



## 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 June 30, 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  
August 17, 2016



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of June 30, 2016

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 27,631,167
Accounts receivable, net of allowance	15,625,796
Other receivables	1,041,433
Accrued revenue	9,730,966
Prepaid expenses	32,559
Short-term investments	7,007,726
Total current assets	<u>61,069,647</u>

#### Noncurrent assets

Capital assets, net of depreciation	198,923
Deposits	754,666
Total noncurrent assets	<u>953,589</u>
Total assets	<u>62,023,236</u>

### LIABILITIES

#### Current liabilities

Accounts payable	624,318
Accrued cost of electricity	19,841,081
Other accrued liabilities	182,434
User taxes and energy surcharges due to other governments	463,052
Total current liabilities	<u>21,110,885</u>

### NET POSITION

Net investment in capital assets	198,923
Unrestricted	40,713,428
Total net position	<u>\$ 40,912,351</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2015 through June 30, 2016**

**OPERATING REVENUES**

Electricity sales, net	\$ 162,386,133
Evergreen electricity premium	291,857
Electricity sales for resale	1,406,857
Total operating revenues	<u>164,084,847</u>

**OPERATING EXPENSES**

Cost of electricity	128,305,229
Staff compensation	1,665,149
Data manager	3,283,226
Service fees - PG&E	1,040,303
Consultants and other professional fees	881,503
Legal	473,073
Communications	844,768
General and administration	352,735
Total operating expenses	<u>136,845,986</u>
Operating income	<u>27,238,861</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	52,479
Interest expense	(36,004)
Total nonoperating revenues (expenses)	<u>16,475</u>

**CHANGE IN NET POSITION**

	27,255,336
Net position at beginning of period	<u>13,657,015</u>
Net position at end of period	<u><u>\$ 40,912,351</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS July 1, 2015 through June 30, 2016

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity retail sales	\$ 157,740,748
Receipts from electricity sales for resale	365,424
Tax and surcharge receipts from customers	2,428,922
Return of supplier security deposits	(3,450,000)
Cash payments to purchase electricity	(122,317,192)
Cash payments for staff compensation	(1,612,583)
Cash payments for contract services	(5,632,164)
Cash payments for communications	(766,864)
Cash payments for general and administration	(355,874)
Tax and surcharge payments to other governments	(2,375,982)
Net cash provided (used) by operating activities	<u>24,024,435</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	145,300
Interest expense payments	(40,049)
Net cash provided (used) by non-capital financing activities	<u>(2,095,486)</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	(7,007,726)
Interest income received	52,479
Net cash provided (used) by investing activities	<u>(6,955,247)</u>

Net change in cash and cash equivalents	14,904,761
Cash and cash equivalents at beginning of year	12,726,406
Cash and cash equivalents at end of period	<u>\$ 27,631,167</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2015 through June 30, 2016**

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

Operating income	\$ 27,238,861
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	40,198
(Increase) decrease in net accounts receivable	(3,446,837)
(Increase) decrease in other receivables	(1,041,433)
(Increase) decrease in accrued revenue	(1,490,405)
(Increase) decrease in prepaid expenses	646,947
Increase (decrease) in accounts payable	9,239
Increase (decrease) in accrued cost of electricity	5,403,437
Increase (decrease) in accrued liabilities	61,488
Increase (decrease) in user taxes and energy surcharges due to other governments	52,940
Increase (decrease) in supplier security deposits	(3,450,000)
Net cash provided (used) by operating activities	<u>\$ 24,024,435</u>