



# Finance

PRESENTED BY: Jason Bartlett

DATE: September 11, 2020



# Audit Progress Report Details

- All stages are on-track
- All confirmations are delivered and waiting for verification
- Trial balance delivered and being evaluated
- Timeline
  - Expected draft available between 9/28 and 10/7
  - Optional FAP meeting between 10/5 and 10/13, with 10/9 as the target
  - Board Presentation on 10/21

# Rate Stabilization GASB 62 Fund

- Government Accounting Standards Board Ruling 62 (GASB 62) codifies and standardizes “the presentation of deferred outflows of resources and deferred inflows of resources and their effects on net position.”
  - This allows for deferring the accrual of surplus revenues from one time period to be realized in future time periods
  - Any deferred revenues will reduce net position by an equal amount in the time period deferred, and increase net position by an equal amount in the time period
  - This is different than reserve funds, as reserve funds are withheld cash amounts from already accrued and realized revenues

# Rate Stabilization GASB 62 Fund

- Due to strong performance in the 2019-2020 fiscal year and exceeding budgeted net position, staff is recommending deferring \$12,680,000 into a newly created Rate Stabilization GASB 62 Fund
- This amount of \$12,680,000 reflects the Local Development budget for 2020-2021, which includes unspent local development budget from 2019-2020 fiscal year
  - Applying the unspent local development budget from 2019-2020 was previously approved by the board as part of the budget setting process
- This fund serves to help stabilize short-term variations in revenue in order to support priorities such as preserving customer value proposition through a rate discount relative to PG&E and maintain consistent funding of LDBP programs year-over-year
- Because this is revenue accounting treatment, this policy will not negatively affect EBCE on-going operational performance or cash reserve allocation mechanisms