



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 statement of net position as of September 30, 2019, and the 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. 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
October 31, 2019



PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of September 30, 2019

ASSETS

Current assets

Cash and cash equivalents	\$ 31,681,034
Accounts receivable, net of allowance	27,952,863
Investments	110,771,125
Other receivables	218,462
Accrued revenue	16,521,548
Prepaid expenses	1,947,952
Deposits	275,570
Restricted cash	13,038,299
Total current assets	<u>202,406,853</u>

Noncurrent assets

Capital assets, net of depreciation	347,497
Deposits	135,355
Total noncurrent assets	<u>482,852</u>
Total assets	<u>202,889,705</u>

LIABILITIES

Current liabilities

Accounts payable	976,756
Accrued cost of electricity	27,241,608
Accrued payroll	232,895
Other accrued liabilities	214,637
Supplier deposits - energy suppliers	3,720,987
User taxes and energy surcharges due to other governments	1,000,805
Total current liabilities	<u>33,387,688</u>

Noncurrent liabilities

Supplier deposits - energy suppliers	1,564,605
Total liabilities	<u>34,952,293</u>

NET POSITION

Investment in capital assets	347,497
Restricted for security collateral	13,038,299
Unrestricted	154,551,616
Total net position	<u><u>\$ 167,937,412</u></u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2019 through September 30, 2019

OPERATING REVENUES

Electricity sales, net	\$ 84,645,599
Green electricity premium	692,523
Total operating revenues	<u>85,338,122</u>

OPERATING EXPENSES

Cost of electricity	54,749,076
Staff compensation and benefits	904,479
Data manager	950,257
Service fees - PG&E	313,306
Consultants and other professional fees	322,891
Legal & legislative services	268,323
Communications and noticing	230,300
General and administration	326,201
Program incentives	54,000
Depreciation	22,179
Total operating expenses	<u>58,141,012</u>
Operating income (loss)	<u>27,197,110</u>

NONOPERATING REVENUES (EXPENSES)

Miscellaneous income	1,846
Interest and investment income	622,328
Interest and related expense	(23,000)
Total nonoperating revenues (expenses)	<u>601,174</u>

CHANGE IN NET POSITION

	27,798,284
Net position at beginning of period	<u>140,139,128</u>
Net position at end of period	<u>\$ 167,937,412</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2019 through September 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 81,132,701
Receipts from supplier security deposits	8,137
Tax and surcharge receipts from customers	1,343,107
Payments to purchase electricity	(49,552,497)
Payments for staff compensation and benefits	(893,044)
Payments for data manager	(950,821)
Payments for service fees - PG&E	(208,771)
Payments for consultants and other professional fees	(432,127)
Payments for legal services	(294,252)
Payments for communications and noticing	(197,680)
Payments for general and administration	(328,568)
Payments for program incentives	(55,132)
Payments for return of supplier security deposits	(600,000)
Tax and surcharge payments to other governments	(1,249,871)
Net cash provided (used) by operating activities	<u>27,721,182</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Interest and related expense payments	<u>(23,000)</u>
---------------------------------------	-----------------

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(55,468)</u>
-------------------------------	-----------------

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment sales	36,077,207
Investment income received	487,645
Purchase of investments	(81,527,676)
Net cash provided (used) by investing activities	<u>(44,962,824)</u>

Net change in cash and cash equivalents (17,320,110)

Cash and cash equivalents at beginning of period 62,039,443

Cash and cash equivalents at end of period \$ 44,719,333

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted) \$ 31,681,034

Restricted cash 13,038,299

Cash and cash equivalents \$ 44,719,333

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (continued)

July 1, 2019 through September 30, 2019

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

Operating income (loss)	\$ 27,197,110
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	22,180
Revenue reduced for uncollectible accounts	231,036
Nonoperating miscellaneous income	1,846
(Increase) decrease in accounts receivable	(4,122,026)
(Increase) decrease in other receivables	21,425
(Increase) decrease in accrued revenue	(360,127)
(Increase) decrease in prepaid expenses	2,361,666
Increase (decrease) in accounts payable	(50,418)
Increase (decrease) in accrued payroll and related	14,470
Increase (decrease) in accrued cost of electricity	2,812,652
Increase (decrease) in accrued liabilities	44,299
Increase (decrease) in user taxes and energy surcharges due to other governments	138,932
Increase (decrease) in supplier security deposits	(591,863)
Net cash provided (used) by operating activities	<u>\$ 27,721,182</u>