



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 February 28, 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

March 25, 2015



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of February 28, 2015

ASSETS

| | |
|---------------------------------------|-------------------|
| Current assets | |
| Cash and cash equivalents | \$ 15,030,546 |
| Accounts receivable, net of allowance | 9,703,323 |
| Accrued revenue | 5,598,085 |
| Prepaid expenses | 527,552 |
| Total current assets | <u>30,859,506</u> |
| Noncurrent assets | |
| Capital assets, net of depreciation | 63,877 |
| Deposits | 340,266 |
| Total noncurrent assets | <u>404,143</u> |
| Total assets | <u>31,263,649</u> |

LIABILITIES

| | |
|---|-------------------|
| Current liabilities | |
| Accounts payable | 448,470 |
| Accrued cost of electricity | 13,975,547 |
| Other accrued liabilities | 403,871 |
| User taxes and energy surcharges due to other governments | 344,950 |
| Note payable to bank | 431,979 |
| Loan payable to Sonoma County Water Agency | 245,723 |
| Total current liabilities | <u>15,850,540</u> |
| Noncurrent liabilities | |
| Note payable to bank | 1,393,331 |
| Loan payable to Sonoma County Water Agency | 1,472,089 |
| Deferred construction damages | 3,450,000 |
| Total noncurrent liabilities | <u>6,315,420</u> |
| Total liabilities | <u>22,165,960</u> |

NET POSITION

| | |
|----------------------------------|---------------------|
| Net investment in capital assets | 63,877 |
| Unrestricted | 9,033,812 |
| Total net position | <u>\$ 9,097,689</u> |

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2014 through February 28, 2015

OPERATING REVENUES

| | |
|-------------------------------|-------------------|
| Electricity sales | \$ 56,370,236 |
| Evergreen electricity premium | 105,892 |
| Total operating revenues | <u>56,476,128</u> |

OPERATING EXPENSES

| | |
|----------------------------|-------------------|
| Cost of electricity | 43,874,573 |
| Staff compensation | 822,034 |
| Data manager | 884,486 |
| Service fees - PG&E | 197,584 |
| Consultants | 367,047 |
| Legal | 108,739 |
| Communications | 724,151 |
| General and administration | 133,383 |
| Total operating expenses | <u>47,111,997</u> |
| Operating income | <u>9,364,131</u> |

NONOPERATING REVENUES (EXPENSES)

| | |
|------------------|------------------|
| Interest expense | <u>(165,152)</u> |
|------------------|------------------|

CHANGES IN NET POSITION

| | |
|-------------------------------------|----------------------------|
| | 9,198,979 |
| Net position at beginning of period | <u>(101,290)</u> |
| Net position at end of period | <u><u>\$ 9,097,689</u></u> |

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS July 1, 2014 through February 28, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|-------------------|
| Receipts from customers | \$ 50,795,732 |
| Cash receipts from construction delay damages | 3,450,000 |
| Cash payments to purchase electricity | (36,171,584) |
| Cash payments for staff compensation | (801,433) |
| Cash payments for contract services | (1,460,280) |
| Cash payments for communications | (684,744) |
| Cash payments for general and administration | (56,254) |
| Net cash provided by (used in) operating activities | <u>15,071,437</u> |

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

| | |
|--|--------------------|
| Loan proceeds from bank lines of credit | 80,000 |
| Principal payments on bank lines of credit | (3,112,111) |
| Deposits | 464,734 |
| Interest expense paid | (193,045) |
| Net cash provided (used) by non-capital financing activities | <u>(2,760,422)</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|--|----------------------|
| Acquisition of capital assets | <u>(10,154)</u> |
| Net increase in cash and cash equivalents | 12,300,861 |
| Cash and cash equivalents at beginning of year | <u>2,729,685</u> |
| Cash and cash equivalents at end of year | <u>\$ 15,030,546</u> |

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2014 through February 28, 2015

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

| | |
|---|----------------------|
| Operating income | \$ 9,364,131 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities | |
| Depreciation expense | 9,692 |
| Increase (decrease) in electricity procurement payments made directly from bank line of credit | 280,172 |
| (Increase) decrease in net accounts receivable | (4,312,110) |
| (Increase) decrease in accrued revenue | (1,752,848) |
| (Increase) decrease in prepaid expenses | (518,598) |
| Increase (decrease) in accounts payable | 255,195 |
| Increase (decrease) in accrued cost of electricity | 7,916,190 |
| Increase (decrease) in accrued liabilities | 379,613 |
| Increase (decrease) in construction delay damages | 3,450,000 |
| Net cash provided by (used in) operating activities | <u>\$ 15,071,437</u> |

NONCASH FINANCING ACTIVITIES

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