



Staff Report Item 12

TO: East Bay Community Energy Board of Directors

FROM: Jason Bartlett, Finance Manager

SUBJECT: Fiscal Year 2021-2022 Mid-Year Budget Report (Informational)

DATE: January 19, 2022

Recommendation

Receive the report informing the Board of the mid-year Budget position for the 2021-2022 fiscal year.

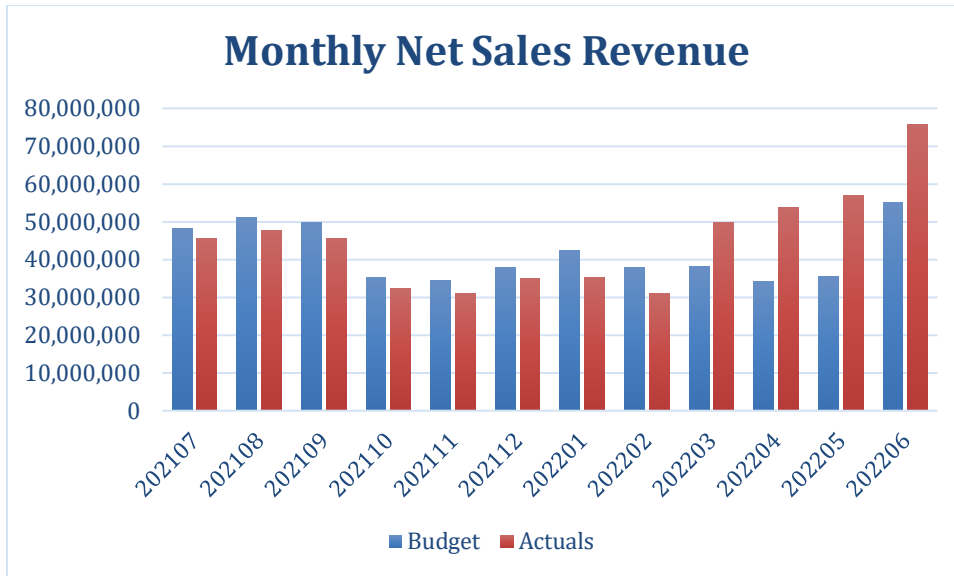
Background and Discussion

This staff report compares EBCE's financial performance for the current fiscal year from July 1, 2021 through November 30, 2021 with the approved June budget. December's revenues and expenses are still being reconciled, and therefore included in this report as estimates.

Attachment A provides the numerical table summaries and comparisons. The difference for each category shown in dollar amounts and percentages relative to budgeted amounts.

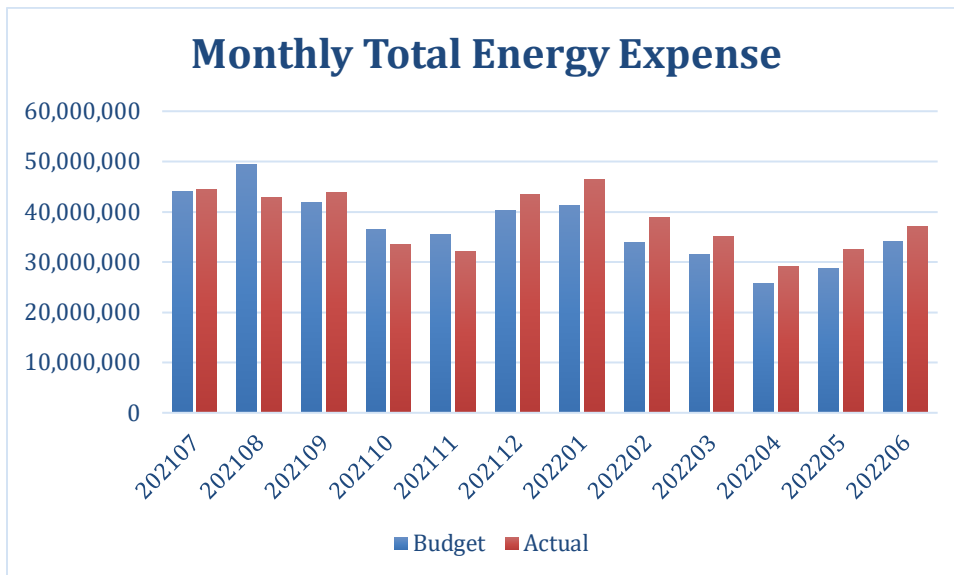
Highlights and assumptions from this comparison are listed here:

- Revenues
 - Year-end electricity sales are expected to be 7.9% above budgeted amounts driven by higher than expected energy costs for 2021 and 2022, which lead to a lower 2022 PCIA and higher than expected rates starting in March of 2022. Sales have come in softer in the mid-year due to lower demand from cooler temperatures in 2021.
 - Uncollectable amounts are remain unchanged to the budget at 2.0% for 2021 and 1.5% for 2022



- Energy Costs

- Year-end Cost of Energy is 3.5% above budgeted amounts due to higher than expected market prices estimated in 2022, with mid-year costs coming in lower than expected due to cooler temperatures
- Pre-Pay agreement adds about \$2MM in cost reduction in 2022 estimates

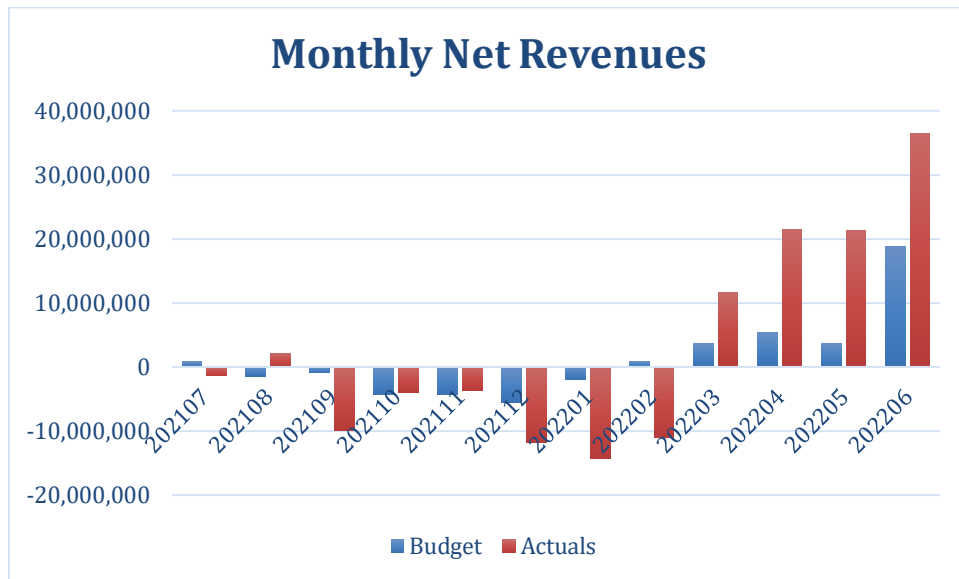


- Operating Overhead

- Overhead is 10.6% below budgeted amounts due to lower than expected costs with personnel as not all positions have been filled

- Non-Operational Position

- Non-Operating Position is 25.2% above budgeted amounts primarily due to the new building purchase
- Interest on cash accounts generating a return of 0.25% average as compared to budgeted 0.4%
- Some grant revenue has been recognized against appropriate expenses
- Net Position
 - Overall year-end Net Position is 48.0% above budget estimates due to the significant increase in expected revenues from 2022 rates despite rising energy costs in the same time period



Fiscal Impact

This report has no fiscal impact on operations

Attachments

- A. FY 2021-22 Mid-Year Budget Report Table

ITEM 12—Attachment A: FY 2021-2022 Mid-Year Budget Comparison

	BUDGET	ACTUAL	DELTA	%D
OPERATIONS				
REVENUE & OTHER SOURCES				
Operating Revenue				
Electricity Sales	508,636,000	548,790,000	40,154,000	7.9%
Uncollectables	(8,939,000)	(9,441,000)	(502,000)	5.6%
Other Operations Revenue	0	112,000	112,000	0.0%
Total Operating Revenue	499,697,000	539,461,000	39,764,000	8.0%
EXPENSES & OTHER USES				
Energy Operating Expenses				
Cost of Energy	442,338,000	459,087,000	16,749,000	3.8%
Data Management/CRM	8,645,000	8,032,000	(613,000)	-7.1%
Billing & Metering	2,752,000	2,709,000	(43,000)	-1.6%
Scheduling	843,000	848,000	5,000	0.6%
Total Energy Operating Expenses	454,578,000	470,676,000	16,098,000	3.5%
Overhead Operating Expenses				
Personnel	9,421,000	8,472,000	(949,000)	-10.1%
Marketing & Communications	1,614,000	1,422,000	(192,000)	-11.9%
Legal, Policy, & Regulatory Affairs	1,592,000	1,403,000	(189,000)	-11.9%
Other Professional Services	850,000	822,000	(28,000)	-3.3%
General & Administrative	3,033,000	2,639,000	(394,000)	-13.0%
Depreciation	60,000	57,000	(3,000)	-5.0%
Total Overhead Operating Expenses	16,570,000	14,815,000	(1,755,000)	-10.6%
Total Operating Expenses	471,148,000	485,491,000	14,343,000	3.0%
NON-OPERATIONS				
NON-OPERATING REVENUE				
Interest Income	798,000	141,000	(657,000)	-82.3%
Grants	894,000	894,000	0	0.0%
Other Non-Operating Revenue	0	210,000	210,000	0.0%
Total Non-Operating Revenue	1,692,000	1,245,000	(447,000)	-26.4%
NON-OPERATING EXPENSES				
Borrowing Interest	898,000	906,000	8,000	0.9%
Local Development Funding	9,007,000	9,007,000	0	0.0%
Capital Expenditures	5,500,000	8,507,000	3,007,000	54.7%
Total Non-Operating Expenses	15,405,000	18,420,000	3,015,000	19.6%
NET NON-OPERATING POSITION	(13,713,000)	(17,175,000)	(3,462,000)	25.2%
TOTAL REVENUES	501,389,000	540,706,000	39,317,000	7.8%
TOTAL EXPENSES	486,553,000	503,911,000	17,358,000	3.6%
NET INCREASE(DECREASE) IN POSITION	14,836,000	36,795,000	21,959,000	148.0%