

Woodridge Lake Sewer District

July 14, 2010

Finance Committee

The Committee would report to the Board of WLSL and would provide advice and recommendations to the Board.

The Finance Committee would provide guidance to the Board in matters of financial recordkeeping and report format and content. The Finance Committee would not be involved in creating or maintaining original accounting records or reports rather the Committee would be in a review and monitor role.

At this time, the Audit responsibilities should be properly reside with the Board and not with this Committee.

The Finance Committee would provide the Board with guidance and advice as to financial matters within the following areas:

1. Financial Operations

- Review current financial procedures and processes for maintaining books and records
- Review and report on the District's manual of standard accounting procedures
- Review and report on internal controls for approvals of financial transactions and check disbursements
- Monitor current year expenditures versus approved budget
- Analyze material variations versus budget for Board action

2. Budget

- Review the Operations Managers financial plans including:
 - a. operating budgets
 - b. capital budgets
 - c. cash-flow analyses
- Assist the Operations Manager to develop models and forecasts

3. Controls

- Work with bookkeeper or outside audit firm on annual audit scope
- Guide bookkeeper on reports and analyses required for audit to minimize audit fee
- Review draft of auditor's report especially footnotes
- Review audit deficiencies for corrective action by the Board
- Recommend improved financial controls for Board action

4. Financing

- Develop relationships with local financial institutions
- Explore opportunities for short and long term financing to meet the needs of the District
- Investigate use of bank "lock-box" for tax deposits
- Recommend financing options to the Board

5. Investments

- Review current investment policy
- Develop an investment policy for Board action

6. Fixed Asset Policy

- Review current fixed asset recordkeeping procedures, controls and depreciation records
- Review fixed asset replacement and reserve policy for Board action
- Monitor progress of implementation by District accountant