

HARMON RANCH HOMEOWNERS ASSOCIATION

BUDGET NARRATIVE

MAINTENANCE

Exterminating: Common area treatment of gophers, aphids, bees, etc.

Landscape: Weekly maintenance of all common areas including trimming, mowing, irrigation system check, trash pick up, etc.

Landscape - Other: Soil testing, storm clean up and erosion repair.

Landscape - Tree: Minor tree trimming and fertilization of problem trees.

Maintenance & Repairs: Minor repairs and maintenance in common areas.

Sprinkler Repairs: Repairs and supplies for the irrigation system.

SUPPLIES

General: Signs, light bulbs and replacement parts.

Landscape – Fertilizer: Lawn and shrub fertilizer.

Landscape - Other: Tree stakes, guards and other supplies.

Landscape - Plant/Tree Replacement: Plant and tree replacement as needed.

Landscape – Rye Seed: Not budgeted for 2005.

Landscape – Weed Control: Pre-emergent of granite and nut grass treatments.

Office & Printing: Preparation of correspondence including welcome letters, budget packages, semi-annual newsletters and meeting notices.

Postage: Mailing of correspondence including welcome letters, budget packages, newsletters, meeting notices, etc.

UTILITIES

Electricity: Power to irrigation time clocks and entry lighting.

Water: Irrigation for common areas.

ADMINISTRATIVE

Bank Charges: Monthly bank charge to administer accounts.

Insurance: Property and liability coverage on common areas, Directors and Officers coverage, and a Fidelity Bond.

Meeting Room Rental: Annual meeting room rental.

Taxes & Licenses: Annual Corporation Commission fee, property tax on common area tracts, and tax on interest income.

Web Site: Designing, hosting and obtaining a domain name.

PROFESSIONAL

Accounting & Audit: As a corporation, the association has its financial records independently audited each year. Also includes federal and state tax return preparation.

Management: Professional management of association business including administration of Board policies, record keeping, financial services, bid solicitation and regular on-site inspections.

Professional: Legal, engineering and other professional services.

RESERVES

Contingency: Cushion for financial shortfalls which may arise from unexpected expenses or late payment of assessments.

Landscape Renovation: Eventual top dressing of granite, major repairs to the irrigation system and major tree trimming and removal.

Painting/Structural: Painting of and major repairs to common area walls, sidewalk repairs and repairs to lighting and entry monuments.

Professional Services: Legal expenses relating to non-payment of assessments, consultation and CC&R violations which are not covered in the operating budget.

HARMON RANCH HOMEOWNERS ASSOCIATION 2005 BUDGET

Total Project: 243 Lots

	Monthly Budget Per Lot	Annual Budget Per Lot	Total Annual Budget
Maintenance	\$13.67	\$164.07	\$39,868.99
Supplies	\$3.01	\$36.17	\$8,790.00
Utilities	\$2.33	\$27.98	\$6,800.00
Administrative	\$2.61	\$31.37	\$7,621.73
Professional	\$7.34	\$88.07	\$21,400.00
Reserves	\$6.03	\$72.34	\$17,579.28
Total	\$35.00	\$420.00	\$102,060.00

