



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:

June 15, 2015 – 3:45 PM

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

Director Sanderson - Present  
Director Mariner - Present

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

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

#### 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))

#### FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report

- Balance Sheet
  - Profit and Loss Two Month
  - Profit and Loss Budget Comparison
  - FY 2015-2016 Proposed Budget Review
- ✚ 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 May of the property taxes.
- On June 1 the District received the \$125k owed by DHPO, so cash is up as of today.
- Account 12021 Accounts Receivable - Special Invoices, reflects the invoice the District has sent to DHPO to reimburse costs. The check for this invoice was received Monday, June 1.
- Account - 13011 - LAIF - While still not high enough to support the District in a water crisis, this balance is higher than at any point since August 2010. The District may want to move the DHPO money over to LAIF.
- Near the bottom of the report, reserves are now shown for various projects.
- Account 31041 is Reserved for Almont Vault Refurbishing. The Almont 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 marginally lower this month than 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 substantially the same between the two months.
  - 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 the District Accountant anticipates the District will receive additional invoices..
  - The District Accountant believes this is also the case with 56300 Financial Audit and 56500 Legal.
  - Account 61170 DWR Interest on Loans - shows the District paid the semi-annual interest on the long term debt.
  - Account 61190 is Bad Debt Expense. The District ran through the detailed Accounts Receivable ledger in preparation for year end. The District located an erroneous Accounts Receivable balance. This represents the Casino Morongo write offs that were approved at the last Board Meeting
  - The District ended the month with a preliminary net income of about \$50k.
- ✚ 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 just a bit under what it anticipated for the month, and a bit under year to date.
  - Total 50010 Payroll All Expenses is right on budget for the month and about 5% under budget for the year.

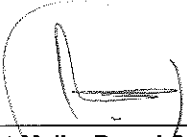
- Account 53180 Materials and Line Maintenance Contractor – the District does not yet know where this is as it have not yet received all of the invoices for the month
- 55180 Computer Service - is over budget year to date due to the change in the computer support vendor and the improvements he has made.
- 56500 Legal Service – the District is not able to see where it is against the budget as it has not yet received the invoices for the month.
- Preliminary figures show the District with a year to date loss of \$123k when this report was run. The District budgeted for a net loss of about \$10k at this point.
- The main accounts that are over budget are 53180 - Line Maintenance and Materials Contractor, 53210 - Well Maintenance, 56500 - Legal.
- The Financial Consultant also reviewed the FY 2015-2016 Proposed Budget with the Board.

#### ADJOURNMENT

Motion to adjourn at 16:12 hr. made by Director Mariner and 2<sup>nd</sup> by Director Sanderson.


Director Mariner - Aye  
Director Sanderson - Aye

Meeting adjourned at 16:12 hr. on June 15, 2015.



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Janet Mejia, 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.