



Association of
Bay Area Governments



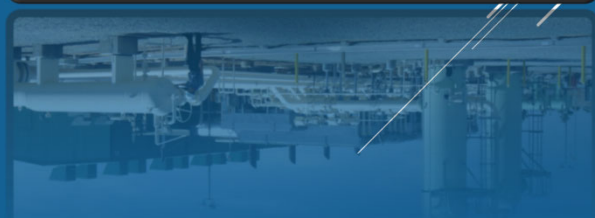
FY 2019-2020 ABAG POWER FINANCIAL REPORTS AND YEAR END AUDIT RESULTS

ABAG PUBLICLY OWNER ENERGY RESOURCES (POWER)

ABAG POWER is an “Energy Service Provider (ESP)”, aggregating the natural gas requirements of its members as allowed by the California Public Utilities Commission (CPUC) and purchasing gas directly from natural gas producers that offer competitive prices and reliable supply. POWER purchases natural gas on behalf of its members and arranges for delivery to the Pacific Gas and Electric (PG&E) system for distribution. The goal of POWER's Natural Gas Program is to provide both cost savings and price stability.

Highlights of the ABAG POWER financial statements include:

- POWER serves a total of 764 core accounts and three non-core accounts as of June 30, 2020.
- POWER's current strategy for purchasing natural gas consists exclusively of short-term, index-based purchases at three market locations.
- The extent to which the coronavirus may impact business activity will depend on future developments.



ABAG Publicly Owned Energy Resources
Statement of Net Position
June 30, 2020

ASSETS

Current assets:

Cash	\$ 2,883,332
Due from other government	27,564
Accounts receivable	417,356
Interest receivable	6,371
Prepaid items	3,968
Natural gas inventory	55,034
TOTAL ASSETS	3,393,625

LIABILITIES

Current liabilities:

Accounts payable	422,562
Due to other government	26,784
Unearned revenue	943,494
Total current liabilities	1,392,840

Non-current liabilities:

Deposits from members	2,000,785
Total non-current liabilities	2,000,785
TOTAL LIABILITIES	3,393,625

NET POSITION	\$ -
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See accompanying notes to financial statements

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- Cash and investments increased by \$832,269 from FY 2018-19 (page 4). Primarily a result of member payments for estimated natural gas costs.
- In FY 2019-20, there was an excess of revenues over expenses in the amount of \$943,494, which will be returned to the members as true-up adjustments in billings during the next fiscal year.
- Working capital deposits remained at \$2,000,785 as there are no new members/participants.
- 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, 2020.

ABAG Publicly Owned Energy Resources
Statement of Revenue, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

OPERATING REVENUE

Sale of natural gas	\$ 6,811,627
Other operating revenues	9,205
TOTAL OPERATING REVENUE	6,820,832

OPERATING EXPENSES

Cost of natural gas	1,981,610
PG&E Passthrough	4,403,853
Contracted salaries and benefits	211,300
Professional fees	110,183
Overhead	121,718
Other	23,001
TOTAL OPERATING EXPENSES	6,851,665

OPERATING LOSS	(30,833)
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NONOPERATING REVENUE

Interest income	30,833
TOTAL NONOPERATING REVENUE	30,833

CHANGE IN NET POSITION	-
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TOTAL NET POSITION - BEGINNING	-
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TOTAL NET POSITION - ENDING	\$ -
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See accompanying notes to financial statements

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- In comparison to the prior year, operating revenues decreased by \$717,455, as a result of a decrease in the sale of natural gas to members.
- Operating expenses decreased by \$742,839, mainly due to lower market price of natural gas and decrease in usage. The decrease in usage can be attributed to warmer weather on average, and intermittent public facility closures due to the COVID-19 pandemic.
- POWER paid MTC \$333,018 for administrative support services in accordance with the ABAG-MTC Contract for Services for the fiscal year ended June 30, 2020.