



December 1, 2025

TO: Finance Advisory Committee

FROM: Ron Munds, General Manager
Adrienne Geidel, District Bookkeeper

SUBJECT: Agenda Item 3 – 12/01/2025 FAC Meeting
Receive and File the District's Draft Fiscal Year 2024-2025
Financial Audit

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DESCRIPTION

Review of the District's fiscal year 2024-2025 financial audit.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the FAC adopt the following motion:

Motion: I recommend to the Board that the Board receive and file the fiscal year 2024-2025 financial audit as presented.

DISCUSSION

The firm Fetcher & Company was contracted to perform the District's fiscal year 2024-2025 financial audit. District staff facilitated the audit by providing all requested records and reports, as well as being available for direct interviews by the audit team. The resulting state of compliance of Fetcher & Company is as follows (excerpt from the Auditor Report page 64):

As part of obtaining reasonable assurance about whether the Los Osos Community Services District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Additionally, the auditors did not identify any deficiencies in internal controls that they consider to be material weaknesses and there were no audit findings or issues in need of correction associated with the 2024-2025 audit (page 63 statement).

Key Points from 2024-25

The following are the highlights from fiscal year 2024-25:

- The District's financial position strengthened during the 2024/2025 fiscal year as we anticipated large upcoming projects. Looking at Table B on page 8, you'll see the Ending Net Position increased by \$2,533,280 million during 2024/2025.

- Water service fees decreased by \$66,877.
- Overall property tax revenues decreased by \$1,391,621. This large decrease in property tax revenue is due primarily to the refunds from CAL Fire for Schedule A overpayments of \$1,453,677 that were recorded in Fiscal Year 2023-2024.
- Zone B property tax and Special Fire tax revenues performed as expected.
- Governmental expenses decreased by \$380,166 mainly due to decrease of the Schedule A contract costs paid to San Luis Obispo County Fire/ Cal Fire.
- Investment Income increased by \$259,403 over Fiscal Year 2023/2024 as the District continued the implementation of its investment strategy during the fiscal year.
- Fire and Water reserves are \$3,266,871 and \$3,316,682 (page 11).

Other Audit Sections of Interest

- Summary of Governmental Funds (General, Fire, Drainage, Non-major) Revenues and Expenses (page 16).
- Summary of Proprietary Funds (Water, Wastewater, Solid Waste) Revenues and Expenses (page 19).
- Cash and Investment Summary (starting page 34).
- Discussion on Pension Liabilities (starting at the bottom of page 42).
- Year-end Budgetary Comparison for General (Administration), Fire, Drainage (page 55)
- Combined Balance Sheets for Non-major Governmental Funds; Bayridge, Vista de Oro, Parks & Recreation (page 61).

FINANCIAL IMPACT

There are no fiscal impacts directly associated with the recommended action. A copy of the complete audit can be found on the District's website at www.losososcscsd.org or by contacting the District's office at 805-528-9370.

Attachment

2024/2025 Final Draft Audit