

Standard HOA Annual Budget Template

Annual budget worksheet for HOA boards, managers, treasurers, and finance committees.

HOA Name: _____ Date Prepared: _____

Budget Year: _____ Version / Draft: _____

Prepared By: _____

Category	Prior Year Actual	Current Year Budget	Proposed Budget	Notes / Assumptions
1. ASSESSMENT INCOME				
Regular Assessments / Dues				
Special Assessments				
Late Fees				
Interest Income				
Other Income				
Total Income				
2. OPERATING EXPENSES				
Management Fees				
Insurance				
Utilities				
Landscaping / Grounds				
Snow Removal				
Repairs & Maintenance				
Legal / Professional Fees				
Accounting / Tax Preparation				
Administrative Expenses				
Bank Fees				
Community Events / Miscellaneous				
Total Operating Expenses				
3. RESERVE CONTRIBUTIONS				
Annual Reserve Contribution				
Additional Reserve Contribution				
Reserve Interest / Investment Income				
Total Reserve Funding				
4. CAPITAL / RESERVE EXPENSES				
Roofing				
Asphalt / Roads / Parking				
Exterior Repairs				
Landscaping Replacement				
Pool / Clubhouse / Amenities				
Mechanical / Utility Systems				
Other Reserve Expenses				
Total Reserve Expenses				

5. BUDGET SUMMARY	
Total Income	
Total Operating Expenses	
Net Operating Surplus / Deficit	
Total Reserve Contributions	
Total Reserve Expenses	
Projected Ending Operating Balance	
Projected Ending Reserve Balance	

NOTES / ASSUMPTIONS (GENERAL)



HOA Wealth Advisors

HOA Financial Governance Resource Series

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How to Use This Annual Budget Template

Plain-English guide for completing and documenting the HOA annual budget worksheet.

Suggested Use

Complete the worksheet during budget preparation, budget revision, or annual planning so the board can review assumptions, compare to prior results, and document reserve funding decisions.

STEP-BY-STEP COMPLETION GUIDE

- Enter prior-year actual amounts and the current-year budget for each line item.
- Add the proposed budget based on contracts, operating needs, and reserve funding plans.
- Use the notes column to document assumptions, vendor increases, or timing issues.
- Keep operating items separate from reserve contributions and reserve expenses.

KEY TERMS

- Assessment income: owner dues, special assessments, and other approved income.
- Operating expenses: routine costs needed to run and maintain the association.
- Reserve contributions: amounts set aside for future major repair and replacement needs.
- Reserve expenses: capital spending tied to common-area components.

COMMON MISTAKES TO AVOID

- Building a budget without comparing prior-year actual results.
- Using reserve funds for routine operating costs without proper review.
- Leaving major assumptions undocumented when increases are proposed.
- Underfunding known reserve needs because the annual contribution was not reviewed.

BOARD REVIEW QUESTIONS

- Does the proposed budget reflect expected costs and collections?
- Are increases driven by contracts, inflation, insurance, or deferred work?
- Are reserve contributions aligned with reserve study or capital planning needs?
- Does the board understand the assumptions behind dues or reserve changes?

Document / Review Item	Done
Prior-year financial results reviewed	☐
Current operating contracts and known obligations reviewed	☐
Reserve study or reserve project assumptions reviewed	☐
Assessment income assumptions documented	☐
Major budget changes explained in notes	☐
Draft reviewed by board before adoption	☐

Budget Review Principle

A strong HOA budget should help the board understand what the association expects to collect, spend, contribute to reserves, and what assumptions support those decisions.

Governance Note

Use the association's governing documents, adopted reserve study, management agreement, and applicable state law as controlling references. For Utah associations, budget procedures and owner access to financial records may require additional review; treat that as a prompt, not legal advice.

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