



Northern California Power Agency

Report to Finance Committee

Presented by: Julie Desimone, Partner

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MOSS ADAMS LLP
Certified Public Accountants | Business Consultants

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AGENDA

- Acknowledgements
- Results of Audit Process
- Committee Communications
- New Standards
- Financial Highlights



ACKNOWLEDGEMENTS

- Thank You
 - Prepared
 - Open
 - Responsive
 - Very Knowledgeable and Informative



RESULTS OF AUDIT PROCESS (IN PROCESS)

- Auditor's Report
 - Expect to have Unmodified (What you want!)
- Posted Adjustments
 - None at this time
- Passed Adjustments
 - None at this time
- 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)
 - New policy – pensions
- 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 –
 - GASB 68/71 –Accounting and Financial Reporting for Pensions
 - Net pension liability - \$57.2 million
 - Net deferred inflows and outflows – (\$364)
 - Noncash portion is included in regulatory assets
 - Added disclosures (Note E) and RSI
- Next Year –
 - GASB 75 – Accounting and Financial Reporting for Other Post Employment Benefits

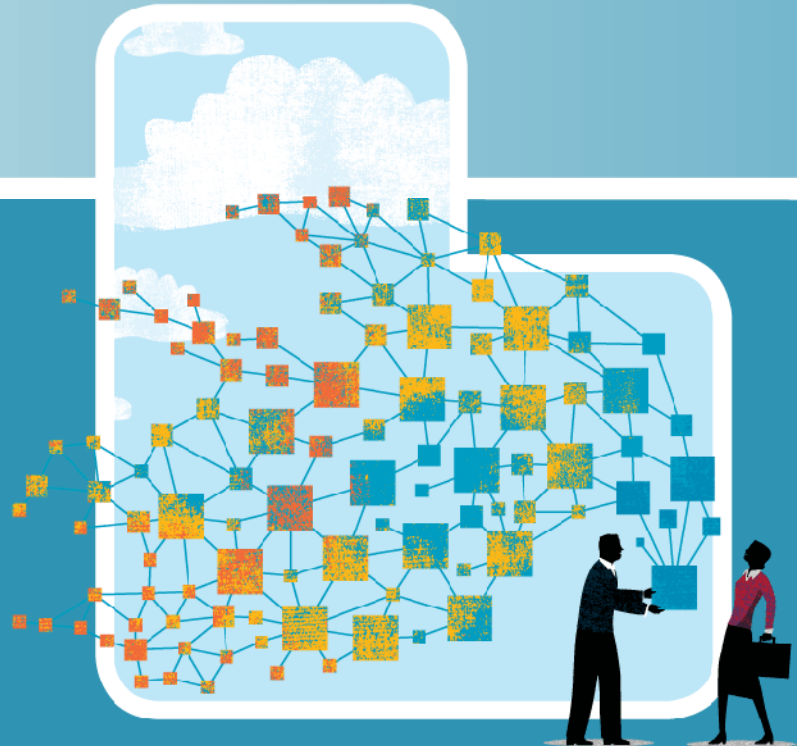


FINANCIAL HIGHLIGHTS

- Events Impacting Financial Position and Results of Operations
 - Scheduled Debt Service and Collections
 - Increased Revenue and Operating Expense
 - Implementation on GASB 68 for pension and subsequent application of GASB 62 (regulatory accounting)

QUESTIONS OR COMMENTS?

THANK YOU!



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