

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Silicon Valley Clean Energy Authority

Management is responsible for the accompanying financial statements of Silicon Valley Clean Energy Authority (a California Joint Powers Authority) which comprise the statement of net position as of July 31, 2019, and the related 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. Silicon Valley Clean Energy Authority'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 the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
September 3, 2019



TREASURER REPORT

**Fiscal Year to Date
As of July 31, 2019**

(Preliminary & Unaudited)

Issue Date: September 11, 2019

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SILICON VALLEY CLEAN ENERGY AUTHORITY

Financial Statement Highlights (\$ in 000's)

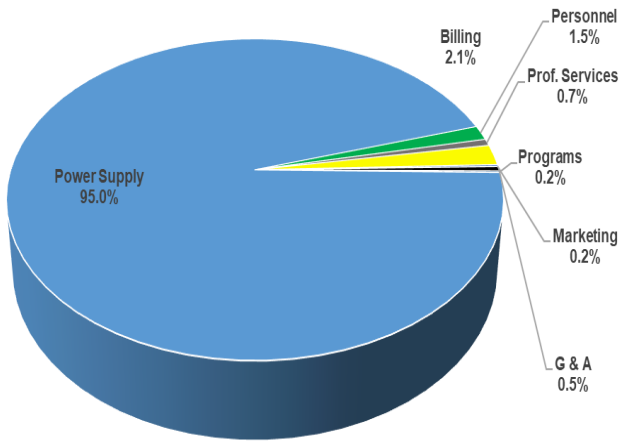
Financial Highlights for the month of July 2019:

Note: SVCE is expected to finish the year well ahead of budget due to favorable rate changes and lower than budgeted power supply cost.

- > SVCE operations resulted in a positive change in net position for the month of \$9.5 million and year-to-date change in net position of \$39.9 million.
 - o July revenue of \$30.7 million accounted for 359 GWh in net retail consumption.
 - o Year-to-date operating margin is \$48.4 million and \$14.4 million above budget.
 - o SVCE is above the minimum cash reserve target with 133 expense coverage days and is financially stable.
- > Retail GWh sales for the month were 6 GWh above budget.
 - o Year-to-date energy sales are on target.
 - o July weather was normal compared to the 15-year average.
- > Power Supply costs are 7% below budget year-to-date.
 - o Power supply costs for the month were on target for the month.
 - o Joint Long-Term PPA RFO was issued in May from SVCE and MBCP. A short-list of suppliers was selected by July.
 - o Favorable adjustments for December through March power supply costs were recognized based on updated settlements from CAISO.
- > Decarbonization and Grid Innovations
 - o The Programs Roadmap was approved by the Board of Directors in December 2018.
 - o The Board has approved ~\$3 million of project specific budgets for Programs.
 - o Programs continue to ramp up.
- > Investing/Financing
 - o SVCE currently has a \$35 million line of credit.
 - o SVCE is investing ~90% of available funds with a year-to-date return of \$1.0 million.

Change in Net Position	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Actual	8,092	953	1,947	(4,819)	(523)	4,026	4,650	7,917	8,186	9,449	-	-	39,877	29,584
Power Supply Costs	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Energy & REC's	14,735	13,930	12,890	18,224	14,103	12,080	12,019	14,084	16,003	16,653			144,721	
Capacity	985	912	1,082	1,554	1,596	1,308	1,484	1,620	2,053	2,738			15,332	
CAISO Charges	798	1,043	438	1,768	917	(804)	(1,036)	280	654	10			4,068	
NEM Expense	74	(82)	(242)	(287)	(146)	(81)	(154)	260	324	585			251	
Charge/Credit (IST/Net Rev)	569	1,089	3,383	2,064	497	516	455	809	2,045	309			11,736	
Net Power Costs	17,161	16,892	17,551	23,323	16,968	13,019	12,769	17,053	21,079	20,295	-	-	176,108	234,330
Other	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Capital Expenditures	2	-	6	1	1	7	-	3	-	-			20	200
Energy Programs	37	3	-	1	3	16	59	71	74	36			300	5,640
Load Statistics - GWh	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Retail Sales Actual	323	318	354	336	299	311	307	305	347	359			3,259	
Retail Sales Budget	323	318	354	336	322	302	308	310	328	353	345	337	3,936	3,936

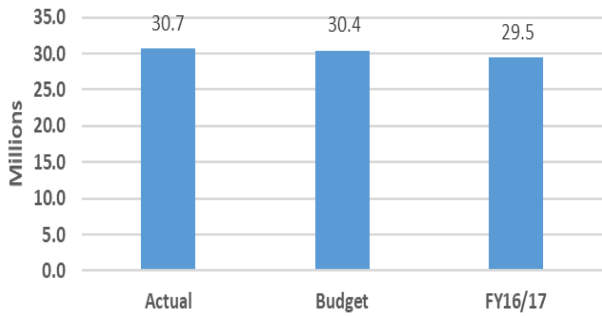
YTD EXPENSES



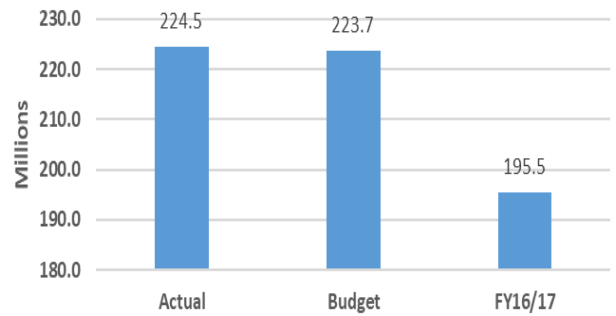
Other Statistics and Ratios

Working Capital	\$118,025,722
Current Ratio	4.2
Operating Margin	22%
Expense Coverage Days	133
Expense Coverage Days with LOC	176
Long-Term Debt	\$0
Total Accounts	271,097
Opt-Out Accounts (July)	39
Opt-Up Accounts (July)	9

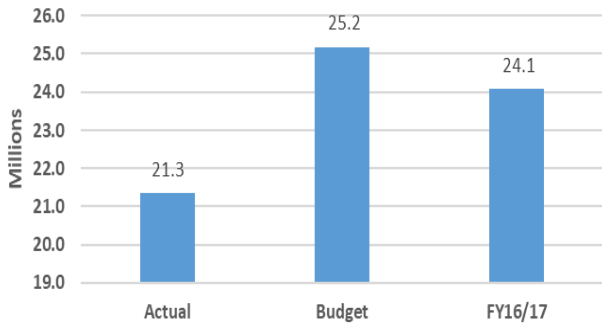
Retail Sales - Month



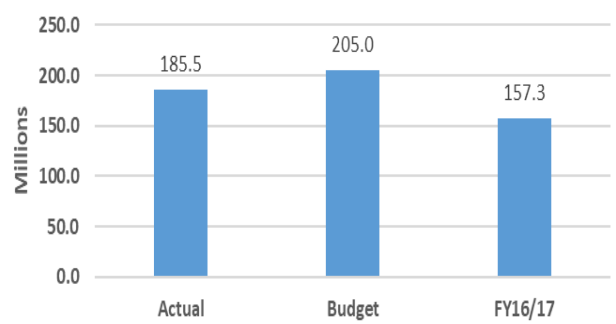
Retail Sales - YTD



O&M - Month



O&M - YTD



SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of July 31, 2019

ASSETS

Current Assets

Cash & Cash Equivalents	\$	101,108,295
Accounts Receivable, net of allowance		23,716,782
Accrued Revenue		19,159,916
Other Receivables		248,762
Prepaid Expenses		3,012,101
Deposits		2,255,634
Restricted cash - lockbox		5,000,000

Total Current Assets 154,501,490

Noncurrent assets

Capital assets, net of depreciation		156,476
Deposits		129,060

Total Noncurrent Assets 285,536

Total Assets 154,787,026

LIABILITIES

Current Liabilities

Accounts Payable		674,096
Accrued Cost of Electricity		34,188,169
Accrued Payroll & Benefits		302,742
Other accrued liabilities		360,020
User Taxes and Energy Surcharges due to other gov'ts		922,421
Supplier Security Deposits		28,320

Total Current Liabilities 36,475,768

NET POSITION

Net investment in capital assets		156,476
Restricted for security collateral		5,000,000
Unrestricted (deficit)		113,154,782

Total Net Position \$ 118,311,258

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2018 through July 31, 2019**

OPERATING REVENUES

Electricity Sales, Net	\$ 223,735,368
GreenPrime electricity premium	786,769
TOTAL OPERATING REVENUES	<u>224,522,137</u>

OPERATING EXPENSES

Cost of Electricity	176,108,397
Staff Compensation and benefits	2,734,501
Data Management	2,849,240
Service Fees - PG&E	960,612
Consultants and Other Professional Fees	1,222,170
Legal	342,068
Communications & Noticing	365,210
General & Administrative	830,072
Depreciation	42,002
TOTAL OPERATING EXPENSES	<u>185,454,272</u>
OPERATING INCOME(LOSS)	<u>39,067,865</u>

NONOPERATING REVENUES (EXPENSES)

Interest Income	933,769
Financing costs	(129,096)
TOTAL NONOPERATING EXPENSES	<u>804,673</u>

CHANGE IN NET POSITION

Net Position at beginning of period	78,434,720
Net Position at end of period	<u>\$ 118,311,258</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2018 through July 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 222,255,469
Receipts from wholesale sales	579,940
Supplier security deposits	28,320
Tax and surcharge receipts from customers	4,278,954
Energy settlements received	5,794,370
Deposits and collateral received	13,558,737
Payments to purchase electricity	(183,934,004)
Payments for staff compensation and benefits	(2,699,465)
Payments for data manager fees	(2,857,771)
Payments for PG&E service fees	(862,995)
Payments for consultants and other professional services	(1,190,588)
Payments for legal fees	(329,144)
Payments for communications and noticing	(398,613)
Payments for general and administrative	(1,051,386)
Payments of deposits and collateral	(1,758,101)
Return of security deposits to suppliers	(585,000)
Tax and surcharge payments to other governments	(4,394,440)
Net cash provided (used) by operating activities	<u>46,434,283</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Interest and related expense payments	(208,937)
Net cash provided (used) by non-capital financing activities	<u>(208,937)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(14,160)</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Interest income received	<u>933,769</u>
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Net change in cash and cash equivalents	47,144,955
Cash and cash equivalents at beginning of year	<u>58,963,340</u>
Cash and cash equivalents at end of period	<u><u>\$ 106,108,295</u></u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)

October 1, 2018 through July 31, 2019

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

Operating Income (loss)	\$ 39,067,865
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	42,002
Revenue reduced for uncollectible accounts	1,128,254
(Increase) decrease in net accounts receivable	(1,183,887)
(Increase) decrease in other receivables	(162,501)
(Increase) decrease in accrued revenue	(2,228,555)
(Increase) decrease in prepaid expenses	(1,804,414)
(Increase) decrease in current deposits	11,800,636
Increase (decrease) in accounts payable	(46,442)
Increase (decrease) in accrued payroll & benefits	111,453
Increase (decrease) in energy settlements payable	483,968
Increase (decrease) in accrued cost of electricity	(479,472)
Increase (decrease) in accrued liabilities	360,020
Increase (decrease) in taxes and surcharges due to other governments	(97,964)
Increase (decrease) in supplier security deposits	(556,680)
Net cash provided (used) by operating activities	<u>\$ 46,434,283</u>

**SILICON VALLEY CLEAN ENERGY
BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through July 31, 2019**

	FYTD <u>Actual</u>	FYTD Amended <u>Budget</u>	<u>Variance</u> \$	%	FY 2018-19 Amended <u>Budget</u>	% Budget <u>Spent</u>
REVENUES & OTHER SOURCES						
Energy Sales	\$ 223,735,368	\$ 223,087,289	\$ 648,079	0%	\$ 281,890,000	
GreenPrime Premium	786,769	543,489	243,280	45%	630,000	
Other Income	-	75,000	(75,000)	-100%	100,000	
Investment Income	933,769	700,617	233,152	0%	850,000	
TOTAL REVENUES & OTHER SOURCES	<u>225,455,906</u>	<u>224,406,395</u>	<u>1,049,511</u>	<u>0%</u>	<u>283,470,000</u>	
EXPENDITURES & OTHER USES						
CURRENT EXPENDITURES						
Power Supply	176,108,397	189,727,255	(13,618,858)	-7%	234,330,000	75%
Data Management	2,849,240	2,967,674	(118,434)	-4%	3,560,000	80%
PG&E Fees	960,612	937,532	23,080	2%	1,120,000	86%
Salaries & Benefits	2,734,501	3,482,014	(747,513)	-21%	4,300,000	64%
Professional Services	1,266,992	1,841,973	(574,981)	-31%	2,290,000	55%
Marketing & Promotions	290,523	699,845	(409,322)	-58%	910,000	32%
Notifications	74,687	123,857	(49,170)	-40%	160,000	47%
Lease	271,055	274,016	(2,961)	-1%	330,000	82%
General & Administrative	557,691	680,032	(122,341)	-18%	836,000	67%
TOTAL CURRENT EXPENDITURES	<u>185,113,698</u>	<u>200,734,197</u>	<u>(15,620,499)</u>	<u>-8%</u>	<u>247,836,000</u>	<u>75%</u>
OTHER USES						
Customer Programs	298,572	4,240,120	(3,941,548)	-93%	5,640,000	5%
Office Equipment	19,919	155,556	(135,637)	-87%	200,000	10%
Financial Security Requirement	-	-	-	0%	147,000	
Refund of Bond	-	-	-	0%	(100,000)	
TOTAL OTHER USES	<u>318,491</u>	<u>4,395,676</u>	<u>(4,077,185)</u>	<u>-93%</u>	<u>5,887,000</u>	<u>5%</u>
DEBT SERVICE						
Financing	125,096	90,000	35,096	39%	90,000	139%
Interest	-	90,000	(90,000)	-100%	120,000	0%
TOTAL DEBT SERVICE	<u>125,096</u>	<u>180,000</u>	<u>(54,904)</u>	<u>-31%</u>	<u>210,000</u>	<u>60%</u>
Total Expenditures, Other Uses & Debt Service	<u>185,557,285</u>	<u>205,309,873</u>	<u>(19,752,588)</u>	<u>-10%</u>	<u>253,933,000</u>	<u>73%</u>
Net Increase(Decrease) in Available Fund Balance	<u>\$ 39,898,621</u>	<u>\$ 19,096,522</u>	<u>\$ 20,802,099</u>	<u>109%</u>	<u>\$ 29,537,000</u>	

SILICON VALLEY CLEAN ENERGY AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION

Net Increase (decrease) in available fund balance per budgetary comparison schedule	\$ 39,898,621
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position	
Subtract depreciation expense	(42,002)
Add back capital asset acquisitions	<u>19,919</u>
Change in Net Position	<u>39,876,538</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2018 through July 31, 2019

	October	November	December	January	February	March	April	May	June	July	August	YTD
OPERATING REVENUES												
Electricity sales, net	\$ 26,013,308	\$ 18,589,640	\$ 20,295,540	\$ 19,278,907	\$ 17,206,905	\$ 17,794,266	\$ 18,251,186	\$ 25,670,969	\$ 30,086,479	\$ 30,548,168		\$ 223,735,368
Green electricity premium	76,005	66,459	67,567	73,924	61,034	69,967	71,198	80,664	100,923	119,028		786,769
Other income	-	-	-	-	-	-	-	-	-	-		-
Total operating revenues	26,089,313	18,656,099	20,363,107	19,352,831	17,267,939	17,864,233	18,322,384	25,751,633	30,187,402	30,667,196	-	224,522,137
OPERATING EXPENSES												
Cost of electricity	17,160,575	16,892,744	17,551,069	23,433,656	16,893,908	12,980,824	12,768,605	17,052,324	21,078,947	20,295,745		176,108,397
Staff compensation and benefits	236,907	256,926	264,613	269,608	250,743	287,282	275,835	293,282	293,358	305,947		2,734,501
Data manager	301,479	300,856	301,200	301,385	301,626	302,227	303,253	153,148	291,172	292,894		2,849,240
Service fees - PG&E	94,279	94,000	94,377	94,000	99,753	94,263	94,613	99,147	99,475	96,705		960,612
Consultants and other professional fees	130,737	114,869	129,909	123,353	230,634	161,132	256,854	236,477	286,604	258,879		1,929,448
General and administration	99,316	70,743	74,028	73,621	106,969	117,599	78,370	60,525	60,359	88,542		830,072
Depreciation	4,179	4,179	4,335	4,393	3,969	4,160	4,130	4,219	4,219	4,219		42,002
Total operating expenses	18,027,472	17,734,317	18,419,531	24,300,016	17,887,602	13,947,487	13,781,660	17,899,122	22,114,134	21,342,931	-	185,454,272
Operating income (loss)	8,061,841	921,782	1,943,576	(4,947,185)	(619,663)	3,916,746	4,540,724	7,852,511	8,073,268	9,324,265	-	39,067,865
NONOPERATING REVENUES (EXPENSES)												
Interest income	30,474	30,758	58,997	128,308	96,180	109,063	108,802	115,167	122,271	133,749		933,769
Interest and related expense	-	-	(55,856)	-	-	-	-	(50,608)	(9,316)	(9,316)		(125,096)
Total nonoperating revenues (expenses)	30,474	30,758	3,141	128,308	96,180	109,063	108,802	64,559	112,955	124,433	-	808,673
CHANGE IN NET POSITION	\$ 8,092,315	\$ 952,540	\$ 1,946,717	\$ (4,818,877)	\$ (523,483)	\$ 4,025,809	\$ 4,649,526	\$ 7,917,070	\$ 8,186,223	\$ 9,448,698	\$ -	\$ 39,876,538

PERSONNEL REPORT FOR JULY 2019

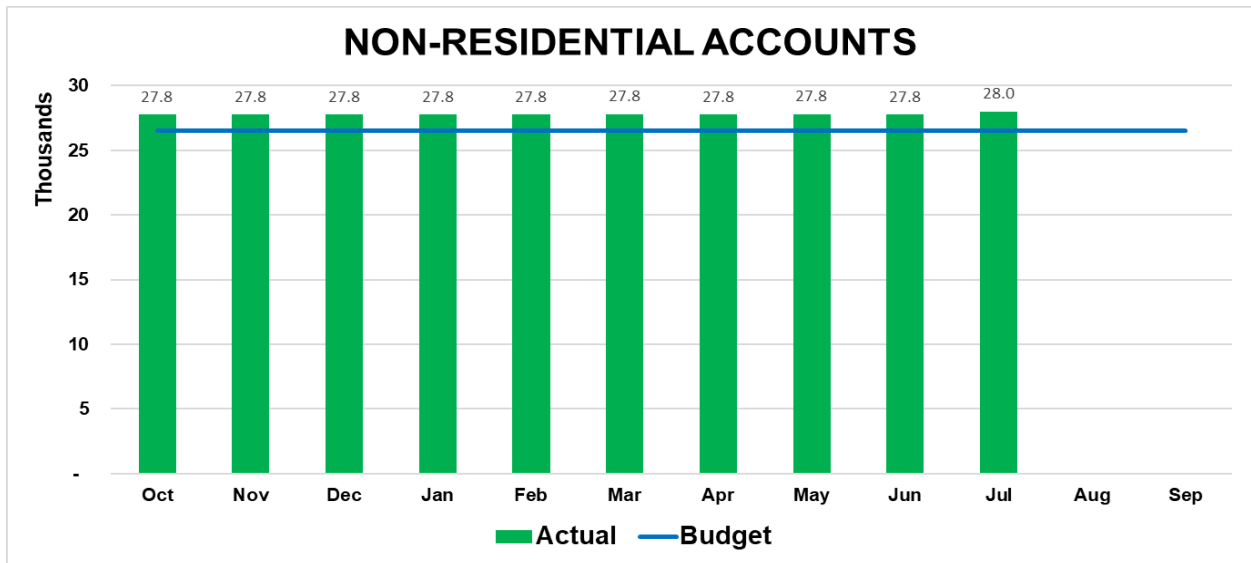
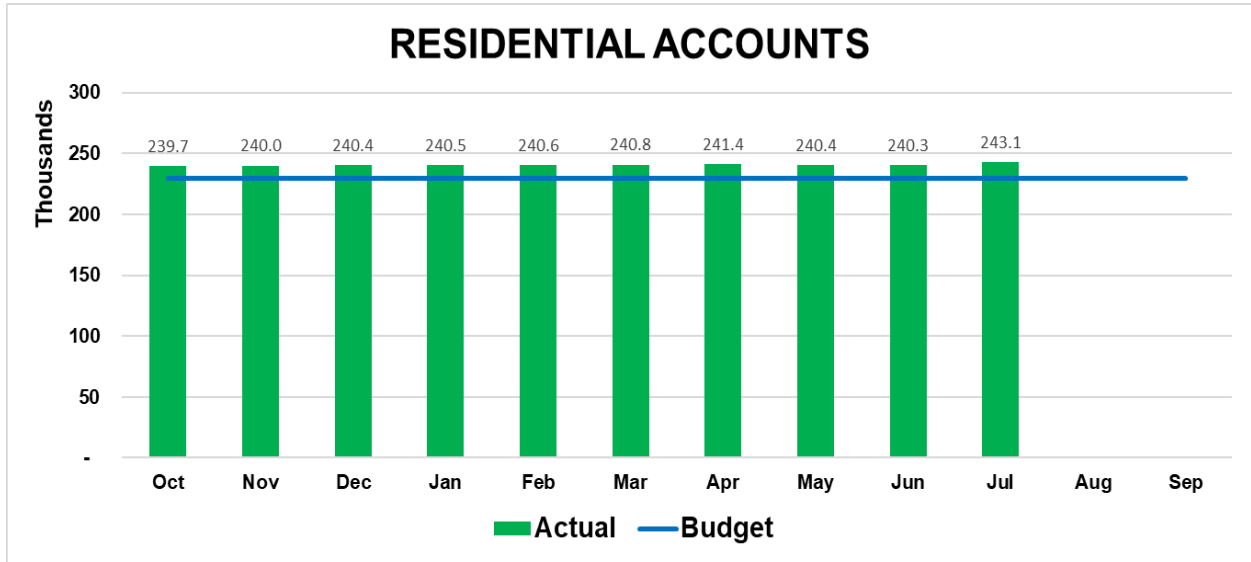
HEADCOUNT				
<u>Position</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Director of Account Services and Community Relations	1	1	0	
Account Services Manager	1	1	0	
Energy Consultant	2	1	1	
Energy Associate	2	0	2	
Communications Manager	1	1	0	
Community Outreach Specialist	1	1	0	
Communications Specialist	1	1	0	
Board Clerk/Executive Assistant	1	1	0	
Chief Executive Officer	1	1	0	
Director of Finance and Administration	1	1	0	
Administrative Services Manager	1	0	1	
Management Analyst	1	1	0	
Administrative Analyst	1	1	0	
Administrative Assistant	1	1	0	
Director of Power Resources	1	1	0	
Power Resources Manager	1	1	0	
Power Resources Planner	1	1	0	
Power Settlements & Compliance Analyst	1	1	0	
Manager of Regulatory and Legislative Affairs	1	1	0	
Senior Regulatory Analyst	1	1	0	
Director of Decarbonization and Grid Innovation Programs	1	1	0	
Data Analyst	1	1	0	
Analyst	<u>1</u>	<u>1</u>	<u>0</u>	
Total*	<u>25</u>	<u>21</u>	<u>4</u>	

**SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2018 through July 31, 2019**

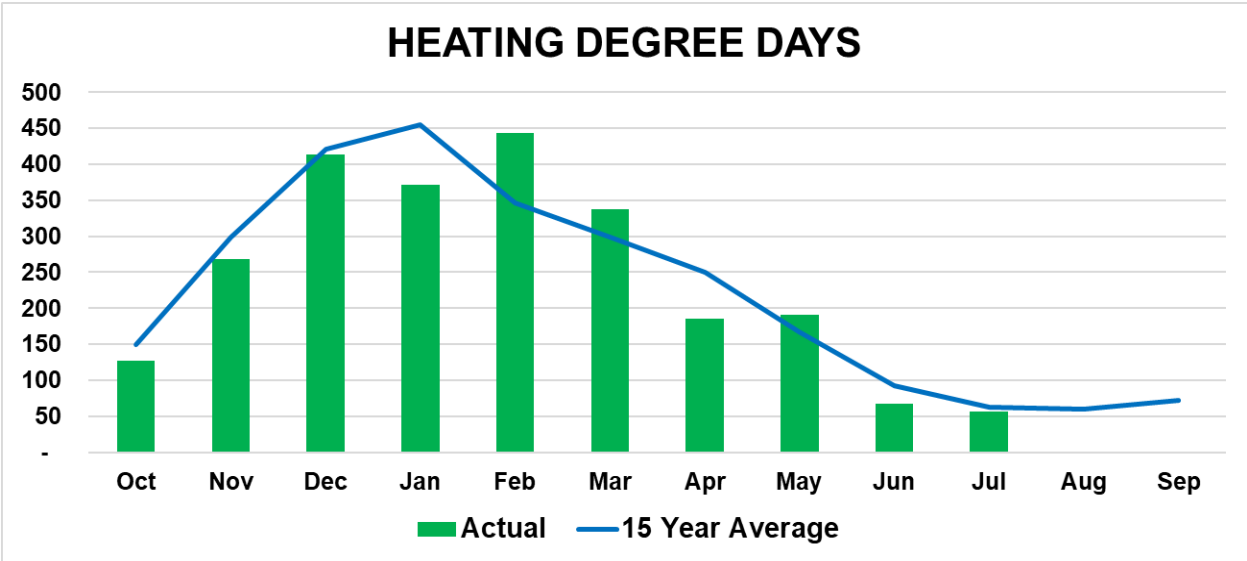
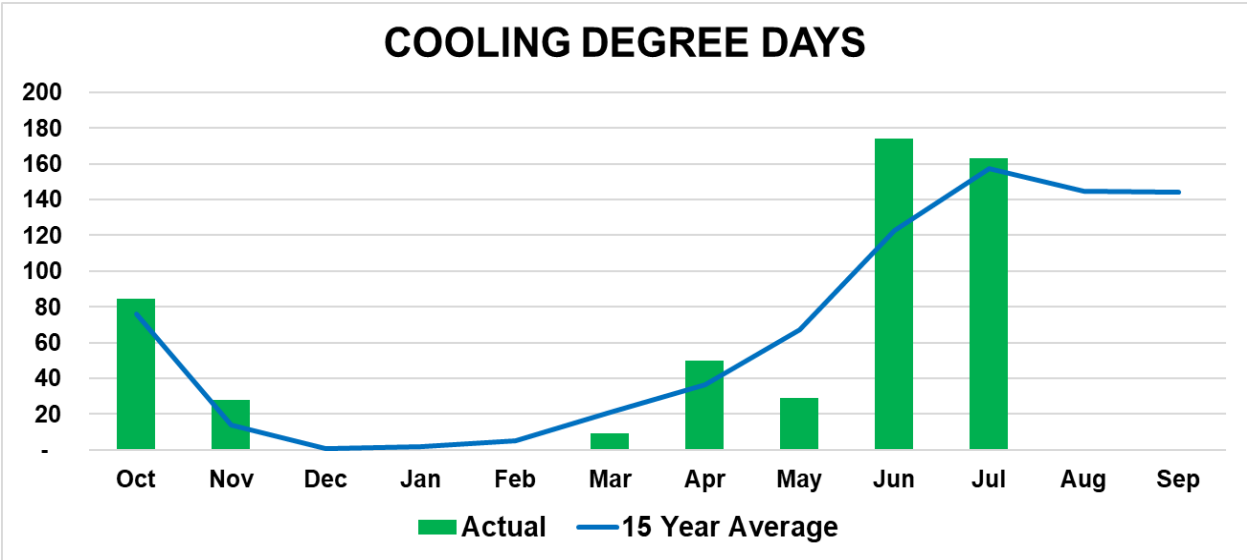
Return on Investments	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>YTD Total</u>
<i>Money Market</i>	\$30,474	\$30,758	\$58,997	\$128,308	\$96,180	\$109,063	\$108,802	\$115,167	\$122,271	\$133,749	\$0	\$0	\$933,769
<hr/>													
Portfolio Invested													
<i>Average daily portfolio available to invest*</i>	55,148,395	63,583,109	62,254,625	69,135,839	70,770,817	\$71,496,022	71,216,494	74,309,263	76,499,135	81,955,494			
<i>Average daily portfolio invested</i>	20,154,823	20,185,339	35,700,846	60,277,386	60,380,303	\$60,476,566	60,585,707	60,693,659	70,923,535	70,927,788			
<i>% of average daily portfolio invested</i>	36.5%	31.7%	57.3%	87.2%	85.3%	84.6%	85.1%	81.7%	92.7%	86.5%			
<hr/>													
Detail of Portfolio													
	<u>Opening Rate %</u>		<u>Current Rate %</u>		<u>Carrying Value</u>								
<i>Money Market - River City Bank</i>	1.26%		2.23%		\$70,923,535								

* Note: Balance available to invest does not lockbox or debt serve reserve funds.

CUSTOMER ACCOUNTS



WEATHER STATISTICS



**SILICON VALLEY CLEAN ENERGY AUTHORITY
ACCOUNTS RECEIVABLE AGING REPORT**

	Total	Days				
		0-30	31-60	61-90	90-120*	Over 120*
Accounts Receivable	\$26,573,048	\$24,205,088	\$694,764	\$236,214	\$193,874	\$1,243,108
Period %	100%	91.1%	2.6%	0.9%	0.7%	4.7%

*Note: A portion of accounts that are greater than 90 days old have been sent back to PG&E, however the receivable remains outstanding until PG&E writes the account off.