

**Linne Community Service District**  
**Treasurer's Financial Report**  
**January 21, 2026 Board Meeting**  
**Overview**

The attached financial reports present the district's financial position and activity for the current fiscal year through January 21, 2026. Together, the Profit & Loss Statement, Balance Sheet, and Statement of Cash Flows provide a complete picture of both year-to-date activity and the district's overall financial health.

**Profit & Loss (July 1, 2025 – January 21, 2026)**

The Profit & Loss report reflects current fiscal year activity only.

- Total revenue received year-to-date is \$61,516, primarily from parcel assessments and property tax revenue.
- Total expenses incurred year-to-date are \$112,608, primarily reflecting major road maintenance that was deferred from the prior fiscal year due to contractor and weather constraints and completed early in the current fiscal year before new revenues were received.
- As a result, the report shows a net loss of \$51,092 for the fiscal year to date.

This net loss is expected and appropriate. Road maintenance expenses incurred this fiscal year exceeded revenues received to date because the district intentionally utilized cash carried forward from the prior fiscal year. Those funds were not spent last year due to timing and weather-related delays and were available to support this year's road work.

**Balance Sheet (As of January 21, 2026)**

The Balance Sheet reflects the district's overall financial position, including prior-year carryover.

- The district has \$78,434 in cash on hand in the General Fund.
- There are no liabilities reported.
- Equity reflects accumulated prior-year balances and current-year activity.

The Balance Sheet confirms that, despite the year-to-date net loss shown on the P&L, the district remains financially stable and solvent, with sufficient cash reserves to support operations and completed road work.

## **Statement of Cash Flows**

The Statement of Cash Flows ties the activity together by showing how cash changed during the fiscal year.

- The district began the fiscal year with \$129,526 in cash.
- Cash decreased by \$51,092, consistent with the net loss shown on the Profit & Loss.
- Ending cash balance is \$78,434, which matches the Balance Sheet.

This report demonstrates that the district's cash usage aligns with planned expenditures and that prior-year reserves were intentionally drawn down to fund road maintenance.

## **Summary**

- The P&L shows current-year activity and reflects higher expenses than revenue received to date primarily due to major road maintenance work that was deferred from the prior fiscal year because of contractor availability and weather conditions and completed early in the current fiscal year. These expenditures were intentionally funded using cash carried forward from the prior year, resulting in a planned drawdown of reserves before new revenues were received.
- The Balance Sheet confirms adequate cash reserves carried forward from the prior years.
- The Statement of Cash Flows explains the reduction in cash as planned spending, not a financial shortfall.

In short, the district's financial position is sound, expenditures are consistent with board-approved priorities, with sufficient cash on hand to support operations and completed road work.

## Other Treasurer Activities

- **Audit Initiation:** Initiated the district's audit with Layered Accounting and began providing requested documentation and background information. Coordination with the audit team is ongoing and currently working to resolve an unexplained \$200 deposit that was not documented in the records received from the previous treasurer.
- **Prior-Year Reconciliation, State Reporting & Risk Reduction:** Completed and filed the State Controller's Report, identifying and documenting discrepancies between current and prior-year reporting. As part of this process, developed written operating procedures to clearly document the district's financial workflows, reporting timelines, and compliance requirements. These procedures are intended to reduce institutional risk, strengthen internal controls, and provide continuity and clarity for future treasurers, particularly given the complexity of the district's reporting and compliance obligations.

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Linne CSD  
Profit and Loss Standard  
July 1, 2025 through January 21, 2026

	<u>Jul 1, '25 – Jan 21, '26</u>
Ordinary Income/Expense	
Income	
Interest Income – Checking	6.29
SLOC–Gen'l Prop Tax Rev Shar...	25,511.53
LCSD Parcel Assessment	36,005.00
SLOC Interest Revenue	-6.41
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Total Income	61,516.41
Expense	
Administrative Expenses	
Website & Communications	
Road Maintenance Software	998.13
Website–Linne–CSD.org	67.77
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Total Website & Communicat...	1,065.90
Administrative Expenses – O...	263.40
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Total Administrative Expenses	1,329.30
Insurance	3,203.23
Road Maintenance–Major	107,000.00
Road Miscellaneous–Minor	1,075.80
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Total Expense	112,608.33
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Net Ordinary Income	-51,091.92
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Net Income	-51,091.92
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Linne CSD  
Balance Sheet Standard  
As of January 21, 2026

	<u>Jan 21, '26</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking General Fund	78,434.48
Total Checking/Savings	<u>78,434.48</u>
Total Current Assets	<u>78,434.48</u>
TOTAL ASSETS	<u><u>78,434.48</u></u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	84,480.73
Opening Balance Equity	45,045.67
Net Income	<u>-51,091.92</u>
Total Equity	<u>78,434.48</u>
TOTAL LIABILITIES & EQ...	<u><u>78,434.48</u></u>

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Linne CSD  
Statement Of Cash Flows  
July 1, 2025 through January 21, 2026

	<u>Jul 1, '25 - Jan 21, ...</u>
OPERATING ACTIVITIES	
Net Income	-51,091.92
Net cash provided by Operating Acti...	<u>-51,091.92</u>
Net cash increase for period	-51,091.92
Cash at beginning of period	<u>129,526.40</u>
Cash at end of period	<u><u>78,434.48</u></u>