

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 June 30, 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

July 30, 2014

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of June 30, 2014

ASSETS

Current assets	
Cash and cash equivalents	\$ 2,729,685
Accounts receivable, net	5,391,213
Accrued revenue	3,845,237
Prepaid expenses	13,458
Total current assets	<u>11,979,593</u>
Noncurrent assets	
Capital assets, net of depreciation	63,415
Deposits	805,000
Total noncurrent assets	<u>868,415</u>
Total assets	<u>12,848,008</u>

LIABILITIES

Current liabilities	
Accounts payable	188,922
Accrued cost of electricity	6,059,357
Other accrued liabilities	278,487
User taxes and energy surcharges due to other governments	108,965
Lines of credit from bank	297,629
Loan from Sonoma County Water Agency	77,275
Total current liabilities	<u>7,010,635</u>
Noncurrent liabilities	
Lines of credit from bank	4,279,619
Loan from Sonoma County Water Agency	1,640,537
Total noncurrent liabilities	<u>5,920,156</u>
Total liabilities	<u>12,930,791</u>

NET POSITION

Unrestricted (deficit)	<u>(82,783)</u>
Total net position	<u>\$ (82,783)</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
July 1, 2013 through June 30, 2014

OPERATING REVENUES

General electricity sales	\$ 9,775,640
Evergreen electricity sales	16,968
Total operating revenues	<u>9,792,608</u>

OPERATING EXPENSES

Cost of electricity	6,326,606
Data manager	78,718
Service fees - PG&E	6,808
Staff compensation	716,060
Consultants	576,838
Legal	305,936
Communications	380,113
General and administration	156,206
Total operating expenses	<u>8,547,285</u>
Operating income	<u>1,245,323</u>

NONOPERATING REVENUES (EXPENSES)

Interest expense	<u>(111,441)</u>
------------------	------------------

CHANGES IN NET POSITION

	1,133,882
Net position at beginning of period	<u>(1,216,665)</u>
Net position at end of period	<u>\$ (82,783)</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2013 through June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 788,792
Cash payments to purchase electricity	(267,249)
Cash payments for staff compensation	(476,964)
Cash payments for professional services	(785,912)
Cash payments for general and administration	(161,643)
Net cash provided (used) by operating activities	<u>(902,976)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank lines of credit	4,577,248
Deposits	(805,000)
Interest expense	(68,819)
Net cash provided (used) by non-capital financing activities	<u>3,703,429</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(70,768)</u>
-------------------------------	-----------------

Net increase in cash and cash equivalents	2,729,685
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	<u>\$ 2,729,685</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 1,245,323
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Operating expenses financed by Sonoma County Water Agency loan	501,147
Depreciation expense	7,353
(Increase) decrease in net accounts receivable	(5,391,213)
(Increase) decrease in accrued revenue	(3,845,237)
(Increase) decrease in prepaid expenses	(13,458)
Increase (decrease) in accounts payable	188,922
Increase (decrease) in accrued cost of electricity	6,059,357
Increase (decrease) in accrued liabilities	344,830
Net cash provided by operating activities	<u>\$ (902,976)</u>