

* Some line item titles will be renamed per the Board's direction. In addition, the order of certain line items and categories may change upon final upload.

Budget Comparison Report
Power Ranch Community Association
02-The Knolls Operating
2026 Budget

Revenue

Income	2026 Budget	2025 Budget	\$ Change	Narrative
40201 Small Lot Neighborhood Assessment (Type A Lots)	72,048	65,099	6,949	<p>This line item represents assessment income from the 76 single-family homes in the Knolls neighborhood. These homes have private driveways and do not receive front yard maintenance and are designated as Type A Lots in the governing documents.</p> <p>For 2026, the assessment is set at \$79.00 per month (\$237.00 per quarter), a 10.7% increase from the 2025 rate of \$71.38 per month (\$214.14 per quarter).</p>
402 Large Lot Neighborhood Assessment (Type B Lots and Condo Units)	669,618	604,850	64,768	<p>This line item reflects assessment income from 466 Bungalows and two-story units that benefit from private street maintenance and landscaped areas outside of their walled patio spaces, as well as 141 Condo Units. These lots are designated Type B Lots and Condominium Units in the governing documents.</p> <p>For 2026, the assessment is set at \$91.93 per month (\$275.79 per quarter), a 10.7% increase from the 2025 rate of \$83.04 per month (\$249.12 per quarter).</p>
423 Bad Debt Expense	(2,400)	(2,400)	0	<p>This line accounts for assessments that may go uncollected during the year due to non-payment. The 2026 budget includes a conservative estimate based on past collection trends to ensure revenue projections remain realistic.</p>
Income Totals	739,266	667,549	71,718	
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Expense

Administrative	2026 Budget	2025 Budget	\$ Change	Narrative
573 Telephone	8,448	9,588	(1,140)	This line item covers CenturyLink WiFi for access system operation and resident use, and emergency phone line service at each of the community's three pools.
563 Licenses/Fees/Permits	3,748	1,485	2,263	This line item covers annual fees and licenses for the community's three pools and three spas, the gate access system (Verkada license), and the cellular service fee for the irrigation controller. These services ensure regulatory compliance, secure access, and reliable irrigation system connectivity.
Administrative	Totals	12,196	11,073	1,123

Contract Services	2026 Budget	2025 Budget	\$ Change	Narrative
605 Janitor Contract	16,014	12,834	3,180	<p>This line item covers routine cleaning services for the three Knolls pool bathrooms, scheduled twice weekly during the winter months and three times weekly in the summer to accommodate seasonal usage.</p> <p>Additional service costs—such as power washing, carpet cleaning, and restocking or ordering of supplies—will be priced separately and presented for board review as needed.</p>
Contract Services	Totals	16,014	12,834	3,180

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Landscaping	2026 Budget	2025 Budget	\$ Change	Narrative
619 Landscape Contract	135,480	132,180	3,300	This line item covers the community landscaping services provided under contract by AAA Landscape. The contract includes a 2.5% increase for 2026 in accordance with the terms of the agreement.
61913 Landscape Extras	3,000	28,350	(25,350)	This line item covers additional landscape expenses for The Knolls, including contingency funds for minor needs such as tree stakes, dirt to fill sinkholes, and other small maintenance supplies.
61946 Tree Removal/Trimming	22,000	17,970	4,030	This line item covers routine tree trimming (above 10 feet) throughout the community. Beginning in 2026, per the Board, tree removals, aside from those caused by storm damage, will be managed through the reserve budget and coordinated with tree replacements to maintain healthy and attractive landscaping.
61957 Irrigation Repairs	6,000	6,000	0	This category covers parts and supplies needed to maintain the irrigation system in The Knolls special service areas. It also includes the annual testing of backflow devices at the community pools each October.
65703 Landscape Seasonal	5,200	5,356	(156)	This line item covers the annual overseeding in The Knolls special service areas.
657 Storm Landscape Cleanup	4,500	0	4,500	This line item provides funding for storm-related debris removal and landscape clean-up within the Knolls Special Service Areas. It ensures timely response to weather events that may cause fallen branches, plant damage, or other clean-up needs.
61909 Tree & Shrub Replenishment	36,000	0	36,000	This line item covers the replacement of shrubs only. Beginning in 2026, per the Board, tree planting will be handled through the reserve budget and coordinated with tree removals as part of a comprehensive plan to maintain and enhance the community's tree canopy.
Landscaping	Totals	212,180	189,856	22,324

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Repairs & Maintenance	2026 Budget	2025 Budget	\$ Change	Narrative
67205 Electrical R&M	750	750	0	This line item covers electrical repairs, including maintenance of lighting at the pool buildings and any issues related to panels or wiring in the pump rooms.
653 Building Exterior Repair	1,800	1,800	0	This line item covers minor maintenance and repairs to the exterior of community buildings, including stucco, paint, siding, doors, and other components. It supports the upkeep, safety, and appearance of facilities within the Knolls. Larger repair or replacement projects are funded separately through Reserve funds.
681 Plumbing Repairs	360	360	0	This category covers repairs to shower drains, floor drains, fixtures, and partitions within community restrooms. Funds are allocated for plumbing issues such as clogged drains and other minor repairs, including maintenance of drinking fountains and shower fixtures.
702 Signs	550	550	0	This line item provides for the incidental repair and maintenance of community signs, ensuring they remain visible, safe, and in good condition throughout the year. Larger repair or replacement projects are funded separately through Reserve funds.
69901 Vandalism	900	0	900	This line item covers the cost of repairs and replacements due to vandalism within the community. This may include damage to signs, lighting, pool areas, fencing, landscaping, or other common area assets.
69915 Non-Routine Repairs	2,400	0	2,400	This line item covers non-routine repair costs for damage within the community, such as issues caused by common area trees or other unforeseen events. It includes repairs to assets that are not covered by insurance.
Repairs & Maintenance	Totals	6,760	3,460	3,300

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Utilities	2026 Budget	2025 Budget	\$ Change	Narrative
751 Electricity	49,100	34,702	14,398	This line item covers electric meter fees for the pool houses, private street lighting, and electric pedestals used for irrigation systems within the community. The budget includes a 2.4% increase, reflecting the proposed SRP rate adjustment effective November 2025.
753 Gas	26,320	20,752	5,568	This line item covers the cost of gas used to heat the three spas and the showers in The Knolls. In 2026, at the request of the Knolls Committee, funding is included to heat one pool for three months (December, January, and February). The gas provider, SWG, has approved a 7.5% rate increase for 2026.
758 Water	100,694	86,038	14,656	The Knolls Special Service Areas utilize potable water supplied by the Town of Gilbert for irrigation. Water rates are expected to increase by at least 25% in April 2026. The budget reflects this anticipated rate adjustment to ensure adequate funding for ongoing landscape irrigation.
Utilities	Totals	176,114	141,492	34,622

Insurance	2026 Budget	2025 Budget	\$ Change	Narrative
853 Insurance - Master Policy	24,948	21,360	3,588	This line item covers The Knolls' portion of the Master Association's insurance costs, including general liability, pollution, cyber, and crime coverage. The Knolls is responsible for 15% of these premiums, as established by the Board.
Insurance	Totals	24,948	21,360	3,588

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Management & Staff Fees	2026 Budget	2025 Budget	\$ Change	Narrative
505 Onsite Services	31,200	30,000	1,200	<p>This category covers the cost of labor for maintenance services in The Knolls, including closing pools at night, hosing decks, and various repairs. It also includes troubleshooting electrical issues in pool rooms, coordinating annual fire system testing, overseeing contract work such as light installation and building painting, and addressing vandalism.</p> <p>The 2026 budget for this flat-rate service, deducted from the Master Association budget, is \$2,600 per month.</p>

Management & Staff Fees	Totals	31,200	30,000	1,200
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Pest Control	2026 Budget	2025 Budget	\$ Change	Narrative
625 Pest Control Contract	2,796	2,268	528	<p>This line item covers monthly pest control at all pool buildings and surrounding areas in The Knolls. (Pest control for Master common areas is included in the Master Association budget.) The service provider changed to BlueSky in October 2025.</p>
62502 Gopher Remediation	8,448	4,500	3,948	<p>This line item covers the gopher control contract for The Knolls portion of Power Ranch. The overall contract for all areas of PRCA totals \$15,000.27. The Knolls Special Service areas represent 4.7% of the total area, resulting in a monthly cost of \$703.09.</p>

Pest Control	Totals	11,244	6,768	4,476
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Pools	2026 Budget	2025 Budget	\$ Change	Narrative
629 Pool Service	40,800	62,898	(22,098)	The Board approved a new pool service provider in October 2025. The new vendor has proposed service for all three pools at 3 times per week in the winter and 6 times per week in the summer, at a cost of \$2,200/month (winter) and \$4,600/month (summer).
719 Pool Supplies/Chemicals	23,850	22,090	1,760	This line item covers the cost of liquid acid and chlorine for the auto-chlorinating system, purchased at a bulk discounted rate. Other chemicals supplied by the pool service provider, such as phosphate remover and stabilizer, are also included.
72001 Pool Repairs	16,600	14,300	2,300	This line item covers minor repairs to the pools and spas, including parts such as motors, gaskets, O-rings, pistons, backwash valves, and other essential equipment. Major repairs will be funded through Reserve funds.
Pools	Totals	81,250	99,288	(18,038)
Other Expenses	2026 Budget	2025 Budget	\$ Change	Narrative
610 Reserve Study	2,100	0	2,100	The 2026 expense reflects a proposal to update the Knoll's Reserve Study, including a site visit. At the Board's direction, this update will incorporate additional major components such as tree replenishment, granite installation, major irrigation repairs, and other significant projects.
Other Expenses	Totals	2,100	0	2,100
Expense Totals	574,006	516,131	57,875	
Net Income/(Loss) Before Transfers	165,260	151,418	13,842	

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<i>Transfer Between Funds</i>	2026 Budget	2025 Budget	\$ Change	Narrative
498 Reserve Fund Transfer	(179,760)	(168,000)	(11,760)	The 2026 reserve fund contributions are based on the current Reserve Study recommendation and are designed to ensure the Association has sufficient funds for long-term maintenance and major community projects. Because the 2026 update will add significant new components, we anticipate that additional reserve fund transfers may be needed in 2027 and beyond to fully support these planned improvements.
40502 Working Capital	14,500	20,000	(5,500)	This income is generated from home sales within the community, with the current amount set at \$500 per sale.
Transfer Between Funds Totals	(165,260)	(148,000)	(17,260)	
Total Net Income/(Loss) After Transfers	0	3,418	(3,418)	