



TREASURER REPORT

Fiscal Year to Date
As of June 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 June 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
July 27, 2023

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

ASSETS

Current assets	
Cash and cash equivalents	
Held for working capital reserves	\$ 35,900,000
Held for reserves - other	128,198,124
Held for program commitments	4,700,000
	<u>168,798,124</u>
Cash and cash equivalents	168,798,124
Accounts receivable, net of allowance	32,670,370
Accrued revenue	22,165,385
Energy settlements receivable	180,314
Other receivables	440,642
Loan receivable	187,201
Prepaid expenses	6,984,078
Deposits	4,964,188
Restricted cash	294,000
Investments - held for reserves	70,918,120
	<u>307,602,422</u>
Total current assets	307,602,422
Noncurrent assets	
Deposits	23,182
Loan receivable	1,520,797
Lease asset, net of amortization	1,510,377
Capital assets, net of depreciation and amortization	606,843
	<u>3,661,199</u>
Total noncurrent assets	3,661,199
Total assets	<u>311,263,621</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	34,079,018
Accounts payable	1,815,725
Other accrued liabilities	816,740
User taxes and energy surcharges due to other governments	1,729,442
Lease liability	294,445
Security deposits - energy suppliers	6,501,030
	<u>45,236,400</u>
Total current liabilities	45,236,400
Noncurrent liabilities	
Security deposits - energy suppliers	9,131,250
Lease liability	1,243,995
	<u>10,375,245</u>
Total noncurrent liabilities	10,375,245
Total liabilities	<u>55,611,645</u>

NET POSITION

Investment in capital assets	578,780
Restricted for security collateral	294,000
Unrestricted	254,779,196
	<u>255,651,976</u>
Total net position	<u>\$ 255,651,976</u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Nine Months Ended June 30, 2023

OPERATING REVENUES

Electricity sales, net	\$ 328,727,632
Other income	84,826
Total operating revenues	<u>328,812,458</u>

OPERATING EXPENSES

Cost of electricity	268,662,965
Contract services	7,366,711
Staff compensation	4,631,599
Other operating expenses	6,463,210
Depreciation and amortization	277,045
Total operating expenses	<u>287,401,530</u>
Operating income (loss)	41,410,928

NONOPERATING REVENUES (EXPENSES)

Interest and investment income	5,615,977
Grant revenue	1,450,969
Financing costs	(36,456)
Nonoperating revenues (expenses)	<u>7,030,490</u>

CHANGE IN NET POSITION

	48,441,418
Net position at beginning of period	<u>207,210,558</u>
Net position at end of period	<u>\$ 255,651,976</u>

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF CASH FLOWS Nine Months Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 345,150,340
Receipts from liquidated damages	147,000
Receipts from suppliers	5,045,531
Other operating receipts	84,826
Payments to suppliers for electricity	(275,281,578)
Payments for other goods and services	(13,338,243)
Payments for staff compensation	(4,837,866)
Payments of taxes and energy surcharges to other governments	(6,357,895)
Net cash provided by operating activities	<u>50,612,115</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments received of loan receivable	292,002
Receipts from grantor	<u>1,450,969</u>
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	(176,212)
Payments to acquire capital assets	(496,749)
	<u>(672,961)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	4,893,534
Proceeds from investment sales	76,427,981
Purchase of investments	(114,302,385)
Net cash provided (used) by investing activities	<u>(32,980,870)</u>

Net change in cash and cash equivalents	18,701,255
Cash and cash equivalents at beginning of year	<u>150,390,869</u>
Cash and cash equivalents at end of period	<u>\$ 169,092,124</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 168,798,124
Restricted cash	<u>294,000</u>
Cash and cash equivalents	<u>\$ 169,092,124</u>

CENTRAL COAST COMMUNITY ENERGY
STATEMENT OF CASH FLOWS (continued)
Nine Months Ended June 30, 2023

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

Operating income (loss)	\$ 41,410,928
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation expense	277,045
Provision for uncollectible accounts	3,555,036
(Increase) decrease in:	
Accounts receivable, net	10,882,194
Accrued revenue	(4,003,440)
Energy settlements receivable	(180,314)
Other receivables	1,716,409
Prepaid expenses	(6,675,659)
Deposits	3,329,742
Increase (decrease) in:	
Accrued cost of electricity	(5,995,564)
Accounts payable	226,514
Other accrued liabilities	(219,284)
User taxes and energy surcharges due to other governments	(212,522)
Security deposits - energy suppliers	6,501,030
Net cash provided by operating activities	<u>\$ 50,612,115</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 June 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
July 27, 2023

CENTRAL COAST COMMUNITY ENERGY
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
Nine Months Ended June 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	\$ 339,600,000	\$ 335,184,662	\$ (4,415,338)	99%	\$ 463,110,000	\$ 127,925,338	28%
Less uncollectible accounts	(5,625,000)	(5,006,061)	618,939	89%	(7,500,000)	(2,493,939)	33%
Net revenue - electricity	333,975,000	330,178,601	(3,796,399)	99%	455,610,000	125,431,399	28%
Investment and miscellaneous income	4,640,000	5,700,803	1,060,803	n/a	6,187,000	486,197	n/a
Total revenues and other sources	338,615,000	335,879,404	(2,735,596)	99%	461,797,000	125,917,596	27%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	282,453,000	269,825,282	(12,627,718)	96%	403,427,000	133,601,718	33%
Energy programs (incentives and grants)	11,940,000	5,420,314	(6,519,686)	45%	15,920,000	10,499,686	66%
Data manager	1,985,000	1,976,662	(8,338)	100%	2,975,000	998,338	34%
Utility service fees	1,356,000	1,333,673	(22,327)	98%	1,808,000	474,327	26%
Staffing	6,893,000	4,631,599	(2,261,401)	67%	9,191,000	4,559,401	50%
Professional services	2,487,000	1,597,941	(889,059)	64%	3,317,000	1,719,059	52%
Legal services	1,395,000	940,207	(454,793)	67%	1,860,000	919,793	49%
Marketing and customer enrollment	713,000	349,767	(363,233)	49%	951,000	601,233	63%
Other general & administration	2,699,000	1,625,381	(1,073,619)	60%	3,599,000	1,973,619	55%
Total current expenditures	311,921,000	287,700,826	(24,220,174)	92%	443,048,000	155,347,174	35%
Other Uses							
Capital outlay	161,000	96,621	(64,379)	n/a	203,000	106,379	n/a
Total other uses	161,000	96,621	(64,379)	n/a	203,000	106,379	n/a
Total Expenditures and Other Uses	312,082,000	287,797,447	(24,284,553)	92%	443,251,000	155,453,553	35%
Surplus (Deficit)	\$ 26,533,000	\$ 48,081,957	\$ 21,548,957		\$ 18,546,000	\$ (29,535,957)	-159%
Reserves at end of reporting period:							
Held for Working Capital	\$ 35,900,000						
Held for Reserves - Cash and Cash Equivalents	128,198,124						
Held for Reserves - Investments	70,918,120						
Total	\$ 235,016,244						

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

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 48,081,957
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	139,757
Subtract depreciation expense	(277,045)
Add back capital asset acquisitions	<u>496,749</u>
Change in Net Position	<u><u>\$ 48,441,418</u></u>

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

Budget Item	YTD Variance	Comment
Electric Sales Revenue	(1.3%)	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	(4.5%)	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	(32.8%)	Staffing expenses are under budget due to the timing of new hires.
Professional Services	(35.7%)	This category includes accounting, IT, technical and other consultants.
Legal Costs	(32.6%)	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	(50.9%)	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	(0.4%)	These fees non-discretionary and are charged on a per customer basis.
Utility Service Fees	(1.6%)	These are PG&E and SCE fees charged on a per customer basis.
Other General & Administrative	(39.8%)	This category includes occupancy costs, industry membership dues, and other general and administrative costs.
Energy and Related Programs	(54.6%)	Programs expenses have generally been delayed until future periods

Financial Dashboard: June 2023



CUSTOMERS	SALES VOLUME	REVENUE	STD MARGIN	Δ in NET ASSETS
445,000 ACTIVE	389 GWh	\$38.4M	\$9.1M (25%)	\$8.2M
	<p>■ YTD ■ Month</p> <p>Ag: YTD 14%, Month 21%</p> <p>Com: YTD 46%, Month 46%</p> <p>Res: YTD 39%, Month 29%</p>	<p>■ YTD ■ Month</p> <p>Ag: YTD 16%, Month 47%</p> <p>Com: YTD 44%, Month 40%</p> <p>Res: YTD 39%, Month 6%</p>	<p>Margin \$</p> <p>Bud \$7.6</p> <p>Act \$9.1</p> <p>Margin %</p> <p>Bud 19.2%</p> <p>Act 24.6%</p>	<p>Revenue \$38.4</p> <p>C.O.E. \$27.9</p> <p>OpEx \$2.3</p> <p>Net Income \$8.2</p>

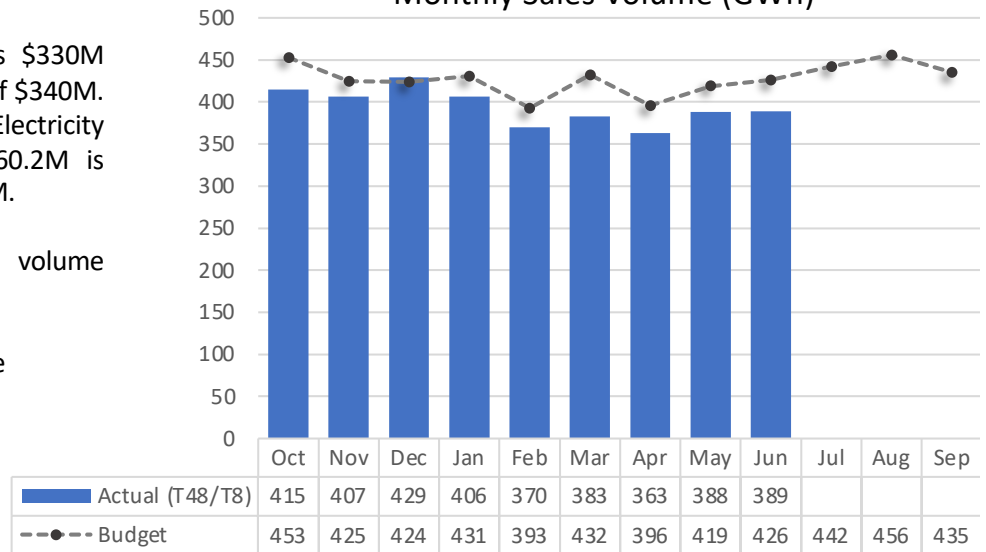
June revenue of \$38.4M accounts for 389 GWh in net retail consumption.

Year-to-date electricity revenue is \$330M compared to an amended budget of \$340M. YTD Direct Margin (defined as Electricity Sales less Cost of Energy) of \$60.2M is ahead of amended budget by \$3.1M.

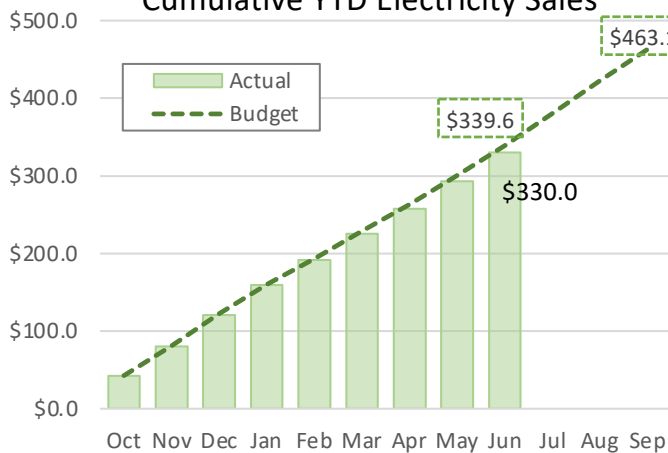
The chart to the right shows volume comparison to budgeted volume.

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

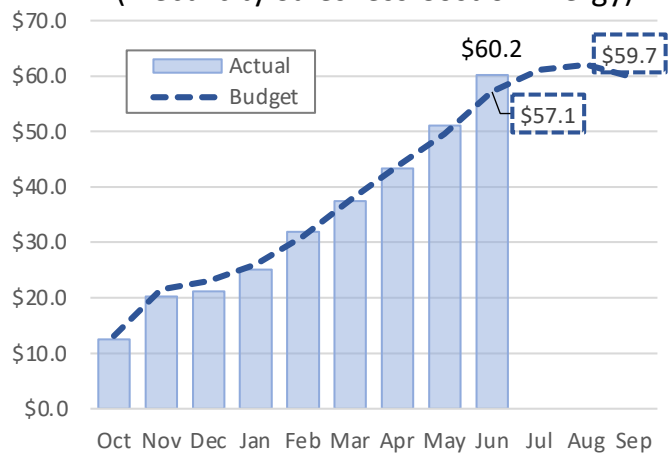
Monthly Sales Volume (GWh)



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 (not yet updated for amended budget)

CENTRAL COAST COMMUNITY ENERGY
Investment Summary
October 1, 2022 through June 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	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 1,536,596	\$ 85,008	\$ 94,651	\$ 119,286	\$ 123,533	\$ 137,627	\$ 205,218	\$ 240,392	\$ 257,694	\$ 273,188			
<i>Average APY</i>	1.48%	1.62%	2.03%	2.16%	2.15%	2.67%	2.76%	2.94%	2.94%				
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	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 1,500,328	67,213.37	146,549.22	207,805	214,163	186,551	167,504	148,003	185,195	177,344	-	-	-
<i>Average APY</i>	2.01%	3.89%	4.52%	5.39%	4.68%	4.69%	4.14%	5.22%	4.98%				
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	\$ 77,101,019	\$ 77,341,109	\$ 77,675,387	\$ -	\$ -	\$ -	\$ -
<i>Gains/Losses/Interest</i>	\$ 2,444,353	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	-	-	-
<i>Average APY</i>	2.29%	4.14%	4.85%	4.19%	3.87%	6.13%	3.93%	3.73%	5.16%				