



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 August 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

September 23, 2014



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of August 31, 2014

ASSETS

Current assets	
Cash and cash equivalents	\$ 8,960,513
Accounts receivable, net of allowance	6,170,700
Accrued revenue	3,639,791
Prepaid expenses	119,220
Total current assets	<u>18,890,224</u>
Noncurrent assets	
Capital assets, net of depreciation	62,543
Deposits	805,000
Total noncurrent assets	<u>867,543</u>
Total assets	<u>19,757,767</u>

LIABILITIES

Current liabilities	
Accounts payable	273,344
Accrued cost of electricity	8,278,111
Other accrued liabilities	556,184
User taxes and energy surcharges due to other governments	220,135
Note payable to bank	609,362
Loan payable to Sonoma County Water Agency	119,103
Total current liabilities	<u>10,056,239</u>
Noncurrent liabilities	
Note payable to bank	4,328,060
Loan payable to Sonoma County Water Agency	1,598,709
Total noncurrent liabilities	<u>5,926,769</u>
Total liabilities	<u>15,983,008</u>

NET POSITION

Net investment in capital assets	62,543
Unrestricted	3,712,216
Total net position	<u>\$ 3,774,759</u>

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

OPERATING REVENUES

Electricity sales	\$ 13,069,937
Evergreen electricity premium	12,493
Total operating revenues	13,082,430

OPERATING EXPENSES

Cost of electricity	8,577,213
Data manager	77,160
Service fees - PG&E	19,369
Staff compensation	184,903
Consultants	125,863
Legal	11,992
Communications	132,141
General and administration	30,037
Total operating expenses	9,158,678
Operating income	3,923,752

NONOPERATING REVENUES (EXPENSES)

Interest expense	(47,703)
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CHANGES IN NET POSITION

	3,876,049
Net position at beginning of period	(101,290)
Net position at end of period	\$ 3,774,759

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2014 through August 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 12,898,892
Cash payments to purchase electricity	(6,078,287)
Cash payments for staff compensation	(172,525)
Cash payments for contract services	(397,948)
Cash payments for general and administration	(61,599)
Net cash provided (used) by operating activities	<u>6,188,533</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank lines of credit	80,001
Interest expense	(36,274)
Net cash provided (used) by non-capital financing activities	<u>43,727</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(1,432)
Net increase in cash and cash equivalents	6,230,828
Cash and cash equivalents at beginning of year	2,729,685
Cash and cash equivalents at end of year	<u>\$ 8,960,513</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 3,923,752
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	2,304
(Increase) decrease in net accounts receivable	(779,487)
(Increase) decrease in accrued revenue	205,446
(Increase) decrease in prepaid expenses	(110,266)
Increase (decrease) in accounts payable	80,069
Increase (decrease) in accrued cost of electricity	2,218,754
Increase (decrease) in accrued liabilities	367,789
Increase (decrease) in electricity procurement payments made directly from bank line of credit	280,172
Net cash provided by operating activities	<u>\$ 6,188,533</u>

NONCASH FINANCING ACTIVITIES

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