



**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:**

December 14, 2015 – 3:45 PM

CALL TO ORDER,  
PLEDGE OF ALLEGIANCE,  
ROLL CALL

No directors on the FAC committee present (was formerly Directors Sanderson and Mariner, who no longer serve on the board due to the recent election).

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

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

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
  - Balance Sheet
  - Profit and Loss Two Month
  - Profit and Loss Budget Comparison
  - Statement of Cash Flows
  
- ✚ 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 Statement of Cash Flow gives an overview of the cash that came in and went out during the month.

The first report is the Balance Sheet.

- Total Checking/Savings is about \$30K lower than last month. The District has large payments to the Engineers, the Materials and Line Maintenance Contractor, and the Attorneys.
- Accounts 12011 and 12012 Accounts Receivable are a bit lower this month than last.
- Account 21100 Accounts Payable shows as a negative as the District runs these reports. This is because the District must pay certain bills - Health Insurance, Computer Gallery, Aflac - before the first of the month, although the amount the District pays is an expense in that next month. Once the calendar rolls to 12/1 the AR no longer shows as negative. .  
\*\*12/14/15 Update: This figure is no longer negative as the District now has more of the November bills entered. It still would have rolled to positive on 12/1, but it is now positive as of 11/30.
- 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 down a bit in November from October. This is to be expected with the cooler weather.
- Total 50010 - Payroll All Expenses is higher in November than October. The Administrative Assistant is back from her leave. There was also a catch up contribution for the Meter Reader's pension contributions. The District was

supposed to have been paying pension contributions for the Meter Reader once he hit his six month work anniversary. It took the District quite some time to get a hold on the appropriate people to guide us on remitting this money.

- Account 53160- Utilities - Wells -shows that the District has not received the Edison invoices for the month.  
\*\* 12/14/15 Update: The total utilities for the Wells for November is \$9566.
- Accounts 5318 - this has been split into 53180 Materials and Line Maintenance Repair Contractor and 53181 Materials and Line Maintenance Repair Contractor - Emergency Work to give the District more visibility. The District has not received any invoices for work done in October.  
\*\* 12/14/15 Update: This is now \$15334.50 for 53180 and \$7685 for 53181 for November, for a total of just over \$23k. The Materials - 53190, are just under \$13k.
- 56500 Legal. The District has not yet received any invoices for work done in November.  
\*\* 12/14/15 Update: These have now been received and are just over \$6k. These relate to Hadley Property, Doolittle Contractor, Website developer, Stanley Security, Morongo/ Cabazon historic sale (inquiry from the auditors) Brown Act, Public records, MOU Changes, etc.
- The District ended the month with a preliminary net loss of \$9000, but as mentioned, the District is awaiting some invoices.  
\*\* 12/14/15 Update: This is about a \$28k loss now.

✚ 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 3% below budget for the year to date, so it is very close to what was anticipated.
- Total 50010 Payroll All Expenses is about 5-1/2% under budget year to date.
- Account 53150 Median Maintenance is substantially over budget for the year. The District budgeted based on last year's actual figures. It appears it has not done very much to maintain the median in the past couple of years, which could be why it took so much to get it up to standard this year.
- Account 53180 Materials and Line Maintenance Contractor is right on budget year to date, but the District has not yet seen expenses for work in October.  
\*\* 12/14/15 Update: This is only about \$1000 over budget year to date. Materials are at \$14k year to date - well under budget.

- 56500 Legal Service - This is already substantially over budget year to date, and the District has not yet seen expenses for work in November.  
\*\*12/14/15 Update: Year to date through November is \$62k.
- Preliminary figures show the District with a year to date loss of \$71k, which is close to what it had anticipated, but it has not received many of the bills for the month yet.  
\*\*12/14/15 Update: The loss is now at about \$90k year to date.

The Summary of Cash Flows shows that

- Total Cash Receipts were substantially higher this month than last.
- The largest expenditures were the bills.
- Payroll was right on with the prior month.
- The total expenditures were about \$126k
- Net cash usage was about \$23k
- The District ended the month with cash of \$95,714.44.
- This ties to the Balance Sheet.


#### 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

Meeting adjourned at 16:01 hr. on December 14, 2015.

  
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Robert Lynch  
, Board Chair  
Board of Directors  
Cabazon Water District

  
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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.