



Santa Clara Valley Water District

File No.: 19-0879

Agenda Date: 10/8/2019

Item No.: 5.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Accept Audit Report of the Water Utility Enterprise Funds for the Fiscal Year Ended June 30, 2018.

RECOMMENDATION:

Accept the Audit Report of the Water Utility Enterprise Funds for the Fiscal Year ended June 30, 2018.

SUMMARY:

In 2006, the District began conducting an annual Water Utility Fund Audit to assess the reasonableness of the direct and indirect cost allocations between the North County (Zone W-2) and South County (Zone W-5) zones. The audit was initiated to respond to water retailers' and constituents' inquiries on groundwater production charges. The District contracted with the independent auditing firm of Vavrinek, Trine, Day & Company for the audit of the fiscal year ended June 30, 2018. The audit was conducted during May through August of 2019.

The report entitled "Water Utility Enterprise Funds of the Santa Clara Valley Water District-Annual Financial Report for the Fiscal Year Ended June 30, 2018," which encompasses the Water Utility Enterprise Fund financial statements and independent auditor's opinion, is provided as Attachment 1. The report is presented in the format prescribed under Generally Accepted Accounting Principles. The report and accompanying audit opinion indicates that the Water Utility fund financial statements are fairly stated in all material respects and that there were no findings.

In addition, Attachment 1 includes a Schedule of Revenues and Expenses by Zone, which is also fairly stated, in all material respects, in relation to the basic financial statements as a whole according to the report. The report may be viewed by the public on the District's website at: <https://www.valleywater.org/how-we-operate/financebudget/water-utility-enterprise-fund>

FINANCIAL IMPACT:

The cost of this audit was budgeted in FY 2018-19. There is no cost impact associated with presenting this audit report.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Audit Report

UNCLASSIFIED MANAGER:

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