



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> |
|-------------------------------|-----------------|

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> |