

Pinon Ranch HOA – 2017 Year- End Accounting Information

2017 was a banner year that saw our HOA homes' values reach record highs! Thank you for your sustained efforts to maintain, protect, and enhance the image of our homes and neighborhood. In addition, we would also like to recognize the efforts of all the current and past board members that have done their part to preserve and enhance our neighborhood image.

As we start the new year, we want to provide an accounting of last year's expenses and income. On the back of this page is a comparison of the 2017 budget to actual revenue and expenses. Also included is the budget for 2018.

HOA dues for 2018 will be \$336, which includes insurance for the HOA. Statements for the HOA Dues are included in this mailing.

HOA Reserves for the year ending December 31, 2017, stood at \$4,550 (\$3,000 in Operational reserves and \$1,550.00ⁱ in Replacement reserves).

The purpose of the Operational Reserves is to cover unexpected budget overages and/or revenue shortages, unforeseen legal expenses, and insurance deductibles.

The purpose of the Replacement Reserves is to set aside money for large expenses that don't happen on a yearly basis, such as repairing or replacing parts of the HOA fence, periodic fence re-staining, repairing /replacing sections of the HOA sidewalks due to tripping hazards and/or damages, and landscaping or major irrigation system repairsⁱⁱ. *The estimate of repairs needed in the next couple of years is \$5000 to \$6000ⁱⁱⁱ. plus a reasonable reserve for unforeseen items like a major irrigation repair (\$3800 to \$5000*).*

Again, thank you all for making our neighborhood a desirable place to live.

ⁱ Update: January 6, 2018; the board of directors voted to transfer the 2017 yearend surplus of \$1432.67 to the Replacement Reserve account, bringing the new balance in this account to \$2,982.67

ⁱⁱ We are referring to the sidewalks, fences, irrigation and landscaping in the HOA Commons area (the 15,852-square foot property that runs along the South side of Mule Deer, adjoining the Pinon Ranch Subdivision) that is the responsibility of the HOA to repair and maintain.

ⁱⁱⁱ Based on estimate received for repair and re-stain the fence, and what we spent in 2014, along with the estimate that we received for the replacement of the broken sections of sidewalk and grinding down the tipping hazards.