

Los Osos Community Services District
Fund Balance Recap
Per 06-30-16 Financial Audit

FUND BALANCE ACTIVITY	Admin 100	Baybridge 200	Fire 301	Vista de Oro- 400	Water 500	Drainage 800	Parks & Rec 900
TOTAL FUND BALANCE@ JUNE 30, 2015	\$ (4,748)	\$ (25,089)	\$ (1,656,403)	\$ (6,333)	\$ (2,755,197)	\$ (298,955)	\$ (304,966)
CHANGE IN FUND BALANCE FISCAL YEAR 2015/16	\$ -	\$ 24,842	\$ 33,430	\$ 16,829	\$ (128,716)	\$ (12,403)	\$ -
ESTIMATED FUND BALANCE AS OF JUNE 30, 2016 FYE	\$ (4,748)	\$ (247)	\$ (1,622,973)	\$ 10,496	\$ (2,883,914)	\$ (311,358)	\$ (304,966)
BUDGETED REVENUE OVER EXPENSE 2016/17	\$ -	\$ 49,029	\$ (11,548)	\$ (136)	\$ 751,772	\$ 134,628	\$ 6,879
TOTAL (ESTIMATED) FUND BALANCE @ JUNE 30, 2017 FYE	\$ (4,748)	\$ 48,782	\$ (1,634,521)	\$ 10,360	\$ (2,132,142)	\$ (176,730)	\$ (298,087)
PORTION (ESTIMATED) IN RESTRICTED RESERVES AS OF JUNE 30, 2017	\$ 46,216	\$ -	\$ (1,152,263)	\$ -	\$ (345,064)	\$ 151,536	\$ (298,087)
(ESTIMATED) UNRESTRICTED FUND BALANCE AS OF JUNE 30, 2017	\$ -	\$ -	\$ (470,710)	\$ -	\$ (1,787,078)	\$ (25,194)	\$ -
ESTIMATED INTERFUND LOAN AMOUNT		\$ 48,782		\$ 10,360			

2016/17 Budget Amendments/Financial Actions Needed

Budget amendment to transfer Vista de Oro Internal Loan reserve to offset negative fund balance at 2016 FYE

Resolution increasing Bayridge loan by \$50,000 from \$125,000 to \$175,000 (September 2017 agenda)

Resolution reducing the Vista de Oro loan to \$12,000 (September 2017 agenda)

Resolution amending the Reserve allocation resolutions to establish the September agenda for annual action to direct the funding of reserves in each fund with all available fund balance, and establishing priority the priority of funding for each reserve (one before the other, % to each, or subject to annual consideration). For example, in which reserve(s) should the \$33,430 (2016 FYE) in Fire be placed?

The Resolution should deposit a large portion of the unrestricted fund balance into the Capital Reserve, and reduce the planned 2016/17 drawdown of the Contingency, Rate Stabilization and Water Quality Trust reserves.

Resolution adopting an allocation methodology to fund the remaining balance of Administrative reserves, which were booked at \$46,216, but only \$4,748 is available in cash

RESERVE STATEMENT
As of September 09, 2016

Acct Code	Category & Fund	Beginning BALANCE 06/30/2013	Budget FY 2013/2014	Additions (Other uses)	Gain/ (Use) FY 2013/2014	Total FY 2013/2014	Adopted Budget FY 2014/2015	Gain/ (Use) FY 2014/2015	Total FY 2014/2015	Adopted Budget FY 2015/2016	Additions (other uses)	Gain/ (Use) FY 2015/2016	Total FY 2015-2016	Adopted Budget FY 2016/2017	Additions (other uses)	Gain/ (Use) FY 2016/2017	Projected Ending BALANCE
100 - Administration																	
3111	General Contingency Reserve (No reserve policy)	20,918				20,918	(20,994)	75	(0)				(0)	0			(0)
3164	Information Technology Reserve (\$200,000 goal with any fund balance deposited annually)	28,741				28,741		175	28,916				28,916	0			28,916
3166	Septic Maintenance Reserve (Fire Station) (\$17,300 initially with no annual goal or maximum)	15,801				15,801		1,500	17,300				17,300	0			17,300
Total - 100 - Administration		\$65,460	\$0	\$0	\$0	\$65,460	(\$20,994)	\$1,750	\$46,216				46,216	0			46,216
200 - Bayridge Estates																	
3109	Septic System Decommission Reserve	0	\$8,000			\$8,000	\$0	31	\$8,031				8,031	(8,031)			(0)
301 - Fire																	
3110	Replacement Reserve - Vehicle, Equip & Fire Engines (Annual amount based on replacement schedule, with a minimum of \$72,000 and catch up funding allowed; up to max o all replacement needs as detailed in Replacement Schedule)	247,962	109,099		67,986	425,047	92,206	645	517,898	53,334	(36,856)	34,405	515,447	(85,000)			430,447
3111	General Contingency Reserve (\$10,000 annual goal to a max of 15% of the Operation and maintenance budget)	61,381				61,381		1,942	63,323		(2,839)		60,484	10,000			70,484
3115	Public Facilities Fee Reserve (No reserve policy)	51,193			429	51,622			51,622				51,622	0			51,622
3160	Capital Outlay Reserve (Annual goalof \$10,000 to a max of \$5 million)	613,873				613,873		837	614,710				614,710	(15,000)			599,710
	Fire Mitigation Fund (No Reserve policy)										0	269	165,674	(4,100)			161,574
Total - 301 - Fire		\$974,409	\$109,099	\$0	\$68,415	\$1,151,924	\$92,206	\$3,423	\$1,247,553				1,242,263	(94,100)			1,152,263
400 - Vista de Oro																	
3193	Reserve - Internal Loan	1,517	\$30,000	(\$1,567)	(\$15,151)	\$14,799		(\$11,451)	\$3,348				3,348	0			3,348
500 - Water																	
3050	Water Quality Trust Reserve (No annual funding, no max)	91,517				91,517			91,517				91,517	(91,517)			0
3110	Replacement Reserve - Vehicles and Equip	42,197				42,197		(42,197)	0				0				0
3111	General Contingency Reserve (\$25,000 per year max of 60% of operation and maintenance budget)	178,783	25,000	30,000	(30,000)	203,783	25,000	(31,801)	196,982	25,000		25,000	221,982	(175,000)			46,982
3160	Capital Outlay Reserve (\$150,000 per year to \$470,000, up to max as needed inMaster Plan)	493,407	65,000		665	559,072	65,000	(57,258)	566,814	65,000	(125,000)	72,348	514,163	(285,255)			228,908
3163	Water Stabilization Reserve (\$32,000 per year max of 10% of Operating budget)	128,856	32,000			160,856	32,000		192,856	32,000		32,000	224,856	(200,000)			24,856
3165	Basin Management Plan Reserve (no annual amont, but intended to appropriate cost savings in account 9155 annually, up to \$1 million max)	39,288				39,288			39,288				39,288	0			39,288
3167	Water Conservation Reserve (initial \$25,000 deposit with no annual amount minimum, but intended to accrue balance of water conservation expense account to max of \$100,000)	25,031				25,031		(20,000)	5,031				5,031	0			5,031

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As of September 09, 2016

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Total - 500 - Water		\$999,079	\$122,000	\$30,000	(\$29,335)	\$1,121,744	\$122,000	(\$151,256)	\$1,092,488				1,096,836	(751,772)			345,064
600 - Wastewater Enterprise																	
3191	Restricted Funds-SRF	1,407,913			(1,405,977)	1,936	(1,935)		0				0	0			0
602 - Wastewater Fiduciary																	
3091	Restricted-2002 Bond Redemption Reserve	726,664	25,000		6,435	758,099	4,000	99,066	861,165	50,340		70,715	931,881	0			931,881
3120	LOCS D Community Fund	0			173,995	173,995		(2,147)	171,848				171,848	0			171,848
3159	Prepaid Assessment Reserve					142,670	(6,192)	166	136,643			11,785	148,428	0			148,428
3161	Disputed Reserve Fund				103,103	103,103		(100)	103,003				103,003	0			103,003
Total - 602 - WW Fiduciary		\$726,664	\$25,000	\$0	\$283,533	\$1,177,867	(\$2,192)	\$96,985	\$1,272,660				1,355,160	0			1,355,160
800 - Drainage																	
3111	General Contingency Reserve (\$5,000 per year max of \$50,000)	27,238	5,000			32,238	5,000	553	37,791	5,000		2,461	40,252	(35,252)			5,000
3160	Capital Outlay Reserve (\$10,000 per year max of \$500,000)	184,995	10,000		60	195,055	10,000	276	205,331	10,000		10,000	215,331	(68,795)			146,536
Total - 800 - Drainage		\$212,233	\$15,000	\$0	\$60	\$227,293	\$15,000	\$829	\$243,123				255,583	(104,047)			151,536
900 - Parks & Recreation																	
3090	Park and Recreation Funds	\$303,838	\$0		\$918	\$304,756	\$0	\$577	\$305,333			873	306,205	(6,879)			299,326
TOTALS						\$4,274,621			\$4,384,156				4,479,316	(968,929)			\$3,518,587

The Administrative reserve policy calls for a contingency reserve for septic pumping (undefined which septic system, assume fire dept) of \$17,300 annually with no limit; sunset at connection to sewer. Recommend placement on agenda for decision

The above distribution of (water) reserve allocations are based on Board direction on final budget adoption, but pending ratification or amendment by Board resolution

For Fire Capital Outlay Reserve, policy guidance is necessary to determine the portion of the reserve attributable to future expansion of the facilities and related equipment/appurtenances and to determine if the \$5 million max funding goal is adequate

Recommend Fire Public Facilities Fee Reserve be changed to Fire Facilities Expansion Fund, with cost separately identified and Public Facilities Fees applied as received)

The Reserve Resolution for both Reserves for Fire and Water Funds needs to clarify the appropriate expenditures in each category, in particular between the Capital Outlay and Equipment Reserves