



CPAs AND ADVISORS



Clean Energy Alliance

Fiscal Year 2021/22 Financial Audit

Focused
on YOU



CPAs AND ADVISORS



Overview of the Audit

- LSL has been engaged by CEA to perform a *financial audit* over the financial statements.
- Conducted the week of September 26th
- Goal is to render an “opinion” on whether the amounts reported in the financial statements are reliable in all material respects.



CPAs AND ADVISORS

Overview of the Audit

- What the Audit is Not:
 - Primarily a search for fraud or misappropriation of assets.
 - Although we are required to be always be cognizant of and consider the possibility such things, they are not our primary goal. We are required to report on them if they are identified or brought to our attention during our audit.
 - An evaluation of the operational results of an organization.
 - If we believe there is significant risk that the organization will fail financially within 12 months after reporting date, we will report on it. However, making judgment calls on normal year-over-year operating results (e.g., doing better or worse) is not within the scope of a financial audit.



CPAs AND ADVISORS



Audit Report

- **Unmodified Opinion:**
 - Opinion was rendered on November 14, 2022
 - The financial statements can be relied upon and are materially correct as of June 30, 2022
- **Basis for Opinion:**
 - Generally accepted auditing standards
 - *Government Auditing Standards*



CPAs AND ADVISORS

Audit Report

- Emphasis of Matter:
 - Comparative financial statements
- Responsibilities of Management:
 - Preparation and presentation of financial statements
 - Design and implementation of internal controls
 - Consideration of going concern (will CEA be financially viable for the next 12 months?)



CPAs AND ADVISORS

Audit Report

- Responsibilities of Auditor:
 - Obtain reasonable, not absolute, assurance that the financial statements are free from material misstatement due to fraud or error
 - Exercise professional judgment and maintain professional skepticism
 - Identify risks of material misstatement and develop audit procedures to respond to the risks
 - Obtain and understanding of internal control in order to design audit procedures.
 - Evaluate appropriateness of accounting policies and estimates
 - Evaluate CEA for going concern
 - Communicate with those charged with governance



CPAs AND ADVISORS

Audit Report

Other Reporting Requirements

- Required Supplementary Information:
 - Perform limited procedures to *management's discussion and analysis* including inquiries, comparisons to basic financial statements, reviewing for consistency with prior years, and other expectations.



CPAs AND ADVISORS



Report on Internal Control and Compliance

- This report is required by *Government Auditing Standards* for the purpose of reporting significant deficiencies or material weaknesses in internal controls or material noncompliance with laws, regulations, grant agreements, bond covenants, contracts, etc.
- **No findings were reported for FY2021/22.**



CPAs AND ADVISORS



Other Required Communication

- Significant Accounting Practices
 - No changes to accounting policy
 - No significant estimates to report
- Significant or Unusual Transactions
 - None to report
- Difficulties Performing Audit, Misstatements, or Disagreements with Management
 - None to report



CPAs AND ADVISORS



Summary of Results

- Unmodified (“clean”) audit opinion was rendered.
- No significant deficiencies or material weaknesses in internal controls were identified.
- No material noncompliance with laws, regulations, grant agreements, and contracts were identified.
- No audit adjustments were required.
- No difficulties conducting audit or disagreements with management about accounting policies occurred.



CPAs AND ADVISORS

Ryan Domino, CPA, Partner

Ryan.Domino@lslcpas.com

Focused
on YOU