



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 September 30, 2014, 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

October 27, 2014



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of September 30, 2014

ASSETS

Current assets	
Cash and cash equivalents	\$ 9,952,349
Accounts receivable, net of allowance	6,732,208
Accrued revenue	3,718,241
Prepaid expenses	120,354
Total current assets	<u>20,523,152</u>
Noncurrent assets	
Capital assets, net of depreciation	66,445
Deposits	805,000
Total noncurrent assets	<u>871,445</u>
Total assets	<u>21,394,597</u>

LIABILITIES

Current liabilities	
Accounts payable	170,330
Accrued cost of electricity	6,780,068
Other accrued liabilities	620,800
User taxes and energy surcharges due to other governments	244,785
Note payable to bank	605,151
Loan payable to Sonoma County Water Agency	140,030
Total current liabilities	<u>8,561,164</u>
Noncurrent liabilities	
Note payable to bank	4,332,270
Loan payable to Sonoma County Water Agency	1,577,782
Total noncurrent liabilities	<u>5,910,052</u>
Total liabilities	<u>14,471,216</u>

NET POSITION

Net investment in capital assets	66,445
Unrestricted	6,856,936
Total net position	<u>\$ 6,923,381</u>

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

OPERATING REVENUES

Electricity sales	\$ 19,831,911
Evergreen electricity premium	21,896
Total operating revenues	<u>19,853,807</u>

OPERATING EXPENSES

Cost of electricity	11,910,902
Data manager	115,391
Service fees - PG&E	29,044
Staff compensation	297,819
Consultants	168,565
Legal	19,688
Communications	165,876
General and administration	50,808
Total operating expenses	<u>12,758,093</u>
Operating income	<u>7,095,714</u>

NONOPERATING REVENUES (EXPENSES)

Interest expense	<u>(71,043)</u>
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CHANGES IN NET POSITION

	7,024,671
Net position at beginning of period	<u>(101,290)</u>
Net position at end of period	<u><u>\$ 6,923,381</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2014 through September 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 19,103,163
Cash payments to purchase electricity	(10,910,019)
Cash payments for staff compensation	(277,626)
Cash payments for contract services	(547,220)
Cash payments for general and administration	(163,072)
Net cash provided by (used in) operating activities	<u>7,205,226</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank lines of credit	80,000
Interest expense payments	(56,015)
Net cash provided (used) by non-capital financing activities	<u>23,985</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(6,547)</u>
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Net increase in cash and cash equivalents	7,222,664
Cash and cash equivalents at beginning of year	2,729,685
Cash and cash equivalents at end of year	<u>\$ 9,952,349</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 7,095,714
Adjustments to reconcile operating income to net cash provided by (used in) operating activities	
Depreciation expense	3,517
Increase (decrease) in electricity procurement payments made directly from bank line of credit	280,172
(Increase) decrease in net accounts receivable	(1,340,995)
(Increase) decrease in accrued revenue	126,996
(Increase) decrease in prepaid expenses	(111,400)
Increase (decrease) in accounts payable	(22,945)
Increase (decrease) in accrued cost of electricity	720,711
Increase (decrease) in accrued liabilities	453,456
Net cash provided by (used in) operating activities	<u>\$ 7,205,226</u>

NONCASH FINANCING ACTIVITIES

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