

Silicon Valley Clean Energy Authority

*Report to the
Audit Committee
by Pimenti & Brinker LLP
January 31, 2018*



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

An independently owned member
RSM US Alliance



Introduction...

- Brett Bradford, CPA
 - Audit Partner
 - 14 years in public accounting and performing audits of governmental and other entities
- Matt Brewer, CPA (not present)
 - Manager
 - 6 years in public accounting, audits of governments, not-for-profits, works with two other CCAs

Audits of the periods ended September 30, 2017, 2016 and June 30, 2016 Financial Statements

Relative Roles & Responsibilities

- **Management** is responsible for preparing the Financial Statements and establishing a system of internal control
- **Auditor** is responsible for auditing the Financial Statements
 - Considering risks of material misstatement in the Financial Statements – Inherent risk
 - Considering internal controls relevant to the Financial Statements – Control risk
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures

Status of the current audit:

- Audit is near complete – we plan to report:
 - Unqualified opinion – Based on our audit, the financial statements are materially accurate.
 - No significant deficiencies or material weaknesses in internal control identified.

Risk Assessment for the periods audited

- Significant areas of focus
 - Revenue recognition
 - Accounts receivable and accrued revenue
 - Test a sample of customer billings
 - Relate total cash received during the period of operations to revenue
 - Look at cash received subsequent to year-end and relate to A/R
 - Evaluate the adequacy of the allowance for uncollectible accounts
 - Cut-off
 - Review revenue recognition through year-end and method for determining (accrued revenue)

Risk Assessment for the periods audited

- Cash – Existence
 - Confirmations sent to Union Bank, River City Bank
- Accrued cost of electricity
 - Review subsequent bills from electricity providers and cash payments
 - Perform analytical procedures
- Notes payable
 - Confirmation sent to River City bank, reviewed JPA agreement, tested select members' loans to SVCE
- Financial Statement Note Disclosures – Complete and without bias

Required Board Communications

- The significant accounting policies adopted by SVCE throughout the periods audited appeared appropriate and consistently applied.
- No alternative treatments of accounting principles for material items in the financial statements were discussed with management.

Required Board Communications

Other Required Communications with those charged with governance:

- We did not propose any adjustments to the financial statements.
- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.

Required Board Communications

- There were no disagreements with management concerning the scope of our audits, the application of accounting principles, or the basis for management's judgments on any significant matters.

Required Board Communications

- We did not encounter any difficulties in dealing with management during the performance of our audit.

Questions?

- Brett Bradford: 707-577-1582
- Matt Brewer: 707-559-7325