Audit Responsibilities and Process

• LSL has been engaged by CEA to perform a financial audit and to assist in preparing your annual audited financial statements.

• Design audit to obtain reasonable assurance on fair presentation of financial statements in accordance with Generally Accepted Accounting Principles.

• Obtain understanding of internal controls over financial reporting to determine audit procedures.
Audit Process and Report

• Fieldwork
  – Planning
  – Internal controls
  – Risk assessment
  – Account analysis
  – Substantive testing of transactions and accounts

• Annual Financial Report
  – Introductory Section
  – Financial Section

• Other Reports
  – Auditor Communication Letter
  – Report on Internal Control and Compliance
Audit Highlights

• Audit work was performed 100% remotely this year, due to COVID-19 pandemic. Special consideration was taken to address such risks associated with the remote work environment.

• Additional considerations and testing procedures were performed as this is CEA’s first audit.

• This audit work was all performed in order to render an “opinion” on the basic financial statements (i.e., the statements and footnotes).

• Introductory Section of the Annual Financial Report is unaudited and prepared for by management for purposes of additional transparency and analysis.
Audit Highlights

- Management is responsible for the form and content of the Annual Financial Report.

- LSL issued an “unmodified” opinion on the basic financial statements, which is the highest opinion that can be rendered.

- Due to this being CEA’s first annual audit, with no comparative data for the prior year being available, management opted to not present a management’s discussion and analysis or statistical section, as neither would provide any useful data. This had no impact on our audit opinion.
Other Audit Communications

- Report on Internal Control and Compliance (SAS 115 Letter)
  - Discusses deficiencies in internal control or material instances of noncompliance
  - We did not identify any deficiencies in internal control that we consider to be significant deficiencies or material weaknesses.
  - We did not identify any instances of noncompliance with laws, regulations, grant agreements, debt covenants, etc.
Other Audit Communications

• Auditor Communication Letter (SAS 114 Letter)
  – Discusses Significant Audit Findings
    • Accounting policies, use of estimates, and significant disclosures
      – Nothing of significance to report.
    • Difficulties encountered during the audit
      – None to report
    • Corrected and uncorrected misstatements
      – No material misstatements, all misstatements were corrected by management
    • Disagreements with management
      – None to report
Summary

• LSL was engaged to perform a financial audit.

• The financial audit resulted in an unmodified opinion.

• The financial audit did not disclose any material weaknesses or significant deficiencies in internal control or material noncompliance.