



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 January 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
February 25, 2016



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of January 31, 2016

ASSETS

Current assets	
Cash and cash equivalents	\$ 28,004,428
Accounts receivable, net of allowance	15,251,949
Accrued revenue	7,368,043
Prepaid expenses	27,781
Short-term investments	7,000,000
Total current assets	<u>57,652,201</u>
Noncurrent assets	
Capital assets, net of depreciation	201,375
Deposits	894,666
Total noncurrent assets	<u>1,096,041</u>
Total assets	<u>58,748,242</u>

LIABILITIES

Current liabilities	
Accounts payable	520,376
Accrued cost of electricity	20,231,332
Other accrued liabilities	156,066
User taxes and energy surcharges due to other governments	366,987
Loan payable to Sonoma County Water Agency	237,440
Total current liabilities	<u>21,512,201</u>
Noncurrent liabilities	
Loan payable to Sonoma County Water Agency	<u>1,234,648</u>
Total liabilities	<u>22,746,849</u>

NET POSITION

Net investment in capital assets	201,375
Unrestricted	<u>35,800,018</u>
Total net position	<u>\$ 36,001,393</u>

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

OPERATING REVENUES

Electricity sales, net	\$ 100,853,126
Evergreen electricity premium	158,170
Total operating revenues	<u>101,011,296</u>

OPERATING EXPENSES

Cost of electricity	73,808,772
Staff compensation	855,776
Data manager	1,914,080
Service fees - PG&E	605,876
Consultants	435,741
Legal	300,036
Communications	524,766
General and administration	195,283
Total operating expenses	<u>78,640,330</u>
Operating income	<u>22,370,966</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	919
Interest expense	(27,507)
Total nonoperating revenues (expenses)	<u>(26,588)</u>

CHANGE IN NET POSITION

	22,344,378
Net position at beginning of period	<u>13,657,015</u>
Net position at end of period	<u><u>\$ 36,001,393</u></u>

SONOMA CLEAN POWER AUTHORITY

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

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	\$ 99,185,261
Return of supplier security deposits	(3,450,000)
Cash payments to purchase electricity	(67,848,046)
Cash payments for staff compensation	(823,556)
Cash payments for contract services	(3,335,225)
Cash payments for communications	(416,996)
Cash payments for general and administration	(221,096)
Net cash provided (used) by operating activities	<u>23,090,342</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Principal payments on loan	(168,449)
Deposits and collateral paid	(560,200)
Deposits and collateral returned	5,300
Interest expense payments	(31,552)
Net cash provided (used) by non-capital financing activities	<u>(754,901)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(58,338)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of certificate of deposit	(7,000,000)
Interest income received	919
Net cash provided (used) by investing activities	<u>(6,999,081)</u>

Net change in cash and cash equivalents	15,278,022
Cash and cash equivalents at beginning of year	12,726,406
Cash and cash equivalents at end of period	<u>\$ 28,004,428</u>

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

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

Operating income	\$ 22,370,966
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	21,557
(Increase) decrease in net accounts receivable	(3,072,990)
(Increase) decrease in accrued revenue	872,518
(Increase) decrease in prepaid expenses	651,725
Increase (decrease) in accounts payable	(89,117)
Increase (decrease) in accrued cost of electricity	5,376,126
Increase (decrease) in accrued liabilities	452,682
Increase (decrease) in user taxes and energy surcharges due to other governments	(43,125)
Increase (decrease) in supplier security deposits	(3,450,000)
Net cash provided (used) by operating activities	<u>\$ 23,090,342</u>