

COUNTY OF MARIN
FINANCIAL AUDIT ADVISORY COMMITTEE
Annual Public Meeting
3501 Civic Center Dr., Room 324-A, San Rafael, CA
April 14, 2023

MINUTES

1) Call to Order

The meeting was called to order at 3:06 p.m.

2) New Committee Member Appointment

- Eric Lucan (Supervisor Committee Seat) was sworn in.
- Josh Swedberg (Staff Committee Seat) was previously sworn in by the Board of Supervisors.
- John Carroll (Schools Committee Seat) was sworn in.

3) Roll Call

Present: John Carroll, Superintendent of Schools & Chair; Supervisor Eric Lucan; Scott McKown, Member At-Large; Dan Schwarz, City-Town Member, Josh Swedberg, County Staff

Others in Attendance: Mina Martinovich, Director of Finance, Department of Finance; Sandra Kacharos, Assistant Director of Finance, Department of Finance; Anu Bagchi, Division Chief, Department of Finance, Wendy Sorensen, Administrative Assistant III, Department of Finance; Imani Jones, Office Assistant III, Department of Finance

4) Open Time For Public Expression

No Public Comment

5) Approve March 14, 2022 FAAC Meeting Minutes (Action Item)

Approve May 11, 2022 FAAC Special Meeting Minutes (Action Item)

Approve March 15, 2023 FAAC Meeting Minutes (Action Item)

MOTION by Lucan to approve the minutes of the Committee meetings dated March 14, 2022, May 11, 2022, and March 15, 2023.

SECOND by Schwarz

AYES: Carroll, Lucan, McKown, Schwarz, Swedberg

NOES: None

Motion Passes

6) Other Committee Business (Information Item)

1. Appoint Committee Chair and Vice-Chair

MOTION by Lucan to appoint Scott McKown as Committee Chair.

SECOND by Swedberg

AYES: Carroll, Lucan, McKown, Schwarz, Swedberg

NOES: None

Motion Passes

MOTION by McKown to appoint Lucan as Committee Vice-Chair.

SECOND by Swedberg

AYES: Carroll, Lucan, McKown, Schwarz, Swedberg

NOES: None

Motion Passes

2. Review Committee Bylaws that govern the purpose and function of the Committee.
Mina Martinovich distributed Committee Bylaws to the Committee, reminding Committee members that the FAAC serves as an advisory commission to the Board of Supervisors and its purpose is to review the annual independent audits of the County's financial records and ensure that best practices and generally accepted accounting principles are followed.
3. Review Resolution No. 2013-19: Review County Conflict of Interest Code
Mina Martinovich directed the Committee's attention to the County's Conflict of Interest Code, as amended by Resolution 2013-19. Committee members are required to file Form 700 (Schedule E) to ensure compliance with the code.
4. Other matters
None.

7) New Business: (Information Item)

1. Presentation by the Department of Finance to review the following independent audit materials for the County of Marin
 - a) Review the FY 2021-22 Annual Comprehensive Financial Report (ACFR)
Mina Martinovich presented the FY 2021-22 Annual Comprehensive Financial Report (ACFR), noting that the County received a "clean" unmodified audit opinion. Ms. Martinovich also provided the Committee insight on the ACFR's preparation and compilation requirements, including the cyclical nature of reviewing new standards and reporting requirements as promulgated by the Governmental Accounting Standards Board (GASB). Ms. Martinovich walked the Committee through the General Fund fund statements, noting that for FY 2021-22, there was an increase in general fund fund balance, primarily attributable to significant one-time funding for COVID-19 relief, as well as increased assessed value which resulted in increased property tax revenue, and Countywide salary savings due to position vacancies. The Committee also discussed the Retiree Liabilities, namely Net Pension Liability and Net OPEB Liability (Retiree Health), their funded status and relevant ACFR footnotes and disclosures.
 - b) Review the FY 2021-22 Single Audit Report
Ms. Martinovich presented the FY 2021-22 Single Audit Report, which is required for entities receiving or spending over \$750,000 in federal funds. Ms. Martinovich noted that the County had \$150 million in total federal expenditures for the fiscal year, as presented in the Schedule of Expenditures for Federal Awards (SEFA). No material weaknesses, significant deficiencies, instances of non-compliance, or questioned costs were noted for this year's Single Audit, which was a significant accomplishment compared to the previous fiscal year findings. Ms. Martinovich also highlighted to the Committee federal expenditures by COVID-19 relief programs.
 - c) Review the FY 2021-22 Governance Communication Letter
Ms. Martinovich presented to the Committee the FY 2021-22 Governance Communication Letter that accompanies both the ACFR and Single Audit Reports. The Letter noted the County's implementation of GASB Statement No. 87 (Leases) and significant accounting estimates surrounding the valuations of pension liability, postemployment benefit liability, and self-insurance liability, which were actuarially determined. The Letter further noted that there were no significant unusual transactions, nor difficulties encountered in performing the audit.

2. Select Sub-Committee to draft Financial Audit Advisory Committee Report to Board of Supervisors
It was decided that a draft of the communication letter would be prepared and circulated by the Department of Finance to the committee members for review and input.

8) Schedule FY 2022-23 Meeting for 2024 (Action Item)

The next meeting was scheduled for March 7, 2024 @ 10:30 a.m.

9) Adjournment

The meeting was adjourned at 4:01 p.m.