



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power

Management is responsible for the accompanying financial statements of Sonoma Clean Power (a California Joint Powers Authority) which comprise the statement of net position as of February 29, 2016, and the related statement of revenues, expenses, and changes in net position, and the statement cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these 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 Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
March 30, 2016



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION As of February 29, 2016

### ASSETS

Current assets	
Cash and cash equivalents	\$ 28,795,394
Accounts receivable, net of allowance	13,936,106
Accrued revenue	6,915,686
Prepaid expenses	15,499
Short-term investments	7,000,000
Total current assets	<u>56,662,685</u>
Noncurrent assets	
Capital assets, net of depreciation	199,097
Deposits	837,366
Total noncurrent assets	<u>1,036,463</u>
Total assets	<u>57,699,148</u>

### LIABILITIES

Current liabilities	
Accounts payable	549,599
Accrued cost of electricity	19,627,397
Other accrued liabilities	160,621
User taxes and energy surcharges due to other governments	408,316
Loan payable to Sonoma County Water Agency	259,295
Total current liabilities	<u>21,005,228</u>
Noncurrent liabilities	
Loan payable to Sonoma County Water Agency	<u>1,212,794</u>
Total liabilities	<u>22,218,022</u>

### NET POSITION

Net investment in capital assets	199,097
Unrestricted	<u>35,282,029</u>
Total net position	<u>\$ 35,481,126</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2015 through February 29, 2016**

**OPERATING REVENUES**

Electricity sales, net	\$ 111,608,534
Evergreen electricity premium	189,243
Total operating revenues	<u>111,797,777</u>

**OPERATING EXPENSES**

Cost of electricity	84,458,348
Staff compensation	982,432
Data manager	2,187,843
Service fees - PG&E	692,856
Consultants	479,156
Legal	345,733
Communications	572,013
General and administration	225,385
Total operating expenses	<u>89,943,766</u>
Operating income	<u>21,854,011</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	995
Interest expense	(30,895)
Total nonoperating revenues (expenses)	<u>(29,900)</u>

**CHANGE IN NET POSITION**

	21,824,111
Net position at beginning of period	<u>13,657,015</u>
Net position at end of period	<u><u>\$ 35,481,126</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS July 1, 2015 through February 29, 2016

### CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	\$ 111,363,709
Return of supplier security deposits	(3,450,000)
Cash payments to purchase electricity	(78,683,995)
Cash payments for staff compensation	(947,119)
Cash payments for contract services	(3,737,760)
Cash payments for communications	(488,344)
Cash payments for general and administration	(231,265)
Net cash provided (used) by operating activities	<u>23,825,226</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments on loan	(168,448)
Deposits and collateral paid	(560,200)
Deposits and collateral returned	62,600
Interest expense payments	(31,552)
Net cash provided (used) by non-capital financing activities	<u>(697,600)</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(59,633)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of certificate of deposit	(7,000,000)
Interest income received	995
Net cash provided (used) by investing activities	<u>(6,999,005)</u>

Net change in cash and cash equivalents	16,068,988
Cash and cash equivalents at beginning of year	12,726,406
Cash and cash equivalents at end of period	<u>\$ 28,795,394</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2015 through February 29, 2016**

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

Operating income	\$ 21,854,011
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	25,130
(Increase) decrease in net accounts receivable	(1,757,147)
(Increase) decrease in accrued revenue	1,324,875
(Increase) decrease in prepaid expenses	664,007
Increase (decrease) in accounts payable	(59,894)
Increase (decrease) in accrued cost of electricity	4,889,888
Increase (decrease) in accrued liabilities	336,152
Increase (decrease) in user taxes and energy surcharges due to other governments	(1,796)
Increase (decrease) in supplier security deposits	(3,450,000)
Net cash provided (used) by operating activities	<u><u>\$ 23,825,226</u></u>