

ORCAS POWER & LIGHT COOPERATIVE 2026 Q1 FINANCIAL REPORT



MEMORANDUM

May 21, 2026

To: Board of Directors

From: Foster Hildreth, General Manager

Re: 2026 First Quarter Financial Report

The 2026 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.

Q1'26: As seen in the financial statements; operating revenue, power costs and operating expenses were lower than budgeted levels through Q1. All combined drove to an overall operating margin variance under budget of (\$112k) for Q1'2026. It is important to note that Q1 results are largely impacted by timing shifts in maintenance vs. capital projects, borrowings and the overall fluctuation in weather. These items catch up and smooth out over the course of the year. Management continues to monitor operating expenses and overall financial position closely.

Annual Projection:

The table below presents the projection of full-year 2026 financial results using actuals from Q1 and budget projections and/or known amounts for future months. Financial ratios remain at healthy levels well above RUS covenant requirements.

Income Statement Summary (in thousands)	2026 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 43,176	\$ 42,760	\$ (416)
ECA Surcharge / (Credit)*	-	10	\$ 10
Revenue	\$ 43,176	\$ 42,770	\$ (406)
Expenses:			
Cost of Purchased Power	10,848	10,712	\$ (136)
Transmission & Distribution Expense	9,308	9,403	95
General & Administrative Expense	7,390	7,413	23
Depreciation, Tax, Interest & Other	10,971	10,898	(73)
Total Expenses	\$ 38,517	\$ 38,426	(91)
Operating Margin	4,659	4,343	(316)
Non-op margin	1,060	1,088	28
Net Margin*	\$ 5,719	\$ 5,431	(288)
OTIER	2.68	2.57	(0.11)
TIER	3.02	2.96	(0.06)
Equity %	38.2%	38.1%	-0.1%
HDD	1,081	1,181	100
kWh Purchases	230,000	226,770	(3,230)
kWh Sales	218,500	217,007	(1,493)

*The ECA collected \$10k through April 2026

For more details, please note the following key points:

- Heating Degree Days (HDD) were ~11% above budgeted levels (actual of 571 vs. budget of 515). Overall kWh sales were ~477k kWh below budget (70.9M vs. budget of 70.4M).
- 2026 power purchases were \$226k lower than budgeted. Actual kWh purchases were 1.7M kWh below budget (72.4M vs. budget of 74.1M).
- Excluding purchased power, 2026 operating expenses were approximately \$148k under budgeted amounts. See budget notable drivers within the financial packet for specific account details.
- Rock Island Communications 2026 Financials included in separate packet.

OPALCO 2026 Financial Package under separate cover.

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS EXECUTIVE SUMMARY

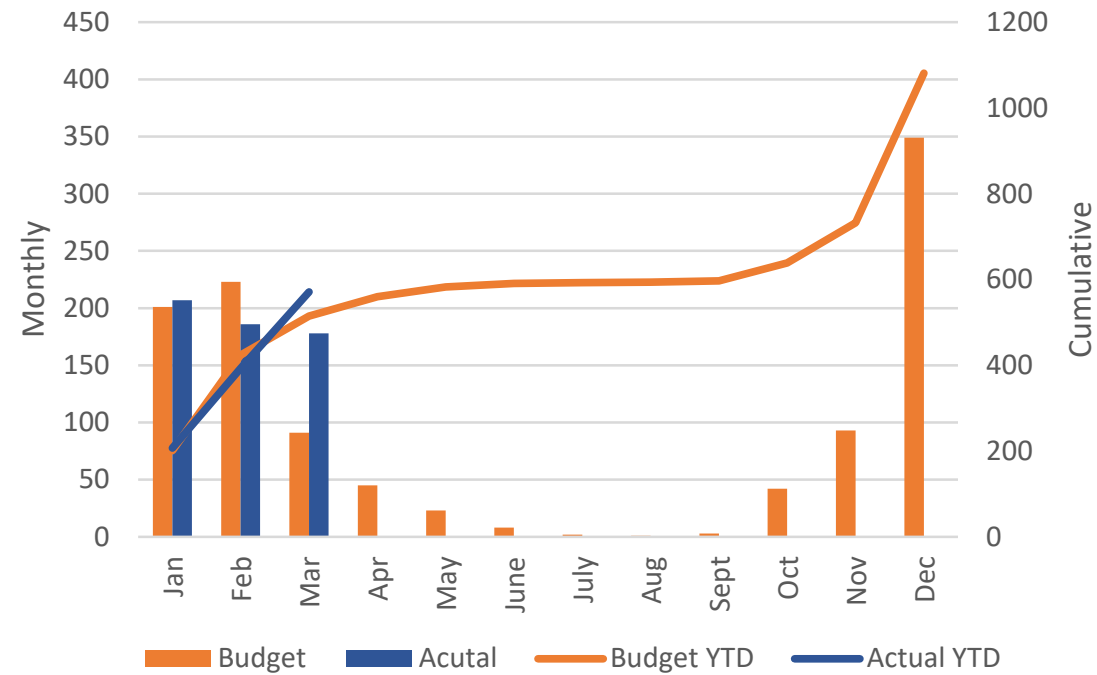
	A.	B.	C.	D.	E.	F.	G.
	Audited	Audited	Unaudited	Budget	Actual	Budget	Budget
	Year End	Year End	Year End	Period End	Period End	\$ Change	% Change
	12/31/2023	12/31/2024	12/31/2025	3/31/2026	3/31/2026	(E - D)	(F / D)
1	kWh Purchases	228,638,000	230,984,773	225,146,107	74,100,000	72,425,000	(1,675,000) -2.3%
2	Gross Operating Revenue	36,836,000	39,492,000	41,327,000	13,899,000	13,416,000	(483,000) -3.5%
3	Energy Charge Adjustment	(328,000)	147,000	(934,000)	-	-	-
4	Net Operating Revenue Total	36,508,000	39,639,000	40,393,000	13,899,000	13,416,000	(483,000) -3.5%
5	Cost of power	8,572,000	9,126,000	9,785,000	3,386,000	3,160,000	(226,000) -6.7%
6	Operations & G&A	14,282,000	15,232,000	16,241,000	4,250,000	4,219,000	(31,000) -0.7%
7	Depr, Int, Taxes & Other	8,805,000	9,386,000	10,058,000	2,773,000	2,659,000	(114,000) -4.1%
8		31,659,000	33,744,000	36,084,000	10,409,000	10,038,000	(371,000) -3.6%
9	Net Operating Margins	4,849,000	5,895,000	4,309,000	3,490,000	3,378,000	(112,000) -3.2%
10	Non-Operating Margins	778,000	829,000	(405,000)	224,000	256,000	32,000 14.3%
11	Net Margin	\$ 5,627,000	\$ 6,724,000	\$ 3,904,000	\$ 3,714,000	\$ 3,634,000	(80,000) -2.2%
12	OTIER	3.47	3.90	2.85	5.94	6.32	0.38
13	TIER	3.86	4.31	2.68	6.25	6.72	0.47
14	Equity % of Total Cap	39.7%	40.8%	39.2%	40.4%	40.6%	0.2%
15	Equity % (excl RESP)	42.7%	46.1%	44.8%	46.5%	46.5%	0.0%
16	Equity	51,310,000	56,943,000	60,804,000	64,527,000	64,555,000	28,000 0.0%
17	Capital Debt	65,099,000	68,984,000	77,452,000	76,711,000	76,815,000	104,000 0.1%
18	RESP Debt	10,006,000	17,631,000	21,907,000	23,546,000	22,878,000	(668,000) -2.8%
19	Capital Spending	11,932,000	19,996,000	10,876,000	2,277,000	1,437,000	(840,000) -36.9%
20	Capital Credit Retirement (net)	(1,137,000)	(1,179,000)	(1,376,000)	(32,000)	(15,000)	17,000 -53.1%
21	Annual HDD	1,090	801	1,043	515	571	56 10.9%



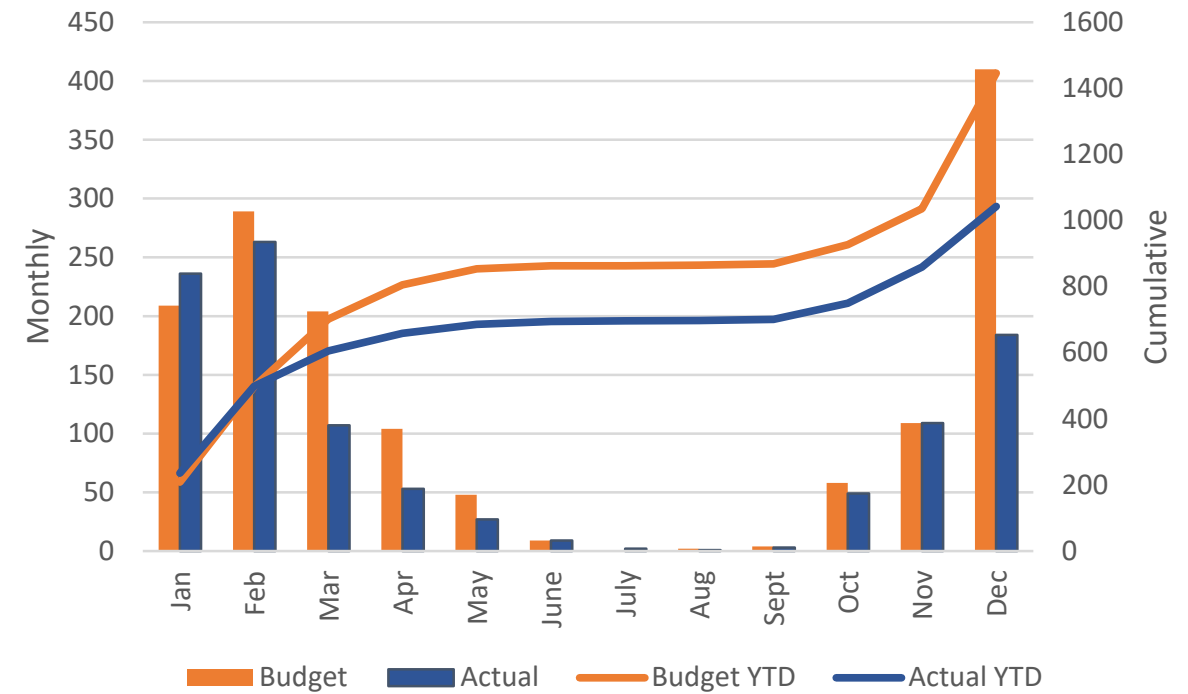
2026 Q1 Financial Highlights

2026 Budget to Actual: Heating Degree Days

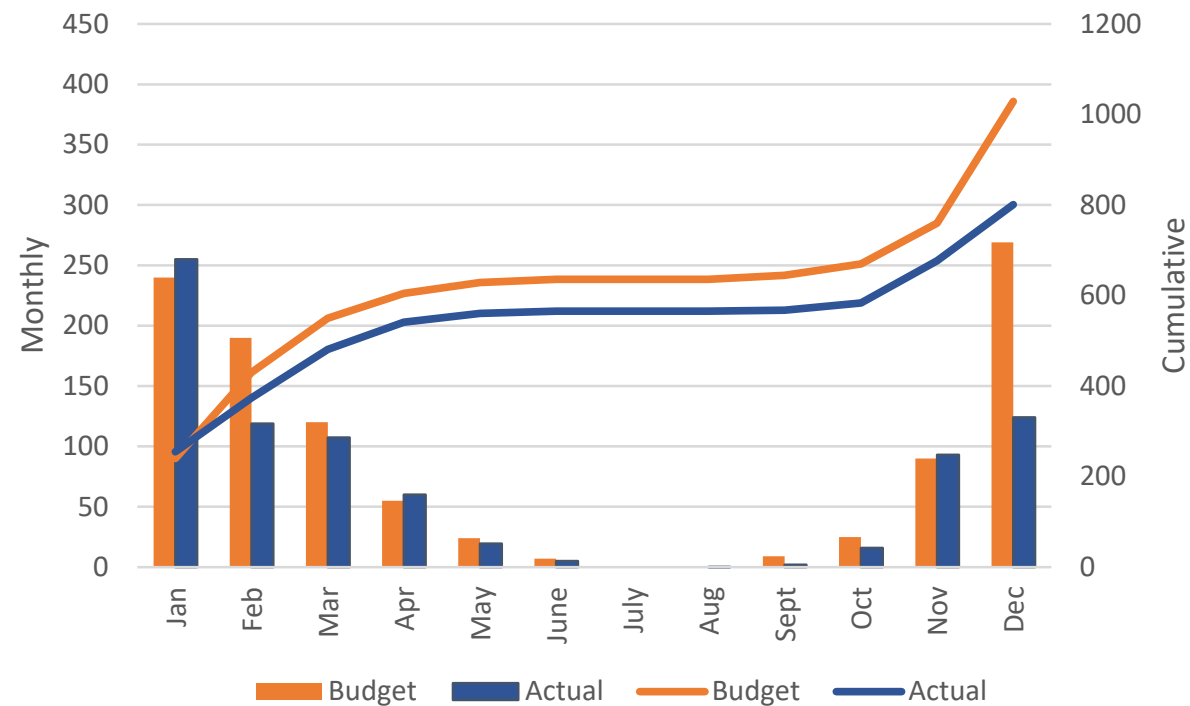
2026 HDD's



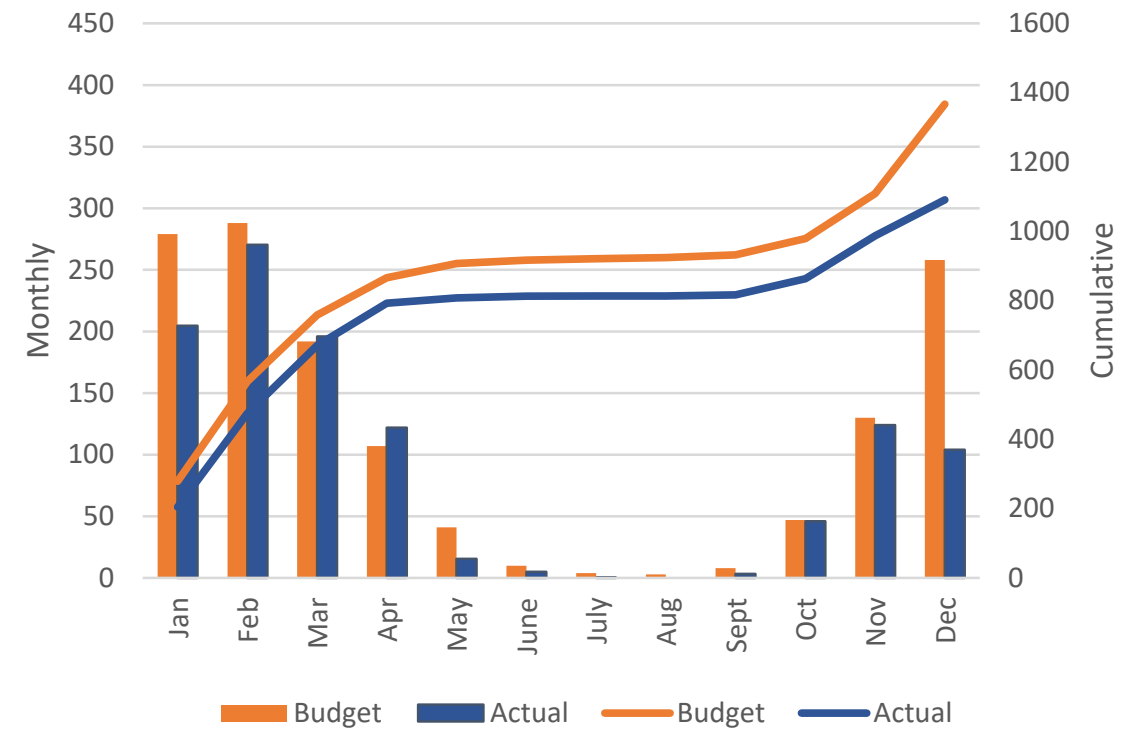
2025 HDD's



2024 HDD's

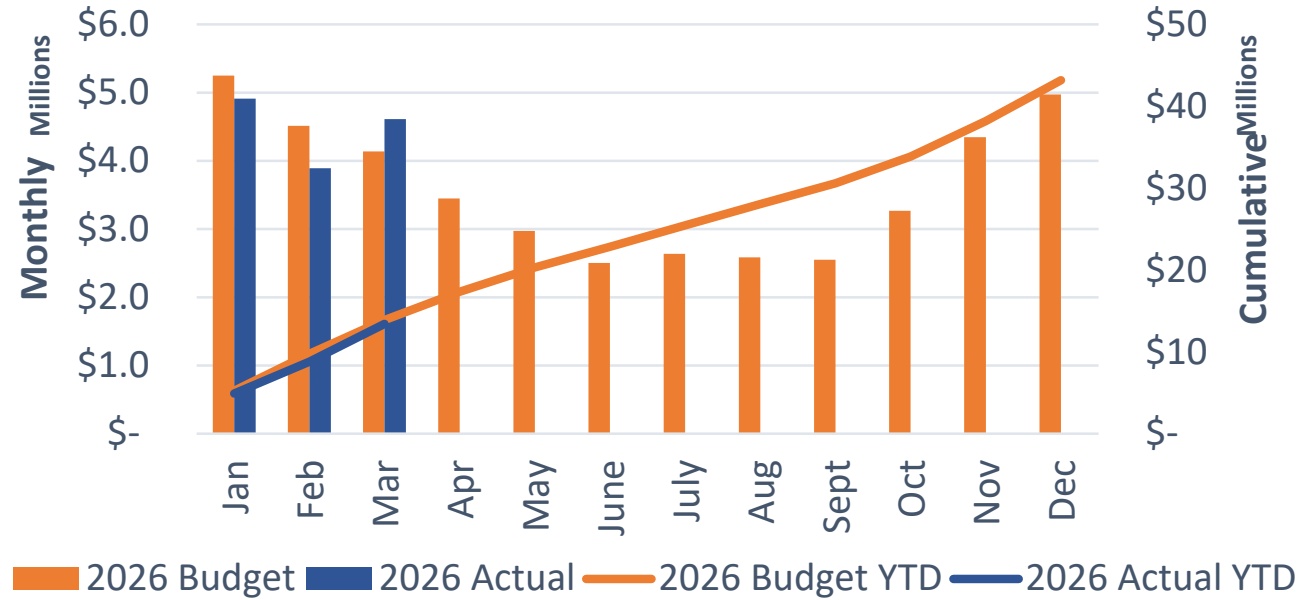


2023 HDD's

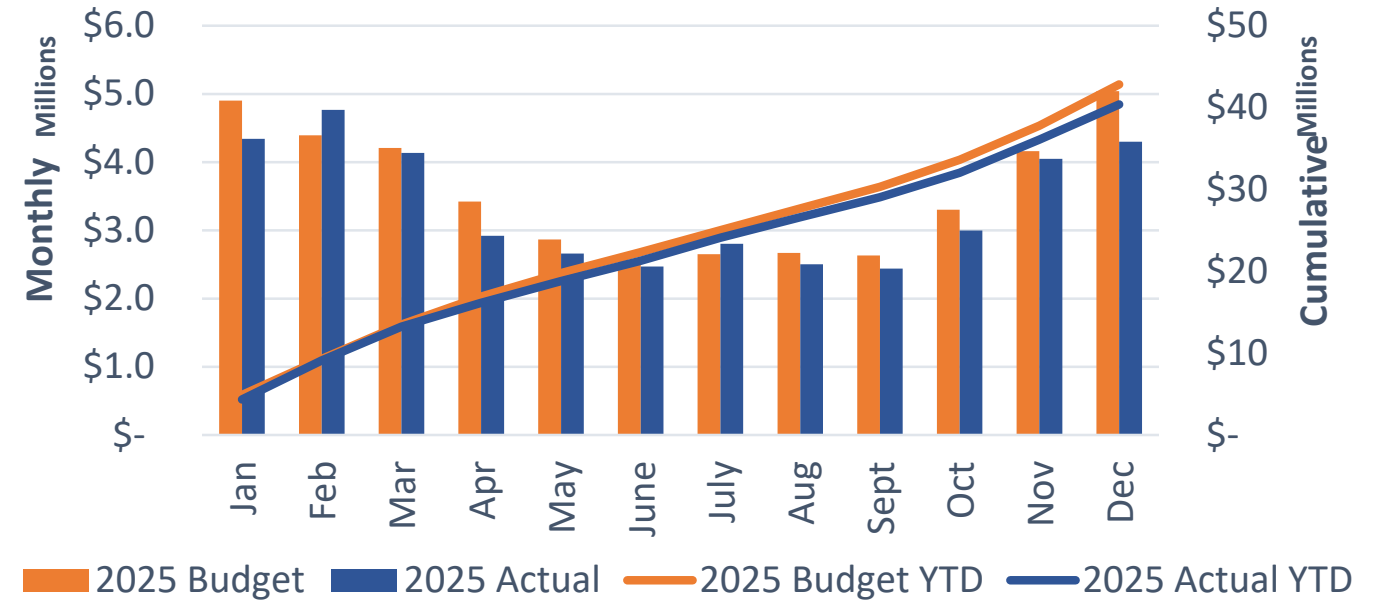


2026 Q1 Budget to Actual: Revenue

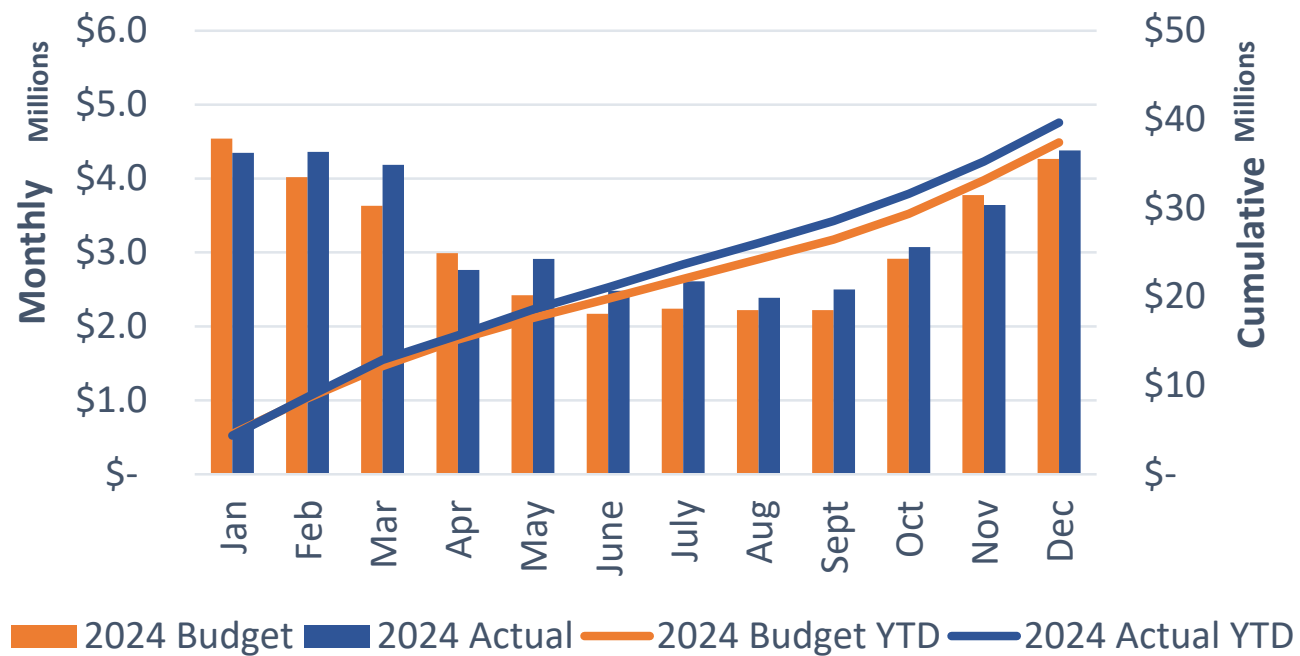
2026 Revenue



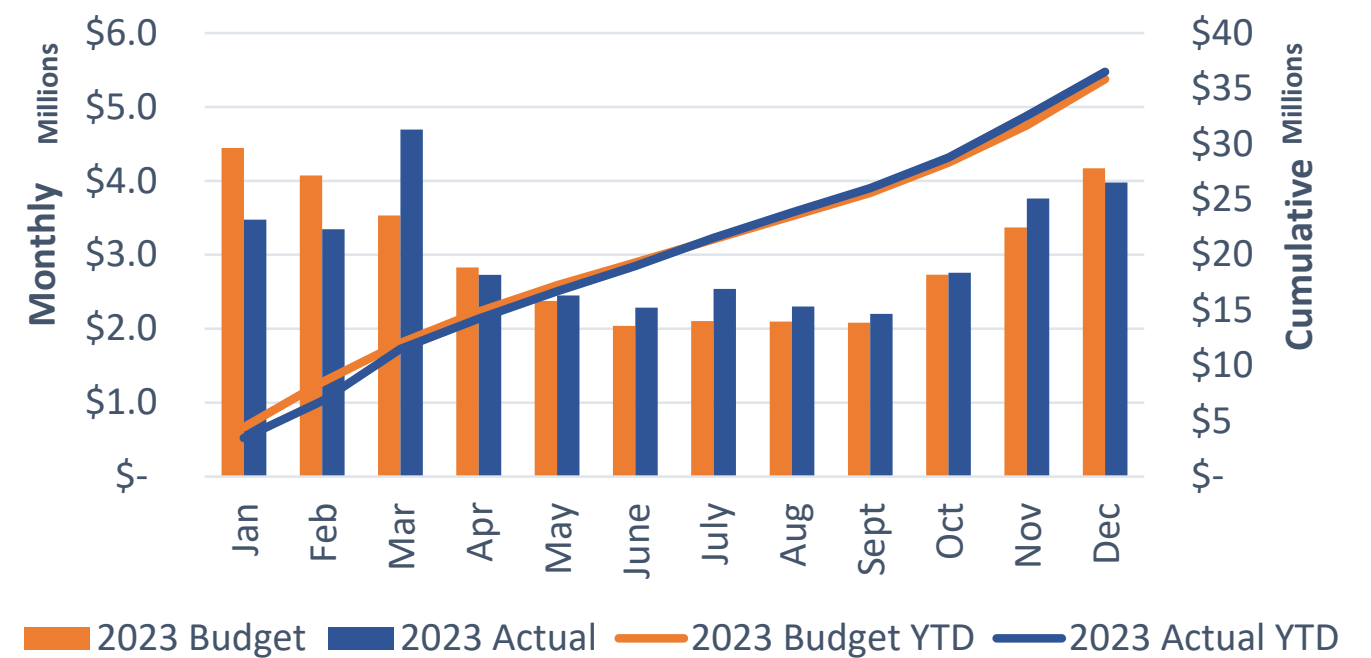
2025 Revenue



2024 Revenue



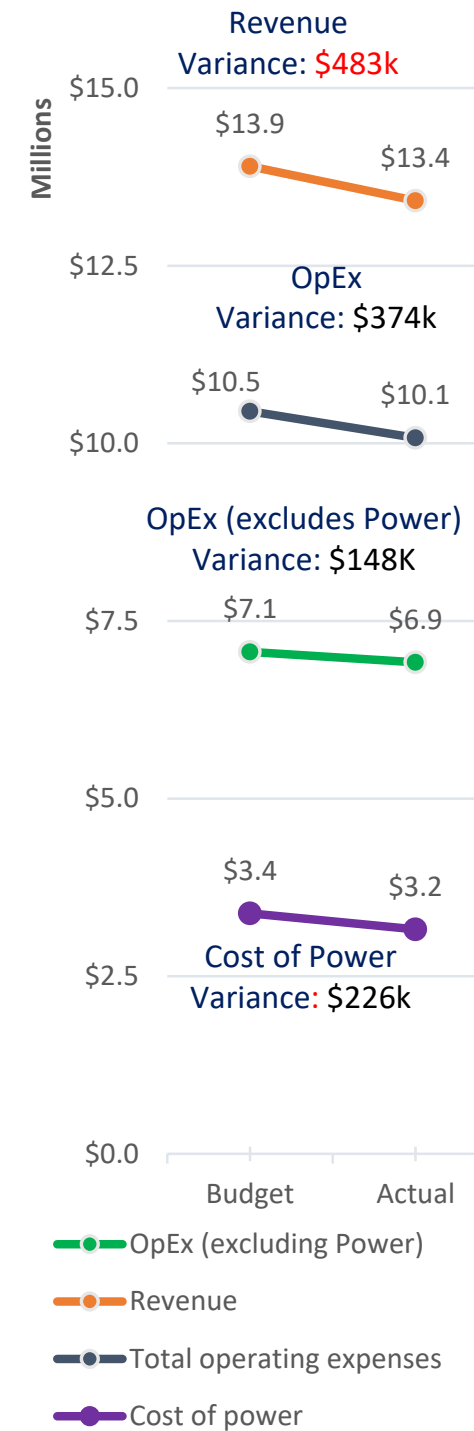
2023 Revenue



* Revenue net of ECA

2026 Q1 Budget to Actual: Statement of Operations

	A. Audited Year End 12/31/2024	B. Unaudited Year End 12/31/2025	C. Budget Period End 3/31/2026	D. Actual Period End 3/31/2026	E. Budget Variance
OPERATING REVENUES					
Residential	29,822,748	30,159,690	10,497,820	10,347,229	(150,591)
Commercial	9,490,777	9,895,493	3,304,191	2,978,000	(326,191)
Other Operating Revenue					
Penalties and fees	243,437	248,552	74,709	69,459	(5,250)
Other	82,132	88,772	22,422	21,798	(624)
TOTAL OPERATING REVENUES	39,639,094	40,392,506	13,899,142	13,416,487	(482,655)
OPERATING EXPENSES					
Cost of power	9,126,474	9,784,593	3,385,979	3,160,252	(225,727)
Transmission	1,049,768	768,339	95,792	34,096	(61,696)
Distribution - operations	3,914,167	4,679,551	1,210,886	1,415,022	204,136
Distribution - maintenance	4,077,748	4,028,535	943,841	837,319	(106,522)
Consumer accounts	1,151,107	1,391,335	440,670	380,829	(59,841)
General and administration (G & A)					
Administration	4,747,611	5,076,684	1,481,717	1,372,867	(108,850)
Energy Services	198,951	202,076	53,008	156,147	103,139
Subsidiary charges	92,028	93,982	24,546	23,004	(1,542)
TOTAL G&A	5,038,590	5,372,742	1,559,271	1,552,018	(7,253)
Depreciation and amortization	5,688,475	5,950,084	1,518,982	1,486,816	(32,166)
Taxes	1,825,621	1,907,774	595,604	583,608	(11,996)
Interest on Long-Term Debt	1,965,138	2,306,709	700,704	627,751	(72,953)
TOTAL OPERATING EXPENSES	33,837,089	36,189,662	10,451,729	10,077,712	(374,017)
OPERATING MARGINS	5,802,005	4,202,845	3,447,413	3,338,774	(108,639)
PATRONAGE CAPITAL CREDITS					
	93,527	107,029	42,241	38,747	(3,494)
NET OPERATING MARGINS	5,895,532	4,309,873	3,489,654	3,377,521	(112,133)
NONOPERATING MARGINS					
Interest income	783,717	850,667	244,989	248,923	3,934
Other Income (expense)	45,242	(1,255,731)	(21,435)	6,623	28,058
Total Net Nonoperating Margins	828,960	(405,063)	223,554	255,546	31,992
NET MARGINS	\$ 6,724,491	\$ 3,904,810	\$ 3,713,208	\$ 3,633,067	(80,141)

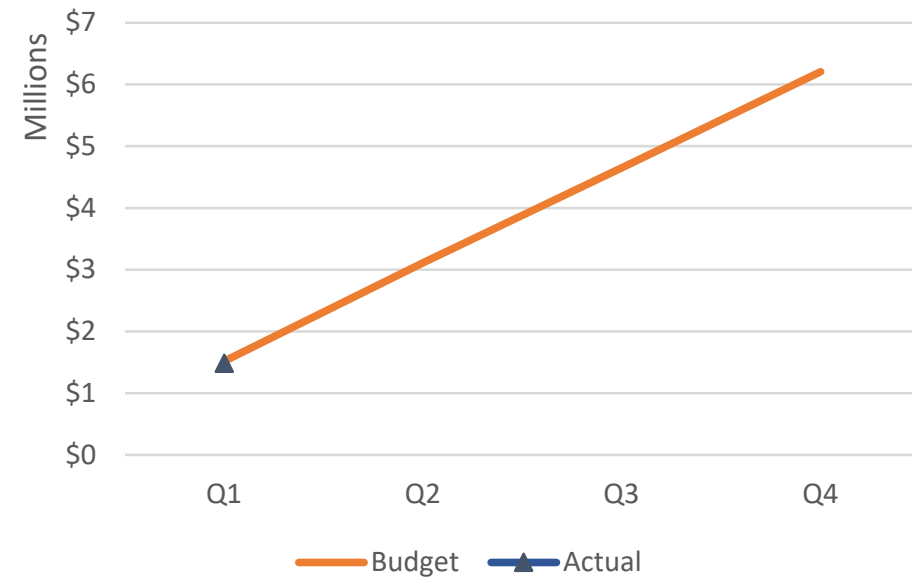


Notes:

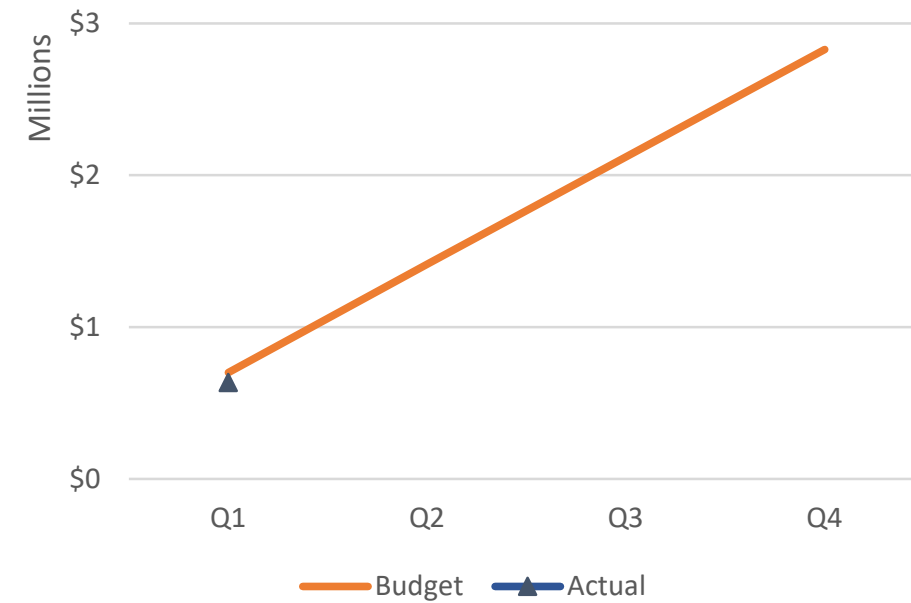
- Net Operating Margin: \$3.4M (~\$112k decrease over budget)
- Net Margin: \$3.6M (~\$80k decrease over budget)

2026 Q1 Budget to Actual: Financial Metrics

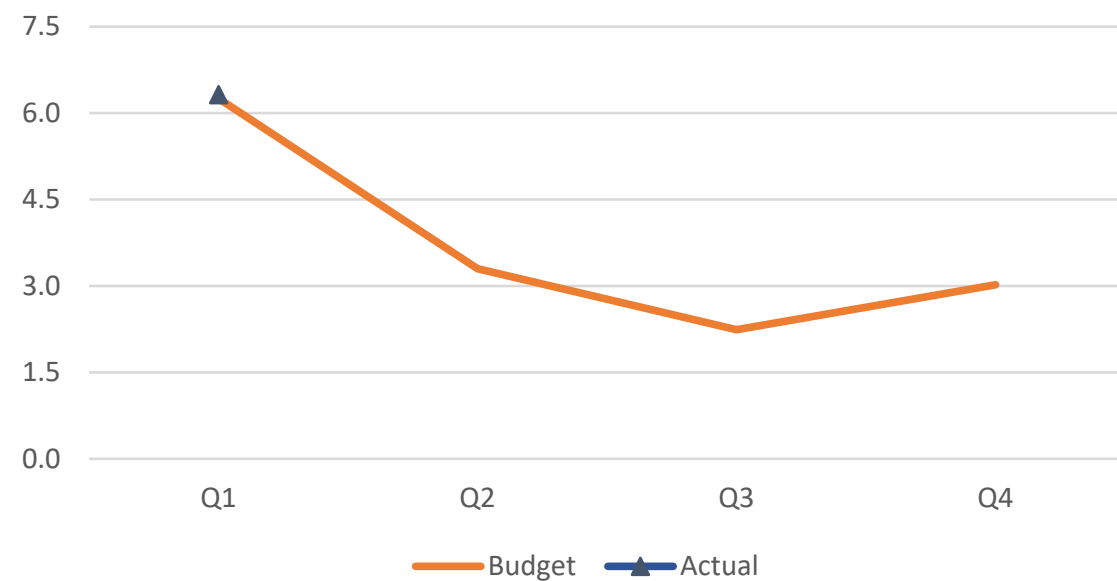
Depreciation & Amortization



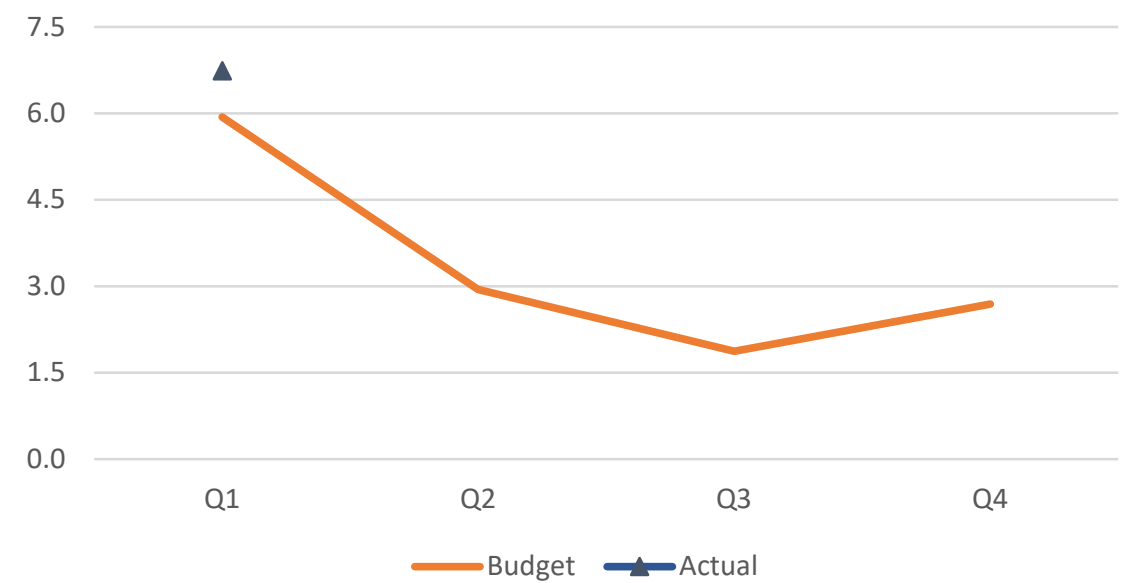
Interest



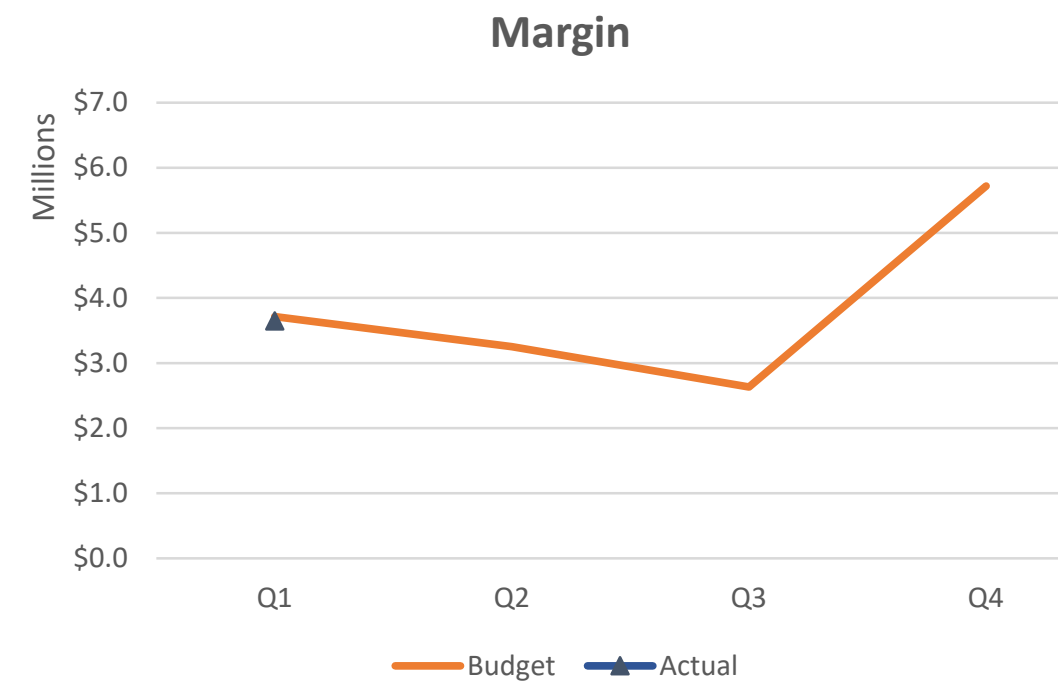
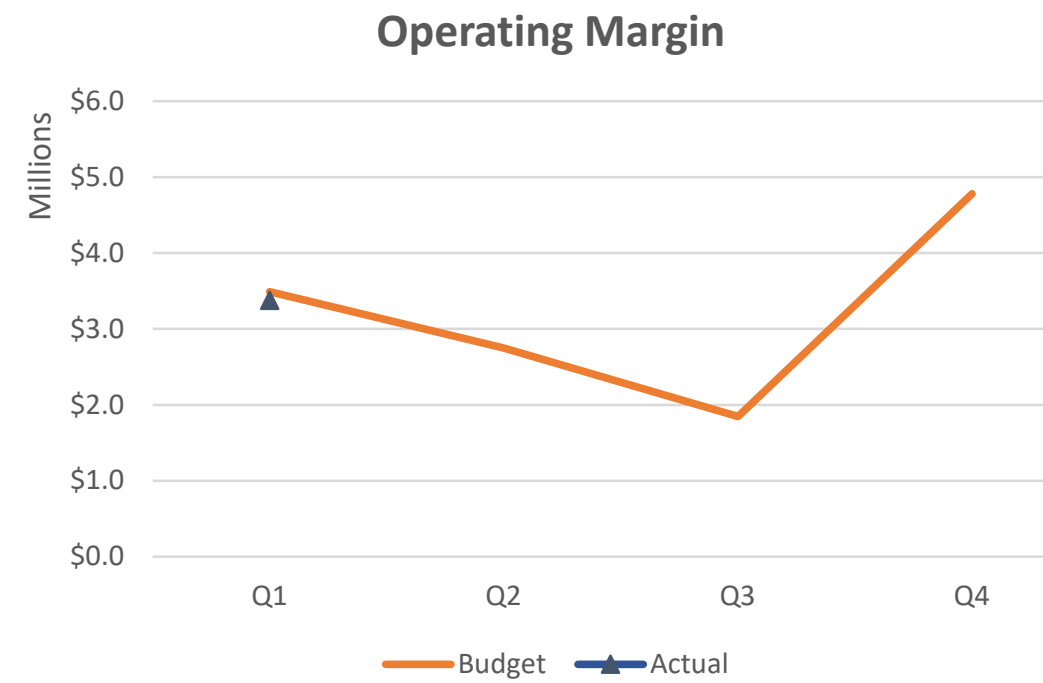
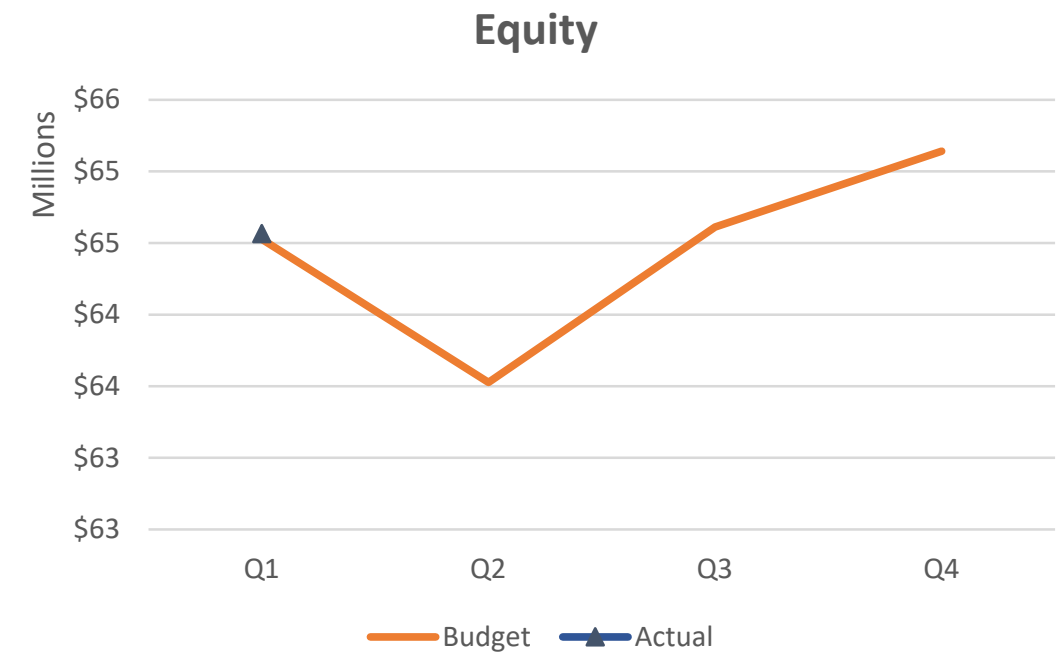
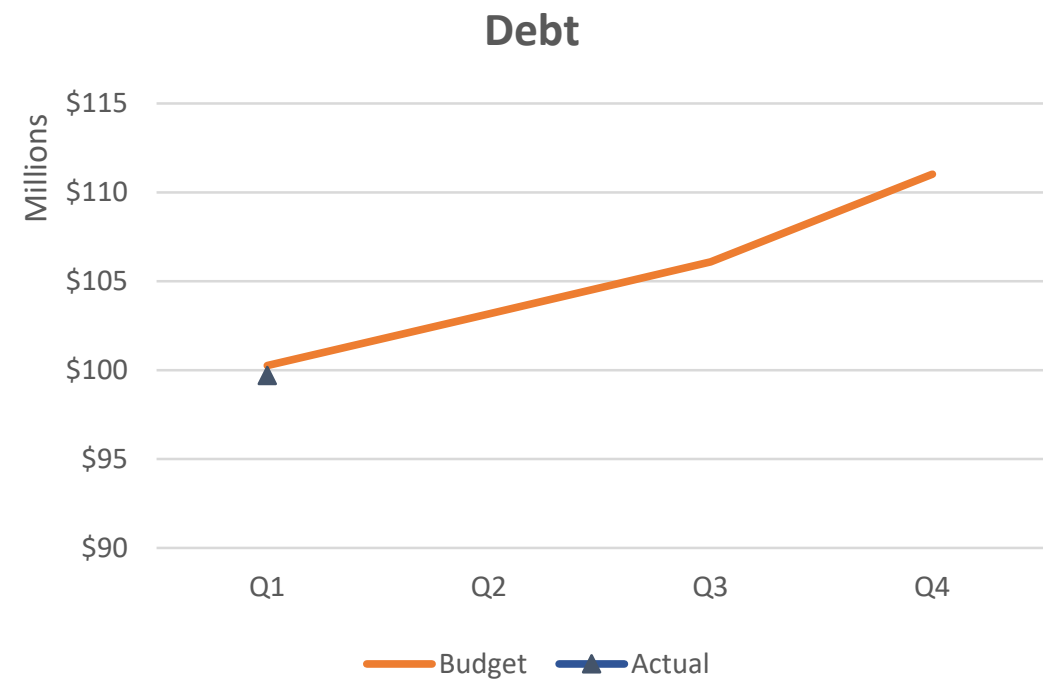
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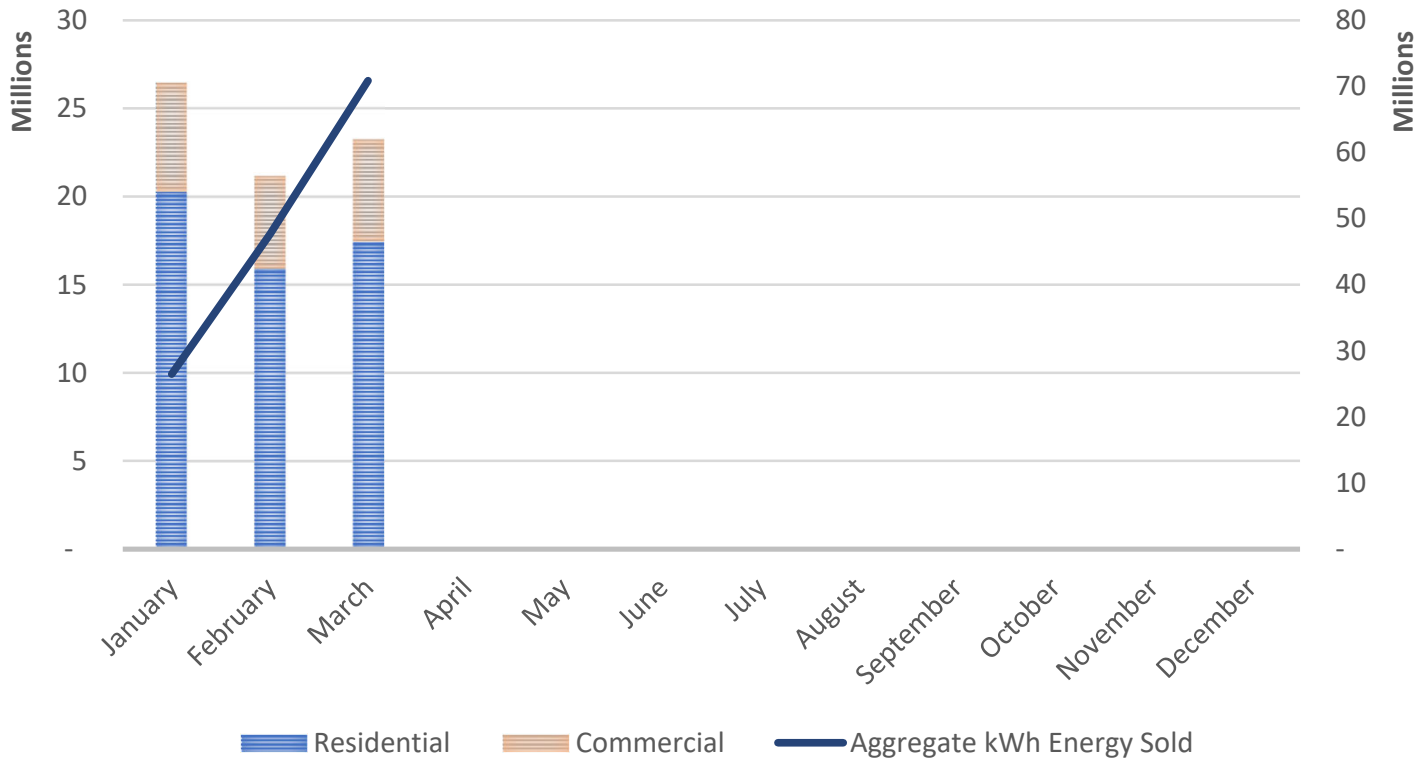


2026 Q1 Budget to Actual: Financial Metrics

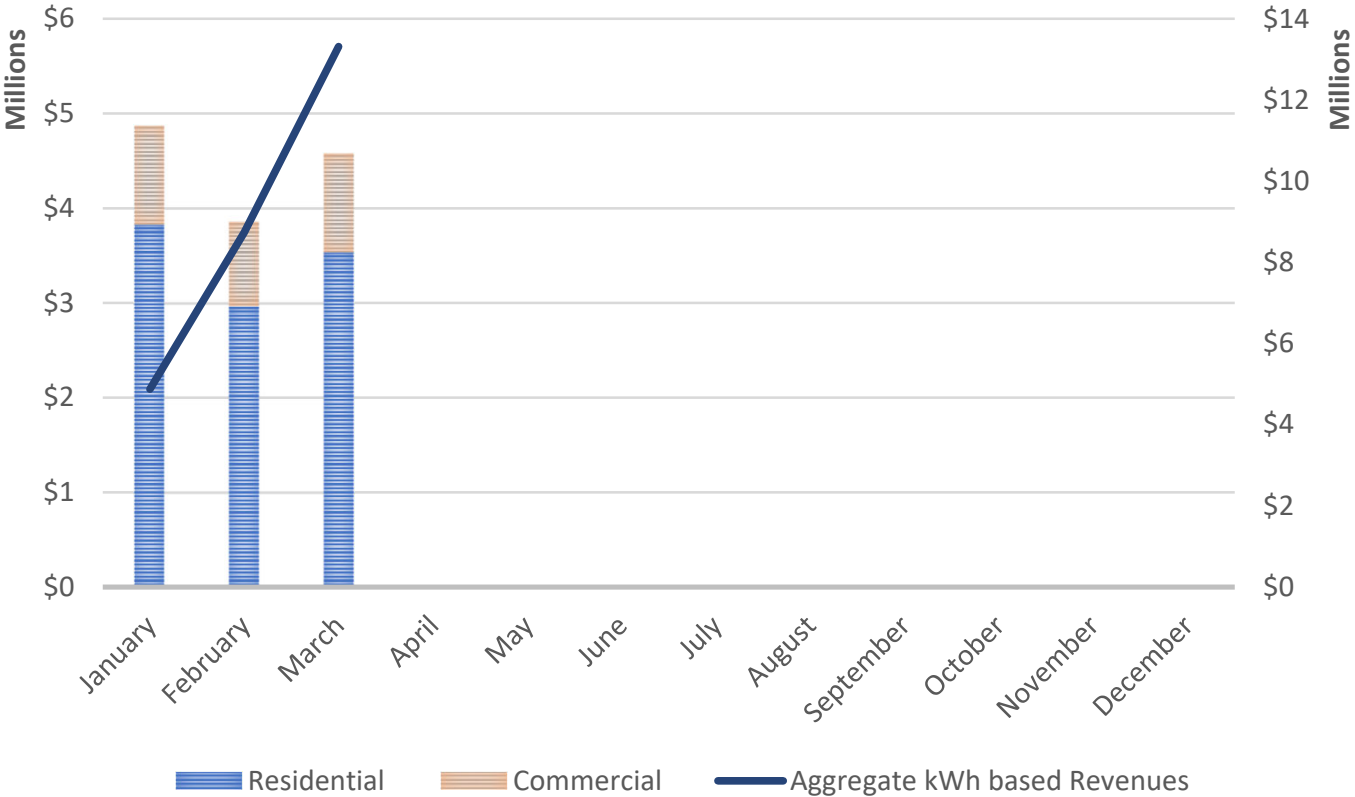


2026 Q1 Sales and Usage

KWH ENERGY SOLD (BY SERVICE TYPE)



KWH SALES REVENUE (BY SERVICE TYPE)



ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS SUMMARY

	A. Audited Year End 12/31/2024	B. Unaudited Year End 12/31/2025	C. Budget Period End 3/31/2026	D. Actual Period End 3/31/2026	E. Budget Variance (D-C)
1 OPERATING REVENUES					
2 Residential	29,822,748	30,159,690	10,497,820	10,347,229	(150,591)
3 Commercial	9,490,777	9,895,493	3,304,191	2,978,000	(326,191)
4 Other Operating Revenue					
5 Penalties and fees	243,437	248,552	74,709	69,459	(5,250)
6 Other	82,132	88,772	22,422	21,798	(624)
7 TOTAL OPERATING REVENUES	39,639,094	40,392,506	13,899,142	13,416,487	(482,655)
8 OPERATING EXPENSES					
9 Cost of power	9,126,474	9,784,593	3,385,979	3,160,252	(225,727)
10 Transmission	1,049,768	768,339	95,792	34,096	(61,696)
11 Distribution - operations	3,914,167	4,679,551	1,210,886	1,415,022	204,136
12 Distribution - maintenance	4,077,748	4,028,535	943,841	837,319	(106,522)
13 Consumer accounts	1,151,107	1,391,335	440,670	380,829	(59,841)
14 General and administration (G & A)					
15 Administration	4,747,611	5,076,684	1,481,717	1,372,867	(108,850)
16 Energy Services	198,951	202,076	53,008	156,147	103,139
17 Subsidiary charges	92,028	93,982	24,546	23,004	(1,542)
18 TOTAL G&A	5,038,590	5,372,742	1,559,271	1,552,018	(7,253)
19 Depreciation and amortization	5,688,475	5,950,084	1,518,982	1,486,816	(32,166)
20 Taxes	1,825,621	1,907,774	595,604	583,608	(11,996)
21 Interest on Long-Term Debt	1,965,138	2,306,709	700,704	627,751	(72,953)
22 TOTAL OPERATING EXPENSES	33,837,089	36,189,662	10,451,729	10,077,712	(374,017)
23 OPERATING MARGINS	5,802,005	4,202,845	3,447,413	3,338,774	(108,639)
24 PATRONAGE CAPITAL CREDITS	93,527	107,029	42,241	38,747	(3,494)
25 NET OPERATING MARGINS	5,895,532	4,309,873	3,489,654	3,377,521	(112,133)
26 NONOPERATING MARGINS					
27 Interest income	783,717	850,667	244,989	248,923	3,934
28 Other Income (expense)	45,242	(1,255,731)	(21,435)	6,623	28,058
29 Total Net Nonoperating Margins	828,960	(405,063)	223,554	255,546	31,992
30 NET MARGINS	\$ 6,724,491	\$ 3,904,810	\$ 3,713,208	\$ 3,633,067	(80,141)

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL DETAILED BREAKOUT OF NOTABLE DRIVERS

	A.	B.	C.	D.
	Budget Year End 3/31/2026	Unaudited Year End 3/31/2026	Budget Variance (B - A)	Comments: Budget To Actual (Column C.)
I OPERATING REVENUES	13,899,142	13,416,487	(482,655)	
				Budget Actual Variance
				HDD 515 571 56
				kWh Sales 70,400 70,877 477
				(kWh in thousands)
Operating Revenue - Line 7 Detail Breakout:				
Residential Sales	10,497,820	10,347,229	(150,591)	Lower Residential sales than budgeted
Commercial Sales	3,304,191	2,978,000	(326,191)	Lower Commercial Sales than budgeted
Other Operating Revenue				
Penalties and Fees	74,709	69,459	(5,250)	Misc fees & penalty charges lower than budgeted
Other	22,422	21,798	(624)	pole contact adjustments to hit Q2
TOTAL OPERATING REVENUES	13,899,142	13,416,487	(482,655)	Decrease in Revenue - lower kWh sales than budgeted
II OPERATING EXPENSES	10,451,729	10,077,712	(374,017)	Overall decrease in operating expenses
Cost of Power - Line 9	3,385,979	3,160,252	(225,727)	Decrease in expense - lower kWh purchases and \$/kWh than budgeted
				Budget Actual Variance
				kWh Purchases 74,100 72,425 -1,675
				(kWh in thousands)
Transmission - Line 10	95,792	34,096	(61,696)	Decrease in expense - labor coded to other efforts see line 11 Distribution Maintenance
Distribution - Operations - Line 11	1,210,886	1,415,022	204,136	Increase in expense - offset by line 10 Transmission and line 12 Distribution Maintenance
Distribution - Maintenance - Line 12	943,841	837,319	(106,522)	Decrease in expense - labor coded to other efforts see line 11 Distribution Operations
Consumer accounts - Line 13	440,670	380,829	(59,841)	Decrease in expense
Total General and Administrative (G&A):				
Administration G&A - Line 15	1,481,717	1,372,867	(108,850)	Decrease in expense -
Energy Services G&A - Line 16	53,008	156,147	103,139	Increase in expense - timing of reimbursement from PNGC
Subsidiary Charges G&A - Line 17	24,546	23,004	(1,542)	Decrease in expense
Total General and Administrative (G&A)	1,559,271	1,552,018	(7,253)	Overall decrease in expense
Deprec. & Amort. - Line 20	1,518,982	1,486,816	(32,166)	Decrease in expense
Taxes - Line 21	595,604	583,608	(11,996)	Decrease in expense -
Interest on Long-term Debt - Line 22	700,704	627,751	(72,953)	Decrease in expense - delayed CWP borrowing moved to Q2-4

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF OPERATIONS BUDGET TO ACTUAL DETAILED BREAKOUT OF NOTABLE DRIVERS

		A.	B.	C.	D.
		Budget	Unaudited	Budget	
		Year End	Year End	Variance	
		3/31/2026	3/31/2026	(B - A)	Comments: Budget To Actual (Column C.)
44					
	TOTAL OPERATING EXPENSES	10,451,729	10,077,712	(374,017)	Overall decrease in expenses
45					
46					
47					
	OPERATING MARGINS	3,447,413	3,338,774	(108,639)	
48	III				
49	PATRONAGE CAPITAL CREDITS (Income) - Line 28	42,241	38,747	(3,494)	Decrease in income - received from associated cooperatives
50					
51					
	TOTAL NET OPERATING MARGINS	3,489,654	3,377,521	(112,133)	Decrease in margin
52	IV				
53	NON-OPERATING MARGINS	223,554	255,546	31,992	Increase in margin
54					
55	Interest and Dividend Income - Line 33	244,989	248,923	3,934	Increase in income - more Select Note investments
56					
57	Other Income - Line 34	(21,435)	6,623	28,058	Increase in income -
58					
59					
60					
	TOTAL OPALCO NON-OPERATING MARGINS	223,554	255,546	31,992	Increase in margin
	TOTAL OPALCO NET MARGIN DETAIL BREAKOUT	3,713,208	3,633,067	(80,141)	Increase in margin

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET SUMMARY

	A. Audited Year End 12/31/2024	B. Unaudited Year End 12/31/2025	C. Actual Period End 3/31/2026	D. Change (C-B)
1 ASSETS				
2 UTILITY PLANT, at cost				
3 Electric plant in service	183,941,874	192,419,827	194,791,756	2,371,929
4 Construction work in progress	14,673,906	16,345,465	15,377,218	(968,247)
	198,615,780	208,765,292	210,168,974	1,403,682
5 Less accumulated depreciation and amortization	77,071,163	82,697,205	84,217,993	1,520,789
6 Net utility plant	<u>121,544,617</u>	<u>126,068,087</u>	<u>125,950,981</u>	(117,106)
7 INVESTMENTS AND OTHER ASSETS				
8 Other (CFC, Federated, PNGC, etc.)	1,675,311	1,709,953	1,736,219	26,266
9 Investment in associated organization, subsidiary (Note 1)	(9,245,876)	(8,113,442)	(7,981,969)	131,472
10 Total Investments & Other Assets	<u>(7,570,565)</u>	<u>(6,403,488)</u>	<u>(6,245,750)</u>	157,738
11 CURRENT ASSETS				
12 Cash and cash equivalents	5,403,648	8,952,111	12,402,134	3,450,023
13 Cash and cash equivalents - board designated	1,150,993	1,276,970	1,315,065	38,095
14 Account Receivable (net)	7,251,802	8,214,126	8,757,597	543,471
15 Interest receivable	24,753	26,405	47,348	20,943
16 Materials and supplies	5,165,169	4,691,912	4,478,907	(213,005)
17 Prepaid expenses	670,847	991,583	585,329	(406,254)
18 Total current assets	<u>19,667,212</u>	<u>24,153,108</u>	<u>27,586,381</u>	3,433,274
19 DEFERRED CHARGES (Note 2)	<u>14,874,483</u>	<u>20,801,751</u>	<u>21,231,563</u>	429,812
20 Total assets	<u>\$ 148,515,746</u>	<u>\$ 164,619,456</u>	<u>\$ 168,523,175</u>	<u>\$ 3,903,719</u>

ORCAS POWER AND LIGHT COOPERATIVE

BALANCE SHEET SUMMARY

	A. Audited Year End 12/31/2024	B. Unaudited Year End 12/31/2025	C. Actual Period End 3/31/2026	D. Change (C-B)	
21	EQUITIES, MARGINS, AND LIABILITIES				
22	EQUITIES AND MARGINS				
23	Memberships	58,755	58,810	58,885	75
24	Patronage capital	54,804,372	57,151,540	60,493,248	3,341,708
25	Undistributed Subsidiary Losses	(11,391,703)	(10,249,247)	(10,120,699)	128,548
26	Donated and other equities	13,471,237	13,842,447	14,123,901	281,454
27	Total equities and margins	56,942,661	60,803,550	64,555,335	3,751,785
28	LONG-TERM DEBT				
29	RUS mortgage notes	60,219,982	68,747,056	68,182,746	(564,310)
30	RUS Rural Energy Savings Program (RESP)	15,869,950	19,500,068	20,310,120	810,052
31	CFC mortgage notes	6,501,178	6,156,550	6,068,172	(88,378)
32	Total long-term debt	82,591,110	94,403,673	94,561,038	157,364
33	OTHER NONCURRENT LIABILITIES				
34	Total long-term liabilities	71,828	116,648	124,148	7,500
35	CURRENT LIABILITIES				
36	Accounts payable	3,107,980	2,482,809	2,005,174	(477,635)
37	Customer deposits	79,708	85,321	81,059	(4,263)
38	Accrued liabilities	1,258,051	1,329,873	1,651,867	321,994
39	Current maturities of long-term debt	4,024,111	4,954,927	5,131,905	176,978
40	Total current liabilities	8,469,851	8,852,930	8,870,004	17,074
41	DEFERRED CREDITS				
42	Total equities and liabilities	440,298	442,655	412,650	(30,005)
		\$ 148,515,746	\$ 164,619,456	\$ 168,523,174	\$ 3,903,718

43 1 Investment in subsidiary consists of OPALCO's invested dollars in Island Network LLC (+\$2,138,729) less IN LLC's cumulative net deficit of (\$10,120,699) seen in 'equities & margins'.

44 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 12/31/2024	B. Unaudited Year End 12/31/2025	C. Actual Period End 3/31/2026
1 CASH FLOWS FROM OPERATING ACTIVITIES			
2 Net margins	\$ 6,724,491	\$ 3,904,810	\$ 3,633,067
3 Adjustments to reconcile net margin to cash			
4 from operating activities			
5 Depreciation and amortization	5,688,475	5,950,084	1,486,816
6 Changes in assets and liabilities			
7 Accounts receivable	(1,004,267)	(962,324)	(543,471)
8 Interest receivable	24,355	(1,652)	(20,943)
9 Prepaid expenses	79,961	(320,738)	406,254
10 Deferred Charges	(5,434,285)	(5,927,268)	(429,812)
11 Accounts payable	(89,851)	(625,172)	(477,638)
12 Customer deposits	8,337	5,613	(4,263)
13 Accrued liabilities	195,410	71,822	321,994
14 Deferred credits	59,143	2,359	(30,005)
15 Net cash from operating activities	<u>6,251,769</u>	<u>2,097,534</u>	<u>4,341,999</u>
16			
17 CASH FLOWS FROM INVESTING ACTIVITIES			
18 Additions to utility plant, net	(28,492,693)	(17,404,458)	(2,091,579)
19 Change in materials and supplies	(620,316)	473,257	213,005
20 (Increase) decrease in investment in Subsidiary	(85,131)	(1,132,434)	(131,472)
21 (Increase) decrease in other OPALCO property and investments, net	(58,940)	(34,643)	(26,266)
22			
23 Net cash from investing activities	<u>(29,257,080)</u>	<u>(18,098,278)</u>	<u>(2,036,312)</u>
24			
24 CASH FLOWS FROM FINANCING ACTIVITIES			
25 Payments on long-term debt, net	(3,453,617)	(4,411,800)	(1,258,156)
26 Proceeds from debt (Note 1)	15,000,000	17,200,000	1,600,000
27 Memberships	200	55	75
28 Retirements of patronage capital, net	(1,167,162)	(1,186,432)	(9,905)
29 Change in subsidiary equities	74,967	1,142,456	128,548
30 Contributions in aid of construction	8,967,600	6,930,904	721,869
31			
31 Net cash from financing activities	<u>19,421,988</u>	<u>19,675,183</u>	<u>1,182,431</u>
32			
32 NET CHANGE IN CASH	<u>(3,583,323)</u>	<u>3,674,439</u>	<u>3,488,118</u>
33			
33 CASH AND CASH EQUIVALENTS, beginning of year/period	<u>10,137,965</u>	<u>6,554,642</u>	<u>10,229,081</u>
34			
34 CASH AND CASH EQUIVALENTS, end of year/period	<u>6,554,641</u>	<u>10,229,081</u>	<u>13,717,199</u>
35			
35 SUPPLEMENTAL DISCLOSURES			
36 Cash paid for interest	<u>\$ 2,031,038</u>	<u>\$ 2,324,419</u>	<u>\$ 635,116</u>
37			
37 OUTSTANDING DEBT BALANCE	<u>(86,687,049)</u>	<u>(99,475,249)</u>	<u>(99,692,943)</u>
38			
38 Notes:			
39 1 \$1.6M in RESP Borrowings			

ORCAS POWER AND LIGHT COOPERATIVE

STATEMENT OF CASH FLOW

NON GAAP

	A. Audited Year-End 12/31/2024	B. Unaudited Year-End 12/31/2025	C. Budget Period-End 3/31/2026	D. Actual Period-End 3/31/2026	Budget Variance (D-C)	Comments
1 % Rate Increase	6%	6%	6%	5%		
2 OPERATING ACTIVITIES:						
3 Margins	\$ 6,724	\$ 3,905	\$ 3,713	\$ 3,633	(80)	various - see P&L notable drivers
4 Plus Depreciation/Amortization	5,688	5,950	1,519	1,487	(32)	see P&L notable drivers
5 Cash Flow Operations	12,412	9,855	5,232	5,120	(112)	
6 PLANT INVESTMENT (NET)						
7 Plant Investment	(19,996)	(10,876)	(2,277)	(1,437)	840	various projects - see capital budget worksheet
8 Cash Flow From Operations and Plant Investment:	(7,584)	(1,021)	2,955	3,683	728	
9 CASH FLOWS FROM PATRONAGE CAPITAL	(1,179)	(1,376)	(32)	(15)	17	
10 Cash Flow Before Borrowings	(8,763)	(2,397)	2,923	3,668	745	
11 NET BORROWINGS	11,546	12,788	2,642	342	(2,300)	borrowing delay, will catch up throughout year
12 Cash Increase (decrease) After Net Borrowings	2,783	10,391	5,565	4,010	(1,555)	
13 OUTSTANDING DEBT BALANCE	86,615	99,359	100,257	99,693	(564)	

ORCAS POWER AND LIGHT COOPERATIVE

CAPITAL PROJECTS SUMMARY

			A.	B.	C.	D.	E.	F.
			Audited	Audited	Budget	Actual	Budget	
			Year End	Year End	Period End	Period End	Variance	
			12/31/2024	12/31/2025	3/31/2026	3/31/2026	(D- C)	Comments
RUS CWP DESCRIPTION								
1	DISTRIBUTION							
2	100	New Services	\$ 360,183	\$ 470,145	\$ 63,333	\$ 122,822	\$ 59,489	Member request for overhead to underground (Offset to Line 38)
3	200	New Tie Lines	218,715	-	-	7,939	7,939	Joint Utility Opportunity for URD Loop Feed
4	300	Conversions and Line Changes	2,729,501	1,810,354	80,000	99,563	19,563	Completion of Center Island Submarine Cable Installation
5	400	New Substations, switching station, metering point, etc.	-	-	-	-	-	
6	500	Substation, Switching Station, Metering Point Changes	7,142,575	1,277,426	250,000	220,679	(29,321)	
7	600	Miscellaneous Distribution Equipment						
8	601	Transformers & Meters	1,962,276	2,001,005	400,000	350,274	(49,726)	
9	602	Sets of Service Wires to increase Capacity	-	-	-	-	-	
10	603	Sectionalizing Equipment	242,307	22,991	-	1,226	1,226	
11	604	Regulators	-	-	-	-	-	
12	606	Ordinary Replacements	28,151	50,986	25,000	17,168	(7,832)	
13	607	Overhead to Underground Replacements	713,800	506,574	25,000	18,400	(6,600)	
14	608	Underground Dist. Cable Replacement	2,893,512	3,917,413	800,000	876,367	76,367	
15	700	Other Distribution Items						
16	701	Engineering Fees	-	-	-	-	-	
17	704	LMS & SCADA	38,937	-	-	-	-	
18	705	AMR	-	-	-	-	-	
19	706	Communications	1,376	142,496	-	5,811	5,811	
20		ARPA Grant Fiber Projects	8,501,911	6,327,698	-	-	-	
21	TRANSMISSION							
22	800	New Tie Line	-	-	-	-	-	
23	900	New Substations, switching station, metering point, etc.	-	-	-	-	-	
24	1000	Line and Station Changes	283,960	471,251	-	-	-	
25	1100	Other Transmission	-	-	-	-	-	
26	GENERATION							
27	1200	Generation	1,938,904	(2,025,164)	-	20,751	20,751	Project Permitting for Eastsound Solar
28	OTHER							
29	1300	Headquarters Facilities	73,228	2,095,361	40,000	21,565	(18,435)	
30	1400	Acquisitions	-	278,570	-	9,508	9,508	Unbudgeted Board Approved Purchase
31	1500	All Other (Transportation, Etc.)						
32	1501	Transportation/Equipment/Tools/Radios	707,676	597,297	500,000	127,097	(372,903)	Delayed Bucket Truck Delivery (Anticipate in Q2-Q3)
33	1502	Office Equipment/Furniture/Etc.	19,182	22,661	4,000	5,852	1,852	
34	1503	Computer/Servers/Software	359,345	182,833	100,000	20,054	(79,946)	
35	1504	Electrical Infrastructure to Support Community Solar	595,477	(484,642)	100,000	153,260	53,260	Delays in Permitting with SJC
36	1600	Minor Projects	152,659	141,381	25,000	80,898	55,898	
37	RUS CWP SUBTOTAL		28,963,677	17,806,636	2,412,333	2,159,233	(253,100)	
38	CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)							
39		New Services	(332,200)	(606,121)	(85,000)	(4,967)	80,033	Offset to Line 2 - New Services
40		Meters and Transformers	(320,584)	(411,959)	(50,000)	(34,534)	15,466	Offset to Line 8 Transformers & Meters
41		Joint Projects	(37,708)	(149,778)	-	(100,000)	(100,000)	Offset to Lines 3, 4, 14 and 36
42		Grant Funding	(1,013,955)	1,013,955	-	-	-	Permitting delays for Battery System (Rescoped for Eastsound)
43		Community Solar Member Contributions	-	-	-	-	-	
44		ARPA Grant Fiber Funding	(7,263,172)	(6,777,002)	-	(582,368)	(582,368)	Offset to Line 20 - Reimbursement received Quarter after Expenditure
45	CIAC SUBTOTAL		(8,967,619)	(6,930,904)	(135,000)	(721,869)	(586,869)	
46	RUS CWP NET TOTAL		19,996,058	10,875,732	2,277,333	1,437,364	(839,969)	
47								

ORCAS POWER AND LIGHT COOPERATIVE

RUS FORM 7 STATEMENT OF OPERATIONS

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION	WA0009	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED	March '26	
		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>				
<input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.		<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.		
_____		_____		
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	13,244,851	13,416,487	13,899,142	4,612,917
2. Power Production Expense	-	-	-	-
3. Cost of Purchased Power	3,343,704	3,160,252	3,385,979	978,119
4. Transmission Expense	367,327	34,096	95,792	18,424
5. Regional Market Expense	-	-	-	-
6. Distribution Expense - Operation	1,108,119	1,415,022	1,210,886	421,780
7. Distribution Expense - Maintenance	1,185,064	837,319	943,841	266,598
8. Customer Accounts Expense	388,665	380,829	440,670	121,971
9. Customer Service and Informational Expense	64,392	205,973	102,486	38,799
10. Sales Expense	18,651	23,449	21,289	15,612
11. Administrative and General Expense	1,378,167	1,322,596	1,435,496	456,259
12. Total Operation & Maintenance Expense (2 thru 11)	7,854,090	7,379,537	7,636,439	2,317,562
13. Depreciation & Amortization Expense	1,456,140	1,486,816	1,518,982	496,076
14. Tax Expense - Property & Gross Receipts	71,820	97,758	75,411	32,324
15. Tax Expense - Other	508,129	485,850	520,193	141,327
16. Interest on Long-Term Debt	542,373	635,116	706,953	214,065
17. Interest Charged to Construction - Credit	(620)	(7,365)	(6,249)	(2,394)
18. Interest Expense - Other	-	-	-	-
19. Other Deductions	-	-	-	-
20. Total Cost of Electric Service (12 thru 19)	10,431,932	10,077,712	10,451,729	3,198,960
21. Patronage Capital & Operating Margins (1 minus 20)	2,812,919	3,338,774	3,447,413	1,413,957
22. Non Operating Margins - Interest	161,495	248,923	244,989	107,843
23. Allowance for Funds Used During Construction	-	-	-	-
24. Income (Loss) from Equity Investments	-	-	-	-
25. Non Operating Margins - Other	6,189	6,623	(21,435)	(4,469)
26. Generation and Transmission Capital Credits	-	-	-	-
27. Other Capital Credits and Patronage Dividends	37,276	38,747	42,241	38,747
28. Extraordinary Items	-	-	-	-
29. Patronage Capital or Margins (21 thru 28)	3,017,879	3,633,067	3,713,208	1,556,079

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		
INSTRUCTIONS - See help in the online application.			WA0009		
			PERIOD ENDED		
			March '26		
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	29	37	5. Miles Transmission	46.39	46.39
2. Services Retired	3	1	6. Miles Distribution - Overhead	135.37	134.11
3. Total Services in Place	15,978	16,117	7. Miles Distribution - Underground	1,095.35	1,099.07
4. Idle Services (Exclude Seasonals)	858	870	8. Total Miles Energized (5 + 6 + 7)	1,277.11	1,279.57
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	194,791,755		30. Memberships	58,885	
2. Construction Work in Progress	15,327,163		31. Patronage Capital	52,805,852	
3. Total Utility Plant (1 + 2)	210,118,918		32. Operating Margins - Prior Years	3,904,810	
4. Accum. Provision for Depreciation and Amort.	84,167,938		33. Operating Margins - Current Year	3,377,521	
5. Net Utility Plant (3 - 4)	125,950,980		34. Non-Operating Margins	255,546	
6. Non-Utility Property (Net)	-		35. Other Margins and Equities	4,152,719	
7. Invest. in Subsidiary Companies	(7,981,969)		36. Total Margins & Equities (30 thru 35)	60,650,524	
8. Invest. in Assoc. Org. - Patronage Capital	1,220,561		37. Long-Term Debt - RUS (Net)	16,540,501	
9. Invest. in Assoc. Org. - Other - General Funds	10,300		38. Long-Term Debt - FFB - RUS Guaranteed	51,642,245	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	504,524		39. Long-Term Debt - Other - RUS Guaranteed	20,310,120	
11. Invest. in Economic Development Projects	-		40. Long-Term Debt - Other (Net)	6,068,172	
12. Other Investments	835		41. Long-Term Debt - RUS Econ. Devel. (Net)	-	
13. Special Funds	1,479,830		42. Payments - Unapplied	-	
14. Total Other Property & Investments (6 thru 13)	(4,765,920)		43. Total Long-Term Debt (37 thru 41 - 42)	94,561,037	
15. Cash - General Funds	4,778,903		44. Obligations Under Capital Leases - Noncurrent	-	
16. Cash - Construction Funds - Trustee	37,917		45. Accumulated Operating Provisions	124,148	
17. Special Deposits	-		46. Total Other Noncurrent Liabilities (44 + 45)	124,148	
18. Temporary Investments	7,551,455		47. Notes Payable	-	
19. Notes Receivable (Net)	2,345,482		48. Accounts Payable	2,005,175	
20. Accounts Receivable - Sales of Energy (Net)	3,745,620		49. Consumers Deposits	81,059	
21. Accounts Receivable - Other (Net)	182,119		50. Current Maturities Long-Term Debt	5,131,905	
22. Renewable Energy Credits	-		51. Current Maturities Long-Term Debt - Econ. Devel.	-	
23. Material and Supplies - Electric & Other	4,478,907		52. Current Maturities Capital Leases	-	
24. Prepayments	585,329		53. Other Current and Accrued Liabilities	1,651,867	
25. Other Current and Accrued Assets	2,400,821		54. Total Current & Accrued Liabilities (47 thru 53)	8,870,005	
26. Total Current and Accrued Assets (15 thru 25)	26,106,552		55. Regulatory Liabilities	-	
27. Regulatory Assets	-		56. Other Deferred Credits	412,650	
28. Other Deferred Debits	21,231,563		57. Total Liab. & Other Credits (36+43+46+54 thru 56)	168,523,174	
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	168,523,174				

RUS Financial and Operating Report Electric Distribution

Revision Date 2014