



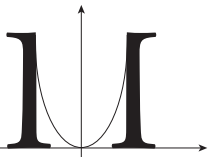
TREASURER REPORT

**Fiscal Year to Date As
of February 28, 2019**

Issue Date: April 10, 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 February 28, 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 26, 2019



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of February 28, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 49,979,857
Accounts receivable, net of allowance	17,642,934
Energy settlements receivable	1,124,973
Accrued revenue	10,706,254
Other receivables	17,688
Prepaid expenses	366,108
Deposits	268,408
Restricted cash	3,600,000
Total current assets	<u>83,706,222</u>
Noncurrent assets	
Capital assets, net of depreciation	250,483
Deposits	119,630
Total noncurrent assets	<u>370,113</u>
Total assets	<u><u>84,076,335</u></u>

LIABILITIES

Current liabilities	
Accounts payable	187,826
Accrued cost of electricity	23,142,954
Accrued payroll and benefits	212,754
Other accrued liabilities	887,140
Customer rebate liabilities	1,193,399
User taxes and energy surcharges due to other governments	909,810
Total current liabilities	<u>26,533,883</u>

NET POSITION

Investment in capital assets	250,483
Restricted for security collateral	3,600,000
Unrestricted	53,691,969
Total net position	<u><u>\$ 57,542,452</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

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

October 1, 2018 through February 28, 2019

OPERATING REVENUES

Electricity sales, net of allowance \$ 80,254,793

OPERATING EXPENSES

Cost of electricity 59,786,693

Staff compensation and benefits 1,109,042

Data management 1,184,321

Service fees - PG&E 471,822

Consultants and other professional fees 312,596

Legal 86,288

Communications and noticing 180,004

General and administration 342,020

Depreciation 38,282

Total operating expenses 63,511,068

Operating income 16,743,725

NONOPERATING REVENUES (EXPENSES)

Interest income 320,160

Gain (loss) on disposal of asset (465)

Total nonoperating revenues (expenses) 319,695

CHANGE IN NET POSITION

17,063,420

Net position (deficit) at beginning of period 40,479,032

Net position at end of period \$ 57,542,452

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2018 through February 28, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 89,525,088
Tax and surcharge receipts from customers	2,259,322
Energy settlements received	5,753,997
Payments to purchase electricity and related	(59,773,221)
Payments for staff compensation and benefits	(1,060,691)
Payments for consultants and other professional fees	(2,138,005)
Payments for general and administration	(383,682)
Payments of deposits and collateral	(268,683)
Tax and surcharge payments to other governments	(2,483,985)
Net cash provided (used) by operating activities	<u>31,430,140</u>

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

Acquisition of capital assets	<u>(27,731)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>320,160</u>
Net cash provided (used) by investing activities	<u>320,160</u>

Net change in cash and cash equivalents	31,722,569
Cash and cash equivalents at beginning of year	21,857,288
Cash and cash equivalents at end of period	<u>\$ 53,579,857</u>

Reconciliation to the Statement of Net Position

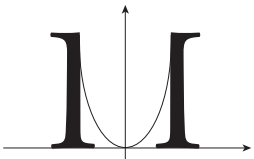
Cash and cash equivalents (unrestricted)	\$ 49,979,857
Restricted cash	3,600,000
Cash and cash equivalents	<u>\$ 53,579,857</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued) October 1, 2018 through February 28, 2019

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

Operating income	\$ 16,743,725
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	37,741
Revenue reduced for uncollectible accounts	415,081
(Increase) decrease in accounts receivable	5,264,176
(Increase) decrease in energy settlements receivable	(97,656)
(Increase) decrease in accrued revenue	4,363,343
(Increase) decrease in other receivables	(12,963)
(Increase) decrease in prepaid expenses	4,784,879
(Increase) decrease in deposits	(268,683)
Increase (decrease) in accounts payable	(685,432)
Increase (decrease) in accrued cost of electricity	970,605
Increase (decrease) in accrued payroll and related	48,352
Increase (decrease) in accrued liabilities	863,940
Increase (decrease) in customer rebate liabilities	(705,546)
Increase (decrease) taxes and surcharges due to other governments	(291,422)
Net cash provided (used) by operating activities	<u>\$ 31,430,140</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 February 28, 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 26, 2019



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through February 28, 2019

	2018/19 YTD Amended Budget	2018/19 YTD Actual	2018/19 YTD Amended Budget Variance (Under) Over	2018/19 YTD Actual / Amended Budget %	2018/19 Annual Amended Budget	2018/19 Amended Budget Remaining	2018/19 Budget Remaining / Amended Budget %
REVENUES AND OTHER SOURCES							
Electricity sales	\$ 83,111,369	\$ 83,016,085	\$ (95,284)	100%	\$ 221,333,000	\$ 138,316,915	62%
Less uncollectible accounts	(415,557)	(415,080)	477	100%	(1,107,000)	(691,920)	63%
Net revenue - electricity	82,695,812	82,601,005	(94,807)	100%	220,226,000	137,624,995	
Investment and miscellaneous income	320,747	319,695	(1,052)	100%	978,000	658,305	67%
Total revenues and other sources	<u>83,016,559</u>	<u>82,920,700</u>	<u>(95,859)</u>	<u>100%</u>	<u>221,204,000</u>	<u>138,283,300</u>	<u>63%</u>
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	60,983,313	59,909,608	(1,073,705)	98%	165,689,000	105,779,392	64%
Data manager	1,229,968	1,184,321	(45,647)	96%	2,703,000	1,518,679	56%
PG&E service fees	478,058	471,822	(6,236)	99%	1,143,000	671,178	59%
Staffing	1,168,600	1,109,042	(59,558)	95%	3,851,000	2,741,958	71%
Professional services	150,753	152,181	1,428	101%	482,000	329,819	68%
Legal services	155,439	123,788	(31,651)	80%	298,000	174,212	58%
Marketing and customer enrollment	200,606	179,983	(20,623)	90%	945,000	765,017	81%
Other general & administration	398,546	380,302	(18,244)	95%	1,033,000	652,698	63%
Total current expenditures	<u>64,765,284</u>	<u>63,511,047</u>	<u>(1,254,237)</u>	<u>98%</u>	<u>176,144,000</u>	<u>112,632,953</u>	<u>64%</u>
Other Uses							
Capital outlay	43,932	27,157	(16,775)	62%	98,000	70,843	72%
Total Expenditures and Other Uses	<u>64,809,216</u>	<u>63,538,204</u>	<u>(1,271,012)</u>	<u>98%</u>	<u>176,242,000</u>	<u>112,703,796</u>	<u>64%</u>
Surplus Before Rebates and Program	18,207,343	19,382,496	1,175,153		44,962,000	25,579,504	57%
Rebate expenditures	3,073,871	2,346,212	(727,659)	76%	8,112,000	5,765,788	71%
Program expenditures	23,866	21	(23,845)	0%	4,405,000	4,404,979	100%
Surplus After Rebates and Program Expenditures	<u>\$ 15,109,606</u>	<u>\$ 17,036,263</u>	<u>\$ 1,926,657</u>		<u>\$ 32,445,000</u>	<u>\$ 15,408,737</u>	

**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2018 through February 28, 2019**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 17,036,263
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>\$ 17,063,420</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2018 through February 28, 2019

Budget Item	YTD Variance	Comment
Electric Sales Revenue	100%	Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.
Staffing	95%	Staffing expenses are slightly under budget due to the timing of new hires
Professional Services	101%	This category includes accounting, IT, technical and other consultants.
Legal Costs	80%	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	90%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	96%	Variance is expected to level out through the remainder of the year
PG&E Fees	99%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	95%	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	98%	This minor 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.

Financial Dashboard: February 2019

CUSTOMERS	SALES VOLUME	REVENUE	STD MARGIN	Δ in NET ASSETS
269,000 ACTIVE	239 GWh	\$15.1M	\$4.9 (32%)	\$4.0M
255,000 INVOICED				<ul style="list-style-type: none"> Revenue, \$15.1 C.O.E., \$10.3 Other Expense, \$0.8 Net Income, \$4.0

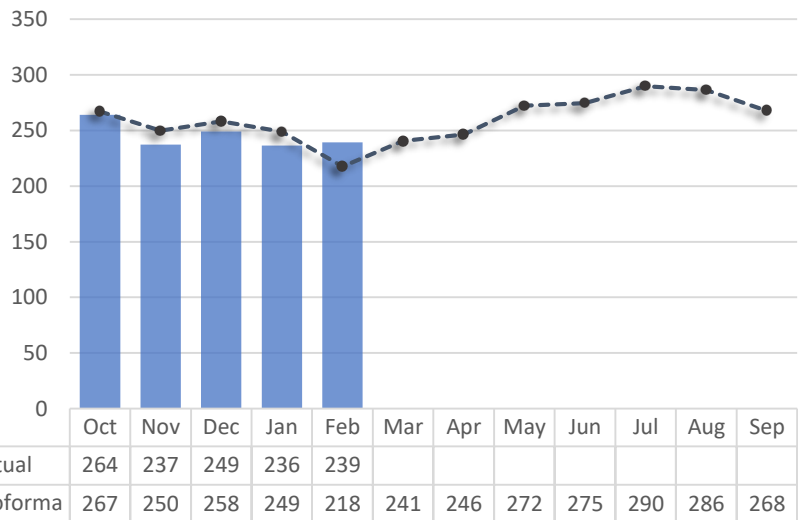
February Revenue of \$15.1MM accounted for 239 GWh in net retail consumption. This comes in 21 GWh ahead of the amended forecast.

Margins continue to run favorable to amended budget, primarily due to true up for previous period cost of energy.

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

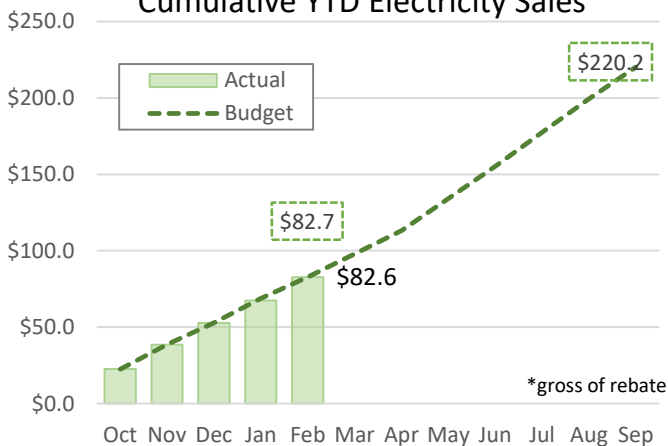
The charts below display cumulative revenue and margin \$ vs amended budget.

Monthly Sales Volume (GWh)

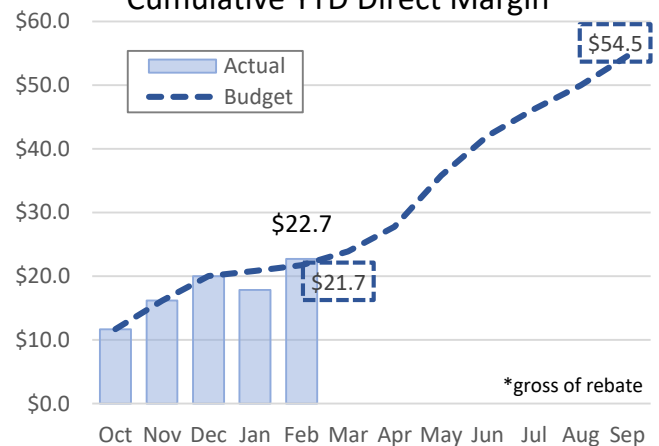


YTD Revenue \$0.1M below budget, but Standard Margin dollars are \$1.0M ahead of budget.

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 2019.03.21 amended Proforma model used for amended 2018/19 budget.

Monterey Bay Community Power Authority
Investment Summary
October 1, 2018 through February 28, 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>	\$ 320,000	\$ 25,500	\$ 43,500	\$ 70,000	92,000	89,000							
<i>Funds Invested - Average Balance</i>		\$ 17,887,000	\$ 23,946,000	\$ 37,260,000	\$ 45,025,000	\$ 51,229,000							
<i>Average APY</i>		1.71%	2.18%	2.25%	2.45%	2.08%							

Monterey Bay Community Power Authority
Accounts Receivable Aging Report
As of February 28, 2019

		DAYS				
	Total	0-30	31-60	61-90	90-120	Over 120
Accounts Receivable, net	17,643,000	15,019,000	862,000	670,000	379,000	713,000
Period %	100%	85%	5%	4%	2%	4%

**Monterey Bay Community Power Authority
Personnel Report
As of April 10, 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	1	
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	1	
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	20	