

Estates at Cienega Creek Preserve Community Association
c/o Cadden Community Management
1870 W. Prince Road, Suite 47, Tucson, AZ 85705
Telephone: (520) 297-0797 ~ Fax: (520) 742-2618

RE: 2021 Approved Budget

October 2020

Dear Homeowner,

I am pleased to notify you that the budget approved by your Board of Directors for the year 2021 does not require an increase in your quarterly assessments. The 2021 Budget was approved at the September 9, 2020 Board meeting. Homeowner assessments for each Lot owner will remain at \$90.00 per quarter. The approved 2021 budget is on the reverse side of this letter.

Due Date. Annual assessments shall be payable in equal quarterly installments. As per Section 8.6 of the CC&Rs, *“each installment [shall] be due and payable on or before the first day of the applicable [quarterly] period during that fiscal year.”* Pre-payment of assessments are permitted, and will be credited to the Lot account.

Interest Charge. As per Section 8.2 of the CC&Rs, each Owner agrees to pay, for delinquent Assessments, *“interest from the due date at a rate equal to the greater of (i) ten percent (10%) per annum; or (ii) the annual interest rate, if any, then in effect for new first priority single family residential mortgage loans....”* Accordingly, interest at the annual rate of 10% shall be applied to a member in the event an assessment is unpaid thirty or more days after the 1st of the month in which the quarterly payment is due.

Late Charge. As stipulated by Section 8.6 of the CC&Rs *“the board shall have the right to establish from time to time.....late fees which may be charged in the event Assessments or other amounts payable to the Association are not paid on or before the applicable due dates, and may, at its discretion, provide grace period(s)...before such late fees begin to accrue.”* In accordance with this authority, and as formally documented in this policy, a late charge in the amount of \$15.00 shall be applied to a member in the event the assessment payment is unpaid **sixty (60)** or more days after the due date of the 1st of the month in which the quarterly payment is due.

If you have any questions about the budget, please do not hesitate to contact the Management Office or attend the next Board meeting for answers.

On behalf of the Board of Directors,

Sylvie McAdams
Association Manager
(520) 297-0797
smcadams@cadden.com

See 2021 Budget on reserve side of this page...

**Estates at Cienega Creek Preserve Community Association
2021 Approved Budget**

Approved
67 Homes

GL #	Income	2018 Actuals	2019 Actuals	2020 Budget	2020 Actuals thru 7/31/20	Estimated 2020 Year End	2021 Annual Budget
	Quarterly Assessment	85	90	90			90
3010	Residential	22,369	24,298	24,120	16,948	24,120	24,120
3020	Homeowner Late Fees/Int	305	395	0	297	297	0
3070	Fines - CC&R Violations	115	0	0	0	0	0
3180	Interest	11	13	0	6	11	0
	Total Assets	22,800	24,706	24,120	17,251	24,428	24,120
	Expenses						
	Fixed Expenses						
4010	Property Taxes	27	28	30	0	30	30
4015	ACC Report	10	10	10	10	10	10
4020	Income Taxes	50	50	50	50	50	50
4030	Insurance	1,632	1,636	1,800	1,688	1,688	1,800
	Operating Expenses						
4225	Vandalism	0	0	50	0	0	50
	General Repair & Maint.						
4305	General Repair & Maint.	50	0	250	250	250	250
	Landscaping						
4605	Landscape Contract	8,196	8,196	8,928	5,208	8,928	8,928
4660	Non-Contract Landscaping	89	0	366	51	51	366
	Administration						
4705	Accounting/Tax Prep	312	300	350	350	350	350
4710	Management	7,317	7,317	7,537	4,396	7,537	7,537
4715	Postage	342	432	350	118	325	325
4720	Copies	360	325	400	131	325	325
4730	Quarterly Statements	353	357	400	183	400	400
4735	Legal	-35	-15	500	54	54	500
4737	Delinquent Letters	40	-15	0	0	0	0
4745	Office Supplies	165	242	200	95	200	200
4751	Bank Fees	0	20	0	0	0	0
4755	Meeting Expenses	305	250	300	160	300	300
4765	Fax Service	8	0	6	0	0	6
4780	Website	111	138	120	144	375	120
4791	Storage	108	108	108	54	118	132
4792	Contingency	0	0	100	0	0	100
	Sub-Total	19,440	19,379	21,855	12,942	20,991	21,779
	RESERVE CONTRIBUTION						
	Reserves	1,678	2,300	2,265	1,699	2,265	2,341
	Total Expenses	21,118	21,679	24,120	14,641	23,256	24,120
	NET	1,682	3,027	0	2,610	1,172	0

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2021 ASSUMPTIONS

INCOME

- **Residential** income is based at \$90.00 per quarter per homeowner.

EXPENSES

- **Property Taxes** are based on an estimate of taxes due.
- **The Arizona Corporation Commission (ACC) Report** must be filed annually at a cost of \$10.00 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.
- **Insurance** covers insurance for the association and its elected directors and officers.
- **Vandalism** covers any vandalism to common area elements.
- **General Repair and Maintenance** is based on maintenance expenses for the common areas.
- **Landscape Contract** is based on common area landscape. No increase for 2021.
- **Non-Contract Landscaping** is based on any landscaping projects that are not included in the landscaping maintenance contract.
- **Accounting/Tax Preparation** is for the preparation of the Association's State and Federal tax returns as well as a review of the Association's records by a public accountant.
- **Management Fees** - calculation is based on the signed contract with Cadden Community Management.
- **Postage** is based on estimated postage used.
- **Copies** required for Association business.
- **Quarterly statements** is based on requirement due to Senate Bill 1531 in which statements and ledgers need to be mailed (or emailed) to all homeowners.
- **Legal** is set aside for any legal advice and/or collection on delinquent accounts.
- **Office Supplies** are office and operating products such as checks for the operating and reserve accounts, envelopes, stationary, and storage boxes for Association files.
- **Meeting Expenses** are fees to reserve the meeting room at the Rincon Valley Fire Department.
- **Fax Service** is for the incoming faxes received.
- **Website** is for any updates or changes to the HOA's website.
- **Storage** is a monthly fee for storing HOA records. Increase for 2021 due to age of association, per the Cadden Community Management contract.
- **Contingency** is for unexpected expenses.
- **Reserve (Contributions)** is for capital maintenance items that the Association is required to maintain. The association has deemed this amount appropriate.