The Estates at Cienega Creek Preserve Homeowners Association

2025 Approved Operating Budget

February 5, 2025

Enclosed please find the 2025 Operating Budget, which was approved by the Board of Directors on January 28, 2025

There is no assessment increase for 2025.

Details of your assessments payments and due dates are shown below:

Your 2025 quarterly assessment is $90.00. This assessment is due on January 1, 2025, April 1, 2025, July 1, 2025 and October 1, 2025. Unpaid assessments will result in a late fee of $15.00 being added after March 1, 2025, May 30, 2025, August 29, 2025 and November 29, 2025. Additionally, unpaid amounts are subject to interest charges at the rate of 10% per annum. Interest is applied on the 30th day of each month that the balance remains unpaid.

Senate Bill 1531 has amended ARS 33-1256 and ARS 33-1807 relating to condominiums and planned communities. Effective January 1, 2020, the law requires that statements of account shall be provided to all homeowners on at least the same schedule as assessments are due (i.e. monthly, quarterly, semi-annually, etc.). Statements must show the current amount due **as well as the immediately preceding ledger history** to aid owners in understanding their assessment and fee history. This applies regardless of whether the member is in good standing, delinquent or in credit, and will be a required procedure affecting your association in terms of time incurred and/or cost.

If you have setup automatic payments through your personal bank for your assessment, please contact your banking institution to confirm the amount of the assessment. **Please note that any changes need to be initiated by the owner, Cadden does not have the authority to do this for you.** If you have automatic payments through Alliance Association Bank for your assessments, please confirm your payment amount.

If you have any questions regarding the budget or any Association issues, please do not hesitate to contact me at 520-297-0797 or you may also email me at Caddensupport@cadden.com.

For the Association,

Alexis Enos

Alexis Enos
Community Association Manager
Cadden Community Management

Attachments: Assumptions, Budget, and 12 column spreadsheet

The Estates at Cienega Creek Preserve Homeowners Association

2025 Assumptions

February 5, 2025

INCOME

- **Residential Income** – Based on 67 homeowners paying a quarterly assessment of $90.00. There is no increase in assessment for 2025.

- **Interest/Other Income** – Interest from Certificates of Deposit Reserve accounts.

EXPENSES

- **Property Taxes** – Based on a flat rate fee that Pima County charges for common areas.

- **ACC Report** – The Arizona Corporation Commission (ACC) report must be filed annually to renew the Association's non-profit corporation status.

- **Income Taxes** – Non-profit organizations pay a minimum tax of $50.00 to the state. The majority of the income for the Association is considered Exempt Function Income and is not taxable. This would include member assessments, interest and late fees charged on delinquent assessments, and transfer fees. Income, which would be taxable to the Association, would be investment income (interest) on both Operating and Reserve funds. The Association anticipates paying taxes on the reserve interest generated.

- **Insurance** – The Liability, D&O Insurance, and Fidelity Bond figures were obtained from Labarre/Oksnee Insurance. A copy of the coverage may be obtained by contacting the management office.

- **Landscaping Contract** - The current contract is between the Association and Complete Landscaping. The landscaping company maintains the property on a weekly basis, along with the roadway, and in the common areas.

- **Accounting** - For the preparation of the Association's State and Federal tax returns of the Association's records by a CPA.

- **Management** - Based on a contract between the Association and Cadden Community Management (CCM). There has been a 3.34% increase approved.

- **Postage** - Based on 2024 mailing activity.

- **Photocopying/Printing** - Based on 2024 printing activity (e.g., delinquent letters, statements, letters to homeowners, Board packages, etc.)

- **Statements** – Based 67 lots receiving quarterly statements.

- **Legal Expense** - For collection expenses not yet reimbursed as well as attorney opinions requested by the Board of Directors.

- **Website Maintenance** - The amount of money needed to maintain the community website.

- **Office Supplies** - Based on 2024 office supplies purchased.

- **Net Income** - Based on projected income of $24,120, expenditures of $23,327.33 and reserve deposits of $792.67 for 2025, this budget is expected to essentially break even by year-end. Should there be excess cash available in the Operating Account at year-end, it is customary that such funds would, by Board resolution, be transferred to the Association's Reserve Account.

- **Reserve Deposit** - Though not part of the Operating Budget, contributions to the Association's Reserve Account are included in the calculation of homeowners' annual assessment. The Association's Reserve Account is set up in expectation of future expenditures.

Estates at Cienega Creek Preserve Homeowners Association
2025 Approved Budget

Approved: 1/28/2025

																						# of Homes:			67
																						Quarterly Assessment:		$	90.00
GL Code	**Income**		**Jan**		**Feb**		**Mar**		**Apr**		**May**		**Jun**		**Jul**		**Aug**		**Sep**		**Oct**		**Nov**		**Dec**		**Total**
3010	Owner Assessments	$	6,030.00	$	-	$	-	$	6,030.00	$	-	$	-	$	6,030.00	$	-	$	-	$	6,030.00	$	-	$	-	$	24,120.00
3020	Late Fees & Interest	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
3180	Interest Earned	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
	Total Income	**$**	**6,030.00**	**$**	**-**	**$**	**-**	**$**	**6,030.00**	**$**	**-**	**$**	**-**	**$**	**6,030.00**	**$**	**-**	**$**	**-**	**$**	**6,030.00**	**$**	**-**	**$**	**-**	**$**	**24,120.00**
	Fixed Expenses																								
4010	Property Tax	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	25.00	$	-	$	-	$	-	$	25.00
4011	Reserve Transfers	$	198.16	$	-	$	-	$	198.16	$	-	$	-	$	198.16	$	-	$	-	$	198.19	$	-	$	-	$	792.67
4015	ACC Reporting	$	-	$	-	$	-	$	-	$	13.00	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	13.00
4020	Income Taxes State & Federal	$	-	$	-	$	-	$	50.00	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	50.00
4030	Liability/D&O Insurance	$	-	$	-	$	1,700.00	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	1,700.00
	Maintenance Expenses																								
4305	General Maintenance	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
	Landscape Expenses																								
4605	Landscaping Maintenance Contrac	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	848.00	$	10,176.00
4660	Non-Contract Landscaping	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
	Administrative Expenses																								
4705	Accounting/Tax Preparation	$	-	$	-	$	-	$	-	$	280.00	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	280.00
4710	Management	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	710.00	$	8,520.00
4713	Mileage	$	36.41	$	36.41	$	36.41	$	36.41	$	36.41	$	36.41	$	36.41	$	36.49	$	36.41	$	36.41	$	36.41	$	36.41	$	437.00
4715	Postage	$	25.00	$	25.00	$	25.00	$	25.00	$	25.00	$	25.00	$	25.00	$	25.00	$	25.00	$	25.00	$	50.00	$	25.00	$	325.00
4720	Copies	$	16.67	$	16.67	$	16.67	$	16.67	$	16.67	$	16.67	$	16.67	$	16.67	$	16.67	$	16.67	$	40.00	$	16.63	$	223.33
4730	Statements	$	134.00	$	-	$	-	$	134.00	$	-	$	-	$	134.00	$	-	$	-	$	134.00	$	-	$	-	$	536.00
4735	Legal Expense	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
4745	Office Supplies	$	30.66	$	30.66	$	30.66	$	30.66	$	30.66	$	30.66	$	30.66	$	30.66	$	30.66	$	30.66	$	30.66	$	30.74	$	368.00
4755	Meeting Expenses	$	100.00	$	-	$	-	$	100.00	$	-	$	-	$	100.00	$	-	$	-	$	100.00	$	-	$	-	$	400.00
4780	Web-Site Expenses	$	35.50	$	-	$	-	$	35.50	$	-	$	-	$	35.50	$	-	$	-	$	35.50	$	-	$	-	$	142.00
4791	Storage	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	11.00	$	132.00
4792	Contingency	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
	Total Expenses	**$**	**2,145.40**	**$**	**1,677.74**	**$**	**3,377.74**	**$**	**2,195.40**	**$**	**1,970.74**	**$**	**1,677.74**	**$**	**2,145.40**	**$**	**1,677.82**	**$**	**1,702.74**	**$**	**2,145.43**	**$**	**1,726.07**	**$**	**1,677.78**	**$**	**24,120.00**
	Total Income	**$**	**3,884.60**	**$**	**(1,677.74)**	**$**	**(3,377.74)**	**$**	**3,834.60**	**$**	**(1,970.74)**	**$**	**(1,677.74)**	**$**	**3,884.60**	**$**	**(1,677.82)**	**$**	**(1,702.74)**	**$**	**3,884.57**	**$**	**(1,726.07)**	**$**	**(1,677.78)**	**$**	**-**

Estates at Cienega Creek Preserve Homeowners Association - 2025 Approved Budget

Approved:1/28/2025

		2022		2023		2024				2025
GL Code		Approved Budget	Year-End Actuals	Approved Budget	Year-End Actuals	Approved Budget	Jan-Sept Actual	Oct-Dec Estimated	Year End Estimated	Approved Budget
	Assessment Rate									**0%**
	Income									
3010	Owner Assessments	$24,120	$23,710	$24,120	$23,470	$23,760	$18,237	$5,523	$23,760	$24,120
3020	Late Fees & Interest	$0	$303	$0	$260	$313	$108	$0	$108	$0
3180	Interest Earned	$0	$4	$0	$5	$57	$4	$0	$4	$0
	Total Income	**$24,120**	**$24,017**	**$24,120**	**$23,735**	**$24,130**	**$18,349**	**$5,523**	**$23,872**	**$24,120**
	Fixed Expenses									
4010	Property Tax	$30	$24	$27	$24	$24	$24	$0	$24	$25
4011	Reserve Transfers-General	$1,988	$1,988	$641	$641	$247	$0	$0	$0	$793
4015	ACC Reporting	$10	$10	$10	$10	$10	$10	$0	$10	$13
4020	Income Taxes State & Federal	$50	$50	$50	$50	$50	$50	$0	$50	$50
4030	Liability/D&O Insurance	$1,800	$1,788	$1,870	$1,509	$1,705	$1,380	$0	$1,380	$1,700
	Maintenance Expenses									
4305	General Maintenance	$250	$121	$250	$115	$99	$61	$26	$87	$0
	Landscape Expenses									
4605	Landscaping Maintenance Contract	$9,240	$9,294	$9,564	$9,240	$10,896	$8,172	$3,502	$11,674	$10,176
4660	Non-Contract Landscaping	$100	$175	$100	$0	$100	$0	$0	$0	$0
	Administrative Expenses									
4705	Accounting/Tax Preparation	$350	$362	$380	$400	$430	$0	$400	$400	$280
4710	Management	$7,764	$7,764	$8,004	$7,604	$8,244	$6,183	$2,061	$8,244	$8,520
4713	Mileage	$0	$0	$300	$402	$351	$347	$116	$462	$437
4715	Postage	$325	$339	$325	$542	$307	$254	$81	$335	$325
4720	Copies	$325	$217	$325	$278	$170	$96	$33	$129	$223
4730	Statements	$400	$397	$462	$471	$472	$479	$205	$684	$536
4735	Legal Expense	$500	$0	$500	$0	$120	$0	$0	$0	$0
4745	Office Supplies	$200	$336	$200	$509	$348	$257	$84	$341	$368
4755	Meeting Expenses	$300	$250	$600	$300	$200	$300	$0	$300	$400
4765	Fax Services	$6	$0	$5	$0	$0	$3	$0	$3	$0
4780	Web-Site Expenses	$200	$98	$225	$439	$225	$56	$18	$74	$142
4791	Storage	$132	$132	$132	$132	$132	$99	$33	$132	$132
4792	Contingency	$100	$0	$100	$0	$0	$0	$0	$0	$0
	Total Expenses	**$24,070**	**$23,344**	**$24,070**	**$22,666**	**$24,130**	**$17,770**	**$6,559**	**$24,329**	**$24,120**
	Net Income	**$50**	**$673**	**$50**	**$1,068**	**$0**	**$579**	**-$1,036**	**-$457**	**$0**