



TREASURER REPORT

**Fiscal Year to Date
As of May 31, 2020**

Issue Date: August 12, 2020

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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, 2020, 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 25, 2020

MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of May 31, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 144,169,635
Accounts receivable, net of allowance	19,011,536
Accrued revenue	9,209,401
Other receivables	41,053
Prepaid expenses	875,541
Deposits	1,201,808
Restricted cash	2,000,000
Total current assets	<u>176,508,974</u>
Noncurrent assets	
Capital assets, net of depreciation	385,767
Deposits	123,182
Total noncurrent assets	<u>508,949</u>
Total assets	<u><u>177,017,923</u></u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	16,014,854
Accounts payable	563,603
Accrued payroll and benefits	420,742
Other accrued liabilities	301,000
Customer rebate liabilities	362,965
User taxes and energy surcharges due to other governments	1,055,412
Supplier security deposits	1,260,000
Total current liabilities	<u>19,978,576</u>

NET POSITION

Investment in capital assets	385,767
Restricted for security collateral	2,000,000
Unrestricted	154,653,580
Total net position	<u><u>\$ 157,039,347</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2019 through May 31, 2020

OPERATING REVENUES

Electricity sales, net of allowance	\$ 140,398,319
Liquidated damages	5,400,000
Total operating revenues	<u>145,798,319</u>

OPERATING EXPENSES

Cost of electricity	102,756,017
Contract services	3,979,616
Staff compensation and benefits	2,715,661
General and administration	709,054
Depreciation	77,145
Total operating expenses	<u>110,237,493</u>
Operating income	35,560,826

NONOPERATING REVENUES (EXPENSES)

Interest income	1,781,807
Total nonoperating revenues (expenses)	<u>1,781,807</u>

CHANGE IN NET POSITION

Net position at beginning of period	<u>119,696,714</u>
Net position at end of period	<u>\$ 157,039,347</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2019 through May 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 162,092,935
Receipts from liquidated damages	5,400,000
Receipts from market settlements	1,933,151
Payments to suppliers for electricity	(115,563,466)
Payments for other goods and services	(5,218,642)
Payments for staff compensation	(2,583,945)
Tax and surcharge payments to other governments	(4,265,520)
Net cash provided by operating activities	<u>41,794,513</u>

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

Acquisition of capital assets	<u>(239,247)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>1,781,807</u>
Net change in cash and cash equivalents	43,337,073
Cash and cash equivalents at beginning of year	<u>102,832,562</u>
Cash and cash equivalents at end of period	<u><u>\$ 146,169,635</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 144,169,635
Restricted cash	<u>2,000,000</u>
Cash and cash equivalents	<u><u>\$ 146,169,635</u></u>

STATEMENT OF CASH FLOWS (continued)
October 1, 2019 through May 31, 2020

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 35,560,826
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	77,145
Revenue adjusted for allowance for uncollectible accounts	31,137
(Increase) decrease in:	
Accounts receivable	18,591,049
Market settlements receivable	43,267
Accrued revenue	6,517,367
Other receivables	(34,001)
Prepaid expenses	(535,151)
Deposits	(754,110)
Increase (decrease) in:	
Accounts payable	(586,095)
Accrued cost of electricity	(9,649,224)
Accrued payroll and benefits	131,716
Accrued liabilities	86,369
Customer rebate liabilities	(7,324,305)
User taxes due to other governments	(386,152)
Supplier security deposits	24,675
Net cash provided by operating activities	<u>\$ 41,794,513</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, 2020, 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 25, 2020

MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2019 through May 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 Budget Remaining	2019/20 Budget Remaining / Budget %
REVENUES AND OTHER SOURCES							
Net revenue - electricity *	156,082,240	142,991,934	(13,090,306)	92%	273,944,000	130,952,066	48%
Liquidated damages	-	5,400,000	5,400,000	na	-	-	-
Investment and miscellaneous income	859,000	1,781,807	922,807	207%	1,285,000	(496,807)	-39%
Total revenues and other sources	156,941,240	150,173,741	(6,767,499)	96%	275,229,000	130,455,259	47%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	105,418,771	102,952,681	(2,466,090)	98%	176,488,000	73,535,319	42%
Data manager	1,765,393	1,729,694	(35,699)	98%	2,680,000	950,306	35%
PG&E service fees	823,848	822,706	(1,142)	100%	1,251,000	428,294	34%
Staffing	4,293,051	2,715,661	(1,577,390)	63%	6,457,000	3,741,339	58%
Professional services	522,314	472,187	(50,127)	90%	690,000	217,813	32%
Legal services	133,336	253,967	120,631	190%	200,000	(53,967)	-27%
Marketing and customer enrollment	752,080	459,398	(292,682)	61%	1,128,000	668,602	59%
Other general & administration	764,889	709,054	(55,835)	93%	1,152,000	442,946	38%
Total current expenditures	114,473,682	110,115,348	(4,358,334)	96%	190,046,000	79,930,652	42%
Other Uses							
Capital outlay	2,717,150	193,717	(2,523,433)	7%	4,092,000	3,898,283	95%
Total Expenditures and Other Uses	117,190,832	110,309,065	(6,881,767)	94%	194,138,000	83,828,935	43%
Surplus Before Rebates, Program & Reserve	39,750,408	39,864,676	114,268		81,091,000	46,626,324	57%
Rebate expenditures *	10,934,230	2,593,615	(8,340,615)	24%	19,176,000	16,582,385	86%
Program expenditures	2,850,667	45,000	(2,805,667)	2%	4,276,000	4,231,000	99%
Surplus After Rebates and Program Expenditures	\$ 25,965,512	\$ 37,226,061	\$ 11,260,549		\$ 57,639,000	\$ 25,812,939	

* For October 2019 through December 2019 revenue is reported gross of the customer rebate and the rebate expenditure is reported separately. Starting in January 2020 the rebate is treated as a direct revenue reduction and is no longer reported separately.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2019 through May 31, 2020**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 37,226,061
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(77,145)
Add back capital asset acquisitions	<u>193,717</u>
Change in Net Position	<u><u>\$ 37,342,633</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2019 through May 31, 2020

Budget Item	YTD Variance	Comment
Electric Sales Revenue	92%	Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed. YTD Revenue is less than expectations primarily due to customer credits provided for COVID-19 relief.
Cost of Energy	98%	This variance is primarily due to (1) timing difference between projected and actual REC deliveries, (2) variance from actual to anticipated market prices, and (3) variance from actual to expected volume used by customers. To date, costs are very close to expectations.
Staffing	63%	Staffing expenses are under budget due to the timing of new hires.
Professional Services	90%	This category includes accounting, IT, technical and other consultants.
Legal Costs	190%	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	61%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	98%	Variance is expected to be minimal 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 operated at or near the budget for this item.
Energy and Related Programs	2%	Programs expenses have generally been delayed until later in the fiscal year.

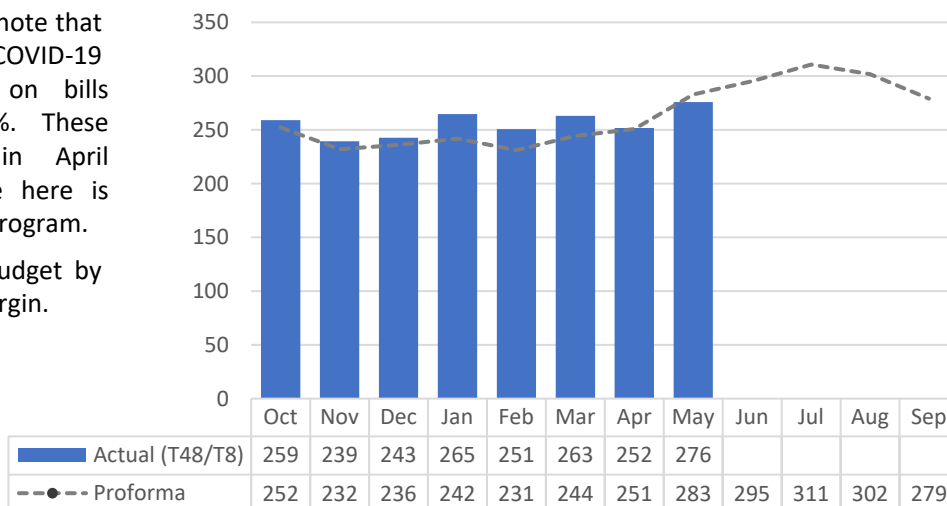
Financial Dashboard: May 2020

CUSTOMERS 296,000 ACTIVE	SALES VOLUME 276 GWh	REVENUE \$12.6M	STD MARGIN \$1.1 (8.4%)	Δ in NET ASSETS \$0.4M

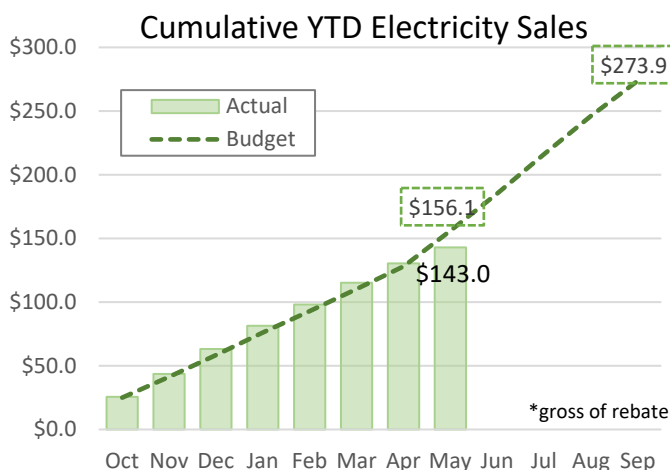
May revenue of \$12.6M accounted for 276 GWh in net retail consumption. This comes in 7 GWh below proforma. Please note that Revenue includes effects of the COVID-19 relief which reduced revenue on bills created in May and June by 50%. These reductions were not included in April revenue, so the May revenue here is capturing about half of the \$22M program.

Year-to-date revenue now trails budget by \$13.1M in revenue and \$10.6 in margin.

Monthly Sales Volume (GWh)



Fiscal Year Revenue \$13.1M below budget, Margin dollars are \$10.6M below budget.



Data Definitions:

CUSTOMERS: 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).

STD MARGIN: Revenue less cost of energy

ACTUAL: Same as sales volume above

BUDGET/Proforma: Volumes from MBCP Proforma V2 08292019_June PICA

Monterey Bay Community Power Authority
Investment Summary
October 1, 2019 through May 31, 2020

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>	\$ 1,781,806	\$ 215,730	\$ 229,486	\$ 233,677	\$ 239,181	\$ 220,516	\$ 223,417	\$ 209,703	\$ 210,096				
<i>Funds Invested - Average Balance</i>	\$ 115,036,000	\$ 128,245,000	\$ 129,792,000	\$ 133,840,000	\$ 137,419,000	\$ 136,872,000	\$ 139,789,000	\$ 146,878,000					
<i>Average APY</i>		2.25%	2.15%	2.16%	2.14%	1.93%	1.96%	1.80%	1.72%				

Monterey Bay Community Power Authority
Accounts Receivable Aging Report
As of May 31, 2020

		DAYS				
Total		0-30	31-60	61-90	90-120	Over 120
Accounts Receivable, net	19,012,000	12,359,000	1,695,000	1,141,000	842,000	2,975,000
Period %	100%	65%	9%	6%	4%	16%

**Monterey Bay Community Power Authority
Personnel Report
As of August 12, 2020**

Position	Budget	Actual	Status
CEO	1	1	
Chief Operating Officer/General Counsel	1	1	
HR Generalist	1	1	
Director of Communications & Outreach	1	1	
Manager of Energy Communications	1	1	
Senior Energy Media Specialist	1	1	
Energy Marketing Specialist	1	1	
Marketing Outreach Representative (Temp)	1	1	
Manager of Energy Accounts Services	1	1	
Key Account Specialist	1	0	
Key Account Specialist (SLO)	1	0	
Energy Accounts Specialist	1	1	
Energy Accounts Specialist (SLO)	1	1	
Energy Public Engagement Associate	1	1	
Energy Public Engagement Associate (SLO)	1	1	
Energy Public Engagement Representative (Temp)	1	0	
Manager of Energy Programs (Interim Dir)	1	1	
Energy Programs Analyst	1	1	
Energy Programs Analyst	1	1	
Programs Outreach Representative (Temp)	1	0	
Manager of Regulatory & Legislative Affairs (Interim Dir)	1	1	
Regulatory & Legislative Analyst	1	0	
Local Gov. Affairs Advisor	1	1	
Chief Financial & Technology Officer	1	1	
Manager of Finance & Rates	1	1	
Senior Rates & Forecasting Analyst	1	0	Recruitment in progress
Analyst, Data Management	1	1	
Data Scientist	1	1	
Senior IT Systems Administrator	1	1	
Executive Assistant / Board Clerk	1	1	
Administrative Operations Associate	1	1	
Administrative Assistant	1	1	
Director of Power Supply Resources	1	1	
Manager of Energy Trading	1	1	
Manager of Energy Contracts & Compliance	1	1	
Senior Energy Risk Analyst	1	1	
Power Supply Analyst	1	0	
Total	37	30	