

**CALIFORNIA CITRUS PEST AND DISEASE PREVENTION PROGRAM
SUBCOMMITTEE MEETING**

Meeting Minutes
Wednesday, January 29, 2014

Opening:

The meeting of the Finance Subcommittee was called to order at 9:00 a.m. on January 29, 2014 in Fresno, California by Subcommittee Chair James McFarlane.

CPDPC Members Present:

Jim Bates Bob Felts, Jr. James McFarlane

CPDPC Members Absent:

None

CDFR Staff:

Jason Chan* Victoria Hornbaker Debby Tanouye*
Cong Chen* Paul Martinez*

Guests:

Kiersten Alvarado

*** Participated via telephone**

Opening Comments:

Chairman, James McFarlane, welcomed the Subcommittee and staff participating in person and online.

Public Comment:

There were no public comments.

Financial Review 2012/2013

The Subcommittee reviewed the 2012/2013 budget documents, including the Funding Sources Report, budgets for the AB 281 Assessment Fund; Federal Citrus Health Response Program (CHRP) Fund; the TASC Grant; State Contributions and the Citrus Commodity Survey. The 2012/2013 CPDPP fiscal year has not closed due to invoice and expenditure lag time.

Jason Chan explained that there are several outstanding issues with the 2012/2013 fiscal year, schedule L-A1 had an issues with travel expenses of approximately \$10,000 being billed to the wrong home PCA; L-A2 has been revised to reflect the late invoice from the CASS contract for area-wide coordination; L-A4 and L-A5 pending reconciliation and final billing from CRB; L-A7 had late received personnel and rental car invoices of approximately \$26,364; schedule L-B

late county invoices in the amount of \$67,470; and L-D late personnel costs on \$12,343. There were no changes to L-C or L-F.

The Subcommittee discussed requiring contractors to bill at regular intervals to facilitate timely reporting in the CDFA accounting system.

Financial Review 2013/2014

The Subcommittee reviewed the 2013/2014 budget and expenditures. The report 'as of' label has been changed to be consistent with the most recent fiscal month that closed. Therefore, the label remains 'as of December 31, 2013.' The reports represent 3 months of expenditures, however the Subcommittee was reminded that there is a lag for many of the categories, so the expenditures are not inclusive of all billings or invoices. Jason did point out that schedule B was adjusted to move \$50,000 from equipment to contracts.

Assessment Budget

The AB 281 budget, reporting that \$841,196 in expenditures had been billed through December with a year to go of \$11,789,846.

CHRP Budget

The CHRP budget reported \$853,545 in expenditures through December with a year to go balance of \$8,771,315.

Monthly Variance Analysis

Jason presented a draft monthly variance analysis for the AB 281 budget. He explained that each month's budget is 1/12 of the entire budget (besides CRB outreach, contract expired 11/31/13). Each month's budget is lagged depending on category, but the lag table will need to be refined to be more accurate as there are various levels of lag within each expense category. He stressed that more work needs to be done as the 1/12 budget per month is not the ideal projection. Once an acceptable monthly budget has been made, lag will be applied to generate a useable cash-basis budget. To keep the reporting consistently cash-basis, we will need to start reporting CRB expenditures based on invoices paid and posted instead of using the reports provided from them. If we do this, their YTD expenditures would actually be zero at this point since no invoices have been posted yet. This means we will need to urge them to submit monthly invoices. This also means all the 13/14 displays will need to be adjusted to reflect this change.

Jim recommended that Jason and team review 24 months of expenditures to and revenues to get an average per month for revenues and expenditures, this will give a more accurate projection than just dividing the totals by 12.

James asked Jason to add the annual budget to the variance analysis and to adjust lag times where appropriate.

The meeting was adjourned at 10:30 p.m. The next meeting will be set at a later date.