



PISENTI & BRINKER LLP

Certified Public Accountants & Advisors

*Clean Energy Alliance
Report to the Board of Directors
October 31, 2024*

Introduction

- Brett Bradford, CPA
 - Audit Partner
 - 21 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)



Results of current year audit:

- The audit is complete. We reported:
 - Unmodified opinion – Based on our audit, the financial statements are materially accurate.
 - A material weakness in internal controls related to the Voluntary Allocation and Market Offer (VAMO) adjustment was noted.



Audit of the year ended June 30, 2024

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



Risk Assessment for the year ended June 30, 2024

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

- Gain understanding of the entity's operating characteristics, practices, and procedures.
- Compare to our knowledge of similar entities, industry and professional guidance.
- Review procedures and controls surrounding significant transaction cycles and business processes.



Risk Assessment for the year ended June 30, 2024

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
 - Confirmations sent to financial institutions



Risk Assessment for the year ended June 30, 2024

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
- Financial Statement Note Disclosures – Complete and without bias



Required Board Communications

- There were no new material accounting policies adopted by Clean Energy Alliance throughout the period audited.
- No alternative treatments of accounting principles for material items in the financial statements have been discussed with management.



Required Board Communications (continued)

- We did not 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 (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.



Questions?

Brett Bradford: 707-577-1582



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