



Board of Directors
Cape & Vineyard Electric Cooperative, Inc.
South Yarmouth, Massachusetts

We have audited the financial statements of the Cape & Vineyard Electric Cooperative, Inc. (CVEC) as of and for the year ended June 30, 2019, and have issued our report thereon dated March 23, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by CVEC are described in Note 2 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2019.

We noted no transactions entered into by CVEC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The attached schedule summarizes all material misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated March 23, 2020.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to CVEC's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as CVEC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated March 23, 2020, communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

This communication is intended solely for the information and use of the board of directors and management of the Cape & Vineyard Electric Cooperative, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
March 23, 2020

Client: **093-00001400 - Cape & Vineyard Electric Coop**
 Engagement: **FY19 AUD - Cape & Vineyard Electric Cooperative, Inc.**
 Period Ending: **6/30/2019**
 Trial Balance: **0900 - TB**
 Workpaper: **0114.21 - Combined Journal Entries Report**
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 101				
Late Client Entry #1: To remove invoice 4350				
41200	Project Income:41200 → RE Taxes (Pass-through)		23,161.00	
41200	Project Income:41200 → RE Taxes (Pass-through)		11,132.00	
11000	Accounts Receivable			34,293.00
Total			34,293.00	34,293.00
Adjusting Journal Entries JE # 102				
Late Client Entry #2: To remove bill 80176 taxes				
20000	Accounts Payable		34,293.00	
61200	Project Expense:61200 → Real Estate Tax (Pass- through)			34,293.00
Total			34,293.00	34,293.00
Adjusting Journal Entries JE # 103				
Client Entries #3 & 4: To remove duplicate bills				
21000	Accounts Payable - Pass through		6,672.99	
41200	Project Income:41200 → RE Taxes (Pass-through)		6,672.99	
11100	Accounts Rec - Pass-through			6,672.99
61200	Project Expense:61200 → Real Estate Tax (Pass- through)			6,672.99
Total			13,345.98	13,345.98
Total Adjusting Journal Entries			81,931.98	81,931.98
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 201				
To reclass pass-through AP and AR.				
11100	Accounts Rec - Pass-through		697,156.00	
20000	Accounts Payable		790,899.00	
11000	Accounts Receivable			697,156.00
21000	Accounts Payable - Pass through			790,899.00
Total			1,488,055.00	1,488,055.00
Reclassifying Journal Entries JE # 202				
To reclass CLC Rec expenses to the correct account.				
42150	Project Income:42150 → RECs - CLC reimb CVEC		39,780.00	
43300	RECs - CLC reimb CVEC - RECs CLC reimb CVEC forFalmouth		34,290.00	
61550	Project Expense:61550 → Purchased Power Costs			74,070.00
Total			74,070.00	74,070.00
Reclassifying Journal Entries JE # 203				
To reverse client entry JE 100R				
61550	Project Expense:61550 → Purchased Power Costs		390,610.00	
41400	Project Income:41400 → Nexamp - Dartmouth 1			42,670.00
42101	Project Income:42101 → Rev Share collected for Host			70,027.00
42200	Project Income:42200 → PV Towns Revenue (PPA)			277,913.00
Total			390,610.00	390,610.00
Reclassifying Journal Entries JE # 204				
To reclass syncarpha accrual to revenue				
12500	Accrued Revenue		9,571.00	
21000	Accounts Payable - Pass through		9,571.00	
11100	Accounts Rec - Pass-through			9,571.00
21001	Other Accd Exp & AP			9,571.00
Total			19,142.00	19,142.00
Total Reclassifying Journal Entries			1,971,877.00	1,971,877.00
Total All Journal Entries			2,053,808.98	2,053,808.98