



Association of
Bay Area Governments



**FY 2022-23 ABAG POWER FINANCIAL REPORTS
AND YEAR END AUDIT RESULTS**

1

ABAG PUBLICLY OWNED ENERGY RESOURCES (POWER)

Highlights of the FY 2023 ABAG POWER financial statements:

- In May 2023, the Board established the Renewable Natural Gas Program. Related revenue and expenses are anticipated to begin in fiscal year 2023-24.
- Total gas usage during fiscal year 2023 was approximately 7.0 million therm, increased by 0.3 million therm in comparison to FY2021-22.
- In December 2022, the Executive Committee provided authority until June 30, 2023, to enter into fixed priced purchase contracts valued at less than \$1 million and for a term not to exceed four months. In February 2023, staff entered into a four-month fixed-price contract.
- POWER serves a total of 749 core accounts and three non-core accounts as of June 30, 2023.

1

2

ABAG Publicly Owned Energy Resources	
Statement of Net Position	
June 30, 2023	
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 388,331
Accounts receivable	2,396,515
Interest receivable	31
Prepaid items	3,968
Natural gas inventory	83,355
TOTAL ASSETS	2,872,200
LIABILITIES	
Current liabilities:	
Accounts payable	666,327
Due to other government	217,414
Total current liabilities	883,741
Non-current liabilities:	
Deposits from members	1,988,459
Total non-current liabilities	1,988,459
TOTAL LIABILITIES	2,872,200
NET POSITION	\$ -

See accompanying notes to financial statements:
8

- Cash and cash equivalents decreased by \$1 million from FY 2021-22 (page 4). This is primarily the result of a significant increase in natural gas market prices and more quantity of natural gas purchased due to prolonged inclement weather.
- Receivables increased to \$2.4 million. It's primarily due to the true-up adjustment billings of \$2.1 million at year-end.
- POWER's financial reporting model reflects all surpluses and deficits as liabilities to or receivables from its members, therefore the net position remained at zero on June 30, 2023.

2

3

ABAG Publicly Owned Energy Resources	
Statement of Revenue, Expenses and Changes in Net Position	
For the Year Ended June 30, 2023	
OPERATING REVENUE	
Sale of natural gas	\$ 14,925,264
Other operating revenues	8,994
TOTAL OPERATING REVENUE	14,934,258
OPERATING EXPENSES	
Cost of natural gas	7,915,682
PG&E passthrough	6,388,458
Contracted salaries and benefits	268,325
Professional fees	213,091
Overhead	130,540
Other	25,249
TOTAL OPERATING EXPENSES	14,941,345
OPERATING LOSS	(7,087)
NONOPERATING REVENUE	
Interest income	7,087
TOTAL NONOPERATING REVENUE	7,087
CHANGE IN NET POSITION	-
TOTAL NET POSITION - BEGINNING	-
TOTAL NET POSITION - ENDING	\$ -

See accompanying notes to financial statements:
9

- In comparison to the prior year, operating revenues increased by \$4.4 million, as a result of an increase in the sale of natural gas to members due to higher gas prices.
- Operating expenses increased by \$4.4 million, mainly due to increased market prices for natural gas and higher PG&E transmission and distribution rates considered pass-through costs.
- POWER paid MTC \$398,865 for administrative support services in accordance with the ABAG-MTC Contract for Services for the fiscal year ended June 30, 2023.
- In FY 2022-23, prior to year-end adjustments, there was an excess of expenses over revenues in the amount of \$2,067,984, which will be billed to the members as true-up adjustments during the next fiscal year.

3

4