

The Year-End Review — How did we do??

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Due to the nature of community associations, most boards tend to focus on what is happening now, and then focus on what is happening next. Sometimes things happen so fast that management plans have to be modified a couple times a year! Priorities can change due to severe weather conditions, unexpected repairs needed, or even seasonal infestations. That is why performing a year-end review is so important. Often the board members need to be reminded of all that has been accomplished so that they can effectively report to the members who elected them.

As each community association comes to the end of the year and starts planning for the next year, concern moves to the next year budget and the plans for projects or tasks scheduled for next year. However, it is imperative to evaluate the success of the past year's accomplishments and to evaluate the effectiveness of the goals, projects and annual tasks as listed in the association's management plan.

One way to do this includes reviewing the financial reports to evaluate the planning process and understanding the ultimate "bottom line" of budget line item amounts compared with the actual amounts spent. Certainly, a balanced budget is one part of the year-end review that indicates how well the planning process worked.

Another important aspect of the year-end review is to conduct a true evaluation of board decisions and to prepare a "report card" that rates the various categories of the past year operations and administration. Typically, the board and the manager should conduct a true evaluation based on the effec-



tiveness of the management plan, the success of the budget and the success of projects and new protocols.

Your community's report card should advise community owners what was accomplished during the the past year and what needs to be improved in the coming year. It is important for the board and management to clearly track work, projects and expenditures of the past year and to report accurately to the community, so that a realistic evaluation of the management plan, the board's actions/decisions and the the adopted budget can be conducted.

Most owners do not pay attention to the "whole picture" and often only notice

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actions that impact them directly. Therefore, it is important that the board quantify and qualify what has been accomplished in a year end report. A "year end summary" or a report card can be used, and then each year's accomplishments can be memorialized in a manner that is easily referenced. Every board should answer the question: "how did we do?" and report the answer to that question to the entire association. ■