



May 7, 2020

TO: LOCSD Board of Directors
FROM: Ron Munds, General Manager
SUBJECT: **Agenda Item 8B – 05/07/2020 Board Meeting**
 Zone A Property Tax Allocation Revision.

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We found two errors in the Zone A property tax allocation section of the report that I wanted to correct prior to our discussion of the Preliminary Budget. The first is a legacy error from when the FY 2019-20 budget was inputted into the accounting system. It was discovered when the percentage distribution to the funds did not match the projected tax revenue. After researching the error, I found that an error was made in the allocation to Fund 500 which reflected in the table below. The change matches what the revenue should be, also highlighted below.

The second error was in the table for the preliminary budget for 2020-21. The number was inadvertently transferred over to the table incorrectly; the change is highlighted in the second table below. These errors will be corrected in the final budget since they don't have a significant impact on the overall budget discussion.

Section from Agenda Item 8B staff report:

Zone A Property Tax Allocation

The budgeted revenue from for Zone A tax revenue for FY 2019-20 is **\$253,722.00**. The following table shows the percent breakdown and budget by fund for FY 2019-20.

Fund	Percentage	Budget	Revised
Fire - 301	25.0%	\$63,430.50	
Water - 500	50.0%	\$125,384.00	\$126,861.00
Wastewater - 600	12.5%	\$31,715.25	
Parks & Recreation - 900	12.5%	\$31,715.25	

The County's estimated revenue for FY 2020-21 from Zone A property tax is \$262,718.00. If the Board chooses to continue the current allocation of Zone A funds, the breakdown would be as follows:

Fund	Percentage	Budget	Revision
Fire - 301	25.0%	\$65,679.50	\$66,039.00
Water - 500	50.0%	\$131,359.00	
Wastewater - 600	12.5%	\$32,839.75 (not recommended)	
Parks & Recreation - 900	12.5%	\$32,839.75	

Based on past practice, 50% of the revenue is allocated to Fund 500. Staff is seeking direction from the Board on how to allocate the remaining 50%.

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