



UDSA Annual Report

UDSA Board of Trustees Meeting



Presented by: Richard Tinelli — Controller

Discussion Topics

-  Annual PARIS Filing
-  Financial Statements Outline
-  Summary of Financial Statements
-  Management's Discussion & Analysis (Unaudited)
-  Notes to the Financial Statements (Audited)
-  Note 3 – Long Term Debt

Annual PARIS Filing

Submission to the Public Authority Reporting Information System (PARIS):

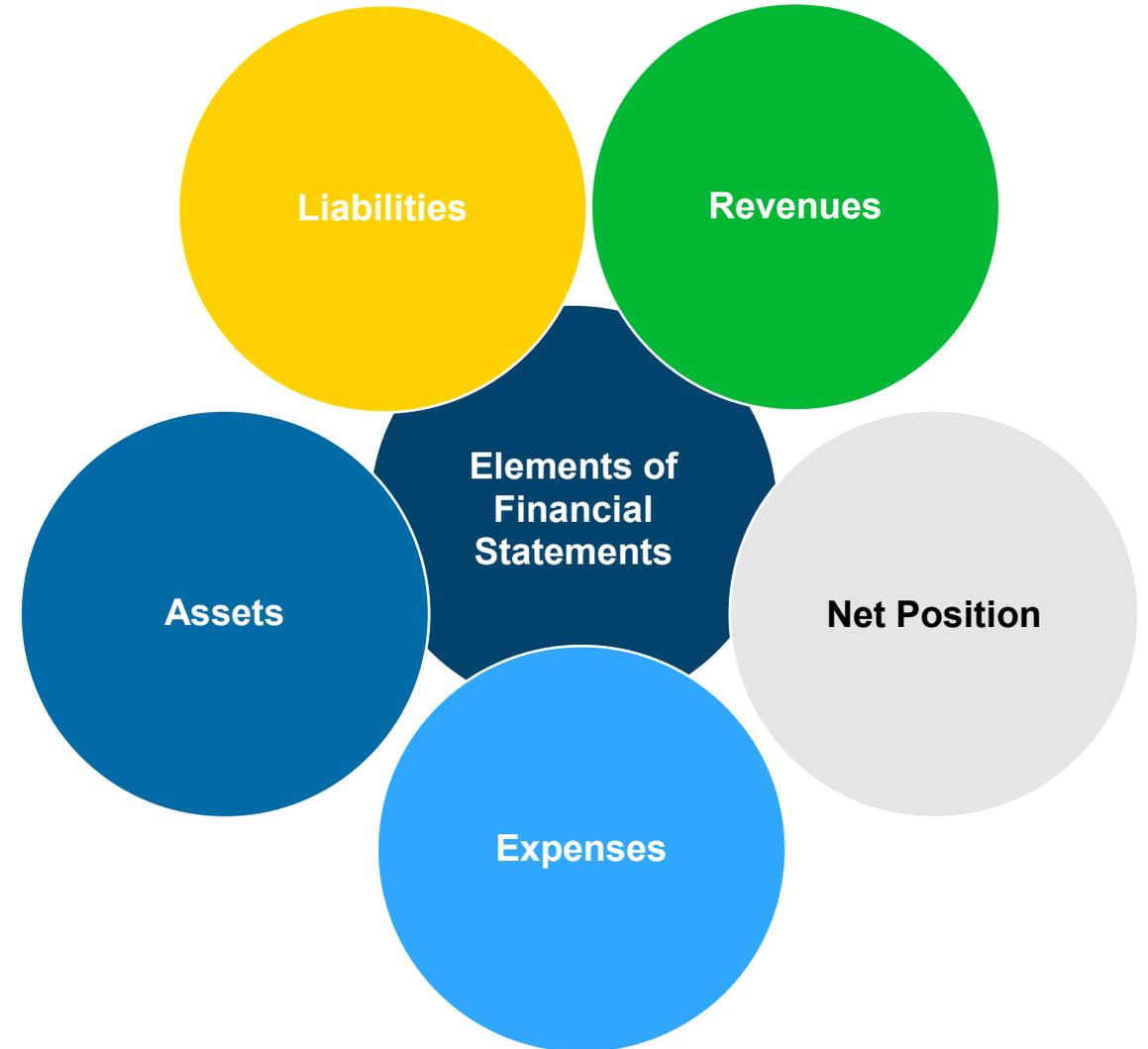
- Statement of Net Position
- Statement of Revenue, Expenses, and Net Position
- Schedule of Debt

Annual Report:

- Independent Auditors Report (KPMG unmodified opinion)
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Report on Investment Compliance
- Reports on applying agreed upon procedures in connection with Servicing Agreements

Financial Statements Outline

- **Independent Auditors' Report**
- **Unaudited Management's Discussion and Analysis (MD&A)**
- **Financial Statements**
 - Statements of Net Position (Balance Sheet)
 - Statements of Revenues, Expenses and Changes in Net Position (Income Statement)
 - Statements of Cash Flows
- **Notes to Financial Statements**
- **Independent Auditors' Report on internal control over financial reporting and on compliance and other matters**



Summary of Financial Statements

Summary Statements of Net Position:		
	2025	2024
Assets and Deferred Outflows of Resources		
Current assets	\$ 160,685	179,147
Noncurrent assets	3,498,456	3,649,620
Deferred outflows of resources	5,601	7,049
Total assets and deferred outflows of resources	<u>3,664,742</u>	<u>3,835,816</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities	234,640	231,853
Noncurrent liabilities	3,259,571	3,503,707
Deferred inflows of resources	98,611	17,921
Total liabilities and deferred inflows of resources	<u>3,592,822</u>	<u>3,753,481</u>
Net position – restricted	<u>71,920</u>	<u>82,335</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,664,742</u>	<u>3,835,816</u>
Summary Statements of Revenue, Expenses and Changes in Net Position:		
	2025	2024
Operating revenue, net of uncollectible accounts expense	\$ 378,879	388,487
Operating expenses	<u>(263,049)</u>	<u>(254,699)</u>
Operating income	<u>115,830</u>	<u>133,788</u>
Interest income	8,230	9,637
Interest charges and credits, net	<u>(134,475)</u>	<u>(132,666)</u>
Change in net position	<u>(10,415)</u>	<u>10,759</u>
Net position, beginning of year	<u>82,335</u>	<u>71,576</u>
Net position, end of year	<u>\$ 71,920</u>	<u>82,335</u>

Statement of Cash Flows:		
	2025	2024
Cash flows from operating activities:		
Operating revenues received	\$ 373,357	392,755
Servicing, administrative and other fees	<u>(3,206)</u>	<u>(3,251)</u>
Net cash provided by operating activities	<u>370,151</u>	<u>389,504</u>
Cash flows from investing activities:		
Interest Income	<u>8,230</u>	<u>9,637</u>
Net cash provided by investing activities	<u>8,230</u>	<u>9,637</u>
Cash flows from financing activities:		
Interest paid	(168,695)	(179,181)
Proceeds from the issuance of long-term debt	1,229,456	—
Refunding of long-term debt	(1,110,762)	—
Redemption of long-term debt	(223,965)	(204,790)
Payments to LIPA System Resiliency Fund	(120,000)	—
Other interest costs	(535)	(418)
Payments for debt issuance costs	<u>(7,573)</u>	<u>(8)</u>
Net cash used in financing activities	<u>(402,074)</u>	<u>(384,397)</u>
Net (decrease) increase	<u>(23,694)</u>	<u>14,744</u>
Cash and cash equivalents at beginning of year	<u>129,695</u>	<u>114,951</u>
Cash and cash equivalents at end of year	<u>\$ 106,001</u>	<u>129,695</u>

Management's Discussion & Analysis (unaudited)

Operational Highlights

- On December 15, 2025, UDSA issued Financing Order No. 8
 - Total Proceeds - \$1.224B
 - TE-1 \$115M Green Bonds / TE-2 \$975M Restructuring Bonds TE-2 / Premium Generated - \$134M
 - Proceeds Utilized for
 - \$120M New Money for System Resiliency Projects
 - \$1.101B Refunded / \$120M PV Savings
- \$7.4B of UDSA Restructuring Bonds have been issued resulting in \$641M in remaining statutory capacity
- UDSA refinancings have produced NPV savings of \$699M since 2013

Discuss 2025 and 2024 comparison year-over-year analysis

- Lower cash balances due to higher redemptions of bonds required in 2025
- Lower noncurrent assets and liabilities primarily due to early retirement of restructuring property assets from Series 2025 proceeds and scheduled amortizations. This was partially offset by the establishment of the Series 2025 restructuring property asset
- Higher deferred defeasance costs on debt refunding due to \$84M deferred gain on Series 2025

Cash and Liquidity

- \$106M in cash includes \$52M in reserve balances

Notes to the Financial Statements (audited)

1. **Summary of Significant Accounting Policies**
2. **Restricted Cash and Cash Equivalents**
3. **Long-term Debt – Annual Update – See slide 8**
4. **Significant Agreements and Related-Party Transactions – No Changes**
5. **Subsequent Events – None Reported**

Note 3 | Long-Term Debt

Debt Outstanding December 31, 2025							
	Beginning				Ending	Years of	Interest
	balance	Additions	Maturities	Refundings	balance	Maturity	Rate (%)
Restructuring bonds:							
Series 2015	\$ 911,225	—	104,820	806,405	—	2026-2035	3.00-5.00
Series 2016A	420,490	—	83,490	109,475	227,525	2026-2033	5.00
Series 2016B	127,510	—	5,950	28,690	92,870	2026-2033	4.00-5.00
Series 2017	283,520	—	395	156,890	126,235	2026-2039	5.00
Series 2022T	32,640	—	—	—	32,640	2029-2037	4.65-4.95
Series 2022TE-1	762,975	—	24,310	—	738,665	2026-2037	5.00
Series 2022TE-2	94,780	—	—	—	94,780	2038-2050	5.00
Series 2023T	36,200	—	—	—	36,200	2039	5.67
Series 2023TE-1	646,700	—	5,000	—	641,700	2026-2039	5.00
Series 2023TE-2	135,515	—	—	—	135,515	2034-2051	5.00
Series 2025TE-1	—	115,135	—	—	115,135	2040-2045	3.75-5.00
Series 2025TE-2	—	974,730	—	—	974,730	2026-2039	5.00
Subtotal	3,451,555	1,089,865	223,965	1,101,460	3,215,995		
Less: current maturities	(223,965)				(227,780)		
Total long-term debt	\$ 3,227,590				2,988,215		

Annual Debt Service Requirements			
Due	Principal	Interest	Annual Debt Service Requirements
2026	\$ 227,780	157,699	385,479
2027	226,270	146,325	372,595
2028	226,215	135,013	361,228
2029	238,985	123,512	362,497
2030	243,200	111,585	354,785
2031-2035	992,705	384,379	1,377,084
2036-2040	777,640	167,938	945,578
2041-2045	176,400	51,497	227,897
2046-2050	100,335	15,923	116,258
2051	6,465	162	6,627
Total	\$ 3,215,995	1,294,032	4,510,027

Questions?

Richard Tinelli
Controller

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