



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 May 31, 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
June 29, 2016



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of May 31, 2016

ASSETS

Current assets	
Cash and cash equivalents	\$ 24,945,987
Accounts receivable, net of allowance	13,674,024
Other receivables	179,082
Accrued revenue	9,216,378
Prepaid expenses	32,560
Short-term investments	7,000,000
Total current assets	<u>55,048,031</u>
Noncurrent assets	
Capital assets, net of depreciation	197,213
Deposits	774,666
Total noncurrent assets	<u>971,879</u>
Total assets	<u>56,019,910</u>

LIABILITIES

Current liabilities	
Accounts payable	548,487
Accrued cost of electricity	16,850,954
Other accrued liabilities	285,117
User taxes and energy surcharges due to other governments	363,233
Total current liabilities	<u>18,047,791</u>

NET POSITION

Net investment in capital assets	197,213
Unrestricted	37,774,906
Total net position	<u>\$ 37,972,119</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2015 through May 31, 2016

OPERATING REVENUES

Electricity sales, net	\$ 147,215,942
Evergreen electricity premium	256,095
Electricity sales for resale	331,955
Total operating revenues	<u>147,803,992</u>

OPERATING EXPENSES

Cost of electricity	115,735,026
Staff compensation	1,458,429
Data manager	3,009,211
Service fees - PG&E	952,692
Consultants and other professional fees	780,105
Legal	433,570
Communications	792,348
General and administration	326,780
Total operating expenses	<u>123,488,161</u>
Operating income	<u>24,315,831</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	35,277
Interest expense	(36,004)
Total nonoperating revenues (expenses)	<u>(727)</u>

CHANGE IN NET POSITION

	24,315,104
Net position at beginning of period	<u>13,657,015</u>
Net position at end of period	<u><u>\$ 37,972,119</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS July 1, 2015 through May 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	\$ 144,954,276
Cash receipts from electricity sales for resale	152,873
Return of supplier security deposits	(3,450,000)
Cash payments to purchase electricity	(112,636,383)
Cash payments for staff compensation	(1,394,180)
Cash payments for contract services	(5,172,779)
Cash payments for communications	(734,111)
Cash payments for general and administration	(350,965)
Net cash provided (used) by operating activities	<u>21,368,731</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments on loan	(1,640,537)
Deposits and collateral paid	(560,200)
Deposits and collateral returned	125,300
Interest expense payments	(40,049)
Net cash provided (used) by non-capital financing activities	<u>(2,115,486)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(68,941)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of certificate of deposit	(7,000,000)
Interest income received	35,277
Net cash provided (used) by investing activities	<u>(6,964,723)</u>

Net change in cash and cash equivalents	12,219,581
Cash and cash equivalents at beginning of year	<u>12,726,406</u>
Cash and cash equivalents at end of period	<u>\$ 24,945,987</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2015 through May 31, 2016

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

Operating income	\$ 24,315,831
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	36,322
(Increase) decrease in net accounts receivable	(1,495,065)
(Increase) decrease in other receivables	(179,082)
(Increase) decrease in accrued revenue	(975,817)
(Increase) decrease in prepaid expenses	646,946
Increase (decrease) in accounts payable	(61,006)
Increase (decrease) in accrued cost of electricity	2,829,097
Increase (decrease) in accrued liabilities	(251,616)
Increase (decrease) in user taxes and energy surcharges due to other governments	(46,879)
Increase (decrease) in supplier security deposits	(3,450,000)
Net cash provided (used) by operating activities	<u>\$ 21,368,731</u>