MEMORANDUM

To: CSWD Board of Directors

From: Daniel Keen, Secretary

Date: July 30, 2026

Subject: Approval of Revised Budget for Fiscal Year 2026-27

Recommendation

Approve the revised budget for Fiscal Year 2026-27

Background

On April 16, 2026, the Board approved a proposed budget for Fiscal Year 2026-27. This budget assumed an annual rate increase of $300 per developed lot, and $200 per undeveloped lot. On July 15, 2026, the Board conducted a public hearing pursuant to State law and Proposition 218, considering the proposed rate increase. Following the public hearing, the Board decided to adopt a smaller rate increase and to spread rate increases across the next two Fiscal Years. As a result of this action, it is necessary to revise the previously adopted budget for Fiscal Year 2026-27 to recognize the reduced projected revenues resulting from the lower adopted rates.

Attached is the revised budget reflecting the reduced rates. Projected assessment revenues in the prior budget, assuming the proposed $300/$200 rates, were $90,100. With the reduction in the adopted rates, the projected assessment revenue is now $75,320.

In order to maintain a balanced budget, a transfer from fund balance of $32,680 is required (note that the previously adopted budget proposed a fund balance transfer of $17,900). The current unrestricted fund balance is approximately $350,000, so adequate funds are available at this time to transfer these funds without negative impact on the operations of the District. However, in the event that the District faces unexpected cost increases in the future, reduction of the District's fund balance may necessitate additional rate increase requests.

Attachments

1. Revised budget for Fiscal Year 2026-27
2. Adopted budget for Fiscal Year 2026-27 adopted April 16, 2026.