



TREASURER REPORT

Fiscal Year to Date
As of December 31, 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 December 31, 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
January 29, 2024

CENTRAL COAST COMMUNITY ENERGY
STATEMENT OF NET POSITION
As of December 31, 2023

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 169,025,868
Accounts receivable, net of allowance	33,191,063
Accrued revenue	28,779,085
Other receivables	371,527
Loan receivable	188,951
Prepaid expenses	1,956,852
Deposits	16,054,329
Cash - restricted	294,000
Investments	89,742,481
Total current assets	339,604,156
Noncurrent assets	
Deposits	23,182
Loan receivable	1,425,882
Lease asset, net of amortization	1,342,557
Capital assets, net of depreciation and amortization	549,748
Total noncurrent assets	3,341,369
Total assets	342,945,525

LIABILITIES

Current liabilities	
Accrued cost of electricity	38,040,466
Accounts payable	1,763,185
Other accrued liabilities	955,105
User taxes and energy surcharges due to other governments	1,836,917
Lease liability	306,469
Security deposits - energy suppliers	501,000
Total current liabilities	43,403,142
Noncurrent liabilities	
Security deposits - energy suppliers	29,756,280
Lease liability	1,089,039
Total noncurrent liabilities	30,845,319
Total liabilities	74,248,461

NET POSITION

Net investment in capital assets	496,797
Restricted for security collateral	294,000
Unrestricted	267,906,267
Total net position	\$ 268,697,064

CENTRAL COAST COMMUNITY ENERGY

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

Three Months Ended December 31, 2023

OPERATING REVENUES

Electricity sales, net	\$ 123,465,181
Total operating revenues	<u>123,465,181</u>

OPERATING EXPENSES

Cost of electricity	93,795,363
Contract services	2,308,380
Staff compensation	1,878,121
Other operating expenses	387,627
Program incentives	1,105,594
Depreciation and amortization	<u>137,776</u>
Total operating expenses	<u>99,612,861</u>
Operating income (loss)	23,852,320

NONOPERATING REVENUES (EXPENSES)

Interest and investment returns	2,993,099
Interest and financing costs	<u>(19,680)</u>
Nonoperating revenues (expenses)	<u>2,973,419</u>

CHANGE IN NET POSITION

	26,825,739
Net position at beginning of period	<u>241,871,325</u>
Net position at end of period	<u>\$ 268,697,064</u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS Three Months Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 121,235,154
Receipts of deposits and collateral	25,330,483
Payments to suppliers for electricity	(102,386,584)
Payments of deposits and collateral	(34,890,718)
Payments for other goods and services	(3,055,453)
Payments for program incentives	(1,792,402)
Payments of staff compensation	(1,617,687)
Payments of taxes and energy surcharges to other governments	(2,029,548)
Net cash provided by operating activities	<u>793,245</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Interest and related expense payments	<u>(3,440)</u>
Net cash provided by non-capital financing activities	<u>(3,440)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of lease liability	(88,106)
Payments to acquire capital assets	<u>(42,028)</u>
Net cash provided (used) by capital and related financing activities	<u>(130,134)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	2,457,308
Proceeds from investment sales	19,214,155
Principal payments received of loan receivable	93,165
Purchase of investments	<u>(49,138,300)</u>
Net cash provided (used) by investing activities	<u>(27,373,672)</u>

Net change in cash and cash equivalents	(26,714,001)
Cash and cash equivalents at beginning of year	<u>196,033,869</u>
Cash and cash equivalents at end of period	<u>\$ 169,319,868</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted	\$ 169,025,868
Cash - restricted	<u>294,000</u>
Cash and cash equivalents	<u>\$ 169,319,868</u>

CENTRAL COAST COMMUNITY ENERGY
STATEMENT OF CASH FLOWS (continued)
Three Months Ended December 31, 2023

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

Operating income (loss)	\$ 23,852,320
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation and amortization expense	137,776
(Increase) decrease in:	
Accounts receivable, net of allowance	(431,788)
Accrued revenue	(3,913,978)
Other receivables	3,865,058
Prepaid expenses	(1,576,641)
Deposits	(9,560,235)
Increase (decrease) in:	
Accrued cost of electricity	(10,882,010)
Accounts payable	(993,751)
Other accrued liabilities	213,304
User taxes and energy surcharges due to other governments	83,190
Net cash provided by operating activities	<u>\$ 793,245</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, 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
January 29, 2024

CENTRAL COAST COMMUNITY ENERGY
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Three Months Ended December 31, 2023

	<u>2023/24 YTD Budget</u>	<u>2023/24 YTD Actual</u>	<u>2023/24 YTD Budget Variance (Under) Over</u>	<u>2023/24 YTD Actual / Budget %</u>	<u>2023/24 Annual Budget</u>	<u>2023/24 Budget Less Actual</u>	<u>2023/24 Budget Remaining / Budget %</u>
REVENUES AND OTHER SOURCES							
Electricity sales	\$ 135,042,000	\$ 125,127,777	\$ (9,914,223)	93%	\$ 563,933,447	\$ 438,805,670	78%
Uncollectible accounts	(1,875,000)	(1,664,200)	210,800	89%	(7,500,000)	(5,835,800)	78%
Electricity sales, net	<u>133,167,000</u>	<u>123,463,577</u>	<u>(9,703,423)</u>	<u>93%</u>	<u>556,433,447</u>	<u>432,969,870</u>	<u>78%</u>
Investment and miscellaneous income	1,600,000	2,994,703	1,394,703	187%	6,400,000	3,405,297	53%
Total revenues and other sources	<u>134,767,000</u>	<u>126,458,280</u>	<u>(8,308,720)</u>	<u>94%</u>	<u>562,833,447</u>	<u>436,375,167</u>	<u>78%</u>
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	90,515,000	93,869,112	3,354,112	104%	520,297,514	426,428,402	82%
Salaries and benefits	2,384,000	1,878,121	(505,879)	79%	9,537,076	7,658,955	80%
Services and supplies	<u>8,250,000</u>	<u>3,957,175</u>	<u>(4,292,825)</u>	<u>48%</u>	<u>32,998,857</u>	<u>29,041,682</u>	<u>88%</u>
Total current expenditures	<u>101,149,000</u>	<u>99,704,408</u>	<u>(1,444,592)</u>	<u>99%</u>	<u>562,833,447</u>	<u>463,129,039</u>	<u>82%</u>
Surplus (deficit)	<u>\$ 33,618,000</u>	<u>\$ 26,753,872</u>	<u>\$ (6,864,128)</u>		<u>\$ -</u>	<u>\$ (26,753,872)</u>	

**CENTRAL COAST COMMUNITY ENERGY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Three Months Ended December 31, 2023**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 26,753,872
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	<u>71,867</u>
Change in Net Position	<u><u>\$ 26,825,739</u></u>

CENTRAL COAST COMMUNITY ENERGY
Budget Commentary for significant items
October 1, 2023 through December 31, 2023

Budget Item	YTD Variance	Comment
Electric Sales Revenue	(7.3%)	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	3.7%	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	(21.2%)	Staffing expenses are under budget due to the timing of new hires.
Professional Services	(67.1%)	This category includes accounting, IT, technical and other consultants.
Legal Costs	(59.3%)	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	(58.4%)	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	(7.6%)	These fees non-discretionary and are charged on a per customer basis.
Utility Service Fees	(4.7%)	These are PG&E and SCE fees charged on a per customer basis.
Other General & Administrative	(49.0%)	This category includes occupancy costs, industry membership dues, and other general and administrative costs.
Energy and Related Programs	(67.4%)	Programs expenses have generally been delayed until future periods

Financial Dashboard: December 2023

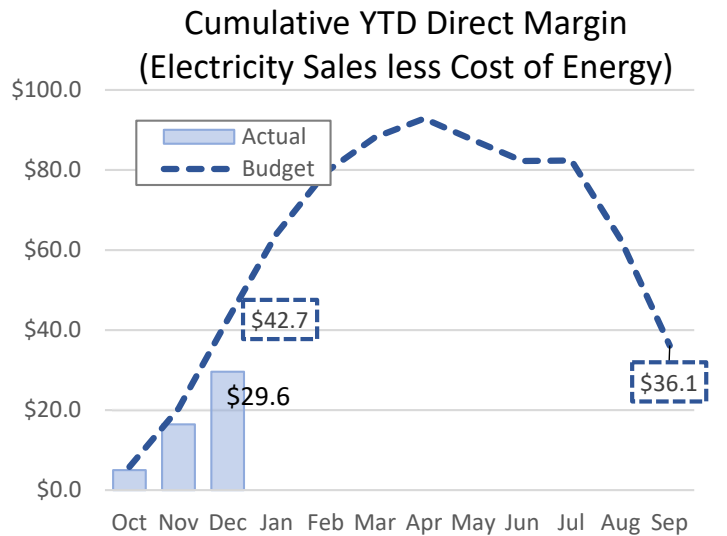
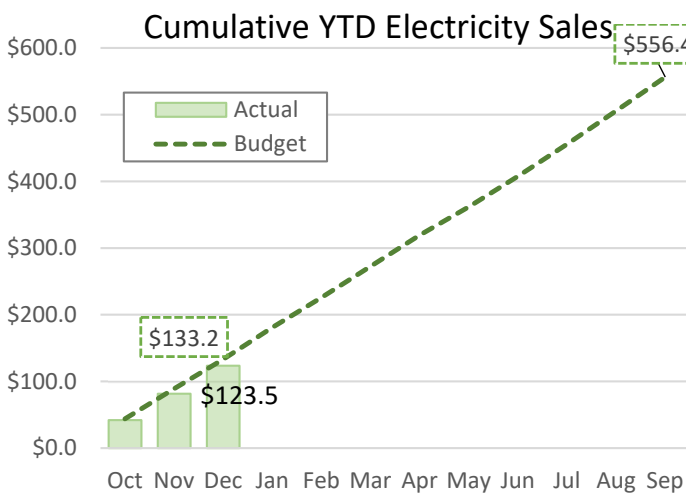
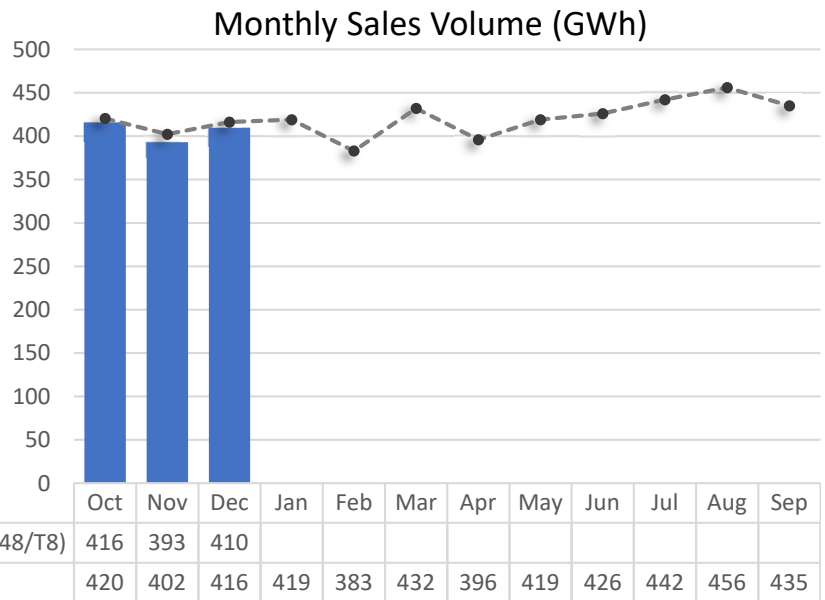
CUSTOMERS	SALES VOLUME 410 GWh	REVENUE \$42.9M	STD MARGIN \$13.2M (31%)	Δ in NET ASSETS \$12.0M																																
456,000 ACTIVE	<p>■ YTD ■ Month</p> <table border="1"> <tr><th>Category</th><th>YTD</th><th>Month</th></tr> <tr><td>Ag</td><td>17%</td><td>12%</td></tr> <tr><td>Com</td><td>48%</td><td>47%</td></tr> <tr><td>Res</td><td>36%</td><td>41%</td></tr> </table>	Category	YTD	Month	Ag	17%	12%	Com	48%	47%	Res	36%	41%	<p>■ YTD ■ Month</p> <table border="1"> <tr><th>Category</th><th>YTD</th><th>Month</th></tr> <tr><td>Ag</td><td>15%</td><td>11%</td></tr> <tr><td>Com</td><td>46%</td><td>45%</td></tr> <tr><td>Res</td><td>39%</td><td>45%</td></tr> </table>	Category	YTD	Month	Ag	15%	11%	Com	46%	45%	Res	39%	45%	<p>Margin \$</p> <table border="1"> <tr><td>Bud</td><td>\$22.9</td></tr> <tr><td>Act</td><td>\$13.2</td></tr> </table> <p>Margin %</p> <table border="1"> <tr><td>Bud</td><td>51.2%</td></tr> <tr><td>Act</td><td>31.4%</td></tr> </table>	Bud	\$22.9	Act	\$13.2	Bud	51.2%	Act	31.4%	<p>Revenue \$42.9</p> <p>C.O.E. \$28.7</p> <p>OpEx \$2.3</p> <p>Net Income \$12.0</p>
Category	YTD	Month																																		
Ag	17%	12%																																		
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Act	\$13.2																																			
Bud	51.2%																																			
Act	31.4%																																			

December revenue of \$42.9M accounts for 410 GWh in net retail consumption, 6 GWh below budget.

YTD Electricity revenue is \$123.5M compared to budget of \$133.2M. YTD Direct Margin (defined as Electricity Sales less Cost of Energy) of \$29.6M is below budget by \$13.1M.

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

The charts below display cumulative revenue and margin \$ vs 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 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 FY23/24 budget

CENTRAL COAST COMMUNITY ENERGY
Summary of Accounts Receivable, Net of Bad Debt Allowance
As of December 31, 2023

Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	> 91 Days	A/R Balance
\$ 17,851,987	\$ 11,784,440	\$ 3,158,102	\$ 724,961	\$ (328,427)	\$ 33,191,063