

**Santa Lucia Preserve
Community Services District
2019–2020 Operating Budget
Executive Summary**

FY 2018-2019 Results

Revenues for the fiscal year ending June 30, 2019 are expected to finish lower than planned, by \$52K, primarily due to less water sales over the prior year and lower work orders in the Roads department. Operating Expenses were more than planned by approximately \$12K. Planned projects were under budget by approximately \$219K. This is due to delays in project starts due to weather and permit applications, and this savings will be spent in 2019-2020 as the budget proposes.

FY 2019-2020 Budget

Staff began the budgeting process with a goal to closely match results in the recently prepared five-year plan, including the 4% Fee increase in Property Related Fees (PRF) and to assess the feasibility of potential capital project costs and the funding of such. Total Revenues improved by \$257K over the prior year, with Property Related Fees (PRF) increasing by 4% and water meter billings up with more homes online. Total expenses, as well, have increased \$211K as compared to the prior year, due primarily to increases to General and Administration costs, including Payroll & Related and the Admin Cost Reimbursement line.

The Budget reflects an Operating Surplus, after \$160K in debt service, of approximately \$1.26M. Capital and Reserve Expenditures of approximately \$1.55M are described on the **Considerations** page.

The District's overall deficiency of \$332K for the fiscal year will bring the District's estimated total Net Position at June 30, 2020, to \$4.21M. The management team, as always, will consistently explore options to reduce costs of the District at every opportunity so as to increase its Financial resources wherever possible.

COMMUNITY SERVICES DISTRICT
CONSOLIDATED STATEMENT OF OPERATIONS
2019-20 Operating Budget

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	Budget 18-19	Unaudited 18-19	Budget 19-20	% Rev	Variance \$ YOY	Variance % YOY
REVENUES (by Source):						
Property Related Fees - Roads, Water & Security	5,258,478	5,258,492	5,468,814	83.9%	210,322	4.0%
Property Related Fees - Wastewater (Sewer & Septic)	351,681	351,684	368,985	5.7%	17,301	4.9%
Water Meter Charges	465,421	437,378	454,821	7.0%	17,443	4.0%
Security & Gatehouse Operations	17,731	14,127	16,916	0.3%	2,789	19.7%
Road & Drainage Maintenance	210,493	190,036	193,636	3.0%	3,600	1.9%
Housing Management Fee	7,200	7,200	7,200	0.1%	0	0.0%
Miscellaneous Income	0	0	6,000	0.1%	6,000	0.0%
TOTAL REVENUES	6,311,004	6,258,917	6,516,372	100.0%	257,455	4.1%
EXPENSES (by Department):						
Water Service	1,422,090	1,380,236	1,415,128	21.7%	(34,892)	-2.5%
Wastewater Collection & Treatment	208,263	226,956	232,639	3.6%	(5,683)	-2.5%
Road & Drainage Maintenance	906,387	917,072	858,617	13.2%	58,455	6.4%
Security & Gatehouse Operations	1,034,749	1,076,319	1,154,168	17.7%	(77,849)	-7.2%
General and Administrative	1,300,244	1,282,737	1,433,810	22.0%	(151,073)	-11.8%
TOTAL EXPENSES	4,871,733	4,883,320	5,094,361	78.2%	(211,041)	-4.3%
OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts	1,439,270	1,375,597	1,422,011	21.8%	46,414	3.4%
Loan Payments (Prin + Int)	159,804	159,802	159,804	2.5%	(2)	0.0%
OPERATING SURPLUS (DEFICIENCY)	1,279,466	1,215,795	1,262,207	19.4%	46,412	3.8%
OTHER CASH FLOW (USE)						
Interest Income	8,028	42,629	12,000	0.2%	(30,629)	-71.9%
Gain (Loss) on Sale of Fixed Assets	17,000	32,000	17,000	0.3%	(15,000)	-46.9%
Fiber Deployment	977	75,375	(75,375)	-1.2%	(150,750)	-200.0%
Considerations	(932,078)	(712,707)	(1,547,451)	-23.7%	(834,744)	-117.1%
TOTAL OTHER CASH FLOW (USE)	(906,073)	(562,703)	(1,593,826)	-24.5%	(1,031,123)	-183.2%
TOTAL SURPLUS (DEFICIENCY)	373,393	653,092	(331,619)	-5.1%	(984,711)	150.8%
NET POSITION						
Beginning Unrestricted Net Position	4,023,216	3,883,150	4,536,242			
Total Surplus (Deficiency)	373,393	653,092	(331,619)			
Ending Unrestricted Net Position	4,396,609	4,536,242	4,204,623			
TOTAL COMBINED UNRESTRICTED NET POSITION	4,396,609	4,536,242	4,204,623			