PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

Silicon Valley Clean Energy Authority
Audit Committee Kick-Off Meeting
September 26, 2024

Introduction

- Kellin Gilbert, CPA
  - Audit Partner
  - 17 years in public accounting and performing audits of government entities
  - Currently working with several CCA's throughout California
- Aliandra Schaffer
  - Engagement Supervisor
  - 5 years in public accounting and performing audits of governments (CCA's)

Timeline for the audit of the years ended September 30, 2024 and 2023

- We expect to start the audit in mid November 2024
  - Initial fieldwork and testing to last about 3-4 weeks once all support is provided.
  - Financial statement draft to be available in early January*
  - Issuance of financial statements by January 31, 2024*
  - Would like to coordinate timing so that the Audit Committee can review the draft and meet with us prior to issuance.
  - Will meet with the Audit Committee Chair to facilitate questions as requested
    - *Pending approval of Management and Mike Maher and the commitment to provide requested documentation timely

Audit of the years ended September 30, 2024 and 2023

Relative Roles & Responsibilities

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

Communication to Those Charged with Governance

SAS 114 Pre-Audit Communication

- Letter communicating planned timing, significant risk identified and our planned audit response, and other general audit requirements
- Will be sent directly to Audit Committee
- Anticipated to be sent in early October

Risk Assessment for the years ended September 30, 2024 and 2023

Our audit is a risk-based audit. Planned risk assessment procedures include:

- Refresh our understanding of the entity's operating characteristics, practices, and procedures
- Review procedures and controls surrounding significant cycles and business processes

Planned Audit Procedures

Significant areas of focus

- Review policies and procedures for various types of financial transactions
- Revenue Recognition
  - Accounts receivable and 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.
    - Review revenue recognition through year-end and the method for determining (accrued revenue)

Planned Audit Procedures (continued)

Significant areas of focus

- Cash- Confirmations sent to financial institutions
- Accrued Cost of Electricity- Review of subsequent bills from electricity providers and cash payments
- Allowance for Doubtful Accounts- Review of management estimate by recalculation
- Other Liabilities - Review contracts and other support to determine completeness of amounts recorded
- Financial Statement Note Disclosures- Complete and without bias

Questions?

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Aliandra Schaffer: 707-577-1535

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