



INTERIM FINANCIAL REPORT



THREE-MONTHS ENDED
DECEMBER 31, 2024
(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 three-months ended December 31, 2024 in comparison to the approved budget and prior year equivalent period.
 - Income before contributions for the three-months ended December 31, 2024 was \$30.8 million, which is \$2.7 million higher than budget and \$2.3 million higher than prior year.
- The Statements of Net Position present the nature and amount of resources and obligations at December 31, 2024 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 December			Variance			
	2024 Actual	2024 Budget	2023 Actual	Actual vs Budget		2024 vs 2023	
Retail energy revenues (OUC and STC)	\$ 132,785	\$ 129,335	\$ 125,452	\$ 3,450	2.7 %	\$ 7,333	5.8 %
Wholesale energy revenues	6,273	6,299	6,346	(26)	(0.4)%	(73)	(1.2)%
Water revenues	24,898	25,220	23,445	(322)	(1.3)%	1,453	6.2 %
Other revenues	23,934	23,511	23,983	423	1.8 %	(49)	(0.2)%
Operating revenues, net of fuel	187,890	184,365	179,226	3,525	1.9 %	8,664	4.8 %
Fuel revenues	66,344	65,626	66,300	718	1.1 %	44	0.1 %
Total operating revenues	\$ 254,234	\$ 249,991	\$ 245,526	\$ 4,243	1.7 %	\$ 8,708	3.5 %

Budget Analysis:

- Operating revenues, net of fuel revenues, were \$3.5 million higher than budget, driven by increased variability in weather temperatures, resulting in higher than expected cooling and heating degree days.
- Fuel revenues, which are a pass-through charge of fuel expenses, were in line with budget.

Prior Year Analysis:

- Operating revenues, net of fuel revenues were \$8.7 million higher than prior year due to growth in the customer base and consumption per customer in retail electric due to increased weather variability coupled with a customer charge increase of \$1.00 effective October 1, 2024.
- Fuel revenues, which are a pass-through charge of fuel expenses, were in line with the prior year.

Operating Expenses Analysis

(\$ in thousands)	As of December			Variance			
	2024 Actual	2024 Budget	2023 Actual	Actual vs Budget		2024 vs 2023	
Unit department expenses	\$ 80,232	\$ 83,210	\$ 78,315	\$ (2,978)	(3.6)%	\$ 1,917	2.4 %
Depreciation and amortization	44,492	44,491	42,542	1	— %	1,950	4.6 %
Payments to other governments and taxes	17,600	17,389	17,957	211	1.2 %	(357)	(2.0)%
Capacity payments	6,874	6,426	5,923	448	7.0 %	951	16.1 %
Emergency response expenses	3,567	—	—	3,567	100.0 %	3,567	100.0 %
Operating expenses, net of fuel	152,765	151,516	144,737	1,249	0.8 %	8,028	5.5 %
Fuel for generation and purchased power	66,344	65,626	66,300	718	1.1 %	44	0.1 %
Total operating expenses	\$ 219,109	\$ 217,142	\$ 211,037	\$ 1,967	0.9 %	\$ 8,072	3.8 %

Budget Analysis:

- Operating expenses, net of fuel for generation and purchased power, were in line with budget including the estimated cost of recovery efforts of Hurricane Milton and OUC's unplanned increased 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 which were offset by lower than expected outside services and minority plant expenses.
- Fuel for generation and purchased power expenses were in line with budget.

Prior Year Analysis:

- Operating expenses, net of fuel for generation and purchased power, were \$8.0 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 and emergency response expenses incurred from Hurricane Milton.
- Fuel for generation and purchased power expenses were in line with the prior year.

Non-Operating Income and Expense Analysis

(\$ in thousands)	As of December			Variance			
	2024 Actual	2024 Budget	2023 Actual	Actual vs Budget		2024 vs 2023	
Interest and other income	\$ 9,340	\$ 8,831	\$ 10,917	\$ 509	5.8 %	\$ (1,577)	(14.4)%
Generation decommissioning	\$ —	\$ —	\$ (3,000)	\$ —	— %	\$ 3,000	(100.0)%
Interest expense	(13,683)	(13,576)	(13,874)	(107)	0.8 %	191	(1.4)%
Total non-operating income and (expense)	\$ (4,343)	\$ (4,745)	\$ (5,957)	\$ 402	(8.5)%	\$ 1,614	(27.1)%

Budget Analysis:

- Non-operating income and expense were \$0.4 million lower than budget primarily due to unexpected mutual aid revenue received as a result of restoration efforts outside of OUC's service territory.

Prior Year Analysis:

- Non-operating income and expense were \$1.6 million lower than prior year due to a decrease in generation decommissioning expenses as these costs were fully recognized in the spring of 2024 for McIntosh Unit 3 offset by decreased interest income due to lower interest rates and a reduced level of investable assets.

Net Position Analysis

(\$ in thousands)	As of December			Variance			
	2024 Actual	2024 Budget	2023 Actual	Actual vs Budget		2024 vs 2023	
Income before contributions	\$ 30,782	\$ 28,104	\$ 28,532	\$ 2,678	9.5 %	\$ 2,250	7.9 %
Contributions in aid of construction	2,875	5,325	5,003	(2,450)	(46.0)%	(2,128)	(42.5)%
Annual dividend	(19,138)	(19,138)	(18,891)	—	— %	(247)	1.3 %
Increase in net position	\$ 14,519	\$ 14,291	\$ 14,644	\$ 228	1.6 %	\$ (125)	(0.9)%

Budget and Prior Year Analysis:

- Income before contributions were favorable to budget as a result of higher than anticipated retail energy revenues and consistent with the change in budgeted net income from the prior year.

Total Assets and Deferred Outflows of Resources

(\$ in thousands)	December 2024	September 2024	Year-to-Date Change	December 2023
Utility plant	\$ 3,022,967	\$ 2,984,630	\$ 38,337	\$ 2,794,192
Restricted and internally designated assets	701,793	812,870	(111,077)	777,926
Current assets	296,500	321,630	(25,130)	281,837
Other assets	249,319	235,352	13,967	236,944
Deferred outflows of resources	116,888	121,418	(4,530)	166,603
Total assets and deferred outflows of resources	\$ 4,387,467	\$ 4,475,900	\$ (88,433)	\$ 4,257,502

Year-to-Date Analysis:

- Total assets and deferred outflows of resources decreased \$88.4 million from the previous fiscal year-end. This decrease was primarily driven by the annual principal and interest payment of \$99.2 million made on October 1, timing of customer receivables and investment valuation changes.
 - Days cash on hand is currently at 254 days as of December 31, 2024 and in line with target.

Total Liabilities and Deferred Inflows of Resources

(\$ in thousands)	December 2024	September 2024	Year-to-Date Change	December 2023
Current liabilities	\$ 306,894	\$ 347,729	\$ (40,835)	\$ 274,900
Other liabilities	292,018	282,801	9,217	309,548
Long-term debt, net	1,649,117	1,733,416	(84,299)	1,636,233
Deferred inflows of resources	357,330	344,365	12,965	327,146
Total liabilities and deferred inflows of resources	2,605,359	2,708,311	(102,952)	2,547,827
Net position	1,782,108	1,767,589	14,519	1,709,676
Total liabilities, deferred inflows of resources and net position	\$ 4,387,467	\$ 4,475,900	\$ (88,433)	\$ 4,257,503

Year-to-Date Analysis:

- Total liabilities and deferred inflows of resources decreased \$103.0 million due to the annual principal and interest payment of \$99.2 million made on October 1 and timing of current liabilities.

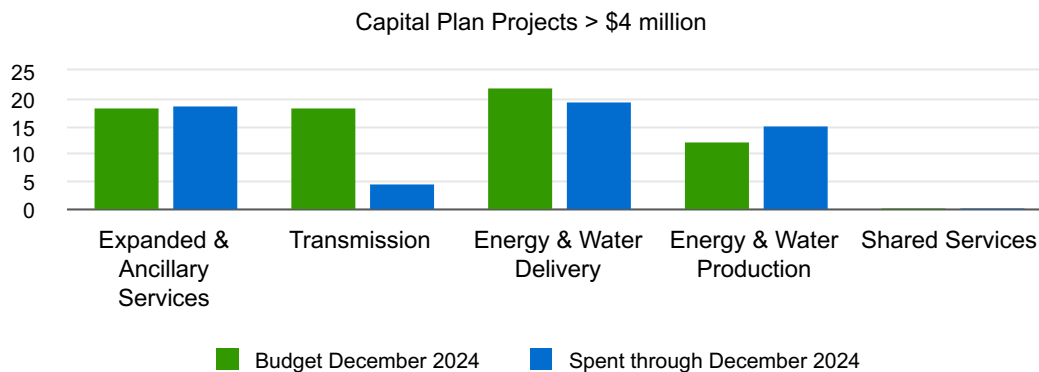
Condensed Statement of Cash Flows and Capital Spend Analysis

(\$ in thousands)	As of December		
	2024	2023	Change
Net cash provided by operating activities	\$ 94,316	\$ 66,042	\$ 28,274
Net cash used in non-capital related financing activities	(17,251)	(17,008)	(243)
Net cash used in capital related financing activities	(196,326)	(174,257)	(22,069)
Net cash provided/(used) by investing activities	55,565	101,166	(45,601)
Net decrease in cash and cash equivalents	(63,696)	(24,057)	(39,639)
Cash and cash equivalents - beginning of year	238,180	266,006	(27,826)
Cash and cash equivalents - current	\$ 174,484	\$ 241,949	\$ (67,465)

Cash provided by operating activities: Cash provided by operations was \$94.3 million, an increase of \$28.3 million from 2023. This change was primarily driven by a decrease in cash paid for fuel and purchased power expenses related to the timing of accounts payables offset by an increase in salaries and benefit, and emergency recovery costs associated with Hurricane Milton.

- As of December 31, 2024, OUC expects to receive \$2.0 million and \$16.2 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 \$196.3 million, an increase of \$22.1 million from 2023.



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

	<u>December 2024</u>	<u>September 2024</u>	<u>Variance</u>	
Assets				
Utility plant	\$ 3,022,967	\$ 2,984,630	\$ 38,337	1.3 %
Restricted and internally designated assets	701,793	812,870	(111,077)	(13.7)%
Current assets	296,500	321,630	(25,130)	(7.8)%
Other assets	249,319	235,352	13,967	5.9 %
Deferred outflows of resources	116,888	121,418	(4,530)	(3.7)%
Total assets and deferred outflows of resources	\$ 4,387,467	\$ 4,475,900	\$ (88,433)	(2.0)%
Liabilities				
Payables from restricted assets	\$ 158,252	\$ 166,296	\$ (8,044)	(4.8)%
Payables from current assets	148,642	181,433	(32,791)	(18.1)%
Current liabilities	306,894	347,729	(40,835)	(11.7)%
Other liabilities	292,018	282,801	9,217	3.3 %
Long-term debt, net	1,649,117	1,733,416	(84,299)	(4.9)%
Total liabilities	2,248,029	2,363,946	(115,917)	(4.9)%
Deferred inflows of resources	357,330	344,365	12,965	3.8 %
Net position	1,782,108	1,767,589	14,519	0.8 %
Total liabilities, deferred inflows of resources and net position	\$ 4,387,467	\$ 4,475,900	\$ (88,433)	(2.0)%

***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 December 2024	Budget December 2024	Variance to Budget		Actual December 2023	Variance to Prior Year	
Operating revenues							
Retail energy revenues (OUC and STC)	\$ 132,785	\$ 129,335	\$ 3,450	2.7 %	\$ 125,452	\$ 7,333	5.8 %
Wholesale energy revenues	6,273	6,299	(26)	(0.4)%	6,346	(73)	(1.2)%
Fuel	66,344	65,626	718	1.1 %	66,300	44	0.1 %
Electric revenues	205,402	201,260	4,142	2.1 %	198,098	7,304	3.7 %
Water revenues	24,898	25,220	(322)	(1.3)%	23,445	1,453	6.2 %
Other revenues							
Lighting service revenues	5,279	5,180	99	1.9 %	4,610	669	14.5 %
Chilled water revenues	10,238	9,994	244	2.4 %	9,790	448	4.6 %
Service fees & other revenues	8,417	8,337	80	1.0 %	9,583	(1,166)	(12.2)%
Total operating revenues	254,234	249,991	4,243	1.7 %	245,526	8,708	3.5 %
Operating expenses							
Fuel for generation and purchased power	66,344	65,626	718	1.1 %	66,300	44	0.1 %
Unit/department	80,232	83,210	(2,978)	(3.6)%	78,315	1,917	2.4 %
Depreciation and amortization	44,492	44,491	1	— %	42,542	1,950	4.6 %
Payments to other governments and taxes	17,600	17,389	211	1.2 %	17,957	(357)	(2.0)%
Capacity payments	6,874	6,426	448	7.0 %	5,923	951	16.1 %
Emergency response costs	3,567	—	3,567	100.0 %	—	3,567	— %
Total operating expenses	219,109	217,142	1,967	0.9 %	211,037	8,072	3.8 %
Non-operating income and (expenses)							
Interest income	7,257	6,843	414	6.0 %	9,046	(1,789)	(19.8)%
Generation decommissioning	—	—	—	— %	(3,000)	3,000	100.0 %
Other income	2,083	1,988	95	4.8 %	1,871	212	11.3 %
Interest expense	(13,683)	(13,576)	(107)	0.8 %	(13,874)	191	(1.4)%
Total non-operating income and (expenses)	(4,343)	(4,745)	402	(8.5)%	(5,957)	1,614	(27.1)%
Income before contributions	30,782	28,104	2,678	9.5 %	28,532	2,250	7.9 %
Contributions in aid of construction	2,875	5,325	(2,450)	(46.0)%	5,003	(2,128)	(42.5)%
Dividend payments	(19,138)	(19,138)	—	— %	(18,891)	(247)	1.3 %
Increase in net position	14,519	\$ 14,291	\$ 228	1.6 %	14,644	\$ (125)	(0.9)%
Net position - beginning of year	1,767,589				1,695,032		
Net position - end of period	\$ 1,782,108				\$ 1,709,676		

***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

	December 2024	December 2023
Cash flow from operating activities		
Cash received from customers	\$ 279,800	\$ 289,624
Cash paid for fuel and purchased power	(69,542)	(104,598)
Cash paid for unit department expenses	(33,399)	(48,371)
Cash paid for salaries and benefits	(56,143)	(52,401)
Cash (paid)/received for emergency response expenses	(7,267)	482
Cash paid for other payments and taxes	(19,133)	(18,694)
Net cash provided by operating activities	<u>94,316</u>	<u>66,042</u>
Cash flows from non-capital related financing activities		
Dividend to the City of Orlando	(19,138)	(18,891)
Build America Bonds subsidy received	1,887	1,883
Net cash used in non-capital related financing activities	<u>(17,251)</u>	<u>(17,008)</u>
Cash flows from capital related financing activities		
Utility plant net of contributions in aid of construction	(93,559)	(71,247)
Debt interest payments	(26,208)	(27,903)
Principal payments on long-term debt and use of bond proceeds	(75,580)	(74,875)
Debt issuance expense	(979)	(232)
Net used in capital related financing activities	<u>(196,326)</u>	<u>(174,257)</u>
Cash flows from investing activities		
Proceeds from sale and maturities of investment securities	114,048	156,683
Purchases of investment securities	(64,843)	(65,866)
Investments and other income received	6,360	10,349
Net cash provided/(used) in investing activities	<u>55,565</u>	<u>101,166</u>
Net decrease in cash and cash equivalents	<u>(63,696)</u>	<u>(24,057)</u>
Cash and cash equivalents - beginning of year	<u>238,180</u>	<u>266,006</u>
Cash and cash equivalents - current	<u>\$ 174,484</u>	<u>\$ 241,949</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 35,125	\$ 34,489
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	44,492	42,542
Depreciation and amortization charged to fuel for generation and purchased power	839	647
Depreciation of vehicles and equipment charged to unit department expenses	762	641
Changes in assets and liabilities		
Decrease in receivables and accrued revenue	23,163	25,732
Increase in fuel and materials and supplies inventories	(5,735)	(17,218)
Decrease in accounts payable	(3,103)	(30,666)
Increase/(Decrease) in deposits payable and deferred items	2,032	(8,080)
(Decrease)/Increase in stabilization and deferred revenue accounts	(3,259)	17,955
Net cash provided by operating activities	<u>\$ 94,316</u>	<u>\$ 66,042</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 December 2024 Approved	Year to Date December 2024 Revised	Year to Date December 2024 Actual	Variance to Revised	
Electric Production ^{1,2}	\$ 10,574	\$ 13,723	\$ 23,971	\$ 10,248	74.7 %
Transmission ³	26,385	40,923	29,140	(11,783)	(28.8)%
Transmission contributions	—	—	—	—	— %
Transmission, net	26,385	40,923	29,140	(11,783)	(28.8)%
Electric Delivery	17,600	17,912	16,816	(1,096)	(6.1)%
Electric Delivery contributions	(1,950)	(2,110)	(2,111)	(1)	— %
Electric Delivery, net	15,650	15,802	14,705	(1,097)	(6.9)%
Lighting	2,183	2,415	1,546	(869)	(36.0)%
Lighting contributions	(250)	(240)	(492)	(252)	105.0 %
Lighting, net	1,933	2,175	1,054	(1,121)	(51.5)%
Water ⁴	23,689	15,192	12,158	(3,034)	(20.0)%
Water contributions	(2,875)	(2,575)	(1,993)	582	(22.6)%
Water, net	20,814	12,617	10,165	(2,452)	(19.4)%
Chilled Water	6,483	350	184	(166)	(47.4)%
Support Services ^{1,5}	12,444	5,493	1,564	(3,929)	(71.5)%
Total OUC	\$ 94,283	\$ 91,083	\$ 80,783	\$ (10,300)	(11.3)%

¹ Totals are net of participant share.

² Driven by prior year delays in the SEC Unit B major inspection and the OGS Return to Service.

³ Driven by earlier than anticipated purchase of the Storeybend transmission line in the prior year and delays in St. Cloud's 230kv Source project.

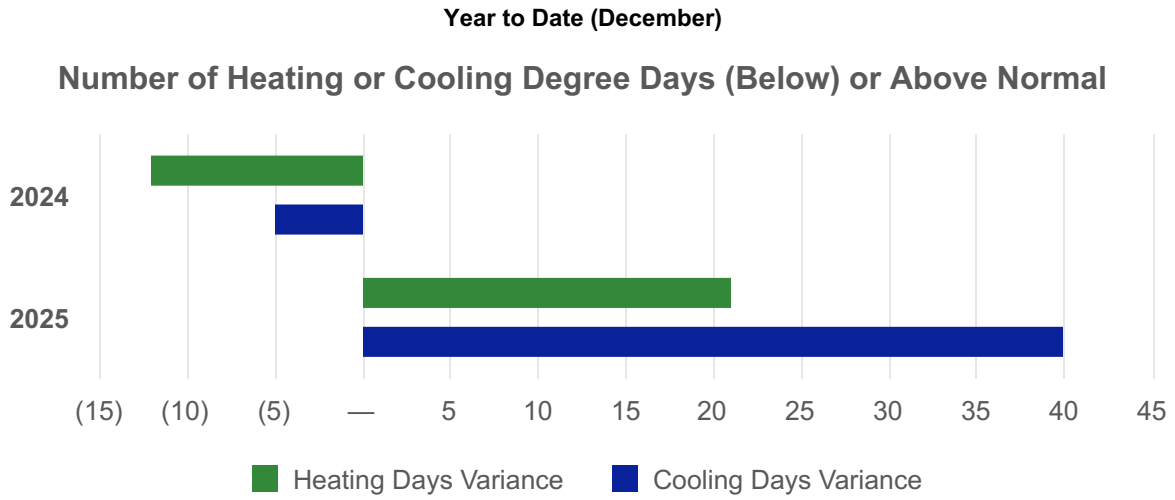
⁴ Driven by delays in the Lift Station 2 project.

⁵ Driven by various project delays in technology and transformation initiatives.

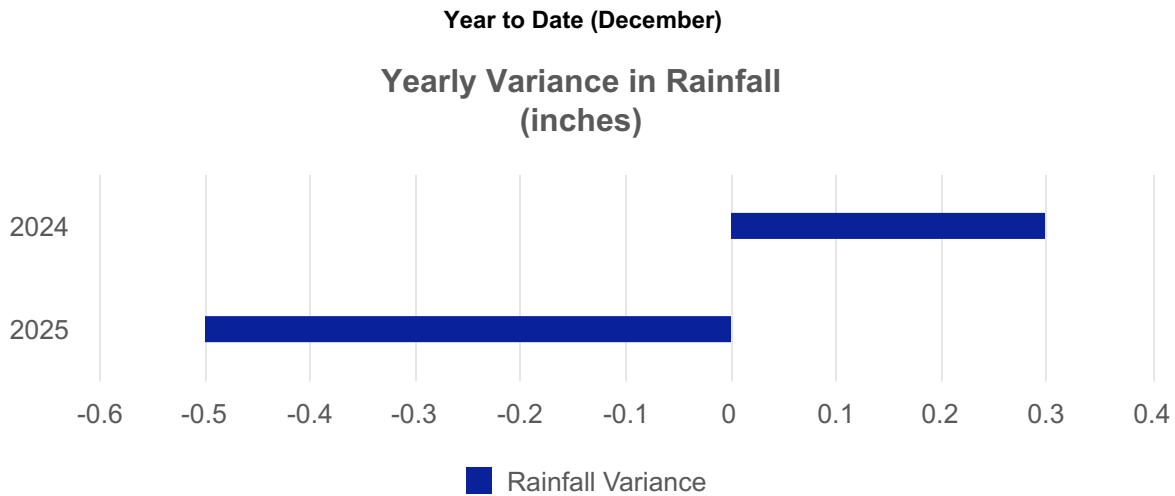
The "Approved" represents the pro-rated annual amount of the Board approved annual Capital Plan. As there are many dynamics that can impact the timing and spend associated with amounts included in the "Approved" Capital Plan, a "Revised" Capital Plan is included to reflect the most current capital plan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

As of December 31, 2024, the year-to-date capital spend is 11.3 percent lower than the Revised Capital Plan and 14.3 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.