



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of March 31, 2018, 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
May 7, 2018



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of March 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 59,626,763
Accounts receivable, net of allowance	15,355,668
Other receivables	98,550
Accrued revenue	6,212,111
Prepaid expenses	161,126
Deposits	516,063
Total current assets	<u>81,970,281</u>
Noncurrent assets	
Capital assets, net of depreciation	220,488
Deposits	4,114,666
Total noncurrent assets	<u>4,335,154</u>
Total assets	<u>86,305,435</u>

LIABILITIES

Current liabilities	
Accounts payable	902,207
Accrued cost of electricity	12,058,478
Other accrued liabilities	351,346
User taxes and energy surcharges due to other governments	489,622
Total current liabilities	<u>13,801,653</u>
Noncurrent liabilities	
Supplier security deposits	<u>150,000</u>
Total liabilities	<u>13,951,653</u>

NET POSITION

Net investment in capital assets	220,488
Unrestricted	<u>72,133,294</u>
Total net position	<u>\$ 72,353,782</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2017 through March 31, 2018

OPERATING REVENUES

Electricity sales, net	\$ 128,522,498
Evergreen electricity premium	320,148
Electricity sales for resale	422,950
Liquidated damages	22,440
Total operating revenues	<u>129,288,036</u>

OPERATING EXPENSES

Cost of electricity	106,246,530
Staff compensation	2,214,541
Data manager	2,356,399
Service fees - PG&E	878,246
Consultants and other professional fees	1,343,382
Legal	192,208
Communications	1,006,368
General and administration	597,789
Program rebates and incentives	1,691,903
Depreciation	44,891
Total operating expenses	<u>116,572,257</u>
Operating income	<u>12,715,779</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	370,359
Charitable contributions	(637,000)
Total nonoperating revenues (expenses)	<u>(266,641)</u>

CHANGE IN NET POSITION

	12,449,138
Net position at beginning of period	<u>59,904,644</u>
Net position at end of period	<u>\$ 72,353,782</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS July 1, 2017 through March 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 131,580,282
Receipts from electricity sales for resale	553,577
Receipts from supplier for security deposits	2,325,000
Tax and surcharge receipts from customers	1,774,443
Payments to purchase electricity	(106,062,507)
Payments for staff compensation	(2,237,275)
Payments for contract services	(4,810,968)
Payments for communications	(1,032,104)
Payments for general and administration	(574,783)
Payments for program rebates and incentives	(1,791,903)
Return of security deposits to suppliers	(4,650,000)
Tax and surcharge payments to other governments	(1,753,768)
Deposits and collateral paid	(562,290)
Payments for charitable contributions	(437,000)
Net cash provided (used) by operating activities	<u>12,320,704</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(83,182)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Return of certificate of deposit	7,028,428
Interest income received	325,359
Net cash provided (used) by investing activities	<u>7,353,787</u>

Net change in cash and cash equivalents	19,591,309
Cash and cash equivalents at beginning of year	<u>40,035,454</u>
Cash and cash equivalents at end of period	<u>\$ 59,626,763</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2017 through March 31, 2018

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 12,715,779
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	44,891
Revenue reduced for uncollectible accounts	647,448
Charitable contributions considered an operating activity for cash flow purposes only	(437,000)
(Increase) decrease in net accounts receivable	(387,135)
(Increase) decrease in other receivables	130,627
(Increase) decrease in accrued revenue	2,481,369
(Increase) decrease in prepaid expenses	(114,335)
(Increase) decrease in current deposits	(639,709)
Increase (decrease) in accounts payable	(33,035)
Increase (decrease) in accrued cost of electricity	(183,161)
Increase (decrease) in accrued liabilities	403,337
Increase (decrease) in user taxes and energy surcharges due to other governments	16,628
Increase (decrease) in supplier security deposits	(2,325,000)
Net cash provided (used) by operating activities	<u>\$ 12,320,704</u>

operating activity for cash flow purposes only