Request for the Approval of Amendment to the Adopted Budget for Property Tax Allocation

FY 23 & FY 24

MEMORANDUM

Date: July 2, 2026

To: Board of Directors/Finance Committee

From: Cecilia Min, Director of Finance and Administration

Subject: Approval to Amend Adopted FY 2023 Budget for Property Tax Allocation

Proposed Action

Staff request Board/Finance Committee approval to amend the FY23 adopted budget for property tax allocation by redirecting funds to cover operating losses exclusively to Water, Wastewater, and Solid Waste funds.

Background

FY23 adopted budget shows a property tax budget of $775K and allocated to the various funds as indicated below. The budget allocated for security is $414,591 and drainage of $89,783.

RANCHO MURIETA CSD
FY 2022-23 Adopted Budget
Budget Summary

	FY 2019-20 Actual	FY 2020-21 Unaudited	FY 2021-22 Projected Year End	% Budget Change	FY 2022-23 Adopted	% Budget Change
Revenues						
Administration	843,071	804,005	834,123	3.7%	817,450	-2%
Water	2,686,451	2,645,112	2,657,212	0.5%	2,905,332	9%
Sewer	1,671,504	1,540,870	1,647,416	6.9%	1,703,379	3%
Drainage	220,380	220,118	222,681	1.2%	240,644	8%
Solid Waste	725,222	753,273	1,010,340	34.1%	961,093	-5%
Security	1,396,374	1,470,397	1,645,615	11.9%	1,645,217	0%
Total Revenues	**7,543,000**	**7,433,776**	**8,017,388**	**7.9%**	**8,273,115**	**3%**
Expenditures						
Administration	1,626,915	1,621,544	1,952,026	20.4%	1,977,786	1%
Water	1,954,578	2,510,744	2,378,070	-5.3%	2,076,091	-13%
Sewer	1,950,063	1,350,841	1,400,419	3.7%	1,372,539	-2%
Drainage	213,189	182,212	206,805	13.5%	247,781	20%
Solid Waste	824,673	772,798	1,048,904	35.7%	1,032,280	-2%
Security	1,617,107	1,427,191	1,550,861	8.7%	1,438,206	-7%
Total Operating Expenses	**8,186,527**	**7,865,330**	**8,537,085**	8.5%	**8,144,683**	**-5%**
Transfers						
Transfer from 100 - Administration	(220,733)	(497,283)	(397,320)	-20.1%	(775,000)	95%
Transfer to 200 - Water	-	-	-	0.0%	-	0%
Transfer to 250 - Wastewater	-	-	-	0.0%	159,651	0%
Transfer to 260 - Drainage	-	24,853	32,848	32.2%	89,783	173%
Transfer to 400 - Solid Waste	-	-	-	0.0%	110,975	0%
Transfer to 500 - Security	220,733	472,430	364,472	-22.9%	414,591	14%
Total Transfers	**0**	**0**	**0**		**0**	**0%**

The unaudited statement of revenues and expenditures for FY23 is presented below.

Consistent with the FY23 adopted property tax allocation methodology, the actual property tax revenue of $863,468 was allocated based on the established percentages. The resulting net outcomes for each fund are outlined below.

1. Water = $(1,737,391)
2. Wastewater = $(751,435)
3. Drainage = $193,741
4. Solid Waste = $12,273
5. Security = $448,941

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Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2023

	Water	Wastewater	Drainage	Solid Waste	Security	Total
Operation						
Total Operating Revenue	2,984,776	1,714,139	228,019	1,000,573	1,538,337	7,465,843
Expenses						
Total Operating Expenses	3,066,273	1,784,878	38,234	985,101	1,069,779	6,944,264
Total General and Administrative Exp	1,655,894	858,571	96,076	126,842	481,534	3,218,913
Total Expenses	4,722,167	2,643,449	134,310	1,111,943	1,551,313	10,163,178
Operation Income (Loss)	(1,737,391)	(929,310)	93,709	(111,370)	(12,976)	(2,697,335)
Less: Property Taxes Revenue	0	177,875	100,032	123,643	461,917	863,468
Operation Result after Property Taxes I	(1,737,391)	(751,435)	193,741	12,273	448,941	(1,833,867)
Other Non-Operation Activities						
Total Reserve Revenue	675,375	500,135	0	0	4,187	1,179,698
Developer Income/Expenses	689,179	359,170	410,882	0	0	1,459,230
Other						
Total Other Income	131,365	(9,688)	(7,160)	(3,577)	(1,952)	108,988
Net Income (Loss)	(241,472)	98,182	597,463	8,696	451,176	914,049

Property tax reserves should not be allocated to the Security fund, as doing so results in a significant and unintended increase in the Security fund balance. Measure J revenues are intended to fund Security operations and should remain the primary source for these expenditures.

Property taxes should be reallocated based on the operating loss ratios of the Water, Wastewater, and Solid Waste funds. The final allocation amounts will be determined based on the audited financial statements; however, the allocation methodology will be driven by each fund's proportionate operating loss.

	Water	Wastewater	Drainage	Solid Waste	Security	Total
Operation Income (Loss)	(1,737,391)	(929,310)	93,709	(111,370)	(12,976)	(2,697,335)
Operating loss ratio	63%	33%		4%		
Property taxes adjusted allocation.	540,008	288,844		34,616		863,468

This adjustment is required to finalize the FY23 audit. However, staff cannot record the adjustment without Board approval.

Conclusion

Staff recommend that the Board/Finance Committee approve an amendment to the adopted FY23 budget to revise the property tax allocation percentages. The proposed amendment reallocates property tax revenues to cover operating losses incurred in the Water, Wastewater, and Solid Waste funds.

MEMORANDUM

Date: July 2, 2026

To: Board of Directors/Finance Committee

From: Cecilia Min, Director of Finance

Subject: Approval to Amend Adopted FY 2024 Budget for Property Tax Allocation

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Proposed Action

Staff request Board/Finance Committee approval to amend the FY24 adopted budget for property tax allocation by redirecting funds to cover operating losses exclusively to Water, Wastewater, and Solid Waste funds.

Background

FY24 adopted budget shows a property tax budget of $881K (283K+ 425K+60K+50K) and allocated to the various funds as indicated below. The budget allocated for security is $50K and drainage of $60K.

RANCHO MURIETA Community Services District
FY 2023-24 Proposed Budget
Budget Summary

	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Proposed Budget	% Change
Revenues					
Administration	722,210	756,290	817,450	860,450	5%
Water	2,507,729	2,634,526	2,905,332	4,271,112	47%
Wastewater	1,513,570	1,660,269	1,703,379	2,594,401	52%
Drainage	217,192	214,916	240,644	240,000	0%
Solid Waste	735,479	986,086	961,093	1,416,427	47%
Security	1,526,347	1,568,266	1,645,217	1,587,960	-3%
Total	**7,222,528**	**7,820,354**	**8,273,115**	**10,970,350**	**33%**
Uses of Resources					
Administration	1,825,904	1,976,562	1,977,786	2,046,308	3%
Water	1,816,956	1,895,710	2,076,091	4,054,025	95%
Wastewater	1,248,848	1,159,843	1,372,539	2,282,405	66%
Drainage	204,778	214,428	247,781	221,694	-11%
Solid Waste	715,708	922,243	1,032,279	1,394,424	35%
Security	1,410,332	1,392,245	1,438,206	1,254,124	-13%
Total	**7,222,526**	**7,561,031**	**8,144,682**	**11,252,980**	**38%**
Transfers In					
To Capital Reserve from Admin				283,000	
To Water from Admin	-	-	-	425,000	
To Wastewater from Admin			159,651		
To Drainage from Admin	64,521	82,107	89,783	60,000	
To Solid Waste from Admin	-	-	110,975	-	
To Security from Admin	469,452	452,516	414,591	50,000	
Transfers Out					
From Admin to Capital Reserve				(283,000)	
From Admin to Water	-	-	-	(425,000)	
From Admin to Wastewater			(159,651)		
From Admin to Drainage	(64,521)	(82,107)	(89,783)	(60,000)	
From Admin to Solid Waste	-	-	(110,975)	-	
From Admin to Security	(469,452)	(452,516)	(414,591)	(50,000)	

The unaudited statement of revenues and expenditures for FY24 is presented below.

Consistent with the FY24 adopted property tax allocation methodology, the actual property tax revenue of $906,387 was allocated based on the established percentages. The resulting net outcomes for each fund are outlined below.

1. Water = $(603,846)
2. Wastewater = $(534,734)
3. Drainage = $73,355
4. Solid Waste = $(10,073)
5. Security = $136,524

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2024

	Water	Wastewater	Drainage	Solid Waste	Security	Total
Operation						
Total Operating Revenue	3,162,740	2,075,545	243,225	1,431,609	1,610,818	8,523,939
Expenses						
Total Operating Expenses	3,046,884	2,306,172	162,724	1,350,664	1,482,756	8,349,202
Total General and Administrative Expenses	1,190,625	617,686	68,629	91,018	319,989	2,287,945
Total Expenses	4,237,509	2,923,858	231,353	1,441,682	1,802,745	10,637,147
Operation Income (Loss)	(1,074,769)	(848,313)	11,872	(10,073)	(191,927)	(2,113,208)
Less: Property Taxes Revenue	470,923	313,579	66,483	0	55,403	906,387
Operation Result after Property Taxes Revenue	(603,846)	(534,734)	78,355	(10,073)	(136,524)	(1,206,821)
	52%	35%	7%		6%	
Other Non-Operation Activities						
Total Reserve Revenue	911,524	527,491	0	0	35,947	1,474,962
Developer Income/Expenses	669,511	656,138	521,900	0	0	1,847,547
Total Other Income Grant Income	(119,893)	121,333	9,091	26,151	10,964	47,646
Net Income (Loss)	857,296	770,228	609,346	16,078	(89,613)	2,163,335

Measure J revenues are intended to fund Security operations and should remain the primary source for these expenditures. Property tax reserves should be reallocated ratably to Water, Wastewater, and Solid Waste to cover operating loss.

Property taxes should be reallocated based on the operating loss ratios of the Water, Wastewater, and Solid Waste. The final allocation amounts will be determined based on the audited financial statements; however, the allocation methodology will be driven by each fund's proportionate operating loss.

	Water	Wastewater	Drainage	Solid Waste	Security	Total
Operation Income (Loss)	(1,074,769)	(848,313)	11,872	(10,073)	(191,927)	(2,113,208)
Operating Loss Ratio	55.6%	43.9%		0.5%		
Property taxes adjusted allocation	503,921	397,744		4,723		906,387

This adjustment is required to finalize the FY24 audit. However, staff cannot record the adjustment without Board approval.

Conclusion

Staff recommend that the Board/Finance Committee approve an amendment to the adopted FY24 budget to revise the property tax allocation percentages. The proposed amendment reallocates property tax revenues to cover operating losses incurred in the Water, Wastewater, and Solid Waste funds.

Review of Budget Vs. Actual - UNAUDITED

The FY 2023 audit is currently in progress; therefore, the financial information presented herein is preliminary and subject to change.

This information is presented solely for the purpose of obtaining approval of the budget amendment related to property tax allocation.

FY 2023

Highlights – FY23

- Utility operations reported an operating loss of approximately $2.7 million.
- After adding back depreciation expense of $1.6 million, which is a non-cash item and not budgeted for operational purposes, the adjusted operating loss was approximately $1.1 million.
- Utility rates are intended to support operating costs; however, revenues were insufficient to fully offset expenses during the year.
- FY22/23 was the year the proposed rate increase was overturned, limiting the utility's ability to generate additional revenue to support operations and maintain financial stability.
- The operating results highlight the importance of maintaining adequate rate levels to ensure the long-term sustainability of utility services.
- Property Tax was used to cover the operation loss as indicated in the adopted budget FY23.

				Actual
Operation Income (Loss)				**(2,697,335)**
	Depreciation			1,564,425
		Adjusted Operation Loss		(1,132,910)
		Budgeted Operation Loss		(741,838)
			Variances	(391,072)

Monthly Rates July 1, 2025	%	Monthly Rates July 1, 2024	%	Monthly Rates July 1, 2023	%	Monthly Rates July 1, 2022	%	Monthly Rates July 1, 2021
54.09	3%	52.26	18%	42.84	10%	38.73	0%	38.73
16.00	13%	14	0%	14	0%	14	0%	14
70.09	5%	66.26	14%	56.84	7%	52.73	0%	52.73
39.86	0%	39.86	20%	31.92	0%	31.92	0%	31.92
109.95	3%	106.12	16%	88.76	5%	84.65	0%	84.65
6.00	0%	6	0%	6	0%	6	0%	6
61.61	3%	59.53	9%	54.12	28%	38.73	0%	38.73
16.00	13%	14	0%	14	0%	14	0%	14
77.61	5%	73.53	7%	68.12	23%	52.73	0%	52.73
43.87	12%	38.75	-1%	38.96	29%	27.82	0%	27.82
3.00	0%	3	0%	3	33%	2	0%	2
3.00		2.5		0		0		0
33.48	2%	32.82	2%	32.18	2%	31.55	2%	30.93
5.87	2%	5.75	2%	5.64	2%	5.53	2%	5.43
$ 282.78	5%	**$ 268.47**	10%	**$ 242.66**	13%	**$ 210.28**	0%	**$ 209.56**

2022 – no increase due to rate was overturned

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2023

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Operation										
Operating Revenue										
Residential Fees	$2,409,303	$1,444,227	$185,612	$990,434	$1,232,790	$6,262,366	$6,470,918	($208,552)	$6,470,918	96.78%
Commercial Fees	383,194	195,480	35,511	0	266,163	880,347	765,677	114,670	765,677	114.98%
Late Fees & Penalties	60,501	2,287	236	1,259	953	65,236	75,100	(9,864)	75,100	86.87%
Other Sales	16,335	0	0	0	0	16,335	6,600	9,735	6,600	247.50%
Investment Earnings	0	0	0	0	0	0	0	0	0	0.00%
Interest Income	115,443	72,145	6,660	8,880	31,081	234,209	49,150	185,059	49,150	476.52%
Water- Admin Charges -	0	0	0	0	0	0	0	0	0	0.00%
Other Fees	0	0	0	0	7,350	7,350	9,900	(2,550)	9,900	74.24%
Total Operating Revenue	**2,984,776**	**1,714,139**	**228,019**	**1,000,573**	**1,538,337**	**7,465,843**	**7,377,345**	**88,498**	**7,377,345**	**101.20%**
Expenses										
Operating Expenses										
Salaries and Wages	608,363	597,508	49,738	1,620	748,305	2,005,534	1,884,399	121,135	1,884,399	106.43%
Benefits, Taxes & Pension	398,396	(580)	(123,958)	(52,478)	78,186	299,566	1,318,027	(1,018,461)	1,318,027	22.73%
Workers Compensation	40,474	27,957	6,521	0	43,248	118,200	0	118,200	0	0.00%
Capacity Purchase	0	0	0	0	0	0	125,749	(125,749)	125,749	0.00%
Chemical	119,847	62,911	0	0	0	182,758	67,000	115,758	67,000	272.77%
Regulatory - Inspections	86,183	0	0	0	0	86,183	0	86,183	0	0.00%
Regulatory - Lab Testing	23,907	15,027	0	0	0	38,934	15,000	23,934	15,000	259.56%
Tools & Supplies	21,258	13,692	0	0	1,846	36,797	254,510	(217,713)	254,510	14.46%
Repairs & Maintenance	338,830	199,354	58,323	0	12,425	608,932	575,887	33,045	575,887	105.74%
Uniform and Clothings	5,241	3,342	0	0	5,303	13,886	5,200	8,686	5,200	267.05%
Training and Seminars	2,159	0	0	0	245	2,404	22,200	(19,796)	22,200	10.83%
Small Equipment	6,214	11,978	0	0	0	18,192	14,518	3,674	14,518	125.30%
License & Permits	54,784	28,310	0	0	2,520	85,614	76,492	9,122	76,492	111.93%
Contractual Services	165,756	38,116	32,104	1,025,045	53,528	1,314,547	1,282,022	32,525	1,282,022	102.54%
Rental/Lease expenses	11,361	6,764	0	0	0	18,125	6,700	11,425	6,700	270.52%
Travel and Mileage	14,074	24,735	0	0	14,721	53,531	56,100	(2,569)	56,100	95.42%
Software License/Support	4,150	15,697	0	0	15,880	35,727	70,640	(34,913)	70,640	50.58%
HR & Recruitment	576	0	0	0	1,417	1,993	2,336	(344)	2,336	85.30%
Memberships & Subscriptions	3,998	427	0	0	0	4,425	1,225	3,200	1,225	361.23%
Miscellaneous	0	0	0	0	0	0	0	0	0	0.00%
Utilities	281,448	93,730	0	0	10,747	385,926	194,450	191,476	194,450	198.47%
Telecommunications	21,747	20,987	0	0	20,667	63,402	46,310	17,092	46,310	136.91%
Office Supplies	3,656	2,774	0	0	(3,101)	3,328	3,740	(412)	3,740	88.99%
Bad Debts	0	0	0	0	0	0	0	0	0	0.00%
Fines and Penalties	1,230	0	0	0	0	1,230	0	1,230	0	0.00%
Miscellaneous Expenses	(12,796)	1,367	226	10,914	1,396	1,107	62,133	(61,026)	62,133	1.78%
Depreciation - Water	854,688	620,672	15,280	0	62,446	1,553,086	0	1,553,086	0	0.00%
Gain/Loss on Asset Disposition	0	0	0	0	0	0	0	0	0	0.00%
Interest Expense	10,729	110	0	0	0	10,839	0	10,839	0	0.00%
Total Operating Expenses	**3,066,273**	**1,784,878**	**38,234**	**985,101**	**1,069,779**	**6,944,264**	**6,084,638**	**859,626**	**6,084,638**	**114.13%**

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2023

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
General and Administrative Expenses										
Salaries & Wages	367,193	190,658	21,184	28,246	98,860	706,140	878,608	(172,469)	878,608	80.37%
Benefits, Taxes & Pension	212,941	110,566	12,285	16,380	57,330	409,502	534,365	(124,863)	534,365	76.63%
OPEB	(3,902)	(2,026)	(225)	(300)	(1,049)	(7,502)	56,759	(64,261)	56,759	(13.22%)
Worker's Comp Insurance	27,325	14,188	1,576	2,102	7,357	52,549	0	52,549	0	0.00%
Insurance	77,562	40,272	4,475	5,966	20,882	149,157	0	149,157	0	0.00%
Community Communications	15,207	7,896	877	1,170	4,094	29,244	0	29,244	0	0.00%
Repairs and Maintenance	37,447	19,444	2,160	2,881	10,082	72,014	12,550	59,464	12,550	573.82%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0	0.00%
Telecommunications	11,341	5,889	654	872	3,053	21,809	5,000	16,809	5,000	436.19%
Software License/Support	107,359	55,420	6,383	8,247	28,766	206,175	204,163	2,012	204,163	100.99%
Utilities	13,199	6,853	761	1,015	3,553	25,382	0	25,382	0	0.00%
Membership and Subscriptions	6,611	3,433	381	509	1,780	12,714	15,000	(2,286)	15,000	84.76%
Training and Seminars	0	0	0	0	0	0	10,000	(10,000)	10,000	0.00%
Legal Fees	91,696	47,612	5,290	7,054	24,687	176,339	60,000	116,339	60,000	293.90%
Consulting Fees	366,328	190,209	21,134	28,179	98,627	704,476	139,000	565,476	139,000	506.82%
HR and Recruitment Fees	23,544	12,225	1,358	1,811	6,339	45,277	3,500	41,777	3,500	1293.63%
Accounting and Audit Fees	135,772	69,841	8,216	10,421	36,273	260,522	24,500	236,022	24,500	1063.36%
Travel and Mileage	(222)	(115)	(13)	(17)	(60)	(428)	0	(428)	0	0.00%
Office supplies	23,878	12,398	1,378	1,837	6,429	45,920	35,000	10,920	35,000	131.20%
Postage	17,536	9,105	1,012	1,349	4,721	33,723	29,750	3,973	29,750	113.35%
Bank Analysis Fees	2,091	1,086	121	161	563	4,020	0	4,020	0	0.00%
Board and Committee Meetings	4,386	2,277	253	337	37,734	44,988	18,000	26,988	18,000	249.93%
Fines and Penalties	0	0	0	0	0	0	0	0	0	0.00%
Employee events	0	0	0	0	0	0	0	0	0	0.00%
Small Equipments	0	0	0	0	0	0	0	0	0	0.00%
Miscellaneous	112,088	58,199	6,467	8,622	30,178	215,554	8,350	207,204	8,350	2581.48%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0	0.00%
Depreciation	6,514	3,141	349	0	1,335	11,339	0	11,339	0	0.00%
Gain/Loss on Assets Disposal	0	0	0	0	0	0	0	0	0	0.00%
Total General and Administrative Expenses	**1,655,894**	**858,571**	**96,076**	**126,842**	**481,534**	**3,218,913**	**2,034,545**	**1,184,368**	**2,034,545**	**158.21%**
Total Expenses	**4,722,167**	**2,643,449**	**134,310**	**1,111,943**	**1,551,313**	**10,163,178**	**8,119,183**	**2,043,995**	**8,119,183**	**125.17%**
Operation Income (Loss)	**(1,737,391)**	**(929,310)**	**93,709**	**(111,370)**	**(12,976)**	**(2,697,335)**	**(741,838)**	**(1,955,497)**	**(741,838)**	**363.60%**
Less: Property Taxes Revenue	0	177,875	100,032	123,643	461,917	863,468	775,000	88,468	775,000	111.42%
Operation Result after Property Taxes Revenue	**(1,737,391)**	**(751,435)**	**193,741**	**12,273**	**448,941**	**(1,833,867)**	**33,162**	**(1,867,029)**	**33,162**	**(5530.03%)**

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2023

Other Non-Operation Activities

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Reserve Contribution										
Water Capital Impr Fees	19,112	42,008	0	0	587	61,708	0	61,708	0	0.00%
Water Augmentation Fees	11,267	0	0	0	0	11,267	0	11,267	0	0.00%
Water Cap Replacement Reserve	456,756	458,127	0	0	0	914,883	965,249	(50,366)	965,249	94.78%
Debt Service Fees	188,240	0	0	0	0	188,240	187,905	335	187,905	100.18%
Security Impact Fees	0	0	0	0	3,600	3,600	0	3,600	0	0.00%
Interest and Investment Earnings (Restr.)	0	0	0	0	0	0	0	0	0	0.00%
Total Reserve Revenue	**675,375**	**500,135**	**0**	**0**	**4,187**	**1,179,698**	**1,153,154**	**26,544**	**1,153,154**	**102.30%**
Developer Activities										
Developer Revenue	63,022	0	0	0	0	63,022	2,250	60,772	2,250	2800.97%
Inspection Revenue	17,286	1,771	0	0	0	19,057	33,320	(14,263)	33,320	57.19%
Contribution - Donated Infrastructure	689,776	357,399	410,882	0	0	1,458,056	0	1,458,056	0	0.00%
Salary and Admin Expense	0	0	0	0	0	0	0	0	0	0.00%
Consulting Expenses: Developer	65,644	0	0	0	0	65,644	2,500	63,144	2,500	2625.76%
Consulting Expenses: FSA	15,261	0	0	0	0	15,261	0	15,261	0	0.00%
Developer Income/Expenses	**689,179**	**359,170**	**410,882**	**0**	**0**	**1,459,230**	**33,070**	**1,426,160**	**33,070**	**4412.55%**
Other										
Other Income	10,828	11,729	398	530	1,856	25,341	85,200	(59,859)	85,200	29.74%
Grant Revenue	197,647	26,707	0	0	0	224,354	0	224,354	0	0.00%
CIA Ditch Service Charges	0	0	0	0	0	0	0	0	0	0.00%
Consulting:Water Studies	0	0	0	0	0	0	18,000	(18,000)	18,000	0.00%
CIA Ditch Maintenance & Operations	12,123	0	0	0	0	12,123	5,000	7,123	5,000	242.45%
Salary and Admin Expenses	0	0	0	0	0	0	0	0	0	0.00%
Investment FMV adjustment	(64,987)	(48,124)	(7,558)	(4,107)	(3,808)	(128,584)	0	(128,584)	0	0.00%
Total Other Income	**131,365**	**(9,688)**	**(7,160)**	**(3,577)**	**(1,952)**	**108,988**	**62,200**	**46,788**	**62,200**	**175.22%**
Net Income (Loss)	**(241,472)**	**98,182**	**597,463**	**8,696**	**451,176**	**914,049**	**1,281,586**	**(367,537)**	**1,281,586**	**71.32%**

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2023

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Net Income (Loss)						**914,049**				
Not Budgeted items:										
Contribution - Donated Infrastructure						(1,458,056)				
Grant Revenue						(224,354)				
Investment FMV adjustment						128,584				
Depreciation						1,564,425				
Net Income(Loss) Adjusted						924,648				
Adopted Budget Net Income						1,281,586				
Variances						(356,938)				

	Actual
Operation Income (Loss)	**(2,697,335)**
Depreciation	1,564,425
Adjusted Operation Loss	(1,132,910)
Budgeted Operation Loss	(741,838)
Variances	(391,072)

The FY23 adopted budget does not present the fiscal year net position. Therefore, it has been reformatted to align with a standardized reporting structure, ensuring consistency and comparability with the current financial statement format.

RANCHO MURIETA CSD
FY 2022-23 Adopted Budget
Budget Summary

	FY 2019-20 Actual	FY 2020-21 Unaudited	FY 2021-22 Projected Year End	% Budget Change	FY 2022-23 Adopted	% Budget Change
Revenues						
Administration	843,071	804,005	834,123	3.7%	817,450	-2%
Water	2,686,451	2,645,112	2,657,212	0.5%	2,905,332	9%
Sewer	1,671,504	1,540,870	1,647,416	6.9%	1,703,379	3%
Drainage	220,380	220,118	222,681	1.2%	240,644	8%
Solid Waste	725,222	753,273	1,010,340	34.1%	961,093	-5%
Security	1,396,374	1,470,397	1,645,615	11.9%	1,645,217	0%
Total Revenues	**7,543,000**	**7,433,776**	**8,017,388**	**7.9%**	**8,273,115**	**3%**
Expenditures						
Administration	1,626,915	1,621,544	1,952,026	20.4%	1,977,786	1%
Water	1,954,578	2,510,744	2,378,070	-5.3%	2,076,091	-13%
Sewer	1,950,063	1,350,841	1,400,419	3.7%	1,372,539	-2%
Drainage	213,189	182,212	206,805	13.5%	247,781	20%
Solid Waste	824,673	772,798	1,048,904	35.7%	1,032,280	-2%
Security	1,617,107	1,427,191	1,550,861	8.7%	1,438,206	-7%
Total Operating Expenses	**8,186,527**	**7,865,330**	**8,537,085**	**8.5%**	**8,144,683**	**-5%**
Transfers						
Transfer from 100 - Administration	(220,733)	(497,283)	(397,320)	-20.1%	(775,000)	95%
Transfer to 200 - Water	-	-	-	0.0%	-	0%
Transfer to 250 - Wastewater	-	-	-	0.0%	159,651	0%
Transfer to 260 - Drainage	-	24,853	32,848	32.2%	89,783	173%
Transfer to 400 - Solid Waste	-	-	-	0.0%	110,975	0%
Transfer to 500 - Security	220,733	472,430	364,472	-22.9%	414,591	14%
Total Transfers	**0**	**0**	**0**		**0**	**0%**
Administration Allocation						
Administration	-	(1,621,544)	(1,952,026)	20.4%	(1,977,786)	1%
Water	-	603,900	726,895	20.4%	744,258	2%
Sewer	-	402,143	484,187	20.4%	490,491	1%
Drainage	-	67,759	81,569	20.4%	82,646	1%
Solid Waste	-	32,107	38,650	20.4%	38,789	0%
Security	-	515,635	620,725	20.4%	621,602	0%
Total Administration Allocation	**0**	**0**	**0**	**0%**	**0**	**0%**
Reserve Collections						
Administration	-	-				
Water	263,954	335,206	467,754	39.5%	468,854	0%
Sewer	230,796	235,348	494,295	110.0%	496,395	0%
Security	98,000	-	-	0.0%	-	0%
Drainage	66,000	-	-	0.0%	-	0%
Total Reserve Collections	**658,750**	**570,554**	**962,049**	**-69%**	**965,249**	**0%**
Inter-fund Borrowing Repayment						
Interfund Collection	188,221	212,199	212,199	0.0%	212,199	0%
Loan Repayment	211,127	187,905	187,905	0.0%	187,905	0%
Interfund Loan Total						

Refomated

	42,450.00
	2,905,332.00
	1,703,379.00
	240,644.00
	961,093.00
	1,645,217.00
	7,498,115.00
	1,977,786.00
	2,076,091.00
	1,372,539.00
	247,781.00
	1,032,280.00
	1,438,206.00
	8,144,683.00
Operating Income(Loss)	(646,568.00)
Property Tax	775,000.00
Operation Result after Property Taxes Revenue	128,432.00
Reserve Contributions	965,249.00
Debt service Fund	187,905.00
Net Income (Loss)	1,281,586.00

* This amount included expenses that are not classified as nonoperating expenses. Eg. Water Studies, FSA legal fees and Developers related expenses. They are classified as under the non These expenses are now classified under nonoperation activities.

Review of Budget Vs. Actual - UNAUDITED

The FY 2024 audit is currently in progress; therefore, the financial information presented herein is preliminary and subject to change.

This information is presented solely for the purpose of obtaining approval of the budget amendment related to property tax allocation.

FY 2024

Highlights – FY24

- Utility operations reported an operating loss of approximately **$2.1 million**.
- After adding back **$1.6 million in depreciation expense**, a non-cash item that is not budgeted for operational purposes, the **adjusted operating loss was approximately $487,000**, a significant improvement from the **FY23 adjusted operating loss of $1.1 million**.
- Utility rates **increased by 13%** compared to the prior fiscal year, contributing to improved operating results.
- **Property tax revenue was used to offset the operating loss**, consistent with the FY23 adopted budget. However, property tax revenue is intended to serve as an **operating reserve** and should be preserved to support long-term financial stability and future operational needs.

	Actual
Operation Income (Loss)	(2,113,208)
Depreciation - Not Budget	1,626,201
Adjusted Operation Loss	(487,007)
Budgeted Operation Loss	(547,199)
Variances	60,192

RANCHO MURIETA Community Services District
FY 2023-24 Proposed Budget
Budget Summary

	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Proposed Budget	% Change
Revenues					
Administration	722,210	756,290	817,450	860,450	5%
Water	2,507,729	2,634,526	2,905,332	4,271,112	47%
Wastewater	1,513,570	1,660,269	1,703,379	2,594,401	52%
Drainage	217,192	214,916	240,644	240,000	0%
Solid Waste	735,479	986,086	961,093	1,416,427	47%
Security	1,526,347	1,568,266	1,645,217	1,587,960	-3%
Total	**7,222,528**	**7,820,354**	**8,273,115**	**10,970,350**	**33%**
Uses of Resources					
Administration	1,825,904	1,976,562	1,977,786	2,046,308	3%
Water	1,816,956	1,895,710	2,076,091	4,054,025	95%
Wastewater	1,248,848	1,159,843	1,372,539	2,282,405	66%
Drainage	204,778	214,428	247,781	221,694	-11%
Solid Waste	715,708	922,243	1,032,279	1,394,424	35%
Security	1,410,332	1,392,245	1,438,206	1,254,124	-13%
Total	**7,222,526**	**7,561,031**	**8,144,682**	**11,252,980**	**38%**
Transfers In					
To Capital Reserve from Admin				283,000	
To Water from Admin	-	-	-	425,000	
To Wastewater from Admin			159,651		
To Drainage from Admin	64,521	82,107	89,783	60,000	
To Solid Waste from Admin	-	-	110,975	-	
To Security from Admin	469,452	452,516	414,591	50,000	
Transfers Out					
From Admin to Capital Reserve				(283,000)	
From Admin to Water	-	-	-	(425,000)	
From Admin to Wastewater			(159,651)		
From Admin to Drainage	(64,521)	(82,107)	(89,783)	(60,000)	
From Admin to Solid Waste	-	-	(110,975)	-	
From Admin to Security	(469,452)	(452,516)	(414,591)	(50,000)	

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2024

	Water	Wastewater	Drainage	Solid Waste	Security	Total	Over(Under)	Annual Budget	% of Budget
Operation									
Operating Revenue									
Residential Fees	$2,442,298	$1,718,196	$196,440	$1,406,576	$1,271,187	$7,034,697	($117,122)	$7,151,819	98.36%
Commercial Fees	392,537	187,029	29,414	0	256,106	865,087	(113,523)	978,610	88.40%
Late Fees & Penalties	11,098	4,448	440	2,458	1,962	20,407	(17,693)	38,100	53.56%
Other Sales	23,332	0	0	0	0	23,332	17,932	5,400	432.08%
Investment Earnings	0	0	0	0	0	0	0	0	0.00%
Interest Income	293,475	165,872	16,931	22,575	79,013	577,866	532,516	45,350	1274.24%
Water- Admin Charges -	0	0	0	0	0	0	0	0	0.00%
Other Fees	0	0	0	0	2,550	2,550	(8,550)	11,100	22.97%
Total Operating Revenue	**3,162,740**	**2,075,545**	**243,225**	**1,431,609**	**1,610,818**	**8,523,939**	**293,560**	**8,230,379**	**103.57%**
Expenses									
Operating Expenses									
Salaries and Wages	610,571	598,721	46,977	1,600	784,036	2,041,904	153,163	1,888,741	108.11%
Benefits, Taxes & Pension	416,548	314,794	31,537	10,921	464,422	1,238,222	339,541	898,681	137.78%
Workers Compensation	49,309	29,842	7,259	0	46,581	132,992	132,992	0	0.00%
Capacity Purchase	0	0	0	0	0	0	(138,749)	138,749	0.00%
Chemical	152,660	66,059	0	0	0	218,720	151,720	67,000	326.45%
Regulatory - Inspections	94,964	0	0	0	0	94,964	94,964	0	0.00%
Regulatory - Lab Testing	19,109	14,133	1,855	0	0	35,097	20,097	15,000	233.98%
Tools & Supplies	25,754	14,405	0	0	2,742	42,901	(284,759)	327,660	13.09%
Repairs & Maintenance	382,653	295,845	19,744	0	39,597	737,839	99,739	638,100	115.63%
Uniform and Clothings	8,998	8,015	0	0	2,405	19,418	9,362	10,056	193.10%
Training and Seminars	6,481	2,358	0	0	1,293	10,132	(12,068)	22,200	45.64%
Small Equipment	3,810	(5,150)	3,558	0	0	2,218	(20,662)	22,880	9.69%
License & Permits	56,693	73,534	0	0	75	130,302	53,810	76,492	170.35%
Contractual Services	123,817	72,100	11,123	1,315,604	128	1,522,772	(242,303)	1,765,075	86.27%
Rental/Lease expenses	19,217	0	0	0	0	19,217	11,217	8,000	240.22%
Travel and Mileage	13,804	12,262	0	0	12,525	38,590	(17,510)	56,100	68.79%
Software License/Support	5,268	17,448	0	0	20,210	42,926	(27,714)	70,640	60.77%
HR & Recruitment	551	675	0	0	962	2,188	(2,728)	4,916	44.51%
Memberships & Subscriptions	929	379	0	0	0	1,308	83	1,225	106.80%
Miscellaneous	0	0	0	0	0	0	0	0	0.00%
Utilities	218,525	139,468	0	0	8,422	366,416	48,416	318,000	115.23%
Telecommunications	31,971	31,971	0	0	29,338	93,280	47,070	46,210	201.86%
Office Supplies	664	1,068	0	0	542	2,275	(1,585)	3,860	58.93%
Bad Debts	0	0	0	0	0	0	0	0	0.00%
Fines and Penalties	0	0	0	0	0	0	0	0	0.00%
Miscellaneous Expenses	(112,138)	0	0	22,539	6,271	(83,328)	(258,119)	174,791	(47.67%)
Depreciation - Water	904,144	618,179	40,671	0	63,207	1,626,201	1,626,201	0	0.00%
Gain/Loss on Asset Disposition	0	0	0	0	0	0	0	0	0.00%
Interest Expense	12,582	66	0	0	0	12,648	12,648	0	0.00%
Total Operating Expenses	**3,046,884**	**2,306,172**	**162,724**	**1,350,664**	**1,482,756**	**8,349,202**	**1,794,826**	**6,554,376**	**127.38%**

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2024

	Water	Wastewater	Drainage	Solid Waste	Security	Total	Over(Under)	Annual Budget	% of Budget
General and Administrative Expenses									
Salaries & Wages	403,217	209,363	23,263	31,017	108,558	775,417	(37,189)	812,606	95.42%
Benefits, Taxes & Pension	206,101	107,014	11,890	15,854	55,489	396,349	(238,653)	635,002	62.42%
OPEB	(55,260)	(28,963)	(3,218)	(4,291)	(15,018)	(106,750)	(268,644)	161,894	(65.94%)
Worker's Comp Insurance	29,189	15,156	1,684	2,245	7,859	56,133	56,133	0	0.00%
Insurance	127,421	66,161	7,351	9,802	34,306	245,040	245,040	0	0.00%
Community Communications	13,370	6,942	771	1,028	3,600	25,711	25,711	0	0.00%
Repairs and Maintenance	28,175	14,629	1,625	2,167	7,586	54,183	4,183	50,000	108.37%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0.00%
Telecommunications	15,909	8,260	918	1,224	4,283	30,594	594	30,000	101.98%
Software License/Support	81,940	42,546	4,727	6,303	22,061	157,577	(26,073)	183,650	85.80%
Utilities	15,212	7,898	878	1,170	4,095	29,253	29,253	0	0.00%
Membership and Subscriptions	5,135	2,666	296	395	1,383	9,875	(5,125)	15,000	65.83%
Training and Seminars	198	103	11	15	53	381	(4,619)	5,000	7.62%
Legal Fees	72,657	37,726	4,192	5,589	19,561	139,724	64,724	75,000	186.30%
Consulting Fees	155,175	80,572	8,952	11,937	41,778	298,413	158,413	140,000	213.15%
HR and Recruitment Fees	10,667	5,539	615	821	2,872	20,513	4,513	16,000	128.21%
Accounting and Audit Fees	40,993	21,285	2,365	3,153	11,037	78,833	52,483	26,350	299.17%
Travel and Mileage	3	2	0	0	1	7	7	0	0.00%
Office supplies	17,892	9,290	1,032	1,376	4,817	34,407	(593)	35,000	98.31%
Postage	10,692	5,552	617	822	2,879	20,562	(2,138)	22,700	90.58%
Bank Analysis Fees	2,077	1,079	120	160	559	3,995	3,995	0	0.00%
Board and Committee Meetings	4,133	2,146	238	318	1,113	7,948	(2,052)	10,000	79.48%
Fines and Penalties	0	0	0	0	0	0	0	0	0.00%
Employee events	0	0	0	0	0	0	0	0	0.00%
Small Equipments	0	0	0	0	0	0	0	0	0.00%
Miscellaneous	(1,136)	(590)	(66)	(87)	(306)	(2,184)	(7,184)	5,000	(43.69%)
Rental/Lease expenses	0	0	0	0	0	0	0	0	0.00%
Depreciation	6,865	3,310	368	0	1,423	11,966	11,966	0	0.00%
Gain/Loss on Assets Disposal	0	0	0	0	0	0	0	0	0.00%
Total General and Administrative Expenses	**1,190,625**	**617,686**	**68,629**	**91,018**	**319,989**	**2,287,945**	**64,743**	**2,223,202**	**102.91%**
Total Expenses	**4,237,509**	**2,923,858**	**231,353**	**1,441,682**	**1,802,745**	**10,637,147**	**1,859,569**	**8,777,578**	**121.19%**
Operation Income (Loss)	**(1,074,769)**	**(848,313)**	**11,872**	**(10,073)**	**(191,927)**	**(2,113,208)**	**(1,566,009)**	**(547,199)**	**386.19%**
Less: Property Taxes Revenue	470,923	313,579	66,483	0	55,403	906,387	88,387	**818,000**	110.81%
Operation Result after Property Taxes Revenue	**(603,846)**	**(534,734)**	**78,355**	**(10,073)**	**(136,524)**	**(1,206,821)**	**(1,477,622)**	**270,801**	**(445.65%)**

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2024

	Water	Wastewater	Drainage	Solid Waste	Security	Total	Over(Under)	Annual Budget	% of Budget
Other Non-Operation Activities									
Reserve Contribution									
Water Capital Impr Fees	61,675	35,198	0	0	2,347	99,220	(140,819)	240,039	41.34%
Water Augmentation Fees	199,092	0	0	0	0	199,092	(105,189)	304,281	65.43%
Water Cap Replacement Reserve	462,177	492,293	0	0	0	954,470	58,190	896,280	106.49%
Debt Service Fees	188,580	0	0	0	0	188,580	151,831	196,400	513.16%
Security Impact Fees	0	0	0	0	33,600	33,600	33,600	0	0.00%
Interest and Investment Earnings (Restr.)	0	0	0	0	0	0	0	0	0.00%
Total Reserve Revenue	**911,524**	**527,491**	**0**	**0**	**35,947**	**1,474,962**	**(2,387)**	**1,637,000**	**99.84%**
Developer Activities									
Developer Revenue	69,315	0	0	0	0	69,315	67,315	2,000	3465.73%
Inspection Revenue	14,790	2,277	0	0	0	17,067	(51,693)	68,760	24.82%
Contribution - Donated Infrastructure	695,417	653,861	521,900	0	0	1,871,177	1,871,177	0	0.00%
Salary and Admin Expense	0	0	0	0	0	0	0	0	0.00%
Consulting Expenses: Developer	69,315	0	0	0	0	69,315	66,815	2,500	2772.58%
Consulting Expenses: FSA	40,696	0	0	0	0	40,696	40,696	0	0.00%
Developer Income/Expenses	**669,511**	**656,138**	**521,900**	**0**	**0**	**1,847,547**	**1,779,287**	**68,260**	**2706.63%**
Other									
Other Income	29,818	16,300	1,533	2,044	7,156	56,851	2,291	54,560	104.20%
Grant Revenue	99,918	56,909	0	20,000	0	176,827	176,827	0	0.00%
CIA Ditch Service Charges	0	0	0	0	0	0	0	0	0.00%
Consulting:Water Studies	314,616	0	0	0	0	314,616	(110,384)	425,000	74.03%
CIA Ditch Maintenance & Operations	0	0	0	0	0	0	(5,000)	5,000	0.00%
Salary and Admin Expenses	0	0	0	0	0	0	0	0	0.00%
Investment FMV adjustment	64,987	48,124	7,558	4,107	3,808	128,584	128,584	0	0.00%
Total Other Income Grant Income	**(119,893)**	**121,333**	**9,091**	**26,151**	**10,964**	**47,646**	**423,086**	**(375,440)**	**(12.69%)**
Net Income (Loss)	**857,296**	**770,228**	**609,346**	**16,078**	**(89,613)**	**2,163,335**	**722,365**	**1,600,621**	**150.13%**

Rancho Murieta Community Services District
Statement of Revenue and Expenses - Unaudited
Budget vs. Actual
For the Twelve Months Ending June 30, 2024

	Water	Wastewater	Drainage	Solid Waste	Security	Total	Over(Under)	Annual Budget	% of Budget

	Actual
Net Income (Loss)	**2,163,335**
Not Budgeted items:	
Contribution - Donated Infrastructure	(1,871,177)
Grant Revenue	(176,827)
Investment FMV adjustment	(128,584)
Depreciation	1,626,201
	-
Net Income(Loss) Adjusted	1,612,948
Adopted Budget Net Result	1,600,621
Variances	12,327

	Actual
Operation Income (Loss)	**(2,113,208)**
Depreciation - Not Budget	1,626,201
Adjusted Operation Loss	(487,007)
Budgeted Operation Loss	(547,199)
Variances	60,192