



## Consent Item 7

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Jason Bartlett, Finance Manager  
**SUBJECT:** Fiscal Year 2019-20 Mid-Year Budget Report (Informational Item)  
**DATE:** January 22, 2020

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### Recommendation

Receive update on Mid-Year Budget.

### Background and Discussion

This staff report compares EBCE's financial performance for the current fiscal year from July 1, 2019 through November 30, 2019 with the approved June budget. December's revenues and expenses are still being reconciled, and therefore not included in this report. Staff is working to amend the future mid-year reporting schedule to February to allow for December settlements. Attachment A provides the numerical table summaries and comparisons. The difference for each category shown in dollar amounts and percentages relative to budgeted amounts.

Highlights from this comparison show:

- Revenues and sources are 1.2% (\$2.7m) below budgeted amounts, due to lower volumes in demand
- Energy costs are lower by 1.8% (\$3.1m) as compared to budgeted amounts. This is also due to lower volumes in required supply, lower prices, and more accounts than expected
- Overhead is 50.8% (\$4.3m) under budgeted costs, due to ramping up in local development spending, delayed staffing, and more efficient management in operating costs (marketing, consultants, and G&A requirements)
- Interest costs are 51.9% (\$295k) below budget due to retirement of outstanding debt in August, and renegotiated rates with credit facility
- Overall spending is 4.3% (\$7.6m) less than budgeted, the combination of lower energy and lower overhead costs
- The Net Position has increased by 10.8% (\$4.9m) above budget, which is accounted as the difference in revenues and overall costs.
- Total operating margin increased to 22.9% from 20.4% as a result of the above factors

### Fiscal Impact

This report has no fiscal impact

### Attachments

A. FY 2019-20 Mid-Year Budget Report Table

## ATTACHMENT A: Fiscal Year 2019-20 Mid-Year Performance

	<b>FY 2019-20 Jul - Nov BUDGET</b>	<b>FY 2019-20 Jul -Nov ACTUALS</b>	<b>Difference</b>	<b>% Difference</b>
<b>REVENUE AND OTHER SOURCES</b>				
Electricity Sales	224,861,853	221,880,444	(2,981,408)	-1.3%
Investment Income	186,383	399,958	213,575	114.6%
Bad Debt	(1,129,310)	(1,111,276)	18,034	-1.6%
Other Income	-	73,484	73,484	
<b>Total Revenue and Other Sources</b>	<b>223,918,926</b>	<b>221,242,611</b>	<b>(2,676,316)</b>	<b>-1.2%</b>
<i>Margin:</i>	<i>20.4%</i>	<i>22.9%</i>		
<b>EXPENSES AND OTHER USES</b>				
<b>ENERGY OPERATIONS</b>				
Cost of Energy	165,167,856	161,908,026	(3,259,830)	-2.0%
Scheduling/Broker Fees	272,000	324,647	52,647	19.4%
Data Management/Customer Service	2,801,184	2,917,820	116,637	4.2%
PG&E Service Fees (Billing/Metering)	933,728	972,452	38,724	4.1%
<b>Total Energy Operating Costs</b>	<b>169,174,768</b>	<b>166,122,946</b>	<b>(3,051,822)</b>	<b>-1.8%</b>
<b>OVERHEAD OPERATIONS</b>				
Personnel	2,705,317	2,052,061	(653,256)	-24.1%
Marketing, Outreach, Communications	942,917	412,018	(530,899)	-56.3%
Legal, Policy, & Regulatory Affairs	660,833	482,362	(178,471)	-27.0%
Local Development	2,614,583	323,948	(2,290,636)	-87.6%
Other Professional Services	505,833	243,488	(262,345)	-51.9%
General & Administrative	954,083	607,950	(346,133)	-36.3%
Depreciation	25,417	13,017	(12,399)	-48.8%
<b>Total Overhead Operating Costs</b>	<b>8,408,984</b>	<b>4,134,845</b>	<b>(4,274,139)</b>	<b>-50.8%</b>
<b>TOTAL ENERGY &amp; OPERATING EXPENSES</b>	<b>177,583,751</b>	<b>170,257,791</b>	<b>(7,325,961)</b>	<b>-4.1%</b>
<b>Earnings Before Interest</b>	<b>46,335,175</b>	<b>50,984,820</b>	<b>4,649,645</b>	<b>10.0%</b>
<b>INTEREST PAYMENTS</b>				
Borrowing Interest	569,259	274,009	(295,250)	-51.9%
<b>Total Interest Payments</b>	<b>569,259</b>	<b>274,009</b>	<b>(295,250)</b>	<b>-51.9%</b>
<b>TOTAL EXPENSES &amp; INTEREST DUE</b>	<b>178,153,010</b>	<b>170,531,800</b>	<b>(7,621,210)</b>	<b>-4.3%</b>
<b>NET INCREASE (DECREASE) IN POSITION</b>	<b>45,765,916</b>	<b>50,710,811</b>	<b>4,944,895</b>	<b>10.8%</b>