



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (the Authority), a California Joint Powers Authority, which comprise the statement of net position as of September 30, 2017, and the related statement of revenues, expenses, and changes in net position, and the statement 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 31, 2017



PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of September 30, 2017

ASSETS

Current assets	
Cash and cash equivalents	\$ 43,503,417
Accounts receivable, net of allowance	22,819,922
Other receivables	87,931
Accrued revenue	11,856,390
Prepaid expenses	187,301
Total current assets	<u>78,454,961</u>
Noncurrent assets	
Capital assets, net of depreciation	240,528
Deposits	2,496,194
Total noncurrent assets	<u>2,736,722</u>
Total assets	<u>81,191,683</u>

LIABILITIES

Current liabilities	
Accounts payable	1,456,698
Accrued cost of electricity	27,617,544
Accrued interest payable	55,691
Accrued payroll and related liabilities	110,364
Other accrued liabilities	25,000
Supplier security deposits	50,000
User taxes and energy surcharges due to other governments	859,515
Total current liabilities	<u>30,174,812</u>
Noncurrent liabilities	
Loan payable to bank	3,000,000
Loans payable to County of San Mateo	4,480,800
Supplier security deposits	75,000
Total noncurrent liabilities	<u>7,555,800</u>
Total liabilities	<u>37,730,612</u>

NET POSITION

Net investment in capital assets	240,528
Unrestricted	43,220,543
Total net position	<u>\$ 43,461,071</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

July 1, 2017 through September 30, 2017

OPERATING REVENUES

Electricity sales, net	\$ 68,569,866
Green electricity premium	186,166
Total operating revenues	<u>68,756,032</u>

OPERATING EXPENSES

Cost of electricity	44,208,641
Staff compensation and benefits	495,136
Data manager	1,009,462
Service fees - PG&E	381,482
Consultants and other professional fees	151,210
Legal	397,798
Communications and noticing	119,077
General and administration	142,189
Depreciation	14,414
Total operating expenses	<u>46,919,409</u>
Operating income (loss)	<u>21,836,623</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	1,405
Interest and related expense	(87,484)
Total nonoperating revenues (expenses)	<u>(86,079)</u>

CHANGE IN NET POSITION

	21,750,544
Net position at beginning of period	<u>21,710,527</u>
Net position at end of period	<u>\$ 43,461,071</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
July 1, 2017 through September 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 67,112,770
Tax and surcharge receipts from customers	1,106,792
Payments to purchase electricity	(40,972,668)
Payments for staff compensation and benefits	(500,777)
Payments for consultants and other professional fees	(891,110)
Payments for legal fees	(372,798)
Payments for communications and noticing	(205,458)
Payments for general and administration	(128,024)
Tax and surcharge payments to other governments	(974,152)
Net cash provided (used) by operating activities	<u>24,174,575</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Deposits and collateral paid	(2,019,162)
Deposits and collateral returned	1,073,500
Interest and related expense payments	(65,923)
Net cash provided (used) by non-capital financing activities	<u>(1,011,585)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(43,193)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>1,963</u>
Net change in cash and cash equivalents	23,121,760
Cash and cash equivalents at beginning of year	<u>20,381,657</u>
Cash and cash equivalents at end of period	<u>\$ 43,503,417</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (continued)

July 1, 2017 through September 30, 2017

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

Operating income (loss)	\$ 21,836,623
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	14,414
Revenue reduced for uncollectible accounts	241,491
(Increase) decrease in net accounts receivable	(1,936,575)
(Increase) decrease in other receivables	(54,672)
(Increase) decrease in accrued revenue	13,729
(Increase) decrease in prepaid expenses	37,223
Increase (decrease) in accounts payable	602,208
Increase (decrease) in accrued payroll and related	(5,641)
Increase (decrease) in accrued cost of electricity	3,230,042
Increase (decrease) in accrued liabilities	25,000
Increase (decrease) in user taxes and energy surcharges due to other governments	170,733
Net cash provided (used) by operating activities	<u>\$ 24,174,575</u>