

#### **Overview of CAP Financial Governance**

CENTER PROJECT

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# **2022 Board Strategic Plan**

The Plan provides high-level strategic guidance to the organization and defines CAP's Mission, Vision and Values.

It also defines eight Key Result Areas (KRAs) and identifies Strategic Issues for each area.

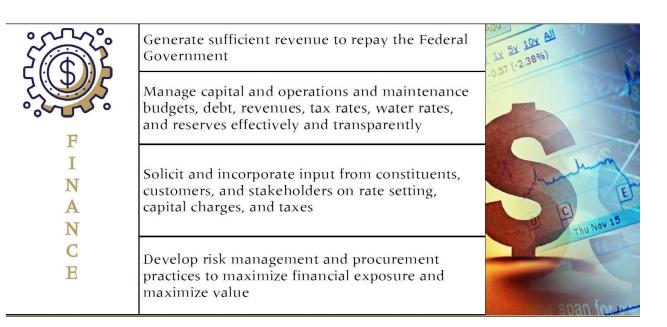
- Water Supply
- Power
- Workforce
- Stewardship & Sustainability
- Groundwater Replenishment
- Finance
- Project Reliability
- Public Trust, Partnerships & Leadership
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## **CAP Financial Objectives**

CAP Strategic Plan Finance KRA includes the following Strategic Issues:





# **Key Financial Responsibilities**

- Budget
- Budget management and reporting (quarterly financial review, variance analysis and re-forecasting)
- Financial reporting (external audit)
- Water rates
- Property taxes
- Strategic reserves
- Financial analysis
- Cash management
- Property management/ physical inventory
- Payroll
- Accounts payable







## **CAP Financial Structure**

Central Arizona Water Conservation District (CAWCD) only has one fund that consolidates all of its activity into one set of financial statements.

- Financial activities are in conformance with Generally Accepted Accounting Principles (GAAP) as applicable to a government "enterprise fund."
- Activity is accounted for using the accrual method and incorporates the requirements of Government Accounting Standards Board (GASB) Statement No. 34. Because the District's activities are primarily business-like in nature, enterprise fund accounting treatment applies.
- For management reporting, activities are separated into four separate sub-funds and accounts. Each fund and account represents a separate activity that has its own sources and uses of cash.





### **CAWCD Sub-Fund & Account Structure**

FUND	DESCRIPTION	% OF NET ASSETS
General Fund	Represents CAWCD's core business, the delivery of Colorado River water to central Arizona through the Central Arizona Project (CAP) and repayment of reimbursable construction costs.	72.7%
Central Arizona Groundwater Replenishment District Account (CAGRD)	Represents the activities of the CAGRD as authorized by Arizona Revised Statutes (ARS) § 48-3771 et. seq.	25.8%
Supplemental Water Account	Represents the activities related to a trust fund established by Section 7 of Public Law 98-530 and ARS § 45-3715.01 to acquire or conserve water to supplement Colorado River supplies.	0.7%
Captive Insurance Fund	Represents the activities related to the CAWCD Captive Insurance Company, Inc., to provide a self-insurance mechanism for health, property and casualty insurance.	0.8%







#### **2-Year Financial Planning Process**







#### **CAP Financial Governance: Key Take-Aways**

- Finance is one of the eight Key Result Areas (KRAs) in CAP's Strategic Plan
- Two of the goals of the Finance KRA are maintaining CAP's long-term financial strength and preparing to address opportunities or challenges
- CAP consolidates all its activities under a single fund in its financial report
- CAP has a two-year financial planning process







## **Thank you!**

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#### Email Questions to: CAPUniversity@cap-az.com

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