

Spring Valley Lake Association Annual Budget Review Process

Budget Review: The Finance Committee consists of up to seven members and meets throughout the year. It is preferred that committee members have a working knowledge of public or corporate budgets and financials. Their work on the budget review begins in July.

Goals:

1. Review the budget for accuracy and ensure that the board has all pertinent information to make a decision on passing the budget.
2. The Finance Committee (FC) does not vote on approval of the budget rather they are responsible for reviewing the budget, assisting the General Manager (GM) proofing budget line items for reasonability and communicating to the board any concerns they have.
3. The committee is provided with a draft budget and can ask questions or request other financial information they feel is necessary to support the budget from the GM.
4. The draft budget information is confidential and should not be discussed or shown to anyone with the exception of current board members and the GM.

Scope: The Committee at the direction of the board reviews Spring Valley Lake Association annual proposed budget which is prepared by the General Manager and staff.

1. The FC reviews the budget line by line compared to the previous year financial data and budget, taking into consideration changes and variances in year to year budget comparison as well as the actual recorded expenditures or revenues. It is helpful to also have information on external changes that will have an impact on the budget such as changes in the minimum wage, the volatile fuel pricing and other extraordinary items that could have significant impacts to the budget.
2. Attention should be given to all capital expenditure costs, justification for the project and confirming future year's cost for the project are addressed.

3. The Committee reviews the budget to make sure all information within the budget is clearly defined and items the FC feels are important and significant are addressed.
4. It is not the responsibility of the Finance Committee to approve or reject the projects however they should express any concerns in their report to the Board.

Support and available information: The General Manager may be requested to attend the meetings as needed, and will present, explain and address questions the FC has concerning the budget. Request for any additional information from the General Manager and staff should be made by the committee chairperson either in person or via email. Additionally, historical financial information is also available on the Spring Valley Lake Association website.

Spring Valley Lake Budget Timeline:

1. July 1-Deadline for all Capital Expense Request Documents to be received by GM from departments and committees.
2. By July 15, the GM finalizes budget for FC that includes:
 - a. Two years of final audit issued revenue and expenses
 - b. Current fiscal year approved budget including current year actual revenue and expenses through June 30.
 - c. Proposed budget for the next fiscal year.
 - d. Variances of \$5,000 and/or 5% for proposed budget and previous year budget should be analyzed. The GM should be prepared to explain the reason for variances. Historical final audit data is included for comparison.
3. Capital Requests: The Board will review all capital requests at their July meeting and give recommendations on projects for possible inclusion in the proposed budget.
4. FC receives the above information and begins review meetings with the GM, no later than July 15. It is imperative that all above information is given to the committee by July 15 in preparation for the Semi-Annual Membership Budget meeting.

5. The final Budget Review Worksheet (*example attached*) should be sent to the board for a final review two weeks prior to the semiannual members meeting so the board can seek clarification and ask questions of the General Manager.