



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>
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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>