

**Santa Lucia Preserve  
Community Services District  
2015–2016 Operating Budget  
Executive Summary**

Revenues for the District increased by 2.0%, or approximately \$110K. This increase is primarily due to the Consumer Price Index (CPI) adjustment (2.29%) to all Property Related Fees. Other changes in Revenue are mainly attributed to continued water conservation efforts within in the community.

Total Expenses are proposed to increase by 2.0%, or approximately \$87K, with more significant increases in the Water and Road departments. The increase in the Water department expenses of approximately 3.0%, or \$38K, can be mostly attributed to an increase of non-salaried labor cost to maintain and repair existing infrastructure during continued drought conditions. The increase in Roads department expenses of 5.0%, or \$38K, is primarily associated with employee housing adjustment, and increases in supplies in materials for road repairs.

The Budget reflects an Operating Surplus, after \$160K in debt service, of approximately \$1.020M. Capital and Reserve Expenditures of approximately \$1,774K will create a net decrease for the fiscal year of \$754K in the District's Net Position.

Here is a list of the main Capital Projects targeted for the year (Total = \$1.774M):

- Wastewater Plant - \$93k
- Well Exploration & Other Water Projects - \$1.038M
- Roads - Slurry & Barns - \$195.630K
- Equipment Replacement - \$340K
- Other Projects - \$107.500K

The District's overall Financial deficit of \$754K for the fiscal year will bring the District's estimated total Net Position at June 30, 2016, to \$2.913M. 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**  
**2015-16 Operating Budget**

	<b>Budget 14-15</b>	<b>Unaudited 14-15</b>	<b>Budget 15-16</b>	<b>% Rev</b>	<b>Variance \$ YOY</b>	<b>Variance % YOY</b>
<b>REVENUES (by Source):</b>						
Property Related Fees - Roads, Water & Security	4,575,594	4,575,599	4,674,750	84.4%	99,151	2.2%
Property Related Fees - Wastewater (Sewer & Septic)	295,881	295,881	305,433	5.5%	9,552	3.2%
Water Meter Charges	469,668	408,483	394,735	7.1%	(13,748)	-3.4%
Security & Gatehouse Operations	24,706	25,320	26,187	0.5%	867	3.4%
Road & Drainage Maintenance	122,140	107,953	120,118	2.2%	12,165	11.3%
Housing Management Fee	3,612	3,612	3,612	0.1%	0	0.0%
Interest Income	10,740	11,662	13,600	0.2%	1,938	16.6%
Miscellaneous Income	0	0	0	0.0%	0	0.0%
<b>TOTAL REVENUES</b>	<b>5,502,342</b>	<b>5,428,510</b>	<b>5,538,435</b>	<b>100.0%</b>	<b>109,925</b>	<b>2.0%</b>
<b>EXPENSES (by Department):</b>						
Water Service	1,266,867	1,264,142	1,302,008	23.5%	(37,866)	-3.0%
Wastewater Collection & Treatment	193,017	183,085	192,800	3.5%	(9,715)	-5.3%
Road & Drainage Maintenance	795,102	753,190	790,854	14.3%	(37,664)	-5.0%
Security & Gatehouse Operations	1,015,088	980,927	980,290	17.7%	637	0.1%
General and Administrative	1,096,552	1,090,142	1,092,973	19.7%	(2,831)	-0.3%
<b>TOTAL EXPENSES</b>	<b>4,366,625</b>	<b>4,271,486</b>	<b>4,358,925</b>	<b>78.7%</b>	<b>(87,440)</b>	<b>-2.0%</b>
<b>OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts</b>	<b>1,135,717</b>	<b>1,157,024</b>	<b>1,179,509</b>	<b>21.3%</b>	<b>22,485</b>	<b>1.9%</b>
Loan Payments (Prin + Int)	159,800	159,800	159,800	2.9%	0	0.0%
<b>OPERATING SURPLUS (DEFICIENCY)</b>	<b>975,917</b>	<b>997,224</b>	<b>1,019,709</b>	<b>18.4%</b>	<b>22,485</b>	<b>2.3%</b>
<b>OTHER CASH FLOW (USE)</b>						
Non Operating Income/Expense	0	0	0	0.0%	0	0.0%
Corp Yard Borrowing	0	0	0	0.0%	0	0.0%
Gain (Loss) on Sale of Fixed Assets	0	1,459	0	0.0%	(1,459)	-100.0%
Capital Expenditures	(573,020)	(570,035)	(1,496,800)	-27.0%	(926,765)	-162.6%
Repairs & Replacements	(106,330)	(92,548)	(277,330)	-5.0%	(184,782)	-199.7%
<b>TOTAL OTHER CASH FLOW (USE)</b>	<b>(679,350)</b>	<b>(661,124)</b>	<b>(1,774,130)</b>	<b>-32.0%</b>	<b>(1,113,006)</b>	<b>-168.4%</b>
<b>TOTAL SURPLUS (DEFICIENCY)</b>	<b>296,567</b>	<b>336,100</b>	<b>(754,421)</b>	<b>-13.6%</b>	<b>(1,090,521)</b>	<b>324.5%</b>
<b>NET POSITION</b>						
<b>Beginning Unrestricted Net Position</b>	3,174,791	3,331,762	3,667,862			
Total Surplus (Deficiency)	296,567	336,100	(754,421)			
<b>Ending Unrestricted Net Position</b>	<b>3,204,561</b>	<b>3,667,862</b>	<b>2,913,442</b>			
<b>Beginning Contingency Fund Balance</b>	0	0	0			
Contingency Fund Contributions	0	0	0			
Contingency Fund Expenditures	0	0	0			
<b>Ending Contingency Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>TOTAL COMBINED UNRESTRICTED NET POSITION</b>	<b>3,204,561</b>	<b>3,667,862</b>	<b>2,913,442</b>			