CALIFORNIA COMMUNITY POWER

CALIFORNIA COMMUNITY POWER

FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

WITH REPORT OF

INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Board of Directors
California Community Power

Opinion

We have audited the accompanying financial statements of California Community Power (CC Power), which comprise the statements of net position as of June 30, 2025 and 2024, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CC Power as of June 30, 2025 and 2024, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CC Power and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CC Power's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CC Power's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CC Power's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Sorren CPAs P.C.

Santa Rosa, California
January 30, 2026

The purpose of management's discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about California Community Power's (CC Power) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations informed by the finance staff's knowledge of CC Power's finances.

Please address any questions about this report or requests for additional financial information to 901 H St, Ste 120, PMB 157, Sacramento CA 95814.

Overview of the Financial Statements

CC Power's financial report contains basic financial statements which include the following components:

- The *Statements of Net Position* include all of CC Power's assets, liabilities, and net position and provide information about the nature and amounts of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of CC Power's revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

Financial Summary

CC Power's Net Position

	June 30, 2025	June 30, 2024	June 30, 2023
Current assets	$ 7,677,737	$ 1,412,799	$ 694,977
Current liabilities	6,665,177	612,047	478,876
Net position			
Unrestricted	1,012,560	800,752	216,101
Total net position	$ 1,012,560	$ 800,752	$ 216,101

As of June 30, 2025, CC Power's total net position was approximately $1,013,000, an increase of $212,000 or 26% as compared to June 30, 2024. See the discussion in the following section for an explanation of the changes in the various components.

CC Power's Changes in Net Position

	2025*	2024*	2023*
Operating revenues	$ 6,996,379	$ 1,920,218	$ 555,102
Investment income	7,235	6,522	1,828
Total revenues	7,003,614	1,926,740	556,930
Operating expenses	6,791,806	1,342,089	369,036
Change in net position	$ 211,808	$ 584,651	$ 187,894

*2025 covers the period from July 1, 2024 through June 30, 2025
*2024 covers the period from July 1, 2023 through June 30, 2024
*2023 covers the period from January 1, 2023 through June 30, 2023

Operating revenues have increased due to an increase in CC Power's membership costs as well as increased project activity. See the following section for a detailed discussion.

Detailed Analysis

Current Assets

Current assets are mostly comprised of cash, cash equivalents and receivables. Current assets increased from 2023 to 2024 primarily due to higher member contributions associated with growth in membership costs and related project activity. From 2024 to 2025, current assets increased further as ongoing project activity resulted in additional member contributions receivable. The most significant element of the 2025 increase, however, was the recognition of a $4,500,000 receivable for compensation for damages arising from the termination of an energy supply contract during the year. This one-time item has a corresponding liability, noted below.

Current Liabilities

Current liabilities are comprised of deferred revenue, damages compensation payable to members, trade accounts payable, payroll-related liabilities, and supplier security deposits. Current liabilities increased modestly from 2023 to 2024, followed by a substantial increase from 2024 to 2025. This change was primarily attributable to increased member funding for future project activity, reported as deferred revenue, and the recognition of a liability to members for compensation for damages arising from the termination of an energy supply contract during the year.

Operating Revenues

Operating revenues consist primarily of member contributions and revenue from damages. Growth in CC Power's membership and project-related activities over the past several years has resulted in increased operating revenues. In 2025, operating revenues were $6,996,000, compared to $1,920,000 in 2024, representing an increase of $5,076,000. The change was largely attributable to increased member funding for ongoing and future project activity and the recognition of amounts associated with damages revenue.

Operating Expenses

Expenses for contract services, employee costs, and other general and administrative expenses are included in operating expenses. Similar to the trend in revenue, the year-over-year change was largely attributable to increased member funding for ongoing and future project activity, and the recognition of amounts that will be paid to members as a result of compensation of revenue stemming from the termination of an energy supply contract during the year.

Currently Known Facts, Decisions, or Conditions

CC Power has entered into several agreements to procure new, cost-effective energy and reliability resources, such as energy storage and energy storage capacity, that will continue to advance local and state climate goals of its members. CC Power expects the first production from these resources to begin in late fiscal year 2026. CC Power expects an increase in management efforts to accommodate the purchase of these resources and the allocation of any benefits and costs of those resources to its members.

BASIC FINANCIAL STATEMENTS

CALIFORNIA COMMUNITY POWER
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,966,276	$ 1,260,826
Liquidated damages receivable	4,500,000	-
Receivable from members	1,185,647	132,660
Prepaid expenses	25,814	19,313
Total current assets	7,677,737	1,412,799
LIABILITIES		
Current liabilities		
Accounts payable	98,352	158,763
Payroll and related liabilities	78,880	63,284
Liquidated damages due to members	4,500,000	-
Deferred revenue	1,537,945	-
Supplier security deposits	450,000	390,000
Total current liabilities	6,665,177	612,047
NET POSITION		
Unrestricted	1,012,560	800,752
Total net position	$ 1,012,560	$ 800,752

The accompanying notes are an integral part of these financial statements.

CALIFORNIA COMMUNITY POWER
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Member contributions	$ 2,496,379	$ 1,920,218
Liquidated damages revenue	4,500,000	-
Total operating revenues	6,996,379	1,920,218
OPERATING EXPENSES		
Contract services	1,032,418	583,730
Staff compensation	1,102,871	693,246
Other operating expenses	156,517	65,113
Liquidated damages - member share	4,500,000	-
Total operating expenses	6,791,806	1,342,089
Operating income	204,573	578,129
NONOPERATING REVENUES		
Investment income	7,235	6,522
CHANGE IN NET POSITION	211,808	584,651
Net position at beginning of year	800,752	216,101
Net position at end of year	$ 1,012,560	$ 800,752

The accompanying notes are an integral part of these financial statements.

CALIFORNIA COMMUNITY POWER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	$ 2,981,337	$ 1,787,558
Receipts of supplier security deposits	300,000	-
Payments of staff compensation	(1,087,275)	(646,253)
Payments for other goods and services	(1,255,847)	(566,978)
Payments of deposits and collateral	(240,000)	-
Net cash provided by operating activities	698,215	574,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	7,235	6,522
Net change in cash and cash equivalents	705,450	580,849
Cash and cash equivalents at beginning of year	1,260,826	679,977
Cash and cash equivalents at end of year	$ 1,966,276	$ 1,260,826

The accompanying notes are an integral part of these financial statements.

CALIFORNIA COMMUNITY POWER
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2025	2024
Operating income	$ 204,573	$ 578,129
Adjustments to reconcile operating income to net cash provided by operating activities		
(Increase) decrease in:		
Liquidated damages receivable	(4,500,000)	-
Receivable from members	(1,052,987)	(132,660)
Prepaid expenses	(6,501)	(4,313)
Increase (decrease) in:		
Accounts payable	(60,411)	86,178
Payroll and related liabilities	15,596	46,993
Liquidated damages due to members	4,500,000	-
Deferred revenue	1,537,945	-
Supplier security deposits	60,000	-
Net cash provided by operating activities	$ 698,215	$ 574,327

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

California Community Power (CC Power) is a California joint powers authority created on January 29, 2021. As of June 30, 2025, parties to its Joint Powers Agreement consist of the following Community Choice Aggregators (CCAs):

Ava Community Energy
Central Coast Community Energy
CleanPower SF
Peninsula Clean Energy Authority
Redwood Coast Energy Authority
San Jose Clean Energy
Silicon Valley Clean Energy
Sonoma Clean Power Authority
Valley Clean Energy

CC Power is separate from its members and is governed by a Board of Directors (Board) consisting of one director from each CCA-member.

CC Power was formed to join the members together to engage in the exercise of powers they have in common including, but not limited to:

- The acquisition and operation of wholesale power supplies, resource adequacy, and renewable attributes.
- The provision of joint consulting and contracting services via master agreements and bulk purchasing and financing of decarbonization products.
- The offering of energy risk management and California Independent System Operator scheduling services; and
- Other energy services or programs which may be of benefit to its members.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

CC Power's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements.

CC Power's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, if applicable – investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, CC Power will use restricted resources first, then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For the purposes of the Statements of Cash Flows, CC Power defines cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

LIQUIDATED DAMAGES RECEIVABLE AND PAYABLE

CC Power and an energy supplier terminated an agreement during the year that resulted in $4,500,000 of compensation for damages due to CC Power. CC Power received the payment in full in July 2025. CC Power will distribute the amount received to the members affected by the terminated agreement.

RECEIVABLE FROM MEMBERS

In order to fund its ongoing operations, CC Power charges its members for general dues as well as specific project funding. Receivable from members represents amounts charged to members that are expected to be collected in the subsequent fiscal year. CC Power expects to fully collect on member receivables.

DEFERRED REVENUE

Certain contributions from members are specified for distinct future project uses. These funds are tracked by CC Power and reported as deferred revenue until the associated expenses are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

SUPPLIER SECURITY DEPOSITS

During contract negotiations with energy suppliers, CC Power may request a collateral posting either in the form of cash or letter of credit. Cash collateral received and held at the end of the reporting period is recorded in the liability section of the Statements of Net Position.

OPERATING AND NONOPERATING REVENUES

Operating revenues include contributions received from members to fund the operating activities of CC Power. The Board of directors assesses member contributions based on expectations of the following year's expenses and other cash outflows.

Investment income is reported as "nonoperating revenue."

OPERATING AND NONOPERATING EXPENSES

Operating expenses include consulting, staff compensation and administrative expenses. Expenses not meeting this definition are reported as nonoperating expenses.

STAFFING COMPENSATION

CC Power provides compensated absences, including paid time off, which are accrued when earned and recorded as part of accrued liabilities. The liability includes leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. The liability is measured using the employee's pay rate as of the financial statement date.

CC Power does not provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements.

ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the presentation of the current year's financial statements. These reclassifications did not result in any change in previously reported net position or change in net position.

2. CASH AND CASH EQUIVALENTS

CC Power maintains its cash in accounts at River City Bank. Its deposits are subject to California Government Code Section 16521, which requires banks to provide collateral of 110% of account balances in excess of the $250,000 insurance coverage by the Federal Deposit Insurance Corporation. Accordingly, the amount of risk is not disclosed for bank deposits.

3. DEFINED CONTRIBUTION RETIREMENT PLAN

The CC Power Retirement Plan (Plan) is a defined contribution (IRC 401(a)) retirement plan established to provide retirement benefits to its employees. The Plan is administered by Public Agency Retirement Services. As of June 30, 2025, there were 4 active plan participants. CC Power is required to contribute ten percent of covered payroll. CC Power contributed $78,000 and $56,000 during the years ended June 30, 2025 and 2024, respectively.

4. RISK MANAGEMENT

CC Power is exposed to various risks including loss related to torts and errors and omissions. During the year, CC Power purchased insurance policies from commercial carriers to mitigate risks. CC Power has general liability coverage of $2,000,000 with no deductible.

5. PURCHASE COMMITMENTS

In the ordinary course of business, CC Power enters into power purchase agreements to acquire renewable energy for resale to its members. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources. All power purchase agreements entered into by CC Power have a corresponding pass-through purchase agreement with the CC Power members who choose to participate in a particular project.

The following table represents the expected, undiscounted, contractual obligations outstanding as of the reporting date of these financial statements.

Year ending June 30,	
2026	$ 1,000,000
2027	22,300,000
2028	58,700,000
2029	93,900,000
2030	114,900,000
2031-47	1,790,000,000
	$2,080,800,000

6. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

CC Power implemented GASB Statement No. 102, Certain Risk Disclosures, which requires additional disclosures regarding concentrations and constraints that could impact CC Power's financial position or results of operations. Implementation of this statement did not have a material effect on the financial statements.

CC Power also implemented GASB Statement No. 103, Financial Reporting Model Improvements, which establishes revised guidance for the presentation of financial statements by state and local governments. The adoption of this statement did not have a material effect on CC Power's financial statements.