



Staff Report Item 15

TO: East Bay Community Energy Board of Directors

FROM: Howard Chang, COO

SUBJECT: Fiscal Year 2018 - 2019 Annual Results and Budget Comparison
(Informational Item)

DATE: November 20, 2019

Recommendation

Receive report comparing EBCE's financial budget for the July 1, 2018 to June 30, 2019 fiscal year as presented in the approved, revised budget to the resulting 2018-19 fiscal year annual audit.

Background and Discussion

This report compares EBCE's financial expectations for the July 1, 2018 to June 30, 2019 fiscal year as presented in the approved, revised budget to the resulting 2018-19 fiscal year annual audit. Attachment A provides the summaries and comparisons.

This comparison shows the approved June budget along with the budget revision approved in January of 2019 as compared to audited actuals. The difference for each category shown is relative to the January revision, as is the percent difference shown.

Highlights from this comparison show:

- Revenues and sources are 2.1% (\$7.9m) above budgeted amounts, due to an increase in PG&E rates in the second half of the year
- Energy costs are 1.4% (\$4.1m) below budgeted amounts, due to lower than budgeted energy expenses
- Overhead was 29.1% (\$3.2m) under budgeted costs, due to lower costs in local development spending and lower operating costs (marketing sponsorships, technical consultants, and delayed rent increase)
- Interest costs were 4.5% (\$85k) below budget due to slightly lowered borrowings
- Overall spending was 2.4% (\$7.6m) less than budget, the combination of lower energy and lower overhead costs
- The Net Position was 24.6% (\$15.4m) above budget, driven by an increase in rates and below budget energy and overhead costs
- Total operating margin increased by 3.6% points to 20.2% from 16.6% as a result of the above factors

Fiscal Impact

This report has no fiscal impact

Attachments

- A. 2019 Budget Comparison to Actuals Report Table

Attachment A

Table to the 2018-19 Annual Results to Budget Comparison

	FY 2018-19 Jun BUDGET	FY 2018-19 Jan Revised BUDGET	FY 2018-19 ACTUALS	Difference	% Difference
REVENUE AND OTHER SOURCES					
Electricity Sales	318,091,347	379,611,000	387,065,191	7,454,191	2.0%
Investment Income	-	-	248,702	248,702	
Other Income	-	-	186,742	186,742	-
Total Revenue and Other Sources	318,091,347	379,611,000	387,500,636	7,889,636	2.1%
<i>Margin:</i>	<i>18.7%</i>	<i>16.6%</i>	<i>20.2%</i>		
EXPENDITURES AND OTHER USES					
ENERGY OPERATIONS					
Cost of Energy	235,499,029	296,641,000	292,523,406	(4,117,594)	-1.4%
Scheduling	660,000	660,000	653,382	(6,618)	-1.0%
Data Management/Billing'Customer Service	4,855,406	4,937,000	4,850,161	(86,839)	-1.8%
PG&E Service Fees	963,311	1,476,000	1,460,342	(15,658)	-1.1%
Total Energy Operating Costs	241,977,746	303,714,000	299,487,290	(4,226,710)	-1.4%
OVERHEAD OPERATIONS					
Personnel	5,499,424	3,957,000	3,830,699	(126,301)	-3.2%
Marketing, Outreach, Communications	1,871,500	1,671,000	1,336,416	(334,584)	-20.0%
Local Development	2,000,000	2,000,000	94,929	(1,905,071)	-95.3%
Other Professional Services	3,508,500	2,381,000	1,866,618	(514,382)	-21.6%
General & Administrative	1,708,545	1,146,000	761,784	(384,216)	-33.5%
Total Overhead Operating Costs	14,587,969	11,155,000	7,890,446	(3,264,554)	-29.3%
TOTAL ENERGY & OPERATING EXPENSES	256,565,715	314,869,000	307,377,736	(7,491,264)	-2.4%
Earnings Before Interest	61,525,633	64,742,000	80,122,900	15,380,900	23.8%
INTEREST PAYMENTS					
Borrowing Interest	1,899,343	1,899,343	1,813,959	(85,384)	-4.5%
Total Interest Payments	1,899,343	1,899,343	1,813,959	(85,384)	-4.5%
TOTAL OPERATIONS & INTEREST DUE	258,465,057	316,768,343	309,191,695	(7,576,648)	-2.4%
NET INCREASE (DECREASE) IN POSITION	59,626,290	62,842,657	78,308,941	15,466,284	24.6%

*Difference and %Difference are relative to the January Revised Budget