



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 March 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

April 28, 2015



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of March 31, 2015

ASSETS

Current assets	
Cash and cash equivalents	\$ 15,025,203
Accounts receivable, net of allowance	9,827,720
Accrued revenue	5,264,200
Prepaid expenses	531,584
Total current assets	<u>30,648,707</u>
Noncurrent assets	
Capital assets, net of depreciation	67,742
Deposits	340,266
Total noncurrent assets	<u>408,008</u>
Total assets	<u>31,056,715</u>

LIABILITIES

Current liabilities	
Accounts payable	452,616
Accrued cost of electricity	14,293,201
Other accrued liabilities	420,104
User taxes and energy surcharges due to other governments	389,817
Note payable to bank	433,815
Loan payable to Sonoma County Water Agency	231,559
Total current liabilities	<u>16,221,112</u>
Noncurrent liabilities	
Note payable to bank	1,355,777
Loan payable to Sonoma County Water Agency	1,450,597
Deferred construction damages	3,450,000
Total noncurrent liabilities	<u>6,256,374</u>
Total liabilities	<u>22,477,486</u>

NET POSITION

Net investment in capital assets	67,742
Unrestricted	8,511,487
Total net position	<u>\$ 8,579,229</u>

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

OPERATING REVENUES

Electricity sales	\$ 65,202,851
Evergreen electricity premium	129,551
Total operating revenues	<u>65,332,402</u>

OPERATING EXPENSES

Cost of electricity	52,615,813
Staff compensation	917,291
Data manager	1,107,771
Service fees - PG&E	266,015
Consultants	428,017
Legal	176,619
Communications	811,964
General and administration	150,921
Total operating expenses	<u>56,474,411</u>
Operating income	<u>8,857,991</u>

NONOPERATING REVENUES (EXPENSES)

Interest expense	<u>(177,472)</u>
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CHANGES IN NET POSITION

	8,680,519
Net position at beginning of period	<u>(101,290)</u>
Net position at end of period	<u><u>\$ 8,579,229</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS July 1, 2014 through March 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 59,920,053
Cash receipts from construction delay damages	3,450,000
Cash payments to purchase electricity	(44,580,120)
Cash payments for staff compensation	(884,836)
Cash payments for contract services	(1,801,551)
Cash payments for communications	(778,898)
Cash payments for general and administration	(160,152)
Net cash provided (used) by operating activities	<u>15,164,496</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank notes and loans	80,000
Principal payments on bank notes and loans	(3,183,485)
Deposits and collateral paid	(575,566)
Deposits and collateral returned	1,040,300
Interest expense paid	(214,813)
Net cash provided (used) by non-capital financing activities	<u>(2,853,564)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(15,414)</u>
Net increase in cash and cash equivalents	12,295,518
Cash and cash equivalents at beginning of year	<u>2,729,685</u>
Cash and cash equivalents at end of period	<u>\$ 15,025,203</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2014 through March 31, 2015

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

Operating income	\$ 8,857,991
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	11,087
Increase (decrease) in electricity procurement payments made directly from bank notes and loans	280,172
(Increase) decrease in net accounts receivable	(4,436,507)
(Increase) decrease in accrued revenue	(1,418,963)
(Increase) decrease in prepaid expenses	(522,630)
Increase (decrease) in accounts payable	259,341
Increase (decrease) in accrued cost of electricity	8,233,844
Increase (decrease) in accrued liabilities	450,161
Increase (decrease) in construction delay damages	3,450,000
Net cash provided by (used in) operating activities	<u>\$ 15,164,496</u>

NONCASH FINANCING ACTIVITIES

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