



TREASURER REPORT

Fiscal Year to Date
As of September 30, 2023

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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 September 30, 2023, 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
November 13, 2023

CENTRAL COAST COMMUNITY ENERGY
STATEMENT OF NET POSITION
As of September 30, 2023

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 195,739,869
Accounts receivable, net of allowance	32,759,275
Accrued revenue	24,865,108
Other receivables	4,273,462
Loan receivable	187,201
Prepaid expenses	380,211
Deposits	6,494,094
Cash - restricted	294,000
Investments	59,245,668
Total current assets	324,238,888
Noncurrent assets	
Deposits	23,182
Loan receivable	1,520,797
Lease asset, net of amortization	1,426,467
Capital assets, net of depreciation and amortization	581,751
Total noncurrent assets	3,552,197
Total assets	327,791,085

LIABILITIES

Current liabilities	
Accrued cost of electricity	47,466,867
Accounts payable	2,777,101
Other accrued liabilities	787,569
User taxes and energy surcharges due to other governments	1,753,727
Lease liability	300,423
Security deposits - energy suppliers	21,126,030
Total current liabilities	74,211,717
Noncurrent liabilities	
Security deposits - energy suppliers	9,131,250
Lease liability	1,166,952
Total noncurrent liabilities	10,298,202
Total liabilities	84,509,919

NET POSITION

Net investment in capital assets	520,678
Restricted for security collateral	294,000
Unrestricted	242,466,488
Total net position	\$ 243,281,166

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended September 30, 2023

OPERATING REVENUES

Electricity sales, net	\$ 450,713,404
Liquidated damages	750,000
Other income	155,868
Total operating revenues	<u>451,619,272</u>

OPERATING EXPENSES

Cost of electricity	397,291,158
Contract services	10,865,868
Staff compensation	6,200,593
Other operating expenses	1,869,295
Program incentives	8,484,775
Depreciation and amortization	418,568
Total operating expenses	<u>425,130,257</u>
Operating income (loss)	26,489,015

NONOPERATING REVENUES (EXPENSES)

Interest and investment returns	8,184,122
Grant revenue	1,450,969
Nonoperating revenues (expenses)	<u>9,581,593</u>

CHANGE IN NET POSITION

	36,070,608
Net position at beginning of period	<u>207,210,558</u>
Net position at end of period	<u>\$ 243,281,166</u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 466,288,740
Receipts of liquidated damages	897,000
Other operating receipts	155,868
Receipts of deposits and collateral	53,684,900
Payments to suppliers for electricity	(392,088,213)
Payments of deposits and collateral	(30,759,035)
Payments for other goods and services	(12,022,291)
Payments for program incentives	(7,797,967)
Payments of staff compensation	(6,467,228)
Payments of taxes and energy surcharges to other governments	(8,274,859)
Net cash provided by operating activities	<u>63,616,915</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments received of loan receivable	292,002
Grant revenue	1,450,969
Net cash provided by non-capital financing activities	<u>1,742,971</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of lease liability	(264,318)
Payments to acquire capital assets	(509,105)
Net cash provided by capital and related financing activities	<u>(773,423)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	7,060,790
Proceeds from investment sales	111,223,174
Purchase of investments	(137,227,427)
Net cash provided (used) by investing activities	<u>(18,943,463)</u>

Net change in cash and cash equivalents	45,643,000
Cash and cash equivalents at beginning of year	150,390,869
Cash and cash equivalents at end of period	<u>\$ 196,033,869</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents	\$ 195,739,869
Restricted cash	294,000
Cash and cash equivalents	<u>\$ 196,033,869</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 20,165
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CENTRAL COAST COMMUNITY ENERGY
STATEMENT OF CASH FLOWS (continued)
Year Ended September 30, 2023

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

Operating income (loss)	\$ 26,489,015
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation and amortization expense	418,568
(Increase) decrease in:	
Accounts receivable, net of allowance	14,348,325
Accrued revenue	(6,703,164)
Other receivables	(1,913,221)
Prepaid expenses	(71,792)
Deposits	1,799,836
Increase (decrease) in:	
Accrued cost of electricity	7,392,285
Accounts payable	1,167,725
Other accrued liabilities	(248,455)
User taxes and energy surcharges due to other governments	(188,237)
Security deposits - energy suppliers	21,126,030
Net cash provided by operating activities	<u>\$ 63,616,915</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 September 30, 2023, 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
November 13, 2023

CENTRAL COAST COMMUNITY ENERGY
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2023

	2022/23 YTD Budget (Amended)	2022/23 YTD Actual	2022/23 YTD Budget Variance (Under) Over	2022/23 YTD Actual / Budget %	2022/23 Annual Budget (Amended)	2022/23 Budget Less Actual	2022/23 Budget Remaining / Budget %
REVENUES AND OTHER SOURCES							
Electricity sales	\$ 463,110,000	\$ 459,028,029	\$ (4,081,971)	99%	\$ 463,110,000	\$ 4,081,971	1%
Uncollectible accounts	(7,500,000)	(6,863,656)	636,344	92%	(7,500,000)	(636,344)	8%
Net revenue - electricity	455,610,000	452,164,373	(3,445,627)	99%	455,610,000	3,445,627	1%
Investment and miscellaneous income	6,187,000	8,339,990	2,152,990	n/a	6,187,000	(2,152,990)	n/a
Total revenues and other sources	461,797,000	461,254,363	(542,637)	100%	461,797,000	542,637	0%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	403,427,000	398,884,224	(4,542,776)	99%	403,427,000	4,542,776	1%
Energy programs (incentives and grants)	15,920,000	9,266,438	(6,653,562)	58%	15,920,000	6,653,562	42%
Data manager	2,975,000	2,967,678	(7,322)	100%	2,975,000	7,322	0%
Utility service fees	1,808,000	1,831,586	23,586	101%	1,808,000	(23,586)	-1%
Staffing	9,191,000	6,200,593	(2,990,407)	67%	9,191,000	2,990,407	33%
Professional services	3,317,000	2,151,323	(1,165,677)	65%	3,317,000	1,165,677	35%
Legal services	1,860,000	1,223,252	(636,748)	66%	1,860,000	636,748	34%
Marketing and customer enrollment	951,000	717,428	(233,572)	75%	951,000	233,572	25%
Other general & administration	3,599,000	2,133,615	(1,465,385)	59%	3,599,000	1,465,385	41%
Total current expenditures	443,048,000	425,376,137	(17,671,863)	96%	443,048,000	17,671,863	4%
Other Uses							
Capital outlay	203,000	129,142	(73,858)	n/a	203,000	73,858	n/a
Total other uses	203,000	129,142	(73,858)	n/a	203,000	73,858	n/a
Total expenditures and other uses	443,251,000	425,505,279	(17,745,721)	96%	443,251,000	17,745,721	4%
Surplus (Deficit)	\$ 18,546,000	\$ 35,749,084	\$ 17,203,084		\$ 18,546,000	\$ (17,203,084)	-93%
Reserves at end of reporting period:							
Held for working capital	\$ 50,200,000						
Held for reserves - cash and cash equivalents	140,839,869						
Held for reserves - investments	59,245,668						
Total	\$ 250,285,537						

**CENTRAL COAST COMMUNITY ENERGY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended September 30, 2023**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 35,749,084
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Add back GASB 87 lease amortization not in operating budget	210,822
Subtract depreciation expense	(418,568)
Add back capital asset acquisitions	<u>529,270</u>
Change in Net Position	<u><u>\$ 36,070,608</u></u>

CENTRAL COAST COMMUNITY ENERGY
Budget Commentary for significant items
October 1, 2022 through September 30, 2023

Budget Item	YTD Variance	Comment
Electric Sales Revenue	(0.9%)	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	(1.1%)	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. Cost of energy includes scheduling coordinator fees for budget purposes only.
Staffing	(32.5%)	Staffing expenses are under budget due to the timing of new hires.
Professional Services	(35.1%)	This category includes accounting, IT, technical and other consultants.
Legal Costs	(34.2%)	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	(24.6%)	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	(0.2%)	These fees non-discretionary and are charged on a per customer basis.
Utility Service Fees	1.3%	These are PG&E and SCE fees charged on a per customer basis.
Other General & Administrative	(40.7%)	This category includes occupancy costs, industry membership dues, and other general and administrative costs.
Energy and Related Programs	(41.8%)	Programs expenses have generally been delayed until future periods

Financial Dashboard: September 2023

CUSTOMERS	SALES VOLUME	REVENUE	STD MARGIN	Δ in NET ASSETS
457,000 ACTIVE	409 GWh	\$39.8M	-\$17.5M (45%)	-\$20.4M

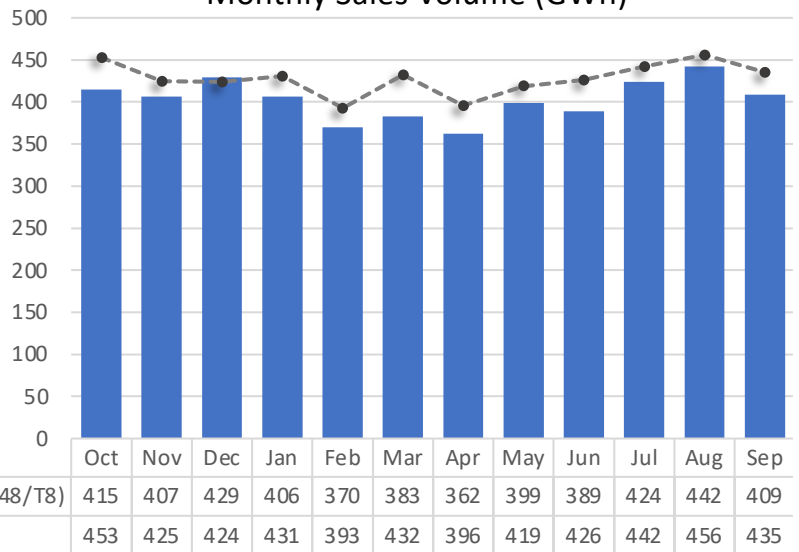
September revenue of \$39.8M accounts for 409 GWh in net retail consumption.

Fiscal Year electricity revenue is \$452M compared to an amended budget of \$456M. YTD Direct Margin (defined as Electricity Sales less Cost of Energy) of \$53M is ahead of amended budget by \$1.1M.

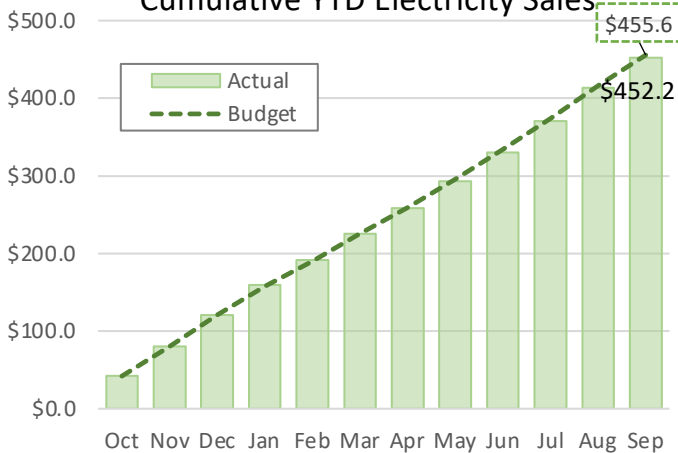
The chart to the right shows volume comparison to budgeted volume.

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

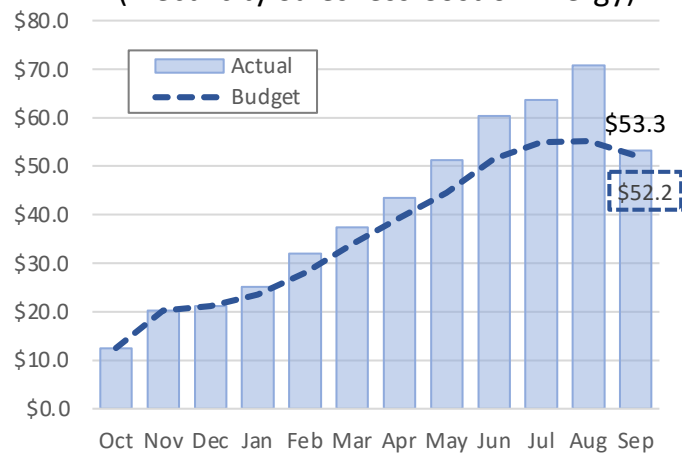
Monthly Sales Volume (GWh)



Cumulative YTD Electricity Sales



Cumulative YTD Direct Margin (Electricity Sales less Cost of Energy)



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 (no update for amended budget)

CENTRAL COAST COMMUNITY ENERGY
Investment Summary
October 1, 2022 through September 30, 2023

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	\$ 68,570,477	\$ 76,819,998	\$ 92,274,506	\$ 104,647,869	\$ 105,080,118	\$ 111,614,272	\$ 114,000,514	\$ 119,614,629	\$ 126,865,152
<i>Gains/Losses/Interest</i>	\$ 2,528,887	\$ 85,008	\$ 94,651	\$ 119,286	\$ 123,533	\$ 137,627	\$ 205,218	\$ 240,392	\$ 257,694	\$ 273,188	\$ 302,124	\$ 332,859	\$ 357,308
<i>Average APY</i>		1.48%	1.62%	2.03%	2.16%	2.15%	2.67%	2.76%	2.94%	2.94%	3.18%	3.34%	3.38%
INVESTMENTS													
River City Bank - Treasury-indexed products													
<i>Funds Invested - Average Balance</i>		\$ 40,162,814	\$ 45,259,882	\$ 55,127,902	\$ 47,699,367	\$ 47,828,254	\$ 42,893,075	\$ 42,856,284	\$ 42,594,899	\$ 42,768,287	\$ 32,732,944	\$ 47,754,493	\$ 40,000,000
<i>Gains/Losses/Interest</i>	\$ 2,052,288	67,213.37	146,549.22	207,805	214,163	186,551	167,504	148,003	185,195	177,344	206,535	\$ 224,925	120,500
<i>Average APY</i>		2.01%	3.89%	4.52%	5.39%	4.68%	4.69%	4.14%	5.22%	4.98%	7.57%	5.65%	3.62%
RBC GAM / Principal Financial/ Schwab/ Chase													
<i>Funds Invested - Average Balance</i>		\$ 75,380,564	\$ 75,641,706	\$ 75,948,593	\$ 76,212,285	\$ 76,458,827	\$ 76,851,697	\$ 77,101,019	\$ 77,341,109	\$ 77,675,387	\$ 77,988,923	\$ 78,339,918	\$ 78,686,011
<i>Gains/Losses/Interest</i>	\$ 3,461,134	143,733.97	261,142.30	306,886.17	266,301.86	246,542.46	392,869.54	252,509.11	240,089.34	334,278.08	316,486.41	\$ 350,995	349,299
<i>Average APY</i>		2.29%	4.14%	4.85%	4.19%	3.87%	6.13%	3.93%	3.73%	5.16%	4.87%	5.38%	5.33%

CENTRAL COAST COMMUNITY ENERGY
Summary of Accounts Receivable, Net of Bad Debt Allowance
As of September 30, 2023

<u>Current</u>	<u>0 - 30 Days</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>> 91 Days</u>	<u>A/R Balance</u>
19,424,430	9,802,764	2,510,135	608,982	412,964	32,759,275