

# HARMON RANCH HOMEOWNERS ASSOCIATION

## BUDGET NARRATIVE

### LANDSCAPE MAINTENANCE

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

**Drywells:** Annual inspection and cleaning if necessary.

**Other Maintenance:** Soil testing, storm clean up and erosion repair.

**Plant/Tree Replacement:** Plant and tree replacement as needed.

**Seed:** Winter rye seed.

**Self Help:** Clean up of front yards. Back-charged to homeowner.

**Sprinkler Repairs:** Repairs and supplies for the irrigation system.

**Supplies:** Tree stakes, guards and other supplies.

**Tree Maintenance:** Minor tree trimming and fertilization of problem trees.

**Weed Control:** Nut grass treatments.

### GENERAL MAINTENANCE

**Exterminating:** As needed service to common area and one bee treatment.

**General Supplies:** Signs, light bulbs and replacement parts.

**Maintenance & Repair:** Minor repairs and maintenance in common areas.

**Vandalism:** Repairs to the common areas cause by vandalism.

### UTILITIES

**Electricity:** Power to irrigation time clocks and entry lighting.

**Water:** Irrigation for common areas.

## ADMINISTRATIVE

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

**Accounts Receivable Collection Fees:** Lien, small claims and other fees incurred during collection of past due assessments. These fees are charged back to the delinquent homeowner.

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

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

**Meeting Room Rental:** Annual meeting room rental.

**Office & Printing:** Preparation of correspondence including homeowner letters, past due assessment letters, enforcement letters, budget packages and meeting notices.

**Postage:** Mailing of correspondence including homeowner letters, past due assessment letters, enforcement letters, budget packages, meeting notices, etc.

**Professional/Legal:** Legal, engineering and other professional services.

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

**Web Site:** Maintenance, hosting, and domain name.

## 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, 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.