



Northern California Power Agency

Report to Finance Committee

Presented by:

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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

- Auditor's Report
 - Unmodified (What you want!)
- Posted Adjustments
 - None
- Passed Adjustments
 - 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.
 - GASB 65 – Items Previously Reported as Assets and Liabilities
- On the Horizon
 - GASB 67/68 – Accounting and Financial Reporting for Pensions

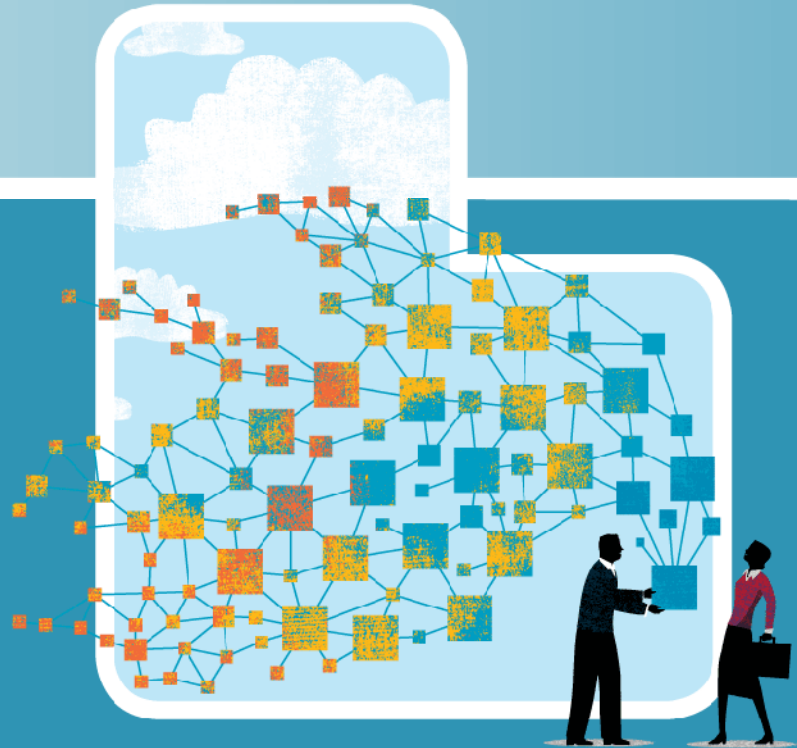


FINANCIAL HIGHLIGHTS

- Events Impacting Financial Position and Results of Operations
 - Scheduled Debt Service and Collections
 - Increased Revenue and Operating Expense

QUESTIONS OR COMMENTS?

THANK YOU!



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