Northern California Power Agency

Report to Finance Committee

Presented by:
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AGENDA

• Acknowledgements
• Results of Audit Process
• Committee Communications
• New Standards
• Financial Highlights
ACKNOWLEDGEMENTS

• Thank You
  o Prepared
  o Open
  o Responsive
  o Very Knowledgeable and Informative
RESULTS OF AUDIT PROCESS

• Auditor’s Report
  o Unmodified (What you want!)

• Posted Adjustments
  o None

• Passed Adjustments
  o None

• No Material Weaknesses or Significant Deficiencies Noted
COMMITTEE COMMUNICATIONS

- Auditor’s Responsibility under GAAS
  - What is an audit? Financial Statements not Internal Controls
    - Design and Implementation of Controls
      - Risk of Material Misstatement – Error or Fraud
    - IT Controls
- Your Statements
- Fraud (SAS 99) and Illegal Acts
- Reasonable Assurance
COMMITTEE COMMUNICATIONS

• Significant accounting policies – Note B – Nothing unusual or aggressive (deferred expenses to be recovered in future years)
• Accounting estimates – Typical for the industry
• No disagreements with management, consultation with other independent accountants or difficulties encountered in performing the audit
• No Independence Issues
NEW STANDARDS

• This Year – No material impact.
  o GASB 65 – Items Previously Reported as Assets and Liabilities

• On the Horizon
  o GASB 67/68 – Accounting and Financial Reporting for Pensions
FINANCIAL HIGHLIGHTS

• Events Impacting Financial Position and Results of Operations
  o Scheduled Debt Service and Collections
  o Increased Revenue and Operating Expense
QUESTIONS OR COMMENTS?

THANK YOU!