

**MCCLOUD COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 01, 2024**

**RESOLUTION OF THE GOVERNING BODY OF THE MCCLOUD COMMUNITY SERVICES
DISTRICT RELEASING RESTRICTED RESERVE FUND CATEGORIES AND RE-
ALLOCATING RESERVE FUNDS TO THE GENERAL CONTINGENCY CATEGORY**

WHEREAS, the Board of Directors for the McCloud Community Services District (“the Board”) has, on April 14, 2003 adopted a rule establishing five subcategories of Reserve Fund balances:

3025.411 Nonspendable fund balances are fund balances that are associated with inventories and does not apply to our reserve balances.

3025.412 Restricted Reserves have restrictions imposed by an outside source, such as bond covenants, contractual obligations, loan requirements, etc.

3025.413 Committed Reserves are set aside for a specific purpose as determined by the Board of Directors. The Board of Directors has the authority to redirect the use of these reserves as the needs of the District change. The Capital Outlay and Capital Reserve funds are Committed Reserves.

3025.414 Assigned Reserves are set aside with the intention to use them for a specific purpose; intent can be expressed by the Board of Directors or by an official designated to do so. Contingency Reserves for a specific service category are considered Assigned reserves.

3025.415 Unrestricted Reserves are available for any purpose and reported as Contingency Reserves in the General Fund.

WHEREAS, in a regular meeting on September 25, 2017, two new categories were designated for reserve funds called “Set Asides Pending Audits” and “Surplus Pending Audits.”

WHEREAS, in 2017, there were three years of audits not completed in years 2013 through 2016.

WHEREAS, in 1995, the Board created restricted categories for the sewer & water Fund reserves for USDA loan payments, CDBG loan payments, and SWRCB Capital Reserve for years 2000-2023.

WHEREAS, those loans have been paid in full and can be unrestricted by the Board of Directors.

WHEREAS, the District has completed audits for years 2017-2022, and can now release funds for the completed audits.

WHEREAS, as of January 31, 2024, the District has a total amount of \$159,116.78 in the sewer fund restricted loan category and \$146,792.38 in the Water Fund restricted loan category.


WHEREAS, the amounts for the missing audit years from 2013-2016 can remain in the “pending Audits” categories, while the following amounts for the completed audits for years 2017 through 2022 can be “released” and/or “reallocated” to the General Contingency category for that fund:

General Fund- \$176,417.61
Fire Fund-\$124,611.63
Alleys Fund-\$94,415.37
Park Fund-\$1,142.50
Refuse Fund-\$103,367.78
Sewer Fund-\$578,364.96
Water Fund-\$486,418.32.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby un-restricts the restricted loan categories for the USDA, CDBG, and SWRCB sewer & water loans, and allocates them to the General Contingency category in the reserves, and unassigns the preceding dollar amounts above from the categories "Set Asides Pending Audits" and "Surplus Pending Audits" and places the amounts into the General Contingency categories in each fund.

I HEREBY CERTIFY that the foregoing resolution is a full, true, and correct copy of a resolution duly and regularly adopted and passed by the Board of Directors of the McCloud Community Services District, County of Siskiyou, California, at a regular meeting thereof, held on the 11th of March, 2024, by the following vote:

AYES: Trent, Hanson, Richey, Mullins, Rorke
NAYS:
ABSENT:



Michael Hanson, President

ATTEST:


Sarah Roberts, Secretary of the Board

