



TREASURER REPORT

Fiscal Year to Date
As of December 31, 2022

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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 December 31, 2022, 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
January 31, 2023

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF NET POSITION

As of December 31, 2022

ASSETS

Current assets	
Cash and cash equivalents	
Held for working capital	\$ 51,300,000
Held for reserves	64,516,778
Cash and cash equivalents	<u>115,816,778</u>
Accounts receivable, net of allowance	36,604,989
Accrued revenue	28,027,416
Loan receivable	185,467
Other receivables	18,954,098
Prepaid expenses	803,457
Deposits	12,294,320
Restricted cash	294,000
Investments - held for reserves	92,422,603
Total current assets	<u>305,403,128</u>
Noncurrent assets	
Deposits	23,182
Loan receivable	1,614,833
Capital assets, net of depreciation	249,492
Total noncurrent assets	<u>1,887,507</u>
Total assets	<u>307,290,635</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	50,692,437
Accounts payable	611,909
Other accrued liabilities	1,024,823
User taxes and energy surcharges due to other governments	1,871,564
Security deposits - energy suppliers	2,500,000
Total current liabilities	<u>56,700,733</u>
Noncurrent liabilities	
Security deposits - energy suppliers	9,131,250
Total noncurrent liabilities	<u>9,131,250</u>
Total liabilities	<u>65,831,983</u>

NET POSITION

Investment in capital assets	249,492
Restricted for security collateral	294,000
Unrestricted	240,915,160
Total net position	<u>\$ 241,458,652</u>

CENTRAL COAST COMMUNITY ENERGY

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

Three Months Ended December 31, 2022

OPERATING REVENUES

Electricity sales, net	\$ 120,872,021
Liquidated damages	7,452,000
Other income	19,910
Total operating revenues	<u>128,343,931</u>

OPERATING EXPENSES

Cost of electricity	99,490,758
Contract services	1,636,721
Staff compensation	1,595,630
General and administration	1,419,257
Depreciation	25,519
Total operating expenses	<u>104,167,885</u>
Operating income (loss)	24,176,046

NONOPERATING REVENUES (EXPENSES)

Interest and investment income	<u>1,467,423</u>
Nonoperating revenues (expenses)	<u>1,467,423</u>

CHANGE IN NET POSITION

Net position at beginning of period	<u>215,815,183</u>
Net position at end of period	<u>\$ 241,458,652</u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS Three Months Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 123,546,170
Receipts from liquidated damages	147,000
Receipts from suppliers	320,748
Other operating receipts	19,910
Payments to suppliers for electricity	(91,979,696)
Payments for other goods and services	(3,809,280)
Payments for staff compensation	(1,630,475)
Payments of taxes and energy surcharges to other governments	(2,263,987)
Net cash provided by operating activities	<u>24,350,390</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments received on loan receivable	<u>199,700</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	(55,692)
	<u>(55,692)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	385,511
Sales of investments	5,000,000
Purchase of investments	(64,160,000)
Net cash provided (used) by investing activities	<u>(58,774,489)</u>

Net change in cash and cash equivalents	(34,280,091)
Cash and cash equivalents at beginning of year	150,390,869
Cash and cash equivalents at end of period	<u>\$ 116,110,778</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 115,816,778
Restricted cash	294,000
Cash and cash equivalents	<u>\$ 116,110,778</u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS (continued)

Three Months Ended December 31, 2022

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 24,176,046
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation expense	25,519
Provision for uncollectible accounts	1,840,655
(Increase) decrease in:	
Accounts receivable, net	8,661,956
Accrued revenue	(9,865,470)
Other receivables	(8,051,840)
Prepaid expenses	(495,038)
Deposits	(4,000,390)
Increase (decrease) in:	
Accrued cost of electricity	10,617,855
Accounts payable	(977,302)
Other accrued liabilities	(11,201)
User taxes and energy surcharges due to other governments	(70,400)
Security deposits - energy suppliers	2,500,000
Net cash provided by operating activities	<u>\$ 24,350,390</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Central Coast Community Energy

Management is responsible for the accompanying special purpose statements of Central Coast Community Energy (a California Joint Powers Authority) which comprise the budgetary comparison schedule and a supplemental budgetary comparison schedule for the period ended December 31, 2022, 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
January 31, 2023

CENTRAL COAST COMMUNITY ENERGY
BUDGETARY COMPARISON SCHEDULE
Three Months Ended December 31, 2022

	<u>2022/23 YTD Actual</u>	<u>2022/23 Annual Budget</u>	<u>2022/23 Budget Less Actual</u>
Expenditures			
Cost of energy	\$ 99,663,507	\$ 377,918,806	\$ 278,255,299
Data manager	15,476	2,793,200	2,777,724
Utility service fees	434,699	2,100,000	1,665,301
Advertising	18,469	500,000	481,531
Contingency	-	1,100,000	1,100,000
Subscriptions	11,575	611,062	599,487
Legal	255,672	1,844,660	1,588,988
IT consulting	260,472	593,469	332,997
Other consultants	228,504	563,000	334,496
Technical consultants	43,121	1,541,093	1,497,972
Employee welfare	174,111	1,086,406	912,295
Retirement plan contributions	109,913	707,508	597,595
Salaries and wages	1,311,606	7,042,640	5,731,034
Energy programs	945,884	15,992,012	15,046,128
Bad debt allowance	1,838,285	7,500,000	5,661,715
Other (not displayed in approved budget)	669,357	3,756,205	3,086,848
Total expenditures	<u>\$ 105,980,651</u>	<u>\$ 425,650,061</u>	<u>\$ 319,669,410</u>

CENTRAL COAST COMMUNITY ENERGY
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Three Months Ended December 31, 2022

	2022/23 YTD Budget	2022/23 YTD Actual	2022/23 YTD Budget Variance (Under) Over	2022/23 YTD Actual / Budget %	2022/23 Annual Budget	2022/23 Budget Less Actual	2022/23 Budget Remaining / Budget %
REVENUES AND OTHER SOURCES							
Electricity sales	\$ 127,660,000	\$ 122,710,306	\$ (4,949,694)	96%	\$ 436,500,000	\$ 313,789,694	72%
Less uncollectible accounts	(1,875,000)	(1,838,285)	36,715	98%	(7,500,000)	(5,661,715)	75%
Revenue for damages	-	7,452,000	7,452,000	n/a	-	(7,452,000)	n/a
Investment and miscellaneous income	-	1,487,333	1,487,333	n/a	-	(1,487,333)	n/a
Total revenues and other sources	<u>125,785,000</u>	<u>129,811,354</u>	<u>4,026,354</u>	<u>103%</u>	<u>429,000,000</u>	<u>299,188,646</u>	<u>70%</u>
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	82,035,000	99,663,507	17,628,507	121%	377,919,000	278,255,493	74%
Energy programs (incentives and grants)	3,998,000	945,884	(3,052,116)	24%	15,992,000	15,046,116	94%
Data manager	23,000	15,476	(7,524)	67%	2,793,000	2,777,524	99%
Utility service fees	525,000	434,699	(90,301)	83%	2,100,000	1,665,301	79%
Staffing	2,309,000	1,595,630	(713,370)	69%	9,244,000	7,648,370	83%
Professional services	1,314,000	598,186	(715,814)	46%	3,397,000	2,798,814	82%
Legal services	491,000	272,245	(218,755)	55%	1,965,000	1,692,755	86%
Marketing and customer enrollment	248,000	50,405	(197,595)	20%	994,000	943,595	95%
Other general & administration	952,000	566,334	(385,666)	59%	3,746,000	3,179,666	85%
Total current expenditures	<u>91,895,000</u>	<u>104,142,366</u>	<u>12,247,366</u>	<u>113%</u>	<u>418,150,000</u>	<u>314,007,634</u>	<u>75%</u>
Other Uses							
Capital outlay	-	55,693	55,693	n/a	-	(55,693)	n/a
Total other uses	<u>-</u>	<u>55,693</u>	<u>55,693</u>	<u>n/a</u>	<u>-</u>	<u>(55,693)</u>	<u>n/a</u>
Total Expenditures and Other Uses	<u>91,895,000</u>	<u>104,198,059</u>	<u>12,303,059</u>	<u>113%</u>	<u>418,150,000</u>	<u>313,951,941</u>	<u>75%</u>
Surplus (Deficit)	<u>\$ 33,890,000</u>	<u>\$ 25,613,295</u>	<u>\$ (8,276,705)</u>		<u>\$ 10,850,000</u>	<u>\$ (14,763,295)</u>	<u>-136%</u>
Reserves at end of reporting period:							
Held for Working Capital	\$ 51,300,000						
Held for Reserves - Cash and Cash Equivalents	64,516,778						
Held for Reserves - Investments	92,422,603						
Total	<u>\$ 208,239,381</u>						

CENTRAL COAST COMMUNITY ENERGY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Three Months Ended December 31, 2022

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 25,613,295
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(25,519)
Add back capital asset acquisitions	<u>55,693</u>
Change in Net Position	<u><u>\$ 25,643,469</u></u>

CENTRAL COAST COMMUNITY ENERGY
Budget Commentary for significant items
October 1, 2022 through December 31, 2022

Budget Item	YTD Variance	Comment
Electric Sales Revenue	(3.9%)	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	21.5%	Variances in this category are typically 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	(30.9%)	Staffing expenses are under budget due to the timing of new hires.
Professional Services	(54.5%)	This category includes accounting, IT, technical and other consultants.
Legal Costs	(44.6%)	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	(79.7%)	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	(32.7%)	These fees non-discretionary and are charged on a per customer basis.
Utility Service Fees	(17.2%)	These are PG&E and SCE fees charged on a per customer basis.
Other General & Administrative	(40.5%)	This category includes occupancy costs, industry membership dues, and other general and administrative costs.
Energy and Related Programs	(76.3%)	Programs expenses have generally been delayed until future periods

Financial Dashboard: December 2022

CUSTOMERS	SALES VOLUME 429 GWh	REVENUE \$44.7M	STD MARGIN \$0.9M (2.2%)	Δ in NET ASSETS \$2.5M																																
445,000 ACTIVE	<p>■ YTD ■ Month</p> <table border="1"> <tr><th>Category</th><th>YTD</th><th>Month</th></tr> <tr><td>Ag</td><td>13%</td><td>11%</td></tr> <tr><td>Com</td><td>37%</td><td>36%</td></tr> <tr><td>Res</td><td>33%</td><td>36%</td></tr> </table>	Category	YTD	Month	Ag	13%	11%	Com	37%	36%	Res	33%	36%	<p>■ YTD ■ Month</p> <table border="1"> <tr><th>Category</th><th>YTD</th><th>Month</th></tr> <tr><td>Ag</td><td>14%</td><td>9%</td></tr> <tr><td>Com</td><td>38%</td><td>38%</td></tr> <tr><td>Res</td><td>32%</td><td>39%</td></tr> </table>	Category	YTD	Month	Ag	14%	9%	Com	38%	38%	Res	32%	39%	<p>Margin \$</p> <table border="1"> <tr><td>Bud</td><td>\$12.6</td></tr> <tr><td>Act</td><td>\$0.9</td></tr> </table> <p>Margin %</p> <table border="1"> <tr><td>Bud</td><td>30.6%</td></tr> <tr><td>Act</td><td>2.2%</td></tr> </table>	Bud	\$12.6	Act	\$0.9	Bud	30.6%	Act	2.2%	<p>Revenue \$44.7</p> <p>C.O.E. \$40.0</p> <p>OpEx \$2.2</p> <p>Net Income \$2.5</p>
Category	YTD	Month																																		
Ag	13%	11%																																		
Com	37%	36%																																		
Res	33%	36%																																		
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Bud	\$12.6																																			
Act	\$0.9																																			
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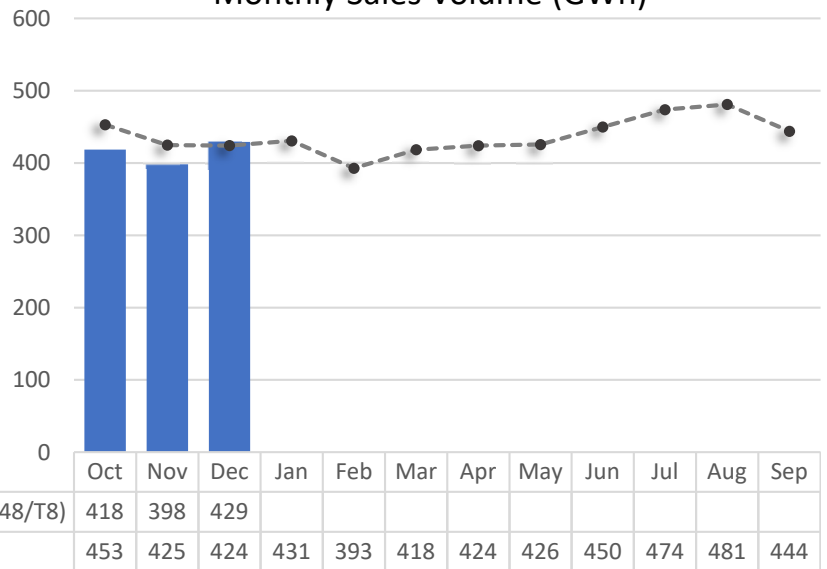
December revenue of \$44.7M accounts for 429 GWh in net retail consumption. This comes in 5Gwh above budgeted volume.

Year-to-date electricity revenue is \$120.9M compared to a budget of \$125.8M. YTD Margin of \$21.2M is down \$10.9M.

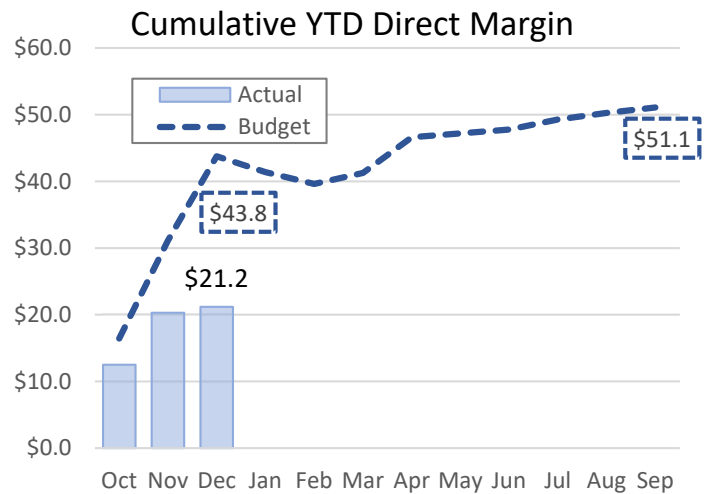
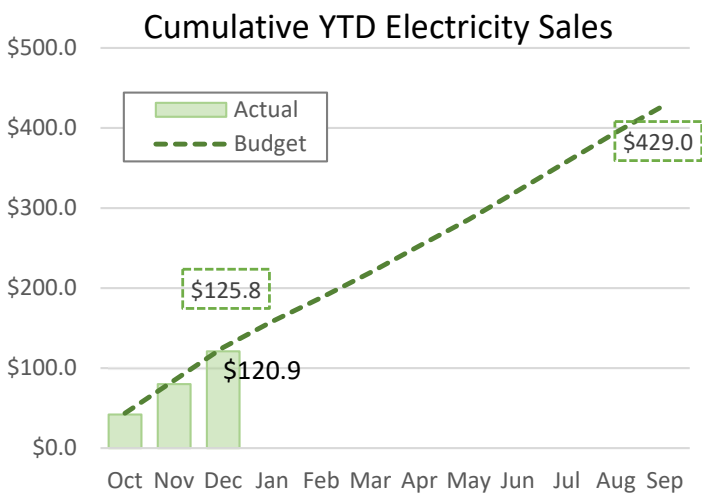
The chart to the right shows volume comparison to budgeted volume.

The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)



Fiscal Year Electricity Sales are \$4.7M behind budget, Margin dollars are \$22.5M below budget.



Data Definitions:

- CUSTOMERS: Count of active customers from Calpine.
- REPORTED / SALES VOLUME: Best available estimate of actual meter volume. Currently based on 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 FY22/23 budget

CENTRAL COAST COMMUNITY ENERGY
Investment Summary
October 1, 2022 through December 31, 2022

Return of Investments	<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>
CASH AND CASH EQUIVALENTS													
River City Bank - Money Market and other Interest Earning Accounts													
<i>Funds Invested - Average Balance</i>		\$ 68,793,882	\$ 70,230,463	\$ 70,636,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 298,945	\$ 85,008	\$ 94,651	\$ 119,286									
<i>Average APY</i>		1.48%	1.62%	2.03%									
INVESTMENTS													
River City Bank - Treasury-indexed products													
<i>Funds Invested - Average Balance</i>		\$ 40,162,814	\$ 45,259,882	\$ 55,127,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 421,567	\$ 67,213.37	\$ 146,549.22	\$ 207,805									
<i>Average APY</i>		2.01%	3.89%	4.52%									
RBC GAM / Principal Financial													
<i>Funds Invested - Average Balance</i>		\$ 75,380,564	\$ 75,641,706	\$ 75,948,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 711,762	\$ 143,733.97	\$ 261,142.30	\$ 306,886.17									
<i>Average APY</i>		2.29%	4.14%	4.85%									
Benchmark - iShares ICE Short Treasury Index		0.47%	0.47%	0.47%									