



NOTICE AND CALL OF A  
SPECIAL MEETING  
OF THE AUDIT OVERSIGHT COMMITTEE  
OF ORANGE COUNTY, CALIFORNIA

March 18, 2021

A special meeting of the Audit Oversight Committee will convene at 10:00 a.m., Thursday, March 18, 2021. Pursuant to the provisions of California Governor's Executive Order N-29-20, issued on March 17, 2020, this meeting will be held via teleconference:

Zoom Meeting

Join online: <https://zoom.us/j/6093687935>

Join by Phone: 1 (669) 900-6833, Conference ID: 609 3687 935#

The business to be conducted at this meeting is:

(See attached agenda)

Opportunity will be provided for members of the public to directly address the Audit Oversight Committee on any item of business considered, whether before or during the consideration of that item, as determined by the Chairman.

A handwritten signature in black ink, appearing to read "Robert Brown", is written over a horizontal line.

Robert Brown  
Chairman, Audit Oversight Committee

# A G E N D A

## SPECIAL MEETING COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) REVIEW



**Thursday, March 18, 2021, 10:00 a.m.**

Zoom Meeting:

<https://zoom.us/j/6093687935>

Join by Phone: +1(669) 900-6833, Meeting ID: 609 3687 935#

### MEETING HELD BY TELECONFERENCE

**\*\*PURSUANT TO THE PROVISIONS OF CALIFORNIA GOVERNOR'S EXECUTIVE ORDER N-29-20, ISSUED ON MARCH 17, 2020, THIS MEETING WILL BE HELD BY TELECONFERENCE\*\***

**ROBERT BROWN (2023)**

AOC CHAIR

Private Sector Member, Fifth District

**MARK WILLE, CPA (2022)**

AOC VICE CHAIR

Private Sector Member, Third District

**SUPERVISOR ANDREW DO**

BOARD CHAIRMAN

First District

Member

**SUPERVISOR DOUG CHAFFEE**

BOARD VICE CHAIRMAN

Fourth District

Member

**FRANK KIM**

COUNTY EXECUTIVE OFFICER

Member

**DREW ATWATER (2021)**

Private Sector Member, First District

**VACANT**

Private Sector Member, Second District

**STELLA ACOSTA (2023)**

Private Sector Member, Fourth District

**Non-Voting Members**

Auditor-Controller:

Internal Audit Director:

Treasurer-Tax Collector:

Frank Davies, CPA

Aggie Alonso, CPA

Shari Freidenrich, CPA

**Staff**

Assistant Internal Audit Director:

Deputy County Counsel:

AOC Clerk:

Scott Suzuki, CPA

Ronnie Magsaysay

Mari Elias

*All supporting documentation is available for public review 72 hours before the meeting. Documents are available online at <https://ia.ocgov.com/audit-oversight-committee/agendas-and-minutes>.*

This agenda contains a general description of each item to be considered. If you would like to speak on a matter that does not appear on the agenda, you may do so during the Public Comments period at the end of the meeting. When addressing the AOC, please state your name for the record. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda.

In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Internal Audit Department 72 hours prior to the meeting at (714) 834-5475.

# A G E N D A

## COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) REVIEW

**10:00 A.M.**

Speaker

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1. Roll call

*Robert Brown  
AOC Chair*

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2. Discuss the Comprehensive Annual Financial Report (CAFR)

*Frank Davies, CPA  
Auditor-Controller*

*Roger Alfaro, CPA  
Partner, Eide Bailly LLP*

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**PUBLIC COMMENTS:** At this time, members of the public may address the AOC on any matter not on the agenda but within the jurisdiction of the AOC. The AOC may limit the length of time each individual may have to address the Committee.

*Robert Brown  
AOC Chair*

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**AOC COMMENTS:** At this time, members of the AOC may comment on agenda or non-agenda matters and ask questions of, or give directions to staff, provided that no action may be taken on off-agenda items unless authorized by law.

*Robert Brown  
AOC Chair*

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**ADJOURNMENT:**

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**NEXT MEETING:**

Regular Meeting, May 13, 2021, 10:00 a.m.

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# Memorandum

March 18, 2021

## **AOC Special Meeting Agenda Item No. 2**

TO: Audit Oversight Committee Members

Recommended Action:

Discuss the Comprehensive Annual Financial Report (CAFR)

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Discuss the Comprehensive Annual Financial Report (CAFR), as stated in the recommended action.

**ATTACHMENTS:**

Attachment A – Audit Oversight Committee Special Meeting Agenda

Attachment B – Auditor-Controller CAFR Overview Presentation



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

**MEMORANDUM**

FRANK DAVIES, CPA  
AUDITOR-CONTROLLER

## **Audit Oversight Committee Special Meeting Agenda**

Date: March 18, 2021

Re: Comprehensive Annual Financial Report (CAFR) Overview

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1. Introduction (Auditor-Controller)
  2. CAFR Timeline (Auditor-Controller)
  3. Overview of the CAFR (Eide Bailly)
  4. OC Citizen's Report (Auditor-Controller)
  5. Questions

# Auditor-Controller

## Comprehensive Annual Financial Report Overview

County of Orange



## Agenda

- **Introduction (Auditor-Controller)**
- **CAFR Timeline (Auditor-Controller)**
- **Overview of the CAFR (Eide Bailly)**
- **OC Citizen's Report (Auditor-Controller)**
- **Questions**



## Introduction

- The Comprehensive Annual Financial Report (CAFR) is a presentation of the County's financial information and must be audited by an independent certified public accounting firm to provide reasonable assurance about whether the County's financial statements are free of material misstatement.
- The CAFR is prepared by the Auditor-Controller Financial Reporting & Mandated Costs Unit (FRMC), with a staff of 8. Process starts as early as April and ends by the end of December.
- Information is provided by different departments within the County.





## CAFR Timeline

How is the CAFR prepared?

- ➔ FRMC analyzes county-wide financial data, records financial corrections and reclassifications, and prepares CAFR in conformity with United States generally accepted accounting principles (GAAP) prescribed for governmental entities.
- ➔ There are three “Close” processes to prepare the CAFR.
  - ▶ **First Close:** Period between July 1, 20XX and July 31, 20XX of each fiscal year during which year-end books are “closed”. First Close reports serve as the starting point for FRMC to prepare 2nd Close entries.
  - ▶ **Second Close:** The time period after First Close is completed in which the fund financial statements are prepared. Starts in early August and Ends in October.
  - ▶ **Third Close:** The time period after Second Close is completed in which the government-wide financial statements and note disclosures are prepared. Starts in mid October and ends in December.

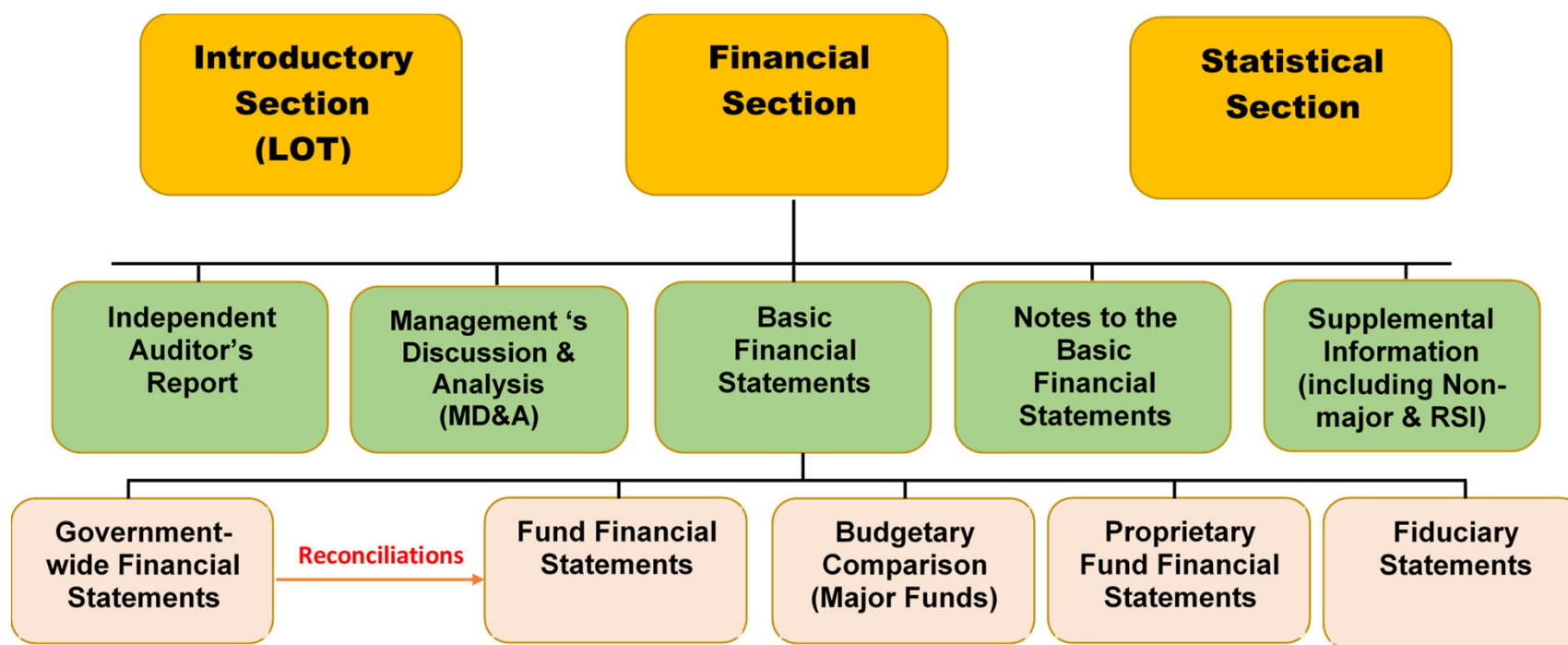


## CAFR Timeline (Continued)

- 1<sup>st</sup> Close Instructions are sent out to departments by the A-C General Accounting Unit to provide year-end deadlines.
- 2<sup>nd</sup> & 3<sup>rd</sup> Close Instructions are sent out to departments to provide deadlines.
- Requests for CAFR Information are sent to departments.



## CAFR Structure



## Key Areas

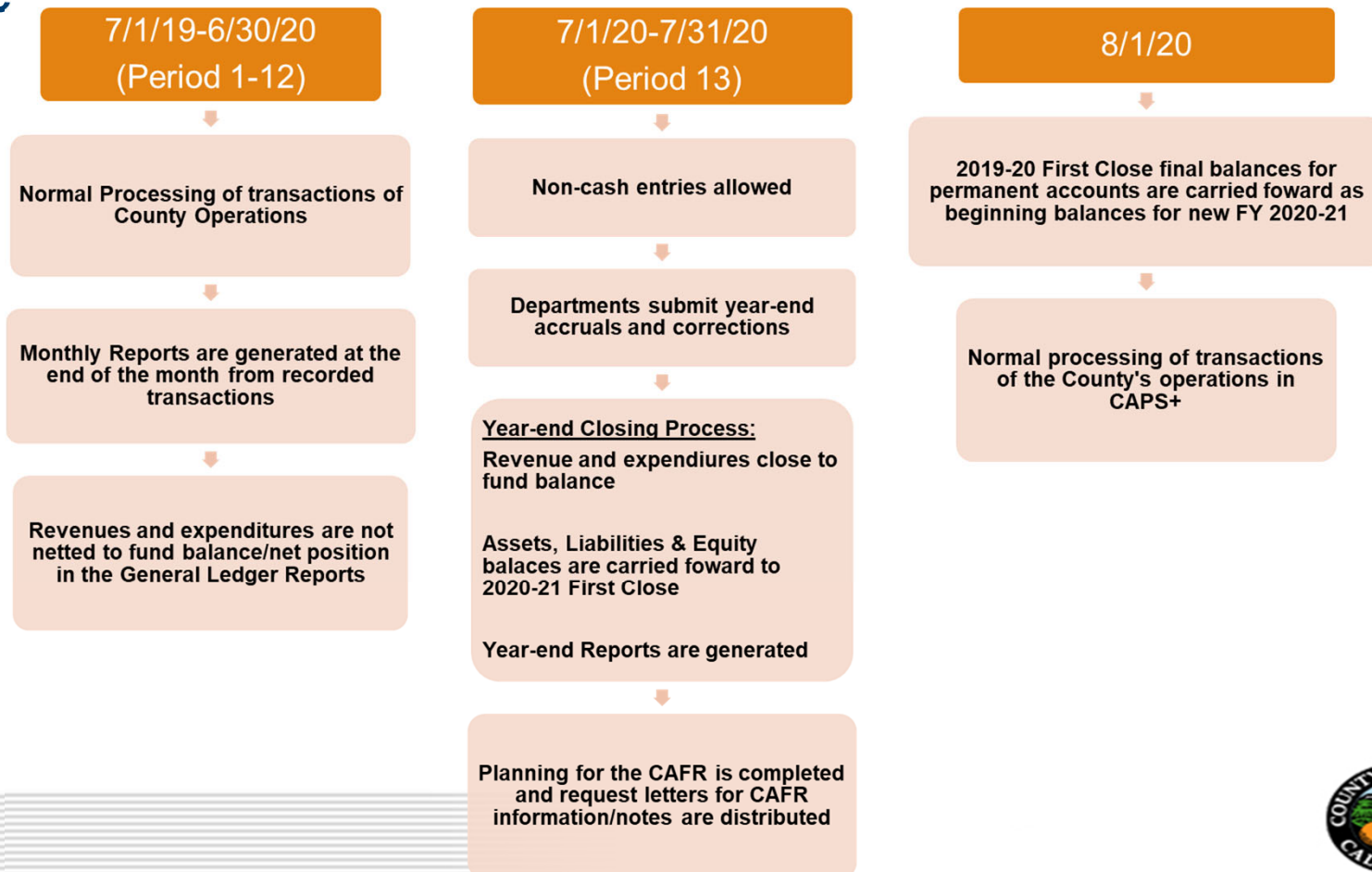
- MD&A pgs. 20-39
- Financial Statements pgs. 40-60
- Note 1 Summary of Significant Accounting Policies pgs. 63-85
- Statistical Section pgs. 198-209

Pages listed above refer to the FY 2019-20 CAFR



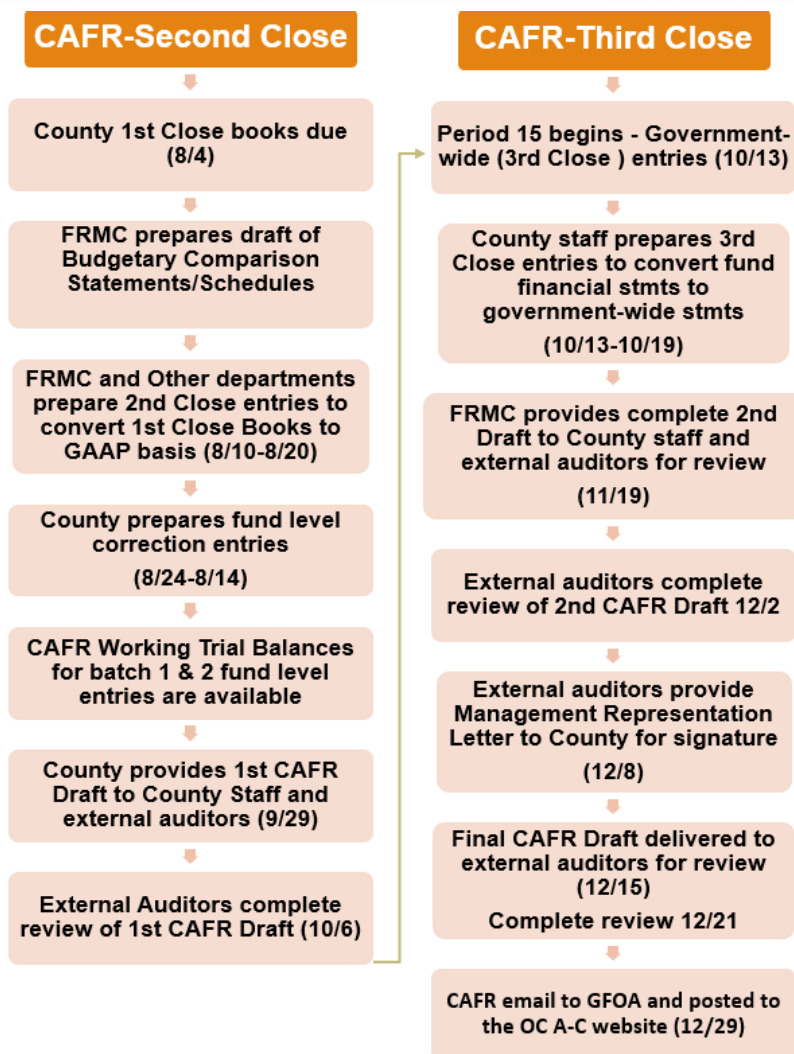
# CAFR Timeline

## 1<sup>st</sup> Close



# CAFR

## Timeline 2<sup>nd</sup> & 3<sup>rd</sup> Close



# Overview of the CAFR by Eide Bailly



## OC Citizens' Report

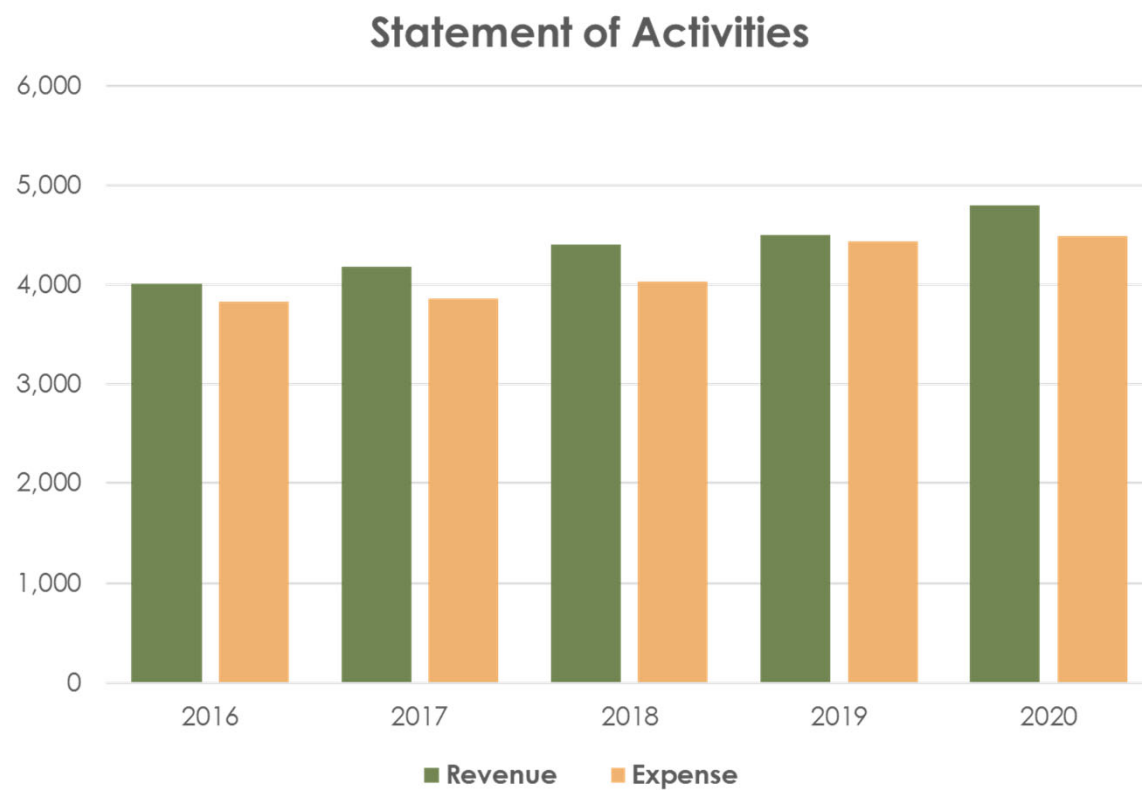
- The Citizens' Report gives an overview of County's key financial information, capital assets, property taxes, and pension and retiree medical plans.
- It also provides summaries of how the County's monies were received and spent and includes significant statistical and demographic data.
- The following are some of the County's FY 2019-20 financial highlights:

➤ County's Total Revenues	\$4.8 billion
➤ County's Total Expenses	\$4.5 billion
➤ Increase in Net Position	\$317 million



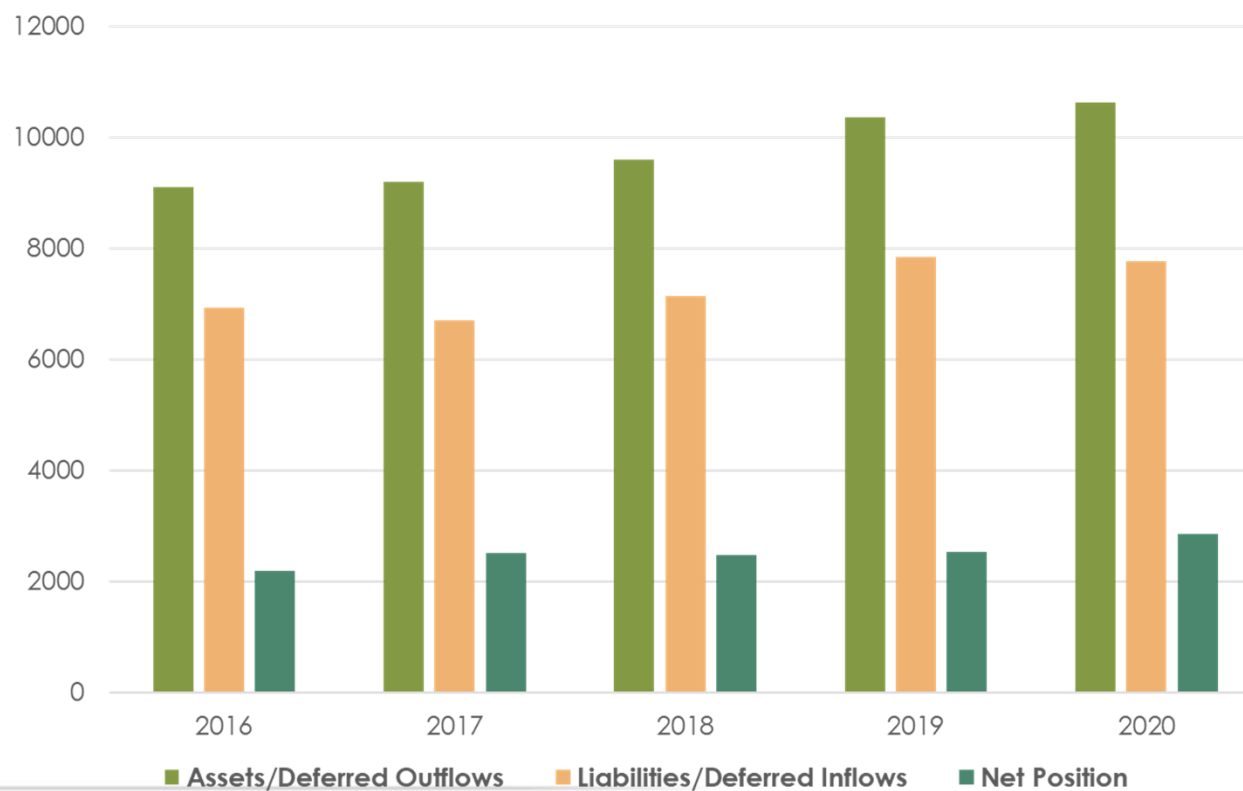


## OC Citizens' Report (Continued)



## OC Citizens' Report (Continued)

### Statement of Net Position



Any Questions?

County of Orange

