



# Finance & Risk Management Committee Meeting

October 20, 2022



# Regular Meeting Agenda

Welcome

Roll Call

Public Comment for items Not on the Agenda

Items to be Added, Withdrawn or Reordered on the Agenda

## REGULAR AGENDA

1. Treasurer's Report for Period Ending 8/31/22
2. Preliminary FYE 2022 Auditor's Report Presentation by Pimenti & Brinker

Committee Member Announcements

Adjournment

# Item 1

## Treasurer's Report for Period Ending 8/31/22

### Recommendation: Receive and File Treasurer's Report for Period Ending 8/31/22

Presenter:

Dr. Eric Washington,  
Chief Financial Officer

# Item 1: Treasurer's Report

## YTD FY23 Budget v. Actual

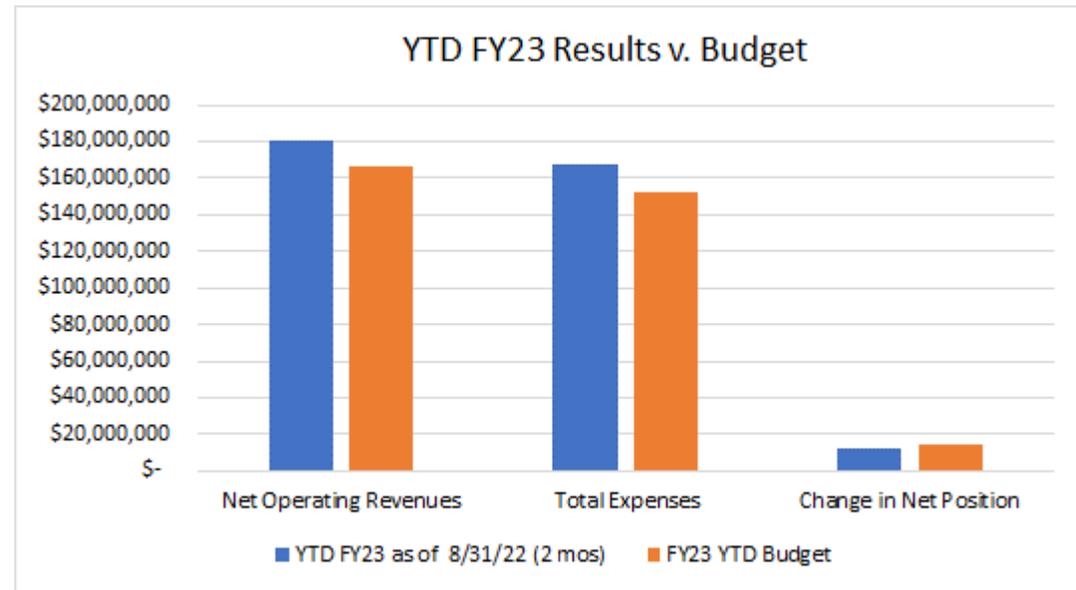
Results for the period compared to the adopted budget:

- Net operating revenues 8.0 percentage points over budget.
- Operating expenses came in 10.5 percentage points over budget

Financial results for the YTD FY23:

- \$180.02M in net operating revenues
- \$167.73M in total expenses (includes energy costs of \$163.67M or 91% of net revenues)
- \$12.29M change in YTD net position

	YTD FY23 as of 8/31/22 (2 mos)	Budget Comparison		Budget (%)
		FY23 YTD Budget	Budget Variance (\$)	
Net Operating Revenues	\$ 180,024,561	\$ 166,743,014	\$ 13,281,547	108
Total Expenses	\$ 167,733,430	\$ 151,766,995	\$ 15,966,435	111
Change in Net Position	\$ 12,291,131	\$ 14,976,019	\$ (2,684,888)	



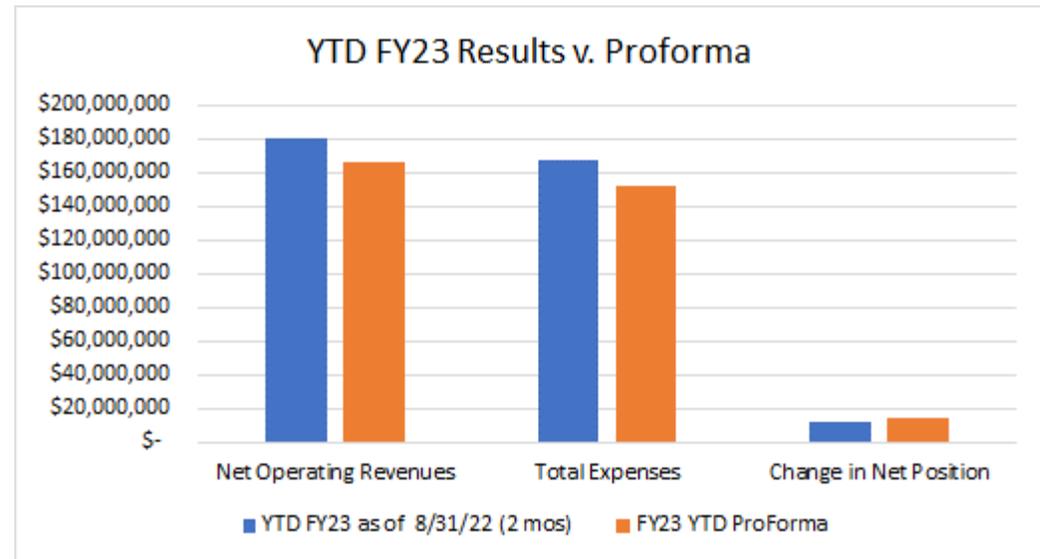
# Item 1: Treasurer's Report

## YTD FY23 Proforma v. Actual

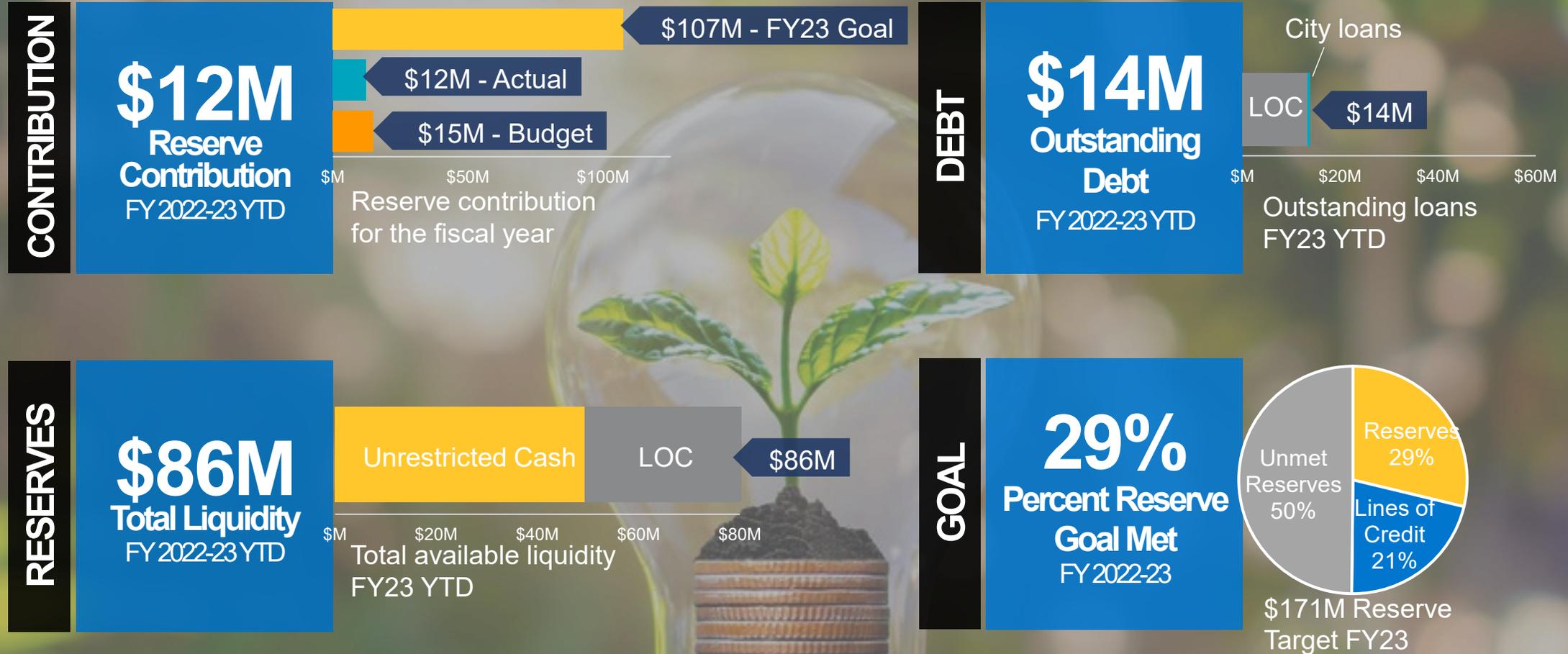
Year-to-date financial results compared to projections:

- Net operating revenues were 8.0% higher than proforma projections
- Total expenses were 10.4% over the proforma projections
- Change in net position was \$2.5M under the projected

	YTD FY23 as of 8/31/22 (2 mos)	Proforma Comparison		Proforma (%)
		FY23 YTD ProForma	ProForma Variance (\$)	
Net Operating Revenues	\$ 180,024,561	\$ 166,743,014	\$ 13,281,547	7.97%
Total Expenses	\$ 167,733,430	\$ 151,986,919	\$ 15,746,511	10.36%
Change in Net Position	\$ 12,291,131	\$ 14,756,095	\$ (2,464,964)	-16.70%



# Item 1: Treasurer's Report



# Item 1

## **Recommendation: Receive and File Treasurer's Report for Period Ending 8/31/22**

Presenter:

Dr. Eric Washington,  
Chief Financial Officer

## Item 2

# Preliminary FYE 2022 Auditor's Report Presentation by Pimenti & Brinker

**Recommendation: Receive and File Preliminary  
FYE 2022 Auditor's Report from Pimenti &  
Brinker**

Presenter:

Dr. Eric Washington,  
Chief Financial Officer



PISENTI & BRINKER LLP

Certified Public Accountants & Advisors

*San Diego Community Power  
Report to the Finance and Risk Committee  
October 20, 2022*

# Introduction

- Brett Bradford, CPA
  - Audit Partner
  - 19 years in public accounting and performing audits of government entities
  - Currently working with several CCA's throughout California
- Aliandra Schaffer
  - Senior Associate
  - 3 years in public accounting and performing audits of governments (CCA's)

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# Results of current year audit:

- The 2022 audit is near completion. We expect to report the following:
  - Unmodified opinion – Based on our audit, the financial statements are materially accurate.
  - No significant deficiencies or material weakness in internal control noted.

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# Audit of the year ended June 30, 2022

## 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
  - Considering internal controls relevant to the Financial Statements
  - Performing tests of year-end balances based on risk assessment
  - Evaluating adequacy of disclosures

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# Risk Assessment for the year ended June 30, 2022

## 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
    - Review revenue recognition through year-end and method for determining (accrued revenue)
- Cash and securities
  - Confirmations sent to financial institutions

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# Risk Assessment for the year ended June 30, 2022

## Significant areas of focus

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

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# Required Board Communications

- The significant accounting policies adopted by SDCP 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.

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# Required Board Communications (continued)

- 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.

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# Required Board Communications (continued)

- There have been no disagreements with management concerning the scope of our audit, the application of accounting principles, or the basis for management's judgments on any significant matters.
- We have not encountered any difficulties in dealing with management during the performance of our audit.

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# Questions?

Brett Bradford: 707-577-1582

Aliandra Schaffer: 707-577-1535



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# Item 2

## **Recommendation: Receive and File Preliminary FYE 2022 Auditor's Report from Piseni & Brinker**

Presenter:

Dr. Eric Washington,  
Chief Financial Officer



# Thank You

Next Regular  
Finance & Risk  
Management Committee  
Meeting  
November 3, 2022

