



NOTICE OF COMMITTEE MEETING
Oceano Finance and Budget Committee
THURSDAY, August 1, 2024 – 12:00 P.M.
Oceano Community Services District Board Room
1655 Front Street Oceano, CA

All items on the agenda, including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

The Oceano Community Services District strongly encourages your active participation in the public process, which is the cornerstone of democracy. All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the Board Secretary prior to the start of the meeting. If you wish to speak to an item NOT on the agenda, you may do so during the "Public Comment On Matters Not on the Agenda" period. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. The time limits allocated to speakers may change to facilitate the Board meeting better. Time limits may not be yielded to or shared with other speakers.

The purpose of the Committee meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Oceano Community Services District asks that you follow the Board meeting guidelines while attending Committee meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and Board policy. Disruptive conduct is not tolerated, including but not limited to addressing the Committee without first being recognized; interrupting speakers, Committee members, or staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **AGENDA REVIEW**
4. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

5. **CONSENT AGENDA ITEMS:**

***Public comment** Items appearing on the Consent Items are considered routine and may be approved by one motion. Any member of the Board may request to have an item removed from the Consent Items. If an item is pulled, the President has the sole discretion to determine when the item will be heard. Members of the public wishing to speak on Consent items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public comment is limited to*

- A. Review and Approve the minutes for the Oceano Budget and Finance Committee Meeting of May 23, 2024. Page 3

6. **BUSINESS ITEMS:**

***Public comment** Members of the public wishing to speak on business items may do so when recognized by the Committee Officer. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.*

- A. Review of the June 30, 2023, Audited Financial Statements and Independent Auditors Report prepared by Moss, Levy, and Hartzheim, LLP Page 4
- B. Review of the Fiscal Year 2023-24 Budget Status as of June 30, 2024, and the year-end encumbrances Page 63

7. **ITEMS FOR NEXT AGENDA**

8. **ADJOURNMENT**

This agenda was prepared and posted pursuant to Government Code Section 54954.2. The agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at www.oceanocsd.org

ASSISTANCE FOR THE DISABLED If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.



Oceano Finance and Budget Committee Meeting

Summary Minutes

Thursday, May 23, 2024 – 1:00 P.M.
Oceano Community Services District

1. **Call To Order:** OCSO President Varni called the meeting to order at 1:00 PM.
2. **Roll Call:** Vice President Joyce-Suneson, President Varni, and Carey Casciola, Business & Accounting Manager.
3. **Agenda Review:** Accepted as presented
4. **Public Comment on Matters Not On the Agenda:** None
5. **Consent Agenda Items:** None

5A Consent Items	Discussion/Action:
Review and Approve the minutes for the Oceano Parks and Recreation Committee Meeting of March 21, 2024.	After an opportunity for public comment and Committee discussion, President Varni moved to approve the consent agenda, with a second from Vice President Joyce-Suneson and a 2-0 roll call vote. Public Comment: None

6A Business Items	Discussion/Action:
Workshop on the 2024-25 Budget with Committee direction as deemed appropriate.	After a presentation by Carey Casciola, an opportunity for public comment and Committee discussion, the Committee gave staff direction to move forward with the recommendations to the Board of Directors. Public Comment: None

6B Business Items	Discussion/Action:
Review of the District's Budget Status as of March 31, 2024, and approve a budget adjustment for the Parks California Grant for the Field Trips to State Parks and Beaches Grant to the Parks and Recreation Fund	After a presentation by Carey Casciola, an opportunity for public comment and Committee discussion, the Committee gave staff direction to move forward with the recommendations to the Board of Directors. Public Comment: None

7. **Items for Next Agenda:** Review Parks and Recreation Budget during the 4th Quarter Budget Review.
8. **Adjournment:** Meeting adjourned by President Varni at 2:42 P.M.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 18, 2024

To: Oceano Finance and Budget Committee

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #6(A): Review the June 30, 2023, Audited Financial Statements and Independent Auditors Report prepared by Moss, Levy and Hartzheim, LLP**

Recommendation

It is recommended that the Committee review the June 30, 2023, Audited Financial Statements and Independent Auditors Report prepared by Moss, Levy and Hartzheim, LLP.

Discussion

Pursuant to Special District Law, the District is required to ensure that regular audits of the District's accounts and records are performed. An audit is performed on the accounts and records of the Oceano CSD every year by an independent Certified Public Accountant. The District's Partner at Moss, Levy and Hartzheim LLP, Adam Guise, will present the financials at the Oceano Finance and Budget Committee.

Included in the Independent Auditors' Report is the report on Internal Controls which includes the 2022 findings regarding accrued leave and utility receipts, some of which occurred after the July 1st start of the 2023 fiscal year. The accrued leave finding was discovered in the previous year audit and the utility receipts finding was discovered in the June 30, 2023 audit and is included in both 2022 and 2023 since it was discovered after the closing of June 30, 2022. Both have been resolved through employee training, employee dismissal, and by installing second approvals in the District's accounting software.

The "Management Discussion and Analysis" (MD&A) has been included in all audits since 2016. A MD&A is required by the Governmental Accounting Standards Board (GASB), which considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. As a result, preparation of the MD&A helps ensure that fiscal issues being addressed by the Board are described to the auditors in the MD&A.

Other Agency Involvement

The State Controller, County Auditor and the Local Agency Formation Commission have been provided a copy of the audit and related communication letters.



Oceano Community Services District

Board of Directors Meeting

Other Financial Considerations

Funding for audit services has been included in the FY 2023-24 budget at \$25,000.

Results

Completion of the annual audit promotes independent evaluation of the District's accounting records. The prior fiscal year had no significant findings and all record, receipts and accounting practices are in good work order.

Attachment:

- Oceano Community Services District Financial Statements June 30, 2023, and Independent Auditors Report



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Oceano Community Services District
Oceano, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Oceano Community Services District, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Oceano Community Services District’s basic financial statements and have issued our report thereon dated May 28, 2024.

Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statements of the District, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency (Findings 2023-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oceano Community Services District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Oceano Community Services District’s Responses to Findings

The Oceano Community Services District’s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Oceano Community Services District’s responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Remy & Hartgeim LLP

Santa Maria, California
May 28, 2024

**Oceano Community Services District
Schedule of Findings and Responses
June 30, 2023**

**FINDING 2023-001
UTILITY RECEIPTS**

Criteria:

All payments for utility bills should be properly recorded to the customers account and then deposited into the District's bank account.

Condition:

During testing of utility receipts and per discussion with District staff, we found that a "bill void" was occasionally entered into the utility billing system to zero out billings previously posted to specific customer accounts. This zeroed out the balance a customer owed on their account in the exact amount that the customer paid in cash at the District. The District checked by calling affected customers who made these cash specific cash payments and were able to get verbal confirmation that the customer paid in cash at the District. The amounts the customers told the District they had paid did not make it into the District bank deposits and the revenue recorded was reversed out by the "bill void". This occurred up until employment of the employee that was responsible ended in August 2022.

Cause:

District employee had permission in the utility system to make void bills without authorization.

Effect:

Misappropriation of funds from cash receipts and understatement of revenues.

Recommendation:

Employees who receive customer cash payments should not have permissions in the utility system to void a bill without management authorization. The District should re-evaluate receipt controls and system permission to ensure there is proper segregation of duties.

Repeat Finding:

Yes. See Finding 2022-002.

District Corrective Action Plan:

Management worked with the District's software provider (Tyler Incode) to install a second approval the for all types of bill adjustments. The District's software system now requires one employee to initiate the type of adjustment and a second to approve within the system for all types of adjustments before any adjustment can be applied to an account.

**Oceano Community Services District
Schedule of Prior Fiscal Year Findings and Responses
June 30, 2023**

**FINDING 2022-001
PAYROLL**

Criteria:

All employees eligible to receive vacation pay should be accruing vacation and sick leave based on their employee agreement.

Condition:

During testing of the vacation and sick leave accruals, we noted that one employee, who was responsible for payroll processing, allocated themselves 19.68 combined extra vacation and sick leave hours accrued than earned for the pay period we tested.

Cause:

Employee designated to process payroll had too much system access.

Effect:

Misappropriation of funds and overstatement of expenditures. Employee had more vacation and sick leave hours accrued than they were eligible to earn for the pay period.

Recommendation:

A designated manager should periodically review the employee leave reports and ensure that accruals are proper for each employee and that hours used match with timecards. The employee processing payroll should not have sufficient system access to add additional leave hours. The District should re-evaluate payroll controls and system permission to ensure there is proper segregation of duties.

Repeat Finding:

No.

Current Status:

Implemented.

**FINDING 2022-002
UTILITY RECEIPTS**

Criteria:

All payments for utility bills should be properly recorded to the customers account and then deposited into the District's bank account.

Condition:

During testing of utility receipts and per discussion with District staff, we found that a "bill void" was occasionally entered into the utility billing system to zero out billings previously posted to specific customer accounts. This zeroed out the balance a customer owed on their account in the exact amount that the customer paid in cash at the District. The District checked by calling affected customers who made these cash specific cash payments and were able to get verbal confirmation that the customer paid in cash at the District. The amounts the customers told the District they had paid did not make it into the District bank deposits and the revenue recorded was reversed out by the "bill void".

Cause:

District employee had permission in the utility system to make void bills without authorization.

Effect:

Misappropriation of funds from cash receipts and understatement of revenues.

Recommendation:

Employees who receive customer cash payments should not have permissions in the utility system to void a bill without management authorization. The District should re-evaluate receipt controls and system permission to ensure there is proper segregation of duties.

Repeat Finding:

No.

Current Status:

Not implemented, see Finding 2023-001.



May 28, 2024

To the Board of Directors of the
Oceano Community Services District

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Oceano Community Services District for the fiscal year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Oceano Community Services District are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for bad debt is based on their past experience with the Management's estimate of the net pension liability and deferred inflows and outflows related to pension are based on the CalPERS actuary's expertise experience. We evaluated the key factors and assumptions used to develop the net pension liability and deferred inflows and outflows related to pension in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of the Pension Plans in Note 7 and the Subsequent Events in Note 10.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 28, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Oceano Community Services District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moss, Remy & Hartgeim LLP

Santa Maria, California

OCEANO COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

**OCEANO COMMUNITY SERVICES DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Directors of Oceano Community Services District
Oceano, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Oceano Community Services District, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Oceano Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Oceano Community Services District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oceano Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oceano Community Services District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oceano Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oceano Community Services District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the General Fund budgetary comparison schedule, the schedule of proportionate share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024, on our consideration of the Oceano Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Renz & Hartzheim LLP

Santa Maria, California
May 28, 2024

Oceano Community Services District
Management Discussion and Analysis
For the fiscal year ending June 30, 2023

The management of the Oceano Community Services District (District) has prepared the following narrative for the readers of the District's financial statements to provide an overview and analysis of the District for the fiscal year ending June 30, 2023. The District encourages readers to consider the information together with the District's financial statements following this section.

The District is an independent special district serving a population of approximately 7,600. The District is governed by a five (5) member Board of Directors elected by voters within the District's boundaries; all Board members must reside within the District's boundaries. The District is governed by California Government Code Sections 61000 et al, as well as other specific statutes and regulations that govern its operations.

The District provides both governmental-type activities and business-type activities. Governmental activities include fire protection services, street lighting, and recreation. Business-type activities include water service, wastewater collection service, and garbage and recycling services.

District Services and Related Agencies

As a special District, the District's powers are authorized by the San Luis Obispo County Local Agency Formation Commission (LAFCO). Any proposed additions to the District services, modification of District boundaries, or services outside of the District boundaries must be approved in advance by LAFCO.

The following provides a brief overview of each of the District's services:

Fire Protection Services

During Fiscal Year 2022-23 the District provided fire protection services through the Five Cities Fire Authority (FCFA). The FCFA was created as a "joint exercise of powers authority" (JPA) through an agreement originally approved in 2010 and amended on May 23, 2018, June 12, 2019, and most recently on June 24, 2020 between the cities of Arroyo Grande and Grover Beach, and the District. One member of the OCSD Board of Directors was appointed to serve the District on the FCFA Board of Directors and a second member of the OCSD Board was an alternate member on the FCFA Board. The District would pay a portion of the annual costs of FCFA services based on a funding formula established in the FCFA agreement, which was modified in the third amendment. The JPA amendments were needed for several reasons, including a multi-year implementation of the FCFA "Strategic Plan." The "Strategic Plan" includes increased staffing and service levels greater than those provided in the existing JPA. The amendments included specific approval of each members annual costs during the implementation period and required either a citizen initiative or District initiated special tax measure to be placed on the 2022 primary ballot. The increase in the District costs during the implementation period was funded from reserves to the extent that the costs exceed property tax revenues received by OCSD. The amendments required the District to call for a special tax election on the March 2020 ballot for voters to consider approving additional funding so that the District could continue to participate as a member of the FCFA. On March 3, 2020, Measure A-

Oceano Community Services District
Management Discussion and Analysis
For the fiscal year ending June 30, 2023

20 received 66.14% support, which was 11 votes short of passage. The third amendment to the FCFA JPA was approved on June 24, 2020 which extended the agreement for an additional two years and required the District to provide the community another opportunity to consider additional funding via a June 2022 ballot measure. On June 7, 2022 Measure A-22 was placed on the ballot by the Board of Directors and failed with 57.75% support. The District's membership in the FCFA will cease on July 1, 2023. The District has initiated proceedings through LAFCO to divest of its Fire Protection Services power and turn the responsibility over to the County of San Luis Obispo. The divestiture process will continue past July 1, 2024 and the District will have to provide Fire Protection Services until that process concludes. The District approved an agreement with FCFA to contract for services in the amount of \$1,150,000 for the fiscal year 2023-24 and a second agreement of \$1,706,000 (\$142,167 a month) for the fiscal year 2024-25 will be brought to the Board for consideration in June 2024.

On a related effort, the County of San Luis Obispo Board of Supervisors prepared a report on independent fire departments serving unincorporated communities throughout the County and significant constraints in generating the needed revenues to fund full-time fire departments. The Board of Supervisors will consider providing fire and emergency services to Oceano residents at their June 18, 2024 meeting.

Lighting Services

The District provides street lighting services in certain areas of the community. The County of San Luis Obispo and the California Department of Transportation also provide some street lighting.

Parks and Recreation Services

The District is authorized to provide parks and recreation services. The District holds a lease with LMUSD for the Oceano Community Center and as part of the lease requirements LMUSD utilizes the community center for recreation programs. There is a section in the lease where the District may also utilize the community center. Currently the District offers individuals the opportunity to utilize the Oceano Community Center for up to 10 hours per month and 120 hours per year with discounted fees. In fiscal year 2023-24 the Board established the Oceano Parks and Recreation Committee (OPARC) and provided \$19,500 of General Funds as a grassroots effort. OPARC was awarded a grant of \$15,904 from Parks CA for the Field Trips to State Praks Program at Oceano Elementary.

Water Services

The District provides water service to approximately 2,200 connections. An annual Consumer Confidence Report (CCR) is mailed to all water customers providing a summary of the District's water quality including a comparison to regulatory requirements. The California State Division of Drinking Water regulates the District's water supplies and the CCR can be found on the District website or by calling the District office.

Oceano Community Services District
Management Discussion and Analysis
For the fiscal year ending June 30, 2023

The District's water supplies include groundwater, Lopez water, and State water. Regulation of the District's groundwater supply is also subject to the stipulations and judgment adopted for the adjudication of the Santa Maria groundwater basin. Lopez and State water supplies are provided by the County of San Luis Obispo under terms of water supply contracts. The District's water supply reliability is relatively high, and the District has the ability to store water in Lopez. Nevertheless, the need to address water supply reliability continues and contract amendments for the State Water Project are being developed by the State Department of Water Resources and, separately, contract amendments for the Lopez Lake water supply were adopted by local agencies in August 2022 to establish water storage rights and enhance multi-year water resource planning.

A water rate increase was approved by the Board on October 14, 2020. The rate increase provided funding for ongoing operations, capital improvement projects, and minimum reserves. The rate increase has been phased in over five years.

Wastewater Collection Services

The District provides wastewater collection services through a network of neighborhood pipelines that flow into pipelines and facilities owned by the South San Luis Obispo County Sanitation District (SSLOCSD), which is responsible for treatment and disposal. The SSLOCSD customers include the customers of the District as well as those of the cities of Arroyo Grande and Grover Beach. Since the District does not control the operations of SSLOCSD, the financial statements and audit of the SSLOCSD are separate from the District. District operations are regulated by the Central Coast Regional Water Quality Control Board.

Solid Waste (Garbage) and Recycling Services

The District provides mandatory solid waste and recycling services through a franchise agreement with South County Sanitary Services Incorporated (SCSS Inc.), which is a subsidiary of Waste Connections Incorporated, a publicly traded corporation "WCN" on the New York Stock Exchange. In 2020 the Board adopted a resolution to reduce the franchise fee payment from SCSS from 10% to 5% to reduce the customers utility bills. The District enforces illegal dumping within the community and other violations. The District has also adopted incentive programs designed to promote a cleaner community. Since the District does not control operations of SCSS or WCN, the financial statements and audits of those entities are separate from the District.

Overview of the Financial Statements

This annual report contains the following five parts.

- Management Discussion and Analysis (this section)
- The Basic Financial Statements
- Notes to the Financial Statements
- Supplementary Information - a comparison of the District's budgets to actual results

Oceano Community Services District
Management Discussion and Analysis
For the fiscal year ending June 30, 2023

- Supplementary Information on Pension Disclosures

This management discussion and analysis is intended to provide an overview of the most relevant information affecting the District's financial affairs for the fiscal year and the District's end of the fiscal year status. The basic financial statements provide information on the governmental and enterprise activities including operating and non-operating revenues and expenditures, current assets, non-current assets, capital assets, deferred outflows of resources, current and long-term liabilities, and deferred inflows of resources.

The notes to the financial statements provide additional detailed information and explanations on the financial statements. The budget to actual comparison illustrates differences between the board adopted budget and actual revenues, expenditures, and changes in fund balance in the General fund. The current year reflects a positive budget variance of \$174,677 for the Governmental Fund.

Financial Statement Analysis and Highlights

The District's Statements of Net Position is illustrated below for the Governmental and Business-type Activities, and subsequently, for each of the Enterprise Funds.

Statements of Net Position as of June 30, 2023 and 2022				
	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
Current and Other Assets	\$ 1,028,126	\$ 1,041,205	\$ 3,727,899	\$ 4,012,889
Capital Assets, net	1,642,612	1,655,130	3,189,271	2,433,432
Total Assets	2,670,738	2,696,335	6,917,170	6,446,321
Deferred Outflow of Resources	265,301	293,818	584,751	761,562
Current Liabilities	117,873	40,743	281,211	155,018
Non-current Liabilities	145,818	143,980	825,171	856,800
Total Liabilities	263,691	184,723	1,106,382	1,011,818
Deferred Inflow of Resources	123,189	131,790	271,522	341,595
Net Investment in Capital Assets	1,642,612	1,655,130	3,189,271	2,966,373
Restricted	139,365	205,830	41,461	41,412
Unrestricted	767,182	812,680	2,893,285	2,846,685
Net Position	<u>\$ 2,549,159</u>	<u>\$ 2,673,640</u>	<u>\$ 6,124,017</u>	<u>\$ 5,854,470</u>

Oceano Community Services District
Management Discussion and Analysis
For the fiscal year ending June 30, 2023

The Net Position of the Business-type Activities remained consistent with the previous fiscal year.

Statements of Net Position as of June 30, 2023 and 2022						
	Water Fund		Wastewater Fund		Garbage Fund	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$2,833,821	\$2,738,253	\$ 1,075,128	\$ 1,276,435	\$ 160,239	\$ 237,349
Capital Assets, net	2,227,311	1,520,265	961,960	1,054,121	-	333
Total Assets	5,061,132	4,258,518	2,037,088	2,330,556	160,239	237,682
Deferred Outflow of Resources	373,258	486,108	186,586	243,054	24,907	32,400
Current Liabilities	297,237	230,127	21,775	21,965	28,237	31,386
Non-current Liabilities	823,273	840,602	273,969	268,173	3,180	-
Total Liabilities	1,120,510	1,070,729	295,744	290,138	31,417	31,386
Deferred Inflow of Resources	173,318	218,041	86,639	109,021	11,565	14,533
Net investment in Capital Assets	2,227,311	1,770,259	961,960	1,179,118	-	333
Restricted	41,461	41,412	-	-	-	-
Unrestricted	1,871,790	1,644,185	879,331	995,333	142,164	223,830
Net Position	\$ 4,140,562	\$ 3,455,856	\$ 1,841,291	\$ 2,174,451	\$ 142,164	\$ 224,163

Following the District's Statements of Net Position is the Statement of Activities.

Statement of Activities for the years ending June 30, 2023 and 2022				
	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
Operating Revenues	\$ 3,863	\$ 7,878	\$ 4,167,842	\$ 3,591,601
Operating Expenses:				
Administrative Expenses	(1,156,338)	(686,911)		
Fire Protection	(1,152,239)	(1,147,837)		
Street Lighting	(50,524)	(29,241)		
Enterprise Funds			(3,224,782)	(1,652,605)
Net Operating Income / (Loss)	(2,355,238)	(1,856,111)	943,060	1,938,996
Ad Valorem Taxes	1,286,944	1,182,885	-	-
Other Non-operating Income	189,814	159,662	80,486	23,047
Transfers	753,999	775,155	(753,999)	(775,155)
Total Non-Operating Income	2,230,757	2,117,702	(673,513)	(752,108)
Change in Net Position	\$ (124,481)	\$ 261,591	\$269,547	\$1,186,888

Oceano Community Services District
Management Discussion and Analysis
For the fiscal year ending June 30, 2023

In summary, the Governmental Activities went from a net income of \$261,591 to a net loss of (\$124,481) in 2023. The decrease in net position this fiscal year is from the District's employer pension contributions vs. accrual-basis pension costs in CalPERs (GASB 68 reporting) of \$204,897.

The Business-type Activities went from a net income for the prior fiscal year of \$1,186,888 to a net income of \$269,547. The decrease is from the employer pension contributions vs accrual-basis pension costs in CalPERs (GASB 68 reporting). The Enterprise Funds are broken out by fund in the table below.

Statements Revenues, Expenses, and Changes in Net Position as of June 30, 2023 and 2022						
	Water Fund		Wastewater Fund		Garbage Fund	
	2023	2022	2023	2022	2023	2022
Operating Revenues	\$ 2,946,797	\$ 2,994,410	\$ 408,497	\$ 403,008	\$ 72,392	\$ 52,896
Operating Expenses	(2,680,062)	(1,517,132)	(412,586)	(43,758)	(100,695)	(71,686)
Net Operating Income / (Loss)	266,735	1,477,278	(4,089)	359,250	(28,303)	(18,790)
Other non-operating income	820,642	152,370	-	11,924	-	-
Non-operating Expenses	(21,859)	(13,405)	(9,580)	(6,624)	-	-
Net Non-Operating Income	798,783	138,965	(9,580)	5,340	-	-
Net Transfers	(380,812)	(383,029)	(319,491)	(342,116)	(53,696)	(50,010)
Net Income / (Loss)	\$ 684,706	\$ 1,233,214	\$ (333,160)	\$ 22,474	\$ (81,999)	\$ (68,800)

The decrease in the net income in the Water Fund reflects the decrease from the employer pension contributions vs. accrual-basis pension costs in CalPERs (GASB 68 reporting). The rate structure approved in 2020 has established financial stability and funds for long-term capital improvement plans and minimum reserves.

The Wastewater Fund incurred a deficit of (\$333,160) this fiscal year. This was from the employer pension contributions vs. accrual-basis pension costs (GASB 68 reporting). A rate study and Proposition 218 rate increase is needed to close the structural deficit.

The Garbage Fund's net deficit increased from the prior fiscal year because in 2020 the Board adopted a resolution to reduce the franchise fee payment from SCSS from 10% to 5% to reduce the costs to customers and draw down reserves in the Garbage Fund. In June 2022 the Board voted to use Garbage Fund reserves for SCSS's solid waste retroactive charges for the period May 2022 to June 30, 2022 during the rate increase proposed by SCSS. The District continues to move forward on the Solid Waste Programs adopted by the Board on February 8, 2017. These programs include policies to address illegal dumping, unsanitary conditions, and related solid waste problems within the District.

Capital Assets

The District currently owns the community fire station, administrative offices, Sheriff's substation the former fire station and some undeveloped land. The community fire station is provided to FCFA for their use for \$15,000 per year. The Sheriff substation is leased to the County of San Luis Obispo for \$122,175 per year. The divestiture of the District's fire and emergency services will alter the substation and administrative office lease in fiscal year 2024-25.

The Oceano Depot and Community Center are leased to non-governmental agencies. The Lucia Mar Unified School District and Oceano Depot lease the properties for \$1 per year each based on the multi-party agreements developed for those properties in conjunction with grants that funded the development of the community center and the preservation of the historic Oceano train depot.

The water and wastewater infrastructure of the District ranges drastically in age. Many of the water and wastewater system pipelines were originally constructed in the 1950's. The District completed water and wastewater system master plans in 2009 but revenue shortfalls have deferred infrastructure replacement projects. The District completed an updated water system capital improvement program for infrastructure replacement, which was substantially funded with grants approved by the State of California. The 2020 water rates include funds for long-term capital improvement plans starting with \$75,000 in 2022 and \$150,000 each year thereafter.

Debt Activities

On June 1, 2021 the District entered into a financing agreement with First Foundation Bank after issuing a "Request for Proposals" (RFP) to purchase the District's outstanding California Public Employees' Retirement System (CalPERS) Unfunded Accrued Liability (UAL) or the "CalPERS UAL Repayment Project." The District holds a contract with CalPERS and is required to make contributions to fund pension benefits for miscellaneous employees, safety employees and amortize a portion of the UAL. The total UAL as of June 30, 2021 for the District's miscellaneous plan and safety plan was \$822,745. The Board adopted Resolution 2021-02 to proceed with refinancing the UAL balances under these plans to bring the funding status of these plans to 100% funded and to enhance budget predictability by "smoothing" out the UAL payment structure over the next 15 years and to provide cash flow savings to the District. The District received two bids and locked in an interest rate of 3.46%. By lowering the interest rate this will result in a total cash flow savings of \$328,600 through June 30, 2035. The finance agreement pledged the revenues of the Water and Wastewater Funds. An interfund agreement was also established from the General (17.5%) and Garbage (3.5%) Funds to pay back the Water and Wastewater Funds for the payment of the UAL obligation. The interfund agreement was budgeted to be paid off in FY 2023-24. The principal and interest payments to First Foundation Bank will range between \$68,000 and \$83,000 until August 1, 2035.

Oceano Community Services District
Management Discussion and Analysis
For the fiscal year ending June 30, 2023

Internal debt, or borrowing between District funds, is more significant. Note #3 to the Financial Statements illustrates interfund liabilities. During the fiscal year ending June 30, 2023, the District recorded the interfund transfers to adhere to resolutions adopted April 26, 2017 to ensure repayment of interfund liabilities.

Interfund (Due to) / Due From	Beginning Balances – July 1, 2022	Net Change	Ending Balances – June 30, 2023
General Fund Due to Sewer Fund	\$ (144,117)	\$ 100,011	\$ (44,106)
General Fund Due to Water Fund	(97,658)	9,430	(88,228)
General Fund Due from Water Fund	335,461	(28,924)	306,537
Net General Fund Due to Other Funds	93,686	80,517	174,203
Water Fund Due from the General Fund	96,041	(7,813)	88,228
Water Fund Due from the Garbage Fund	21,141	(3,512)	17,629
Water Fund Due to the General Fund	(335,461)	28,924	(306,537)
Water Fund Due to Garbage Fund	(15,689)	7,379	(8,310)
Sewer Fund Due from General Fund	144,117	(100,011)	44,106
Sewer Fund Due from the Garbage Fund	9,760	(947)	8,813
Garbage Fund Due from Water Fund	15,689	(7,379)	8,310
Garbage Fund Due to the Water Fund	(19,524)	1,895	(17,629)
Garbage Fund Due to the Sewer Fund	(9,760)	947	(8,813)
Totals	\$ - 0 -	\$ - 0 -	\$ - 0 -

Budget and Rates

The District's budget for the fiscal year ending June 30, 2023 reflects the water system rate increase that was approved by the Board of Directors in October 2020, as adjusted based on increases in the consumer price index and wholesale water costs. The annual increases are prescribed in Ordinance 2020-01, and in accordance with California Government Code section 53756. The following illustrates the Water Fund change in net position before and after the rate increase:

Fiscal Year	Surplus/ (Deficit)
2014/15	\$ (182,216)
2015/16	93,228
2016/17	186,858
2017/18	22,518
2018/19	(187,930)
2019/20	(118,952)
2020/21	87,654
2021/22	1,233,214
2022/23	684,706

Oceano Community Services District
 Management Discussion and Analysis
 For the fiscal year ending June 30, 2023

With the approval of the 2020 rate increase, the District established fiscal stability and funds for capital improvement projects and minimum reserves. The increase began in November 2020 and will be phased in over five years. The District has secured approximately \$4,241,090 in grants from state agencies for the water system and related needs.

No rate changes affected the wastewater fund for the fiscal year ending June 30, 2023. The following shows the running deficit of the Sewer Fund:

Fiscal Year	Surplus/ (Deficit)
2014/15	\$ (16,927)
2015/16	(54,103)
2016/17	(104,305)
2017/18	(153,944)
2018/19	(165,453)
2019/20	(172,445)
2020/21	(226,848)
2021/22	22,474
2022/23	(333,160)

The operating revenue for the sewer fund needs to be addressed in the fiscal year 2024-25. In addition, addressing deferred infrastructure needs of the sewer fund will also become a higher priority, which will require sewer fund rate increases in the near future.

An increase of 21.03% in garbage rates for the SCSS Inc. were approved on June 8, 2022, and inflationary adjustments went into effect on January 1, 2023 and January 1, 2024. On January 22, 2020, the Board approved a decrease to the franchise fee from 10% to 5% to reduce customers' garbage bills.

Future Outlook

Overall, the District's financial outlook has maintained a relatively stable short-term position during the fiscal year ending June 30, 2023. The primary enterprise fund challenges relate to deferred infrastructure repairs and replacement in the water and wastewater systems. Currently, the District is evaluating deferred infrastructure needs and is utilizing grants obtained from the State of California for much of this effort. Identifying costs and rate impacts to fund the deferred infrastructure were completed in 2020 and the new water rates set aside funds for long-term capital projects. The future of the fire department's operation will also be a significant District effort in fiscal year 2024-25. The District has initiated an extension with FCFA for services as the divesture process with LAFCO continues.

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OCEANO COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 664,458	\$ 2,950,523	\$ 3,614,981
Restricted cash and investments	138,320		138,320
Accounts receivable, net	1,045	792,028	793,073
Prepaid items	50,100	112,611	162,711
Deposits		17,404	17,404
Inventory		29,536	29,536
Internal balances	174,203	(174,203)	
Capital assets:			
Non Depreciable:			
Land	610,390	6,000	616,390
Construction in progress		388,347	388,347
Depreciable:			
Buildings and improvements	2,154,547	8,142,161	10,296,708
Equipment, vehicles, and machinery	435,679	915,822	1,351,501
Software		195,918	195,918
Accumulated depreciation	(1,558,004)	(6,458,977)	(8,016,981)
Total assets	<u>2,670,738</u>	<u>6,917,170</u>	<u>9,587,908</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred pensions	265,301	584,751	850,052
Total deferred outflow of resources	<u>265,301</u>	<u>584,751</u>	<u>850,052</u>
LIABILITIES			
Accounts payable	50,635	41,223	91,858
Accrued wages and benefits	17,106	12,247	29,353
Deposits	2,500	173,116	175,616
Unearned revenue	10,319	525	10,844
Compensated absences - current portion	37,313		37,313
Taxable revenue bond obligation - current portion		54,100	54,100
Total current liabilities	<u>117,873</u>	<u>281,211</u>	<u>399,084</u>
Noncurrent liabilities:			
Compensated absences - noncurrent portion	111,940		111,940
Taxable revenue bond obligation - noncurrent portion		750,500	750,500
Net pension liability	33,878	74,671	108,549
Total noncurrent liabilities	<u>145,818</u>	<u>825,171</u>	<u>970,989</u>
Total liabilities	<u>263,691</u>	<u>1,106,382</u>	<u>1,370,073</u>
DEFERRED INFLOW OF RESOURCES			
Deferred pensions	123,189	271,522	394,711
Total deferred inflow of resources	<u>123,189</u>	<u>271,522</u>	<u>394,711</u>
NET POSITION			
Net investment in capital assets	1,642,612	3,189,271	4,831,883
Restricted for:			
Capital facilities	139,365		139,365
Water joint venture agreement		41,461	41,461
Unrestricted	767,182	2,893,285	3,660,467
Total net position	<u>\$ 2,549,159</u>	<u>\$ 6,124,017</u>	<u>\$ 8,673,176</u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
Administration	\$ 1,156,338	\$ -	\$ -	\$ 3,863
Fire protection	1,152,239			
Street lighting	50,524			
Total governmental activities	<u>2,359,101</u>			<u>3,863</u>
Business-type activities:				
Water	2,701,921	2,878,677	808,276	
Sewer	422,166	400,259	8,238	
Garbage	100,695		72,392	
Total business-type activities	<u>3,224,782</u>	<u>3,278,936</u>	<u>888,906</u>	
Total primary government	<u>\$ 5,583,883</u>	<u>\$ 3,278,936</u>	<u>\$ 888,906</u>	<u>\$ 3,863</u>

General Revenues and Transfers:

- Taxes:
 - Property
 - Use of money and property
 - Other general revenues
- Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of fiscal year

Net position - end of fiscal year

The notes to basic financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,152,475)	\$ -	\$ (1,152,475)
(1,152,239)		(1,152,239)
(50,524)		(50,524)
<u>(2,355,238)</u>		<u>(2,355,238)</u>
	985,032	985,032
	(13,669)	(13,669)
	<u>(28,303)</u>	<u>(28,303)</u>
	943,060	943,060
<u>(2,355,238)</u>	<u>943,060</u>	<u>(1,412,178)</u>
1,286,944		1,286,944
178,053	638	178,691
11,761	79,848	91,609
<u>753,999</u>	<u>(753,999)</u>	
<u>2,230,757</u>	<u>(673,513)</u>	<u>1,557,244</u>
(124,481)	269,547	145,066
<u>2,673,640</u>	<u>5,854,470</u>	<u>8,528,110</u>
<u>\$ 2,549,159</u>	<u>\$ 6,124,017</u>	<u>\$ 8,673,176</u>

OCEANO COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
June 30, 2023

	General Fund
	<u> </u>
ASSETS	
Cash and investments	\$ 664,458
Restricted cash and investments	138,320
Accounts receivable	1,045
Prepaid items	50,100
Advances receivable	<u>306,537</u>
 Total assets	 <u><u>\$ 1,160,460</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 50,635
Accrued payroll and benefits	17,106
Deposits	2,500
Unearned revenue	10,319
Due to other funds	<u>132,334</u>
 Total liabilities	 <u>212,894</u>
Fund Balance:	
Nonspendable:	
Prepaid items	50,100
Advances receivable	306,537
Restricted:	
Capital facilities	139,365
Assigned:	
Infrastructure replacement	150,574
Unassigned	<u>300,990</u>
 Total fund balance	 <u>947,566</u>
 Total liabilities and fund balance	 <u><u>\$ 1,160,460</u></u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balance - governmental fund \$ 947,566

In the governmental fund, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	3,200,616	
Accumulated depreciation		<u>(1,558,004)</u>	
Net			1,642,612

Long-term liabilities: In the governmental fund, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences payable	\$	149,253	
Net pension liability		<u>33,878</u>	
Total			(183,131)

In the governmental fund, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows of \$265,301 and inflows of resources of \$(123,189) relating to pensions are reported.

142,112

Total net position - governmental activities \$ 2,549,159

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>
Revenues:	
Taxes and assessments	\$ 1,286,944
Public facility fee	3,863
Interest income	28,878
Rental income	149,175
Other	<u>11,761</u>
 Total revenues	 <u>1,480,621</u>
Expenditures:	
Salaries, wages, and directors' stipends	437,216
Payroll taxes and employee benefits	131,794
Liability insurance	35,552
Repairs and maintenance	22,413
Administrative services	12,588
Data processing	19,978
Dues and fees	30,398
Education	5,909
Legal fees	52,867
Miscellaneous	4,231
Office expense	16,675
Street lighting	32,273
Professional fees	104,799
Utilities	25,395
Public safety	1,138,148
Capital outlay	<u>66,177</u>
 Total expenditures	 <u>2,136,413</u>
 Excess of revenues over (under) expenditures	 <u>(655,792)</u>
Other Financing Sources (Uses):	
Transfers in	<u>753,999</u>
 Total other financing sources (uses)	 <u>753,999</u>
 Net change in fund balance	 98,207
 Fund balance - July 1	 <u>849,359</u>
 Fund balance - June 30	 <u>\$ 947,566</u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Total net change in fund balance - governmental fund	\$	98,207
<p>Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay of \$66,177 are less than depreciation expense \$(78,695) in the period.</p>		
		(12,518)
<p>In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation earned exceeded the amounts used by \$5,273.</p>		
		(5,273)
<p>In the governmental fund, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:</p>		
		<u>(204,897)</u>
Changes in net position - governmental activities	\$	<u><u>(124,481)</u></u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2023

	Water Fund	Sewer Fund	Garbage Fund	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 1,844,626	\$ 958,289	\$ 147,608	\$ 2,950,523
Accounts receivable, net	726,471	61,461	4,096	792,028
Prepaid expenses	112,386		225	112,611
Inventory	27,077	2,459		29,536
Due from other funds	105,857	52,919	8,310	167,086
Total current assets	<u>2,816,417</u>	<u>1,075,128</u>	<u>160,239</u>	<u>4,051,784</u>
Noncurrent assets:				
Joint venture deposits	17,404			17,404
Non depreciable capital assets:				
Land	6,000			6,000
Construction in progress	388,347			388,347
Depreciable capital assets:				
Buildings and improvements	5,380,114	2,762,047		8,142,161
Equipment, vehicles, and machinery	586,429	312,495	16,898	915,822
Software	156,734	39,184		195,918
Accumulated depreciation	(4,290,313)	(2,151,766)	(16,898)	(6,458,977)
Total noncurrent assets	<u>2,244,715</u>	<u>961,960</u>		<u>3,206,675</u>
Total assets	<u>5,061,132</u>	<u>2,037,088</u>	<u>160,239</u>	<u>7,258,459</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred pensions	373,258	186,586	24,907	584,751
Total deferred outflow of resources	<u>373,258</u>	<u>186,586</u>	<u>24,907</u>	<u>584,751</u>
LIABILITIES				
Current liabilities:				
Accounts payable	38,126	1,803	1,294	41,223
Accrued wages and benefits	10,331	1,415	501	12,247
Deposits	173,116			173,116
Unearned revenue		525		525
Due to other funds	8,310		26,442	34,752
Advances payable-current portion	31,286			31,286
Taxable revenue bond obligation - current portion	36,068	18,032		54,100
Total current liabilities	<u>297,237</u>	<u>21,775</u>	<u>28,237</u>	<u>347,249</u>
Noncurrent liabilities:				
Advances payable - non-current portion	275,251			275,251
Taxable revenue bond obligation - non-current portion	500,358	250,142		750,500
Net pension liability	47,664	23,827	3,180	74,671
Total noncurrent liabilities	<u>823,273</u>	<u>273,969</u>	<u>3,180</u>	<u>1,100,422</u>
Total liabilities	<u>1,120,510</u>	<u>295,744</u>	<u>31,417</u>	<u>1,447,671</u>
DEFERRED INFLOW OF RESOURCES				
Deferred pensions	173,318	86,639	11,565	271,522
Total deferred inflow of resources	<u>173,318</u>	<u>86,639</u>	<u>11,565</u>	<u>271,522</u>
NET POSITION				
Net investment in capital assets	2,227,311	961,960		3,189,271
Restricted	41,461			41,461
Unrestricted	1,871,790	879,331	142,164	2,893,285
Total net position	<u>\$ 4,140,562</u>	<u>\$ 1,841,291</u>	<u>\$ 142,164</u>	<u>\$ 6,124,017</u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2023

	Water Fund	Sewer Fund	Garbage Fund	Totals
Operating Revenues:				
Charges for services	\$ 2,878,677	\$ 400,259	\$ -	\$ 3,278,936
Other fees	68,120	8,238	72,392	148,750
Total operating revenues	<u>2,946,797</u>	<u>408,497</u>	<u>72,392</u>	<u>3,427,686</u>
Operating Expenses:				
Salaries and wages	198,182	63,076	16,086	277,344
Payroll taxes and employee benefits	454,454	186,788	38,218	679,460
Repairs and maintenance	32,548	43,029	803	76,380
Equipment rental	2,063	5,142		7,205
Legal and professional	210,995	7,435	15,465	233,895
Dues and fees	15,669	4,159		19,828
Education	3,188	430	10,000	13,618
Water meters	23,896			23,896
Wheeled water expense	23,677			23,677
Office expense	741		986	1,727
Supplies	9,668	2,908		12,576
Utilities	34,159	1,398	622	36,179
Water supply expense	1,557,368			1,557,368
Administration			18,332	18,332
Depreciation	113,454	98,221	183	211,858
Total operating expenses	<u>2,680,062</u>	<u>412,586</u>	<u>100,695</u>	<u>3,193,343</u>
Operating income (loss)	<u>266,735</u>	<u>(4,089)</u>	<u>(28,303)</u>	<u>234,343</u>
Non-Operating Revenues (Expenses):				
Grant income	740,156			740,156
Interest income	638			638
Interest expense	(21,859)	(9,580)		(31,439)
Other non-operating revenue	79,848			79,848
Total non-operating revenues (expenses)	<u>798,783</u>	<u>(9,580)</u>		<u>789,203</u>
Income (loss) before transfers	<u>1,065,518</u>	<u>(13,669)</u>	<u>(28,303)</u>	<u>1,023,546</u>
Transfers:				
Transfers in		11,937		11,937
Transfers out	(380,812)	(331,428)	(53,696)	(765,936)
Total transfers	<u>(380,812)</u>	<u>(319,491)</u>	<u>(53,696)</u>	<u>(753,999)</u>
Change in net position	684,706	(333,160)	(81,999)	269,547
Net position - July 1	<u>3,455,856</u>	<u>2,174,451</u>	<u>224,163</u>	<u>5,854,470</u>
Net position - June 30	<u>\$ 4,140,562</u>	<u>\$ 1,841,291</u>	<u>\$ 142,164</u>	<u>\$ 6,124,017</u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2023

	Water Fund	Sewer Fund	Garbage Fund	Totals
Cash Flows From Operating Activities:				
Receipts from customers	\$ 2,804,392	\$ 404,792	\$ 76,665	\$ 3,285,849
Payments to suppliers	(1,836,697)	(64,849)	(28,215)	(1,929,761)
Payments to employees	(282,096)	(67,350)	(29,904)	(379,350)
Net cash provided by operating activities	<u>685,599</u>	<u>272,593</u>	<u>18,546</u>	<u>976,738</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(820,800)	(5,610)		(826,410)
Net cash used by capital and related financing activities	<u>(820,800)</u>	<u>(5,610)</u>		<u>(826,410)</u>
Cash Flows from Noncapital Financing Activities:				
Grants received	740,156			740,156
Transfers from (to) other funds	(405,491)	(218,983)	(49,008)	(673,482)
Interfund interest paid	(2,697)			(2,697)
Principal paid on loan payable	(34,803)	(17,397)		(52,200)
Interest paid on loan payable	(19,162)	(9,580)		(28,742)
Other revenue	79,848			79,848
Net cash provided (used) by noncapital financing activities	<u>357,851</u>	<u>(245,960)</u>	<u>(49,008)</u>	<u>62,883</u>
Cash Flows From Investing Activities:				
Interest income	638			638
Net cash provided by investing activities	<u>638</u>			<u>638</u>
Net increase (decrease) in cash and cash equivalents	223,288	21,023	(30,462)	213,849
Cash and cash equivalents - July 1	1,621,338	937,266	178,070	2,736,674
Cash and cash equivalents - June 30	<u>\$ 1,844,626</u>	<u>\$ 958,289</u>	<u>\$ 147,608</u>	<u>\$ 2,950,523</u>
Reconciliation to Statement of Net Position:				
Cash and investments	<u>\$ 1,844,626</u>	<u>\$ 958,289</u>	<u>\$ 147,608</u>	<u>\$ 2,950,523</u>

(Continued)

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (Continued)
 For the Fiscal Year Ended June 30, 2023

	Water Fund	Sewer Fund	Garbage Fund	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 266,735	\$ (4,089)	\$ (28,303)	\$ 234,343
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	113,454	98,221	183	211,858
Change in assets, liabilities, deferred inflow of resources, and deferred outflow of resources:				
Receivables, net	(203,930)	(3,705)	4,273	(203,362)
Prepaid expenses	73,379		18,332	91,711
Inventories	(2,440)	80		(2,360)
Joint venture deposits	(608)			(608)
Deferred outflows	112,850	56,468	7,493	176,811
Accounts payable	6,944	(428)	(339)	6,177
Accrued wages and benefits	4,755	(396)	32	4,391
Deposits	61,525			61,525
Net pension liability (asset)	297,658	148,824	19,843	466,325
Deferred inflows	(44,723)	(22,382)	(2,968)	(70,073)
Net cash provided by operating activities	<u>\$ 685,599</u>	<u>\$ 272,593</u>	<u>\$ 18,546</u>	<u>\$ 976,738</u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The Oceano Community Services District (“the District”) is a multipurpose special district established on January 1, 1981. The District is a political subdivision of the State of California and operates under a Board of Directors. The District provides water, wastewater, street lighting, and garbage franchise services.

The District complies with the U. S. Generally Accepted Accounting Principles (GAAP) and all relevant Government Accounting Standards Board (GASB) pronouncements. These technical pronouncements establish criteria for determining the District’s activities and functions that are included in the financial statements of a governmental unit. There are no component units included in this report which meet the criteria of GASB Statement No. 14 as amended by GASB Statements No. 39, 61, 80, and 90.

B. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or non-current) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of fiscal year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent that they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest, and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the District may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The District’s policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting (Continued)

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Basis of Presentation

Government-wide Statements:

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District government. Eliminations have been made to minimize the double counting of internal activities. Government activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the District's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred inflows of resources, liabilities, deferred outflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. All District funds are considered major funds. The District has no fiduciary funds.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The fund provides for public administration and overall management as it pertains to the District as a whole as well as the District's street lighting services. It also accounts for the District's fire protection services as agreed upon with the Five Cities Fire Authority Joint Powers Authority.

Proprietary Funds

Enterprise Funds: Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Water Fund - This fund accounts for the operation and maintenance of the District's water distribution, treatment, and monitoring systems.

Sewer Fund - This fund is used to account for all activities of operating sewer services and maintaining the sewer lines.

Garbage Fund - This fund is used to account for the garbage franchise services.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Property Taxes

San Luis Obispo County levies, bills, and collects property taxes and special assessments for the District. Property taxes levied are recorded as revenue in the fiscal year of levy, due to the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the District and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, excluding unitary tax (whether paid or unpaid). The County remits tax monies to the District every month and twice a month in December and April. The final amount which is “teetered” is remitted in August each year.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

E. Cash and Investments

The District pools the cash of all funds, except for monies deposited with fiscal agent in accordance with related bond indentures. The cash and investments balance in each fund represents that fund’s equity share of the District’s cash and investment pool. For purposes of the statement of cash flows, the District has defined cash and cash equivalents to be change and petty cash funds, equity in the District’s cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The District maintains its cash balance in financial institutions in the United States. The balances at the institutions are generally insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2023, the District held cash in financial institutions in excess of federally insured limits.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at fiscal year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities may include sales taxes, property taxes, grants, and other fees, if any. Business-type activities report utilities as their major receivables.

In the fund financial statements, material receivables in governmental funds may include revenue accruals such as franchise tax, grants, service charges and other similar intergovernmental revenues that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned and if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at fiscal year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Prepaid Expenses and Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out (FIFO) method. The cost is recorded as an expenditure/expense in the funds at the time individual inventory items are purchased rather than when consumed. This is then adjusted by physical inventory at fiscal year-end. Inventory in the enterprise funds consist principally of materials and supplies for utility operations.

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

The accounting treatment over property, plant, and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations. The presentation and recording of governmental assets are described below.

Government-Wide Statements

In the government-wide financial statements, capital assets with a historical cost of \$5,000 or more are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, if any, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets.

With the implementation of GASB Statement No. 34, the District has recorded all its public domain (infrastructure) capital assets on the government-wide statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Water system	5-75 years
Sanitation system	10-50 years
Drainage	5-50 years
Administration	5-40 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are capitalized when purchased.

I. Accumulated Compensated Absences

Compensated absences comprise unused vacation leave, sick leave, and compensatory time off, which are accrued as earned. Vacation hours, which accrue from the first day of employment, can be taken immediately and are capped at 320 hours. Upon termination, all accumulated vacation hours up to 320 hours are paid out. Sick leave, which accrue from the first day of employment can be taken immediately and can be accrued up to 180 days or 1,440 hours. Upon termination, all accumulated vacation hours up to 180 days are paid out. Payments will be based on the pay rate at the time of termination. The District's liability for the current and long-term portions of compensated absences is shown in the government-wide Statement of Net Position for both governmental funds and proprietary funds. Only proprietary funds reflect the long-term portion in the fund financials report, Statement of Net Position. The short-term portion is reflected for both governmental and proprietary funds in the fund financial statements. Computation was based on rates in effect as of the fiscal year-end.

J. Long-Term Liabilities

In the government-wide financial statements, long-term liabilities are presented for both governmental and proprietary fund types. In the fund financial statements, only the proprietary funds show long-term liabilities.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oceano Community Services District California Public Employees' Retirement System (CalPERS) Miscellaneous, Miscellaneous PEPRA, and Safety Fire Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used:

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2022
Measurement Period:	July 1, 2021 through June 30, 2022

L. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category, refer to Note 7 for a detailed listing of the deferred outflows of resources the District has recognized.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 7 for a detailed listing of the deferred inflows of resources the District has recognized.

M. Interfund Transactions

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

N. Equity Classifications

Government-Wide Statements

GASB Statement No. 63 requires that the difference between assets and the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is *net investment in capital assets* consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. *Restricted net position* is the portion of the net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. *Unrestricted net position* consists of net position that does not meet the definition of net investments in capital assets or restricted net position.

Governmental Fund Statements

Fund balance is the difference between the assets and liabilities reported in the governmental funds. In compliance with GASB Statement No. 54, the District has established the following fund balance classifications:

Non-spendable – The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – The restricted fund balance classification includes amounts that reflect constraints placed on the use of resources (other than non-spendable items) that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications (continued)

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance, etc.) it employed to previously commit those amounts. Committed fund balance should also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – The assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent is to be established by (a) the Board of Directors itself or (b) the General Manager to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – The unassigned fund balance classification includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes within the General Fund.

When an expenditure is incurred for which both restricted and unrestricted fund balances are available, it is District's policy that the restricted fund balance be spent first followed by committed, then assigned, and, if applicable, unassigned.

O. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

P. Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from these amounts.

NOTE 2 – CASH AND INVESTMENTS

The composition of cash and investments as of June 30, 2023, is as follows:

Cash in bank and on hand	\$ 1,462,069
Investments	2,291,232
Total cash and investments, Statement of Net Position	\$ 3,753,301

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment in the San Luis Obispo County Investment Pool of \$28,781 is measured under level 2. The District investments in negotiable certificates of deposit and treasury obligations are measured at level 1.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types the District has that are authorized for the District by the California Government Code or the District's investment policy, where more restrictive, that addresses interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations – CA and Others	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	50%	None
Placement Services Deposits	5 years	50%	None
Repurchase and Reserve			
Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None
Local Agency Investment Fund	5 years	None	\$75,000,000

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market rate fluctuations is provided by the table on the following page that shows the distribution of the District's investments by maturity as of June 30, 2023.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
Non-Negotiable Certificate of Deposit	\$ 24,645	\$ -	\$ 24,645	\$ -	\$ -
Negotiable Certificate of Deposits	924,000	924,000			
Treasury Obligations	1,175,486	1,175,486			
Money Market Funds	138,320	138,320			
San Luis Obispo County Investment Pool	28,781	28,781			
	<u>\$ 2,291,232</u>	<u>\$ 2,266,587</u>	<u>\$ 24,645</u>	<u>\$ -</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year ended June 30, 2023 for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
Non-Negotiable Certificate of Deposit	\$ 24,645	N/A	\$ -	\$ -	\$ -	\$ 24,645
Negotiable Certificate of Deposits	924,000	N/A				924,000
Treasury Obligations	1,175,486	N/A	1,175,486			
Money Market Funds	138,320	N/A				138,320
San Luis Obispo County Investment Pool	28,781					28,781
	<u>\$ 2,291,232</u>		<u>\$ 1,175,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,115,746</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District minimizes its credit risk by investing only in the safest types of securities or investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Deposits are insured up to \$250,000. Deposits exceeded the FDIC limits of funds held in collateralized assets.

The investment in the San Luis Obispo County Investment Pool is not required to be collateralized. The fair value of securities in the pool is based on quoted market prices. The San Luis Obispo County Treasurer's Office performs a monthly fair market valuation of all securities held against carrying costs. Reports of valuations and financial statements are available to participants on the San Luis Obispo County Treasurer's website.

NOTE 3 – INTERFUND TRANSACTIONS

Transfers between funds during the fiscal year ended June 30, 2023, were as follows:

Interfund Transfers:

Governmental Fund:	Transfers In	Transfers Out
General	\$ 753,999	\$ -
Proprietary Funds:		
Water		380,812
Sewer	11,937	331,428
Garbage		53,696
	<u>\$ 765,936</u>	<u>\$ 765,936</u>

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – INTERFUND TRANSACTIONS (Continued)

Borrowing between funds during the fiscal year ended June 30, 2023, was as follows:

Advances and Due To/Due From:

<u>Governmental Fund:</u>	<u>Due From</u>	<u>Due To</u>	<u>Advances Receivable</u>	<u>Advances Payable</u>
General	\$ -	\$ 132,334	\$ 306,537	\$ -
<u>Proprietary Funds:</u>				
Water	105,857	8,310		306,537
Sewer	52,919			
Garbage	8,310	26,442		
	<u>\$ 167,086</u>	<u>\$ 167,086</u>	<u>\$ 306,537</u>	<u>\$ 306,537</u>

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2023 was as follows:

Governmental activities:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2023</u>
Capital assets not being depreciated				
Land	\$ 610,390	\$ -	\$ -	\$ 610,390
Total capital assets not being depreciated	<u>\$ 610,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,390</u>
Capital assets being depreciated				
Buildings and improvements	\$ 2,088,370	\$ 66,177	\$ -	\$ 2,154,547
Vehicles and equipment	435,679			435,679
Total capital assets being depreciated	<u>2,524,049</u>	<u>66,177</u>		<u>2,590,226</u>
Less accumulated depreciation	<u>1,479,309</u>	<u>78,695</u>		<u>1,558,004</u>
Total capital assets being depreciated, net	<u>\$ 1,044,740</u>	<u>\$ (12,518)</u>	<u>\$ -</u>	<u>\$ 1,032,222</u>
Net capital assets	<u>\$ 1,655,130</u>	<u>\$ (12,518)</u>	<u>\$ -</u>	<u>\$ 1,642,612</u>

Business-type activities:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Balance at June 30, 2023</u>
Capital assets not being depreciated				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Construction in progress	141,287	252,951	(5,891)	388,347
Total capital assets not being depreciated	<u>\$ 147,287</u>	<u>\$ 252,951</u>	<u>\$ (5,891)</u>	<u>\$ 394,347</u>
Capital assets being depreciated				
Buildings and improvements	\$ 7,589,767	\$ 546,503	\$ 5,891	\$ 8,142,161
Software	195,918			195,918
Vehicles and equipment	888,866	26,956		915,822
Total capital assets being depreciated	<u>8,674,551</u>	<u>573,459</u>	<u>5,891</u>	<u>9,253,901</u>
Less accumulated depreciation	<u>6,247,119</u>	<u>211,858</u>		<u>6,458,977</u>
Total capital assets being depreciated, net	<u>\$ 2,427,432</u>	<u>\$ 361,601</u>	<u>\$ 5,891</u>	<u>\$ 2,794,924</u>
Net capital assets	<u>\$ 2,574,719</u>	<u>\$ 614,552</u>	<u>\$ -</u>	<u>\$ 3,189,271</u>

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of changes in the District's long-term liabilities for the fiscal year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Current Portion	Long Term Portion
Governmental Activities:						
Compensated Absences	\$ 143,980	\$ 77,936	\$ 72,663	\$ 149,253	\$ 37,313	\$ 111,940
Net Pension Liability (Asset)	(151,103)	184,981		33,878		33,878
Total Governmental Activities	\$ (7,123)	\$ 262,917	\$ 72,663	\$ 183,131	\$ 37,313	\$ 145,818
Business-Type Activities:						
Taxable revenue bond obligations	\$ 856,800	\$ -	\$ 52,200	\$ 804,600	\$ 54,100	\$ 750,500
Net Pension Liability (Asset)	(391,654)	466,325		74,671		74,671
Total Business-Type Activities	\$ 465,146	\$ 466,325	\$ 52,200	\$ 879,271	\$ 54,100	\$ 825,171

NOTE 6 – TAXABLE REVENUE BOND OBLIGATIONS

On June 3, 2021, the District issued \$906,000 in taxable revenue bonds in order to pay off the unfunded accrued liability with CalPERS on the District's pension plans. The taxable revenue obligations were issued at an interest rate of 3.46% per annum and mature on August 1, 2035. Net revenues of the Water and Sewer funds were pledged as the security for the obligations. Debt service payments are due semi-annually on August 1 and February 1. The future minimum payment obligations for the taxable revenue bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
2024	\$ 54,100	\$ 26,903	\$ 81,003
2025	56,000	24,999	80,999
2026	57,900	23,028	80,928
2027	60,000	20,988	80,988
2028	62,100	18,876	80,976
2029-2033	320,100	60,815	380,915
2034-2036	194,400	10,179	204,579
Total	\$ 804,600	\$ 185,788	\$ 990,388

NOTE 7 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety and Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic Plan members with five years of total service are eligible to retire at age 50 and new members/PEPRA Plan members with five years of total service are eligible to retire at age 52, with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – PENSION PLANS (Continued)

A. General Information about the Pension Plans (Continued)

Contribution rates are based on the Actuarial Valuation Report as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous		Safety
	Classic Member Hired Prior to January 1, 2013*	New Member Hired On or after January 1, 2013	Classic Member Hired Prior to January 1, 2013*
Hire Date			
Benefit formula	2.0% @ 55	2% @ 62	2% @ 50
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	52-67	50-55
Monthly benefits, as a % of eligible compensation	1.46% to 2.418%	1.0% to 2.5%	2.0-2.7%
Required employee contribution rates	7.00%	6.75%	N/A
Required employer contribution rates	10.32% + \$61,567	7.47% + \$5,752	\$15,246

* A new employee may transfer into the Classic Member formula if he/she comes from another agency participating in the CalPERS or reciprocal retirement system and did not have more than a six month break in service.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were \$1,384 for the Safety Plan and \$71,133 for the Miscellaneous Plan for the fiscal year ended June 30, 2023.

B. Pension Liabilities (Assets), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2023, the District reported net pension assets for its proportionate shares of the net position liability (asset) of each Plan as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous	\$ 98,206
Safety	10,343
Total	\$ 108,549

The net pension liability (asset) was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2022, the District's proportionate share of the net pension liability (asset) for each Plan as of June 30, 2021 and June 30, 2022 was as follows:

	Miscellaneous	Safety
Proportion-June 30, 2021	-0.02574%	-0.00154%
Proportion-June 30, 2022	0.00210%	0.00015%
Change-Increase (Decrease)	0.02784%	0.00169%

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – PENSION PLANS (Continued)

B. Pension Liabilities (Assets), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$850,476. Pension expense represents the change in the net pension liability (asset) during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,400	\$ 1,433
Changes in assumptions	11,106	
Net difference between projected and actual earnings on retirement plan investments	19,622	
Adjustment due to differences in proportion	382,916	292,502
Changes in proportion and differences between District contributions and proportionate share of contributions	361,491	100,776
District contributions subsequent to the measurement date	72,517	
	<u>\$ 850,052</u>	<u>\$ 394,711</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$72,517 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

Fiscal year ending June 30	Amount
2024	\$ 155,617
2025	138,971
2026	76,237
2027	11,999
	<u>\$ 382,824</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	<u>Miscellaneous and Safety</u> June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.30% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – PENSION PLANS (Continued)

B. Pension Liabilities (Assets), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Changes in Assumptions

The discount rate changed from 7.15% to 6.90% and the inflation rate changed from 2.50% to 2.30%.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return (a,b)</u>
Global Equity - cap-weighted	30.0%	4.45%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporations	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.30% was used for this period.

(b) Figures are based on the 2021 Asset Liability Management Study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS' Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS' Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions are reflected in the GASB Statement No. 68 accounting valuation reports for the June 30, 2022, measurement date.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 – PENSION PLANS (Continued)

B. Pension Liabilities (Assets), Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Net Pension Asset - Miscellaneous	\$ 572,480	\$ 98,206	\$ (292,004)
Net Pension Asset - Safety	71,216	10,343	(39,407)
Net Pension Asset - Total	<u>\$ 643,696</u>	<u>\$ 108,549</u>	<u>\$ (331,411)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately-issued CalPERS' financial reports.

C. Payable to the Pension Plan

At June 30, 2023, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2023.

NOTE 8 – JOINT VENTURES

State Water Project

In 1991, the District approved participation in the State Water Project (SWP). As a result, the District entered into two contracts with the San Luis Obispo County Flood Control and Water Conservation District (SLOFCD). One agreement is entitled "Water Supply Agreement" and the other is entitled "Water Treatment and Local Facilities Agreement."

The Water Supply Agreement is for the SWP source of supply, which is an allocation of 750 acre feet per year. The Water Supply Agreement incorporates by reference the SLOFCD agreement with the California Department of Water Resources (DWR), which is termed the "Master Water Supply Agreement." The District is obligated to pay its proportionate share of the cost of the SWP facilities owned by the California Department of Water Resources (DWR) that is used to convey the District's source of supply to the "Lopez Turnout," plus a proportionate share of the SLOFCD costs. The Lopez Turnout connects the SWP facilities to Lopez facilities enabling State Water deliveries to the District. The District's prorated share of operating, maintenance, pumping, and other related costs are charged as an operating expense in the Water Fund. The portion of the costs that is fixed in nature must be paid regardless of water deliveries. Variable costs are paid based on actual water deliveries.

The Water Treatment and Local Facilities agreement is for treatment of the SWP supply and for construction associated with the Lopez Turnout, a local facility. The Water Treatment and Local Facilities agreement incorporates by reference the SLOFCD agreement with the Central Coast Water Authority termed the "Master Water Treatment Agreement." The District is obligated to pay its proportionate share of treatment facilities owned and operated by CCWA, and for the cost of local facilities specifically benefitting the District – the Lopez Turnout. The portion of the costs that is fixed in nature must be paid regardless of water deliveries. Variable costs are paid based on actual water deliveries.

The District is required to make payments under its Water Supply agreement and its Water Treatment and Local Facilities agreement from the revenues of its water system. The District has agreed in its agreements to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield each fiscal year's net revenues equal to 125% of the sum of (1) the payment required pursuant to the agreements, and (2) debt service on any existing participant obligation for which revenues are also pledged.

On October 1, 1992, CCWA sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable CCWA to finance a portion of the costs of constructing a water treatment plant to treat SWP water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, local facilities needed to deliver such water to the participating water purveyors and users, and certain other local improvements to the water systems of some of the participating purveyors. In November 1996, CCWA sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease CCWA's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. The Series B bonds are subject to mandatory redemption from amounts transferred from the Construction Fund and the Reserve Fund upon completion of the construction of the CCWA facilities.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – JOINT VENTURES (Continued)

State Water Project (Continued)

The District's current fiscal year State water project expense totaled \$1,026,248. All of the District's disbursements were paid to the SLOFCD, which is obligated to pay to DWR and CCWA the District's proportionate share of costs to those agencies.

The District also contracts with SLOFCD for an annual allocation of 303 acre feet of water from the Lopez project, issued voter-approved general obligation bonds for the purpose of building Lopez Dam, a storage reservoir, water treatment plant, and other facilities to provide a primary municipal water supply. The District has entered into a water supply agreement wherein the District has agreed to pay annually, regardless of water deliveries, a prorated percentage of certain costs. In addition, the District also pays the San Luis Obispo County Flood Control and Water Conservation District a prorated share of operating, maintenance, pumping, and related operating costs which are charge as an operating expense in the Water Fund. The District's current fiscal year San Luis Obispo County Flood Control and Water Conservation District expense totaled \$531,120.

South San Luis Obispo County Sanitation District

The District does not own and operate a separate wastewater treatment plant facility. The Oceano Community Services District's waste is transported through District-owned and District-maintained lines for processing at the South San Luis Obispo County Sanitation District plant.

Five Cities Fire Authority

The District is a member of the Five Cities Fire Authority (FCFA), a joint powers authority between the Cities of Arroyo Grande, Grover Beach, and the Oceano Community Services District. FCFA was formed on July 9, 2010, for the purpose of providing a more efficient fire protection service within the City limits of Arroyo Grande and Grover Beach, as well as the towns of Oceano and Halcyon. Each member contributes its pro-rated share of operating costs to FCFA based on a funding formula calculated annually. In 2015, it was determined that adherence to the funding formula had not occurred in prior years. Any recalculation of prior year funding, and adjustments that may be made to remedy differences between actual funding and funding that would have adhered to the agreement establishing the joint powers authority is indeterminable at this time.

The FCFA governing board consists of one member appointed from each participating entity and shall be appointed as determined by the respective City Council or Board of Directors. All financial decisions are made by this three-member board. The District contributed \$1,138,148 to FCFA during the fiscal year ended June 30, 2023 for fire protections services. Separate financial statements may be obtained from the Five Cities Fire Authority at 140 Traffic Way in Arroyo Grande, California. Oceano Community Services District's participation in the FCFA JPA was terminated as of July 1, 2023. Negotiations as to a final settlement payment to between the District and FCFA and currently ongoing.

NOTE 9 – RISK MANAGEMENT AND CONTINGENCIES

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for small California water agencies. The purpose of the JPRIMA is to arrange and administer programs of self-insured losses and to purchase the appropriate amount of insurance coverage. At June 30, 2023, the District participated in the liability and property programs of the JPRIMA as follows:

- General and auto liability: The District has a \$500 deductible for general and auto liability. The District purchased additional excess coverage layers: \$5 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.
- Employee dishonesty coverage and public officials' liability up to \$1,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, computer fraud coverages.
- Property loss/Boiler and Machinery is paid based on the replacement cost or actual cash value for the property on file. If the property is replaced within two years after the loss or otherwise paid on an actual cash value basis, to a combined total of \$4 million subject to a \$1,000 deductible per occurrence for most equipment.
- Workers' compensation insurance provides coverage with a self-insured retention limit of \$1 million for all work related injuries/illnesses covered by California law.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2023, 2022 and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021.

OCEANO COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – RISK MANAGEMENT AND CONTINGENCIES (Continued)

Legal Contingency

In the opinion of management and legal counsel, the disposition of any pending litigation will not have an anticipated material effect on the City's financial statements as of June 30, 2023.

Construction Contingency

The District has no construction contingencies as of June 30, 2023.

NOTE 10 – SUBSEQUENT EVENTS

Oceano Community Services District's participation in the Five Cities Fire Authority (FCFA) joint powers agreement ended as of July 1, 2023. Negotiations are currently ongoing as to a final settlement between the two agencies for the District's withdrawal. On June 22, 2023 the Board approved a one year contract with (FCFA) for fire and emergency services for the community for the fiscal year ending June 30, 2024 in the amount of \$1,150,000 paid with quarterly payments of \$287,500. The District is working on a plan with San Luis Obispo County for the 2024-25 fiscal year with an anticipated annual cost of \$1,706,000 to be paid in monthly amounts of \$142,167 until the LAFCO process is completed and the County takes over responsibility for Oceano's fire services. In addition, the County will no longer pay the District rent for the use of the South Sheriff's Station and the District will owe the county \$116,000 annually for the District's office building.

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REQUIRED SUPPLEMENTARY INFORMATION

OCEANO COMMUNITY SERVICES DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Taxes and assessments	\$ 1,185,922	\$ 1,185,922	\$ 1,286,944	\$ 101,022
Public facility fee	15,000	15,000	3,863	(11,137)
Interest income			28,878	28,878
Rental income	149,175	149,175	149,175	
Other	2,897	2,897	11,761	8,864
	<u>1,352,994</u>	<u>1,352,994</u>	<u>1,480,621</u>	<u>127,627</u>
Total revenues				
	<u>1,352,994</u>	<u>1,352,994</u>	<u>1,480,621</u>	<u>127,627</u>
Expenditures:				
Current:				
Salaries, wages, and director stipends	470,500	470,500	437,216	33,284
Payroll taxes and employee benefits	170,492	170,492	131,794	38,698
Liability insurance	32,000	32,000	35,552	(3,552)
Repairs and maintenance	28,325	28,325	22,413	5,912
Administrative services	30,200	30,200	12,588	17,612
Data processing	19,200	19,200	19,978	(778)
Dues and fees	28,650	28,650	30,398	(1,748)
Education	7,900	7,900	5,909	1,991
Legal fees	75,000	75,000	52,867	22,133
Miscellaneous	600	600	4,231	(3,631)
Office expense	11,345	11,345	16,675	(5,330)
Street lighting	32,000	32,000	32,273	(273)
Professional fees	66,335	88,392	104,799	(16,407)
Utilities	27,300	27,300	25,395	1,905
Public safety	1,138,148	1,138,148	1,138,148	
Capital outlay		60,000	66,177	(6,177)
	<u>2,137,995</u>	<u>2,220,052</u>	<u>2,136,413</u>	<u>83,639</u>
Total expenditures				
	<u>2,137,995</u>	<u>2,220,052</u>	<u>2,136,413</u>	<u>83,639</u>
Excess of revenues over (under) expenditures	<u>(785,001)</u>	<u>(867,058)</u>	<u>(655,792)</u>	<u>211,266</u>
Other Financing Sources (Uses)				
Transfers in	900,029	900,029	753,999	(146,030)
Transfers out	<u>(109,441)</u>	<u>(109,441)</u>		<u>109,441</u>
	<u>790,588</u>	<u>790,588</u>	<u>753,999</u>	<u>(36,589)</u>
Total other financing sources (uses)				
	<u>790,588</u>	<u>790,588</u>	<u>753,999</u>	<u>(36,589)</u>
Net change in fund balance	5,587	(76,470)	98,207	174,677
Fund balance - July 1	<u>849,359</u>	<u>849,359</u>	<u>849,359</u>	
Fund balance - June 30	<u>\$ 854,946</u>	<u>\$ 772,889</u>	<u>\$ 947,566</u>	<u>\$ 174,677</u>

OCEANO COMMUNITY SERVICES DISTRICT
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Last 10 Years*
 As of June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability	0.00094%	-0.01004%	0.00763%	0.00741%	0.00715%
Proportionate share of the net pension liability (asset)	\$ 108,549	\$ (542,757)	\$ 830,340	\$ 759,574	\$ 689,459
Covered payroll	\$ 682,293	\$ 674,882	\$ 643,799	\$ 577,089	\$ 573,557
Proportionate share of the net pension liability as a percentage of covered payroll	15.91%	-80.42%	128.98%	131.62%	120.21%
Plan's total pension liability	\$49,525,975,138	\$46,174,942,264	\$43,702,930,887	\$41,426,453,489	\$38,944,855,364
Plan's fiduciary net position	\$37,975,170,163	\$40,766,653,876	\$32,822,501,335	\$31,179,414,067	\$29,308,589,559
Plan fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Proportion of the net pension liability	0.00704%	0.00692%	0.00649%	0.00676%	
Proportionate share of the net pension liability (asset)	\$ 698,116	\$ 598,558	\$ 445,280	\$ 420,438	
Covered payroll	\$ 544,352	\$ 437,408	\$ 453,904	\$ 312,044	
Proportionate share of the net pension liability as a percentage of covered payroll	128.25%	136.84%	98.10%	134.74%	
Plan's total pension liability	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631	
Plan's fiduciary net position	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515	
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%	

Notes to Schedule:

Changes in assumptions

In the reporting fiscal year ended June 30, 2023, the discount rate was reduced from 7.15% to 6.90% and price inflation was reduced from 2.50% to 2.30%.

*- Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

OCEANO COMMUNITY SERVICES DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
 Last 10 Years*
 As of June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 72,517	\$ 68,835	\$ 122,565	\$ 101,217	\$ 83,717
Contribution in relation to the actuarially determined contributions	(72,517)	(68,835)	(954,271)	(101,217)	(83,717)
Contribution deficiency (excess)	\$ -	\$ -	\$ (831,706)	\$ -	\$ -
Covered payroll	\$ 674,032	\$ 682,293	\$ 674,882	\$ 643,779	\$ 577,089
Contributions as a percentage of covered payroll	10.76%	10.09%	141.40%	15.72%	14.51%
	2018	2017	2016	2015	
Contractually required contribution (actuarially determined)	\$ 73,333	\$ 65,457	\$ 52,723	\$ 49,702	
Contribution in relation to the actuarially determined contributions	(73,333)	(65,457)	(52,723)	(49,702)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 573,557	\$ 544,352	\$ 437,408	\$ 453,904	
Contributions as a percentage of covered payroll	12.79%	12.02%	12.05%	10.95%	

Notes to Schedule

There were no changes in assumptions or benefit terms for the fiscal year ended June 30, 2023.

*- Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: July 18, 2024

To: Oceano Finance and Budget Committee

From: Carey Casciola, Accounting and Business Manager

Subject: **Agenda Item #6(B): Review of the Fiscal Year 2023-24 Budget Status as of June 30, 2024, and the year-end encumbrances**

Recommendation

It is recommended that the Oceano Finance and Budget Committee:

- A. Review and discuss the Fiscal Year 2023-24 Budget Status as of June 30, 2024
- B. Review and discuss the encumbrances for previously approved contracts as illustrated in Exhibit "A" and recommend that the OCSD Board adopt the encumbrances at their next meeting.

Discussion

On August 23, 2023, the OCSD Board approved the District's budget for fiscal year 2023-24. Exhibit "B" provides a chronology of 2023-24 budget adjustments.

The fourth quarter report includes the following:

- ✓ Fiscal Year 2023-24 Adopted Budget
- ✓ Approved Budget Adjustments
- ✓ Current Fiscal Year 2023-24 Budget
- ✓ Estimated June 30, 2024
- ✓ Estimated 2023-24 Budget Variance

The following table summarizes the variances for the Governmental Fund Revenues and Expenditures:

GENERAL FUND	Final 2023-24 Budget	Estimated June 30, 2024	Variance Favorable / (Unfavorable)
General Revenues – Property Taxes	\$ 1,292,333	\$ 1,391,949	\$ 99,616
General Revenues – Other Sources of Funds (Admin Allocation from General and Enterprise Funds)	1,151,804	1,101,038	(50,782)



Oceano Community Services District

Board of Directors Meeting

GENERAL FUND CONTINUED	Final 2023-24 Budget	Estimated June 30, 2024	Variance Favorable / (Unfavorable)
Parks and Rec Revenue	15,904	15,904	0
Facilities Revenues	291,966	186,541	(105,425)
Total General Revenues	\$ 2,736,103	\$ 2,695,433	\$ (56,591)
Administrative Expenditures	\$ 1,151,804	\$ 1,101,021	\$ 50,782
Fire Expenditures	1,195,322	1,180,870	14,452
Lighting Expenditures	49,868	48,168	1,699
Parks and Rec Expenditures	35,404	21,469	13,925
Facilities Expenditures	359,230	54,597	304,632
Total General Expenditures	\$ 2,791,628	\$ 2,406,127	\$ 385,500
Operating Surplus/ (Deficit)	\$ (55,524)	\$ 289,289	\$ 328,909

Variance Estimates:

- Property taxes came in approximately \$100,000 higher than expected for the fiscal year.
- The shortfall of \$50,782 in the General Fund under “other sources” is from the reimbursement for the administrative and operating crew overhead allocations. The expenditures in the Administrative budget came in under budget by \$50,782, resulting from reimbursement from the other funds, and those funds will be under budget by the same amount.
- Services and Supplies (within Administrative Expenditures) are over budget by \$17,270 due to the overage in Legal Services of \$23,548 and Classes, Seminars, and Training of \$5,149. However, overall, the Admin/Expenditures fund is \$50k under anticipated expenditures (cost savings).
- The shortfall of \$132,049 in the Facilities revenues is a result of moving forward with only one of the EV charging stations instead of three. This was offset by Facilities Expenditures (\$304,632).
- At the May 23, 2024, Oceano Finance and Budget Committee meeting, the Committee members requested the line item breakdown of the Parks and Recreation expenditures. Attached are the tracking spreadsheets for the Field Trips to State Parks and Beaches Program (Exhibit E) and the Dia Los Muertos Event (Exhibit F).



Oceano Community Services District

Board of Directors Meeting

The following table summarizes the variances for the Water Fund Revenue and Expenditures:

WATER FUND	Final 2023-24 Budget	Estimated June 30, 2024	Variance
Water Revenue	\$ 3,123,787	\$ 3,367,974	\$ 244,188
Water Expenditures	3,095,089	3,004,595	90,494,
Operating Surplus/ (Deficit)	\$ 28,698	\$ 363,379	\$ 334,682

Variance Estimates:

- Overall revenues from water rate sales are over budget by \$244,188, and “Exhibit D” illustrates the six billing cycles compared to the targeted water rates. Excess revenues of \$244,188 are mostly explained by rate payers’ consumption of water levels being higher than anticipated.
- The expenditures in the Water Fund show a large savings. This is mostly from personnel and supplies cost savings. The District’s water supply costs (Lopez, State, and pumping) were under budget by \$65,000.

The following table summarizes the variances for the Wastewater Fund Revenue and Expenditures:

WASTEWATER FUND	Final 2023-24 Budget	Estimated June 30, 2024	Variance
Wastewater Revenue	\$ 439,871	\$ 457,097	\$ 17,227
Wastewater Expenditures	534,334	439,365	94,969
Operating Surplus/ (Deficit)	\$ (94,463)	\$ 17,732	\$ 112,196

Variance Estimates:

- The revenue is on budget with a positive variance of \$17,227 as a result of new connections.
- The expenditures in the Wastewater Fund saw a savings of \$94,969, which was related to personnel costs and supplies. There was less staff time and supplies spent in the Wastewater Fund during the FY 2023-24. In the new year, the utility staff has turned their attention to the FOG and wastewater jetting programs.



Oceano Community Services District

Board of Directors Meeting

The following table summarizes the variances for the Solid Waste Fund Revenue and Expenditures:

SOLID WATES FUND	Final 2023-24 Budget	Estimated June 30, 2024	Variance
Solid Waste Revenue	\$ 79,905	\$ 82,725	\$ 2,820
Solid Waste Expenditures	139,753	120,009	19,744
Operating Surplus/ (Deficit)	\$ (59,847)	\$ (37,284)	\$ 22,564

Variance Estimates:

- Solid waste franchise revenues from the District’s hauler, South County Sanitary Services Inc., came in on budget.
- The positive estimated variance in expenditures is the result of the saving in personnel since staff have been able to efficiently remove solid waste in the public right of way with the Ready 311 program. Franchise fees were lowered by Board action from 10% to 5%, which is made up through reserves.

Other Agency Involvement

Numerous other agencies, including the Five Cities Fire Authority and the County of San Luis Obispo, are involved in developing the district's budget.

Other Financial Considerations

Establishing encumbrances recognizes that contracts and purchase orders have been approved, but costs have not been fully incurred. Encumbering the unexpended balances creates a restriction so that the unexpended funds are not spent in the subsequent year for other purposes.

Results

Establishing good budget monetary procedures will help ensure that the District’s costs are managed in a financially prudent manner and help to promote a prosperous and well-governed community.

Attachments:

- Exhibit A – 2023-24 Encumbrances
- Exhibit B – Fiscal Year 2023-24 Budget Adjustments
- Exhibit C - Q4 Budget Worksheets
- Exhibit D - Revenue Data as 6/30/2024
- Exhibit E – Field Trips to State Parks and Beaches Program
- Exhibit F - Dia de los Muertos Event



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

EXHIBIT "A" – List of Encumbrances

- A professional services agreement with GSI Water Solutions Inc. was issued to prepare the 2023 Annual Report for the Northern Cities Management Area in the amount of \$41,297 with a contingency of \$3,717 for a total contract amount of \$45,014. The remaining amount outstanding on this contract is \$7,026 and will roll forward to FY 2024-25.
- During FY 2023-24 Water Systems Consulting, Inc was hired to provide staff extension services for the Northern Cities Management Area Technical Group and to assist with the updating of the 2002 Management Agreement. The remaining outstanding balance of \$3,050 will roll forward to FY 2024-25.
- The Proposition 1 grant revenues for the Stormwater Capture and Groundwater Recharge Project of \$2,580,090 were budgeted with a contract with Cannon for consultant services in the amount of \$607,300 in FY 2021-22. In June 2024, an amendment was prepared by the State Water Board to exclude the improvements to 19th St and lower the total to \$1,999,390. The remaining grant revenues of \$1,662,629 and expenditures of \$294,827 will roll forward to FY 2024-25.
- The Community Development Block Grant revenues for the Water Tank Rehabilitation Project of \$225,000 were budgeted with a contract with Advanced Technical Services, Inc for consultant services for \$96,952 in FY 2022-23. The project was awarded to Crosno Construction for a total cost of \$583,630 with contingencies of \$58,363 in FY 2023-24. The grant revenues of \$225,000 and remaining expenditures of \$249,784 will roll forward to FY 2024-25.
- A professional service agreement with Rincon Consultants, Inc to complete the National Environmental Protection Act (NEPA) and California Environmental Quality Act process for the waterline upgrades projects, to provide additional AB 52 and Section 106 support, and provide coastal permitting support were budgeted in FY 2023-24. The remaining balance of \$29,190 will roll forward to FY 2023-24.
- A professional service agreement with Cannon, Inc to update the Preliminary Engineering Report for USDA's review of the District's capital improvement projects of \$17,000 was budgeted in FY 2023-24.
- A professional service agreement with MNS Engineers for grant writing services for capital improvement projects in the water system of \$22,555 was budgeted in FY 2023-24.
- The Parks Ca Field Trips to State Parks and Beaches Grant revenue and expenditures were budgeted in FY 2023-24. The remaining balance of \$7,111 will roll forward to FY 2023-24.



Oceano Community Services District

Board of Directors Meeting

- A purchase order to R. Baker to remove and replace four 12" valves for \$41,000 was budgeted in FY 2023-24.

Oceano Community Services District
 Chronology of Budget Actions
 Fiscal Years 2023-24

Date	Action
FISCAL YEAR 2023-24 BUDGET ADJUSTMENTS	
June 28, 2023	Approved the Preliminary Budget for Fiscal Year 2023-24
July 26, 2023	Approved a \$19,500 budget adjustment from General Fund reserves for Parks and Recreation.
August 23, 2023	Approved the Final Budget for Fiscal Year 2023-24
December 13, 2023	Approved a budget adjustment of \$5,130 in the Water Fund, \$3,600 in the Wastewater Fund and \$270 in the Garbage Fund reserves will cover truck bed additions to the new service vehicle.
December 13, 2023	Approved a budget adjustment of \$11,650 from the San Luis Obispo Off-Highway Motor Vehicle Fund Grant Program for three new dual receptacle cans on Pier Avenue.
June 12, 2024	Approved a budget adjustment for the Parks California Grant of \$15,904 for the Field Trips to State Parks and Beaches Grant to the Parks and Recreation Fund.

FY 2023-2024 OCSD q4 BUDGET Review



BUDGET SUMMARY





GENERAL FUND





OCEANO COMMUNITY SERVICES DISTRICT
GENERAL FUND
SUMMARY

ACCOUNT NO.	GENERAL FUND (GF)	2023/24		2023/24 APPROVED BUDGET	ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS				
SOURCES OF FUNDS							
	Fire	\$0	\$0	\$0	\$0	0%	\$0
	Lighting	\$0	\$0	\$0	\$0	0%	\$0
	Parks & Recreation	\$0	\$0	\$0	\$15,904	0%	\$15,904
	Facilities	\$291,966	\$0	\$291,966	\$186,541	118%	\$186,541
	Admin	\$2,444,137	\$0	\$2,444,137	\$2,492,970	102%	\$2,492,970
	Total Sources of Funds	\$2,736,103	\$0	\$2,736,103	\$2,695,416	100%	\$2,695,416
USES OF FUNDS							
	Fire	\$1,195,322	\$0	\$1,195,322	\$1,180,870	99%	\$1,180,870
	Lighting	49,868	\$0	\$49,868	\$48,168	97%	\$48,168
	Parks & Recreation	\$0	\$35,404	\$35,404	\$14,358	41%	\$21,469
	Facilities	\$359,230	\$0	\$359,230	\$54,597	15%	\$54,597
	Admin	\$1,151,804	\$0	\$1,151,804	\$1,101,021	96%	\$1,101,021
	Total Expenditures	\$2,756,223	\$35,404	\$2,791,627	\$2,399,015	86%	\$2,406,127
OPERATING SURPLUS/(DEFICIT)							
	Fire	(\$1,195,322)	\$0	(\$1,195,322)	(\$1,180,870)		(\$1,180,870)
	Lighting	(\$49,868)	\$0	(\$49,868)	(\$48,168)		(\$48,168)
	Parks & Recreation	\$0	(\$35,404)	(\$35,404)	\$1,546		(\$5,565)
	Facilities	(\$67,263)	\$0	(\$67,263)	\$131,944		\$131,944
	Admin	\$1,292,333	\$0	\$1,292,333	\$1,391,949		\$1,391,949
	OPERATING SURPLUS/(DEFICIT)	(\$20,120)	(\$35,404)	(\$55,524)	\$296,401		\$289,289
TRANSFERS & ENCUMBRANCES							
	Transfers In - From Water & Garbage Funds	55,373		55,373			55,373
	(Transfers Out) - To Water & Wastewater Funds	(132,334)		(132,334)			(132,334)
	Encumbrances - Sources of Funding	0		0			0
	Encumbrances - (Designated Funds)	(9,707)		(9,707)	(9,444)		(9,444)
	NET TRANSFERS & ENCUMBRANCES	(\$86,668)	\$0	(\$86,668)	(\$9,444)		(\$86,405)



ADMINISTRATIVE BUDGET





OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 ADMINISTRATIVE DEPARTMENT - GENERAL FUND - 01

ACCOUNT NO.	GENERAL FUND (GF) ADMINISTRATIVE DEPARTMENT - 01	2023/24		2023/24 CURRENT BUDGET	ACTUAL AT 6/30/2024		ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
	Revenues	\$1,292,333	\$0	\$1,292,333	\$1,391,949	108%	\$1,391,949	\$99,616
	Other Sources of Funds	\$1,151,804	\$0	\$1,151,804	\$1,101,021	96%	\$1,101,021	(\$50,782)
	Total Sources of Funds	\$2,444,137	\$0	\$2,444,137	\$2,492,970	102%	\$2,492,970	\$48,834
USES OF FUNDS								
	Salaries & Wages	\$466,000	\$0	\$466,000	\$456,274	98%	\$456,274	\$9,726
	Benefits	\$150,325	\$0	\$150,325	\$138,654	92%	\$138,654	\$11,671
	Personnel Services	\$616,325	\$0	\$616,325	\$594,928	97%	\$594,928	\$21,397
	Services & Supplies	\$306,389	\$0	\$306,389	\$323,658	106%	\$323,658	(\$17,270)
	Operating Crew Benefits Allocation	\$229,090	\$0	\$229,090	\$182,435	80%	\$182,435	\$46,655
	Total Expenditures	\$1,151,804	\$0	\$1,151,804	\$1,101,021	96%	\$1,101,021	\$50,782
	OPERATING SURPLUS/(DEFICIT)	\$1,292,333	\$0	\$1,292,333	\$1,391,949		\$1,391,949	\$99,616
	TRANSFERS & ENCUMBRANCES							
	Transfers In - From Facilities Fund	0	0	0	0		0	0
	(Transfers Out) - Fire, Lighting & Parks and Rec (Property Taxes)	(1,383,728)	0	(1,383,728)	(1,230,584)		(1,353,641)	(30,087)
	Encumbrances - Sources of Funding	0	0	0	0		0	0
	Encumbrances - (Designated Funds)	0	0	0	0		0	0
	NET TRANSFERS & ENCUMBRANCES	(\$1,383,728)	\$0	(\$1,383,728)	(\$1,230,584)		(\$1,353,641)	(\$30,087)



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
ADMINISTRATIVE DEPARTMENT - GENERAL FUND - 01**

ACCOUNT NO.	GENERAL FUND (GF) ADMINISTRATIVE DEPARTMENT - 01	2023/24		APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					

SOURCES OF FUNDS

REVENUES		ADOPTED BUDGET	APPROVED ADJUSTMENTS	APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
01-4-3100-000	Property Taxes: Current Year - Secured	1,243,348		1,243,348	1,310,523	105%	1,310,523	67,175
01-4-3101-000	Property Taxes: Current Year - Unsecured	39,809		39,809	45,412	114%	45,412	5,603
01-4-3102-000	Property Taxes: Prior Year - Secured	0		0	2,709		2,709	2,709
01-4-3103-000	Property Taxes: Prior Year - Unsecured	0		0	1,093		1,093	1,093
01-4-3105-000	Penalties & Interest	0		0	3,641		3,641	3,641
01-4-3106-000	Delinq Charges	0		0	2,468		2,468	2,468
01-4-3120-000	Homeowners' Prop Tax Relief	6,314		6,314	6,353	101%	6,353	39
01-4-3121-000	SB 1090	13,866		13,866	20,002	144%	20,002	6,136
01-4-3213-100	Will Serve Letter Fee	0		0	960		960	960
01-4-3230-100/195/200/600	Misc Income	0		0	10,049		10,049	10,049
01-4-3238-200	Fireworks Permit	1,748		1,748	874	50%	874	(874)
01-4-3300-000	Interest Income	4,922		4,922	6,996	142%	6,996	2,074
01-4-3557-000	CO Charge: SB 2557	(17,674)		(17,674)	(19,138)	108%	(19,138)	(1,464)
01-4-3900-011	Board Member receivable PMT	0		0	5		5	5
Total Revenues		\$1,292,333	\$0	\$1,292,333	\$1,391,949	108%	\$1,391,949	\$99,616
OTHER SOURCES OF FUNDS		ADOPTED BUDGET	APPROVED ADJUSTMENTS	APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
01-5-4100-376	Allocated Administrative Overhead	922,714		922,714	918,586	100%	918,586	(4,128)
01-5-4100-377	Allocated Operating Crew Overhead	229,090		229,090	182,435	80%	182,435	(46,655)
Total Other Sources of Funds		\$1,151,804	\$0	\$1,151,804	\$1,101,021	96%	\$1,101,021	(\$50,782)
Total Sources of Funds		\$2,444,137	\$0	\$2,444,137	\$2,492,970	102%	\$2,492,970	\$48,834

USES OF FUNDS

SALARIES & WAGES		ADOPTED BUDGET	APPROVED ADJUSTMENTS	APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
01-5-4100-010	Salary & Wages	461,000		461,000	456,038	99%	456,038	4,962
01-5-4100-020	Overtime	5,000		5,000	236	5%	236	4,764
Total Salaries & Wages		\$466,000	\$0	\$466,000	\$456,274	98%	\$456,274	\$9,726
BENEFITS		ADOPTED BUDGET	APPROVED ADJUSTMENTS	APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
01-5-4100-061	PERS Contribution	56,000		56,000	42,571	76%	42,571	13,429
01-5-4100-070	SUI	2,200		2,200	3,124	142%	3,124	(924)
01-5-4100-071	Medicare	6,825		6,825	7,242	106%	7,242	(417)
01-5-4100-072	FICA	2,400		2,400	2,501	104%	2,501	(101)
01-5-4100-075	Compensation Insurance	5,000		5,000	4,566	91%	4,566	434
01-5-4100-090	Insurance	77,000		77,000	78,076	101%	78,076	(1,076)
01-5-4100-097	Cell Phone Allowance	900		900	575	64%	575	325
Total Benefits		\$150,325	\$0	\$150,325	\$138,654	92%	\$138,654	\$11,671
Total Personnel Services		\$616,325	\$0	\$616,325	\$594,928	97%	\$594,928	\$21,397
SERVICES & SUPPLIES		ADOPTED BUDGET	APPROVED ADJUSTMENTS	APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
01-5-4100-110	Communications & Dispatch	9,795		9,795	10,118	103%	10,118	(323)
01-5-4100-150	Insurance	37,000		37,000	40,614	110%	40,614	(3,614)
01-5-4100-170	Maintenance: Equipment	3,810		3,810	431	11%	431	3,379
01-5-4100-173	Maint: Structures/ Improvements	13,000		13,000	7,043	54%	7,043	5,957
01-5-4100-180	Memberships	9,000		9,000	9,100	101%	9,100	(100)
01-5-4100-193	Bank Fees	6,200		6,200	5,454	88%	5,454	746
01-5-4100-200	Office Expense	5,875		5,875	6,130	104%	6,130	(255)
01-5-4100-210	Postage	2,575		2,575	906	35%	906	1,669
01-5-4100-218	Audit	25,000		25,000	20,290	81%	20,290	4,710
01-5-4100-220	Professional Services	35,000		35,000	35,426	101%	35,426	(426)
01-5-4100-221	Information Technology	5,000		5,000	449	9%	449	4,552
01-5-4100-223	Legal Services	75,000		75,000	98,548	131%	98,548	(23,548)
01-5-4100-225	Board Stipends	12,000		12,000	11,100	93%	11,100	900
01-5-4100-226	Annual Software Maintenance	22,800		22,800	25,675	113%	25,675	(2,875)
01-5-4100-230	Required Legal Notice	1,200		1,200	157	13%	157	1,043
01-5-4100-235	Books/ Journals/ Subscriptions/ Software	1,700		1,700	3,879	228%	3,879	(2,179)
01-5-4100-247	LAFCO Annual Charge	12,804		12,804	12,967	101%	12,967	(163)
01-5-4100-248	Permits, Fees, Licenses	2,500		2,500	4,721	189%	4,721	(2,221)
01-5-4100-283	Job Advertising Expense	0		0	569		569	(569)
01-5-4100-285	Classes/ Seminars/ Training Fee	6,350		6,350	11,499	181%	11,499	(5,149)
01-5-4100-286	Board Member Travel	2,200		2,200	750	34%	750	1,450
01-5-4100-290	Utilities	11,500		11,500	11,105	97%	11,105	395
01-5-4100-297	Pass-thru: Delinquent Garbage/ Tax Roll	0		0	1,221		1,221	(1,221)
01-5-4100-320	Fixed Assets - Hearing Impaired Stationary System	5,550		5,550	5,507	99%	5,507	43
Total Services & Supplies		\$306,389	\$0	\$306,389	\$323,658	106%	\$323,658	(\$17,270)



OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 ADMINISTRATIVE DEPARTMENT - GENERAL FUND - 01

ACCOUNT NO.	GENERAL FUND (GF) ADMINISTRATIVE DEPARTMENT - 01	2023/24		APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
Operating Crew Benefits & Direct Labor Cost Allocations								
01-5-4100-600	Leave time	54,000		54,000	50,411	93%	50,411	3,589
01-5-4100-010	Salaries & Wages (Admin)	6,400		6,400	3,060	48%	3,060	3,340
01-5-4100-601	PERS Contribution	40,000		40,000	34,576	86%	34,576	5,424
01-5-4100-602	Medicare	5,500		5,500	4,510	82%	4,510	990
01-5-4100-192	P/R Fed & State Taxes	4,500		4,500	3,379	75%	3,379	1,121
01-5-4100-070	SUI	1,750		1,750	202	12%	202	1,548
01-5-4100-603	Insurance	92,000		92,000	65,707	71%	65,707	26,293
01-5-4100-080	Boot Allowance	1,500		1,500	1,200	80%	1,200	300
01-5-4100-100	Clothing	7,000		7,000	6,190	88%	6,190	810
01-5-4100-604	Standby	16,440		16,440	13,200	80%	13,200	3,240
Total Operating Crew Benefits		\$229,090	\$0	\$229,090	\$182,435	80%	\$182,435	\$46,655
Total Expenditures		\$1,151,804	\$0	\$1,151,804	\$1,101,021	96%	\$1,101,021	\$50,782
OPERATING SURPLUS/(DEFICIT)		\$1,292,333	\$0	\$1,292,333	\$1,391,949		\$1,391,949	\$99,616
TRANSFERS & ENCUMBRANCES								
	Transfers In	0		0	0		0	0
	(Transfers Out) - Fire, Lighting & Parks and Rec (Property Taxes)	(1,383,728)		(1,383,728)	(1,230,584)		(1,353,641)	(30,087)
	Encumbrances - Sources of Funding	0		0	0		0	0
	Encumbrances - (Designated Funds)	0		0	0		0	0
NET TRANSFERS & ENCUMBRANCES		(\$1,383,728)	\$0	(\$1,383,728)	(\$1,230,584)		(\$1,353,641)	(\$30,087)



FIRE BUDGET





OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 FIRE DEPARTMENT - GENERAL FUND - 01

ACCOUNT NO.	GENERAL FUND (GF) FIRE DEPARTMENT - 01	2023/24			ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS	APPROVED BUDGET			
SOURCES OF FUNDS							
	Revenues	\$0	\$0	\$0	\$0	0%	\$0
	Other Sources of Funds	\$0	\$0	\$0	\$0	0%	\$0
	Total Sources of Funds	\$0	\$0	\$0	\$0	0%	\$0
USES OF FUNDS							
	Salaries & Wages	\$1,995	\$0	\$1,995	\$0	0%	\$0
	Benefits	\$1,145	\$0	\$1,145	\$912	80%	\$912
	Personnel Services	\$3,140	\$0	\$3,140	\$912	29%	\$912
	Services & Supplies	\$1,164,500	\$0	\$1,164,500	\$1,152,400	99%	\$1,152,400
	Capital Overlay	\$0	\$0	\$0	\$0		\$0
	Administrative Cost Allocation	\$27,681	\$0	\$27,681	\$27,558	100%	\$27,558
	Total Expenditures	\$1,195,322	\$0	\$1,195,322	\$1,180,870	99%	\$1,180,870
	OPERATING SURPLUS/(DEFICIT)	(\$1,195,322)	\$0	(\$1,195,322)	(\$1,180,870)		(\$1,180,870)
							\$14,452



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
FIRE DEPARTMENT - GENERAL FUND - 01**

ACCOUNT NO.	GENERAL FUND (GF) FIRE DEPARTMENT - 01	2023/24		2023/24 APPROVED BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
	REVENUES							
	Total Revenues	\$0	\$0	\$0	\$0		\$0	\$0
	OTHER SOURCES OF FUNDS							
	Total Other Sources of Funds	\$0	\$0	\$0	\$0		\$0	\$0
	Total Sources of Funds	\$0	\$0	\$0	\$0		\$0	\$0
USES OF FUNDS								
	PERSONNEL SERVICES							
	SALARIES & WAGES							
01-5-4200-010	Salary & Wages	1,995		1,995	0	0%	0	1,995
	Total Salaries & Wages	\$1,995	\$0	\$1,995	\$0	0%	\$0	\$1,995
	BENEFITS							
01-5-4200-377	Operating Crew Benefits Allocation	1,145		1,145	912	80%	912	233
	Total Benefits	\$1,145	\$0	\$1,145	\$912	80%	\$912	\$233
	Total Personnel Services	\$3,140	\$0	\$3,140	\$912	29%	\$912	\$2,228
	SERVICES & SUPPLIES							
01-5-4200-220	Contract Fire and Emergency Services	1,150,000		1,150,000	1,150,000	100%	1,150,000	0
01-5-4200-110	Communication	1,000		1,000	111	11%	111	889
01-5-4200-220	Professional Services	7,500		7,500	0	0%	0	7,500
01-5-4200-290	Utilities	5,000		5,000	1,485	30%	1,485	3,515
01-5-4200-291	Sandbags	1,000		1,000	804	80%	804	196
	Total Services & Supplies	\$1,164,500	\$0	\$1,164,500	\$1,152,400	99%	\$1,152,400	\$12,100
	CAPITAL OVERLAY							
	Total Capital Overlay	\$0	\$0	\$0	\$0		\$0	\$0
	ADMINISTRATIVE COST ALLOCATION							
01-5-4200-376	Allocated Overhead - Admin	27,681		27,681	27,558	100%	27,558	124
	Total Administrative Cost Allocation	\$27,681	\$0	\$27,681	\$27,558	100%	\$27,558	\$124
	Total Expenditures	\$1,195,322	\$0	\$1,195,322	\$1,180,870	99%	\$1,180,870	\$14,452
	OPERATING SURPLUS/(DEFICIT)	(\$1,195,322)	\$0	(\$1,195,322)	(\$1,180,870)		(\$1,180,870)	\$14,452
	TRANSFERS & ENCUMBRANCES							
	Transfers In - Property Taxes	1,307,712		1,307,712	1,180,870		1,293,260	(14,452)
	(Transfers Out) - Water & Wastewater Funds	(112,390)		(112,390)			(112,390)	0
	Encumbrances - Sources of Funding	0		0			0	0
	Encumbrances - (Designated Funds)	0		0			0	0
	NET TRANSFERS & ENCUMBRANCES	\$1,195,322	\$0	\$1,195,322	\$1,180,870		\$1,180,870	(\$14,452)



LIGHTING BUDGET





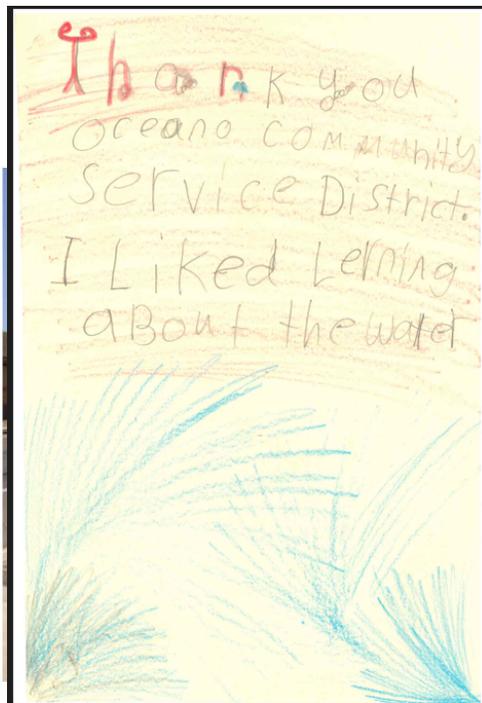
OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 LIGHTING - GENERAL FUND - 01

ACCOUNT NO.	GENERAL FUND (GF) LIGHTING - 01	2023/24		2023/24	ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24	
		ADOPTED BUDGET	APPROVED ADJUSTMENTS	CURRENT BUDGET			EST. BUDGET VARIANCE	
SOURCES OF FUNDS								
	Revenues	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Other Sources of Funds	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Total Sources of Funds	\$0	\$0	\$0	\$0	0%	\$0	\$0
USES OF FUNDS								
	Salaries & Wages	\$1,995	\$0	\$1,995	\$0	0%	\$0	\$1,995
	Benefits	\$1,145	\$0	\$1,145	\$912	80%	\$912	\$233
	Personnel Services	\$3,140	\$0	\$3,140	\$912	29%	\$912	\$2,228
	Services & Supplies	\$37,500	\$0	\$37,500	\$38,070	102%	\$38,070	(\$570)
	Administrative Cost	\$9,227	\$0	\$9,227	\$9,186	100%	\$9,186	\$41
	Total Expenditures	\$49,868	\$0	\$49,868	\$48,168	97%	\$48,168	\$1,699
	OPERATING SURPLUS/(DEFICIT)	(\$49,868)	\$0	(\$49,868)	(\$48,168)		(\$48,168)	\$1,699



OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 LIGHTING - GENERAL FUND - FUND 01

ACCOUNT NO.	GENERAL FUND (GF) LIGHTING - 01	2023/24		2023/24	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24
		ADOPTED BUDGET	APPROVED ADJUSTMENTS	CURRENT BUDGET				EST. BUDGET VARIANCE
SOURCES OF FUNDS								
REVENUES								
Total Revenues		\$0	\$0	\$0	\$0		\$0	\$0
OTHER SOURCES OF FUNDS								
Total Other Sources of Funds		\$0	\$0	\$0	\$0		\$0	\$0
Total Sources of Funds		\$0	\$0	\$0	\$0		\$0	\$0
USES OF FUNDS								
PERSONNEL SERVICES								
SALARIES & WAGES								
01-5-4195-010	Salaries & Wages	1,995		1,995	0	0%	0	1,995
Total Salaries & Wages		\$1,995	\$0	\$1,995	\$0	0%	\$0	\$1,995
BENEFITS								
01-5-4195-377	Operating Crew Benefits Allocation	1,145	0	1,145	912	80%	912	233
Total Benefits		\$1,145	\$0	\$1,145	\$912	80%	\$912	\$233
Total Personnel Services		\$3,140	\$0	\$3,140	\$912	29%	\$912	\$2,228
SERVICES & SUPPLIES								
01-5-4195-175	Operating Supplies	2,500		2,500	292	12%	292	2,208
01-5-4195-295	Street Lighting	35,000		35,000	37,778	108%	37,778	(2,778)
Total Services & Supplies		\$37,500	\$0	\$37,500	\$38,070	102%	\$38,070	(\$570)
CAPITAL OUTLAY								
Total Capital Outlay		\$0	\$0	\$0	\$0		\$0	\$0
ADMINISTRATIVE COST ALLOCATION								
01-5-4195-376	Administrative Cost Allocation	9,227		9,227	9,186	100%	9,186	41
Total Administrative Cost Allocation		\$9,227	\$0	\$9,227	\$9,186	100%	\$9,186	\$41
Total Expenditures		\$49,868	\$0	\$49,868	\$48,168	97%	\$48,168	\$1,699
OPERATING SURPLUS/(DEFICIT)		(\$49,868)	\$0	(\$49,868)	(\$48,168)		(\$48,168)	\$1,699
TRANSFERS & ENCUMBRANCES								
Transfers In - Property Taxes		56,516		56,516	48,168		54,816	(1,700)
(Transfers Out) - Water & Wastewater Fund		(6,648)		(6,648)	0		(6,648)	0
Encumbrances - Sources of Funding		0		0	0		0	0
Encumbrances - (Designated)		0		0	0		0	0
NET TRANSFERS & ENCUMBRANCES		\$49,868	\$0	\$49,868	\$48,168		\$48,168	(\$1,700)



PARKS & RECREATION BUDGET





OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 PARKS & RECREATION - GENERAL FUND - 01

ACCOUNT NO.	GENERAL FUND (GF) PARKS & RECREATION - 01	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS				
SOURCES OF FUNDS							
	Revenues	\$0	\$0	\$0	\$0	0%	\$0
	Other Sources of Funds	\$0	\$15,904	\$15,904	\$15,904	0%	\$15,904
	Total Sources of Funds	\$0	\$15,904	\$15,904	\$15,904	0%	\$15,904
USES OF FUNDS							
	Salaries & Wages	\$0	\$0	\$0	\$0	0%	\$0
	Benefits	\$0	\$0	\$0	\$0	0%	\$0
	Personnel Services	\$0	\$0	\$0	\$0	0%	\$0
	Services & Supplies	\$0	\$30,790	\$30,790	\$9,765	32%	\$16,877
	Capital Outlay	\$0	\$0	\$0	\$0	0%	\$0
	Administrative Cost	\$0	\$4,614	\$4,614	\$4,593	100%	\$4,593
	Total Expenditures	\$0	\$35,404	\$35,404	\$14,358	41%	\$21,469
	OPERATING SURPLUS/(DEFICIT)	\$0	(\$19,500)	(\$19,500)	\$1,546		(\$5,565)
							\$13,935



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
PARKS & RECREATION - GENERAL FUND - FUND 01**

ACCOUNT NO.	GENERAL FUND (GF) PARKS & RECREATION- 01	2023/24		2023/24	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS	CURRENT BUDGET				
SOURCES OF FUNDS								
REVENUES								
Total Revenues		\$0	\$0	\$0	\$0		\$0	\$0
OTHER SOURCES OF FUNDS								
01-4-3900-012	June 12, 2024 Budget Adjustment - Parks Ca Grant	0	15,904	15,904	15,904	100%	15,904	0
Total Other Sources of Funds		\$0	\$15,904	\$15,904	\$15,904		\$15,904	\$0
Total Sources of Funds		\$0	\$15,904	\$15,904	\$15,904		\$15,904	\$0
USES OF FUNDS								
PERSONNEL SERVICES								
SALARIES & WAGES								
Total Salaries & Wages		\$0	\$0	\$0	\$0		\$0	\$0
BENEFITS								
Total Benefits		\$0	\$0	\$0	\$0		\$0	\$0
Total Personnel Services		\$0	\$0	\$0	\$0		\$0	\$0
SERVICES & SUPPLIES								
01-5-4850-301	July 26, 2023 Budget Adjustment - Parks & Recreation	0	13,711	13,711	0	0%	0	13,711
01-5-4850-302	October 11, 2023 Budget Request - Dia de Los Muertos Event	0	1,175	1,175	973	83%	973	202
01-5-4850-302	June 12, 2024 Budget Adjustment - Parks Ca Grant		15,904	15,904	8,793	55%	15,904	0
Total Services & Supplies		\$0	\$30,790	\$30,790	\$9,765	32%	\$16,877	\$13,913
CAPITAL OUTLAY								
Total Capital Outlay		\$0	\$0	\$0	\$0		\$0	\$0
ADMINISTRATIVE COST ALLOCATION								
01-5-4850-376	July 26, 2023 Budget Adjustment - Administrative Cost Allocation	0	4,614	4,614	4,593	100%	4,593	21
Total Administrative Cost Allocation		\$0	\$4,614	\$4,614	\$4,593	100%	\$4,593	\$21
Total Expenditures		\$0	\$35,404	\$35,404	\$14,358	41%	\$21,469	\$13,935
OPERATING SURPLUS/(DEFICIT)		\$0	(\$19,500)	(\$19,500)	\$1,546		(\$5,565)	\$13,935
TRANSFERS & ENCUMBRANCES								
Transfers In - Property Taxes		0	19,500	19,500	1,546		5,565	(13,935)
(Transfers Out)		0	0	0	0		0	0
Encumbrances - Sources of Funding		0	0	0	0		0	0
Encumbrances - (Designated)		0	0	0	0		0	0
NET TRANSFERS & ENCUMBRANCES		\$0	\$19,500	\$19,500	\$1,546		\$5,565	(\$13,935)



FACILITIES FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
FACILITIES - FUND 10**

ACCOUNT NO.	GENERAL FUND (GF) FACILITIES - 10	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE	
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
	Revenues	\$152,022	\$0	\$152,022	\$178,646	118%	\$178,646	\$26,624
	Other Sources of Funds	\$139,944	\$0	\$139,944	\$7,895	0%	\$7,895	(\$132,049)
	Total Sources of Funds	\$291,966	\$0	\$291,966	\$186,541	118%	\$186,541	(\$105,425)
USES OF FUNDS								
	Salaries & Wages	\$4,000	\$0	\$4,000	\$1,803	45%	\$1,803	\$2,197
	Benefits	\$2,291	\$0	\$2,291	\$1,824	80%	\$1,824	\$467
	Personnel Services	\$6,291	\$0	\$6,291	\$3,627	58%	\$3,627	\$2,664
	Services & Supplies	\$26,774	\$0	\$26,774	\$19,865	74%	\$19,865	\$6,909
	Capital Outlay	\$12,324	\$0	\$12,324	\$17,327	0%	\$17,327	\$294,997
	Administrative Cost	\$13,841	\$0	\$13,841	\$13,779	100%	\$13,779	\$62
	Total Expenditures	\$359,230	\$0	\$359,230	\$54,597	15%	\$54,597	\$304,632
	OPERATING SURPLUS/(DEFICIT)	(\$67,263)	\$0	(\$67,263)	\$131,944		\$131,944	\$199,207
	TRANSFERS & ENCUMBRANCES							
	Transfers In - From Water Fund	55,373	0	55,373	0		55,373	0
	(Transfers Out) - To Water & Wastewater Funds	(13,296)	0	(13,296)	0		(13,296)	0
	Encumbrances - Sources of Funding	0	0	0	0		0	0
	Encumbrances - (Designated Funds)	(9,707)	0	(9,707)	(9,444)		(9,444)	264
	NET TRANSFERS & ENCUMBRANCES	\$32,370	\$0	\$32,370	(\$9,444)		\$32,634	\$264



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
FACILITIES - FUND 10**

ACCOUNT NO.	GENERAL FUND (GF) FACILITIES - 10	FINAL BUDGET FY 2023/24	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
			ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS									
REVENUES									
10-4-3257-000	Utility Reimbursement	1,200	1,200		1,200	2,025	169%	2,025	825
10-4-3258-000	Old Fire Station Rent	12,000	12,000		12,000	12,000	100%	12,000	0
10-4-3260-000	Lease - Sheriff Facility	123,822	123,822		123,822	126,792	102%	126,792	2,970
	Public Facilities Fees	15,000	15,000		15,000	37,829	252%	37,829	22,829
Total Revenues		\$152,022	\$152,022	\$0	\$152,022	\$178,646	118%	\$178,646	\$26,624
OTHER SOURCES OF FUNDS									
	Electric Vehicle Charging Stations Grant/ Rebate	139,944	139,944		139,944	7,895	6%	7,895	(132,049)
Total Other Sources of Funds		\$139,944	\$139,944	\$0	\$139,944	\$7,895		\$7,895	(\$132,049)
Total Sources of Funds		\$291,966	\$291,966	\$0	\$291,966	\$186,541	64%	\$186,541	(\$105,425)
USES OF FUNDS									
SALARIES & WAGES									
10-5-4300-010	Salary & Wages	4,000	4,000		4,000	1,803	45%	1,803	2,197
Total Salaries & Wages		\$4,000	\$4,000	\$0	\$4,000	\$1,803	45%	\$1,803	\$2,197
BENEFITS									
10-5-4300-377	Operating Crew Overhead	2,291	2,291		2,291	1,824	80%	1,824	467
Total Benefits		\$2,291	\$2,291	\$0	\$2,291	\$1,824	80%	\$1,824	\$467
Total Personnel Services		\$6,291	\$6,291	\$0	\$6,291	\$3,627	58%	\$3,627	\$2,664
SERVICES & SUPPLIES									
10-5-4300-110	Communication	0	0		0	30		30	(30)
10-5-4300-163	Maint: Structure/ Improvements	10,500	10,500		10,500	9,738	93%	9,738	762
10-5-4300-173	So: Maint. Structures/ Improvements	3,700	3,700		3,700	9,817	265%	9,817	(6,117)
10-5-4300-220	Professional Services	12,574	12,574		12,574	280	2%	280	12,294
Total Services & Supplies		\$26,774	\$26,774	\$0	\$26,774	\$19,865	74%	\$19,865	\$6,909
CAPITAL OUTLAY									
10-5-4300-320	Sheriff's Building - Flooring	90,000	90,000		90,000	0	0%	0	90,000
10-5-4300-320	HWY 1 Beautification Project	71,619	71,619		71,619	0	0%	0	71,619
10-5-4300-320	Diesel Tank Removal	8,000	8,000		8,000	6,356	79%	6,356	1,644
10-5-4300-320	Electric Vehicle Charging Stations	142,705	142,705		142,705	10,971	8%	10,971	131,734
Total Capital Outlay		\$312,324	\$312,324	\$0	\$312,324	\$17,327		\$17,327	\$294,997
ADMINISTRATIVE COST ALLOCATION									
10-5-4300-376	Admin Allocation	13,841	13,841		13,841	13,779	100%	13,779	62
Total Administrative Cost Allocation		\$13,841	\$13,841	\$0	\$13,841	\$13,779	100%	\$13,779	\$62
Total Expenditures		\$359,230	\$359,230	\$0	\$359,230	\$54,597	15%	\$54,597	\$304,632
OPERATING SURPLUS/(DEFICIT)		(\$67,263)	(\$67,263)	\$0	(\$67,263)	\$131,944		\$131,944	\$199,207
TRANSFERS & ENCUMBRANCES									
	Transfers In - From Water & Garbage Funds	55,373	55,373		55,373	0		55,373	0
	(Transfers Out) - To Water & Wastewater Funds	(13,296)	(13,296)		(13,296)	0		(13,296)	0
	Encumbrances - Sources of Funding	0	0		0	0		0	0
	Encumbrances - (Designated Funds)	(9,707)	(9,707)		(9,707)	(9,444)		(9,444)	264
NET TRANSFERS & ENCUMBRANCES		\$32,370	\$32,370	\$0	\$32,370	(\$9,444)		\$32,634	\$264



OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 ENTERPRISE FUNDS

ACCOUNT NO.	ENTERPRISE FUNDS	2023/24		CURRENT BUDGET	ACTUAL AT 3/31/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE	
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
	Water	\$3,123,787	\$0	\$3,123,787	\$3,367,974	108%	\$3,367,974	\$244,188
	Wastewater	\$439,871	\$0	\$439,871	\$457,097	104%	\$457,097	\$17,227
	Solid Waste	\$68,255	\$11,650	\$79,905	\$82,725	204%	\$82,725	\$2,820
	Equipment	\$72,025	\$0	\$72,025	\$16,607	23%	\$16,607	(\$55,418)
	Total Sources of Funds	\$3,703,938	\$11,650	\$3,715,588	\$3,924,404	106%	\$3,924,404	\$208,816
USES OF FUNDS								
	Water	\$3,089,959	\$5,130	\$3,095,089	\$2,854,595	92%	\$3,004,595	\$90,494
	Wastewater	\$530,734	\$3,600	\$534,334	\$439,365	82%	\$439,365	\$94,969
	Solid Waste	\$127,833	\$11,920	\$139,753	\$120,009	86%	\$120,009	\$19,744
	Equipment	\$68,000	\$0	\$68,000	\$12,582	19%	\$12,582	\$25,418
	Total Expenditures	\$3,816,525	\$20,650	\$3,837,175	\$3,426,551	89%	\$3,576,551	\$230,625
OPERATING SURPLUS/(DEFICIT)								
	Water	\$33,828	(\$5,130)	\$28,698	\$513,379		\$363,379	\$334,682
	Wastewater	(\$90,863)	(\$3,600)	(\$94,463)	\$17,732		\$17,732	\$112,196
	Solid Waste	(\$59,577)	(\$270)	(\$59,847)	(\$37,284)		(\$37,284)	\$22,564
	Equipment	\$4,025	\$0	\$4,025	\$4,025		\$4,025	(\$30,000)
	OPERATING SURPLUS/(DEFICIT)	(\$112,588)	(\$9,000)	(\$121,588)	\$497,853		\$347,853	\$439,441
TRANSFERS & ENCUMBRANCES								
	Transfers In	166,276	0	166,276	0		166,276	0
	(Transfers Out)	(161,340)	0	(161,340)	(16,607)		(161,340)	0
	Encumbrances - Sources of Funding	2,601,777	0	2,601,777	439,049		2,601,777	0
	Encumbrances - (Designated Funds)	(2,748,796)	0	(2,748,796)	(1,796,610)		(2,748,796)	0
	NET TRANSFERS & ENCUMBRANCES	(\$142,083)	\$0	(\$142,083)	(\$1,374,168)		(\$142,083)	\$0



WATER FUND





OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS
 WATER FUND - 02

ACCOUNT NO.	WATER FUND WATER DEPARTMENT - 02	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE	
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
	Revenues	\$3,123,787	\$0	\$3,123,787	\$3,367,974	108%	\$3,367,974	\$244,188
	Other Sources of Funds	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Total Sources of Funds	\$3,123,787	\$0	\$3,123,787	\$3,367,974	108%	\$3,367,974	\$244,188
USES OF FUNDS								
	Salaries & Wages	\$218,000	\$0	\$218,000	\$216,861	99%	\$216,861	\$1,139
	Benefits	\$154,218	\$0	\$154,218	\$123,698	80%	\$123,698	\$30,519
	Personnel Services	\$372,218	\$0	\$372,218	\$340,560	91%	\$340,560	\$31,658
	Services & Supplies	\$1,960,108	\$0	\$1,960,108	\$1,903,763	97%	\$1,903,763	\$56,345
	Capital Outlay	150,000	\$5,130	\$155,130	\$5,116	3%	\$155,116	\$14
	Debt Service	\$54,005	\$0	\$54,005	\$54,005	100%	\$54,005	\$0
	Administrative Cost	\$553,628	\$0	\$553,628	\$551,152	100%	\$551,152	\$2,477
	Total Expenditures	\$3,089,959	\$5,130	\$3,095,089	\$2,854,595	92%	\$3,004,595	\$90,494
	OPERATING SURPLUS/(DEFICIT)	\$33,828	(\$5,130)	\$28,698	\$513,379		\$363,379	\$334,682
	TRANSFERS & ENCUMBRANCES							
	Transfers In - From General & Garbage Funds	105,857	0	105,857	0		105,857	0
	(Transfers Out) - To General, Garbage, Equipment	(79,965)	0	(79,965)	(9,446)		(79,965)	0
	Encumbrances - Sources of Funding	2,601,777	0	2,601,777	439,049		2,601,777	0
	Encumbrances - (Designated Funds)	(2,696,336)	0	(2,696,336)	(1,744,150)		(2,696,336)	0
	NET TRANSFERS & ENCUMBRANCES	(\$68,667)	\$0	(\$68,667)	(\$1,314,546)		(\$68,667)	\$0



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
WATER FUND - 02**

ACCOUNT NO.	WATER FUND WATER DEPARTMENT - 02	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
REVENUES								
02-4-3200-000	Water Sales	2,916,408		2,916,408	3,169,495	109%	3,169,495	253,087
02-4-3206-000	Front Footage Fees	24,480		24,480	4,080	17%	4,080	(20,400)
02-4-3207-000	Sales: U/B Courtesy Notice	4,500		4,500	3,623	81%	3,623	(877)
02-4-3208-000	Delinquent U/B Acct Fees	40,000		40,000	81,482	204%	81,482	41,482
02-4-3209-000	Capacity Charges	40,704		40,704	10,908	27%	10,908	(29,796)
02-4-3210-000	Meter Fees	8,100		8,100	5,400	67%	5,400	(2,700)
02-4-3211-000	Lopez Connection Fees	6,000		6,000	4,000	67%	4,000	(2,000)
02-4-3212-000	New Account Setup Fee	6,000		6,000	4,350	73%	4,350	(1,650)
02-4-3217-297	Wheeling/Fire Protection	25,000		25,000	21,871	87%	21,871	(3,129)
02-4-3230-350	Reimbursement - New Development	11,150		11,150	4,809	43%	4,809	(6,341)
02-4-3255-000	Inspection Fees	300		300	100	33%	100	(200)
02-4-3300-002	Interest	36,145		36,145	51,373	142%	51,373	15,228
02-4-3900-000	Other Income	0		0	930		930	930
02-4-3224-000	Backflow Fees	5,000		5,000	4,610	92%	4,610	(390)
02-4-3905-000	Claims & Settlements	0		0	944		944	944
Total Revenues		\$3,123,787	\$0	\$3,123,787	\$3,367,974	108%	\$3,367,974	\$244,188
OTHER SOURCES OF FUNDS								
Total Other Sources of Funds		\$0	\$0	\$0	\$0		\$0	\$0
Total Sources of Funds		\$3,123,787	\$0	\$3,123,787	\$3,367,974	108%	\$3,367,974	\$244,188
USES OF FUNDS								
PERSONNEL SERVICES								
SALARIES & WAGES								
02-5-4400-010	Salaries and Wages	208,000		208,000	209,011	100%	209,011	(1,011)
02-5-4400-020	Overtime	10,000		10,000	7,850	78%	7,850	2,150
Total Salaries & Wages		\$218,000	\$0	\$218,000	\$216,861	99%	\$216,861	\$1,139
BENEFITS								
02-5-4400-075	Workers Compensation Insurance	7,600		7,600	6,940	91%	6,940	660
02-5-4400-377	Operating Crew Benefits Allocation	146,618		146,618	116,759	80%	116,759	29,859
Total Benefits		\$154,218	\$0	\$154,218	\$123,698	80%	\$123,698	\$30,519
Total Personnel Services		\$372,218	\$0	\$372,218	\$340,560	91%	\$340,560	\$31,658
SERVICES & SUPPLIES								
02-5-4400-110	Communications	3,000		3,000	2,478	83%	2,478	522
02-5-4400-163	Maint: Structures/ Improvements	5,000		5,000	23,327	467%	23,327	(18,327)
02-5-4400-164	Paving	7,000		7,000	2,551	36%	2,551	4,449
02-5-4400-170	Maintenance - Equipment	5,000		5,000	155	3%	155	4,845
02-5-4400-173	Maint: Shared Structures/ Improvements	5,000		5,000	2,931	59%	2,931	2,069
02-5-4400-175	System Parts/ Operating Supplies	13,000		13,000	18,582	143%	18,582	(5,582)
02-5-4400-176	Water Meters	24,000		24,000	23,770	99%	23,770	230
02-5-4400-177	Safety Expense	1,000		1,000	781	78%	781	219
02-5-4400-178	Chemicals	5,000		5,000	6,828	137%	6,828	(1,828)
02-5-4400-180	Membership	3,600		3,600	2,508	70%	2,508	1,092
02-5-4400-200	Office Expense	1,000		1,000	941	94%	941	59
02-5-4400-205	Outside UB Mail Service	10,000		10,000	10,062	101%	10,062	(62)
02-5-4400-220	Professional Services	25,000		25,000	27,342	109%	27,342	(2,342)
02-5-4400-221	Information Technology	575		575	0	0%	0	575
02-5-4400-222	Contracted Engineering	2,000		2,000	3,609	180%	3,609	(1,609)
02-5-4400-226	Engineering & Other Reimbursements	10,815		10,815	4,809	44%	4,809	6,006
02-5-4400-230	Legal Notices	1,000		1,000	2,808	281%	2,808	(1,808)
02-5-4400-241	Rents/ Leases - Equipment	1,000		1,000	1,017	102%	1,017	(17)
02-5-4400-248	Permits, Fees, Licenses	10,500		10,500	14,678	140%	14,678	(4,178)
02-5-4400-250	Small Tools and Instruments	1,000		1,000	697	70%	697	303
02-5-4400-285	Classes/ Seminars	1,000		1,000	182	18%	182	818
02-5-4400-261	Water Supply - Lopez	543,858		543,858	527,159	97%	527,159	16,699
02-5-4400-262	Water Supply - State Water	1,151,000		1,151,000	1,126,227	98%	1,126,227	24,773
02-5-4400-290	Utilities	35,000		35,000	11,471	33%	11,471	23,529
02-5-4400-297	Pass-Thru: Crest/Christie/AG	26,265		26,265	21,871	83%	21,871	4,394
02-5-4400-320	Fixed Assets - Equipment	10,995		10,995	9,141	83%	9,141	1,854
02-5-4400-380	NCMA Tec	50,000		50,000	55,027	110%	55,027	(5,027)
02-5-4400-499	Claim & Settlements	7,500		7,500	2,812	37%	2,812	4,688
Total Services & Supplies		\$1,960,108	\$0	\$1,960,108	\$1,903,763	97%	\$1,903,763	\$56,345



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
WATER FUND - 02**

ACCOUNT NO.	WATER FUND WATER DEPARTMENT - 02	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024		ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE	
		ADOPTED BUDGET	APPROVED ADJUSTMENTS			100%			
CAPITAL OUTLAY									
02-5-4400-320	CIP - 21st St Valve Replacement	15,000		15,000	0	0%	41,000		(26,000)
02-5-4400-320	CIP Upgrade All Projects	135,000		135,000	0	0%	109,000		26,000
	12/13/2023 Budget Adjustment - New Truck Bed	0	5,130	5,130	5,116	100%	5,116		14
Total Capital Outlay		\$150,000	\$5,130	\$155,130	\$5,116	3%	\$155,116		\$14
DEBT SERVICE									
02-5-4400-310	CalPERS UAL Funding	54,005		54,005	54,005	100%	54,005		0
Total Debt Service		\$54,005	\$0	\$54,005	\$54,005	100%	\$54,005		\$0
ADMINISTRATIVE COST ALLOCATION									
02-5-4400-376	Administrative Cost Allocation	553,628		553,628	551,152	100%	551,152		2,477
Total Administrative Cost Allocation		\$553,628	\$0	\$553,628	\$551,152	100%	\$551,152		\$2,477
Total Expenditures		\$3,089,959	\$5,130	\$3,095,089	\$2,854,595	92%	\$3,004,595		\$90,494
OPERATING SURPLUS/(DEFICIT)		\$33,828	(\$5,130)	\$28,698	\$513,379		\$363,379		\$334,682
TRANSFERS & ENCUMBRANCES									
	Transfers In- From General & Garbage Funds	105,857		105,857	0		105,857		0
	(Transfers Out) - To General , Garbage, Equipment	(79,965)		(79,965)	(9,446)		(79,965)		0
	Encumbrances - Sources of Funding	2,601,777		2,601,777	439,049		2,601,777		0
	Encumbrances - (Designated Funds)	(2,696,336)		(2,696,336)	(1,744,150)		(2,696,336)		0
NET TRANSFERS & ENCUMBRANCES		(\$68,667)	\$0	(\$68,667)	(\$1,314,546)		(\$68,667)		\$0



Waste water FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
WASTEWATER DEPARTMENT - FUND - 03**

ACCOUNT NO.	WASTEWATER FUND WASTEWATER DEPARTMENT - 03	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE	
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
	Revenues	\$439,871	\$0	\$439,871	\$457,097	104%	\$457,097	\$17,227
	Other Sources of Funds	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Total Sources of Funds	\$439,871	\$0	\$439,871	\$457,097	104%	\$457,097	\$17,227
USES OF FUNDS								
	Salaries & Wages	\$91,500	\$0	\$91,500	\$53,996	59%	\$53,996	\$37,504
	Benefits	\$59,182	\$0	\$59,182	\$47,620	80%	\$47,620	\$11,562
	Personnel Services	\$150,682	\$0	\$150,682	\$101,616	67%	\$101,616	\$49,066
	Services & Supplies	\$68,240	\$0	\$68,240	\$31,585	46%	\$31,585	\$36,655
	Capital Outlay	8,000	\$3,600	\$11,600	\$3,590	31%	\$3,590	\$8,010
	Debt Service	\$26,998	\$0	\$26,998	\$26,998	100%	\$26,998	\$0
	Administrative Cost	\$276,814	\$0	\$276,814	\$275,576	100%	\$275,576	\$1,238
	Total Expenditures	\$530,734	\$3,600	\$534,334	\$439,365	82%	\$439,365	\$94,969
OPERATING SURPLUS/(DEFICIT)		(\$90,863)	(\$3,600)	(\$94,463)	\$17,732		\$17,732	\$112,196
TRANSFERS & ENCUMBRANCES								
	Transfers In - From General & Garbage Funds	52,919	0	52,919	0		52,919	0
	(Transfers Out) - To Equipment Fund	(28,585)	0	(28,585)	(6,591)		(28,585)	0
	Encumbrances - Sources of Funding	0	0	0	0		0	0
	Encumbrances - (Designated Funds)	(48,800)	0	(48,800)	(48,800)		(48,800)	0
	NET TRANSFERS & ENCUMBRANCES	(\$24,466)	\$0	(\$24,466)	(\$55,391)		(\$24,466)	\$0



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
WASTEWATER DEPARTMENT - FUND 03**

ACCOUNT NO.	WASTEWATER FUND WASTEWATER DEPARTMENT - 03	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024		ESTIMATED ACTUAL	2023/24
		ADOPTED BUDGET	APPROVED ADJUSTMENTS		100%	EST. BUDGET VARIANCE		
SOURCES OF FUNDS								
REVENUES								
03-4-3210-000	Sales - Sewer	400,000		400,000	400,983	100%	400,983	983
03-4-3211-000	Sewer Connections	2,000		2,000	1,000	50%	1,000	(1,000)
03-4-3230-000	Sales: Miscellaneous	0		0	1,628		1,628	1,628
03-4-3255-000	Inspection Fees	100		100	50	50%	50	(50)
03-4-3256-000	FOG Program	4,100		4,100	5,580	136%	5,580	1,480
03-4-3257-000	Interest Income	33,671		33,671	47,857	142%	47,857	14,186
Total Revenues		\$439,871	\$0	\$439,871	\$457,097	104%	\$457,097	\$17,227
OTHER SOURCES OF FUNDS								
Total Other Sources of Funds		\$0	\$0	\$0	\$0		\$0	\$0
Total Sources of Funds		\$439,871	\$0	\$439,871	\$457,097	104%	\$457,097	\$17,227
USES OF FUNDS								
PERSONNEL SERVICES								
SALARIES & WAGES								
03-5-4500-010	Salaries and Wages	79,000		79,000	50,297	64%	50,297	28,703
03-5-4500-020	Overtime	12,500		12,500	3,700	30%	3,700	8,801
Total Salaries & Wages		\$91,500	\$0	\$91,500	\$53,996	59%	\$53,996	\$37,504
BENEFITS								
03-5-4500-075	Workers Compensation Insurance	4,200		4,200	3,835	91%	3,835	365
03-5-4500-377	Operating Crew Benefits Allocation	54,982		54,982	43,784	80%	43,784	11,197
Total Benefits		\$59,182	\$0	\$59,182	\$47,620	80%	\$47,620	\$11,562
Total Personnel Services		\$150,682	\$0	\$150,682	\$101,616	67%	\$101,616	\$49,066



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
WASTEWATER DEPARTMENT - FUND 03**

ACCOUNT NO.	WASTEWATER FUND WASTEWATER DEPARTMENT - 03	2023/24			ACTUAL AT 6/30/2024		ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS	CURRENT BUDGET	100%			
SERVICES & SUPPLIES								
03-5-4500-110	Communication	515		515	384	75%	384	131
03-5-4500-163	Maint: Sewer Structures/ Improvements	10,000		10,000	7,485	75%	7,485	2,515
03-5-4500-170	Maintenance: Equipment	3,400		3,400	3,753	110%	3,753	(353)
03-5-4500-171	Maintenance: Vehicles	3,600		3,600	405	11%	405	3,195
03-5-4500-172	Gas and Oil	3,500		3,500	0	0%	0	3,500
03-5-4500-173	Maint: Structures/ Improvements	5,135		5,135	0	0%	0	5,135
03-5-4500-175	System Parts/ Operating Supplies	8,240		8,240	2,249	27%	2,249	5,991
03-5-4500-177	Safety Expense	2,850		2,850	1,276	45%	1,276	1,574
03-5-4500-180	Memberships	1,050		1,050	722	69%	722	328
03-5-4500-200	Office Expense	515		515	77	15%	77	438
03-5-4500-205	Outside UB Mailing Expense	9,300		9,300	9,988	107%	9,988	(688)
03-5-4500-220	Professional Services	2,575		2,575	0	0%	0	2,575
03-5-4500-222	Contracted Engineering	2,835		2,835	168	6%	168	2,667
03-5-4500-241	Rents & Leases/ Equipment	2,575		2,575	0	0%	0	2,575
03-5-4500-248	Regulatory Permits & Fees	4,500		4,500	3,796	84%	3,796	704
03-5-4500-285	Classes/ Seminars/ Training Fees	2,800		2,800	0	0%	0	2,800
03-5-4500-290	Utilities	2,600		2,600	1,281	49%	1,281	1,319
03-5-4500-390	Bad Debt Expense	350		350	0	0%	0	350
03-5-4500-499	Claims & Settlements	1,900		1,900	0	0%	0	1,900
Total Services & Supplies		\$68,240	\$0	\$68,240	\$31,585	46%	\$31,585	\$36,655
CAPITAL OUTLAY								
03-5-4500-320	CIP - Beach St. Sewer Lateral Replacement	8,000		8,000	0	0%	0	8,000
	12/13/2023 Budget Adjustment - New Truck Bed	0	3,600	3,600	3,590	100%	3,590	10
Total Capital Outlay		8,000	\$3,600	\$11,600	\$3,590	31%	\$3,590	\$8,010
DEBT SERVICE								
03-5-4500-310	CalPERs UAL Funding	26,998		26,998	26,998	100%	26,998	0
Total Debt Service		\$26,998	\$0	\$26,998	\$26,998	100%	\$26,998	\$0
ADMINISTRATIVE COST ALLOCATION								
03-5-4500-376	Administrative Cost Allocation	276,814		276,814	275,576	100%	275,576	1,238
Total Administrative Cost Allocation		\$276,814	\$0	\$276,814	\$275,576	100%	\$275,576	\$1,238
Total Expenditures		\$530,734	\$3,600	\$534,334	\$439,365	82%	\$439,365	\$94,969
OPERATING SURPLUS/(DEFICIT)		(\$90,863)	(\$3,600)	(\$94,463)	\$17,732		\$17,732	\$112,196
TRANSFERS & ENCUMBRANCES								
	Transfers In - From General Fund & Garbage	52,919		52,919	0		52,919	0
	(Transfers Out) - Equipment Fund	(28,585)		(28,585)	(6,591)		(28,585)	0
	Encumbrances - Sources of Funding	0		0	0		0	0
	Encumbrances - (Designated Funds)	(48,800)		(48,800)	(48,800)		(48,800)	0
NET TRANSFERS & ENCUMBRANCES		(\$24,466)	\$0	(\$24,466)	(\$55,391)		(\$24,466)	\$0



SOLID WASTE FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
SOLID WASTE FUND - 06**

ACCOUNT NO.	SOLID WASTE FUND SOLID WASTE DEPARTMENT - 06	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS				
SOURCES OF FUNDS							
	Revenues	\$68,255	\$0	\$68,255	\$71,075	104%	\$2,820
	Other Sources of Funds	\$0	\$11,650	\$11,650	\$11,650	100%	\$0
	Total Sources of Funds	\$68,255	\$11,650	\$79,905	\$82,725	204%	\$2,820
USES OF FUNDS							
	Salaries & Wages	\$32,000	\$0	\$32,000	\$21,479	67%	\$10,521
	Benefits	\$23,909	\$0	\$23,909	\$19,157	80%	\$4,752
	Personnel Services	\$55,909	\$0	\$55,909	\$40,635	73%	\$15,274
	Services & Supplies	\$20,015	\$0	\$20,015	\$17,646	88%	\$2,369
	Capital Outlay	\$15,000	\$11,920	\$26,920	\$24,984	93%	\$1,936
	Administrative Cost	\$36,909	\$0	\$36,909	\$36,743	100%	\$165
	Total Expenditures	\$127,833	\$11,920	\$139,753	\$120,009	86%	\$19,744
	OPERATING SURPLUS/(DEFICIT)	(\$59,577)	(\$270)	(\$59,847)	(\$37,284)		\$22,564
	TRANSFERS & ENCUMBRANCES						
	Transfers In - From Water Fund	7,500	0	7,500	0		0
	(Transfers Out) - Water, Wastewater, Equipment Fund	(52,790)	0	(52,790)	(571)		0
	Encumbrances - Sources of Funding	0	0	0	0		0
	Encumbrances - (Designated Funds)	(3,660)	0	(3,660)	(3,660)		0
	NET TRANSFERS & ENCUMBRANCES	(\$48,950)	\$0	(\$48,950)	(\$4,231)		\$0



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
SOLID WASTE FUND - 06**

ACCOUNT NO.	SOLID WASTE FUND SOLID WASTE DEPARTMENT - 06	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
REVENUES								
06-4-3230-000	Garbage: Misc Income	0		0	606		606	606
06-4-3300-003	Interest Income	5,263		5,263	7,480	142%	7,480	2,217
06-4-3501-000	Franchise Fees	52,465		52,465	51,838	99%	51,838	(627)
06-4-3501-741	Landfill Savings Payment	10,528		10,528	11,151	106%	11,151	624
Total Revenues		\$68,255	\$0	\$68,255	\$71,075	104%	\$71,075	\$2,820
OTHER SOURCES OF FUNDS								
06-4-3500-001	12/13/2023 Budget Adjustment - SLO County Off-Highway Motor Vehicle Grant	0	11,650	11,650	11,650	100%	11,650	0
Total Other Sources of Funds		\$0	\$11,650	\$11,650	\$11,650	100%	\$11,650	\$0
Total Sources of Funds		\$68,255	\$11,650	\$79,905	\$82,725	104%	\$82,725	\$2,820
USES OF FUNDS								
PERSONNEL SERVICES								
SALARIES & WAGES								
06-5-4900-010	Salaries & Wages	32,000		32,000	21,479	67%	21,479	10,521
Total Salaries & Wages		\$32,000	\$0	\$32,000	\$21,479	67%	\$21,479	\$10,521
BENEFITS								
06-5-4900-075	Compensation Insurance	1,000		1,000	913	91%	913	87
06-5-4900-377	Operating Crew Benefits Allocation	22,909		22,909	18,244	80%	18,244	4,665
Total Benefits		\$23,909	\$0	\$23,909	\$19,157	80%	\$19,157	\$4,752
Total Personnel Services		\$55,909	\$0	\$55,909	\$40,635	73%	\$40,635	\$15,274
SERVICES & SUPPLIES								
06-5-4900-110	Communication	1,000		1,000	627	63%	627	373
06-5-4900-173	Maint - Shared Structures/ Improvements	550		550	20		20	530
06-5-4900-175	Operating Supplies	300		300	24	8%	24	276
06-5-4900-200	Office Expense	300		300	0	0%	0	300
06-5-4900-210	Postage	300		300	0	0%	0	300
06-5-4900-220	Professional Services	7,000		7,000	6,974	100%	6,974	26
06-5-4900-290	Utilities	565		565	0	0%	0	565
06-5-4900-291	School Outreach Programs	10,000		10,000	10,000	100%	10,000	0
Total Services & Supplies		\$20,015	\$0	\$20,015	\$17,646	88%	\$17,646	\$2,369



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
SOLID WASTE FUND - 06**

ACCOUNT NO.	SOLID WASTE FUND SOLID WASTE DEPARTMENT - 06	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
CAPITAL OUTLAY								
06-5-4900-320	Trash Cans	15,000		15,000	13,065	87%	13,065	1,935
06-5-4900-321	12/13/2023 Budget Adjustment - SLO County Off-Highway Motor Vehicle Grant	0	11,650	11,650	11,650	100%	11,650	0
06-5-4900-320	12/13/2023 Budget Adjustment - New Truck Bed	0	270	270	269	100%	269	1
Total Capital Outlay		\$15,000	\$11,920	\$26,920	\$24,984	93%	\$24,984	\$1,936
ADMINISTRATIVE COST ALLOCATION								
06-5-4900-376	Administrative Cost Allocation	36,909		36,909	36,743	100%	36,743	165
Total Administrative Cost Allocation		\$36,909	\$0	\$36,909	\$36,743	100%	\$36,743	\$165
Total Expenditures		\$127,833	\$11,920	\$139,753	\$120,009	86%	\$120,009	\$19,744
OPERATING SURPLUS/(DEFICIT)		(\$59,577)	(\$270)	(\$59,847)	(\$37,284)		(\$37,284)	\$22,564
TRANSFERS & ENCUMBRANCES								
	Transfers In - From Water Fund	7,500		7,500	0		7,500	0
	(Transfers Out) - Water, Wastewater, Equipment Fund	(52,790)		(52,790)	(571)		(52,790)	0
	Encumbrances - Sources of Funding	0		0	0		0	0
	Encumbrances - (Designated Funds)	(3,660)		(3,660)	(3,660)		(3,660)	0
NET TRANSFERS & ENCUMBRANCES		(\$48,950)	\$0	(\$48,950)	(\$4,231)		(\$48,950)	\$0



EQUIPMENT FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
EQUIPMENT FUND - 12**

ACCOUNT NO.	EQUIPMENT FUND - 12	2023/24			ACTUAL AT 6/30/2024	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE	
		ADOPTED BUDGET	APPROVED ADJUSTMENTS	CURRENT BUDGET				
SOURCES OF FUNDS								
	Revenues	\$72,025	\$0	\$72,025	\$16,607	23%	\$16,607	(\$55,418)
	Other Sources of Funds	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Total Sources of Funds	\$72,025	\$0	\$72,025	\$16,607	23%	\$16,607	(\$55,418)
USES OF FUNDS								
	Salaries & Wages	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Benefits	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Personnel Services	\$0	\$0	\$0	\$0	0%	\$0	\$0
	Services & Supplies	\$23,000	\$0	\$23,000	\$12,582	55%	\$12,582	\$10,418
	Capital Outlay	\$30,000	\$0	\$30,000	\$0	0%	\$0	\$0
	Debt Service	\$15,000	\$0	\$15,000	\$0	0%	\$0	\$15,000
	Total Expenditures	\$68,000	\$0	\$68,000	\$12,582	19%	\$12,582	\$25,418
OPERATING SURPLUS/(DEFICIT)		\$4,025	\$0	\$4,025	\$4,025		\$4,025	(\$80,836)
TRANSFERS & ENCUMBRANCES								
	Transfers In	0	0	0	0		0	0
	(Transfers Out)	0	0	0	0		0	0
	Encumbrances - Sources of Funding	0	0	0	0		0	0
	Encumbrances - (Designated Funds)	0	0	0	0		0	0
	NET TRANSFERS & ENCUMBRANCES	\$0	\$0	\$0	\$0		\$0	\$0

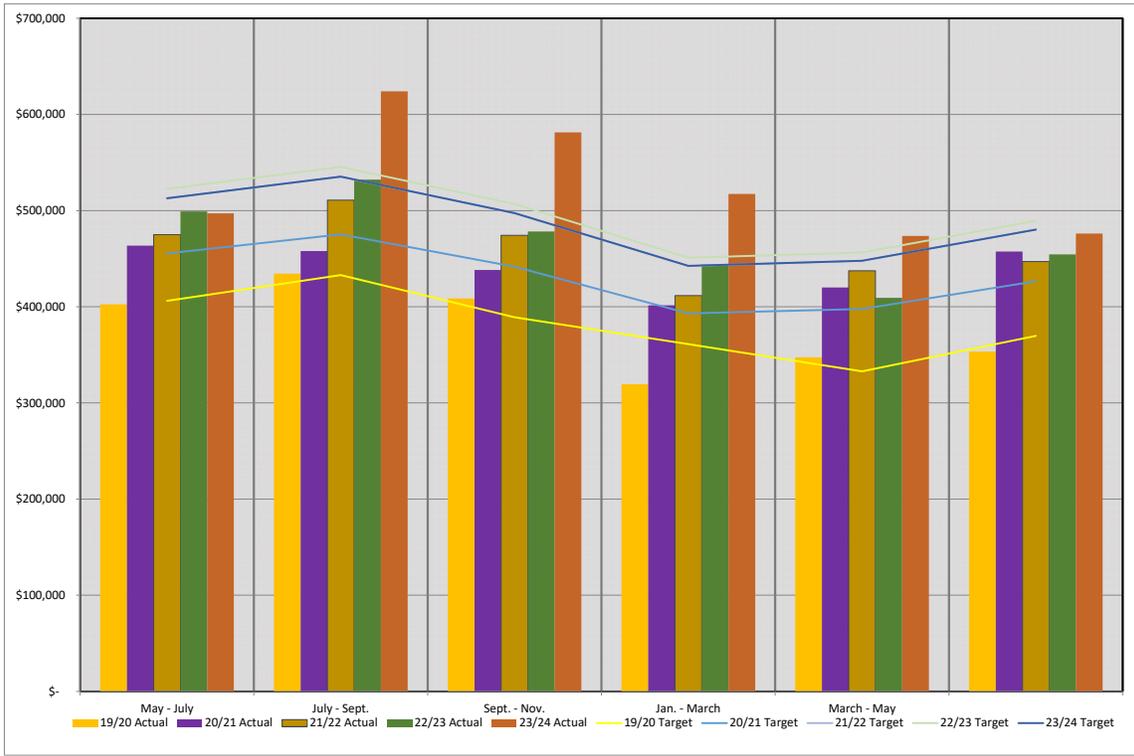


**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS
EQUIPMENT FUND - 12**

ACCOUNT NO.	EQUIPMENT FUND - 12	2023/24		CURRENT BUDGET	ACTUAL AT 6/30/2024	100%	ESTIMATED ACTUAL	2023/24 EST. BUDGET VARIANCE
		ADOPTED BUDGET	APPROVED ADJUSTMENTS					
SOURCES OF FUNDS								
REVENUES								
12-4-3800-001	Lease Revenue from Water	40,965		40,965	9,446	23%	9,446	(31,519)
12-4-3800-002	Lease Revenue from Sewer	28,585		28,585	6,591	23%	6,591	(21,994)
12-4-3800-005	Lease Revenue from Garbage	2,475		2,475	571	23%	571	(1,904)
Total Revenues		\$72,025	\$0	\$72,025	\$16,607	23%	\$16,607	(\$55,418)
OTHER SOURCES OF FUNDS								
Total Other Sources of Funds		\$0	\$0	\$0	\$0		\$0	\$0
Total Sources of Funds		\$72,025	\$0	\$72,025	\$16,607	23%	\$16,607	(\$55,418)
USES OF FUNDS								
SALARIES & WAGES								
12-5-4350-010	Salaries & Wages	0		0	0		0	0
Total Salaries & Wages		\$0	\$0	\$0	\$0		\$0	\$0
BENEFITS								
Total Benefits		\$0	\$0	\$0	\$0		\$0	\$0
Total Personnel Services		\$0	\$0	\$0	\$0		\$0	\$0
SERVICES & SUPPLIES								
12-5-4350-171	Maintenance - Vehicles	8,000		8,000	3,540	44%	3,540	4,460
12-5-4350-172	Fuel	15,000		15,000	9,042	60%	9,042	5,958
Total Services & Supplies		\$23,000	\$0	\$23,000	\$12,582	55%	\$12,582	\$10,418
CAPITAL OUTLAY								
12-5-4350-320	Fixed Assets - Service Truck	30,000		30,000	0		0	30,000
Total Capital Outlay		\$30,000	\$0	\$30,000	\$0		\$0	\$30,000
DEBT SERVICE								
12-5-4350-320	Equipment Lease	15,000		15,000	0	0%	0	15,000
Total Debt Service		\$15,000	\$0	\$15,000	\$0	0%	\$0	\$15,000
Total Expenditures		\$68,000	\$0	\$68,000	\$12,582	19%	\$12,582	\$55,418
OPERATING SURPLUS/(DEFICIT)		\$4,025	\$0	\$4,025	\$4,025		\$4,025	\$0
TRANSFERS & ENCUMBRANCES								
	Transfers In	0		0	0		0	0
	(Transfers Out)	0		0	0		0	0
	Encumbrances - Sources of Funding	0		0	0		0	0
	Encumbrances - (Designated Funds)	0		0	0		0	0
NET TRANSFERS & ENCUMBRANCES		\$0	\$0	\$0	\$0		\$0	\$0

Oceano Community Services District
Water Revenue Comparisons - Target to Actual
Billing Periods Ending in:
Fiscal Years 2019/20, 2020/21, 2021/22, 2022/23, 2023/24

	<u>19/20 Target</u>	<u>19/20 Actual</u>	<u>20/21 Target</u>	<u>20/21 Actual</u>	<u>21/22 Target</u>	<u>21/22 Actual</u>	<u>22/23 Target</u>	<u>22/23 Actual</u>	<u>23/24 Target</u>	<u>23/24 Actual</u>
May - July	\$ 406,103	\$ 402,499	\$ 455,479	\$ 463,594	\$ 512,747	\$ 474,941	\$ 522,606	\$ 499,156	\$ 512,889	\$ 497,121
July - Sept.	\$ 432,932	\$ 434,372	\$ 475,392	\$ 457,925	\$ 535,164	\$ 510,911	\$ 545,454	\$ 532,132	\$ 535,313	\$ 624,018
Sept. - Nov.	\$ 389,106	\$ 408,556	\$ 441,727	\$ 438,290	\$ 497,266	\$ 474,288	\$ 506,828	\$ 478,264	\$ 497,404	\$ 581,282
Nov. - Jan.	\$ 361,140	\$ 319,387	\$ 393,054	\$ 401,511	\$ 442,473	\$ 411,596	\$ 450,981	\$ 443,890	\$ 442,595	\$ 517,385
Jan. - March	\$ 332,934	\$ 347,461	\$ 397,761	\$ 420,025	\$ 447,771	\$ 437,466	\$ 456,381	\$ 409,222	\$ 447,896	\$ 473,630
March - May	\$ 369,786	\$ 353,371	\$ 426,548	\$ 457,470	\$ 480,178	\$ 447,006	\$ 489,411	\$ 454,518	\$ 480,311	\$ 476,059
Totals	\$ 2,292,000	\$ 2,265,646	\$ 2,589,960	\$ 2,638,815	\$ 2,915,599	\$ 2,756,207	\$ 2,971,660	\$ 2,817,182	\$ 2,916,408	\$ 3,169,494
(Shortfall)/Overfall		\$ (26,354)		\$ 48,855		\$ (159,392)		\$ (154,478)		\$ 253,086
										\$ (38,282)



Field Trips to State Parks and Beaches

Grant Agreement #2023-036-AX, \$15,904.00

Contact: Emily Henry, Associate Program Manager

ehenry@parksocalifornia.org

(916) 287-0146

Grant Tracking

01-5-4850-302

\$ 15,904.00

VENDOR	INVOICE DATE	INV. ID	Expense Amount	Oceano Elementary (0384)	SLO Beaver Brigade #0389	LMUSD #0145	CA Dept of Parks & Rec #0391	Check	Payment Date	Description / Notes
Oceano Elementary (0384)	1/29/2024	00003	\$ 2,880.00	\$ 2,880.00				60719	2/8/2024	Chaperone fingerprt fee - 40@\$72
LMUSD #0145	2/29/2024	240491	\$ 190.00			\$ 190.00		60796	3/21/2024	Trans 2/22/2024 Oceano School to Avila Park & Marine Institute, trip #923
LMUSD #0145	3/4/2024	240512	\$ 223.92			\$ 223.92		60796	3/21/2024	Trans 2/29/2024 Oceano School to Avila Park & Marine Institute, trip #925
LMUSD #0145	3/13/2024	240549	\$ 117.83			\$ 117.83		60796	3/21/2024	Trans 3/11/2024 Oceano School to Oceano Campground Beaver Bridgade #946
LMUSD #0145	3/22/2024	240561	\$ 104.00			\$ 104.00		60841	4/11/2024	Trans 3/18/2024 Oceano 6th Beaver Bridgade #948
LMUSD #0145	3/22/2024	240562	\$ 397.92			\$ 397.92		60841	4/11/2024	Trans 3/12/2024 Oceano 5th Science-Morro Bay #916
LMUSD #0145	3/22/2024	240563	\$ 438.75			\$ 438.75		60841	4/11/2024	Trans 3/13/2024 Oceano 4th La Purisima Mission #902
SLO Beaver Brigade #0389	4/12/2024	OCSD-2024-001	\$ 1,496.00		\$ 1,496.00			60865	4/23/2024	Curriculum Development, Coordinating, Permitting, Scheduling Feb-Mar 2024
LMUSD #0145	4/16/2024	240682	\$ 225.17			\$ 225.17		60892	5/2/2024	Trans 4/10/2024 Oceano to Oso Flaco Lake #973
LMUSD #0145	4/25/2024	240696	\$ 192.25			\$ 192.25		60892	5/2/2024	Trans 4/23/2024 Oceano to Oso Falco Lake #974
LMUSD #0145	4/25/2024	240700	\$ 139.00			\$ 139.00		60892	5/2/2024	Trans 4/23/2024 Oceano to Oceano Dunes #945
CA Dept of Parks & Rec #0391	5/1/2024	19265023	\$ 252.00				\$ 252.00	60880	5/2/2024	McLean&Garcia 6th Gr 5/16/24-26@\$8, 4@\$11
CA Dept of Parks & Rec #0391	5/1/2024	19264990	\$ 284.00				\$ 284.00	60880	5/2/2024	McLean&Garcia 6th Gr 5/16/24-30@\$8, 4@\$11
SLO Beaver Brigade #0389	5/13/2024	OCSD-2024-002	\$ 792.00		\$ 792.00			60927	5/22/2024	COOR, COMMUNICATION, RPTG, ED TOURS APR-MAY 2024
LMUSD #0145	5/15/2024	240765	\$ 209.50			\$ 209.50		60919	5/22/2024	Trans 5/8/2024 Oceano to Oso Flaco Lake #1035
LMUSD #0145	5/15/2024	240766	\$ 209.50			\$ 209.50		60919	5/22/2024	Trans 5/7/2024 Oceano to Oso Flaco Lake #1029
LMUSD #0145	4/30/2024	240717	\$ 97.00			\$ 97.00		60919	5/22/2024	Trans 4/25/2024 Oceano to Oceano Dune Visitor Ctr #917
LMUSD #0145	5/29/2024	240818	\$ 544.00			\$ 544.00		60956	6/6/2024	Trans 5/16/2024 Oceano to Hearst Castle #972
	GRAND TOTAL PAID TO DATE	\$ 8,792.84	\$ 8,792.84	\$ 2,880.00	\$ 2,288.00	\$ 3,088.84	\$ 536.00			
	Today's Date: 7/15/2024		\$ 7,111.16							

***10/11/2023 7F:** Budget expenditure request of \$1,175 by the Oceano Parks and Recreation Committee for a Dia de los Muertos event at the Oceano Community Center

**Event Dia de los Muertos,
11/5/2023 -**

	Budget*	Actual	Description/Notes	Date Rec'd	Date Paid	Amt Paid	Payment Notes
Custodian	\$ 175.00	\$ 191.88	Lucia Mar USD, 6 hrs @ \$31.98/hr	12/27/2023	01/10/2024	\$ 191.88	ck# 60644, \$191.88, payable Lucia Mar USD
Disc Jockey and sound system	\$ 300.00	\$ 300.00	Anthony Martinez, Cued Up Entertainment	11/09/2023	11/20/2023	\$ 300.00	ck# 60546, One Time Vendor- Anthony Martinez
Food service items	\$ 100.00	\$ 171.00	Janine Bands, 19 Tablecloth rental & cleaning	11/09/2023	11/20/2023	\$ 171.00	ck# 60554, One Time Vendor-Janine Bands
Ballet Folklorico dancers	\$ 150.00						
Poster and flyers	\$ 150.00	\$ 34.65	Reim request to C. Varni [Burdine, inv# 48727]	11/09/2023	12/06/2023	\$ 34.65	ck# 60603, \$84.65, payable Charles Varni
Marigold flowers	\$ 50.00	\$ 50.00	Reim request to C. Varni [farm, # 092631]	11/09/2023	12/06/2023	\$ 50.00	ck# 60603, \$84.65, payable Charles Varni
Contingency	\$ 250.00	\$ 225.00	The Event Helper, Inc. - Liability Insurance	10/23/2023	10/23/2023	\$ 225.00	pd via OCSD Mastercard 10/23/2023 [12/13/2023 BOD]

\$ 1,175.00 \$ 972.53

Total paid to date --> \$ 972.53