



Cabazon Water District  
14-618 Broadway Street • P.O. Box 297  
Cabazon, California 92230

**FINANCE & AUDIT COMMITTEE MEETING**

**MINUTES**

**Meeting Location:**  
Cabazon Water District Office  
14-618 Broadway Street  
Cabazon, California 92230

**Meeting Date:**  
Tuesday, May 17, 2016 – 3:45 PM

CALL TO ORDER, at 15:52 hr.

PLEDGE OF ALLEGIANCE,  
ROLL CALL

Director Bui - Present  
Director Israel - Present

Calvin Louie (General Manager) - Present  
Elizabeth Lemus, Board Secretary - Present  
Linda Halley, Financial Consultant - Absent

\*Note: This meeting was recorded by the District -

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
- Profit and Loss Two Month
  - Profit and Loss Budget Comparison
  - Statement of Cash Flows
  - ~~Proposed Budget for FY 2016-2017~~

↓ The District looks at four basic reports each month to get a high level overview of the financial position of the District.

- ✚ These Financial Statements are not Compiled, Reviewed, or Audited, but are created by the contract accountant in her position as Financial Controller of the District.
- ✚ The District has an independent financial audit each year. The District's year ends on June 30.
- ✚ The four reports the District reviews are the Balance Sheet, the Profit and Loss Two Months, the Profit and Loss Budget Performance, and the Statement of Cash Flows.
- ✚ The Balance Sheet shows what the District owns and what the District Owes.
- ✚ The Profit and Loss Two Months shows whether the District is consistent month to month with revenue and expenses.
- ✚ The Profit and Loss Budget Performance shows how the District is doing against the budget, and how the District is doing fiscal year to date.
- ✚ The Statement of Cash Flow gives an overview of the cash that came in and went out during the month.

#### The Profit and Loss two month shows

- that Account 41100 Base Rate - Water Bills - is substantially the same this month as last.
- Total 50010 - Payroll All Expenses is substantially the same between the two months.
- Account 53160- Utilities - Wells -shows that the District has received only some of the Edison bills for the month.
- Accounts 5318 - this has been split to show the equipment rental portion of both the 53180 Materials and Line Maintenance Repair Contractor and 53181 Materials and Line Maintenance Repair Contractor - Emergency Work to give the District more visibility. During April the District had only Emergency repairs done by the Line Maintenance and Repair Contractor.
- 55160, Printing and Publications, shows that the District placed ads in the newspaper for the three Open Positions at the District and the two RFPs for professional accounting and auditing services.
- 56500 Legal. The bills this month related to:
  - General: counsel
  - Water: counsel
  - Personnel: counsel

- Account 61170 DWR Interest on Loans, shows that the District paid the DWR Interest this month. This does not impact cash as the District pays into a trustee account each month, and the trustee account pays the loan.
- The District ended the month with a preliminary net loss of \$5400.
- ↓ The Profit & Loss Budget Performance has five columns. The first shows the actual income and expenses for the month. The second column shows the Budget for the month just ended. The middle column shows the year to date actual figures. The fourth column shows the Year to Date Budget. The last column shows the annual budget.
- Account 41100 Base Rate - Water Bills – The District is about 10% below budget for the year to date, and is close to what was anticipated.
- 41500 Stand By Fees – shows the District is just a bit below the Budget. The District anticipated a deposit in April and that may be coming in May.
- 42110 - Ad Valorem - shows the District is a little below what was anticipated year to date. These are the regular property taxes. This could be because property owners are not paying the property taxes as quickly in the past. The District does not have very much visibility from the reporting it receives from the county.
- Total 50010 Payroll All Expenses is right on the year to date budget.
- Account 53180 Materials and Line Maintenance Contractor, including the emergency work is over budget year to date. Most of the work has been emergency repair.
- 56500 Legal Service - This is about 30% over budget year to date, although the month of April was right on budget.
- Preliminary figures show the District with a year to date loss of \$114k, compared to a budgeted year to date net loss of zero.
- The main areas where the District is overbudget year to date:
  - Legal
  - Line Maintenance and Materials Contractor – Emergency

The Statement of Cash Flows shows that the largest expenditures were the bills.

Payroll remains at a normal level.

The total expenditures were about \$91k

Net cash used was about \$18k

The District ended the month with cash of \$137k.

This ties to the Balance Sheet.

2. Finance & Audit Committee District Payables Review and Approval/Signing

**PUBLIC COMMENT**

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))

**ADJOURNMENT**

Motion to adjourn at 16:02 hr. made by Director Israel and 2<sup>nd</sup> by Director Bui.

Meeting adjourned at 16:02 hr. on May 17, 2016.



Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District



Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

**ADA Compliance Issues**

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.