

November 13, 2019

Administration Committee

Orange County
Sanitation District



PRESENTED BY

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Certified
Public
Accountants



Agenda

- Introductions
- Our Audit Responsibilities
- Deliverables
- Required Communications to the Administration Committee
- Questions?

Our Responsibilities



- Perform an audit of OCSD's financial statements as of and for the year ended June 30, 2019.
- The objective of an audit of financial statements is to express an opinion that the financial statements are in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP).
- The audit is performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.
- Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether OCSD's financial statements are free of material misstatement whether caused by fraud or error.

Deliverables



- Unmodified opinion on OCSD's basic financial statements included in the Comprehensive Annual Financial Report – GFOA submission
- Single Audit opinions on:
 - Internal control over financial reporting and on compliance and other matters
 - Compliance with requirements applicable to OCSD's major federal program and Uniform Guidance
- U.S. Bank debt covenant compliance opinion
- Union Bank debt covenant compliance opinion
- Southern California Edison tangible net worth calculation agreed-upon procedures report
- GANN Limit Calculation agreed-upon procedures report
- Communications to the Administration Committee including summary of audit results for OCSD

Auditor's Communication with the Administration Committee

- Auditor's responsibility under professional standards.
- Accounting practices – adoption of or changes in accounting policies, alternative treatments – GASB Statement No. 83, *Certain Asset Retirement Obligations* and GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.
- There were no auditor or management proposed adjustments or reclassifications made to the financial statements.
- There were no uncorrected misstatements related to current year.
- There were no difficulties encountered in performing our audit.
- There were no disagreements with management.
- Management representations were provided to us.
- There were no consultations with other accountants.
- There were no major issues encountered during the fiscal year that were a condition to our retention as auditors.
- There were no material weaknesses or significant deficiencies noted for FY 18/19.

Questions?



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