



Overview of CAP Financial Governance

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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



CAP Financial Objectives

CAP Strategic Plan Finance KRA includes the following Strategic Issues:

 F I N A N C E	Generate sufficient revenue to repay the Federal Government	
	Manage capital and operations and maintenance budgets, debt, revenues, tax rates, water rates, and reserves effectively and transparently	
	Solicit and incorporate input from constituents, customers, and stakeholders on rate setting, capital charges, and taxes	
	Develop risk management and procurement practices to maximize financial exposure and maximize value	

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

Even Years

Long-range financial plan

Set water rates

Strategic plan

Reserve strategy review

Budget update (if required)

Odd Years

2-year Budget and Business Plan
(e.g. 2026-2027)

Water rate update
(if required)

Every Year

Quarterly financial reviews

Set tax rates

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!

Email Questions to:
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