



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:**  
November 16, 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
  - Statement of Cash Flows
- ✚ 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, 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 \$11K 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 higher this month than last. Receipts from customers were down during October from September.
- Accounts 13022 - Repayment Fund DWR - shows that there was a payment on the DWR loan during October. Each month the District places money into the BNY Trust accounts for this purpose.
- Account 21100 Accounts Payable is about \$50k lower at the end of this month than last. The exceptional items in this account at the end of September were paid out this month, as noted in the Checking/Savings information, above. It is also quite early in the month; at this time the District has not had a chance to receive many of the invoices related to October.
- 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.
- Total 50010 - Payroll All Expenses is a bit higher in October than September due to additional costs for Board members and higher hours worked by the

Customer Accounts Rep. In addition to her regular duties and picking up work during the Administrative Assistant's absence, the District just had the audit fieldwork and she had additional tasks related to that.

- Account 53150- Median Maintenance. There is no ongoing contract to maintain the median, but the District is responsible for the maintenance. This invoice is for weed removal and tree trimming.
- Account 53160- Utilities - Wells -shows that the District is still awaiting one Edison invoice for October.
- Accounts 53180 Materials and Line Maintenance Repair Contractor – the District has not received any invoices for work done in October.
- 56500 Legal. The District has not yet received any invoices for work done in October.
- Account 61170 - DWR Interest on Loans, shows that the District had a loan payment during October. This loan is paid from the BNY Trust accounts, so a reduction in District cash for this is not seen.
- The District ended the month with a preliminary net income of \$16k, but as mentioned, the District is awaiting some invoices.

✚ 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 right on budget with where it anticipated to be year to date.
- Account 41500, Stand By Fees- The District budgets these throughout the year based on when it anticipates receiving them. While this should not affect the total the District receives for the year, the District sees that it has received money earlier than anticipated.
- Total 50010 Payroll All Expenses is just a bit 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 is 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 under-budget year to date, but the District has not yet seen expenses for work in October.

- 56500 Legal Service - This is already substantially over budget year to date, and we have not yet seen expenses for work in October.
- Preliminary figures show the District with a year to date loss of \$29k, and an anticipated year to date loss of \$61k.
- The Summary of Cash Flows shows us that cash from Water Service - customers paying their bills - was

Total Cash Receipts were lower this month than last.

The District received some cash from Taxes this past month

The largest expenditures were the bills.

Payroll was a bit higher than in the prior month.

The total expenditures were \$110k

Net cash usage was about \$11k

The District ended the month with cash of \$118459.55.

This ties to the Balance Sheet.

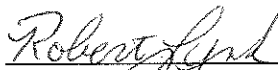
#### PUBLIC COMMENT


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

Motion to adjourn at 16:07 hr. made by Director Mariner and 2<sup>nd</sup> by Director Sanderson.

Meeting adjourned at 16:07 hr. on November 16, 2015.

  
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.