

MESA CONSOLIDATED WATER DISTRICT
ACHIEVING EXCELLENCE

By Amanda Gavin, Mesa Consolidated Water District



For thirteen consecutive years, Mesa's commitment to quality earned the district honors with the Certificate of Achievement for Excellence in Financial Reporting.

For Mesa Consolidated Water District (Mesa) the commitment to excellence is inherent in all operations of the district. It is that very philosophy that drives its dedicated board of directors and staff to take immense pride in preparing the Comprehensive Annual Financial Report (CAFR). Mesa takes great steps to go above and beyond the requirements of the generally accepted accounting principles to provide a wide variety of information that is useful to the public in evaluating the district's financial condition.

A Tradition of Excellence

For thirteen consecutive years, Mesa's commitment to quality earned the district honors with the Certificate of Achievement for Excellence in Financial Reporting. It has merited this distinction from the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA is a nonprofit professional association serving approximately 16,000 government financial professionals.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. It recognizes Mesa's excellence in meeting the high standards of the program and demonstrates a signif-

icant accomplishment by Mesa and its outstanding management.

Top-quality financial reporting is essential if governments are to be fully accountable to their citizens and to others with an interest in the government's finances.

Meeting Challenges Head On

Preparing the CAFR is a year-round process that begins with the daily accounting operation and the appropriate level of internal controls. Internal controls are a significant concern for a small agency like Mesa. With a limited staff, each member of the Financial Services department assumes certain responsibilities and must work diligently to ensure that the system of checks and balances is maintained.

Mesa's management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal controls that it has established for that purpose.

After the annual audit is over, Mesa's staff begins the CAFR process. It is a much greater effort to prepare the CAFR internally rather than have an independent auditor prepare it as some agencies do.

There is a certain amount of cross-training and a lot of coordination involved with Mesa's hands-on approach. Several members of the staff prepare or review a particular

continued on page 20

Achieving excellence [continued]

portion so that not one person is responsible for the entire report. It allows staff to be more focused in one area and therefore more efficient.

A United Effort

Developing a good working relationship with the independent auditors is extremely important and beneficial. Mesa's staff works closely with its auditors. The auditing process is time consuming, but it is crucial to respond to the auditors' requests quickly to ensure the audit goes smoothly.

The role of the auditors is to review Mesa's financial statements and make recommendations for improving the report format, and determine where further explanation is needed. It is necessary to maintain a unified relationship with the auditors and not regard it as adversarial. They are there to support the agency and its objective. Providing complete cooperation will make the entire process much easier.

Selecting the appropriate auditor can be daunting, but is essential. Mesa's selection begins with a detailed Request for Proposal sent to an extensive list of possible firms. Mesa seeks out firms with ample experience in

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working with water agencies. This tactic saves a lot of time by not having to explain particular aspects of the industry.

Mesa's Board of Directors is responsible for selecting the independent auditing firm. It is the board's policy to hire a new firm every five years in order to maintain independent credibility and a fresh perspective. This is just another facet of its commitment to excellence.

Unwavering Commitment to Quality

Mesa has received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA every year it has applied. Even though Mesa has produced an impressive amount of award-winning CAFRs, it does not necessarily mean it is easily achieved. A variety of challenges may arise from year to year. There may be changes in requirements such as

the one Mesa faced most recently in which the entire statistical section had to be reformatted. This particular section was very different

from prior years, which took more time to compile because the data required was not previously collected or tracked.

The process of preparing Mesa's CAFR takes several months to complete. Several factors go into the development. It requires updating the information and completing financial statements and year-end accounting. In addition to updating the statistical information, reviewers' comments and suggestions for improvement must be incorporated. There may also be significant changes to regulations or status updates on larger items occurring during the fiscal year. Mesa maintains its exemplary standards by consistently looking for ways to improve the CAFR.

Distinction Offers Considerable Benefits

A considerable advantage to attaining awards for financial reporting is the positive impact on the district's Bond Credit Rating. The award demonstrates Mesa's accomplishment in meeting particular standards that can greatly affect interest rates if the district issues debt.

The Road to Excellence

A sound starting point is the foundation of developing an exceptional financial report. Obtaining samples of CAFRs prepared by other agen-

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cies, especially those who have achieved honors is the first step. Independent auditors may also be able to provide effective examples. These offer great resources for formatting, text and additional requirements.

Efficiency is vital when producing a CAFR. Mesa has its auditors review and approve the numbers while staff works on the other sections. This strategy keeps everything on track without having any major delays. Preparing as much of the report as possible simultaneously and filling in the numbers later can save a lot of time.

Wrapping It Up

Producing the final report is not the end of the process for Mesa. Staff scrutinizes the CAFR and reviews the auditor's comments immediately, incorporating them for the next year, while it is still fresh.

Mesa has a practice of sharing the accomplishments of departments or individuals with the entire district. Staff's efforts and achievements are commended by all employees and awards are proudly displayed. In addition, Mesa's Board of Directors recognizes staff for attaining such honors at its meetings.

The end of each fiscal year is observed with a small event for the department to laud them for their dedication and extraordinary efforts.

Other Credits

In addition to the awards presented by GFOA, Mesa's CAFR has received the Certificate of Award for Outstanding Financial Reporting seven times from the California Society of Municipal Finance Officers (CSMFO). In 2006, CSMFO changed its criteria making it so that an

organization could not receive awards from both the CSFMO and the GFOA.

For a copy of Mesa's award-winning CAFR, visit www.mesawater.org or call (949) 574-1022. ■

ABOUT MESA

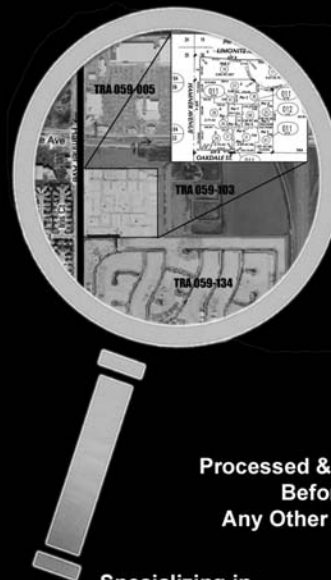
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