



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

We have compiled the accompanying statement of net position of Sonoma Clean Power Authority (a California Joint Powers Authority) as of May 31, 2015, and the statement of revenues, expenses, and changes in net position, and the statement cash flows for the period then ended. We have not audited or reviewed the accompanying statements and, accordingly, do not express an opinion or provide any assurance about whether the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of a statement of net position and statement of revenues, expenses, and changes in fund net position without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the 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 Company'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.

Certain accounting functions provided by Maher Accountancy are considered management functions by the American Institute of Certified Public Accountants. Accordingly, we are not independent with respect to Sonoma Clean Power Authority.

Maher Accountancy

June 25, 2015



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of May 31, 2015

ASSETS

Current assets	
Cash and cash equivalents	\$ 13,005,912
Accounts receivable, net of allowance	10,188,566
Accrued revenue	7,080,024
Prepaid expenses	669,237
Total current assets	<u>30,943,739</u>
Noncurrent assets	
Capital assets, net of depreciation	162,743
Deposits	339,966
Total noncurrent assets	<u>502,709</u>
Total assets	<u>31,446,448</u>

LIABILITIES

Current liabilities	
Accounts payable	336,716
Accrued cost of electricity	12,360,186
Other accrued liabilities	454,707
User taxes and energy surcharges due to other governments	436,929
Note payable to bank	437,510
Loan payable to Sonoma County Water Agency	232,719
Total current liabilities	<u>14,258,767</u>
Noncurrent liabilities	
Note payable to bank	1,281,487
Loan payable to Sonoma County Water Agency	1,407,818
Deferred construction damages	3,450,000
Total noncurrent liabilities	<u>6,139,305</u>
Total liabilities	<u>20,398,072</u>

NET POSITION

Net investment in capital assets	162,743
Unrestricted	10,885,633
Total net position	<u>\$ 11,048,376</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2014 through May 31, 2015

OPERATING REVENUES

Electricity sales	\$ 83,876,346
Evergreen electricity premium	158,704
Total operating revenues	<u>84,035,050</u>

OPERATING EXPENSES

Cost of electricity	67,730,900
Staff compensation	1,160,989
Data manager	1,551,465
Service fees - PG&E	404,323
Consultants	487,132
Legal	205,427
Communications	957,350
General and administration	185,555
Total operating expenses	<u>72,683,141</u>
Operating income	<u>11,351,909</u>

NONOPERATING REVENUES (EXPENSES)

Interest expense	<u>(202,243)</u>
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CHANGE IN NET POSITION

	11,149,666
Net position at beginning of period	<u>(101,290)</u>
Net position at end of period	<u><u>\$ 11,048,376</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2014 through May 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 76,458,825
Cash receipts from construction delay damages	3,450,000
Cash payments to purchase electricity	(61,705,972)
Cash payments for staff compensation	(1,113,565)
Cash payments for contract services	(2,545,609)
Cash payments for communications	(1,027,119)
Cash payments for general and administration	(187,785)
Net cash provided (used) by operating activities	<u>13,328,775</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank notes and loans	80,000
Principal payments on bank notes and loans	(3,295,699)
Deposits and collateral paid	(575,566)
Deposits and collateral returned	1,040,600
Interest expense paid	(238,969)
Net cash provided (used) by non-capital financing activities	<u>(2,989,634)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(62,914)</u>
Net increase in cash and cash equivalents	10,276,227
Cash and cash equivalents at beginning of year	<u>2,729,685</u>
Cash and cash equivalents at end of period	<u>\$ 13,005,912</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2014 through May 31, 2015

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 11,351,909
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	14,141
Increase (decrease) in electricity procurement payments made directly from bank notes and loans	280,172
(Increase) decrease in net accounts receivable	(4,797,353)
(Increase) decrease in accrued revenue	(3,234,787)
(Increase) decrease in prepaid expenses	(660,283)
Increase (decrease) in accounts payable	92,886
Increase (decrease) in accrued cost of electricity	6,300,829
Increase (decrease) in accrued liabilities	531,261
Increase (decrease) in construction delay damages	3,450,000
Net cash provided (used) by operating activities	<u>\$ 13,328,775</u>

NONCASH FINANCING ACTIVITIES

During the year, electricity procurement payments of \$280,172 were made directly from a bank line of credit.