



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:

January 25, 2016 – 3:45 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL

Director Bui – Present at 15:48 hr.
Director Israel - 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 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 \$50K lower than last month. The District has large payments to the Materials and Line Maintenance Contractor and the Attorneys.
- Accounts 12011 and 12012 Accounts Receivable are substantially the same this month than last.
- Account 21100 Accounts Payable shows as being very low at this time. Most of the bills related to December were paid during December.
- 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 for the last two months.
- Total 50010 - Payroll All Expenses is substantially higher this month than last. The District has a bi-weekly payroll; During two months of the year there are three payroll instead of the regular two. December was one of those months.
- Account 53160- Utilities - Wells -shows that the District has received all of the Edison bills and that the amounts were similar between the two months.

- 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 more visibility. All of the work in December has been classified as Emergency repairs.
 - 56500 Legal. The bills this month related to Stanley Security, Hadley's Ice House, landscaping Contract, Water rights, DHPO water rate issue.
 - The District ended the month with a preliminary net loss of \$27k.
- ↓ 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 4% below budget for the year to date, so it is very close to what was anticipated.
 - Total 50010 Payroll All Expenses is about 3% overbudget year to date. This is due to employee payouts of vacation and sick leave - those have occurred but the District budgets for them over the year.
 - Account 53180 Materials and Line Maintenance Contractor, including the emergency work, is over budget year to date. Much of the work has been emergency repair.
 - 56500 Legal Service - This is about 50% over budget year to date, although the month of December was under budget.
 - Preliminary figures show the District with a year to date loss of \$154k, compared to a budgeted year to date loss of \$82k.
 - The main areas where the District is overbudget year to date:
Legal, and Line Maintenance and Materials Contractor – Emergency

The Summary of Cash Flows shows us that

- Cash from Water Service - customers paying their bills - was down a bit during December from the prior month
- The largest expenditures were the bills.
- Payroll was higher than the prior month due to the third payroll during the month.

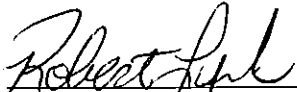
- The total expenditures were about \$151k
- Net cash usage was about \$62k
- The District ended the month with cash of \$37,089.67.
- This ties to the Balance Sheet.

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 15:57 hr. on January 25, 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.