



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

FINANCE & AUDIT COMMITTEE MEETING

MINUTES

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

Meeting Date:
Tuesday, July 19, 2016 – 3:45 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
Linda Halley, Financial Consultant - Absent

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

- ⚡ The District looks at four basic reports each month to get a high level overview of the financial position of the District.
- ⚡ These Financial Statements are not Compiled, Reviewed, or Audited, but are created by the contract accountant in her position as Financial Controller of the District.

- ↓ The District has an independent financial audit each year. The District's year ends on June 30.
- ↓ The four reports the District reviews are the Balance Sheet, the Profit and Loss Two Months, the Profit and Loss Budget Performance, and the Statement of Cash Flows.
- ↓ The Balance Sheet shows what the District owns and what the District Owes.
- ↓ The Profit and Loss Two Months shows whether the District is consistent month to month with revenue and expenses.
- ↓ The Profit and Loss Budget Performance shows how the District is doing against the budget, and how the District is doing fiscal year to date.
- ↓ The Statement of Cash Flow gives an overview of the cash that came in and went out during the month.

The first report is the Balance Sheet.

- Total Checking/Savings is about \$30K higher than last month. This is due in large part to the tax revenue received during the month.
- Account 12021 shows that the District has a special situation where an individual owes the District money in excess of the regular water bill.
- Accounts 12011 and 12012 Accounts Receivable are a bit lower this month than last.
- 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 this month as last.
- Account 41500 – Stand by Fees, and 42110 Ad Valorem – Tax Revenue – show that the District received tax revenue this month.
- Total 50010 - Payroll All Expenses is substantially higher this month than last due to the third payroll. The District payroll is biweekly- which results in three payrolls during the month, twice each year.
- Account 53160- Utilities - Wells -shows that the District has received the Edison bills for the month.
- Accounts 5318 - this has been split to show the equipment portion of both the 53180 Materials and Line Maintenance Repair Contractor and 53181 Materials and Line

Maintenance Repair Contractor - Emergency Work to give more visibility. During May the District had only weed abatement done.

- Account 56300 – Financial Audit- shows that the auditors have begun planning for the current audit.
- 56500 Legal. The bills this month are related to:
 - General: DHPO issues, EEI Questionnaire, Hadley Property, Water Conservation items, Stanley Security, Pass Agency, etc.
 - Water: Allocation plan, GSA, Sphere of influence, allocation agreement, groundwater management act.
 - Personnel: Conference with SEIU rep re request for concessions.
- Account 61241 – Website Support- shows that work has begun on the website.

The District ended the month with a preliminary net income of \$25k.

✚ 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 under budget by about \$75k due to the DHPO overbilling. The District had budgeted for the higher amount and have now adjusted the accounting to show the proper amount. Other than that, the District is about 10% below budget for the year to date, so it is close to what was anticipated, other than the DHPO.
- 41500 Stand By Fees - shows the District is a bit above the Budget
- 42110 - Ad Valorem - shows the District is a little below what was anticipated year to date. These are the regular property taxes. This could be because property owners are not paying the property taxes as quickly in the past. The District does not have very much visibility from the reporting it receives from the county.
- Total 50010 Payroll All Expenses is right on with the year to date budget.
- Account 53180 Materials and Line Maintenance Contractor, including the emergency work, is over budget year to date. Work in this category has substantially stopped.
- 56500 Legal Service - This is about 25% over budget year to date.
- Preliminary figures show the District with a year to date loss of \$164k, compared to a budgeted year to date net loss of \$10k.

- The main areas where the District is over budget year to date:
Legal
Line Maintenance and Materials Contractor – Emergency
The District is also under budget on the income side due to DHPO.
- ↓ The Statement of Cash Flows shows that the District received Tax Revenue during the month.
 - The largest expenditures were the bills.
 - Payroll was higher due to the three payrolls during the month.
 - The total expenditures were about \$89k
 - Net cash brought in was about \$28k
 - The District ended the month with cash of \$165k.
 - This ties to the Balance Sheet.
- 2. Finance & Audit Committee District Payables Review and Approval/Signing

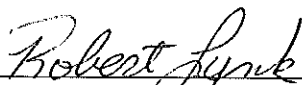
PUBLIC COMMENT

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

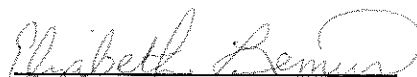
ADJOURNMENT

Motion to adjourn at 16:05 hr. made by both Director Bui and Director Israel.

Meeting adjourned at 16:05 hr. on July 19, 2016.



Robert Lynk, Board Chair
Board of Directors
Cabazon Water District



Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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