



Finance Advisory Committee Meeting

February 01, 2021 at 5:30

TO PARTICIPATE: On your computer
via Microphone or type your public comment into the
Q & A Tab.

On your phone
call (929) 205-6099 or (301) 715-8592
Meeting ID: 843-0045-3957 and
Press *9 to raise your hand via phone.

Please note if you are on your computer but do not have a microphone, you will have to call in to speak, or write your public comment in the Q&A Tab.

Agenda Item 2:

Presentation Brown Act Training



Agenda Item 3:

Approve FAC Meeting
Minutes of
January 4, 2021



Agenda Item 4:

Review of Board Item 2020-2021 Mid-Year Budget Adjustments



Agenda Item 4 - Mid-Year Budget Review

Fund 100 – Administration

Major Adjustment Requests: Increase in Salary/Wages; Payroll Taxes & Benefits; decrease in Services & Supplies

Impact to Budget: Budget neutral



Agenda Item 4 - Mid-Year Budget Review

Fund 100 Budget Category	2020-2021 Budget	2020-2021 Mid- Year Budget	Increase/ (Decrease)
Revenue	\$664,968.42	\$664,968.42	\$0.00
Expenditures			
Personnel	\$347,432.35	\$350,689.57	\$3,257.22
Services & Supplies	\$317,536.07	\$314,278.85	-\$3,257.22
TOTAL Expenditures	\$664,968.42	\$664,968.42	\$0.00
TOTAL Revenue	\$664,968.42	\$664,968.42	\$0.00



Agenda Item 4 - Mid-Year Budget Review

Fund 200 – Bayridge Estates

Major Adjustment Requests: There are no budget adjustment requests for this fund.

Impact to Budget: No impacts



Agenda Item 4 - Mid-Year Budget Review

Fund 200 Budget Category	2020-2021 Budget	2020-2021 Mid- Year Budget	Increase/ (Decrease)
Revenue	\$25,471.00	\$25,471.00	\$0.00
Expenditures			
Services & Supplies	\$6,974.16	\$6,974.16	\$0.00
Capital Outlay	\$0.00	\$0.00	\$0.00
Debt Service	\$10,000.00	\$10,000.00	\$0.00
Transfers	\$3,189.35	\$3,189.35	\$0.00
TOTAL Expenditures	\$20,163.51	\$20,163.51	\$0.00
TOTAL Revenue	\$25,471.00	\$25,471.00	\$0.00
Net Revenue/Expenses		\$5,307.49	



Agenda Item 4 - Mid-Year Budget Review

Fund 301 – Fire

Major Adjustment Requests: There are minor line item adjustments which result in no net increase in the budget.

Impact to Budget: Minor increase in Personnel costs to account for new hire medical exams and corresponding decrease in Services & Supplies to balance the budget.



Agenda Item 4 - Mid-Year Budget Review

Fund 301	2020-2021	2020-2021 Mid-	Increase/
Budget Category	Budget	Year Budget	(Decrease)
Revenue	\$3,125,817.05	\$3,125,817.05	\$0.00
Expenditures			
Total Personnel	\$266,317.00	\$267,317.00	\$1,000.00
Services & Supplies	\$2,576,351.97	\$2,575,351.97	-\$1,000.00
Capital Outlay	\$805,609.00	\$805,609.00	\$0.00
Reserves	\$192,549.24	\$192,549.24	\$0.00
Transfers	\$66,496.84	\$66,496.84	\$0.00
Total Expenditure	\$3,907,324.05	\$3,907,324.05	\$0.00
Total Revenue	\$3,125,817.05	\$3,125,817.05	\$0.00
Net Revenue/Expenses		-\$781,507.00	



Agenda Item 4 - Mid-Year Budget Review

Fund 301 Reserves

Reserve	Amount
Replacement Reserve- vehicles, etc.	\$1,099,225,.02
Contingency Reserve	\$209,926.27
Capital Outlay Reserve	\$540,562.42
Public Facilities Fees	\$40,562.42
Fire Mitigation Fund	\$135,448.89
TOTAL	\$1,935,496.60



Agenda Item 4 - Mid-Year Budget Review

Fund 400 – Vista de Oro

Major Adjustment Requests: There are no budget adjustment requests for this fund.

Impact to Budget: No impacts.



Agenda Item 4 - Mid-Year Budget Review

Fund 400 Budget Category	2020-2021 Budget	2020-2021 Mid- Year	Increase/ (Decrease)
Revenue	\$15,768.00	\$15,768.00	\$0.00
Expenditures			
Services & Supplies	\$2,960.00	\$2,960.00	\$0.00
Debt Service	\$6,711.49	\$6,711.49	\$0.00
Transfers	\$3,324.84	\$3,324.84	\$0.00
TOTAL Expenditures	\$12,996.33	\$12,996.33	\$0.00
TOTAL Revenue	\$15,768.00	\$15,768.00	\$0.00
Net Revenue/Expenses	\$2,771.67	\$2,771.67	



Agenda Item 4 - Mid-Year Budget Review

Fund 500 – Water

Major Adjustment Requests: Minor decreases in Personnel costs and Capital Outlay expenditures of \$10,721.65 and \$2,267.60 respectively; a net increase in costs for Services and Supplies of \$3,070.00.

Impact to Budget: The overall result of the budget adjustments is a \$9,998.85 decrease in the Fund 500 budget.



Agenda Item 4 - Mid-Year Budget Review

Fund 500 Budget Category	2020-2021 Budget	2020-2021 Budget Mid Year	Increase/ (Decrease)
Revenue	\$2,906,251.30	\$2,906,251.30	\$0.00
Expenditures			
Total Personnel	\$773,902.78	\$763,181.13	-\$10,721.65
Services & Supplies	\$684,240.90	\$687,310.90	\$3,070.00
Capital Outlay	\$1,304,032.98	\$1,301,762.28	-\$2,270.70
Debt Service	\$275,633.00	\$275,556.50	-\$76.50
Reserves	\$57,000.00	\$57,000.00	\$0.00
Transfers	\$568,548.00	\$568,548.00	\$0.00
TOTAL Expenditures	\$3,663,357.66	\$3,653,358.81	-\$9,998.85
TOTAL Revenue	\$2,906,251.30	\$2,906,251.30	\$0.00
Net Revenue/Expenses		-\$747,107.51	



Agenda Item 4 - Mid-Year Budget Review

Mid-Year FY 20/21 Capital Improvement Projects Update				
Budget Code	FY 19-20 Project	Budget Estimate	Revised	Comments
500/9006	Program "C" Well	\$126,976.33	\$126,976.33	no change
500/9006	8th Street Yard Building	\$200,000.00	\$263,178.09	Added permitting cost/fire sprinklers
500/9006	SCADA	\$300,000.00	\$130,000.00	Scaled back until next FY
500/9006	South Bay Well Transmission Main Project	\$480,000.00	\$497,051.50	Budget increase for enviro monitoring
500/9006	8th Street Well Construction	\$315,824.00	\$64,200.00	Assumes \$250K grant funding
		Sub-total	\$1,081,405.92	
	FY 20/21 Projects		Revised	
500/9006	10th Street Tank Exterior Coating	\$50,000.00	\$50,000.00	Completed
500/9006	10th Street Well Rehab and Liner Project	\$65,000.00	\$65,147.59	Completed/Project Change
500/9059	Replacement Utility Truck Unit B	\$50,000.00	\$42,187.68	Completed
500/9059	Replacement Vacuum Trailer	\$50,000.00	\$63,021.20	Completed/Board Approved Increase
		Sub-total	\$220,356.47	
		TOTALS	\$1,301,762.39	



Agenda Item 4 - Mid-Year Budget Review

Fund 500 Reserves

Reserve	Amount
Water Quality Trust	\$91,517.27
Replacement Reserve- vehicles, etc.	\$144,644.25
Contingency Reserve	\$528,183.00
Capital Outlay Reserve	\$1,999,562.85
Water Rate Stabilization Reserve	\$158,456.00
Basin Management Reserve	\$50,031.00
Water Conservation Reserve	\$59,288.00
TOTAL	\$3,031,682.37



Agenda Item 4 - Mid-Year Budget Review

Fund 600 – Wastewater

Major Adjustment Requests: There are no budget adjustment requests for this fund.

Impact to Budget: No budget impacts



Agenda Item 4 - Mid-Year Budget Review

Fund 600	2020-2021	2020-2021 Mid	Increase/
Budget Category	Budget	Year	(Decrease)
Revenue	\$21,382.35	\$21,382.35	\$0.00
Expenditures			
Services & Supplies	\$18,193.00	\$18,193.00	\$0.00
Debt Service	\$0.00	\$0.00	\$0.00
Transfers	\$3,189.35	\$3,189.35	\$0.00
TOTAL Expenditures	\$21,382.35	\$21,382.35	\$0.00
TOTAL Revenue	\$21,382.35	\$21,382.35	\$0.00
Net Revenue/Expenses		\$0.00	



Agenda Item 4 - Mid-Year Budget Review

Fund 800 – Drainage

Major Adjustment Requests: Minor decreases to Personnel and Services and Supplies categories and a decrease in the Capital Outlay Reserve expenses of \$57,000 to reflect the revised strategy for implementing the SCADA project.

Impact to Budget: A decrease in Personnel expenditures of \$7,000, a decrease in expenditures for Services and Supplies of \$1,289.28 and a decrease in the Capital Outlay budget of \$57,000 from \$100,000 to \$43,000.



Agenda Item 4 - Mid-Year Budget Review

Fund 800	2020-2021	2020-2021	Increase/
Budget Category	Budget	Mid-Year	(Decrease)
Revenue	\$126,738.00	\$126,738.00	\$0.00
Expenditures			
Total Personnel	\$16,200.00	\$9,200.00	-\$7,000.00
Services & Supplies	\$27,541.24	\$26,251.96	-\$1,289.28
Capital Outlay	\$100,000.00	\$43,000.00	-\$57,000.00
Reserves	\$0.00	\$0.00	\$0.00
Transfers	\$13,299.37	\$13,299.37	\$0.00
TOTAL Expenditures	\$157,040.61	\$91,751.33	-\$65,289.28
TOTAL Revenue	\$126,738.00	\$126,738.00	\$0.00
Net Revenue/Expenses	-\$30,302.61	\$34,986.67	



Agenda Item 4 - Mid-Year Budget Review

Fund 800 Reserves

Reserve	Amount
Contingency Reserve	\$32,238.22
Capital Outlay Reserve	\$202,296.60
TOTAL	\$234,534.82



Agenda Item 4 - Mid-Year Budget Review

Fund 900 – Parks & Recreation

Major Adjustment Requests: Addition of a Capital Outlay line item code (9006) to account for a Board approved capital project, decrease in Services & Supplies budget.

Impact to Budget: The proposed budget for the Fund 900 Capital Outlay budget is \$60,000 and a recommended decrease in the Services & Supplies (Consulting and Professional Service/Legal Services) budget by \$8,000. The net result is an increase of \$51,994.00 to the Fund 900 budget.



Agenda Item 4 - Mid-Year Budget Review

Fund 900 Budget Category	2020-2021 Budget	2020-2021 Mid- Year	Increase/ (Decrease)
Revenue	\$52,375.65	\$52,375.65	\$0.00
Expenditures			
Services & Supplies	\$11,200.00	\$3,200.00	-\$8,000.00
Capital Outlay	\$0.00	\$60,000.00	\$60,000.00
Transfers	\$6,649.68	\$6,649.68	\$0.00
TOTAL Expenditures	\$17,849.68	\$69,849.68	\$52,000.00
TOTAL Revenue	\$52,375.65	\$52,375.65	\$0.00
Net Revenue/Expenses	\$34,525.97	-\$17,474.03	



Agenda Item 4 - Mid-Year Budget Review

Fund 900 Reserves

Reserve	Amount
Restricted Parks & Recreation	\$279,129.18
TOTAL	\$279,129.18



Agenda Item 4 - Mid-Year Budget Review

Recommendation:

Motion: I recommend that the FAC recommend to the Board of Directors the adoption of the Mid-Year budget adjustments as presented.



Agenda Item 5:

Review Item Regarding
Issuance of Request for
Proposal for District
Audit Services



Agenda Item 5 – Audit Services RFP

Background

- The Board approved a one-year contract with Moss, Levy & Hartzheim on 4/2/20 to perform the 2019-20 audit.
- Both the FAC and the Board expressed interest in releasing a RFP for auditing services for the next three years beginning with FY2020-21.



Agenda Item 5 – Audit Services RFP

RFP Highlights

Task 1:

Audit to be performed in accordance with generally accepted auditing standards for the purposes of expressing an opinion on the conformity of the financial statements with generally accepted accounting principles.

The audit shall be conducted following audit standards prescribed by the following bodies of authority, but not necessarily limited to:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
2. The standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards (2007)*;
3. Minimum audit requirements and reporting guidelines for Special Districts, pursuant to California Code of Regulations, State Controller, Subchapter 5, 1131.2 “Minimum Audit Requirements and Reporting Guidelines for Special Districts”.



Agenda Item 5 – Audit Services RFP

RFP Highlights

Task 2:

Render a report on compliance and internal control over financial reporting based on an audit of the financial statements.

A written report should be issued immediately to management upon the discovery of illegal acts or major irregularities discovered during the performance of this task.



Agenda Item 5 – Audit Services RFP

RFP Highlights

Task 3:

Issue a management letter for conditions or weaknesses, if any, in the internal control structure that are not reportable under Task 3 because they are not considered significant deficiencies.

Task 4:

Provide Draft Audited Financial Statements to the District in December. Report preparation, editing and printing shall be the responsibility of the auditor.

Task 5:

Prepare the annual Financial Transactions Report and file with the State Controller.



Agenda Item 5 – Audit Services RFP

Audit Schedule

- District books closed mid August
- Field work begin end of September
- Draft reports/audit available for the FAC review at the Nov./Dec. meeting
- Final audit to the Board in January



Agenda Item 5 – Audit Services RFP

Schedule/Selection Working Group

Schedule:

- Release RFP February 5, 2021
- Proposals due March 30, 2021
- FAC review & recommendation May 3, 2021
- Board award May 6, 2021

Selection Working Group:

- General Manager
- District Accountant
- Two FAC members



Agenda Item 5 – Audit Services RFP

Recommendation:

Motion: I move:

- 1. The FAC approve the issuance of the attached RFP for audit services as presented or as amended; and***
- 2. Select the FAC members to participate on the consultant selection working group.***



Agenda Item 6:

Review of Board Item
Regarding Approval of
Warrant Register for
January 2021



Agenda Item 7:

Review of Board Item
Regarding Financial Reports
for the Period Ending
December 31, 2020



Agenda Item 8:

Utilities Department Update *Information Only*



Agenda Item 9:

Public Comments on Items
NOT on this Agenda



Agenda Item 10:

Schedule Next FAC Meeting

March 1, 2021 at 5:30pm



Agenda Item 11:

Closing Comments by FAC Committee Members



Agenda Item 12:

Adjournment

