



TREASURER REPORT

**Fiscal Year to Date
As of September 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 September 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
November 9, 2022

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

ASSETS

Current assets	
Cash and cash equivalents	
Held for working capital	\$ 38,500,000
Held for reserves	111,596,869
Cash and cash equivalents	<u>150,096,869</u>
Accounts receivable, net of allowance	47,107,600
Accrued revenue	18,161,946
Loan receivable	292,002
Other receivables	10,608,580
Prepaid expenses	308,419
Deposits	2,482,519
Restricted cash	294,000
Investments - held for reserves	<u>33,434,369</u>
Total current assets	<u>262,786,304</u>
Noncurrent assets	
Deposits	23,182
Loan receivable	1,707,998
Capital assets, net of depreciation	<u>219,319</u>
Total noncurrent assets	<u>1,950,499</u>
Total assets	<u><u>264,736,803</u></u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	40,074,582
Accounts payable	1,589,211
Other accrued liabilities	1,996,024
User taxes and energy surcharges due to other governments	<u>1,941,964</u>
Total current liabilities	<u>45,601,781</u>
Noncurrent liabilities	
Security deposits - energy suppliers	<u>9,131,250</u>
Total noncurrent liabilities	<u>9,131,250</u>
Total liabilities	<u><u>54,733,031</u></u>

NET POSITION

Investment in capital assets	219,319
Restricted for security collateral	294,000
Unrestricted	<u>209,490,453</u>
Total net position	<u><u>\$ 210,003,772</u></u>

CENTRAL COAST COMMUNITY ENERGY

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

Twelve Months Ended September 30, 2022

OPERATING REVENUES

Electricity sales, net	\$ 399,159,960
Liquidated damages	11,153,500
Total operating revenues	<u>410,313,460</u>

OPERATING EXPENSES

Cost of electricity	372,365,695
Contract services	9,288,170
Staff compensation	6,089,226
General and administration	6,210,745
Depreciation	88,680
Total operating expenses	<u>394,042,516</u>
Operating income (loss)	16,270,944

NONOPERATING REVENUES (EXPENSES)

Interest and investment income	984,909
Grant revenue	2,759,460
Nonoperating revenues (expenses)	<u>3,744,369</u>

CHANGE IN NET POSITION

	20,015,313
Net position at beginning of period	<u>189,988,459</u>
Net position at end of period	<u><u>\$ 210,003,772</u></u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS Twelve Months Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 398,426,283
Receipts from liquidated damages	2,401,875
Receipts from suppliers	11,219,952
Payments to suppliers for electricity	(362,529,540)
Payments for other goods and services	(15,129,128)
Payments for staff compensation	(6,178,169)
Payments of taxes and energy surcharges to other governments	(6,812,737)
Net cash provided by operating activities	<u>21,398,536</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Receipts from grantor	<u>2,759,460</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(1,113)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	914,185
Purchase of investments	(32,418,822)
Loan issued	<u>(2,000,000)</u>
Net cash provided (used) by investing activities	<u>(33,504,637)</u>

Net change in cash and cash equivalents	(9,347,754)
Cash and cash equivalents at beginning of year	<u>159,738,623</u>
Cash and cash equivalents at end of period	<u><u>\$ 150,390,869</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 150,096,869
Restricted cash	<u>294,000</u>
Cash and cash equivalents	<u><u>\$ 150,390,869</u></u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS (continued) Twelve Months Ended September 30, 2022

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

Operating income (loss)	\$ 16,270,944
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation expense	88,680
Provision for uncollectible accounts	2,309,127
(Increase) decrease in:	
Accounts receivable, net	(12,040,428)
Accrued revenue	1,849,150
Energy settlements receivable	7,856,108
Other receivables	(9,674,074)
Prepaid expenses	1,251,830
Deposits	(763,738)
Increase (decrease) in:	
Accrued cost of electricity	11,425,158
Accounts payable	357,493
Other accrued liabilities	32,550
Customer rebate liabilities	(147,594)
User taxes and energy surcharges due to other governments	483,330
Security deposits - energy suppliers	2,100,000
Net cash provided by operating activities	<u>\$ 21,398,536</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 September 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
November 9, 2022

**CENTRAL COAST COMMUNITY ENERGY
BUDGETARY COMPARISON SCHEDULE
Twelve Months Ended September 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	\$ 359,103,000	\$ 415,601,926	\$ 56,498,926	116%	\$ 359,103,000	\$ (56,498,926)	-16%
Less bill credit	(3,085,000)	(7,550,100)	(4,465,100)	245%	(3,085,000)	4,465,100	-145%
Less uncollectible accounts	(4,489,000)	(6,191,849)	(1,702,849)	138%	(4,489,000)	1,702,849	-38%
Revenue for damages	-	11,153,500	11,153,500	n/a	-	(11,153,500)	n/a
Investment and miscellaneous income	516,000	1,044,352	528,352	202%	516,000	(528,352)	-102%
Total revenues and other sources	352,045,000	414,057,829	62,012,829	118%	352,045,000	(62,012,829)	-18%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	326,335,000	372,661,211	46,326,211	114%	326,335,000	(46,326,211)	-14%
Energy programs (incentives and grants) *	12,270,000	4,374,729	(7,895,271)	36%	12,270,000	7,895,271	64%
Data manager	3,774,000	3,706,398	(67,602)	98%	3,774,000	67,602	2%
Utility service fees	1,893,000	1,838,834	(54,166)	97%	1,893,000	54,166	3%
Staffing	9,244,000	6,089,226	(3,154,774)	66%	9,244,000	3,154,774	34%
Professional services	1,393,000	1,548,033	155,033	111%	1,393,000	(155,033)	-11%
Legal services	1,037,000	1,180,576	143,576	114%	1,037,000	(143,576)	-14%
Marketing and customer enrollment	943,000	718,813	(224,187)	76%	943,000	224,187	24%
Other general & administration	1,625,000	1,836,016	211,016	113%	1,625,000	(211,016)	-13%
Total current expenditures	358,514,000	393,953,836	35,439,836	110%	358,514,000	(35,439,836)	-10%
Other Uses							
Capital outlay	114,000	1,113	(112,887)	1%	114,000	112,887	99%
Uninterruptible Power Supply expenditures	2,800,000	2,000,000	(800,000)	71%	2,800,000	800,000	29%
Total other uses	2,914,000	2,001,113	(912,887)	69%	2,914,000	912,887	
Total Expenditures and Other Uses	361,428,000	395,954,949	34,526,949	110%	361,428,000	(34,526,949)	-10%
Surplus (Deficit)	\$ (9,383,000)	\$ 18,102,880	\$ 27,485,880		\$ (9,383,000)	\$ (27,485,880)	293%
Reserves at end of reporting period:							
Held for Working Capital	\$ 38,500,000						
Held for Reserves - Cash and Cash Equivalents	111,596,869						
Held for Reserves - Investments	33,434,369						
Total	\$ 183,531,238						

* Energy program expenses reported above exclude approximately \$5,000,000 encumbered for program year 2021/22. Expenses will be recognized when incurred.

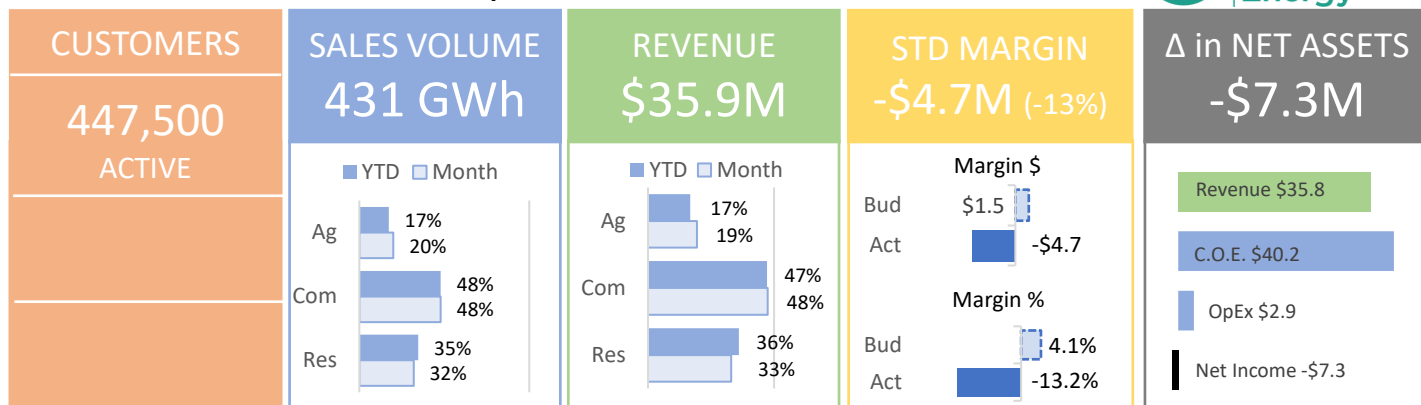
CENTRAL COAST COMMUNITY ENERGY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Twelve Months Ended September 30, 2022

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 18,102,880
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(88,680)
Add back capital asset acquisitions	1,113
Add back loans issued	<u>2,000,000</u>
Change in Net Position	<u><u>\$ 20,015,313</u></u>

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

Budget Item	YTD Variance	Comment
Electric Sales Revenue	15.7%	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	14.2%	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	(34.1%)	Staffing expenses are under budget due to the timing of new hires.
Professional Services	11.1%	This category includes accounting, IT, technical and other consultants.
Legal Costs	13.8%	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	(23.8%)	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	(1.8%)	These fees non-discretionary and are charged on a per customer basis.
Utility Service Fees	(2.9%)	These are PG&E and SCE fees charged on a per customer basis.
Other General & Administrative	13.0%	This category includes occupancy costs, industry membership dues, and other general and administrative costs.
Energy and Related Programs	(64.3%)	Programs expenses have generally been delayed until future periods

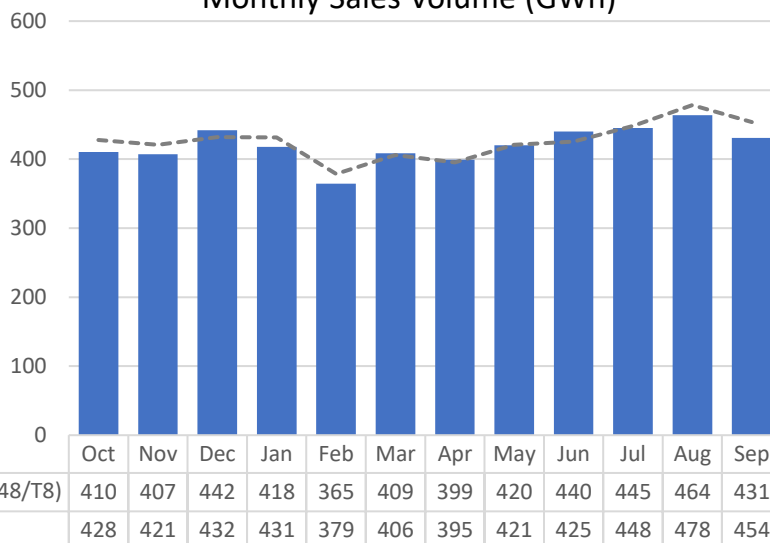
Financial Dashboard: September 2022



September revenue if \$35.9M accounts for 431 GWh in net retail consumption. This comes in 23Gwh below budgeted volume. Revenue includes a reduction for \$7.5M in Low Income Customer Credits. On the cost side of this dashboard we are recognizing a reduction of \$8.7M in delayed damages due from suppliers – these liquidated damages are formally considered revenue, but are presented here as cost of energy to better align with budget expectations.

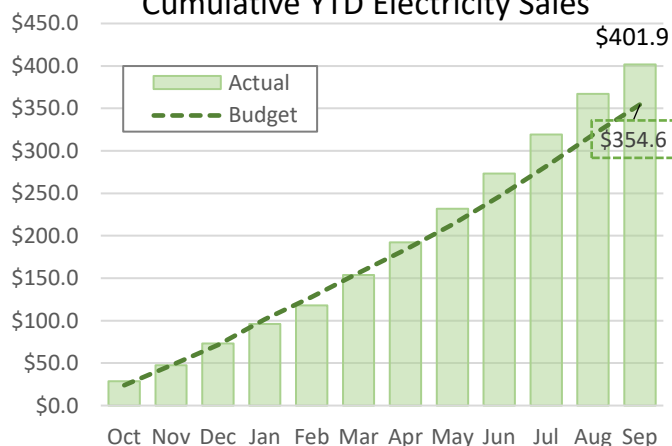
Preliminary Fiscal Year Revenue from retail sales is \$47.3M ahead of budget with margin ahead by \$5.9M.

Monthly Sales Volume (GWh)

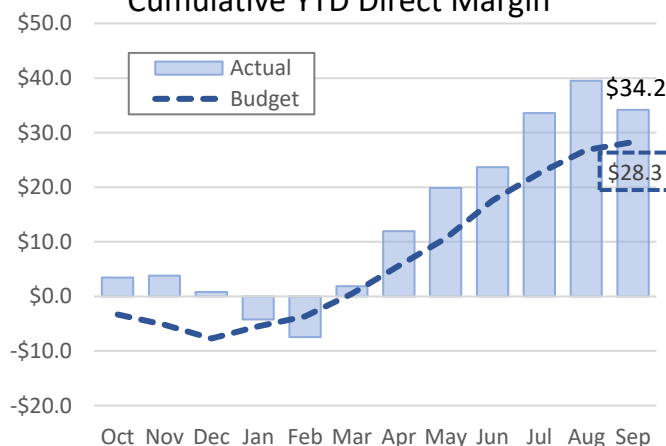


Fiscal Year Electricity Sales are \$47.3M ahead of budget, Margin dollars are \$5.9M above budget.

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 Calpine/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 September 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>
CASH AND CASH EQUIVALENTS													
River City Bank - Money Market and other Interest Earning Accounts													
<i>Funds Invested - Average Balance</i>		\$ 171,000,000	\$ 178,000,000	\$ 172,000,000	\$ 165,000,000	\$ 168,000,000	\$ 164,000,000	\$ 160,000,000	\$ 160,000,000	\$ 152,000,000	\$ 159,000,000	\$ 71,000,000	\$ 72,000,000
<i>Gains/Losses/Interest</i>	\$ 652,281	\$ 34,009	\$ 33,104	\$ 32,526	\$ 31,581	\$ 31,077	\$ 38,817	\$ 47,244	\$ 62,490	\$ 77,791	\$ 109,682	\$ 81,231	72,729
<i>Average APY</i>		0.24%	0.22%	0.23%	0.23%	0.22%	0.28%	0.35%	0.47%	0.61%	0.83%	1.37%	1.21%
INVESTMENTS													
River City Bank - Treasury-indexed products													
<i>Funds Invested - Average Balance</i>		-	-	-	-	-	-	-	-	-	-	\$ 15,000,000	\$ 25,000,000
<i>Gains/Losses/Interest</i>	\$ 95,601	-	-	-	-	-	-	-	-	-	-	\$ 36,986	58,615
<i>Average APY</i>												2.96%	2.81%
RBC GAM / Principal Financial													
<i>Funds Invested - Average Balance</i>		-	-	-	-	-	-	-	-	-	-	\$ 75,000,000	\$ 75,000,000
<i>Gains/Losses/Interest</i>	\$ 236,341	-	-	-	-	-	-	-	-	-	-	\$ 111,307	125,034
<i>Average APY</i>												1.78%	2.00%
Benchmark - iShares ICE Short Treasury Index													0.34%