

How the Budget is Prepared

Each year you receive a draft of the proposed budget for review and comment. A lot of work goes into preparing the budget. It's a complex activity that has to start early so the budget can be finalized and approved prior to the beginning of the new fiscal year. Here's how we do it:

- The board appoints a budget committee to help with some or all of the following tasks.
- The board and manager work together to gather all financial information we'll need to project expenses for the coming year. This could be a reserve analysis, bids for contracts, projections for utility or service increases, comparisons of past years' budget trends and many other details.
- The board also examines all sources of income—assessments, interest on investments, proceeds from concession or club operation and other types of miscellaneous income.
- The board creates a working draft by adjusting the expenses and income until they balance. This may be accomplished by foregoing certain expenses to avoid raising assessments. Or it may be necessary to raise assessments to cover increased expenses such as utilities that the board cannot control.
- When the board has developed the best possible draft budget, the association sends it to every member for review and comment. One of the reasons we start the process early is to allow you plenty of time to study the budget, ask questions and offer comments.
- Based on member comments, the board revises the draft budget as needed.
- At the annual meeting you have the opportunity to vote to approve the final budget.