Item 4

Austin Energy Quarterly Financial Report

4^{th} Quarter FY 2025

Adam McInroy

Acting Senior Vice President
& Chief Financial Officer

Austin Energy

November 2025

Agenda

Quarterly Financial Report

- Executive Summary
- Financial Health
- Budget to Actuals
- Financial Statements
- Competitiveness Metric

Executive Summary

Operating Results

Operating income was above budget by $7m, or 1.5% for the fiscal year.

Bond Rating

AA- bond rating was affirmed in October 2025, remaining below AA target.

Financial Policies

Substantial compliance with financial policies.

Power Supply Adjustment

The PSA was $105M over recovered as of September.

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Financial Health

S&P Bond Rating Target: AA | Actual: **AA-**

Days Cash on Hand	Debt Service Coverage	Operating Margin	Debt to Capitalization
Target > 200 Days	Target > 2.5x	Target > 10%	Target < 50%
Actual **195** Days	Actual **2.5x**	Actual **21%**	Actual **57%**

Includes **~33 Days** of Power Supply Adjustment over recovery

Includes 10% increase for a one-time adjustment for other post-employment benefit costs

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Rating Agency Update

$425 million, Series 2025 Bonds

Credit Rating by Agency Stable Outlook	
S&P	**AA-**
Fitch	**AA-**
Moody's	**Aa3**

Credit Rating Drivers

- Rate flexibility, including base rate increases and Power Supply Adjustment authority
- Improved financial metrics including liquidity and coverage
- Diverse generation portfolio

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Rating Agency Update

Future Considerations

Downside Scenario (Downgrade)

- Weakened financial metrics
- Unplanned increases in operating and capital costs
- Failure to implement timely rate increases

Upside Scenario (Upgrade)

- Successful implementation of resource plan
- Sustained financial health

Austin Energy Quarterly Financial Report

Budget to Actuals

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Austin Energy Fund Summary

FY 2025

Millions of $	Actual	Budget	Favorable (Unfavorable)
Base Revenue	$ 732	$ 711	$ 21
Power Supply Revenue	584	576	8
Other Operating Revenues	471	528	(57)
Total Operating Revenues	**1,787**	**1,815**	**(28)**
Power Supply Expense	491	515	24
Other Operating Expenses	843	854	11
Total Operating Expenses	**1,334**	**1,369**	**35**
Operating Income (Loss)	**453**	**446**	**7**
Transfers In	5	5	0
Interest Revenue	36	38	(2)
Debt Service	(165)	(178)	13
Income (Loss) Before Transfers	**329**	**311**	**18**
Administrative Support Transfer	(39)	(39)	0
General Fund Transfer	(125)	(125)	0
Economic Development Transfer	(10)	(10)	0
Other Transfers	(19)	(19)	0
CIP Transfer	(128)	(98)	(30)
Reserve Transfers	(50)	(50)	0
Excess (Deficiency) of Revenues	**$ (42)**	**$ (30)**	**$ (12)**

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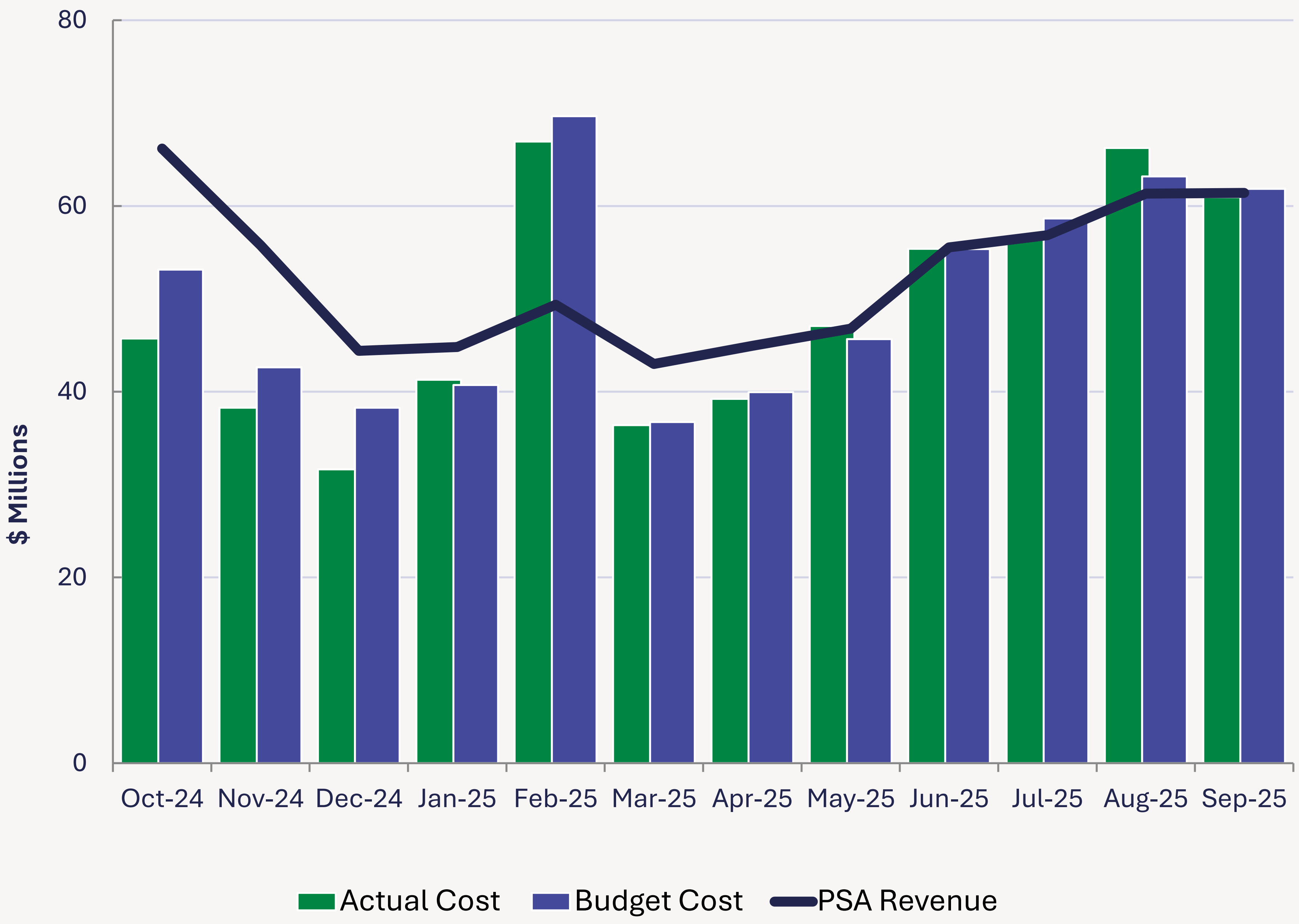
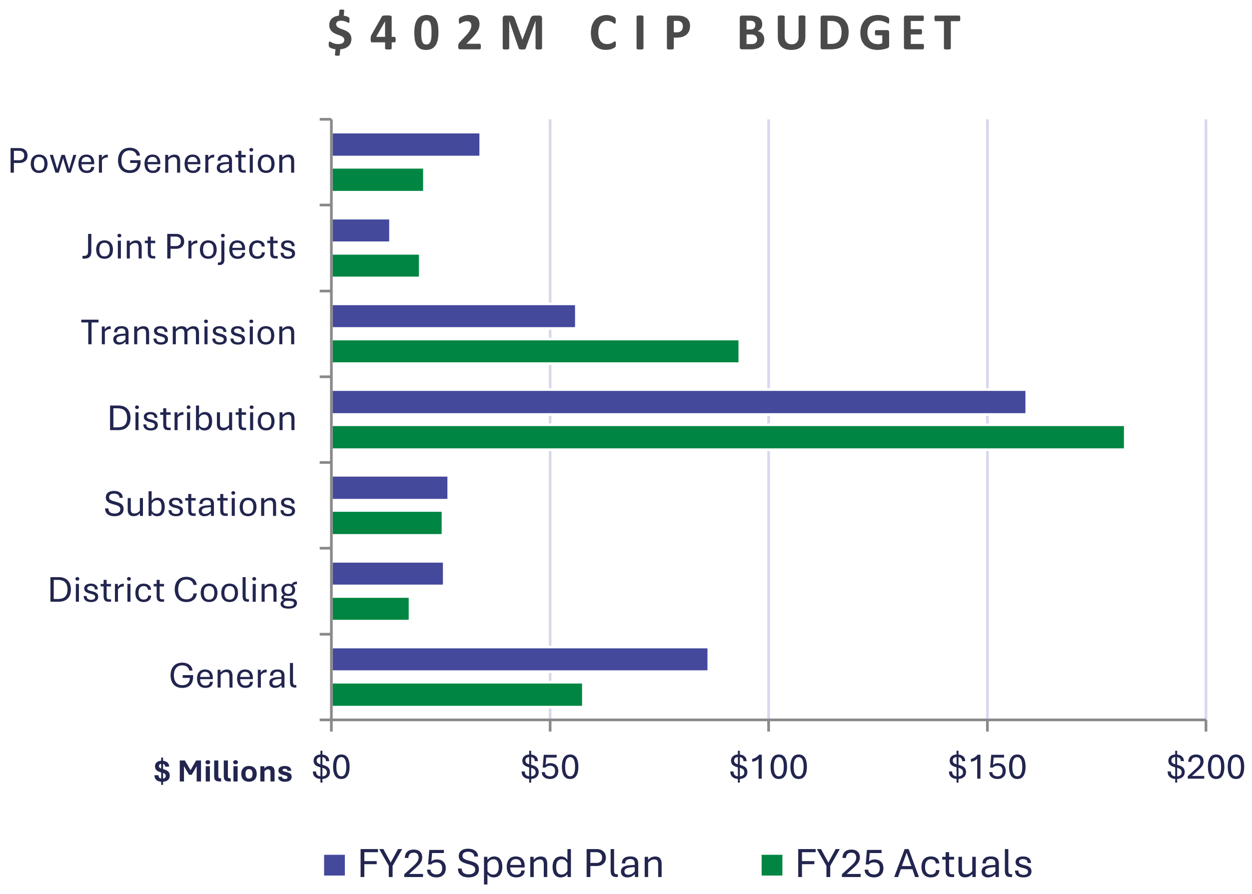
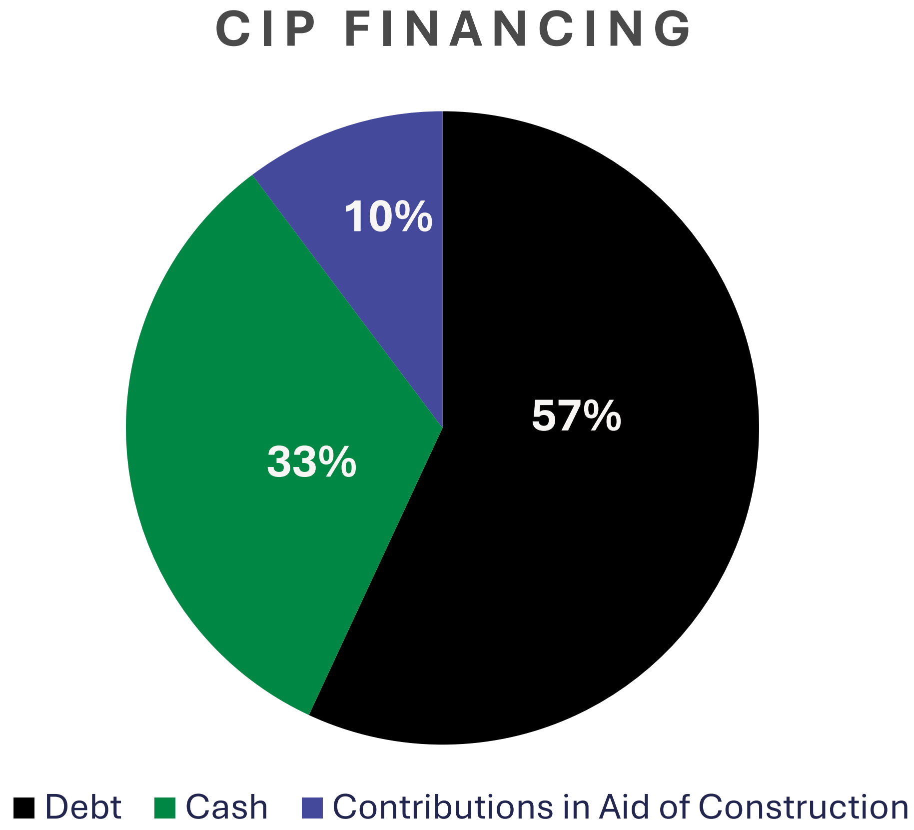


Power Supply Adjustment

Capital Improvement Plan (CIP)





Austin Energy Quarterly Financial Report

Financial Statements

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Income Statement

$ in Millions	Fiscal Year Ended	
	9/30/2025	9/30/2024
Operating Revenue	$1,193	$1,141
Power Supply Operating Revenue	584	544
Power Supply Operating Expense	491	481
Operating Expenses	685	802
Depreciation Expense	220	224
Operating Income (Loss)	**$381**	**$178**
Other Revenues (Expenses)	(212)	(38)
General Fund Transfer	(125)	(115)
Net Income (Loss)	**$44**	**$25**

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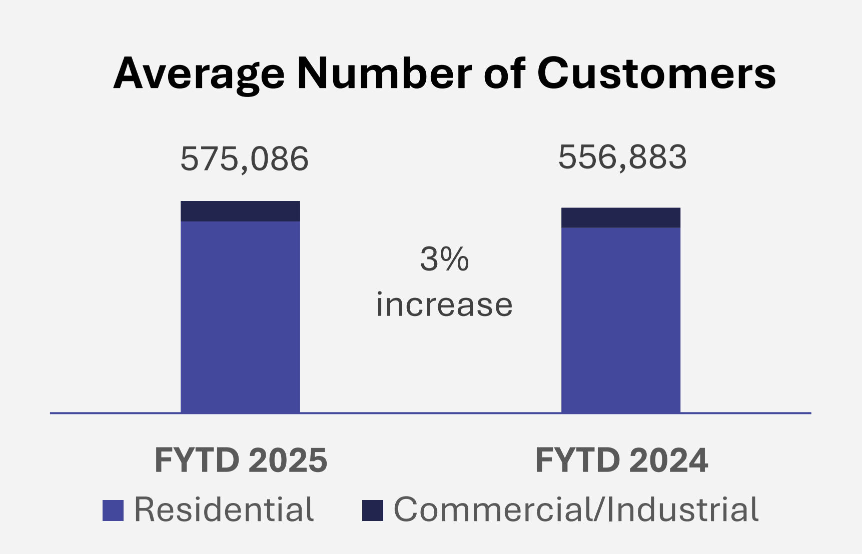
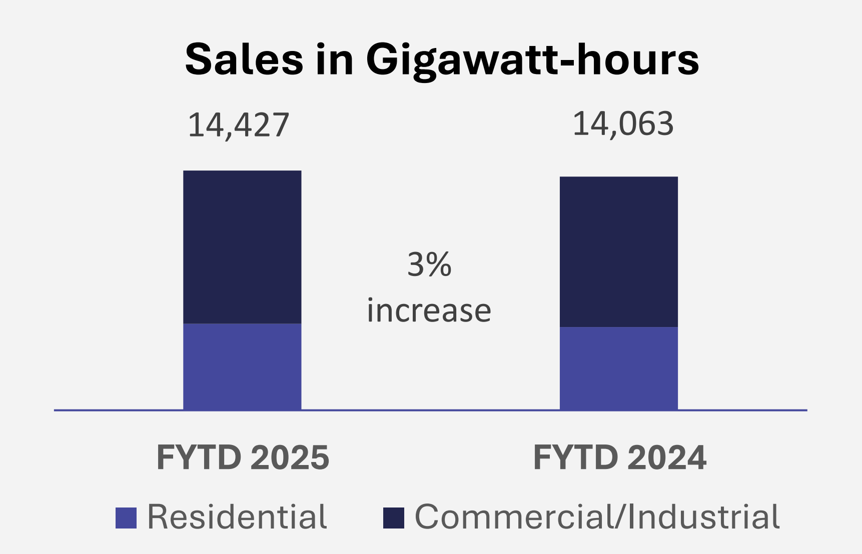
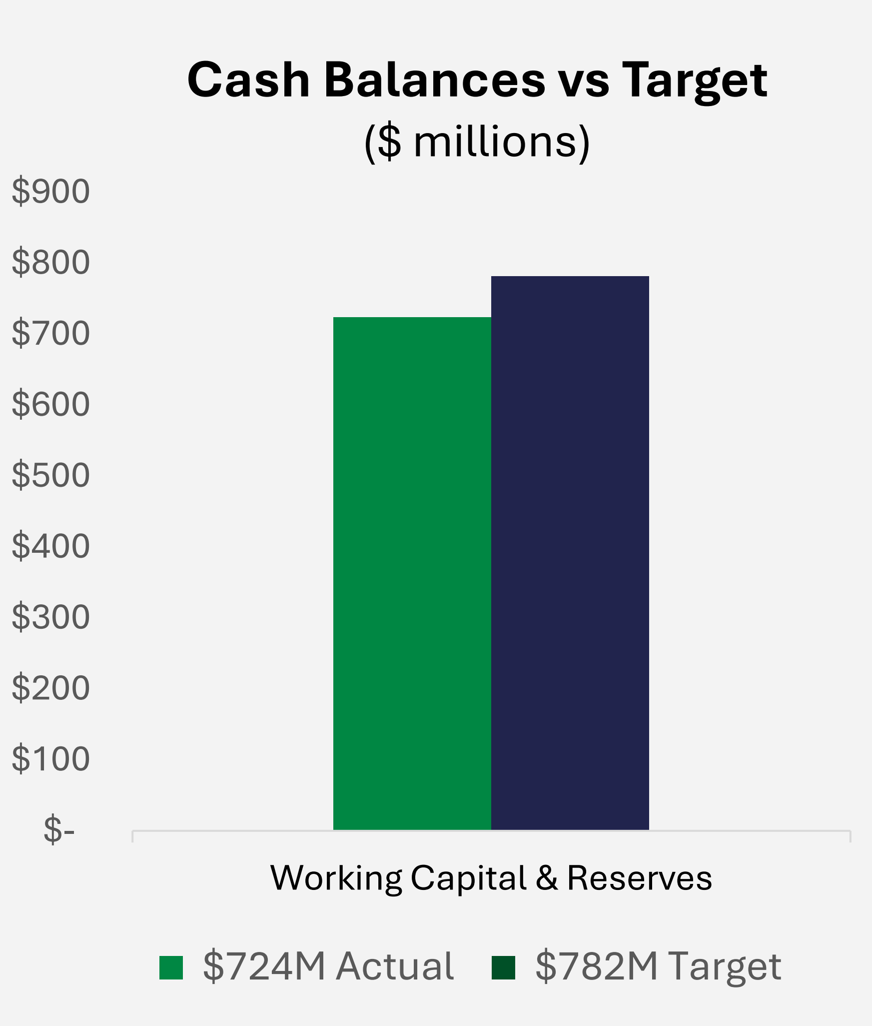




Balance Sheet

$ in Millions	9/30/25	9/30/24
Cash	$347	$286
Operating Reserves	377	313
Other Current Assets	315	350
Nuclear Decommissioning Reserve	296	278
Other Restricted Assets	306	358
Capital Assets	3,468	3,220
Other LT Assets & Deferred Outflows	1,523	1,820
Total Assets and Deferred Outflows	**6,632**	**6,625**
Other Current Liabilities	301	300
Revenue Bonds	2,202	2,037
Commercial Paper	228	268
Other LT Liabilities & Deferred Inflows	2,066	2,229
Retained Earnings	1,835	1,791
Total Liabilities, Deferred Inflows, & Equity	**6,632**	**6,625**



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Competitiveness Metric

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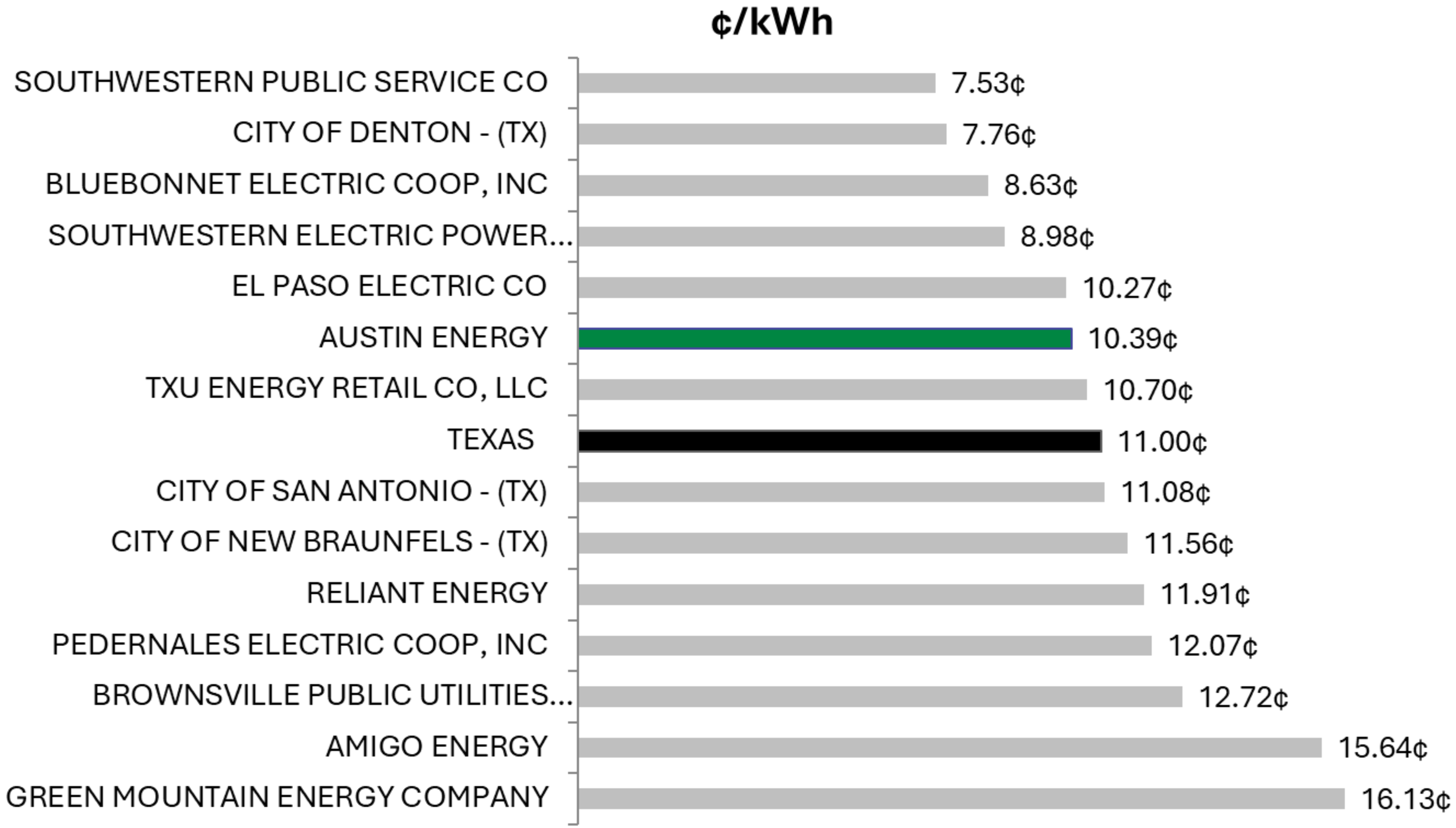
System Average Rates by Provider

CY2024



Source: U.S. Energy Information Administration Form 861, October 2024

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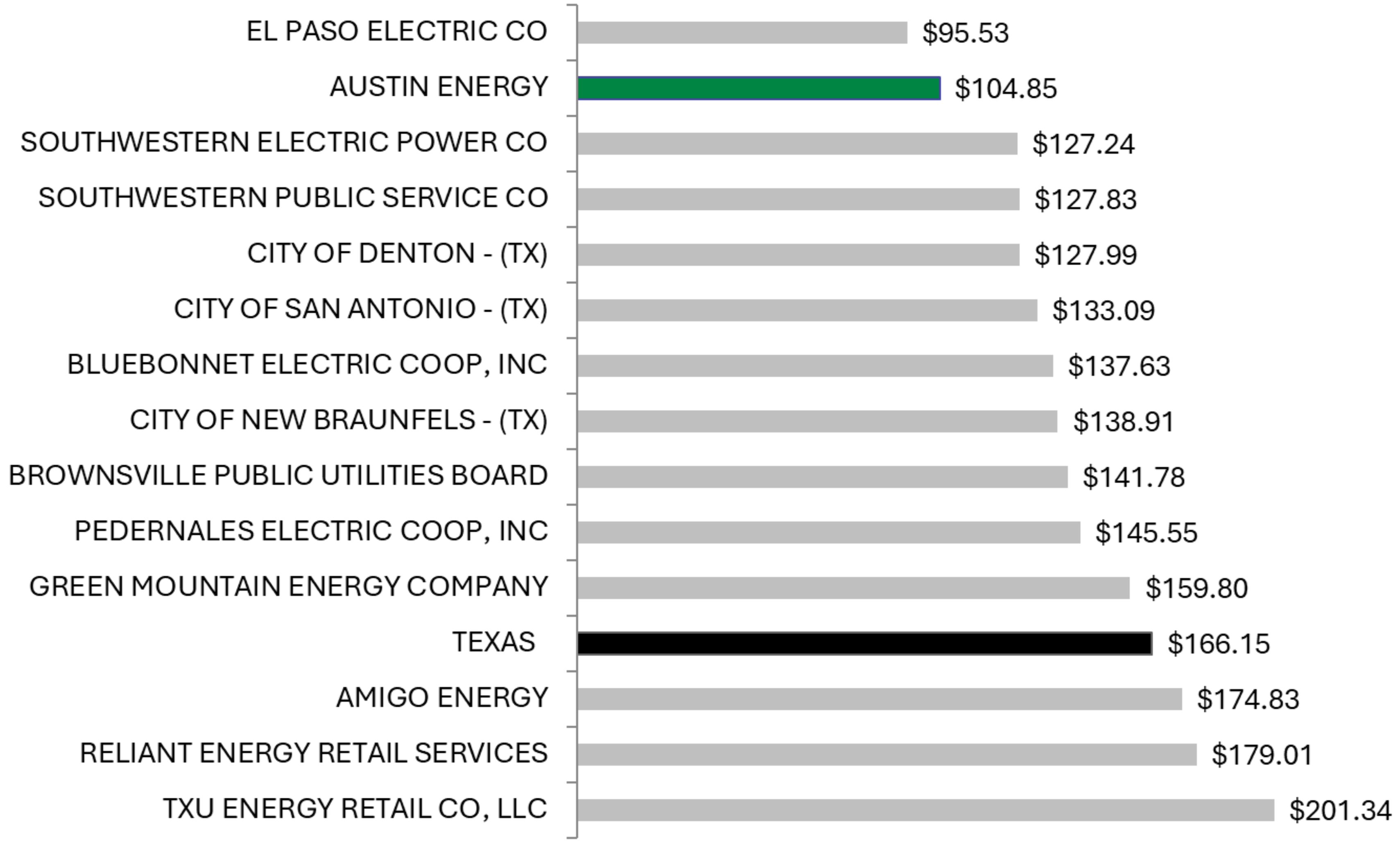
Residential Average Monthly Bill

CY2024



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