



Presentation of the Annual Financial Audit for the Fiscal Year Ended June 30, 2025

March 11, 2026



Annual Financial Audit

Auditors' and Management's Responsibilities for the Audit

Management's Responsibilities

- The preparation and fair presentation of the financial statements in accordance with US GAAP
- Design and implementation of internal controls
- Evaluate if there are any conditions which indicate doubt of continued financial viability



Auditors' Responsibilities

- Conduct the audit in accordance with:
 - Generally accepted auditing standards
 - Government Auditing Standards
 - State Controller's Minimum Audit Standards for California Special Districts
- Exercise professional judgment, and professional skepticism
- Conduct a risk-based approach to the audit
- Understand the entity's internal control structure
- Evaluate significant accounting estimates for reasonableness
- Evaluate if there are any conditions which indicate doubt of continued financial viability





Annual Financial Audit

Structure of the Annual Financial Report

Introductory Section

- Provides a letter from management highlighting key financial information
- Includes an overview of the organization's mission and structure
- Summarizes major achievements and challenges during the fiscal year
- Presents a message on the financial health and outlook
- Sets context for detailed financial statements and audit results

Financial Section

- Presents detailed financial statements including balance sheet and income statement
- Includes notes explaining accounting policies and significant financial details
- Shows changes in financial position through cash flow statements
- Provides management's analysis of financial performance and condition
- Presents detailed information on required supplementary information:
 - Pension schedules
 - OPEB schedules
- Presents other supplementary information
 - Certificates of Participation schedules for revenue coverage and the reconciliation of total revenue and total expenses.



Statistical Section

- Provides additional context and historical data to help users understand the financial statements.
- Content:
 - Financial Trends: Shows how the government's financial position has changed over time.
 - Revenue Capacity: Provides information on the government's ability to generate revenue.
 - Debt Capacity: Offers insights into the government's debt levels and ability to issue additional debt.
 - Demographic and Economic Information: Includes data on the population, employment, and economic conditions.
 - Operating Information: Details on the government's operations and resources.





Annual Financial Audit

Audit Results

Audit Results

- **Unmodified** auditors' opinion
- Report on Internal Controls and Compliance
 - No material weaknesses identified
 - No significant deficiencies identified
 - No material noncompliance identified
- Change in accounting policies for GASB 101, *Compensated Absences*
 - No material impact to financial statements
- Estimates are reasonable
 - Pension and OPEB liabilities
- No difficulties encountered during the audit
- No corrected and uncorrected misstatements:
- No disagreements with management
- No fraud, waste, or abuse identified
- Prior year findings are considered resolved

Questions?

Islcpas.com

LSL 

Contact Us

Islcpas.com



www.islcpas.com



Riley.Greenlee@islcpas.com



(949) 829-8299

LSL 