



## 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 December 31, 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*

January 27, 2015



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of December 31, 2014

### ASSETS

Current assets	
Cash and cash equivalents	\$ 15,396,687
Accounts receivable, net of allowance	3,929,342
Accrued revenue	5,690,175
Prepaid expenses	683,718
Total current assets	<u>25,699,922</u>
Noncurrent assets	
Capital assets, net of depreciation	64,076
Deposits	305,000
Total noncurrent assets	<u>369,076</u>
Total assets	<u>26,068,998</u>

### LIABILITIES

Current liabilities	
Accounts payable	311,425
Accrued cost of electricity	10,568,266
Other accrued liabilities	492,762
User taxes and energy surcharges due to other governments	183,834
Note payable to bank	700,401
Loan payable to Sonoma County Water Agency	203,386
Total current liabilities	<u>12,460,074</u>
Noncurrent liabilities	
Note payable to bank	3,209,701
Loan payable to Sonoma County Water Agency	1,514,426
Total noncurrent liabilities	<u>4,724,127</u>
Total liabilities	<u>17,184,201</u>

### NET POSITION

Net investment in capital assets	64,076
Unrestricted	8,820,721
Total net position	<u>\$ 8,884,797</u>

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

**OPERATING REVENUES**

Electricity sales	\$ 37,711,535
Evergreen electricity premium	68,136
Total operating revenues	<u>37,779,671</u>

**OPERATING EXPENSES**

Cost of electricity	26,650,022
Staff compensation	637,954
Data manager	426,723
Service fees - PG&E	58,882
Consultants	250,937
Legal	43,622
Communications	499,277
General and administration	93,366
Total operating expenses	<u>28,660,783</u>
Operating income	<u>9,118,888</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest expense	<u>(132,801)</u>
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**CHANGES IN NET POSITION**

	8,986,087
Net position at beginning of period	<u>(101,290)</u>
Net position at end of period	<u><u>\$ 8,884,797</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS

July 1, 2014 through December 31, 2014

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 37,676,642
Cash payments to purchase electricity	(22,418,664)
Cash payments for staff compensation	(614,866)
Cash payments for contract services	(1,220,832)
Cash payments for general and administration	(191,446)
Net cash provided by (used in) operating activities	<u>13,230,834</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank lines of credit	(947,319)
Deposits	500,000
Interest expense paid	(108,659)
Net cash provided (used) by non-capital financing activities	<u>(555,978)</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(7,854)</u>
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Net increase in cash and cash equivalents	12,667,002
Cash and cash equivalents at beginning of year	<u>2,729,685</u>
Cash and cash equivalents at end of year	<u>\$ 15,396,687</u>

### RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 9,118,888
Adjustments to reconcile operating income to net cash provided by (used in) operating activities	
Depreciation expense	7,193
Increase (decrease) in electricity procurement payments made directly from bank line of credit	280,172
(Increase) decrease in net accounts receivable	1,461,871
(Increase) decrease in accrued revenue	(1,844,938)
(Increase) decrease in prepaid expenses	(674,764)
Increase (decrease) in accounts payable	118,150
Increase (decrease) in accrued cost of electricity	4,508,909
Increase (decrease) in accrued liabilities	255,353
Net cash provided by (used in) operating activities	<u>\$ 13,230,834</u>

### NONCASH FINANCING ACTIVITIES

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