

## 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 June 30, 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*

July 29, 2015

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of June 30, 2015

### ASSETS

Current assets	
Cash and cash equivalents	\$ 12,715,492
Accounts receivable, net of allowance	12,178,959
Accrued revenue	8,240,561
Prepaid expenses	691,788
Total current assets	<u>33,826,800</u>
Noncurrent assets	
Capital assets, net of depreciation	170,350
Deposits	339,766
Total noncurrent assets	<u>510,116</u>
Total assets	<u>34,336,916</u>

### LIABILITIES

Current liabilities	
Accounts payable	604,400
Accrued cost of electricity	12,908,657
Other accrued liabilities	711,690
User taxes and energy surcharges due to other governments	410,112
Loan payable to Sonoma County Water Agency	254,132
Total current liabilities	<u>14,888,991</u>
Noncurrent liabilities	
Loan payable to Sonoma County Water Agency	1,386,405
Deferred construction damages	3,450,000
Total noncurrent liabilities	<u>4,836,405</u>
Total liabilities	<u>19,725,396</u>

### NET POSITION

Net investment in capital assets	170,350
Unrestricted	14,441,170
Total net position	<u>\$ 14,611,520</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2014 through June 30, 2015**

**OPERATING REVENUES**

Electricity sales	\$ 96,376,634
Evergreen electricity premium	176,086
Total operating revenues	<u>96,552,720</u>

**OPERATING EXPENSES**

Cost of electricity	76,018,695
Staff compensation	1,257,990
Data manager	1,827,744
Service fees - PG&E	471,692
Consultants	543,847
Legal	250,718
Communications	1,011,155
General and administration	252,247
Total operating expenses	<u>81,634,088</u>
Operating income	<u>14,918,632</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest expense	<u>(205,822)</u>
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**CHANGE IN NET POSITION**

	14,712,810
Net position at beginning of period	<u>(101,290)</u>
Net position at end of period	<u><u>\$ 14,611,520</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS July 1, 2014 through June 30, 2015

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 86,133,821
Cash receipts from construction delay damages	3,450,000
Cash payments to purchase electricity	(69,461,846)
Cash payments for staff compensation	(1,216,538)
Cash payments for contract services	(2,794,442)
Cash payments for communications	(1,069,934)
Cash payments for general and administration	(223,939)
Net cash provided (used) by operating activities	<u>14,817,122</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Loan proceeds from bank notes and loans	80,000
Principal payments on bank notes and loans	(5,014,696)
Deposits and collateral paid	(575,566)
Deposits and collateral returned	1,040,800
Interest expense paid	(244,399)
Net cash provided (used) by non-capital financing activities	<u>(4,713,861)</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(117,454)</u>
Net change in cash and cash equivalents	9,985,807
Cash and cash equivalents at beginning of year	<u>2,729,685</u>
Cash and cash equivalents at end of period	<u>\$ 12,715,492</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2014 through June 30, 2015**

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

Operating income	\$ 14,918,632
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	16,967
Increase (decrease) in electricity procurement payments made directly from bank notes and loans	280,172
(Increase) decrease in net accounts receivable	(6,787,746)
(Increase) decrease in accrued revenue	(4,395,324)
(Increase) decrease in prepaid expenses	(682,834)
Increase (decrease) in accounts payable	404,677
Increase (decrease) in accrued cost of electricity	6,849,300
Increase (decrease) in accrued liabilities	763,278
Increase (decrease) in construction delay damages	3,450,000
Net cash provided (used) by operating activities	<u><u>\$ 14,817,122</u></u>

**NONCASH FINANCING ACTIVITIES**

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