



**PENINSULA  
CLEAN ENERGY**

*Report to the  
Board of Directors  
by Piseniti & Brinker LLP  
November 13, 2019*



**PISENTI & BRINKER** LLP  
Certified Public Accountants & Advisors

An independently owned member  
**RSM US Alliance**



# Introduction...

- Brett Bradford, CPA
  - Audit Partner
  - 16 years in public accounting and performing audits of governmental entities
- Beth Samit, CPA
  - Manager
  - 18 years in public accounting, audits of governments (CCAs), manufacturers

# Audits of the years ended June 30, 2019 and 2018 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

# Audits of the years ended June 30, 2019 & 2018 Financial Statements

- Audit is near completion – we expect to report:
- Unmodified opinion – Based on our audit, the financial statements are materially accurate.

# Risk Assessment for the years ended June 30, 2019 & 2018

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

# Risk Assessment for the years ended June 30, 2019 & 2018

- Cash and Securities – Existence
  - Confirmation sent to banks
- Accrued Cost of Electricity
  - Review subsequent bills from electricity providers and cash payments
- Supplier Security Deposits
  - Reviewed contracts and determined completeness of amounts recorded
- Financial Statement Note Disclosures – Complete and without bias

# Required Board Communications - Draft

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

# Required Board Communications – Draft (continued)

Other Required Communications with those charged with governance:

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



# Required Board Communications

## – Draft (continued)

- There have been 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

## – Draft (continued)

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

# Questions?

- Brett Bradford: 707-577-1582
- Beth Samit: 707-577-1538