



## **TREASURER REPORT**

**Fiscal Year to Date  
As of March 31, 2021**

**Issue Date: May 12, 2021**

### **Table of Contents**

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Compiled Financial Statements	1
Compiled Budgetary Comparison Schedule	6
Budget Variance Commentary	9
Financial Dashboard	10
Supplemental Report - Forecast to Actual	11
Investment Summary	13
Accounts Receivable Summary	14
Personnel Report	15



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Central Coast Community Energy

Management is responsible for the accompanying financial statements of Central Coast Community Energy (a California Joint Powers Authority) which comprise the statement of net position as of March 31, 2021, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Central Coast Community Energy's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
April 28, 2021

**CENTRAL COAST COMMUNITY ENERGY**  
**STATEMENT OF NET POSITION**  
**As of March 31, 2021**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 156,957,562
Accounts receivable, net of allowance	22,072,251
Accrued revenue	14,358,464
Other receivables	445,060
Prepaid expenses	2,991,109
Deposits	1,593,808
Restricted cash	1,794,000
Total current assets	<u>200,212,254</u>
Noncurrent assets	
Capital assets, net of depreciation	286,746
Deposits	123,182
Total noncurrent assets	<u>409,928</u>
Total assets	<u>200,622,182</u>

**LIABILITIES**

Current liabilities	
Accrued cost of electricity	18,607,854
Accounts payable	710,332
Accrued payroll and benefits	702,232
Other accrued liabilities	293,000
Customer rebate liabilities	305,421
User taxes and energy surcharges due to other governments	1,230,385
Supplier security deposits	1,055,250
Total current liabilities	<u>22,904,474</u>

**NET POSITION**

Investment in capital assets	286,746
Restricted for security collateral	1,794,000
Unrestricted	175,636,962
Total net position	<u>\$ 177,717,708</u>

**CENTRAL COAST COMMUNITY ENERGY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**October 1, 2020 through March 31, 2021**

**OPERATING REVENUES**

Electricity sales, net of allowance	\$ 118,885,549
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**OPERATING EXPENSES**

Cost of electricity	93,263,911
Contract services	3,354,357
Staff compensation and benefits	2,823,502
General and administration	857,191
Depreciation	57,497
Total operating expenses	100,356,458
Operating income	18,529,091

**NONOPERATING REVENUES (EXPENSES)**

Interest income	449,967
Nonoperating revenues (expenses)	449,967

**CHANGE IN NET POSITION**

	18,979,058
Net position at beginning of period	158,738,650
Net position at end of period	\$ 177,717,708

# CENTRAL COAST COMMUNITY ENERGY

## STATEMENT OF CASH FLOWS October 1, 2020 through March 31, 2021

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 130,129,512
Receipts from suppliers and market settlements	3,606,312
Payments to suppliers for electricity	(113,347,824)
Payments for other goods and services	(4,090,068)
Payments for staff compensation and benefits	(2,639,221)
Payments of taxes and surcharges to other governments	(3,214,109)
Net cash provided by operating activities	<u>10,444,602</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(43,672)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>449,967</u>
Net change in cash and cash equivalents	10,850,897
Cash and cash equivalents at beginning of year	147,900,665
Cash and cash equivalents at end of period	<u>\$ 158,751,562</u>

### Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 156,957,562
Restricted cash	1,794,000
Cash and cash equivalents	<u>\$ 158,751,562</u>

**CENTRAL COAST COMMUNITY ENERGY**  
**STATEMENT OF CASH FLOWS (continued)**  
**October 1, 2020 through March 31, 2021**

**RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 18,529,091
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	57,497
Revenue adjusted for uncollectible accounts	1,200,791
(Increase) decrease in:	
Accounts receivable	4,306,552
Market settlements receivable	10,391
Accrued revenue	2,799,782
Other receivables	(209,755)
Prepaid expenses	(2,130,049)
Deposits	(460,000)
Increase (decrease) in:	
Accrued cost of electricity	(13,515,572)
Accounts payable	245,907
Accrued payroll and benefits	175,489
Other accrued liabilities	(157,000)
Customer rebate liabilities	(10,298)
User taxes due to other governments	(266,974)
Supplier security deposits	(131,250)
Net cash provided by operating activities	<u>\$ 10,444,602</u>



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Central Coast Community Energy

Management is responsible for the accompanying special purpose statement of Central Coast Community Energy (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended March 31, 2021, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of the Authority.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Central Coast Community Energy's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
April 28, 2021

**CENTRAL COAST COMMUNITY ENERGY**  
**BUDGETARY COMPARISON SCHEDULE**  
**October 1, 2020 through March 31, 2021**

	2020/21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Actual / Budget %	2020/21 Annual Budget	2020/21 Budget Remaining	2020/21 Budget Remaining / Budget %
REVENUES AND OTHER SOURCES							
Net revenue - electricity	114,490,000	118,885,549	4,395,545	104%	287,560,000	168,674,451	59%
Investment and miscellaneous income	900,000	449,967	(450,033)	50%	1,800,000	1,350,033	75%
Total revenues and other sources	115,390,000	119,335,516	3,945,512	103%	289,360,000	170,024,484	59%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	109,936,000	93,412,534	(16,523,466)	85%	249,241,000	155,828,466	63%
Data manager	1,545,000	1,510,018	(34,982)	98%	3,315,000	1,804,982	54%
PG&E service fees	732,000	714,571	(17,429)	98%	1,572,000	857,429	55%
Staffing	4,077,000	2,823,502	(1,253,498)	69%	8,156,000	5,332,498	65%
Professional services	416,000	366,316	(49,684)	88%	740,000	373,684	50%
Legal services	286,000	147,573	(138,427)	52%	572,000	424,427	74%
Marketing and customer enrollment	593,000	430,225	(162,775)	73%	1,302,000	871,775	67%
Other general & administration	819,000	722,191	(96,809)	88%	1,640,000	917,809	56%
Total current expenditures	118,404,000	100,126,930	(18,277,070)	85%	266,538,000	166,411,070	62%
Other Uses							
Capital outlay	2,168,000	22,985	(2,145,015)	1%	3,963,000	3,940,015	99%
Total Expenditures and Other Uses	120,572,000	100,149,915	(20,422,085)	83%	270,501,000	170,351,085	63%
Surplus Before Rebates, Program & Reserve Transfers	(5,182,000)	19,185,601	24,367,601		18,859,000	(326,601)	-2%
Program expenditures	3,812,000	172,031	(3,639,969)	5%	6,153,000	5,980,969	97%
Uninterruptible Power Supply expenditures	30,000	-	(30,000)	0%	60,000	60,000	100%
Surplus After Rebates, Program & Reserve Transfers	<u>\$ (9,024,000)</u>	<u>\$ 19,013,570</u>	<u>\$ 28,037,570</u>		<u>\$ 12,646,000</u>	<u>\$ (6,367,570)</u>	



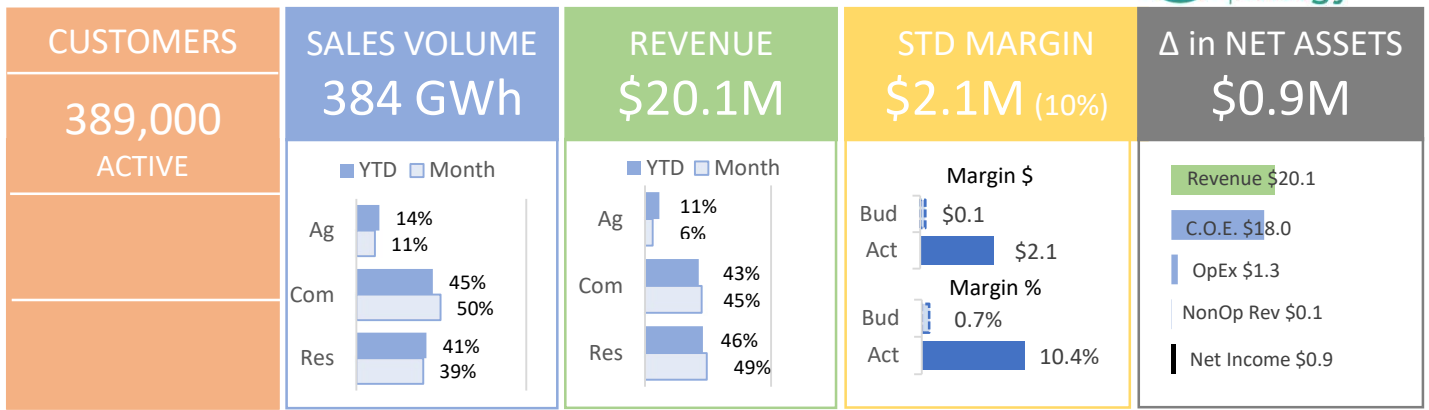
**CENTRAL COAST COMMUNITY ENERGY**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**October 1, 2020 through March 31, 2021**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 19,013,570
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(57,497)
Add back capital asset acquisitions	<u>22,985</u>
Change in Net Position	<u><u>\$ 18,979,058</u></u>

**CENTRAL COAST COMMUNITY ENERGY**  
**Budget Commentary for significant items**  
**October 1, 2020 through March 31, 2021**

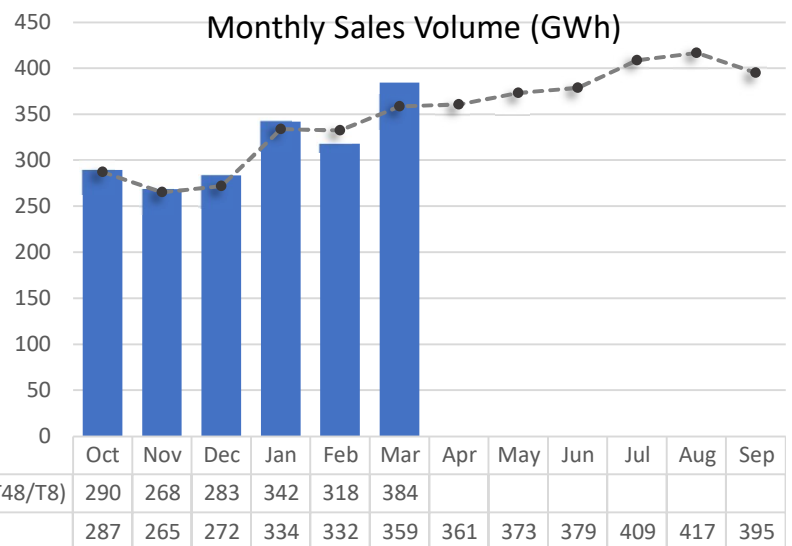
Budget Item	YTD Variance	Comment
Electric Sales Revenue	104%	Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.
Cost of Energy	85%	This variance is primarily due to (1) timing difference between projected and actual REC deliveries, (2) variance from actual to anticipated market prices, and (3) variance from actual to expected volume used by customers.
Staffing	69%	Staffing expenses are under budget due to the timing of new hires.
Professional Services	88%	This category includes accounting, IT, technical and other consultants.
Legal Costs	52%	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	73%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	98%	These fees non-discretionary and are charged on a per customer basis.
PG&E Fees	98%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	88%	This category includes occupancy costs, industry membership dues, and other general and administrative costs.
Energy and Related Programs	5%	Programs expenses have generally been delayed until future periods

# Financial Dashboard: March 2021

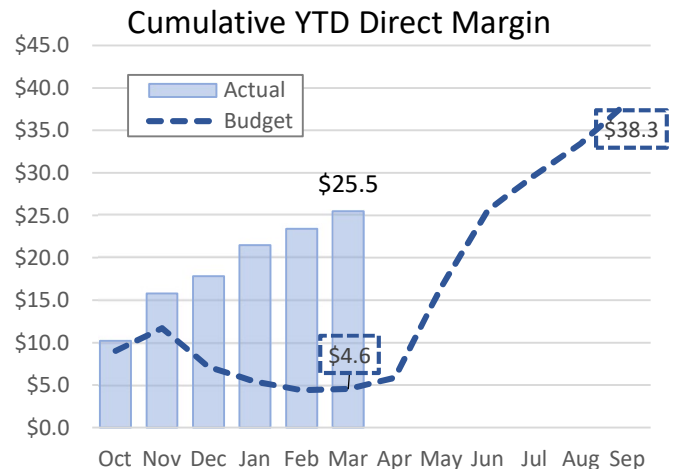
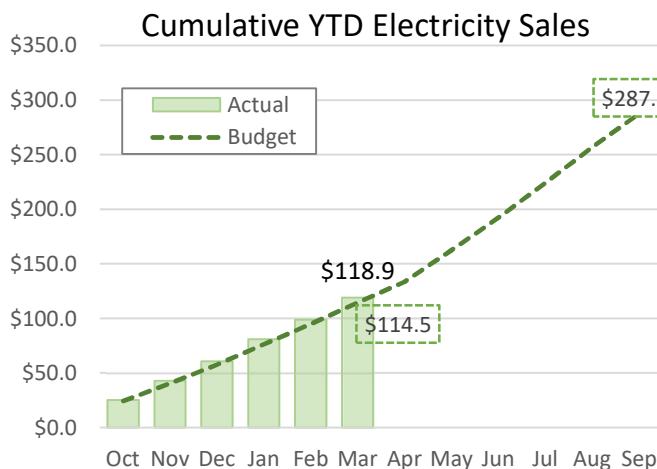


March revenue of \$20.1M accounted for 384 GWh in net retail consumption. This comes in 25 GWh ahead budget for the month and 36 GWh ahead for the fiscal year.

Our YTD Revenue exceeded budget by \$4.4M, while margin beat budget by \$20.9M.



Fiscal Year Electricity Sales are \$4.4M above budget, Margin dollars are \$20.9M above budget.



## Data Definitions:

CUSTOMERS: From GridX invoice.

REPORTED / SALES VOLUME: Best available estimate of actual meter volume. Currently based on GridX T+8 SQMD Report and T+48 when available.

REVENUE: Total Operating Revenue, net of uncollectible, (excludes Miscellaneous and Interest income).

NON-OP REV: Other uses, primarily Interest Income

ELECTRICITY SALES: Sales from electricity (net of uncollectible).

STD MARGIN: Electricity Sales less cost of energy (Forecasting & scheduling included in Cost of Energy to match budget)

ACTUAL: Same as sales volume above

BUDGET: Volumes from Final FY20/21 budget

# Reforecast Summary

## CENTRAL COAST COMMUNITY ENERGY

### FY 2020-21 REFORECAST OVERVIEW

May 12, 2021

(\$ in thousands)								
Period Ending Sep 30	Audited Financials FY 2019/20	% of Rev	Approved Budget FY 2020/21	% of Rev	Reforecast (6A + 6 F) FY 2020/21	% of Rev	Change \$	Change %
<b>REVENUE AND OTHER SOURCES</b>								
Revenue - Electricity	234,308		290,464		268,854		(21,611)	
Less: Uncollectible Accounts	(3,215)		(2,905)		(2,689)		216	
Net Revenue - Electricity	231,093	100.0%	287,560	100.0%	266,165	100.0%	(21,395)	(7.4%)
Investment and Miscellaneous Income	7,817	3.4%	1,800	0.6%	738	0.3%	(1,062)	(59.0%)
<b>Total net revenue and other sources</b>	<b>238,910</b>	<b>103.4%</b>	<b>289,360</b>	<b>100.6%</b>	<b>266,903</b>	<b>100.3%</b>	<b>(22,457)</b>	<b>(7.8%)</b>
<b>EXPENDITURES AND OTHER USES</b>								
<b>CURRENT EXPENDITURES</b>								
Cost of energy	185,544	80.3%	249,241	86.7%	243,414	91.5%	(5,826)	(2.3%)
Data manager	2,603	1.1%	3,315	1.2%	3,280	1.2%	(35)	(1.1%)
PG&E service fees	1,241	0.5%	1,572	0.5%	1,555	0.6%	(17)	(1.1%)
Staffing	4,369	1.9%	8,156	2.8%	6,960	2.6%	(1,196)	(14.7%)
Professional services	1,218	0.5%	740	0.3%	692	0.3%	(48)	(6.4%)
Legal Services	330	0.1%	572	0.2%	645	0.2%	73	12.7%
Marketing and Customer Enrollment	685	0.3%	1,302	0.5%	1,083	0.4%	(219)	(16.8%)
General and administration	1,193	0.5%	1,640	0.6%	1,625	0.6%	(15)	(0.9%)
	197,183		266,538		259,254		(7,285)	(2.7%)
<b>OTHER USES</b>								
Capital outlay	108	0.0%	3,963	1.4%	175	0.1%	(3,788)	(95.6%)
Total other uses	108	0.0%	3,963	1.4%	175	0.1%	(3,788)	(95.6%)
<b>DEBT SERVICE</b>								
Principal and interest	0	0.0%	0	0.0%	0	0.0%		0.0%
<b>Total expenditures and Other Uses</b>	<b>197,291</b>	<b>85.4%</b>	<b>270,501</b>	<b>94.1%</b>	<b>259,429</b>	<b>97.5%</b>	<b>(11,073)</b>	<b>(4.1%)</b>
<b>Fund balance surplus BEFORE Rebate, Program and Reserve</b>	<b>41,619</b>	<b>18.0%</b>	<b>18,858</b>	<b>6.6%</b>	<b>7,474</b>	<b>2.8%</b>	<b>(11,384)</b>	<b>(60.4%)</b>
Rebate Expenditures	2,577	1.1%	0	0.0%	0	0.0%		0.0%
Transfer to Rate Stabilization Reserve	32,109	13.9%	10,232	3.6%	(511)	(0.2%)	(10,742)	(105.0%)
Transfer to Program Funds	6,933	3.0%	8,627	3.0%	7,985	3.0%	(642)	(7.4%)
<b>Fund balance surplus AFTER Rebate, Program and Reserve</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
<b>Program Balance:</b>								
Carryover balance	7,009		13,749		13,746		(3)	
Net increase	6,933	3.0%	8,627	3.0%	7,985	3.0%	(642)	(7.4%)
Encumbrance	0	0.0%	0	0.0%	(4,495)	(1.7%)	(4,495)	0.0%
Propose to spend	(195)	(0.1%)	(6,153)	(2.1%)	(7,224)	(2.7%)	(1,070)	17.4%
<b>Ending balance</b>	<b>13,746</b>		<b>16,223</b>		<b>10,013</b>		<b>(6,210)</b>	<b>(38.3%)</b>
<b>Uninterruptible Power Supply Fund Balance:</b>								
Carryover balance	0		24,825		25,000		175	
Net increase - Uninterruptible Power Supply Fund	25,000	10.8%	0	0.0%		0.0%		0.0%
Propose to spend			(60)		(27)	(0.0%)	33	(55.3%)
<b>Ending balance</b>	<b>25,000</b>		<b>24,765</b>		<b>24,973</b>		<b>208</b>	<b>0.8%</b>
<b>Rate Stabilization Reserve Balance:</b>								
Carryover balance	112,356		119,607		119,465		(142)	
Net increase - Rate Stabilization Reserve	32,109	13.9%	10,232	3.6%	(511)	(0.2%)	(10,742)	(105.0%)
Transfer to Uninterruptible Power Supply Fund	(25,000)					0.0%	0	0.0%
<b>Ending balance</b>	<b>119,465</b>		<b>129,839</b>		<b>118,954</b>		<b>(10,884)</b>	<b>(8.4%)</b>
% of operating expenses	61%		48%		46%			
	<b>Above Target</b>		<b>Below Target</b>		<b>Below Target</b>			

#### Key Statistics:

Total Load (MWh) - Retail	3,157,473	4,182,727	4,194,720
\$/MWh - Net Electricity Sales	\$ 73.19	\$ 68.75	\$ 63.45
\$/MWh - Total Expenditures	\$ 62.48	\$ 64.67	\$ 61.85
Total Load (MWh) - Wholesale	3,374,811	4,442,620	4,483,454
\$/MWh - Cost of Energy	\$ 54.98	\$ 56.10	\$ 54.29
Net Margin	\$ 32,108,797	\$ 10,231,549	\$ (510,605)
Net Margin %	13%	4%	0%

# Analytical Review

<b>Net Revenue - Electricity</b>	Revenue includes actual and forecasted retail sales for the period ending September 30, 2021, reduced by 1% of assumed uncollectable. The reason of the lower-than-expected revenues of \$21.4 million is primarily due to 3CE's current rate design, which required 3CE to adjust rates as often as PG&E adjusted theirs. In January and March 2021, 3CE decreased its generation rates to accommodate PG&E's 6% rate reduction and a 12% increase of the Power Charge Indifference Adjustment (PCIA).
<b>Investment &amp; Misc. Income</b>	Interest income is \$1 million lower than expected due to the rapidly declining interest rates. The average Annual Percentage Yield (APY) declined from 1.5% in June 2020 to 0.4% in March 2021.
<b>Cost of Energy</b>	Cost of Energy is lower than budgeted (\$5.8 million) due to lower sales in January and February 2021, and higher market prices in the first half of the fiscal year.
<b>Staffing</b>	Payroll and benefits expenses are under budget (\$1.2 million) due to the timing of new hires.
<b>Legal Services</b>	There is an expected increase in legal and regulatory counsel expenses for additional general litigation (brown act compliant), the Long Duration Storage (LDS) program, prepayment JPA, PG&E Energy Resource Recovery Account (ERRA), and potential General Rate Case (GRC) projects.
<b>Capital Outlay</b>	The capital expenditure has been significantly reduced, by \$3.8 million, due to the postponement of building 3CE headquarter for future date. 3CE staff has suspended the negotiations with the real estate developer after the consideration of the COVID-19 pandemic impact on the market conditions.
<b>Energy Program</b>	<p>The increase of program spending by \$1 million is primarily due to a reallocation of California Electric Vehicle Infrastructure Project (CALeVIP) funding to FY20/21 after the change of their program administration. This increase has been partially offset by the delay of the School Bus Electrification Program and Electrification Education Grant.</p> <p>The Energy Program Fund ending balance has been reduced from \$16.2 million to \$10 million due to the encumbered fund of \$4.5 million being set aside for the Zero Emission School Bus Electrification Program (1 million) and the MUD Electrification Grant Program (\$3.5 million).</p>
<b>Rate Stabilization Reserve (RSR)</b>	The RSR ending balance has been reduced from 48% (\$129.8 million) to 46% (\$119 million) of operating expenses primarily due to the revenue reduction as explained above.

**CENTRAL COAST COMMUNITY ENERGY**  
**Investment Summary**  
**October 1, 2020 through March 31, 2021**

<b>Return of Investments</b>	<u>YTD</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<i>Money Market and other Interest Earning Accounts</i>	\$ 449,965	\$ 89,978	\$ 81,484	\$ 79,921	\$ 78,143	\$ 62,295	\$ 58,145						
<i>Funds Invested - Average Balance</i>	\$ 149,502,000	\$ 156,073,000	\$ 161,622,000	\$ 166,914,000	\$ 166,500,000	\$ 159,854,000							
<i>Average APY</i>		0.72%	0.63%	0.59%	0.56%	0.45%	0.44%						

**CENTRAL COAST COMMUNITY ENERGY**  
**Accounts Receivable Aging Report**  
**As of March 31, 2021**

		DAYS				
		0-30	31-60	61-90	90-120	Over 120
<b>Accounts Receivable, net</b>	<b>Total</b>					
	22,072,000	18,493,000	1,739,000	896,000	437,000	507,000
<b>Period %</b>	<b>100%</b>	84%	8%	4%	2%	2%

**Monterey Bay Community Power Authority**  
**Personnel Report**  
**As of May 12, 2021**

Position	Budget	Actual	Status
CEO	1	1	
Chief Operating Officer/General Counsel	1	1	
Manager of HR	1	1	
Director of Communications & Outreach	1	1	
Manager of Energy Communications	1	1	
Senior Energy Media Specialist	1	1	
Energy Marketing Specialist	1	1	
Marketing Outreach Representative (Temp)	1	0	
Manager of Energy Accounts Services	1	1	
Key Account Specialist	1	1	
Key Account Specialist (SLO)	1	1	
Energy Accounts Specialist	1	1	
Energy Accounts Specialist (SLO)	1	0	Recruitment in progress
Energy Public Engagement Associate	1	1	
Energy Public Engagement Associate (SLO)	1	1	
Energy Public Engagement Representative (Temp)	1	0	Recruitment in progress
Director of Energy Programs	1	1	
Manager of Energy Programs	1	1	
Energy Programs Analyst	1	1	
Energy Programs Analyst	1	0	
Manager of Energy Business Development	1	1	
Programs Outreach Representative (Temp)	1	1	
Director of Regulatory & Legislative Affairs	1	0	Recruitment in progress
Manager of Regulatory & Legislative Affairs	1	1	
Policy Advisor	1	1	
Local Gov. Affairs Advisor	1	1	
Chief Financial & Technology Officer	1	1	
Manager of Finance & Rates	1	1	
Data Analyst	1	1	
Energy Accountant	1	1	
Analyst, Data Management	1	1	
Director of Data Science & Technology	1	0	
Data Scientist	1	1	
Senior IT Systems Administrator	1	1	
Executive Assistant / Board Clerk	1	1	
Administrative Operations Associate	1	1	
Administrative Assistant	1	0	
Administrative Assistant	1	0	
Director of Power Supply Resources	1	1	
Manager of Energy Trading	1	1	
Manager of Energy Contracts & Compliance	1	0	Recruitment in progress
Manager of Energy Risk & Analytics	1	1	
Power Supply Analyst	1	1	
<b>Total</b>	43	34	