

Hypothetical Effect of
No Revenue Increase



Fiscal Year 2026-2027 Annual Budget

July 1, 2026 to June 30, 2027

Budget Draft #2 Version 2 (hypothetical effect of no revenue increase) – May 28, 2026
(Operating Budget and Capital Projects)

Crestline Sanitation District

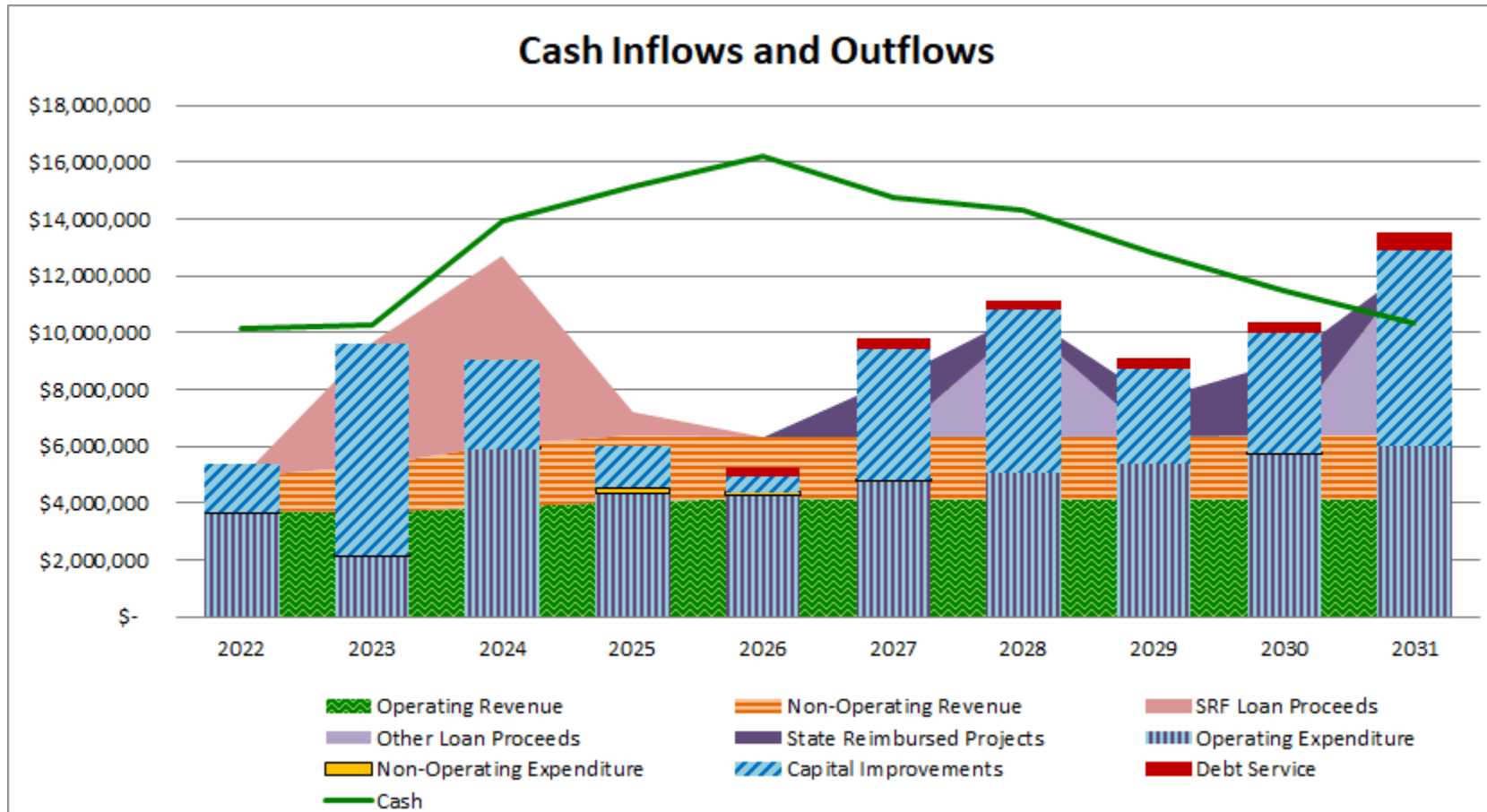
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Fiscal Year 2026-2027 Annual Budget

We are pleased to present to the Board of Directors the Crestline Sanitation District's Annual Budget for Fiscal Year 2026-2027.

This Budget has been prepared with the following general projections:

- 6.0% increase in salaries and benefits.
- 5.0% increase in expenses other than salaries and benefits, except where noted otherwise.

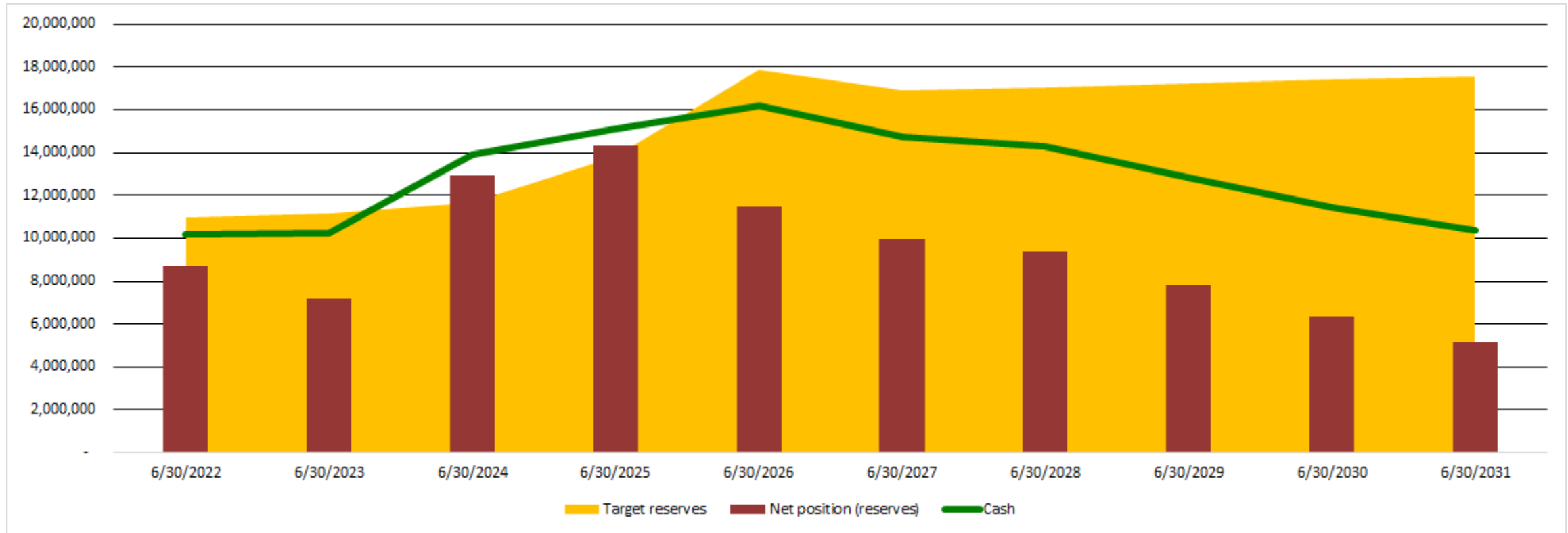


Crestline Sanitation District

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Reserves

The District manages its reserves in a manner that ensures continuity of services and to protect District customers and taxpayers from the financial impacts of catastrophic events and from fluctuations in District expenses. Reserves are determined in accordance with the District’s Reserve Policy, as calculated on page 20. The following table illustrates prior year reserve balances and projected reserve balances. The significant projected decrease is related to anticipated cash-funded capital projects.



Summary

The Fiscal Year 2026-27 Budget continues the District’s history of responsible fiscal management. Available resources are focused on maintaining services and programs essential to District facilities and improving the quality of service to the customers of the District.

Dawn Grantham
General Manager

RAMS – Financial Consultant

CRESTLINE SANITATION DISTRICT 2026/2027 Budget Summary

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	Audited 06/30/22	Audited 06/30/23	Audited 06/30/24	Audited 06/30/25	Estimated 06/30/26	Budget 06/30/27	Projection 06/30/28	Projection 06/30/29	Projection 06/30/30	Projection 06/30/31
OPERATING REVENUES										
Charges for services	\$ 3,509,773	\$ 3,475,834	3,507,818	3,728,157	3,882,019	\$ 3,911,800	\$ 3,911,800	\$ 3,911,800	\$ 3,911,800	\$ 3,911,800
Permit and inspection fees	36,331	35,729	45,173	43,677	49,431	49,600	49,600	49,600	49,600	49,600
Connection fees	7,482	7,482	11,223	18,705	14,964	-	-	-	-	-
Other services	167,391	166,967	279,732	250,139	207,927	183,000	183,000	183,000	183,000	183,000
Total operating revenues	3,720,977	3,686,012	3,843,946	4,040,678	4,154,341	4,144,400	4,144,400	4,144,400	4,144,400	4,144,400
OPERATING EXPENSES										
Salaries and benefits	2,220,556	2,383,584	2,466,927	2,584,070	2,763,733	2,990,080	3,223,920	3,458,580	3,684,040	3,901,840
Professional services	258,881	457,459	408,895	444,935	357,650	399,640	418,660	438,640	459,610	481,630
Services and supplies	683,096	663,557	700,318	861,310	903,828	1,096,776	1,150,710	1,207,340	1,266,830	1,329,240
Utilities	198,025	250,921	237,648	237,068	251,472	276,650	290,500	305,040	320,320	336,360
Depreciation	550,211	548,356	522,132	542,187	584,860	605,130	635,410	667,190	700,570	735,610
Total operating expenses	3,910,769	4,303,877	4,335,920	4,669,570	4,861,543	5,368,276	5,719,200	6,076,790	6,431,370	6,784,680
Net Operating Income (Deficit)	(189,792)	(617,865)	(491,974)	(628,892)	(707,202)	(1,223,876)	(1,574,800)	(1,932,390)	(2,286,970)	(2,640,280)
NONOPERATING INCOME (EXPENSES)										
Property taxes	1,401,965	1,555,864	1,698,925	1,761,673	1,794,171	1,821,100	1,848,600	1,876,500	1,904,800	1,933,500
Special assessments	30,947	32,388	34,247	28,594	10,660	10,700	10,900	11,100	11,300	11,500
Federal / State aid - Homeowner's exemption	9,696	9,330	9,301	9,211	-	-	-	-	-	-
Interest and investment revenue *	(260,745)	34,260	413,846	541,455	386,880	325,500	325,500	325,500	325,500	325,500
Gain on sale of capital assets	12,750	-	-	3,750	-	-	-	-	-	-
Other nonoperating revenue	-	31,887	97,423	880	-	300	300	300	300	300
Interest expense	(55,472)	(5,053)	(1,734)	(183,345)	(103,785)	(102,524)	(99,414)	(96,276)	(93,110)	(289,916)
Other nonoperating expense	(3,550)	(5,973)	(4,233)	(4,514)	-	(25,000)	(5,000)	-	(5,000)	-
Total nonoperating revenues (expenses)	1,135,591	1,652,703	2,247,775	2,157,704	2,087,926	2,030,076	2,080,886	2,117,124	2,143,790	1,980,884
CAPITAL CONTRIBUTIONS	1,127,402	-	-	11,329	-	-	-	-	-	-
Change in net position	2,073,201	1,034,838	1,755,801	1,540,141	1,380,724	806,200	506,086	184,734	(143,180)	(659,396)
Net position - beginning of year	18,638,632	20,711,833	21,746,671	23,502,472	25,042,613	26,423,337	27,229,537	27,735,623	27,920,357	27,777,177
Net position - end of year	\$ 20,711,833	\$ 21,746,671	\$ 23,502,472	\$ 25,042,613	\$ 26,423,337	\$ 27,229,537	\$ 27,735,623	\$ 27,920,357	\$ 27,777,177	\$ 27,117,781
Net investment in capital assets	\$ 12,034,648	\$ 14,577,225	\$ 10,587,452	\$ 10,703,069	\$ 14,932,648	\$ 17,283,554	\$ 18,361,700	\$ 20,111,722	\$ 21,443,159	\$ 21,959,955
Unrestricted	\$ 8,677,185	\$ 7,169,446	\$ 12,915,020	\$ 14,339,544	\$ 11,490,689	\$ 9,945,983	\$ 9,373,923	\$ 7,808,635	\$ 6,334,018	\$ 5,157,826

* Interest and investment revenue = Interest income, realized gain/loss & net increase/decrease in fair value

CRESTLINE SANITATION DISTRICT 2026/2027 Budget Summary

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	Audited 06/30/22	Audited 06/30/23	Audited 06/30/24	Audited 06/30/25	Estimated 06/30/26	Budget 06/30/27	Projection 06/30/28	Projection 06/30/29	Projection 06/30/30	Projection 06/30/31
Beginning Cash & Investment	\$ 10,600,198	\$ 10,158,973	\$ 10,256,107	\$ 13,914,645	\$ 15,121,820	\$ 16,190,559	\$ 14,748,377	\$ 14,275,731	\$ 12,806,719	\$ 11,425,212
Operating Revenue	3,720,977	3,686,012	3,843,946	4,040,678	4,154,341	4,144,400	4,144,400	4,144,400	4,144,400	4,144,400
Non-operating Revenue	1,194,613	1,663,729	2,253,742	2,345,563	2,191,711	2,157,600	2,185,300	2,213,400	2,241,900	2,270,800
SRF Loan Proceeds	-	4,334,598	6,586,069	815,137	-	-	-	-	-	-
Other Loan Proceeds	-	-	-	-	-	-	4,000,000	-	-	6,000,000
State Reimbursed Projects	-	-	-	-	-	2,034,000	339,000	1,283,000	2,592,000	-
Total Cash Inflows	4,915,590	9,684,339	12,683,757	7,201,378	6,346,052	8,336,000	10,668,700	7,640,800	8,978,300	12,415,200
Operating Expenses	3,360,558	3,755,521	3,813,788	4,127,383	4,276,683	4,763,146	5,083,790	5,409,600	5,730,800	6,049,070
Non-operating Expenses	59,022	11,026	5,967	187,859	103,785	25,000	5,000	-	5,000	-
Capital Projects / Purchases	1,677,716	7,417,741	3,119,917	1,456,254	530,228	4,644,504	5,703,914	3,348,432	4,269,061	6,834,061
Debt Service - \$11.9M for 30 Years @0.9% - Principal Payment	-	-	-	-	344,271	345,532	348,642	351,780	354,946	358,140
Debt Service - \$11.9M for 30 Years @0.9% - Interest Payment	-	-	-	-	-	-	-	-	-	-
Debt Service - \$4M for 30 Years @5% - Principal Payment	-	-	-	-	-	-	-	-	-	60,206
Debt Service - \$4M for 30 Years @5% - Interest Payment	-	-	-	-	-	-	-	-	-	200,000
Total Cash Outflows	5,097,296	11,184,288	6,939,672	5,771,496	5,254,967	9,778,182	11,141,346	9,109,812	10,359,807	13,501,477
Accrual to Cash Adjustments	(259,519)	1,597,083	(2,085,547)	(222,707)	(22,346)	-	-	-	-	-
Net Change in Cash	(441,225)	97,134	3,658,538	1,207,175	1,068,739	(1,442,182)	(472,646)	(1,469,012)	(1,381,507)	(1,086,277)
Ending Cash & Investment	\$ 10,158,973	\$ 10,256,107	\$ 13,914,645	\$ 15,121,820	\$ 16,190,559	\$ 14,748,377	\$ 14,275,731	\$ 12,806,719	\$ 11,425,212	\$ 10,338,936