



## 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 January 31, 2015, 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*

February 24, 2015



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of January 31, 2015

### ASSETS

Current assets	
Cash and cash equivalents	\$ 18,983,273
Accounts receivable, net of allowance	8,275,654
Accrued revenue	6,299,802
Prepaid expenses	587,552
Total current assets	<u>34,146,281</u>
Noncurrent assets	
Capital assets, net of depreciation	62,827
Deposits	320,266
Total noncurrent assets	<u>383,093</u>
Total assets	<u>34,529,374</u>

### LIABILITIES

Current liabilities	
Accounts payable	391,378
Accrued cost of electricity	15,349,223
Other accrued liabilities	451,061
User taxes and energy surcharges due to other governments	233,510
Note payable to bank	700,401
Loan payable to Sonoma County Water Agency	224,528
Total current liabilities	<u>17,350,101</u>
Noncurrent liabilities	
Note payable to bank	3,209,701
Loan payable to Sonoma County Water Agency	1,493,284
Deferred construction damages	3,000,000
Total noncurrent liabilities	<u>7,702,985</u>
Total liabilities	<u>25,053,086</u>

### NET POSITION

Net investment in capital assets	62,827
Unrestricted	9,413,461
Total net position	<u>\$ 9,476,288</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2014 through January 31, 2015**

**OPERATING REVENUES**

Electricity sales	\$ 47,820,946
Evergreen electricity premium	88,705
Total operating revenues	<u>47,909,651</u>

**OPERATING EXPENSES**

Cost of electricity	35,565,267
Staff compensation	727,086
Data manager	656,893
Service fees - PG&E	128,560
Consultants	294,934
Legal	64,882
Communications	613,279
General and administration	133,805
Total operating expenses	<u>38,184,706</u>
Operating income	<u>9,724,945</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest expense	<u>(147,367)</u>
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**CHANGES IN NET POSITION**

	9,577,578
Net position at beginning of period	<u>(101,290)</u>
Net position at end of period	<u><u>\$ 9,476,288</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS

July 1, 2014 through January 31, 2015

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 42,866,751
Cash receipts from construction delay damages	3,000,000
Cash payments to purchase electricity	(26,523,602)
Cash payments for staff compensation	(712,027)
Cash payments for contract services	(1,597,710)
Cash payments for general and administration	(135,496)
Net cash provided by (used in) operating activities	<u>16,897,916</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank lines of credit	(947,319)
Deposits	484,734
Interest expense paid	(173,889)
Net cash provided (used) by non-capital financing activities	<u>(636,474)</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	16,253,588
Cash and cash equivalents at beginning of year	<u>2,729,685</u>
Cash and cash equivalents at end of year	<u>\$ 18,983,273</u>

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

Operating income	\$ 9,724,945
Adjustments to reconcile operating income to net cash provided by (used in) operating activities	
Depreciation expense	8,442
Increase (decrease) in electricity procurement payments made directly from bank line of credit	280,172
(Increase) decrease in net accounts receivable	(2,884,441)
(Increase) decrease in accrued revenue	(2,454,565)
(Increase) decrease in prepaid expenses	(553,598)
Increase (decrease) in accounts payable	198,103
Increase (decrease) in accrued cost of electricity	9,289,866
Increase (decrease) in accrued liabilities	288,992
Increase (decrease) in construction delay damages	3,000,000
Net cash provided by (used in) operating activities	<u>\$ 16,897,916</u>

### NONCASH FINANCING ACTIVITIES

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