

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2014

Adoption Date: June 12, 2013

MCSD BOARD OF DIRECTORS

Dennis Mayo, President
David Couch, Vice President
John Corbett, Director
Helen Edwards, Director
Bill Wennerholm, Director

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
1656 Sutter Road
McKinleyville, CA 95519
Capital and Operating Budget

For the Fiscal Year Ending June 30, 2014

INTRODUCTION AND BUDGET GUIDE

This budget is intended to serve as a management tool for operation of the McKinleyville Community Services District (MCSD) during fiscal year July 1, 2013 through June 30, 2014. The Budget sets forth goals and priorities for staff to accomplish during the year in the four district operating departments. This budget is dynamic in that it can be amended as the Board adds goals and changes priorities.

- Page 2 includes information about McKinleyville and the McKinleyville Community Services District.
- The Board of Directors will adopt a mission statement, a set of goals based on the adopted Strategic Plan, and organization chart for the fiscal year, which is included at Page 5.
- Budgets and accompanying graphs for the Governmental Funds & the Enterprise Funds are shown beginning at Page 9. Detailed line item budgets are available for review by the Board and the public, but are not included in this policy/strategy level document.
- Historical Data is presented beginning at Page 14.
- MCSD's Capital Improvement Program Budgets and Narratives are shown beginning at Page 18.
- The Appropriations Limit calculations required by law for the Fiscal Year 2013-14 are included in Appendix B, starting on Page 26.

DESCRIPTION OF THE COMMUNITY

McKinleyville is an unincorporated community of Humboldt County in the north coastal region of California 300 miles north of San Francisco. McKinleyville has an approximate population of 15,177 according to 2010 data from the U. S. Census Bureau. It is the third largest community population area in Humboldt County behind Eureka (27,191) and Arcata (17,231). McKinleyville borders the Pacific Ocean and has a mild climate year round with frequent fog and moderate to heavy precipitation mainly between October and April. Because of the combination of coastal, mountain and valley areas, residents have the opportunity for a wide range of recreational activities. Just minutes from McKinleyville, you can surf, fish for salmon and steelhead, hike underneath the world's tallest trees and bike the Pacific Coast Trail.

The original settlers of McKinleyville were the Wiyot Indians who occupied the area for hundreds of years before the first white settlers arrived. Historian Edie Neilson estimates that there were three thousand Wiyots in the vicinity when the first white settlers arrived in the 1850s; by 1900, there were only 150 Wiyots left. Joseph Dow built his cabin in 1862 on the high prairie area near the future site of the Humboldt County Airport. For many years the area from the Mad River to the Little River was known as Dow's Prairie.

Dow's Prairie was isolated from the rest of the north coast communities by the bridgeless rivers to the north and south and the dense forest to the east. When passable, fording the Mad River to get supplies in Arcata was a two-day trip. In 1897, Arcata businessman Isaac Minor built a general store with a post office, a hotel and a creamery here. The general store quickly became the social center for the community and the people decided to call their town Minor in his honor. When President William McKinley was assassinated in 1901, Isaac Minor and the townspeople agreed to change the name of the community to McKinleyville.

The McKinleyville Union School District was founded in 1948 and includes Dow's Prairie School, McKinleyville Middle School and Morris School. MUSD is McKinleyville's largest employer with a payroll of over \$4 million. Graduates of MUSD attend McKinleyville High School, which was opened for the fall 1961 school year. Mack High is one of two high schools in the Northern Humboldt Union High School District.

Opportunities for higher education are nearby. Arcata's Humboldt State University, a four-year college with a full spectrum of curriculum and graduate programs, is a 10-minute drive from McKinleyville. Eureka, located 20 minutes south of McKinleyville, is the largest city and county seat of Humboldt County. The main branch of College of the Redwoods, a community college system offering comprehensive programs in many academic and technical fields, is located in Eureka.

DESCRIPTION OF THE DISTRICT

McKinleyville Community Services District (MCSD) was created on April 14, 1970 when McKinleyville's residents voted 592 "yes" against 154 "no" to form the District. Initially, the District had authority to serve water and treat sewer wastes. In 1972 the voters added street lighting powers. In 1985 the voters added recreational powers and in 1995 the voters authorized construction of the McKinleyville Library. The District boundaries encompass 12,140 acres ranging from North Bank Road on the south to Patrick Creek on the north. MCSD is an independent governmental unit organized under the Community Services District Law, pursuant to Title 6 Division 3 of the Government Code Section 61000, et seq. A five member Board of Directors elected to four-year rotating terms in odd-numbered years governs the District. The Directors meet on the third Wednesday of each month at Azalea Hall, 1620 Pickett Road to set policy, consider projects and settle disputes. The District office is located at 1656 Sutter Road just east of Central Avenue.

MCSD's principal activities include water, sewer, parks, recreation, street lighting and open space maintenance services. In recent years, the District has dramatically expanded its recreational services by developing approximately 44 acres of community parks (Hiller Park Playground and Picnic Area, Hiller Park Loop Trails, Hiller Sports Complex, Pierson Park and Larissa Park. In addition, the District has constructed three state-of-the-art buildings to provide an indoor sports and recreation facility (McKinleyville Activity Center), a community activities center (Azalea Hall) and a library (a branch of the Humboldt County Library). In 1999, the Mad River Rotary Club completed the fund-raising and construction of a Law Enforcement Facility on District land adjacent to the Library and Azalea Hall. The facility was then donated to the District and is leased to the Humboldt County Sheriff's Department.

MCSD purchases its wholesale water supply from the Humboldt Bay Municipal Water District, which diverts water from its million-gallon tank on Essex Hill under the Mad River to MCSD's Grant A. Ramey Pump Station at North Bank and Azalea Roads. Water is then pumped to storage tanks at McCluski Hill, Cochran Road and Norton Road; MCSD's six storage tanks have a combined capacity of 5.25 million gallons, approximately a 36 hour supply for our 6,705 customers.

All sewage for MCSD's 5,800 customers is treated at the Wastewater Management Facility at Hiller Park. The District recently completed a \$770,000 wetland construction project at Hiller Park to enhance the wastewater treatment process and to prevent stormwater pollution to the Mad River estuary. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site and at Hiller Park. MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

Additional information and photographs of MCSD facilities are available on MCSD's website (www.mckinleyvillecsd.com). District staff and Directors can be reached by e-mail at mcscd@mckinleyvillecsd.com.

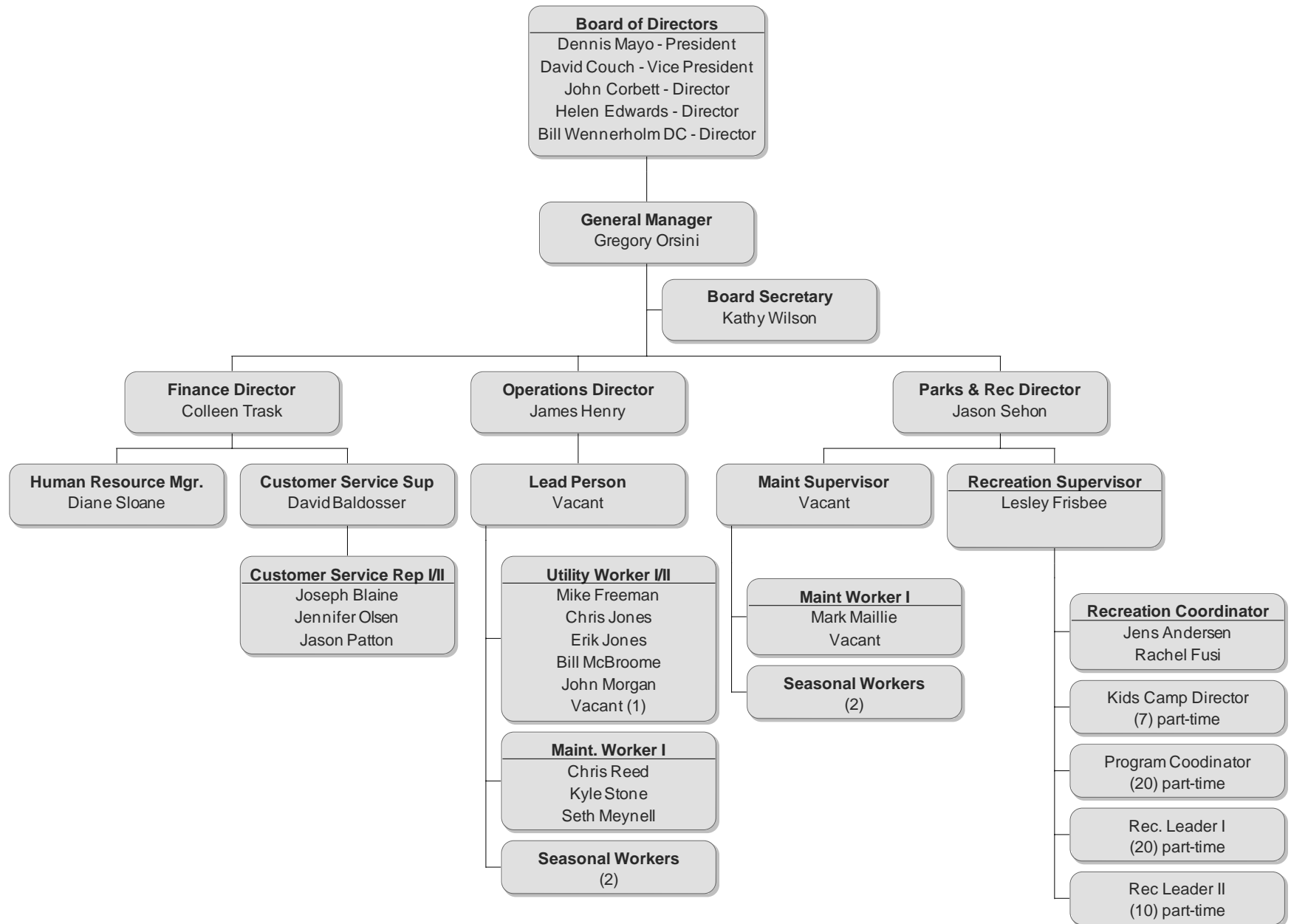
MISSION STATEMENT

Provide McKinleyville with safe, adequate and reliable utility, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner.

GOALS AND OBJECTIVES

The District's Goals and Objectives will be derived from the Board-approved Strategic Plan from this year going forward. The Strategic Plan has a five-year planning horizon that will be updated annually by the Board. The Goals and Objectives will be incorporated into the approved Budget by reference (at the pleasure of the Board) upon annual approval. Until then, the Mission Statement, Goals and Objectives are considered to be draft only.

*McKinleyville Community Services District
Organizational Chart (Fiscal Year 2013/2014)
Revised (May 17, 2013)*



McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Full Time Equivalents
For the Fiscal Year ending June 30, 2013

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1		1
Support Services	7	1	7.5
Operations	10	2	11
Parks & Recreation	7	59	13.4
Total	25	62	32.9

McKinleyville Community Services District

Exhibits of Financial Information

Budget for the year ending June 30, 2014

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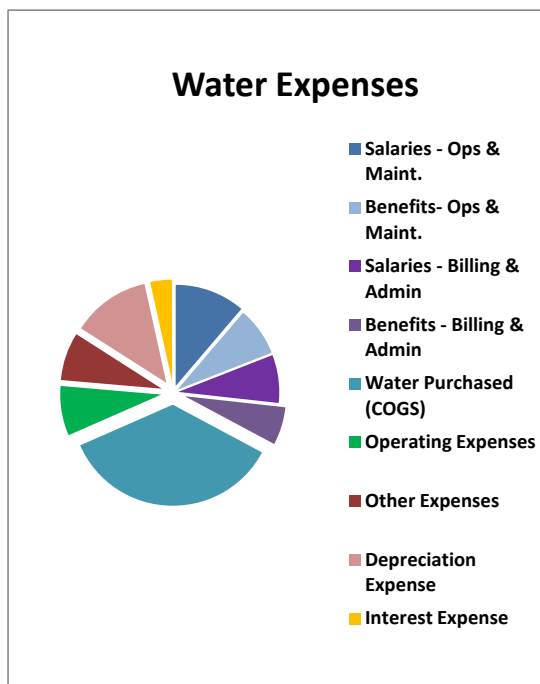
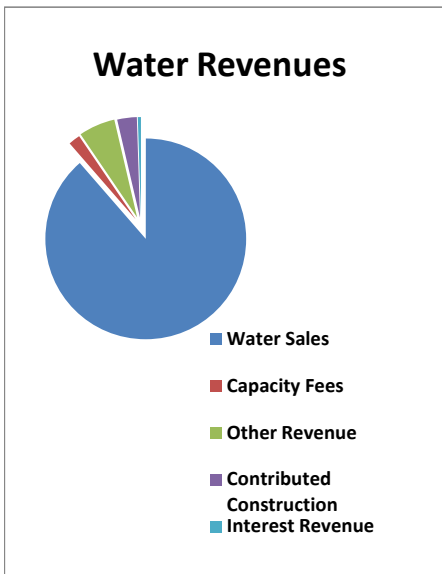
Page 9	Exhibit 1 – Fund Budget Summary and Projected Fund Balance
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McKinleyville Community Services District
District Budgets - All Funds
FY 2013-14

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks & Meas. B Funds	Total (Memorandum Only)
Revenues					
Water Sales	2,109,089				2,109,089
Sewer Service Charges		1,700,000			1,700,000
Capacity Fees	45,000	120,000			165,000
Streetlight Charges			72,000		72,000
Program Fees	-			334,300	334,300
Facility Fees	-			69,830	69,830
Property Taxes	-			510,000	510,000
Measure B Assessment	-			209,000	209,000
Open Space Fees	-			73,500	73,500
Contributions & Other Program	-			3,600	3,600
Other Revenue	139,050	78,150	16,300	19,800	253,300
Contributed Construction	75,000	100,000		-	175,000
Proceeds from Long Term Debt (Gov't only)			100,000	-	100,000
Quimby Fees/Capital Proj. Grants	-			93,000	93,000
Interest Revenue	12,000	20,000	100	3,275	35,375
Total Revenues	2,380,139	2,018,150	188,400	1,316,305	5,902,994
Expenditures					
Salaries & Benefits - Operations & Maint.	442,200	442,200	5,260		889,660
Salaries & Benefits - Billing & Admin	319,133	321,450	34,539		675,122
Salaries & Benefits - Rec Programs	-			382,756	382,756
Salaries & Benefits- Parks Maintenance	-			404,846	404,846
Salaries & Benefits- Parks&Rec Admin	-			85,477	85,477
Water Purchased (COGS)	826,000				826,000
Water & Electrical Expense		158,188			158,188
Operating Expenses	184,300	230,400	26,335		441,035
Other Expenses	177,995	201,395	17,675		397,065
Other Expenditures - Rec Programs	-			50,120	50,120
Other Expenditures - Parks Maintenance	-			94,520	94,520
Other Expenditures - Parks&Rec Admin	-			90,900	90,900
Depreciation Expense	290,000	463,000			753,000
Interest Expense	80,303	58,744			139,047
Parks/Meas.B Capital Expenditures	-		100,000	206,822	306,822
Total Expenditures	2,319,931	1,875,377	183,809	1,315,442	5,694,559
Excess (Deficit)	60,207	142,773	4,591	863	208,434
 Fund Balance - July 1, 2012	 5,016,168	 13,823,950	 (57,138)	 957,739	 19,740,719
Projected Excess (Deficit) FY2012-13	(231,318)	(27,020)	(1,497)	(40,071)	(299,906)
Debt Principal FY2012-13 (Enterprise only)	(135,978)	(167,126)			(303,104)
New Borrowing FY2012-13(Enterprise only)	-	-			-
Capital Expenditure FY2012-13(Enterprise)	130,351	122,712			253,063
Projected Fund Balance June 30, 2013	4,779,223	13,752,516	(58,635)	917,668	19,390,772
Budgeted Excess (Deficit) FY2013-14	60,207	142,773	4,591	863	208,434
Anticipated Borrowing FY2013-14(Enterprise)	75,000	75,000			150,000
Capital Project grant funding (contingent)	2,000,000	2,015,000			4,015,000
Debt Principal FY2013-14 (Enterprise only)	(141,736)	(170,133)			(311,869)
Capital Expenditure FY2012-13(Enterprise)	(2,210,000)	(2,352,000)			(4,562,000)
Projected Fund Balance June 30, 2014	4,562,694	13,463,156	(54,044)	918,531	18,890,338

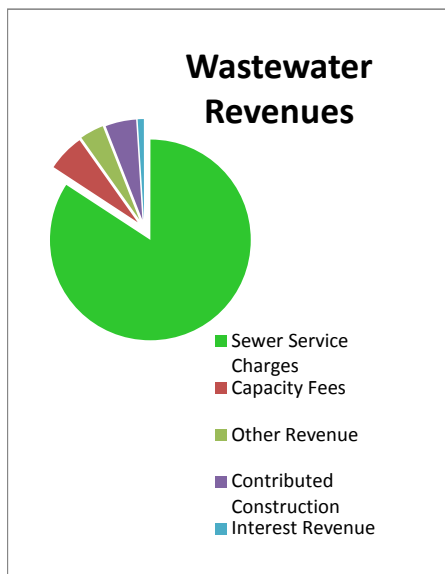
McKinleyville Community Services District
Enterprise Funds: Water Summary Budget - Draft
FY 2013-14

Description	Water Fund	
Water Revenues		
Water Sales	2,109,089	89%
Capacity Fees	45,000	2%
Other Revenue	139,050	6%
Contributed Construction	75,000	3%
Interest Revenue	12,000	1%
Total Revenues	2,380,139	100%
Water Expenses		
Salaries - Ops & Maint.	260,607	11%
Benefits- Ops & Maint.	181,593	8%
Salaries - Billing & Admin	178,233	8%
Benefits - Billing & Admin	140,900	6%
Water Purchased (COGS)	826,000	36%
Operating Expenses	184,300	8%
Other Expenses	177,995	8%
Depreciation Expense	290,000	13%
Interest Expense	80,303	3%
Total Expenses	2,319,931	100%
Excess (Deficit)	60,207	



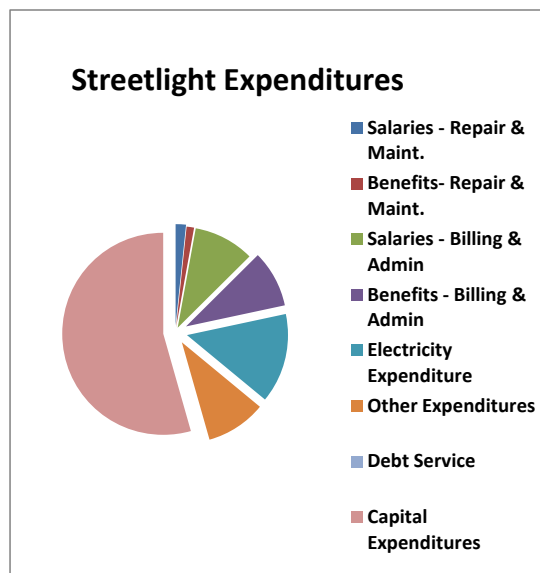
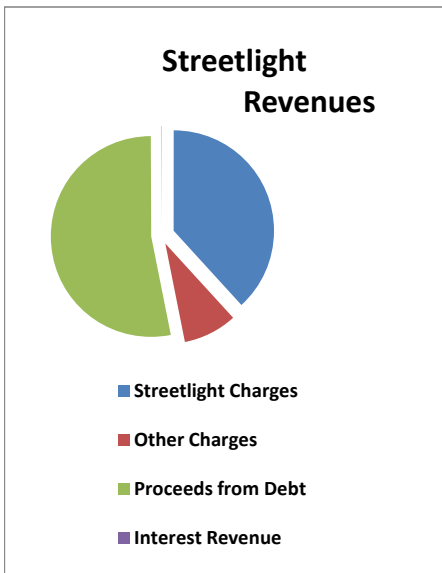
McKinleyville Community Services District
Enterprise Funds: Wastewater Summary Budget - Draft
FY 2013-14

Description	Wastewater Fund	
Wastewater Revenues		
Sewer Service Charges	1,700,000	84%
Capacity Fees	120,000	6%
Other Revenue	78,150	4%
Contributed Construction	100,000	5%
Interest Revenue	20,000	1%
Total Revenues	2,018,150	100%
Wastewater Expenses		
Salaries - Ops & Maint.	260,607	14%
Benefits- Ops & Maint.	181,593	10%
Salaries - Billing & Admin	178,233	10%
Benefits - Billing & Admin	143,217	8%
Water & Electrical Expense	158,188	8%
Operating Expenses	230,400	12%
Other Expenses	201,395	11%
Depreciation Expense	463,000	25%
Interest Expense	58,744	3%
Total Expenditures	1,875,377	100%
Excess (Deficit)	142,773	



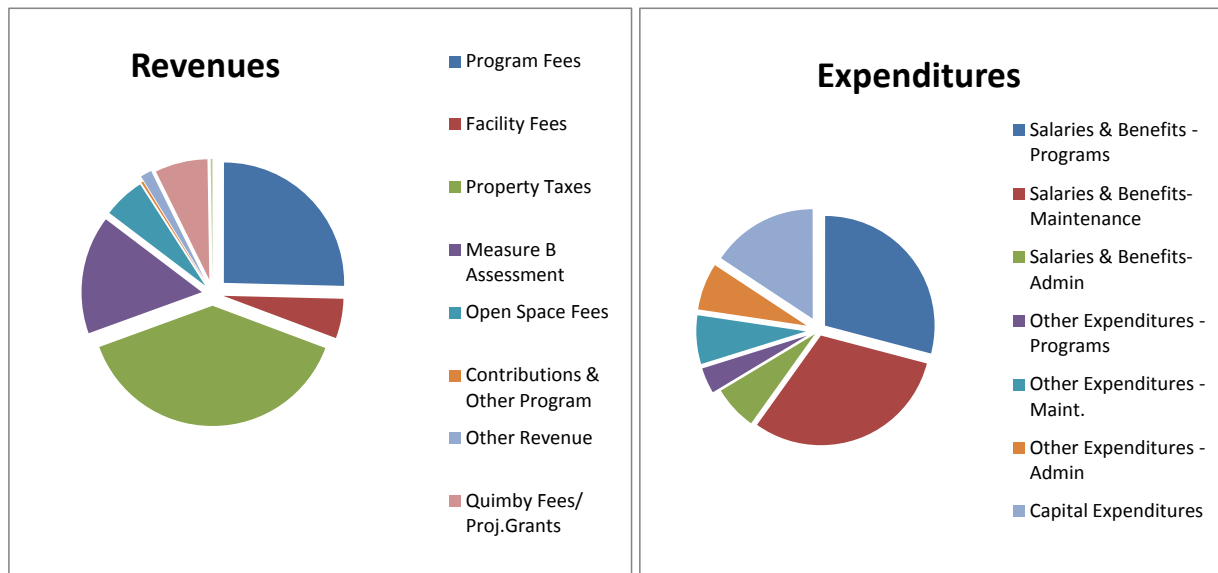
McKinleyville Community Services District
Governmental Funds: Streetlights Summary Budget - Draft
FY 2013-14

Description	Streetlights Fund	
Streetlight Revenues		
Streetlight Charges	72,000	38%
Other Charges	16,300	9%
Proceeds from Debt	100,000	-
Interest Revenue	100	0.1%
Total Revenues	188,400	47%
Streetlight Expenditures		
Salaries - Repair & Maint.	3,057	2%
Benefits- Repair & Maint.	2,203	1%
Salaries - Billing & Admin	17,823	10%
Benefits - Billing & Admin	16,716	9%
Electricity Expenditure	26,335	14%
Other Expenditures	17,675	10%
Debt Service	-	0%
Capital Expenditures	100,000	54%
Total Expenditures	183,809	100%
Excess (Deficit)	4,591	



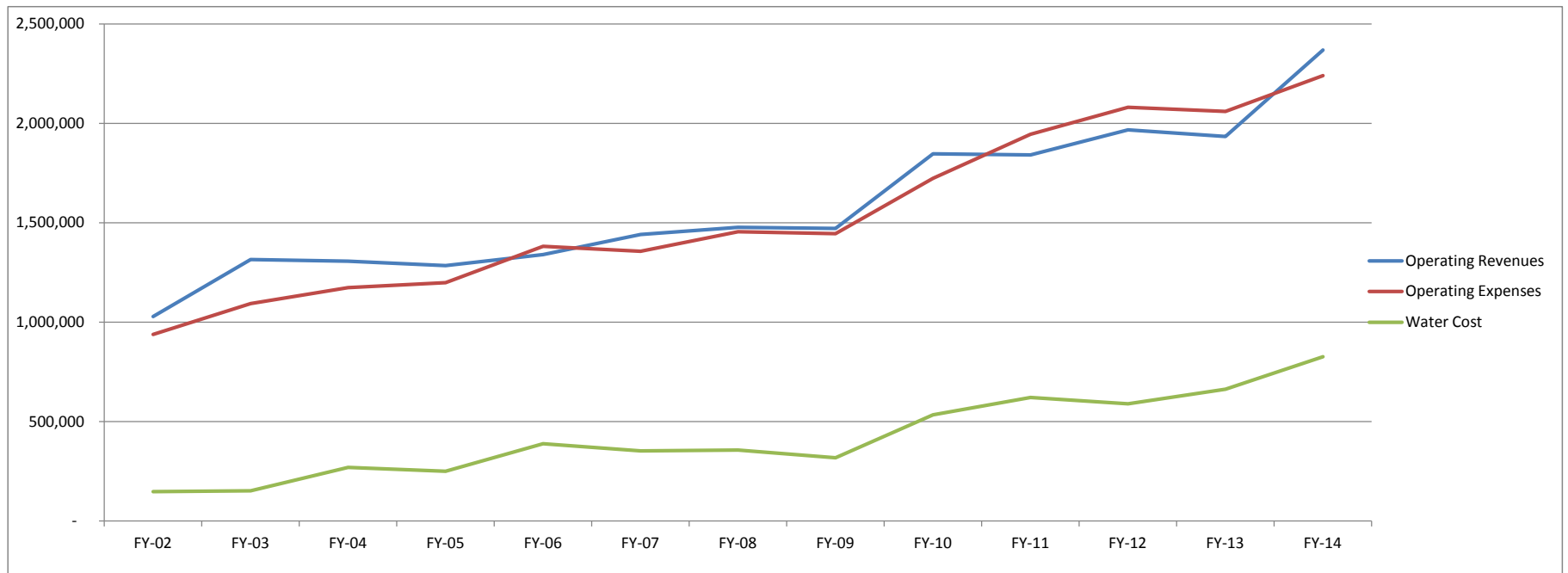
McKinleyville Community Services District
Governmental Funds Summary Budget
FY 2013-14

Description	Parks/General Fund		Measure B Assessment Fund		Total (Memorandum Only)	
Revenues						
Program Fees	334,300	30%	-	-	334,300	25%
Facility Fees	69,830	6%			69,830	5%
Property Taxes	510,000	46%	-	-	510,000	39%
Measure B Assessment	-	-	209,000	100%	209,000	16%
Open Space Fees	73,500	7%	-	-	73,500	6%
Contributions & Other Program	3,600	0%	-	-	3,600	0%
Other Revenue	19,800	2%			19,800	2%
Quimby Fees/ Proj.Grants	93,000	8%	-	-	93,000	7%
Interest Revenue	3,150	0.3%	125	0.00	3,275	0.2%
Total Revenues	1,107,180	100%	209,125	100%	1,316,305	100%
Expenditures						
Salaries & Benefits - Programs	382,756	35%	-	0%	382,756	29%
Salaries & Benefits- Maintenance	308,889	28%	95,958		404,846	31%
Salaries & Benefits- Admin	85,477	8%	-		85,477	6%
Other Expenditures - Programs	41,620	4%	8,500	4%	50,120	4%
Other Expenditures - Maint.	94,520	9%	-		94,520	7%
Other Expenditures - Admin	90,900	8%	-		90,900	7%
Capital Expenditures	103,000	9%	103,822	50%	206,822	16%
Total Expenditures	1,107,162	100%	208,280	54%	1,315,442	100%
Excess (Deficit)	18		845		863	



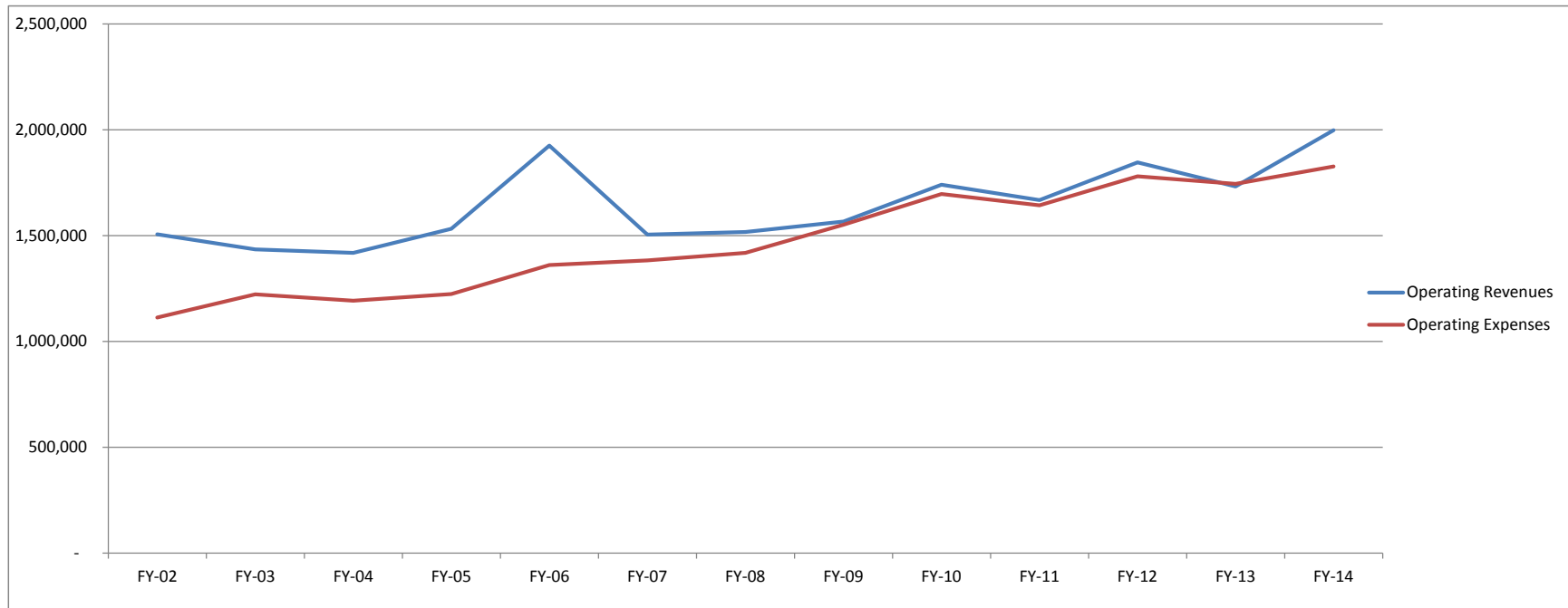
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2014

	Fiscal Year Ended (Ending) June 30,												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est	Budget
Operating Revenues													
Water Sales	924,184	1,085,000	1,121,436	1,152,396	1,224,279	1,305,455	1,337,042	1,360,169	1,566,024	1,559,779	1,545,469	1,665,641	2,109,089
Other Water Revenues	104,592	229,237	184,979	132,194	115,568	135,596	139,331	111,300	280,648	281,235	422,166	267,904	259,050
Total Operating Revenues	1,028,775	1,314,236	1,306,414	1,284,590	1,339,847	1,441,051	1,476,373	1,471,469	1,846,672	1,841,014	1,967,635	1,933,546	2,368,139
Operating Expenses													
Salaries & Benefits	392,061	472,929	459,541	499,303	529,427	560,844	594,924	661,031	729,285	737,395	724,139	755,136	754,833
Water Cost	147,114	151,583	269,049	250,212	387,780	352,935	356,842	318,159	533,961	620,952	589,650	662,137	826,000
Other Expenses	208,710	260,953	229,621	235,081	243,424	222,740	282,010	243,853	235,842	322,277	477,803	353,262	368,795
Depreciation	190,917	207,140	215,714	214,546	220,709	219,925	220,727	221,484	224,099	264,365	288,634	289,200	290,000
Total Operating Expenses	938,802	1,092,605	1,173,925	1,199,143	1,381,340	1,356,444	1,454,502	1,444,527	1,723,187	1,944,989	2,080,227	2,059,735	2,239,628
Net Operating Income (Loss)	89,974	221,631	132,489	85,447	(41,492)	84,607	21,870	26,942	123,485	(103,975)	(112,592)	(126,190)	128,511
Interest Income	79,066	67,786	42,801	46,501	63,422	97,279	114,973	76,662	39,897	19,437	17,492	11,210	12,000
Interest Expense	(75,463)	(65,739)	(64,364)	(62,690)	(61,241)	(59,666)	(58,130)	(56,318)	(54,701)	(53,948)	(82,524)	(116,338)	(80,303)
Net Income (Loss)	93,576	223,678	110,926	69,258	(39,311)	122,220	78,713	47,286	108,681	(138,487)	(177,624)	(231,318)	60,208



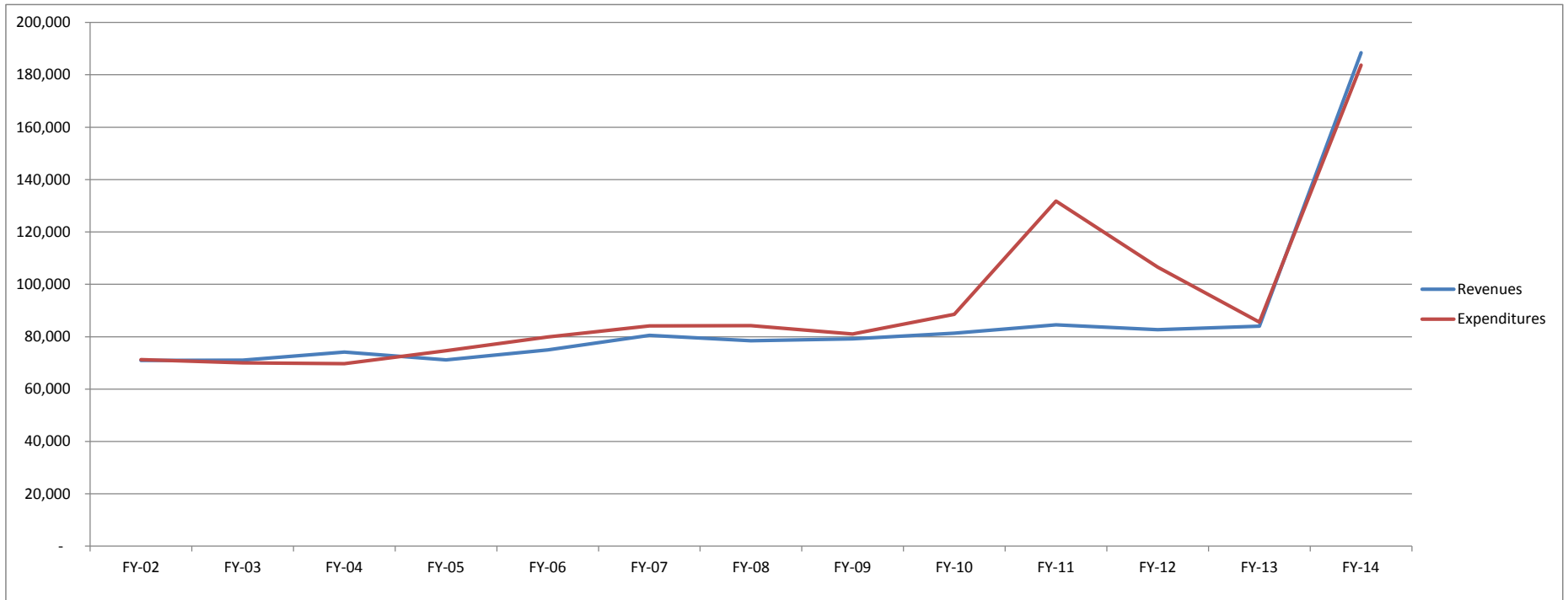
McKinleyville Community Services District
Sewer Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2014

	Fiscal Year Ended (Ending) June 30,												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est	Budget
Operating Revenues													
Sewer Service Charges	1,015,604	1,038,351	1,053,676	1,074,665	1,134,167	1,161,794	1,216,130	1,298,515	1,404,897	1,424,263	1,401,100	1,440,682	1,700,000
Other Sewer Revenues	490,711	397,380	365,082	458,496	791,360	343,314	301,106	267,940	336,252	243,841	445,849	292,308	298,150
Total Operating Revenues	1,506,314	1,435,732	1,418,758	1,533,161	1,925,527	1,505,108	1,517,235	1,566,455	1,741,149	1,668,104	1,846,949	1,732,990	1,998,150
Operating Expenses													
Salaries & Benefits	416,737	471,740	456,552	505,750	565,167	605,798	628,773	702,632	755,611	748,348	764,920	777,793	758,650
Other Expenses	361,180	391,751	368,226	351,055	397,018	376,114	390,676	441,707	529,281	447,098	555,245	506,153	606,050
Depreciation	335,976	359,592	367,808	367,795	399,033	401,102	400,055	407,597	412,230	448,174	460,549	460,800	463,000
Total Operating Expenses	1,113,893	1,223,083	1,192,586	1,224,600	1,361,218	1,383,014	1,419,504	1,551,936	1,697,122	1,643,620	1,780,714	1,744,746	1,827,700
Net Operating Income (Loss)	392,421	212,649	226,171	308,561	564,309	122,093	97,732	14,519	44,027	24,484	66,235	(11,756)	170,450
Interest Income	44,270	42,050	32,903	55,004	58,701	112,998	138,349	89,781	46,165	27,485	28,519	26,358	20,000
Interest Expense	(46,367)	(46,221)	(46,682)	(46,855)	(46,855)	(46,855)	(56,232)	(49,915)	-	(64,670)	(50,190)	(41,622)	(47,677)
Net Income (Loss)	390,325	208,478	212,392	316,709	576,154	188,236	179,848	54,386	90,192	(12,701)	44,564	(27,020)	142,773



McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2014

	Fiscal Year Ended (Ending) June 30,												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est	Budget
Revenues	70,946	71,040	74,138	71,173	74,911	80,560	78,413	79,207	81,317	84,510	82,665	84,065	188,400
Expenditures													
Salaries & Benefits	18,267	19,381	21,422	23,080	24,651	26,088	29,860	28,060	29,290	39,195	32,501	35,667	39,799
Other Expenditures	34,166	31,641	29,276	32,471	36,234	34,937	37,101	36,219	38,663	67,679	53,501	49,395	43,950
Debt Service	18,790	18,984	19,055	19,055	19,055	19,055	17,305	16,746	17,305	23,056	-	-	-
Capital Expenditures	-	-	-	-	-	4,000	-	-	3,271	1,857	20,520	500	100,000
Total Expenditures	71,223	70,006	69,754	74,607	79,940	84,080	84,266	81,025	88,529	131,786	106,523	85,562	183,749
Excess (Deficit)	(277)	1,035	4,385	(3,433)	(5,029)	(3,520)	(5,853)	(1,818)	(7,212)	(47,276)	(23,858)	(1,497)	4,651



McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2014

	Fiscal Year Ended (Ending) June 30,												
	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual Est.	2014 Budget
Revenues													
Programs	213,377	241,011	234,189	244,304	267,216	266,947	301,191	283,861	265,596	263,409	262,680	287,272	316,300
Rentals	51,344	53,694	59,710	64,572	68,961	76,128	68,175	57,921	56,953	60,974	57,321	48,877	69,830
Property Taxes	272,089	281,973	291,306	217,475	281,141	403,353	508,445	486,297	460,625	489,313	506,315	488,369	510,000
Measure B Assessment	171,707	175,350	182,969	183,832	185,245	190,263	194,044	193,724	201,114	209,068	203,432	202,457	209,125
State Bonds & Grants	-	104,477	131,265	55,312	154,722	126,913	67,983	47,097	-	12,000	-	-	25,000
Other Revenue	145,516	120,879	72,416	158,510	88,180	97,129	103,849	87,824	98,611	189,883	120,948	108,144	182,900
Interest Revenue	29,611	21,330	10,351	13,184	13,617	21,698	34,943	30,308	18,992	5,889	3,047	3,679	3,150
Total Revenues	883,644	998,714	982,206	937,189	1,059,083	1,182,430	1,278,630	1,187,032	1,101,891	1,230,536	1,153,743	1,138,798	1,316,305
Expenditures													
Salaries & Benefits	326,365	380,587	463,148	492,992	481,106	510,737	554,654	624,909	612,125	738,710	764,022	833,795	864,999
Other Expenditures	177,970	164,285	168,953	127,539	126,480	148,624	187,830	165,891	180,202	311,230	273,307	285,352	347,043
Debt Service	222,599	222,172	210,213	210,992	210,992	210,992	210,992	191,609	191,609	255,320	-	-	1,000
Capital Expenditures	100,452	206,460	257,755	256,000	219,503	62,614	79,115	19,138	186,355	27,559	21,902	59,723	103,000
Total Expenditures	827,387	973,504	1,100,070	1,087,524	1,038,082	932,968	1,032,591	1,001,547	1,170,291	1,332,819	1,059,230	1,178,869	1,316,042
Excess (Deficit)	56,258	25,210	(117,864)	(150,336)	21,001	249,462	246,039	185,485	(68,400)	(102,283)	94,513	(40,071)	263

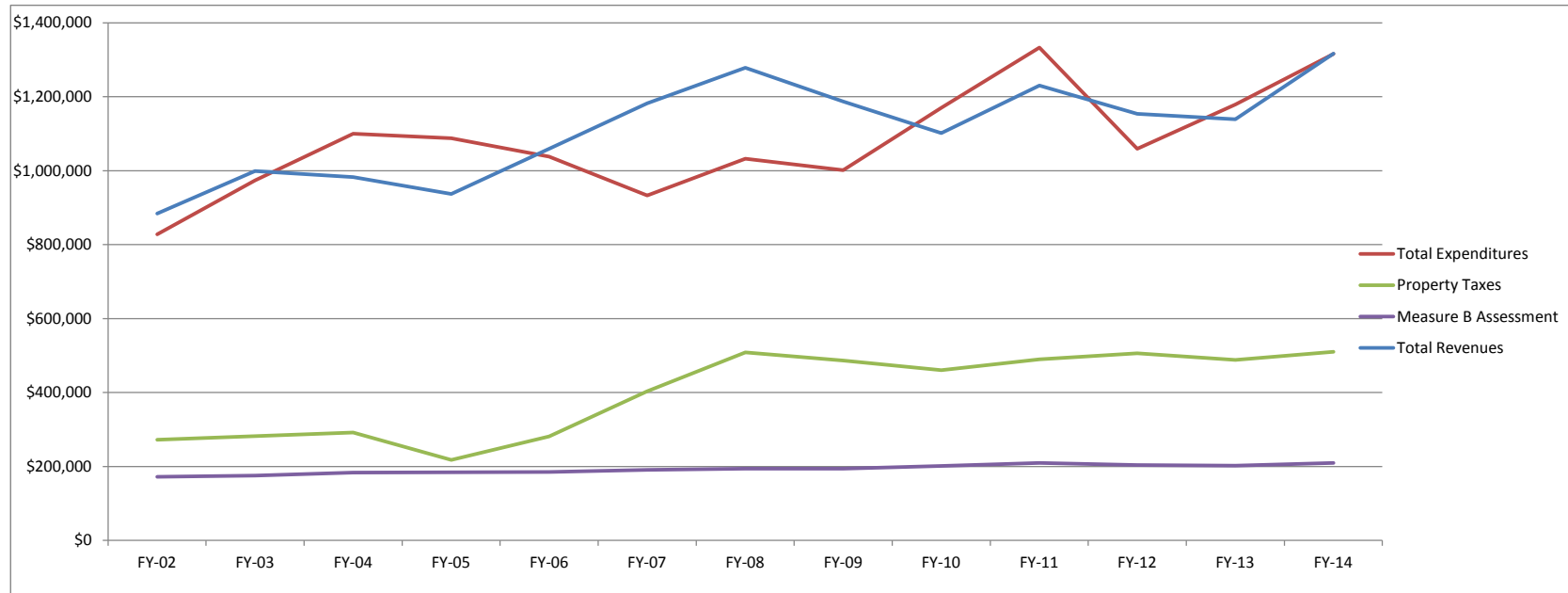


Exhibit 10

McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2014 - 2023

		1	2	3	4	5	6	7	8	9	10
(All numbers in \$000s)											
		June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
1.	Heavy Equipment										
	Totals:	90	10	0	300	60	0	20	50	80	0
2.	Utility Vehicles										
	Totals:	60	30	61	31	53	54	22	32	32	33
3.	Water System										
	Totals:	2,135	1,384	1,363	4,129	72	27	1,010	400	50	3,600
4.	Sewer System										
	Totals:	1,230	5,375	6,291	737	180	116	331	356	1,300	300
5.	Office, Corporation Yard & Shops										
	Totals:	0	170	150	10	0	10	10	0	400	0
6.	Computers, Software & Equipment										
	Totals:	24	9	138	9	13	9	15	0	0	0
7.	Fischer Ranch										
	Totals:	1,008	0	3	1,500	0	0	0	0	0	0
8.	Small Equipment & Other										
	Totals:	15	15	15	15	35	15	37	0	0	0
Total Planned Expenditures		4,562	6,993	8,021	6,731	413	231	1,445	838	1,862	3,933
Departmental Allocations:											
Water Fund		2,229	1,501	1,545	4,162	153	71	1,062	441	306	3,617
Sewer Fund		2,333	5,492	6,476	2,570	261	160	383	397	1,556	317
Total		4,562	6,993	8,021	6,731	413	231	1,445	838	1,862	3,933

Exhibit 10

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects
For the Fiscal Years Ending June 30, 2014 - 2023

(All numbers in \$000s)

		1	2	3	4	5	6	7	8	9	10
		June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
1.	Hiller Park & Sports Complex Projects										
	Totals:	0	5	5	5	5	5	6	6	6	6
2.	Pierson Park Projects										
	Totals:	0	0	0	0	0	0	0	0	0	0
3.	Azalea Hall Projects										
	Totals:	5	8	6	0	0	0	0	0	5	5
4.	McKinleyville Activity Center Projects										
	Totals:	5	20	5	5	5	15	10	6	6	6
5.	Other Park Projects & Equipment										
	Totals:	0	139	0	8	36	128	36	28	8	14
6.	Law Enforcement Facility Projects										
	Totals:	0	0	0	5	0	0	0	0	0	5
7.	McKinleyville Library Projects										
	Totals:	0	13	0	0	0	0	0	0	0	0
8.	Projects Funded With Measure B Renewal										
	Totals:	104	100	100	100	0	0	0	0	0	0
9.	Projects Contingent Upon Grant Funding										
	Totals:	25	0	0	0	0	0	0	0	0	0
10.	Projects Funded by Quimby & Other Funds										
	Totals:	68	20	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures		207	305	116	123	46	148	52	40	25	36

Appendix A

The Capital Improvement Program Overview Fiscal Year 2013-14

MCSD's Capital Improvement Program (CIP) is a multi-year plan that identifies capital assets to be purchased or constructed during a 10-year planning horizon. Additionally, the CIP identifies the year in which the capital asset purchase or construction is anticipated as well as the amount of funds expected to be spent.

Capital assets include tangible and intangible assets used in the operations of the District and that have an initial useful life extending beyond one year (i.e. land, improvements to land, easements, buildings, vehicles, machinery, equipment, infrastructure, etc.).

The CIP is updated annually with the first year representing the capital budget for the next fiscal year. A primary goal of the CIP is to provide MCSD with an orderly process for planning and budgeting for capital needs.

Another primary consideration in developing the CIP is to prioritize current and future needs to fit within the anticipated level of financial resources. In this way, the CIP will also assist MCSD in reviewing and evaluating facility rentals and program fees so that MCSD can maintain cash reserves and debt capacity to insure the long-term preservation of District assets. In FY 12/13, some of the previously deferred CIP projects have been started, with costs expected to accumulate over multiple fiscal years.

During FY 11/12 the Board approved a designated funds policy which included a capital asset repair and replacement reserve. The repair and replacement reserve is designed to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the repair and replacement reserve will only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance, conventional financing or grant funding. This fund will also help normalize the impact of the capital asset replacements on future rates.

Appendix A

The Capital Improvement Program Water and Sewer Funds Fiscal Year 2013-14

Water and Sewer Fund capital asset purchases and projects depend largely on grants, loans, and the strategic use of District Reserves. The Board has made a commitment to not defer scheduled maintenance, repair, and replacement of current service delivery systems. This must be balanced against the Board's equal commitment to fiscal responsibility. Under the leadership of the General Manager and Finance Director, staff has taken steps to honor both of these commitments in the budget process by ensuring that the potential financing sources of each project are discussed at the time of project proposal and included with each project's detail notes.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Heavy Equipment and Utility Vehicles

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Operations Funds are planning to replace the dump truck, one utility truck, and the unit 13 car this next fiscal year, with others being replaced later in sequence. The District is looking at leasing these assets rather than purchasing outright, or possibly financing with debt spread over the useful life of the vehicles. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in both capital and operating costs.

Water System

The largest proposed Water project for FY2013-14 is the Mad River Emergency Water Intertie which will cost approximately \$2 million. The majority of the project is contingent on receiving Prop. 50 grant funds. The design phase, which was budgeted in FY2012-13, and the in-bridge pipeline that was already built are also expected to be reimbursed from that grant. If the grant does not come through as planned, the District will still have a viable design that can be built at a later date as funds become available.

Other projects currently proposed for the Water Fund include upgrades to the radio telemetry system (\$25,000) and continuing work on the changeover to Radio-read meters for our customers (up to \$90,000 this fiscal year). The fire hydrant system is scheduled to be upgraded at a cost of \$16,000; however, the Arcata Fire Protection District is covering half of this cost, so the cost to the District will total only \$8,000. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

Although the Murray Road site was not viable, management has budgeted \$6,000 to continue looking for alternative locations to fulfill the Board requirement for 5 days emergency storage. Management has set aside \$185,000 over the next two fiscal years for the property purchase. The overall project cost of the new 5 million gallon storage tank is estimated to be a little over \$4 million, with a timeline extending through 2017.

Sewer System

The Waste Water Management Facility (WWMF) Improvement Project design and construction takes the greatest share of the Sewer Fund CIP budget for FY2013-14 through FY15-16. Design scope of work was approved by the Board in January 2013 with design ending and construction beginning in calendar 2015. Various methods of financing the \$10 million total project cost are being pursued, with the main focus on grants or possibly low-interest loans.

An ongoing issue that will require consideration will be the removal of accumulated sludge from the WWMF lagoons and plans for a solids handling program, both of which will be capital intensive projects.

The sewer main camera unit is scheduled for replacement. Other projects totaling about \$223,000 include regularly scheduled repair and replacement of sewer mains, pumps, and generators, and construction of a new roof for the Waste Water Management Facility. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

Office, Corporation Yard, Computers and Software

While no additional projects are currently budgeted for the Main Office in FY2013-14, Operations is looking at upgrades for GIS, SEMS, and CADD software. There are also funds budgeted for regularly scheduled upgrades of computers and printers.

Fischer Ranch

A disposal site upgrade at Fischer Ranch is proposed as part of the Waste Water Management Facility project, along with some expansion of underground valving and piping.

An alternative to the upgrade might include procurement of more property as a reclamation site. As regulations change, methods for land application will undoubtedly become more stringent and land procurement will be considered if it is feasible and an economically sound alternative.

Small Equipment and Other

The main capital expense in this category is the planned acquisition of a collapsible discharge hose for the Letz Sewer Lift Station.

Note on Exhibit 10 – Water & Sewer Funds Capital Improvement Program

Exhibit 10 contains the summaries of the Water and Sewer Funds Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars, since future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

Appendix A

The Capital Improvement Program Streetlights Fund Fiscal Year 2013-14

Streetlights Fund capital asset projects depend largely on grants, loans, and the strategic use of District Reserves. The Board has made a commitment to not defer scheduled maintenance, repair, and replacement of current service delivery systems. This must be balanced against the Board's equal commitment to fiscal responsibility. Under the leadership of the General Manager and Finance Director, staff has taken steps to honor both of these commitments in the budget process by ensuring that the potential financing sources of each project are discussed at the time of project proposal and included with each project's detail notes.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

LED Streetlights Replacement Project

The Streetlights LED Replacement Project was approved by the Board with the direction to return for Board confirmation once the Central Avenue portion was complete. Having secured financing by PG&E, staff has implemented the project and completed the Central Avenue portion, which will be brought back to the Board for review in July, 2013. This means that completion of the project and the final receipt of PG&E Loan funds will take place in FY2013-14. These final numbers are shown in the Budget Summary, and a separate CIP budget was not created for the Streetlights Fund as no other major capital projects for Streetlights are under consideration at this time.

Appendix A

The Capital Improvement Program Parks and General Fund Fiscal Year 2013-14

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities is being renewed in FY12/13. As Proposition 1A made clear, the State's ability to redirect property tax revenues make that annual revenue source less secure and predictable than previously thought. When the State is again in a deficit position, they are likely to seek more local revenues to balance the State's budget. Local property tax remains one of the few only revenue sources left for this purpose along with redevelopment funds and higher fees.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Utility Vehicles

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. At present, the Parks Fund is not planning to replace a utility truck this next fiscal year, but will be replacing it, and others, the following year as funds become available. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs.

Building Projects

With the successful passing of Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities, staff has begun the design for construction of a **Teen/Family center** attached to the McKinleyville Activity Center. The facility will include a large space that can be sectioned off, storage, offices, multi-purpose activity room, restrooms, and a commercial kitchen. \$104,422 is the planned budget for the portion of this project expected to be completed in the coming fiscal year.

The aging furnaces at Azalea Hall and at the Library are scheduled to be replaced for \$5,000. Construction of the grant-funded covered picnic pavilion with group BBQ near the bocce ball courts at Pierson Park will proceed in FY2013-14 contingent on grant funding with matching Quimby Funds.

Parks and Trails Projects

The implementation of Proposition 1A reduced the General Fund property tax receipts in previous years. This seriously limited the viability of future capital projects. Since

that period the District has been able to build the reserves for matching funds for available parks grants.

Staff proposes to improve parking and river access on the newly acquired property purchased from Granite Construction along North Bank Road. Staff also proposes to create access and remove invasive and non-native plants and shrubs after the completion of the purchase of property at Washington and School Road from the McKinleyville Unified School District. Staff has committed to greater use of MCSD's Quimby Funds, which are held in trust by the County, and is planning to spend \$18,000 in new park improvements with these funds.

The District will continue to pursue additional grant funding for new projects, which may be included in the budget in future years, but are contingent upon successfully receiving grants. If McKinleyville continues to grow as anticipated, other regular acquisitions of new parkland are planned throughout the 10-20 year planning horizon.

Small Equipment, Contingency and Other

Staff is planning on purchasing a new Saber floor scrubber for use at Azalea Hall and the McKinleyville Activity Center for \$5,000. Smaller and less expensive (more than \$500 but less than \$2,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated. These are considered expenditures, rather than capital assets, and will be included in the repairs/maintenance/supplies line of the Parks Budget.

Note on Exhibit 10 – Parks & General Fund Capital Improvement Program

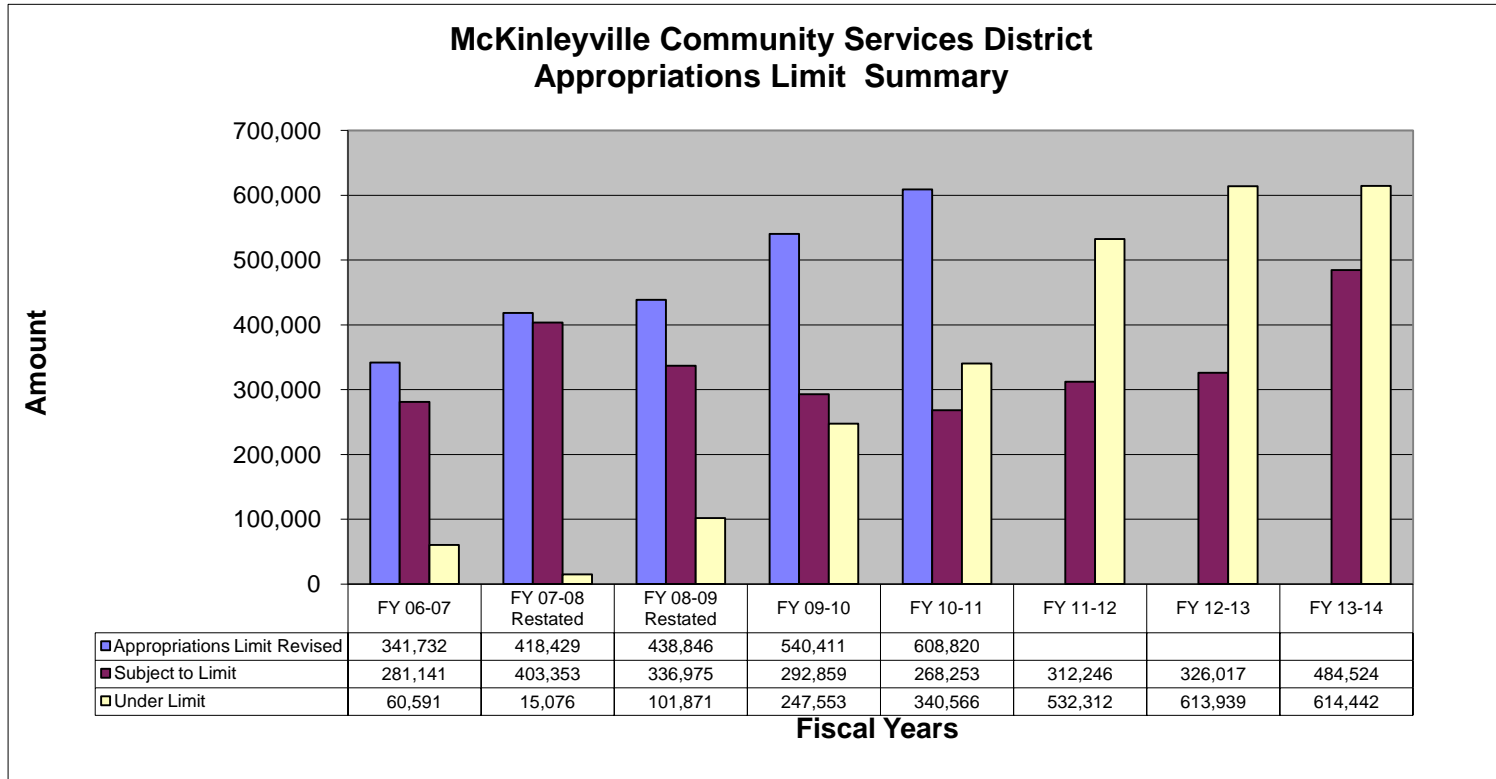
Exhibit 10 contains the summaries of the Parks and General Fund Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars, since future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 13-14 Budget

Prior Year Final Appropriation Limit		\$ 1,098,967
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	0.020%	
MCSD Unincorporated County Population Percent Change	0.500%	
Compounded Percentage as an Adjustment Factor	0.520%	
Annual Adjustment Amount to Appropriation Limit		<u>5,712</u>
Current Year Appropriation Limit		<u>1,104,678</u>
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	511,248	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	<u>(47,126)</u>	
Current Year Appropriations Subject to Appropriation Limit		<u>464,123</u>
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		<u><u>\$ (640,556)</u></u>
Percentage Under the Limit		<u><u>-58%</u></u>



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIIIB Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

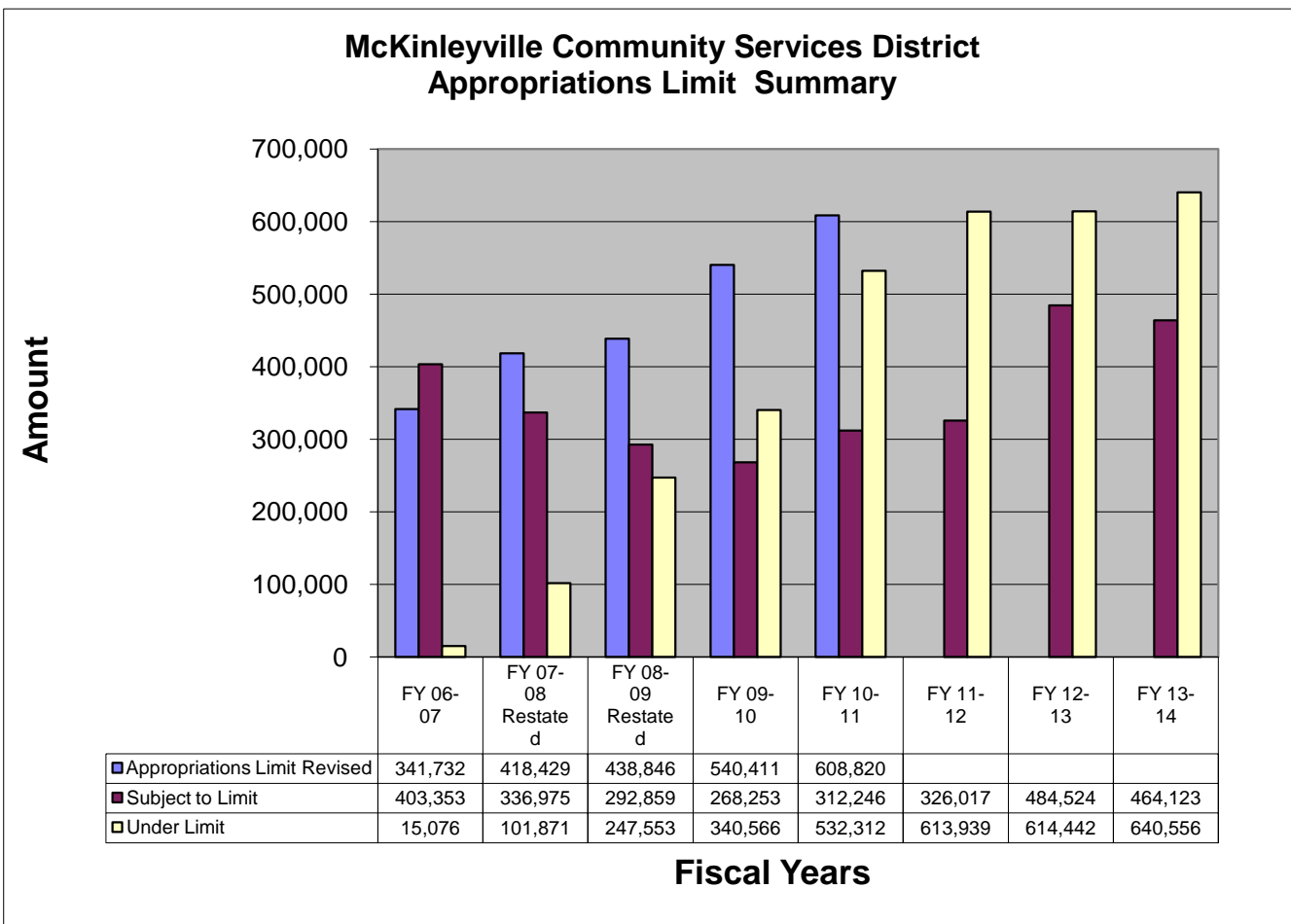
(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	805,057	511,248	1,316,305
Street Lighting Fund	88,400	-	88,400
Water Fund	2,380,139	-	2,380,139
Wastewater Fund	2,018,150	-	2,018,150
Total Proceeds and Non Proceeds of Taxes	5,291,746	511,248	5,802,994
Summary of Exclusions			
Court Order Costs	-		
Federal Mandates	47,126		
Qualified Capital Equipment	-		
Qualified Debt Service	-		
Total Exclusions to Appropriations Subject to Limit	47,126		

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under Limit
FY 00-01	262,852	256,052	6,800
FY 01-02	284,654	272,089	12,565
FY 02-03	282,163	281,973	190
FY 03-04	308,121	291,306	16,815
FY 04-05	321,919	217,475	104,444
FY 05-06	341,732	281,141	60,591
FY 06-07	418,429	403,353	15,076
FY 07-08 Restated	438,846	336,975	101,871
FY 08-09 Restated	540,411	292,859	247,553
FY 09-10	608,820	268,253	340,566
FY 10-11	844,558	312,246	532,312
FY 11-12	939,956	326,017	613,939
FY 12-13	1,098,967	484,524	614,442
FY 13-14	1,104,678	464,123	640,556



McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 13-14 Budget

User Fees in Excess of Costs Analysis (Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	378,230	378,230			
Miscellaneous Fees & Reimbursements	21,900	21,900			
Total General Fund	400,130	400,130	-	-	-
Street Lighting Fund	88,400		88,400		
Water Operations Fund	2,380,139			2,380,139	
Wastewater Operations Fund	2,018,150				2,018,150
Total Estimate of User Fees	4,886,819	400,130	88,400	2,380,139	2,018,150
Current Year Adopted Budget					
Operations & Equipment	5,594,559	1,315,442	83,809	2,319,931	1,875,377
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	(707,740)	(915,312)	4,591	60,208	142,773

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 13-14 Budget

**Calculation of Proceeds of Taxes and Interest
Allocation (Worksheets #2 & #3 of Guidelines)**

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	510,000				510,000	-	510,000
Special Assessment	209,000				209,000	209,000	-
Charges for Services	378,230				378,230	378,230	-
Grants	52,400				52,400	52,400	-
Development Fees	141,500				141,500	141,500	-
Interest (4)	3,275				3,275	2,027	-
Miscellaneous Fees & Reimbursements	21,900				21,900	21,900	1,248
Other Financing Sources					-	-	-
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	1,316,305	0	0	0	1,316,305	805,057	511,248
Street Lighting Fund	88,400	(4,500)				88,400	
Water Fund	2,380,139	(105,927)				2,380,139	
Wastewater Fund	2,018,150	(105,927)				2,018,150	
Debt Service Fund	-					-	
Total All Funds	5,802,994	(216,354)	-	-	1,316,305	5,291,746	511,248

(1) See Worksheet 2.1 for Detail to all Funds

(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be reflected in the final budget appropriations.

(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.

(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 13-14 Budget

**Proceeds Detail (Worksheet 2.1
of Guidelines)**

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	4,500	4,500		Reimbursement for Services
42020	PROC. FEES	1,500	1,500		User Fees for Services
42030	BAD CHECK FEES	100	100		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	-	-		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	4,000	4,000		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	8,100	8,100		Use of Property fees
44000	OPEN SPACE FEES	66,000	66,000		Development Fees
45000	OPEN SPACE FEES	7,500	7,500		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	33,780	33,780		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	29,000	29,000		User Fees for Services
48002	EVENT SERVICES	4,500	4,500		User Fees for Services
48010	INSURANCE FEES	1,050	1,050		User Fees for Services
48020	AD INCOME	1,500	1,500		User Fees for Services
48040	COMMISSIONS VND	100	100		User Fees for Services
48050	REC. PROGRAMS	316,300	316,300		User Fees for Services
48051	FRF DISCOUNT	(9,500)	(9,500)		User Fees for Services
48055	PROGRAM GRANTS	27,400	27,400		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	3,275	2,027	1,248	Allocated
51001	SECURED TAXES	510,000		510,000	
51060	MEASURE B ASSMT	209,000	209,000		Special Assessment Restricted Specific Use
52000	OTHER INCOME	1,600	1,600		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	3,600	3,600		Donations
53002	QUIMBY FEES	68,000	68,000		Development fees
54001	STATE GRANTS	25,000	25,000		Related to Restricted Grants
56000	GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund		1,316,305	805,057	511,248	

Street Lighting

41050	ADMIN FEE	12,800	12,800		
42020	PROC. FEES	3,500	3,500		
47001	ST. LIGHT CHGS	72,000	72,000		
47001	ST. LIGHT CHGS	-	-		
50001	INT. REVENUE	100	100		
Total Street Lighting		88,400	88,400	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	780,000	780,000		
40001	MTR. WATER SALE	1,329,089	1,329,089		
41001	NEW SVC. FEES	12,800	12,800		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	3,000	3,000		
42001	PERMIT FEES	3,000	3,000		
42010	CONN. FEES	45,000	45,000		
42020	PROC. FEES	19,700	19,700		
42030	BAD CHECK FEES	450	450		
42040	RECONN. FEES	20,000	20,000		
42050	DCV INSPECTION	20,000	20,000		
43010	REC. BAD DEBTS	700	700		
43190	CELL TOWER REV.	14,500	14,500		
43195	OTHER OP. REV.	22,000	22,000		
43197	LEASE REVENUE	3,600	3,600		

McKinleyville Community Services District

Revenue Estimates Detail

FY 13-14 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43198	PAVING FEES	2,750	2,750		
43199	SERVICE UPGRADE	-	-		
46000	AFTER HRS CHGS	750	750		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	1,000	1,000		
50001	INT. REVENUE	12,000	12,000		
50005	LATE CHARGES	14,800	14,800		
51011	CONTRIB CONST	75,000	75,000		
56000	GAIN ON DISPOSAL	-	-		

Total Water	2,380,139	2,380,139	0	User Fees for Services
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Wastewater Fund

40002	SWR SVC CHGS.	1,700,000	1,700,000		
40010	STORM WATER FEE	300	300		
41001	NEW SVC. FEES	14,000	14,000		
41002	INSTALLATION FEES	1,200	1,200		
41020	PL. CK. FEE DEP	1,000	1,000		
41040	SWR CONST PRMT	2,000	2,000		
42001	INSPECTION FEES	-	-		
42010	CONN. FEES	120,000	120,000		
42020	PROC. FEES	-	-		
42030	BAD CHECK FEES	450	450		
42040	RECONN. FEES	-	-		
42050	DCV INSPECTION	-	-		
43010	REC. BAD DEBTS	700	700		
43190	CELL TOWER REV.	14,500	14,500		
43195	OTHER OP. REV.	12,000	12,000		
43197	LEASE REVENUE	18,000	18,000		
43198	PAVING FEES	500	500		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	100			
50001	INT. REVENUE	20,000	20,000		
50005	LATE CHARGES	13,400	13,400		
51011	CONTRIB CONST	100,000	100,000		
56000	GAIN ON DISPOSAL	-	-		

Total Wastewater	2,018,150	2,018,050	0	User Fees for Services
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Debt Service

Total Debt Service	-	-	-	Debt Related
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Total All Funds	5,802,994	5,291,646	511,248
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 13-14 Budget

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 511,248
Less Allowed Exclusions (From Worksheet #7)	(47,126)
Current Year Appropriations Subject to Limit	<u>\$ 464,123</u>
Current Year Appropriations Limit (From Worksheet #6)	1,104,678
Current Year Appropriations Over or (Under) Limit	<u>\$ (640,556)</u>
Percentage Over or (Under) Limit	<u><u>-58%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 13-14 Budget

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indices		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unincorporated County)	Humboldt County Total		
FY 00-01	4.91	N/A	1.64	1.35	106.63052%	262,852
FY 01-02	7.82	N/A	0.44	0.34	108.29441%	284,654
FY 02-03	-1.27	N/A	0.40	0.33	99.12492%	282,163
FY 03-04	2.31	8.14	0.98	0.77	109.19977%	308,121
FY 04-05	3.28	-0.10	1.16	0.94	104.47805%	321,919
FY 05-06	5.26	-42.46	0.85	0.70	106.15471%	341,732
FY 06-07	3.96	21.98	0.10	0.38	122.44352%	418,429
FY 07-08	4.42	-14.41	0.17	0.44	104.87945%	438,846
FY 08-09	4.29	22.13	0.83	0.64	123.14368%	540,411
FY 09-10	0.62	12.02	0.57	0.45	112.65851%	608,820
FY 10-11	-2.54	37.77	0.69	0.53	138.72061%	844,558
FY 11-12	2.51	10.50	0.72	0.66	111.29560%	939,956
FY 12-13	3.77	16.80	0.10	0.00	116.91680%	1,098,967
FY 13-14	3.10	0.02	0.50	0.40	100.51974%	1,104,678

[1] From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSD may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The **Bold type** indicate Factor used in calculation for the individual Fiscal Year.

[2] Appropriations Limit calculation have been revised to correct factors and mathematical calculations. Previous Appropriations limits and combined percentage growth from June 20, 2007 Board Agenda report.

[3] PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance.

[4] Percent of annual growth in non-residential assessed valuation is from information provided by the Humboldt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 13-14 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
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Prior Year Appropriations Limit (From Worksheet #5)	\$	1,098,967
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		0.02%
MCSD Unincorporated County Population Percent Change		0.50%
Compounded Total Percentage Adjustment Factor		<hr/> 0.520%
Current Year Annual Adjustment Amount	\$	5,712
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibility of Services		0
Total Adjustments to Limit	\$	<hr/> - <hr/>
Current Year Appropriations Limit	\$	<hr/> 1,104,678 <hr/>

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 13-14 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)
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	Exclusions
Court Orders	
	-
Federal Mandates	
FICA and Medicare Payments	43,346
Unemployment Payments	3,780
Total Federal Mandates	47,126
Qualified Capital Outlays (Assets of over \$100,000)	-
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	-
Total Exclusions	47,126