



May 14, 2026

BUSINESS ACTION ITEM STAFF REPORT

ITEM 8.B. Review and Approval of Third Quarter Budget-to-Actual Report and Budget Adjustments

Recommendation:

1. Review the Third Quarter Budget-to-Actual Report and approve recommended budget adjustments.
2. Adopt Resolution documenting budget adjustments

Discussion:

Your board approved a preliminary annual budget for 2025-26 on July 3, 2025, and adopted a final budget on September 4, 2025. The adopted budget was developed based on information known at the time. The District now has a record of actual revenue and expenditures for the first nine months of the year.

Revenue for the first half of the year lagged behind the projected amount. A rate increase was completed in January that will bring in additional revenue through the rest of the year. Collection of delinquent accounts and maintenance of faulty meters are also supporting increasing revenue.

Based on actual expenditures to date, some expense categories can be reduced while others need increases, including the addition of expenses for the CalWARN response, which was approved after the budget was developed. Staff recommends the attached budget adjustments to reflect anticipated revenue and expenditures,

The budget represents the potential income and expense by account through the year. Staff will continue to focus on managing both revenues and expenses to improve the year-end actual results.

The attached Resolution documents the budget adjustments in compliance with Government Code Section 61111.

Staff requests the board approve the recommended budget adjustments and adopt the Resolution.

Attachments:

1. Mid-Year Budget-to-Actual Report
2. Resolution
3. Recommended Budget Adjustments

San Simeon Community Services District
Budget to Actual AP09
Fiscal Year 2025-2026

Fund Accounts		Total Adopted Budget	AP06 Adjusted	AP09 Actual		Current Projection	Variance
Allocations		100%	100%				
4000	Operating Revenues						
4005	Utility fees-waste Anticipated revenue- wastewater	\$ 575,914	\$ 575,914	\$367,494	64%	\$ 575,914	\$ -
4010	Utility fees-water Anticipated revenue- water	\$ 524,862	\$ 524,862	\$ 333,625	64%	\$ 524,862	\$ -
4012	Meter/Service fees Anticipated revenue- other	\$ 127,491	\$ 127,491	\$ 81,345	64%	\$ 127,491	\$ -
4050	State Parks-wastewater	\$ 60,500	\$ 60,500	\$24,673	41%	\$ 60,500	\$ -
	Total Operating Revenue	\$1,288,767	\$1,288,767	\$807,137	63%	\$1,288,767	\$0
Property Taxes							
4100	Prop Tax Income	\$ 119,029	\$ 119,029	\$83,891	70%	\$119,029	\$ -
	Total Property Taxes	\$119,029	\$119,029	\$83,891	70%	\$119,029	\$0
Other Income							
8010	Interest Income - CLASS	\$50,000	\$ 50,000	\$32,055	64%	\$50,000	\$ -
8020	Interest- money market	\$0	\$ 28	\$16	55%	\$28	\$ -
8044	Grant Funds	\$0	\$ -	\$0		\$0	\$ -
4013	Late fees & adjustments	\$0	\$2,332	\$21,193	909%	\$21,193	\$ 18,861
	Total other Income	\$50,000	\$52,360	\$53,264	102%	\$71,221	\$18,861
	Total Income	\$1,457,796	\$1,460,156	\$944,292	65%	\$1,479,017	\$18,861
Expense							
6000	Accounting	\$ 19,850	\$ 19,850	\$0	0%	\$ 19,850	\$ -
6020	Bank Fees	\$ 1,689	\$ 1,689	\$1,041	62%	\$ 1,689	\$ -
6025	Bookkeeping	\$ 45,181	\$ 45,181	\$26,981	60%	\$ 45,181	\$ -
6030	Director Fees	\$ 3,600	\$ 3,600	\$3,100	86%	\$ 3,600	\$ -
6031	Payroll Expense	\$ 275	\$ 275	\$555	202%	\$ 275	\$ -
6035	Dues and Subscriptions	\$ 5,040	\$ 5,040	\$838	17%	\$ 5,040	\$ -
6045	Electrical Power	\$85,189	\$ 125,000	\$90,976	73%	\$125,000	\$ -
6050	Election Expenses	\$ 405	\$ 405	\$0	0%	\$ 405	\$ -
6055	Road Maintenance	\$15,000	\$ 15,000	\$0	0%	\$15,000	\$ -
6060	RipRap Engineering	\$0	\$ -				
6065	Equipment Rental	\$0	\$ -				
6075	Insurance-PERS Health	\$0	\$ -	\$0		\$ -	\$ -
6076	Pension Plan - PERS Retirement	\$17,658	\$ 17,658	\$13,942	79%	\$17,658	\$ -
6080	Insurance - Liability	\$12,965	\$ 12,965	\$10,222	79%	\$12,965	\$ -
6095	LAFCO Costs Apportionment	\$3,484	\$ 3,484	\$0	0%	\$3,484	\$ -
6100	Legal Fees	\$108,515	\$ 108,515	\$70,131	65%	\$108,515	\$ -
6105	Licenses and permits	\$17,682	\$ 17,682	\$16,387	93%	\$17,682	\$ -
6110	Memberships and seminars	\$0	\$ -				
6115	Miscellaneous expenses	\$0	\$ 2,330	\$970		\$2,330	\$ -
6120	Office Expenses	\$ 44,994	\$ 66,994	\$43,873	65%	\$ 66,994	\$ -
6125	O & M operations	\$ 718,687	\$ 718,687	\$461,025	64%	\$ 718,687	\$ -

San Simeon Community Services District
Budget to Actual AP09
Fiscal Year 2025-2026

Fund Accounts		Total Adopted Budget	AP06 Adjusted	AP09 Actual		Current Projection	Variance
6130	Operating Repairs & Supplies	\$14,838	\$ -	\$0		\$0	\$ -
6135	Weed Abatement	\$6,252	\$ 6,252	\$2,628	42%	\$6,252	\$ -
6145	Professional Fees	\$120,000	\$ 34,000	\$7,020		\$34,000	\$ -
6180	Street lights	\$22,417	\$ -			\$0	\$ -
6191	Emergency Water Standby	\$15,202	\$ 15,202	\$15,306	101%	\$15,202	\$ -
6192	Excess Repairs	\$100,000	\$ 100,000	\$18,395	18%	\$100,000	\$ -
6195	Website Support	\$6,600	\$ 6,600	\$0	0%	\$6,600	\$ -
6200	Violations	\$0	\$ 3,000	\$3,000		\$3,000	\$ -
		\$1,385,523	\$1,329,409	\$786,391	57%	\$1,329,409	\$0
Other Expenses							
9010	Depreciation Expense	\$ 87,374	\$ 87,374	\$65,531	75%	\$ 87,374	\$ -
9030	Capital Projects/Improvements	\$0	\$ -	\$0			
9020a	Water Well Loan Interest	\$11,579	\$ 11,025	\$11,025	100%	\$11,025	\$ -
9020b	Water Well Loan Repayment	\$9,111	\$ 9,665	\$9,665	100%	\$9,665	\$ -
	Capital Project - Pipe Bridge Paintin	\$10,000	\$ 10,000	\$0	0%	\$10,000	\$ -
	Capital Proj- Outfall Line Repair	\$0	\$ -			\$0	\$ -
	Reorg Study	\$121,000	\$ 121,000	\$41,301	34%	\$121,000	\$ -
	Reorg County & LAFCO Labor	\$20,000	\$ 20,000	\$5,349	27%	\$20,000	\$ -
	County CalWARN Response	\$0	\$ 160,000	\$55,828	35%	\$160,000	\$ -
Total Other Expenses		\$259,064	\$419,064	\$188,698	73%	\$419,064	\$0
Total Expense		\$1,644,587	\$1,748,473	\$975,089	59%	\$1,748,473	\$0
Net Operating Income(Loss)		(\$186,791)	(\$288,317)	(\$30,797)		(\$269,456)	\$18,861

RESOLUTION NO. 26-XXX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN SIMEON
COMMUNITY SERVICES DISTRICT ADOPTING AN ADJUSTED 2025-2026 FISCAL
BUDGET**

WHEREAS, the San Simeon Community Services District (“District”) Policies and Procedures require the Board of Directors (“Board”) to adopt budgets on an annual basis; and

WHEREAS, Government Code section 61110 provides that the District Board shall adopt a final budget on or before September 1 of each year, that conforms to generally accepted accounting and budgeting procedure for special districts; and

WHEREAS, Government Code section 61111 provides that the District Board may adopt a resolution amending the budget at any regular meeting or properly noticed special meeting after the adoption of its final budget; and

WHEREAS, adopting an adjusted budget now allows the District to meet its financial obligations and accurately reflect the anticipated revenue and expenditures for the fiscal year.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the **SAN SIMEON COMMUNITY SERVICES DISTRICT** as follows:

1. The 2025-2026 Fiscal Budget is hereby adjusted as noted in Exhibit 1.

ADOPTED by the Board of Directors of the **SAN SIMEON COMMUNITY SERVICES DISTRICT** on May 14, 2026, by the following roll call votes:

AYES:

NOES:

ABSENT:

ABSTAINED:

Chairperson, Board of Directors of the
San Simeon Community Services
District

ATTEST:

San Simeon Community Services District

APPROVED AS TO FORM:

District Legal Counsel, Nubia I. Goldstein

EXHIBIT 1

**San Simeon Community Services District
Mid-Year Budget Adjustments**

February 2026

Account	Name	Adopted	Adjusted	Change
Revenue				
8020	Interest- money market	-	28	28
4013	Late fees & adjustments	-	2,332	2,332
Total Revenue				2,360
Expenses				
6045	Electrical Power	85,189	125,000	39,811
6115	Miscellaneous Expenses	-	2,330	2,330
6120	Office Expenses	44,994	66,994	22,000
6130	Operating Repairs & Supplies	14,838	-	(14,838)
6145	Professional Fees	120,000	34,000	(86,000)
6180	Street lights	22,417	-	(22,417)
6200	Violations	-	3,000	3,000
	County CalWARN Response	-	160,000	160,000
Total Expenses				103,886
Net adjustment Income/(Loss)				(101,526)