

Annual Comprehensive Financial Report (ACFR)

For the Year Ended June 30, 2025

Presented by
Ruth Zintzun, Finance Manager
Bryce Hockensmith, Accounting Supervisor

Administration Committee
November 12, 2025

OC SAN
ORANGE COUNTY SANITATION DISTRICT

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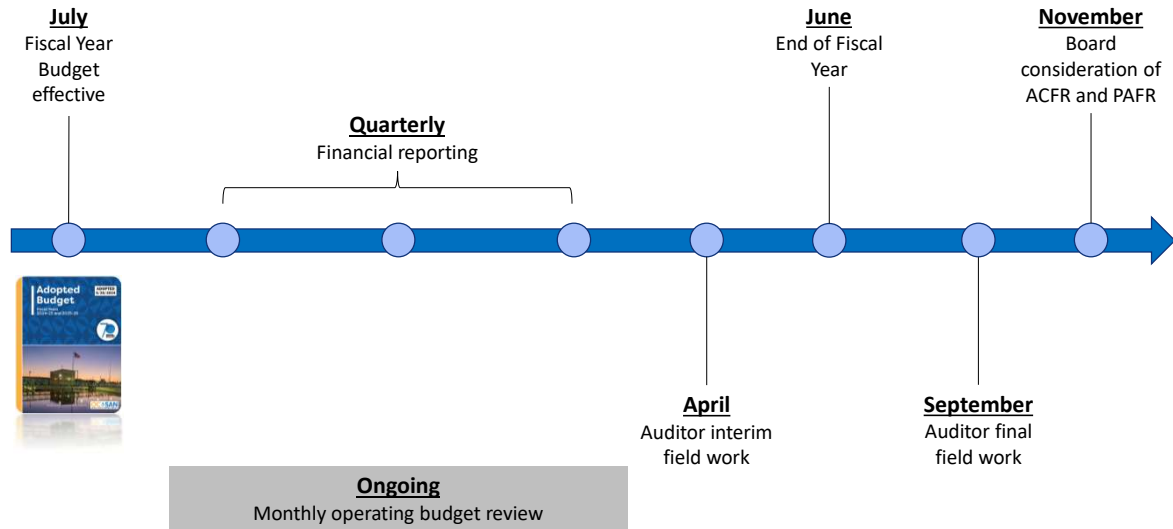
Annual Reports



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Financial Cycle

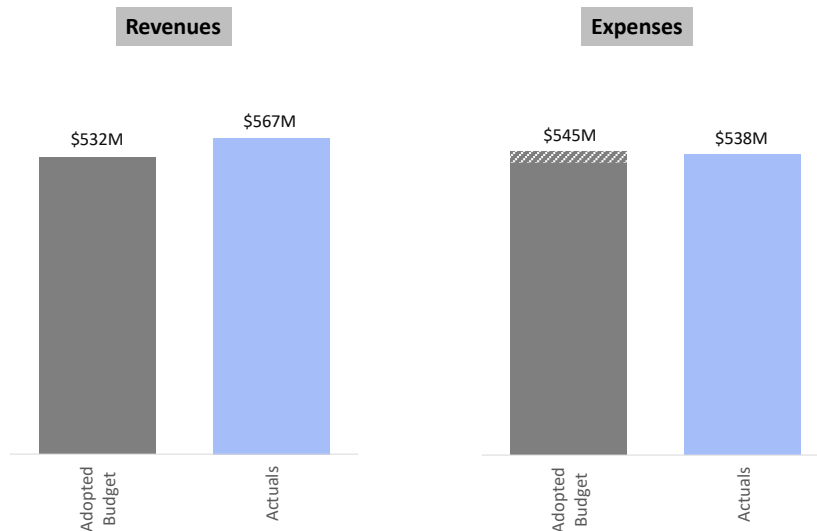


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FY 24/25 Budget vs Actuals

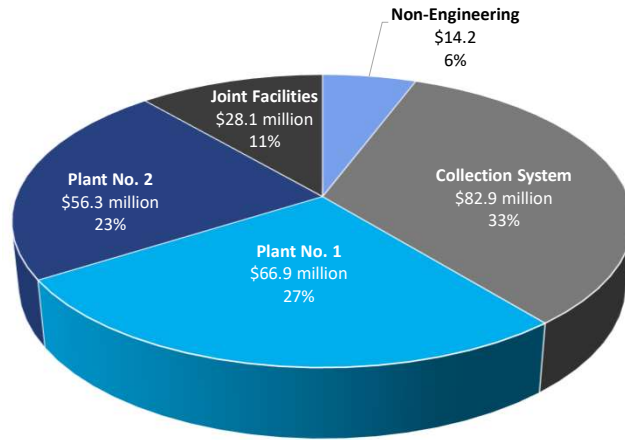


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CIP Expenditures



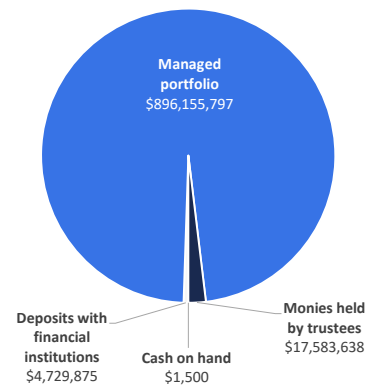
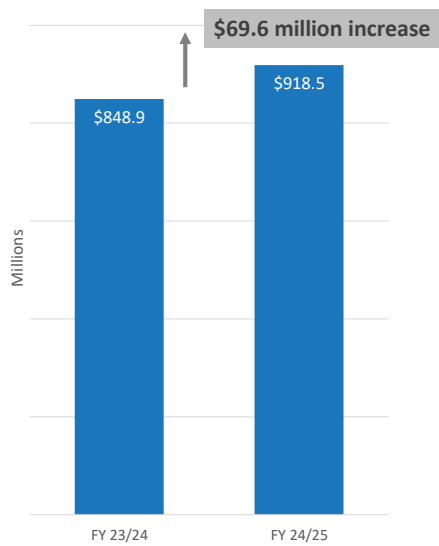
\$248.4 Million

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Available Resources

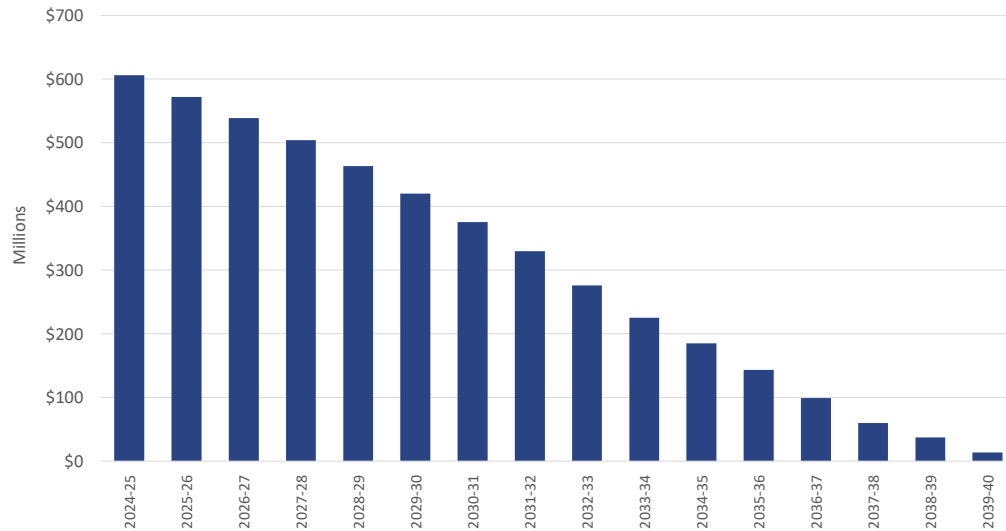


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Debt Profile



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Auditors



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Orange County Sanitation District (OC SAN)

Communication with Those Charged with Governance
November 12, 2025



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Audit Services

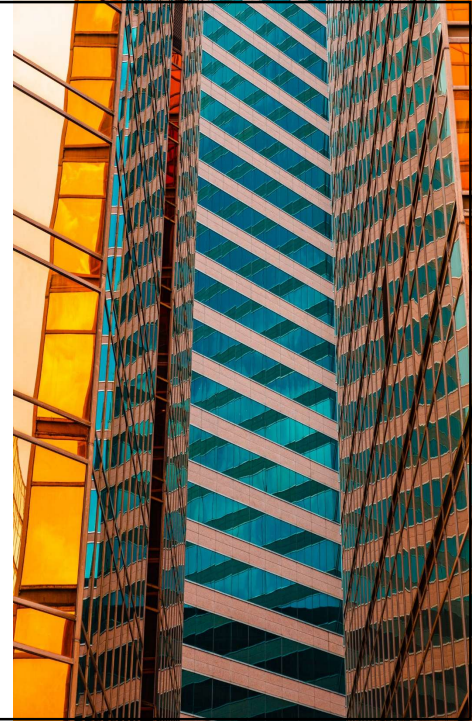
- Audit of the Annual Comprehensive Financial Report (Annual Report)
- Report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*
- Perform Agreed Upon Procedures (AUP) on the following:
 - Appropriations Limit Calculation
 - Tangible Net Worth
- Report on compliance with aspects of contractual agreements



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Our Responsibility in Accordance with Professional Standards

- Form and express an opinion about whether the financial statements which are the responsibility of management, with your oversight, are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.



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Summary of Audit Results



Financial Statements

- Unmodified opinion on OC San's Annual Report



Government Auditing Standards

- No material weaknesses or significant deficiencies were reported

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Auditor Communications

Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

Significant Accounting Policies

- Summary of significant accounting policies – Note 1
- Adopted GASB 101, *Compensated Absences*, as of July 1, 2024- Note 11

Significant Risks Identified

- Management override
- Revenue recognition
- Pension liabilities
- OPEB liability

Sensitive Estimate/Disclosure

- Pension Liabilities (Note 6)
- OPEB Liability (Note 7)

Uncorrected Misstatements/Disclosures

- Passed adjustment to reclass pension prepayment as prepaid retirement for financial statement presentation.
- Passed adjustment to record interest expense at gross rather than net of the BAB interest subsidy.
- Passed disclosure of condensed financial information for the Orange County Sanitation District Financing Corporation.

Significant Difficulties

- We encountered no significant difficulties in dealing with management.

Disagreements with Management

- No disagreements arose during the course of the audit.



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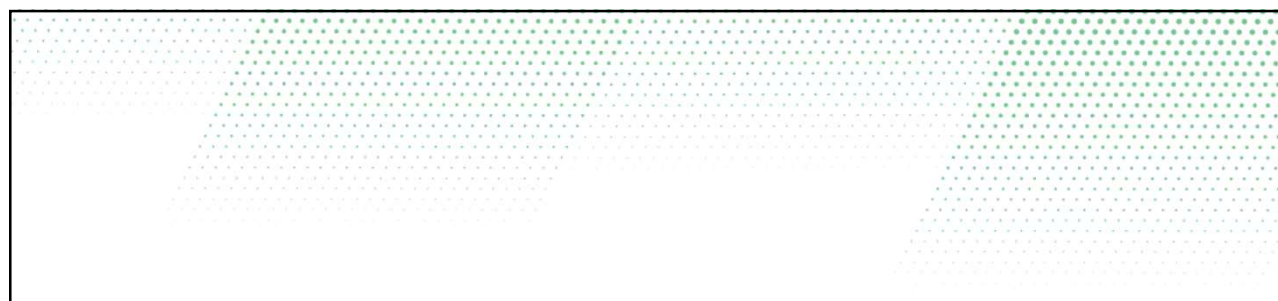


Thank you

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