



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 March 31, 2019, and the statements of revenues, expenses, and changes in net position, and the statements of cash flows for the nine month period ending March 31 2019, 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. PCE'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 PCE because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
April 30, 2019



PENINSULA CLEAN ENERGY AUTHORITY

STATEMENTS OF NET POSITION

As of March 31, 2019

ASSETS

Current assets

| | | |
|---------------------------------------|----|--------------------|
| Cash and cash equivalents | \$ | 74,837,751 |
| Accounts receivable, net of allowance | | 17,359,793 |
| Investments | | 33,435,096 |
| Other receivables | | 424,592 |
| Accrued revenue | | 10,307,560 |
| Prepaid expenses | | 1,971,408 |
| Deposits | | 4,201,322 |
| Restricted cash | | 13,665,799 |
| Total current assets | | <u>156,203,321</u> |

Noncurrent assets

| | | |
|---|--|--------------------|
| Capital assets, net of accumulated depreciation | | 294,608 |
| Deposits | | 2,335,355 |
| Total noncurrent assets | | <u>2,629,963</u> |
| Total assets | | <u>158,833,284</u> |

LIABILITIES

Current liabilities

| | | |
|--|--|-------------------|
| Accounts payable | | 938,432 |
| Accrued cost of electricity | | 27,727,101 |
| Accrued payroll and related liabilities | | 197,270 |
| Other accrued liabilities | | 164,409 |
| Supplier security deposits | | 4,370,987 |
| User taxes and surcharges due to other governments | | 786,553 |
| Total current liabilities | | <u>34,184,752</u> |

Noncurrent liabilities

| | | |
|----------------------------|--|-------------------|
| Supplier security deposits | | 1,173,822 |
| Total liabilities | | <u>35,358,574</u> |

NET POSITION

| | | |
|------------------------------------|----|--------------------|
| Investment in capital assets | | 294,608 |
| Restricted for security collateral | | 13,665,799 |
| Unrestricted | | 109,514,303 |
| Total net position | \$ | <u>123,474,710</u> |

PENINSULA CLEAN ENERGY AUTHORITY

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

Nine Months Ended March 31, 2019

OPERATING REVENUES

| | | |
|------------------------------|----|--------------------|
| Electricity sales, net | \$ | 188,667,790 |
| Green electricity premium | | 1,827,944 |
| Electricity sales for resale | | 2,039,342 |
| Total operating revenues | | <u>192,535,076</u> |

OPERATING EXPENSES

| | | |
|---|--|--------------------|
| Cost of electricity | | 146,462,492 |
| Staff compensation and benefits | | 2,238,319 |
| Data manager | | 2,824,229 |
| Service fees - PG&E | | 928,120 |
| Consultants and other professional fees | | 676,048 |
| Legal & legislative services | | 1,022,778 |
| Communications and noticing | | 648,135 |
| General and administration | | 753,556 |
| Program incentives | | 148,200 |
| Depreciation | | 54,289 |
| Total operating expenses | | <u>155,756,166</u> |
| Operating income (loss) | | <u>36,778,910</u> |

NONOPERATING REVENUES (EXPENSES)

| | | |
|--|--|------------------|
| Miscellaneous income | | 35,679 |
| Interest and investment income | | 1,422,498 |
| Interest and related expense | | <u>(127,867)</u> |
| Total nonoperating revenues (expenses) | | <u>1,330,310</u> |

CHANGE IN NET POSITION

| | | |
|-------------------------------------|----|--------------------|
| Net position at beginning of period | | <u>85,365,490</u> |
| Net position at end of period | \$ | <u>123,474,710</u> |

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENTS OF CASH FLOWS Nine Months Ended March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-------------------|
| Receipts from electricity sales | \$ 200,572,468 |
| Receipts from sales for resale | 2,165,342 |
| Receipts from miscellaneous income | 33,605 |
| Receipts from supplier security deposits | 3,846,522 |
| Tax and surcharge receipts from customers | 3,302,362 |
| Payments to purchase electricity | (141,463,765) |
| Payments for staff compensation and benefits | (2,193,351) |
| Payments for data manager | (2,855,557) |
| Payments for service fees - PG&E | (825,536) |
| Payments for consultants and other professional fees | (639,149) |
| Payments for legal services | (1,056,043) |
| Payments for communications and noticing | (650,475) |
| Payments for general and administration | (671,246) |
| Payments for program incentives | (148,200) |
| Tax and surcharge payments to other governments | (3,290,528) |
| Net cash provided (used) by operating activities | <u>56,126,449</u> |

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

| | |
|--|--------------------|
| Deposits and collateral paid | (2,608,070) |
| Deposits and collateral received | 735,356 |
| Interest and related expense payments | (127,867) |
| Net cash provided (used) by non-capital financing activities | <u>(2,000,581)</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|-------------------------------|-----------------|
| Acquisition of capital assets | <u>(46,564)</u> |
|-------------------------------|-----------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|---------------------|
| Purchase of investments | (58,218,578) |
| Sale of investments | 24,902,058 |
| Interest and investment income received | 1,051,354 |
| Net cash provided (used) by investing activities | <u>(32,265,166)</u> |

| | |
|--|----------------------|
| Net change in cash and cash equivalents | 21,814,138 |
| Cash and cash equivalents at beginning of period | 66,689,412 |
| Cash and cash equivalents at end of period | <u>\$ 88,503,550</u> |

Reconciliation to the Statement of Net Position

| | |
|--|----------------------|
| Cash and cash equivalents (unrestricted) | \$ 74,837,751 |
| Restricted cash | 13,665,799 |
| Cash and cash equivalents | <u>\$ 88,503,550</u> |

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
Nine Months Ended March 31, 2019

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

| | |
|--|----------------------|
| Operating income (loss) | \$ 36,778,910 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | |
| Depreciation expense | 54,289 |
| Revenue reduced for uncollectible accounts | 669,077 |
| Nonoperating miscellaneous income | 35,679 |
| (Increase) decrease in accounts receivable | 5,062,248 |
| (Increase) decrease in other receivables | (43,218) |
| (Increase) decrease in accrued revenue | 4,405,266 |
| (Increase) decrease in prepaid expenses | 226,616 |
| Increase (decrease) in accounts payable | 127,310 |
| Increase (decrease) in accrued payroll and related | 40,054 |
| Increase (decrease) in accrued cost of electricity | 4,812,311 |
| Increase (decrease) in accrued liabilities | 159,409 |
| Increase (decrease) in user taxes and energy surcharges due to other governments | (48,024) |
| Increase (decrease) in supplier security deposits | 3,846,522 |
| Net cash provided (used) by operating activities | <u>\$ 56,126,449</u> |