1. Welcome
2. Roll Call
3. Public Comment for Items Not on the Agenda
4. Items to be Added, Withdrawn, or Reordered on the Agenda
5. Treasurer’s Report for Period Ending 9/30/21
6. Review Draft of Proposed Stipend Resolution (continued to December meeting)
7. Receive Preliminary FY2021 Audit Report from Pisenti & Brinker
8. Committee Member Announcements
9. Adjournment
Item 5

Treasurer’s Report for Period Ending 9/30/21

Presenter:
Dr. Eric Washington,
Chief Financial Officer
Item 5: Treasurer’s Report

YTD FY22 Budget v. Actual

Results for the period were positive compared to the budget:

- Net operating revenues were 14% over the budgeted amount
- Operating expenses came in (1.23%) under

Financial results for the YTD FY22:

- $117.95 million in net operating revenues
- $94.02 million in total expenses (includes energy costs-$92.33 million)
- $17.3 million change in net position

<table>
<thead>
<tr>
<th>Budget Comparison</th>
<th>YTD FY22 as of 9/30/21 (3 mos)</th>
<th>FY22 YTD Budget</th>
<th>Budget Variance ($)</th>
<th>Budget (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Revenues</td>
<td>$117,950,477</td>
<td>$103,115,220</td>
<td>$14,835,257</td>
<td>114</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$94,024,935</td>
<td>$91,911,636</td>
<td>$2,113,299</td>
<td>102</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>$23,925,542</td>
<td>$11,203,584</td>
<td>$12,721,958</td>
<td>102</td>
</tr>
</tbody>
</table>
Item 5: Treasurer’s Report

YTD FY22 Actual v. Proforma

Overall, financial results for the period exceeded proforma

- Net operating revenues were $1.8M over
- Total expenses were $1.2M less than projected
- Change in net position was $3.1M over
Item 7

Receive Preliminary FY2021 Audit Report from Pisenti & Brinker

Presenter:
Dr. Eric Washington,
Chief Financial Officer
Introduction

• Brett Bradford, CPA
  • Audit Partner
  • 18 years in public accounting and performing audits of government entities
  • Currently working with several CCA’s throughout California

• Andrea Lifto, CPA
  • Engagement Manager
  • 5 years in public accounting and performing audits of governments (CCA’s)
Audits of the year and period ended June 30, 2021 and 2020 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
Audit of the year and period ended June 30, 2021 and 2020 Financial Statements

• The 2021 audit is substantially complete. We anticipate reporting:
  • Unmodified opinion – Based on our audit, the financial statements are materially accurate.
  • No significant deficiencies in internal control have been identified.
Risk Assessment for the year and period ended June 30, 2021 and 2020

- Significant areas of focus
  - Cash and securities
    Confirmation sent to financial institution
  - Accrued revenue, energy settlements receivable, and revenue
    Reviewed subsequent cash receipts
  - Accrued liabilities
    Reviewed subsequent cash payments and invoices
  - Debt
    Confirmation sent to lender
  - Financial statement note disclosures
    Complete and without bias
Required Board Communications

- The significant accounting policies adopted by SDCP throughout the year and period audited appeared appropriate and consistently applied.
- No alternative treatments of accounting principles for material items in the financial statements were discussed with management.
Required Board Communications (continued)

Other required communications with those charged with governance:

- We did not propose any adjustments to the financial statements.
- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.
Other required communications with those charged with governance:

- There were no disagreements with management concerning the scope of our audits, the application of accounting principles, or the basis for management’s judgements on any significant matters.
- We did not encounter any difficulties in dealing with management during the performance of our audits.
Questions?

Brett Bradford: 707-577-1582
Jenna Blanchard: 707-577-1596
Item 8: Committee Member Announcements

Item 9: Adjournment
Finance and Risk Management Committee

Next Regular Meeting
TBD