

LINNE COMMUNITY SERVICES DISTRICT

Treasurer's Report - FY 2026-27 First Quarter

Reporting Period: July 1 through September 30, 2026

Summary

The District's first quarter financial results are consistent with the normal timing of our revenues and expenditures. County revenues are typically very limited in the early months of the fiscal year, while the District completed its annual road work and related FEMA road work during this period. As a result, the income statement shows a negative net income for the quarter. This timing difference is expected and is not a cause for concern, provided the District continues to receive County parcel assessment and property tax revenue later in the fiscal year as anticipated.

Financial Summary

Item	Amount	Comment
Total Income	\$3,343.51	Early-year County deposits are limited; normal yearly pattern.
Total Expenses	\$145,769.00	Includes annual road work and FEMA-related road work.
Net Income / (Loss)	-\$142,425.49	Negative result reflects timing of road expenditures before major County revenue receipts.
Cash at Beginning of Period	\$201,494.52	Beginning cash balance for FY 2026-27.
Cash at End of Period	\$59,068.64	Cash balance as of October 8, 2026.

Major Expenses During the Quarter

The District's significant first-quarter expenses were all paid to Ramsey Asphalt and relate to road maintenance and FEMA-supported work:

Vendor / Invoice	Purpose	Amount
Ramsey Asphalt Inv. #12514	FEMA PW #1557 - road maintenance/FEMA work	\$3,898.00
Ramsey Asphalt Inv. #12514	FEMA PW #1849 - road maintenance/FEMA work	\$56,716.00
Ramsey Asphalt Inv. #12536	Annual road maintenance / major road work	\$85,155.00
Total Ramsey Asphalt		\$145,769.00

Revenue Activity

First-quarter revenues totaled \$3,343.51, consisting of \$1,880.00 in parcel assessment revenue, \$1,354.09 in property tax revenue sharing, \$98.45 in SLO County interest revenue, and \$10.97 in checking interest. This is consistent with the early fiscal-year pattern, when larger County revenue distributions have not yet been received.

Other Treasurer / District Work

- Continued work on the audit compliance issue, including coordination with the County Auditor-Controller, LAFCO, Supervisor Moreno's office, and the CPA firm that responded to the District's RFQ.
- Prepared a proposed path forward for past audit years, including an agreed-upon procedures engagement for FY 2022-23, FY 2023-24, and FY 2024-25, followed by a full audit for FY 2025-26.
- Continued FEMA/Cal OES follow-up and documentation related to the storm-damage road projects and related reimbursements.
- Updated financial reporting and reconciliations in QuickBooks to support clearer reporting to the Board and future audit/review work.
- Drafted new District policies for Procurement and Records Retention.

Treasurer Comment

The quarter-end reports show a large negative result because the District incurred its primary annual road maintenance costs before the main County revenue cycles. This is a timing issue, not an indication of an operating problem. Cash remains available, and future County receipts should be monitored against budget as they are received later in the fiscal year.

10/12/26

Linne CSD
Statement Of Cash Flows
July 1 through October 8, 2026

	<u>Jul 1 – Oct 8, '...</u>
OPERATING ACTIVITIES	
Net Income	<u>-142,425.49</u>
Net cash provided by Operating Acti...	<u>-142,425.49</u>
Net cash increase for period	-142,425.49
Cash at beginning of period	<u>201,494.13</u>
Cash at end of period	<u><u>59,068.64</u></u>

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Linne CSD
Balance Sheet Standard
As of September 30, 2026

	<u>Sep 30, '26</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking General Fund	<u>59,068.64</u>
Total Checking/Savings	<u>59,068.64</u>
Total Current Assets	<u>59,068.64</u>
TOTAL ASSETS	<u><u>59,068.64</u></u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	156,451.23
Opening Balance Equity	45,042.90
Net Income	<u>-142,425.49</u>
Total Equity	<u>59,068.64</u>
TOTAL LIABILITIES & EQ...	<u><u>59,068.64</u></u>

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Linne CSD
Profit and Loss Standard
July through September 2026

	<u>Jul – Sep '26</u>
Ordinary Income/Expense	
Income	
Interest Income – Checking	10.97
SLOC–Gen'l Prop Tax Rev Sha...	1,354.09
LCSD Parcel Assessment	1,880.00
SLOC Interest Revenue	<u>98.45</u>
Total Income	3,343.51
Expense	
Road Maintenance–Major	85,155.00
Road Maintenance–FEMA Work	<u>60,614.00</u>
Total Expense	<u>145,769.00</u>
Net Ordinary Income	<u>-142,425.49</u>
Net Income	<u><u>-142,425.49</u></u>

10/10/26

Linne CSD
Expenses by Vendor Detail
July through September 2026

Date	Num	Memo	Account	Amount	Balance
Ramsey Asphalt					
08/11/26	Inv # 12514	FEMA PW#1557	Road Maintenance-FEMA Work	3,898.00	3,898.00
08/11/26	Inv # 12514	FEMA PW#1849	Road Maintenance-FEMA Work	56,716.00	60,614.00
08/23/26	Inv #12536	Inv #12536	Road Maintenance-Major	85,155.00	145,769.00
Total Ramsey Asphalt				145,769.00	145,769.00
TOTAL				145,769.00	145,769.00