



# 2023 Financial Audit

Presented by:  
Christian Townes, CPA, Senior Manager

December 11, 2023

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# Your LSL Team



**Brandon Young, CPA**  
Partner



**Christian Townes, CPA**  
Senior Manager



**Jayme Lambert, CPA**  
Manager





# Scope of Engagement

- LSL has been engaged by Santa Clarita Valley Water Agency (SCVWA) to perform the following procedures:
  - Financial statement audit for the fiscal year ended June 30, 2023, in accordance with generally accepted auditing standards and Government Auditing Standards
    - Including the Upper Santa Clara Valley; Devil's Den Water District and Groundwater Sustainability Agency
  - Evaluation of the Appropriations Limit Worksheets (GANN Limit) for the fiscal year ended June 30, 2023, as an Agreed-Upon Procedure.
    - No exceptions were noted as a result of our procedures.



# Scope of Engagement

- Interim Fieldwork
  - May 1 – May 5, 2023
  - Examined internal controls
  - Provided feedback to management
  - Performed our audit risk assessment
  - Planned year-end audit procedures to respond to risk
- Year-End Fieldwork
  - October 2 – October 6, 2023
  - Detailed testing of account balances and transactions
  - Compliance testing with laws, regulations, grant agreements, contracts
  - Other procedures necessary to obtain sufficient, appropriate audit evidence



# Results of Audit

- We issued an unmodified auditor's opinion on the financial statements.
  - Financial statements are accurate and reliable as of June 30, 2023.
- We issued the Report on Internal Control and Compliance
  - No significant deficiencies in internal control noted.
  - No material weaknesses in internal control noted.
  - No material noncompliance with laws, regulations, grants, etc. noted.



# Results of Audit

- We identified no going concern doubts as of June 30, 2023.
- We identified no fraud, waste, or abuse during the fiscal year ended June 30, 2023.
- We had no disagreements with management about application of accounting principles.
- We had no difficulties conducting our audits.
- We determined that all estimates used by management in preparing the financial statements were reasonable.



# Changes from Prior Year

- During the fiscal year ended June 30, 2023, SCVWA changed accounting principles related to the accounting for subscription-based information technology arrangements (GASB 96).
- GASB 96 requires that a subscription asset and subscription liability be recognized. This resulted in:
  - A subscription asset in the amount of \$1,103,030, at June 30, 2023.
  - A subscription liability in the amount of \$613,137, at June 30, 2023.



# Financial Highlights

- Net position increased \$20.9 million during the year to \$735.6 million.
- Unrestricted net position represented 119% of operating expenses and 19.9% of total net position.
- Capital assets increased \$17.9 million or 2.3% from the prior year.
- Long-term debts decreased \$6.4 million or 1.9% from the prior year.
- Net pension liability increased \$13.7 million from the prior year and is 78.5% funded.
- OPEB liability decreased \$2.8 million from the prior year and is 90.2% funded.





# Questions



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CALIFORNIA: Brea | Santa Ana | Laguna Hills | Sacramento

TEXAS: The Woodlands

