



TREASURER REPORT

Fiscal Year to Date
As of June 30, 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 June 30, 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
July 26, 2022

CENTRAL COAST COMMUNITY ENERGY
STATEMENT OF NET POSITION
As of June 30, 2022

ASSETS

| | |
|---------------------------------------|--------------------|
| Current assets | |
| Cash and cash equivalents | \$ 174,855,018 |
| Accounts receivable, net of allowance | 36,696,659 |
| Accrued revenue | 27,017,261 |
| Loan receivable | 292,002 |
| Other receivables | 342,563 |
| Prepaid expenses | 9,201,994 |
| Deposits | 2,942,750 |
| Restricted cash | 3,115,940 |
| Total current assets | <u>254,464,187</u> |
| Noncurrent assets | |
| Deposits | 23,432 |
| Loan receivable | 1,707,998 |
| Capital assets, net of depreciation | 240,511 |
| Total noncurrent assets | <u>1,971,941</u> |
| Total assets | <u>256,436,128</u> |

LIABILITIES

| | |
|---|-------------------|
| Current liabilities | |
| Accrued cost of electricity | 40,021,015 |
| Accounts payable | 988,638 |
| Other accrued liabilities | 1,077,800 |
| Customer rebate liabilities | 298,147 |
| User taxes and energy surcharges due to other governments | 1,610,864 |
| Total current liabilities | <u>43,996,464</u> |
| Noncurrent liabilities | |
| Security deposits - energy suppliers | 9,131,250 |
| Total noncurrent liabilities | <u>9,131,250</u> |
| Total liabilities | <u>53,127,714</u> |

NET POSITION

| | |
|------------------------------------|-----------------------|
| Investment in capital assets | 240,511 |
| Restricted for security collateral | 3,115,940 |
| Unrestricted | 199,951,963 |
| Total net position | <u>\$ 203,308,414</u> |

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

Nine Months Ended June 30, 2022

OPERATING REVENUES

| | |
|--------------------------|--------------------|
| Electricity sales, net | \$ 273,050,265 |
| Liquidated damages | 2,401,875 |
| Total operating revenues | <u>275,452,140</u> |

OPERATING EXPENSES

| | |
|----------------------------|--------------------|
| Cost of electricity | 247,416,941 |
| Contract services | 6,408,508 |
| Staff compensation | 4,663,517 |
| General and administration | 3,964,371 |
| Depreciation | 67,487 |
| Total operating expenses | <u>262,520,824</u> |
| Operating income (loss) | 12,931,316 |

NONOPERATING REVENUES (EXPENSES)

| | |
|-----------------|----------------|
| Interest income | <u>388,639</u> |
|-----------------|----------------|

CHANGE IN NET POSITION

| | |
|-------------------------------------|-----------------------|
| Net position at beginning of period | <u>189,988,459</u> |
| Net position at end of period | <u>\$ 203,308,414</u> |

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS Nine Months Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-------------------|
| Receipts from customers | \$ 271,654,846 |
| Receipts from liquidated damages | 2,401,875 |
| Receipts from suppliers | 9,796,067 |
| Payments to suppliers for electricity | (241,889,459) |
| Payments for other goods and services | (12,553,750) |
| Payments for staff compensation | (4,799,807) |
| Payments of taxes and energy surcharges to other governments | (4,787,019) |
| Net cash provided by operating activities | <u>19,822,753</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|------------------------------------|---------------|
| Payments to acquire capital assets | <u>20,943</u> |
|------------------------------------|---------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|--------------------|
| Interest income received | 388,639 |
| Loan issued | (2,000,000) |
| Net cash provided (used) by investing activities | <u>(1,611,361)</u> |

| | |
|--|-----------------------|
| Net change in cash and cash equivalents | 18,232,335 |
| Cash and cash equivalents at beginning of year | <u>159,738,623</u> |
| Cash and cash equivalents at end of period | <u>\$ 177,970,958</u> |

Reconciliation to the Statement of Net Position

| | |
|--|-----------------------|
| Cash and cash equivalents (unrestricted) | \$ 174,855,018 |
| Restricted cash | 3,115,940 |
| Cash and cash equivalents | <u>\$ 177,970,958</u> |

CENTRAL COAST COMMUNITY ENERGY
STATEMENT OF CASH FLOWS (continued)
Nine Months Ended June 30, 2022

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

| | |
|---|----------------------|
| Operating income (loss) | \$ 12,931,316 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | |
| Depreciation expense | 67,487 |
| Provision for uncollectible accounts | 1,687,201 |
| (Increase) decrease in: | |
| Accounts receivable | (1,007,561) |
| Accrued revenue | (7,006,164) |
| Energy settlements receivable | 7,856,108 |
| Other receivables | 576,766 |
| Prepaid expenses | (7,663,801) |
| Deposits | (1,224,219) |
| Increase (decrease) in: | |
| Accrued cost of electricity | 11,371,591 |
| Accounts payable | (243,080) |
| Other accrued liabilities | 233,023 |
| Customer rebate liabilities | (8,144) |
| User taxes and energy surcharges due to other governments | 152,230 |
| Security deposits - energy suppliers | 2,100,000 |
| Net cash provided by operating activities | <u>\$ 19,822,753</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 June 30, 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
July 26, 2022

CENTRAL COAST COMMUNITY ENERGY
BUDGETARY COMPARISON SCHEDULE
Nine Months Ended June 30, 2022

| | 2021/22 YTD Budget | 2021/22 YTD Actual | 2021/22 YTD Budget Variance (Under) Over | 2021/22 YTD Actual / Budget % | 2021/22 Annual Budget | 2021/22 Budget Less Actual | 2021/22 Budget Remaining / Budget % |
|---|-----------------------|-----------------------|--|----------------------------------|--------------------------|-------------------------------|---|
| REVENUES AND OTHER SOURCES | | | | | | | |
| Electricity sales | \$ 249,455,000 | \$ 277,166,378 | \$ 27,711,378 | 111% | \$ 359,103,000 | \$ 81,936,622 | 23% |
| Less bill credit | - | - | - | 0% | (3,085,000) | (3,085,000) | 100% |
| Less uncollectible accounts | (3,118,000) | (4,116,113) | (998,113) | 132% | (4,489,000) | (372,887) | 8% |
| Revenue from damages | - | 2,401,875 | 2,401,875 | n/a | - | (2,401,875) | n/a |
| Investment and miscellaneous income | 387,000 | 388,639 | 1,639 | 100% | 516,000 | 127,361 | 25% |
| Total revenues and other sources | <u>246,724,000</u> | <u>275,840,779</u> | <u>29,116,779</u> | <u>112%</u> | <u>352,045,000</u> | <u>76,204,221</u> | <u>22%</u> |
| EXPENDITURES AND OTHER USES | | | | | | | |
| Current Expenditures | | | | | | | |
| Cost of energy | 228,790,000 | 247,638,708 | 18,848,708 | 108% | 326,335,000 | 78,696,292 | 24% |
| Energy programs (incentives and grants) | 9,761,000 | 2,803,083 | (6,957,917) | 29% | 12,270,000 | 9,466,917 | 77% |
| Data manager | 2,829,000 | 2,755,963 | (73,037) | 97% | 3,774,000 | 1,018,037 | 27% |
| Utility service fees | 1,431,000 | 1,305,870 | (125,130) | 91% | 1,893,000 | 587,130 | 31% |
| Staffing | 6,932,000 | 4,663,517 | (2,268,483) | 67% | 9,244,000 | 4,580,483 | 50% |
| Professional services | 1,091,000 | 633,677 | (457,323) | 58% | 1,393,000 | 759,323 | 55% |
| Legal services | 780,000 | 804,160 | 24,160 | 103% | 1,037,000 | 232,840 | 22% |
| Marketing and customer enrollment | 736,000 | 486,839 | (249,161) | 66% | 943,000 | 456,161 | 48% |
| Other general & administration | 1,232,000 | 1,361,520 | 129,520 | 111% | 1,625,000 | 263,480 | 16% |
| Total current expenditures | <u>253,582,000</u> | <u>262,453,337</u> | <u>8,871,337</u> | <u>103%</u> | <u>358,514,000</u> | <u>96,060,663</u> | <u>27%</u> |
| Other Uses | | | | | | | |
| Capital outlay | 81,000 | 1,113 | (79,887) | 1% | 114,000 | 112,887 | 99% |
| Uninterruptible Power Supply expenditures | 2,100,000 | 2,000,000 | (100,000) | 95% | 2,800,000 | 800,000 | 29% |
| Total other uses | <u>2,181,000</u> | <u>2,001,113</u> | <u>(179,887)</u> | <u>92%</u> | <u>2,914,000</u> | <u>912,887</u> | <u>27%</u> |
| Total Expenditures and Other Uses | <u>255,763,000</u> | <u>264,454,450</u> | <u>8,691,450</u> | <u>103%</u> | <u>361,428,000</u> | <u>96,973,550</u> | <u>27%</u> |
| Surplus (Deficit) | <u>\$ (9,039,000)</u> | <u>\$ 11,386,329</u> | <u>\$ 20,425,329</u> | | <u>\$ (9,383,000)</u> | <u>\$ (20,769,329)</u> | <u>221%</u> |

**CENTRAL COAST COMMUNITY ENERGY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Nine Months Ended June 30, 2022**

| | |
|---|-----------------------------|
| CCA Program Surplus/(Deficit) per budgetary comparison schedule: | \$ 11,386,329 |
| Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position: | |
| Subtract depreciation expense | (67,487) |
| Add back capital asset acquisitions | 1,113 |
| Add back loans issued | <u>2,000,000</u> |
| Change in Net Position | <u><u>\$ 13,319,955</u></u> |

CENTRAL COAST COMMUNITY ENERGY
Budget Commentary for significant items
October 1, 2021 through June 30, 2022

| Budget Item | YTD Variance | Comment |
|-----------------------------------|--------------|--|
| Electric Sales Revenue | 11.1% | 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 | 8.2% | 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 | (32.7%) | Staffing expenses are under budget due to the timing of new hires. |
| Professional Services | (41.9%) | This category includes accounting, IT, technical and other consultants. |
| Legal Costs | 3.1% | This category includes outside legal costs for regulatory and energy procurement needs. |
| Marketing and customer enrollment | (33.9%) | Variance is mostly due to the lower than anticipated costs of recent customer enrollments. |
| Data Management Services | (2.6%) | These fees non-discretionary and are charged on a per customer basis. |
| Utility Service Fees | (8.7%) | These are PG&E and SCE fees charged on a per customer basis. |
| Other General & Administrative | 10.5% | This category includes occupancy costs, industry membership dues, and other general and administrative costs. |
| Energy and Related Programs | (71.3%) | Programs expenses have generally been delayed until future periods |

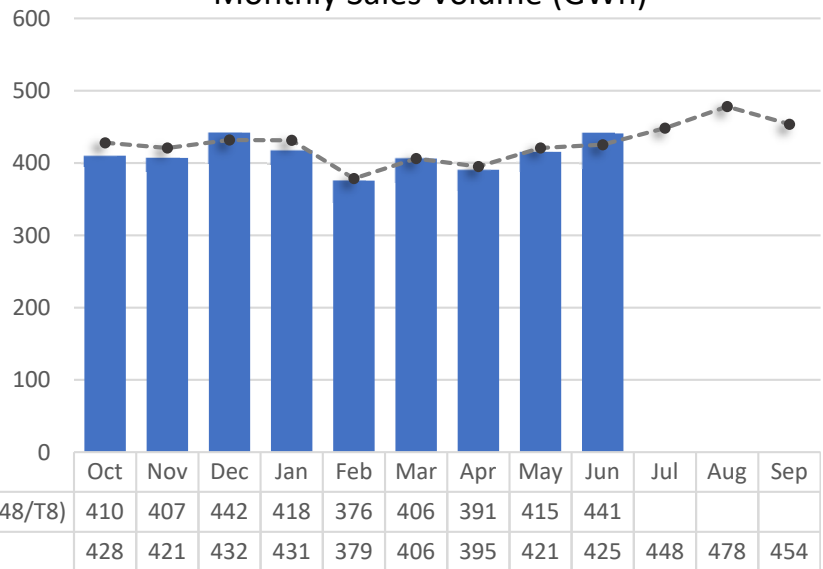
Financial Dashboard: June 2022

| | | | | |
|--|---------------------------------------|----------------------------------|--|---|
| CUSTOMERS 447,500 ACTIVE | SALES VOLUME 441 GWh | REVENUE \$41.3M | STD MARGIN \$4.4M (11%) | Δ in NET ASSETS \$2.5M |
| | | | | |

June revenue of \$41.3M accounts for 441 GWh in net retail consumption. This comes in 16GWH above budgeted volume.

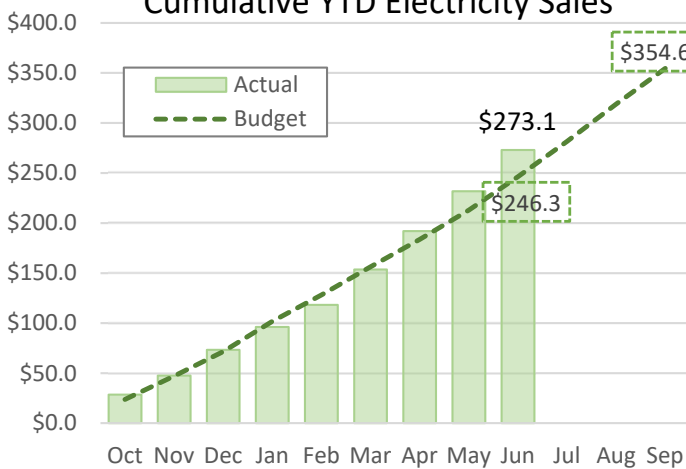
YTD Revenue is \$26.7M ahead of budget, and margin exceeds budget by \$7.9M for the year.

Monthly Sales Volume (GWh)

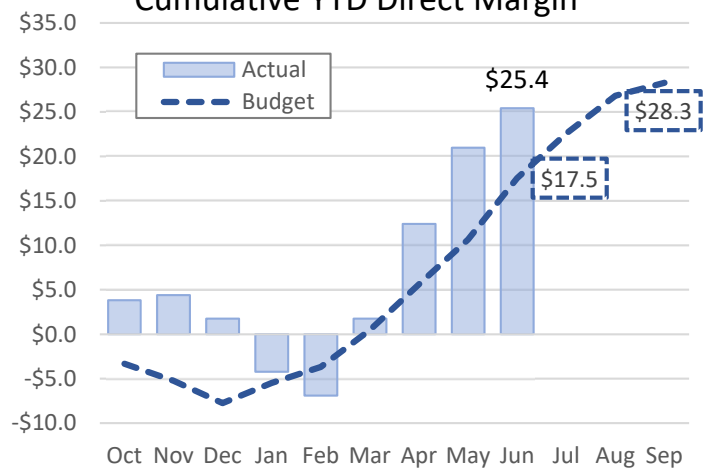


Fiscal Year Electricity Sales are \$26.7M ahead of budget, Margin dollars are \$7.9M above budget.

Cumulative YTD Electricity Sales



Cumulative YTD Direct Margin



Data Definitions:

- CUSTOMERS: From GridX invoice + Calpine.
- 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 FY21/22 budget

CENTRAL COAST COMMUNITY ENERGY
Investment Summary
October 1, 2021 through June 30, 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> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|------------|------------|------------|
| <i>Money Market and other Interest Earning Accounts</i> | \$ 388,639 | \$ 34,009 | \$ 33,104 | \$ 32,526 | \$ 31,581 | \$ 31,077 | \$ 38,817 | \$ 47,244 | \$ 62,490 | \$ 77,791 | | | |
| <i>Funds Invested - Average Balance</i> | \$ 170,609,000 | \$ 178,052,000 | \$ 172,266,000 | \$ 165,204,000 | \$ 167,506,000 | \$ 164,310,000 | \$ 159,591,000 | \$ 159,609,000 | \$ 151,997,000 | | | | |
| <i>Average APY</i> | | 0.24% | 0.22% | 0.23% | 0.23% | 0.22% | 0.28% | 0.36% | 0.47% | 0.61% | | | |

CENTRAL COAST COMMUNITY ENERGY
Accounts Receivable Aging Report
As of June 30, 2022

| | | DAYS | | | | |
|---------------------------------|-----------------------------------|------------|-----------|-----------|-----------|-----------|
| | | 0-30 | 31-60 | 61-90 | 90-120 | Over 120 |
| Accounts Receivable, net | Total 36,697,000 | 27,630,000 | 4,890,000 | 1,419,000 | 1,346,000 | 1,412,000 |
| Period % | 100% | 75% | 13% | 4% | 4% | 4% |