Santa Lucia Preserve Community Services District 2021–2022 Operating Budget Executive Summary

FY 2020-2021 Results

Revenues for the fiscal year ending June 30, 2021 are expected to finish lower than planned, by \$57K. This is primarily due to lower water sales over the prior year and less work orders in the Roads department (mowing). Operating expenses were higher than planned by approximately \$173K. This can be attributed to higher payroll in Security and Gatehouse operations due to the pandemic and a significant increase in property/liability premiums for the Preserve Company. Planned projects were slightly better than planned by \$5K.

FY 2021-2022 Budget

The proposed draft budget 2021-2022 includes the 4% fee increase in Property Related Fees (PRF) and an assessment of potential capital project costs and replacments. Total Revenues are anticipated to improve by \$326K over the prior year. Total expenses are anticipated to increase by \$190K as compared to the prior year, due primarily to increases to General and Administration costs, including Payroll (New FT Mechanic plus Retention Plan) and the Admin Cost Reimbursement line.

The Budget reflects an Operating Surplus, after \$160K in debt service, of approximately \$1.291M. Capital and Reserve Expenditures of approximately \$1.971M are described on the **Considerations** page. The major capital projects include a water treatment plant in the Potrero area (\$850K), gate upgrades (\$127K) and road paving (\$299K). If the Fire Safety Fee is approved, approximately \$943K of additional capital expenditures are planned.

The District's overall deficiency of \$614K for the fiscal year will bring the District's estimated total Net Position at June 30, 2022, to \$3.982M. If fire safety improvements occur in the next budget cycle, the Net Position is estimated at \$3.039M. 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 2021-22 Operating Budget

	Budget <u>20-21</u>	Unaudited <u>20-21</u>	Budget <u>21-22</u>	% Rev	Variance \$ <u>YOY</u>	Variance % <u>YOY</u>
REVENUES (by Source):						
Property Related Fees - Roads, Water & Security	5,687,562	5,687,573	5,915,058	83.0%	227,485	4.0%
Property Related Fees - Wastewater (Sewer & Septic)	384,405	368,989	401,205	5.6%	32,216	8.7%
Water Meter Charges	515,711	500,221	540,925	7.6%	40,704	8.1%
Security & Gatehouse Operations	20,916	17,133	14,234	0.2%	(2,899)	-16.9%
Road & Drainage Maintenance	242,851	214,340	242,851	3.4%	28,511	13.3%
Housing Management Fee	7,200	7,200	7,200	0.1%	0	0.0%
Miscellaneous Income	0	6,500	6,000	0.1%	(500)	-7.7%
TOTAL REVENUES	6,858,645	6,801,956	7,127,473	100.0%	325,517	4.8%
EXPENSES (by Department):						
Water Service	1,478,849	1,532,095	1,537,936	21.6%	(5,841)	-0.4%
Wastewater Collection & Treatment	207,909	206,718	187,552	2.6%	19,167	9.3%
Road & Drainage Maintenance	913,362	933,863	976,616	13.7%	(42,754)	-4.6%
Security & Gatehouse Operations	1,200,834	1,231,374	1,294,854	18.2%	(63,480)	-5.2%
General and Administrative	1,473,277	1,539,733	1,639,883	23.0%	(100,149)	-6.5%
TOTAL EXPENSES	5,274,231	5,443,783	5,636,840	79.1%	(193,057)	-3.5%
OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts	1,584,414	1,358,173	1,490,633	20.9%	132,460	9.8%
Loan Payments (Prin + Int)	159,804	159,804	159,804	2.2%	0	0.0%
OPERATING SURPLUS (DEFICIENCY)	1,424,610	1,198,369	1,330,829	18.7%	132,460	11.1%
OTHER CASH FLOW (USE)						
Interest Income	24,000	9,258	9,258	0.1%	0	0.0%
Gain (Loss) on Sale of Fixed Assets	15,000	2,500	17,000	0.2%	14,500	580.0%
Fiber Deployment		0	0	0.0%	0	0.0%
Considerations	(1,320,638)	(1,327,408)	(1,970,727)	-27.6%	(643,319)	48.5%
TOTAL OTHER CASH FLOW (USE)	(1,281,638)	(1,315,650)	(1,944,469)	-27.3%	(628,819)	47.8%
TOTAL SURPLUS (DEFICIENCY)	142,972	(117,281)	(613,640)	-8.6%	(496,359)	-423.2%
NET POSITION						
Beginning Unrestricted Net Position	4,573,737	4,716,709	4,599,428			
Total Surplus (Deficiency)	142,972	(117,281)	(613,640)			
Ending Unrestricted Net Position	4,716,709	4,599,428	3,985,788	-		
TOTAL COMBINED UNRESTRICTED NET POSITION	4,716,709	4,599,428	3,985,788	-		
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COMMUNITY SERVICES DISTRICT CONSOLIDATED STATEMENT OF OPERATIONS 2021-22 Operating Budget

Property Related Fees - Roads, Water & Security \$687,562 \$687,562 \$688,593 \$5,915,058 \$78.1% \$227,485 \$4.0% \$0.0000 \$1.0000		Budget <u>20-21</u>	Unaudited <u>20-21</u>	Budget <u>21-22</u>	<u>% Rev</u>	Variance \$ <u>YOY</u>	Variance % <u>YOY</u>
Property Related Frees - Wastewater (Sewer & Septic) 384,405 368,989 401,205 5.3% 32,216 8.7% Water Mater Charges 515,711 500,221 540,955 7.1% 40,704 8.1% Security & Gatehouse Operations 24,2851 214,340 242,851 3.2% 28,511 13.3% 24,2851 3.2% 28,511 13.3% 24,2851 3.2% 28,511 3.2% 24,000 7.7000 7.7000 7.7000 7.7000 7.7000 7.7000 7.7000 7.7000 7.7000 7.7000 7.7000 7.7000	<u> </u>						
Water Meter Charges	Property Related Fees - Roads, Water & Security	5,687,562	5,687,573	5,915,058	78.1%	227,485	4.0%
Security & Gathelouse Operations 20,916 17,133 14,234 0.2% (2,899) 1-16,9% Road & Drainage Maintenance 242,851 214,340 242,851 3.2% 28,511 13,3% Housing Management Fee 7,200 7,200 7,200 0.1% 0 0.0% Miscellaneous Income 0 6,500 6,500 0.1% (500) 7.77% TOTAL REVENUES 6,858,645 6,801,956 7,573,345 100.0% 771,389 11.3% EXPENSES (by Department): Water Service 1,478,849 1,532,095 1,537,936 20.3% (5,841) -0.4% Wastewater Collection & Treatment 207,908 206,718 187,552 2.5% 19,167 9.3% Road & Drainage Maintenance 915,365 933,863 976,616 12.9% (42,754) -4.6% Security & Gathouse Operations 1,200,834 1,231,374 1,294,854 17.1% (63,480) 5.2% General and Administrative 1,469,367 1,539,733	Property Related Fees - Wastewater (Sewer & Septic)	384,405	368,989	401,205	5.3%	32,216	8.7%
Road & Drainage Maintenance 242,851 214,340 242,851 3.2% 28,511 13.3% Housing Management Fee 7,200 7,200 7,200 0.1% 0	Water Meter Charges	•		540,925		•	8.1%
Housing Management Fee 7,200 7,200 7,200 1,100 1,100 0,000	Security & Gatehouse Operations	20,916	17,133	14,234		(2,899)	-16.9%
Miscelaneous Income	Road & Drainage Maintenance	•	•	·	3.2%	28,511	13.3%
Miscellaneous Income 0 6,500 6,000 0.1% (500) -7.7% TOTAL REVENUES 6,858,645 6,801,956 7,573,345 100.0% 771,389 11.3%	Housing Management Fee	7,200	7,200	7,200			
TOTAL REVENUES	Brush Management			•	5.9%	445,872	0.0%
EXPENSES (by Department): Water Service 1,478,849 1,532,095 1,537,936 20.3% (5,841) -0.4% Wastewater Collection & Treatment 207,908 206,718 187,552 2.5% 19,167 9.3% Road & Drainage Maintenance 915,365 933,863 376,616 12.9% 42,754 4.6% Security & Gatehouse Operations 1,200,834 1,231,374 1,294,854 17.1% (63,480) 5.2% General and Administrative 1,469,367 1,539,733 1,639,883 21.7% (100,149) -6.5% Brush Management 227,363 31,4% (237,363) 0.0% TOTAL EXPENSES 5,272,323 5,443,783 5,874,203 77.6% (430,420) -7.9% OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts 1,586,322 1,358,173 1,699,142 22.4% 340,969 25.1% Loan Payments (Prin + Int) 159,804 159,804 2.1% 0 0.0% OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369	Miscellaneous Income		6,500	•			
Water Service 1,478,849 1,532,095 1,537,936 20.3% (5,841) -0.4% Wastewater Collection & Treatment 207,908 206,718 187,552 2.5% 19,167 9.3% Road & Drainage Maintenance 915,365 933,863 976,616 12.9% (42,754) 4.6% Security & Gatehouse Operations 1,200,834 1,231,374 1,294,854 17.1% (63,480) 5-2% General and Administrative 1,469,367 1,539,733 1,639,883 21.7% (100,149) -6.5% Brush Management 237,363 3.1% (237,363) 0.0% TOTAL EXPENSES 5,272,323 5,443,783 5,874,203 77.6% (430,420) -7.9% OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts 1,586,322 1,358,173 1,699,142 22.4% 340,969 25.1% OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts 1,59,804 159,804 159,804 2.1% 0 0.0% OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369 1,539,	TOTAL REVENUES	6,858,645	6,801,956	7,573,345	100.0%	771,389	11.3%
Wastewater Collection & Treatment 207,908 206,718 187,552 2.5% 19,167 9.3% Road & Drainage Maintenance 915,365 933,863 976,616 12.9% (42,754) 4.6% Security & Gatehouse Operations 1,200,834 1,231,374 1,249,854 17.1% (63,480) 5.2% General and Administrative 1,469,367 1,539,733 1,639,883 21.7% (100,149) -6.5% Brush Management 237,363 3.1% (237,363) 0.0% TOTAL EXPENSES 5,272,323 5,443,783 5,874,203 77.6% (430,420) -7.9% OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts 1,586,322 1,358,173 1,699,142 22.4% 340,969 25.1% Loan Payments (Prin + Int) 159,804 159,804 159,804 2.1% 0 0.0% OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369 1,539,338 20.3% 340,969 28.5% OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369 1,539,338 <td>EXPENSES (by Department):</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	EXPENSES (by Department):						
Road & Drainage Maintenance 915,365 933,863 976,616 12.9% (42,754) 4.6% Security & Gatehouse Operations 1,200,834 1,231,374 1,294,854 17.1% (63,480) 5.2% General and Administrative 1,469,367 1,539,733 1,639,883 21.7% (100,149) -6.5% Brush Management 237,363 3.1% (237,363) 0.0% TOTAL EXPENSES 5,272,323 5,443,783 5,874,203 77.6% (430,420) -7.9% OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts 1,586,322 1,358,733 1,699,142 22.4% 340,969 25.1% Loan Payments (Prin + Int) 159,804 159,804 159,804 2.1% 0 0.0% OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369 1,539,338 20.3% 340,969 28.5% OTHER CASH FLOW (USE) 1,226,518 1,198,369 1,539,338 20.3% 340,969 28.5% OTHIC CASH FLOW (USE) 1,226,518 1,198,369 1,539,338 20.3% <th< td=""><td>Water Service</td><td>1,478,849</td><td>1,532,095</td><td>1,537,936</td><td>20.3%</td><td>(5,841)</td><td>-0.4%</td></th<>	Water Service	1,478,849	1,532,095	1,537,936	20.3%	(5,841)	-0.4%
Security & Gatehouse Operations	Wastewater Collection & Treatment	207,908	206,718	187,552	2.5%	19,167	9.3%
Concess of the content of the cont	Road & Drainage Maintenance	915,365	933,863	976,616	12.9%	(42,754)	-4.6%
Brush Management 237,363 3.1% (237,363) 0.0% TOTAL EXPENSES 5,272,323 5,443,783 5,874,203 77.6% (430,420) -7.9% (430,420	Security & Gatehouse Operations	1,200,834	1,231,374	1,294,854	17.1%	(63,480)	-5.2%
TOTAL EXPENSES 5,272,323 5,443,783 5,874,203 77.6% (430,420) -7.9%	General and Administrative	1,469,367	1,539,733	1,639,883	21.7%	(100,149)	-6.5%
OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts 1,586,322 1,358,173 1,699,142 22.4% 340,969 25.1% Loan Payments (Prin + Int) 159,804 159,804 159,804 2.1% 0 0.0% OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369 1,539,338 20.3% 340,969 28.5% OTHER CASH FLOW (USE) Interest Income 24,000 9,258 9,258 0.1% 0 0.0% Gain (Loss) on Sale of Fixed Assets 17,000 2,500 17,000 0.2% 14,500 580.0% Fiber Deployment 0 0 0.0% 0 0.0% 0 0.0% Considerations (523,174) (1,338,871) (1,970,727) 26.0% (631,856) 47.2% TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% NET POSITION Beginning Unrestricted Net Position 4,462,680 4,333,936 Total Surplus (Deficiency) 4,462,680 4,333,936	Brush Management			237,363	3.1%	(237,363)	0.0%
Loan Payments (Prin + Int) 159,804 159,804 159,804 2.1% 0 0.0% OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369 1,539,338 20.3% 340,969 28.5% OTHER CASH FLOW (USE) Interest Income 24,000 9,258 9,258 0.1% 0 0.0% Gain (Loss) on Sale of Fixed Assets 17,000 2,500 17,000 0.2% 14,500 580.0% Fiber Deployment 0 0 0 0.0% 0 0.0% Considerations (523,174) (1,338,871) (1,970,727) -26.0% (631,856) 47.2% TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% NET POSITION 944,344 (128,744) (405,131) -5.3% (276,387) -214.7% NET position 4,462,680 4,333,936 4,333,936 405,131) -5.3% (276,387) -214.7% NET position (Deficiency) (128,744) (405,131) -405,	TOTAL EXPENSES	5,272,323	5,443,783	5,874,203	77.6%	(430,420)	-7.9%
OPERATING SURPLUS (DEFICIENCY) 1,426,518 1,198,369 1,539,338 20.3% 340,969 28.5% OTHER CASH FLOW (USE) Interest Income 24,000 9,258 9,258 0.1% 0 0.0% Gain (Loss) on Sale of Fixed Assets 17,000 2,500 17,000 0.2% 14,500 580.0% Fiber Deployment 0 0 0.0% 0 0.0% Considerations (523,174) (1,338,871) (1,970,727) -26.0% (631,856) 47.2% TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% TOTAL SURPLUS (DEFICIENCY) 944,344 (128,744) (405,131) -5.3% (276,387) -214.7% NET POSITION Beginning Unrestricted Net Position 4,462,680 4,333,936 4,333,936 Total Surplus (Deficiency) (128,744) (405,131) 4,462,680 4,333,936 Total Surplus (Deficiency) 4,462,680 4,333,936 3,928,805 4,333,936	OPERATING SURPLUS (DEFICIENCY) - Before Loan Pmts	1,586,322	1,358,173	1,699,142	22.4%	340,969	25.1%
OTHER CASH FLOW (USE) Interest Income 24,000 9,258 9,258 0.1% 0 0.0% Gain (Loss) on Sale of Fixed Assets 17,000 2,500 17,000 0.2% 14,500 580.0% Fiber Deployment 0 0 0 0.0% 0 0.0% Considerations (523,174) (1,338,871) (1,970,727) -26.0% (631,856) 47.2% TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% NET POSITION 944,344 (128,744) (405,131) -5.3% (276,387) -214.7% Beginning Unrestricted Net Position 4,462,680 4,333,936 Total Surplus (Deficiency) (128,744) (405,131) Ending Unrestricted Net Position 4,333,936 3,928,805	Loan Payments (Prin + Int)	159,804	159,804	159,804	2.1%	0	0.0%
Interest Income	OPERATING SURPLUS (DEFICIENCY)	1,426,518	1,198,369	1,539,338	20.3%	340,969	28.5%
Gain (Loss) on Sale of Fixed Assets 17,000 2,500 17,000 0.2% 14,500 580.0% Fiber Deployment 0 0 0.0% 0 0.0% Considerations (523,174) (1,338,871) (1,970,727) -26.0% (631,856) 47.2% TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% NET POSITION Beginning Unrestricted Net Position 4,462,680 4,333,936 Total Surplus (Deficiency) (128,744) (405,131) Ending Unrestricted Net Position 4,333,936 3,928,805	OTHER CASH FLOW (USE)						
Fiber Deployment 0 0 0.0% 0.0% 0.0% Considerations (523,174) (1,338,871) (1,970,727) -26.0% (631,856) 47.2% TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% TOTAL SURPLUS (DEFICIENCY) 944,344 (128,744) (405,131) -5.3% (276,387) -214.7% NET POSITION Beginning Unrestricted Net Position 4,462,680 4,333,936 Total Surplus (Deficiency) (128,744) (405,131) Ending Unrestricted Net Position 4,333,936 3,928,805	Interest Income	24,000	9,258	9,258	0.1%	0	0.0%
Considerations (523,174) (1,338,871) (1,970,727) -26.0% (631,856) 47.2% TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% TOTAL SURPLUS (DEFICIENCY) 944,344 (128,744) (405,131) -5.3% (276,387) -214.7% NET POSITION 4,462,680 4,333,936 Total Surplus (Deficiency) (128,744) (405,131) 4,405,131) 4,333,936<	Gain (Loss) on Sale of Fixed Assets	17,000	2,500	17,000	0.2%	14,500	580.0%
TOTAL OTHER CASH FLOW (USE) (482,174) (1,327,113) (1,944,469) -25.7% (617,356) 46.5% TOTAL SURPLUS (DEFICIENCY) 944,344 (128,744) (405,131) -5.3% (276,387) -214.7% NET POSITION Beginning Unrestricted Net Position Total Surplus (Deficiency) Ending Unrestricted Net Position 4,462,680 (128,744) (405,131) (405,13	Fiber Deployment		0	0	0.0%	0	0.0%
TOTAL SURPLUS (DEFICIENCY) 944,344 (128,744) (405,131) -5.3% (276,387) -214.7% NET POSITION 8 4,462,680 4,333,936 4,333,936 4,405,131) 4,405,131) 4,405,131) 4,333,936 <td< td=""><td>Considerations</td><td>(523,174)</td><td>(1,338,871)</td><td>(1,970,727)</td><td>-26.0%</td><td>(631,856)</td><td>47.2%</td></td<>	Considerations	(523,174)	(1,338,871)	(1,970,727)	-26.0%	(631,856)	47.2%
NET POSITION 4,462,680 4,333,936 Beginning Unrestricted Net Position 4,287,441 (405,131) Total Surplus (Deficiency) 4,333,936 3,928,805 Ending Unrestricted Net Position 4,333,936 3,928,805	TOTAL OTHER CASH FLOW (USE)	(482,174)	(1,327,113)	(1,944,469)	-25.7%	(617,356)	46.5%
Beginning Unrestricted Net Position 4,462,680 4,333,936 Total Surplus (Deficiency) (128,744) (405,131) Ending Unrestricted Net Position 4,333,936 3,928,805	TOTAL SURPLUS (DEFICIENCY)	944,344	(128,744)	(405,131)	-5.3%	(276,387)	-214.7%
Total Surplus (Deficiency) (128,744) (405,131) Ending Unrestricted Net Position 4,333,936 3,928,805	NET POSITION						
Ending Unrestricted Net Position 4,333,936 3,928,805	Beginning Unrestricted Net Position		4,462,680	4,333,936			
<u> </u>	Total Surplus (Deficiency)		(128,744)	(405,131)			
TOTAL COMBINED UNRESTRICTED NET POSITION 4,333,936 3,928,805	Ending Unrestricted Net Position		4,333,936	3,928,805			
	TOTAL COMBINED UNRESTRICTED NET POSITION		4,333,936	3,928,805			