



Austin Energy Quarterly Financial Report

*Second Quarter
Fiscal Year 2018
January - March*

April 25, 2018





Disclaimer

This information is unaudited and should be read in conjunction with the audited Comprehensive Annual Financial Reports for the City of Austin, when published on <https://www.austintexas.gov/financeonline/finance/main.cfm>



Agenda

QUARTERLY Financial Report



About Us



Substantially compliant with all financial policies

Our Mission & Vision



Generally meet financial metrics supporting AA credit rating.



\$618 Million Revenues

Operating revenues exceed budget by 0.4% mostly due to slightly higher consumption.

\$479 Million Expenses



Operating expenses exceed budget by 1.1% due to higher Power Supply and Customer Care expenses.

Marketing Plan



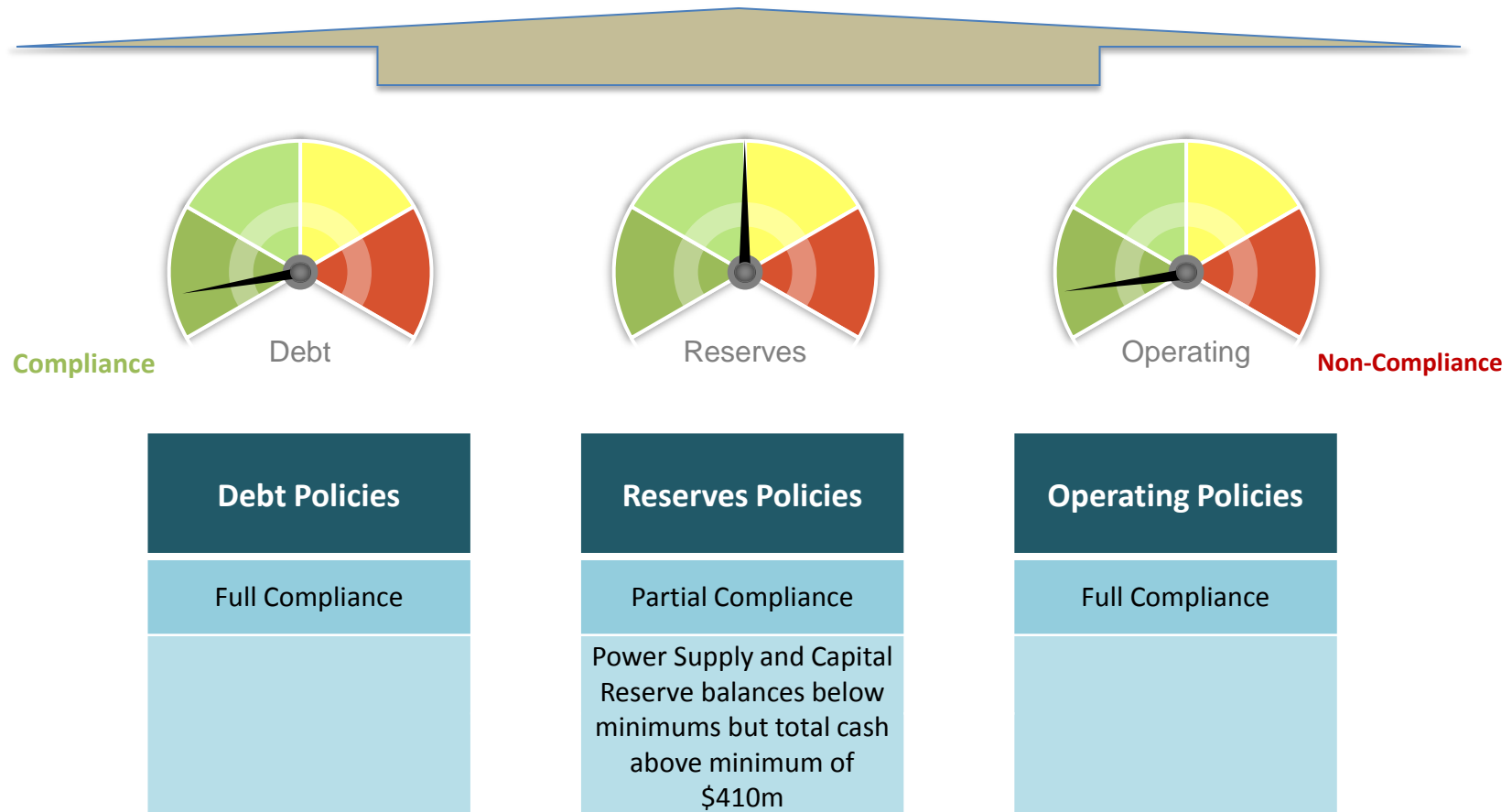
Balance sheet is liquid and adequately capitalized.

Operating Plan

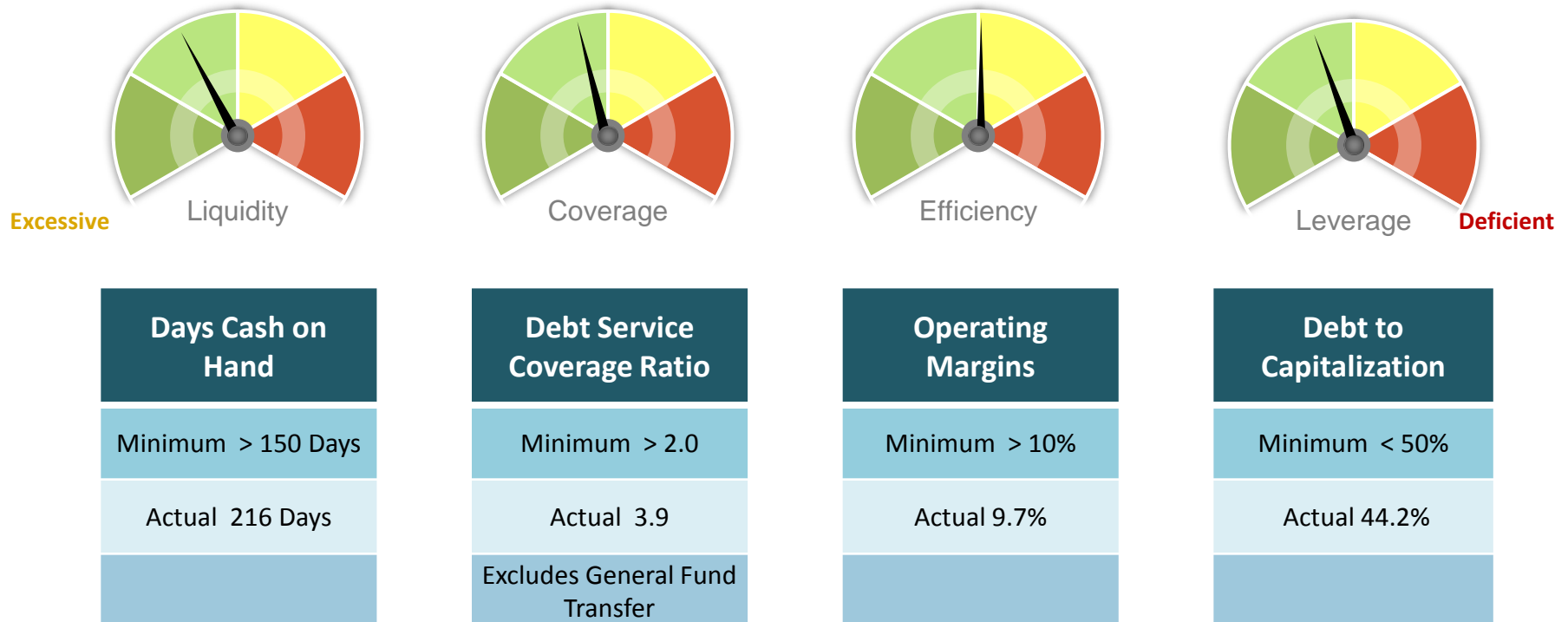


Residential bills are affordable and representative of customers by district.

Financial policies are memorialized and adopted by ordinance each year during the budgeting process.



AA Standard & Poor's Global Ratings Achieved November 2016



Austin Energy's Affordability Goal has two metrics.



Affordability Metric

Full Compliance Since 2013

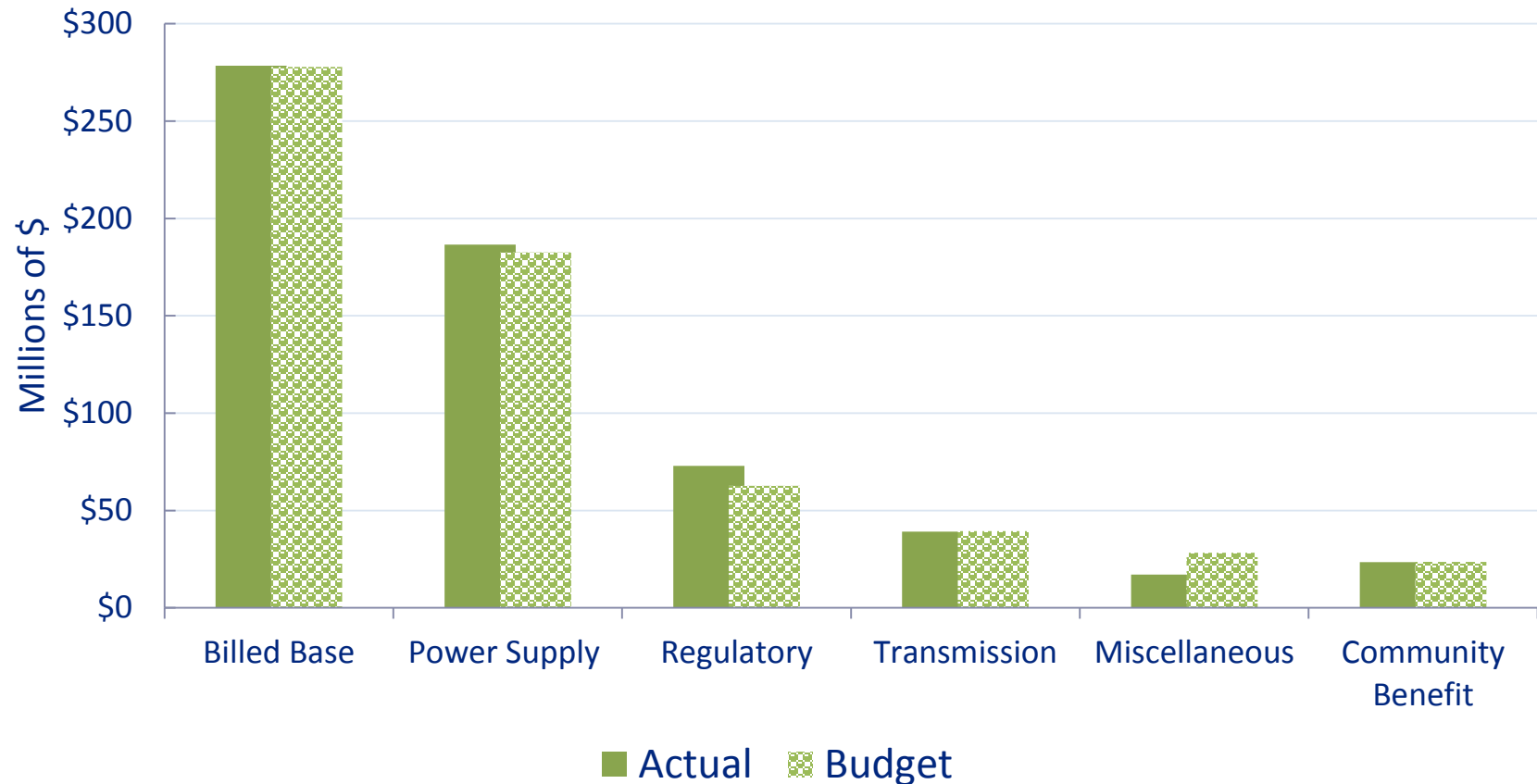
Maintain system average rates at or below 2% annual compound growth rate that began October 2012.

Competitiveness Metric

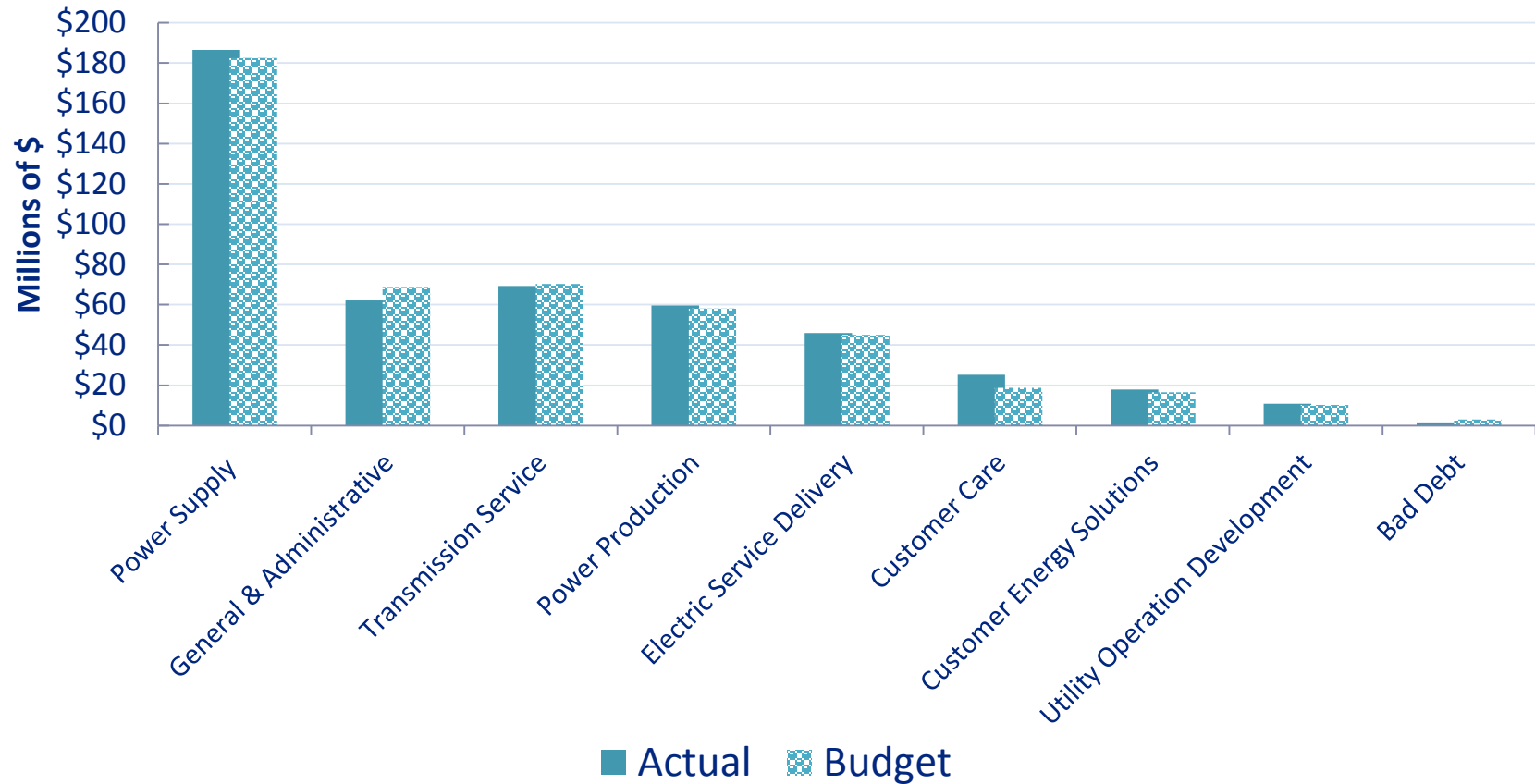
Non-Compliance Since 2015

Maintain an average annual system rate in the lower 50% of all Texas utilities serving residential, commercial and industrial customers as measured by published data from the Energy Information Administration (EIA) Form 861.

Budget Based Operating Revenues Fiscal Year Through March 31, 2018



Budget Based Operating Expenses Fiscal Year Through March 31, 2018





Actual to Budget Analysis



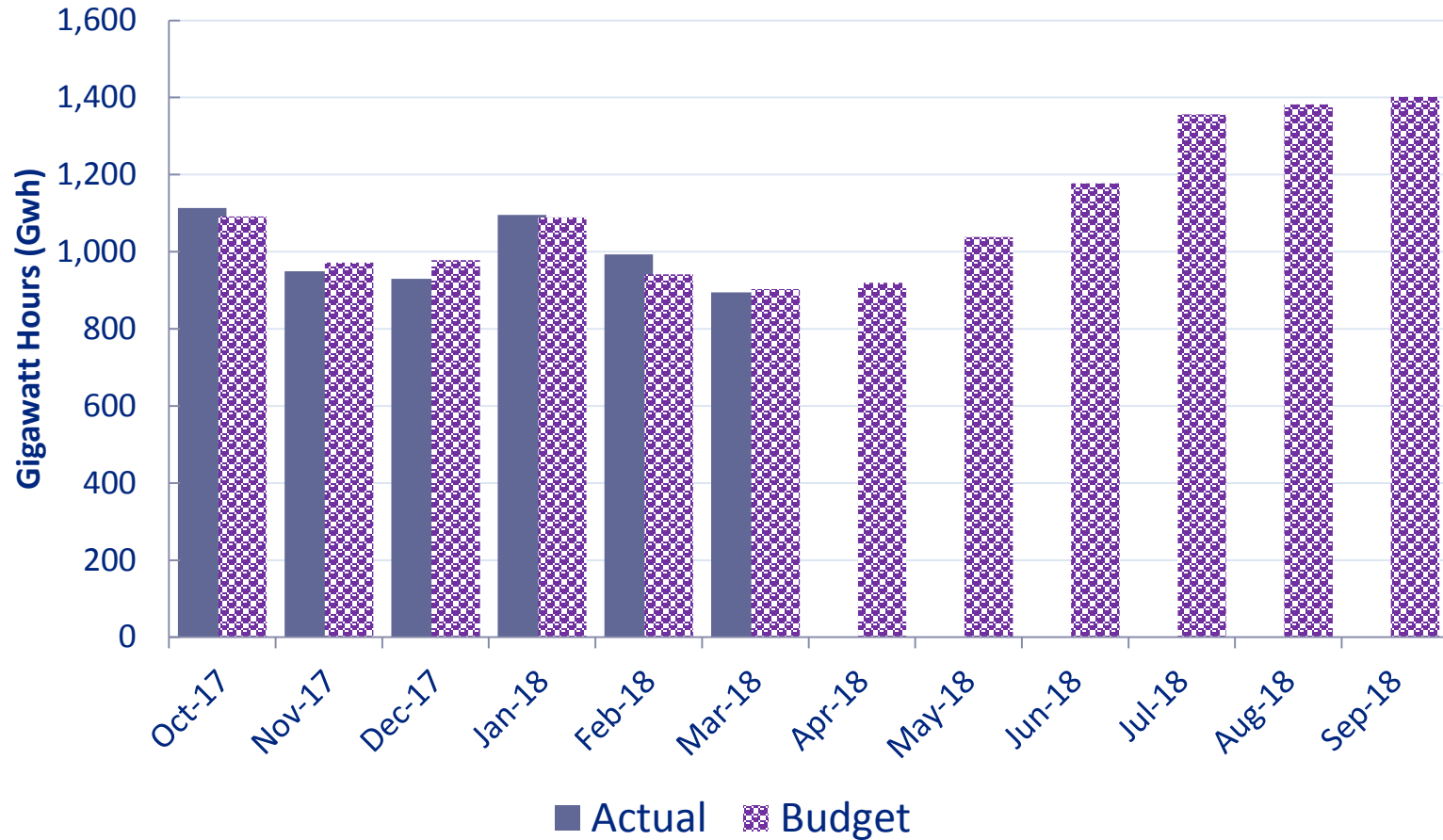
Budget Based Fund Summary Fiscal Year Through March 31, 2018

Variance to Budget
Favorable (Unfavorable)

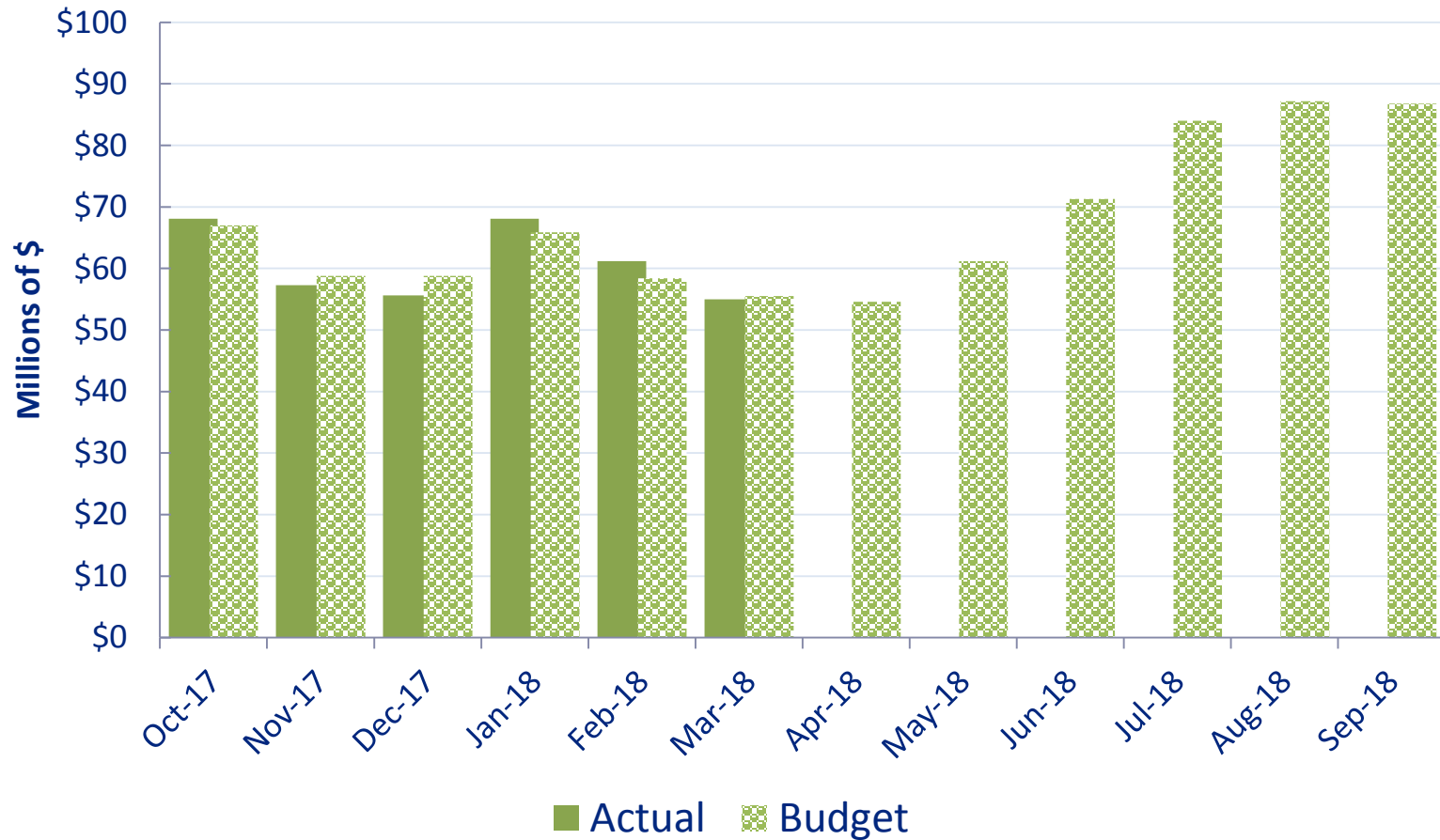
Variance to Prior Year
Favorable (Unfavorable)

Millions of \$	Actual	Budget	Amount	%	Prior Year Actual	Amount	%
Operating Revenues	\$617.7	\$614.9	\$2.8	0.4%	\$623.6	(\$5.9)	(1.0%)
Operating Expenses	479.0	473.6	(5.4)	(1.1%)	504.9	25.9	5.1%
Operating Income (Loss)	\$138.7	\$141.3	(\$2.6)	(1.9%)	\$118.7	\$20.0	16.8%
Interest Revenue	4.8	1.7	3.1	188.2%	2.7	2.1	79.9%
Debt Service	(41.0)	(40.3)	(0.7)	(1.8%)	(43.7)	2.7	6.2%
Income (Loss) Before Transfers	\$102.5	\$102.7	(\$0.2)	(0.2%)	\$77.7	\$24.8	31.9%
Administrative Support	(13.0)	(13.0)	0	0%	(12.9)	(0.1)	(1.0%)
General Fund	(54.5)	(54.5)	0	0%	(54.0)	(0.5)	(0.9%)
Economic Development	(3.4)	(3.4)	0	0%	(3.7)	0.3	8.3%
CTM Fund	(4.3)	(4.3)	0	0%	(3.9)	(0.4)	(12.1%)
Other City Transfers	(1.1)	(1.1)	0	0%	0	(1.1)	0%
Internal Transfers / CIP	(64.3)	(64.3)	0	0%	(32.0)	(32.3)	(100.8%)
Excess (Deficiency) of Revenues	(\$38.1)	(\$37.9)	(\$0.2)	(0.6%)	(\$28.8)	(\$9.3)	(32.4%)

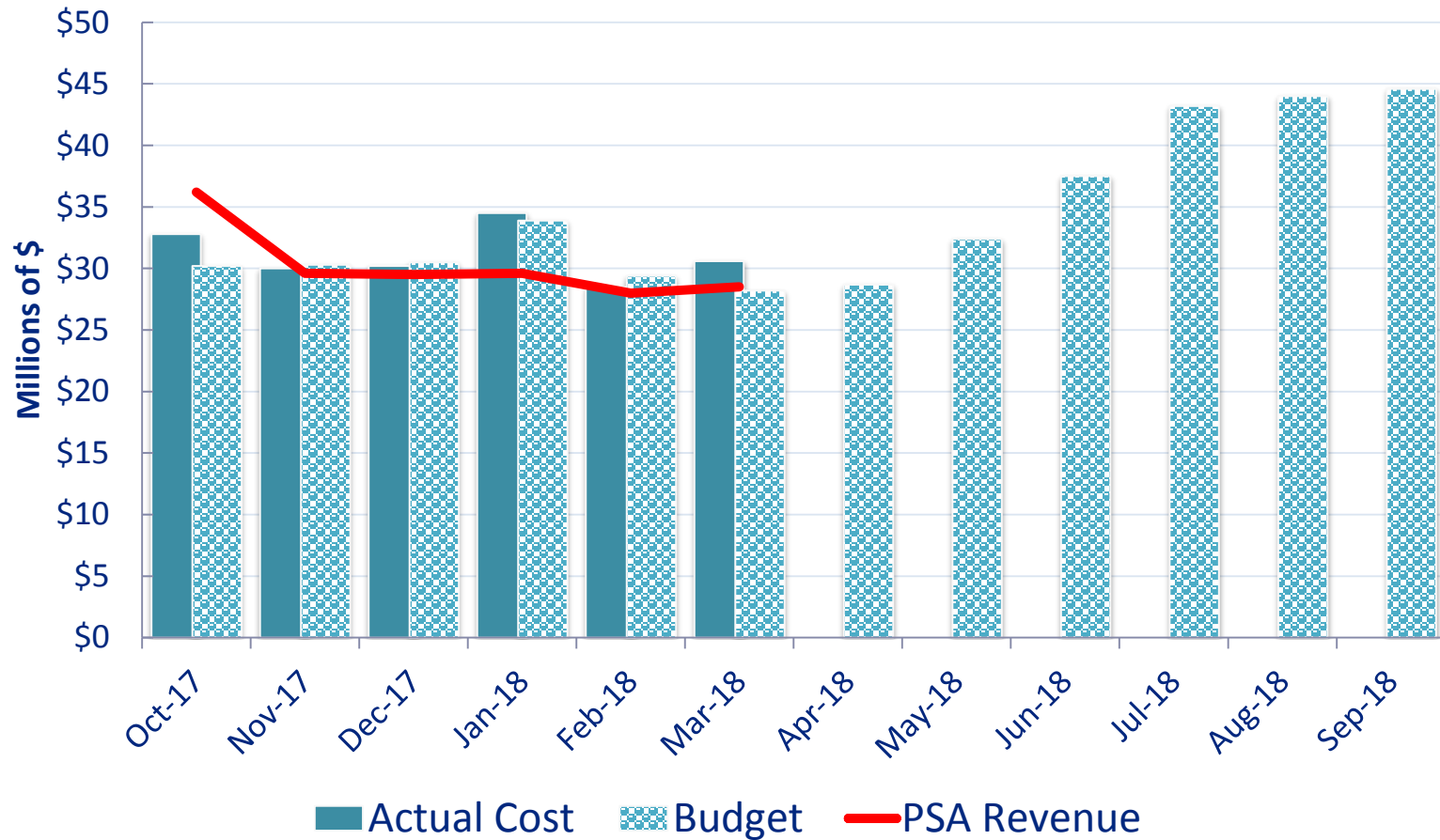
Actual to Budget Retail Electric kWh Sales



Actual to Budget Non-Power Supply Revenues

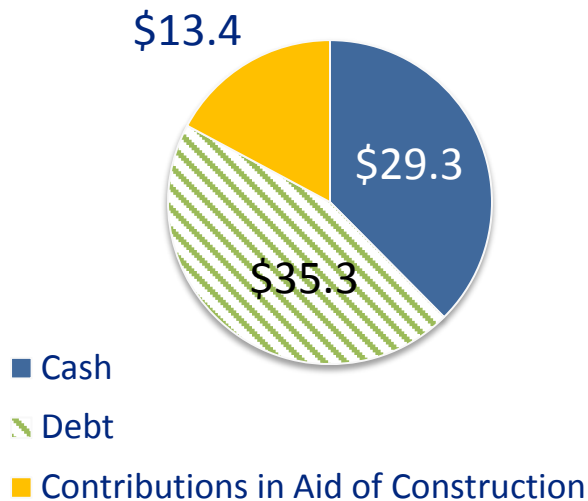


Actual to Budget Power Supply

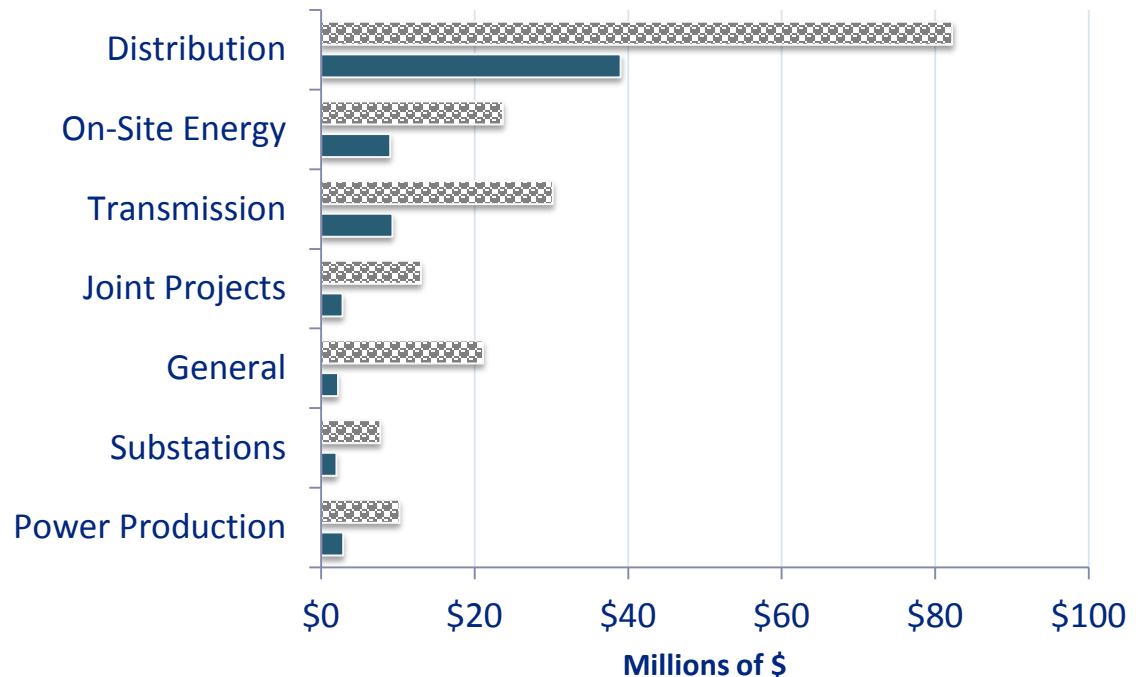


Capital Improvement Plan Summary

Type of Financing



Type of Project



 FY 2018 Spend Plan
  Year-to-Date



Balance Sheet Snapshot

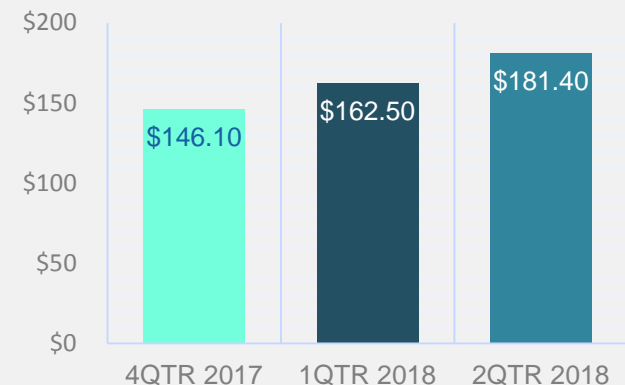
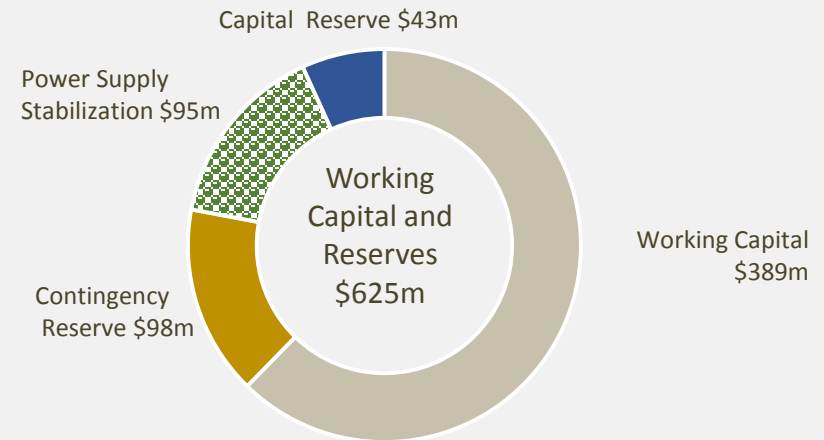


Assets

	Mar 2018	Mar 2017
Cash	↑ \$389.4	\$363.4
Current Assets	272.5	304.5
Capital Assets	2,591.5	2,598.8
Long-Term Assets	↑ 1,204.5	1,107.2
Total Assets	\$4,457.9	\$4,373.9

Liabilities and Fund Equity

Current Liabilities	\$184.7	\$176.8
Long-term Liabilities	2,047.4	2,034.9
Deferred Inflow of Resources	↑ 371.3	336.2
Retained Earnings	1,854.5	1,826.0
Total Liabilities & Fund Equity	\$4,457.9	\$4,373.9

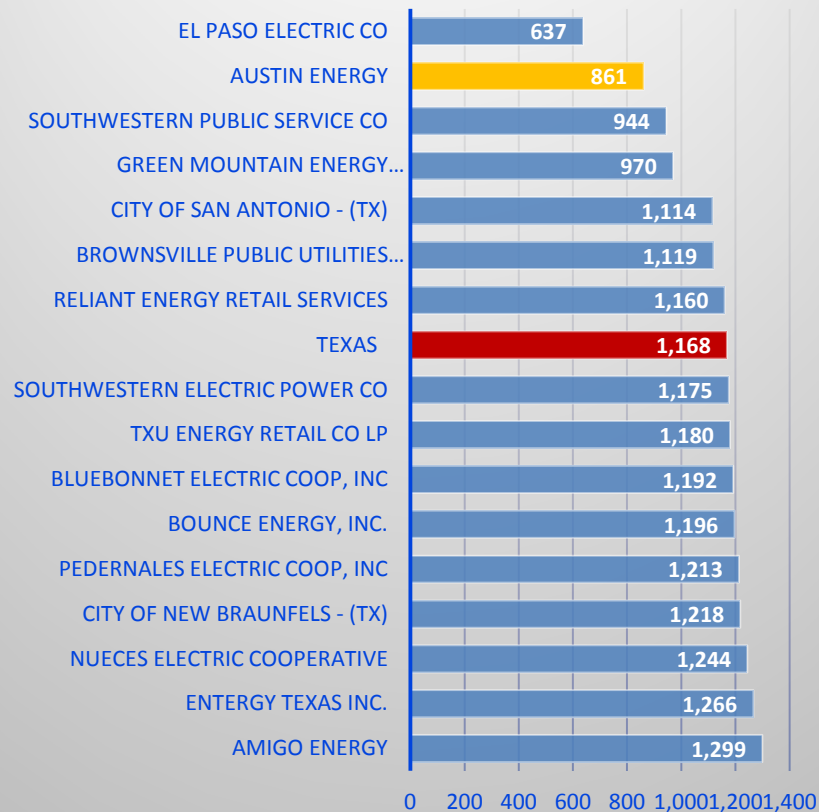


Commercial Paper Program Limit s: Tax Exempt \$200m
Taxable \$75m
\$275m

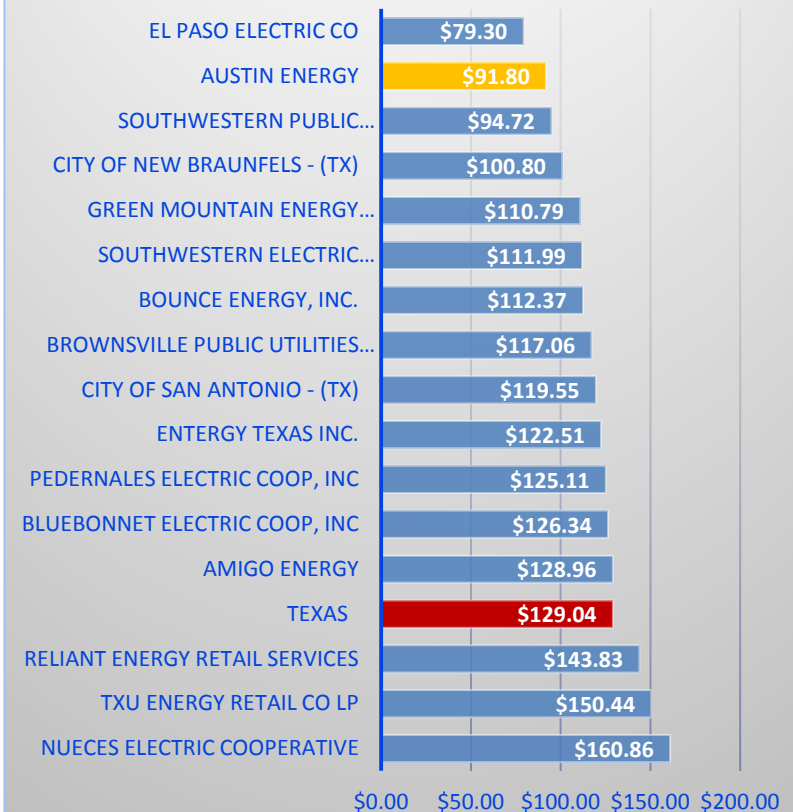
Residential Affordability

Often times Austin Energy cites the average residential use as a proxy. But is it representative of the customers in your district and is it affordable?

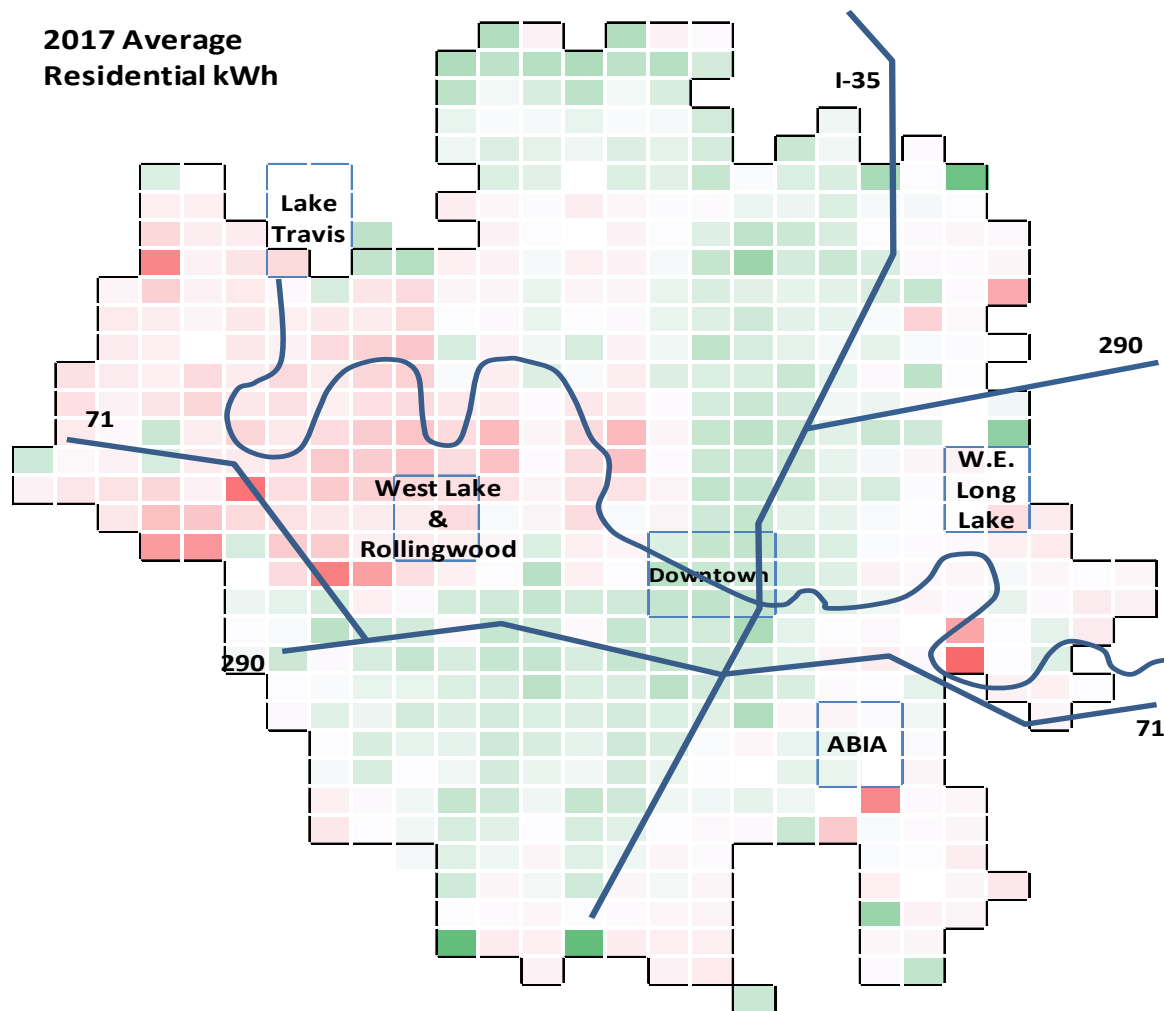
2016 Monthly Average Residential Usage (kWh/Customer)



2016 Monthly Average Residential Bill (\$/Customer)

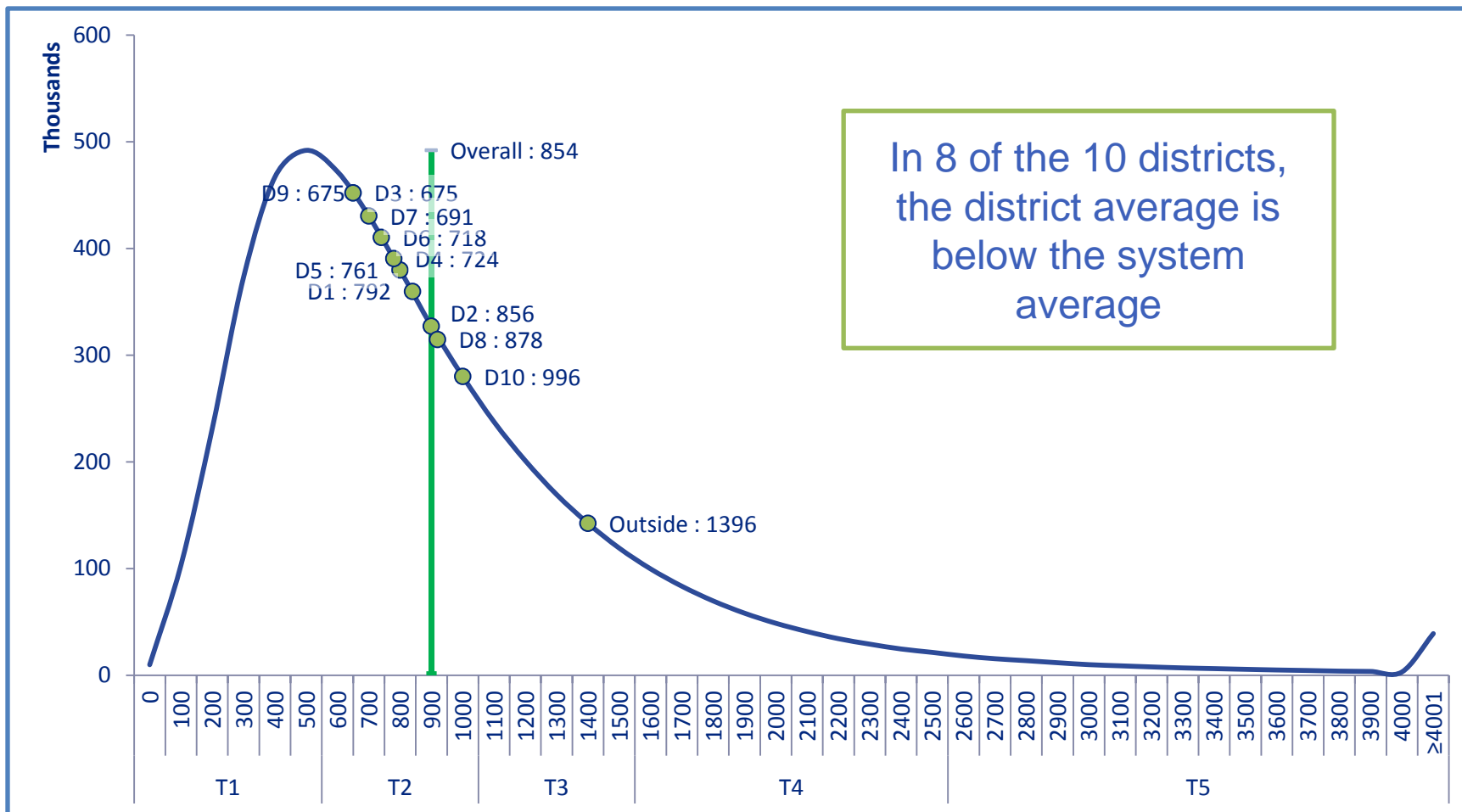


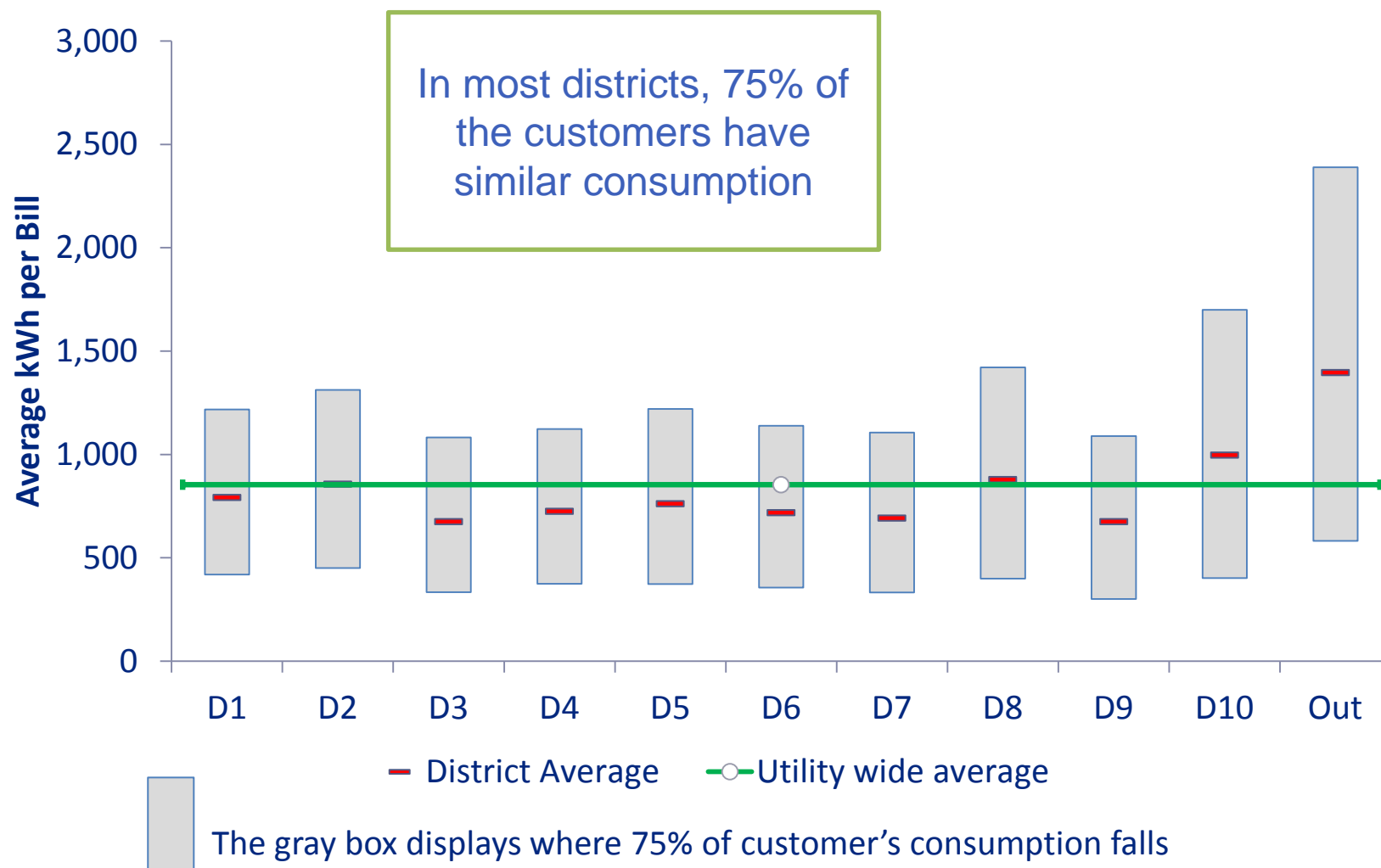
2017 Average
Residential kWh



Residential customers use energy in different amounts.

- The darker the “Red” the higher the use.
- The darker the “Green” the lower the use.







QUESTIONS?