



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 December 31, 2018 and November 30, 2018, and the statements of revenues, expenses, and changes in net position, and the statements of cash flows for the month and six month period ending December 31, 2018, 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 PCE'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 PCE because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
January 23, 2019



PENINSULA CLEAN ENERGY AUTHORITY

**STATEMENTS OF NET POSITION
As of December 31, and November 30, 2018**

	<u>December</u>	<u>November</u>	<u>Increase (Decrease)</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 119,152,817	\$ 109,981,516	\$ 9,171,301
Accounts receivable, net of allowance	17,249,684	21,574,106	(4,324,422)
Other receivables	132,772	132,231	541
Accrued revenue	11,719,383	10,094,986	1,624,397
Prepaid expenses	2,666,262	2,271,130	395,132
Deposits	3,045,217	3,136,417	(91,200)
Restricted cash	2,000,000	2,000,000	-
Total current assets	<u>155,966,135</u>	<u>149,190,386</u>	<u>6,775,749</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	305,614	289,884	15,730
Deposits	3,521,060	3,521,060	-
Total noncurrent assets	<u>3,826,674</u>	<u>3,810,944</u>	<u>15,730</u>
Total assets	<u>159,792,809</u>	<u>153,001,330</u>	<u>6,791,479</u>
LIABILITIES			
Current liabilities			
Accounts payable	787,701	815,293	(27,592)
Accrued cost of electricity	26,454,466	21,699,072	4,755,394
Accrued payroll and related liabilities	187,733	184,670	3,063
Other accrued liabilities	375,696	385,696	(10,000)
Supplier security deposits	1,630,940	1,630,940	-
User taxes and surcharges due to other governments	783,016	737,301	45,715
Total current liabilities	<u>30,219,552</u>	<u>25,452,972</u>	<u>4,766,580</u>
Noncurrent liabilities			
Supplier security deposits	692,826	635,901	56,925
Total liabilities	<u>30,912,378</u>	<u>26,088,873</u>	<u>4,823,505</u>
NET POSITION			
Investment in capital assets	305,614	289,884	15,730
Restricted for security collateral	2,000,000	2,000,000	-
Unrestricted	126,574,817	124,622,573	1,952,244
Total net position	<u>\$ 128,880,431</u>	<u>\$ 126,912,457</u>	<u>\$ 1,967,974</u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Month and Six Months Ended December 31, 2018

	<u>Month</u>	<u>Six Months</u>
OPERATING REVENUES		
Electricity sales, net	\$ 19,912,365	\$ 134,806,675
Green electricity premium	207,946	1,222,066
Electricity sales for resale	30,000	669,446
Total operating revenues	<u>20,150,311</u>	<u>136,698,187</u>
OPERATING EXPENSES		
Cost of electricity	17,371,789	87,825,624
Staff compensation and benefits	261,011	1,422,498
Data manager	313,022	1,884,829
Service fees - PG&E	103,087	619,181
Consultants and other professional fees	46,111	459,560
Legal & legislative services	61,155	601,553
Communications and noticing	42,704	422,295
General and administration	55,661	511,224
Program incentives	68,000	68,000
Depreciation	6,151	35,787
Total operating expenses	<u>18,328,691</u>	<u>93,850,551</u>
Operating income	<u>1,821,620</u>	<u>42,847,636</u>
NONOPERATING REVENUES (EXPENSES)		
Miscellaneous income	924	33,532
Interest and investment income	188,364	719,640
Interest and related expense	(42,934)	(85,867)
Total nonoperating revenues (expenses)	<u>146,354</u>	<u>667,305</u>
CHANGE IN NET POSITION		
	1,967,974	43,514,941
Net position at beginning of period	<u>126,912,457</u>	<u>85,365,490</u>
Net position at end of period	<u>\$ 128,880,431</u>	<u>\$ 128,880,431</u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS
Month and Six Months Ended December 31, 2018

	Month	Six Months
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 22,812,531	\$ 144,816,011
Receipts from sales for resale	25,527	1,027,169
Receipts from miscellaneous income	75	32,683
Receipts from supplier security deposits	56,925	625,479
Tax and surcharge receipts from customers	335,792	2,292,041
Payments to purchase electricity	(13,045,911)	(84,726,998)
Payments for staff compensation and benefits	(253,034)	(1,387,067)
Payments for data manager	(313,199)	(1,916,626)
Payments for service fees - PG&E	(206,270)	(619,466)
Payments for consultants and other professional fees	(19,225)	(452,344)
Payments for legal services	(67,827)	(633,533)
Payments for communications and noticing	(51,801)	(425,514)
Payments for general and administration	(35,199)	(564,719)
Payments for program incentives	(18,750)	(18,750)
Tax and surcharge payments to other governments	(282,272)	(2,295,995)
Net cash provided (used) by operating activities	8,937,362	55,752,371
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Deposits and collateral paid	-	(2,608,070)
Deposits and collateral received	91,200	705,756
Interest and related expense payments	-	(42,934)
Net cash provided (used) by non-capital financing activities	91,200	(1,945,248)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(23,130)	(39,068)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment income received	165,870	695,350
Net cash provided (used) by investing activities	165,870	695,350
Net change in cash and cash equivalents	9,171,302	54,463,405
Cash and cash equivalents at beginning of period	111,981,515	66,689,412
Cash and cash equivalents at end of period	\$ 121,152,817	\$ 121,152,817
Reconciliation to the Statement of Net Position		
Cash and cash equivalents (unrestricted)	\$ 119,152,817	\$ 119,152,817
Restricted cash	2,000,000	2,000,000
Cash and cash equivalents	\$ 121,152,817	\$ 121,152,817

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
Month and Six Months Ended December 31, 2018

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

	Month	Six Months
Operating income (loss)	\$ 1,821,620	\$ 42,847,636
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	6,150	35,787
Revenue reduced for uncollectible accounts	70,668	477,773
Nonoperating miscellaneous income	924	33,532
(Increase) decrease in accounts receivable	4,253,754	5,363,661
(Increase) decrease in other receivables	21,953	20,324
(Increase) decrease in accrued revenue	(1,624,397)	2,993,443
(Increase) decrease in prepaid expenses	(395,132)	(468,238)
Increase (decrease) in accounts payable	(69,275)	(66,353)
Increase (decrease) in accrued payroll and related	3,063	30,517
Increase (decrease) in accrued cost of electricity	4,755,394	3,539,675
Increase (decrease) in accrued liabilities	(10,000)	370,696
Increase (decrease) in user taxes and energy surcharges due to other governments	45,715	(51,561)
Increase (decrease) in supplier security deposits	56,925	625,479
Net cash provided (used) by operating activities	\$ 8,937,362	\$ 55,752,371