



**Estimated Financial Report
July-19**

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2)}
MTD and FYTD July 2019
(\$ in 000's except MWh Sales)**

MTD FY 19-20	MTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance		FYTD FY 19-20	FYTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance
108,073	114,022	(5,949)	(5%) ^(a)	NEL MWh	108,073	114,022	(5,949)	(5%) ^(a)
				Retail				
\$ 15,862	\$ 17,326	\$ (1,463)	(8%)	Retail Sales	\$ 15,862	\$ 17,326	\$ (1,463)	(8%)
368	587	(219)	(37%)	Other Revenues ⁽⁴⁾	368	587	(219)	(37%)
<u>10,345</u>	<u>11,783</u>	<u>1,438</u>	<u>12%</u> ^(b)	Retail Power Supply & Transmission	<u>10,345</u>	<u>11,783</u>	<u>1,438</u>	<u>12%</u> ^(b)
5,886	6,130	(244)	(4%)	Retail Margin	5,886	6,130	(244)	(4%)
				Wholesale				
490	8,198	(7,708)	(94%)	Wholesale Sales	490	8,198	(7,708)	(94%)
<u>426</u>	<u>7,993</u>	<u>7,567</u>	<u>95%</u>	Wholesale Power Supply	<u>426</u>	<u>7,993</u>	<u>7,567</u>	<u>95%</u>
64	205	(141)	(69%)	Wholesale Margin	64	205	(141)	(69%)
<u>5,950</u>	<u>6,335</u>	<u>(385)</u>	<u>(6%)</u>	Gross Margin	<u>5,950</u>	<u>6,335</u>	<u>(385)</u>	<u>(6%)</u>
				Operating Expenses				
961	961	-	0%	Distribution	961	961	-	0%
118	118	-	0%	Administration/Safety	118	118	-	0%
222	222	-	0%	Finance, Fleet, & Warehouse	222	222	-	0%
507	507	-	0%	Transfer to General Fund for Cost Allocation	507	507	-	0%
446	446	-	0%	Customer Service, Marketing & Conservation	446	446	-	0%
392	392	-	0%	Public Benefits	392	392	-	0%
166	166	-	0%	Security/Oper Technology	166	166	-	0%
144	144	-	0%	Telecom	144	144	-	0%
183	183	-	0%	Construction & Maintenance	183	183	-	0%
<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>0%</u>
4,713	4,713	-	0% ^(c)	Total Operating Expenses	4,713	4,713	-	0% ^(c)
<u>\$ 1,237</u>	<u>\$ 1,622</u>	<u>\$ (385)</u>	<u>24%</u>	Operating Income/(Loss)	<u>\$ 1,237</u>	<u>\$ 1,622</u>	<u>\$ (385)</u>	<u>(24%)</u>

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets ^{(1) (2)}
MTD and FYTD July 2019**

(\$ in 000's)

MTD FY 19-20	MTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance		FYTD FY 19-20	FYTD Jul-19 Budget	\$ Variance ⁽³⁾	% Variance
\$ 1,237	\$ 1,622	\$ (385)	24%	Operating Income/(Loss)	\$ 1,237	\$ 1,622	\$ (385)	(24%)
				Other Income/(Expenses)				
162	162	-	0%	Interest Income	162	162	-	0%
(3,328)	(3,328)	-	0%	Other Income/(Expense) ⁽⁵⁾	(3,328)	(3,328)	-	0%
(344)	(344)	-	0%	Bond Interest/ (Expense)	(344)	(344)	-	0%
(3,510)	(3,510)	-	0%	Total Other Income/(Expenses)	(3,510)	(3,510)	-	0%
(2,273)	(1,888)	(385)	(20%)	Net Income	(2,273)	(1,888)	(385)	20%
112	112	-	0%	Capital Contributions (AIC)	112	112	-	0%
<u>\$ (2,161)</u>	<u>\$ (1,776)</u>	<u>\$ (385)</u>	<u>(22%)</u>	Net Change in Net Assets (Net Income)	<u>\$ (2,161)</u>	<u>\$ (1,776)</u>	<u>\$ (385)</u>	<u>22%</u>

1. After the passing of Measure T in June 2018, electric utility bills now reflect a separate line item in the amount of the utility transfer to the City. Reported electric retail revenues and expenses on the utility's financial statements do not reflect the transfer; and the transfer no longer impacts the utility's financial results. This change in financial reporting took effect with July 2018 financial reporting and should be taken into account when comparing results to prior periods.
2. This report may not foot due to rounding.
3. () = Unfavorable
4. Other Revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees.
5. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy. For July 2019, includes one-time payment to CalPERS (for pension) in the amount of \$3,434,104.

Burbank Water and Power
Electric Fund (496)
Estimated Statement of Changes in Net Assets - Footnotes
MTD July 2019
(\$ in 000's)

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MWh	108,073	114,022	(5,949)	- NEL is 5% lower than budget due to conservation. For the month of July, average high temperature was 86.9°F, compared to the normal of 87.0°F. MTD CDD were 300 versus the 30 year average of 305.
b.	Retail Power Supply & Transmission	10,345	11,783	1,438	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-4 for additional details.
c.	Total Operating Expenses	4,713	4,713	-	- Expenses for July 2019 are estimated at budgeted values.

Estimated July 2019 Budget to Actual P&L Variance Highlights - Electric Fund
(in 000's)

	Variance Month-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<u>MTD NET INCOME/(LOSS): (\$2,273)</u>		\$ (385)	\$ (385)
 <u>MTD GROSS MARGIN VARIANCE</u>			
Retail Sales		(1,463)	(1,463)
Power Supply and Transmission			
- Lower energy prices	619		619
- Lower than planned renewables	356		356
- Lower retail load	232		232
- Economic dispatch, the managing and optimizing of resources to meet system load	231		231
Other Revenues		(219)	(219)
Wholesale Margin		(141)	(141)
Total	1,438	(1,823)	(385)

**Burbank Water and Power
Electric Fund (496)
Estimated Statement of Cash Balances ^(a)
(\$ in 000's)**

	<u>Jul-19</u>	<u>Jun-19</u>	<u>Mar-19</u>	<u>Dec-18</u>	<u>Sep-18</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments								
General Operating Reserve	\$ 57,389 ^(f)	\$ 65,284 ^(b)	\$ 71,956	\$ 76,141	\$ 75,814	\$ 78,993	\$ 52,010	\$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	16,817	16,817	16,713	16,648	16,541	16,492		
Sub-Total Cash and Investments	<u>84,206</u>	<u>92,101</u>	<u>98,669</u>	<u>102,789</u>	<u>102,355</u>	<u>105,485</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments			-	(266)	(5,530)	(6,740) ^(c)		
Customer Deposits	(5,522)	(5,641)	(5,471)	(5,266)	(3,339)	(5,432)		
Public Benefits Obligation	(6,468)	(6,069)	(6,408)	(6,359)	(6,341)	(5,549)		
Pacific Northwest DC Intertie	(2,198)	(2,218)	(3,175)	(5,113)	(6,406)	(7,455)		
Low Carbon Standard Fuel ^(d)	(2,267)	(2,267) ^(e)	(1,140)	(1,242)	(1,242)	(1,251)		
Cash and Investments (less Commitments)	<u><u>67,751</u></u>	<u><u>75,906</u></u>	<u><u>82,474</u></u>	<u><u>84,542</u></u>	<u><u>79,496</u></u>	<u><u>79,059</u></u>	<u><u>73,010</u></u>	<u><u>42,770</u></u>

^(a) The Statement of Cash Balances may not add up due to rounding.

^(b) Includes a \$3.95M loan to the Water Fund for the purchase of cyclic storage water.

^(c) Denotes capital commitment for the Ontario Distribution Station and 4kV to 12kV conversion of circuits.

^(d) Denotes funds reserved related to the sale of Low Carbon Fuel Standard (LCFS) credits, net of Electric Vehicle charger infrastructure expenditures.

^(e) Includes the sale of \$1.146M of LCFS credits.

^(f) Includes one-time payment to CalPERS (for pension) in the amount of \$3,434,104, and payment of annual required contribution of \$5,704,748.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets ⁽¹⁾
MTD and FYTD July 2019
(\$ in 000's except Gallons)**

MTD FY 19-20	MTD Jul-19 Budget	\$ Variance ⁽²⁾	% Variance		FYTD FY 19-20	FYTD Jul-19 Budget	\$ Variance ⁽²⁾	% Variance
506	530	(24)	(4%) ^(a)	Water put into the system in Millions of Gallons	506	530	(24)	(4%) ^(a)
111	111	(1)	(0%)	Metered Recycled Water in Millions of Gallons	111	111	(1)	(0%)
				Operating Revenues				
2,825	2,835	\$ (10)	(0%) ^(b)	Potable Water	2,825	2,835	\$ (10)	(0%) ^(b)
386	456	(69)	(15%) ^(c)	Recycled Water	386	456	(69)	(15%) ^(c)
11	62	(51)	(82%) ^(d)	Other Revenue ⁽³⁾	11	62	(51)	(82%) ^(d)
<u>3,223</u>	<u>3,353</u>	<u>(130)</u>	<u>(4%)</u>	Total Operating Revenues	<u>3,223</u>	<u>3,353</u>	<u>(130)</u>	<u>(4%)</u>
1,194	1,310	116	9% ^(e)	Water Supply Expense	1,194	1,310	116	9% ^(e)
<u>2,029</u>	<u>2,043</u>	<u>(14)</u>	<u>(1%)</u>	Gross Margin	<u>2,029</u>	<u>2,043</u>	<u>(14)</u>	<u>(1%)</u>
				Operating Expenses				
691	691	-	0%	Operations & Maintenance - Potable	691	691	-	0%
137	137	-	0%	Operations & Maintenance - Recycled	137	137	-	0%
207	207	-	0%	Allocated O&M	207	207	-	0%
172	172	-	0%	Transfer to General Fund for Cost Allocation	172	172	-	0%
<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>	Depreciation	<u>370</u>	<u>370</u>	<u>-</u>	<u>0%</u>
1,577	1,577	-	0% ^(f)	Total Operating Expenses	1,577	1,577	-	0% ^(f)
				Other Income/(Expenses)				
21	21	-	0%	Interest Income	21	21	-	0%
(514)	(514)	-	0%	Other Income/(Expense) ⁽⁴⁾	(514)	(514)	-	0%
(159)	(159)	-	0%	Bond Interest/(Expense)	(159)	(159)	-	0%
<u>(651)</u>	<u>(651)</u>	<u>-</u>	<u>0%</u>	Total Other Income/(Expenses)	<u>(651)</u>	<u>(651)</u>	<u>-</u>	<u>0%</u>
<u>(200)</u>	<u>(186)</u>	<u>(14)</u>	<u>(7%)</u>	Net Income/(Loss)	<u>(200)</u>	<u>(186)</u>	<u>(14)</u>	<u>(7%)</u>
40	40	-	0%	Aid in Construction	40	40	-	0%
<u>\$ (159)</u>	<u>\$ (146)</u>	<u>\$ (14)</u>	<u>(9%)</u>	Net Change in Net Assets (Net Income)	<u>\$ (159)</u>	<u>\$ (146)</u>	<u>\$ (14)</u>	<u>(9%)</u>

1. This report may not foot due to rounding.

2. () = Unfavorable

3. Other Revenue includes items such as damaged property recovery, connection fees, late fees, and tampering fees.

4. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets. For July 2019, includes one-time payment to CalPERS (for pension) in the amount of \$552,896.

**Burbank Water and Power
Water Fund (497)
Estimated Statement of Changes in Net Assets - Footnotes
MTD July 2019
(\$ in 000's except Gallons)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation	
a.	Water put into the system in Millions of Gallons	506	530	(24)	- Potable water sales are lower due to lower demand. Burbank received no rainfall in July, as compared to the monthly normal of 0.04 inches. For the month of July, average high temperature was 86.9°F, compared to the normal of 87.0°F. MTD CDD were 300 versus the 30 year average of 305.	
b.	Potable Water Revenue	2,825	2,835	(10)	- The WCAC impact increased potable water revenues by \$128k MTD. Without this adjustment, potable water revenues would be unfavorable by 5%.	
						MTD Actual
					WCAC Revenue	\$1,065
					WCAC Expenses	\$1,194
					WCAC revenue deferral/(accrual)	(\$128)
c.	Recycled Water Revenue	386	456	(69)	- Recycled Water Revenue is lower due to the FY 19/20 rate increase going into effect on the August billings.	
d.	Other Revenue	11	62	(51)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees, which tend to fluctuate.	
e.	Water Supply Expense	1,194	1,310	116	- Water supply expense corresponds with lower demand.	
f.	Total Operating Expenses	1,577	1,577	-	- Expenses for July 2019 are at budgeted values.	

Estimated July 2019 Budget to Actual P&L Variance Highlights - Water Fund
(in 000's)

	Variance Month-to-Date		
	<u>Favorable Items</u>	<u>Unfavorable Items</u>	<u>Budget to Actual Variance</u>
<u>MTD NET INCOME (LOSS): (\$200)</u>		(14)	(14)
<u>MTD GROSS MARGIN VARIANCE</u>			
Recycled Revenues		(69)	(69)
Other Revenue		(51)	(51)
Potable Revenues		(10)	(10)
Water Supply Expense	116		116
Total	<u>116</u>	<u>(130)</u>	<u>(14)</u>

Water Fund (497)
Estimated Statement of Changes in Cash and Investment Balances ^(a)

	<u>Jul-19</u>	<u>Jun-19</u>	<u>Mar-19</u>	<u>Dec-18</u>	<u>Sep-18</u>	<u>Jun-18</u>	<u>Recommended Reserves</u>	<u>Minimum Reserves</u>
Cash and Investments								
General Operating Reserves	\$ 11,030 ^(d)	\$ 11,248 ^(b)	\$ 5,800	\$ 12,471	\$ 12,419	\$ 10,925	\$ 12,630	\$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>13,250</u>	<u>13,468</u>	<u>8,020</u>	<u>14,691</u>	<u>14,639</u>	<u>13,145</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(31)	(12)	(1,266)	(1,170)	(1,084)	(607)		
Capital Commitments ^(c)	-	-	-	-	(140)	(140)		
Cash and Investments (less commitments)	<u><u>13,219</u></u>	<u><u>13,456</u></u>	<u><u>6,754</u></u>	<u><u>13,521</u></u>	<u><u>13,415</u></u>	<u><u>12,397</u></u>	<u><u>17,830</u></u>	<u><u>9,370</u></u>

^(a) The Statement of Cash Balances may not add up due to rounding.

^(b) Includes a \$3.95M loan from the Electric Fund for the purchase of cyclic storage water.

^(c) Capital commitment for the recycled water I-5 Freeway second tie crossing project paid in October.

^(d) Includes one-time payment to CalPERS (for pension) in the amount of \$552,896, and payment of annual required contribution of \$912,149.