



Date: November 4, 2015

TO: LOCSD Board of Directors

FROM: Kathy A. Kivley, General Manager

SUBJECT: **Agenda Item 12E – Board Meeting Date: December 3, 2015**
Authorize Transfer of Funds to Cover Expenditures through
June 30, 2015

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R. Michael Wright

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DESCRIPTION

This item requests the Board to authorize the transfer of funds to cover expenditures through June 30, 2015.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I move that the Board authorize the General Manager to transfer the remaining dollars necessary to address the deficits in Fund 600 and Fund 100 from the Fund 100 Reserves as of June 30, 2015.

DISCUSSION

On June 5, 2014, by Resolution No. 2014-02, the Board of Directors adopted the Fiscal Year 2014/2015 Budget. This budget included an Administrative Cost Allocation appropriation from Fund 600 of \$40,147. The Cost Allocation funding for 600 was to be covered by a transfer from the Reserves in Fund 100 as authorized at the adoption of this Budget. At mid-year for FY 2014/2015, the Cost Allocation for Fund 600 was reduced. Even though the Cost Allocation for Fund 600 is less \$31,866 instead of the original budget of \$40,147, staff does not have the authorization to cover the balance from the Fund 100 Reserve. Staff did not request a reauthorization of the continued transfer from Fund 100 Reserves at mid-year.

Fund 100 Administration is total funded through transfers through the Cost Allocation Plan. As discussed previously, it is inappropriate for Fund 100 to have Reserves. Any monies previously allocated thru the Cost Allocation schedule in excess of the total dollars expended in Fund 100, belong to the supporting funds. Because staff did not request a reauthorization, Fund 600 shows a deficit. Additionally, the Fund 100 also reflects a deficit because Fund 600 could not fully fund its obligation to the Cost Allocation Plan.

FINANCIAL IMPACT

The remaining dollars needed in Fund 600 to cover the allocation is \$9,672.25. The shortfall in Fund 100 is \$9,661.21. The expenditure deficit in Fund 600 is \$10,819.17. The balance in the Fund 100 Reserves is \$46,216.46.