



INTERIM FINANCIAL REPORT



NINE-MONTHS ENDED
JUNE 30, 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 nine-months ended June 30, 2025 in comparison to the approved budget and prior year equivalent period.
 - Income before contributions for the nine-months ended June 30, 2025 was \$70.3 million, which is \$5.5 million higher than budget and \$13.4 million lower than prior year.
- The Statements of Net Position present the nature and amount of resources and obligations at June 30, 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 June			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Retail energy revenues (OUC and STC)	\$ 385,380	\$ 382,313	\$ 382,201	\$ 3,067	0.8 %	\$ 3,179	0.8 %
Wholesale energy revenues	17,411	16,929	20,136	482	2.8 %	(2,725)	(13.5)%
Water revenues	77,171	76,910	71,981	261	0.3 %	5,190	7.2 %
Other revenues	71,208	70,029	68,810	1,179	1.7 %	2,398	3.5 %
Operating revenues, net of fuel	551,170	546,181	543,128	4,989	0.9 %	8,042	1.5 %
Fuel revenues	233,769	204,928	208,756	28,841	14.1 %	25,013	12.0 %
Total operating revenues	\$ 784,939	\$ 751,109	\$ 751,884	\$ 33,830	4.5 %	\$ 33,055	4.4 %

Budget Analysis:

- Operating revenues, net of fuel revenues, were \$5.0 million higher than budget, reflecting the deferral of \$19.4 million in retail energy revenues and \$6.6 million in wholesale energy revenues. These deferrals were driven by increased variability in weather temperatures resulting in higher than expected heating degree days, favorable customer growth in the St. Cloud service territory, and a winter cold snap creating opportunities for increased wholesale energy sales.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$28.8 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 \$8.0 million higher than prior year, including the deferral of \$19.4 million in retail energy and \$6.6 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 as the customer charge increase. Other revenues increased primarily due to higher chilled water sales driven by the start of operations at the Universal Epic Universe chilled water plant.
- Fuel revenues, which are a pass-through charge of fuel expenses, were \$25.0 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 June			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Unit department expenses	\$ 253,020	\$ 260,967	\$ 246,088	\$ (7,947)	(3.0)%	\$ 6,932	2.8 %
Depreciation and amortization	139,547	134,710	130,037	4,837	3.6 %	9,510	7.3 %
Payments to other governments and taxes	51,420	50,610	50,746	810	1.6 %	674	1.3 %
Capacity payments	19,662	19,278	19,103	384	2.0 %	559	2.9 %
Emergency response expenses	2,825	—	—	2,825	100.0 %	2,825	100.0 %
Operating expenses, net of fuel	466,474	465,565	445,974	909	0.2 %	20,500	4.6 %
Fuel for generation and purchased power	233,769	204,928	208,756	28,841	14.1 %	25,013	12.0 %
Total operating expenses	\$ 700,243	\$ 670,493	\$ 654,730	\$ 29,750	4.4 %	\$ 45,513	7.0 %

Budget Analysis:

- Operating expenses, net of fuel for generation and purchased power, were \$0.9 million higher than budget, including the estimated unreimbursed cost of recovery efforts for Hurricane Milton, 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, and higher than expected depreciation. These increases were offset by lower than expected outside services.
- Fuel for generation and purchased power expenses were \$28.8 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 expenses, net of fuel for generation and purchased power, were \$20.5 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 \$25.0 million higher than prior year due to rising fuel commodity prices and increased energy production driven by weather-related demand.

Non-Operating Income and (Expenses) Analysis

(\$ in thousands)	As of June			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Interest and other income	\$ 29,919	\$ 29,378	\$ 31,268	\$ 541	1.8 %	\$ (1,349)	(4.3)%
Generation decommissioning	\$ —	\$ —	\$ (4,701)	\$ —	— %	\$ 4,701	(100.0)%
Interest expense	(44,351)	(45,193)	(40,034)	842	(1.9)%	(4,317)	10.8 %
Total net non-operating expenses	\$ (14,432)	\$ (15,815)	\$ (13,467)	\$ 1,383	(8.7)%	\$ (965)	7.2 %

Budget Analysis:

- Net non-operating expenses were \$1.4 million lower than budget as a result of lower-than-expected interest expense due to the early issuance of the Series 2025A Bonds and from higher other income from mutual aid reimbursement.

Prior Year Analysis:

- Net non-operating expenses were \$1.0 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 June			Variance			
	2025 Actual	2025 Budget	2024 Actual	Actual vs Budget		2025 vs 2024	
Income before contributions	\$ 70,264	\$ 64,801	\$ 83,686	\$ 5,463	8.4 %	\$ (13,422)	(16.0)%
Contributions in aid of construction	33,904	15,975	18,214	17,929	112.2 %	15,690	86.1 %
Annual dividend	(57,413)	(57,413)	(55,860)	—	— %	(1,553)	2.8 %
Increase in net position	\$ 46,755	\$ 23,363	\$ 46,040	\$ 23,392	100.1 %	\$ 715	1.6 %

Budget and Prior Year Analysis:

- Income before contributions were favorable to budget as a result of higher than anticipated operating revenues, 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)	June 2025	September 2024	Year-to-Date Change	June 2024
Utility plant	\$ 3,110,490	\$ 2,984,630	\$ 125,860	\$ 2,896,139
Restricted and internally designated assets	837,701	812,870	24,831	721,463
Current assets	305,753	321,630	(15,877)	324,183
Other assets	227,705	235,352	(7,647)	218,551
Deferred outflows of resources	128,164	121,418	6,746	169,498
Total assets and deferred outflows of resources	\$ 4,609,813	\$ 4,475,900	\$ 133,913	\$ 4,329,834

Year-to-Date Analysis:

- Total assets and deferred outflows of resources increased \$133.9 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 to support the Capital Plan 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 251 days as of June 30, 2025.

Total Liabilities and Deferred Inflows of Resources

(\$ in thousands)	June 2025	September 2024	Year-to-Date Change	June 2024
Current liabilities	\$ 306,542	\$ 347,729	\$ (41,187)	\$ 299,217
Other liabilities	272,186	282,801	(10,615)	309,424
Long-term debt, net	1,836,051	1,733,416	102,635	1,625,266
Deferred inflows of resources	380,690	344,365	36,325	354,860
Total liabilities and deferred inflows of resources	2,795,469	2,708,311	87,158	2,588,767
Net position	1,814,344	1,767,589	46,755	1,741,072
Total liabilities, deferred inflows of resources and net position	\$ 4,609,813	\$ 4,475,900	\$ 133,913	\$ 4,329,839

Year-to-Date Analysis:

- Total liabilities and deferred inflows of resources increased \$87.2 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.

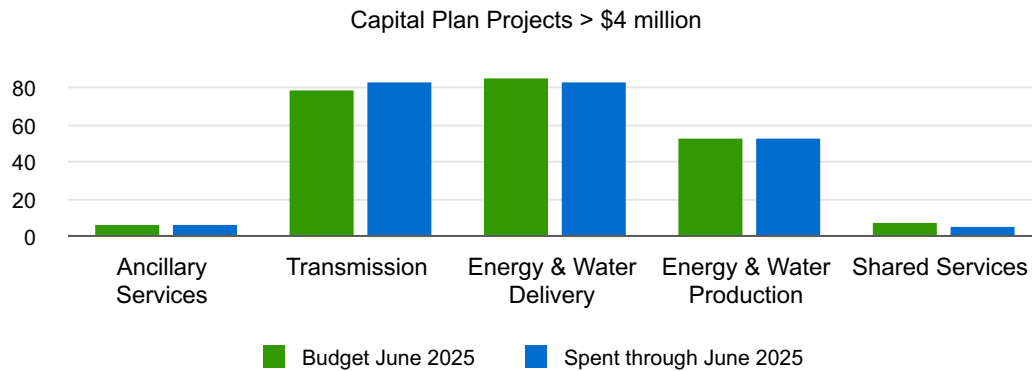
Condensed Statement of Cash Flows and Capital Spend Analysis

(\$ in thousands)	As of June		
	2025	2024	Change
Net cash provided by operating activities	\$ 240,209	\$ 245,615	\$ (5,406)
Net cash used in non-capital related financing activities	(55,526)	(52,080)	(3,446)
Net cash used in capital related financing activities	(200,326)	(385,593)	185,267
Net cash (used)/provided by investing activities	(9,703)	113,934	(123,637)
Net decrease in cash and cash equivalents	(25,346)	(78,124)	52,778
Cash and cash equivalents - beginning of year	238,180	266,006	(27,826)
Cash and cash equivalents - current	\$ 212,834	\$ 187,882	\$ 24,952

Cash provided by operating activities: Cash provided by operations was \$240.2 million, a decrease of \$5.4 million from 2024. This change was primarily driven by an increase in emergency recovery costs associated with Hurricane Milton.

- As of June 30, 2025, OUC expects to receive \$3.0 million and \$13.9 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 \$200.3 million, an increase of \$185.3 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

	June 2025	September 2024	Variance	
Assets				
Utility plant	\$ 3,110,490	\$ 2,984,630	\$ 125,860	4.2 %
Restricted and internally designated assets	837,701	812,870	24,831	3.1 %
Current assets	305,753	321,630	(15,877)	(4.9)%
Other assets	227,705	235,352	(7,647)	(3.2)%
Deferred outflows of resources	128,164	121,418	6,746	5.6 %
Total assets and deferred outflows of resources	\$ 4,609,813	\$ 4,475,900	\$ 133,913	3.0 %
Liabilities				
Payables from restricted assets	\$ 171,647	\$ 166,296	\$ 5,351	3.2 %
Payables from current assets	134,895	181,433	(46,538)	(25.7)%
Current liabilities	306,542	347,729	(41,187)	(11.8)%
Other liabilities	272,186	282,801	(10,615)	(3.8)%
Long-term debt, net	1,836,051	1,733,416	102,635	5.9 %
Total liabilities	2,414,779	2,363,946	50,833	2.2 %
Deferred inflows of resources	380,690	344,365	36,325	10.5 %
Net position	1,814,344	1,767,589	46,755	2.6 %
Total liabilities, deferred inflows of resources and net position	\$ 4,609,813	\$ 4,475,900	\$ 133,913	3.0 %

***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 June 2025	Budget June 2025	Variance to Budget		Actual June 2024	Variance to Prior Year	
Operating revenues							
Retail energy revenues (OUC and STC)	\$ 385,380	\$ 382,313	\$ 3,067	0.8 %	\$ 382,201	\$ 3,179	0.8 %
Wholesale energy revenues	17,411	16,929	482	2.8 %	20,136	(2,725)	(13.5)%
Fuel	233,769	204,928	28,841	14.1 %	208,756	25,013	12.0 %
Electric revenues	636,560	604,170	32,390	5.4 %	611,093	25,467	4.2 %
Water revenues	77,171	76,910	261	0.3 %	71,981	5,190	7.2 %
Other revenues							
Lighting service revenues	16,202	15,541	661	4.3 %	14,852	1,350	9.1 %
Chilled water revenues	31,178	29,527	1,651	5.6 %	28,720	2,458	8.6 %
Service fees & other revenues	23,828	24,961	(1,133)	(4.5)%	25,238	(1,410)	(5.6)%
Total operating revenues	784,939	751,109	33,830	4.5 %	751,884	33,055	4.4 %
Operating expenses							
Fuel for generation and purchased power	233,769	204,928	28,841	14.1 %	208,756	25,013	12.0 %
Unit/department	253,020	260,967	(7,947)	(3.0)%	246,088	6,932	2.8 %
Depreciation and amortization	139,547	134,710	4,837	3.6 %	130,037	9,510	7.3 %
Payments to other governments and taxes	51,420	50,610	810	1.6 %	50,746	674	1.3 %
Capacity payments	19,662	19,278	384	2.0 %	19,103	559	2.9 %
Emergency response costs	2,825	—	2,825	100.0 %	—	2,825	— %
Total operating expenses	700,243	670,493	29,750	4.4 %	654,730	45,513	7.0 %
Non-operating income and (expenses)							
Interest income	23,551	23,400	151	0.6 %	25,252	(1,701)	(6.7)%
Generation decommissioning	—	—	—	— %	(4,701)	4,701	100.0 %
Other income	6,368	5,978	390	6.5 %	6,016	352	5.9 %
Interest expense	(44,351)	(45,193)	842	(1.9)%	(40,034)	(4,317)	10.8 %
Total non-operating income and (expenses)	(14,432)	(15,815)	1,383	(8.7)%	(13,467)	(965)	7.2 %
Income before contributions	70,264	64,801	5,463	8.4 %	83,687	(13,423)	(16.0)%
Contributions in aid of construction	33,904	15,975	17,929	112.2 %	18,214	15,690	86.1 %
Dividend payments	(57,413)	(57,413)	—	— %	(55,860)	(1,553)	2.8 %
Increase in net position	46,755	\$ 23,363	\$ 23,392	100.1 %	46,041	\$ 714	1.6 %
Net position - beginning of year	1,767,589				1,695,032		
Net position - end of period	\$ 1,814,344				\$ 1,741,073		

***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

	June 2025	June 2024
Cash flow from operating activities		
Cash received from customers	\$ 822,725	\$ 791,370
Cash paid for fuel and purchased power	(232,801)	(241,561)
Cash paid for unit department expenses	(116,339)	(88,598)
Cash paid for salaries and benefits	(167,195)	(159,315)
Cash (paid)/received for emergency response expenses	(11,375)	1,714
Cash paid for other payments and taxes	(54,806)	(57,995)
Net cash provided by operating activities	240,209	245,615
Cash flows from non-capital related financing activities		
Dividend to the City of Orlando	(57,413)	(55,860)
Build America Bonds subsidy received	1,887	3,780
Net cash used in non-capital related financing activities	(55,526)	(52,080)
Cash flows from capital related financing activities		
Utility plant net of contributions in aid of construction	(264,611)	(243,889)
Debt interest payments	(58,702)	(66,169)
Collateral deposits received	—	173
Principal payments on long-term debt and use of bond proceeds	(75,580)	(74,875)
Debt issuances	200,759	—
Debt issuance expense	(2,192)	(833)
Net used in capital related financing activities	(200,326)	(385,593)
Cash flows from investing activities		
Proceeds from sale and maturities of investment securities	306,619	402,042
Loss on sale of investments	—	(99)
Purchases of investment securities	(339,263)	(323,283)
Investments and other income received	22,941	35,274
Net cash (used)/provided in investing activities	(9,703)	113,934
Net decrease in cash and cash equivalents	(25,346)	(78,124)
Cash and cash equivalents - beginning of year	238,180	266,006
Cash and cash equivalents - current	\$ 212,834	\$ 187,882
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 84,696	\$ 97,154
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	139,547	130,037
Depreciation and amortization charged to fuel for generation and purchased power	2,517	1,942
Depreciation of vehicles and equipment charged to unit department expenses	2,312	1,924
Changes in assets and liabilities		
Decrease/(increase) in receivables and accrued revenue	3,543	(3,477)
Decrease/(Increase) in fuel and materials and supplies inventories	5,500	(26,047)
Decrease in accounts payable	(13,546)	(3,096)
Decrease in deposits payable and deferred items	(15,820)	(1,278)
Increase in stabilization and deferred revenue accounts	31,460	48,456
Net cash provided by operating activities	\$ 240,209	\$ 245,615

***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 June 2025 Approved	Year to Date June 2025 Revised	Year to Date June 2025 Actual	Variance to Revised	
Electric Production ¹	\$ 31,721	\$ 46,784	\$ 44,769	\$ (2,015)	(4.3)%
Transmission	79,155	89,722	94,812	5,090	5.7 %
Transmission contributions	—	(25)	(25)	—	— %
Transmission, net	79,155	89,697	94,787	5,090	5.7 %
Electric Delivery	52,800	67,539	61,836	(5,703)	(8.4)%
Electric Delivery contributions	(5,850)	(7,058)	(6,785)	273	(3.9)%
Electric Delivery, net	46,950	60,481	55,051	(5,430)	(9.0)%
Lighting	6,548	5,798	6,358	560	9.7 %
Lighting contributions	(750)	(2,509)	(3,133)	(624)	24.9 %
Lighting, net	5,798	3,289	3,225	(64)	(1.9)%
Water	71,066	43,369	44,194	825	1.9 %
Water contributions	(8,625)	(5,456)	(8,155)	(2,699)	49.5 %
Water, net	62,441	37,913	36,039	(1,874)	(4.9)%
Chilled Water	19,448	1,892	1,059	(833)	(44.0)%
Support Services ^{1,2}	37,333	21,261	17,202	(4,059)	(19.1)%
Total OUC	<u>\$ 282,846</u>	<u>\$ 261,317</u>	<u>\$ 252,132</u>	<u>\$ (9,185)</u>	(3.5)% lower

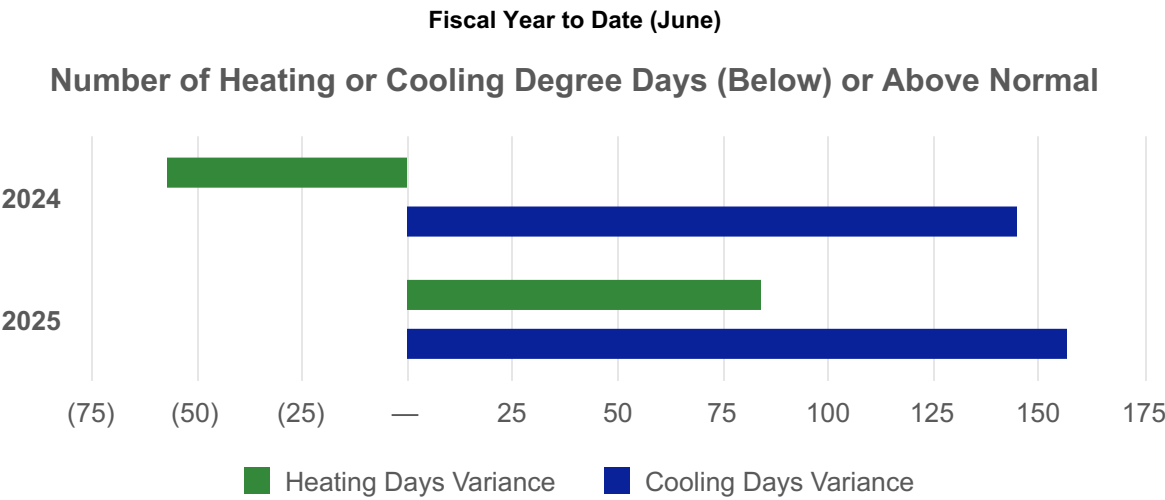
¹ Totals are net of participant share.

² Driven by delays in the various fleet and facility projects and renovations and technology and transformation initiatives.

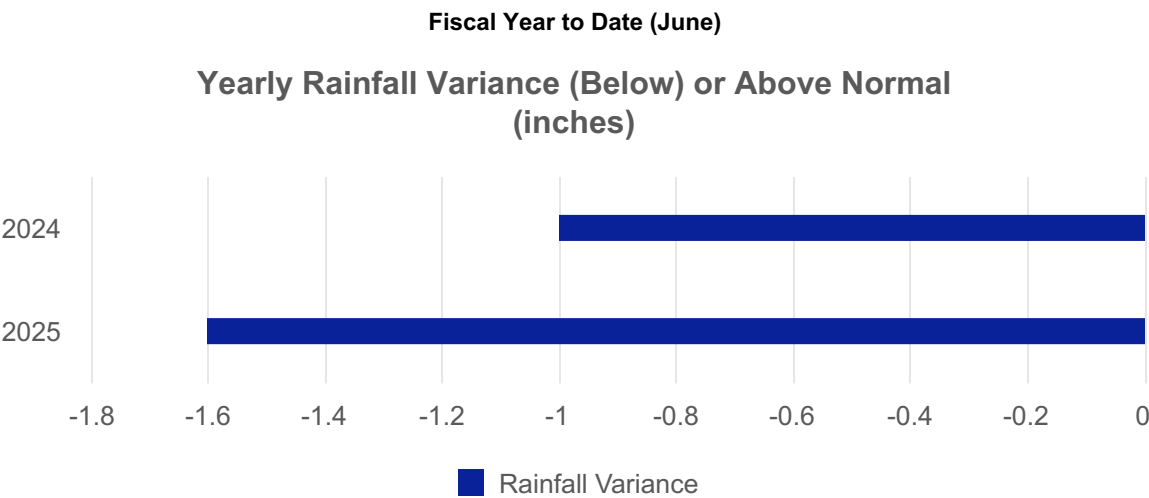
The “Approved” Capital Plan represents the pro-rated annual amount of the Board-approved annual Capital Plan. As there are many dynamics that can impact the timing and spend associated with amounts included in the “Approved” Capital Plan, a “Revised” Capital Plan is included to reflect the most current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

As of June 30, 2025, the year-to-date capital spend is 3.5 percent lower than the Revised Capital Plan and 10.9 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.