



Uncorrected misstatements

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Included below is the schedule of uncorrected misstatements that was provided to management and will be included as an attachment to the letter of representations. We have discussed the uncorrected misstatements below with management and after considering quantitative and qualitative factors, management believes (and we concur) that these amounts are immaterial. Factors considered:

- The effect on the Company's pre-tax and after-tax income, including and excluding the effect of prior-period uncorrected misstatements
- The effect on balance sheet amounts, including working capital and shareholders' equity

Although the uncorrected misstatements included below were not material to the 2015 financial statements, they could cause a future period's financial statements to be materially misstated.

Company/Description of Adjustment	Proposed correcting entry		
• QGC – Over cleared balance in overhead clearing accounts	(DR)	Prepays & Other Assets	\$380,000
	(CR)	Property & Equipment	\$150,000
	(CR)	Operating Expenses	\$230,000 ²
• QGC – Overstated AR balance at year-end due to meter read error	(DR)	Revenue	\$376,173 ²
	(CR)	Accounts Receivable	\$376,173
• QPC – Over cleared balance in overhead clearing accounts	(DR)	Prepays & Other Assets	\$240,000
	(CR)	Property & Equipment	\$100,000
	(CR)	Operating Expenses	\$140,000 ¹
• QPC – Under accrued incentive accrual (for FERC 2 form purposes only)	(DR)	Operating Expenses	\$206,000 ¹
	(CR)	Accrued Liabilities	\$206,000

1 The current year pre-tax impact of these entries to QPC in 2015 is a decrease to 2015 pre-tax income of \$66k, or <1%.

2 The current year pre-tax impact of these entries to QGC in 2015 is a decrease to 2015 pre-tax income of \$146k, or <1%.