

**FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT  
FINANCIAL PROCEDURES**

**PURPOSE**

This document is intended to provide guidance to the Community Services District (“CSD”) treasurer and Directors in the handling and dispensing of CSD assets and funds.

**TREASURER’S DUTIES**

The duties of the Treasurer of the CSD shall be as broadly defined in Article IV Section E of the CSD Bylaws and as specifically defined in these procedures.

**ASSET ACCOUNTS**

The CSD maintains several accounts for holding and dispensing funds as needed. The Treasurer shall attempt to locate funds in such a fashion as to maximize the interest received on the total of CSD funds taking into account low balance penalties on checking accounts. A summary of the accounts being held and the source and application of funds in each follows:

**VOLUNTEER FIRE DEPARTMENT**

**El Dorado County Custodial Account**

This interest bearing account is the repository for the apportioned county property tax and the VFD special assessment funds. This account usually carries a relatively high rate of interest compared to bank checking accounts so funds are maintained in this account until needed in the operating checking accounts to maintain minimum balances.

**Checking Account (Operations)**

The sources of funds for this account are the proceeds from the annual VFD special direct assessment on the county property tax bills, ad valorem property tax, mutual aid payments for fighting out-of-district fire, fund raising projects such as the sale of VFD clothing, etc, and donations.

These funds are used to pay VFD expenses including employee and volunteer costs, training, fire equipment acquisition and maintenance costs, payment for South Lake Tahoe fire department support, fire chief housing, emergency watercraft slip rental, and administrative costs.

### **Virginia Chandler Account (Savings)**

Historically the source of funds in this account has been the annual wine tasting fund raising event and directed donations. These funds were specifically donated for the construction of a new firehouse. The new firehouse was completed and occupied in the summer of 2001.

Effective August 2, 2004, proceeds from the annual wine tasting and directed donations will be deposited into the firehouse accrual reserve account. Use of funds from this account ("Virginia Chandler Account") is restricted to on-going maintenance and capital upgrades for the firehouse and fire facilities on the west side.

### **Apparatus Accrual (Savings)**

This account is funded as a line item expense in the VFD annual budget and through directed donations. Funds in this account are expended for upgraded apparatus for the District upon the recommendation of the Fallen Leaf Fire Chief and approval of the Board of Directors of the District.

### **FALLEN LEAF LAKE ADMINISTRATIVE CHECKING ACCOUNT**

The administrative costs of the District are paid from this account. The VFD and Parks and Recreation fund the administrative costs of the District on a 50 / 50 basis.

### **PARKS & RECREATION ("P&R")**

#### **Checking Account (Operations)**

This account is funded by lease payments from the community area Lessee. These funds are used to maintain the community area and improvements thereon including the marina. Should the Community Area be operated by the CSD all costs for such operation would be covered by this account. Voters have not approved the use of tax funds for Community Area Parks and Recreation operations and expenses.

#### **Slip Deposit Accrual (Savings)**

This account is funded as a line item expense in the P&R annual budget at \$50.00 per long-term lease per year as that term is defined in the Agreement Between the Fallen Leaf Lake Associates and the Fallen Leaf Lake Community Services District, adopted by the Board of Directors May 10, 1993 ("Agreement"). These funds are used only to refund deposits on long-term leases as set forth in paragraph 2.2.6 of the Agreement.

### **Commercial Lease Security Deposit (Money Market Account)**

Under the terms of the Commercial Lease Agreement by and between Fallen Leaf Lake Community Services District (“District”) and Fallen Leaf Landing, Inc. the District holds a security deposit in the amount of \$20,000 to secure Lessee’s timely performance of Lessee’s obligations under the Commercial Lease. District may apply the Security Deposit or any portion thereof to indemnify District for actual damages incurred by District as a result of an uncured default by Lessee. Any unused Security Deposit and interest earned shall be returned to Lessee at the end of the Commercial Lease.

### **LOANS AND COMMINGLING BETWEEN CSD ACCOUNTS**

In general the VFD Account is be used for VFD expenses only, the P&R Account for Community Area expenses only, and the Administrative Account for activities that apply to administrative expenses of the Community Services District. Any loans between accounts or commingling of funds within accounts shall have the prior approval of the CSD Board of Directors and shall have a repayment schedule approved as a condition of the loan.

### **BUDGETS AND AUDITS**

The CSD fiscal year shall be from July 1 to June 30.

The Treasurer shall present a preliminary fiscal year budget to the CSD Directors for approval no later than the 4<sup>th</sup> of July Annual Meeting. Approval of a final budget shall take place no later than the Labor Day Weekend Meeting. A resolution of the Board of Directors shall be obtained for any material change in the budget after final approval.

In preparing the budget the Treasurer shall also include an evaluation of CSD fixed / capital assets for the information of the Board and for insurance purposes. This asset evaluation shall be determined by replacement value. Sale or disposal of assets having a value of \$500.00 or more requires the approval of the CSD Board of Directors.

There shall be an audit of the CSD finances annually with the auditor being approved by the CSD Board of Directors and with the audit results being supplied to each current Director and to community members upon request.

**APPROVED BY THE FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS ON SEPTEMBER 4, 2004.**

Art Darrow  
Lawrence Calof  
Stephen Malley  
Linda Ramsey  
Karl Stauffer