



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (PCE), a California Joint Powers Authority, which comprise the statements of net position as of September 30, 2018 and August 31, 2018, and the statements of revenues, expenses, and changes in net position for the month and year-to-date ending September 30, 2018, and the statements of cash flows for the month and year-to-date ended September 30, 2018, 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 PCE'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 PCE because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
October 23, 2018



PENINSULA CLEAN ENERGY AUTHORITY

**STATEMENTS OF NET POSITION
As of September 30, and August 31, 2018**

	<u>September</u>	<u>August</u>	<u>Increase (Decrease)</u>
ASSETS			
Cash and cash equivalents	\$ 91,198,214	\$ 83,695,813	\$ 7,502,401
Accounts receivable, net of allowance	24,239,136	24,568,271	(329,135)
Other receivables	91,168	104,515	(13,347)
Accrued revenue	12,893,381	12,257,655	635,726
Prepaid expenses	198,584	732,136	(533,552)
Deposits	3,475,403	3,475,403	-
Total current assets	<u>132,095,886</u>	<u>124,833,793</u>	<u>7,262,093</u>
Noncurrent assets			
Capital assets, net of depreciation	299,068	304,996	(5,928)
Deposits	1,193,560	1,193,560	-
Total noncurrent assets	<u>1,492,628</u>	<u>1,498,556</u>	<u>(5,928)</u>
Total assets	<u>133,588,514</u>	<u>126,332,349</u>	<u>7,256,165</u>
LIABILITIES			
Current liabilities			
Accounts payable	572,072	680,136	(108,064)
Accrued cost of electricity	21,498,241	25,102,922	(3,604,681)
Accrued payroll and related liabilities	168,518	168,437	81
Other accrued liabilities	59,000	-	59,000
Supplier security deposits	1,190,000	1,190,000	-
User taxes and surcharges due to other governments	877,846	838,139	39,707
Total current liabilities	<u>24,365,677</u>	<u>27,979,634</u>	<u>(3,613,957)</u>
Noncurrent liabilities			
Supplier security deposits	582,392	559,223	23,169
Total liabilities	<u>24,948,069</u>	<u>28,538,857</u>	<u>(3,590,788)</u>
NET POSITION			
Investment in capital assets	299,068	304,996	(5,928)
Unrestricted	108,341,377	97,488,496	10,852,881
Total net position	<u>\$ 108,640,445</u>	<u>\$ 97,793,492</u>	<u>\$ 10,846,953</u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Month and Three Months Ended September 30, 2018

	<u>Month</u>	<u>Three Months</u>
OPERATING REVENUES		
Electricity sales, net	\$ 23,115,599	\$ 71,251,159
Electricity premium	185,637	590,073
Electricity sales for resale	-	194,750
Miscellaneous income	2,768	2,768
Total operating revenues	<u>23,304,004</u>	<u>72,038,750</u>
OPERATING EXPENSES		
Cost of electricity	11,533,404	46,137,676
Staff compensation and benefits	212,444	655,008
Data manager	314,325	944,603
Service fees - PG&E	103,241	309,825
Consultants and other professional fees	114,148	265,114
Legal	63,258	227,713
Communications and outreach	65,553	138,344
General and administration	84,657	271,762
Depreciation	5,927	17,740
Total operating expenses	<u>12,496,957</u>	<u>48,967,785</u>
Operating income (loss)	<u>10,807,047</u>	<u>23,070,965</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	82,839	246,923
Interest and related expense	(42,933)	(42,933)
Total nonoperating revenues (expenses)	<u>39,906</u>	<u>203,990</u>
CHANGE IN NET POSITION		
	10,846,953	23,274,955
Net position at beginning of period	<u>97,793,492</u>	<u>85,365,490</u>
Net position at end of period	<u>\$ 108,640,445</u>	<u>\$ 108,640,445</u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS
Month and Three Months Ended September 30, 2018

	<u>Month</u>	<u>Three Months</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 22,993,000	\$ 72,526,318
Receipts from sales for resale	34,000	260,250
Receipts from miscellaneous income	2,768	2,768
Receipts from supplier security deposits	23,169	74,105
Tax and surcharge receipts from customers	367,620	1,163,236
Payments to purchase electricity	(14,603,094)	(45,511,943)
Payments for staff compensation and benefits	(211,375)	(643,706)
Payments for data manager	(315,369)	(975,096)
Payments for service fees - PG&E	(103,291)	(309,956)
Payments for consultants and other professional fees	(163,142)	(285,399)
Payments for legal	(86,862)	(378,318)
Payments for communications and noticing	(74,900)	(154,483)
Payments for general and administration	(73,762)	(309,862)
Tax and surcharge payments to other governments	(326,267)	(1,133,626)
Net cash provided (used) by operating activities	<u>7,462,495</u>	<u>24,324,288</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Deposits and collateral paid	-	(5,000)
Interest and related expense payments	(42,933)	(42,933)
Net cash provided (used) by non-capital financing activities	<u>(42,933)</u>	<u>(47,933)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(14,476)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	82,839	246,923
Net cash provided (used) by investing activities	<u>82,839</u>	<u>246,923</u>
Net change in cash and cash equivalents	7,502,401	24,508,802
Cash and cash equivalents at beginning of period	83,695,813	66,689,412
Cash and cash equivalents at end of period	<u>\$ 91,198,214</u>	<u>\$ 91,198,214</u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
Month and Three Months Ended September 30, 2018

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

	Month	Three Months
Operating income (loss)	\$ 10,807,047	\$ 23,070,965
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	5,928	17,741
Revenue reduced for uncollectible accounts	81,841	252,328
(Increase) decrease in accounts receivable	247,294	(1,400,346)
(Increase) decrease in other receivables	13,347	37,638
(Increase) decrease in accrued revenue	(635,726)	1,819,445
(Increase) decrease in prepaid expenses	533,552	1,999,440
Increase (decrease) in accounts payable	(108,064)	(239,050)
Increase (decrease) in accrued payroll and related	81	11,302
Increase (decrease) in accrued cost of electricity	(3,604,681)	(1,416,549)
Increase (decrease) in accrued liabilities	59,000	54,000
Increase (decrease) in user taxes and energy surcharges due to other governments	39,707	43,269
Increase (decrease) in supplier security deposits	23,169	74,105
Net cash provided (used) by operating activities	\$ 7,462,495	\$ 24,324,288