



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 July 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

August 28, 2014



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of July 31, 2014

ASSETS

Current assets	
Cash and cash equivalents	\$ 6,689,102
Accounts receivable, net of allowance	6,202,390
Accrued revenue	3,640,431
Prepaid expenses	5,245
Total current assets	<u>16,537,168</u>
Noncurrent assets	
Capital assets, net of depreciation	63,695
Deposits	805,000
Total noncurrent assets	<u>868,695</u>
Total assets	<u>17,405,863</u>

LIABILITIES

Current liabilities	
Accounts payable	191,529
Accrued cost of electricity	8,318,005
Other accrued liabilities	474,621
User taxes and energy surcharges due to other governments	203,132
Note payable to bank	469,264
Loan payable to Sonoma County Water Agency	98,230
Total current liabilities	<u>9,754,781</u>
Noncurrent liabilities	
Note payable to bank	4,468,158
Loan payable to Sonoma County Water Agency	1,619,582
Total noncurrent liabilities	<u>6,087,740</u>
Total liabilities	<u>15,842,521</u>

NET POSITION

Net investment in capital assets	63,695
Unrestricted	1,499,647
Total net position	<u>\$ 1,563,342</u>

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

OPERATING REVENUES

Electricity sales	\$ 6,780,588
Evergreen electricity premium	4,139
Total operating revenues	<u>6,784,727</u>

OPERATING EXPENSES

Cost of electricity	4,818,215
Data manager	38,776
Service fees - PG&E	9,683
Staff compensation	76,200
Consultants	54,668
Legal	7,354
Communications	75,091
General and administration	16,525
Total operating expenses	<u>5,096,512</u>
Operating income	<u>1,688,215</u>

NONOPERATING REVENUES (EXPENSES)

Interest expense	<u>(23,584)</u>
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CHANGES IN NET POSITION

	1,664,631
Net position at beginning of period	<u>(101,289)</u>
Net position at end of period	<u><u>\$ 1,563,342</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2014 through July 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 6,455,998
Cash payments to purchase electricity	(2,279,394)
Cash payments for staff compensation	(79,708)
Cash payments for contract services	(204,538)
Cash payments for general and administration	5,557
Net cash provided (used) by operating activities	<u>3,897,915</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank lines of credit	80,000
Interest expense	<u>(17,066)</u>
Net cash provided (used) by non-capital financing activities	<u>62,934</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(1,432)</u>
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Net increase in cash and cash equivalents	3,959,417
Cash and cash equivalents at beginning of year	<u>2,729,685</u>
Cash and cash equivalents at end of year	<u>\$ 6,689,102</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 1,688,215
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	1,152
(Increase) decrease in net accounts receivable	(811,177)
(Increase) decrease in accrued revenue	204,806
(Increase) decrease in prepaid expenses	3,709
Increase (decrease) in accounts payable	(1,746)
Increase (decrease) in accrued cost of electricity	2,258,649
Increase (decrease) in accrued liabilities	274,134
Increase (decrease) in electricity procurement payments made directly from bank line of credit	280,173
Net cash provided by operating activities	<u>\$ 3,897,915</u>