

FINANCE COMMITTEE MEETING
APPROVED MINUTES

March 9, 2012

DIRECTORS PRESENT: Lou Reinkens and Judy Friedman

COMMITTEE/STAFF PRESENT: Cindy Gustafson, General Manager (via conference call)
Ramona Cruz, Treasurer/Director of Accounting & Employee Services
Terri Viehmann, District Clerk

OTHERS PRESENT: Priscilia Octarina, Caporicci & Larson
Bob McClintock, McClintock Accountancy (via conference call)

The meeting was called to order at 8:34 a.m.

1. Department Activity Report

Accounting staff will be meeting with NTPUD staff to prepare for the Springbrook V7 upgrade. Staff met regarding custom code and variance reports this week.

The email migration will be completed in March.

Ms. Cruz has met with Plumas Bank to set up a line of credit for the District. This will be brought back to the committee at the April meeting.

2. Audit Progress

Ms. Octarina provided an update on the status of the audit. The draft audit is scheduled to be completed by April 1st and the final report is scheduled for April 15th. The audit has been going very well. All interviews for the internal control risk assessment have been completed. The single audit process begins next week as well as the 'agreed upon procedures' and Gann limit.

The District requests that the auditors conduct an internal control risk assessment each year. Ms. Octarina commented that this is an excellent practice. She noted that an area of risk is the unlocked server room and the sprinklers located in that same room. They and staff have recommended tightening the grant receivable process by improving the reported and billing procedures. Staff created a directory to mirror the auditor's secure managed file transfer site (MFT). This allowed for a centralized and efficient process to move information to the auditor's secure MFT site.

3. Draft Unaudited Financial Statement

This is a snapshot of the District financials when the books were closed in preparation of the audit. The numbers will be adjusted upon conclusion of the audit. The reserve numbers will adjust once money is designated for the upcoming land purchase.

4. Investment Schedule

Ms. Cruz noted that the District moved \$1 million from LAIF to the Placer County Investment Pool as requested by the committee at the last meeting.

5. 2012 Cash Flow Projection

Ms. Cruz highlighted the reimbursements coming back in from Park Dedication Fees. There is now a provision for Lake Forest Water Distribution System.

6. Utility Revenue Report

This will be provided quarterly to both the Sewer and Water Committee and Finance Committee. Ms. Cruz noted that water consumption is down creating a \$17,000 revenue variance. Sewer revenue is up \$7,300. All rates increase April 1st.

7. Actuarial Valuation of Other Post-Employee Benefits as of 7/1/2011

This item was discussed with Item #8.

8. CalPERS Pension Earning

Ms. Cruz highlighted the CalPERS pension earnings rate is down. At this time the District is 25% funded on our unfunded liability. Ms. Cruz is closely following the analysis provided by CalPERS.

9. Bills Paid and Payable Approval

There were no questions.

10. General Manager Expense Report Approval

There were no questions.

11. Property Tax Reserve

This item has been postponed until the audit is concluded.

12. Long Term Capital Reserve

This item has been postponed until the audit is concluded.

13. Public Forum

There was no public input.

14. Meeting Review and Staff Direction

Auditors will present an update at the April or May Finance Committee.

15. Adjournment

The meeting was adjourned at 9:20 a.m.

Prepared by Terri Viehmann

Terri Viehmann, District Clerk