



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 December 31, 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
January 19, 2018



PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of December 31, 2017

ASSETS

Current assets	
Cash and cash equivalents	\$ 53,541,005
Accounts receivable, net of allowance	17,092,453
Other receivables	46,569
Accrued revenue	11,061,682
Prepaid expenses	265,488
Deposits	1,924,926
Total current assets	<u>83,932,123</u>
Noncurrent assets	
Capital assets, net of depreciation	322,254
Deposits	135,355
Total noncurrent assets	<u>457,609</u>
Total assets	<u>84,389,732</u>

LIABILITIES

Current liabilities	
Accounts payable	669,675
Accrued cost of electricity	27,068,267
Accrued payroll and related liabilities	103,073
Other accrued liabilities	25,000
Supplier security deposits	50,000
User taxes and energy surcharges due to other governments	740,872
Total current liabilities	<u>28,656,887</u>
Noncurrent liabilities	
Supplier security deposits	75,000
Total liabilities	<u>28,731,887</u>

NET POSITION

Net investment in capital assets	322,254
Unrestricted	55,335,591
Total net position	<u>\$ 55,657,845</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

July 1, 2017 through December 31, 2017

OPERATING REVENUES

Electricity sales, net	\$ 127,028,378
Green electricity premium	568,365
Total operating revenues	<u>127,596,743</u>

OPERATING EXPENSES

Cost of electricity	88,130,793
Staff compensation and benefits	991,423
Data manager	2,016,690
Service fees - PG&E	765,925
Consultants and other professional fees	270,704
Legal	604,911
Communications and noticing	360,035
General and administration	309,932
Depreciation	23,388
Total operating expenses	<u>93,473,801</u>
Operating income (loss)	<u>34,122,942</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	6,947
Interest and related expense	(182,573)
Total nonoperating revenues (expenses)	<u>(175,626)</u>

CHANGE IN NET POSITION

Net position at beginning of period	<u>21,710,529</u>
Net position at end of period	<u>\$ 55,657,845</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
July 1, 2017 through December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 132,410,562
Tax and surcharge receipts from customers	2,171,073
Payments to purchase electricity	(85,434,751)
Payments for staff compensation and benefits	(998,347)
Payments for consultants and other professional fees	(3,114,401)
Payments for legal fees	(579,911)
Payments for communications and noticing	(387,230)
Payments for general and administration	(384,361)
Tax and surcharge payments to other governments	(2,091,980)
Net cash provided (used) by operating activities	<u>41,590,654</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments on loan	(7,480,800)
Deposits and collateral paid	(2,633,718)
Deposits and collateral returned	2,115,750
Interest and related expense payments	(216,703)
Net cash provided (used) by non-capital financing activities	<u>(8,215,471)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(223,381)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>7,505</u>
Net change in cash and cash equivalents	33,159,307
Cash and cash equivalents at beginning of year	20,381,698
Cash and cash equivalents at end of period	<u><u>\$ 53,541,005</u></u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (continued)

July 1, 2017 through December 31, 2017

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

Operating income (loss)	\$ 34,122,942
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	23,388
Revenue reduced for uncollectible accounts	448,157
(Increase) decrease in net accounts receivable	3,584,228
(Increase) decrease in other receivables	(13,310)
(Increase) decrease in accrued revenue	808,437
(Increase) decrease in prepaid expenses	(40,964)
Increase (decrease) in accounts payable	(87,134)
Increase (decrease) in accrued payroll and related	(12,932)
Increase (decrease) in accrued cost of electricity	2,680,752
Increase (decrease) in accrued liabilities	25,000
Increase (decrease) in user taxes and energy surcharges due to other governments	52,090
Net cash provided (used) by operating activities	<u>\$ 41,590,654</u>