

San Gorgonio Pass Water Agency

DATE: January 23, 2023
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
**SUBJECT: AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

RECOMMENDATION

Accept and file the Audited Financial Statements and Independent Auditors' Report for the San Gorgonio Pass Water Agency for the Fiscal Year Ended June 30, 2022.

PREVIOUS CONSIDERATION

- Finance & Engineering Workshop – January 17, 2023: The Board reviewed and discussed the Audited Financial Statements and Independent Auditors' Report for the San Gorgonio Pass Water Agency for the Fiscal Year Ended June 30, 2022.

BACKGROUND

Audited financial statements are required to be prepared annually for the Agency. This requires, as the name implies, auditors. Auditors examine Agency financial documents to determine if those documents fairly and accurately reflect the Agency's financial condition.

Agency policy requires the Agency to change auditors every five years. The auditing firm of Nigro & Nigro was recently selected to prepare audited statements for FY 2021-22, which were presented for Board review on January 17, 2023.

ANALYSIS

The report issued by Nigro & Nigro is intended to present the financial condition of the San Gorgonio Pass Water Agency at a point in time, specifically June 30, 2022. Included with the statements that show amounts of various financial categories are descriptions of financial activities, comparisons with the previous fiscal year, and discussions of significant financial matters that might affect the Agency.

While the report can seem technical in nature, it is intended to be understood by any reader. Definitions and explanations are included to give a reader as clear and understandable a picture as possible of the financial condition of the Agency on June 30, 2022. The Chief Financial Officer has reviewed the report, and he has discussed the report with the auditors for accuracy and readability.

An important purpose of the audited financial statements is an opinion by the auditors about the fairness and accuracy of the financial records maintained by the Agency. As in previous years, the Agency has received a good opinion. To quote Nigro & Nigro from the section titled *Independent Auditors' Report*: "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2022, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America."

FISCAL IMPACT

The amount budgeted for FY 2022-23 for the preparation of the audit is \$23,000. All expenses related to the audit are expected to be within budget.

ACTION

Accept and file the Audited Financial Statements and Independent Auditors' Report for the San Gorgonio Pass Water Agency for the Fiscal Year Ended June 30, 2022.

ATTACHMENTS

Audited Financial Statements and Independent Auditors' Report for the San Gorgonio Pass Water Agency for the Fiscal Year Ended June 30, 2022