

FY 25 Briefing Sheet

Grand Oaks

- **Budget Adoption Process:**

- At the May Board meeting we will present a Tentative Budget for consideration by the Board. The Tentative Budget will set the highest level of assessments that the Board could adopt for the Final Budget which is adopted at least sixty days after the Tentative Budget is adopted.
- Once the Tentative Budget is adopted by the Board, if there is a proposed assessment increase in assessments, each resident will receive a letter announcing the date and time of the public hearing at which the Board will consider adoption of a final budget for Fiscal Year 2025.
- At the final public hearing on the budget, the Board may decrease any proposed assessments (as they did for this year's budget) or change expenditure line items or keep the assessments as proposed in the Tentative Budget.

- **Assessment Collection Costs and Discounts:**

There is a cost that must be budgeted for all on roll collection of district assessments. The breakdown is as follows:

- 2% for the cost of collection, which is paid to the Tax Collector's Office
- 4% must be budgeted in the event that property owners pay early and receive the 4% discount for paying early.
- The total amount that must be budgeted is 6% of all on roll assessments.

- **Assessment Collection Detail:**

- The methodology allocates assessments based upon benefits received. **(See attached assessment chart)**

- **District Budgets:**

- There are two parts to every local government/special district budget: Operation and Maintenance and Debt Service. Debt Service includes those items that are capital expenses that are paid for using borrowed funds, such as drainage work, roads, etc. The operation and maintenance budget may include (capital expenses) items that are not paid for with borrowed funds.

- **Owner Occupied Verses Vacant Parcels:**

- The current tax roll has 934 lots.
- Currently there are 270 occupied lots or 29% of the total lots.
- There are 664 vacant lots or 71% of the total lots are owned by the Developer and/or Builders. Therefore 71% of the current budget and proposed budget is paid for by the Developer and/or Builders.

- **How the annual budget is constructed:**
 - The budget is built on the expenditures planned for the new fiscal year. Once the expenditures are determined by the Board the assessments are changed (if needed) to produce the correct amount of revenue to fund the annual budget.
- **Changes to the draft budget from the March meeting.**
 - The draft budget presented at the March meeting showed the following proposed revenues and expenses:
 - **Revenue: \$913,341**
 - **Expenditures: \$1,166,428**

The draft budget in the April agenda packages shows the correct revenue figure of \$1,166,428 to fully fund the proposed expenditures. The revenue in the attached draft budget shows a shift in the on roll and off roll assessments. See the changes below:

- Revenues show the correct number of total assessments of \$1,166,428.
 - The allocation of revenues has changed in the new draft budget to show.
 - \$554,490 for on roll
 - \$611,938 for off roll
 - The expenditures remain the same as those detailed in the March draft budget.
- The total increase in the draft budget from the FY 24 budget is \$105,408. The total proposed assessment increase in the current draft budget is \$120.06 annually.