



**MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, July 22, 2020
11:00 a.m.**

**Listen to Finance Committee meeting (Audio Only):
Call: (562) 247-8422 Conference Code: 586-339-320**

All Participants must press “#” to join the meeting.

SPECIAL NOTICE REGARDING PUBLIC COMMENT: Pursuant to Paragraph 11 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, and as a response to mitigating the spread of Coronavirus known as COVID-19, the Finance Committee will allow members of the public to participate and address Committee Members during the meeting via teleconference only. Below are the ways to participate:

- Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting.
- If you desire to provide public comment during the meeting, you must contact staff at (213) 713-5995 at the beginning of the meeting but no later than immediately before the agenda item is called.
 - You will be asked to provide a phone number to call you during the meeting. You will also be asked for your name (or other identifying information) similar to filling out a speaker card so that you can be called when it is your turn to speak.
 - You will be called during the comment section for the agenda item on which you wish to speak.
 - You may be put on hold until your name is called by CPA staff.
 - You will be able to speak to the Committee for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
 - Once you have spoken, or the allotted time has run out, the phone call will be discontinued.

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at clerk@cleanpoweralliance.org or (213) 713-5995. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

Clean Power Alliance Finance Committee
July 22, 2020

PUBLIC COMMENT POLICY: *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period.*

Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.

CALL TO ORDER & ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. [Approve Minutes from the May 27, 2020 Finance Committee Meeting](#)
2. [Receive and File May 2020 Monthly Financial Dashboard](#)
3. [Receive and File May 2020 Risk Management Team Report](#)
4. [Receive and File Audit Planning Letter from Baker Tilly](#)

REGULAR AGENDA

5. [Report from the Chief Financial Officer](#)
6. [Review and Provide Input on Proposed Enhancements to Financial Reporting](#)

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING AUGUST 26, 2020

Public Records: *Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. Public records are available for inspection online at www.cleanpoweralliance.org/agendas.*

MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, May 27, 2020, 11:00 a.m.

MINUTES

The Finance Committee conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

WELCOME & ROLL CALL

Chair Julian Gold called the meeting to order at 11:19 a.m. and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Chair	Remote
Carson	Reata Kulcsar	Committee Member	Remote
Claremont	Corey Calaycay	Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Santa Monica	Pam O'Connor	Committee Member	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from the April 29, 2020 Finance Committee Meeting

Motion: Committee Member Calaycay, Claremont

Second: Committee Member O'Connor, Santa Monica

Vote: Item 1 was approved by a roll call vote, with a no vote from Committee Member Kulcsar.

Committee Member Kulcsar expressed concern for the lack of detail surrounding the budget discussion on the April 29 meeting minutes.

2. Receive and File March 2020 Monthly Financial Dashboard
3. Receive and File April 2020 Risk Management Team Report

Motion: Committee Member Calaycay, Claremont

Second: Committee Member Kulcsar, Carson

Vote: Items 2 and 3 were approved by a roll call vote.

REGULAR AGENDA

4. Report from the Chief Financial Officer

David McNeil, Chief Financial Officer, provided an update on the strong performance in CPA's first quarter, discussed increased allowance for bad debt, and detailed accounts receivable aging.

5. Review and Recommend Approval of Proposed FY 2020/21 Budget to the Board of Directors

Mr. McNeil provided an overview of the proposed FY 2020/21 budget operating expenses, noting that the budget erred conservatively, based on load forecasts analyzed through revenue models that applied rates and incorporated into revenue projections. Mr. McNeil discussed load forecasts and cost of energy modeling, energy forward pricing, and revenue projections impacted by a decrease in energy load. Mr. McNeil continued to review a budget comparison summary, noting that Community Choice Aggregations' (CCA) staffing budgets varied based on the size of the agency, priorities, and organizational development.

Committee Member Kulcsar asked if staff would produce a salary schedule that provided additional breakdowns of the budget and specified that information on the total number of staff, compensation, benefits, and projected costs would bring more context; inquired about performance increases; and the status of a salary survey. Committee Member Calaycay similarly shared interest in a salary breakdown.

Staff noted that salary ranges for all vacant positions were not yet determined, however, clarified that further details would be provided to Committee Members; and the budget included considerations for possible Cost of Living Adjustments (COLA), possible performance increases, and employee benefits and contingencies; and added that a salary survey was still expected to occur.

Chair Gold expressed support for the budget request, noting that the \$7.5 million staffing budget included a cap on spending authority for salaries and benefits, but embedded in that budget was the current and future staffing needs, not to exceed the specified amount in the budget. In response to Committee Member Calaycay's request for a detailed breakdown of the increase itself, Mr. McNeil directed the Committee's attention to the staff report which detailed the sources of the cost increase and explained that increases included annualized costs for staff hired in the FY19/20 fiscal year and that further refinement decreased the number of vacant positions since the last meeting.

Committee Member Zuckerman shared that Rolling Hills Estates City Council set salaries for the executive team, but left salary ranges of all other staff to the City Manager and noted that salaries were already publicly available information. Committee Member O'Connor suggested that the Committees' focus be to maintain oversight rather than management of the budget and noted the importance of vetting methodology and analytics of staff to reach budget recommendations. Chair Gold agreed that the Committee should not focus on specific salaries, but instead focus on an appropriate amount allocated to staffing and that CPA's staffing budget was well below other comparable CCAs. Lastly, Committee Member Calaycay expressed appreciation for Committee Member Kulcsar's

concerns and noted that the intent was to understand the components of the budget in a way that justified its approval when constituents inquired about these decisions.

Mr. McNeil described cashflow targets and COVID-19 bill assistance, including the proposal to include an additional \$1 million, if the agency met target reserves and credit covenants, with a possibility of reallocation of local programs funds. In response to Committee Member questions and comments, staff noted that reallocation of local program funding for COVID-19 bill assistance would be limited, the Board was to receive a report regarding funding status, and that bill assistance thus far was broad and not concentrated in any one part of CPA service area.

Committee Member Zuckerman joined at or about 11:45 a.m.

There were no public comments on this item.

Motion: Committee Member Calaycay, Claremont

Second: Committee Member Zuckerman, Rolling Hills Estates

Vote: Item 5 was approved by a roll call vote.

6. Review and Approve Selection of Baker Tilly as Independent Financial Auditor for CPA's FY 2019/20 Financial Statements

Hui Lisano, CPA Controller, provided a brief oral report of staff's recommendation to select Baker Tilly as the agency's financial auditor.

Motion: Committee Member Calaycay, Claremont

Second: Committee Member O'Connor, Santa Monica

Vote: Item 6 was approved by a roll call vote.

COMMITTEE MEMBER COMMENTS

In response to Committee Member Zuckerman's question about the new office space, Ted Bardacke, Executive Director, stated that plan submittals were underway.

Chair Gold thanked staff for the preparation of the budget.

ADJOURN

Committee Chair Gold adjourned the meeting at 12:40 p.m.



Financial Dashboard

[Return to Agenda](#)

YTD
May
2020

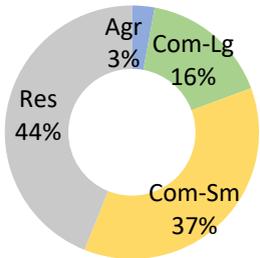
Active Accounts

974,000

Opt-Out %

6.0%

YTD Sales Volume
10,227 GWh



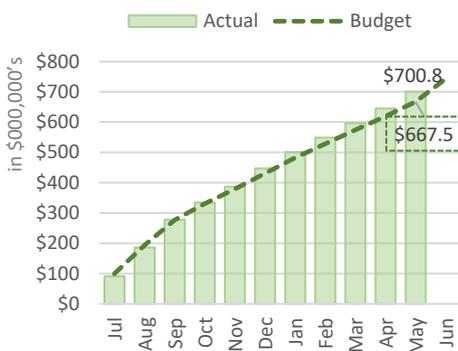
Summary of Financial Results

in \$000,000's	May				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Energy Revenues	\$55.9	\$48.4	\$7.5	16%	700.8	667.5	33.3	5%
Cost of Energy	\$45.6	\$41.9	\$3.7	9%	636.9	634.5	2.4	0%
Net Energy Revenue	\$10.3	\$6.4	\$3.8	60%	63.9	33.0	30.9	93%
Operating Expenditures	\$2.4	\$2.2	\$0.2	9%	20.7	23.4	-2.7	-12%
Net Income	\$7.9	\$4.2	\$3.6	86%	43.2	9.7	33.5	347%

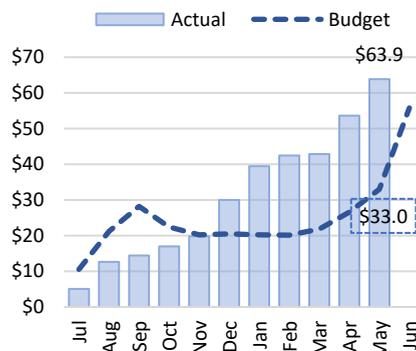
Note: Numbers may not add up due to rounding.

- CPA recorded net income for the period that exceeded budget. CPA benefited from higher than budgeted load and low spot market energy prices. May results included \$448,000 of Covid-19 relief spending and \$876,000 in additional bad debt expense. Reserve for bad debt was \$8.3 million as of May 31, an increase of \$5.1 million since the onset of recession. Expenditures remain within authorized budget limits. For year-to-date:
 - Revenues of \$700.8 million were \$33.3 million or 5% above budget.
 - Cost of energy of \$636.9 million was about equal to budgeted energy costs.
 - Operating expenditures of \$20.7 million were 12% lower than budgeted primarily due to lower than budgeted staffing, legal services, and Data & SCE service fees.
 - Net income of \$43.2M was \$33.5 million above budgeted net income of \$9.7M.
 - Management believes that available liquidity and bank lines of credit are sufficient for CPA to continue to meet its obligations.

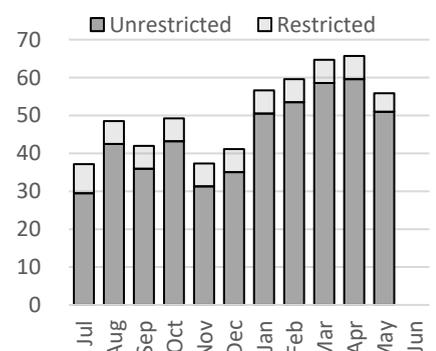
Cumulative Revenue



Net Energy Revenue



Cash & Cash Equivalents



Definitions:

Accounts: Active Accounts represent customer accounts of active customers served by CPA per Calpine Invoice.

Opt-out %: Customer accounts opted out divided by eligible CPA accounts.

YTD Sales Volume: Year to date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers.

Revenues: Retail energy sales less allowance for doubtful accounts.

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load.

Operating expenditures: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations.

Net income: Net income represents the difference between revenues and expenditures before depreciation and capital expenditures.

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2019.



Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Finance Committee
From: Matthew Langer, Chief Operating Officer
Approved by: Ted Bardacke, Executive Director
Subject: Risk Management Team Report
Date: July 22, 2020

MAY 2020 RMT REPORT

Key Actions

- Reviewed April and May 2020 loads and discussed the short-term load forecast. Load in May reflected less depressed conditions than previously expected, due to current Shelter-In-place policies and warm temperatures.
- Reviewed short-term energy position for balance-of-month June through December and approved energy hedge solicitations.
- Reviewed long-term energy position and approved energy hedge solicitations for 2021 – 2022.
- Reviewed renewable energy and carbon free positions and discussed status of potential free allocations of non-nuclear carbon free resources from SCE.
- Reviewed resources adequacy (RA) position and approved RA potential transactions.

Policy Compliance

No new policy compliance issues to report for May.

ATTACHMENT

None.



Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Finance Committee
From: David McNeil, Chief Financial Officer
Subject: Baker Tilly Audit Planning Letter
Date: July 22, 2020

RECOMMENDATION

Receive and file.

ATTACHMENT

1) [Baker Tilly Audit Planning Letter](#)



Baker Tilly Virchow Krause, LLP
Ten Terrace Ct
PO Box 7398
Madison, WI 53707-7398

T: +1 (608) 249 6622
F: +1 (608) 249 8532

bakertilly.com

July 22, 2020

The Finance Committee
Clean Power Alliance of Southern California
801 S. Grand Avenue
Los Angeles, California 90017

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

There are auditing standards that are intended to provide communication to you as the people charged with governing the Clean Power Alliance of Southern California.

Specifically, we are required to communicate certain things during the planning and completion phases of the audit. You do not need to take any action on this letter unless you wish to contact us with relevant information as noted later in this document. The following items are presented to you for your consideration.

- a. The auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
- b. The audit does not relieve management or those charged with governance of their responsibilities.
- c. An audit performed in accordance with generally accepted auditing standards is designed to obtain reasonable but not absolute assurance that the statements are free of material misstatement.
- d. Our consideration of internal control is to determine a basis for designing audit procedures and not for the purpose of expressing an opinion on internal control.
- e. The auditor is responsible for communicating significant financial statement related matters to those charged with governance; however, the auditor is not required to design procedures to find such matters.
- f. The financial statement document may also contain other information for which we have the following responsibility:
 - 1) Supplementary Information – “In relation to” audit coverage
 - 2) Required Supplementary Information – Limited procedures
 - 3) Other Information – No audit coverage

With regard to the audit of your June 30, 2020 financial statements, the following points are an overview of our scope and timing:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and the Uniform Guidance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Should you have input or views on the following matters we would be pleased to hear from you:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing body has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity. Are you aware of organizational objectives or strategies that might give rise to business risks that may result in material misstatements?
- c. Are there any areas where you request additional procedures to be undertaken or that you think warrant particular attention during the audit?
- d. Please advise us if you had any significant communications with regulators or grantor agencies.
- e. Please advise us of other matters that you believe are relevant to the audit of the financial statements.
- f. Please advise us if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

Also, please advise us if there is anything that we need to know about the attitudes, awareness, and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

With regard to the timing of our audit, here are some general observations. If necessary, we may do preliminary audit work during the months of May or June. Our final fieldwork is scheduled for August to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what it means, or wish to provide other feedback. We welcome the opportunity to hear from you. Please contact your engagement Firm Director, Bethany Ryers, at 608 240 2382 or email at Bethany.Ryers@bakertilly.com. We look forward to hearing from you.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP





Staff Report – Agenda Item 5

To: Clean Power Alliance (CPA) Finance Committee
From: David McNeil, Chief Financial Officer
Subject: Report from the Chief Financial Officer
Date: July 22, 2020

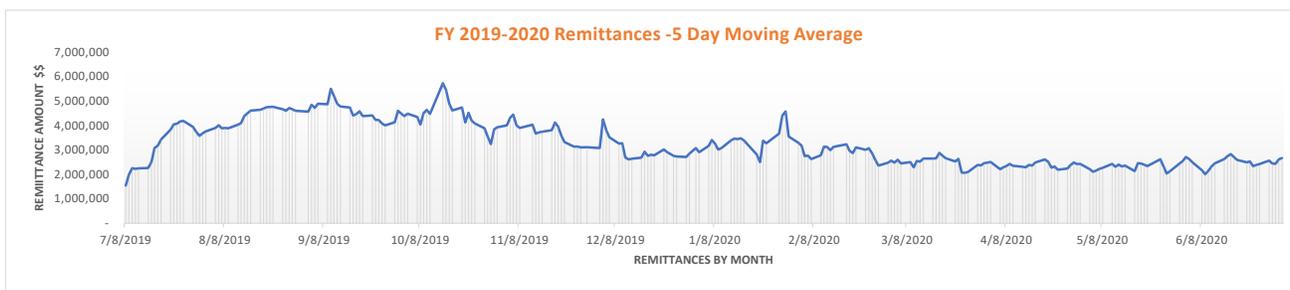
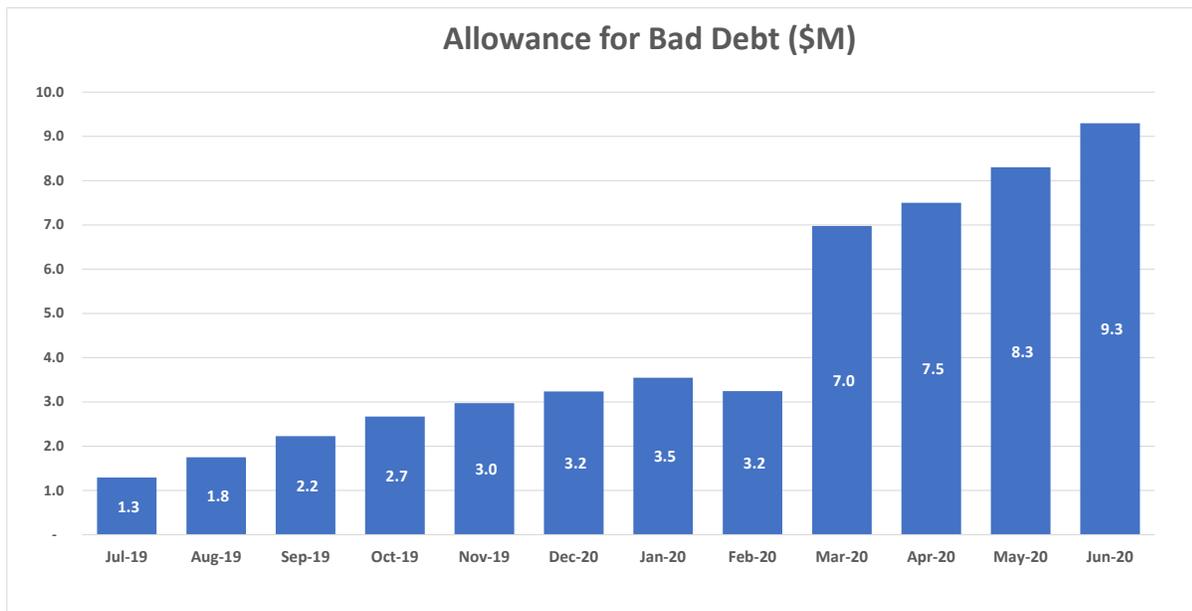
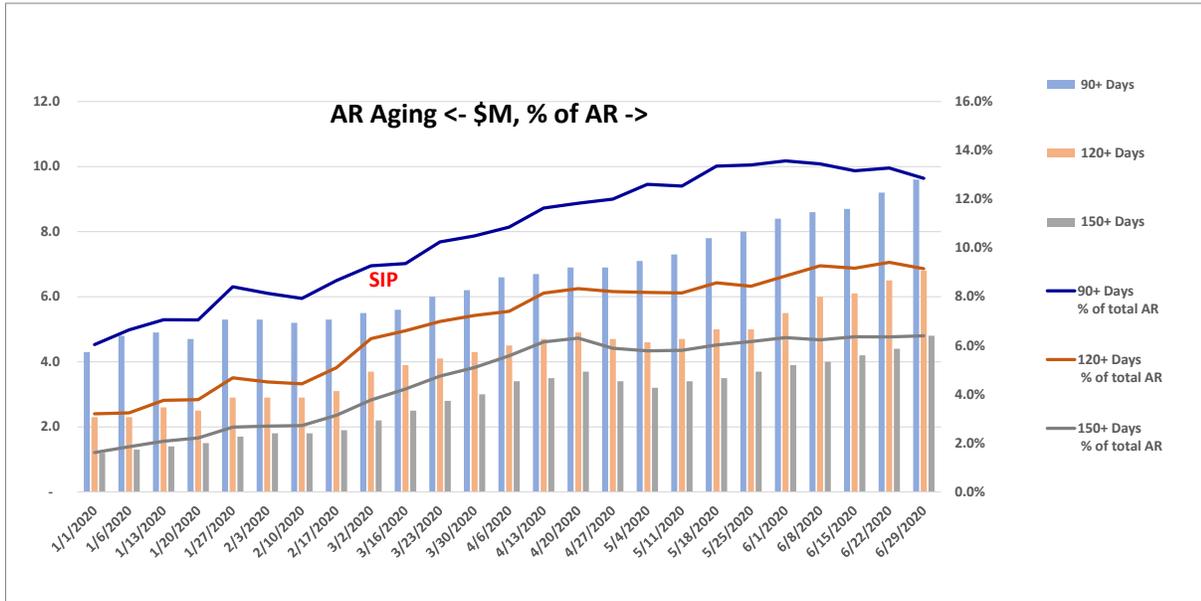
The Chief Financial Officer will provide an oral report on the following items:

- May 2020 financial performance and year to date results.
- Borrowing and treasury operations.
- Cashflow and accounts receivable aging.

ATTACHMENTS

- 1) [Customer Payment Dashboard](#)
- 2) [Investment Report](#)

Clean Power Alliance
Customer Payment Dashboard
 Updated: **7/6/2020**



**Clean Power Alliance
Investment Report
June 2020**

Fund Name: Local Agency Investment Fund

Beginning Balance	-
Deposits	2,500,000
Withdrawals	-
Interest Earned	2,041
Ending Balance	2,502,041



Staff Report – Agenda Item 6

To: Clean Power Alliance (CPA) Finance Committee
From: David McNeil, Chief Financial Officer
Approved by: Ted Bardacke, Executive Director
Subject: Enhanced Financial Reporting
Date: July 22, 2020

RECOMMENDATION

Review and provide input.

SUMMARY

Each month CPA provides a Financial Dashboard to the Finance Committee. The Dashboard contains a summary of financial performance for the prior month and for the fiscal year to date, a management discussion of financial results and other information and performance indicators. Beginning in November 2020 staff proposes to provide enhanced financial reporting to the Finance Committee on a quarterly basis for the first three quarters of the fiscal year. Enhanced reporting (Attachment 1) would include a balance sheet, income statement, statements of cashflow, a detailed budget to actual report, and additional key financial indicators. This enhanced reporting will be in addition to the Dashboard, which staff will continue to provide monthly and the audited Financial Statements as of CPA's June 30, 2020 year end.

The purpose of enhanced financial reporting is to provide the Finance Committee and CPA stakeholders with greater insight into CPA's financial performance and operations, improve accountability for financial performance and to continue strengthening confidence in CPA through greater financial transparency.

Staff welcomes the input of Committee Members on this topic. Staff would begin providing enhanced financial reporting following the close of CPA's September 30, 2020 financial statements which will occur in early November.

ATTACHMENT

[1\) Proposed Reporting Package](#)



For Illustration Only

Financial Dashboard

Summary of Financial Results

**YTD
March
2020**

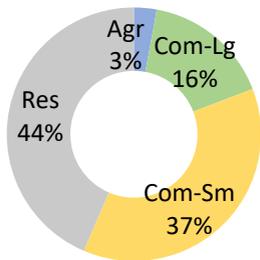
Active Accounts

987,000

Opt-Out %

5.8%

YTD Sales Volume
8,570 GWh

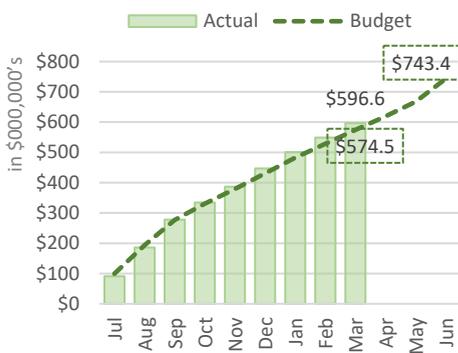


in \$000,000's	March				Year-to-Date			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Energy Revenues	\$47.5	\$46.1	\$1.4	3%	596.6	574.5	22.1	4%
Cost of Energy	\$47.1	\$44.4	\$2.7	6%	553.7	552.7	1.1	0%
Net Energy Revenue	\$0.4	\$1.7	-\$1.3	-77%	42.9	21.8	21.0	96%
Operating Expenditures	\$1.9	\$2.2	-\$0.3	-14%	16.4	18.9	-2.5	-13%
Net Income	-\$1.5	-\$0.5	-\$1.0		26.5	3.0	23.6	797%

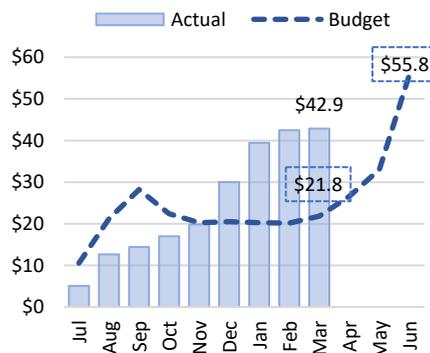
Note: Numbers may not add up due to rounding.

- CPA recorded satisfactory results for the period. Expenditures remain within authorized budget limits. CPA increased the allowance for doubtful accounts by \$3.4 million as a result of Shelter in Place and economic conditions and recorded bad debt expense equal to the same amount. Bad debt expense is netted from revenue. Absent this bad debt expense increase, CPA would have recorded net income of \$1.9 million in March.
- For year-to-date:
 - Revenues of \$596.6 million were \$22.1 million or 4% above budget. Cost of energy of \$553.7 million was about flat to budgeted energy costs.
 - Operating expenditures of \$16.4 million were 13% lower than budgeted primarily due to lower than budgeted staffing, legal services, and Data & SCE service fees. Net income of \$26.5 million was \$23.6 million above budgeted net income of \$3.0 million.
 - Management believes that available liquidity and bank lines of credit are sufficient for CPA to continue to meet its obligations.

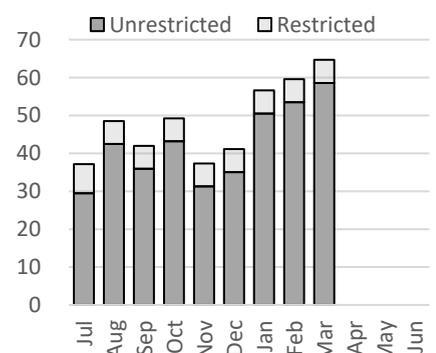
Cumulative Revenue



Net Energy Revenue



Cash & Cash Equivalents



Definitions:

Accounts: Active Accounts represent customer accounts of active customers served by CPA per Calpine Invoice.

Opt-out %: Customer accounts opted out divided by eligible CPA accounts

YTD Sales Volume: Year to date sales volume represents the amount of energy (in gigawatt hours) sold to retail customers

Revenues: Retail energy sales less allowance for doubtful accounts

Cost of energy: Cost of energy includes direct costs incurred to serve CPA's load

Operating expenditures: Operating expenditures include general, administrative, consulting, payroll and other costs required to fund operations

Net income: Net income represents the difference between revenues and expenditures before depreciation and capital expenditures

Cash and Cash Equivalents: Includes cash held as bank deposits.

Year to date (YTD): Represents the fiscal period beginning July 1, 2019

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF NET POSITION
As of March 31, 2020

ASSETS		
	3/31/2020	3/31/2019
Current assets		
Cash and cash equivalents	\$ 58,571,859	\$ 6,175,218
Accounts receivable, net of allowance	51,230,278	23,246,308
Accrued revenue	30,455,759	21,197,907
Market settlements receivable	1,540,831	
Other receivables	190,150	1,876,796
Prepaid expenses	1,929,464	713,800
Deposits	612,000	4,500,000
Restricted cash	6,097,000	
Total current assets	<u>150,627,341</u>	<u>57,710,029</u>
Noncurrent assets		
Capital assets, net of depreciation	56,534	14,562
Deposits	248,185	123,375
Total noncurrent assets	<u>304,719</u>	<u>137,937</u>
Total assets	<u>150,932,060</u>	<u>57,847,966</u>
LIABILITIES		
Current liabilities		
Accounts payable	1,218,229	1,234,484
Accrued cost of electricity	85,042,203	43,970,567
Other accrued liabilities	3,369,896	25,130
User taxes and energy surcharges due to other governments	4,446,725	1,234,511
Loans payable to County of Los Angeles	9,835,608	
Supplier security deposits	3,367,200	1,323,336
Total current liabilities	<u>107,279,861</u>	<u>47,788,028</u>
Noncurrent liabilities		
Loans payable to Los Angeles County		9,835,608
Note payable to bank		1,750,000
Supplier security deposits	1,157,000	500,000
Total noncurrent liabilities	<u>1,157,000</u>	<u>12,085,608</u>
Loans payable to County of Los Angeles		
Total liabilities	<u>108,436,861</u>	<u>59,873,636</u>
NET POSITION		
Investment in capital assets	56,534	14,562
Restricted for collateral	6,097,000	4,500,000
Unrestricted	36,341,665	(6,540,232)
Total net position	<u>\$ 42,495,199</u>	<u>(\$ 2,025,670)</u>

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA

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

	9 Months Ending		3 Months Ending	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
OPERATING REVENUES				
Electricity sales, net	\$ 596,622,170	106,363,225	149,790,051	53,827,268
OPERATING EXPENSES				
Cost of electricity	553,747,256	99,124,355	138,923,709	52,393,385
Contract services	12,816,203	3,117,311	4,316,083	1,640,779
Staff compensation	2,848,018	1,434,029	1,117,803	551,776
General and administration	713,760	488,572	236,717	242,130
Total operating expenses	<u>570,125,237</u>	<u>105,757,005</u>	<u>144,594,312</u>	<u>54,828,070</u>
Operating income (loss)	26,496,933	612,220	5,195,739	(1,000,802)
NONOPERATING REVENUES (EXPENSES)				
Interest income	211,153	113,310	130,089	113,310.00
Interest and related expenses	(201,867)	(74,360)	(44,825)	(1,812.00)
Total nonoperating revenues (expenses)	<u>9,286</u>	<u>38,950</u>	<u>85,264</u>	<u>111,498.00</u>
CHANGE IN NET POSITION	26,506,219	651,170	5,281,003	(889,304)
Net position at beginning of period	<u>15,988,978</u>	<u>(2,676,840)</u>	<u>37,214,194</u>	<u>(1,136,366)</u>
Net position at end of period	<u>\$ 42,495,197</u>	<u>(2,025,670)</u>	<u>42,495,197</u>	<u>(2,025,670)</u>

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA**STATEMENT OF CASH FLOWS
July 1, 2019 through March 31, 2020****CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 658,057,130
Receipts from market settlements	29,953,628
Other operating receipts	3,774,200
Payments to suppliers for electricity	(584,758,339)
Payments to suppliers for other goods and services	(13,460,289)
Payments to employees for services	(2,814,790)
Tax and surcharge payments to other governments	(22,191,534)
Net cash provided (used) by operating activities	<u>68,560,006</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds	29,775,000
Principal payments on loan	(48,825,000)
Interest and related expense payments	(228,230)
Net cash provided (used) by non-capital financing activities	<u>(19,278,230)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(34,652)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>211,153</u>
Net cash provided (used) by investing activities	<u>211,153</u>

Net change in cash and cash equivalents	49,458,277
Cash and cash equivalents at beginning of period	<u>15,210,580</u>
Cash and cash equivalents at end of period	<u><u>\$ 64,668,857</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 58,571,859
Restricted cash	<u>6,097,000</u>
Cash and cash equivalents	<u><u>\$ 64,668,859</u></u>

CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
STATEMENT OF CASH FLOWS (continued)
July 1, 2019 through March 31, 2020

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

Operating income (loss)	\$ 26,496,933
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation expense	14,066
Revenue adjusted for allowance for uncollectible accounts	5,682,249
(Increase) decrease in:	
Accounts receivable	(6,238,479)
Energy market settlements receivable	4,032,826
Other receivables	167,304
Accrued revenue	38,323,567
Prepaid expenses	95,086
Deposits	(732,185)
Increase (decrease) in:	
Accounts payable	(1,422,791)
Accrued cost of electricity	(4,009,434)
Other accrued liabilities	900,576
User taxes due to other governments	1,476,088
Supplier security deposits	3,774,200
Net cash provided (used) by operating activities	<u>\$ 68,560,006</u>

**CLEAN POWER ALLIANCE OF SOUTHERN CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
July 1, 2019 through March 31, 2020**

	2019/20 YTD Budget	2019/20 YTD Actual	2019/20 YTD Budget Variance (Under) Over	2019/20 YTD Actual / Budget %	2019/20 Annual Budget	2019/20 Remaining Budget
Operating Revenues						
Revenue - electricity, net	\$ 574,528,900	\$ 596,622,170	\$ 22,093,270	104%	743,350,000	146,727,830
Other revenues	-	-	-	0%	10,000	10,000
Total Operating Revenues	574,528,900	596,622,170	22,093,270	104%	743,360,000	146,737,830
Energy Costs						
Energy procurement	552,696,000	553,747,256	1,051,256	100%	687,568,000	133,820,744
Operating Revenues less Energy Costs	21,832,900	42,874,914	21,042,014	196%	55,792,000	12,917,086
Operating Expenditures						
Staffing	3,591,100	2,848,018	(743,082)	79%	4,852,000	2,003,982
Technical services	1,442,600	1,358,236	(84,364)	94%	1,777,000	418,764
Legal services	880,000	461,764	(418,236)	52%	1,195,000	733,236
Other services	503,000	575,601	72,601	114%	539,000	(36,601)
Communications and marketing	261,900	69,343	(192,557)	26%	349,000	279,657
Customer notices and mailing	225,000	133,343	(91,657)	59%	300,000	166,657
Data management services	8,947,800	8,556,515	(391,285)	96%	11,930,000	3,373,485
Service fees- SCE	1,661,400	1,661,400	-	100%	2,215,000	553,600
Local Programs	525,000	-	(525,000)	0%	1,450,000	1,450,000
General and administration	564,600	521,128	(43,472)	92%	757,000	235,872
Occupancy	298,860	178,566	(120,294)	60%	414,000	235,434
Total Operating Expenditures	18,901,260	16,363,914	(2,537,346)	87%	25,778,000	9,414,086
Operating Income	2,931,640	26,511,000	23,579,360		30,014,000	3,503,000
Non-Operating and Other Revenues (Expenditures)						
Investment Income	572,270	211,153	(361,117)	37%	849,000	637,847
Finance and interest expense	(541,100)	(201,867)	339,233	37%	(588,000)	(386,133)
Depreciation	(9,000)	(14,066)	(5,066)	156%	(12,000)	2,066
Total Non-Operating Revenues (Expenditures)	22,170	(4,780)	(26,950)		249,000	253,780
Change in Net Position	2,953,810	26,506,220	23,552,410		30,263,000	3,756,780
Other Uses						
Capital outlay	90,000	34,652	(55,348)	39%	574,000	539,348
Depreciation	(9,000)	(14,066)	(5,066)	156%	(12,000)	2,066
Total Other Uses	81,000	20,586	(60,414)		562,000	
Change in Fund Balance	\$ 2,872,810	\$ 26,485,634	\$ 23,612,824		\$29,701,000	

Select Financial Indicators

	3/31/2020	3/31/2019	Description
Working Capital	43,347,480	9,922,001	Current Assets less Current Liabilities
Current Ratio	1.40	1.21	Current Assets divided by Current Liabilities
Available Cash	58,571,859	6,175,218	Total cash less restricted cash
Available Line of Credit	36,000,000	17,250,000	Total Line of Credit less Borrowing and Letters of Credit
Total Liquidity	94,571,859	23,425,218	Sum of Available Cash and Line of Credit
Days Liquidity on Hand (TTM)	45	60	Total Liquidity divided by trailing 12 month expenses divided by 365
Equity to Assets	28%	-4%	Equity divided by Total Assets
Days Sales Outstanding	23	59	Accounts receivable divided by Sales divided by 365
Net Margin (YTD)	4.4%	0.6%	Change in net position divided by sales