



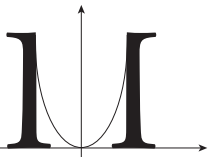
TREASURER REPORT

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

Issue Date: June 26, 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 May 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
June 20, 2019



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

ASSETS

Current assets	
Cash and cash equivalents	\$ 56,638,560
Accounts receivable, net of allowance	25,397,917
Energy settlements receivable	1,060,140
Accrued revenue	12,143,537
Other receivables	5,688
Prepaid expenses	1,536,669
Deposits	342,737
Restricted cash	3,600,000
Total current assets	<u>100,725,248</u>
Noncurrent assets	
Capital assets, net of depreciation	235,105
Deposits	119,605
Total noncurrent assets	<u>354,710</u>
Total assets	<u>101,079,958</u>

LIABILITIES

Current liabilities	
Accounts payable	319,171
Accrued cost of electricity	16,001,307
Accrued payroll and benefits	251,962
Other accrued liabilities	866,750
Customer rebate liabilities	2,700,384
User taxes and energy surcharges due to other governments	1,008,217
Total current liabilities	<u>21,147,791</u>

NET POSITION

Investment in capital assets	235,105
Restricted for security collateral	3,600,000
Unrestricted	76,097,062
Total net position	<u><u>\$ 79,932,167</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2018 through May 31, 2019

OPERATING REVENUES

Electricity sales, net of allowance \$ 135,826,498

OPERATING EXPENSES

Cost of electricity 91,059,238

Staff compensation and benefits 1,878,800

Data management 1,692,137

Service fees - PG&E 763,391

Consultants and other professional fees 501,209

Legal 200,416

Communications and noticing 296,721

General and administration 558,682

Depreciation 62,821

Total operating expenses 97,013,415

Operating income 38,813,083

NONOPERATING REVENUES (EXPENSES)

Interest income 640,517

Gain (loss) on disposal of asset (465)

Total nonoperating revenues (expenses) 640,052

CHANGE IN NET POSITION

39,453,135

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

Net position at end of period \$ 79,932,167

MONTEREY BAY COMMUNITY POWER AUTHORITY

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 137,539,413
Tax and surcharge receipts from customers	3,522,042
Energy settlements received	10,239,344
Payments to purchase electricity and related	(103,767,467)
Payments for staff compensation and benefits	(1,791,241)
Payments for consultants and other professional fees	(3,233,623)
Payments for general and administration	(611,635)
Payments of deposits and collateral	(342,987)
Tax and surcharge payments to other governments	(3,776,199)
Net cash provided (used) by operating activities	<u>37,777,647</u>

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

Acquisition of capital assets	<u>(36,892)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>640,517</u>
Net cash provided (used) by investing activities	<u>640,517</u>

Net change in cash and cash equivalents	38,381,272
Cash and cash equivalents at beginning of year	21,857,288
Cash and cash equivalents at end of period	<u>\$ 60,238,560</u>

Reconciliation to the Statement of Net Position

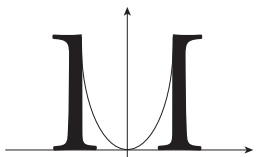
Cash and cash equivalents (unrestricted)	\$ 56,638,560
Restricted cash	<u>3,600,000</u>
Cash and cash equivalents	<u>\$ 60,238,560</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

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

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

Operating income	\$ 38,813,083
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	62,280
Revenue reduced for uncollectible accounts	703,550
(Increase) decrease in accounts receivable	(2,779,276)
(Increase) decrease in energy settlements receivable	(32,823)
(Increase) decrease in accrued revenue	2,926,060
(Increase) decrease in other receivables	(963)
(Increase) decrease in prepaid expenses	3,614,318
(Increase) decrease in deposits	(342,987)
Increase (decrease) in accounts payable	(554,087)
Increase (decrease) in accrued cost of electricity	(6,171,042)
Increase (decrease) in accrued payroll and related	87,560
Increase (decrease) in accrued liabilities	843,550
Increase (decrease) in customer rebate liabilities	801,439
Increase (decrease) taxes and surcharges due to other governments	(193,015)
Net cash provided (used) by operating activities	<u>\$ 37,777,647</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 May 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
June 20, 2019



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through May 31, 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	\$ 134,743,116	\$ 140,709,842	\$ 5,966,726	104%	\$ 221,333,000	\$ 80,623,158	36%
Less uncollectible accounts	(673,716)	(703,549)	(29,833)	104%	(1,107,000)	(403,451)	36%
Net revenue - electricity	134,069,401	140,006,293	5,936,892	104%	220,226,000	80,219,707	
Investment and miscellaneous income	590,747	640,052	49,305	108%	978,000	337,948	35%
Total revenues and other sources	<u>134,660,148</u>	<u>140,646,345</u>	<u>5,986,197</u>	<u>104%</u>	<u>221,204,000</u>	<u>80,557,655</u>	
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	98,288,159	91,255,902	(7,032,257)	93%	165,689,000	74,433,098	45%
Data manager	1,868,439	1,692,137	(176,302)	91%	2,703,000	1,010,863	37%
PG&E service fees	762,883	763,391	508	100%	1,143,000	379,609	33%
Staffing	2,261,834	1,878,800	(383,034)	83%	3,851,000	1,972,200	51%
Professional services	321,905	216,435	(105,470)	67%	482,000	265,565	55%
Legal services	230,961	260,416	29,455	113%	298,000	37,584	13%
Marketing and customer enrollment	471,589	281,700	(189,889)	60%	945,000	663,300	70%
Other general & administration	671,876	621,503	(50,373)	93%	1,033,000	411,497	40%
Total current expenditures	<u>104,877,647</u>	<u>96,970,284</u>	<u>(7,907,363)</u>	<u>92%</u>	<u>176,144,000</u>	<u>79,173,716</u>	<u>45%</u>
Other Uses							
Capital outlay	67,018	36,318	(30,700)	54%	98,000	61,682	63%
Total Expenditures and Other Uses	<u>104,944,666</u>	<u>97,006,602</u>	<u>(7,938,064)</u>	<u>92%</u>	<u>176,242,000</u>	<u>79,235,398</u>	<u>45%</u>
Surplus Before Rebates and Program	29,715,483	43,639,743	13,924,260		44,962,000	1,322,257	3%
Rebate expenditures	4,955,833	4,179,795	(776,038)	84%	8,112,000	3,932,205	48%
Program expenditures	1,370,596	43,131	(1,327,465)	3%	4,405,000	4,361,869	99%
Surplus After Rebates and Program Expenditures	<u>\$ 23,389,054</u>	<u>\$ 39,416,817</u>	<u>\$ 16,027,763</u>		<u>\$ 32,445,000</u>	<u>\$ (6,971,817)</u>	

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

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 39,416,817
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>36,318</u>
Change in Net Position	<u>\$ 39,453,135</u>

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

Budget Item	YTD Variance	Comment
Electric Sales Revenue	104%	Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.
Cost of Energy	93%	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.
Staffing	83%	Staffing expenses are slightly under budget due to the timing of new hires.
Professional Services	67%	This category includes accounting, IT, technical and other consultants.
Legal Costs	113%	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	60%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	91%	Variance is expected to level out through the remainder of the year
PG&E Fees	100%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	93%	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	3%	Programs expenses have generally been delayed until later in the fiscal year.

Financial Dashboard: May 2019

CUSTOMERS 269,000 ACTIVE	SALES VOLUME 289 GWh	REVENUE \$24.1M	STD MARGIN \$15.1 (63%)	Δ in NET ASSETS \$13.7

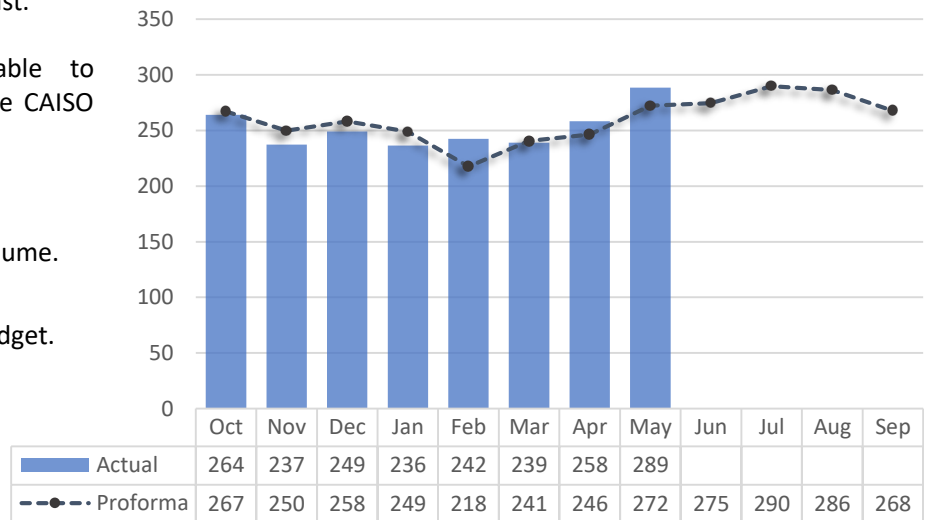
May Revenue of \$24.1MM accounted for 289 GWh in net retail consumption. This comes in 17 GWh above of the amended forecast.

Margins continue to run favorable to amended budget, driven by favorable CAISO settlement adjustments.

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

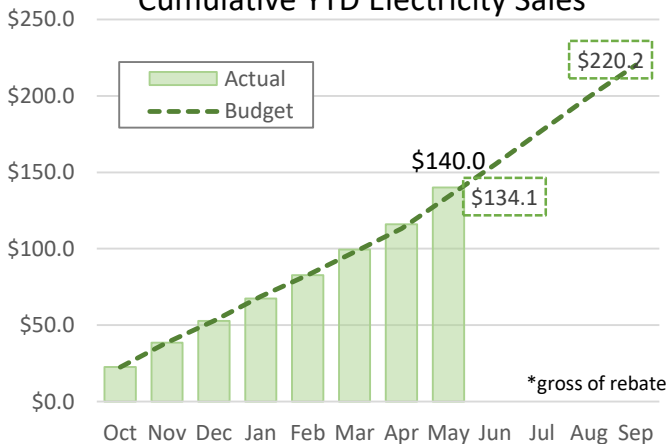
The charts below display cumulative revenue and margin \$ vs amended budget.

Monthly Sales Volume (GWh)

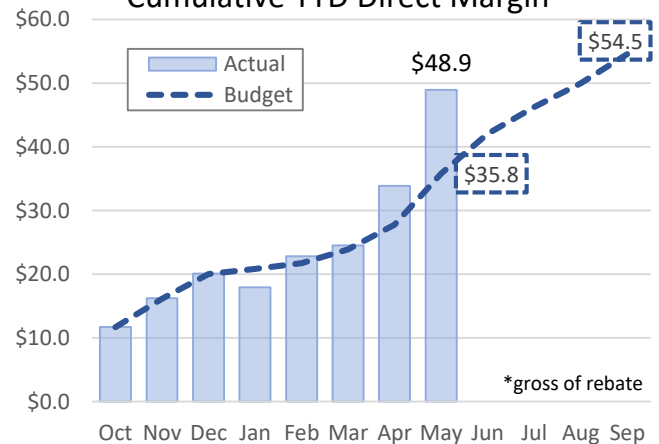


YTD Revenue \$5.9M above budget, Margin dollars are \$13.2M ahead of budget.

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 May 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>	\$ 641,000	\$ 25,500	\$ 43,500	\$ 70,000	\$ 92,000	\$ 89,000	\$ 104,500	\$ 103,500	113,000				
<i>Funds Invested - Average Balance</i>	\$ 17,887,000	\$ 23,946,000	\$ 37,260,000	\$ 45,025,000	\$ 51,229,000	\$ 55,785,000	\$ 56,182,000	\$ 58,031,000					
<i>Average APY</i>		1.71%	2.18%	2.25%	2.45%	2.08%	2.25%	2.21%	2.34%				

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

		DAYS				
Total		0-30	31-60	61-90	90-120	Over 120
Accounts Receivable, net	25,398,000	21,657,000	1,103,000	874,000	533,000	1,231,000
Period %	100%	85%	4%	3%	2%	5%

**Monterey Bay Community Power Authority
Personnel Report
As of June 26, 2019**

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk	1	1	
Director of Finance & Administrative Services	1	1	
Manager of Human Resources	1	1	
IT Systems Administrator	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	0	Recruitment in progress
Manager of Energy Programs	1	1	
Energy Programs Coordinator	1	1	
Temp Staff Support	3	3	
General Counsel	1	0	Contract GC from the County of Monterey until 6/30/2019
Manager of Energy Regulatory and Legislative Affairs	1	1	
Energy Regulatory and Legislative Analyst	1	0	
Total	27	23	