

2012 Budget Process

Each July, the Community Association (CA) begins developing its budget for the following calendar year. It might be surprising to know that the CA is a \$13.5+ million business, encompassing several different business operations, including golf, fitness centers, common areas, communications & activities, building maintenance and general administration. The CA generates revenue from assessments and fees, of which, \$6 million are derived from member assessments, \$3.9 million from golf fees, \$1.5 million is activities and advertising revenue with the balance made up of various fitness and administrative fees.

The budget process starts each year with our CA Board's budget direction which is now posted on the Board's web portal site. Following that direction, a "Kick-Off" meeting is held 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 the 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. The Finance Committee spends several days in October reviewing the budget in detail. During this time they will 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 3-year (long term) financial plan. Furthermore, staff needs to submit any requests for expenditures from the Capital Asset Fund for 2012. The Board officially approves the budget at the November Board meeting.

The CA Board of Directors provided staff with some basic direction for the 2012 annual budget. These include:

- New Home Closings of 230
- Assume maintenance for new neighborhoods including 53, 54, 52, 51 and as of July 2012, N-55
- Continued funding of water ways maintenance as well as Firewise programs
- Continued contractual reviews
- Master landscaping plan including any deferred maintenance
- Golf: Assume revenue growth from new homes, outside events and changes reflecting the elimination of the EAGLE contract.
- Consideration of additional energy management savings

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 2012, which will add expense to the CA's operations.

Another point to remember is that Chartered Clubs need to make sure that any requests for expenditures they may have relative to the 2012 calendar year need to be communicated to their appropriate governance committee by the first of September. The Clubs need to provide the committee with their annual budget and a comprehensive detail of their request for funds. Remember, these "requests" need to provide adequate backup information and will be considered during the process. In most cases, Clubs need to provide 100% of the funds necessary for their activities.

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!