Linne Community Service District
Treasurer's Financial Report as of Fiscal Year End June 30, 2026
July 15, 2026 Board of Directors Meeting

Financial Overview

Attached are the District's financial statements for the fiscal year ended June 30, 2026, including the Balance Sheet, Profit & Loss Statement, Statement of Cash Flows, Budget vs. Actual Report, and Expenses by Vendor Summary. These reports present the District's financial activity and financial position for the fiscal year.

Financial Highlights

The District concluded Fiscal Year 2025-26 in a strong financial position.

- Cash on hand at June 30, 2026 totaled $205,346.06.
- The District has no outstanding liabilities.
- Total revenues for the fiscal year were $197,005.87.
- Total expenditures were $121,256.05.
- Net income for the fiscal year was $75,819.66.

The positive year-end results were primarily attributable to the receipt of **$**91,826.81 in FEMA reimbursements related to both previously completed emergency work and work still to be completed, which exceeded the amount anticipated in the adopted budget.

Budget Performance

Overall, District expenditures remained generally consistent with operational needs.

Several budget variances are worth noting:

- Road Maintenance exceeded the adopted budget because work deferred from the previous fiscal year due to contractor availability and weather conditions was completed early in Fiscal Year 2025-26.
- Insurance costs exceeded budget due to higher SDRMA premiums than originally anticipated.
- FEMA reimbursements received during the fiscal year offset a significant portion of these expenditures and resulted in revenues exceeding the original budget projections.

Beginning with the Fiscal Year 2026-27 budget, I recommend that the current "Emergency Reserve Carryover" budget line be reclassified as *Beginning Fund Balance Reserve Available* rather than budgeted revenue. Because these funds represent prior-year cash reserves rather than current-year income, this presentation will more accurately reflect governmental accounting practices and improve consistency between the District's budget and financial statements.

Treasurer Activities

In addition to the District's routine financial responsibilities, several significant projects were completed or initiated during the reporting period.

Audit

Initiated the District's audit process and began coordinating with the District's auditor by providing requested financial records, supporting documentation, and historical information necessary to complete the engagement. Also, conducted solicitation to engage a new auditor.

Prior-Year Financial Reconciliation

Continued reviewing historical financial records received from the previous Treasurer to improve the accuracy and completeness of the District's accounting records. This work included researching an unexplained $200 deposit that was not identified in the historical records and reconciling prior-year transactions where supporting documentation was incomplete.

State Controller Reporting

Completed and submitted the District's annual State Controller's Report. During preparation, several discrepancies between prior-year filings and supporting financial records were identified and documented for future reference.

FEMA Grant Administration

Managed the District's ongoing FEMA reimbursement process by serving as the primary point of contact with the California Governor's Office of Emergency Services (Cal OES) and FEMA representatives. Responsibilities included tracking multiple reimbursement projects, responding to requests for additional documentation, reconciling project expenditures with District accounting records, monitoring reimbursement status, and ensuring grant proceeds were accurately recorded upon receipt. During Fiscal Year 2025-26, these efforts resulted in the District receiving $91,826.81 in FEMA reimbursements for eligible emergency road repair projects, significantly offsetting District expenditures while maintaining compliance with state and federal grant requirements.

Financial Procedures and Internal Controls

Continued developing written financial operating procedures documenting the District's accounting processes, reporting requirements, reconciliation procedures, and filing deadlines. These procedures are intended to:

- Improve continuity during future Treasurer transitions;
- Strengthen internal controls;
- Reduce institutional risk associated with undocumented processes;
- Provide a consistent framework for future financial reporting and regulatory compliance.

Looking Ahead

With the conversion of the District's financial records into QuickBooks substantially complete, future Treasurer reports will become more streamlined and provide improved year-over-year comparisons. Continued efforts will focus on completing the audit, maintaining accurate financial records, and further refining reporting procedures to support transparency, consistency, and sound financial management.

Recommendation

It is recommended that the Board receive and file the Treasurer's Financial Report for the fiscal year ended June 30, 2026.

Accomplishments During Treasurer Transition

This isn't self-promotion—it's documenting governance improvements. You've accomplished quite a bit in one year:

- Converted the District from paper records to QuickBooks.
- Reconstructed historical financial records.
- Completed and filed the State Controller's Report.
- Initiated the audit process both for prior FY but also to select a new Auditor.
- Researched and reconciled historical discrepancies.
- Developed written financial procedures and internal controls.
- Improved the presentation of the District's financial reports.
- Began FEMA Grant Administration process.

Linne CSD

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Balance Sheet Standard

As of June 30, 2026

	Jun 30, '26
ASSETS	
Current Assets	
Checking/Savings	
Checking General Fund	205,346.06
Total Checking/Savings	205,346.06
Total Current Assets	205,346.06
TOTAL ASSETS	205,346.06
LIABILITIES & EQUITY	
Equity	
Retained Earnings	84,480.73
Opening Balance Equity	45,045.67
Net Income	75,819.66
Total Equity	205,346.06
TOTAL LIABILITIES & EQ...	205,346.06

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Profit and Loss Standard
July 2025 through June 2026

		Jul '25 - Jun '26
Ordinary Income/Expense		
Income		
Interest Income - Checking		14.77
SLOC-Gen'l Prop Tax Rev Shar...		38,590.75
LCSD Parcel Assessment		66,370.00
SLOC Interest Revenue		203.54
FEMA Reimbursement		91,826.81
Total Income		197,005.87
Expense		
Administrative Expenses		
Membership Fees		
CSDA	598.00	
Total Membership Fees	598.00	
Website & Communications		
Road Maintenance Software	1,996.26	
Website-Linne-CSD.org	67.77	
Total Website & Communicat...	2,064.03	
Administrative Expenses - Ot...	263.40	
Total Administrative Expenses		2,925.43
Professional Services		
Audit Services	1,500.00	
Total Professional Services		1,500.00
Insurance		7,004.82
Tree Trimming & Weed Abate...		1,750.00
Road Maintenance-Major		107,000.00
Road Miscellaneous-Minor		1,075.80
Total Expense		121,256.05
Net Ordinary Income		75,749.82
Other Income/Expense		
Other Income		
SLOC State Aid		69.84
Total Other Income		69.84
Net Other Income		69.84
Net Income		75,819.66

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Statement Of Cash Flows
July 2025 through June 2026

	Jul '25 - Jun '...
OPERATING ACTIVITIES	
Net Income	75,819.66
Net cash provided by Operating Acti...	75,819.66
Net cash increase for period	75,819.66
Cash at beginning of period	129,526.40
Cash at end of period	205,346.06

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Profit and Loss Budget vs. Actual

July 2025 through June 2026

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	Jul '25 - Jun '26	Budget	$ Over Budget
Ordinary Income/Expense			
Income			
Interest Income - Checking	14.77		
SLOC-Gen'l Prop Tax Rev Shar...	38,590.75	32,826.00	5,764.75
LCSD Parcel Assessment	66,370.00	68,432.00	-2,062.00
SLOC Interest Revenue	203.54		
FEMA Reimbursement	91,826.81		
Total Income	197,005.87	101,258.00	95,747.87
Expense			
Administrative Expenses			
Office Supplies	0.00	300.00	-300.00
Membership Fees			
CSDA	598.00	362.00	236.00
LAFCO	0.00	263.00	-263.00
Total Membership Fees	598.00	625.00	-27.00
Website & Communications			
Road Maintenance Software	1,996.26	998.00	998.26
Website-Linne-CSD.org	67.77	300.00	-232.23
Total Website & Communicat...	2,064.03	1,298.00	766.03
Administrative Expenses - Ot...	263.40		
Total Administrative Expenses	2,925.43	2,223.00	702.43
Professional Services			
Audit Services	1,500.00	1,600.00	-100.00
Total Professional Services	1,500.00	1,600.00	-100.00
Insurance	7,004.82	3,203.00	3,801.82
County Clerk Election Fees	0.00	350.00	-350.00
Tree Trimming & Weed Abate...	1,750.00	1,900.00	-150.00
Road Maintenance-Major	107,000.00	89,080.00	17,920.00
Road Miscellaneous-Minor	1,075.80	2,902.00	-1,826.20
Total Expense	121,256.05	101,258.00	19,998.05
Net Ordinary Income	75,749.82	0.00	75,749.82
Other Income/Expense			
Other Income			
SLOC State Aid	69.84		
Total Other Income	69.84		
Net Other Income	69.84		
Net Income	75,819.66	0.00	75,819.66

07/08/26

Linne CSD
Expenses by Vendor Summary
July 2025 through June 2026

	Jul '25 - Jun '...
CSDA	598.00
Erwin Gut	67.77
Jeff Konsmo	998.13
LAFCO	263.40
Layered Account...	1,500.00
Mike Helmuth	375.80
Ramsey Asphalt	107,000.00
SDRMA Insurance	7,004.82
Tim Teller	700.00
Vialytics	998.13
Vine Shepherd	1,750.00
TOTAL	121,256.05