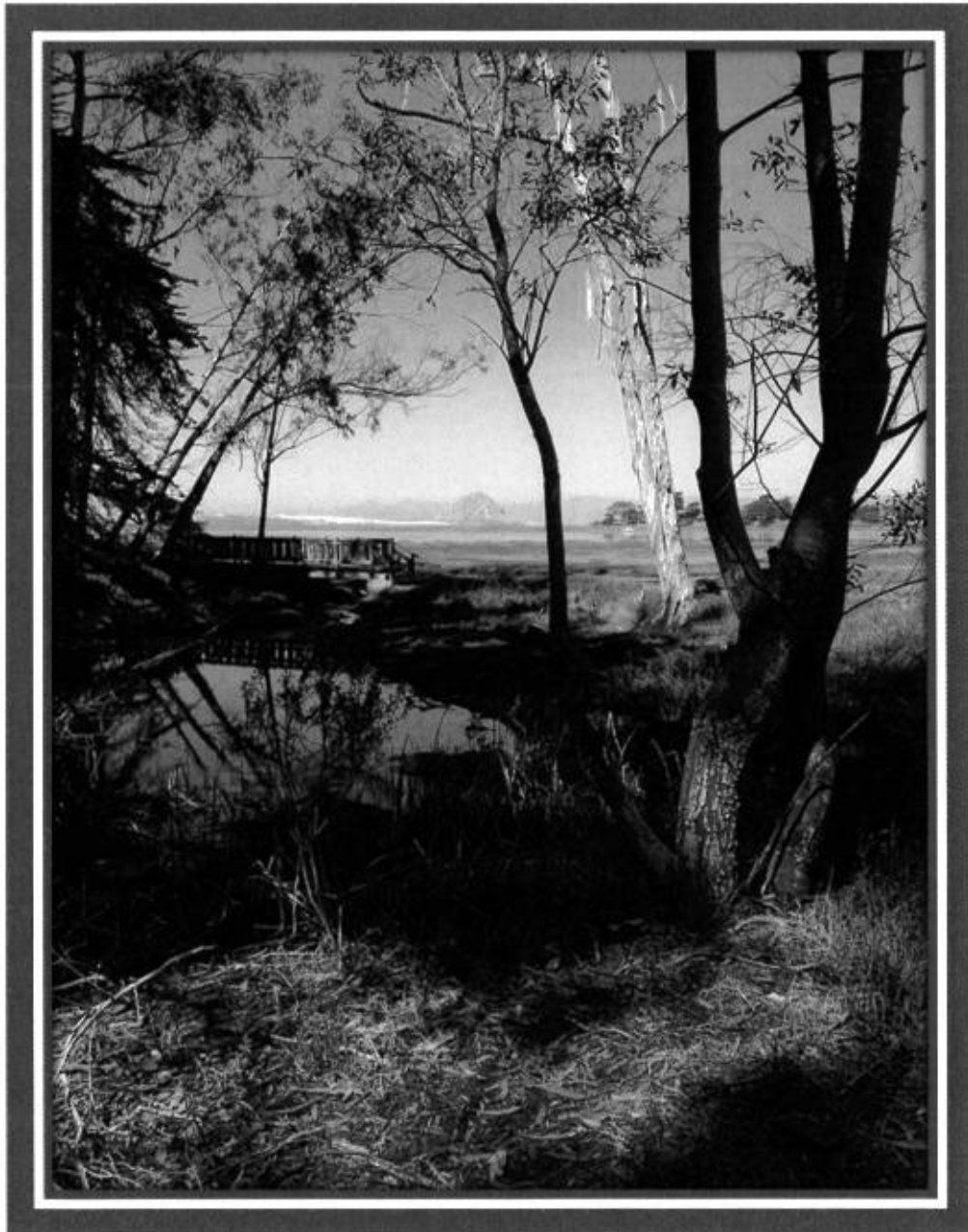


**LOS OSOS COMMUNITY SERVICES DISTRICT
DRAFT FINAL BUDGET
FISCAL YEAR 2016-2017**





PRELIMINARY BUDGET PREPARATION MEMORANDUM

August 8, 2016

BUDGET OVERVIEW

PURPOSE

We are pleased to present to the Board of Directors the Draft Final 2016/17 Fiscal Year Budget, which is supported by this Budget Preparation Memorandum. The following assumptions, criteria and descriptions are used by staff in developing the actual budget numbers and should be very helpful in understanding the budget and its implications.

The development of the small public agency budget is as much an exercise in public outreach and education as it is in finance and fiscal accountability. Effective special district budgets tie directly to strategic plans and management goals and objectives, are simply presented and easily understood by the average District service customer. The District has seen much confusion over its financial performance, and we are determined to implement the financial structure and process to make local budgets and financial statements understandable, and in conformance with all laws and standards. Through these budget processes we also attempt to inform the general public of the good work we do at the LOCSO.

The primary purpose of the annual budget is to match available funding with meeting the service objectives of the Board of Directors, as well as compliance with agreements and permit conditions. In budget development, management allocates specified amounts of money to all necessary expenditures of the District based on Board policy, established priorities and the operating needs of the District as determined by its professional staff. It is normal for Boards and/or the public to question or challenge certain expenditures, and staff should be expected to support and even defend recommended expenditure levels with additional information, requirements from permits, studies, evaluations, comparisons or benchmarks to explain the relationship between the expenditure and meeting the Board's service objectives.

This Draft Final Budget addresses a number of the Board's questions and concerns from the June 29, 2016 adoption of the Preliminary Budget. Management continues to work nearly full time on identifying and resolving the remaining concerns with the District financial system and resulting statements. This budget is being presented first to the District's three main committees on August 8, 9 and 10 prior to consideration by the Board on August 17, 2016.

TRANSPARENCY

To provide a basis of budget understanding, the assumptions, criteria and procedure of budget development is articulated in this memorandum to offer the reader with the background necessary to comprehend the methodology used and the information necessary to identify trends, financial red flags, budget influences and other factors. The budget must identify where

President

Marshall E. Ochylski

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Interim General Manager

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District Accountant

Warmerdam CPAs

Unit Chief

Scott M. Jalbert

Battalion Chief

Tom McEwen

the public's money will be spent in the upcoming year; what vehicles, equipment and capital projects will be purchased, how much is spent on personnel, etc. The budgeting exercise is therefore used as a vehicle to increase financial transparency and accountability with the public.

ACCOUNTABILITY

Budgeting is also a management tool used to continuously refine financial accounting methods to evaluate the impact of delivering various levels of public services. For example, we need to be able to not only quickly recognize when we have underestimated cost for materials and supplies; we should also have the ability to know whether the added expenses could have been avoided by replacing something sooner; such as a pump. We also need to carefully understand the cost for full water system maintenance according to an industry standard, versus the cost to allow equipment to deteriorate without much maintenance, ultimately replacing it sooner than typically required. Throughout the upcoming year, we will be refining our accounting practices to allow for this level of expense tracking so that in future budgets, we can easily understand the value and cost of our efforts, in each of the major areas of the services we provide.

SERVICE LEVELS

The District provides public, domestic water supply and drainage services in accordance with various permits issued by the state. These permits are an example of a service in which our actions and service levels are for the most part fixed by others. We have a fiduciary responsibility under the permits to employ the certified staff and work them around the clock if necessary, purchase the monitoring equipment, replace and upgrade infrastructure to standards, perform sampling, purchase materials and supplies and apply the methods necessary to meet the specific operational conditions detailed in these complex permits. Noncompliance with permits results in serious fines issued by the state on a daily basis. Budgetary limitations are not an excuse for noncompliance with permit conditions.

Property or vehicle maintenance is an example of activities where we have the discretion to set service levels. Other than for fire protection and potential liability reduction, there are no state or federal mandates that require us to perform ongoing property maintenance to a specific level; however lack of maintenance on properties makes for unsightly property, and lack of vehicle maintenance is not only unsafe, but can shorten the life of a vehicle. Conducting our work in a manner that leaves a "known" *Dangerous and Defective Condition of Public Property* is one of the few instances where a public agency can be held liable for damages determined to be caused by such defects. In either case, the Board has the discretion to allow funding for more or less emphasis on these types of activities based on its priorities.

When it comes to our fire services; by contracting with CalFire, we have selected a level of service commensurate with the standard of care and response expected of Calfire employees and stations statewide. In order to maintain this level of service, the equipment we provide for their use must be in working order and meeting standards.

2016/17 BUDGET DISCUSSION

The District's budget is developed for the ensuing calendar year by the Accountant with assistance from department heads or other assigned budget preparers; under the review and guidance of the General Manager. This year, the majority of the budget was prepared directly by the General Manager with assistance from the accounting contractor. Expenses made and revenue received this fiscal year have now been estimated through the end of the 2015/16 fiscal year end. You will still find that there are some discrepancies in the numbers, as each and every bank account, fund and fund subaccount had to be reviewed, balanced and missing documentation found. As of preparation of this draft Final Budget, we are confident that there are very few additional adjustments necessary before we can close out the financial statements for last fiscal year.

Several modifications were made to the approved Preliminary budget in preparation of this Draft Final; which will be highlighted during the public presentation is desired by the Board. The Draft Final Budget includes the proposed realignment of the administrative office responsibilities, adding back in the Administrative Services Director position to oversee all office operations, administrative contractors, contracts, meeting preparation and management. It is anticipated that we will promote from within to fill this position; which will also assume critical records management, procedural human resources and integration of activities among departments. These very important functions are currently either not being done, performed late or occurring at the last minute in haste due to critical deadlines. A full time Administrative/Accounting Technician I will be hired to support all departments with clerical, administrative and accounting work; as well as performing the day to day work that was performed by the staff person promoted to Administrative Services Manager.

In addition, it is proposed in this budget that the technical accounting work and payroll be outsourced to a contractor. Management has received cost estimates to verify that once our financials are in order next month, this work can be completed for approximately \$4,000 per month. This significant cost savings allows us to add the additional administrative staff and promote internally to the ASM position within the administrative expense contained within the 2016/17 Preliminary Budget as approved.

The purpose of the following budget assumptions and criteria is to provide the Board a better understanding of what makes up the budget, and why the numbers look the way they do. Explaining what drives the number can be a significant help in relating to the actual numbers shown in the various fund budgets. This budget proposal is very simply constructed and presented, due to the relatively stable and very limiting nature of our funding and limited expense fluctuations; therefore, this narrative is very important in understanding the financial condition of the District and where we will be spending the same, more or less money next year. Following are some basic assumptions and criteria used in our budget development:

REVENUE FORECASTS

WASTEWATER AND DRAINAGE SERVICES (ASSESSMENT DISTRICT #1, BAYRIDGE AND VISTA DE ORO)

- There will be no changes in the type of revenue received; ie no new assessments adopted or fees charged. The Estimated annual assessment revenue is contained in the budget detail attached hereto. No separate budget is included for the wastewater fund as all revenue is received by the county and expenditures are made through fiscal agents. The district has no involvement in managing the funding or investments other than to ensure proper administration; for which it has assigned no source of revenue. The only payments are to fiscal agents.
- Revenue for the Wastewater fund is derived from administrative fees charged on the existing wastewater assessment bonds charged on the tax rolls; however the amount of the fee is only adequate to cover the cost of the fiscal agents and \$25,000 annual Bond Redemption fund deposit required of the assessment district.
- Revenue for Bayridge and Vista de Oro consists of property tax allocations, septic maintenance fees and drainage assessments collected on the tax rolls by the county. The property taxes will be increased based on tax revenue estimates provided by the county, below.
- The septic maintenance fees will continue to be collected until the loan from the water fund is paid off

REVENUE FORECAST FIRE SERVICE

Revenue to operate the District's Fire Prevention and Protection services are derived primarily from the following sources as summarized in Table 1 below and shown in the Budget Detail:

Table 1

Source	Budgeted Allocation 2015/16	Budgeted Allocation 2016/17	Basis of Allocation
Ad Valorem Property Taxes	\$1.853 Million	\$1.906 Million	County levies taxes at the rate of 1% of the assessed property value; which is then distributed by a fixed percent to various special districts. Increases at 2% annually plus based on changes in assessed valuation. 2016/17 budgeted property tax revenue is based on current estimates provided by the County as contained in Table 2 below.
Fire Special Tax	\$508,329	\$529,401	Approved by the voters in 2005, special tax is levied in 2016/17 at a rate of \$16.16 per benefit unit, increased by 2.6% from the 2015/16 rate of \$15.76 per benefit unit. A residential home is five (5) benefit units, or \$80.80 per year. Increases annually by the average of the northern and southern California Consumer Price Index (CPI) rates.

- Property tax allocation is based on the county estimates provided below.
- Fire special tax revenue is estimated based on the totals prepared by Wallace and Associates in preparation of the 2016/17 tax rolls (included in the budget detail) and is estimated to increase by 2.6% over last fiscal year

The property taxes shown below are a combined total of 15 tax rate areas with the LOCSD boundaries. The majority of the taxes allocated to the Fire service and managed pursuant to an agreement between the District and County; whereby the county pays CalFire directly from a portion of our special and ad-valorem tax proceeds.

JULY 2016 ESTIMATES USING FY EQUALIZED ROLL VALUES, FY ADJ & REVISED UNITARY FACTORS, AND RDA INCREMENT ADJ'D FOR ERAF.		COUNTY OF SAN LUIS OBISPO PROPERTY TAX REVENUE ESTIMATES FOR FISCAL YEAR 2016-2017 JULY PRELIMINARY ESTIMATES					Adjust estimates for assessed value growth trends in your specific area.					
PLD	AGENCY	2015/2016 AD-0 FACTORS	Growth (2015/2016 vs 2014/2015)			LESS RDA's 6% Growth (RDA ADJ INFL UP ERAF SHFT)	2016/2017 ESTIMATED LOCAL TAX REVENUE	UNITARY REVENUE \$20,000,574 Acct 4000101	2015/2016 UNITARY FACTOR	RAILROAD REVENUE \$87,812 Acct 4001007	2015/2016 RAILROAD UNITARY FACTOR	2016/2017 TOTAL ESTIMATED TAX REVENUE
			0% Growth SED./FED Acct 4000015	0% Growth UNSEC Acct 4001025	0% Growth HOMEOWNERS Acct 4000015							
0747	LOS OSOS CSD-2N/A Water	0.04500%	210,254	4,815	1,452	216,561	5,070	0.01750%	29	0.03394%	221,660	
0748	LOS OSOS CSD-2N/B Fire	0.30000%	1,621,700	41,721	12,526	1,876,427	25,154	0.10120%	253	0.23842%	1,905,854	
0750	LOS OSOS CSD-0 Caballo Lig	0.00400%	20,699	474	147	21,319	291	0.00100%	3	0.03322%	21,613	
0752	LOS OSOS CSD-F Serridge Lig	0.00720%	8,035	191	57	8,277	157	0.00358%	1	0.00122%	8,445	

REVENUE FORECAST WATER SERVICE

- Both water base rate and sales (consumption) revenue will be consistent with the projected fiscal year end 2016. We are not planning financially on selling more water, or gaining more customers this fiscal year.
- The second of four water rate increases went into effect July 1, 2016
- No specific grant funds have been budgeted for the water fund, but we will continue to seek grants and prepare projects to be shovel, and grant "ready"
- Property taxes will increase over last year's rate as estimated by the County above

PARK AND RECREATION SERVICE

- Revenue for the Park and Recreation fund is derived from a transfer of revenue from the existing Park and Recreation reserve fund

EXPENSE ASSUMPTIONS AND CRITERIA

The 2016/17 fiscal year budget is being prepared using the following assumptions regarding expenses:

FUND 200 – BAYRIDGE ESTATES

- This fund provides street lighting, septic services, and open space management.
- There are 147 parcels that are assessed \$373.00 per parcel.
- This fund also receives property tax revenue from one County tax rate area
- Assessments will remain on the properties until the fund is balanced.
- There are 12 septic tanks that need to be pumped out completely so this fund will be charged, and this expense has caused this fund to be approximately \$40,000 in the negative this year.
- Some legal and engineering services will still be required.
- Major cost increase due to the one time septic system pumping costs

FUND 301 – FIRE

- Property tax revenue estimated by county tax collector's office, increased due to increasing property sales and taxed valuation
- Special tax revenue estimated by Wallace Group based on tax rolls as prepared for billing and collection
- Expenses include an approximate 5% increase in the cost of the Schedule A contract with Calfire; a \$100,000 increase
- An approximate \$46,000 increase in property taxes and assessments from 2015-16, far below the amount required to cover the Schedule A cost increase
- To balance the revenue and expenses, the vehicle replacement fund allocation was reduced in this budget proposal

FUND 400 – VISTA DE ORO

- Collection systems will be legally transferred to the County of San Luis Obispo in the 2016-2017 fiscal year.
- This fund provides street lighting and septic services.
- There are 73 parcels that are assessed \$216.00 per parcel.
- This fund receives NO property tax revenue.
- Assessments will remain on the properties until the fund is balanced.
- Some legal and engineering services will still be required this year, which is reflected in the contract services line.

FUND 500 – WATER

- This is an enterprise fund for water service in the Baywood Park/Los Osos Community.
- There are roughly 2750 connections that service a population of 7086.
- This fund receives property taxes from five County tax rate areas.
- Capital Improvements budgeted for this year will include
 - 8th & El Moro Upper Aquifer Well - \$90K for Phase I (drilling & testing)
 - Bids will be opened on July 21, 2016 in the LOCSD office @ 2:00 pm
 - Additional \$110K for the 8th & El Moro Upper Aquifer Well after Board approval to continue with equipping whether we blend or have to install an ion exchange unit.
 - Golden State Water Company & LOCSD Intertie project at 11th Street & Los Olivos –\$50K. Agreement has been signed.
 - Vehicle replacement - \$50K, Unit A needs to be replaced. It is a 2000 Ford F250 4x4 pickup
- Engineering and Professional Services will continue to be large items as we move forward with projects in the Los Osos Basin Plan.
- Shared Costs for Basin Management Committee items. An estimate for this calendar year is being used as an estimate to budget for next fiscal year. \$120K is the LOCSD share.
- There is a large line item for training and education \$18,500 budgeted. Our crews work with electrical equipment and will receive training this year. This budget item also includes OSHA compliance and other trainings.

FUND 800 – DRAINAGE

- This fund provides drainage within the community and this budget includes increased level of repair and maintenance on facilities.

- The total revenue in this department barely covers the cost of personnel salaries for the department.
- The LOCSD maintains four pump stations (Don & Mitchell, 6th & El Moro, 8th & El Moro, and 16th & Paso Robles) and five drainage basins throughout the community.
- We will need some repairs and maintenance on the submersible pump stations to upgrade two control panels - \$5K budgeted.
- If pump or control panels need to be replaced there is \$40K budgeted for capital outlay.

STATEMENT OF RESERVES

The reserve statements are currently in the process of being updated, and the balances of reserves as of the end of the 2014/15 fiscal year are contained in the budget detail. The reserves for the District's largest funds, Fire and Water are listed on the last page of their respective Budget summary pages.

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
COST ALLOCATION PLAN

ADMINISTRATIVE EXPENSE ALLOCATION

TOTAL ADMINISTRATION EXPENSE \$ 613,835

SERVICE	FIRE	WATER	PARKS AND RECREATION	DRAINAGE	BAYRIDGE	VISTA DE ORO	WASTEWATER	TOTALS
ALLOCATION %	21.00%	62.00%	1.00%	8.00%	2.00%	1.50%	4%	100.00%

Projected Expenditures 2016-17
613,835

TOTAL AMOUNT TO BE ALLOCATED	\$128,905	\$380,578	\$6,138	\$49,107	\$12,277	\$9,222	\$27,608	\$613,835
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LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 YEAR DRAFT FINAL BUDGET
FUND 100 ADMINISTRATION SUMMARY

ADMINISTRATIVE REVENUE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Copying Costs	\$ 12	\$ -	\$ 116	\$ 200	\$ 200
TOTAL ADMINSTRATIVE REVENUES	\$ 12	\$ -	\$ 116	\$ 200	\$ 200

ADMINISTRATIVE EXPENSE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Total Salaries & Wages	\$212,743	\$261,002	\$223,246	\$285,549	\$285,549
Total Payroll Taxes&Benefits	\$65,414	\$70,840	\$62,018	\$76,374	\$76,374
TOTAL PERSONNEL EXPENSES	\$278,157	\$331,842	\$285,263	\$361,923	\$361,923
Total Employment Services	\$25,320	\$720	\$0	\$500	\$500
Total Contract Services	\$49,044	\$45,200	\$41,274	\$55,100	\$55,100
Total Financial Services	\$1,128	\$2,000	\$3,154	\$1,000	\$1,001
Total Insurance, Licenses, & Reg.Fees	\$31,550	\$44,000	\$28,244	\$25,000	\$25,000
Total Legal & Professional	\$68,750	\$94,100	\$222,227	\$92,200	\$92,200
Total Office & Operational Supplies	\$14,031	\$15,900	\$13,476	\$14,910	\$17,410
Total Other Expenses	\$427	\$500	\$417	\$13,500	\$13,500
Total Rent & Utility	\$21,792	\$36,464	\$16,327	\$37,800	\$37,800
Total Repairs & Maintenance	\$1,375	\$0	\$89	\$100	\$101
Total Traveling & Training	\$3,774	\$750	\$1,505	\$9,300	\$9,300
TOTAL OPERATING EXPENSES	\$217,191	\$239,634	\$326,714	\$249,410	\$251,912
TOTAL EXPENDITURES	\$495,348	\$571,476	\$611,978	\$611,333	\$613,835

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
Fund 200-BAYRIDGE SUMMARY

BAYRIDGE REVENUE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Property Taxes	\$ 7,676	\$ 7,440	\$ 7,909	\$ 8,347	\$ 8,347
Assessments	\$ 54,831	\$ 54,831	\$ 54,081	\$ 54,831	\$ 54,831
TOTAL BAYRIDGE REVENUES	\$ 62,507	\$ 62,271	\$ 61,990	\$ 63,178	\$ 63,178

BAYRIDGE EXPENDITURE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Total Salaries & Wages	\$ 12,904	\$ 12,000	\$ 9,038	\$ 18,944	\$ 18,944
Total Payroll Taxes&Benefits	\$ 4,494	\$ 4,000	\$ 2,766	\$ 6,630	\$ 6,630
SUBTOTAL PERSONNEL EXPENSES	\$ 17,398	\$ 16,000	\$ 11,804	\$ 25,574	\$ 25,574
Total Contract Services	\$ 135	\$ 850	\$ 406	\$ -	\$ -
Total Equipment and Tools	\$ -	\$ 100	\$ 65	\$ -	\$ -
Total Ins.,Lic. & Regulatory Fees	\$ 1,617	\$ 1,304	\$ 2,237	\$ 1,400	\$ 1,400
Total Legal & Professional	\$ 5,018	\$ 1,000	\$ 5,834	\$ 1,000	\$ 3,500
Total Office Supplies & Oper.	\$ 26	\$ -	\$ -	\$ -	\$ -
Total Other Expenses	\$ 971	\$ -	\$ 684	\$ -	\$ -
Total Rent and utilities	\$ 14,414	\$ 18,600	\$ 11,850	\$ 66,000	\$ 68,000
Total Repairs & Maint.	\$ 9,796	\$ 9,162	\$ 5,023	\$ -	\$ -
Total Traveling & Training	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL OPERATING EXPENDITURES	\$ 31,977	\$ 31,016	\$ 26,100	\$ 68,400	\$ 72,900
TOTAL EXPENDITURES (PERSONNEL + OPERATING)	\$ 49,375	\$ 47,016	\$ 37,904	\$ 93,974	\$ 98,474
Inter-Fund Transfers					
INTERFUND TRANSFER OUT - ADMIN	\$ 5,407	\$ 13,712	\$ 14,504	\$ 9,185	\$ 12,277
INTERFUND TRANSFER OUT - WATER LOAN PAYMENT	\$ -	\$ -	\$ -	\$ -	\$ 25,006

LOS OSOS COMMUNITY SERVICES DISTRICT
 2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
Fund 200-BAYRIDGE SUMMARY

TOTAL INTERFUND TRANSFERS	\$	5,407	\$	13,712	\$	14,504	\$	9,185	\$	37,283
TOTAL SURPLUS (DEFICIT) FROM OPERATIONS (REVENUE-EXPENDITURES-ADMIN EXP)	\$	7,725	\$	1,543	\$	9,583	\$	(39,981)	\$	(47,573)
Non-Operating Expenditures										
Total Capital Outlay	\$	12,468	\$	-	\$	260,532	\$	-	\$	-
Total Reserves (Set Aside)	\$	-	\$	-	\$	-	\$	-	\$	-
SUBTOTAL NON OPERATING EXPENDITURES	\$	12,468	\$	-	\$	260,532	\$	-	\$	-
TOTAL REVENUE OVER (UNDER) EXPENDITURES (OPS SURPLUS - NON-OPERATING)	\$	(4,743)	\$	1,543	\$	(250,949)	\$	(39,981)	\$	(47,573)

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 301 - FIRE SUMMARY

FIRE REVENUE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Property Taxes	\$ 1,696,051	\$ 1,773,385	\$ 1,773,998	\$ 1,896,188	\$ 1,918,717
Assessments and Reimbursements	\$ 556,293	\$ 536,329	\$ 512,957	\$ 553,881	\$ 553,881
Interest and Investments	\$ 2,687	\$ -	\$ 3,533	\$ -	\$ 4,100
Grants and Agreements	\$ 82,689	\$ 69,634	\$ 73,766	\$ 67,134	\$ 67,134
TOTAL FIRE DEPARTMENT REVENUES	\$ 2,337,720	\$ 2,379,348	\$ 2,364,254	\$ 2,517,203	\$ 2,543,832

FIRE EXPENSE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Total Salaries & Wages	\$ 117,757.85	\$ 126,307	\$ 115,857	\$ 125,799	\$ 125,799
Total Payroll Taxes&Benefits	\$ 16,721.00	\$ 34,048	\$ 24,874	\$ 16,446	\$ 16,446
SUBTOTAL PERSONNEL EXPENSES	\$ 134,478.85	\$ 160,355	\$ 140,731	\$ 142,245	\$ 142,245
Total Employment Services	\$ 12,068.00	\$ 14,380	\$ 9,837	\$ 13,000	\$ 13,000
Total Clothing & Uniforms	\$ 4,556.00	\$ 4,500	\$ 3,016	\$ 6,300	\$ 6,300
Total Contract Services	\$ 1,716,974.80	\$ 1,903,836	\$ 1,904,940	\$ 2,008,094	\$ 2,008,094
Total Equipment & Tools	\$ 23,405.74	\$ 25,748	\$ 18,158	\$ 21,748	\$ 23,498
Total Financial Services	\$ (923)	\$ 100	\$ 17	\$ 100	\$ 100
Total Insurance, Licenses, & Reg.Fees	\$ 23,367	\$ 23,300	\$ 52,854	\$ 20,300	\$ 20,300
Total Legal & Professional	\$ 3,227	\$ 2,040	\$ 3,446	\$ 2,720	\$ 2,720
Total Office & Operational Supplies	\$ 23,793	\$ 24,947	\$ 22,998	\$ 26,395	\$ 26,395
Total Other Expenses	\$ 10,302	\$ 2,450	\$ 3,842	\$ 2,450	\$ 2,450
Total Repairs & Maintenance	\$ 11,505	\$ 11,750	\$ 7,011	\$ 12,350	\$ 18,350
Total Rent & Utility	\$ 15,063	\$ 13,532	\$ 11,884	\$ 11,582	\$ 11,582
Total Traveling & Training	\$ 3,403	\$ 6,857	\$ 3,702	\$ 6,975	\$ 6,975
SUBTOTAL OPERATING EXPENDITURES	\$ 1,846,742	\$ 2,033,440	\$ 2,041,706	\$ 2,132,014	\$ 2,139,764

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 301 - FIRE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
TOTAL OPERATING EXPENDITURES (INC. PERSONNEL)	\$ 1,981,221	\$ 2,193,795	\$ 2,182,436	\$ 2,274,259	\$ 2,282,009
INTERFUND TRANSFER OUT	\$ 109,124	\$ 110,306	\$ 116,459	\$ 120,447	\$ 128,905
Non-Operating Expenses					
Total Capital Outlay	\$ 24,082	\$ 235,000	\$ 67,193	\$ 35,000	\$ 205,000
Total Reserves (Set Aside)	\$ -	\$ 143,334	\$ 36,856	\$ 87,497	\$ 95,000
TOTAL NON OPERATING EXPENDITURES	\$ 24,082	\$ 378,334	\$ 104,049	\$ 122,497	\$ 300,000
Transfer In - Equipment Replacement Reserve	\$ -	\$ -	\$ -	\$ 170,000	\$ 170,000
Transfer In - Fire Mitigation Fund	\$ -	\$ -	\$ -	\$ 4,100	\$ 4,100
GRAND TOTAL REVENUE OVER (UNDER) EXPENSES	\$ 223,293.22	\$ (303,087.00)	\$ (38,690.83)	\$ (174,100.00)	\$ 7,018
Reserves Available					
	Amount FYE 2014/15				
Contingency Reserve	\$107,618				
Capital Reserve	\$641,982				
Vehicle and Equipment Replacement	\$577,970				
TOTAL AVAILABLE RESERVES	\$1,327,570				

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 400 - VISTA DE ORO SUMMARY

VISTA DE ORO REVENUE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	\$ 15,768	\$ 15,768	\$ 15,441	\$ 15,768	\$ 15,768
TOTAL VISTA DE ORO REVENUES	\$ 15,768	\$ 15,768	\$ 15,441	\$ 15,768	\$ 15,768

VISTA DE ORO EXPENSE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Total Salaries & Wages	\$ 7,821	\$ 12,000	\$ 2,884	\$ -	\$ -
Total Payroll Taxes&Benefits	\$ 2,691	\$ 4,000	\$ 893	\$ -	\$ -
SUBTOTAL PERSONNEL EXPENSES	\$ 10,512	\$ 16,000	\$ 3,777	\$ -	\$ -
Total Contract Services	\$ 1,202	\$ 1,202	\$ 3,777	\$ 6,000	\$ 4,300
Total Equipment and Tools	\$ -	\$ -	\$ 38	\$ -	\$ -
Total Ins.,Lic. & Regulatory Fees	\$ 1,189	\$ -	\$ 1,527	\$ -	\$ -
Total Legal & Professional	\$ -	\$ -	\$ -	\$ -	\$ -
Total Office Supplies and Operations	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Expenses	\$ 595	\$ -	\$ 528	\$ -	\$ -
Total Rent and Utilities	\$ 7,407	\$ 10,830	\$ 5,401	\$ 2,000	\$ 2,500
Total Repair and Maintanance	\$ 1,935	\$ 3,012	\$ 28	\$ -	\$ -
Total Travel and Training	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL OPERATING EXPENDITURES (NON PERSONNEL)	\$ 12,328	\$ 15,044	\$ 11,299	\$ 8,000	\$ 6,800
TOTAL EXPENDITURES (INC. PERSONNEL)	\$ 22,840	\$ 31,044	\$ 15,076	\$ 8,000	\$ 6,800
INTERFUND TRANSFER OUT	\$ 5,428	\$ 9,799	\$ 10,342	\$ 9,185	\$ 9,222
Non Operating Expenses					
Total Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Reserves (Set Aside)	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL NON OPERATING EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE OVER (UNDER) EXPENDITURES	\$ (12,500)	\$ (25,075)	\$ (9,978)	\$ (1,417)	\$ (254)

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 500- WATER SUMMARY

WATER REVENUE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Total Water Sales Revenue	\$ 1,697,209	\$ 1,907,500	\$ 1,688,590	\$ 1,800,000	\$ 1,800,000
Total Water Service Charges	\$ 53,100	\$ 40,400	\$ 48,463	\$ 47,000	\$ 47,000
Total Property taxes	\$ 201,599	\$ 205,793	\$ 208,898	\$ 209,969	\$ 223,760
Total Use of Mon.&Prop	\$ 2,527	\$ -	\$ 2,589	\$ 3,000	\$ 3,000
Total Other Revenue	\$ 21,548	\$ 5,000	\$ 14,868	\$ 56,075	\$ 57,000
TOTAL WATER DEPARTMENT NORMAL REVENUES	\$ 1,975,984	\$ 2,158,693	\$ 1,963,408	\$ 2,116,044	\$ 2,130,760
BAYRIDGE LOAN INTERFUND TRANSFER IN	\$ -	\$ -	\$ -	\$ -	\$ 25,006
TOTAL WATER DEPARTMENT REVENUES	\$ 1,975,984	\$ 2,158,693	\$ 1,963,408	\$ 2,116,044	\$ 2,155,766

WATER EXPENSE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Total Salaries & Wages	\$ 430,931	\$ 409,733	\$ 416,528	\$ 426,202	\$ 505,702
Total Payroll Taxes&Benefits	\$ 167,065	\$ 137,332	\$ 171,436	\$ 143,925	\$ 143,925
SUBTOTAL PERSONNEL EXPENSES	\$ 597,996	\$ 547,065	\$ 587,964	\$ 570,127	\$ 649,627
Total Employment Services	\$ -	\$ 2,800	\$ 125	\$ 250	\$ 250
Total Clothing & Uniforms	\$ 1,301	\$ 3,000	\$ 1,837	\$ 2,000	\$ 2,000
Total Contract Services	\$ 50,717	\$ 95,100	\$ 60,404	\$ 80,800	\$ 82,800
Total Equipment & Tools	\$ 108,823	\$ 59,000	\$ 73,075	\$ 82,000	\$ 82,000
Total Financial Services	\$ 2,144	\$ 3,200	\$ -	\$ 3,700	\$ 3,700
Total Insurance, Licenses, & Reg.Fees	\$ 44,246	\$ 52,100	\$ 53,280	\$ 50,700	\$ 54,700
Total Legal & Professional	\$ 284,436	\$ 257,000	\$ 226,507	\$ 267,000	\$ 270,000
Total Office & Operational Supplies	\$ 65,155	\$ 63,200	\$ 56,714	\$ 53,815	\$ 55,650
Total Other Expenses	\$ 42,623	\$ 30,100	\$ 10,210	\$ 16,000	\$ 16,000
Total Repairs & Maintenance	\$ 68,266	\$ 23,500	\$ 45,428	\$ 19,100	\$ 23,100
Total Rent & Utility	\$ 122,501	\$ 237,250	\$ 142,326	\$ 134,660	\$ 177,000
Vehicle Maintenance and Repairs	\$ 13,674	\$ 19,000	\$ 9,261	\$ 20,500	\$ 20,500
Total Traveling & Training	\$ 1,458	\$ 2,150	\$ 1,756	\$ 21,100	\$ 21,100
SUBTOTAL OPERATING EXPENSES (NON-PERSONNEL)	\$ 805,343	\$ 847,400	\$ 1,440,323	\$ 751,625	\$ 808,800

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 500- WATER SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
TOTAL OPERATING EXPENDITURES (INC. PERSONNEL)	\$ 1,403,339	\$ 1,394,465	\$ 2,028,288	\$ 1,321,752	\$ 1,458,427
INTERFUND TRANSFER OUT	\$ 383,406	\$ 396,344	\$ 418,409	\$ 373,458	\$ 380,578
Non Operating Expenses					
Total Capital Outlay	\$ 12,943	\$ 195,000	\$ 22,946	\$ 300,000	\$ 730,000
Total Debt Service	\$ 276,449	\$ 277,766	\$ 277,767	\$ 277,254	\$ 277,254
Total Reserves (Set Aside)	\$ 122,000	\$ 122,000	\$ -	\$ 122,000	\$ 122,000
TOTAL NON OPERATING EXPENDITURES	\$ 411,392	\$ 594,766	\$ 300,713	\$ 699,254	\$ 1,129,254
TOTAL REVENUE OVER (UNDER) EXPENDITURES	\$ (222,153)	\$ (226,882)	\$ (784,002)	\$ (278,420)	\$ (812,493)
Reserves Available	Amount FYE 2014/15	Description	Maximum		
Contingency Reserve	\$208,783	Maximum of 65% of Operating budget	\$ 947,978		
Capital Reserve	\$636,888	Goal of \$150,000 per year, short term goal of \$470,000 total			
Rate Stabilization Reserve	\$192,855	Maximum of 10% of operating budget	\$ 145,843		
TOTAL AVAILABLE RESERVES	\$1,038,526		\$ 1,093,820		

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 800 - DRAINAGE SUMMARY

DRAINAGE REVENUE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Property Taxes	\$ 19,308	\$ 19,561	\$ 20,365	\$ 20,370	\$ 21,759
Assessments	\$ 95,456	\$ 95,456	\$ 93,143	\$ 95,456	\$ 95,456
Investment Income on Funds	\$ -	\$ 200	\$ 274	\$ -	\$ -
Sale of Plans and Specs	\$ 305	\$ 200	\$ 239	\$ -	\$ -
TOTAL DRAINAGE REVENUES	\$ 115,069	\$ 115,417	\$ 114,021	\$ 115,826	\$ 117,215

DRAINAGE EXPENSE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Total Salaries & Wages	\$ 13,758	\$ 16,000	\$ 12,585	\$ 76,500	\$ 76,500
Total Payroll Taxes&Benefits	\$ 4,542	\$ 5,500	\$ 3,543	\$ 26,521	\$ 26,521
SUBTOTAL PERSONNEL EXPENSES	\$ 18,300	\$ 21,500	\$ 16,128	\$ 103,021	\$ 103,021
Total Clothing and Uniforms	\$ -	\$ 200	\$ -	\$ 200	\$ 200
Total Equipment and Tools	\$ 104	\$ 300	\$ 38	\$ 100	\$ 100
Total Ins.,Lic. & Regulatory Fees	\$ 6,750	\$ 10,602	\$ 8,571	\$ 9,200	\$ 9,200
Total Legal & Professional	\$ 8,061	\$ 7,000	\$ 6,804	\$ 11,500	\$ 11,500
Total Office Supplies and Operations	\$ 2,759	\$ 100	\$ 340	\$ 400	\$ 400
Total Other Expenses	\$ 1,004	\$ -	\$ 2,253	\$ -	\$ -
Total Rent and Utilities	\$ 3,373	\$ 3,700	\$ 4,145	\$ 5,050	\$ 5,050
Total Repair and Maintenance	\$ 620	\$ 4,100	\$ 3,597	\$ 15,000	\$ 15,000
Total Travel and Training	\$ 52	\$ 50	\$ 19	\$ 50	\$ 50
SUBTOTAL OPERATING EXPENDITURES (NON PERSONNEL)	\$ 22,723	\$ 26,052	\$ 25,767	\$ 41,500	\$ 41,500
TOTAL EXPENDITURES (INC. PERSONNEL)	\$ 41,023	\$ 47,552	\$ 41,895	\$ 144,521	\$ 144,521

LOS OSOS COMMUNITY SERVICES DISTRICT
 2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 800 - DRAINAGE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
INTERFUND TRANSFER OUT	\$ 36,138	\$ 39,017	\$ 41,186	\$ 33,719	\$ 49,107
Total Capital Outlay	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000
Total Reserves (Set Aside)	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ 15,000
SUBTOTAL NON OPERATING EXPENDITURES	\$ -	\$ 15,000	\$ -	\$ 55,000	\$ 55,000
TOTAL REVENUE OVER (UNDER) EXPENDITURES	\$ 37,908	\$ 13,848	\$ 30,940	\$ (117,414)	\$ (131,413)

LOS OSOS COMMUNITY SERVICES DISTRICT
2016-2017 FISCAL YEAR DRAFT FINAL BUDGET
FUND 900 - PARKS & RECREATION

PARKS & RECREATION REVENUE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Reserve Balance				\$ 305,333	\$ 305,333
TOTAL PARK AND RECREATION FUNDING	\$ -	\$ -	\$ -	\$ 305,333	\$ 305,333

PARKS & RECREATION EXPENSE SUMMARY

Budget Category	Audited 14-15	Budget 15-16	Estimated FYE 15-16	Approved 16-17 Preliminary Budget	Proposed 16-17 Final Budget
Transfer Out - Administrative Allocation					\$6,138
Planning Event Expenses					\$1,000
TOTAL OPERATING EXPENDITURES	\$ -	\$0	\$0	\$0	\$ 7,138
Estimated Remaining Reserves					\$ 298,195