



TREASURER REPORT

**Fiscal Year to Date
As of March 31, 2018**

(Preliminary and Un-audited)

Issue Date: May 2, 2018

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MONTEREY BAY COMMUNITY POWER
STATEMENT OF NET POSITION
As of March 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 855,632
Accounts receivable, net of allowance	3,240
Energy settlements receivable	5,800
Accrued revenue	4,410,709
Prepaid expenses	15,111
Deposits	500,275
Restricted cash	2,600,000
Total current assets	<u>8,390,767</u>
Noncurrent assets	
Capital assets, net of depreciation	238,861
Deposits	119,355
Total noncurrent assets	<u>358,216</u>
Total assets	<u><u>8,748,983</u></u>

LIABILITIES

Current liabilities	
Accounts payable	65,689
Accrued cost of electricity	3,627,254
Accrued interest payable	12,646
Accrued payroll and benefits	74,428
Other accrued liabilities	118,127
Loans payable to County of Santa Cruz	555,903
Notes payable to bank	4,600,000
Total current liabilities	<u>9,054,047</u>

NET POSITION

Net investment in capital assets	238,861
Unrestricted	(543,925)
Total net position	<u><u>\$ (305,064)</u></u>

MONTEREY BAY COMMUNITY POWER
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2017 through March 31, 2018

OPERATING REVENUES

Electricity sales, net	\$ 4,414,109
Total operating revenues	<u>4,414,109</u>

OPERATING EXPENSES

Cost of electricity	2,913,448
Staff compensation and benefits	452,334
Data management	95,000
Service fees - PG&E	11,807
Consultants and other professional fees	468,009
Legal	177,007
Communications and noticing	99,662
General and administration	85,960
Depreciation	10,530
Total operating expenses	<u>4,313,757</u>
Operating income (loss)	<u>100,352</u>

NONOPERATING REVENUES (EXPENSES)

Interest and related expense	<u>(42,047)</u>
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CHANGE IN NET POSITION

	58,305
Net position (deficit) at beginning of period	<u>(363,369)</u>
Net position (deficit) at end of period	<u><u>\$ (305,064)</u></u>

**Monterey Bay Community Power
Budgetary Comparison Schedule
October 1, 2017 through March 31, 2018**

	Fiscal Year-To-Date (6 months)				Remarks	FY2017-18 (12 months)	
	Actual	Budget	Over (Under) Budget \$	%		Updated Budget	Budget Spent %
I. REVENUES FROM OPERATIONS							
ELECTRIC SALES REVENUE	4,414,109	5,462,631	(1,048,522)	-19.2%	1) March was MBPC's first month of operations with launch of Phase 1 on 3/1/2018 2) Revenue is an estimated driven by volume assumptions provided by GridX - approx. 76,000MWh.	133,715,528	3.3%
LESS UNCOLLECTIBLE ACCOUNTS	-	(27,313)	27,313	-100.0%		(668,578)	0.0%
TOTAL REVENUES	4,414,109	5,435,317	(1,021,208)	-18.8%		133,046,950	3.3%
II. COST OF OPERATIONS							
OPERATIONS AND ADMINISTRATIVE (O&A)							
STAFFING	452,334	484,729	(32,395)	-6.7%	Staff increased to 17, fully staffed personnel count will be 23.	1,940,729	23.3%
PROFESSIONAL SERVICES	468,009	303,970	164,039	54.0%	Mainly due to the expenses incurred at the County of Santa Cruz for \$179k	747,206	62.6%
LEGAL	177,007	87,325	89,682	102.7%	Mainly due to timing and greater than anticipated legal needs for the contract General Counsel	320,825	55.2%
MARKETING AND CUSTOMER ENROLLMENT	99,662	336,985	(237,323)	-70.4%	Timing	1,421,120	7.0%
DATA MANAGEMENT SERVICES	95,000	95,000	-	0.0%		1,181,597	8.0%
IOU FEES (INCLUDING BILLING)	11,807	17,865	(6,058)	-33.9%		355,828	3.3%
OTHER ADMININSTRATIVE & GENERAL	96,490	168,000	(71,510)	-42.6%	Timing	696,000	13.9%
ENERGY & RELATED PROGRAMS	-	109,253	(109,253)	-100.0%	Timing	2,674,311	0.0%
SUBTOTAL O&A	1,400,309	1,603,128	(202,819)	-12.7%		9,337,616	15.0%
COST OF ENERGY	2,913,448	4,167,191	(1,253,743)	-30.1%	Energy is an estimate driven by: 1) Volume assumptions based on contracts that are effective 3/1/2018 for energy, carbon free, and RA. 2) Net CAISO settlements 3) REC timing delivery	80,489,103	3.6%
DEBT REPAYMENT/BANK FEES & INTEREST	42,047	120,000	(77,953)	-65.0%		315,000	13.3%
TOTAL COST	4,355,804	5,890,319	(1,534,515)	-26.1%		90,141,719	4.8%
CCA PROGRAM SURPLUS/(DEFICIT)	58,305	(455,001)	513,306	112.8%	Please note that settlements at the CAISO will take several months to finalize so we are constantly working in estimate numbers	42,905,231	0.1%

**Monterey Bay Community Power
Personnel Report**

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk/Executive Assistant	1	1	
Administrative Assistant	1	1	
Director of Internal Operations	1	1	
IT Manager	1	0	Recruitment in progress
Financial Analyst	1	1	
Director of Power Services	1	0	Recruitment in progress
Energy Trading Manager	1	1	
Energy Planning Manager	1	0	
Contract & Compliance Manager	1	1	
Business Development Manager	1	1	
Power Supply Analyst	1	1	
Director of Communications & External Affairs	1	0	Recruitment in progress
Marketing and Communications Manager	1	1	
Media and Communications Coordinator	1	1	
Community Outreach & Events Coordinator	1	1	
Strategic Account Manager	1	1	
Programs Coordinator	1	1	
Intern/Temp Staff Support	3	3	
Regulatory/Legislative Manager	1	0	
Government and External Affairs Coordinator	1	0	
Total	23	17	

Monterey Bay Community Power
Financing Summary (\$ in '000s)
As of March 31, 2018

	Member Agency Loan (County of Santa Cruz)	Non-Revolving Line of Credit (River City Bank)	Revolving Line of Credit (River City Bank)
Balance Available, Beginning	\$ 0.6	\$ 3.0	\$ 10.0
Used	\$ 0.6	\$ 2.0	\$ 2.6
Balance Available, Ending		\$ 1.0	\$ 7.4

Forecast:

(1) Non-revolving line of credit:

- Expect to draw \$1mil to fund working capital requirements until cash from operations is received.

(2) Revolving line of credit:

- \$2.6mil represents the Debt Service Reserve Advance (\$1.1mil) and the Phase 1 Lockbox Reserve (\$1.5mil) requirements from the River City Bank.
- Expect to draw \$1mil to fund working capital requirements until cash from operations is received.
- This line of credit can be used for expenses associated with power supply requisition.



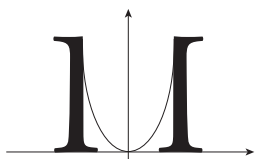
TREASURER REPORT

**Fiscal Year to Date
As of April 30, 2018**

Issue Date: June 6, 2018

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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 April 30, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the 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
May 22, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of April 30, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 787,439
Accounts receivable, net of allowance	6,724,548
Accrued revenue	5,596,784
Prepaid expenses	92,859
Deposits	501,275
Restricted cash	2,600,000
Total current assets	<u>16,302,905</u>
Noncurrent assets	
Capital assets, net of depreciation	235,235
Deposits	119,355
Total noncurrent assets	<u>354,590</u>
Total assets	<u><u>16,657,495</u></u>

LIABILITIES

Current liabilities	
Accounts payable	145,610
Accrued cost of electricity	8,361,829
Accrued interest payable	13,082
Accrued payroll and benefits	89,689
Other accrued liabilities	220,000
Customer rebate liabilities	203,252
User taxes and energy surcharges due to other governments	189,468
Loans payable to Santa Cruz County	555,903
Notes payable to bank	4,600,000
Total current liabilities	<u>14,378,833</u>

NET POSITION

Net investment in capital assets	235,235
Unrestricted (deficit)	2,043,427
Total net position	<u><u>\$ 2,278,662</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2017 through April 30, 2018

OPERATING REVENUES

Electricity sales, net	\$ 12,545,395
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OPERATING EXPENSES

Cost of electricity	7,816,228
Staff compensation and benefits	604,421
Data management	190,000
Service fees - PG&E	25,700
Consultants and other professional fees	610,848
Legal	180,191
Communications and noticing	118,283
General and administration	287,328
Depreciation	15,236
Total operating expenses	<u>9,848,235</u>
Operating income (loss)	<u>2,697,160</u>

NONOPERATING REVENUES (EXPENSES)

Interest and related expense	<u>(55,129)</u>
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CHANGE IN NET POSITION

	2,642,031
Net position (deficit) at beginning of period	<u>(363,369)</u>
Net position (deficit) at end of period	<u><u>\$ 2,278,662</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS October 1, 2017 through April 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 616,783
Energy settlements received	1,136,666
Payments to purchase electricity	(264,241)
Payments for staff compensation and benefits	(514,732)
Payments for service fees - PG&E	(3,680)
Payments for consultants and other professional fees	(332,784)
Payments for legal fees	(130,944)
Payments for communications and noticing	(104,947)
Payments for general and administration	(374,710)
Energy settlements paid	(326,824)
Payments of deposits and collateral	(620,630)
Net cash provided (used) by operating activities	<u>(920,043)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank	4,600,000
Interest and related expense payments	<u>(42,047)</u>
Net cash provided (used) by non-capital financing activities	<u>4,557,953</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(250,471)</u>
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Net change in cash and cash equivalents	3,387,439
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of period	<u>\$ 3,387,439</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 787,439
Restricted cash	2,600,000
Cash and cash equivalents	<u>\$ 3,387,439</u>

Noncash Non-Capital Financing Activities during the period presented:

Expenses of \$193,838 were financed directly from loan proceeds

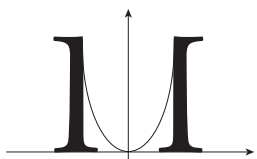
MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)

October 1, 2017 through April 30, 2018

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

Operating income (loss)	\$ 2,697,160
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	15,236
Revenue reduced for uncollectible accounts	64,064
Expenses paid directly from load proceeds	193,838
(Increase) decrease in net accounts receivable	(6,788,612)
(Increase) decrease in accrued revenue	(5,596,785)
(Increase) decrease in prepaid expenses	(92,859)
(Increase) decrease in deposits	(620,630)
Increase (decrease) in accounts payable	144,307
Increase (decrease) in accrued payroll and related	89,689
Increase (decrease) in energy settlements payable	25,952
Increase (decrease) in accrued cost of electricity	8,335,877
Increase (decrease) in accrued liabilities	220,000
Increase (decrease) in customer rebate liabilities	203,252
Increase (decrease) taxes and surcharges due to other governments	189,468
Net cash provided (used) by operating activities	<u>\$ (920,043)</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 April 30, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is 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
May 22, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2017 through April 30, 2018

	2017/18 YTD Amended Budget	2017/18 YTD Actual	2017/18 YTD Amended Budget Variance (Under) Over	2017/18 YTD Actual/ Amended Budget %	2017/18 Annual Amended Budget	2017/18 Amended Budget Remaining	2017/18 Amended Budget Remaining/ Amended Budget %
Revenues from Operations and Loan Proceeds							
Electric Sales Revenue	\$ 15,654,315	\$ 12,812,711	\$ (2,841,604)	82%	\$ 133,715,528	\$ 120,902,817	90%
Less Uncollectible Accounts	(78,272)	(64,064)	14,208	82%	(668,578)	(604,514)	90%
Line of Credit	3,556,000	4,793,839	1,237,839	135%	3,556,000	(1,237,839)	-35%
Total Revenues from Operations and Loan Proceeds	19,132,043	17,542,486	(1,589,557)	92%	136,602,950	119,060,464	87%
Cost of Operations							
Operations and Administrative							
Staffing and Professional Services	1,186,853	1,395,460	208,607	118%	3,008,760	1,613,300	54%
Marketing and Customer Enrollment	529,941	118,283	(411,658)	22%	1,421,120	1,302,837	92%
Data Management Services	190,000	190,000	-	100%	1,181,597	991,597	84%
IOU Fees	31,122	25,700	(5,422)	83%	355,828	330,128	93%
Other General & Administrative	256,000	302,564	46,564	118%	696,000	393,436	57%
Energy and Related Programs	313,086	-	(313,086)	0%	2,674,311	2,674,311	100%
Total Operations and Administrative	2,507,002	2,032,007	(474,995)	81%	9,337,616	7,305,609	78%
Cost of Energy	11,922,003	7,816,228	(4,105,775)	66%	80,489,103	72,672,875	90%
Bank Fees and Interest	152,500	55,129	(97,371)	36%	315,000	259,871	82%
Total Cost of Operations	14,581,504	9,903,364	(4,678,140)	68%	90,141,719	80,238,355	89%
CCA Program Surplus/(Deficit)	\$ 4,550,539	\$ 7,639,122	\$ 3,088,583	168%	\$ 46,461,231		

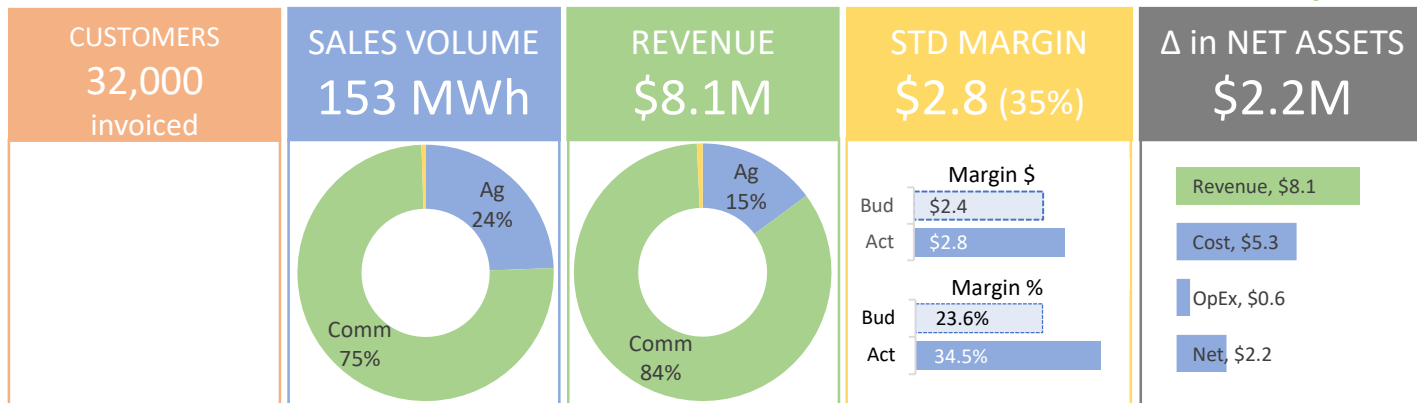
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2017 through April 30, 2018**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 7,639,122
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract revenue reduction for customer rebate accrual	(203,252)
Subtract loan proceeds	<u>(4,793,839)</u>
CCA Program Surplus/(Deficit)	<u><u>\$ 2,642,031</u></u>

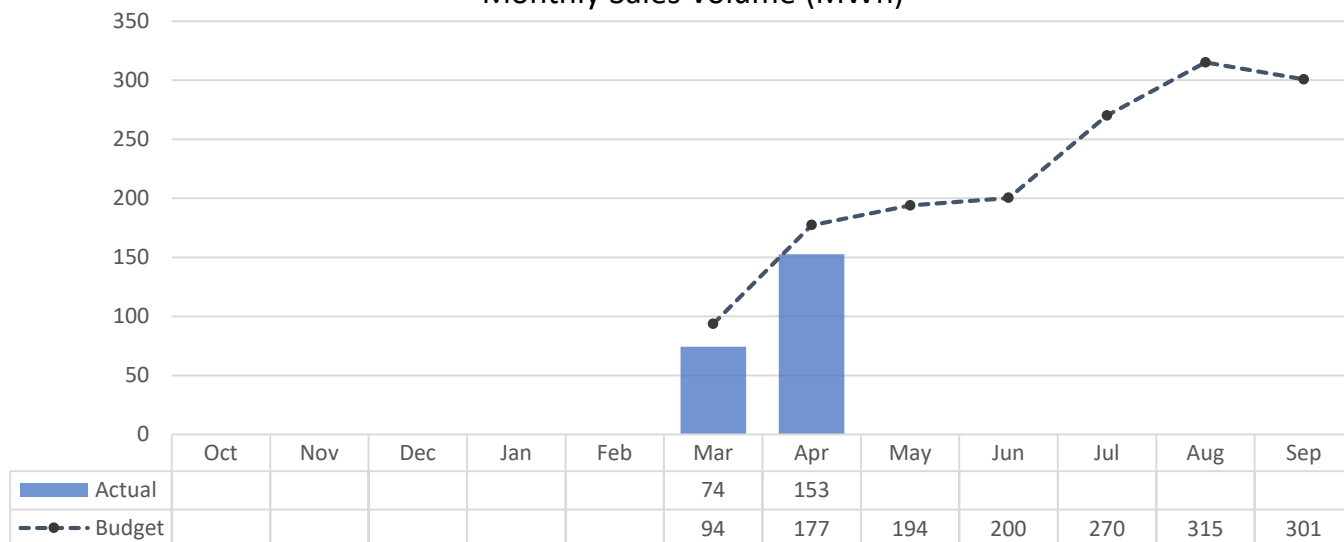
MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2017 through April 30, 2018

Budget Item	YTD Variance	Comment
Electric Sales Revenue	82%	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, primarily driven by projected Phase 1 ramp up timing assumptions.
Line of credit	135%	Proceeds from lines of credit have been used to fund operational needs in advance of receipts from customer sales. We plan to pay down the debt toward the end of the year after we have sufficient cash available.
Staffing and Professional Services	118%	Variance is primarily due to greater than expected legal costs.
Marketing and customer enrollment	22%	Variance is mostly due to the timing of Phase 2 enrollment. This expense is expected to normalize over the next few months.
Data Management Services	100%	No variance
IOU Fees	83%	These are PG&E fees charged on a per customer basis. The cost will increase significantly after the Phase 2 customers are enrolled. Currently the variance is only \$5,000.
Other General & Administrative	118%	The main driver of the variance is due to an increase in membership dues to CalCCA that were not known at the time of budgeting. These dues account for approximately \$192,000 of the total G&A expenses. All operational CCAs in the same membership category pay the same amount of dues.
Energy and Related Programs	0%	Program expenses are expected to ramp up throughout the remainder of the year
Cost of Energy	66%	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. Some costs are still estimates at this time, as certain settlements at the CAISO takes several months to finalize. We anticipate the cost of energy to increase

Financial Dashboard: April 2018

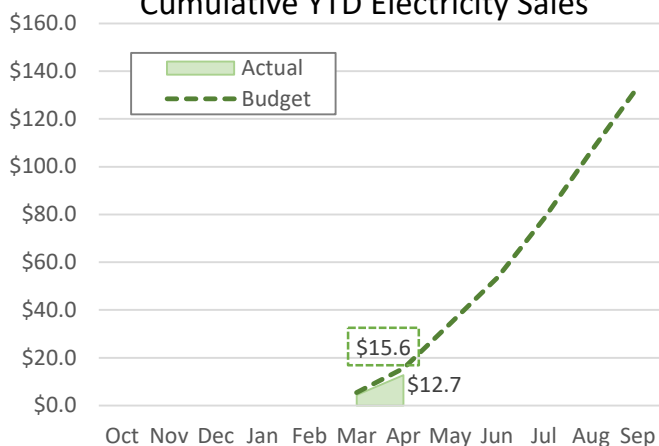


Monthly Sales Volume (MWh)

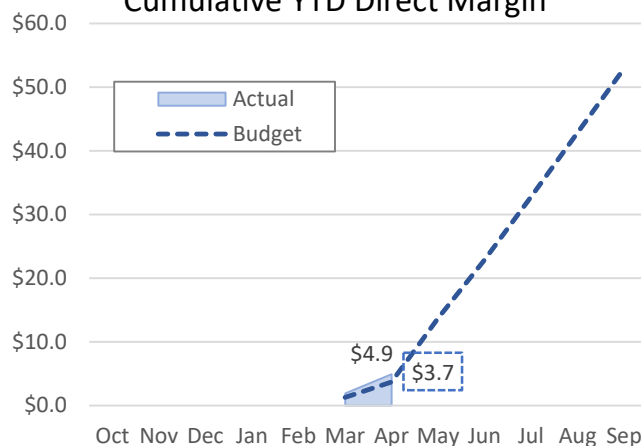


YTD Revenue \$2.8M below budget, but Standard Margin dollars are \$1.3M above budget.

Cumulative YTD Electricity Sales



Cumulative YTD Direct Margin



Data Definitions:

CUSTOMERS: Unique Customers Account Numbers billed during Calendar Month

SALES VOLUME: Total Electricity Usage from estimated meter reads, plus or minus any final meter adjustments to prior periods invoiced in the current month.

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 less cost of energy

ACTUAL: Same as sales volume above

BUDGET: Volumes from Proforma model used for 2017/18 amended budget.

Monterey Bay Community Power Authority
Financing Summary
As of April 30, 2018

	Member Agency Loan (County of Santa Cruz)	Non-Revolving Line of Credit (River City Bank)	Revolving Line of Credit (River City Bank)
Balance Available, Beginning	\$ 555,903	\$ 3,000,000	\$ 10,000,000
Used	\$ 555,903	\$ 2,000,000	\$ 2,600,000
Balance Available, Ending	\$ -	\$ 1,000,000	\$ 7,400,000

Forecast:

(1) Non-revolving line of credit:

- Withdrew remaining \$1mil in May 2018 to fund working capital requirements.

(2) Revolving line of credit:

- \$2.6mil represents the Debt Service Reserve Advance (\$1.1mil) and the Phase 1 Lockbox Reserve (\$1.5mil) requirements from the River City Bank.
- This line of credit can be used for expenses associated with power supply requisition.

Monterey Bay Community Power Authority
Personnel Report
As of June 6, 2018

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk/Executive Assistant	1	1	
Administrative Assistant	1	1	
Director of Internal Operations	1	1	
IT Manager	1	0	Will start on 6/11/2018
Financial Analyst	1	0	Recruitment in progress
Director of Power Services	1	0	Will start on 7/9/2018
Energy Trading Manager	1	1	
Energy Planning Manager	1	0	
Contract & Compliance Manager	1	1	
Business Development Manager	1	1	
Power Supply Analyst	1	1	
Director of Communications & External Affairs	1	0	Will start on 6/12/2018
Marketing and Communications Manager	1	1	
Media and Communications Coordinator	1	1	
Community Outreach & Events Coordinator	1	1	
Strategic Account Manager	1	1	
Programs Coordinator	1	1	
Intern/Temp Staff Support	3	3	
Regulatory/Legislative Manager	1	0	
Government and External Affairs Coordinator	1	0	
Total	23	16	



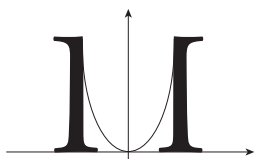
TREASURER REPORT

**Fiscal Year to Date
As of July 31, 2018**

Issue Date: September 12, 2018

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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Monterey Bay Community Power Authority

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We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
August 24, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of July 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 13,967,397
Accounts receivable, net of allowance	19,252,538
Accrued revenue	16,191,153
Other receivables	1,521
Prepaid expenses	6,276,776
Deposits	1,275
Restricted cash	2,600,000
Total current assets	<u>58,290,660</u>
Noncurrent assets	
Capital assets, net of depreciation	249,882
Deposits	119,355
Total noncurrent assets	<u>369,237</u>
Total assets	<u><u>58,659,897</u></u>

LIABILITIES

Current liabilities	
Accounts payable	435,225
Accrued cost of electricity	22,577,753
Accrued interest payable	17,274
Accrued payroll and benefits	144,996
Other accrued liabilities	10,000
Customer rebate liabilities	970,396
User taxes and energy surcharges due to other governments	704,396
Loans payable to Santa Cruz County	555,903
Notes payable to bank	5,600,000
Total current liabilities	<u>31,015,943</u>

NET POSITION

Net investment in capital assets	249,882
Unrestricted (deficit)	<u>27,394,072</u>
Total net position	<u><u>\$ 27,643,954</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2017 through July 31, 2018

OPERATING REVENUES

Electricity sales, net	\$ 70,635,174
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OPERATING EXPENSES

Cost of electricity	38,661,771
Staff compensation and benefits	1,177,888
Data management	643,632
Service fees - PG&E	102,446
Consultants and other professional fees	863,845
Legal	269,413
Communications and noticing	357,563
General and administration	418,904
Depreciation	30,472
Total operating expenses	<u>42,525,934</u>
Operating income (loss)	<u>28,109,240</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	2,318
Interest and related expense	(104,781)
Miscellaneous income	546
Total nonoperating revenues (expenses)	<u>(101,917)</u>

CHANGE IN NET POSITION

	28,007,323
Net position (deficit) at beginning of period	<u>(363,369)</u>
Net position (deficit) at end of period	<u><u>\$ 27,643,954</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS October 1, 2017 through July 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 36,532,055
Tax and surcharge receipts from customers	901,033
Energy settlements received	1,322,773
Deposits and collateral received	500,000
Payments to purchase electricity	(21,481,902)
Payments for staff compensation and benefits	(1,032,892)
Payments for data manager fees	(380,000)
Payments for service fees - PG&E	(52,021)
Payments for consultants and other professional fees	(603,150)
Payments for legal fees	(219,551)
Payments for communications and noticing	(353,957)
Payments for general and administration	(547,426)
Energy settlements paid	(2,064,579)
Payments of deposits and collateral	(620,630)
Tax and surcharge payments to other governments	(566,813)
Net cash provided (used) by operating activities	<u>11,332,940</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank	5,600,000
Interest and related expense payments	<u>(87,507)</u>
Net cash provided (used) by non-capital financing activities	<u>5,512,493</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(280,354)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>2,318</u>
Net change in cash and cash equivalents	16,567,397
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of period	<u>\$ 16,567,397</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 13,967,397
Restricted cash	<u>2,600,000</u>
Cash and cash equivalents	<u>\$ 16,567,397</u>

Noncash Non-Capital Financing Activities during the period presented:

Expenses of \$193,838 were financed directly from loan proceeds

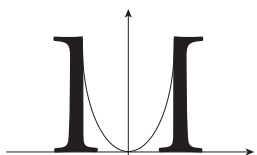
MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)

October 1, 2017 through July 31, 2018

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

Operating income (loss)	\$ 28,109,240
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	30,472
Revenue reduced for uncollectible accounts	365,881
Expenses paid directly from loan proceeds	193,838
(Increase) decrease in net accounts receivable	(19,618,419)
(Increase) decrease in other receivables	(975)
(Increase) decrease in accrued revenue	(16,191,153)
(Increase) decrease in prepaid expenses	(6,276,776)
(Increase) decrease in deposits	(120,631)
Increase (decrease) in accounts payable	433,922
Increase (decrease) in accrued payroll and related	144,996
Increase (decrease) in energy settlements payable	1,070,932
Increase (decrease) in accrued cost of electricity	21,506,821
Increase (decrease) in accrued liabilities	10,000
Increase (decrease) in customer rebate liabilities	970,396
Increase (decrease) taxes and surcharges due to other governments	704,396
Net cash provided (used) by operating activities	<u>\$ 11,332,940</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 July 31, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is 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
August 24, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2017 through July 31, 2018

	2017/18 YTD Amended Budget	2017/18 YTD Actual	2017/18 YTD Amended Budget Variance (Under) Over	2017/18 YTD Actual/ Amended Budget %	2017/18 Annual Amended Budget	2017/18 Amended Budget Remaining	2017/18 Amended Budget Remaining/ Amended Budget %
Revenues from Operations and							
Loan Proceeds							
Electric Sales Revenue	\$ 78,469,820	\$ 73,176,292	\$ (5,293,528)	93%	\$ 133,715,528	\$ 60,539,236	45%
Less Uncollectible Accounts	(392,349)	(365,881)	26,468	93%	(668,578)	(302,697)	45%
Net Revenue - Electricity	<u>78,077,471</u>	<u>72,810,411</u>	<u>(5,267,060)</u>	<u>93%</u>			
Less Customer Rebates	-	(2,175,237)	(2,175,237)	na		2,175,237	na
Line of Credit	3,556,000	5,793,839	2,237,839	163%	3,556,000	(2,237,839)	-63%
Miscellaneous income		546	546	na		(546)	na
Investment Income	<u>-</u>	<u>2,318</u>	<u>2,318</u>	<u>na</u>		<u>(2,318)</u>	<u>na</u>
Total Revenues from Operations and Loan Proceeds	<u>81,633,471</u>	<u>76,431,877</u>	<u>(5,201,594)</u>	<u>94%</u>	<u>136,602,950</u>	<u>60,171,073</u>	<u>44%</u>
Cost of Operations							
Operations and Administrative							
Staffing and Professional Services							
Staffing	1,448,729	1,177,888	(270,841)	81%			
Professional Services	590,952	811,725	220,773	137%			
Legal	<u>276,158</u>	<u>304,413</u>	<u>28,255</u>	<u>110%</u>			
Total Staffing and Professional Services	<u>2,315,839</u>	<u>2,294,026</u>	<u>(21,813)</u>	<u>99%</u>	3,008,760	714,734	24%
Marketing and Customer Enrollment	1,035,890	357,521	(678,369)	35%	1,421,120	1,063,599	75%
Data Management Services	647,199	643,632	(3,567)	99%	1,181,597	537,965	46%
IOU Fees	163,178	102,446	(60,732)	63%	355,828	253,382	71%
Other General & Administrative	520,000	449,376	(70,624)	86%	696,000	246,624	35%
Energy and Related Programs	<u>1,569,396</u>	<u>17,162</u>	<u>(1,552,234)</u>	<u>1%</u>	<u>2,674,311</u>	<u>2,657,149</u>	<u>99%</u>
Total Operations and Administrative	<u>6,251,502</u>	<u>3,864,163</u>	<u>(2,387,339)</u>	<u>62%</u>	<u>9,337,616</u>	<u>5,473,453</u>	<u>59%</u>
Cost of Energy	45,440,492	38,661,771	(6,778,721)	85%	80,489,103	41,827,332	52%
Bank Fees and Interest	<u>250,000</u>	<u>104,781</u>	<u>(145,219)</u>	<u>42%</u>	<u>315,000</u>	<u>210,219</u>	<u>67%</u>
Total Cost of Operations	<u>51,941,994</u>	<u>42,630,715</u>	<u>(9,311,279)</u>	<u>82%</u>	<u>90,141,719</u>	<u>47,511,004</u>	<u>53%</u>
CCA Program Surplus/(Deficit)	<u>\$ 29,691,477</u>	<u>\$ 33,801,162</u>	<u>\$ 4,109,685</u>	<u>114%</u>	<u>\$ 46,461,231</u>		

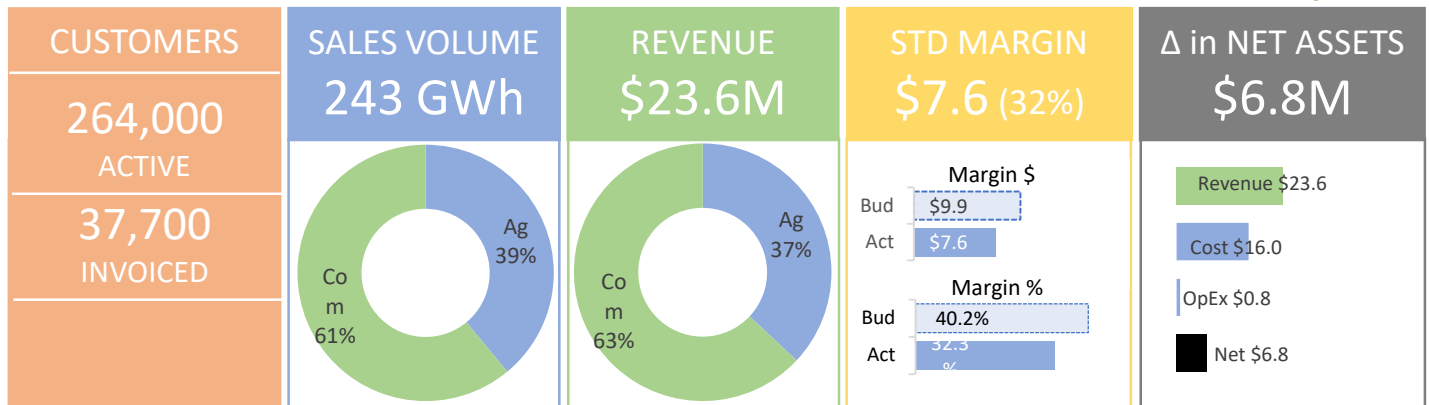
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2017 through July 31, 2018**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 33,801,162
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract loan proceeds	<u>(5,793,839)</u>
Change in Net Position	<u><u>\$ 28,007,323</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2017 through July 31, 2018

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, primarily driven by projected customer phase in timing assumptions.
Line of credit	163%	Proceeds from lines of credit have been used to fund operational needs in advance of receipts from customer sales. We plan to pay down the debt toward the end of the year after we have sufficient cash available.
Staffing	81%	Staffing expenses are under budget due to the timing of new hires
Professional Services	137%	A major driver of the variance are the start up fees for services provided by Santa Cruz County, some of which were anticipated in the previous year. Professional Services is a subcategory of the budget item "Staffing and Professional Services". As a whole, the "Staffing and Professional Services" item has very little variance from the budget.
Legal Costs	110%	Outside legal costs for regulatory and energy procurement needs have been greater than anticipated.
Marketing and customer enrollment	35%	Variance is mostly due to the timing of Phase 2 enrollment. This expense is expected to normalize over the next few months as outreach and customer notifications continue.
Data Management Services	99%	Insignificant variance
IOU Fees	63%	These are SCE fees charged on a per customer basis. The cost will increase significantly after the Phase 2 customers are completely enrolled.
Other General & Administrative	86%	This category includes occupancy costs, industry membership dues, and other general and administrative costs. Staff expects to maintain a favorable variance for this budget item.
Energy and Related Programs	1%	Program expenses are expected to ramp up throughout the remainder of the 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. Some costs are still estimates at this time, as certain settlements at the CAISO takes several months to finalize. We anticipate the cost of energy to increase. This variance is favorable compared to the variance in electric sales revenue.

Financial Dashboard: July 2018



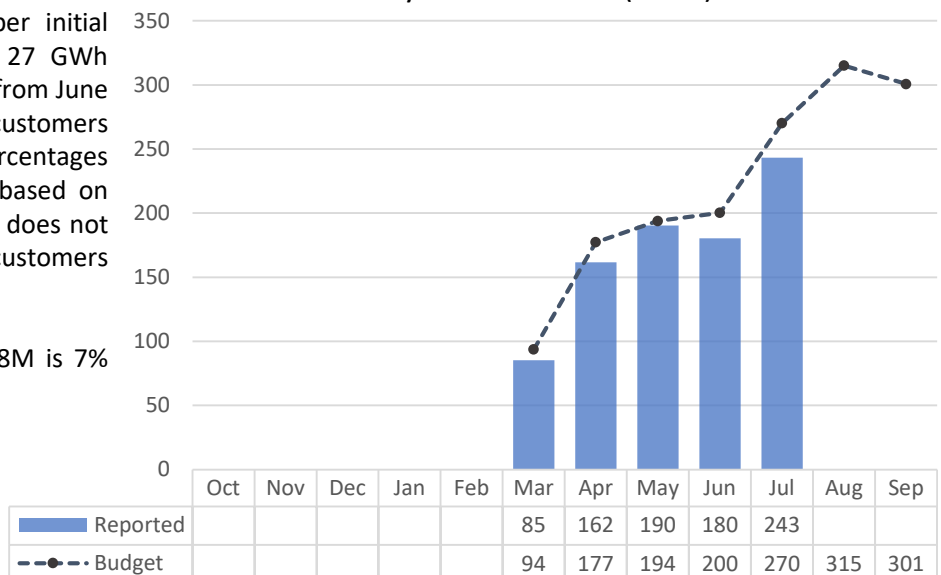
July Revenue of \$23.6MM accounted for 243 GWh in net retail consumption (per initial meter estimates). This comes in 27 GWh short of the forecast, but is 35% up from June as planned due to residential customers activating. The customer mix percentages indicated in the charts above are based on actual invoices delivered in July and does not account for the residential customers activated during the month.

Fiscal year-to-date revenue of \$72.8M is 7% short of the \$78.1M budget.

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

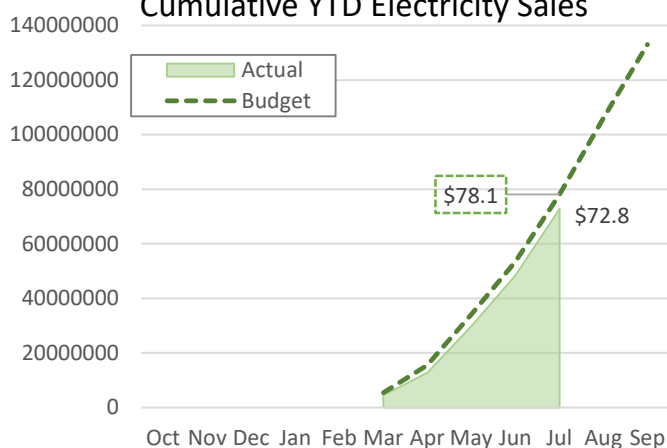
The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)

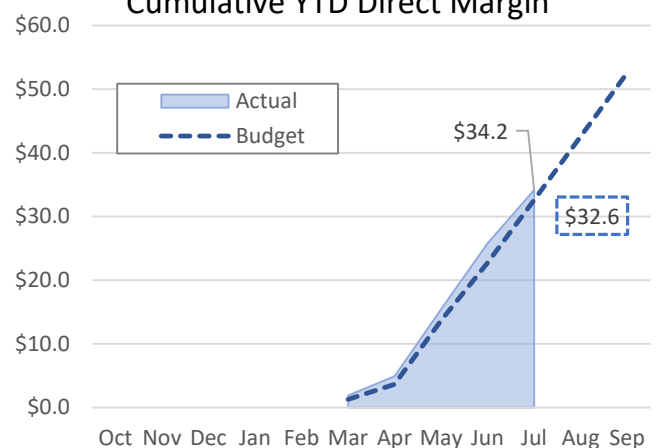


YTD Revenue \$5.2M below budget, but Standard Margin dollars are \$1.6M above budget.

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 less cost of energy

ACTUAL: Same as sales volume above

BUDGET: Volumes from Proforma model used for 2017/18 amended budget.

Monterey Bay Community Power Authority
Financing Summary
As of July 31, 2018

	Member Agency Loan (County of Santa Cruz)	Non-Revolving Line of Credit (River City Bank)	Revolving Line of Credit (River City Bank)
Balance Available, Beginning	\$ 555,903	\$ 3,000,000	\$ 10,000,000
Used	\$ 555,903	\$ 3,000,000	\$ 2,600,000
Balance Available, Ending	\$ -	\$ -	\$ 7,400,000

Forecast:

(1) Non-revolving line of credit:

- Withdrawn funds have been used for working capital needs.

(2) Revolving line of credit:

- \$2.6mil represents the Debt Service Reserve Advance (\$1.1mil) and the Phase 1 Lockbox Reserve (\$1.5mil) requirements from the River City Bank.
- This line of credit can be used for expenses associated with power supply requisition.

Monterey Bay Community Power Authority
Personnel Report
As of September 5, 2018

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk/Executive Assistant	1	1	
Director of Internal Operations	1	1	
Finance Manager	1	0	
HR Manager	1	0	
IT Manager	1	1	
Financial Analyst	1	0	
Administrative Assistant	1	1	
Director of Power Services	1	1	
Energy Trading Manager	1	1	
Energy Planning Manager	1	0	
Contract & Compliance Manager	1	1	
Power Supply Analyst	1	1	
Director of Communications & External Affairs	1	1	
Marketing and Communications Manager	1	1	
Media and Communications Coordinator	1	1	
Community Outreach & Events Coordinator	1	1	
Strategic Account Manager	1	1	
Business Development Manager	1	0	
Programs Coordinator	1	1	
Intern/Temp Staff Support	3	3	
Regulatory/Legislative Manager	1	0	
Government and External Affairs Coordinator	1	0	
Total	25	18	



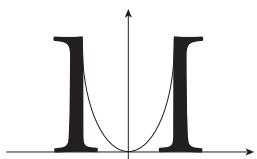
TREASURER REPORT

**Fiscal Year to Date
As of August 31, 2018**

Issue Date: October 10, 2018

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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 August 31, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the 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
September 25, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of August 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 17,725,780
Accounts receivable, net of allowance	20,683,352
Energy settlements receivable	87,196
Accrued revenue	15,816,300
Other receivables	1,521
Prepaid expenses	6,332,507
Restricted cash	2,600,000
Total current assets	<u>63,246,656</u>
Noncurrent assets	
Capital assets, net of depreciation	252,927
Deposits	119,355
Total noncurrent assets	<u>372,282</u>
Total assets	<u><u>63,618,938</u></u>

LIABILITIES

Current liabilities	
Accounts payable	529,055
Accrued cost of electricity	20,299,603
Accrued interest payable	17,177
Accrued payroll and benefits	148,147
Other accrued liabilities	286,989
Customer rebate liabilities	1,697,895
User taxes and energy surcharges due to other governments	958,858
Loans payable to Santa Cruz County	555,903
Notes payable to bank	5,600,000
Total current liabilities	<u>30,093,627</u>

NET POSITION

Investment in capital assets	252,927
Unrestricted	33,272,384
Total net position	<u><u>\$ 33,525,311</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2017 through August 31, 2018

OPERATING REVENUES

Electricity sales, net of allowance	\$ 93,795,545
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OPERATING EXPENSES

Cost of electricity	55,025,137
Staff compensation and benefits	1,380,462
Data management	903,632
Service fees - PG&E	187,331
Consultants and other professional fees	962,215
Legal	315,542
Communications and noticing	495,245
General and administration	482,753
Depreciation	36,151
Total operating expenses	<u>59,788,468</u>
Operating income	<u>34,007,077</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	2,470
Interest and related expense	(121,959)
Miscellaneous income	1,092
Total nonoperating revenues (expenses)	<u>(118,397)</u>

CHANGE IN NET POSITION

	33,888,680
Net position (deficit) at beginning of period	<u>(363,369)</u>
Net position at end of period	<u><u>\$ 33,525,311</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2017 through August 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 59,497,282
Receipts from other income	546
Tax and surcharge receipts from customers	1,298,388
Energy settlements received	1,585,296
Deposits and collateral received	501,052
Payments to purchase electricity	(39,100,352)
Payments for staff compensation and benefit	(1,229,425)
Payments for data manager fee	(380,000)
Payments for service fees - PG&E	(102,446)
Payments for consultants and other professional fee	(694,558)
Payments for legal fee:	(247,538)
Payments for communications and noticing	(446,851)
Payments for general and administration	(574,346)
Energy settlements paid	(3,527,724)
Payments of deposits and collateral	(620,730)
Tax and surcharge payments to other governments	(843,023)
Net cash provided (used) by operating activities	<u>15,115,571</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank	5,600,000
Interest and related expense payments	<u>(104,782)</u>
Net cash provided (used) by non-capital financing activities	<u>5,495,218</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(287,479)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>2,470</u>
Net change in cash and cash equivalents	20,325,780
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of period	<u><u>\$ 20,325,780</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 17,725,780
Restricted cash	<u>2,600,000</u>
Cash and cash equivalents	<u><u>\$ 20,325,780</u></u>

Noncash Non-Capital Financing Activities during the period presented:

Expenses of \$193,838 were financed directly from loan proceed

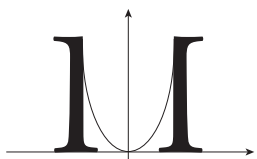
MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)

October 1, 2017 through August 31, 2018

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

Operating income	\$ 34,007,077
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	36,151
Revenue reduced for uncollectible accounts	485,977
Expenses paid directly from loan proceeds	193,838
(Increase) decrease in net accounts receivable	(21,169,329)
(Increase) decrease in energy settlements receivable	(87,196)
(Increase) decrease in other receivables	(429)
(Increase) decrease in accrued revenue	(15,816,300)
(Increase) decrease in prepaid expenses	(6,332,507)
(Increase) decrease in deposits	(119,679)
Increase (decrease) in accounts payable	526,153
Increase (decrease) in accrued payroll and related	148,147
Increase (decrease) in accrued cost of electricity	20,299,603
Increase (decrease) in accrued liabilities	286,989
Increase (decrease) in customer rebate liabilities	1,697,895
Increase (decrease) taxes and surcharges due to other governments	958,858
Net cash provided (used) by operating activities	<u>\$ 15,115,248</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 August 31, 2018, 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.

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We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
September 25, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2017 through August 31, 2018

	2017/18 YTD Amended Budget	2017/18 YTD Actual	2017/18 YTD Amended Budget Variance (Under) Over	2017/18 YTD Actual/ Amended Budget %	2017/18 Annual Amended Budget	2017/18 Amended Budget Remaining	2017/18 Amended Budget Remaining/ Amended Budget %
Revenues from Operations and							
Loan Proceeds							
Electric Sales Revenue	\$ 106,726,578	\$ 97,195,369	\$ (9,531,209)	91%	\$ 133,715,528	\$ 36,520,159	27%
Less Uncollectible Accounts	(533,633)	(485,977)	47,656	91%	(668,578)	(182,601)	27%
Net Revenue - Electricity	106,192,945	96,709,392	(9,483,553)	91%			
Less Customer Rebates	-	(2,913,847)	(2,913,847)	na		2,913,847	na
Line of Credit	3,556,000	5,793,839	2,237,839	163%	3,556,000	(2,237,839)	-63%
Miscellaneous income		1,092	1,092	na		(1,092)	na
Investment Income	-	2,470	2,470	na		(2,470)	na
Total Revenues from Operations and Loan Proceeds	109,748,945	99,592,946	(10,155,999)	91%	136,602,950	37,010,004	27%
Cost of Operations							
Operations and Administrative							
Staffing and Professional Services							
Staffing	1,694,729	1,380,462	(314,267)	81%			
Professional Services	668,947	902,595	233,648	135%			
Legal	298,492	358,042	59,550	120%			
Total Staffing and Professional Services	2,662,168	2,641,099	(21,069)	99%	3,008,760	367,661	12%
Marketing and Customer Enrollment	1,243,020	495,203	(747,817)	40%	1,421,120	925,917	65%
Data Management Services	914,398	903,632	(10,766)	99%	1,181,597	277,965	24%
IOU Fees	259,503	187,331	(72,172)	72%	355,828	168,497	47%
Other General & Administrative	608,000	518,904	(89,096)	85%	696,000	177,096	25%
Energy and Related Programs	2,134,532	17,162	(2,117,370)	1%	2,674,311	2,657,149	99%
Total Operations and Administrative	7,821,620	4,763,331	(3,058,289)	61%	9,337,616	4,574,285	49%
Cost of Energy	63,585,072	55,025,137	(8,559,935)	87%	80,489,103	25,463,966	32%
Bank Fees and Interest	282,500	121,959	(160,541)	43%	315,000	193,041	61%
Total Cost of Operations	71,689,192	59,910,427	(11,778,765)	84%	90,141,719	30,231,292	34%
CCA Program Surplus/(Deficit)	\$ 38,059,753	\$ 39,682,519	\$ 1,622,766	104%	\$ 46,461,231		

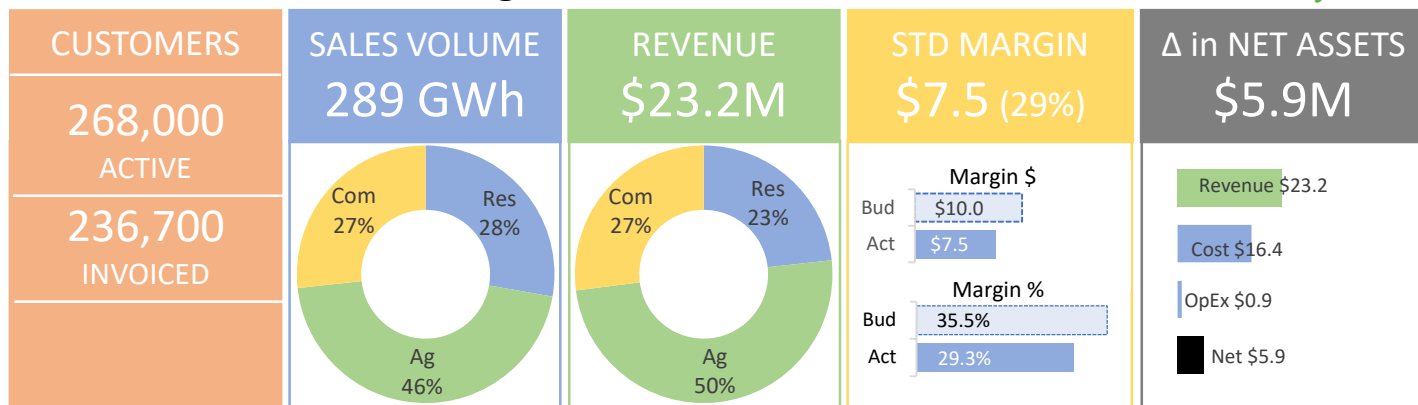
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2017 through August 31, 2018**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 39,682,519
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract loan proceeds	<u>(5,793,839)</u>
Change in Net Position	<u><u>\$ 33,888,680</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2017 through August 31, 2018

Budget Item	YTD Variance	Comment
Electric Sales Revenue	91%	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, primarily driven by projected customer phase in timing assumptions.
Line of credit	163%	Proceeds from lines of credit have been used to fund operational needs in advance of receipts from customer sales. We plan to pay down the debt toward the end of the year after we have sufficient cash available.
Staffing	81%	Staffing expenses are under budget due to the timing of new hires
Professional Services	135%	A major driver of the variance are the start up fees for services provided by Santa Cruz County, some of which were anticipated in the previous year. Professional Services is a subcategory of the budget item "Staffing and Professional Services". As a whole, the "Staffing and Professional Services" item has very little variance from the budget.
Legal Costs	120%	Outside legal costs for regulatory and energy procurement needs have been greater than anticipated.
Marketing and customer enrollment	40%	Variance is mostly due to the timing of Phase 2 enrollment. This expense is expected to normalize over the next few months as outreach and customer notifications continue.
Data Management Services	99%	Insignificant variance
IOU Fees	72%	These are SCE fees charged on a per customer basis. The cost will increase significantly after the Phase 2 customers are completely enrolled.
Other General & Administrative	85%	This category includes occupancy costs, industry membership dues, and other general and administrative costs. Staff expects to maintain a favorable variance for this budget item.
Energy and Related Programs	1%	Program expenses are expected to ramp up throughout the remainder of the year.
Cost of Energy	87%	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. Some costs are still estimates at this time, as certain settlements at the CAISO takes several months to finalize. We anticipate the cost of energy to increase. This variance is favorable compared to the variance in electric sales revenue.

Financial Dashboard: August 2018



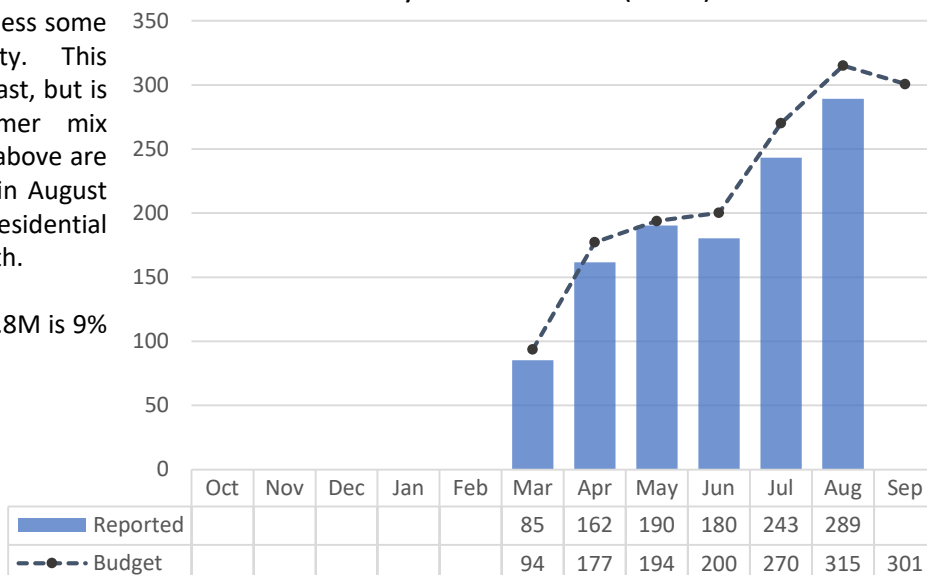
August Revenue of \$23.2MM accounted for 289 GWh in net retail consumption less some adjustments for retro-active activity. This comes in 26 GWh short of the forecast, but is 19% up from July. The customer mix percentages indicated in the charts above are based on actual invoices delivered in August and does not account for the residential customers activated during the month.

Fiscal year-to-date revenue of \$96.7.8M is 9% short of the \$106.2M budget.

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

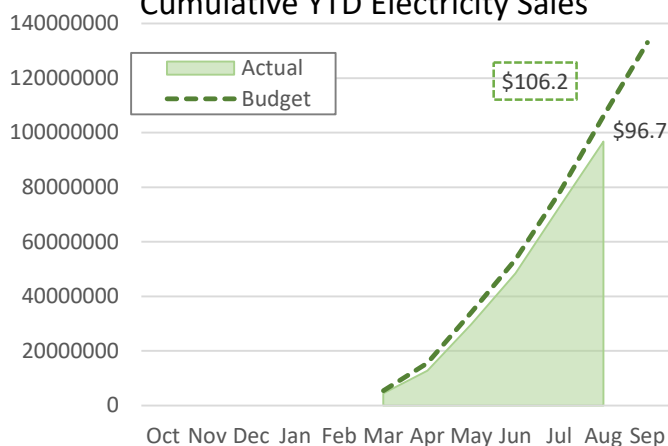
The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)

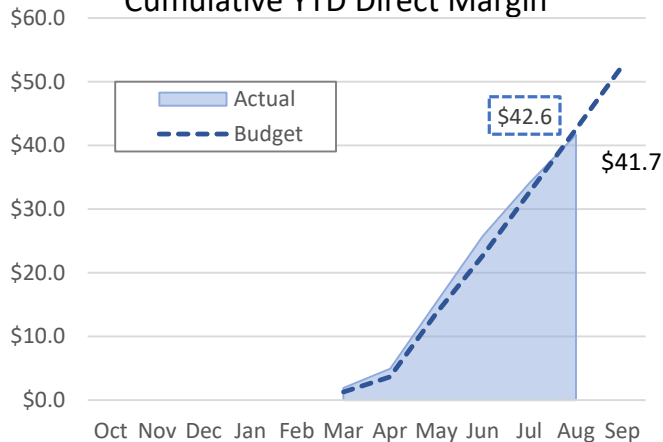


YTD Revenue \$9.5M below budget, but Standard Margin dollars are \$0.9M behind budget.

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 Proforma model used for 2017/18 amended budget.

Monterey Bay Community Power Authority
Financing Summary
As of August 31, 2018

	Member Agency Loan (County of Santa Cruz)	Non-Revolving Line of Credit (River City Bank)	Revolving Line of Credit (River City Bank)
Balance Available, Beginning	\$ 555,903	\$ 3,000,000	\$ 10,000,000
Used	\$ 555,903	\$ 3,000,000	\$ 2,600,000
Balance Available, Ending	\$ -	\$ -	\$ 7,400,000

Forecast:

- The Member Agency Loan from the County of Santa Cruz was repaid in full in September 2018.

(1) Non-revolving line of credit:

- Withdrawn funds have been used for working capital needs.

(2) Revolving line of credit:

- \$2.6mil represents the Debt Service Reserve Advance (\$1.1mil) and the Phase 1 Lockbox Reserve (\$1.5mil) requirements from the River City Bank.
- This line of credit can be used for expenses associated with power supply requisition.

Monterey Bay Community Power Authority
Personnel Report
As of October 10, 2018

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk/Executive Assistant	1	1	
Director of Internal Operations	1	1	
HR Manager	1	0	Recruitment in progress
IT Manager	1	1	
Financial Analyst	1	1	
Administrative Assistant	1	1	
Director of Power Services	1	1	
Energy Trading Manager	1	1	
Contract & Compliance Manager	1	1	
Power Supply Analyst	1	1	
Power Supply Analyst	1	0	
Director of Communications & External Affairs	1	1	
Marketing and Communications Manager	1	1	
Media and Communications Coordinator	1	1	
Community Outreach & Events Coordinator	1	1	
Community Outreach & Events Coordinator (Bi-lingual)	1	0	
Strategic Account Manager	1	0	Recruitment in progress
Business Development Manager	1	0	Recruitment in progress
Energy Programs Manager	1	1	
Programs Coordinator	1	0	
Intern/Temp Staff Support	3	3	
General Counsel	1	0	Recruitment in progress
Energy Regulatory Manager	1	0	Recruitment in progress
Government and External Affairs Coordinator	1	0	
Total	27	18	



TREASURER REPORT

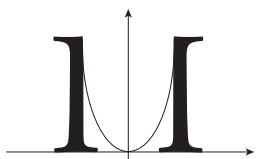
**Fiscal Year to Date
As of September 30, 2018**

**(This Treasurer Report contains preliminary data. A
final report will be issued after the external audit for
the FY2017/2018 is complete in January.)**

Issue Date: November 14, 2018

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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 September 30, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the 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
October 26, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of September 30, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 18,257,288
Accounts receivable, net of allowance	23,326,109
Energy settlements receivable	190,241
Accrued revenue	14,449,193
Other receivables	4,725
Prepaid expenses	5,158,569
Restricted cash	3,600,000
Total current assets	<u>64,986,125</u>
Noncurrent assets	
Capital assets, net of depreciation	263,759
Deposits	119,355
Total noncurrent assets	<u>383,114</u>
Total assets	<u><u>65,369,239</u></u>

LIABILITIES

Current liabilities	
Accounts payable	609,812
Accrued cost of electricity	20,849,046
Accrued payroll and benefits	164,400
Other accrued liabilities	270,000
Customer rebate liabilities	1,880,333
User taxes and energy surcharges due to other governments	1,201,232
Total current liabilities	<u>24,974,823</u>

NET POSITION

Investment in capital assets	263,759
Unrestricted	40,130,657
Total net position	<u><u>\$ 40,394,416</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION October 1, 2017 through September 30, 2018

OPERATING REVENUES

Electricity sales, net of allowance	\$ 116,500,031
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OPERATING EXPENSES

Cost of electricity	69,988,268
Staff compensation and benefits	1,598,441
Data management	1,171,590
Service fees - PG&E	280,918
Consultants and other professional fees	1,056,803
Legal	340,360
Communications and noticing	600,734
General and administration	542,409
Depreciation	42,303
Total operating expenses	<u>75,621,826</u>
Operating income	<u>40,878,205</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	13,156
Interest and related expense	(134,668)
Miscellaneous income	1,092
Total nonoperating revenues (expenses)	<u>(120,420)</u>

CHANGE IN NET POSITION

	40,757,785
Net position (deficit) at beginning of period	<u>(363,369)</u>
Net position at end of period	<u><u>\$ 40,394,416</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS October 1, 2017 through September 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 81,060,900
Receipts from other income	1,092
Tax and surcharge receipts from customers	1,905,778
Energy settlements received	1,932,084
Deposits and collateral received	501,375
Payments to purchase electricity and related	(56,351,797)
Payments for staff compensation and benefits	(1,434,041)
Payments for consultants and other professional fees	(2,411,589)
Payments for general and administration	(584,724)
Payments of deposits and collateral	(620,730)
Tax and surcharge payments to other governments	(1,160,384)
Net cash provided (used) by operating activities	<u>22,837,964</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank	5,600,000
Principal payments on loan from bank and Santa Cruz County	(6,155,903)
Interest and related expense payments	<u>(134,668)</u>
Net cash provided (used) by non-capital financing activities	<u>(690,571)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(303,261)</u>
-------------------------------	------------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>13,156</u>
Net change in cash and cash equivalents	21,857,288
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of period	<u><u>\$ 21,857,288</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 18,257,288
Restricted cash	<u>3,600,000</u>
Cash and cash equivalents	<u><u>\$ 21,857,288</u></u>

Noncash Non-Capital Financing Activities during the period presented:

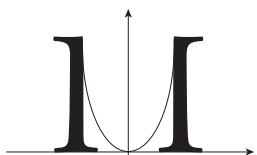
Expenses of \$193,838 were financed directly from loan proceeds

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued) October 1, 2017 through September 30, 2018

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

Operating income	\$ 40,878,205
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	42,303
Revenue reduced for uncollectible accounts	602,762
Expenses paid directly from loan proceeds	193,838
Revenue from miscellaneous income	1,092
(Increase) decrease in net accounts receivable	(23,928,871)
(Increase) decrease in energy settlements receivable	(190,241)
(Increase) decrease in accrued revenue	(14,449,193)
(Increase) decrease in other receivables	(4,725)
(Increase) decrease in prepaid expenses	(5,158,569)
(Increase) decrease in deposits	(119,355)
Increase (decrease) in accounts payable	605,708
Increase (decrease) in accrued cost of electricity	20,849,046
Increase (decrease) in accrued payroll and related	164,399
Increase (decrease) in accrued liabilities	270,000
Increase (decrease) in customer rebate liabilities	1,880,333
Increase (decrease) taxes and surcharges due to other governments	1,201,232
Net cash provided (used) by operating activities	<u>\$ 22,837,964</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 September 30, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is 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
October 26, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2017 through September 30, 2018

	2017/18 YTD Amended Budget	2017/18 YTD Actual	2017/18 YTD Amended Budget Variance (Under) Over	2017/18 YTD Actual/ Amended Budget %	2017/18 Annual Amended Budget	2017/18 Amended Budget Remaining	2017/18 Amended Budget Remaining/ Amended Budget %
Revenues from Operations and							
Loan Proceeds							
Electric Sales Revenue	\$ 133,715,528	\$ 120,715,666	\$ (12,999,862)	90%	\$ 133,715,528	\$ 12,999,862	10%
Less Uncollectible Accounts	(668,578)	(602,762)	65,816	90%	(668,578)	(65,816)	10%
Net Revenue - Electricity	133,046,950	120,112,904	(12,934,046)	90%			
Less Customer Rebates	-	(3,612,873)	(3,612,873)	na		3,612,873	na
Line of Credit	3,556,000	5,793,839	2,237,839	163%	3,556,000	(2,237,839)	-63%
Miscellaneous income		1,092	1,092	na		(1,092)	na
Investment Income	-	13,156	13,156	na		(13,156)	na
Total Revenues from Operations and Loan Proceeds	136,602,950	122,308,118	(14,294,832)	90%	136,602,950	14,294,832	10%
Cost of Operations							
Operations and Administrative							
Staffing and Professional Services							
Staffing	1,940,993	1,598,441	(342,552)	82%			
Professional Services	746,942	985,683	238,741	132%			
Legal	320,825	390,360	69,535	122%			
Total Staffing and Professional Services	3,008,760	2,974,484	(34,276)	99%	3,008,760	34,276	1%
Marketing and Customer Enrollment	1,421,120	600,692	(820,428)	42%	1,421,120	820,428	58%
Data Management Services	1,181,597	1,171,590	(10,007)	99%	1,181,597	10,007	1%
PG&E Fees	355,828	280,918	(74,910)	79%	355,828	74,910	21%
Other General & Administrative	696,000	584,712	(111,288)	84%	696,000	111,288	16%
Energy and Related Programs	2,674,311	21,162	(2,653,149)	1%	2,674,311	2,653,149	99%
Total Operations and Administrative	9,337,616	5,633,558	(3,704,058)	60%	9,337,616	3,704,058	40%
Cost of Energy	80,489,103	69,988,268	(10,500,835)	87%	80,489,103	10,500,835	13%
Debt Repayment/Bank Fees and Interest	315,000	6,290,571	5,975,571	1997%	315,000	(5,975,571)	-1897%
Total Cost of Operations	90,141,719	81,912,397	(8,229,322)	91%	90,141,719	8,229,322	9%
CCA Program Surplus/(Deficit)	\$ 46,461,231	\$ 40,395,721	\$ (6,065,510)	87%	\$ 46,461,231		

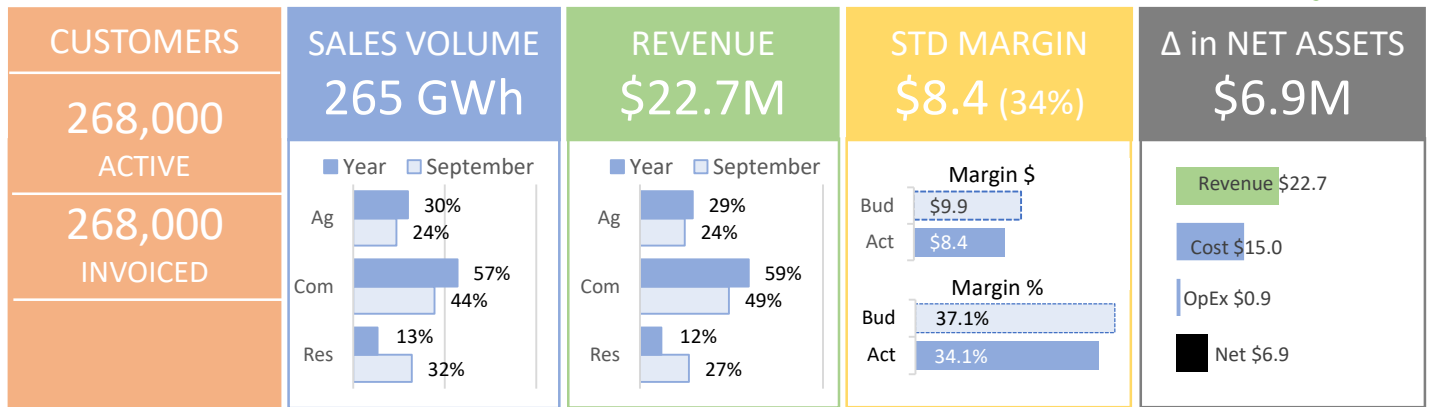
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2017 through September 30, 2018**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 40,395,721
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Add back principal payments on debt	6,155,903
Subtract loan proceeds	<u>(5,793,839)</u>
Change in Net Position	<u><u>\$ 40,757,785</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2017 through September 30, 2018

Budget Item	YTD Variance	Comment
Electric Sales Revenue	90%	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, primarily driven by projected customer phase in timing assumptions.
Line of credit	163%	Proceeds from lines of credit have been used to fund operational needs in advance of receipts from customer sales. We have repaid the debt in full in September 2018.
Staffing	82%	Staffing expenses are under budget due to the timing of new hires
Professional Services	132%	A major driver of the variance are the start up fees for services provided by Santa Cruz County, some of which were anticipated in the previous year. Professional Services is a subcategory of the budget item "Staffing and Professional Services". As a whole, the "Staffing and Professional Services" item has very little variance from the budget.
Legal Costs	122%	Outside legal costs for regulatory and energy procurement needs have been greater than anticipated.
Marketing and customer enrollment	42%	Variance is mostly due to the lower than anticipated costs of Phase 2 enrollment.
Data Management Services	99%	Insignificant variance
IOU Fees	79%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	84%	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	1%	Programs expenses have generally been delayed until the upcoming fiscal year.
Cost of Energy	87%	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.
Debt Repayment/Bank Fees and Interest	1997%	During 2017/18 MBCP revised its budget with the anticipation that the repayment of outstanding debt would occurring the in 2018/19 fiscal year. MBCP was able to pay off all of its debt ahead of scheduled in the 2017/18 fiscal year, which the cause of this variance.

Financial Dashboard: September 2018



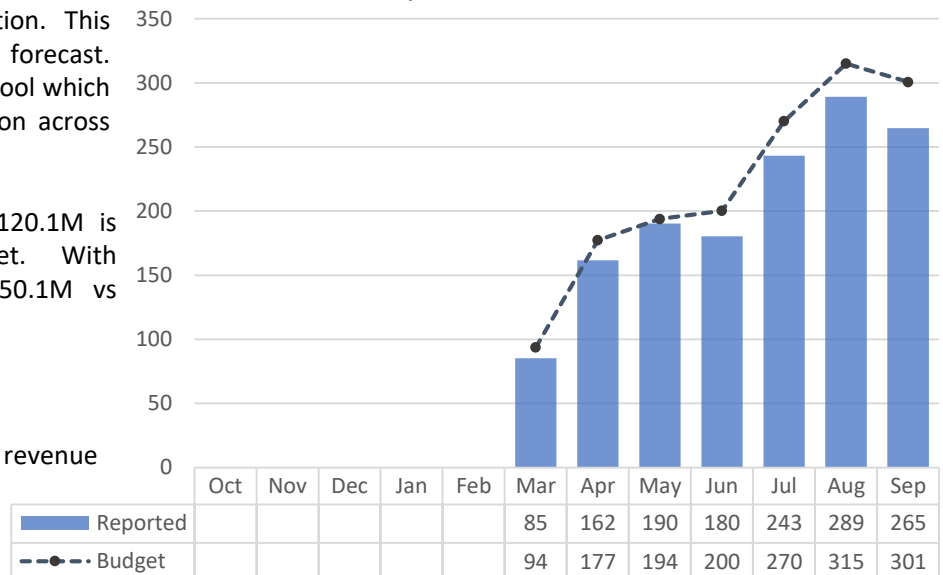
September Revenue of \$22.7MM accounted for 265 GWh in net retail consumption. This comes in 36 GWh short of the forecast. September weather was unusually cool which seems to have effected consumption across much of northern California.

Full Year electricity revenue of \$120.1M is 10% short of the \$133M budget. With margins (gross of rebate) at \$50.1M vs budgeted \$52.6.

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

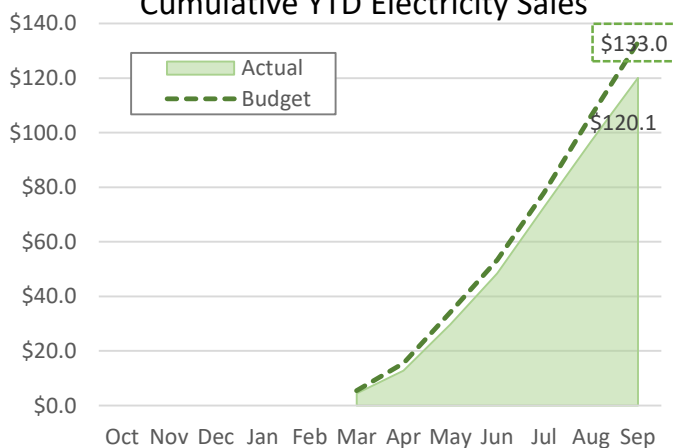
The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)

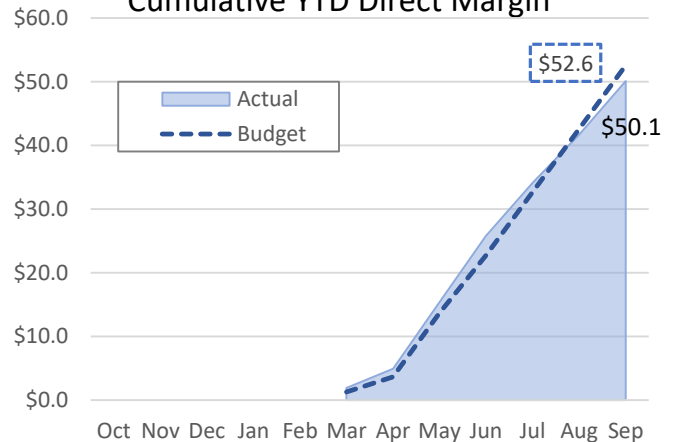


YTD Revenue \$12.9M below budget, but Standard Margin dollars are \$2.5M behind budget.

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 Proforma model used for 2017/18 amended budget.

Monterey Bay Community Power Authority
Financing Summary
As of September 30, 2018

	Member Agency Loan (County of Santa Cruz)	Non-Revolving Line of Credit (River City Bank)	Revolving Line of Credit (River City Bank)
Balance Available, Beginning	\$ 555,903	\$ 3,000,000	\$ 10,000,000
Proceeds	\$ 555,903	\$ 3,000,000	\$ 2,600,000
Repaid	\$ (555,903)	\$ (3,000,000)	\$ (2,600,000)
Balance Available, Ending	\$ -	\$ -	\$ 10,000,000

Forecast:

- The Member Agency Loan from the County of Santa Cruz was repaid in full in September 2018.
- (1) Non-revolving line of credit:
- Withdrawn funds have been used for working capital needs.
 - The Non-revolving line of credit was repaid in full in September 2018.
- (2) Revolving line of credit:
- \$2.6mil represents the Debt Service Reserve Advance (\$1.1mil) and the Phase 1 Lockbox Reserve (\$1.5mil) requirements from the River City Bank.
 - This line of credit can be used for expenses associated with power supply requisition.
 - The Revolving line of credit was repaid in full in September 2018.

Monterey Bay Community Power Authority
Personnel Report
As of November 14, 2018

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk/Executive Assistant	1	1	
Director of Internal Operations	1	1	
HR Manager	1	0	Recruitment in progress
IT Manager	1	1	
Financial Analyst	1	1	
Administrative Assistant	1	1	
Director of Power Services	1	1	
Energy Trading Manager	1	1	
Contract & Compliance Manager	1	1	
Power Supply Analyst	1	1	
Power Supply Analyst	1	0	
Director of Communications & External Affairs	1	1	
Marketing and Communications Manager	1	1	
Media and Communications Coordinator	1	1	
Community Outreach & Events Coordinator	1	1	
Community Outreach & Events Coordinator (Bi-lingual)	1	0	
Energy Account Manager	1	0	Recruitment in progress
Business Development Manager	1	1	
Energy Programs Manager	1	1	
Energy Programs Coordinator	1	0	Recruitment in progress
Intern/Temp Staff Support	3	2	
General Counsel	1	0	Contract GC from the County of Monterey for FY2018/19
Energy Regulatory and Legislative Manager	1	0	Recruitment in progress
Government and External Affairs Coordinator	1	0	
Total	27	18	



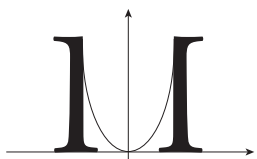
TREASURER REPORT

**Fiscal Year to Date
As of October 31, 2018**

Issue Date: December 5, 2018

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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 October 31, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the 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
November 21, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of October 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 29,588,112
Accounts receivable, net of allowance	18,588,652
Energy settlements receivable	2,316,632
Accrued revenue	17,671,782
Other receivables	4,001
Prepaid expenses	3,525,899
Restricted cash	3,600,000
Total current assets	<u>75,295,078</u>
Noncurrent assets	
Capital assets, net of depreciation	258,976
Deposits	119,355
Total noncurrent assets	<u>378,331</u>
Total assets	<u><u>75,673,409</u></u>

LIABILITIES

Current liabilities	
Accounts payable	819,475
Accrued cost of electricity	20,550,684
Accrued payroll and benefits	178,606
Other accrued liabilities	23,200
Customer rebate liabilities	2,466,589
User taxes and energy surcharges due to other governments	876,415
Total current liabilities	<u>24,914,969</u>

NET POSITION

Investment in capital assets	258,976
Unrestricted	50,499,464
Total net position	<u><u>\$ 50,758,440</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2018 through October 31, 2018

OPERATING REVENUES

Electricity sales, net of allowance	\$ 21,883,978
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OPERATING EXPENSES

Cost of electricity	10,873,752
Staff compensation and benefits	202,758
Data management	265,285
Service fees - PG&E	97,824
Consultants and other professional fees	55,123
Legal	17,078
Communications and noticing	45,403
General and administration	66,683
Depreciation	6,168
Total operating expenses	<u>11,630,074</u>
Operating income	<u>10,253,904</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	<u>25,503</u>
Total nonoperating revenues (expenses)	<u>25,503</u>

CHANGE IN NET POSITION

	10,279,407
Net position (deficit) at beginning of period	<u>40,479,033</u>
Net position at end of period	<u><u>\$ 50,758,440</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 24,489,204
Tax and surcharge receipts from customers	514,349
Energy settlements received	584,447
Payments to purchase electricity and related	(12,717,679)
Payments for staff compensation and benefits	(188,552)
Payments for consultants and other professional fees	(502,595)
Payments for general and administration	(125,658)
Tax and surcharge payments to other governments	(745,394)
Net cash provided (used) by operating activities	<u>11,308,122</u>

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

Acquisition of capital assets	<u>(2,801)</u>
-------------------------------	----------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>25,503</u>
Net cash provided (used) by investing activities	<u>25,503</u>

Net change in cash and cash equivalents	11,330,824
Cash and cash equivalents at beginning of year	<u>21,857,288</u>
Cash and cash equivalents at end of period	<u>\$ 33,188,112</u>

Reconciliation to the Statement of Net Position

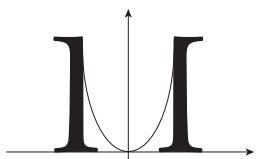
Cash and cash equivalents (unrestricted)	\$ 29,588,112
Restricted cash	<u>3,600,000</u>
Cash and cash equivalents	<u>\$ 33,188,112</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

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

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

Operating income	\$ 10,253,904
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	6,167
Revenue reduced for uncollectible accounts	113,416
(Increase) decrease in net accounts receivable	4,620,123
(Increase) decrease in energy settlements receivable	(1,289,315)
(Increase) decrease in accrued revenue	(2,602,185)
(Increase) decrease in other receivables	724
(Increase) decrease in prepaid expenses	1,625,088
Increase (decrease) in accounts payable	(55,167)
Increase (decrease) in accrued cost of electricity	(1,621,665)
Increase (decrease) in accrued payroll and related	14,205
Increase (decrease) in customer rebate liabilities	567,644
Increase (decrease) taxes and surcharges due to other governments	(324,817)
Net cash provided (used) by operating activities	<u>\$ 11,308,122</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 October 31, 2018, 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 disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

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Maher Accountancy

San Rafael, CA
November 21, 2018



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

	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	\$ 24,532,174	\$ 22,683,192	\$ (1,848,982)	92%	\$ 229,341,000	\$ 206,657,808	90%
Less uncollectible accounts	(122,456)	(113,416)	9,040	93%	(1,296,000)	(1,182,584)	91%
Net revenue - electricity	24,409,719	22,569,776	(1,839,943)	92%	228,045,000	205,475,224	
Investment income	-	25,503	25,503	na		(25,503)	na
Total revenues and other sources	24,409,719	22,595,279	(1,814,440)	93%	228,045,000	205,449,721	90%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	14,606,855	10,873,752	(3,733,103)	74%	174,564,000	163,690,248	94%
Data manager	221,611	265,285	43,674	120%	2,659,000	2,393,715	90%
PG&E service fees	100,853	97,824	(3,029)	97%	1,210,000	1,112,176	92%
Staffing	365,573	202,758	(162,815)	55%	4,399,000	4,196,242	
Professional services	114,478	47,623	(66,855)	42%	838,000	790,377	
Legal services	16,667	24,578	7,911	147%	200,000	175,422	
Marketing and customer enrollment	65,558	45,403	(20,155)	69%	787,000	741,597	94%
Other general & administrative	96,461	72,851	(23,610)	76%	1,100,000	1,027,149	93%
Total current expenditures	15,588,056	11,630,074	(3,957,982)	75%	185,757,000	174,126,926	94%
Other Uses							
Capital outlay	51,800	1,384	(50,416)	3%	98,000	96,616	99%
Total other uses	51,800	1,384	(50,416)	3%	98,000	96,616	99%
Debt Service							
Interest expense	-	-	-	0%	44,000	44,000	100%
Total Expenditures and Other Uses	15,639,856	11,631,458	(4,008,398)	74%	185,899,000	174,267,542	94%
Surplus Before Rebates and Program	8,769,863	10,963,821	2,193,958		42,146,000	31,182,179	74%
Rebate Expenditures	804,461	685,798	(118,663)	na	7,517,000	6,831,202	na
Program Expenditures	99,084	-	(99,084)	0%	4,561,000	4,561,000	100%
Surplus After Rebates and Program	\$ 7,866,317	\$ 10,278,023	\$ 2,411,706		\$ 30,068,000	\$ 19,789,977	

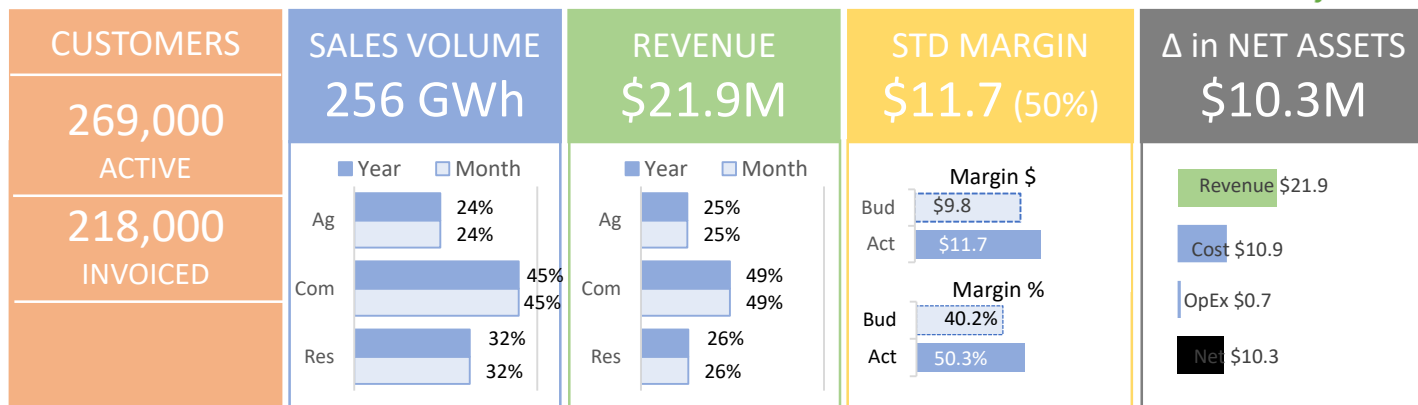
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2018 through October 31, 2018**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 10,278,023
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>1,384</u>
Change in Net Position	<u><u>\$ 10,279,407</u></u>

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

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. The main driver of the lower than expected result is lower volume used.
Staffing	55%	Staffing expenses are under budget due to the timing of new hires
Professional Services	42%	This category includes accounting, IT, technical and other consultants. Staff has been able to maintain a favorable variance for this budget item.
Legal Costs	147%	Outside legal costs for regulatory and energy procurement needs have been greater than planned.
Marketing and customer enrollment	69%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	120%	Variance is expected to level out through the remainder of the year
PG&E Fees	97%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	76%	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	74%	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: October 2018



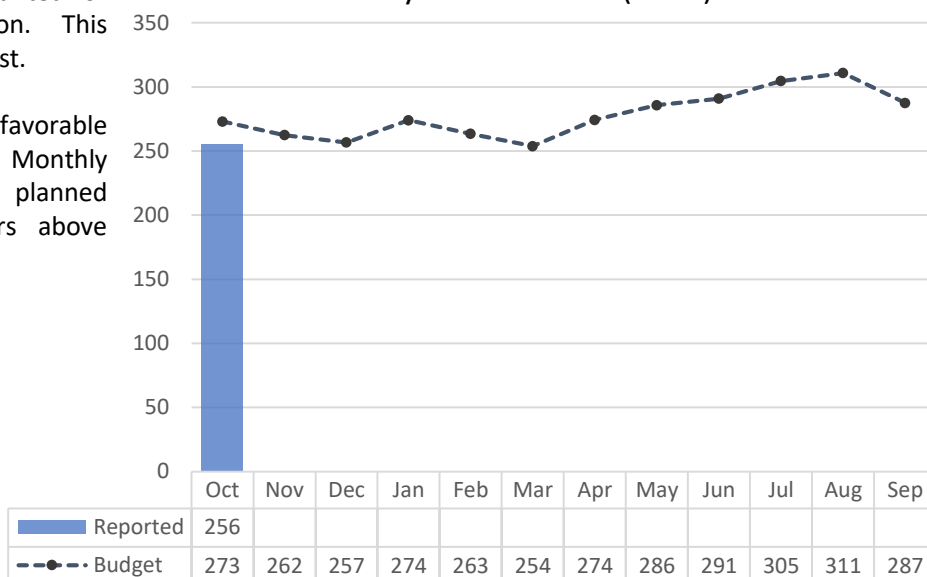
October Revenue of \$21.9MM accounted for 256 GWh in net retail consumption. This comes in 17 GWh short of the forecast.

Despite a miss in first month sales, favorable margins more than offset the loss. Monthly margin rates were 50% vs 40% planned resulting in \$1.9M margin dollars above budget.

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

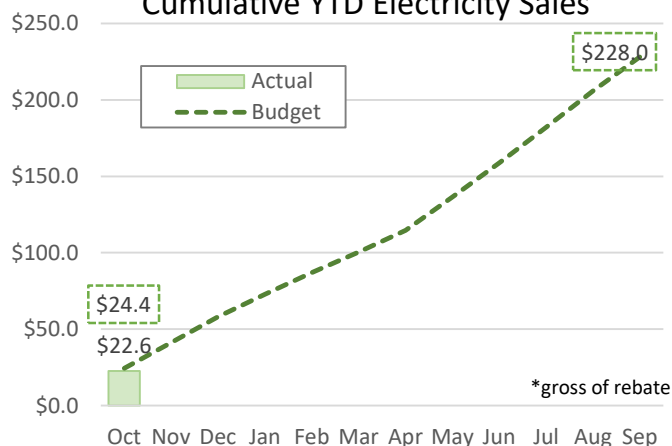
The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)

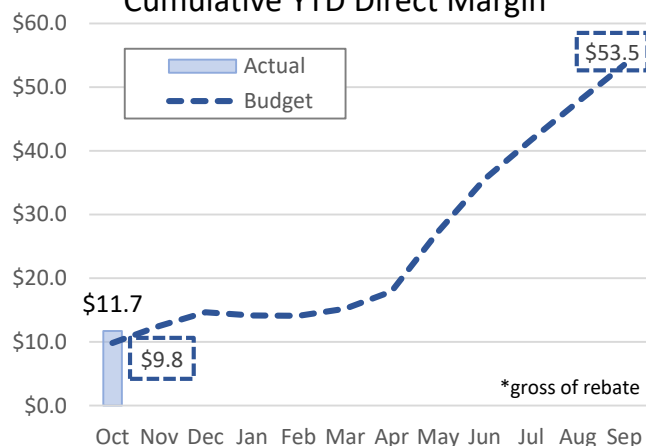


YTD Revenue \$1.8M below budget, but Standard Margin dollars are \$1.9M ahead of budget.

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
Personnel Report
As of December 5, 2018

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk/Executive Assistant	1	1	
Director of Internal Operations	1	1	
HR Manager	1	0	Recruitment in progress
IT Manager	1	1	
Financial Analyst	1	1	
Administrative Assistant	1	1	
Director of Power Services	1	1	
Energy Trading Manager	1	1	
Contract & Compliance Manager	1	1	
Power Supply Analyst	1	1	
Power Supply Analyst	1	0	
Director of Communications & External Affairs	1	1	
Marketing and Communications Manager	1	1	
Media and Communications Coordinator	1	1	
Community Outreach & Events Coordinator	1	1	
Community Outreach & Events Coordinator (Bi-lingual)	1	0	
Energy Account Manager	1	0	Recruitment in progress
Business Development Manager	1	1	
Energy Programs Manager	1	1	
Energy Programs Coordinator	1	0	Recruitment in progress
Intern/Temp Staff Support	3	2	
General Counsel	1	0	Contract GC from the County of Monterey for FY2018/19
Energy Regulatory and Legislative Manager	1	0	Recruitment in progress
Government and External Affairs Coordinator	1	0	
Total	27	18	



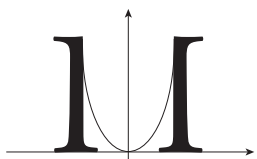
TREASURER REPORT

**Fiscal Year to Date
As of November 30, 2018**

Issue Date: January 16, 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 November 30, 2018, 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.

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We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
December 27, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of November 30, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 37,975,309
Accounts receivable, net of allowance	20,700,879
Energy settlements receivable	1,710,170
Accrued revenue	10,930,512
Other receivables	17,016
Prepaid expenses	2,204,946
Deposits	14,600
Restricted cash	3,600,000
Total current assets	<u>77,153,432</u>
Noncurrent assets	
Capital assets, net of depreciation	272,592
Deposits	119,355
Total noncurrent assets	<u>391,947</u>
Total assets	<u><u>77,545,379</u></u>

LIABILITIES

Current liabilities	
Accounts payable	615,146
Accrued cost of electricity	18,390,304
Accrued payroll and benefits	181,914
Other accrued liabilities	405,003
Customer rebate liabilities	2,949,404
User taxes and energy surcharges due to other governments	985,683
Total current liabilities	<u>23,527,454</u>

NET POSITION

Investment in capital assets	272,592
Restricted for security collateral	3,600,000
Unrestricted	50,145,333
Total net position	<u><u>\$ 54,017,925</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2018 through November 30, 2018

OPERATING REVENUES

Electricity sales, net of allowance	\$ 37,384,763
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OPERATING EXPENSES

Cost of electricity	22,373,424
Staff compensation and benefits	401,597
Data management	525,285
Service fees - PG&E	194,175
Consultants and other professional fees	113,186
Legal	51,483
Communications and noticing	88,215
General and administration	153,348
Depreciation	14,134
Total operating expenses	<u>23,914,847</u>
Operating income	<u>13,469,916</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	<u>68,976</u>
Total nonoperating revenues (expenses)	<u>68,976</u>

CHANGE IN NET POSITION

	13,538,892
Net position (deficit) at beginning of period	<u>40,479,033</u>
Net position at end of period	<u><u>\$ 54,017,925</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS October 1, 2018 through November 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 45,169,020
Tax and surcharge receipts from customers	1,006,291
Energy settlements received	2,023,531
Payments to purchase electricity and related	(25,817,433)
Payments for staff compensation and benefits	(384,084)
Payments for consultants and other professional fees	(989,938)
Payments for general and administration	(158,916)
Tax and surcharge payments to other governments	(1,195,241)
Net cash provided (used) by operating activities	<u>19,653,230</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(4,185)</u>
-------------------------------	----------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>68,976</u>
Net cash provided (used) by investing activities	<u>68,976</u>

Net change in cash and cash equivalents	19,718,021
Cash and cash equivalents at beginning of year	<u>21,857,288</u>
Cash and cash equivalents at end of period	<u>\$ 41,575,309</u>

Reconciliation to the Statement of Net Position

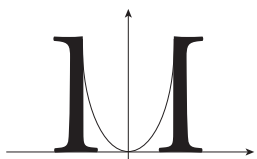
Cash and cash equivalents (unrestricted)	\$ 37,975,309
Restricted cash	<u>3,600,000</u>
Cash and cash equivalents	<u>\$ 41,575,309</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued) October 1, 2018 through November 30, 2018

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

Operating income	\$ 13,469,916
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	14,134
Revenue reduced for uncollectible accounts	193,905
(Increase) decrease in net accounts receivable	2,427,407
(Increase) decrease in energy settlements receivable	(682,853)
(Increase) decrease in accrued revenue	4,139,085
(Increase) decrease in other receivables	(12,291)
(Increase) decrease in prepaid expenses	2,946,041
(Increase) decrease in deposits	(14,600)
Increase (decrease) in accounts payable	(279,695)
Increase (decrease) in accrued cost of electricity	(3,782,045)
Increase (decrease) in accrued payroll and related	17,513
Increase (decrease) in accrued liabilities	381,803
Increase (decrease) in customer rebate liabilities	1,050,459
Increase (decrease) taxes and surcharges due to other governments	(215,549)
Net cash provided (used) by operating activities	<u>\$ 19,653,230</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 November 30, 2018, 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.

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Maher Accountancy

San Rafael, CA
December 27, 2018



MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through November 30, 2018

	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	\$ 41,369,256	\$ 38,781,018	\$ (2,588,238)	94%	\$ 229,341,000	\$ 190,559,982	83%
Less uncollectible accounts	(206,709)	(193,905)	12,804	94%	(1,296,000)	(1,102,095)	85%
Net revenue - electricity	41,162,547	38,587,113	(2,575,434)	94%	228,045,000	189,457,887	
Investment income	-	68,976	68,976	na		(68,976)	na
Total revenues and other sources	41,162,547	38,656,089	(2,506,458)	94%	228,045,000	189,388,911	83%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	28,740,607	22,373,424	(6,367,183)	78%	174,564,000	152,190,576	87%
Data manager	443,222	525,285	82,063	119%	2,659,000	2,133,715	80%
PG&E service fees	201,706	194,175	(7,531)	96%	1,210,000	1,015,825	84%
Staffing	701,146	401,597	(299,549)	57%	4,399,000	3,997,403	91%
Professional services	182,957	98,186	(84,771)	54%	838,000	739,814	88%
Legal services	33,333	66,483	33,150	199%	200,000	133,517	67%
Marketing and customer enrollment	131,117	88,215	(42,902)	67%	787,000	698,785	89%
Other general & administrative	186,760	167,482	(19,278)	90%	1,100,000	932,518	85%
Total current expenditures	30,620,848	23,914,847	(6,706,001)	78%	185,757,000	161,842,153	87%
Other Uses							
Capital outlay	51,800	22,966	(28,834)	44%	98,000	75,034	77%
Debt Service							
Interest expense	-	-	-	0%	44,000	44,000	100%
Total Expenditures and Other Uses	30,672,648	23,937,813	(6,734,835)	78%	185,899,000	161,961,187	87%
Surplus Before Rebates and Program	10,489,899	14,718,276	4,228,377		42,146,000	27,427,724	65%
Rebate Expenditures	553,494	1,202,350	648,856	na	7,517,000	6,314,650	na
Program Expenditures	168,489	-	(168,489)	0%	4,561,000	4,561,000	100%
Surplus After Rebates and Program Expenditures	\$ 9,767,916	\$ 13,515,926	\$ 3,748,010		\$ 30,068,000	\$ 16,552,074	

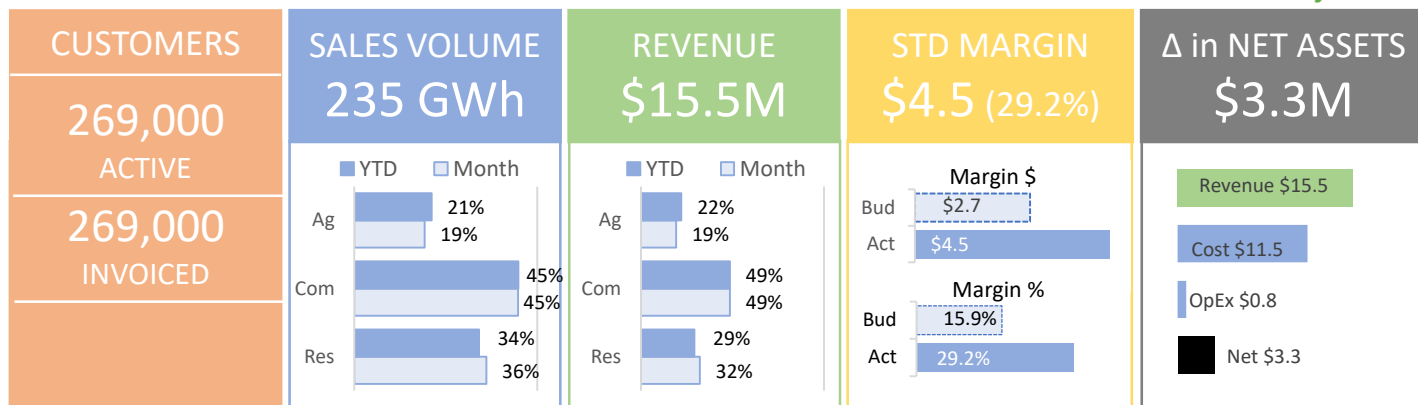
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2018 through November 30, 2018**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 13,515,926
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>22,966</u>
Change in Net Position	<u><u>\$ 13,538,892</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2018 through November 30, 2018

Budget Item	YTD Variance	Comment
Electric Sales Revenue	94%	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	57%	Staffing expenses are under budget due to the timing of new hires
Professional Services	54%	This category includes accounting, IT, technical and other consultants. Staff has been able to maintain a favorable variance for this budget item.
Legal Costs	199%	Outside legal costs for regulatory and energy procurement needs have been greater than planned.
Marketing and customer enrollment	67%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	119%	Variance is expected to level out through the remainder of the year
PG&E Fees	96%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	90%	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	78%	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: November 2018



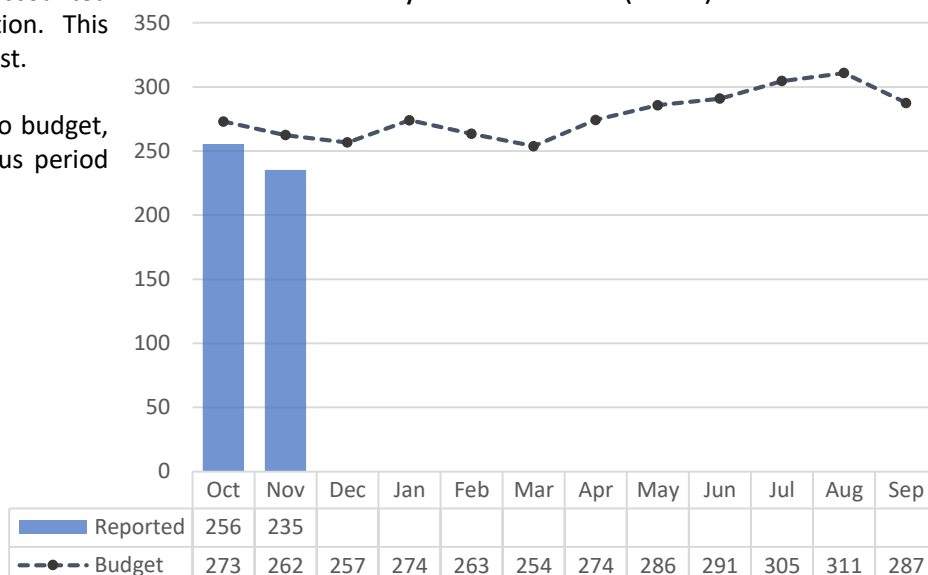
November Revenue of \$15.5MM accounted for 235 GWh in net retail consumption. This comes in 27 GWh short of the forecast.

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

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

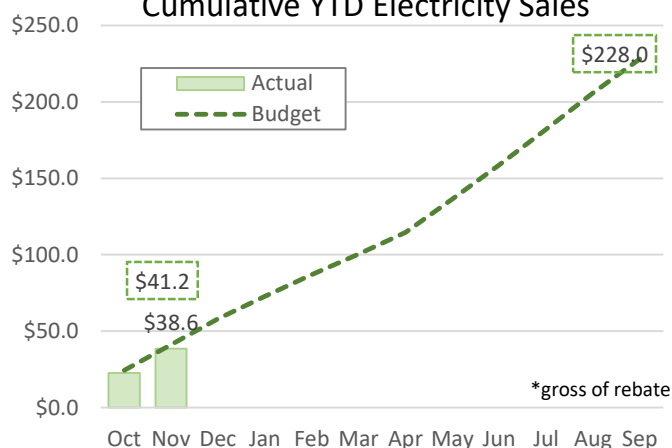
The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)

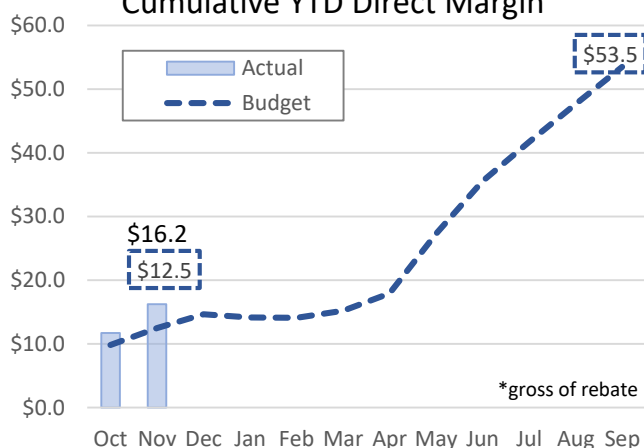


YTD Revenue \$2.5M below budget, but Standard Margin dollars are \$3.7M ahead of budget.

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
Personnel Report
As of January 16, 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	0	
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	1	
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	



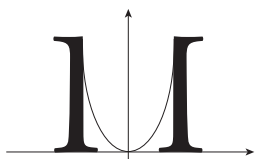
TREASURER REPORT

**Fiscal Year to Date
As of December 31, 2018**

Issue Date: February 13, 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 December 31, 2018, 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
February 5, 2019



MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of December 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 45,724,362
Accounts receivable, net of allowance	15,209,837
Energy settlements receivable	2,444,319
Accrued revenue	10,020,532
Other receivables	30,654
Prepaid expenses	449,690
Deposits	268,408
Restricted cash	3,600,000
Total current assets	<u>77,747,802</u>
Noncurrent assets	
Capital assets, net of depreciation	268,669
Deposits	119,355
Total noncurrent assets	<u>388,024</u>
Total assets	<u><u>78,135,826</u></u>

LIABILITIES

Current liabilities	
Accounts payable	468,841
Accrued cost of electricity	18,292,963
Accrued payroll and benefits	232,657
Other accrued liabilities	504,003
Customer rebate liabilities	923,880
User taxes and energy surcharges due to other governments	990,551
Total current liabilities	<u>21,412,895</u>

NET POSITION

Investment in capital assets	268,669
Restricted for security collateral	3,600,000
Unrestricted	52,854,262
Total net position	<u><u>\$ 56,722,931</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2018 through December 31, 2018

OPERATING REVENUES

Electricity sales, net of allowance	\$ 51,156,813
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OPERATING EXPENSES

Cost of electricity	32,709,243
Staff compensation and benefits	662,046
Data management	804,321
Service fees - PG&E	288,175
Consultants and other professional fees	163,122
Legal	55,909
Communications and noticing	130,700
General and administration	216,497
Depreciation	22,211
Total operating expenses	<u>35,052,224</u>
Operating income	<u>16,104,589</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	139,044
Gain (loss) on disposal of asset	266
Total nonoperating revenues (expenses)	<u>139,310</u>

CHANGE IN NET POSITION

	16,243,899
Net position (deficit) at beginning of period	<u>40,479,032</u>
Net position at end of period	<u><u>\$ 56,722,931</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS October 1, 2018 through December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 63,267,142
Tax and surcharge receipts from customers	1,471,043
Energy settlements received	3,588,346
Payments to purchase electricity and related	(37,078,605)
Payments for staff compensation and benefits	(590,696)
Payments for consultants and other professional fees	(1,461,605)
Payments for general and administration	(232,418)
Tax and surcharge payments to other governments	(1,605,699)
Net cash provided (used) by operating activities	<u>27,357,508</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(29,478)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>139,044</u>
Net cash provided (used) by investing activities	<u>139,044</u>

Net change in cash and cash equivalents	27,467,074
Cash and cash equivalents at beginning of year	<u>21,857,288</u>
Cash and cash equivalents at end of period	<u>\$ 49,324,362</u>

Reconciliation to the Statement of Net Position

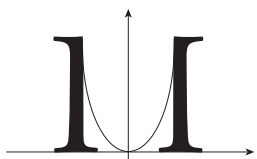
Cash and cash equivalents (unrestricted)	\$ 45,724,362
Restricted cash	<u>3,600,000</u>
Cash and cash equivalents	<u>\$ 49,324,362</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

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

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

Operating income	\$ 16,104,589
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	22,033
Revenue reduced for uncollectible accounts	265,251
(Increase) decrease in accounts receivable	7,847,103
(Increase) decrease in energy settlements receivable	(1,417,002)
(Increase) decrease in accrued revenue	5,049,065
(Increase) decrease in other receivables	(25,929)
(Increase) decrease in prepaid expenses	4,701,297
(Increase) decrease in deposits	(268,408)
Increase (decrease) in accounts payable	(404,417)
Increase (decrease) in accrued cost of electricity	(3,879,386)
Increase (decrease) in accrued payroll and related	68,255
Increase (decrease) in accrued liabilities	480,803
Increase (decrease) in customer rebate liabilities	(975,065)
Increase (decrease) taxes and surcharges due to other governments	(210,681)
Net cash provided (used) by operating activities	<u>\$ 27,357,508</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 December 31, 2018, 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
February 5, 2019



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

	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	\$ 58,273,553	\$ 53,050,185	\$ (5,223,368)	91%	\$ 229,341,000	\$ 176,290,815	77%
Less uncollectible accounts	(290,753)	(265,251)	25,502	91%	(1,296,000)	(1,030,749)	80%
Net revenue - electricity	57,982,800	52,784,934	(5,197,866)	91%	228,045,000	175,260,066	
Miscellaneous income		266	266	na		(266)	na
Investment income	-	139,044	139,044	na		(139,044)	na
Total revenues and other sources	57,982,800	52,924,244	(5,058,556)	91%	228,045,000	175,120,756	77%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	43,359,734	32,709,243	(10,650,491)	75%	174,564,000	141,854,757	81%
Data manager	664,832	804,321	139,489	121%	2,659,000	1,854,679	70%
PG&E service fees	302,559	288,175	(14,384)	95%	1,210,000	921,825	76%
Staffing	1,070,952	662,046	(408,906)	62%	4,399,000	3,736,954	85%
Professional services	248,460	140,622	(107,838)	57%	838,000	697,378	83%
Legal services	50,000	78,409	28,409	157%	200,000	121,591	61%
Marketing and customer enrollment	196,675	130,700	(65,975)	66%	787,000	656,300	83%
Other general & administrative	277,173	238,708	(38,465)	86%	1,100,000	861,292	78%
Total current expenditures	46,170,385	35,052,224	(11,118,161)	76%	185,757,000	150,704,776	81%
Other Uses							
Capital outlay	54,200	28,541	(25,659)	53%	98,000	69,459	71%
Debt Service							
Interest expense	-	-	-	0%	44,000	44,000	100%
Total Expenditures and Other Uses	46,224,585	35,080,765	(11,143,820)	76%	185,899,000	150,818,235	81%
Surplus Before Rebates and Program	11,758,215	17,843,479	6,085,264		42,146,000	24,302,521	58%
Rebate Expenditures	1,910,070	1,628,121	(281,949)	na	7,517,000	5,888,879	na
Program Expenditures	268,774	-	(268,774)	0%	4,561,000	4,561,000	100%
Surplus After Rebates and Program Expenditures	\$ 9,579,371	\$ 16,215,358	\$ 6,635,987		\$ 30,068,000	\$ 13,852,642	

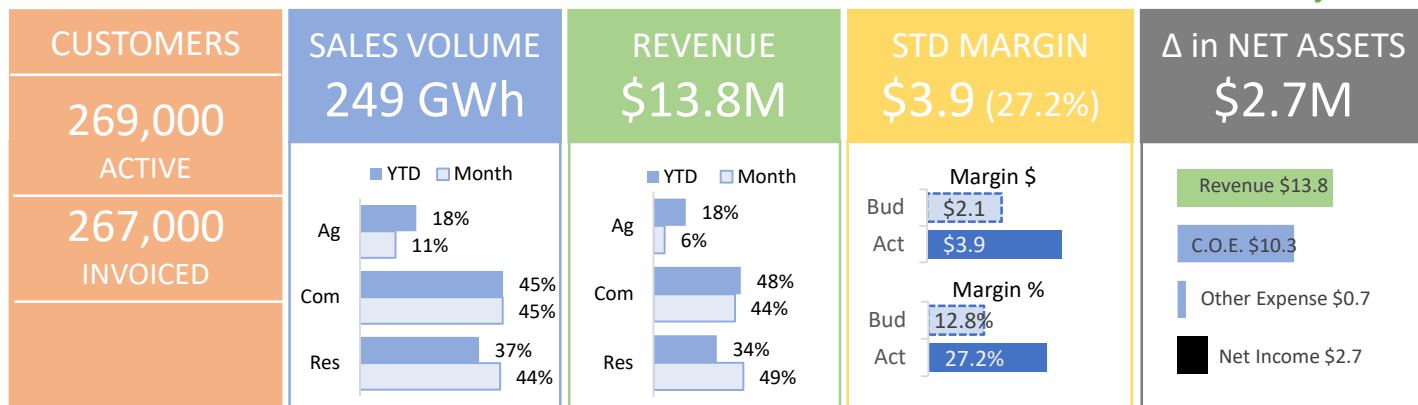
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2018 through December 31, 2018**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 16,215,358
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>28,541</u>
Change in Net Position	<u><u>\$ 16,243,899</u></u>

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

Budget Item	YTD Variance	Comment
Electric Sales Revenue	91%	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	62%	Staffing expenses are under budget due to the timing of new hires
Professional Services	57%	This category includes accounting, IT, technical and other consultants. Staff has been able to maintain a favorable variance for this budget item.
Legal Costs	157%	Outside legal costs for regulatory and energy procurement needs have been greater than planned.
Marketing and customer enrollment	66%	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	95%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	86%	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	75%	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: December 2018



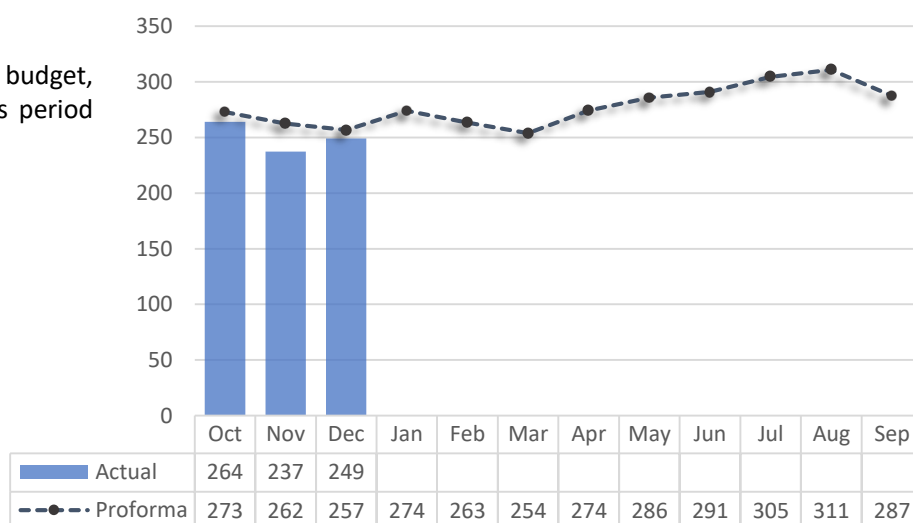
December Revenue of \$13.8M accounted for 249 GWh in net retail consumption. This comes in 8 GWh short of the forecast.

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

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

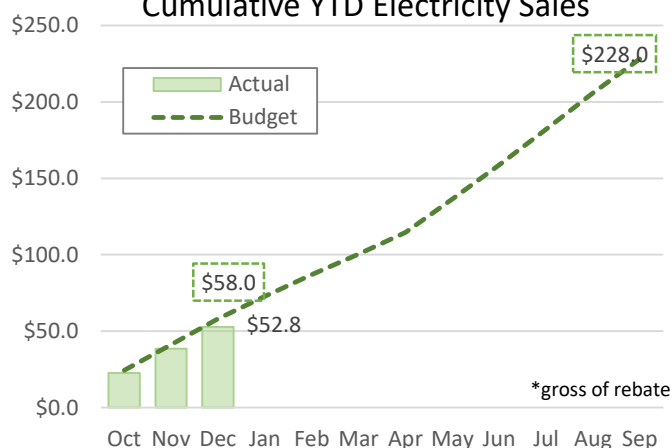
The charts below display cumulative revenue and margin \$ vs budget.

Monthly Sales Volume (GWh)

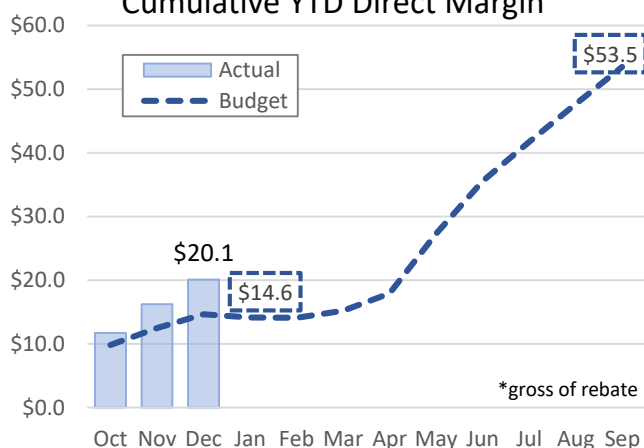


YTD Revenue \$5.2M below budget, but Standard Margin dollars are \$5.5M ahead of budget.

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 December 31, 2018

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>	\$ 139,000	\$ 25,500	\$ 43,500	\$ 70,000									
<i>Funds Invested - Average Balance</i>		\$ 17,887,000	\$ 23,946,000	\$ 37,260,000									
<i>Average APY</i>		1.71%	2.18%	2.25%									

Monterey Bay Community Power Authority
Accounts Receivable Aging Report
As of December 31, 2018

	Total	DAYS				
		0-30	31-60	61-90	90-120	Over 120
Accounts Receivable, net	15,211,000	13,109,000	939,000	552,000	403,000	208,000
Period %	100%	86%	6%	4%	3%	1%

Monterey Bay Community Power Authority
Personnel Report
As of February 13, 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	
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	