



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

FINANCE & AUDIT COMMITTEE MEETING

MINUTES

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

Meeting Date:
July 20, 2015 – 3:45 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL

Director Sanderson - Present
Director Mariner - Present

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

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

⚡ These Financial Statements are not Compiled, Reviewed, or Audited, but are created by the contract accountant in her position as Financial Controller of the District.

- ↓ The District has an independent financial audit each year. The District's year ends on June 30.
- ↓ The three reports the District reviews are the Balance Sheet, the Profit and Loss Two Months, and the Profit and Loss Budget Performance.
- ↓ The Balance Sheet shows what the District owns and what the District Owes.
- ↓ The Profit and Loss Two Months shows whether the District is consistent month to month with revenue and expenses.
- ↓ The Profit and Loss Budget Performance shows how the District is doing against the budget, and how the District is doing fiscal year to date.

The first report is the Balance Sheet.

- Total Checking/Savings is up slightly due to the receipt in June of the \$125k from Desert Hills Premium Outlets. This money reimbursed the District for costs the District had paid.
- Near the bottom of the report the District now shows reserves for various projects.
- Account 31041 is Reserved for Almont Vault Refurbishing. The Almond Vault repair and refurbishment is anticipated to cost \$100k. The District has spent about \$50k to date, so the reserve is now \$50k.
- These are the only items of note on the Balance Sheet.

The Profit and Loss two month shows that:

- Account 41100 Base Rate - Water Bills - is substantially the same between this month and last.
- Accounts 41500, Standby Fees, and Account 42110 - Ad Valorem , show that the District received property taxes of about \$43k during May
- Total 50010 - Payroll All Expenses is higher in June due to the three payrolls in the month.
- Account 53160- Utilities - Wells –the District is still awaiting invoices that impact last month.
- Accounts 53180 Materials and Line Maintenance Repair Contractor and 53190 Line Maintenance and Repair Supplies are low right now, but it is so early in the month that it is anticipated the District will receive additional

invoices. The District now sees the totals for May, and they remained low even after all of the invoices were received.

- This is also the case with 56500 Legal. At the request of the Audit and Finance committee, the District has separated out the Legal Expenses as the Attorneys provide detail on the invoices. The District has done this for the entire fiscal year just ended, which will be seen on the next report.
- The District ended the month with a preliminary net loss of about \$8k

✚ The Profit & Loss Budget Performance has five columns. The first shows the actual income and expenses for the month. The second column shows the Budget for the month just ended. The middle column shows the year to date actual figures. The fourth column shows the Year to Date Budget. The last column shows the annual budget.

- Account 41100 Base Rate - Water Bills – The District is about 10% under what was anticipated for the month, and came in about 2% less than anticipated for the year.
- Account 41500, Stand By Fees- the District has received slightly more than it had anticipated for the year.
- Account 42120 Teeter Settlement- The District anticipates receiving about \$12k in taxes in November which relate to this current fiscal year.
- Total 50010 Payroll All Expenses is right on budget for the year. The office staff worked more hours than anticipated due to the office move. The General Manager took a payout of more vacation than the District had anticipated. Various other items were slightly lower than the budget, which offset these costs.
- Account 53180 Materials and Line Maintenance Contractor ended the year about 10% over budget.
- 55180 Computer Service - is over budget year to date due to the change in the computer support vendor and the improvements he has made.
- 56500 Legal Service - even without the June bills, the District is more than 100% over budget in this category. At the request of the Finance and Audit Committee, the District has separated the costs into the categories that the Law Firm uses in their billings.
- Preliminary figures show the District with a year to date loss of \$121k when this report was run.

- The main accounts that are over budget are 53180 - Line Maintenance and Materials Contractor, 53210 - Well Maintenance, 56500 - Legal.

PUBLIC COMMENT

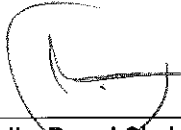
Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors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

ADJOURNMENT

Motion to adjourn at 16:03 hr. made by Director Sanderson and 2nd by Director Mariner

Director Mariner – Aye
Director Sanderson - Aye

Meeting adjourned at 16:03 hr. on July 20, 2015.



Janet Mejia, Board Chair
Board of Directors
Cabazon Water District



Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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