

# Surfside Colony Community Services District

---

P.O. Box 235  
Surfside, California 90743  
(562) 592-2352 · [www.surfsidedcsd.org](http://www.surfsidedcsd.org)

---

## BUDGET PREPARATION AND APPROVAL POLICY

I. BACKGROUND: This policy outlines the proper procedure for budget preparation, approval, and amendment processes. This policy also provides information on the roles that the Board of Directors, District Clerk, and the Community (as represented by Surfside Colony, Ltd.) play in developing the financial commitment of the budget for the following fiscal year. The District's fiscal year is from July 1 through June 30.

II. PURPOSE The purpose of the budget policy is to create stability and consistency. With direction from the Board of Directors, the District Clerk is responsible for the preparation of the annual budget.

### III. PROCEDURE

A. Timeline – The development and approval process will be completed by June 30th annually:

1. During the months of April and May, representatives of Surfside Colony Ltd. will provide cost projections for the Annual Maintenance and Security Contract to the Board of Directors at General Meetings of the Board. Surfside Colony Ltd. will also provide the District's board members with recommended community projects and the estimated costs of such projects to be included in the next fiscal year budget.
3. The District Clerk will prepare a draft budget which includes projected funds available for the following fiscal year and present it at the May General Meeting of the Board. The first draft will also include contract and project expenses as provided by Surfside Colony Ltd.
4. During the May general meeting, the Board of Directors will review, discuss and recommend any changes to the draft budget to be presented again in June.

## B. Approval Process

1. The proposed annual budget will be placed on the June General Meeting of the Board Agenda for consideration and adoption as the Preliminary Operating Budget for the upcoming fiscal year, with the understanding that minor changes may be necessary in the preparation of the final fiscal budget submitted to the County of Orange, after final taxes and fees are allocated.
2. The Final County of Orange Special District Budget will be prepared, based on the preliminary budget by the September due date, and be presented for approval at a general board meeting, with any minor changes from the preliminary operating budget necessary resulting from the close of the prior fiscal year.
3. The monthly trial balance financial reports will be adjusted to reflect the final County budget approved.

## C. Budget Amendment Process

1. It is recognized that there are circumstances that arise during a fiscal period that result in actual revenues and expenditures varying from budgeted amounts.
2. It is also recognized that the community's needs may change and that additional funding requests and/or changes may be necessary.
3. Whenever the public, as represented by Surfside Colony, Ltd., or the District's Board of Directors determines that circumstances could result in a significant change in revenues, expenses or project costs included in the adopted budget, an item will be placed on the January Agenda. At this time, the Board will consider such changes or additional requests and determine whether or not an amendment is to be approved.
4. The District Clerk will prepare financial reports to reflect any proposed changes or requests and present such at the January general meeting of the Board.
5. If a majority of the Directors are in favor of amending the previously adopted budget, then the budget will become amended for the remainder of the fiscal year and be reflected in future financial reports.