



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, 2014, and the statement of revenues, expenses, and changes in fund 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 fund 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 24, 2014



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of May 31, 2014

ASSETS

Current assets	
Cash and cash equivalents	\$ 1,821,605
Accounts receivable, net	8,833
Accrued revenue	3,750,130
Prepaid expenses	17,086
Total current assets	<u>5,597,654</u>
Noncurrent assets	
Capital assets, net of depreciation	64,528
Deposits	805,000
Total noncurrent assets	<u>869,528</u>
Total assets	<u>6,467,182</u>

LIABILITIES

Current liabilities	
Accounts payable	129,609
Accrued cost of electricity	2,546,644
Other accrued liabilities	82,723
User taxes due to other governments	364
Lines of credit from bank	218,331
Loan from Sonoma County Water Agency	125,000
Total current liabilities	<u>3,102,671</u>
Noncurrent liabilities	
Lines of credit from bank	3,751,669
Loan from Sonoma County Water Agency	1,657,817
Total noncurrent liabilities	<u>5,409,486</u>
Total liabilities	<u>8,512,157</u>

NET POSITION

Unrestricted (deficit)	<u>(2,044,975)</u>
Total net position	<u>\$ (2,044,975)</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
July 1, 2013 through May 31, 2014

	Actual
OPERATING REVENUES	
Electricity sales	\$ 3,758,062
 OPERATING EXPENSES	
Cost of electricity	2,546,644
Data manager	39,493
Service fees - PG&E	6,510
Staff compensation	636,366
Consultants	516,981
Legal	294,825
Communications	311,894
General and administration	143,083
Total operating expenses	4,495,796
Operating income	(737,734)
 NONOPERATING REVENUES (EXPENSES)	
Interest expense	(90,576)
 CHANGES IN NET POSITION	(828,310)
Net position at beginning of period	(1,216,665)
Net position at end of period	\$ (2,044,975)

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2013 through May 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Cash payments for staff compensation	\$ (399,763)
Cash payments for professional services	(716,677)
Cash payments for general and administration	(103,099)
Net cash provided (used) by operating activities	<u>(1,219,539)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank line of credit	3,970,000
Deposits	(805,000)
Interest expense	<u>(53,088)</u>
Net cash provided (used) by non-capital financing activities	<u>3,111,912</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(70,768)</u>
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Net increase in cash and cash equivalents	1,821,605
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	<u>\$ 1,821,605</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ (737,734)
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Operating expenses financed by Sonoma County Water Agency loan	544,395
Depreciation expense	6,240
(Increase) decrease in net accounts receivable	(8,833)
(Increase) decrease in accrued revenue	(3,750,130)
(Increase) decrease in prepaid expenses	(17,086)
Increase (decrease) in accounts payable	129,609
Increase (decrease) in accrued cost of energy	2,546,644
Increase (decrease) in accrued liabilities	67,356
Net cash provided by operating activities	<u>\$ (1,219,539)</u>