

Community Association budget process

Each August, the Community Association (CA) begins developing its budget for the following calendar year. It might be surprising to know that the CA is a \$11 million business, encompassing several different business operations, including golf, a fitness center, common areas, building maintenance and general administration. The CA generates revenue from assessments and fees, of which, \$5.3 million are derived from member assessments, \$3.2 million from golf fees, \$1.1 million is activities and advertising revenue with the balance made up of various fitness and administrative fees.

The budget process starts each year with a “Kick-Off” meeting between myself, our Director of Finance, Ann Dodson and all key members of staff who have budget responsibilities. Basic guidelines and assumptions are discussed in detail before the CA Department Directors draft their respective departmental budgets. These draft departmental budgets are reviewed and adjusted by Ann Dodson and myself. Revised departmental budgets are then submitted to various committees in September for review and input from residents serving on those committees. After the committees have reviewed their respective budgets, staff will make additional adjustments, compile into one overall budget, which we then submit to the Finance Committee and the Board of Directors. The Finance Committee and Board spend several days in October reviewing the budget in detail. During this time the Board and Finance Committee establish priorities, identify challenges, consider options and adjust the budget accordingly. In addition to creating the operating budget, the Board, staff and committees create budgets for capital repair and replacements and create a 5-year (long term) financial plan. The Board officially approves the budget at the November Board meeting.

In addition to budgeting for existing services and programs, the Board and Finance Committee consider new services and programs during the budget process. Adding new services usually results in additional expenses. With that said, the CA will likely assume responsibility for additional common area in 2009, which will add expense to the CA’s operations.

Another point to remember is that all Chartered Clubs are now included in the budget process for the CA. Therefore, each club is required to develop a budget for 2009. The budgets are due by August 28 and should be submitted to the staff liaison for their respective governance committee as follows:

Tom Hackney - staff liaison to Golf Committee (MGA & WGA)

Caroline Rosenbaum - staff liaison to Sports Committee (Tennis, Bocce, Hawks, Billiards, Hiking, Softball, Hunting & Fishing)

Dick Baker - staff liaison to Chartered Club (Non-Sports) Committee (all other chartered clubs)

Lastly, I would like to thank the staff and committees for their valued time during this process. It is due to their countless hours put into our annual budget that helps to ensure a sound fiscal operation. Special thanks to our Finance Committee, whose professionalism and expertise guide us to a budget we can all work and live with. Thanks to all involved and happy budgeting!