



**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, April 19, 2016 – 3:45 PM

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

**\*Note: The meeting was started at 15:53 hr., due to Director Israel's late appearance.**

**Director Bui - Present**  
**Director Israel - Present**

**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 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 \$45K Lower than last month. The District paid the semi-monthly loan payment to Zion's Bank. .
- Accounts 12011 and 12012 Accounts Receivable are substantially the same this month as last.
- Account 21100 Accounts Payable is lower this month than last. Most of the bills related to March were paid during March.
- 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 substantially the same between the two months.
- Account 53160- Utilities - Wells -shows that the District has received only some of the Edison bills for the month.
- Accounts 5318 - this has been split again to show the equipment rental portion of both the 53180 Materials and Line Maintenance Repair Contractor and 53181 Materials

and Line Maintenance Repair Contractor - Emergency Work to give the District more visibility.

- Account 53610 - Engineering - shows that the District received invoices from Engineering related to work they did for the District prior to March 1. This related to Prop 1A, PRV station, and various other matters.
- 56500 Legal. The bills this month related to:
  - General: EEi contract Re: Hadley's, Crown Castle issues, Stanley Security issues, Failed Pump issues, Review agreement with Center, Board Vacancy issues, Mainly Hadley's Ice House discussions.
  - Water: Follow up Re: Pass Area Groundwater Issues, Upcoming Water Meetings, GSA Mtg. results, Review & analyze SB 885, Mainly groundwater issues.
  - Brown Act/Public Records: Cell Site permits.
- Account 59180 - Service Truck. The District had maintenance work on the '09 Truck this month.

The District ended the month with a preliminary net loss of \$18743.

- ↓ 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 9% below budget for the year to date, so it is close to what was anticipated.
- 41500 Stand By Fees - shows the District is right on 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 the year to date budget.
- Account 53180 Materials and Line Maintenance Contractor, including the emergency work is over budget year to date. Most of the work has been emergency repair.
- 56500 Legal Service - This is about 30% over budget year to date, although the month of March was right on.
- Preliminary figures show the District with a year to date loss of \$94k, compared to a budgeted year to date net loss of \$17k

- The main areas where we are overbudget year to date:
  - Legal
  - Line Maintenance and Materials Contractor - Emergency

The Summary of Cash Flows shows:

- The largest expenditures were the bills. They were high in March.
- Payroll remains at a normal level.
- The total expenditures were about \$131k
- Net cash used was about \$45k
- The District ended the month with cash of \$155k.
- 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 16:06 hr. made by Director Israel and 2<sup>nd</sup> by Director Bui.

Meeting adjourned at 16:06 hr. on April 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.