

**Green Valley Domestic Water Improvement District
FINANCIAL ADVISORY COMMITTEE
MEETING MINUTES**

Thursday, February 19, 2026

Conducted at the Green Valley Water District Conference Room

Committee Members Present:	John Green, Chair April Boysen. Departed 9:50 AM. George (Doctor) Orndorff, via Zoom. Departed 10:02 AM.	Lee Lemas
Committee Members Absent:	None	
District Staff Present:	Matthew (Matt) Rivera, District Manager Olvia Santiago, Full-Charge Bookkeeper Michael (Mike) Brady, Operations Supervisor	
Public Present:	None	
Clerk of the Board:	Luis Rodriguez	

1. Call to order and roll call. The meeting was called to order at 8:58 AM by committee chair John Green. The roll was taken with 4 committee members present.
2. Draft Audit FY 2024-25. John Green presented the draft June 30, 2025, audit report as prepared by BeachFleischman.
 - A. The audit reported a net loss for the fiscal year of \$385,935. This includes the embezzlement loss for the year of \$775,164. In addition, the previously reported asset for Water Supply and Recharge Credit was written off for \$1,237,842. This operating loss and write off leaves our net position at \$1,993,868, down from the previous year's restated net position of \$3,617,645.
 - B. The auditors also restated the previous fiscal year for the embezzlement losses going back to 2018, as determined by our forensic auditors.
 - C. The report on Internal Controls noted three material weaknesses and five significant deficiencies. All these weaknesses have been corrected.
 - D. The report presents no liability for sales tax collected and not paid. The committee discussed how to explain to the public that future sales tax will not be collected. The consensus of the committee is to report only that the State of Arizona has determined that we do not have to pay such tax and will propose this to the directors.
 - E. The auditors calculated that we are within the 120% debt covenant requirement if we do not include the embezzlement expense.
 - F. If the draft audit report is approved, the auditor will issue the final report for our March Board of Directors meeting, and Lydia Hunter, Partner, will be here to present.
3. December Financial Statements. Olvia Santiago presented the December financial report, which shows an \$11,092 YTD gain mainly due to strong operating revenues and expenses that offset the \$213,877 embezzlement investigation expenses. The January statement will be completed shortly and will include our internal debt covenant calculation.
4. Draft progress on Internal Controls. Matt Rivera will present a draft of the written internal controls at the March committee meeting, following the recommendations of our forensic auditor and the new auditor.
Committee member April Boysen departs at 9:50 AM.
5. The FY 2026-27 timetable. The preliminary operating and capital budget will be presented for the March meetings. Final approval will be made at the May meetings.
Committee member George Orndorff departs at 10:02 AM.

6. Call to the Public. No comments.
7. The next Financial Advisory Committee meeting is scheduled for Thursday, March 19, 2026, at 9:00 AM, at the Green Valley Water District conference room.
8. Adjournment. The meeting was adjourned at 10:18 AM.

Green Valley Domestic Water Improvement District

Prepared by: Luis Rodriguez
Luis Rodriguez
Clerk of the Board of Directors

Approved by: John Green
John Green
Chair, Financial Advisory Committee