



INTERIM FINANCIAL REPORT



FIVE-MONTHS ENDED
FEBRUARY 28, 2025
(UNAUDITED)

Orlando Utilities Commission

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The unaudited statements presented in this interim financial report have been prepared in accordance with generally accepted accounting principles and follow the standards outlined by the Governmental Accounting Standards Board. It is management's assertion that the management discussion and supporting statements do not omit information necessary for a fair presentation nor do they improperly include untrue statements of a material fact or statements of a misleading nature.

Management's Discussion and Analysis

The following discussion and analysis provides an overview of OUC's unaudited and preliminary financial position and results of operations in comparison to the approved budget and prior year equivalent period.

- The Statements of Revenues, Expenses and Changes in Net Position present the financial information for the five-months ended February 28, 2025 in comparison to the approved budget and prior year equivalent period.
 - Income before contributions for the five-months ended February 28, 2025 was \$36.5 million, which is \$4.8 million higher than budget and \$4.3 million lower than prior year.
- The Statements of Net Position present the nature and amount of resources and obligations at February 28, 2025 and September 30, 2024.
- The Statements of Cash Flows present the cash provided and used by operating activities, non-capital financing activities, capital financing activities and investing activities.

Operating Revenues Analysis

(\$ in thousands)	As of February			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Retail energy revenues (OUC and STC)	\$ 208,042	\$ 208,027	\$ 203,904	\$ 15	— %	\$ 4,138	2.0 %
Wholesale energy revenues	9,464	9,438	11,218	26	0.3 %	(1,754)	(15.6)%
Water revenues	42,051	41,716	38,874	335	0.8 %	3,177	8.2 %
Other revenues	38,273	38,308	38,301	(35)	(0.1)%	(28)	(0.1)%
Operating revenues, net of fuel	297,830	297,489	292,297	341	0.1 %	5,533	1.9 %
Fuel revenues	120,207	109,790	108,441	10,417	9.5 %	11,766	10.9 %
Total operating revenues	\$ 418,037	\$ 407,279	\$ 400,738	\$ 10,758	2.6 %	\$ 17,299	4.3 %

Budget Analysis:

- Operating revenues, net of fuel revenues, were \$0.3 million higher than budget, reflecting the deferral of \$11.3 million in retail energy revenues and \$5.1 million in wholesale energy revenues. These deferrals were driven by increased variability in weather temperatures resulting in higher than expected cooling and heating degree days coupled with a winter cold snap creating opportunities for increased wholesale energy sales.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$10.4 million higher than budget due to higher than expected fuel commodity prices and increased energy production driven by weather-related demand.

Prior Year Analysis:

- Operating revenues, net of fuel revenues, were \$5.5 million higher than prior year, including the deferral of \$11.3 million in retail energy and \$5.1 million in wholesale energy revenues, due to growth in the customer base and increased consumption per customer in retail electric driven by greater weather variability, a customer charge increase of \$1.00 effective October 1, 2024, and wholesale energy sales opportunities due to a winter cold snap. Additionally, water revenues increased due to a price increase implemented on the same date, along with higher water usage driven by reduced rainfall compared to the previous year.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$11.8 million higher than prior year due to rising fuel commodity prices and increased energy production driven by weather-related demand.

Operating Expenses Analysis

(\$ in thousands)	As of February			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Unit department expenses	\$ 135,041	\$ 143,667	\$ 132,127	\$ (8,626)	(6.0)%	\$ 2,914	2.2 %
Depreciation and amortization	74,576	74,584	71,470	(8)	— %	3,106	4.3 %
Payments to other governments and taxes	28,744	27,874	28,540	870	3.1 %	204	0.7 %
Capacity payments	11,139	10,710	10,597	429	4.0 %	542	5.1 %
Emergency response expenses	2,943	—	—	2,943	100.0 %	2,943	100.0 %
Operating expenses, net of fuel	252,443	256,835	242,734	(4,392)	(1.7)%	9,709	4.0 %
Fuel for generation and purchased power	120,207	109,790	108,441	10,417	9.5 %	11,766	10.9 %
Total operating expenses	\$ 372,650	\$ 366,625	\$ 351,175	\$ 6,025	1.6 %	\$ 21,475	6.1 %

Budget Analysis:

- Operating expenses, net of fuel for generation and purchased power, were \$4.4 million lower than budget, including the estimated uncompensated cost of recovery efforts for Hurricane Milton and OUC's unplanned increased commitment of \$2.3 million to the City of St. Cloud's environmental cleanup associated with the previously decommissioned power plant. These increases were offset by lower than expected outside services.
- Fuel for generation and purchased power expenses were \$10.4 million higher than budget due to higher than expected coal prices and increased energy production driven by weather-related demand.

Prior Year Analysis:

- Operating expenses, net of fuel for generation and purchased power, were \$9.7 million higher than prior year as a result of increasing OUC's commitment to the City of St. Cloud's environmental clean-up associated with the previously decommissioned power plant in the amount of \$2.3 million, systematic depreciation, and emergency response expenses incurred from Hurricane Milton.
- Fuel for generation and purchased power expenses were \$11.8 million higher than prior year due to rising fuel commodity prices and increased energy production driven by weather-related demand.

Non-Operating Income and Expense Analysis

(\$ in thousands)	As of February			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Interest and other income	\$ 15,561	\$ 14,605	\$ 17,925	\$ 956	6.5 %	\$ (2,364)	(13.2)%
Generation decommissioning	\$ —	\$ —	\$ (4,527)	\$ —	— %	\$ 4,527	(100.0)%
Interest expense	(24,474)	(23,542)	(22,216)	(932)	4.0 %	(2,258)	10.2 %
Total non-operating income and (expense)	\$ (8,913)	\$ (8,937)	\$ (8,818)	\$ 24	(0.3)%	\$ (95)	1.1 %

Budget Analysis:

- Non-operating income and expense was in line with budget as higher-than-expected interest income was offset by increased interest expenses due to the early issuance of debt in the prior year.

Prior Year Analysis:

- Non-operating income and expense were \$0.1 million higher than prior year due to a decrease in interest income resulting from lower interest rates and a reduced level of investable assets coupled with debt issuance cost from newly issued debt offset by a decrease in generation decommissioning expenses as these costs were fully recognized in the spring of 2024 for McIntosh Unit 3.

Net Position Analysis

(\$ in thousands)	As of February			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Income before contributions	\$ 36,474	\$ 31,717	\$ 40,745	\$ 4,757	15.0 %	\$ (4,271)	(10.5)%
Contributions in aid of construction	20,947	8,875	9,060	12,072	136.0 %	11,887	131.2 %
Annual dividend	(31,896)	(31,896)	(31,214)	—	— %	(682)	2.2 %
Increase in net position	\$ 25,525	\$ 8,696	\$ 18,591	\$ 16,829	193.5 %	\$ 6,934	37.3 %

Budget and Prior Year Analysis:

- Income before contributions were favorable to budget as a result of lower than anticipated unit department expenses, inclusive of the deferral of retail and resale revenues. However, it was lower than the prior year, primarily due to these revenue deferrals.

Total Assets and Deferred Outflows of Resources

(\$ in thousands)	February 2025	September 2024	Year-to-Date Change	February 2024
Utility plant	\$ 3,056,447	\$ 2,984,630	\$ 71,817	\$ 2,828,986
Restricted and internally designated assets	895,629	812,870	82,759	776,418
Current assets	295,738	321,630	(25,892)	278,933
Other assets	235,286	235,352	(66)	230,060
Deferred outflows of resources	120,975	121,418	(443)	167,397
Total assets and deferred outflows of resources	\$ 4,604,075	\$ 4,475,900	\$ 128,175	\$ 4,281,794

Year-to-Date Analysis:

- Total assets and deferred outflows of resources increased \$128.2 million from the previous fiscal year-end. This increase was primarily driven by the issuance of Series 2025A Bonds in the amount of \$200.0 million coupled with timing of customer receivables and investment valuation changes offset by the annual principal and interest payment of \$99.2 million made on October 1.
 - Days cash on hand is currently at 245 days as of February 28, 2025 and in line with target.

Total Liabilities and Deferred Inflows of Resources

(\$ in thousands)	February 2025	September 2024	Year-to-Date Change	February 2024
Current liabilities	\$ 307,557	\$ 347,729	\$ (40,172)	\$ 289,753
Other liabilities	273,158	282,801	(9,643)	308,084
Long-term debt, net	1,841,614	1,733,416	108,198	1,631,086
Deferred inflows of resources	388,632	344,365	44,267	339,244
Total liabilities and deferred inflows of resources	2,810,961	2,708,311	102,650	2,568,167
Net position	1,793,114	1,767,589	25,525	1,713,623
Total liabilities, deferred inflows of resources and net position	\$ 4,604,075	\$ 4,475,900	\$ 128,175	\$ 4,281,790

Year-to-Date Analysis:

- Total liabilities and deferred inflows of resources increased \$102.7 million driven by the \$200.0 million issuance of Series 2025A Bonds, partially offset by the \$99.2 million principal and interest payment on October 1. Additionally, deferred inflows increased due to the funding of stabilization accounts and increased investment valuations, while current liabilities declined due to timing of payments.

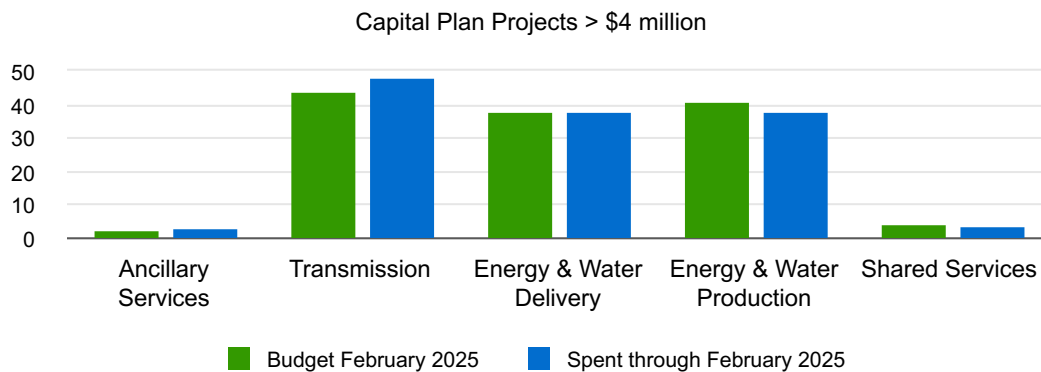
Condensed Statement of Cash Flows and Capital Spend Analysis

(\$ in thousands)	As of February		
	2025	2024	Change
Net cash provided by operating activities	\$ 143,153	\$ 127,561	\$ 15,592
Net cash used in non-capital related financing activities	(30,009)	(29,331)	(678)
Net cash used in capital related financing activities	(62,505)	(237,400)	174,895
Net cash provided by investing activities	(43,084)	96,015	(139,099)
Net decrease in cash and cash equivalents	7,555	(43,155)	50,710
Cash and cash equivalents - beginning of year	238,180	266,006	(27,826)
Cash and cash equivalents - current	\$ 245,735	\$ 222,851	\$ 22,884

Cash provided by operating activities: Cash provided by operations was \$143.2 million, an increase of \$15.6 million from 2024. This change was primarily driven by an increase in unit department expenses and salaries and benefits related to timing of payables and emergency recovery costs associated with Hurricane Milton. These increases were offset by a decrease in cash paid for fuel and purchased power expenses related to the timing of accounts payables.

- As of February 28, 2025, OUC expects to receive \$2.0 million and \$14.3 million in grant reimbursement funds for pandemic emergency response and preparedness and estimated costs for Hurricanes Ian, Nicole, Idalia and Milton, respectively.

Cash used in capital related financing activities: Cash used in capital related activities was \$62.5 million, an increase of \$174.9 million from 2024 primarily driven by the issuance of the Series 2025A Bonds in the amount of 200.0 million.



Orlando Utilities Commission
Statements of Net Position - Unaudited
Dollars in thousands

	February 2025	September 2024	Variance	
Assets				
Utility plant	\$ 3,056,447	\$ 2,984,630	\$ 71,817	2.4 %
Restricted and internally designated assets	895,629	812,870	82,759	10.2 %
Current assets	295,738	321,630	(25,892)	(8.1)%
Other assets	235,286	235,352	(66)	— %
Deferred outflows of resources	120,975	121,418	(443)	(0.4)%
Total assets and deferred outflows of resources	\$ 4,604,075	\$ 4,475,900	\$ 128,175	2.9 %
Liabilities				
Payables from restricted assets	\$ 165,448	\$ 166,296	\$ (848)	(0.5)%
Payables from current assets	142,109	181,433	(39,324)	(21.7)%
Current liabilities	307,557	347,729	(40,172)	(11.6)%
Other liabilities	273,158	282,801	(9,643)	(3.4)%
Long-term debt, net	1,841,614	1,733,416	108,198	6.2 %
Total liabilities	2,422,329	2,363,946	58,383	2.5 %
Deferred inflows of resources	388,632	344,365	44,267	12.9 %
Net position	1,793,114	1,767,589	25,525	1.4 %
Total liabilities, deferred inflows of resources and net position	\$ 4,604,075	\$ 4,475,900	\$ 128,175	2.9 %

***See page 4 for additional information related to changes in the Statements of Net Position

Orlando Utilities Commission
Statements of Revenues, Expenses and Changes in Net Position - Unaudited
Dollars in thousands

	Actual February 2025	Budget February 2025	Variance to Budget		Actual February 2024	Variance to Prior Year	
Operating revenues							
Retail energy revenues (OUC and STC)	\$ 208,042	\$ 208,027	\$ 15	— %	\$ 203,904	\$ 4,138	2.0 %
Wholesale energy revenues	9,464	9,438	26	0.3 %	11,218	(1,754)	(15.6)%
Fuel	120,207	109,790	10,417	9.5 %	108,441	11,766	10.9 %
Electric revenues	337,713	327,255	10,458	3.2 %	323,563	14,150	4.4 %
Water revenues	42,051	41,716	335	0.8 %	38,874	3,177	8.2 %
Other revenues							
Lighting service revenues	8,727	8,633	94	1.1 %	7,891	836	10.6 %
Chilled water revenues	16,003	15,790	213	1.3 %	15,179	824	5.4 %
Service fees & other revenues	13,543	13,885	(342)	(2.5)%	15,231	(1,688)	(11.1)%
Total operating revenues	418,037	407,279	10,758	2.6 %	400,738	17,299	4.3 %
Operating expenses							
Fuel for generation and purchased power	120,207	109,790	10,417	9.5 %	108,441	11,766	10.9 %
Unit/department	135,041	143,667	(8,626)	(6.0)%	132,127	2,914	2.2 %
Depreciation and amortization	74,576	74,584	(8)	— %	71,470	3,106	4.3 %
Payments to other governments and taxes	28,744	27,874	870	3.1 %	28,540	204	0.7 %
Capacity payments	11,139	10,710	429	4.0 %	10,597	542	5.1 %
Emergency response costs	2,943	—	2,943	100.0 %	—	2,943	— %
Total operating expenses	372,650	366,625	6,025	1.6 %	351,175	21,475	6.1 %
Non-operating income and (expenses)							
Interest income	12,065	11,288	777	6.9 %	14,528	(2,463)	(17.0)%
Generation decommissioning	—	—	—	— %	(4,527)	4,527	100.0 %
Other income	3,496	3,317	179	5.4 %	3,397	99	2.9 %
Interest expense	(24,474)	(23,542)	(932)	4.0 %	(22,216)	(2,258)	10.2 %
Total non-operating income and (expenses)	(8,913)	(8,937)	24	(0.3)%	(8,818)	(95)	1.1 %
Income before contributions	36,474	31,717	4,757	15.0 %	40,745	(4,271)	(10.5)%
Contributions in aid of construction	20,947	8,875	12,072	136.0 %	9,060	11,887	131.2 %
Dividend payments	(31,896)	(31,896)	—	— %	(31,214)	(682)	2.2 %
Increase in net position	25,525	\$ 8,696	\$ 16,829	193.5 %	18,591	\$ 6,934	37.3 %
Net position - beginning of year	1,767,589				1,695,032		
Net position - end of period	\$ 1,793,114				\$ 1,713,623		

***See pages 2 and 3 for additional information related to changes in the Statements of Revenues, Expenses, and Changes in Net Position

Orlando Utilities Commission
Statements of Cash Flows - Unaudited
Dollars in thousands

	February 2025	February 2024
Cash flow from operating activities		
Cash received from customers	\$ 458,439	\$ 458,074
Cash paid for fuel and purchased power	(113,857)	(161,416)
Cash paid for unit department expenses	(72,322)	(47,430)
Cash paid for salaries and benefits	(93,318)	(87,779)
Cash (paid)/received for emergency response expenses	(4,705)	753
Cash paid for other payments and taxes	(31,084)	(34,641)
Net cash provided by operating activities	143,153	127,561
Cash flows from non-capital related financing activities		
Dividend to the City of Orlando	(31,896)	(31,214)
Build America Bonds subsidy received	1,887	1,883
Net cash used in non-capital related financing activities	(30,009)	(29,331)
Cash flows from capital related financing activities		
Utility plant net of contributions in aid of construction	(156,318)	(132,368)
Debt interest payments	(29,433)	(29,682)
Principal payments on long-term debt and use of bond proceeds	(75,580)	(74,875)
Debt issuances	200,759	—
Debt issuance expense	(1,933)	(475)
Net used in capital related financing activities	(62,505)	(237,400)
Cash flows from investing activities		
Proceeds from sale and maturities of investment securities	174,088	263,970
Loss on sale of investments	—	(99)
Purchases of investment securities	(227,063)	(187,869)
Investments and other income received	9,891	20,013
Net cash provided in investing activities	(43,084)	96,015
Net decrease in cash and cash equivalents	7,555	(43,155)
Cash and cash equivalents - beginning of year	238,180	266,006
Cash and cash equivalents - current	\$ 245,735	\$ 222,851
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 45,387	\$ 49,564
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	74,576	71,470
Depreciation and amortization charged to fuel for generation and purchased power	1,398	1,079
Depreciation of vehicles and equipment charged to unit department expenses	1,277	1,123
Changes in assets and liabilities		
Decrease in receivables and accrued revenue	8,842	28,366
Decrease/(Increase) in fuel and materials and supplies inventories	7,652	(19,982)
Decrease in accounts payable	(15,893)	(27,572)
Decrease in deposits payable and deferred items	(6,231)	(6,291)
Increase in stabilization and deferred revenue accounts	26,145	29,804
Net cash provided by operating activities	\$ 143,153	\$ 127,561

***See page 5 for additional information related to changes in the Statements of Cash Flow

Orlando Utilities Commission Capital Plan

Dollars in thousands

	Year to Date February 2025 Approved	Year to Date February 2025 Revised	Year to Date February 2025 Actual	Variance to Revised	
Electric Production ¹	\$ 17,623	\$ 35,641	\$ 35,016	\$ (625)	(1.8)%
Transmission	43,975	49,597	54,078	4,481	9.0 %
Transmission contributions	—	—	(25)	(25)	— %
Transmission, net	43,975	49,597	54,053	4,456	9.0 %
Electric Delivery ²	29,333	28,202	32,224	4,022	14.3 %
Electric Delivery contributions	(3,250)	(3,518)	(3,423)	95	(2.7)%
Electric Delivery, net	26,083	24,684	28,801	4,117	16.7 %
Lighting	3,638	2,466	2,421	(45)	(1.8)%
Lighting contributions	(417)	(647)	(629)	18	(2.8)%
Lighting, net	3,221	1,819	1,792	(27)	(1.5)%
Water ³	39,481	24,244	19,906	(4,338)	(17.9)%
Water contributions	(4,792)	(3,709)	(2,708)	1,001	(27.0)%
Water, net	34,689	20,535	17,198	(3,337)	(16.3)%
Chilled Water	10,804	387	376	(11)	(2.8)%
Support Services ^{1,4}	20,740	11,408	7,865	(3,543)	(31.1)%
Total OUC	\$ 157,135	\$ 144,071	\$ 145,101	\$ 1,030	0.7 %

¹ Totals are net of participant share.

² Driven by new services in the Orlando and St. Cloud service area and accelerated progress made in the Smart Grid Distribution Automation.

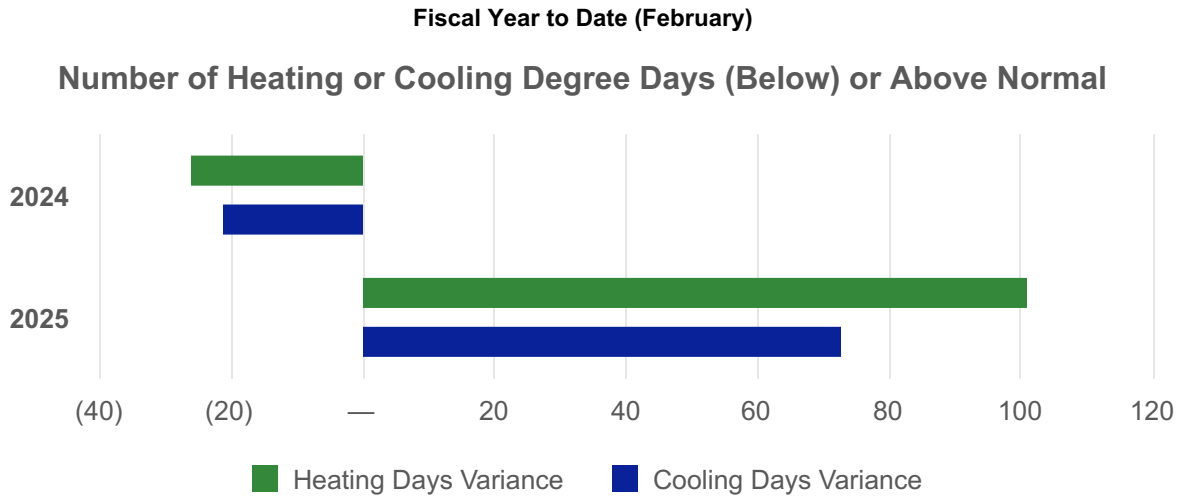
³ Driven by delays in the Engineering R&R & Interagency and the Lift Station 2 projects.

⁴ Driven by delays in the various fleet and facility projects and renovations and technology and transformation initiatives.

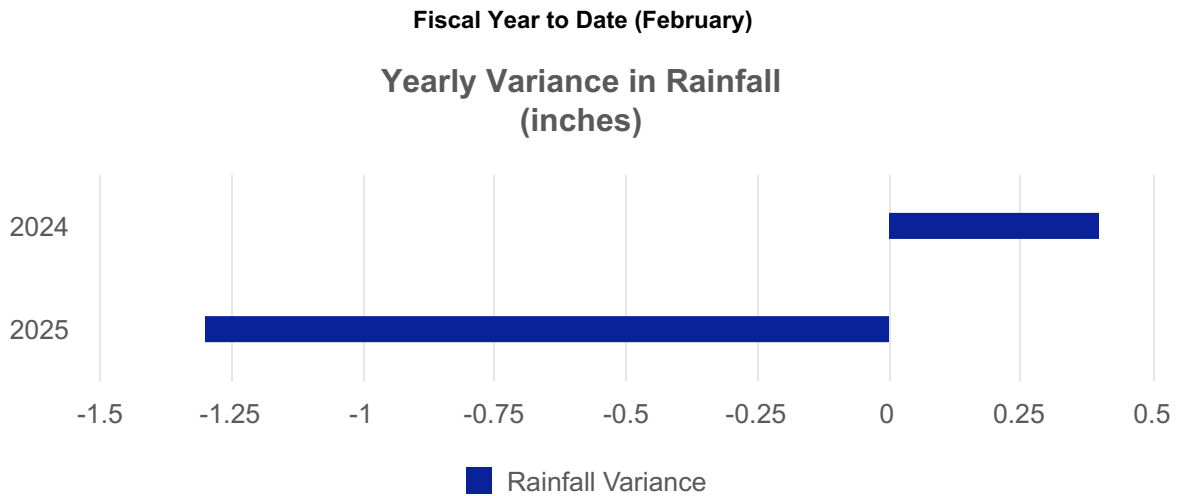
The “Approved” represents the pro-rated annual amount of the Board approved annual Capital Plan. As there are many dynamics that can impact the timing and spend associated with amounts included in the “Approved ” Capital Plan, a “Revised” Capital Plan is included to reflect the most current capital plan estimates.

As of February 28, 2025, the year-to-date capital spend is 0.7 percent greater than the Revised Capital Plan and 7.7 percent lower than the Approved Capital Plan.

**Orlando Utilities Commission
Climatological Data**



Cooling Degree Days (CDD) and Heating Degree Days (HDD) are measures used to estimate energy demand for cooling or heating buildings. CDD measures how much the daily average temperature exceeds the normal temperature indicating cooling needs. HDD Measures how much the daily average temperature falls below the normal temperature indicating heating needs. Normal degree days are calculated as the average of actual degree days over a 40-year period.



A multi-regression model is used to determine the relationship between rainfall and water sales based on the dependent variable of daily treated water. In this model, daily rainfall is also capped at ½ inch as excess daily rainfall has no meaningful impact on water sales.