

Austin Energy Quarterly Financial Report

2nd Quarter FY 2024

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Austin Energy Director of Finance



May 2024

© Austin Energy

Agenda

Quarterly Financial Report



Executive Summary



Financial Health



Budget to Actual



Financial Statements



Market and Industry Analyses



Austin Energy Quarterly Financial Report

Executive Summary



Executive Summary



\$770M Revenues

6% under budget due to lower power supply costs.



\$(822M) Expenses

Costs outpaced revenues by 7% at March.



Financial Policies

Austin Energy is not in full compliance.



Power Supply Adjustment

\$27M under recovered as of March.



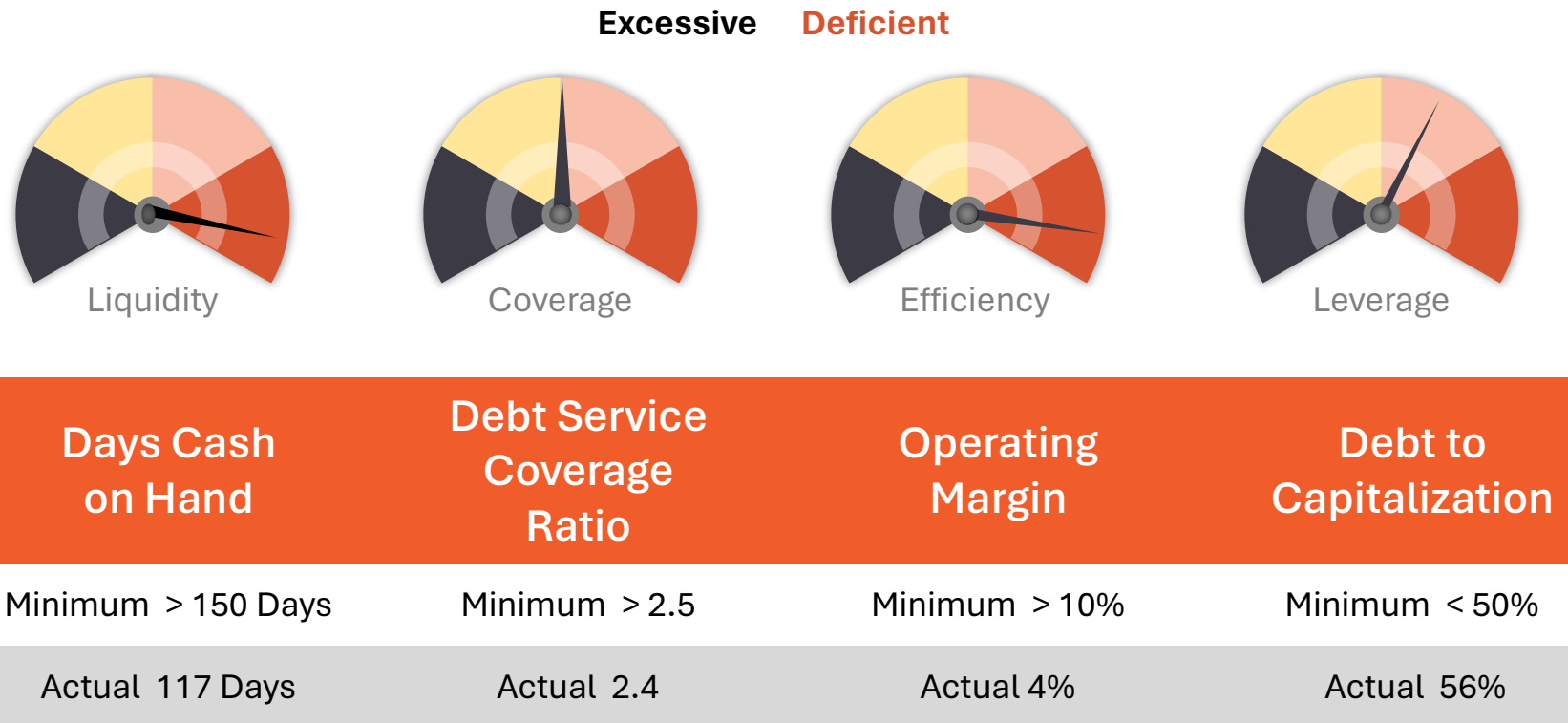
Austin Energy Quarterly Financial Report

Financial Health



Financial Health

S&P Bond Rating **AA-**



This information contains unaudited and forecasted data that is subject to change. See link for FY23 audited Annual Comprehensive Financial Report: <https://www.austintexas.gov/sites/default/files/files/Finance/Financial%20Transparency/CAFR/AnnualComprehensiveFinancialReport2023.pdf>

Austin Energy Quarterly Financial Report

Budget to Actual



Budget to Actual - Fund Summary

Fiscal Year Through March 31, 2024

Millions of \$	Actual	Budget	Difference Favorable (Unfavorable)	%
Operating Revenues	\$750	\$803	(\$53)	(7%)
Operating Expenses	622	660	38	6%
Operating Income (Loss)	128	143	(15)	(10%)
Transfers In	5	5	0	0%
Interest Revenue	15	11	4	36%
Debt Service	(72)	(71)	(1)	(1%)
Income (Loss) Before Transfers	76	88	(12)	(14%)
Administrative Support	(18)	(18)	0	0%
General Fund	(58)	(58)	0	0%
Economic Development	(5)	(5)	0	0%
Voluntary Utility Assistance Fund	(1)	(1)	0	0%
CTM Fund	(5)	(5)	0	0%
Other City Transfers	(1)	(1)	0	0%
Internal Transfers / CIP	(40)	(40)	0	0%
Excess (Deficiency) of Revenues	(\$52)	(\$40)	(\$12)	(30%)

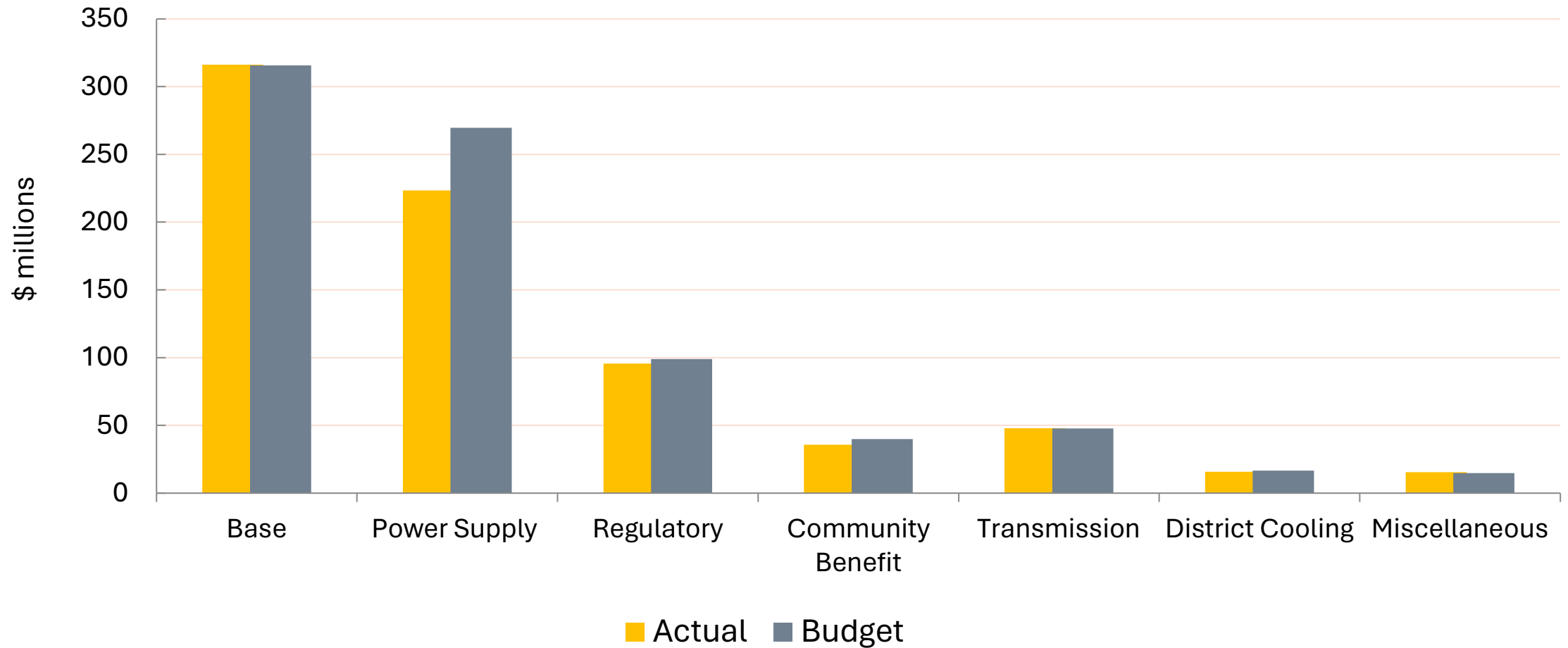


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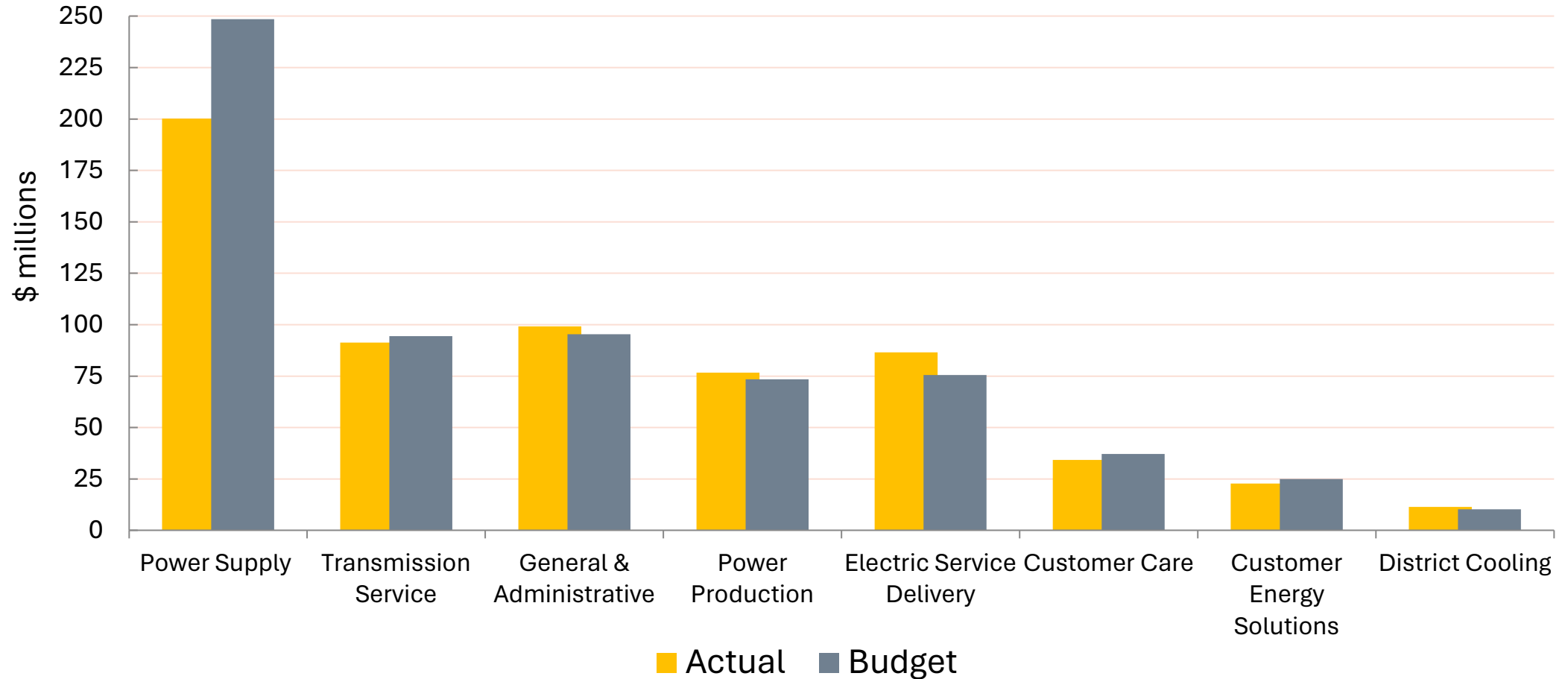
Budget to Actual - Revenue

Fiscal Year Through March 31, 2024



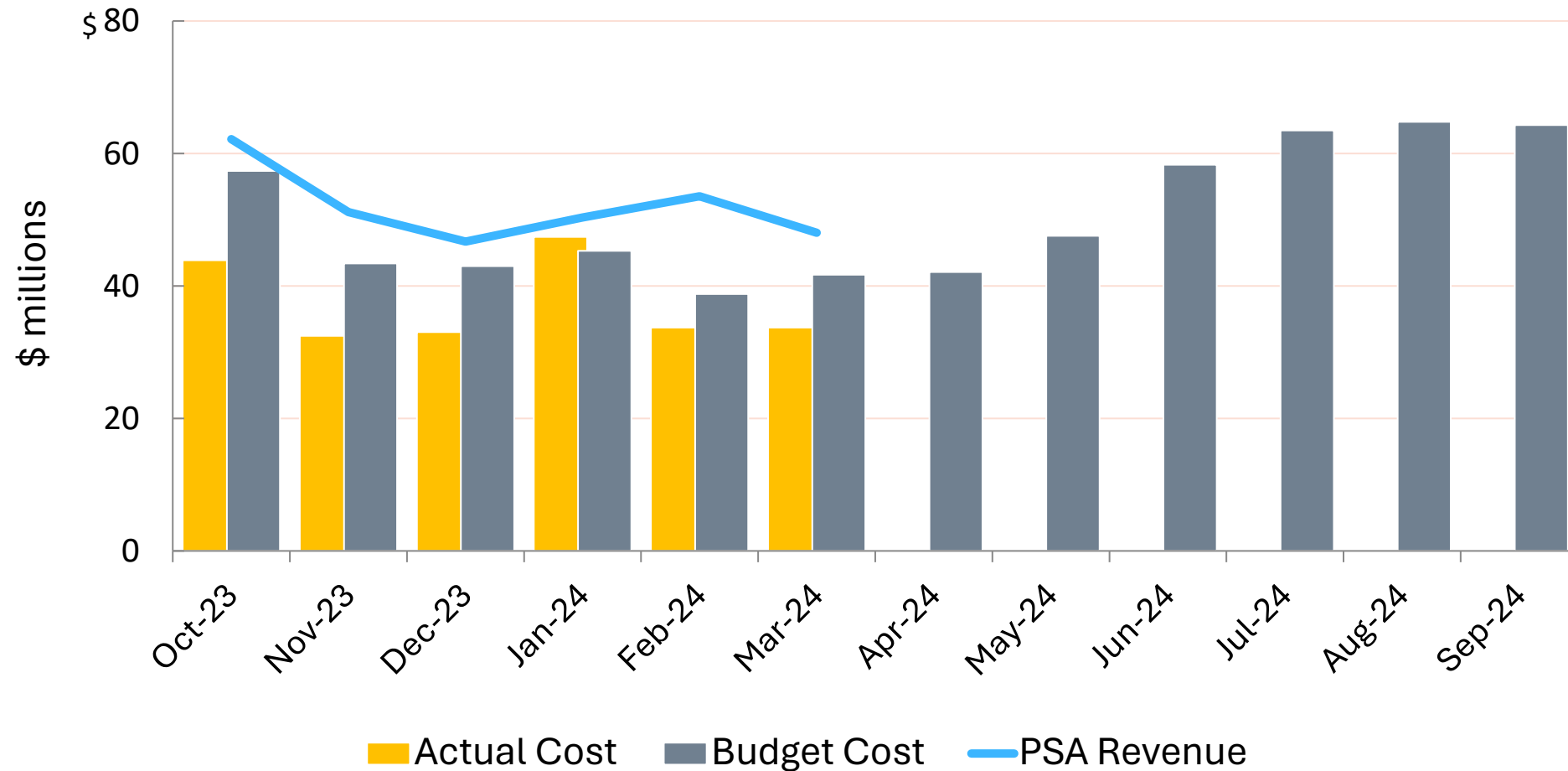
Budget to Actual - Expense

Fiscal Year Through March 31, 2024



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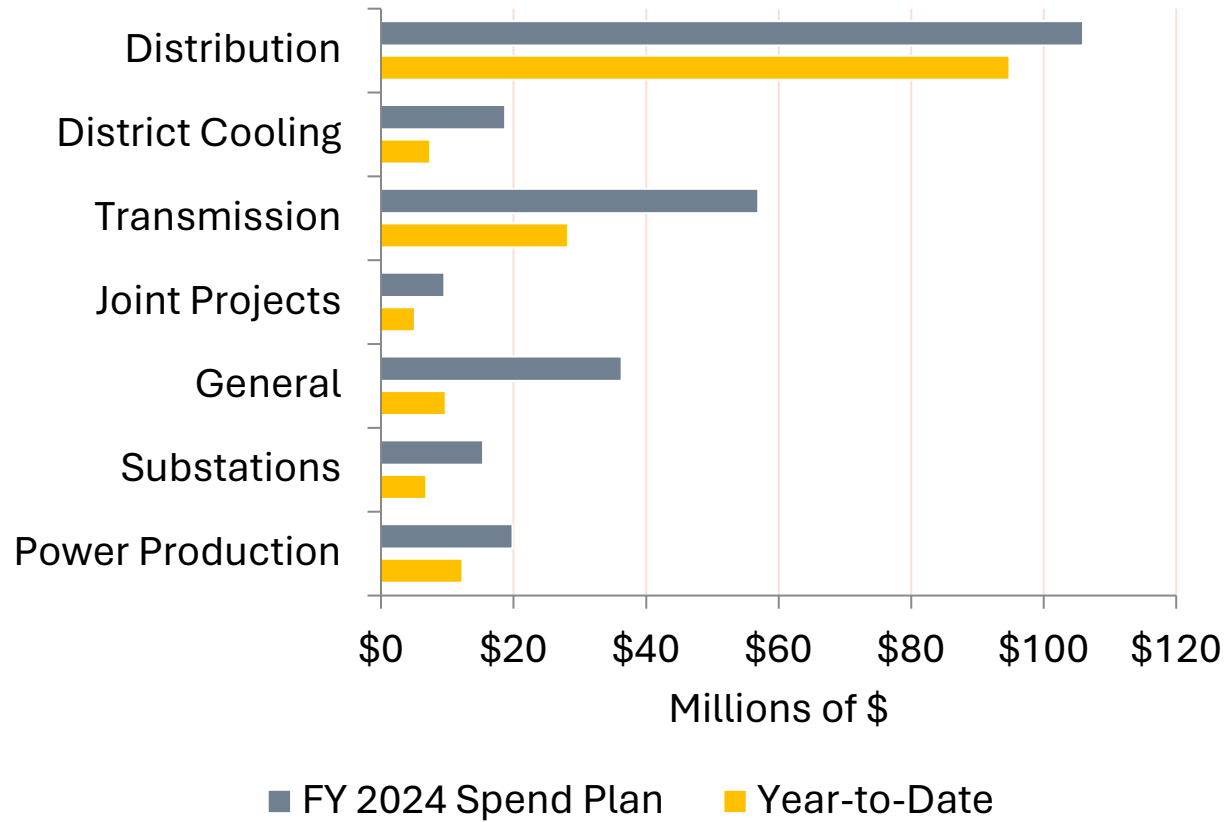
Budget to Actual - Power Supply Adjustment



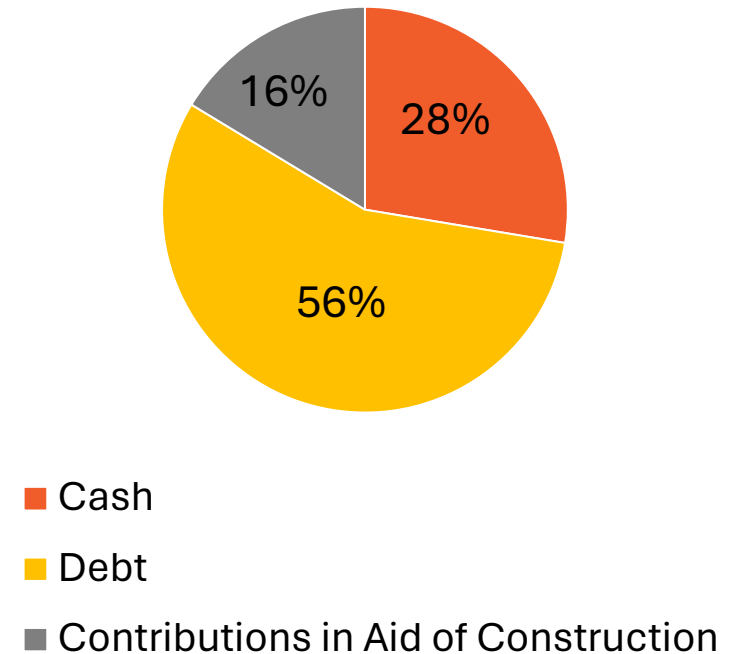
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Capital Improvement Plan

Type of Project
63% of Spend Plan



Type of Financing



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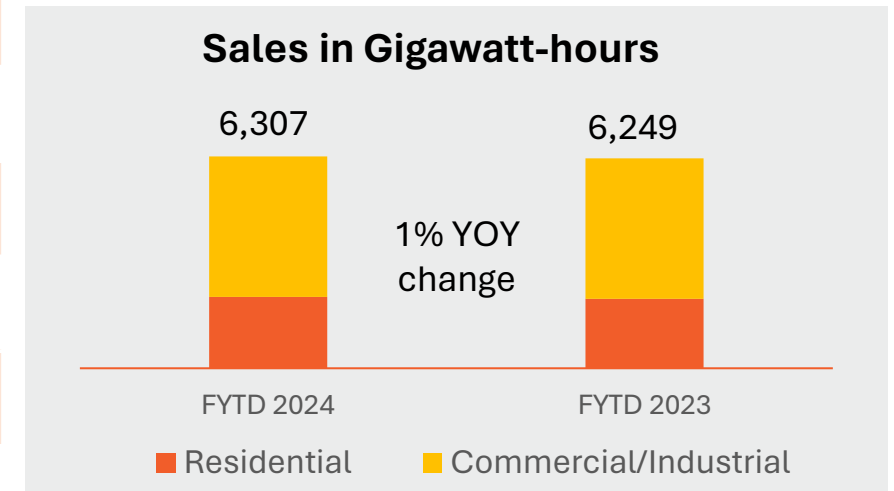
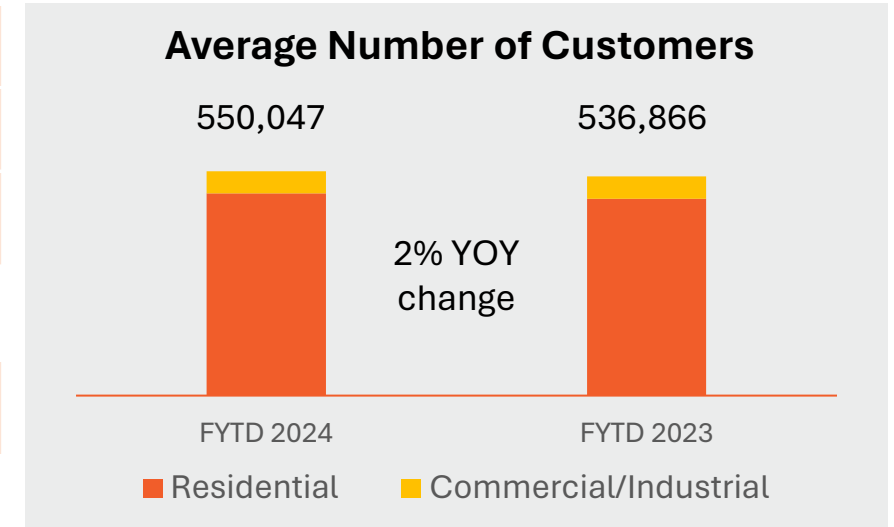
Austin Energy Quarterly Financial Report

Financial Statements



Income Statement

\$ in Millions	Fiscal Year Ended	
	3/31/2024	3/31/2023
Operating Revenues	\$524	\$489
Power Supply Revenues	224	249
Power Supply Expenses	201	227
Non-Power Supply Expenses	403	407
Depreciation Expense	107	100
Operating Income (Loss)	\$37	\$4
Other Revenues (Expenses)	(8)	(3)
General Fund Transfer	(58)	(58)
Net Income (Loss)	(\$29)	(\$57)

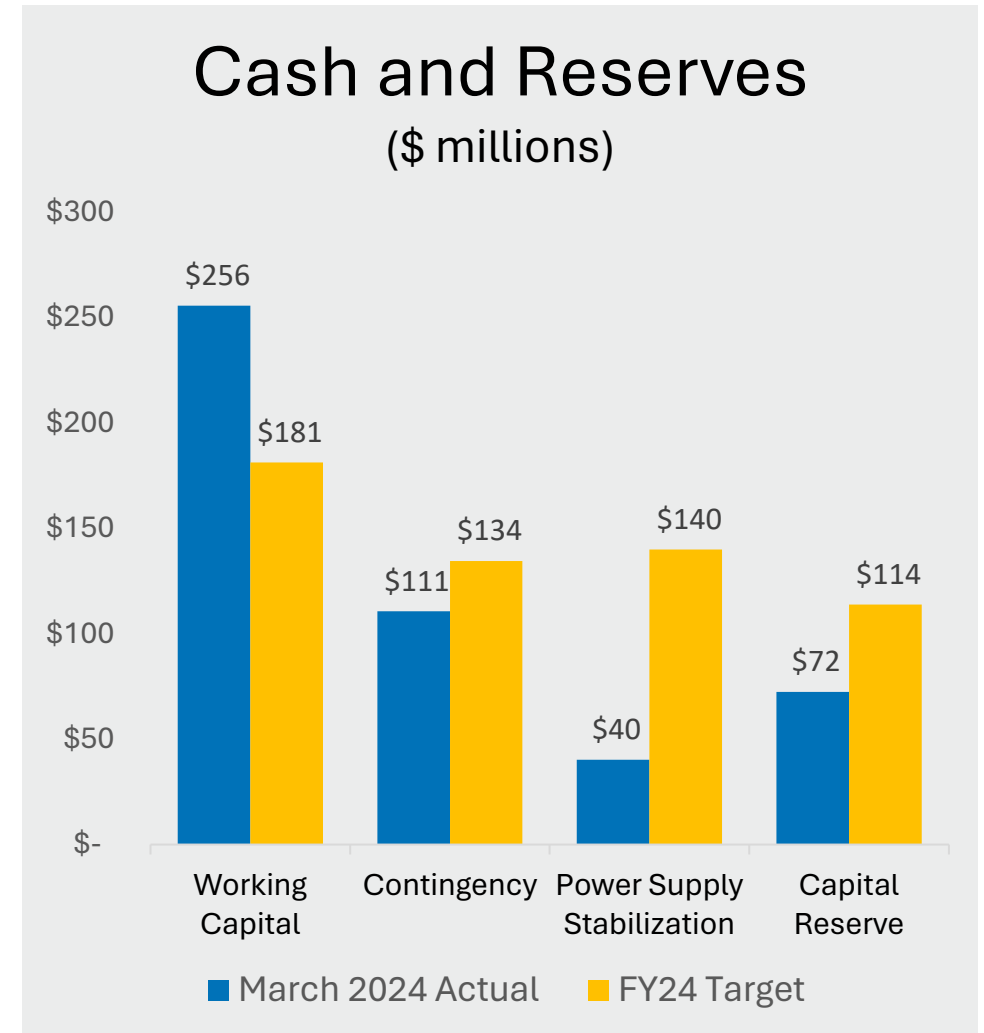


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Balance Sheet

\$ in Millions	3/31/2024	3/31/2023
Cash	\$256	\$130
Other Current Assets	325	297
Operating Reserves	223	282
Nuclear Decommissioning Reserve	266	247
Other Restricted Assets	303	297
Capital Assets	3,090	3,022
Other LT Assets & Deferred Outflows	1,958	1,768
Total Assets and Deferred Outflows	6,421	6,043
Other Current Liabilities	268	270
Revenue Bonds	2,059	1,912
Commercial Paper	158	210
Other LT Liabilities & Deferred Inflows	2,199	1,913
Retained Earnings	1,737	1,738
Total Liabilities, Deferred Inflows, and Fund Equity	6,421	6,043



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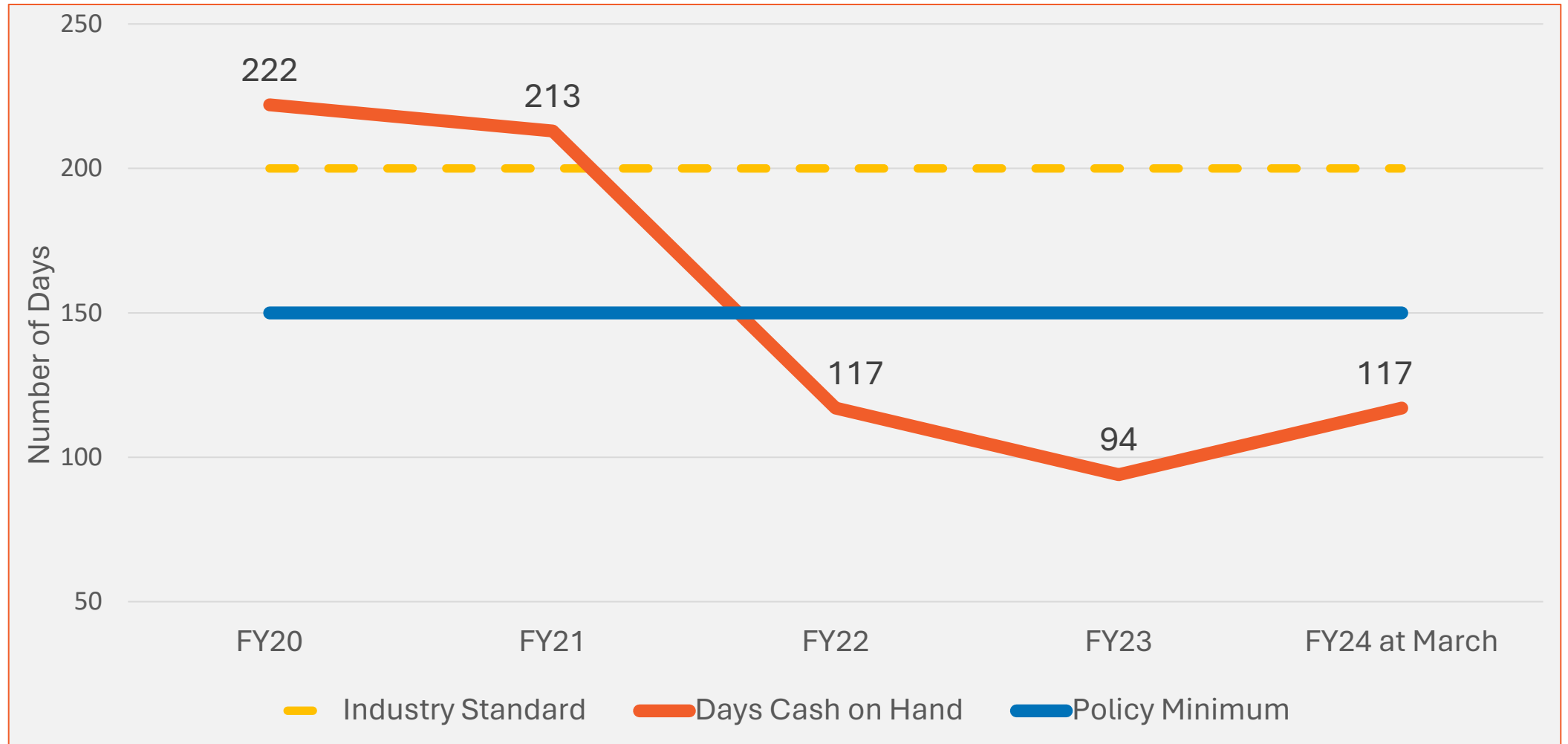
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Market and Industry Analysis



Days Cash on Hand Working Capital and Reserves



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Rating Agency Communication

Liquidity and Margins	
S&P	<ul style="list-style-type: none">• Operating environment requires stronger liquidity• Expects Austin Energy to strengthen metrics
Fitch	<ul style="list-style-type: none">• Decline in liquidity metrics• Thin operating margins
Moody's	<ul style="list-style-type: none">• Decline in financial metrics – cash and coverage• Lagging rate increases



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