



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

## FINANCE & AUDIT COMMITTEE MEETING

### AGENDA

#### Meeting Location:

Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

#### Meeting Date:

Tuesday, December 20, 2016 – 5:00 PM

CALL TO ORDER,  
PLEDGE OF ALLEGIANCE,  
ROLL CALL  
FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
  - Balance Sheet
  - Profit and Loss Two Month Comparison
  - Profit and Loss Budget Comparison
  - Fiscal Year 2016-2017 Budget Comparison
  - Statement of Cash Flows
  
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

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.



**Cabazon Water District**  
14-618 Broadway Street • P.O. Box 297  
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**REGULAR BOARD MEETING**

**AGENDA**

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

**Meeting Date:**  
December 20, 2016 – 6:00 PM

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**REMEMBRANCE OF OUR SERVICE MEN AND WOMEN**

**ROLL CALL**

**CONSENT CALENDAR**

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. **Approval of:**
  - a. Finance and Audit Committee Meeting Minutes and warrants approved by the committee of November 15, 2016
  - b. Regular Board Meeting Minutes and warrants of November 15, 2016
2. **Warrants – None**
3. **Awards of Contracts – None**

**UPDATES**

1. Update: San Gorgonio Pass Regional Water Alliance Update  
(by Director Israel)
2. Update: Manager's Operations Report  
(by General Manager Louie)

**OLD BUSINESS**

1. Discussion/Action: Customer Concern: Cabazon St. – Mr. Murillo. Petition to the Board of Directors to forgive/discount his account balance.
2. Discussion: Sustainable Ground Water Update  
(by General Manager Louie & Steve Anderson)

**NEW BUSINESS**

1. Discussion/Action: Presentation and Approval of Fiscal Year 2015-2016 Audited Financial Statements (presented by Andy Beck, Fedak and Brown LLP)
2. Discussion/Action: Customer Concern: Mt. View St. – Mr. Byrer Petition to the Board of Directors to forgive/discount his account balance.
3. Discussion/Action: RESOLUTION 06-2016: Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to self-insure Workers' Comp. liabilities (JPRIMA Workers' Comp. Insurance)

**PUBLIC COMMENTS**

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**GENERAL MANAGER/BOARD COMMENTS**

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- Suggested agenda items from the Public.
- Suggested agenda items from Management.
- Suggested agenda items from Board Members.

**2. Management Comments**

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

**3. Board Member Comments**

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

**MISCELLANEOUS**

**1. Future Board Items/Next Board Meeting Date(s)**

- a. Finance & Audit Workshop – Tuesday – January 17, 2016, 5:00 pm
- b. Regular Board Meeting – Tuesday – January 17, 2016, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting - Wednesday – January 25, 2016  
- 5:00 PM to 7:00 PM

**ADJOURNMENT**

ADA Compliance Issues

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**FINANCE & AUDIT COMMITTEE MEETING**

**MINUTES**

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

**Meeting Date:**  
Tuesday, November 15, 2016 – 5:00 PM

**CALL TO ORDER,**  
**PLEDGE OF ALLEGIANCE,**  
**ROLL CALL**

**Director Bui - Present**  
**Director Israel - Present**

**Calvin Louie (General Manager) - Present**  
**Elizabeth Lemus, Board Secretary - Present**  
**Cindy Byerrum, Financial Consultant - Present**

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

**FINANCE & AUDIT COMMITTEE**

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

**Main Reports:**

- Balance Sheet – depicts what the District owns and what the District owes
- Profit and Loss Two Months - shows consistency from month to month with revenue and expenses.

- 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 District has not yet adopted a Budget for the current fiscal year, so we will not have this report today.
- Statement of Cash Flow - gives an overview of the sources and uses of cash.

#### Balance Sheet

- Line 26 – Total 13010 LAIF
- Line 55 - Total Assets
- Line 82 – Total Liabilities

#### Profit and Loss

- Line 10 – 41400 Basic Facility Fees
- Line 11 – 41500 Stand By Fees – Tax Revenue
- Line 79 - Facilities, Wells, Trans, Dist. – Other
- Line 88 - Water Billing System
- Line 103 – 56400 Accounting
- Line 145 – Net Income

#### Statement of Cash Flows.

#### Proposed Budget, FY 16/17

No assurance is provided on these financial statements.  
Substantially all disclosures required by accounting principles generally accepted in the United States are not included

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

#### PUBLIC COMMENT

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#### ADJOURNMENT

Motion to adjourn at 17:34 hr. made by Director Israel

No objections were voiced to adjourn.

Meeting adjourned at 17:34 hr. on November 15, 2016.

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

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**REGULAR BOARD MEETING**

**MINUTES**

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

**Meeting Date:**  
November 15, 2016 – 6:00 PM

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**REMEMBRANCE OF OUR SERVICE MEN AND WOMEN**

**ROLL CALL**

Director Teresa Bui - Present  
Director Maxine Israel - Present  
Director Sarah Wargo - Present  
Director Alan Davis - Present  
Director Robert Lynk - Present

Calvin Louie, General Manager - Present  
Elizabeth Lemus, Board Secretary - Present  
Cindy Byerrum, Financial Consultant - Present  
Steve Anderson, Best Best & Krieger Law Firm - Absent

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

**CONSENT CALENDAR**

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1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and warrants approved by the committee of October 18, 2016
- b. Regular Board Meeting Minutes and warrants of October 18, 2016
- c. Special Board Meeting Minutes and warrants of October 24, 2016

**Motion to approve consent calendar item(s) a.) Finance and Audit Committee Meeting Minutes and warrants approved by the committee of October 18, 2016, b.) Regular Board Meeting Minutes and warrants of October 18, 2016, and c.) Special Board Meeting Minutes and warrants of October 24, 2016, made by Director Israel and 2<sup>nd</sup> by Director Bui.**

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

2. Warrants – None
3. Awards of Contracts – None

**UPDATES**

1. Update: San Geronio Pass Regional Water Alliance Update  
(by Director Israel)
2. Update: Manager's Operations Report  
(by General Manager Louie)

**OLD BUSINESS**

1. Discussion/Action: Proposed Fiscal Year (2016-2017) Budget for Approval by the Board – (GM Louie & Cindy Byerrum, MPA, CPA)

**Motion to approve the Proposed Fiscal Year 2016-2017 Budget as presented, made by Director Israel and 2<sup>nd</sup> by Director Davis.**

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

2. Discussion: Sustainable Ground Water Update  
(by General Manager Louie & Steve Anderson)

**NEW BUSINESS**

1. Discussion/Action: **Customer Concern: Cabazon St. – Mr. Murillo. Petition to the Board of Directors to forgive/discount his account balance.**

Chairman Lynk requested that the original meter be reinstalled at the property after it had been tested accurate, if it had not already been re-installed. Due to the high usage, the Board wished to table this item for further investigation, before making a decision.

**Motion to table Mr. Murillo's Cabazon St. customer concern decision made by Director Lynk.**

There was no second, nor was there a roll call vote made, but it was made with the consensus of the Board. No objections were voiced by either Board or public.

A ten (10) minute break was taken at 19:10 hr., and the meeting resumed at 19:20 hr.

2. Discussion/Action: **Cabazon Neighborhood Watch 2016 Community Christmas Parade Event**

Request for the District to attend event on December 17, 2016 and pass out candy to children, and/or make a donation towards this event.

It should be noted, the Board was limited in making a decision, since the Cabazon Neighborhood Watch is currently non-profit compliant (they do not possess a 501(c)3 certificate at this time), so the District was not in the position to make monetary donations. However, Ms. Sloan, who was representing the Cabazon Neighborhood Watch, requested that the District store a Christmas Pageant Queen's Scepter in the District's office, to be given to a new Pageant Queen each year.

**Motion to approve storage of the Cabazon Neighborhood Watch Pageant Queen's Scepter in the District Office made by Director Bui and 2<sup>nd</sup> by Director Davis.**

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

**PUBLIC COMMENTS**

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Emergency Motion to add an urgent item to the Board Agenda for Board consideration and action: Kids Cure Christmas Event, made by Director Bui, 2<sup>nd</sup> by Director Israel.

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Abstain  
Director Davis - Aye  
Director Lynk - Aye

Director Israel and Director Wargo recused themselves from participating in the following motion:

Motion to donate \$1,000 towards the Kids Cure Christmas Holiday water conservation event, made by Director Bui, 2<sup>nd</sup> by Director Davis.

Director Bui - Aye  
Director Israel - Absent  
Director Wargo - Absent  
Director Davis - Aye  
Director Lynk - Aye

#### GENERAL MANAGER/BOARD COMMENTS

##### 1. Future Agenda Items

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#### MISCELLANEOUS

##### 1. Future Board Items/Next Board Meeting Date(s)

- a. Finance & Audit Workshop – Tuesday – December 20, 2016, 5:00pm
- b. Regular Board Meeting – Tuesday – December 20, 2016, 6:00 pm
- c. Personnel Committee – None

d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting – Tabled until January.

**ADJOURNMENT**

Motion to adjourn at 19:50 hr. made by Director Davis and 2<sup>nd</sup> by Director Israel.

Director Bui - Aye  
Director Israel - Aye  
Director Wargo - Aye  
Director Davis - Aye  
Director Lynk - Aye

Meeting adjourned at 19:50 hr. on Tuesday, November 15, 2016

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Elizabeth Lemus, Secretary  
Board of Directors  
Cabazon Water District

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## Cabazon Water District, Proposed Budget, FY 16/17

		Budget 15/16	Actual FY 15/16	Proposed 16/17
<b>REVENUES</b>				
1	41100 · Base Rate - Water Bills	\$ 1,168,000	\$ 978,063	\$ 997,600
2	41220 · Fire Sales - Water Bills	2,880	3,016	3,100
3	41230 · Fire Flow Income	-	150	150
4	41240 · Meter Install and Removal	-	75	80
5	41310 · Penalty Fees - Water Bills	33,000	33,512	40,000
6	41320 · Lien Reinstatement Fees	-	1,001	1,020
7	41330 · New Account Fees - Water Bills	-	1,389	1,420
8	41360 · Incident Fee - Water Bills	-	140	140
9	41370 · Returned Check Fees	-	540	550
10	41400 · Basic Facilities Fee (New Service)	-	1,810	8,020
11	41500 · Stand By Fees - Tax Revenue	100,000	13,639	113,600
12	42100 · Property Taxes			
13	42110 · Ad Valorem - Tax Revenue	46,000	49,702	50,700
14	42120 · Teeter Settlement Income	10,000	9,455	10,000
15	Total 42100 · Property Taxes	56,000	59,157	60,700
16	42210 · Cell Tower Lease Income	23,000	23,139	23,100
17	42310 · Miscellaneous Non-Operating Inc		1,806	-
18	43000 · Interest Income			
19	43110 · Interest Inc - Gen, Trust, Payr	-	16	20
20	43120 · Interest Income LAIF	1,900	2,753	2,800
21	43140 · Interest Income - Water bills	4,000	4,336	6,000
22	43150 · LAIF FMV Adjustment	-	15	20
23	43160 · Interest Income - DWR	-	5	10
24	43170 · Interest Income - Zion's Bank	-	-	-
25	Total 43000 · Interest Income	5,900	7,125	8,850
26	Total Non-Operating Revenues	84,900	91,227	92,650
27	Total Revenues	1,388,780	1,224,561	1,258,330
<b>EXPENSES</b>				
29	51000 · Payroll Expenses			
30	51050 · Directors' Fees	14,200	12,500	18,900
31	51100 · Management and Customer Service			
32	51120 · Customer Accounts	41,400	46,136	39,800
33	51130 · Admin Assistant	42,400	41,846	46,900
34	51131 · Business Admin Manager	-	-	24,600
35	51135 · Office Assistant (Office Assistant)	-	-	7,600
36	51140 · General Manager	88,800	92,020	95,100
37	Total 51100 · Management and Customer Service	172,600	180,002	214,000
38	51200 · Water Operations			
39	51210 · Meter Reader	24,300	20,454	24,300
40	Total 51200 · Water Operations	24,300	20,454	24,300

## Cabazon Water District, Proposed Budget, FY 16/17

		Budget 15/16	Actual FY 15/16	Proposed 16/17
41	56200 · Field Operations			
42	56220 · Field Workers	-	-	104,400
43	<b>Total 56200 · Field Operations</b>	-	-	104,400
44	<b>Total 51000 · Payroll Summary</b>	211,100	212,956	361,600
45	51300 · Payroll - Employee Ben Expense			
46	51310 · Workers Comp.	9,000	12,997	19,900
47	51320 · Employee Health Care	30,700	30,576	73,600
48	51330 · Pension	35,700	40,565	69,300
51	<b>Total 51300 · Payroll - Employee Ben Expense</b>	75,400	84,138	162,800
52	51400 · Payroll Expenses - Taxes, etc			
53	51410 · FICA and Medicare	16,100	16,133	26,300
54	51420 · SUI and ETT	2,800	2,511	4,000
55	51430 · Medical Testing	920	720	3,000
56	<b>Total 51400 · Payroll Expenses - Taxes, etc</b>	19,820	19,424	33,300
57	<b>Total Payroll Expenses</b>	306,320	316,518	557,700
59	53000 · Facilities, Wells, Transmission, Distribution			
60	53110 · Lab Fees	8,400	7,621	7,800
61	53120 · Site Landscaping & Maintenance	24,000	1,466	1,500
62	53130 · Meters	10,000	5,538	10,000
63	53140 · Generator Service Contractor	3,500	-	3,500
64	53150 · Median Landscape & Maintenance	3,000	11,385	3,000
65	53160 · Utilities - Wells	105,000	105,774	107,900
66	53170 · SCADA (no ongoing contract )	4,800	2,566	4,800
67	53180 · Line Mtn & Rep Contractor			
68	53180 · Line Maint and Repair Construction	150,000	33,440	-
69	53180R · Line Mtn and Repair Equip Rent	-	8,850	-
70	53181 · Line Maint Repair Cont (Emergency Work	-	32,823	80,000
71	5318RE · Line Mtn & Rep Eq Rent Emergency	-	1,900	-
72	<b>Total 5318 · Line Mtn &amp; Rep Contractor</b>	150,000	77,013	80,000
73	53190 · Line Maint and Repair Materials	80,000	37,507	38,300
74	53210 · Well Maintenance			
75	53215 · Chemicals	6,300	2,236	6,000
76	53210 · Well Maintenance - Other	15,000	6,182	15,000
77	<b>Total 53210 · Well Maintenance</b>	21,300	8,417	21,000
78	53300 · Security			
79	53330 · Crime Prevention (PSI & Verizon)	-	1,051	1,070
80	53350 · Alarms			
81	53355 · Alarm Phones	1,350	1,334	1,360
82	53350 · Alarms - Other	550	242	550
83	<b>Total 53350 · Alarms</b>	1,900	1,576	1,910
84	53370 · Training/ Equipment	-	-	-
85	53380 · Materials	500	64	500
86	53390 · Audio Alarm (cont exp xx/xx)	2,700	4,509	7,000
87	53410 · Video Eq Lease (exp xx/xx)	8,900	9,310	9,500
88	<b>Total 53300 · Security</b>	14,000	16,510	19,980

## Cabazon Water District, Proposed Budget, FY 16/17

	Budget 15/16	Actual FY 15/16	Proposed 16/17	
89	53610 · Engineering Services	24,000	59,743	80,900
90	53620 · Chlorinators	-	594	2,000
91	53000 · Facilities, Wells, Trans, Dist - Other	-	2,613	30,000
92	<b>Total 53000 · Facilities, Wells, Trans, Dist</b>	<b>448,000</b>	<b>336,747</b>	<b>410,680</b>
93	<b>54000 · Utilities - Office</b>			
94	54110 · Electricity	13,000	13,614	13,900
95	54120 · Gas	900	515	520
96	54130 · Telephone	9,000	9,577	9,800
97	54140 · Trash Pickup/Office Cleaning	4,200	4,218	4,300
98	<b>Total 54000 · Utilities - Office</b>	<b>27,100</b>	<b>27,923</b>	<b>28,520</b>
99	<b>55000 · Office Expenses</b>			
100	55220 · Fire Alarm System Servicing	-	574	600
101	55110 · Water Billing System	2,500	3,312	11,500
102	55120 · Supplies & Equipment	9,540	7,238	9,540
103	55130 · Copier and Supplies	7,620	7,780	7,900
104	55140 · Dues & Subscriptions	1,000	1,631	1,700
105	55150 · Postage	9,000	6,315	12,600
106	55160 · Printing & Publications	1,250	4,123	6,000
107	55170 · Leases & Rents	-	-	340
108	55180 · Computer Services	35,964	36,090	34,000
109	55190 · Office/Radio	-	1,262	1,500
110	55200 · Office Storage	6,000	6,000	6,100
111	55210 · Air Conditioning Servicing	2,000	4,233	4,300
112	55000 · Office Expenses - Other	-	-	1,000
113	<b>Total 55000 · Office Expenses</b>	<b>74,874</b>	<b>78,558</b>	<b>97,080</b>
114	<b>56000 · Support Services</b>			
115	56200 · Temporary Labor	-	1,557	2,000
116	56300 · Financial Audit (through 20xx)	21,000	21,278	21,700
117	56400 · Accounting (monthly contract)	21,600	15,694	30,000
118	56500 · Legal Services	87,286		
119	565-00 · Legal - General	-	58,755	80,000
120	565.01 · Legal - Water	-	25,084	25,600
121	565-02 · Legal - Brown Act, Public Recor	-	6,622	6,800
122	565.07 · Legal - Personnel	-	8,075	5,000
123	565-13 · Legal - Grant/Loan Funding	-	5,917	10,000
124	565-40 · Legal - Fees and Charges	-	2,892	2,900
125	<b>Total 56500 · Legal Services</b>	<b>87,286</b>	<b>107,344</b>	<b>130,300</b>
126	56600 · Bank Service Charges	2,400	1,658	1,700
127	56700 · Payroll Service	3,500	3,325	5,000
128	56800 · General Liability Insurance	22,000	21,077	21,500
129	56810 · Fixed Asset Software System	-	498	-
130	<b>Total 56000 · Support Services</b>	<b>157,786</b>	<b>172,431</b>	<b>212,200</b>
131	<b>57000 · Training/Travel</b>			
132	57110 · Seminars/Training	10,300	1,799	8,000
133	57120 · Travel and Meals	5,000	2,601	4,000



## Cabazon Water District, Proposed Budget, FY 16/17

	Budget 15/16	Actual FY 15/16	Proposed 16/17
134	<b>Total 57000 · Training/Travel</b>		
	15,300	4,400	12,000
135	<b>58000 · Other Fees</b>		
136	58100 · County Lien Release Fees		
	-	177	180
137	58110 · Riverside County Fees (election costs)		
	500	2,369	2,500
138	58120 · State Water fees		
	6,300	10,340	12,500
139	58000 · Other Fees - Other		
	1,000	591	1,000
140	<b>Total 58000 · Other Fees</b>		
	7,800	13,477	16,180
141	<b>59000. · Service Tools &amp; Equipment</b>		
142	59110 · Shop Supplies and Small Tools		
	650	2,338	6,000
143	59120 · Vehicle Fuel		
	15,000	14,685	15,000
144	59130 · Employee Uniforms		
	1,100	-	2,000
145	59140 · Safety		
	-	-	5,000
146	59150 · Tractor Expenses		
	6,900	2,758	6,900
147	59160 · Backhoe Fuel		
	5,300	959	1,000
148	59170 · Equipment Rental		
	-	858	1,200
149	59180 · Service Trucks - Repair and Mtn		
	7,500	13,799	14,100
150	59190 · Water Ops Cell Phone/ Internet		
	2,200	1,949	2,200
151	59210 · Water Ops Computer Internet		
	800	-	-
152	59220 · Communications		
	-	-	3,000
153	59000. · Service Tools & Equipment - Other		
	1,100	190	1,100
154	<b>Total 59000. · Service Tools &amp; Equipment</b>		
	40,550	37,531	57,500
7	61150 · Returned Checks		
	-	-	-
155	61160 · Grant/Loan Processing Fee		
	2,000	1,325	2,000
156	61170 · DWR Interest on Loans		
	13,500	10,366	13,500
157	61180 · DHPO Interest Expense ZION		
	15,500	15,021	12,707
158	61190 · Bad Debt Expense		
	1,200	12,538	1,200
159	61240 · Miscellaneous		
	5,000	10,793	8,000
160	61241 · Website Support		
	7,450	5,599	2,820
161	61250 · Image Consultant		
	-	-	-
162	65110 · Depreciation		
	266,400	281,217	286,800
164	<b>TOTAL EXPENSES</b>		
	1,388,780	1,324,443	1,718,887
165	<b>Total Net Income before Capital &amp; GSA</b>		
	-	(99,882)	(460,557)
166	61250 New Vehicle purchase		
	-	-	(26,800)
167	61251 GSA/Sigma		
	-	-	(100,000)
168	<b>NET INCOME (LOSS)</b>		
	-	(99,882)	(587,357)
169	Add back depreciation		
	266,400	281,217	286,800
170	<b>PROJECTED CHANGE IN CASH</b>		
	266,400	181,335	(300,557)

**Cabazon Water District**  
**Balance Sheet**  
As of November 30, 2016

		<u>Nov 30, 16</u>
1	<b>ASSETS</b>	
2	<b>Current Assets</b>	
3	<b>Checking/Savings</b>	
4	11020 · General Bank Account-Chase	32,087
5	11030 · Payroll Bank Account-Chase	42,447
6	11040 · Trust Account- Chase - Cus Dep	12,382
7	11050 · Local Petty Cash	100
8	<b>Total Checking/Savings</b>	<u>87,015</u>
9	<b>Accounts Receivable</b>	
10	12021 · Accounts Rec - Special Invoices	10,164
11	<b>Total Accounts Receivable</b>	<u>10,164</u>
12	<b>Other Current Assets</b>	
13	12000 · Accounts Receivable	
14	12011 · Accounts Receivable - Co 1	96,037
15	12012 · Accounts Receivable - Co 2	44,285
16	12013 · Unbilled UB AR	64,725
17	12014 · Allow for Doubtful Accts Co 1	(17,643)
18	12015 · Allow for Doubtful Accts Co 2	(10,993)
19	12023 · Taxes Receivable	688
20	12024 · Taxes Receivable - Stand By	12,518
21	12025 · Miscellaneous Receivable	610
22	<b>Total 12000 · Accounts Receivable</b>	<u>190,227</u>
23	13010 · LAIF	
24	13011 · LAIF	351,523
25	13012 · LAIF Annual Market Adjustment	268
26	<b>Total 13010 · LAIF</b>	<u>351,790</u>
27	13020 · Bank of NY Trustee Accounts	
28	13021 · Reserve Fund - DWR-HS 528	49,485
29	13022 · Repayment Fund DWR-HS 525	5,155
30	<b>Total 13020 · Bank of NY Trustee Accounts</b>	<u>54,639</u>
31	13040 · Prepaid Expenses	22,360
32	13060 · Inventory Total	87,079
33	<b>Total Other Current Assets</b>	<u>706,096</u>
34	<b>Total Current Assets</b>	<u>803,275</u>
35	<b>Fixed Assets</b>	
36	14200 · Construction in Process	
37	14204 · CIP Cabazon Outlets Expansion	9,692
38	14209 · CIP Super Map	9,455
39	14210 · CIP 50100 Main St. Property	69,918
40	<b>Total 14200 · Construction in Process</b>	<u>89,066</u>

**Cabazon Water District**  
**Balance Sheet**  
As of November 30, 2016

		Nov 30, 16
41	14310 · Tools and Equipment	118,016
42	14320 · Source of Supply	
43	14321 · Source of Supply- DHPO Intercon	709,905
44	14320 · Source of Supply - Other	800,818
45	Total 14320 · Source of Supply	1,510,723
46	14330 · Transmission & Distribution	7,853,270
47	14340 · Buildings & Structures	12,281
48	14350 · Water Treatment	8,800
49	14360 · Office Furniture and Equipment	63,188
50	14370 · Intangible Plant	11,032
51	14380 · Vehicles	106,309
52	14400 · Land	409,548
53	14500 · Accumulated Depreciation	(4,620,281)
54	Total Fixed Assets	5,561,951
55	<b>TOTAL ASSETS</b>	<b>6,365,226</b>
56	<b>LIABILITIES &amp; EQUITY</b>	
57	<b>Liabilities</b>	
58	<b>Current Liabilities</b>	
59	<b>Accounts Payable</b>	
60	21100 · *Accounts Payable	15,435
61	Total Accounts Payable	15,435
62	<b>Other Current Liabilities</b>	
63	21300 · Customer Deposits	
64	21330 · Customer Deposits - Co 1	3,850
65	21340 · Customer Deposits - Co 2	5,024
66	Total 21300 · Customer Deposits	8,874
67	21420 · Accrued Vacation Pay	18,345
68	21440 · DWR-HS Payable - Current	36,184
69	21450 · Current Portion Zion's Bank Ln	75,062
70	21460 · Accrued Payroll	4,827
71	21470 · Accrued Payroll Taxes	359
72	21480 · Accrued Interest	3,527
73	21490 · Accrued Expenses	2,830
74	Total Other Current Liabilities	150,008
75	Total Current Liabilities	165,444
76	<b>Long Term Liabilities</b>	
77	22000 · DWR-H Loan Payable (Payoff '26)	374,705
78	22100 · Zion's Bank Long Term (2023)	454,027
79	22200 · RCEDA Loan Payable	300,000
80	Total Long Term Liabilities	1,128,732
81	Total Liabilities	1,294,176

**Cabazon Water District**  
**Balance Sheet**  
As of November 30, 2016

		<u>Nov 30, 16</u>
82	<b>Equity</b>	
83	31010 · Net Investment in Capital Asset	4,091,921
84	31020 · Restricted for Debt Service	233,447
85	31030 · Unrestricted Net Assets	
86	31041 · Reserved for Almond Vault Refur	50,000
87	31030 · Unrestricted Net Assets - Other	<u>921,430</u>
88	Total 31030 · Unrestricted Net Assets	971,430
89	32000 · Retained Earnings	12,062
90	32001 · Prior Period Adjustment	(127,546)
91	Net Income	<u>(110,264)</u>
92	Total Equity	<u>5,071,050</u>
93	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>6,365,226</u></u>

**Cabazon Water District**

**Profit Loss**

**November 2016**

		Year To			
		Nov 16	Date (YTD)	Budget	% of Budget
1	Ordinary Income/Expense				
2	Income				
3	41000 · Operating Income				
4	41100 · Base Rate - Water Bills	83,876	466,433	997,600	47%
5	41220 · Fire Sales - Water Bills	240	1,200	3,100	39%
6	41230 · Fire Flow Income	-	-	150	0%
7	41240 · Meter Install and Removal	-	-	80	0%
8	41310 · Penalty Fees - Water Bills	3,362	16,873	40,000	42%
9	41320 · Lien Reinstatement Fees	-	-	1,020	0%
10	41330 · New Account Fees - Water Bills	140	540	1,420	38%
11	41360 · Incident Fee - Water Bills	-	-	140	0%
12	41370 · Returned Check Fees	30	90	550	16%
13	41400 · Basic Facilities Fee	-	8,020	8,020	100%
14	41500 · Stand By Fees - Tax Revenue	-	12,518	113,600	11%
15	Total 41000 · Operating Income	88,839	506,865	1,165,680	43%
16	42000 · Non-Operating Income				
17	42100 · Property Taxes				
18	42110 · Ad Valorem - Tax Revenue	17	1,214	50,700	2%
19	42120 · Teeter Settlement Income	-	-	10,000	0%
20	Total 42100 · Property Taxes	17	1,214	60,700	2%
21	42210 · Cell Tower Lease Income	1,967	9,834	23,100	43%
22	42310 · Miscellaneous Non-Operating Inc	-	30	-	100%
23	43000 · Interest Income				
24	43110 · Interest Inc - Gen, Trust, Payr	-	6	20	30%
25	43120 · Interest Income LAIF	-	644	2,800	23%
26	43140 · Interest Income - Water bills	507	2,313	6,000	39%
27	43150 · LAIF FMV Adjustment	-	-	20	0%
28	43160 · Interest Income - DWR	0	2	10	23%
29	Total 43000 · Interest Income	508	2,965	8,850	34%
30	Total 42000 · Non-Operating Income	2,491	14,043	92,650	15%
31	Total Income	91,330	520,908	1,258,330	41%
32	Gross Profit	91,330	520,908	1,258,330	41%
33	Expense				
34	50010 · Payroll - All Expenses				
35	51000 · Payroll Summary				
36	51050 · Directors' Fees	1,500	6,300	18,900	33%
37	51100 · Management and Customer Service				
38	51120 · Customer Accounts	5,186	19,482	39,800	49%
39	51130 · Admin Assistant	5,769	20,887	46,900	45%
40	51131 · Business Admin Manager	-	-	24,600	0%
41	51135 · Office Assistant	822	2,435	7,600	32%
42	51140 · General Manager	9,512	47,560	95,100	50%
43	Total 51100 · Management and Customer Service	21,289	90,363	214,000	42%
44	51200 · Water Operations				
45	51210 · Meter Reader	-	5,306	24,300	22%
46	Total 51200 · Water Operations	-	5,306	24,300	22%
47	56210 · Field Operations				
48	56220 · Field Workers	7,542	18,452	104,400	18%
49	Total 56210 · Field Operations	7,542	18,452	104,400	18%
50	Total 51000 · Payroll Summary	30,331	120,421	361,600	33%
51	51300 · Payroll - Employee Ben Expense				
52	51310 · Workers Comp.	1,976	7,196	19,900	36%
53	51320 · Employee Health Care	3,007	14,034	73,600	19%
54	51330 · Pension	5,595	21,499	69,300	31%
55	51350 · Union Dues	(58)	9	-	0%
56	Total 51300 · Payroll - Employee Ben Expense	10,349	42,737	162,800	26%
57	51400 · Payroll Expenses - Taxes, etc				
58	51410 · FICA and Medicare	2,347	9,291	26,300	35%
59	51420 · SUI and ETT	242	1,248	4,000	31%
60	51430 · Medical Testing	85	1,600	3,000	53%
61	Total 51400 · Payroll Expenses - Taxes, etc	2,674	12,139	33,300	36%
62	Total 50010 · Payroll - All Expenses	43,354	175,298	557,700	31%

Cabazon Water District

**Profit Loss**

November 2016

		Year To		Budget	% of Budget
		Nov 16	Date (YTD)		
63	<b>Operational Expenses</b>				
64	53000 · Facilities, Wells, Trans, Dist				
65	53110 · Lab Fees	825	1,975	7,800	25%
66	53120 · Site Landscaping & Maintenance	45	225	1,500	15%
67	53130 · Meters	50	2,830	10,000	28%
68	53140 · Generator Service Contractor	-	348	3,500	10%
69	53150 · Median Landscape & Maintenance	-	-	3,000	0%
70	53160 · Utilities - Wells	9,267	51,704	107,900	48%
71	53170 · SCADA (no ongoing contract )	27	1,299	4,800	27%
72	5318 · Line Mtn & Rep Contractor				
73	53180 · Line Maint and Repair Cont	-	1,560	-	0%
74	53181 · Line Maint Repair Cont. Emergen	-	21,498	80,000	27%
75	5318RE · Line Mtn & Rep Eq Rent Emerg	-	900	-	0%
76	<b>Total 5318 · Line Mtn &amp; Rep Contractor</b>	<b>-</b>	<b>23,958</b>	<b>80,000</b>	<b>30%</b>
77	53190 · Line Maint and Repair Materials	329	6,459	38,300	17%
78	53210 · Well Maintenance				
79	53215 · Chemicals	447	1,513	6,000	25%
80	53290 · Well Maintenance - Other	-	2,226	15,000	15%
81	<b>Total 53210 · Well Maintenance</b>	<b>447</b>	<b>3,739</b>	<b>21,000</b>	<b>18%</b>
82	53300 · Security				
83	53330 · Crime Prevention	-	-	1,070	0%
84	53350 · Alarms				
85	53355 · Alarm Phones	106	485	1,360	36%
86	53399 · Alarms - Other	-	-	550	0%
87	<b>Total 53350 · Alarms</b>	<b>106</b>	<b>485</b>	<b>1,910</b>	<b>25%</b>
88	53380 · Materials	-	157	500	31%
89	53390 · Audio Alarm (cont exp xx/xx)	735	7,264	7,000	104%
90	53410 · Video Eq Lease (exp xx/xx)	724	3,620	9,500	38%
91	<b>Total 53300 · Security</b>	<b>1,565</b>	<b>11,526</b>	<b>19,980</b>	<b>58%</b>
92	53610 · Engineering Services	6,597	30,056	80,900	37%
93	53620 · Chlorinators	-	1,541	2,000	77%
94	53910 · Facilities, Wells, T&D - Other	-	15,755	30,000	53%
95	<b>Total 53000 · Facilities, Wells, Trans, Dist</b>	<b>19,151</b>	<b>151,415</b>	<b>410,680</b>	<b>37%</b>
96	54000 · Utilities - Office				
97	54110 · Electricity	901	6,329	13,900	46%
98	54120 · Gas	42	140	520	27%
99	54130 · Telephone	749	3,867	9,800	39%
100	54140 · Trash Pickup/Office Cleaning	355	1,773	4,300	41%
101	<b>Total 54000 · Utilities - Office</b>	<b>2,046</b>	<b>12,109</b>	<b>28,520</b>	<b>42%</b>
102	55000 · Office Expenses				
103	55110 · Water Billing System	462	11,931	11,500	104%
104	55120 · Supplies & Equipment	755	3,775	9,540	40%
105	55130 · Copier and Supplies	475	2,180	7,900	28%
106	55140 · Dues & Subscriptions	-	-	1,700	0%
107	55150 · Postage	1,108	3,255	12,600	26%
108	55160 · Printing & Publications	1,269	3,685	6,000	61%
109	55170 · Leases & Rents	83	165	340	49%
110	55180 · Computer Services	3,007	17,029	34,000	50%
111	55190 · Office/Radio	-	-	1,500	0%
112	55200 · Office Storage	500	2,500	6,100	41%
113	55210 · Air Conditioning Servicing	361	1,805	4,300	42%
114	55220 · Fire Alarm System Servicing	-	288	600	48%
115	55910 · Office Expenses - Other	-	860	1,000	86%
116	<b>Total 55000 · Office Expenses</b>	<b>8,020</b>	<b>47,474</b>	<b>97,080</b>	<b>49%</b>
117	56000 · Support Services				
118	56200 · Temporary Labor	450	1,771	2,000	89%
119	56300 · Financial Audit (through 20xx)	2,142	10,726	21,700	49%
120	56400 · Accounting (monthly contract)	3,000	18,145	30,000	60%
121	56500 · Legal Services				
122	565-00 · Legal - General	1,647	19,331	80,000	24%
123	565-01 · Legal - Water	1,741	10,663	25,600	42%
124	565-02 · Legal - Brown Act, Public Recor	-	3,401	6,800	50%
125	565-07 · Legal - Personnel	725	6,316	5,000	126%

Cabazon Water District

**Profit Loss**

November 2016

		Year To			
		Nov 16	Date (YTD)	Budget	% of Budget
126	565-13 · Legal - Grant/Loan Funding	-	-	10,000	0%
127	565-40 · Legal - Fees and Charges	-	-	2,900	0%
128	Total 56500 · Legal Services	4,113	39,710	130,300	30%
129	56600 · Bank Service Charges	40	613	1,700	36%
130	56700 · Payroll Service	399	1,580	5,000	32%
131	56800 · General Liability Insurance	1,932	9,501	21,500	44%
132	Total 56000 · Support Services	9,075	79,046	212,200	37%
133	57000 · Training/Travel				
134	57110 · Seminars/Training	25	275	8,000	3%
135	57120 · Travel and Meals	33	1,037	4,000	26%
136	Total 57000 · Training/Travel	58	1,312	12,000	11%
137	58000 · Other Fees				
138	58100 · County Lien Release Fees	-	46	180	26%
139	58110 · Riverside County Fees	-	2,448	2,500	98%
140	58120 · State Water fees	-	-	12,500	0%
141	58910 · Other Fees - Other	-	-	1,000	0%
142	Total 58000 · Other Fees	-	2,494	16,180	15%
143	59000 · Service Tools & Equipment				
144	59110 · Shop Supplies and Small Tools	385	4,153	6,000	69%
145	59120 · Vehicle Fuel	1,162	4,163	15,000	28%
146	59130 · Employee Uniforms	-	1,216	2,000	61%
147	59140 · Safety	-	3,815	5,000	76%
148	59150 · Tractor Expenses	-	3,729	6,900	54%
149	59160 · Backhoe Fuel	-	-	1,000	0%
150	59170 · Equipment Rental	-	646	1,200	54%
151	59180 · Service Trucks - Repair and Mtn	2,638	7,732	14,100	55%
152	59190 · Water Ops Cell Phone/ Internet	45	159	2,200	7%
153	59220 · Communications	-	2,288	3,000	76%
154	59910 · Service Tools & Equip. - Other	-	-	1,100	0%
155	Total 59000 · Service Tools & Equipment	4,230	27,901	57,500	49%
156	Total Operational Expenses	45,580	324,751	834,160	39%
157	61000 · Non-Operating Expenses				
158	61150 · Returned Checks	-	100	-	0%
159	61160 · Grant/Loan Processing Fee	-	1,325	2,000	66%
160	61170 · DWR Interest on Loans	-	6,899	13,500	51%
161	61180 · DHPO Interest Expense	-	7,054	12,707	56%
162	61190 · Bad Debt Expense	-	-	1,200	0%
163	61240 · Miscellaneous	-	3,058	8,000	38%
164	61241 · Website Support	110	550	2,820	20%
165	Total 61000 · Non-Operating Expenses	1,301	20,178	40,227	50%
166	65000 · Depreciation and Amortization				
167	65110 · Depreciation	22,189	110,945	286,800	39%
168	Total 65000 · Depreciation and Amortization	22,189	110,945	286,800	39%
169	Total Expense	112,425	631,172	1,718,887	37%
170	Net Ordinary Income	(21,095)	(110,264)	(460,557)	23%
171	Net Income	(21,095)	(110,264)	(460,557)	23%

Cabazon Water District  
Statement of Cash Flows  
Month Ended November 30, 2016

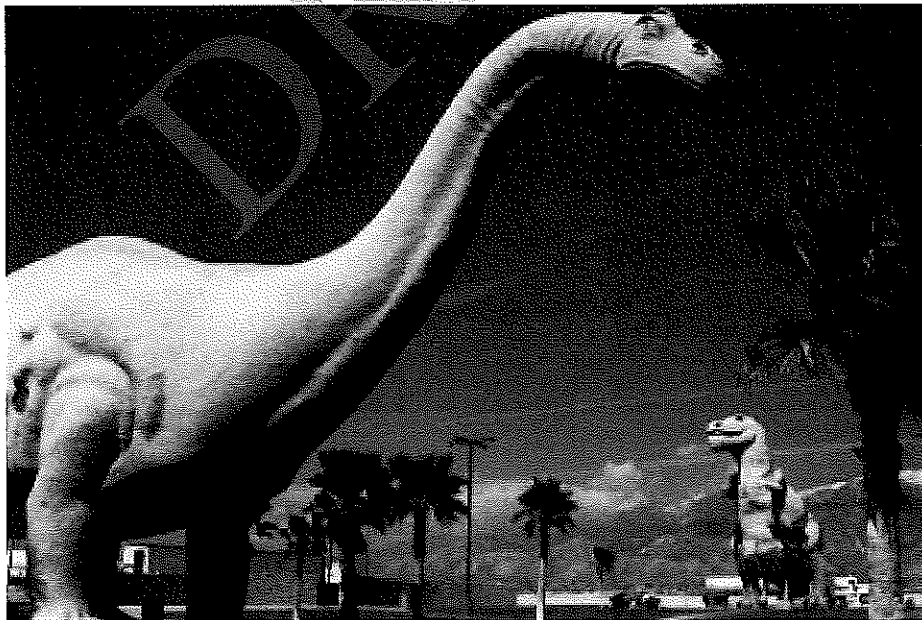
Beginning Balance	<u>164,814.54</u>
Receipts:	
Water Service	96,399.47
Tax Revenue	16.91
Cell Tower Revenue	-
Customer Deposits	200.00
Interest Income	0.37
LAIF Transfer	-
Other	2,441.50
Total Receipts	<u>99,058.25</u>
Expenditures:	
Paid Bills	142,568.34
Payroll Expenses	34,163.83
Deposit Refunds	86.14
Debt Repayment	-
Other	39.50
Total Expenditures	<u>176,857.81</u>
Net Receipts/(Expenditures)	<u>(77,799.56)</u>
Ending Cash	<u><u>87,014.98</u></u>





**Cabazon Water District  
Annual Financial Report**

**For the Fiscal Years Ended June 30, 2016 and 2015**



**Cabazon Water District**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**Cabazon Water District**  
**Board of Directors as of June 30, 2016**

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
Robert Lynk	Chair	Elected	12/15-12/17
Alan Davis	Vice Chair	Elected	12/15-12/19
Maxine Israel	Director	Elected	12/15-12/19
Sarah Wargo	Director	Appointed	4/16-12/17
Teresa Bui	Director	Elected	12/13-12/17

**Cabazon Water District**  
**Calvin Louie, General Manager**  
**14618 Broadway Street**  
**P.O. Box 297**  
**Cabazon, California 92230**  
**(951) 849-4442**

**Cabazon Water District**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

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**Cabazon Water District  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2016 and 2015**

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**Introductory Section**

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[DATE]

Board of Directors  
Cabazon Water District

### **Introduction**

It is our pleasure to submit the Annual Financial Report for the Cabazon Water District for the fiscal years ended June 30, 2016 and 2015, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

This report is organized into two sections: (1) Introductory and (2) Financial. The Introductory section offers general information about the District's organization and current District activities, and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the District's basic financial statements, and the District's audited basic financial statements with accompanying notes.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

### **District Structure and Leadership**

The Cabazon Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District was formed in 1954 and is governed by a five-member Board of Directors, elected at-large from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs one (1) regular employee and three (3) part-time employees organized into two departments. The District's Board of Directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend.

The District provides water service to approximately 1,000 customers within its 7,040 acre service area, located in the eastern portion of Riverside County. The District encompasses the unincorporated town of Cabazon and some of the unincorporated areas of Riverside County, California.

### **District Services**

Residential customers are approximately 97% of the District's customer base and consume approximately 90% of the water produced annually by the District. The District currently has a total of four groundwater wells with a maximum production capacity of 3,160 gallons per minute.

### **Economic Condition and Outlook**

The District office is located in the unincorporated town of Cabazon in Riverside County. Regional growth has been slow to recover from the continuing effects of the economic downturn and the dissolution of Redevelopment Agencies throughout the State.

### **Internal Control Structure**

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits require estimates and judgments by management.

### **Budgetary Control**

The District Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

### **Investment Policy**

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund, and institutional savings and checking accounts.

### **Water Rates and District Revenues**

District policy direction ensures that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding. Accordingly, water rates are reviewed on an annual basis. Water rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water rates are composed of a commodity (usage) charge and a fixed meter standby charge.

### **Audit and Financial Reporting**

State Law and debt covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Fedak & Brown LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.



**Other References**

More information is contained in the Management’s Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

**Acknowledgements**

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the Cabazon Water District’s fiscal policies.

Respectfully submitted,

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Calvin Louie  
General Manager

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**Financial Section**

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## Independent Auditor's Report

Board of Directors  
Cabazon Water District  
Cabazon, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Cabazon Water District (District) as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cabazon Water District, as of June 30, 2016 and 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Independent Auditor's Report, continued

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 6 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Prior Period Restatement*

As part of our audit of the June 30, 2016, financial statements, we audited the adjustments described in note 7. An adjustment for water consumption sales, unbilled receivables, and long-term debt was applied to restate the June 30, 2015, financial statements.

#### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section on pages 1 through 3, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [DATE], on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 33 and 34.

**Fedak & Brown LLP**

Cypress, California

[DATE]

**Cabazon Water District**  
*Management's Discussion and Analysis*  
**For the Fiscal Years Ended June 30, 2016 and 2015**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Cabazon Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2016 and 2015. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory section and with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- In fiscal year 2016, the District's net position decreased 1.95% or \$102,911 to \$5,175,970. In fiscal year 2015, the District's net position decreased 1.00% or \$53,559 to \$5,278,881. See note 8 for further discussion.
- In fiscal year 2016, the District's operating revenues decreased 6.13% or \$73,958, due primarily to a decrease of \$79,949 in water consumption sales. In fiscal year 2015, the District's operating revenues decreased 8.78% or \$116,220 due primarily to a decrease of \$111,608 decrease in water consumption sales.
- In fiscal year 2016, the District's operating expenses decreased 12.46% or \$144,658, due primarily to a decrease of \$195,403 in transmission and distribution; which was offset by an increase of \$47,169 in general and administrative expenses. In 2015, the District's operating expenses increased 15.52% or \$155,967, due primarily to increases of \$57,430 in transmission and distribution and \$97,768 in general and administrative expenses.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statements of Net Position include all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the years' revenue and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. These statements measure the success of the District's operations over the past years and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. These statements can also be used to evaluate profitability and credit worthiness. The final required financial statements are the Statements of Cash Flows, which provide information about the District's cash receipts and cash payments during the reporting period. The Statements of Cash Flows report cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

**Cabazon Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**Financial Analysis of the District, continued**

These two statements report the District's *net position* and changes in them. One can think of the District's net position (the difference between assets and deferred outflows, and liabilities and deferred inflows), as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 32.

**Statements of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$5,175,970 and \$5,278,881 as of June 30, 2016 and 2015, respectively.

By far the largest portion of the District's net assets (82% as of June 30, 2016 and 2015) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

At the end of fiscal years 2016 and 2015, the District showed a positive balance in its unrestricted net assets of \$819,748 and \$874,028. See note 8 for further discussion.

**Condensed Statements of Net Position**

	<u>2016</u>	<u>As Restated 2015</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 1,001,425	1,196,183	(194,758)
Capital assets, net	5,590,764	5,748,314	(157,550)
<b>Total assets</b>	<u>6,592,189</u>	<u>6,944,497</u>	<u>(352,308)</u>
<b>Liabilities:</b>			
Current liabilities	230,423	368,497	(138,074)
Non-current liabilities	1,185,796	1,297,119	(111,323)
<b>Total liabilities</b>	<u>1,416,219</u>	<u>1,665,616</u>	<u>(249,397)</u>
<b>Net position:</b>			
Net investment in capital assets	4,293,645	4,342,807	(49,162)
Restricted for debt service	62,577	62,046	531
Unrestricted	819,748	874,028	(54,280)
<b>Total net position</b>	<u>\$ 5,175,970</u>	<u>5,278,881</u>	<u>(102,911)</u>



**Cabazon Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**Statements of Revenues, Expenses and Changes in Net Position**

	<u>2016</u>	<u>As Restated 2015</u>	<u>Change</u>
<b>Revenues:</b>			
Operating revenues	\$ 1,133,218	1,207,176	(73,958)
Non-operating revenues	89,902	90,209	(307)
<b>Total revenues</b>	<u>1,223,120</u>	<u>1,297,385</u>	<u>(74,265)</u>
<b>Expenses:</b>			
Operating expenses	1,016,514	1,161,172	(144,658)
Depreciation	281,217	259,360	21,857
Non-operating expenses	28,300	56,384	(28,084)
<b>Total expenses</b>	<u>1,326,031</u>	<u>1,476,916</u>	<u>(150,885)</u>
<b>Net income(loss) before capital contributions</b>	(102,911)	(179,531)	76,620
<b>Capital contributions</b>	-	125,972	(125,972)
<b>Change in net position</b>	<u>(102,911)</u>	<u>(53,559)</u>	<u>(49,352)</u>
<b>Net position, beginning of year (note 7)</b>	<u>5,278,881</u>	<u>5,332,440</u>	<u>(53,559)</u>
<b>Net position, end of year</b>	<u>\$ 5,175,970</u>	<u>5,278,881</u>	<u>(102,911)</u>

The statements of revenues, expenses and changes in net assets show how the District's net position changed during the fiscal years. In the case of the District, net position decreased by \$102,911 and \$53,559 for the fiscal years ended June 30, 2016 and 2015, respectively.

A closer examination of the sources of changes in net assets reveals that:

In fiscal year 2016, the District's net position decreased 1.95% or \$102,911 to \$5,175,970. In fiscal year 2015, the District's net position decreased 1.00% or \$53,559 to \$5,278,881. See note 8 for further discussion.

In fiscal year 2016, the District's operating revenues decreased 6.13% or \$73,958, due primarily to a decrease of \$79,949 in water consumption sales. In fiscal year 2015, the District's operating revenues decreased 8.78% or \$116,220 due primarily to a decrease of \$111,608 decrease in water consumption sales.

In fiscal year 2016, the District's operating expenses decreased 12.46% or \$144,658, due primarily to a decrease of \$195,403 in transmission and distribution; which was offset by an increase of \$47,169 in general and administrative expenses. In 2015, the District's operating expenses increased 15.52% or \$155,967, due primarily to increases of \$57,430 in transmission and distribution and \$97,768 in general and administrative expenses.

**Cabazon Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**Capital Asset Administration**

At the end of fiscal years 2016 and 2015, the District's investment in capital assets amounted to \$5,590,764 and \$5,748,314 (net of accumulated depreciation), respectively. This investment in capital assets includes land, transmission and distribution systems, wells, tanks, reservoirs, pumps, buildings and structures, equipment, vehicles and construction-in-process, etc. Major capital assets additions during the years include improvements to the transmission and distribution system and source of supply.

Changes in capital assets for 2016, were as follows:

	<u>Balance 2015</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2016</u>
Capital assets:				
Non-depreciable assets	\$ 499,026	13,094	(79,785)	432,335
Depreciable assets	9,500,917	190,358	(23,510)	9,667,765
Accumulated depreciation	<u>(4,251,629)</u>	<u>(281,217)</u>	<u>23,510</u>	<u>(4,509,336)</u>
Total capital assets, net	<u>\$ 5,748,314</u>	<u>(77,765)</u>	<u>(79,785)</u>	<u>5,590,764</u>

Changes in capital assets for 2015, were as follows:

	<u>Balance 2014</u>	<u>Additions/ Transfers</u>	<u>Transfers/ Deletions</u>	<u>Balance 2015</u>
Capital assets:				
Non-depreciable assets	\$ 424,841	251,994	(177,809)	499,026
Depreciable assets	9,411,410	282,756	(193,249)	9,500,917
Accumulated depreciation	<u>(4,152,472)</u>	<u>(259,360)</u>	<u>160,203</u>	<u>(4,251,629)</u>
Total capital assets, net	<u>\$ 5,683,779</u>	<u>275,390</u>	<u>(210,855)</u>	<u>5,748,314</u>

**Debt Administration**

Changes in long-term debt in 2016, were as follows:

	<u>Balance 2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2016</u>
Long-term debt:				
Loans payable	\$ 1,405,507	-	(108,388)	1,297,119
Total loans payable	<u>\$ 1,405,507</u>	<u>-</u>	<u>(108,388)</u>	<u>1,297,119</u>

Changes in long-term debt in 2015, were as follows:

	<u>Balance 2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2015</u>
Long-term debt:				
Loans payable	\$ 1,511,115	-	(105,608)	1,405,507
Total loans payable	<u>\$ 1,511,115</u>	<u>-</u>	<u>(105,608)</u>	<u>1,405,507</u>

**Cabazon Water District**  
*Management's Discussion and Analysis, continued*  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net assets or operating results in terms of past, present and future.

**Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager at 14618 Broadway Street, P.O. Box 297, Cabazon, California 92230.

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# **Basic Financial Statements**

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**Cabazon Water District**  
**Statements of Net Position**  
**June 30, 2016 and 2015**

	<u>2016</u>	<u>As Restated 2015</u>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 652,260	833,693
Cash and cash equivalents – restricted (note 2)	62,577	62,046
Accrued interest receivable	812	475
Accounts receivable – water sales, net (note 3)	175,058	167,267
Property taxes and assessments receivable	13,205	18,677
Materials and supplies inventory	87,158	103,053
Prepaid and other assets	10,355	10,972
Total current assets	<u>1,001,425</u>	<u>1,196,183</u>
<b>Non-current assets:</b>		
Capital assets – non-depreciable (note 4)	432,335	499,026
Capital assets, net (note 4)	<u>5,158,429</u>	<u>5,249,288</u>
Total non-current assets	<u>5,590,764</u>	<u>5,748,314</u>
<b>Total assets</b>	<u>6,592,189</u>	<u>6,944,497</u>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	76,693	224,395
Accrued wages and related payables	5,186	3,968
Customer advances and deposits	12,168	11,742
Accrued interest payable on long-term debt	6,708	7,415
Long-term liabilities – due within one year:		
Compensated absences (note 5)	18,345	12,589
Loans payable (note 6)	<u>111,323</u>	<u>108,388</u>
Total current liabilities	<u>230,423</u>	<u>368,497</u>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Loans payable (note 6)	<u>1,185,796</u>	<u>1,297,119</u>
Total non-current liabilities	<u>1,185,796</u>	<u>1,297,119</u>
<b>Total liabilities</b>	<u>1,416,219</u>	<u>1,665,616</u>
<b>Net position: (note 8)</b>		
Net investment in capital assets	4,293,645	4,342,807
Restricted	62,577	62,046
Unrestricted	<u>819,748</u>	<u>874,028</u>
<b>Total net position</b>	<u>\$ 5,175,970</u>	<u>5,278,881</u>

See accompanying notes to the basic financial statements

**Cabazon Water District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>As Restated 2015</u>
<b>Operating revenues:</b>		
Water consumption sales	\$ 978,063	1,058,012
Connection fees	2,975	2,880
Standby fees	113,639	101,405
Facility fees	1,810	8,020
Other charges	36,731	36,859
<b>Total operating revenues</b>	<u>1,133,218</u>	<u>1,207,176</u>
<b>Operating expenses:</b>		
Pumping and water treatment	115,630	114,435
Transmission and distribution	131,418	326,821
Customer accounts	46,136	43,755
General and administrative	723,330	676,161
<b>Total operating expenses</b>	<u>1,016,514</u>	<u>1,161,172</u>
Operating income before depreciation and amortization	116,704	46,004
Depreciation	(281,217)	(259,360)
<b>Operating income (loss)</b>	<u>(164,513)</u>	<u>(213,356)</u>
<b>Non-operating revenue (expense)</b>		
Property taxes	59,157	57,072
Rental income – cellular antennas	23,139	26,610
Investment earnings	7,125	6,527
Interest expense – long-term debt	(28,300)	(32,285)
Other non-operating revenue (expense), net	481	(24,099)
<b>Total non-operating revenues, net</b>	<u>61,602</u>	<u>33,825</u>
<b>Net income before capital contributions</b>	<u>(102,911)</u>	<u>(179,531)</u>
<b>Capital contributions</b>		
Contributed capital assets	-	125,972
<b>Change in net position</b>	<u>(102,911)</u>	<u>(53,559)</u>
<b>Net position, beginning of year (note 7)</b>	<u>5,278,881</u>	<u>5,332,440</u>
<b>Net position, end of year</b>	<u>\$ 5,175,970</u>	<u>5,278,881</u>

See accompanying notes to the basic financial statements

**Cabazon Water District**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

	<b>2016</b>	<b>As Restated 2015</b>
Cash flows from operating activities:		
Cash receipts from customers for water sales	\$ 1,012,214	1,086,845
Proceeds from standby fees	113,639	101,405
Cash paid to employees for salaries and wages	(716,356)	(192,477)
Cash paid to vendors and suppliers for materials and services	(423,893)	(909,394)
Net cash (used in)provided by operating activities	(14,396)	86,379
Cash flows from non-capital financing activities:		
Proceeds from rental income – cellular antennas	23,139	26,610
Proceeds from property taxes	64,629	53,228
Net cash provided by non-capital financing activities	87,768	79,838
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(123,667)	(323,895)
Proceeds from capital contributions	-	125,972
Principal paid on long-term debt	(108,388)	(105,608)
Interest paid on long-term debt	(29,007)	(32,990)
Net cash used in capital and related financing activities	(261,062)	(336,521)
Cash flows from investing activities:		
Interest earnings	6,788	6,422
Net cash provided by investing activities	6,788	6,422
<b>Net decrease in cash and cash equivalents</b>	<b>(180,902)</b>	<b>(163,882)</b>
Cash and cash equivalents, beginning of year	895,739	1,059,621
Cash and cash equivalents, end of year	\$ 714,837	895,739
Reconciliation of cash and cash equivalents to statements of financial position:		
Cash and cash equivalents	\$ 652,260	833,693
Restricted assets – cash and cash equivalents	62,577	62,046
Total cash and cash equivalents	\$ 714,837	895,739

Continued on next page

See accompanying notes to the basic financial statements



**Cabazon Water District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

	2016	As Restated 2015
Reconciliation of operating income (loss) to net cash provided		
by operating activities:		
Operating income (loss)	\$ (164,513)	(213,356)
Adjustments to reconcile operating loss to net cash provided		
by operating activities:		
Depreciation	281,217	259,360
Other non-operating	481	(24,099)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable – water sales and services, net	(7,791)	(28,992)
Note receivable	-	11,680
Materials and supplies inventory	15,895	(14,421)
Prepaid and other assets	617	(20)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(147,702)	98,683
Accrued wages and related payables	1,218	(3,709)
Compensated absences	5,756	2,867
Customer advances and deposits	426	(1,614)
Total adjustments	150,117	299,735
Net cash provided by operating activities	\$ (14,396)	86,379
Non-cash investing, capital and financing transactions:		
Change in fair-market value of funds deposited with LAIF	\$ 15	53

See accompanying notes to the basic financial statements

**Cabazon Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The Cabazon Water District (District) was formed on May 21, 1954, and provides potable water and water services within a 7,040 acre service area between the cities of Beaumont and Palm Springs within the County of Riverside. The District is governed by a five-member Board of Directors who serves four year terms.

**B. Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

In February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*, effective for financial statements for periods beginning after June 15, 2015. The objective of this Statement is to enhance comparability of financial statements among governments by measurement of certain assets and liabilities at their fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value.

In June 2015, the GASB issued Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for fiscal years beginning after June 15, 2015. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement establishes requirements for defined benefit pensions that are not within the Scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

In June 2015, the GASB issued Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for financial statements for periods beginning after June 15, 2015. This Statement replaces the requirements of Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment is not specified within the source of authoritative GAAP.

In December 2015, the GASB issued Statement No. 79 – *Certain External Investment Pools and Pool Participants*, effective for financial statements for periods beginning after June 15, 2015. This Statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the District’s cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

**3. Investments**

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**4. Fair Value Measurement and Application**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets.

Level 2 – Valuation based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Valuation based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

**5. Accounts Receivable and Allowance for Uncollectible Accounts**

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

**6. Property Taxes and Assessments**

The County of Riverside Assessor's Office assesses all real and personal property within the County each year. The County of Riverside Tax Collector's Office bills and collects the District's share of property taxes and assessments. In 1993, the County adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1 (commencing section 4701) of the Revenue and Taxation Code of the State (also known as the "Teeter Plan"). This alternative method provides for funding each taxing entity included in the Teeter Plan with its total secured property taxes during the year the taxes are levied, including any amount uncollected at fiscal year-end. Under this plan, the County assumes an obligation under a debenture or similar demand obligation to advance funds to cover expected delinquencies, and by such financing, Cabazon Water District receives the full amount of secured property taxes levied each year and, therefore, no longer experiences delinquent taxes. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of Riverside, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**7. Materials and Supplies Inventory**

Materials and supplies inventory consists primarily of water meters, and pipes and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using a first-in, first-out cost method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

**8. Prepaid Expenses**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**9. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Transmission and distribution mains – 15 to 40 years
- Reservoirs and tanks – 10 to 40 years
- Wells – 10 to 30 years
- Buildings and structures – 5 to 40 years
- Office furniture and equipment – 5 to 10 years
- Tools and equipment – 7 to 20 years
- Vehicles – 5 years

**10. Compensated Absences**

The District's policy is to permit employees to accumulate earned vacation up to a total of 240 hours with amounts exceeding the limit being paid out as part of the employee's regular compensation. Upon termination of employment, employees are paid all unused vacation and forfeit any unused sick time.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**11. Net Position**

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net Investment in Capital Assets Component of Net Position* – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position
- *Restricted Component of Net Position* – This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted Component of Net Position* – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

**12. Water Sales**

Water sales are billed on a monthly cyclical basis. Estimated unbilled water revenue through June 30 has been accrued at year-end.

**13. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures, or capacity commitment.

**14. Budgetary Policies**

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(2) Cash and Investments**

Cash and investments as of June 30, are classified in the accompanying financial statements as follows:

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 652,260	833,693
Restricted – cash and cash equivalents	<u>62,577</u>	<u>62,046</u>
Total	<u>\$ 714,837</u>	<u>895,739</u>

Cash and investments as of June 30, consist of the following:

	<u>2016</u>	<u>2015</u>
Cash on hand	\$ 100	100
Deposits with bank	220,825	161,689
Investments	<u>493,912</u>	<u>733,950</u>
Total	<u>\$ 714,837</u>	<u>895,739</u>

As of June 30, the District's authorized deposits had the following maturities:

	<u>2016</u>	<u>2015</u>
Deposits in California Local Agency Investment Fund (LAIF)	167 days	239 days

***Investments Authorized by the California Government Code and the District's Investment Policy***

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(2) Cash and Investments, continued**

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Of the bank balances, up to \$250,000 as of June 30, 2016 and 2015, is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

***Investment in State Investment Pool***

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District can manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.



**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(2) Cash and Investments, continued**

*Interest Rate Risk, continued*

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date.

Maturities of investments at June 30, 2016, consisted of the following:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining maturity 12 months or less</u>
Local Agency Investment Fund (LAIF)	\$ 431,335	431,335
Held by bond trustee:		
Money market funds	<u>62,577</u>	<u>62,577</u>
	<u>\$ 493,912</u>	<u>493,912</u>

Maturities of investments at June 30, 2015, consisted of the following:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining maturity 12 months or less</u>
Local Agency Investment Fund (LAIF)	\$ 671,904	671,904
Held by bond trustee:		
Money market funds	<u>62,046</u>	<u>62,046</u>
	<u>\$ 733,950</u>	<u>733,950</u>

*Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2016, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum legal rating</u>	<u>Rating as of year-end AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 431,335	N/A	-	431,335
Held by bond trustee:				
Money market funds	<u>62,577</u>	<u>AAA</u>	<u>62,577</u>	<u>-</u>
	<u>\$ 493,912</u>		<u>62,577</u>	<u>431,335</u>

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(2) Cash and Investments, continued**

*Credit Risk, continued*

Credit ratings of investments as of June 30, 2015, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum legal rating</u>	<u>Rating as of year-end AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF) Held by bond trustee:	\$ 671,904	N/A	-	671,904
Money market funds	62,046	AAA	62,046	-
	<u>\$ 733,950</u>		<u>62,046</u>	<u>671,904</u>

*Concentration of Credit Risk*

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District's investments as of June 30, 2016 and 2015.

**(3) Accounts Receivable**

The balance at June 30, consists of the following:

	<u>2016</u>	<u>2015</u>
Accounts receivable - water sales and services	\$ 203,694	183,365
Allowance for uncollectable accounts	(28,636)	(16,098)
	<u>\$ 175,058</u>	<u>167,267</u>

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(4) Capital Assets**

Changes in capital assets for 2016, were as follows:

	<u>Balance 2015</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2016</u>
Non-depreciable assets:				
Land	\$ 409,548	-	-	409,548
Construction-in-process	89,478	13,094	(79,785)	22,787
Total non-depreciable assets	<u>499,026</u>	<u>13,094</u>	<u>(79,785)</u>	<u>432,335</u>
Depreciable assets:				
Transmission and distribution mains	7,767,650	109,129	(23,510)	7,853,269
Source of supply	1,448,564	70,959	-	1,519,523
Tools and equipment	118,016	-	-	118,016
Buildings and structures	10,623	1,658	-	12,281
Office furniture and equipment	54,576	8,612	-	63,188
Vehicles	90,456	-	-	90,456
Intangible plant	11,032	-	-	11,032
Total depreciable assets	<u>9,500,917</u>	<u>190,358</u>	<u>(23,510)</u>	<u>9,667,765</u>
Accumulated depreciation:				
Transmission and distribution mains	(3,684,327)	(200,639)	23,510	(3,861,456)
Source of supply	(313,650)	(67,888)	-	(381,538)
Tools and equipment	(113,460)	(2,378)	-	(115,838)
Buildings and structures	(3,381)	(500)	-	(3,881)
Office furniture and equipment	(41,761)	(4,786)	-	(46,547)
Vehicles	(84,380)	(4,776)	-	(89,156)
Intangible plant	(10,670)	(250)	-	(10,920)
Total accumulated depreciation	<u>(4,251,629)</u>	<u>(281,217)</u>	<u>23,510</u>	<u>(4,509,336)</u>
Total depreciable assets, net	<u>5,249,288</u>	<u>(90,859)</u>	<u>-</u>	<u>5,158,429</u>
Total capital assets, net	<u>\$ 5,748,314</u>			<u>5,590,764</u>

Major capital assets additions during the year include improvements to the transmission and distribution system and source of supply.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(4) Capital Assets, continued**

Changes in capital assets for 2015, were as follows:

	<u>Balance 2014</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2015</u>
Non-depreciable assets:				
Land	\$ 409,548	-	-	409,548
Construction-in-process	15,293	251,994	(177,809)	89,478
Total non-depreciable assets	<u>424,841</u>	<u>251,994</u>	<u>(177,809)</u>	<u>499,026</u>
Depreciable assets:				
Transmission and distribution mains	7,724,209	43,441	-	7,767,650
Source of supply	1,220,181	228,383	-	1,448,564
Tools and equipment	118,016	-	-	118,016
Buildings and structures	140,360	-	(129,737)	10,623
Office furniture and equipment	107,156	10,932	(63,512)	54,576
Vehicles	90,456	-	-	90,456
Intangible plant	11,032	-	-	11,032
Total depreciable assets	<u>9,411,410</u>	<u>282,756</u>	<u>(193,249)</u>	<u>9,500,917</u>
Accumulated depreciation:				
Transmission and distribution mains	(3,490,013)	(194,314)	-	(3,684,327)
Source of supply	(256,563)	(57,087)	-	(313,650)
Tools and equipment	(111,082)	(2,378)	-	(113,460)
Buildings and structures	(99,493)	(579)	96,691	(3,381)
Office furniture and equipment	(103,692)	(1,581)	63,512	(41,761)
Vehicles	(81,209)	(3,171)	-	(84,380)
Intangible plant	(10,420)	(250)	-	(10,670)
Total accumulated depreciation	<u>(4,152,472)</u>	<u>(259,360)</u>	<u>160,203</u>	<u>(4,251,629)</u>
Total depreciable assets, net	<u>5,258,938</u>	<u>23,396</u>	<u>(33,046)</u>	<u>5,249,288</u>
Total capital assets, net	<u>\$ 5,683,779</u>			<u>5,748,314</u>

Major capital assets additions during the year include improvements to the transmission and distribution system and source of supply.

**(5) Compensated Absences**

The changes in compensated absences balances at June 30, were as follows:

	<u>Balance 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2016</u>
\$	<u>12,589</u>	<u>18,077</u>	<u>(12,321)</u>	<u>18,345</u>
	<u>Balance 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2015</u>
\$	<u>9,722</u>	<u>10,928</u>	<u>(8,061)</u>	<u>12,589</u>

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(6) Long-Term Debt**

Changes in long-term debt in 2016, were as follows:

	<u>As Restated Balance 2015</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2016</u>
1993 Calif. Dept. of Water Resources Loan - E58416	\$ 465,660	-	(35,161)	430,499
Zions First National Bank	639,847	-	(73,227)	566,620
Riverside County Economic Development Agency	300,000	-	-	300,000
Total long-term debt	1,405,507	-	(108,388)	1,297,119
Less current portion	(108,388)			(111,323)
Total non-current	\$ 1,297,119			1,185,796

Changes in long-term debt in 2015, were as follows:

	<u>As Restated Balance 2014</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>As Restated Balance 2015</u>
1993 Calif. Dept. of Water Resources Loan - E58416	\$ 499,831	-	(34,171)	465,660
Zions First National Bank	711,284	-	(71,437)	639,847
Riverside County Economic Development Agency	300,000	-	-	300,000
Total long-term debt	1,511,115	-	(105,608)	1,405,507
Less current portion	(105,608)			(108,388)
Total non-current	\$ 1,405,507			1,297,119

**1993 California Dept. of Water Resources Loan – E58416**

In 1993 the Cabazon Water District contracted with the California Department of Water Resources for a \$979,860, 30-year loan under the 1984 California Safe Drinking Water Bond Law to fund capital improvements in order to comply with the California Safe Drinking Water Standards. Terms of the loan call for monthly debt service deposits by the District with a trustee. Principal and interest payments of \$24,346 are payable semi-annually on October 1<sup>st</sup> and April 1<sup>st</sup> each year at a rate of 2.955%, with the obligation maturing in 2026. Annual debt service requirements on the 1993 California Dept. of Water Resources Loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 36,261	12,430	48,691
2018	37,314	11,377	48,691
2019	38,425	10,266	48,691
2020	39,550	9,141	48,691
2021	40,763	7,928	48,691
2022-2026	222,662	20,793	243,455
2027	15,524	230	15,754
Total	430,499	72,165	502,664
Less current portion	(36,261)		
Total non-current	\$ 394,238		

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(6) Long-Term Debt, continued**

***Zions First National Bank***

In 2013, the Cabazon Water District entered into a loan agreement with Zions First National Bank in the amount of \$787,309 to refinance the 1993 California Dept. of Water Resources Loan – E62039, and provide funding for the construction and upgrade of District transmission mains. Terms of the loan call for semi-annual debt service payments of principal and interest payable on April 1<sup>st</sup> and October 1<sup>st</sup> of each year at a rate of 2.49%, maturing in 2023. Annual debt service requirements on the loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 75,062	13,641	88,703
2018	76,942	11,761	88,703
2019	78,870	9,833	88,703
2020	80,846	7,857	88,703
2021	82,872	5,831	88,703
2021-2023	172,027	5,378	177,406
Total	566,619	54,301	620,921
Less current portion	(75,062)		
Total non-current	\$ 491,557		

***Riverside County Economic Development Agency***

In 1997, the Cabazon Water District contracted with the Riverside County Economic Development Agency for a \$300,000 loan to construct water improvements, in conjunction with MKA Cabazon Partnership Construction Agreement. The agreement calls for a zero interest loan with funds to be repaid with connection fees as development occurs. The unpaid balance has been classified as long-term as no connections are anticipated in 2016.

**(7) Restatement of Net Position**

***Unbilled Receivable***

In fiscal year 2015, the District did not recognize water usage for the unbilled month of June 2015. As a result, the District recorded a prior period adjustment to net position in the amount of \$51,344.

***Water Consumption Sales***

During fiscal year 2016, the District realized that the Desert Hills Premium Outlet (DHPO) was overbilled for water consumption sales starting May 2012. The effects of the overbilling through June 30, 2014 were restated in the amount of \$73,337; and the effects of the overbilling from July 1, 2014 through June 30, 2015, were restated in the amount of \$105,437.

***Long-term Debt***

During fiscal year 2016, the District noted that annual principal and interest payment for a loan to the Department of Water Resources has changed from \$49,635 to \$48,691 effective April 1, 2013. As a result, the District recorded a prior period adjustment in the amount of \$1,438 to restate net position as of June 30, 2014, and a prior period adjustment in the amount of \$993 to restate net position as of June 30, 2015.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(7) Restatement of Net Position, continued**

The effect of the above changes is summarized as follows:

Net position as of June 30, 2014, as previously stated	\$ 5,407,215
Effect of adjustment to water consumption sales	(73,337)
Effect of adjustment to long-term debt	<u>(1,438)</u>
Net position as of June 30, 2014, as restated	5,332,440
Effect of adjustment to water consumption sales	(105,437)
Effect of adjustment to long-term debt	(993)
Effect of adjustment to unbilled accounts receivable	51,344
Change in net position as previously stated	<u>1,527</u>
Net position as of June 30, 2015, as restated	<u>\$ 5,278,881</u>

**(8) Net Position**

Calculation of net position as of June 30, were as follows:

	<u>2016</u>	<u>2015</u>
Net investment in capital assets:		
Capital assets, net	\$ 5,590,764	5,748,314
Loans payable – current portion	(111,323)	(108,388)
Loans payable – non-current portion	<u>(1,185,796)</u>	<u>(1,297,119)</u>
Total net investment in capital assets	<u>4,293,645</u>	<u>4,342,807</u>
Restricted for debt service	<u>62,577</u>	<u>62,046</u>
Unrestricted:		
Non-spendable unrestricted net position:		
Materials and supplies inventory	87,158	103,053
Prepaid and other assets	<u>10,355</u>	<u>10,972</u>
Total non-spendable unrestricted net position	<u>97,513</u>	<u>114,025</u>
Spendable unrestricted net position is designated as follows:		
Operating reserve	<u>722,235</u>	<u>760,003</u>
Total spendable unrestricted net position	<u>722,235</u>	<u>760,003</u>
Total unrestricted net position	<u>819,748</u>	<u>874,028</u>
Total net position	<u>\$ 5,175,970</u>	<u>5,278,881</u>

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(9) Defined Benefit Pension Plan**

***Plan Description***

The District provides pension benefits to all covered employees under the Collective Bargaining Agreement to the Service Employees International Union National Industry Pension Fund. The District's contribution is based on 15% of gross wages. The District's contributions to the Plan were \$40,565 and \$28,778 at June 30, 2016 and 2015, respectively.

**(10) Deferred Compensation Savings Plan**

***401(a) Plan***

In 2003, as amended in 2008, the District offered a Profit Sharing 401(a) Plan (Plan), to qualified employees. Participation in the Plan is open to employees who do not meet the eligibility requirements for pension benefits under the terms of a separate collective bargaining agreement. At June 30, 2016 and 2015, the Plan included two participants, respectively. The market value of all assets held in trust by the District's 401(a) Plan at June 30, 2016 and 2015, amounted to \$104,577 and \$112,558, respectively.

**(11) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2016:

- Property: Blanket limit of \$6,058,000 with a \$1,000 deductible per incident.
- Bodily injury and property damage: \$1,000,000 per occurrence and \$3,000,000 in the aggregate.
- Personal and advertising injury: \$1,000,000 per person or organization and \$3,000,000 in the aggregate.
- Professional liability: \$1,000,000 per claim and \$3,000,000 in the aggregate.
- Wrongful acts: \$1,000,000 per claim and \$3,000,000 in the aggregate with a \$1,000 deductible.
- Employment practices liability: \$1,000,000 per claim and \$3,000,000 in the aggregate.
- Employee benefits liability: \$1,000,000 per person and \$3,000,000 in the aggregate.
- Automobile: \$1,000,000 per occurrence with a \$1,000,000 combined single limit.
- Crime coverage: \$5,000 to \$250,000 limits per occurrence varying by type of infraction.
- Excess liability: \$4,000,000 employer's liability excluded.

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2016, that has effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 74***

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness or information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.



**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 74, continued***

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No.50, *Pension Disclosures*.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. The impact of the implementation of this Statement to the Agency's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 75***

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The impact of the implementation of this Statement to the Agency's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 77***

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the Agency's financial statements.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 80***

In January 2016, the GASB issued Statement No. 80 – *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This Statement is effective for financial statements for periods beginning after June 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the Agency’s financial statements.

***Governmental Accounting Standards Board Statement No. 81***

In March 2016, the GASB issued Statement No. 81 – *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement is effective for financial statements for periods beginning after December 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the Agency’s financial statements.

***Governmental Accounting Standards Board Statement No. 82***

In March 2016, the GASB issued Statement No. 82 – *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for financial statements for periods beginning after June 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the Agency’s financial statements.

**Cabazon Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2016 and 2015**

**(13) Commitments and Contingencies**

*Grant Awards*

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

*Litigation*

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(14) Subsequent Events**

Events occurring after June 30, 2016, have been evaluated for possible adjustment to the financial statements or disclosure as of [DATE], which is the date the financial statements were available to be issued.

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# **Report on Internal Controls and Compliance**

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**Independent Auditor's Report on Internal Controls Over Financial Reporting  
And on Compliance and Other Matters Based on the Audits of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Cabazon Water District  
Cabazon, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cabazon Water District (District), as of and for the years June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [DATE].

**Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting  
And on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, (continued)**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Fedak & Brown LLP**  
Cypress, California  
[DATE]

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## MEMORANDUM

DATE: December 13, 2016

TO: The Cabazon Water District Board of Directors

FROM: Ellie Lemus, Board Secretary

SUBJ: Report of facts regarding Mr. Todd Byrer's customer concern;  
Acct. No. 6-6034S, Mt. View

---

Dear Board of Directors,

The following is a statement of facts concerning Mr. Byrer's account:

- Mr. Byrer complained of high water usage in October 2016 (see his attached request).
- On 12/8/2016, Mr. Byrer came into the office and spoke to me. I had been trying to contact him over the phone that day, to determine whether he wished to appeal to the Board. He informed me that he had no leaks at his residence, and did not believe he was the victim of water theft. He stated that he did not believe he could use the amount of water that he was billed for. I informed him that he would be placed on the December 20, 2016 Board Agenda, and strongly encouraged him to attend.
- Last installed meter was February 2006.
- There is a visual trend of high water usage on Mr. Byrer's account each year, beginning around July, and tapering down around December. The usage each year is close to about the same. Attached is a copy of his account history, along with a graph.
- Keep in mind the read dates. For example, when a customer receives their water bill on December 1<sup>st</sup>, that is for water used between October 10<sup>th</sup> and November 10<sup>th</sup>, etc.
- Mr. Byrer's water usage as of 12/13/16 is 900 cubic feet.

Cabazon Water District  
14618 Broadway Street  
PO Box 297  
Cabazon, CA 92230  
[www.cabazonwater.org](http://www.cabazonwater.org)

Bus. (951) 849-4442

Fax (951) 849 2519



# Cabazon Water District

P.O. Box 297 - 14618 Broadway Street  
Cabazon, California 92230  
(951) 849-4442

## Customer Account Review Request

### Customer Information

Service Address: Mountain View Ave Date: 10/21/16

Applicant Name: Byrer Todd E  
Last First M.I.

Account Number: 6-60345 Date of Water Bill Requesting to Review: 9/16 + 10/16

### Description of the Reason for your Request to have your Water Bill Reviewed (ATTACHED ADDITIONAL PAGES IF REQUIRED, PHOTOS, AND SUPPORTING EVIDENCE)

I live alone and I haven't been watering my yard at all for a last month and a half. There is no way 1 person can use that much water by just washing dishes and taking a 10min shower.

### What is your proposed resolution? (PLEASE SUBMIT YOUR PROPOSAL TO RESOLVE THIS MATTER)

### Management Response (SEE ATTACHED COPY OF THE RESPONSE FROM MANAGEMENT TO CUSTOMER)

Date of Response to Customer: SP Response made by: \_\_\_\_\_

Status and Date of offer made to Customer: ACCEPTED:    /   /     
DECLINED:    /   /     
DECLINED/REQUEST for APPEAL to Water Board:    /   /   

Received 12/08/16  
by Mr. Byrer in office. *[Signature]*

Cabazon County Water District

Usage History

08/01/2014 through 12/13/2016

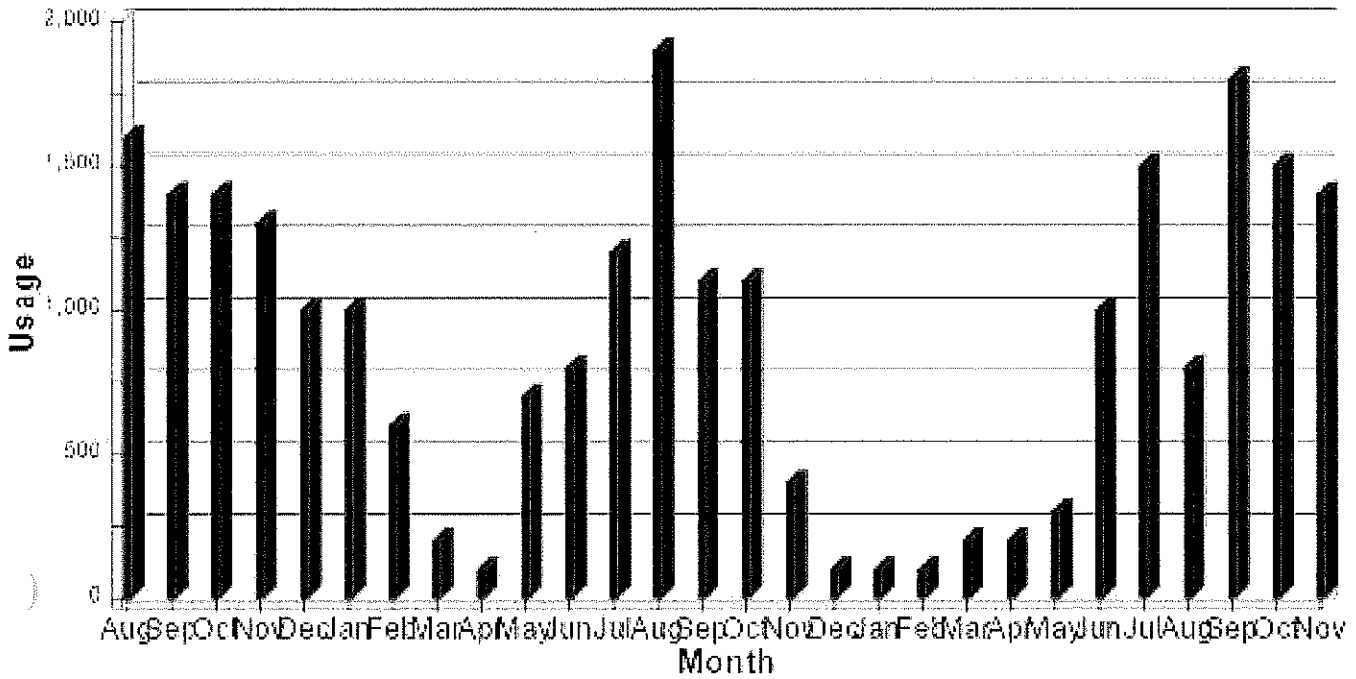
Service: WATER

Customer Information

Account No: 6-6034S  
TODD BYRER  
MT. VIEW  
CABAZON, CA 92230-

Location Information

Location No: 6-519422004  
MT. VIEW  
CABAZON, CA 92230



## Customer Transaction Summary

**Customer Information**

Account No: 6-6034S  
 TODD BYRER  
 MT. VIEW  
 CABAZON, CA 92230-

**Location Information**

Location No: 6-519422004  
 MT. VIEW  
 CABAZON, CA 92230

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
08/18/2014	Payment				55.24	-55.24	0.00
08/27/2014	Charge	08/11/2014	218700	1600	0.00	62.16	62.16
09/22/2014	Payment				62.16	-62.16	0.00
09/30/2014	Charge	09/11/2014	220100	1400	0.00	58.14	58.14
10/20/2014	Payment				58.14	-58.14	0.00
10/30/2014	Charge	10/13/2014	221500	1400	0.00	58.14	58.14
11/20/2014	Payment				58.14	-58.14	0.00
11/26/2014	Charge	11/12/2014	222800	1300	0.00	56.13	56.13
12/23/2014	Penalty				56.13	5.61	61.74
12/23/2014	Interest				61.74	0.84	62.58
12/31/2014	Charge	12/11/2014	223800	1000	62.58	50.10	112.68
01/12/2015	Payment				112.68	-112.68	0.00
01/29/2015	Charge	01/12/2015	224800	1000	0.00	52.60	52.60
02/23/2015	Payment				52.60	-40.00	12.60
02/24/2015	Penalty				12.60	1.26	13.86
02/24/2015	Interest				13.86	0.19	14.05
02/26/2015	Charge	02/12/2015	225400	600	14.05	44.16	58.21
03/23/2015	Payment				58.21	-58.21	0.00
03/23/2015	Charge	03/16/2015	225600	200	0.00	42.05	42.05
04/20/2015	Payment				42.05	-42.05	0.00
04/30/2015	Charge	04/15/2015	225700	100	0.00	42.05	42.05
05/20/2015	Payment				42.05	-42.05	0.00
05/28/2015	Charge	05/14/2015	226400	700	0.00	46.27	46.27
06/22/2015	Payment				46.27	-46.27	0.00
06/30/2015	Charge	06/15/2015	227200	800	0.00	48.38	48.38
07/21/2015	Penalty				48.38	4.84	53.22
07/21/2015	Interest				53.22	0.73	53.95
07/22/2015	Payment				53.95	-48.38	5.57
07/30/2015	Charge	07/16/2015	228400	1200	5.57	56.82	62.39
08/01/2015	Charge	08/13/2015	230300	1900	62.39	71.59	133.98
08/19/2015	Payment				133.98	-62.39	71.59
09/16/2015	Payment				71.59	-71.59	0.00
09/30/2015	Charge	09/14/2015	231400	1100	0.00	54.71	54.71
10/20/2015	Payment				54.71	-54.71	0.00
10/29/2015	Charge	10/13/2015	232500	1100	0.00	54.71	54.71
11/24/2015	Penalty				54.71	5.47	60.18
11/24/2015	Interest				60.18	0.82	61.00
11/30/2015	Charge	11/12/2015	232900	400	61.00	42.05	103.05
12/21/2015	Payment				103.05	-103.05	0.00
12/30/2015	Charge	12/14/2015	233000	100	0.00	42.05	42.05
01/20/2016	Payment				42.05	-42.05	0.00
01/27/2016	Charge	01/13/2016	233100	100	0.00	44.16	44.16
02/09/2016	Payment				44.16	-44.16	0.00
02/29/2016	Charge	02/11/2016	233200	100	0.00	44.16	44.16
03/17/2016	Payment				44.16	-44.16	0.00
03/30/2016	Charge	03/14/2016	233400	200	0.00	44.16	44.16

## Customer Transaction Summary

**Customer Information**

Account No: 6-6034S  
 TODD BYRER  
 MT. VIEW  
 CABAZON, CA 92230-

**Location Information**

Location No: 6-519422004  
 MT. VIEW  
 CABAZON, CA 92230

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
04/19/2016	Payment				44.16	-44.16	0.00
04/28/2016	Charge	04/14/2016	233600	200	0.00	44.16	44.16
05/19/2016	Payment				44.16	-44.16	0.00
05/31/2016	Charge	05/12/2016	233900	300	0.00	44.16	44.16
06/21/2016	Penalty				44.16	4.42	48.58
06/21/2016	Interest				48.58	0.66	49.24
06/21/2016	Payment				49.24	-49.24	0.00
06/30/2016	Charge	06/13/2016	234900	1000	0.00	55.21	55.21
07/20/2016	Payment				55.21	-55.21	0.00
07/28/2016	Charge	07/13/2016	236400	1500	0.00	66.26	66.26
08/18/2016	Payment				66.26	-66.26	0.00
08/31/2016	Charge	08/12/2016	237200	800	0.00	50.79	50.79
09/20/2016	Payment				50.79	-50.79	0.00
09/29/2016	Charge	09/09/2016	239000	1800	0.00	72.89	72.89
10/24/2016	Penalty				72.89	7.29	80.18
10/24/2016	Interest				80.18	1.09	81.27
10/26/2016	Adjustment				81.27	3.71	84.98
10/31/2016	Charge	10/10/2016	240500	1500	84.98	66.26	151.24
11/01/2016	Misc - TAG				151.24	10.00	161.24
11/01/2016	Adjustment				161.24	-10.00	151.24
11/21/2016	Penalty				151.24	6.63	157.87
11/21/2016	Interest				157.87	2.14	160.01
11/30/2016	Charge	11/10/2016	241900	1400	160.01	64.05	224.06
12/08/2016	Adjustment				224.06	-17.15	206.91
12/08/2016	Payment				206.91	-88.32	118.59

RESOLUTION NO.: 06-2016 DATED: \_\_\_\_\_

A RESOLUTION AUTHORIZING APPLICATION  
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA  
FOR A CERTIFICATE OF CONSENT TO SELF INSURE  
WORKERS' COMPENSATION LIABILITIES

At a meeting of the Board of \_\_\_\_\_ Directors  
(enter title)

of the \_\_\_\_\_ Cabazon Water District  
(enter name of public agency, district)

a \_\_\_\_\_ Special District organized and existing under the laws of  
(enter type of agency)

the State of California, held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the

following resolution was adopted:

**RESOLVED, that the** \_\_\_\_\_  
(enter position titles)

**be and they are hereby severally authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self Insure workers' compensation liabilities on behalf of the**

\_\_\_\_\_ Cabazon Water District  
(enter name of district)

**and to execute any and all documents required for such application.**

I, \_\_\_\_\_, the undersigned \_\_\_\_\_  
(enter name) (enter title)

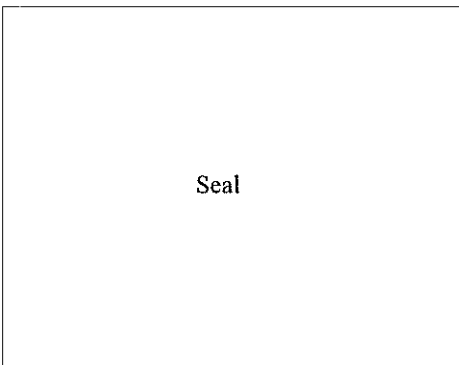
of the Board of the said \_\_\_\_\_ Cabazon Water District  
(enter name of agency)

a \_\_\_\_\_ Special District, hereby certify that I am the \_\_\_\_\_  
(enter type of agency) (enter title)

of said \_\_\_\_\_ Special District, that the foregoing is a full, true and correct copy of the resolution duly  
(enter type of agency)

passed by the Board at the meeting of said Board held on the day and at the place herein specified and that said resolution has never been revoked, rescinded, or set aside and is now in full force and effect.

**IN WITNESS WHEREOF: I HAVE SIGNED MY NAME AND AFFIXED THE SEAL OF THIS**



\_\_\_\_\_ Special District  
(enter type of agency)

THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Signature)



## MEMORANDUM

DATE: December 13, 2016  
TO: The Cabazon Water District Board of Directors  
FROM: Ellie Lemus, Board Secretary  
SUBJ: Cabazon St. – Mr. David Murillo, Acct. 3-192014DM

---

Dear Board of Directors,

The following is a statement of facts concerning Mr. Murillo's account:

- On 6/23/16, a work order was generated to re-read the meter due to a high reading. Upon rereading, it was noted that the sprinklers were watering the yard (at noon), and the reading had gone up an additional 200 cf. since the previous reading.
- On 8/2/16, the meter was re-read due to a high read. The reading came back correct, and the usage had gone up. The customer picked up a complaint form.
- On 10/17/16, the meter was re-read, and the reading was still high. It was disclosed by the customer that they had found a leak, which they had fixed. The customer requested that the meter be tested for accuracy. The meter was changed out with a brand new meter. The new meter remains at the customer's property to this day.
- On 11/1/16, the tested meter was returned. While a hand on the meter was broken, the calibration and reading dial on the meter was in working condition. The meter tested accurately.
- As of 12/12/16, the reading was 9000, which means that 3,500 cubic feet of water has been consumed since the last reading (of 5500 on 11/10/16). Their next bill will most likely be for about that amount of usage, unless they use a considerable amount more.
- Other than a \$50 payment made on 9/12/16, the District has not received any payment on this account as of 12/13/16.
- Keep in mind the meter read dates. For example, when a customer receives their water bill on December 1<sup>st</sup>, it is for water used between October 10<sup>th</sup> and November 10<sup>th</sup>, etc.

Cabazon Water District  
14618 Broadway Street  
PO Box 297  
Cabazon, CA 92230  
[www.cabazonwater.org](http://www.cabazonwater.org)

Bus. (951) 849-4442

Fax (951) 849 2519

- If a customer had a leak, say beginning August 12<sup>th</sup>, and repaired the leak closer to October 10<sup>th</sup>, when they receive their water bill they will not see the results of repairing that leak until the November 30<sup>th</sup> bill.

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Cabazon County Water District

**Usage History**

01/01/2014 through 12/13/2016

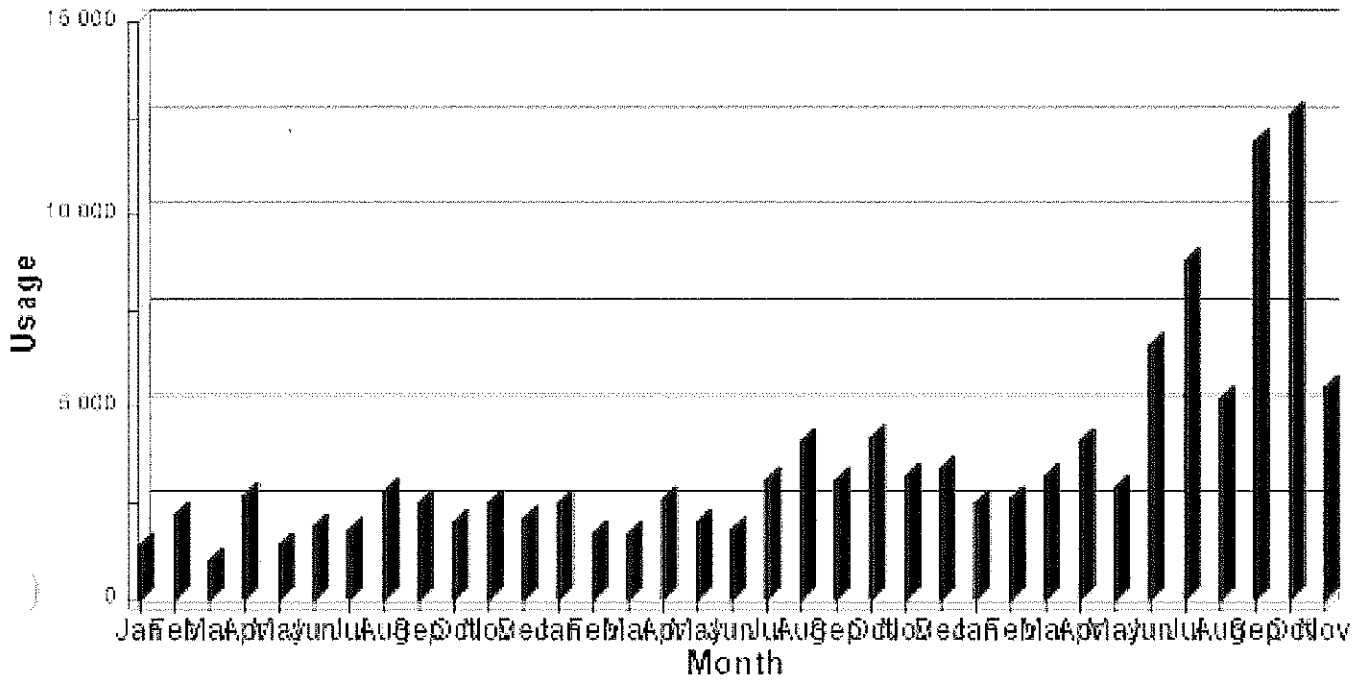
Service: WATER

**Customer Information**

Account No: 3-192014DM  
DAVID MURILLO  
PO BOX  
CABAZON, CA 92230-

**Location Information**

Location No: 3-526192014  
CABAZON ST.  
CABAZON, CA 92230-



**Customer Transaction Summary**

**Customer Information**  
 Account No: 3-192014DM  
 DAVID MURILLO  
 PO BOX  
 CABAZON, CA 92230-

**Location Information**  
 Location No: 3-526192014  
 CABAZON ST.  
 CABAZON, CA 92230-

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
01/13/2014	Payment				40.06	-40.06	0.00
01/30/2014	Charge	01/13/2014	18000	1400	0.00	55.33	55.33
02/13/2014	Payment				55.33	-55.33	0.00
02/27/2014	Charge	02/13/2014	20200	2200	0.00	74.22	74.22
03/04/2014	Payment				74.22	-74.22	0.00
03/31/2014	Charge	03/13/2014	21200	1000	0.00	50.10	50.10
04/10/2014	Payment				50.10	-50.10	0.00
04/30/2014	Charge	04/14/2014	23900	2700	0.00	88.15	88.15
05/21/2014	Penalty				88.15	8.82	96.97
05/21/2014	Interest				96.97	1.32	98.29
05/21/2014	Payment				98.29	-50.00	48.29
05/29/2014	Charge	05/15/2014	25300	1400	48.29	58.14	106.43
06/09/2014	Payment				106.43	-106.43	0.00
06/30/2014	Charge	06/12/2014	27200	1900	0.00	68.19	68.19
07/22/2014	Penalty				68.19	6.82	75.01
07/22/2014	Interest				75.01	1.02	76.03
07/23/2014	Payment				76.03	-76.03	0.00
07/31/2014	Charge	07/10/2014	29000	1800	0.00	66.18	66.18
08/07/2014	Penalty				66.18	6.62	72.80
08/21/2014	Interest				72.80	0.99	73.79
08/27/2014	Charge	08/11/2014	31800	2800	73.79	92.10	165.89
09/02/2014	Payment				165.89	-73.79	92.10
09/23/2014	Penalty				92.10	9.21	101.31
09/23/2014	Interest				101.31	1.38	102.69
09/30/2014	Charge	09/11/2014	34300	2500	102.69	80.25	182.94
10/09/2014	Payment				182.94	-103.00	79.94
10/21/2014	Penalty				79.94	7.99	87.93
10/21/2014	Interest				87.93	1.20	89.13
10/30/2014	Charge	10/13/2014	36300	2000	89.13	70.20	159.33
11/10/2014	Payment				159.33	-90.00	69.33
11/24/2014	Penalty				69.33	6.93	76.26
11/24/2014	Interest				76.26	1.04	77.30
11/26/2014	Charge	11/12/2014	38800	2500	77.30	80.25	157.55
12/08/2014	Payment				157.55	-80.25	77.30
12/23/2014	Penalty				77.30	7.73	85.03
12/23/2014	Interest				85.03	1.16	86.19
12/31/2014	Charge	12/11/2014	40900	2100	86.19	72.21	158.40
01/08/2015	Payment				158.40	-86.19	72.21
01/21/2015	Penalty				72.21	7.22	79.43
01/21/2015	Interest				79.43	1.08	80.51
01/29/2015	Charge	01/12/2015	43400	2500	80.51	84.25	164.76
02/09/2015	Payment				164.76	-80.51	84.25
02/17/2015	Penalty				84.25	8.43	92.68
02/24/2015	Interest				92.68	1.26	93.94
02/26/2015	Charge	02/12/2015	45100	1700	93.94	67.37	161.31
03/09/2015	Payment				161.31	-94.00	67.31

# Customer Transaction Summary

**Customer Information**  
 Account No: 3-192014DM  
 DAVID MURILLO  
 PO BOX  
 CABAZON, CA 92230-

**Location Information**  
 Location No: 3-526192014  
 CABAZON ST.  
 CABAZON, CA 92230-

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
03/23/2015	Penalty				67.31	6.73	74.04
03/23/2015	Interest				74.04	1.01	75.05
03/30/2015	Charge	03/16/2015	46800	1700	75.05	67.37	142.42
04/08/2015	Payment				142.42	-75.00	67.42
04/22/2015	Penalty				67.42	6.74	74.16
04/22/2015	Interest				74.16	1.01	75.17
04/30/2015	Charge	04/15/2015	49400	2600	75.17	88.40	163.57
05/11/2015	Payment				163.57	-75.17	88.40
05/22/2015	Penalty				88.40	8.84	97.24
05/22/2015	Interest				97.24	1.33	98.57
05/28/2015	Charge	05/14/2015	51400	2000	98.57	73.70	172.27
06/09/2015	Payment				172.27	-98.57	73.70
06/23/2015	Penalty				73.70	7.37	81.07
06/23/2015	Interest				81.07	1.11	82.18
06/30/2015	Charge	06/15/2015	53200	1800	82.18	69.48	151.66
07/01/2015	Misc - TAG				151.66	10.00	161.66
07/09/2015	Payment				161.66	-92.18	69.48
07/09/2015	Adjustment				69.48	-10.00	59.48
07/09/2015	Penalty				59.48	5.95	65.43
07/21/2015	Interest				65.43	0.89	66.32
07/30/2015	Charge	07/16/2015	56300	3100	66.32	109.15	175.47
08/01/2015	Charge	08/13/2015	60400	4100	175.47	150.65	326.12
08/10/2015	Payment				326.12	-66.50	259.62
08/24/2015	Penalty				259.62	10.90	270.52
08/24/2015	Interest				270.52	1.63	272.15
09/10/2015	Payment				272.15	-121.50	150.65
09/22/2015	Penalty				150.65	13.81	164.46
09/22/2015	Interest				164.46	2.07	166.53
09/30/2015	Charge	09/14/2015	63500	3100	166.53	109.15	275.68
10/12/2015	Payment				275.68	-167.00	108.68
10/21/2015	Penalty				108.68	10.87	119.55
10/21/2015	Interest				119.55	1.63	121.18
10/29/2015	Charge	10/13/2015	67700	4200	121.18	154.80	275.98
11/04/2015	Payment				275.98	-81.00	194.98
11/09/2015	Payment				194.98	-40.00	154.98
11/24/2015	Penalty				154.98	15.48	170.46
11/24/2015	Interest				170.46	2.32	172.78
11/30/2015	Charge	11/12/2015	70900	3200	172.78	113.30	286.08
12/09/2015	Payment				286.08	-172.78	113.30
12/21/2015	Penalty				113.30	11.33	124.63
12/21/2015	Interest				124.63	1.70	126.33
12/30/2015	Charge	12/14/2015	74300	3400	126.33	121.60	247.93
01/03/2016	Payment				247.93	-80.00	167.93
01/13/2016	Payment				167.93	-46.00	121.93
01/21/2016	Penalty				121.93	12.16	134.09
01/21/2016	Interest				134.09	1.82	135.91

**Customer Transaction Summary**

**Customer Information**  
 Account No: 3-192014DM  
 DAVID MURILLO  
 PO BOX  
 CABAZON, CA 92230-

**Location Information**  
 Location No: 3-526192014  
 CABAZON ST.  
 CABAZON, CA 92230-

Date	Type	Read Date	Reading	Usage	Prior Balance	Transaction Amount	Balance
01/27/2016	Charge	01/13/2016	76800	2500	135.91	86.36	222.27
02/08/2016	Payment				222.27	-80.00	142.27
02/09/2016	Payment				142.27	-100.00	42.27
02/23/2016	Penalty				42.27	4.23	46.50
02/23/2016	Interest				46.50	0.63	47.13
02/29/2016	Charge	02/11/2016	79400	2600	47.13	90.51	137.64
03/22/2016	Penalty				137.64	9.05	146.69
03/22/2016	Interest				146.69	1.99	148.68
03/30/2016	Charge	03/14/2016	82600	3200	148.68	115.41	264.09
04/05/2016	Payment				264.09	-149.00	115.09
04/21/2016	Penalty				115.09	11.51	126.60
04/21/2016	Interest				126.60	1.73	128.33
04/28/2016	Charge	04/14/2016	86700	4100	128.33	152.76	281.09
05/11/2016	Payment				281.09	-115.00	166.09
05/23/2016	Penalty				166.09	15.28	181.37
05/23/2016	Interest				181.37	2.29	183.66
05/31/2016	Charge	05/12/2016	89600	2900	183.66	105.80	289.46
06/09/2016	Payment				289.46	-183.66	105.80
06/09/2016	Penalty				105.80	10.58	116.38
06/21/2016	Interest				116.38	1.59	117.97
06/30/2016	Charge	06/13/2016	96200	6600	117.97	278.16	396.13
07/01/2016	Misc - TAG				396.13	10.00	406.13
07/18/2016	Payment				406.13	-127.97	278.16
07/21/2016	Penalty				278.16	26.82	304.98
07/21/2016	Interest				304.98	4.02	309.00
07/28/2016	Charge	07/13/2016	105000	8800	309.00	389.26	698.26
08/15/2016	Payment				698.26	-309.00	389.26
08/23/2016	Penalty				389.26	38.93	428.19
08/23/2016	Interest				428.19	5.84	434.03
08/31/2016	Charge	08/12/2016	110200	5200	434.03	207.46	641.49
09/01/2016	Misc - TAG				641.49	10.00	651.49
09/12/2016	Payment				651.49	-50.00	601.49
09/21/2016	Penalty				601.49	20.75	622.24
09/21/2016	Interest				622.24	8.20	630.44
09/29/2016	Charge	09/09/2016	122100	11900	630.44	545.81	1176.25
10/26/2016	Adjustment				1176.25	11.04	1187.29
10/31/2016	Charge	10/17/2016		12600	1187.29	581.16	1768.45
11/21/2016	Penalty				1768.45	58.12	1826.57
11/21/2016	Interest				1826.57	25.27	1851.84
11/30/2016	Charge	11/10/2016	5500	5500	1851.84	222.61	2074.45