



INTERIM FINANCIAL REPORT



SIX-MONTHS ENDED
MARCH 31, 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 six-months ended March 31, 2025 in comparison to the approved budget and prior year equivalent period.
 - Income before contributions for the six-months ended March 31, 2025 was \$40.4 million, which is \$5.5 million higher than budget and \$8.0 million lower than prior year.
- The Statements of Net Position present the nature and amount of resources and obligations at March 31, 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 March			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Retail energy revenues (OUC and STC)	\$ 246,181	\$ 246,566	\$ 241,926	\$ (385)	(0.2)%	\$ 4,255	1.8 %
Wholesale energy revenues	11,573	11,238	13,303	335	3.0 %	(1,730)	(13.0)%
Water revenues	49,976	50,048	46,460	(72)	(0.1)%	3,516	7.6 %
Other revenues	46,937	45,785	45,309	1,152	2.5 %	1,628	3.6 %
Operating revenues, net of fuel	354,667	353,637	346,998	1,030	0.3 %	7,669	2.2 %
Fuel revenues	146,685	130,628	127,678	16,057	12.3 %	19,007	14.9 %
Total operating revenues	\$ 501,352	\$ 484,265	\$ 474,676	\$ 17,087	3.5 %	\$ 26,676	5.6 %

Budget Analysis:

- Operating revenues, net of fuel revenues, were \$1.0 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 heating degree days coupled with a winter cold snap creating opportunities for increased wholesale energy sales. Additionally, other revenues increased due to the sale of environmental credits.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$16.1 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 \$7.7 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. 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. Other revenues increased due to the sale of environmental credits and higher chilled water revenues, driven primarily by the commencement of operations at the Universal chilled water plant.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$19.0 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 March			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Unit department expenses	\$ 164,104	\$ 172,345	\$ 157,347	\$ (8,241)	(4.8)%	\$ 6,757	4.3 %
Depreciation and amortization	90,420	90,022	86,019	398	0.4 %	4,401	5.1 %
Payments to other governments and taxes	34,101	33,068	33,575	1,033	3.1 %	526	1.6 %
Capacity payments	13,016	12,852	12,132	164	1.3 %	884	7.3 %
Emergency response expenses	2,567	—	—	2,567	100.0 %	2,567	100.0 %
Operating expenses, net of fuel	304,208	308,287	289,073	(4,079)	(1.3)%	15,135	5.2 %
Fuel for generation and purchased power	146,685	130,628	127,678	16,057	12.3 %	19,007	14.9 %
Total operating expenses	\$ 450,893	\$ 438,915	\$ 416,751	\$ 11,978	2.7 %	\$ 34,142	8.2 %

Budget Analysis:

- Operating expenses, net of fuel for generation and purchased power, were \$4.1 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 \$16.1 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 \$15.1 million higher than prior year as a result of increasing labor expenses, 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 \$19.0 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 March			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Interest and other income	\$ 19,295	\$ 17,561	\$ 21,603	\$ 1,734	9.9 %	\$ (2,308)	(10.7)%
Generation decommissioning	\$ —	\$ —	\$ (4,558)	\$ —	— %	\$ 4,558	(100.0)%
Interest expense	(29,395)	(28,067)	(26,571)	(1,328)	4.7 %	(2,824)	10.6 %
Total non-operating income and (expense)	\$ (10,100)	\$ (10,506)	\$ (9,526)	\$ 406	(3.9)%	\$ (574)	6.0 %

Budget Analysis:

- Non-operating income and expense were \$0.4 million lower than 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 \$0.6 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 March			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Income before contributions	\$ 40,359	\$ 34,844	\$ 48,398	\$ 5,515	15.8 %	\$ (8,039)	(16.6)%
Contributions in aid of construction	23,784	10,650	14,572	13,134	123.3 %	9,212	63.2 %
Annual dividend	(38,275)	(38,275)	(37,376)	—	— %	(899)	2.4 %
Increase in net position	\$ 25,868	\$ 7,219	\$ 25,594	\$ 18,649	258.3 %	\$ 274	1.1 %

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. Contributions in aid of construction were higher than budget and the prior year due to the recognition of developer-funded costs for the installation of an underground transmission line.

Total Assets and Deferred Outflows of Resources

(\$ in thousands)	March 2025	September 2024	Year-to-Date Change	March 2024
Utility plant	\$ 3,064,242	\$ 2,984,630	\$ 79,612	\$ 2,846,098
Restricted and internally designated assets	885,410	812,870	72,540	756,586
Current assets	303,963	321,630	(17,667)	288,881
Other assets	232,651	235,352	(2,701)	227,460
Deferred outflows of resources	126,356	121,418	4,938	171,641
Total assets and deferred outflows of resources	\$ 4,612,622	\$ 4,475,900	\$ 136,722	\$ 4,290,666

Year-to-Date Analysis:

- Total assets and deferred outflows of resources increased \$136.7 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 offset by the annual principal and interest payment of \$99.2 million made on October 1 and timing of customer receivables and investment valuation changes.
 - Days cash on hand is currently at 252 days as of March 31, 2025 and in line with target.

Total Liabilities and Deferred Inflows of Resources

(\$ in thousands)	March 2025	September 2024	Year-to-Date Change	March 2024
Current liabilities	\$ 314,297	\$ 347,729	\$ (33,432)	\$ 292,376
Other liabilities	273,473	282,801	(9,328)	304,436
Long-term debt, net	1,839,973	1,733,416	106,557	1,630,179
Deferred inflows of resources	391,422	344,365	47,057	343,044
Total liabilities and deferred inflows of resources	2,819,165	2,708,311	110,854	2,570,035
Net position	1,793,457	1,767,589	25,868	1,720,627
Total liabilities, deferred inflows of resources and net position	\$ 4,612,622	\$ 4,475,900	\$ 136,722	\$ 4,290,662

Year-to-Date Analysis:

- Total liabilities and deferred inflows of resources increased \$110.9 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.

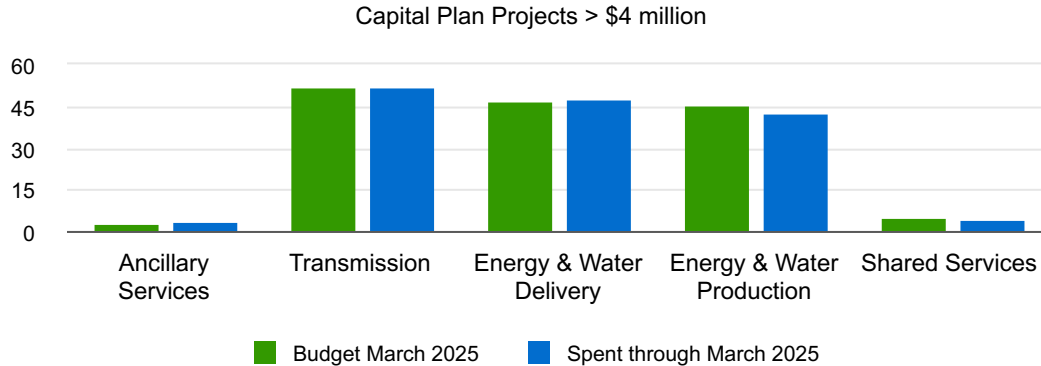
Condensed Statement of Cash Flows and Capital Spend Analysis

(\$ in thousands)	As of March		
	2025	2024	Change
Net cash provided by operating activities	\$ 172,796	\$ 142,072	\$ 30,724
Net cash used in non-capital related financing activities	(36,388)	(35,493)	(895)
Net cash used in capital related financing activities	(84,791)	(266,520)	181,729
Net cash (used)/provided by investing activities	(43,974)	134,711	(178,685)
Net decrease in cash and cash equivalents	7,643	(25,230)	32,873
Cash and cash equivalents - beginning of year	238,180	266,006	(27,826)
Cash and cash equivalents - current	\$ 245,823	\$ 240,776	\$ 5,047

Cash provided by operating activities: Cash provided by operations was \$172.8 million, an increase of \$30.7 million from 2024. This change was primarily driven by a decrease in cash paid for fuel and purchased power expenses related to the timing of accounts payable coupled with an increase in cash received by customers. These were offset by an increase in unit department expenses and salaries and benefits related to timing of payables and emergency recovery costs associated with Hurricane Milton.

- As of March 31, 2025, OUC expects to receive \$2.0 million and \$13.5 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 \$84.8 million, an increase of \$181.7 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

	March 2025	September 2024	Variance	
Assets				
Utility plant	\$ 3,064,242	\$ 2,984,630	\$ 79,612	2.7 %
Restricted and internally designated assets	885,410	812,870	72,540	8.9 %
Current assets	303,963	321,630	(17,667)	(5.5)%
Other assets	232,651	235,352	(2,701)	(1.1)%
Deferred outflows of resources	126,356	121,418	4,938	4.1 %
Total assets and deferred outflows of resources	\$ 4,612,622	\$ 4,475,900	\$ 136,722	3.1 %
Liabilities				
Payables from restricted assets	\$ 171,860	\$ 166,296	\$ 5,564	3.3 %
Payables from current assets	142,437	181,433	(38,996)	(21.5)%
Current liabilities	314,297	347,729	(33,432)	(9.6)%
Other liabilities	273,473	282,801	(9,328)	(3.3)%
Long-term debt, net	1,839,973	1,733,416	106,557	6.1 %
Total liabilities	2,427,743	2,363,946	63,797	2.7 %
Deferred inflows of resources	391,422	344,365	47,057	13.7 %
Net position	1,793,457	1,767,589	25,868	1.5 %
Total liabilities, deferred inflows of resources and net position	\$ 4,612,622	\$ 4,475,900	\$ 136,722	3.1 %

***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 March 2025	Budget March 2025	Variance to Budget		Actual March 2024	Variance to Prior Year	
Operating revenues							
Retail energy revenues (OUC and STC)	\$ 246,181	\$ 246,566	\$ (385)	(0.2)%	\$ 241,926	\$ 4,255	1.8 %
Wholesale energy revenues	11,573	11,238	335	3.0 %	13,303	(1,730)	(13.0)%
Fuel	146,685	130,628	16,057	12.3 %	127,678	19,007	14.9 %
Electric revenues	404,439	388,432	16,007	4.1 %	382,907	21,532	5.6 %
Water revenues	49,976	50,048	(72)	(0.1)%	46,460	3,516	7.6 %
Other revenues							
Lighting service revenues	10,917	10,361	556	5.4 %	9,523	1,394	14.6 %
Chilled water revenues	19,138	18,770	368	2.0 %	18,070	1,068	5.9 %
Service fees & other revenues	16,882	16,654	228	1.4 %	17,716	(834)	(4.7)%
Total operating revenues	501,352	484,265	17,087	3.5 %	474,676	26,676	5.6 %
Operating expenses							
Fuel for generation and purchased power	146,685	130,628	16,057	12.3 %	127,678	19,007	14.9 %
Unit/department	164,104	172,345	(8,241)	(4.8)%	157,347	6,757	4.3 %
Depreciation and amortization	90,420	90,022	398	0.4 %	86,019	4,401	5.1 %
Payments to other governments and taxes	34,101	33,068	1,033	3.1 %	33,575	526	1.6 %
Capacity payments	13,016	12,852	164	1.3 %	12,132	884	7.3 %
Emergency response costs	2,567	—	2,567	100.0 %	—	2,567	— %
Total operating expenses	450,893	438,915	11,978	2.7 %	416,751	34,142	8.2 %
Non-operating income and (expenses)							
Interest income	15,227	13,579	1,648	12.1 %	17,609	(2,382)	(13.5)%
Generation decommissioning	—	—	—	— %	(4,558)	4,558	100.0 %
Other income	4,068	3,982	86	2.2 %	3,994	74	1.9 %
Interest expense	(29,395)	(28,067)	(1,328)	4.7 %	(26,571)	(2,824)	10.6 %
Total non-operating income and (expenses)	(10,100)	(10,506)	406	(3.9)%	(9,526)	(574)	6.0 %
Income before contributions	40,359	34,844	5,515	15.8 %	48,399	(8,040)	(16.6)%
Contributions in aid of construction	23,784	10,650	13,134	123.3 %	14,572	9,212	63.2 %
Dividend payments	(38,275)	(38,275)	—	— %	(37,376)	(899)	2.4 %
Increase in net position	25,868	\$ 7,219	\$ 18,649	258.3 %	25,595	\$ 273	1.1 %
Net position - beginning of year	1,767,589				1,695,032		
Net position - end of period	\$ 1,793,457				\$ 1,720,627		

***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

	March 2025	March 2024
Cash flow from operating activities		
Cash received from customers	\$ 549,954	\$ 539,406
Cash paid for fuel and purchased power	(134,446)	(180,987)
Cash paid for unit department expenses	(86,534)	(72,669)
Cash paid for salaries and benefits	(111,545)	(104,026)
Cash (paid)/received for emergency response expenses	(7,474)	734
Cash paid for other payments and taxes	(37,159)	(40,386)
Net cash provided by operating activities	<u>172,796</u>	<u>142,072</u>
Cash flows from non-capital related financing activities		
Dividend to the City of Orlando	(38,275)	(37,376)
Build America Bonds subsidy received	1,887	1,883
Net cash used in non-capital related financing activities	<u>(36,388)</u>	<u>(35,493)</u>
Cash flows from capital related financing activities		
Utility plant net of contributions in aid of construction	(177,956)	(160,630)
Debt interest payments	(30,072)	(30,538)
Principal payments on long-term debt and use of bond proceeds	(75,580)	(74,875)
Debt issuances	200,759	—
Debt issuance expense	(1,942)	(477)
Net used in capital related financing activities	<u>(84,791)</u>	<u>(266,520)</u>
Cash flows from investing activities		
Proceeds from sale and maturities of investment securities	218,468	313,482
Loss on sale of investments	—	(99)
Purchases of investment securities	(277,954)	(202,477)
Investments and other income received	15,512	23,805
Net cash provided in investing activities	<u>(43,974)</u>	<u>134,711</u>
Net increase/(decrease) in cash and cash equivalents	7,643	(25,230)
Cash and cash equivalents - beginning of year	238,180	266,006
Cash and cash equivalents - current	<u>\$ 245,823</u>	<u>\$ 240,776</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 50,459	\$ 57,925
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	90,420	86,019
Depreciation and amortization charged to fuel for generation and purchased power	1,678	1,295
Depreciation of vehicles and equipment charged to unit department expenses	1,534	1,324
Changes in assets and liabilities		
Decrease in receivables and accrued revenue	17,897	31,439
Decrease/(Increase) in fuel and materials and supplies inventories	7,466	(25,459)
Decrease in accounts payable	(12,813)	(29,787)
Decrease in deposits payable and deferred items	(9,926)	(14,169)
Increase in stabilization and deferred revenue accounts	26,081	33,485
Net cash provided by operating activities	<u>\$ 172,796</u>	<u>\$ 142,072</u>

***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 March 2025 Approved	Year to Date March 2025 Revised	Year to Date March 2025 Actual	Variance to Revised	
Electric Production ¹	\$ 21,147	\$ 39,156	\$ 38,558	\$ (598)	(1.5)%
Transmission	52,770	59,980	58,029	(1,951)	(3.3)%
Transmission contributions	—	—	(25)	(25)	— %
Transmission, net	52,770	59,980	58,004	(1,976)	(3.3)%
Electric Delivery ²	35,200	34,415	38,521	4,106	11.9 %
Electric Delivery contributions	(3,900)	(4,221)	(4,948)	(727)	17.2 %
Electric Delivery, net	31,300	30,194	33,573	3,379	11.2 %
Lighting	4,365	3,166	3,378	212	6.7 %
Lighting contributions	(500)	(797)	(2,109)	(1,312)	164.6 %
Lighting, net	3,865	2,369	1,269	(1,100)	(46.4)%
Water ³	47,378	30,068	26,256	(3,812)	(12.7)%
Water contributions	(5,750)	(4,568)	(3,231)	1,337	(29.3)%
Water, net	41,628	25,500	23,025	(2,475)	(9.7)%
Chilled Water	12,965	497	494	(3)	(0.6)%
Support Services ^{1,4}	24,889	15,286	10,165	(5,121)	(33.5)%
Total OUC	\$ 188,564	\$ 172,982	\$ 165,088	\$ (7,894)	(4.6)%

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.

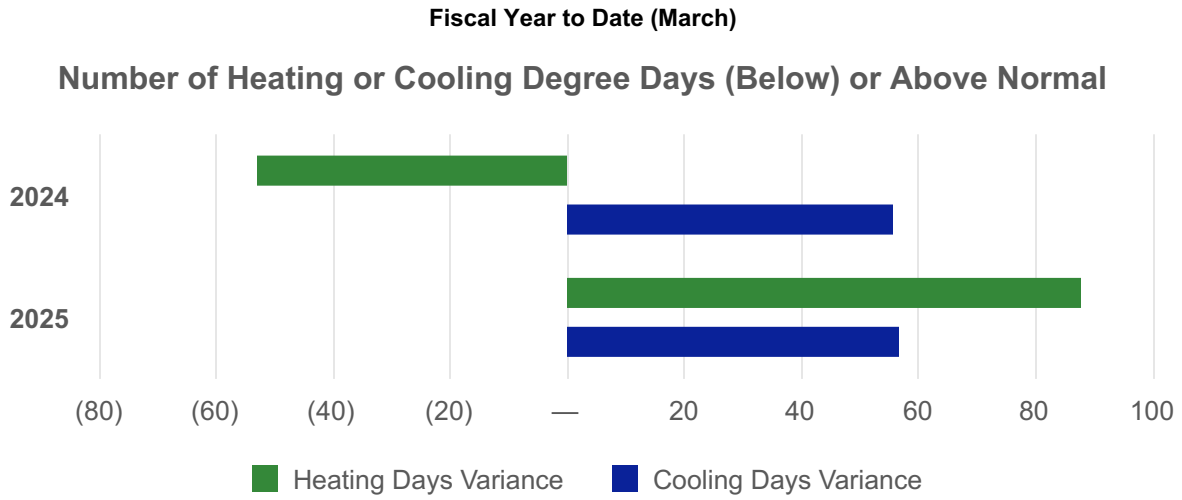
³ Driven by delays in the Engineering R&R & Interagency and the Lift Station 2 projects.

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

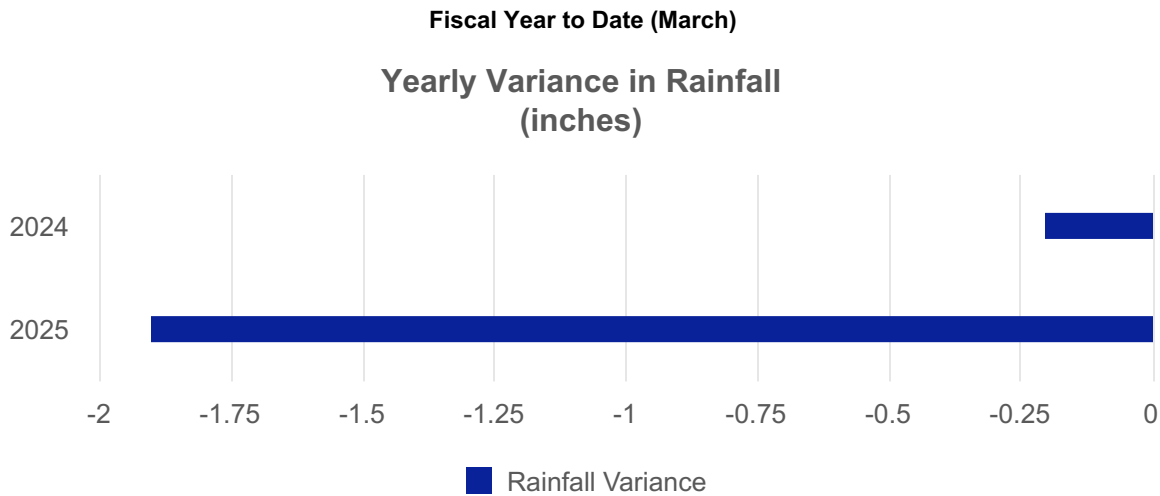
The “Approved” Capital Plan represents the pro-rated annual amount of the Board-approved annual Capital Plan. As there are many dynamics that can impact the timing and spend associated with amounts included in the “Approved” Capital Plan, a “Revised” Capital Plan is included to reflect the most current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

As of March 31, 2025, the year-to-date capital spend is 4.6 percent lower than the Revised Capital Plan and 12.4 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.