

# 2019 HOA Budget *Survey Results*

## What Do Board Members Think?

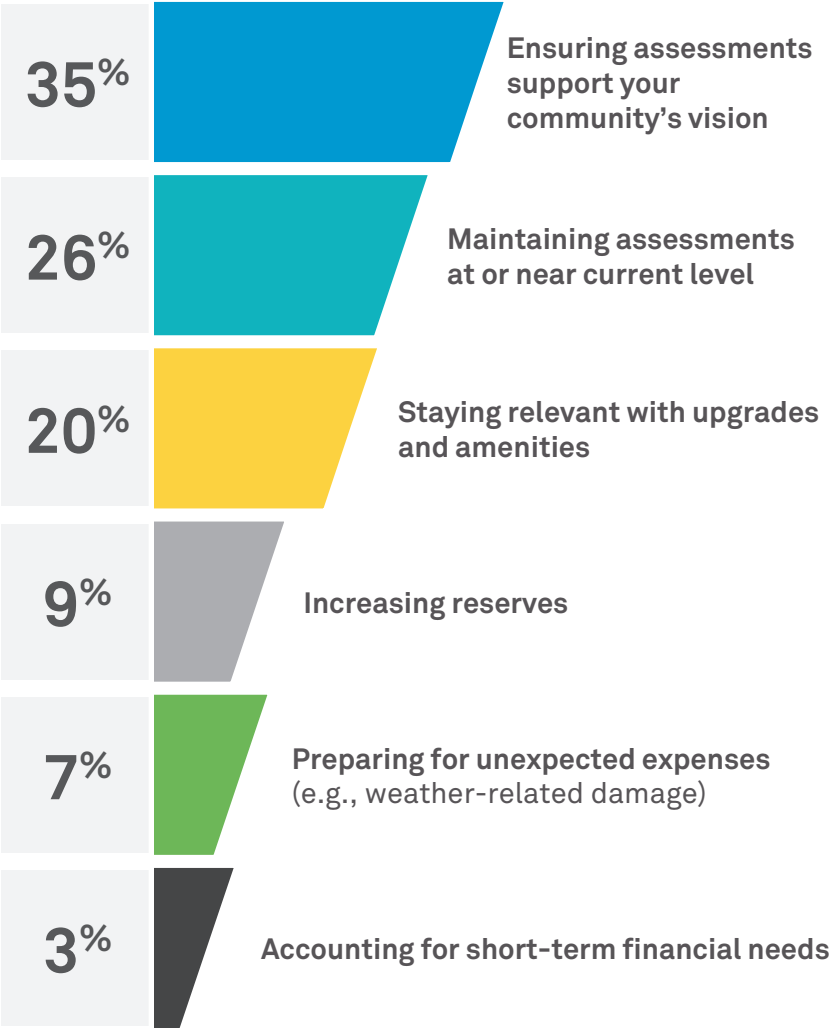
In our 2019 HOA Budget Survey, board members answered 10 questions all about budget, reserve studies, assessments and their financial goals. Do their responses match up with yours? Read on to see their answers.



▶ How did board members respond last year? Find out in the 2018 HOA Budget Survey Results: <http://bit.ly/CA-Budget-Results-18>

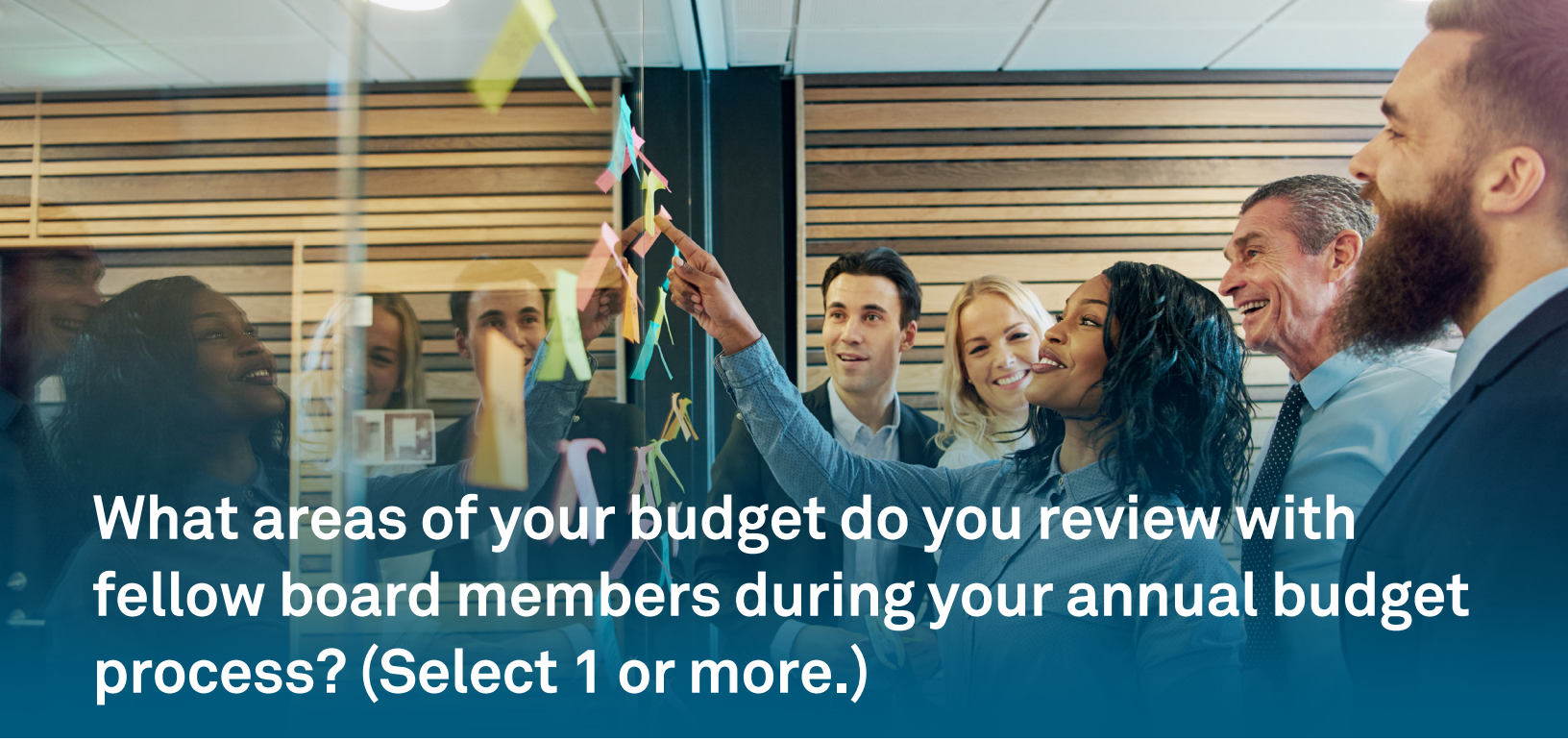


# Having a strong vision for your association's budget is critical. Out of the following budgeting goals, which is most important to you?



## MIXED MESSAGES:

Good news! **43%** of **California board members** want to ensure that assessments support their community's vision. *But* another **20%** said they want to keep assessments the same, which can *actually* harm your community over time. **Read *5 Surprising Reasons to Raise Your Assessments* to learn more:** <http://bit.ly/Raise-Dues-CA>.



# What areas of your budget do you review with fellow board members during your annual budget process? (Select 1 or more.)

**76%**  
Vendor costs

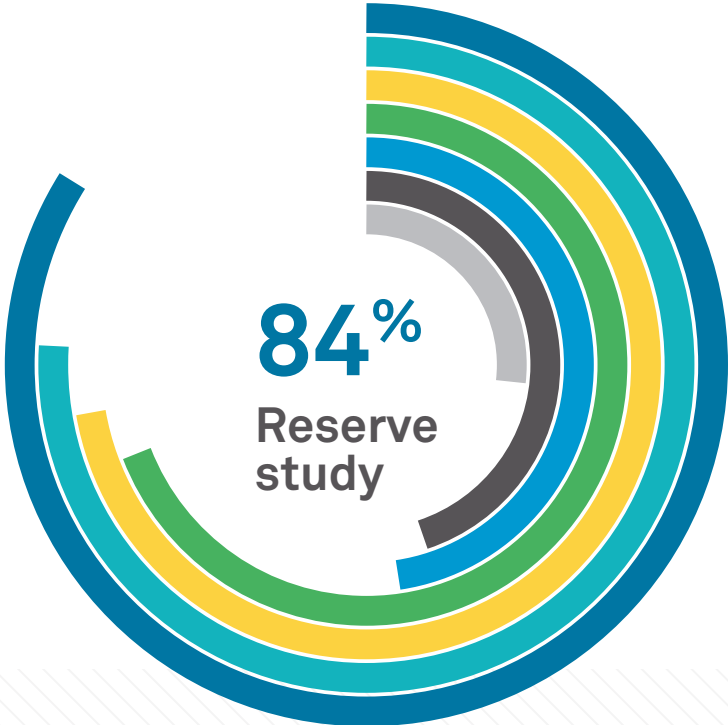
**65%**  
Insurance

**62%**  
Utilities

**48%**  
Delinquencies

**45%**  
Emergency expenses

**27%**  
Legislative changes

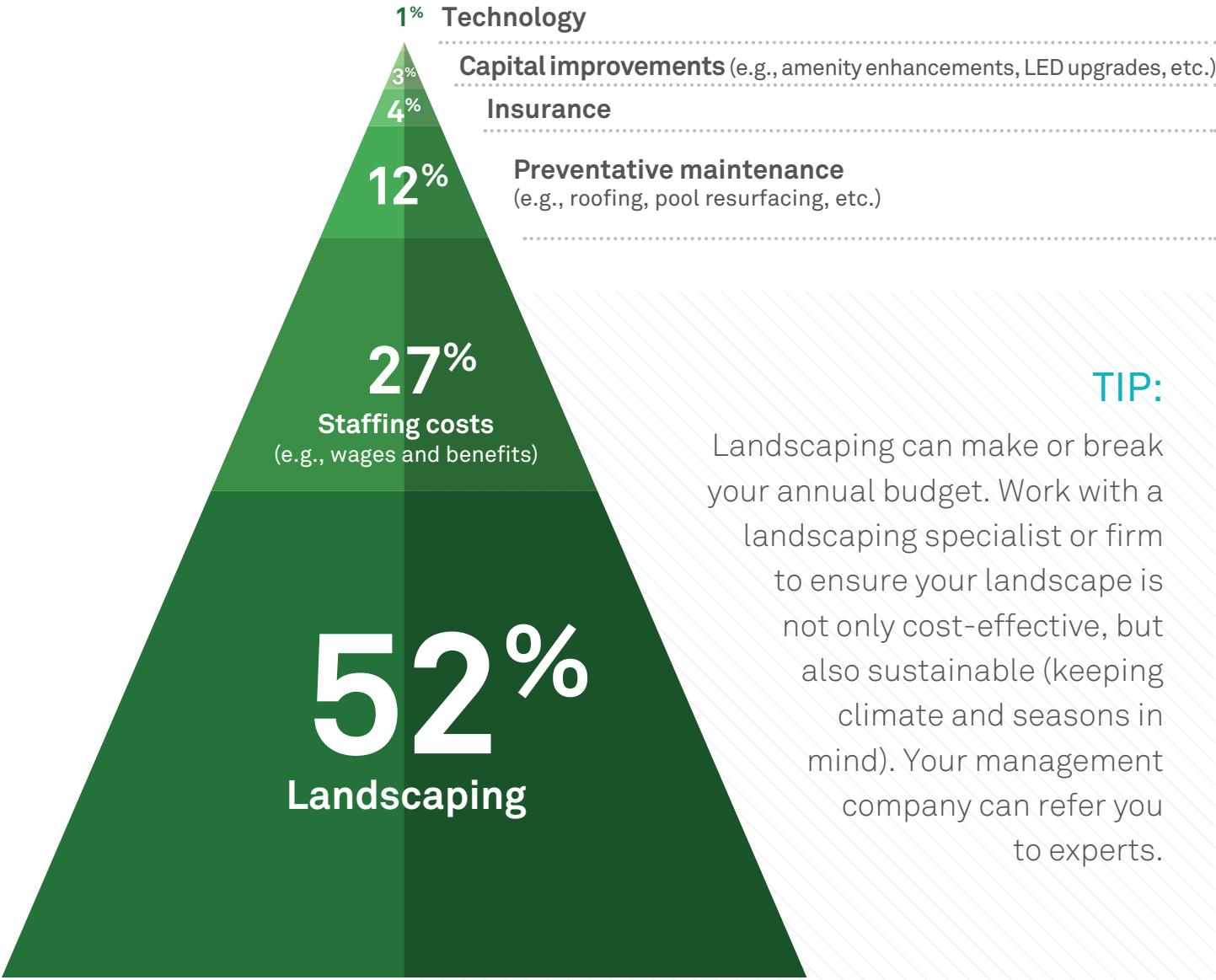


## RESERVES ARE KING...

But don't forget to review more unexpected line items, like legislative changes. For instance, California's minimum wage law may cause vendor costs to increase, which can deal a major blow to your budget if you are unprepared for it. **Read more about the law here:** <http://bit.ly/CA-Min-Wage>




# Which expense makes up the biggest portion of your total budget?

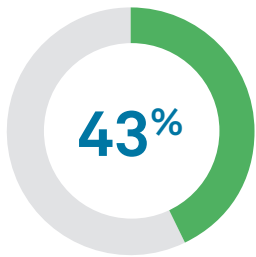


**TIP:**

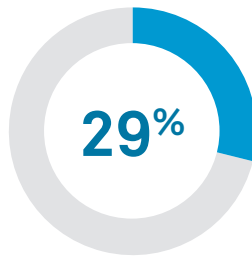
Landscaping can make or break your annual budget. Work with a landscaping specialist or firm to ensure your landscape is not only cost-effective, but also sustainable (keeping climate and seasons in mind). Your management company can refer you to experts.



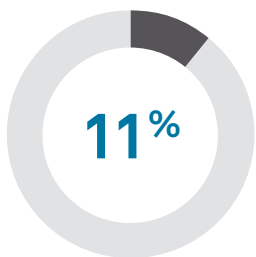
## Do you feel your management company provides you with accurate and complete information about your budget (e.g., detailed averages of actual expenses)?



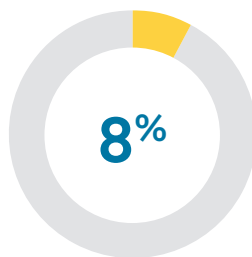
**Yes.** We are kept in the loop on everything.



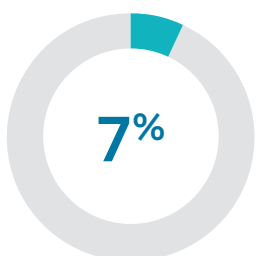
**For the most part.** We hear the most important information.



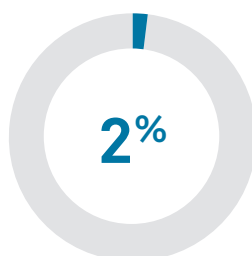
**No.** I wish we knew more.



**We get lots of information, but we're not sure how accurate it is.**



**Not sure.**



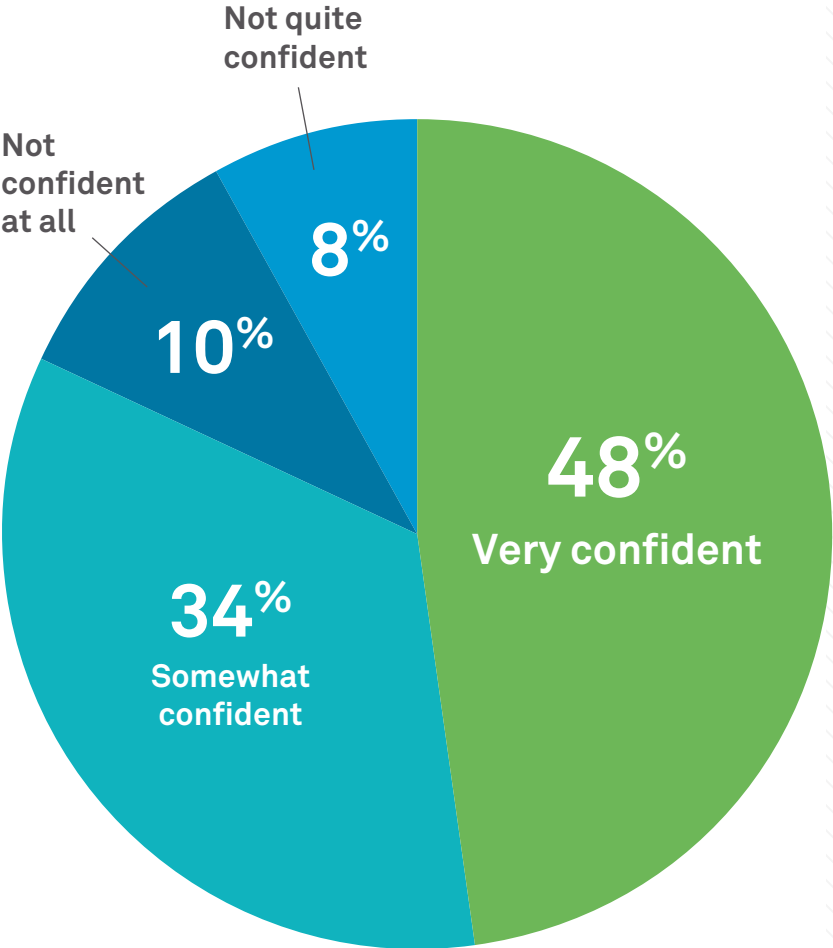
**We don't get information very often, but it's accurate.**

### IN THE DARK?

Having access to **accurate** and **complete** information can mitigate risk and help your board make better decisions. Make sure your management company is providing you with detailed expense reports, vendor contracts and historical budget data, to start.



# How confident are you that you are getting the best returns possible on your reserve and operating funds?

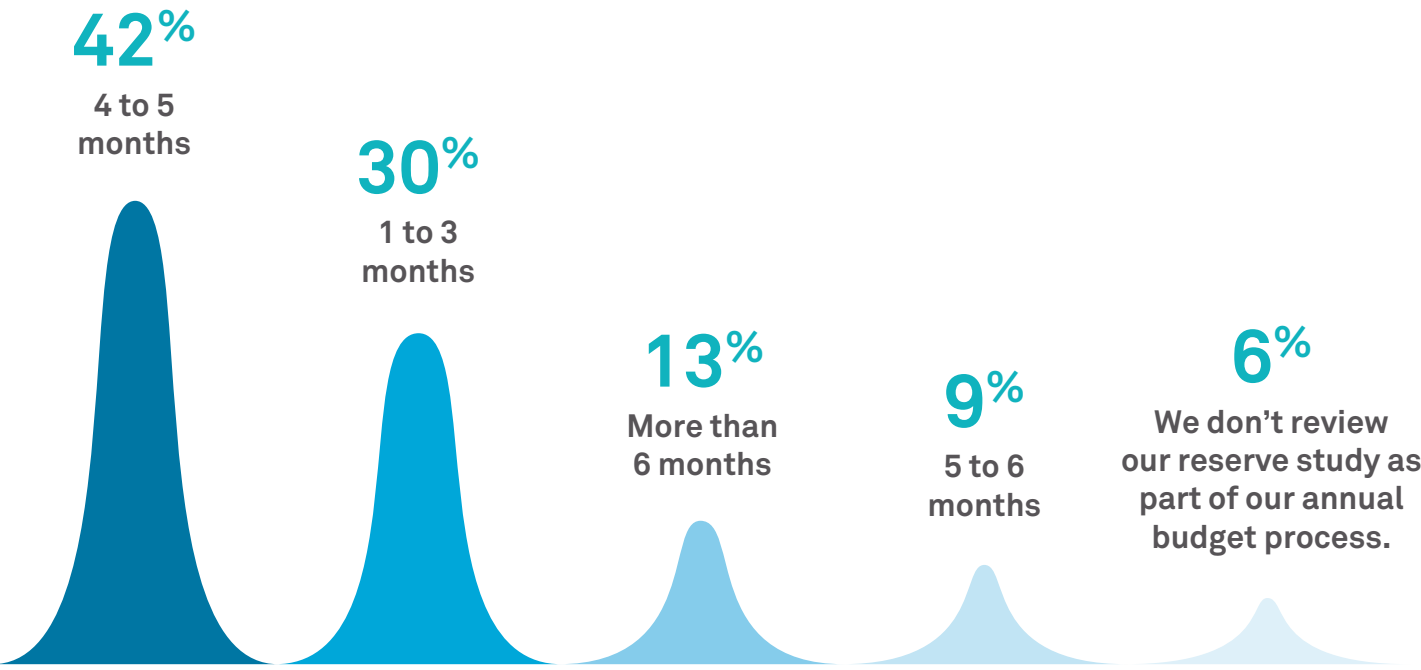


## LOOKING GOOD!

Nearly **50% of board members** said they are very confident in their returns — compared to **just 28%** in 2018: <http://bit.ly/CA-Budget-Results-18>. Work with your HOA financial services provider to review and optimize your reserve funds on an annual basis. **See more ways to optimize reserve fund returns:** <http://bit.ly/Reserve>Returns-CA>



# Timing is everything. How far in advance of your annual budget being approved do you begin reviewing your reserve study?

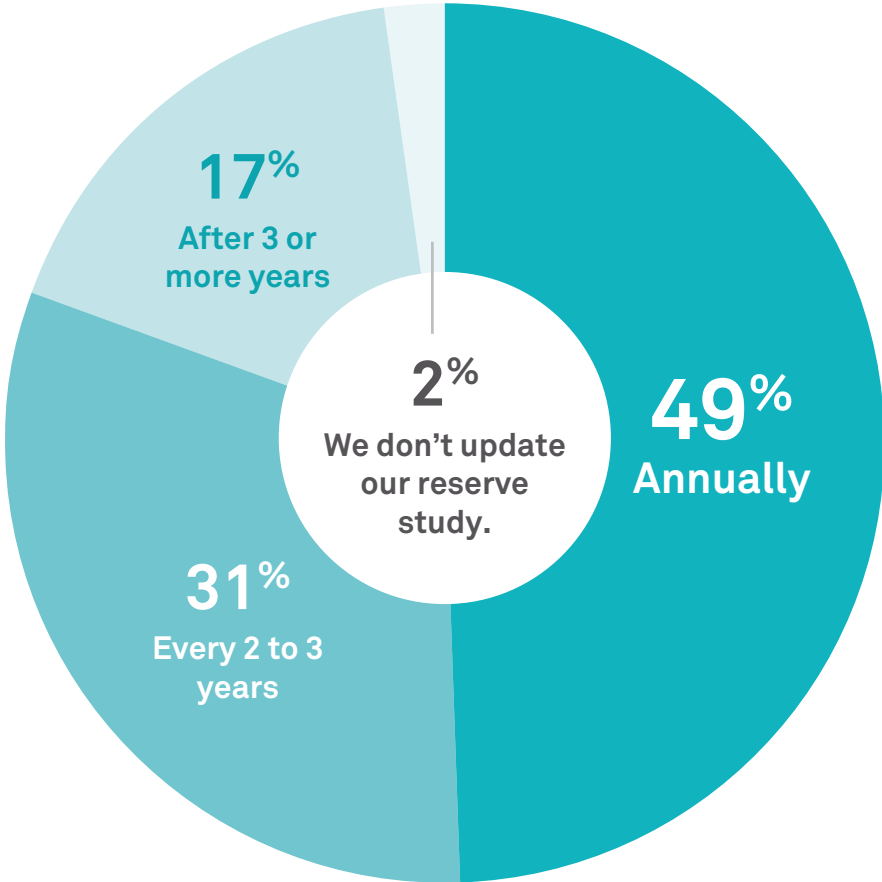


## CHECKING IN:

Well done! **88% of California board members** review their reserve study **1 to 5 months** prior to their annual budget being approved. These timely reviews are critical to ensure that your budget is both accurate and thorough.



# How often do you update your reserve study?



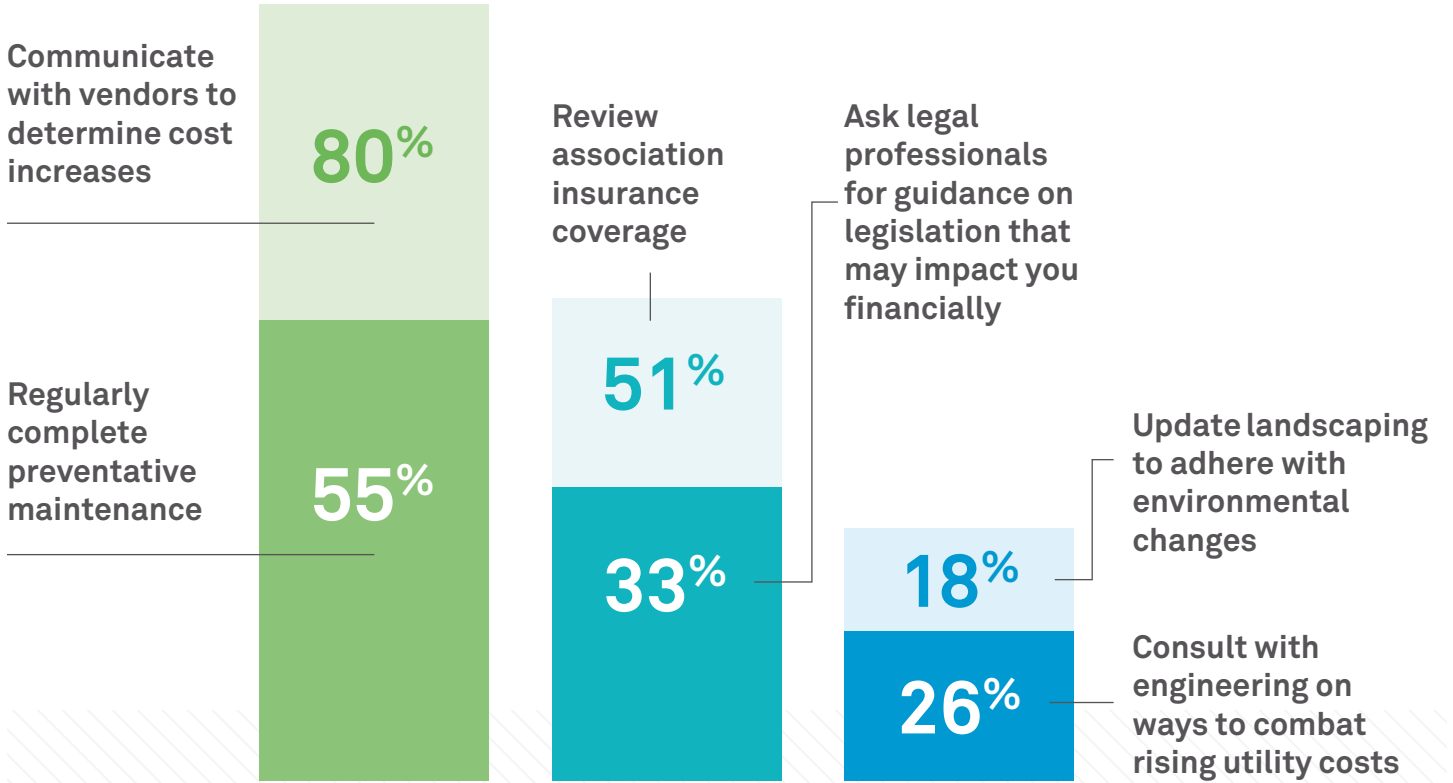
## GREAT NEWS!

Compared to 2018, more board members are updating their reserve studies on an annual basis this year (**49% in 2019 versus 32% in 2018**). Make sure your reserve study takes into account accurate useful life and economic changes.






## Association expenses can change on a dime. What strategies do you and your manager use to handle variable expenses (e.g., wage increases, utility costs, etc.)? (Select 1 or more.)



### TIP:

Communicating with trusted vendors can help your board plan for future expenses, but don't rely on them *exclusively*. A third-party vendor will not have the same stake in your association's financial state and continued growth as your management company.



Knowledge is key to making good budget decisions as a fiduciary. What are some specific topics that you think would benefit your board? (Select 1 or more.)

63%

Budgeting for maintenance and capital improvements

58%

Cost-containment strategies

49%

Annual budget basics

43%

Communicating assessment increases

38%

Role of manager in budget planning

37%

Reserve fund investments

26%

Association insurance

15%

Fraud and embezzlement prevention

### HOT TOPIC:

**60% of California board members** are interested in learning about cost-containment strategies. Where do you start? Read a helpful article, ***4 Ways to Cut Costs and Keep HOA Assessments Stable***: <http://bit.ly/HOA-Cost-Save-CA>.



# What is your board's comfort level when it comes to your budget?

53%

**Excellent.** We regularly review our financials and have a good handle on budget best practices.

28%

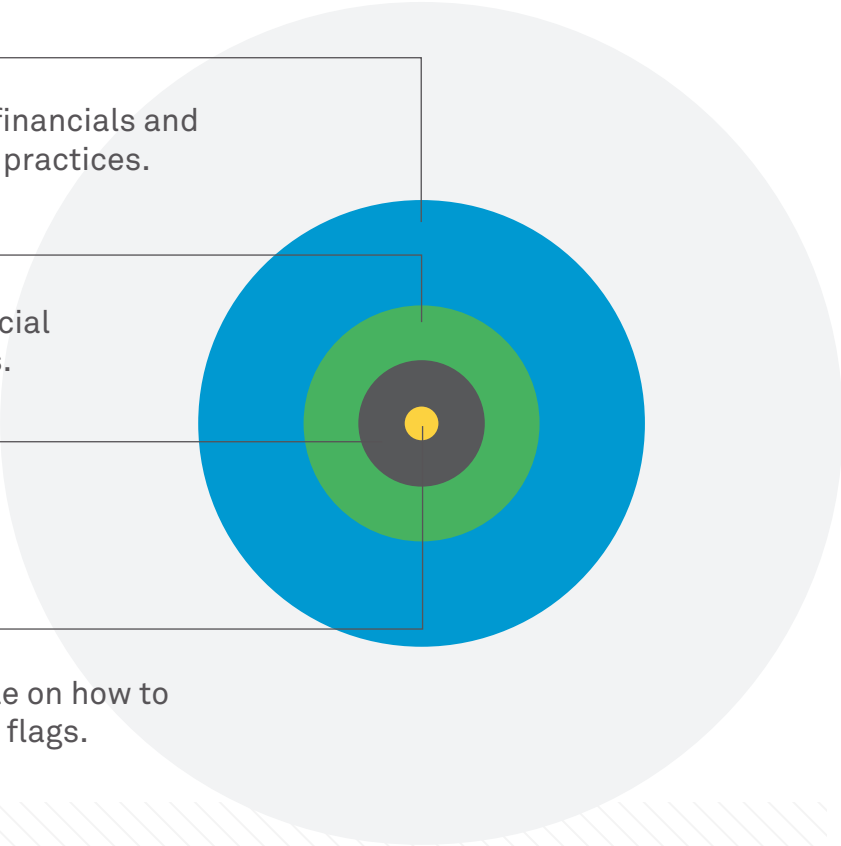
**Good.** We know how to read a financial statement and some budget basics.

15%

**Fair.** We know the basics, but not much beyond that.

4%

**Poor.** We need to get a better handle on how to read our financials and identify red flags.



## WORKING KNOWLEDGE:

A solid knowledge of HOA financials can help you make good decisions for your community. If you're not comfortable with financials, attend a training seminar or schedule a meeting with your management company's financial team to get up to speed.

## About FirstService Residential

FirstService Residential is North America's property management leader, partnering with 8,000 communities across the U.S. and Canada. HOAs, community associations, condos and strata corporations rely on our extensive experience, resources and local expertise to maximize their property values and enhance their residents' lifestyles. Dedicated to making a difference, every day, we go above and beyond to deliver exceptional service. FirstService Residential is a subsidiary of FirstService Corporation (FSV), a North American leader in the property services sector. Find out how we can help your community thrive.

For more information, visit [www.fsresidential.com/california](http://www.fsresidential.com/california).



## Read Case Studies

See what other great associations are doing differently. Read the latest association case studies here: <http://bit.ly/Success-Stories-CA>

**Questions? Contact us today.**

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