

**North Davis Meadows Fiscal Update**

(Requested by CSA Advisory Chair)

June 9, 2020

Prepared by Department of Financial Services

- 1) *What are Costs of Court Case to Date? Please share the cost of legal costs, and interest paid on Loans from County? In addition, how much interest has been earning on impounded fees?*

Legal Costs – Legal expenditures during the period of July 1, 2018 to June 30, 2019 to Legal Counsel related to the North Davis Meadows Court case was \$59,357.35. During the current fiscal year July 1, 2019 to May 31, 2020, legal costs to date have been an additional \$76,486.89 for a total cost to date of \$135,844.24 to North Davis Meadows.

Interest Paid on County Loans for Water Project –

Period	Interest Owed
July 1, 2017 to June 30, 2018	\$5,721.80
July 1, 2018 to June 30, 2019	\$10,252.73
July 1, 2019 to March 31, 2020	\$11,887.08
Total (as of March 31, 2020)	\$27,861.61

Interest Earned on Impounded Fees -

Fees of \$394,096.00 were impounded during the Fiscal Year 2019 (July 1, 2018 to June 30, 2019) and an additional \$394,096.00 of fees were impounded during Fiscal Year 2020 awaiting lawsuit resolution. Interest earned is below:

Period	Interest Earned
July 1, 2018 to June 30, 2019	\$1,650.16
July 1, 2019 to March 31, 2020	\$6,724.75
Total	\$8,374.91

- 2) *Provide a Status of Loans from the County and when the repayment dates are?*

Fund	Loan #	Loan Date	Loan Amount	Purpose	Status
Water	1	06/27/2017	\$430,000	Borrowing for planning related to the Water Connection Project. Originally to be reimbursed by State Revolving Fund Loan.	Unpaid, Loan required to be paid in 4 years to comply with CSA law. Due June 27, 2021.
Water	2	05/09/2019	\$275,000	CSA exceeded borrowing limit and incurred operational deficit and changes in Water	Unpaid, extended on same terms as Loan #1.

				Connection Project and due to SRF Loan halted to litigation	Thus due on June 27, 2021.
Sewer	1	6/27/2017	\$92,081	Borrowing to close a deficit in the CSA Sewer fund. Expected to be recouped through Sewer Fees.	Unpaid, Loan required to be paid in 4 years to comply with CSA law. Due June 27, 2021.

- 3) *Do we have a surplus in the Sewer Fund and can we repay the loan to the County even if a partial payment?*

The Sewer Fund appears (as of May 31, 2020) to currently have \$123,829 in cash and Assessments receivable on the next distribution of \$8,123 (in August) and only owes liabilities to the Loan in the amount of \$92,081 and interest of \$4,851. Thus, as long as the CSA Manager is not aware of any significant unprocessed expenditures currently at May 31, 2020 or that will occur during June, there appears a surplus that will exist at year end.

- 4) *Are we on target for our 2019-20 expenses to meet income in our accounts?*

Trends appear positive (except Drainage which is already in a deficit) to date based on accounting records (through May 31) but CSA manager will have to share information on any unprocessed expenditures or projected expenditures for the month of June that would change performance significantly between now and year end.

Fund #	Fund Name	Period of July 1, 2019 to May 31, 2020		
		Revenues	Expenditures	Net
1962	Water	\$187,800.83	\$(97,577.51)	\$90,223.32
1963	Sewer	\$163,928.07	\$(113,511.69)	\$50,416.38
1964	Drainage	\$11,868.75	\$(12,839.95)	\$(971.20)
1965	Lighting	\$11,305.00	\$(10,160.61)	\$1,144.39
1966	Landscape	\$41,990.00	\$(22,123.04)	\$19,866.96

- 5) *How did the income compare to expenses for 2018-19 for the two accounts (Fund 1962 for Water, Landscape, Drainage, and Lighting and Fund 1963 for Sewer)*

Please see the summary below. Detailed financial summaries from Ledgers are attached.

Fund #	Fund Name	Period of July 1, 2018 to June 30, 2019		
		Revenues	Expenditures	Net
1962	Water, Landscape, Drainage, Lighting	\$184,524.53	\$(353,802.25)	\$(169,277.72)
1963	Sewer	\$161,792.91	\$(111,466.47)	\$50,326.44

