

SUMMARY NOTES OF THE FINANCE COMMITTEE
ZONE 7 BOARD OF DIRECTORS

November 14, 2013
4:00 p.m.

Directors present: Sandy Figuers Angela Ramirez Holmes Sarah Palmer	Zone 7 Staff: Jill Duerig, General Manager Margaret Chun, Accounting Manager Judy Rector, Board Secretary
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President Figuers called the meeting to order at 4:00 p.m.

1. Public Comment - None

2. Annual Financial Statements for Year Ending June 30, 2013 and Auditor's Reports

Margaret Chun, Accounting Manager, introduced David Alvey from Maze & Associates who performed the annual audit for the year ending June 30, 2013. Ms. Chun's presentation included a handout that described the purpose of an audit, Governmental Funds Flood Control/Flood Protection Activities, Proprietary Funds Water Activities, and a Zone 7 Financial Summary.

David Alvey reported that the independent audit of Zone 7 finances was an unqualified "clean" opinion; the agency remains in solid financial shape; and there are no glitches concerning internal controls.

Directors Figuers, Palmer and Ramirez Holmes discussed the audit and asked questions. Mr. Alvey said untimely bank reconciliations are the most common problems with audits.

The three directors discussed having trigger points internally so if a value for an account varies by a percentage, it would be flagged and could be spotted easily without going through pages of numbers. Mr. Alvey said other agencies have this built in but the Committee members need to decide the set point for the triggers so it flags their attention quickly in a particular account and they can question why it changed.

Director Ramirez Holmes asked Ms. Chun several questions and she is researching any answers she was not able to provide at the meeting.

The Directors asked questions regarding the information on the handouts including a draft of "The Memorandum on Internal Control and Required Communications" and a draft of "Basic Financial Statements." The Committee members agreed to bring the audit information to the full Board at the next meeting and made suggestions for next year's audit.

Ms. Duerig complimented Ms. Chun and staff on information gathering for the audit. With the new financial software and monthly reports provided to the board on budget status, there should be fewer surprises because the Board members will see the financial picture as it evolves.

3. Verbal Reports - None

4. Adjournment

Since there were no further issues or comments, the meeting was adjourned at 5:15 p.m.