



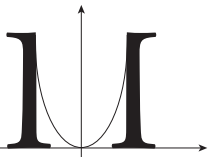
TREASURER REPORT

**Fiscal Year to Date
As of January 31, 2019**

Issue Date: March 6, 2019

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Monterey Bay Community Power Authority

Management is responsible for the accompanying financial statements of Monterey Bay Community Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of January 31, 2019, 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. Monterey Bay Community Power Authority'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
March 1, 2019



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of January 31, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 46,490,961
Accounts receivable, net of allowance	18,077,650
Accrued revenue	10,596,925
Other receivables	18,068
Prepaid expenses	502,964
Deposits	268,408
Restricted cash	3,600,000
Total current assets	<u>79,554,976</u>
Noncurrent assets	
Capital assets, net of depreciation	259,274
Deposits	119,355
Total noncurrent assets	<u>378,629</u>
Total assets	<u><u>79,933,605</u></u>

LIABILITIES

Current liabilities	
Accounts payable	195,196
Accrued cost of electricity	23,512,044
Accrued payroll and benefits	203,351
Other accrued liabilities	777,140
Customer rebate liabilities	969,484
User taxes and energy surcharges due to other governments	777,951
Total current liabilities	<u>26,435,166</u>

NET POSITION

Investment in capital assets	259,274
Restricted for security collateral	3,600,000
Unrestricted	49,639,165
Total net position	<u><u>\$ 53,498,439</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

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

October 1, 2018 through January 31, 2019

OPERATING REVENUES

Electricity sales, net of allowance \$ 65,399,092

OPERATING EXPENSES

Cost of electricity 49,525,204
Staff compensation and benefits 876,990
Data management 1,074,321
Service fees - PG&E 376,724
Consultants and other professional fees 224,973
Legal 71,974
Communications and noticing 165,666
General and administration 264,738
Depreciation 30,222
Total operating expenses 52,610,812
Operating income 12,788,280

NONOPERATING REVENUES (EXPENSES)

Interest income 230,861
Gain (loss) on disposal of asset 266
Total nonoperating revenues (expenses) 231,127

CHANGE IN NET POSITION

Net position (deficit) at beginning of period 40,479,032
Net position at end of period \$ 53,498,439

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2018 through January 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 73,962,666
Tax and surcharge receipts from customers	1,803,563
Energy settlements received	5,596,997
Payments to purchase electricity and related	(48,227,947)
Payments for staff compensation and benefits	(838,041)
Payments for consultants and other professional fees	(1,932,093)
Payments for general and administration	(331,573)
Tax and surcharge payments to other governments	(2,002,666)
Net cash provided (used) by operating activities	<u>28,030,906</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Acquisition of capital assets	<u>(28,094)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>230,861</u>
Net cash provided (used) by investing activities	<u>230,861</u>

Net change in cash and cash equivalents	28,233,673
Cash and cash equivalents at beginning of year	<u>21,857,288</u>
Cash and cash equivalents at end of period	<u>\$ 50,090,961</u>

Reconciliation to the Statement of Net Position

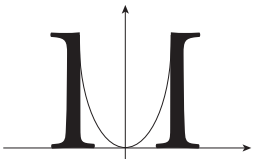
Cash and cash equivalents (unrestricted)	\$ 46,490,961
Restricted cash	<u>3,600,000</u>
Cash and cash equivalents	<u>\$ 50,090,961</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued) October 1, 2018 through January 31, 2019

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

Operating income	\$ 12,788,280
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	30,044
Revenue reduced for uncollectible accounts	338,999
(Increase) decrease in accounts receivable	4,905,542
(Increase) decrease in energy settlements receivable	1,027,317
(Increase) decrease in accrued revenue	4,472,672
(Increase) decrease in other receivables	(13,343)
(Increase) decrease in prepaid expenses	4,648,023
(Increase) decrease in deposits	(268,408)
Increase (decrease) in accounts payable	(678,062)
Increase (decrease) in accrued cost of electricity	1,190,274
Increase (decrease) in accrued payroll and related	38,949
Increase (decrease) in energy settlements payable	149,421
Increase (decrease) in accrued liabilities	753,940
Increase (decrease) in customer rebate liabilities	(929,461)
Increase (decrease) taxes and surcharges due to other governments	(423,281)
Net cash provided (used) by operating activities	<u>\$ 28,030,906</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Monterey Bay Community Power Authority

Management is responsible for the accompanying special purpose statement of Monterey Bay Community Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended January 31, 2019, 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. Monterey Bay Community Power Authority'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
March 1, 2019



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through January 31, 2019

	2018/19 YTD Budget	2018/19 YTD Actual	2018/19 YTD Budget Variance (Under) Over	2018/19 YTD Actual / Budget %	2018/19 Annual Budget	2018/19 Budget Remaining	2018/19 Budget Remaining / Budget %
REVENUES AND OTHER SOURCES							
Electricity sales	\$ 73,111,188	\$ 67,799,682	\$ (5,311,506)	93%	\$ 229,341,000	\$ 161,541,318	70%
Less uncollectible accounts	(379,918)	(338,998)	40,920	89%	(1,296,000)	(957,002)	74%
Net revenue - electricity	72,731,270	67,460,684	(5,270,586)	93%	228,045,000	160,584,316	
Miscellaneous income		266	266	na		(266)	na
Investment income	-	230,861	230,861	na		(230,861)	na
Total revenues and other sources	72,731,270	67,691,811	(5,039,459)	93%	228,045,000	160,353,189	70%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	58,603,580	49,525,204	(9,078,376)	85%	174,564,000	125,038,796	72%
Data manager	886,443	1,074,321	187,878	121%	2,659,000	1,584,679	60%
PG&E service fees	403,413	376,724	(26,689)	93%	1,210,000	833,276	69%
Staffing	1,440,758	876,990	(563,768)	61%	4,399,000	3,522,010	80%
Professional services	313,963	194,973	(118,990)	62%	838,000	643,027	77%
Legal services	66,667	101,974	35,307	153%	200,000	98,026	49%
Marketing and customer enrollment	262,233	165,645	(96,588)	63%	787,000	621,355	79%
Other general & administrative	367,659	294,960	(72,699)	80%	1,100,000	805,040	73%
Total current expenditures	62,344,716	52,610,791	(9,733,925)	84%	185,757,000	133,146,209	72%
Other Uses							
Capital outlay	89,200	27,157	(62,043)	30%	98,000	70,843	72%
Debt Service							
Interest expense	-	-	-	0%	44,000	44,000	100%
Total Expenditures and Other Uses	62,433,916	52,637,948	(9,795,968)	84%	185,899,000	133,261,052	72%
Surplus Before Rebates and Program	10,297,354	15,053,863	4,756,509		42,146,000	27,092,137	64%
Rebate Expenditures							
Rebate Expenditures	2,396,095	2,061,592	(334,503)	na	7,517,000	5,455,408	na
Program Expenditures	1,020,171	21	(1,020,150)	0%	4,561,000	4,560,979	100%
Surplus After Rebates and Program Expenditures	\$ 6,881,088	\$ 12,992,250	\$ 6,111,162		\$ 30,068,000	\$ 17,075,750	

**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2018 through January 31, 2019**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 12,992,250
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Add back capital asset acquisitions	<u>27,157</u>
Change in Net Position	<u><u>\$ 13,019,407</u></u>

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MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2018 through January 31, 2019

Budget Item	YTD Variance	Comment
Electric Sales Revenue	93%	Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed. The main driver of the lower than expected result is lower volume used by customers.
Staffing	61%	Staffing expenses are under budget due to the timing of new hires
Professional Services	62%	This category includes accounting, IT, technical and other consultants. Staff has been able to maintain a favorable variance for this budget item.
Legal Costs	153%	Outside legal costs for regulatory and energy procurement needs have been greater than planned.
Marketing and customer enrollment	63%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	121%	Variance is expected to level out through the remainder of the year
PG&E Fees	93%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	80%	This category includes occupancy costs, industry membership dues, and other general and administrative costs. Staff has been able to maintain a favorable variance for this budget item.
Energy and Related Programs	0%	Programs expenses have generally been delayed until later in the fiscal year.
Cost of Energy	85%	This variance is primarily due to (1) lower than expected volume used by customers, (2) better than anticipated market prices, and (3) timing difference between projected and actual REC deliveries. This variance is favorable compared to the variance in electric sales revenue.

Financial Dashboard: January 2019

CUSTOMERS	SALES VOLUME	REVENUE	STD MARGIN	Δ in NET ASSETS
269,000 ACTIVE	236 GWh	\$14.7M	-\$2.1 (-15%)	-\$3.2M
234,000 INVOICED				

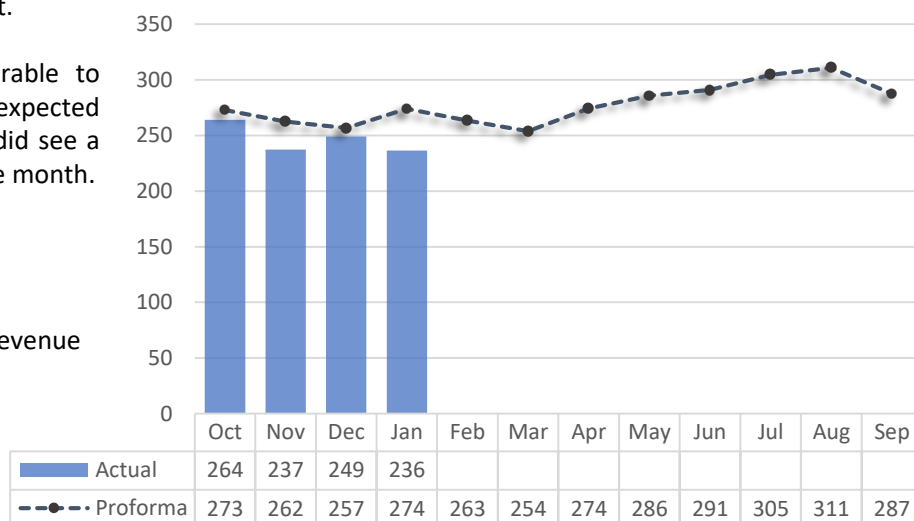
January Revenue of \$14.7MM accounted for 236 GWh in net retail consumption. This comes in 38 GWh short of the forecast.

YTD Margins continue to run favorable to budget, primarily due to better and expected cost of energy. As planned, January did see a decreased change in net assets for the month.

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

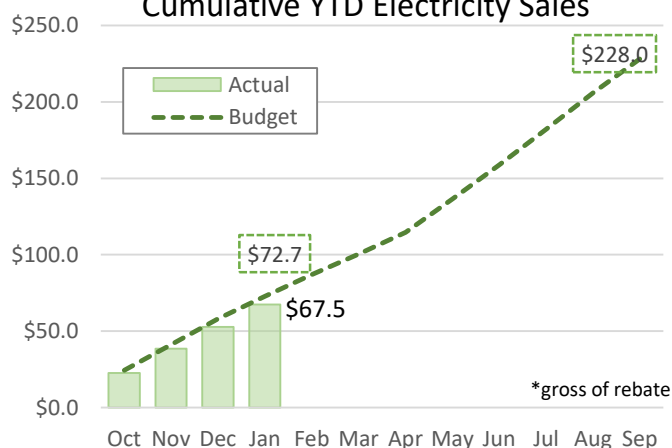
The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)

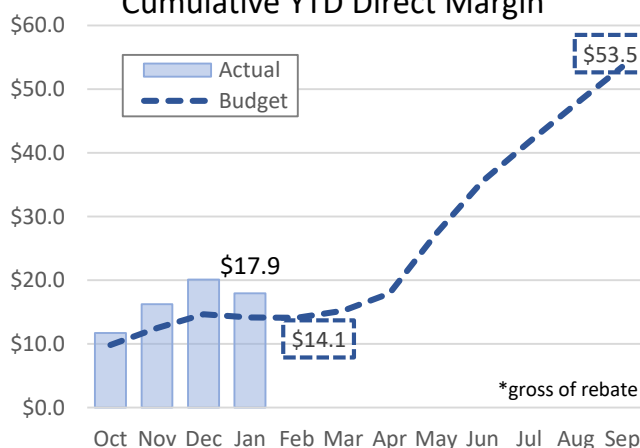


YTD Revenue \$5.3M below budget, but Standard Margin dollars are \$3.8M ahead of budget.

Cumulative YTD Electricity Sales



Cumulative YTD Direct Margin



Data Definitions:

CUSTOMERS: INVOICED: Unique Customer ESP Account Numbers billed during Calendar Month, ACTIVE: From GridX invoice.
 REPORTED / SALES VOLUME: Best available estimate of actual meter volume. Currently based on GridX T+8 SQMD Report.
 REVENUE: Total Company Revenue (net of reserve for uncollectible accounts and customer rebate).
 ELECTRICITY SALES: Revenue from Electricity less reserve for uncollectible, but gross of customer rebate to match budget methodology.
 STD MARGIN: Electricity sales (gross of customer rebate) less cost of energy

ACTUAL: Same as sales volume above
 BUDGET: Volumes from 2018.13 Proforma model used for 2018/19 budget.

Monterey Bay Community Power Authority
Investment Summary
October 1, 2018 through January 31, 2019

Return of Investments	<u>YTD</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<i>Money Market and other Interest Earning Accounts</i>	\$ 231,000	\$ 25,500	\$ 43,500	\$ 70,000	92,000								
<i>Funds Invested - Average Balance</i>		\$ 17,887,000	\$ 23,946,000	\$ 37,260,000	\$ 45,025,000								
<i>Average APY</i>		1.71%	2.18%	2.25%	2.45%								

Monterey Bay Community Power Authority
Accounts Receivable Aging Report
As of January 31, 2019

		DAYS				
	Total	0-30	31-60	61-90	90-120	Over 120
Accounts Receivable, net	18,077,000	15,331,000	1,256,000	504,000	480,000	506,000
Period %	100%	85%	7%	3%	3%	3%

**Monterey Bay Community Power Authority
Personnel Report
As of March 6, 2019**

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk/Executive Assistant	1	1	
Director of Finance & Administrative Services	1	1	
Manager of Human Resources	1	0	Recruitment in progress
Manager of Information Technology & Data Integration	1	1	
Financial Analyst	1	1	
Administrative Operations Associate	1	1	
Director of Power Supply Resources	1	1	
Manager of Energy Trading	1	1	
Manager of Energy Contract & Compliance	1	1	
Power Supply Analyst	1	1	
Power Supply Analyst	1	0	
Director of Communications & Energy Programs	1	1	
Manager of Energy Communications & Outreach	1	1	
Energy Communications Specialist	1	1	
Energy Public Engagement Associate	1	1	
Energy Public Engagement Associate	1	1	
Manager of Energy Account Services	1	0	Recruitment in progress
Manager of Energy Business Development	1	1	
Manager of Energy Programs	1	1	
Energy Programs Coordinator	1	1	
Intern/Temp Staff Support	3	0	Recruitment in progress
General Counsel	1	0	Contract GC from the County of Monterey for FY2018/19
Manager of Energy Regulatory and Legislative Affairs	1	0	Recruitment in progress
Energy Regulatory and Legislative Analyst	1	0	
Total	27	18	