

Intermountain Power Agency

*Financial Statements as of and for the Years
Ended June 30, 2024 and 2023, Supplemental
Schedule for the Years Ended June 30, 2023 and
2024, and Independent Auditor's Report*

INTERMOUNTAIN POWER AGENCY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Intermountain Power Agency:

Opinion

We have audited the financial statements of Intermountain Power Agency (IPA), which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IPA as of June 30, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IPA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood

that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the foregoing table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule of Changes in Funds Established by the IPA Revenue Bond Resolution for the Years Ended June 30, 2023 and 2024 listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures

in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Deloitte + Touche LLP

September 27, 2024

Intermountain Power Agency

Management's Discussion and Analysis (Unaudited)

The Intermountain Power Agency (IPA) is a political subdivision of the State of Utah formed by 23 Utah municipalities pursuant to the provisions of the Utah Interlocal Co-operation Act. IPA owns, finances, operates, and maintains a two-unit, coal-fired, steam-electric generating plant and switchyard located in Millard County, Utah and transmission systems through portions of Utah, Nevada and California (the "Project"). IPA has irrevocably sold the entire capacity of the Project pursuant to Power Sales Contracts, as amended (the "Contracts"), to 35 utilities (the "Purchasers"). The Purchasers are unconditionally obligated to pay all costs of operation, maintenance and debt service, whether or not the Project or any part thereof is operating or operable, or its output is suspended, interrupted, interfered with, reduced, or terminated.

IPA's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and consist of statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and the related notes to the financial statements. The statements of net position report IPA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources as of the end of the fiscal year. Investments are stated at fair value. No net position is reported in the statements of net position because IPA is completely debt financed and the Contracts contain no provision for profit. The Contracts govern how and when Project costs become billable to the Purchasers. Net costs billed to participants not yet expensed in accordance with U.S. GAAP or expenses recognized but not currently billable under the Contracts are recorded as net costs billed to participants not yet expensed (a deferred inflow) or deferred as net costs to be recovered from future billings to participants (an asset), respectively, in IPA's statements of net position. In future periods, the deferred inflow will be settled, or the asset will be recovered as the associated expenses are recognized in accordance with U.S. GAAP or when they become billable Project costs in future participant billings, respectively. At June 30, 2024 and 2023, total accumulated Project costs billed to participants exceeded accumulated U.S. GAAP expenses, resulting in a deferred inflow, net costs billed to participants not yet expensed. Over the life of the Project, aggregate U.S. GAAP expenses will equal aggregate billed Project costs. The statements of revenues, expenses, and changes in net position report the results of operations and changes in net position, and the statements of cash flows report the resulting cash flows for the fiscal year. Net costs billed to participants not yet expensed, as reported in the statements of revenues, expenses, and changes in net position, reflects the extent to which billable Project costs are greater than U.S. GAAP expenses during the fiscal year. The following table summarizes the financial condition and operations of IPA for the years ended June 30, 2024, 2023 and 2022 (in thousands):

Assets:	2024	2023	2022
Utility plant, net	\$ 1,713,904	\$ 1,057,789	\$ 744,100
Cash, cash equivalents, and investments	1,058,787	732,080	1,010,553
Other	161,081	112,164	121,549
Total assets	2,933,772	1,902,033	1,876,202
Deferred outflows of resources	58,105	94,799	125,100
Total assets and deferred outflows of resources	<u>\$ 2,991,877</u>	<u>\$ 1,996,832</u>	<u>\$ 2,001,302</u>
Liabilities:			
Debt	\$ 1,790,280	\$ 886,362	\$ 997,232
Asset retirement obligations	311,939	307,050	298,107
Other	366,190	267,491	163,171
Total liabilities	2,468,409	1,460,903	1,458,510
Deferred inflows of resources:			
Net costs billed to participants not yet expensed	216,211	334,440	420,599
Prefunding of decommissioning and hydrogen betterments	303,000	197,000	118,000
Other	4,257	4,489	4,193
Total liabilities and deferred inflows of resources	523,468	535,929	542,792
	<u>\$ 2,991,877</u>	<u>\$ 1,996,832</u>	<u>\$ 2,001,302</u>
Revenues, Expenses, and Changes in Net Position			
Operating revenues, net	\$ 304,757	\$ 387,413	\$ 336,927
Fuel	(144,296)	(152,651)	(133,420)
Other operating expenses	(278,338)	(309,285)	(295,584)
Operating loss	(117,877)	(74,523)	(92,077)
Non-operating income	2,220	1,757	1,805
Net interest charges	(2,572)	(13,393)	(8,185)
Net costs to be recovered from billings to participants	118,229	86,159	98,457
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Financial Highlights:

Assets

The net increase in gross utility plant of \$748 million in 2024 resulted from additions of \$749 million offset by retirements of \$1 million. The 2024 additions were principally for the ongoing construction associated with IPA Repowering (see discussion of Project Repowering below). The primary components of the continued Renewal construction during the year were incurred on the gas power turbines and the Intermountain and Adelanto Converter Stations. The net increase in gross utility plant of \$427 million in 2023 resulted from additions of \$429 million offset by retirements of \$2 million. The 2023 additions were principally for the ongoing construction and engineering for the gas turbines associated with IPA Repowering, the replacement of microwave equipment, the replacement of equipment at the Intermountain Switching Yard, construction of additional groundwater remediation wells, and the rehabilitation of the process water pond in compliance with environmental requirements.

The 2024 increase in cash, cash equivalents, and investments, combined current and restricted of \$327 million is primarily due to proceeds of \$921 million from the issuance of the 2023 Series A (Tax-exempt) and 2023 Series B (Taxable) Power Supply Revenue Bonds for the continued construction associated with IPA Repowering which were deposited in the Construction Fund and Debt Service Fund. Also, \$354 million in payments-in-aid of construction were received from Southern California Public Power Authority (SCPPA) for renewal costs associated with the Southern Transmission System (STS) and \$106 million were received from certain purchasers to prefund future decommissioning and hydrogen betterments. These were offset by \$1,011 million in current year renewal expenditures, a \$28 million decrease in cash needed for the credit to participants compared to the prior year, and the use of a portion of working capital to build the coal reserves for summer demand. The 2023 decrease in cash, cash equivalents, and investments, combined current and restricted of \$278 million is primarily due to current year renewal expenditures of \$505 million. These were offset by \$187 million in payments-in-aid of construction received from SCPPA for the portion of renewal costs associated with the STS, and an additional \$79 million received from certain purchasers to prefund future decommissioning and hydrogen betterments.

The 2024 increase of \$49 million in other assets was primarily due to \$27 million increase in fuel inventory resulting from decreased plant operation, a \$17 million increase in prepaid personnel service contract costs for certain employee pensions and other postretirement benefits, and a \$5 million increase in interest receivable corresponding to the increase in investments. The 2023 decrease of \$9 million in other assets was caused by a decrease of \$9 million in fuel inventory due to limited availability in the Utah coal market during the year.

Deferred Outflows of Resources

Deferred outflows of resources primarily consist of unamortized asset retirement costs. The decrease of \$37 million in 2024 was due to \$41 million in normal amortization offset by \$4 million of additional unamortized retirement costs (See Note 9). The decrease of \$30 million in 2023 was due to \$39 million in normal amortization offset by \$9 million of additional unamortized retirement costs (See Note 9).

Liabilities

During 2024, \$835 million of Power Supply Revenue Bonds in the 2023 A Series (Tax-exempt) and the 2023 Series B (Taxable) were issued to provide a portion of the funds required to finance certain costs of the acquisition and construction of Project Repowering. The bonds were issued at a premium of \$88 million which will be amortized over the life of the bonds. The bonds will be paid over 20 years, commencing with the first principal payment on July 1, 2026. Additionally, \$6 million of scheduled principal maturities of subordinated notes were paid during 2024. All subordinated notes have now been retired. Other liabilities increased by \$99 million in 2024 due to a \$105 million increase in accounts payable compared to the prior year associated with the escalating Renewal Project construction activity and a \$21 million increase in interest payable due to the issuance of the 2023 A Series (Tax-exempt) and the 2023 Series B (Taxable) bonds during the year. These were offset by a \$28 million decrease in credit to participants.

During 2023, an additional \$121 million of Transitional Project Indebtedness was issued in the form of 2019 Drawdown Bonds (See Note 7) for the upgrade of the STS which brought the total of 2019 Drawdown Bonds issued to \$150 million. During June 2023, payments-in-aid of construction received from SCPPA were used to fully repay the outstanding balance. This activity resulted in a net decrease in Drawdown Bonds payable of \$29 million. The 2019 Drawdown Bonds were officially closed in June 2023. Additionally, \$76 million of scheduled principal maturities on subordinated notes were paid during 2023. Other liabilities increased by \$104 million in 2023 due to a \$108 million increase in accounts payable compared to the prior year associated with the escalating Renewal Project construction activity and a \$15 million increase in interest payable due to an increase in the July 1 payment for the 2022 A Series (Tax-exempt) and the 2022 Series B (Taxable) compared to the prior year. These were offset by a \$19 million decrease in credit to participants.

Moody's rates IPA's bonds at Aa3, while Fitch rates them AA-. All ratings remain unchanged from the prior year.

Deferred Inflows of Resources

At June 30, 2024 and 2023, total accumulated Project costs billed to participants exceeded accumulated U.S. GAAP expenses. Accordingly, the excess of such billings is reported as a deferred inflow, net costs billed to participants not yet expensed at June 30, 2024 and 2023. The resulting changes in net costs billed to participants not yet expensed are outlined in Note 4. During 2024 and 2023, \$106 million and \$79 million, respectively, was collected from certain purchasers to prefund anticipated decommissioning and hydrogen expenditures. These pre-fundings are recorded as deferred inflows of resources and will be recognized as revenue as the related expenditures become billable as monthly power costs in future years.

Revenues, Expenses, and Changes in Net Position

Net operating revenues decreased \$83 million in 2024 and increased by \$50 million in 2023. The decrease in 2024 is primarily due to less revenue being billed to the Purchasers due to a decrease in scheduled power. Purchasers have elected to reserve available coal inventory to ensure generation availability through June 2025 when the coal units are scheduled to cease operations. The increase in 2023 is primarily due to an increase in scheduled power compared to the prior year. Warmer than average temperatures in late summer 2022 and high natural gas prices in December and January drove the increase in scheduled power.

Fuel expense decreased by \$8 million in 2024 and increased by \$19 million in 2023. The decrease in 2024 is primarily due to a 30% decrease in net capacity factor caused by the planned reduction in generation noted above, offset by a 24% increase in the cost per ton of fuel burned during the current fiscal year. Conversely, the increase in 2023 is primarily due to a 6% increase in net capacity factor caused by the increase in scheduled power noted above. Other operating expenses decreased by \$31 million in 2024 primarily due to the decrease in net generation. Other operating expenses increased by \$14 million in 2023 primarily due to the increase in scheduled power during late summer 2022 and December and January noted above.

Net interest charges decreased by \$11 million in 2024 and increased by \$5 million in 2023. The 2024 decrease is due to a \$42 million increase in retained earnings due to higher investment balances and a \$10 increase in bond premium amortization offset by a \$42 million increase in bond interest expense associated with the issuance of the 2023 Series A and 2023 Series B Bonds. The 2023 increase was due to the interest associated with the issuance of the 2022 Series A and 2022 Series B Bonds. Other non-operating income did not change significantly in 2024 or 2023. Changes in net position are zero because IPA is completely debt financed and the Contracts contain no provision for profit.

Electric Industry Legislation and Regulation

California has enacted legislation prohibiting its municipally owned electric utilities from entering into new long-term financial commitments for base load generation that do not meet certain greenhouse gases emissions performance standards. During August 2018, the California legislature passed legislation stating California policy that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. These and other environmental regulation issues are discussed in Note 13 to the financial statements.

Utah Legislation

During its 2023 and 2024 sessions, HB425 and SB161, respectively were passed by the Utah State Legislature and subsequently signed into law. HB425 requires IPA to provide at least 180 days advance notice to the Legislative Management Committee of decommissioning or disposal of the IPP coal units or facilities essential to the generation of electricity by the IPP coal units. SB161 requires IPA to provide the

State of Utah the option to purchase for fair market value a coal unit and related assets intended for decommissioning, with the option remaining open for at least two years, beginning July 2, 2025.

Project Repowering

Over the past several years, IPA and the Purchasers have engaged in strategic activities so that the Project may continue operation in compliance with current electric industry regulation applicable to its Purchasers, beyond the expiration of the current Power Sales Contracts. IPA and the Purchasers executed the Second Amendatory Power Sales Contracts, which provide that the Project be repowered, and that IPA offer the Purchasers renewal in their generation and associated transmission entitlements through Renewal Power Sales Contracts (the “Renewal Contracts”), the term of which commences upon the termination of the current Power Sales Contracts on June 15, 2027. IPA and 32 of the Purchasers entered into Renewal Contracts, which became effective on January 16, 2017. Two renewing California Purchasers subsequently provided a notice of termination of their Renewal Contracts to IPA effective November 1, 2019. All entitlement shares abandoned by non-renewing purchasers were fully allocated among the remaining purchasers. The Renewal Contracts are currently effective but are to govern the purchase and sale of the capacity and output of the Project upon the termination of the Contracts. The Renewal Contracts provide for the Gas Repowering of the Project.

On September 24, 2018, IPA and the Purchasers approved changes to the repowering that constituted an Alternative Repowering under the Second Amendatory Power Sales Contracts. The Alternative Repowering is described to include the construction and installation of two combined-cycle natural gas fired power blocks, each block consisting of one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW.

On November 25, 2019, IPA and the Purchasers approved a Plan of Finance for funding renewal project activities that provided using shorter-term bridge financing in early project stages followed by long-term financing as required to fund anticipated costs to complete construction. Accordingly, on December 30, 2019, IPA entered into a bond purchase agreement with Royal Bank of Canada (RBC), by which IPA issued one subseries of Tax-Exempt Drawdown Bonds and one subseries of Taxable Drawdown Bonds, collectively called the 2019 Drawdown Series. Up to \$100 million of drawdown bonds could be issued. As of May 2022, the entire \$100 million of Drawdown Bonds had been issued. On May 12, 2022, IPA issued Power Supply Revenue Bonds 2022 Series A (Tax-Exempt) and 2022 Series B (Taxable) in the amount of \$798 million to finance a portion of the cost of acquisition and construction of the Gas Repowering. A portion of the proceeds of the sale of the 2022 Series A and B Bonds was used to fully repay the \$100 million of outstanding Drawdown Bonds.

On February 14, 2020, IPA awarded Mitsubishi Hitachi Power Systems a contract for two M501JAC power trains for the renewal project gas turbines. Initial milestone payments for turbine construction commenced in April 2020 and have continued through June 2022. The turbines will be commercially guaranteed capable of using a mix of 30% hydrogen and 70% natural gas at start-up in 2025. This mixture is expected to reduce carbon emissions by more than 75% compared to the retiring coal-fueled technology.

The costs of the hydrogen facilities are being funded by the Purchasers to the extent such elect to facilitate the development of such facilities. The costs of the hydrogen betterments are being funded, and some of the initial costs of the hydrogen production and storage capacity have been funded, by payments to a Hydrogen Betterments Fund established by and funded pursuant to resolutions adopted by the IPP Coordinating Committee, and the IPP Renewal Contract Coordinating Committee established pursuant to the Renewal Power Sales Contracts and IPA. LADWP, Burbank and Glendale are the only Purchasers that have elected to make payments to the Hydrogen Betterment Fund. On March 3, 2022, the IPP Coordinating Committee, the Renewal Contract Coordinating Committee and IPA approved a Hydrogen Billing Procedure that provides for LADWP and any other Purchaser that elects to become a Hydrogen Purchaser (as defined in the Hydrogen Billing Procedure) to pay all of the costs incurred by IPA with respect to that are not funded through the Hydrogen Betterments Fund (such costs to be paid by a Hydrogen Purchaser including fixed

cost for Hydrogen Conversion and Storage Capacity and the variable costs of the hydrogen conversion and storage services). The obligations associated with the hydrogen facilities are discussed in Note 12 to the financial statements

IPA and the Coordinating Committee have also approved a capital improvement plan for the STS consisting of the replacement, renewal, and expansion of AC switchyards, reactive power equipment and associated facilities at the Adelanto Converter Station and the Intermountain Converter Station (STS Renewal Project). The cost of acquisition and construction will be funded through payments-in-aid of construction to be made by the Southern California Public Power Authority (SCPPA). On May 12, 2022, IPA and RBC amended and restated the bondholder agreements to allow IPA to issue additional subordinated indebtedness not to exceed \$200,000,000 for the purpose of providing a portion of the monies necessary to pay the cost and acquisition and construction of the STS Renewal Project. During the year ended June 30, 2023, an additional \$121 million of Drawdown Bonds were issued for the STS Renewal Project, which brought the total to \$150 million. On May 30, 2023, IPA received payments-in-aid of construction from SCPPA for the entire outstanding balance of \$150 million of Drawdown Bonds. The Drawdown Bonds were fully paid and closed on June 23, 2023. During June 2023, IPA received an additional \$37 million of payments-in-aid of construction from SCPPA to cover ongoing construction costs on the STS.

On August 15, 2023, IPA issued Power Supply Revenue Bonds 2023 Series A (Tax-Exempt) and 2023 Series B (Taxable) in the amount of \$835 million to finance a portion of the cost of acquisition and construction of the Gas Repowering. IPA anticipates issuing another series of bonds in late 2024 or early 2025 which will fund the completion of the construction of the Gas Repowering.

INTERMOUNTAIN POWER AGENCY

STATEMENTS OF NET POSITION JUNE 30, 2024 AND 2023 (IN THOUSANDS)

ASSETS	2024	2023
UTILITY PLANT:		
Electric plant in service	\$ 4,519,623	\$ 3,771,742
Less accumulated depreciation	<u>(2,805,719)</u>	<u>(2,713,953)</u>
Net	<u>1,713,904</u>	<u>1,057,789</u>
RESTRICTED ASSETS:		
Cash and cash equivalents	162,443	179,472
Investments	836,093	431,174
Interest receivable	<u>6,846</u>	<u>1,537</u>
Total	<u>1,005,382</u>	<u>612,183</u>
OTHER NON-CURRENT ASSETS		
Prepaid personnel services contract costs	52,007	34,685
Other	<u>3,930</u>	<u>3,080</u>
Total	<u>55,937</u>	<u>37,765</u>
Total Non-Current Assets	<u>2,775,223</u>	<u>1,707,737</u>
CURRENT ASSETS:		
Cash and cash equivalents	20,720	52,847
Investments	39,531	68,587
Interest receivable	701	396
Fuel inventories	79,019	51,640
Materials and supplies	15,068	17,130
Other	<u>3,510</u>	<u>3,696</u>
Total Current Assets	<u>158,549</u>	<u>194,296</u>
Total Assets	<u>2,933,772</u>	<u>1,902,033</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Unamortized asset retirement costs	55,543	91,641
Other	<u>2,562</u>	<u>3,158</u>
Total Deferred Outflows of Resources	<u>58,105</u>	<u>94,799</u>
TOTAL ASSETS AND DEFERRRED OUTFLOWS OF RESOURCES	<u>\$ 2,991,877</u>	<u>\$ 1,996,832</u>

See notes to financial statements.

(Continued)

INTERMOUNTAIN POWER AGENCY

STATEMENTS OF NET POSITION JUNE 30, 2024 AND 2023 (IN THOUSANDS)

LIABILITIES	2024	2023
LONG-TERM PORTION OF BONDS PAYABLE - Net	\$ 1,790,280	\$ 879,980
ADVANCES FROM SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	10,930	10,930
OTHER NON-CURRENT LIABILITIES:		
Asset retirement obligations	311,939	307,050
Other	1,419	1,777
Total	313,358	308,827
CURRENT LIABILITIES:		
Current maturities of subordinated notes payable	-	6,382
Interest payable	40,886	19,621
Accrued credit to participants	10,063	38,555
Accounts payable and accrued liabilities	302,892	196,608
Total Current Liabilities	353,841	261,166
COMMITMENTS AND CONTINGENT LIABILITIES (See Note 12)	-	-
Total Liabilities	2,468,409	1,460,903
DEFERRED INFLOWS OF RESOURCES		
Net costs billed to participants not yet expensed	216,211	334,440
Prefunding of decommissioning and hydrogen betterments	303,000	197,000
Other	4,257	4,489
Total Deferred Inflows of Resources	523,468	535,929
TOTAL LIABILITIES AND DEFERRRED INFLOWS OF RESOURCES	\$ 2,991,877	\$ 1,996,832

See notes to financial statements.

(Concluded)

INTERMOUNTAIN POWER AGENCY

STATEMENTS OF REVENUES AND EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2024 AND 2023 (IN THOUSANDS)

	2024	2023
OPERATING REVENUES:		
Power sales to participants	\$ 314,820	\$ 425,968
Less credit to participants	<u>(10,063)</u>	<u>(38,555)</u>
Net revenues	<u>304,757</u>	<u>387,413</u>
OPERATING EXPENSES:		
Fuel	144,296	152,651
Operation	86,962	87,663
Maintenance	44,850	54,283
Depreciation and amortization	133,616	153,287
Taxes and payment in lieu of taxes	<u>12,910</u>	<u>14,052</u>
Total expenses	<u>422,634</u>	<u>461,936</u>
OPERATING INCOME (LOSS)	<u>(117,877)</u>	<u>(74,523)</u>
NONOPERATING INCOME	<u>2,220</u>	<u>1,757</u>
INTEREST CHARGES:		
Interest on bonds and subordinated notes, and other debt	77,175	35,184
Amortization of bond premium (net of financing expenses)	(9,653)	419
(Earnings) on investments, net	<u>(64,950)</u>	<u>(22,210)</u>
Total interest charges	<u>2,572</u>	<u>13,393</u>
NET COSTS BILLED TO PARTICIPANTS NOT YET EXPENSED	<u>(118,229)</u>	<u>(86,159)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

INTERMOUNTAIN POWER AGENCY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023 (IN THOUSANDS)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from billings to participants	\$ 382,265	\$ 447,472
Other cash receipts	2,220	1,757
Cash paid to suppliers	<u>(266,179)</u>	<u>(282,504)</u>
Net cash provided by operating activities	<u>118,306</u>	<u>166,725</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	923,466	121,000
Defeasance and retirement of bonds	-	(150,000)
Debt issuance costs	(2,966)	(699)
Principal paid on long-term debt	(6,382)	(75,791)
Interest paid on long-term debt	(55,910)	(20,069)
Additions to electric plant in service	(1,062,697)	(528,156)
Payments in aid of construction	<u>353,553</u>	<u>187,491</u>
Net cash provided by (used in) capital and related financing activities	<u>149,064</u>	<u>(466,224)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,394,110)	(285,183)
Proceeds from sales/maturities of investments	1,044,450	589,674
Interest earnings received on investments	<u>33,134</u>	<u>13,323</u>
Net cash (used in) provided by investing activities	<u>(316,526)</u>	<u>317,814</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(49,156)	18,315
CASH AND CASH EQUIVALENTS:		
Beginning balance	<u>232,319</u>	<u>214,004</u>
Ending balance	<u>\$ 183,163</u>	<u>\$ 232,319</u>

See notes to financial statements.

(Continued)

INTERMOUNTAIN POWER AGENCY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023 (IN THOUSANDS)

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (117,877)	\$ (74,523)
Other non-operating income	2,220	1,757
Depreciation and amortization	133,616	153,287
Financing expenses, net of amortization of bond discount	(547)	(3,151)
Changes in operating assets and liabilities:		
Fuel inventories	(27,379)	8,951
Materials and supplies	2,062	1,544
Other current assets	186	(463)
Prepaid personnel services contract costs	(17,322)	(270)
Other liabilities	(358)	97
Accounts payable and accrued liabilities	66,683	20,082
Accrued credit to participants	(28,492)	(18,941)
Other assets	(850)	806
Deferred outflows of resources	596	(1,746)
Deferred inflows of resources	105,768	79,295
NET CASH PROVIDED BY OPERATING ACTIVITIES:	<u>\$ 118,306</u>	<u>\$ 166,725</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Accounts payable and accrued liabilities included \$177,039 and \$137,438 at June 30, 2024 and 2023, respectively, of accruals for additions to electric plant in service.

See notes to financial statements.

(Concluded)

INTERMOUNTAIN POWER AGENCY

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose – Intermountain Power Agency (IPA), a separate legal entity and political subdivision of the State of Utah, was formed in 1977 by an Organization Agreement pursuant to the provisions of the Utah Interlocal Co-operation Act. IPA's membership consists of 23 municipalities which are suppliers of electric energy in the State of Utah. IPA's purpose is to own, acquire, construct, finance, operate, maintain, repair, administer, manage and control a facility to generate electricity located in Millard County, Utah and transmission systems through portions of Utah, Nevada and California (the “Project”). The operation and maintenance, along with construction of certain capital improvements of the Project are managed for IPA by the Department of Water and Power of the City of Los Angeles (LADWP) in its capacity as Operating Agent and Project Manager, respectively, pursuant to agreements. LADWP has also contracted to purchase a portion of the electric energy generated from the Project (see Note 11). Personnel at the generating plant are employed by Intermountain Power Service Corporation (IPSC), a separate legal non-governmental entity. IPSC is not a component unit of IPA. However, under a Personnel Services Contract (“PSC”) between IPA and IPSC, IPA is required to pay all costs incurred by IPSC, including employee pensions and other postretirement benefits offered by IPSC to its employees. IPA’s contractual rights and obligations under the PSC for IPSC’s employee pensions and other postretirement benefits resulted in non-current assets of approximately \$52,007,000 and \$34,685,000 as of June 30, 2024 and 2023, respectively, as reported in the accompanying statements of net position. For the years ended June 30, 2024 and 2023, the accompanying statements of revenues, expenses, and changes in net position includes a benefit of approximately \$17,322,000 and \$270,000, respectively, within operation expense related to changes in these reported contractual amounts.

Use of Estimates in Preparing Financial Statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting – IPA maintains its records substantially in accordance with the Federal Energy Regulatory Commission Uniform System of Accounts, as required by its Contracts (see Note 11), and in conformity with U.S. GAAP. IPA applies all of the pronouncements of the Governmental Accounting Standards Board (GASB).

Utility Plant – Electric plant in service is stated at cost, which represents the actual direct cost of labor, materials, and indirect costs, including interest and other overhead expenses, net of related income during the construction period. Depreciation of electric plant in service is computed using the straight-line method over the estimated useful lives of the assets which range from five to 50 years.

Payments-in-Aid of Construction – IPA and the Southern California Public Power Authority (SCPPA), which is comprised of certain California Purchasers (see Note 9), have entered into the Southern Transmission System Agreement, as amended, (“STS Agreement”) whereby SCPPA has

made payments-in-aid of construction accumulating to approximately \$1,278,943,000 and \$925,390,000 as of June 30, 2024 and 2023, respectively, to IPA for costs associated with the acquisition, construction and improvements of the Southern Transmission System of the Project (“STS”). Such payments-in-aid are recorded as reductions to utility plant. IPA has also entered into inter-connection agreements with other entities that have made additional payments-in-aid of construction accumulating to approximately \$2,037,000 as of June 30, 2024 and 2023.

Cash and Cash Equivalents – IPA considers short-term investments with an original maturity of three months or less to be cash equivalents. As more fully discussed in Note 5, the IPA Bond Resolution required the establishment of certain funds and prescribes the use of monies in these funds. Accordingly, the assets held in certain of these funds are classified as restricted in the accompanying statements of net position. Such restricted amounts are considered cash equivalents for purposes of the statements of cash flows.

Investments – The IPA Bond Resolution, as amended, stipulates IPA may invest in any securities, obligations or investments that are permitted by Utah Law. Investments are held by IPA as beneficial owner in book-entry form. Management believes there were no investments held by IPA during the years ended June 30, 2024 and 2023 that were in violation of the requirements of the IPA Bond Resolution.

Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets in the statements of net position and as earnings on investments in the statements of revenues, expenses, and changes in net position.

Fuel Inventories, Materials and Supplies – Fuel inventories for the Project, principally coal, which have been purchased for the operation of the utility plant are stated at cost (computed on a last-in, first-out basis). The replacement cost of Project fuel inventory is approximately \$54,196,000 and \$25,237,000 greater than the stated last-in, first-out value at June 30, 2024 and 2023, respectively. Materials and supplies are stated at average cost, and the carrying value is written down for estimated excess and obsolete inventory.

Unamortized Bond Premium and Discount and Refunding Charge on Defeasance of Debt – Unamortized premium and discount related to the issuance of bonds and the unamortized refunding charge related to the refunding of certain bonds are deferred and amortized using the interest method over the terms of the respective bond issues. Bonds payable have been reported net of the unamortized bond premium and discount in the accompanying statements of net position. Unamortized refunding charge is reported as a deferred outflow of resources.

Net Costs Billed to Participants Not Yet Expensed – Billings to participants are designed to recover power costs as set forth by the Power Sales Contracts (see Note 10), which principally include current operating expenses, scheduled debt principal and interest, and deposits into certain funds. Pursuant to GASB Statement No. 62 related to regulated operations, net costs billed to participants not yet expensed in accordance with U.S. GAAP or expenses recognized but not currently billable under the Contracts are recorded as net costs billed to participants not yet expensed (a deferred inflow) or deferred as net costs to be recovered from future billings to participants (an asset), respectively, in the statements of net position. In future periods, the deferred inflow will be settled, or the asset will be recovered as the associated expenses are recognized in accordance with U.S. GAAP or when they become billable Project costs in future participant billings, respectively. At June 30, 2024 and 2023, total accumulated Project costs billed to participants to date exceeded accumulated U.S. GAAP expenses, resulting in a deferred inflow, net costs billed to participants not yet expensed (see Note 4). Over the life of the Power Sales Contracts, aggregate U.S. GAAP expenses will equal aggregate billable power costs.

California has enacted legislation prohibiting its municipally owned electric utilities from entering into new long-term financial commitments for base-load generation that do not meet certain greenhouse gases emissions performance standards. During August 2018, the California Legislature passed legislation stating California policy that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. The Environmental Protection Agency (EPA) has also proposed regulation of certain greenhouse gases emissions. Future federal and state legislative and regulatory action may also result from the increasing national and international attention to climate change. Legislative and regulatory actions, both nationally and in California, have had and may yet have significant (yet hard to quantify) effects on IPA and the Purchasers (see Note 10). If these effects, which are not currently determinable, were to cause the Purchasers to be unable to meet their future power sales contract payment obligations, IPA may then be required to remove assets and liabilities recognized pursuant to IPA's regulated operations from the statement of net position when the related application criteria is no longer met unless those costs continue to be recoverable through a separate regulatory billing. As of June 30, 2024, costs deferred are probable of recovery through future billings.

Long-Lived Assets – IPA evaluates the carrying value of long-lived assets based upon an evaluation of indicators of impairment including evidence of physical damage, enactment or approval of laws and regulations, technological developments, changes in the manner or expected duration of use of a long-lived asset, and changes in demand. A long-lived asset that is potentially impaired is then tested to determine whether the magnitude of the decline in service utility is significant and unexpected. Measurement of the amount of impairment, if any, is based upon a restoration cost approach, service units approach, or deflated depreciated replacement cost approach, or the difference between carrying value and fair value.

Pension and Other Postretirement Obligations – IPA sponsors a defined benefit pension plan and a postretirement medical plan that are accounted for pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, respectively. No disclosures related to these plans are presented herein because amounts are not significant to the financial statements.

Asset Retirement Obligations – IPA records asset retirement obligations when the liability associated with the retirement of its tangible long-lived assets is both incurred and reasonably estimable. The determination of when the liability is incurred is based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates an entity to perform asset retirement activities. An asset retirement obligation (ARO) is measured based on the best estimate of the current value of outlays expected to be incurred, including probability weighting of potential outcomes, with a deferred outflow of resources recognized at the amount of the corresponding liability upon initial measurement. The current value of an ARO is adjusted for the effects of general inflation or deflation at least annually. All relevant factors are evaluated at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. The deferred outflows of resources of asset retirement costs are amortized over the estimated useful life of the tangible capital assets. See Note 9 for additional information on IPA's asset retirement obligations.

Recently Issued Accounting Pronouncements – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The statement updates the recognition and measurement guidance for compensated absences. This statement is effective for financial statements for years beginning after December 15, 2023. IPA is currently evaluating the effects the adoption of this statement will have on the financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The statement updates disclosure criteria for risks from concentrations and constraints. This statement is effective for financial statements for years beginning after June 15, 2024. IPA is currently evaluating the effects the adoption of this statement will have on the financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The statement updates the information and topics required to be presented in management's discussion and analysis that precedes the financial statements; and the presentation of unusual or infrequent items, operating and nonoperating revenues and expenses, major component unit information, and budgetary comparison information. This statement is effective for financial statements for years beginning after June 15, 2025. IPA is currently evaluating the effects of the adoption of this statement will have on the financial statements.

2. UTILITY PLANT

Utility plant activity for the years ended June 30, 2024 and 2023, is as follows (in thousands):

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Utility plant not being depreciated -				
Construction work-in-progress	\$ 814,536	\$ 1,096,778	\$ (62)	\$ 1,911,252
Land and land rights	113,823	-	-	113,823
Total	<u>928,359</u>	<u>1,096,778</u>	<u>(62)</u>	<u>2,025,075</u>
Utility plant being depreciated/amortized:				
Production	2,848,613	4,335	(674)	2,852,274
Transmission	862,874	1,077	(184)	863,767
Payments-in-aid of construction - transmission	(927,428)	(353,553)	-	(1,280,981)
General	59,324	169	(5)	59,488
Total	<u>2,843,383</u>	<u>(347,972)</u>	<u>(863)</u>	<u>2,494,548</u>
Accumulated depreciation	(3,371,145)	(119,483)	863	(3,489,765)
Accumulated amortization of payments-				
in-aid of construction	657,192	26,854	-	684,046
Total accumulated depreciation	<u>(2,713,953)</u>	<u>(92,629)</u>	<u>863</u>	<u>(2,805,719)</u>
Utility Plant, Net	<u>\$ 1,057,789</u>	<u>\$ 656,177</u>	<u>\$ (62)</u>	<u>\$ 1,713,904</u>
	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>
Utility plant not being depreciated -				
Construction work-in-progress	\$ 210,554	\$ 604,032	\$ (50)	\$ 814,536
Land and land rights	113,823	-	-	113,823
Total	<u>324,377</u>	<u>604,032</u>	<u>(50)</u>	<u>928,359</u>
Utility plant being depreciated/amortized:				
Production	2,843,742	6,194	(1,323)	2,848,613
Transmission	861,900	1,169	(195)	862,874
Payments-in-aid of construction - transmission	(739,937)	(187,491)	-	(927,428)
General	55,131	4,782	(589)	59,324
Total	<u>3,020,836</u>	<u>(175,346)</u>	<u>(2,107)</u>	<u>2,843,383</u>
Accumulated depreciation	(3,214,496)	(158,756)	2,107	(3,371,145)
Accumulated amortization of payments-				
in-aid of construction	613,383	43,809	-	657,192
Total accumulated depreciation	<u>(2,601,113)</u>	<u>(114,947)</u>	<u>2,107</u>	<u>(2,713,953)</u>
Utility Plant, Net	<u>\$ 744,100</u>	<u>\$ 313,739</u>	<u>\$ (50)</u>	<u>\$ 1,057,789</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consist of the following at June 30, 2024 and 2023 (in thousands):

	2024		2023	
	Fair	Weighted	Fair	Weighted
	Value	Average	Value	Average
		Remaining		Remaining
		Maturity		Maturity
Cash and Cash Equivalents:				
Restricted:				
Short-term investments	\$ 70,052	90 days or less	\$ 49,734	90 days or less
Money market funds	74,100	1 day or less	104,321	1 day or less
Cash	18,291	1 day or less	25,417	1 day or less
Total Restricted	162,443		179,472	
Current:				
Money market funds	17,900	1 day or less	48,400	1 day or less
Cash	2,820	1 day or less	4,447	1 day or less
Total Current	20,720		52,847	
Total Cash and Cash Equivalents	\$ 183,163		\$ 232,319	
Investments:				
Restricted:				
U.S. Treasuries	\$ 309,059	1.10 years	\$ 198,228	1.44 years
U.S. Agencies	332,430	0.52 years	112,496	1.57 years
Commercial paper	2,391	0.84 years	1,953	0.41 years
Corporate bonds	192,213	0.87 years	118,497	1.15 years
Total Restricted	836,093		431,174	
Current:				
U.S. Treasuries	3,946	0.29 years	-	
U.S. Agencies	30,148	0.94 years	27,907	1.75 years
Commercial paper	-		15,524	0.34 years
Corporate bonds	5,437	0.55 years	25,156	0.80 years
Total Current	39,531		68,587	
Total Investments	\$ 875,624		\$ 499,761	

Investments consist entirely of U.S. Treasuries, U.S. Government Agencies, commercial paper and corporate bonds whose fair value is derived from inputs using observable market data to estimate current interest rates.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, IPA manages its exposure to interest rate risk by requiring that the remaining term to maturity of investments not exceed the date the funds will be required to meet cash obligations.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, IPA manages its exposure to credit risk by limiting its investments to securities authorized for investment of public funds under the Utah Money Management Act, which requires a rating of “A” or higher or the equivalent of “A” or higher by two nationally recognized statistical rating organizations.

Custodial Credit Risk – Cash Deposits – Custodial credit risk is the risk that, in the event of a failure of the counterparty holding the funds, IPA’s deposits may not be returned. IPA does not require deposits to be fully insured and collateralized. As of June 30, 2024, approximately \$21,111,000 of IPA’s bank balances are uninsured and uncollateralized.

Fair Value Measurements – IPA measures and records its investments using fair value measurement guidelines established by U.S. GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1* – Quoted prices for identical investments in active markets;
- Level 2* – Observable inputs other than quoted market prices; and,
- Level 3* – Valuations derived from unobservable inputs.

At June 30, 2024 and 2023, IPA’s fair value measurements and their levels within the fair value hierarchy were as follows (in thousands):

	2024			
	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
U.S. Treasuries	\$ -	\$ 313,005	\$ -	\$ 313,005
U.S. Agencies	-	362,578	-	362,578
Commercial paper	-	2,391	-	2,391
Corporate bonds	-	197,650	-	197,650
	<hr/>	<hr/>	<hr/>	<hr/>
Total investments by fair value level	<u>\$ -</u>	<u>\$ 875,624</u>	<u>\$ -</u>	<u>\$ 875,624</u>
	2023			
	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
U.S. Treasuries	\$ -	\$ 198,228	\$ -	\$ 198,228
U.S. Agencies	-	140,403	-	140,403
Commercial paper	-	17,477	-	17,477
Corporate bonds	-	143,653	-	143,653
	<hr/>	<hr/>	<hr/>	<hr/>
Total investments by fair value level	<u>\$ -</u>	<u>\$ 499,761</u>	<u>\$ -</u>	<u>\$ 499,761</u>

4. NET COSTS BILLED TO PARTICIPANTS NOT YET EXPENSED

Net costs billed to participants not yet expensed for the years ended June 30, 2024 and 2023 and the accumulated totals as of June 30, 2024 and 2023, consisted of the following (in thousands):

	For the Years Ended June 30,		Accumulated Totals as of June 30,	
	2024	2023	2024	2023
Items in accordance with U.S. GAAP not billable to participants under the power sales contracts:				
Interest expense in excess of amounts billable	\$ -	\$ -	\$ (452,454)	\$ (452,454)
Depreciation and amortization expense	(133,616)	(153,287)	(3,257,555)	(3,123,939)
Amortization of bond discount and refunding on defeasance of bonds	13,166	3,431	(1,353,720)	(1,366,886)
Accretion of interest on zero coupon bonds	-	-	(349,408)	(349,408)
Charge on retired debt	-	-	(158,467)	(158,467)
Cumulative effect of a change in accounting principle	-	-	(18,241)	(18,241)
Accretion of asset retirement obligations	-	-	(26,965)	(26,965)
Unrealized gains on investments	2,950	(501)	(6,070)	(9,020)
Change in fair value of interest rate exchange agreements	-	-	(27,652)	(27,652)
Gain on sale of ownership interest in coal mines	-	-	4,877	4,877
Amortization of deferred fuel costs	-	-	(69,379)	(69,379)
Accrued interest earnings	-	1,249	(7,833)	(7,833)
Change in liabilities and other	15,084	(1,854)	11,353	(3,731)
Renewal project earnings	56,479	19,478	75,957	19,478
Renewal project interest expense	(79,733)	(42,801)	(122,534)	(42,801)
Amounts billed to participants under the bond resolution and the power sales contracts:				
Bond and subordinated note principal	-	76,585	5,041,757	5,041,757
Deferred fuel costs	-	-	32,228	32,228
Capital improvements	6,796	12,395	605,100	598,304
Reduction of required fund deposits	645	(854)	3,741	3,096
Cash received from sale of assets	-	-	(18,904)	(18,904)
Participant funds expended for debt reduction, refinancing and/or other financing costs (Note 10)	-	-	310,380	310,380
Net costs billed to be recovered from billings to participants	\$ (118,229)	\$ (86,159)	\$ 216,211	\$ 334,440

5. BONDS PAYABLE

To finance the construction of the Project, IPA sold Revenue Bonds (the “Senior Bonds”) pursuant to IPA’s Amended and Restated Power Supply Revenue Bond Resolution adopted September 28, 1978, as amended and supplemented (the “Bond Resolution”). As of June 30, 2024 and 2023, for the Senior Bonds the principal amount consisted of the following (in thousands):

Series	Bonds Dated	Final Maturity on July 1	2024	2023
<i>Senior Bonds</i>				
2022 A	5/12/2022	2045	\$ 732,755	\$ 732,755
2022 B	5/12/2022	2045	64,850	64,850
2023 A	8/15/2023	2045	767,650	-
2023 B	8/15/2023	2045	<u>67,395</u>	<u>-</u>
Total Bonds payable			1,632,650	797,605
Unamortized bond premium			<u>157,630</u>	<u>82,375</u>
Long-term portion of Bonds payable - net			<u>\$ 1,790,280</u>	<u>\$ 879,980</u>

Interest rates on the Bonds payable outstanding at June 30, 2024 and 2023 range from 3.5% to 5.6%.

	2024	2023
Beginning balance	\$ 797,605	\$ 797,605
Additions - Revenue bonds issued	<u>835,045</u>	<u>-</u>
Ending balance	<u>\$ 1,632,650</u>	<u>\$ 797,605</u>

The principal amounts of future maturities, sinking fund requirements and interest to be paid for the Bond outstanding as of June 30, 2024 are as follows (in thousands):

	Principal	Interest
Years ending June 30:		
2025	\$ -	\$ 81,773
2026	-	81,773
2027	49,615	80,548
2028	52,060	78,037
2029	54,630	75,399
2030 - 2034	316,560	332,513
2035 - 2039	402,825	244,191
2040 - 2044	513,290	130,546
2045 - 2046	<u>243,670</u>	<u>12,717</u>
Total	<u>\$ 1,632,650</u>	<u>\$ 1,117,497</u>

Funds Established by the Bond Resolution – The Bond Resolution requires that certain funds be established to account for IPA's receipts and disbursements and stipulates the use of monies, investments held in such funds and balances that are to be maintained in certain of the funds. Balances in the other funds are determined by resolution of the IPA Board of Directors. Except as identified below, a summary of funds established by the Bond Resolution and the aggregate amount of assets held in these funds, including accrued interest receivable as of June 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Restricted assets:		
Debt Service Fund:		
Debt Service Account	\$ 130,229	\$ 99,405
Debt Service Reserve Account	134,533	61,737
Subordinated Indebtedness Fund:		
Debt Service Account	-	6,382
Construction Fund:		
Tax Exempt Account	355,715	217,310
Taxable Account	61,246	9,821
STS Account ⁽¹⁾	34,604	33,885
Decommissioning Fund ⁽²⁾	140,635	80,543
STS Decommissioning Fund ⁽²⁾	26,937	-
Hydrogen Fund ⁽³⁾	54,292	68,221
Hydrogen Reserve ⁽³⁾	62,691	30,379
Self-Insurance Fund	<u>4,500</u>	<u>4,500</u>
Total restricted assets	1,005,382	612,183
Revenue Fund (Note 11)	<u>60,952</u>	<u>121,830</u>
Total	<u>\$ 1,066,334</u>	<u>\$ 734,013</u>

(1) Funded by SCPPA payments-in-aid of construction

(2) Established by supplemental resolution and not subject to the pledge in favor of bondholders

(3) Established by resolution of the IPA Board of Directors and not subject to the pledge in favor of bondholders

The reconciliation of the current assets as reported in the accompanying statements of net position to the Revenue Fund at June 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Current assets reported in statements of net position:		
Cash and cash equivalents	\$ 20,720	\$ 52,847
Investments	39,531	68,587
Interest receivable	<u>701</u>	<u>396</u>
Revenue Fund	<u>\$ 60,952</u>	<u>\$ 121,830</u>

Covenants – The Bond Resolution has imposed certain covenants upon IPA which, among others, include a promise to establish rates sufficient to pay the bondholders scheduled interest and principal payments and to make such payments on a timely basis, keep proper books of record and account, and comply with certain financial reporting and auditing requirements. IPA believes that it is in compliance with all covenants as of June 30, 2024.

Defeasance of Debt – No bonds were defeased during the years ended June 30, 2024 and 2023.

6. SUBORDINATED NOTES PAYABLE

IPA and the California Purchasers (see Note 10) have entered into the Intermountain Power Project Prepayment Agreement (“Prepayment Agreement”). Pursuant to the Prepayment Agreement, a California Purchaser, upon providing IPA sufficient funds, can direct IPA to defease certain IPA outstanding Bonds. In consideration for IPA’s use of the California Purchaser’s funds to defease such outstanding Bonds, IPA issues to the California Purchaser a subordinated note or notes payable. Such subordinated notes payable are not subject to early redemption by IPA and are not transferable by the holder, but otherwise carry terms substantially equivalent to the defeased Bonds (subject to certain adjustments, some of which can result in negative interest) and are junior and subordinate to Bonds payable and commercial paper notes. As of June 30, 2024 and 2023, the principal amount of interest bearing subordinated notes payable consisted of the following (in thousands):

Note Holder	Issue Date	Final Maturity on July 1		
			2024	2023
LADWP	3/2/2000	2023	\$ -	\$ 6,308
City of Pasadena	1/29/2009	2023	-	74
Total subordinated notes payable			-	6,382
Current maturities of subordinated notes payable			-	(6,382)
Long-term portion of subordinated notes payable			\$ -	\$ -

The changes in the par value of subordinated notes payable for the years ended June 30, 2024 and 2023, are as follows (in thousands):

	2024	2023
Beginning balance	\$ 6,382	\$ 82,173
Deductions - principal maturities	(6,382)	(75,791)
Ending balance	\$ -	\$ 6,382

As of June 30, 2024, there were no future maturities or interest payments outstanding on subordinated notes payable.

7. TRANSITION PROJECT INDEBTEDNESS

On November 25, 2019, IPA and the Purchasers approved a Plan of Finance for funding renewal project activities that anticipates using shorter-term bridge financing in early project stages followed by long-term financing as required to fund anticipated costs to complete construction. On December

27, 2019, IPA amended its subordinated indebtedness resolution to allow IPA to issue subordinated indebtedness not to exceed \$100,000,000 for the purpose of providing a portion of the monies necessary to pay the Cost of Acquisition and Construction of the Gas Repowering (as defined in the Power Sales Contracts). These subordinated bonds are designated by the title “Subordinated Power Supply Revenue Bonds, 2019 Drawdown Series” (the “Drawdown Bonds”) and deemed to constitute Transition Project Indebtedness as defined by the Power Sales Contracts. The Drawdown Bonds were issued by Royal Bank of Canada (RBC) on December 30, 2019, in two subseries, designated as Tax-Exempt and Taxable. The Drawdown Bonds issued and outstanding at June 30, 2021 were \$38,000,000 and \$3,500,000 and bore interest at 0.41% and 0.69% in the Tax-Exempt and Taxable subseries, respectively. During the year ended June 30, 2022, IPA issued additional Drawdown Bonds for construction activities resulting in the maximum amount of \$92,000,000 and \$8,000,000 being outstanding in the Tax-Exempt and Taxable subseries, respectively. On May 12, 2022, a portion of the proceeds of the sale of the 2022 Series A and B Bonds was used to fully repay the outstanding Drawdown Bonds.

On May 12, 2022, IPA and RBC amended and restated the bondholder agreements to allow IPA to issue additional subordinated indebtedness not to exceed \$200,000,000 for the purpose providing a portion of the monies necessary to pay Cost and Acquisition and Construction of the Gas Repowering and the STS Renewal Project. During the year ended June 30, 2023, an additional \$121,000,000 of Drawdown Bonds were issued for the STS Renewal Project, which brought the total to \$150,000,000. On May 30, 2023, IPA received payments-in-aid of construction from SCPPA for the entire outstanding balance of the Drawdown Bonds. The Drawdown Bonds were closed on June 23, 2023.

8. ADVANCES FROM SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

In accordance with the STS Agreement, SCPPA has funded an allocable portion of certain of IPA’s reserves. Management believes that advances from SCPPA in the accompanying financial statements meet those required under and are co-terminus with the STS Agreement.

9. ASSET RETIREMENT OBLIGATIONS

IPA’s transmission facilities are generally located on land that is leased from Federal and certain state governments. Upon termination of the leases, the structures, improvements and equipment are to be removed and the land is to be restored. Because these leases are expected to be renewed indefinitely and because of the inherent value of the transmission corridors, the leases have no foreseeable termination date and, therefore, IPA has no asset retirement obligations (AROs) recorded related to the transmission facilities. IPA does have certain AROs related to other long-lived assets at or near the generation station site resulting from applicable laws and regulations. These obligations are related to the reclamation of certain rights-of-way, wastewater ponds, settling ponds, landfills and other facilities that may affect ground water quality.

On August 6, 2019, the IPA Board and Intermountain Power Project (IPP) Coordinating Committee formally approved the Retirement Plan for the decommissioning and retirement of the existing facilities that are not to be used for the generation or transmission of power pursuant to the Contracts (as defined in Note 10 below) or the Renewal Contracts (as defined in Note 10 below), which created a contractual requirement to retire certain capital assets under the Contracts and the Renewal Contracts. The costs of retiring or decommissioning are to be funded through indebtedness incurred by IPA in connection with the Gas Repowering. While IPA currently plans to take existing coal

units out of service by July 1, 2025, any impact on the functionality of the units is subject to the current Utah law (see discussion on Utah legislation in Note 12 below).

As of June 30, 2024 and 2023, the current value of IPA's asset retirement obligations totaled approximately \$311,939,000 and \$307,050,000, respectively. The current value of AROs is estimated based on decommissioning cost studies typically performed by third-party experts. The increase in the current value of AROs of approximately \$4,889,000 during the year ended June 30, 2024 is comprised of an increase of \$9,212,000 due to the effects of general inflation, offset by a \$4,323,000 decrease in a revised third-party cost estimate.

10. POWER SALES AND POWER PURCHASE CONTRACTS

IPA has sold the entire capacity of the Project pursuant to Power Sales Contracts, as amended (the "Contracts"), to 35 utilities consisting of six California municipalities ("California Purchasers"), 23 Utah municipalities ("Utah Municipal Purchasers") and six rural electrical cooperatives ("Cooperative Purchasers") (collectively, the "Purchasers"). The California Purchasers, Utah Municipal Purchasers and the Cooperative Purchasers have contracted to purchase approximately 79%, 14%, and 7%, respectively, of the capacity of the Project. The Contracts expire on June 15, 2027. As long as any of the Bonds are outstanding, the Contracts cannot be terminated nor amended in any manner which will impair or adversely affect the rights of the bondholders. Under the terms of the Contracts, the Purchasers are obligated to pay their proportionate share of all operation and maintenance expenses and debt service on the Bonds and any other debt incurred by IPA, whether or not the Project or any part thereof is operating or operable, or its output is suspended, interrupted, interfered with, reduced, or terminated. In accordance with the Contracts, billings in excess of monthly power costs, as defined, are credited to Purchasers taking power in any fiscal year (the "Participants"). IPA recorded credits to Participants in operating revenue of approximately \$10,063,000 and \$38,555,000 for the years ended June 30, 2024 and 2023, respectively. Such credits to Participants are applied in the subsequent year to reduce power billings in accordance with the Contracts.

As part of IPA's strategic planning initiatives, IPA and the Purchasers executed the Second Amendatory Power Sales Contracts which provide that the Project be repowered, and that IPA offer the Purchasers renewal in their generation and associated transmission entitlements through the Renewal Power Sales Contracts (the "Renewal Contracts"). IPA and 32 of the Purchasers entered into Renewal Contracts, which became effective on January 16, 2017. Two renewing California Purchasers subsequently provided a notice of termination of their Renewal Contracts to IPA effective November 1, 2019. The Renewal Contracts are currently effective but are to govern the purchase and sale of the capacity and output of the Project for the 50-year period commencing upon termination of the Contracts. The Renewal Contracts provide for the Gas Repowering of the Project.

On September 24, 2018, IPA and the Purchasers approved changes to the repowering that constituted an Alternative Repowering under the Contracts. The Alternative Repowering is described to include the construction and installation of two combined-cycle natural gas fired power blocks, each block consisting of one gas turbine, a heat recovery steam generator train and a single steam turbine, with an approximate combined net generation capability of 840 MW.

11. RELATED PARTY TRANSACTIONS

LADWP, as Operating Agent, performed engineering and other services for the Project totaling approximately \$62,587,000 and \$44,985,000 for the years ended June 30, 2024 and 2023, respectively, which has been billed to IPA and charged to operations or utility plant, as appropriate. Operating Agent unbilled costs totaling approximately \$2,598,000 and \$1,007,000 are included in accounts payable at June 30, 2024 and 2023, respectively.

Power sales to LADWP for the years ended June 30, 2024 and 2023, totaled approximately \$193,347,000 and \$273,381,000, respectively. There was no receivable for power sales from LADWP at June 30, 2024 and 2023. Power sales to the City of Anaheim for the years ended June 30, 2024 and 2023, totaled approximately \$43,818,000 and \$57,257,000, respectively. There was no receivable for power sales from the City of Anaheim at June 30, 2024 and 2023. No other individual purchasers are over 10% of generation entitlement.

Subordinated notes payable have been issued to LADWP (see Note 6). Interest income on these subordinated notes payable of approximately \$0 and \$4,052,000 has been recorded for the years ended June 30, 2024 and 2023, respectively, of which approximately \$0 and \$52,000 was receivable at June 30, 2024 and 2023, respectively. All subordinated notes to LADWP have been retired as of June 30, 2024.

Subordinated notes payable have been issued to the City of Pasadena (see Note 6). Interest income on these subordinated notes payable of approximately \$0 and \$111,000 has been recorded for the years ended June 30, 2024 and 2023, respectively, of which approximately \$0 and \$1,000 was receivable at June 30, 2024 and 2023, respectively. All subordinated notes to Pasadena have been retired as of June 30, 2024.

12. COMMITMENTS AND CONTINGENCIES

Coal Supply – At June 30, 2024, IPA was obligated under short and long-term take-or-pay coal supply contracts for the purchase of coal. The cost of coal is computed at a base price per ton, adjusted periodically for various price and quality adjustments and includes transportation to the plant. The contracts require minimum purchases of coal over the lives of the contracts, exclusive of events of force majeure, as follows (computed using the current price under the contracts, in thousands):

Years ending June 30:

2025	\$	177,491
Total	\$	<u>177,491</u>

The actual cost of coal purchases under the coal supply contracts for the years ended June 30, 2024 and 2023, was approximately \$164,654,000 and \$136,894,000, respectively.

Natural Gas Supply – IPA is obligated under a contract with Kern River Gas Transmission to construct and operate a gas pipeline to deliver the natural gas supply through the life of the Renewal Contracts. Under the agreement, IPA has rights to access the pipeline through December 31, 2045. IPA is obligated to pay each year for these rights to access. IPA has also entered into contracts for base-load gas procurement with several counterparties. The contracts provide up to 35,000 MMBtus per day and will provide natural gas from May 2025 through June 2028. The contracts for pipeline access and natural gas supply require minimum payments as follows (in thousands):

Years ending June 30:		
2025	\$	18,289
2026		73,748
2027		76,395
2028		72,434
2029		18,141
Thereafter		<u>299,393</u>
Total	\$	<u><u>558,400</u></u>

Hydrogen Facilities – The costs of the hydrogen facilities are being funded by the Purchasers to the extent such elect to facilitate the development of such facilities. The hydrogen facilities refer to (i) the hydrogen betterments being made to the IPP natural gas units to reduce the cost of future upgrades to the units for the purpose of using higher proportions, up to 100%, of hydrogen to fuel the units, and (ii) the hydrogen conversion and storage capacity being developed by a third party at IPA’s cost to convert renewable energy delivered by IPP purchasers into hydrogen that will be stored by the third party and then purchased by IPA for sale to such purchasers for use in the IPP natural gas units. The costs of the hydrogen betterments are being funded, and some of the initial costs of the hydrogen production and storage capacity have been funded, by payments to a Hydrogen Betterments Fund established by and funded pursuant to resolutions adopted by the IPP Coordinating Committee, the IPP Renewal Contract Coordinating Committee established pursuant to the Renewal Power Sales Contracts and IPA. LADWP, Burbank and Glendale are the only Purchasers that have elected to make payments to the Hydrogen Betterment Fund. IPA bills those purchasers for such payments on a monthly basis. In addition, on March 3, 2022, the IPP Coordinating Committee, the Renewal Contract Coordinating Committee and IPA approved a Hydrogen Billing Procedure that provides for LADWP and any other Purchaser that elects to become a Hydrogen Purchaser (as defined in the Hydrogen Billing Procedure) to pay all of the costs incurred by IPA with respect to hydrogen that are not funded through the Hydrogen Betterments Fund (such costs to be paid by a Hydrogen Purchaser including fixed cost for Hydrogen Conversion and Storage Capacity and the variable costs of the hydrogen conversion and storage services). The costs for the Hydrogen Conversion and Storage Capacity and the variable costs for the use of such are estimated to be approximately \$3,300,000,000 during the term of the contracts providing for such capacity and services, which is expected to be approximately 30 years. The costs addressed under the Hydrogen Billing Procedure represent costs that are not included in Monthly Power Costs (as defined in the Power Sales Contracts). The Hydrogen Billing Procedure provides for a reserve of \$60,000,000 to be funded at a rate of \$2,500,000 per month beginning in IPA’s fiscal year that commenced on July 1, 2022 (of which all \$60,000,000 has been funded as of June 30, 2024). The Hydrogen Billing Procedure provides that the Hydrogen Purchasers will procure their hydrogen fuel from IPA and that IPA may condition such procurement on the execution of a fuel procurement contract between IPA and each Hydrogen Purchaser which fuel procurement contracts would require approval of the Hydrogen Purchasers’ respective governing bodies.

California Greenhouse Gas Initiatives – For several years, California policy makers have sought to limit greenhouse gas emissions in California. Both the Los Angeles City Council and the State of California have adopted renewable portfolio standards, which, among other things required LADWP and the other California utilities to serve 33% and 50% of their load with renewable energy by 2020 and 2030, respectively. On September 29, 2006, California Senate Bill 1368 – An Act to Impose Greenhouse Gas Performance Standards on Locally Owned Public Utilities (SB 1368) was signed into law. SB 1368 was directed specifically at limiting greenhouse gas emissions associated with electric power consumed in California by prohibiting California electric providers from entering into

long-term financial commitments for base load generation unless such generation complies with greenhouse gas emission performance standards. On September 10, 2018, California Senate Bill 100 (SB 100) was signed into law. SB 100 states California policy that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers by December 31, 2045. SB 100 also accelerates the existing target of 50% renewable energy by 2030, to 60% renewable energy by 2030. While these and other actions by California policy makers have the potential to impact IPA and its power purchasers, IPA does not believe that any of these initiatives will render existing Power Sales Contracts between IPA and the California Purchasers void, ineffective or unenforceable.

Other Environmental Regulation – The EPA has proposed regulation of certain greenhouse gases emissions. Future federal and state legislative and regulatory action may also result from the increasing intensity of national and international attention to climate change. Legislative and regulatory actions, both nationally and in California, have had and may yet have significant (yet hard to quantify) effects on IPA and the Purchasers.

Utah Legislation – During its 2023 and 2024 sessions, HB425 and SB161, respectively, were passed by the Utah State Legislature and subsequently signed into law. HB425 requires IPA to provide at least 180 days’ advance notice to the Legislative Management Committee of decommissioning or disposal of the IPP coal units or facilities essential to the generation of electricity by the IPP coal units. SB161 requires IPA to provide the State of Utah the option to purchase for fair market value a coal unit and related assets intended for decommissioning, with the option remaining open for at least two years, beginning July 2, 2025.

INTERMOUNTAIN POWER AGENCY

SUPPLEMENTAL SCHEDULES OF CHANGES IN FUNDS ESTABLISHED BY THE
IPA REVENUE BOND RESOLUTION FOR THE YEARS ENDED JUNE 30, 2023 AND 2024 (IN THOUSANDS)

	Restricted Assets												Total
	Revenue Fund	Debt Service Fund		Subordinated Indebtedness Fund		Construction Fund			Decommissioning Fund (1)	Hydrogen Betterments Fund (2)	Hydrogen Reserve Fund (2)	Self-Insurance Fund	
		Debt Service Account	Debt Service Reserve Account	Debt Service Account	Debt Service Reserve Account	Tax Exempt Construction Account	Taxable Construction Account	STS Construction Account (1)					
BALANCE, JULY 1, 2022	\$ 124,982	\$ 122,856	\$ 63,469	\$ 4,738	\$ -	\$ 529,438	\$ 42,498	\$ 5,454	\$ 52,138	\$ 61,229	\$ -	\$ 4,500	\$ 1,011,302
ADDITIONS:													
Proceeds from issuance of Bonds	-	-	-	-	-	-	-	121,000	-	-	-	-	121,000
Billings received	447,472	-	-	-	-	-	-	-	-	-	-	-	447,472
Other revenues	1,757	-	-	-	-	-	-	-	-	-	-	-	1,757
Investment earnings (loss)	3,529	1,441	(343)	-	-	11,246	907	1,514	1,405	2,203	379	(71)	22,210
Payments-in-aid of construction	-	-	-	-	-	-	-	187,491	-	-	-	-	187,491
Total	452,758	1,441	(343)	-	-	11,246	907	310,005	1,405	2,203	379	(71)	779,930
DEDUCTIONS:													
Defeasance and retirement of Bonds	-	-	-	-	-	-	-	150,000	-	-	-	-	150,000
Operating expenditures	282,504	-	-	-	-	-	-	-	-	-	-	-	282,504
Capital expenditures	23,113	-	-	-	-	356,258	-	132,165	-	16,620	-	-	528,156
Interest paid (received) on long-term debt	-	25,030	-	(4,961)	-	-	-	-	-	-	-	-	20,069
Principal paid on long-term debt	-	-	-	75,791	-	-	-	-	-	-	-	-	75,791
Debt issuance costs	-	-	-	-	-	699	-	-	-	-	-	-	699
Total	305,617	25,030	-	70,830	-	356,957	-	282,165	-	16,620	-	-	1,057,219
TRANSFERS:													
Transfer of revenues to other Funds	(72,474)	-	-	72,474	-	-	-	-	-	-	-	-	-
Other transfers	(77,819)	138	(1,389)	-	-	33,583	(33,584)	591	27,000	21,409	30,000	71	-
Total	(150,293)	138	(1,389)	72,474	-	33,583	(33,584)	591	27,000	21,409	30,000	71	-
BALANCE, JUNE 30, 2023	\$ 121,830	\$ 99,405	\$ 61,737	\$ 6,382	\$ -	\$ 217,310	\$ 9,821	\$ 33,885	\$ 80,543	\$ 68,221	\$ 30,379	\$ 4,500	\$ 734,013

(1) Funded by SCPPA payments-in-aid of construction

(2) Established by supplemental resolution and not subject to the pledge in favor of bondholders

(3) Established by resolution of the IPA Board of Directors and not subject to the pledge in favor of bondholders

(Continued)

INTERMOUNTAIN POWER AGENCY

SUPPLEMENTAL SCHEDULES OF CHANGES IN FUNDS ESTABLISHED BY THE
IPA REVENUE BOND RESOLUTION FOR THE YEARS ENDED JUNE 30, 2023 AND 2024 (IN THOUSANDS)

	Restricted Assets												Total
	Debt Service Fund		Subordinated Indebtedness Fund		Construction Fund			Decommissioning Fund ⁽²⁾	STS Decommissioning Fund ⁽²⁾	Hydrogen Betterments Fund ⁽²⁾	Hydrogen Reserve Fund ⁽²⁾	Self-Insurance Fund	
	Revenue Fund	Debt Service Account	Debt Service Reserve Account	Debt Service Account	Tax Exempt Construction Account	Taxable Construction Account	STS Construction Account ⁽¹⁾						
BALANCE, JULY 1, 2023	\$ 121,830	\$ 99,405	\$ 61,737	\$ 6,382	\$ 217,310	\$ 9,821	\$ 33,885	\$ 80,543	\$ -	\$ 68,221	\$ 30,379	\$ 4,500	\$ 734,013
ADDITIONS:													
Proceeds from issuance of Bonds	-	79,664	67,642	-	721,026	55,134	-	-	-	-	-	-	923,466
Billings received	382,265	-	-	-	-	-	-	-	-	-	-	-	382,265
Other revenues	2,220	-	-	-	-	-	-	-	-	-	-	-	2,220
Investment earnings (loss)	4,504	6,535	5,154	-	30,067	2,753	1,949	6,101	1,866	3,554	2,312	155	64,950
Payments-in-aid of construction	-	-	-	-	-	-	353,553	-	-	-	-	-	353,553
Total	388,989	86,199	72,796	-	751,093	57,887	355,502	6,101	1,866	3,554	2,312	155	1,726,454
DEDUCTIONS:													
Operating expenditures	266,179	-	-	-	-	-	-	-	-	-	-	-	266,179
Capital expenditures	51,797	-	-	-	616,184	-	355,224	9	-	39,483	-	-	1,062,697
Interest paid (received) on long-term debt	588	55,375	-	(53)	-	-	-	-	-	-	-	-	55,910
Principal paid on long-term debt	-	-	-	6,382	-	-	-	-	-	-	-	-	6,382
Debt issuance costs	-	-	-	-	2,804	162	-	-	-	-	-	-	2,966
Total	318,564	55,375	-	6,329	618,988	162	355,224	9	-	39,483	-	-	1,394,134
TRANSFERS:													
Transfer of revenues to other Funds	53	-	-	(53)	-	-	-	-	-	-	-	-	-
Other transfers	(131,356)	-	-	-	6,300	(6,300)	441	54,000	25,071	22,000	30,000	(155)	-
Total	(131,303)	-	-	(53)	6,300	(6,300)	441	54,000	25,071	22,000	30,000	(155)	-
BALANCE, JUNE 30, 2024	\$ 60,952	\$ 130,229	\$ 134,533	\$ -	\$ 355,715	\$ 61,246	\$ 34,604	\$ 140,635	\$ 26,937	\$ 54,292	\$ 62,691	\$ 4,500	\$ 1,066,334

(1) Funded by SCPPA payments-in-aid of construction

(2) Established by supplemental resolution and not subject to the pledge in favor of bondholders

(3) Established by resolution of the IPA Board of Directors and not subject to the pledge in favor of bondholders

(Concluded)