



## TREASURER REPORT

Fiscal Year to Date  
As of March 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 March 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  
May 5, 2023

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

**ASSETS**

Current assets	
Cash and cash equivalents	
Held for working capital reserves	\$ 39,500,000
Held for reserves - other	96,283,529
Held for program commitments	<u>6,500,000</u>
Cash and cash equivalents	142,283,529
Accounts receivable, net of allowance	32,860,736
Accrued revenue	19,699,631
Energy settlements receivable	1,644,447
Other receivables	1,739,307
Loan receivable	185,467
Prepaid expenses	1,715,824
Deposits	4,957,863
Restricted cash	294,000
Investments - held for reserves	<u>87,372,060</u>
Total current assets	<u>292,752,864</u>
Noncurrent assets	
Deposits	23,182
Loan receivable	1,614,833
Capital assets, net of depreciation	<u>229,619</u>
Total noncurrent assets	<u>1,867,634</u>
Total assets	<u>294,620,498</u>

**LIABILITIES**

Current liabilities	
Accrued cost of electricity	37,447,884
Accounts payable	2,083,654
Other accrued liabilities	1,021,559
User taxes and energy surcharges due to other governments	1,846,522
Security deposits - energy suppliers	<u>6,501,030</u>
Total current liabilities	<u>48,900,649</u>
Noncurrent liabilities	
Security deposits - energy suppliers	<u>9,131,250</u>
Total noncurrent liabilities	<u>9,131,250</u>
Total liabilities	<u>58,031,899</u>

**NET POSITION**

Investment in capital assets	229,619
Restricted for security collateral	294,000
Unrestricted	<u>236,064,980</u>
Total net position	<u>\$ 236,588,599</u>

# CENTRAL COAST COMMUNITY ENERGY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Six Months Ended March 31, 2023

### OPERATING REVENUES

Electricity sales, net	\$ 223,594,334
Other income	45,180
Total operating revenues	<u>223,639,514</u>

### OPERATING EXPENSES

Cost of electricity	187,359,453
Contract services	4,223,985
Staff compensation	3,185,947
Other operating expenses	4,382,353
Depreciation	50,479
Total operating expenses	<u>199,202,217</u>
Operating income (loss)	24,437,297

### NONOPERATING REVENUES (EXPENSES)

Interest and investment income	3,489,775
Grant revenue	1,450,969
Nonoperating revenues (expenses)	<u>4,940,744</u>

### CHANGE IN NET POSITION

	29,378,041
Net position at beginning of period	<u>207,210,558</u>
Net position at end of period	<u>\$ 236,588,599</u>

# CENTRAL COAST COMMUNITY ENERGY

## STATEMENT OF CASH FLOWS Six Months Ended March 31, 2023

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 240,494,011
Receipts from liquidated damages	147,000
Receipts from suppliers	1,143,444
Other operating receipts	45,180
Payments to suppliers for electricity	(184,072,139)
Payments for other goods and services	(7,756,580)
Payments for staff compensation	(3,287,032)
Payments of taxes and energy surcharges to other governments	(4,442,396)
Net cash provided by operating activities	<u>42,271,488</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments received on loan receivable	199,700
Receipts from grantor	<u>1,450,969</u>
Net cash provided by non-capital financing activities	<u>1,650,669</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	(60,779)
	<u>(60,779)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	3,085,282
Proceeds from investment sales	28,300,000
Purchase of investments	(83,060,000)
Net cash provided (used) by investing activities	<u>(51,674,718)</u>

Net change in cash and cash equivalents	(7,813,340)
Cash and cash equivalents at beginning of year	<u>150,390,869</u>
Cash and cash equivalents at end of period	<u>\$ 142,577,529</u>

### Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 142,283,529
Restricted cash	<u>294,000</u>
Cash and cash equivalents	<u>\$ 142,577,529</u>

**CENTRAL COAST COMMUNITY ENERGY**  
**STATEMENT OF CASH FLOWS (continued)**  
**Six Months Ended March 31, 2023**

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

Operating income (loss)	\$ 24,437,297
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation expense	50,479
Provision for uncollectible accounts	1,954,020
(Increase) decrease in:	
Accounts receivable, net	12,292,844
Accrued revenue	(1,537,685)
Energy settlements receivable	(1,644,447)
Other receivables	531,450
Prepaid expenses	(1,407,405)
Deposits	3,336,067
Increase (decrease) in:	
Accrued cost of electricity	(2,626,698)
Accounts payable	494,443
Other accrued liabilities	(14,465)
User taxes and energy surcharges due to other governments	(95,442)
Security deposits - energy suppliers	6,501,030
Net cash provided by operating activities	<u>\$ 42,271,488</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 March 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  
May 5, 2023

**CENTRAL COAST COMMUNITY ENERGY**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**Six Months Ended March 31, 2023**

	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 %
<b>REVENUES AND OTHER SOURCES</b>							
Electricity sales	\$ 223,425,000	\$ 228,450,292	\$ 5,025,292	102%	\$ 436,500,000	\$ 208,049,708	48%
Less uncollectible accounts	(3,750,000)	(3,404,989)	345,011	91%	(7,500,000)	(4,095,011)	55%
Net revenue - electricity	219,675,000	225,045,303	5,370,303	102%	429,000,000	203,954,697	48%
Investment and miscellaneous income	-	3,534,955	3,534,955	n/a	-	(3,534,955)	n/a
Total revenues and other sources	219,675,000	228,580,258	8,905,258	104%	429,000,000	200,419,742	47%
<b>EXPENDITURES AND OTHER USES</b>							
<b>Current Expenditures</b>							
Cost of energy	178,418,000	187,605,951	9,187,951	105%	377,919,000	190,313,049	50%
Energy programs (incentives and grants)	7,996,000	3,436,164	(4,559,836)	43%	15,992,000	12,555,836	79%
Data manager	813,000	989,823	176,823	122%	2,793,000	1,803,177	65%
Utility service fees	1,050,000	874,596	(175,404)	83%	2,100,000	1,225,404	58%
Staffing	4,619,000	3,185,947	(1,433,053)	69%	9,244,000	6,058,053	66%
Professional services	2,103,000	1,164,761	(938,239)	55%	3,397,000	2,232,239	66%
Legal services	982,000	579,858	(402,142)	59%	1,965,000	1,385,142	70%
Marketing and customer enrollment	497,000	169,423	(327,577)	34%	994,000	824,577	83%
Other general & administration	2,131,000	1,145,215	(985,785)	54%	3,746,000	2,600,785	69%
Total current expenditures	198,609,000	199,151,738	542,738	100%	418,150,000	218,998,262	52%
<b>Other Uses</b>							
Capital outlay	-	60,779	60,779	n/a	-	(60,779)	n/a
Total other uses	-	60,779	60,779	n/a	-	(60,779)	n/a
Total Expenditures and Other Uses	198,609,000	199,212,517	603,517	100%	418,150,000	218,937,483	52%
Surplus (Deficit)	\$ 21,066,000	\$ 29,367,741	\$ 8,301,741		\$ 10,850,000	\$ (18,517,741)	-171%
<b>Reserves at end of reporting period:</b>							
Held for Working Capital	\$ 39,500,000						
Held for Reserves - Cash and Cash Equivalents	96,283,529						
Held for Reserves - Investments	87,372,060						
Total	\$ 223,155,589						



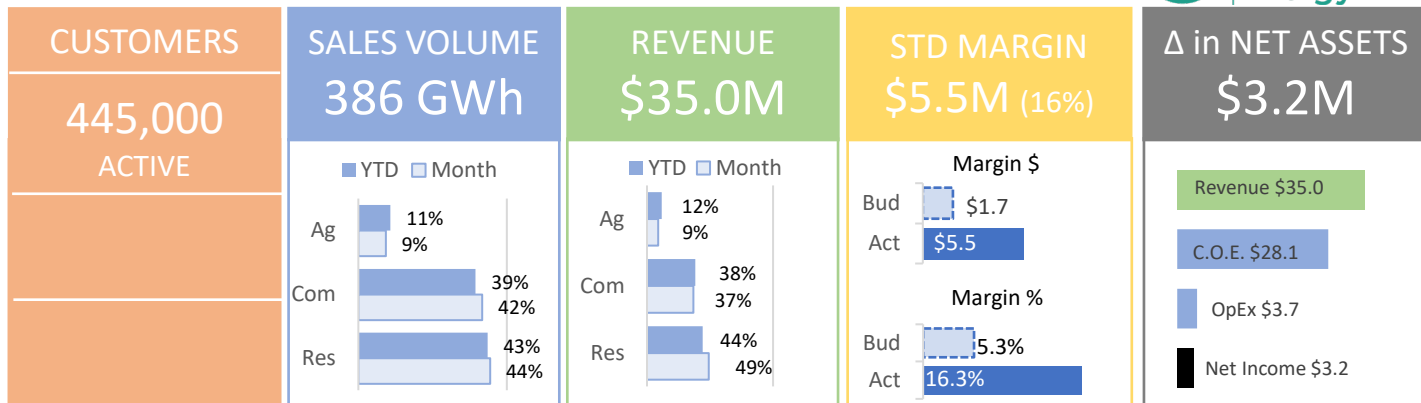
**CENTRAL COAST COMMUNITY ENERGY**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Six Months Ended March 31, 2023**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 29,367,741
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(50,479)
Add back capital asset acquisitions	<u>60,779</u>
Change in Net Position	<u><u>\$ 29,378,041</u></u>

**CENTRAL COAST COMMUNITY ENERGY**  
**Budget Commentary for significant items**  
**October 1, 2022 through March 31, 2023**

Budget Item	YTD Variance	Comment
Electric Sales Revenue	2.2%	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	5.1%	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	(31.0%)	Staffing expenses are under budget due to the timing of new hires.
Professional Services	(44.6%)	This category includes accounting, IT, technical and other consultants.
Legal Costs	(41.0%)	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	(65.9%)	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	21.7%	These fees non-discretionary and are charged on a per customer basis.
Utility Service Fees	(16.7%)	These are PG&E and SCE fees charged on a per customer basis.
Other General & Administrative	(46.3%)	This category includes occupancy costs, industry membership dues, and other general and administrative costs.
Energy and Related Programs	(57.0%)	Programs expenses have generally been delayed until future periods

# Financial Dashboard: March 2023



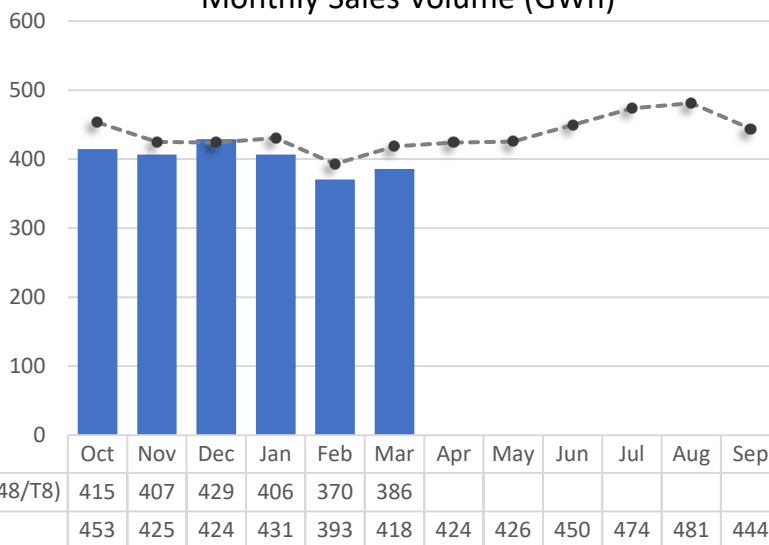
March revenue of \$35M accounts for 386 GWh in net retail consumption. This comes in 32Gwh below budgeted volume.

Year-to-date electricity revenue is \$225M compared to a budget of \$220M. YTD Direct Margin (defined as Electricity Sales less Cost of Energy) of \$37.4M missed budget by \$3.9M.

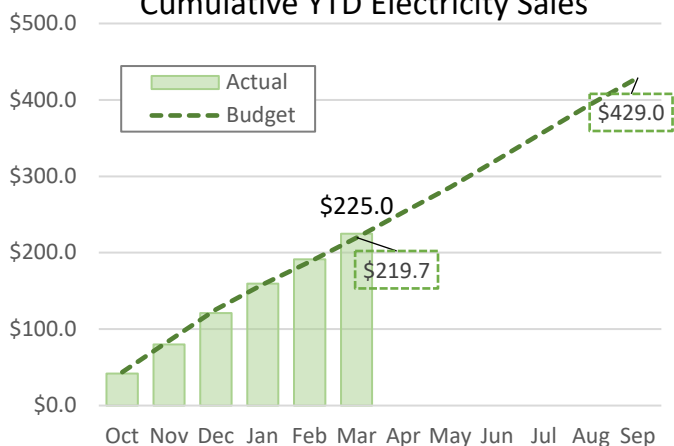
The chart to the right shows volume comparison to budgeted volume.

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

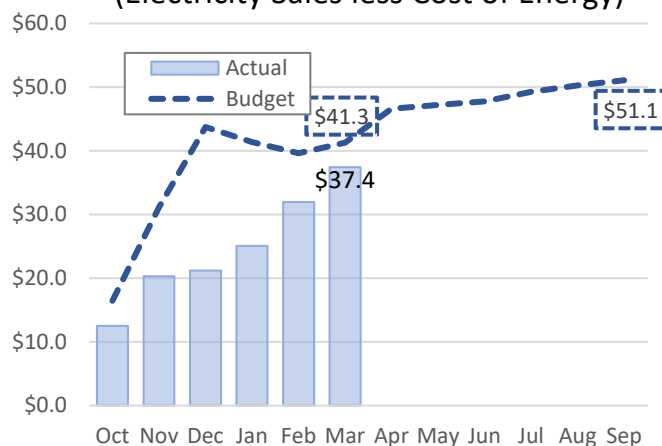
### Monthly Sales Volume (GWh)



### 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

**CENTRAL COAST COMMUNITY ENERGY**  
**Investment Summary**  
**October 1, 2022 through March 31, 2023**

<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>
<b>CASH AND CASH EQUIVALENTS</b>													
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 765,323	\$ 85,008	\$ 94,651	\$ 119,286	\$ 123,533	\$ 137,627	\$ 205,218						
<i>Average APY</i>		1.48%	1.62%	2.03%	2.16%	2.15%	2.67%						
<b>INVESTMENTS</b>													
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 989,786	67,213.37	146,549.22	207,805	214,163	186,551	167,504	-	-	-	-	-	-
<i>Average APY</i>		2.01%	3.89%	4.52%	5.39%	4.68%	4.69%						
RBC GAM / Principal Financial													
<i>Funds Invested - Average Balance</i>		\$ 75,380,564	\$ 75,641,706	\$ 75,948,593	\$ 76,212,285	\$ 76,458,827	\$ 76,851,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 1,617,476	143,733.97	261,142.30	306,886.17	266,301.86	246,542.46	392,869.54	-	-	-	-	-	-
<i>Average APY</i>		2.29%	4.14%	4.85%	4.19%	3.87%	6.13%						