

## PRINCIPLES OF WATER DEPT. FINANCE

### Agenda

<b>Time</b>	<b>Lesson</b>
9:00 am	Welcome and Introduction
9:05 am – 10:00 am	History and current cost of water (Value vs Cost)
10:00 am – 11:45 am <i>(includes a 15-minute break)</i>	<p>Basic Financial Statement Review: What is the purpose of each and what information does it provide a decision-maker.</p> <ol style="list-style-type: none"> <li>1. General Ledger</li> <li>2. Trial Balance</li> <li>3. Budget</li> <li>4. Balance Sheet</li> <li>5. Income Statement</li> <li>6. Cash Flow Statement</li> </ol>
11:45 am – 12:15 pm	<p>Other important statements: Why a Capital Plan is important and the proper recording of assets.</p> <ol style="list-style-type: none"> <li>1. Capital Plan</li> <li>2. Fixed Asset listing               <ol style="list-style-type: none"> <li>a. Proper recording of Contributed Capital and Grant Funding</li> </ol> </li> </ol>
12:15 pm – 12:45 pm	Lunch
12:45 pm – 1:15 pm	Defining proper revenue requirements: What are the methodologies and pros/cons.
1:15 pm – 2:30 pm <i>(includes a 15-minute break)</i>	<p>Creating a projection: Basic layout and proper projection methods.</p> <ol style="list-style-type: none"> <li>1. Revenues</li> <li>2. Expenses</li> <li>3. Rate of Return (Operating Income or Loss)</li> <li>4. Cash Flow</li> <li>5. Minimum Cash Reserve Methodology</li> </ol>
2:30 pm – 3:00 pm	<p>Overview of cost-of-service process: How are revenue requirements allocated to help ensure each customer is paying for the services provided.</p> <ol style="list-style-type: none"> <li>1. Customer charges</li> <li>2. Commodity charges</li> <li>3. Rates of financial stability</li> </ol>
3:00 pm – 3:30 pm	<p>Financial Policies: Which ones are a must and why.</p> <ol style="list-style-type: none"> <li>1. How to explain the financial process and a rate increase to the end user.</li> </ol>
3:30 pm	Adjourn