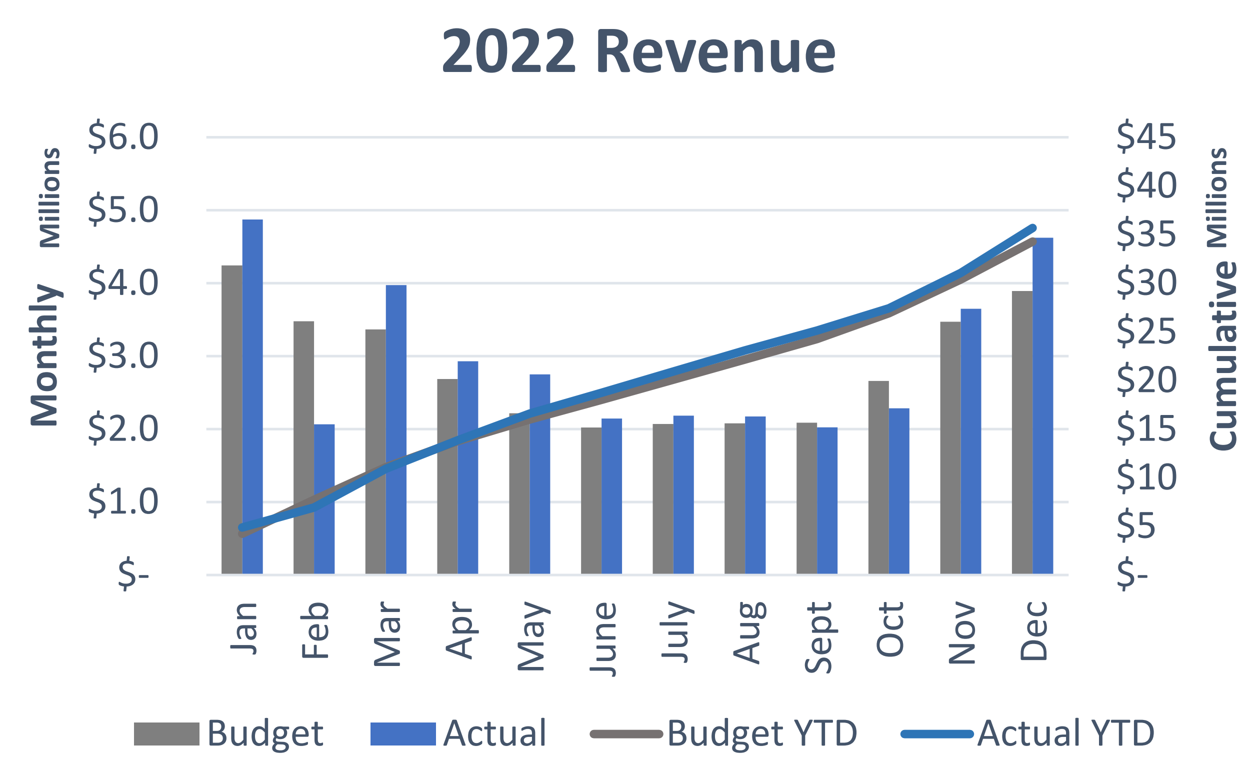


2025 Budget to Actual: Revenue









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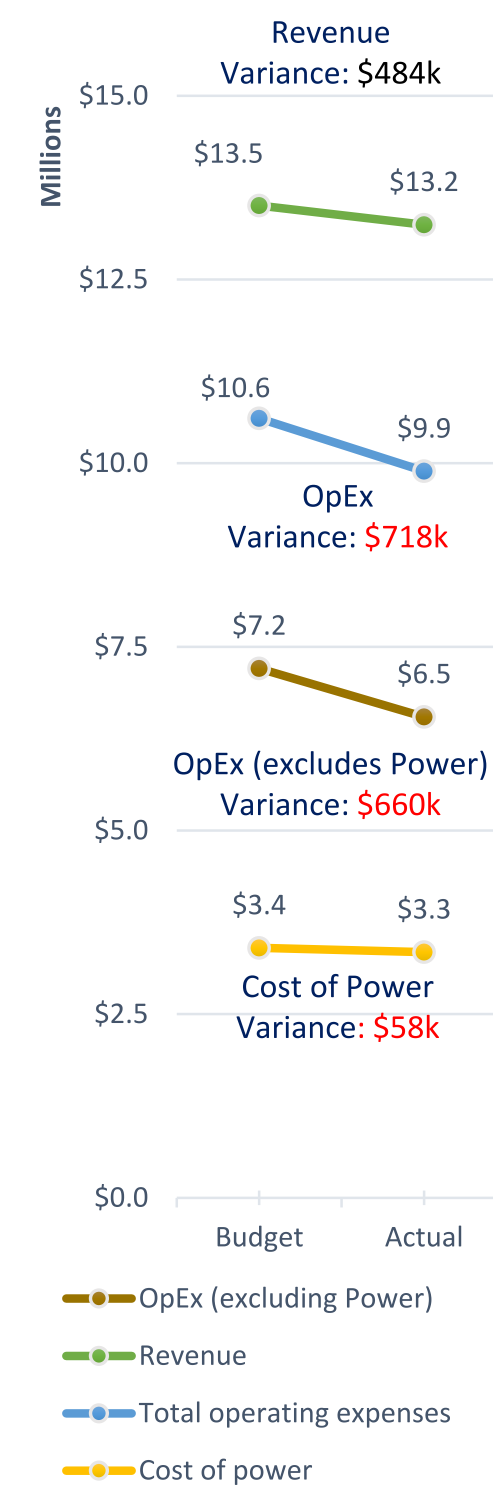
2025 Q1 Budget to Actual: Statement of Operations

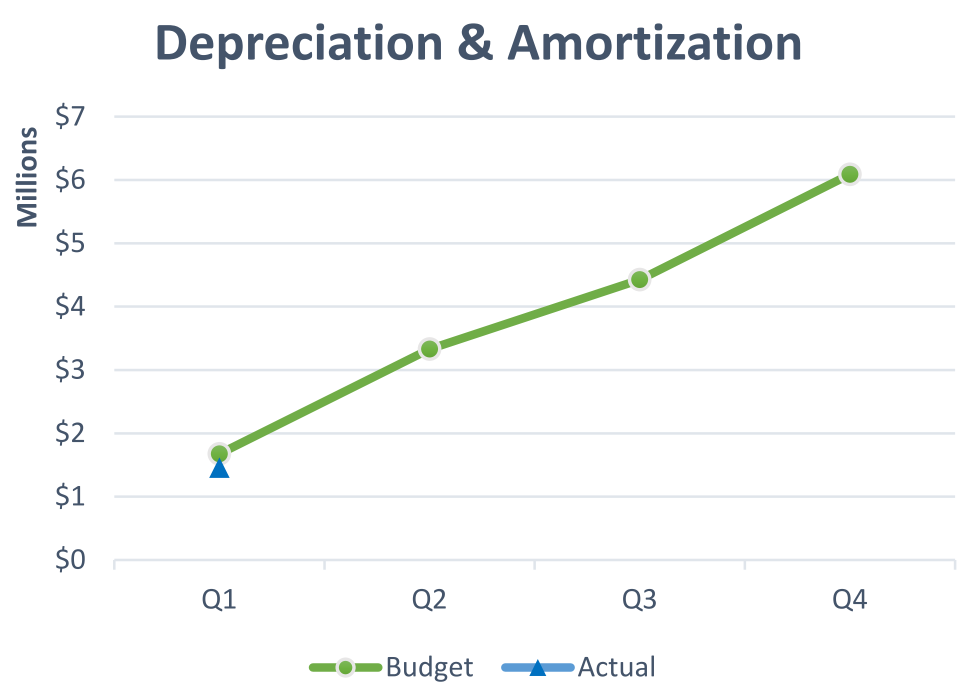
#		A. Audited Year End 12/31/2023	B. Audited Year End 12/31/2024	C. Budget Period End 3/31/2025	D. Actual Period End 3/31/2025	E. Budget Variance (D-C)
1	OPERATING REVENUES					
2	Residential	$ 27,321,332	$ 29,822,748	$ 10,110,140	$ 10,155,456	45,316
3	Commercial	8,892,792	9,490,777	3,309,270	2,992,205	(317,065)
4	Other					
5	Penalties and fees	234,574	243,437	75,441	73,811	(1,630)
6	Other	59,031	82,132	10,956	23,379	12,423
7	Total operating revenue	36,507,728	39,639,094	13,505,807	13,244,851	(260,956)
8						
9	OPERATING EXPENSES					
10	Cost of power	8,571,913	9,126,474	3,402,021	3,343,704	(58,317)
11	Transmission	1,348,268	1,049,768	416,680	367,327	(49,353)
12	Distribution - operations	3,796,463	3,914,167	1,447,230	1,108,119	(339,111)
13	Distribution - maintenance	3,214,269	4,077,748	1,108,289	1,185,064	76,775
14	Consumer accounts	1,085,072	1,151,107	358,378	388,665	30,287
15						
16	General and administration					
17	Administration	4,595,125	4,747,811	1,538,871	1,422,362	(116,509)
18	Energy services	151,220	198,951	99,022	15,841	(83,181)
19	Subsidiary charges (RIC network mgt services)	91,979	92,028	24,156	23,007	(1,149)
20	Total general and administration	4,838,324	5,038,790	1,662,049	1,461,210	(200,839)
21						
22	Depreciation and amortization	5,396,359	5,688,475	1,675,784	1,456,140	(219,644)
23	Taxes	1,610,154	1,825,621	538,117	579,949	41,832
24						
25	Total operating expenses	29,860,821	31,872,151	10,608,548	9,890,179	(718,369)
26						
27	Operating margins before fixed charges	6,646,907	7,766,943	2,897,259	3,354,672	457,413
28						
29	FIXED CHARGES					
30	Interest on long-term debt	1,906,039	1,965,138	599,439	541,753	(57,686)
31						
32	Operating margins after fixed charges	4,740,869	5,801,805	2,297,820	2,812,919	515,099
33						
34	PATRONAGE CAPITAL CREDITS	107,198	93,527	34,867	37,276	2,409
35						
36	Net operating margins	4,848,066	5,895,332	2,332,687	2,850,195	517,508
37						
38	NON-OPERATING MARGINS					
39	Interest income	607,039	704,061	180,318	141,549	(38,769)
40	Other income (loss)	(18,861)	(63,211)	(29,484)	(17,985)	11,499
41	Total Opalco non-operating margins	588,178	640,851	150,834	123,564	(27,270)
42						
43	Non-operating margins from Subsidiary					
44	Interest Income (RIC loan)	79,587	79,656	19,911	19,947	36
45	Other income (use of OPALCO backbone)	109,740	108,653	30,255	24,174	(6,081)
46	Total non-operating margins from Subsidiary	189,327	188,309	50,166	44,121	(6,045)
47						
48	Net non-operating margins	777,505	829,160	201,000	167,685	(33,315)
49						
50	NET MARGINS	$ 5,625,571	$ 6,724,491	$ 2,533,687	$ 3,017,879	484,192
51						
52	OTIER	3.47	3.90	4.80	6.26	1.46
53	TIER	3.86	4.31	5.12	6.56	1.44
54	Equity % of Total Cap	39.7%	40.8%	43.3%	41.3%	-2.0%
55	Equity % of Total Assets (RUS - 30%)	39.1%	38.3%	37.9%	38.7%	0.8%
56	Equity % of Total Cap (excluding RESP)	42.7%	46.1%	49.5%	46.5%	-3.0%

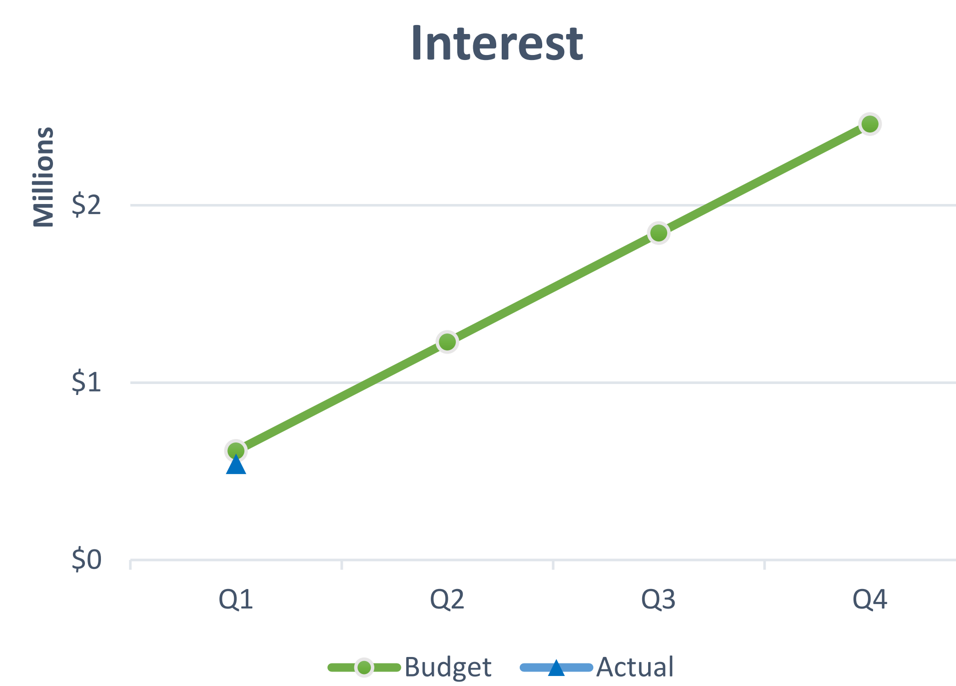


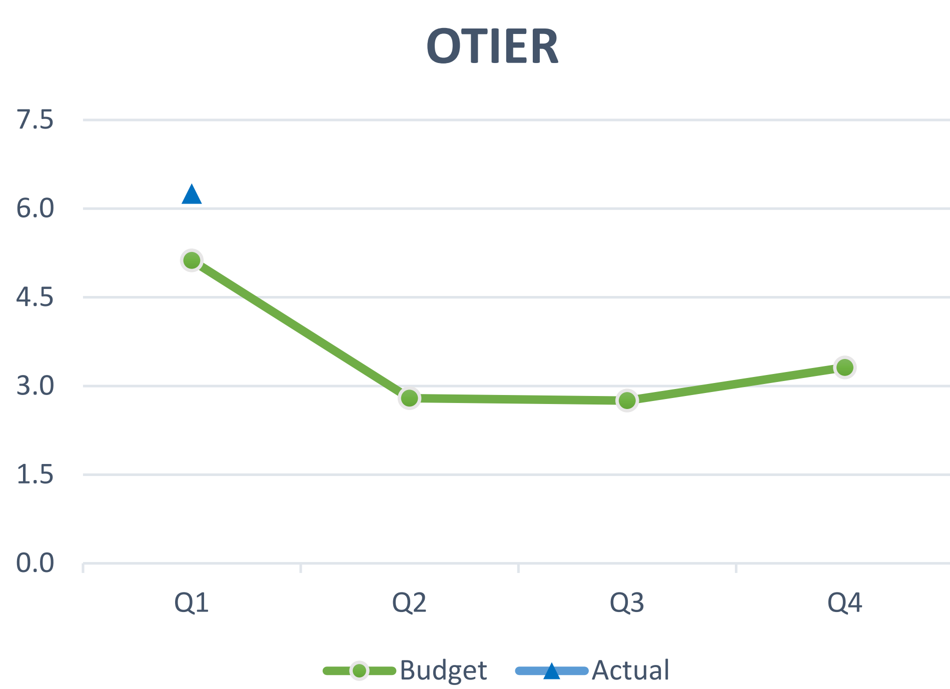
Notes:

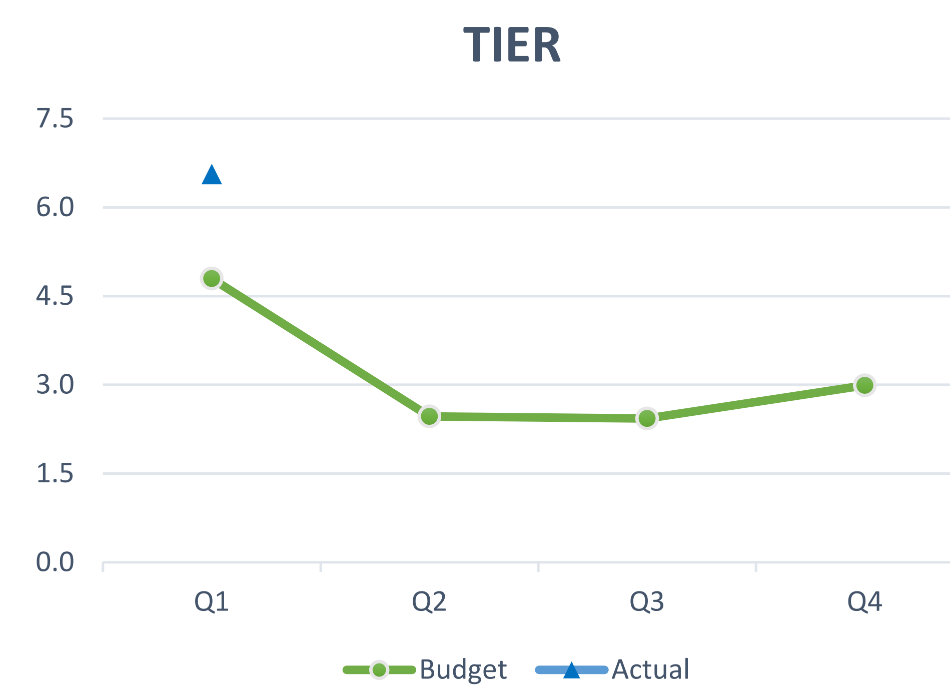
- Throughout Q1 the ECA returned net $477k to the membership **Note**: Due to the 1-month between the calculation of the ECA and impact on member bills, the ECA returned $175k in January 2025, related to the calculation based on December 2024 factors.
- Net Operating Margin: $2.85M ($518k increase over budget)
- Net Margin: $3M ($484k increase over budget)

2025 Q1 Budget to Actual: Financial Metrics









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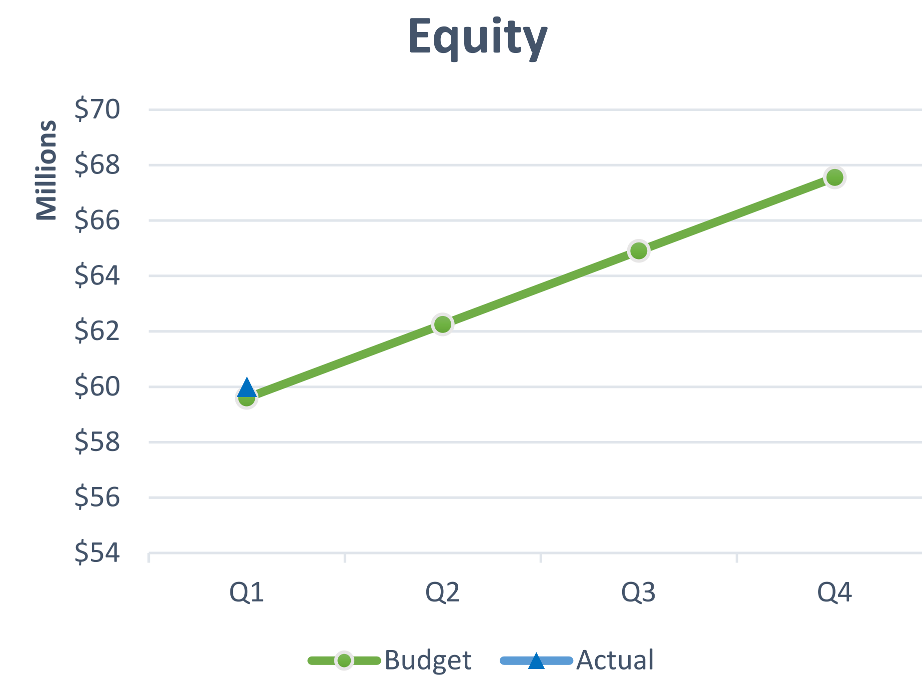

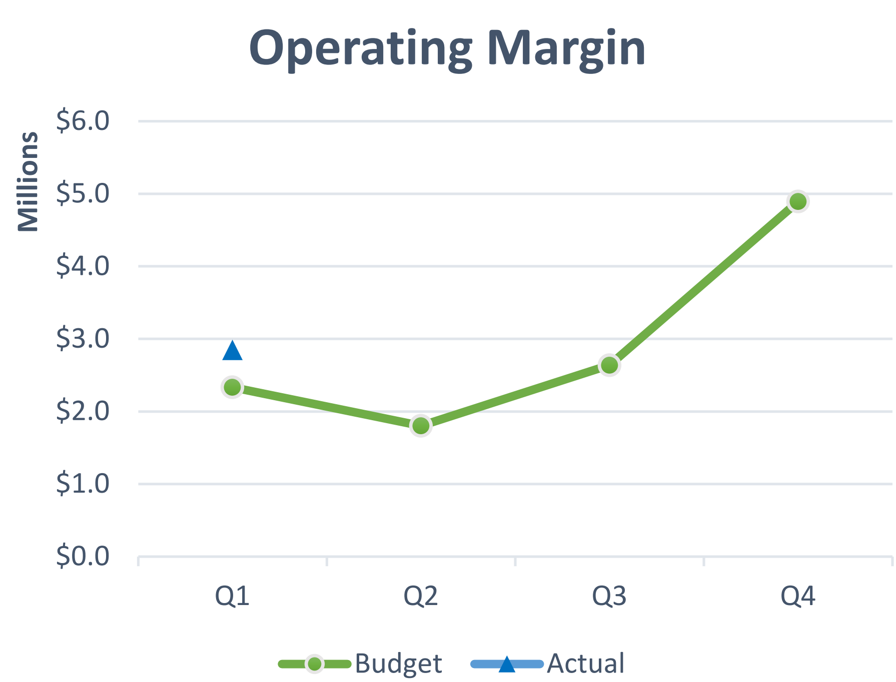

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS

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3	Commercial	8,892,792	9,490,777	3,309,270	**2,992,205**	(317,065)
4	Other					
5	Penalties and fees	234,574	243,437	75,441	**73,811**	(1,630)
6	Other	59,031	82,132	10,956	**23,379**	12,423
7	Total operating revenue	36,507,728	39,639,094	13,505,807	**13,244,851**	(260,956)
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12	Distribution - operations	3,796,463	3,914,167	1,447,230	**1,108,119**	(339,111)
13	Distribution - maintenance	3,214,269	4,077,748	1,108,289	**1,185,064**	76,775
14	Consumer accounts	1,085,072	1,151,107	358,378	**388,665**	30,287
15						
16	General and administration					
17	Administration	4,595,125	4,747,811	1,538,871	**1,422,362**	(116,509)
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19	Subsidiary charges (RIC network mgt services)	91,979	92,028	24,156	**23,007**	(1,149)
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38	NON-OPERATING MARGINS					
39	Interest income	607,039	704,061	180,318	**141,549**	(38,769)
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45	Other income (use of OPALCO backbone)	109,740	108,653	30,255	**24,174**	(6,081)
46	Total non-operating margins from Subsidiary	189,327	188,309	50,166	**44,121**	(6,045)
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53	TIER	3.86	4.31	5.12	**6.56**	1.44
54	Equity % of Total Cap	39.7%	40.8%	43.3%	**41.3%**	-2.0%
55	Equity % of Total Assets (RUS - 30%)	39.1%	38.3%	37.9%	**38.7%**	0.8%
56	Equity % of Total Cap (excluding RESP)	42.7%	46.1%	49.5%	**46.5%**	-3.0%

Updated 5/8/2025

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

Line		A. Budget Period End 3/31/2025	B. Actual Period End 3/31/2025		C. Budget Variance (B - A)	D. Comments: Budget To Actual (Column C.)
1	**I OPERATING REVENUES**	**13,505,807**	**13,244,851**		**(260,956)**	
2						Budget / Actual / Variance
3						HDD: 702 / 606 / -96
4						kWh Sales: 70,400 / 77,448 / 7,048
5	**Operating Revenue - Line 7 Detail Breakout:**					(kWh in thousands)
6	Residential Sales	10,110,140	10,155,456		45,316	kWh sales slighty higher than budget
7	Commercial Sales	3,309,270	2,992,205		(317,065)	Less Commercial sales than budgeted
8	Other Operating Revenue					
9	Penalties and Fees	75,441	73,811	(1,630)	(1,630)	Misc fees & penalty charges lower than budgeted
10	Other	10,956	23,379	12,423	12,423	Higher pole contact rentals
11						
12	**TOTAL OPERATING REVENUES**	**13,505,807**	**13,244,851**		**(260,956)**	**Decrease in Revenue -** kWh sales slighty higher than budget but offset from ECA of $477k credit in Q1
13						
14						
15	**II OPERATING EXPENSES**	**10,608,548**	**9,890,179**		**(718,369)**	**Overall decrease in operating expenses**
16						
17	**Cost of Power - Line 10**	**3,402,021**	**3,343,704**		**(58,317)**	**Decrease in expense** - kWh purchases higher but a lower all-in cost/kWh
18						Budget / Actual / Variance
19						kWh Purchases: 219,000 / 230,985 / 11,985
20						(kWh in thousands)
21	**Transmission - Line 11 Detail Breakout:**	**416,680**	**367,327**		**(49,353)**	**Decrease in expense -** less Transmission ROW offset line 13
22						
23	**Distribution - Operations - Line 12 Detail Breakout:**	**1,447,230**	**1,108,119**		**(339,111)**	**Decrease in expense -** labor coded to other efforts (work orders)
24						
25	**Distribution - Maintenance - Line 13 Detail Breakout:**	**1,108,289**	**1,185,064**		**76,775**	**Increase in expense -** more Distribution ROW offset line 11
26						
27	**Consumer accounts - Line 14 Detail Breakout:**	**358,378**	**388,665**		**30,287**	**Increase in expense** - slight increase in expenses across the board
28						
29	**Total General and Administrative (G&A):**					
30						
31	**Administration G&A - Line 17 Detail Breakout:**	**1,538,871**	**1,422,362**		**(116,509)**	**Decrease in expense** - lower expense across several GLs
32						
33	**Energy Services G&A - Line 18**	**99,022**	**15,841**		**(83,181)**	**Decrease in expense** - BPA EEI funding hit in Q1'25, trailing from 2024 - timing difference, will catch up
34						
35	**Subsidiary Charges G&A - Line 19**	**24,156**	**23,007**		**(1,149)**	**Decrease in expense**
36						
37	**Total General and Administrative (G&A)**	**1,662,049**	**1,461,210**		**(200,839)**	**Overall decrease in expense -** lower exp across several GLs + higher BPA EEI reimb (timing)
38						
39	**Deprec. & Amort. - Line 22**	**1,675,784**	**1,456,140**		**(219,644)**	**Decrease in expense -** lower depr - less Q4 '24 & Q1 '25 capitalizations
40						
41	**Taxes - Line 23**	**538,117**	**579,949**		**41,832**	**Increase in expense** - higher B&O tax from high grant CIAC

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL
DETAILED BREAKOUT OF NOTABLE DRIVERS

			A. Budget Period End 3/31/2025	B. Actual Period End 3/31/2025	C. Budget Variance (B - A)	D. Comments: Budget To Actual (Column C.)
42						
43		**TOTAL OPERATING EXPENSES**	**10,608,548**	**9,890,179**	**(718,369)**	**Overall decrease in expense**
44						
45						
46	**III**	**FIXED CHARGES - Interest Expense - Line 30**	**599,439**	**541,753**	**(57,686)**	**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**	**2,332,687**	**2,850,195**	**517,508**	**Increase in margin**
51						
52	**V**	**NON-OPERATING MARGINS**	**201,000**	**167,685**	**(33,315)**	**Decrease in margin**
60						
61		**TOTAL OPALCO NET MARGIN DETAIL BREAKOUT**	**2,533,687**	**3,017,879**	**484,192**	**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 3/31/2025**	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	**$ 187,381,560**	3,439,686
5	Construction work in progress	9,984,056	11,412,238	14,673,906	**15,109,648**	435,742
6						
7		168,993,346	180,137,391	198,615,780	**202,491,208**	3,875,428
8	Less accumulated depreciation and amortization	67,446,380	72,429,392	77,071,163	**78,485,402**	1,414,239
9						
10	Net utility plant	101,546,966	107,707,999	121,544,617	**124,005,806**	2,461,189
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)	**(9,094,652)**	151,224
17	Total investments in associated organizations	(9,633,956)	(7,714,636)	(7,570,565)	**(7,391,940)**	178,625
18						
19	Other property and investments	(9,633,956)	(7,714,636)	(7,570,565)	**(7,391,940)**	178,625
20						
21	CURRENT ASSETS					
22	Cash and cash equivalents	9,697,635	9,076,867	5,403,649	**8,507,197**	3,103,548
23	Cash and cash equivalents - board designated	1,002,529	1,061,098	1,150,993	**1,180,787**	29,794
24	Accounts receivable, less doubtful accts allowance	6,240,612	6,247,535	7,251,802	**7,634,231**	382,429
25	Interest receivable	55,550	49,108	24,753	**15,889**	(8,864)
26	Materials and supplies	3,766,502	4,544,853	5,165,169	**4,951,403**	(213,766)
27	Prepaid expenses	733,743	750,806	670,845	**316,335**	(354,510)
28						
29	Total current assets	21,496,571	21,730,267	19,667,211	**22,605,842**	2,938,631
30						
31	DEFERRED CHARGES (Note 2)	4,501,196	9,440,198	14,874,483	**15,701,253**	826,770
32						
29	Total assets	$ 117,910,777	$ 131,163,828	$ 148,515,746	**$ 154,920,961**	$ 6,405,215

Updated 5/8/2025

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 3/31/2025**	E. Change (D - C)
31	EQUITIES, MARGINS, AND LIABILITIES					
33	EQUITIES AND MARGINS					
34	Memberships	$ 58,380	$ 58,555	$ 58,755	**$ 58,665**	(90)
35	Patronage capital - OPALCO	47,684,660	50,530,219	54,804,172	**58,169,783**	3,365,611
36	Donated and other equities					
37	OPALCO donated & other margins	10,558,452	12,188,061	13,471,437	**13,007,879**	(463,558)
38	Subsidiary margins	(13,311,620)	(11,466,670)	(11,391,703)	**(11,233,741)**	157,962
40	Total equities and margins	44,989,872	51,310,164	56,942,661	**60,002,586**	3,059,926
42	LONG-TERM DEBT, less current maturities					
43	RUS construction notes	58,119,089	56,054,232	60,186,534	**62,645,614**	2,459,080
44	RUS Rural Energy Savings Program (RESP)	2,174,521	9,141,513	15,869,950	**16,190,925**	320,975
45	CFC mortgage notes	7,149,506	6,832,012	6,501,178	**6,416,350**	(84,828)
47	Total long-term debt	67,443,116	72,027,757	82,557,662	**85,252,889**	2,695,227
49	OTHER NONCURRENT LIABILITIES	11,885	35,257	71,828	**79,328**	7,500
51	Total long-term liabilities	67,455,001	72,063,014	82,629,490	**85,332,217**	2,702,727
53	CURRENT LIABILITIES					
54	Accounts payable	1,896,315	3,197,832	3,107,981	**3,132,386**	24,405
55	Customer deposits	70,129	71,371	79,708	**81,559**	1,850
56	Accrued liabilities	1,461,254	1,062,639	1,258,050	**1,576,822**	318,772
57	Current maturities of long-term debt	1,739,499	3,077,652	4,057,559	**4,348,687**	291,128
59	Total current liabilities	5,167,197	7,409,495	8,503,299	**9,139,454**	636,155
61	DEFERRED CREDITS	298,707	381,155	440,297	**446,704**	6,407
63	Total equities and liabilities	$ 117,910,777	$ 131,163,828	$ 148,515,746	**$ 154,920,961**	$ 6,405,215

65 Note:

66 1 Investment in subsidiary consists of OPALCO's invested dollars in Island Network LLC (+$2,139,089) less IN LLC's cumulative net deficit of ($11,233,741) seen in 'equities & margins'.

67 2 Member Switch-It-Up On Bill Financing (OBF) Long Term Receivables

Updated 5/8/2025

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW
GAAP

		A.	B.	C.
		Audited Year End 12/31/2023	Audited Year End 12/31/2024	**Actual Period End 3/31/2025**
1	CASH FLOWS FROM OPERATING ACTIVITIES			
2	Net margins	$ 5,625,571	$ 6,724,491	**$ 3,017,879**
3	Adjustments to reconcile net margin to cash			
4	from operating activities			
5	Depreciation and amortization	5,396,359	5,688,475	**1,456,140**
6	Changes in assets and liabilities			
7	Accounts receivable	(6,923)	(1,004,267)	**(382,429)**
8	Interest receivable	6,442	24,355	**8,864**
9	Prepaid expenses	(17,064)	79,961	**354,510**
10	Accounts payable	1,301,519	(89,851)	**24,406**
11	Customer deposits	1,242	8,337	**1,850**
12	Accrued liabilities	(398,616)	195,410	**318,772**
13	Deferred credits	82,449	59,143	**6,407**
14	Deferred Charges	(4,939,002)	(5,434,285)	**(826,770)**
14	Net cash from operating activities	7,051,977	6,251,769	**3,979,629**
15				
16	CASH FLOWS FROM INVESTING ACTIVITIES			
17	Additions to utility plant, net	(13,477,509)	(28,492,693)	**(1,429,682)**
18	Change in materials and supplies	(778,351)	(620,316)	**213,766**
19	(Increase) decrease in investment in Subsidiary	(1,842,479)	(85,131)	**(151,224)**
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)	**(1,394,541)**
23	CASH FLOWS FROM FINANCING ACTIVITIES			
24	Payments on long-term debt, net	(2,416,835)	(3,453,617)	**(1,006,145)**
25	Proceeds from debt (Note 1)	8,363,000	15,000,000	**4,000,000**
26	Memberships	175	200	**(90)**
27	Retirements of patronage capital, net	(1,150,403)	(1,167,162)	**(115,826)**
28	Change in subsidiary equities	1,844,950	74,967	**157,962**
29	Contributions in aid of construction	1,920,116	8,967,600	**(2,487,647)**
30	Net cash from financing activities	8,561,003	19,421,988	**548,254**
31	NET CHANGE IN CASH	(562,200)	(3,583,323)	**3,133,342**
32	CASH AND CASH EQUIVALENTS, beginning of year/period	10,700,165	10,137,965	**6,554,642**
33	CASH AND CASH EQUIVALENTS, end of year/period	10,137,965	6,554,642	**9,687,984**
34	SUPPLEMENTAL DISCLOSURES			
35	Cash paid for interest	$ 1,964,597	$ 2,031,038	**$ 542,373**
36	OUTSTANDING DEBT BALANCE	(75,140,665)	(86,687,049)	**(89,680,904)**
37	Notes:			
38	1 RUS Treasury borrowings of $3M and $1M in RESP			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

	Note: All numbers in thousands	A. Audited Year-End 12/31/2023	B. Audited Year-End 12/31/2024	C. Approved Budget 3/31/2025	D. **Actual Period-End 3/31/2025**	E. Budget Variance (D - C)	F. Comments
1	% Rate Increase	6%	6%	6%	**6%**		
2	OPERATING ACTIVITIES:						
3	Margins	$ 5,600	$ 6,700	$ 2,500	**$ 3,000**	$ 500	various - see P&L notable drivers
4	Plus depreciation/amortization	5,400	5,700	1,700	**1,500**	(200)	
5	Cash flow operations	11,000	12,400	4,200	**4,500**	300	
6							
7	PLANT INVESTMENT (NET)						
8	Plant investment (including material inventory)	(11,900)	(20,000)	(3,300)	**(3,800)**	(500)	various projects - see capital budget worksheet
9	Cash flow from operations and plant investment	(900)	(7,600)	900	**700**	(200)	
10							
11	CASH FLOWS FROM PATRONAGE CAPITAL	(1,140)	(1,200)	(30)	**(110)**	(80)	
12	Cash flow before borrowings	(2,040)	(8,800)	870	**590**	(280)	
13							
14	NET BORROWINGS	5,900	11,500	4,000	**3,000**	(1,000)	$1M in RESP borrowings ($2M budgeted, will catch up)
15	Cash increase (decrease) after net borrowings	$ 3,860	$ 2,700	$ 4,870	**$ 3,590**	$ (1,280)	
16							
17							
18	OUTSTANDING DEBT BALANCE	75,110	86,600	90,600	**89,600**	(1,000)	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

				A.	B.	B.	C.	D.	E.	G.
			RUS CWP DESCRIPTION	Audited Year End 12/31/2023	Audited Year End 12/31/2024	Budget Year End 12/31/2025	Budget Period End 3/31/2025	**Actual Period End 3/31/2025**	Budget Variance (E- D)	Comments
1	DISTRIBUTION									
2	100		New Services	$ 783,026	$ 360,183	$ 415,000	$ 69,167	**$ 70,375**	$ 1,208	Member request for overhead to underground (Offset to Line 38)
3	200		New Tie Lines	241,980	218,715	-	-	**-**	-	
4	300		Conversions and Line Changes	381,236	2,729,501	1,103,000	250,000	**271,181**	21,181	Boyce Road Reconductor ahead of schedule
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	100,000	**17,698**	(82,302)	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	1,000,000	**1,017,709**	17,709	
9		602	Sets of Service Wires to increase Capacity	-	-	-	-	**-**	-	
10		603	Sectionalizing Equipment	254,716	242,307	450,000	-	**83**	83	
11		604	Regulators	-	-	300,000	-	**-**	-	
12		606	Ordinary Replacements	20,079	28,151	433,000	-	**75**	75	
13		607	Overhead to Underground Replacements	33,794	713,800	355,000	150,000	**160,965**	10,965	Joint project opportunities
14		608	Underground Dist. Cable Replacement	3,817,644	2,893,512	3,625,000	700,000	**761,683**	61,683	Joint ARPA projects accelerating replacements
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	-	**6,094**	6,094	
20			ARPA Grant Fiber Projects		8,501,911	7,373,972	1,500,000	**1,461,519**	(38,481)	
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	375,000	**411,396**	36,396	Jackson Beach Transmission Line Relocation
25	1100		Other Transmission	-	-	-	-	**-**	-	
26	GENERATION									
27	1200		Generation	146,484	1,938,904	1,200,000	900,000	**837,955**	(62,045)	DOE Phase 1 Funding Extension into Q2
28	OTHER									
29	1300		Headquarters Facilities	139,468	73,228	1,755,000	350,000	**337,018**	(12,982)	
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	500,000	**485,479**	(14,521)	
33		1502	Office Equipment/Furniture/Etc.	3,219	19,182	13,000	10,000	**10,160**	160	
34		1503	Computer/Servers/Software	374,082	359,345	177,000	100,000	**92,844**	(7,156)	
35		1504	Electrical Infrastructure to Support Community Solar	1,918,563	595,477	6,400,000	100,000	**62,667**	(37,333)	Delays in Permitting with SJC
36	1600		Minor Projects	70,958	152,659	142,000	25,000	**6,391**	(18,609)	
37			**RUS CWP SUBTOTAL**	13,851,918	28,963,677	32,065,972	6,129,167	**6,289,863**	160,697	
38	**CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)**									
39			New Services	(389,586)	(332,200)	(332,000)	(85,000)	**(103,579)**	(18,579)	Offset to Line 2 - New Services
40			Meters and Transformers	(297,391)	(320,584)	(342,000)	(50,000)	**(105,714)**	(55,714)	Offset to Line 8 Transformers & Meters
41			Joint Projects	(354,476)	(37,708)	(48,000)	-	**(94,557)**	(94,557)	Offset to Lines 3, 4, 14 and 36
42			Grant Funding	(508,663)	(1,013,955)	(1,888,000)	(900,000)	**(645,304)**	254,696	Permitting delays for Battery System (Rescoped for Eastsound)
43			Community Solar Member Contributions	(370,000)	-	(9,030,000)	-	**-**	-	
44			ARPA Grant Fiber Funding	-	(7,263,172)	(7,247,944)	(1,811,986)	**(1,538,493)**	273,493	Offset to Line 20 - Reimbursement received Quarter after Expenditure
45			**CIAC SUBTOTAL**	(1,920,116)	(8,967,619)	(18,887,944)	(2,846,986)	**(2,487,647)**	359,339	
46										
47			**RUS CWP NET TOTAL**	11,931,803	19,996,058	13,178,028	3,282,181	**3,802,216**	520,036	

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	BORROWER DESIGNATION WA0009
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	PERIOD ENDED March '25
INSTRUCTIONS - See help in the online application.	BORROWER NAME Orcas Power & Light Cooperative

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 LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	YEAR-TO-DATE BUDGET (c)	THIS MONTH (d)
1. Operating Revenue and Patronage Capital	12,893,867	13,244,851	13,505,807	4,135,690
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	3,247,255	3,343,704	3,402,021	857,764
4. Transmission Expense	618,360	367,327	416,680	67,988
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	1,087,052	1,108,119	1,447,230	451,222
7. Distribution Expense - Maintenance	1,042,266	1,185,064	1,108,289	398,808
8. Customer Accounts Expense	256,050	388,665	358,378	117,384
9. Customer Service and Informational Expense	140,006	64,392	175,362	43,852
10. Sales Expense	13,356	18,651	16,027	8,103
11. Administrative and General Expense	1,204,290	1,378,167	1,470,660	402,809
12. Total Operation & Maintenance Expense (*2 thru 11*)	7,608,635	7,854,090	8,394,647	2,347,929
13. Depreciation and Amortization Expense	1,433,164	1,456,140	1,675,784	485,852
14. Tax Expense - Property & Gross Receipts	63,450	71,820	72,637	23,940
15. Tax Expense - Other	452,518	508,129	465,480	155,537
16. Interest on Long-Term Debt	486,714	542,373	614,439	190,405
17. Interest Charged to Construction - Credit	240	(620)	(15,000)	(1,863)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	-	-	-	-
20. Total Cost of Electric Service (*12 thru 19*)	10,044,722	10,431,932	11,207,987	3,201,801
21. Patronage Capital & Operating Margins (*1 minus 20*)	2,849,145	2,812,919	2,297,820	933,890
22. Non Operating Margins - Interest	183,349	161,495	200,229	76,596
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	42,251	6,189	771	(17,032)
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	15,962	37,276	34,867	37,276
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (*21 thru 28*)	3,090,708	3,017,879	2,533,687	1,030,730

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 '25

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	ITEM	YEAR-TO-DATE LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)
1. New Services Connected	26	29	5. Miles Transmission	46.39	46.39
2. Services Retired	1	2	6. Miles Distribution – Overhead	138.81	135.37
3. Total Services in Place	15,880	15,978	7. Miles Distribution - Underground	1,089.02	1,095.35
4. Idle Services (Exclude Seasonals)	830	858	8. **Total Miles Energized** (5 + 6 + 7)	1,274.22	1,277.11

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	187,381,561	30. Memberships	58,665
2. Construction Work in Progress	15,069,036	31. Patronage Capital	48,595,097
3. **Total Utility Plant** *(1 + 2)*	202,450,597	32. Operating Margins - Prior Years	6,724,491
4. Accum. Provision for Depreciation and Amort.	78,444,790	33. Operating Margins - Current Year	2,850,195
5. **Net Utility Plant** *(3 - 4)*	124,005,807	34. Non-Operating Margins	167,685
6. Non-Utility Property (Net)	-	35. Other Margins and Equities	1,606,454
7. Investments in Subsidiary Companies	(9,094,652)	36. **Total Margins & Equities** *(30 thru 35)*	60,002,587
8. Invest. in Assoc. Org. - Patronage Capital	1,154,567	37. Long-Term Debt - RUS (Net)	9,097,451
9. Invest. in Assoc. Org. - Other - General Funds	10,300	38. Long-Term Debt - FFB - RUS Guaranteed	55,570,901
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)	24,933,222
12. Other Investments	1,371	41. Long-Term Debt - RUS - Econ. Devel. (Net)	-
13. Special Funds	1,355,308	42. Payments – Unapplied	-
14. **Total Other Property & Investments** *(6 thru 13)*	(6,036,633)	43. **Total Long-Term Debt** *(37 thru 41 - 42)*	89,601,574
15. Cash - General Funds	4,050,573	44. Obligations Under Capital Leases - Noncurrent	-
16. Cash - Construction Funds - Trustee	37,917	45. Accumulated Operating Provisions and Asset Retirement Obligations	79,328
17. Special Deposits	-	46. **Total Other Noncurrent Liabilities** *(44 + 45)*	79,328
18. Temporary Investments	4,371,641	47. Notes Payable	-
19. Notes Receivable (Net)	1,661,735	48. Accounts Payable	3,132,386
20. Accounts Receivable - Sales of Energy (Net)	3,561,315	49. Consumers Deposits	81,559
21. Accounts Receivable - Other (Net)	49,548		-
22. Renewable Energy Credits	-	50. Current Maturities Long-Term Debt	-
23. Materials and Supplies - Electric & Other	4,951,403	51. Current Maturities Long-Term Debt - Economic Development	-
24. Prepayments	316,335	52. Current Maturities Capital Leases	-
25. Other Current and Accrued Assets	2,250,066	53. Other Current and Accrued Liabilities	1,576,823
26. **Total Current and Accrued Assets**	21,250,533	54. **Total Current & Accrued Liabilities**	4,790,767
27. Regulatory Assets	-	55. Regulatory Liabilities	-
28. Other Deferred Debits	15,701,253	56. Other Deferred Credits	446,705
29. **Total Assets and Other Debits**	154,920,961	57. **Total Liabilities and Other Credits**	154,920,961

RUS Financial and Operating Report Electric Distribution Revision Date 2014