The Estates at Cienega Creek Preserve Homeowner's Association

2024 Approved Operating Budget

Enclosed please find the 2024 Operating Budget, which was approved by the Board of Directors on January 23, 2024

There is no assessment increase for 2024

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

Quarterly Assessment Statement: Your 2024 quarterly assessment is \$90.00. This assessment is due on January 1, 2024, April 1, 2024, July 1, 2024 and October 1, 2024. Unpaid assessments will result in a late fee of \$15.00 being added after 60 days of the due date. The \$15.00 will be added after February 29, 2024, May 30, 2024, August 29, 2024 and November 30, 2024. Additionally, unpaid amounts are subject to interest charges at the rate of 10% per annum if assessment is unpaid after the 1st month in which the quarterly payment is due.

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 <u>as well as the immediately preceding ledger history</u> to aid owners in understanding their assessment and fee history. This applies <u>regardless</u> 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 verify the dollar 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 verify/update 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 aenos@cadden.com.

For the Association,

Alexis Enos

Alexis Enos Community Association Manager Cadden Community Management

Attachments: 2024 Assumptions, 2024 Approved Budget, and 12 column spreadsheet

Homeowners Association 2024 Assumptions

INCOME

- Residential Income based on 67 homeowners paying a quarterly of \$90.00.
- Interest/Other Income interest from Certificates of Deposit.

EXPENSES

- Property Taxes are based on an estimate of taxes due.
- ACC Report 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. 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 and D&O Insurance, were obtained from Labarre/Oksnee. A copy of the coverage may be obtained by contacting the management office.
- **General Repair and Maintenance** Based on the small unexpected maintenance expenses.
- Landscaping Contract The current contract is between the Association and Complete Landscaping. The landscaping company maintains the property on a monthly basis, along with the roadway, and in the common area islands.
- Non-Contract Landscaping Based on the small unexpected maintenance expenses.
- Accounting For the preparation of the Association's State and Federal tax returns as well as a review of the Association's records by a CPA.
- **Management** Based on a contract between the Association and Cadden Community Management (CCM).
- Management Mileage Based on site review mileage completed each month.

- Postage Based on 2023 mailing activity.
- **Photocopying/Printing** Based on 2023 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 2023 office supplies purchased.
- **Miscellaneous/Meeting Expense** Based on the rental cost for one Annual Meeting, any food and beverages associated with that meeting, and any extra meeting charges incurred.
- **Net Income** Based on projected income of \$23,760, expenditures of \$23,883 and reserve deposits of \$247 for 2024, 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.

			2021			2022			2024			
GL Code		Approved Budget	Year-End Actuals	Delta	Approved Budget	Year-End Actuals	Delta	Approved Budget	Jan-Sept Actual	Oct-Dec Estimated	Year End Estimated	Approved Budget
	Assessment Rate											
	Income	1										
3010	Owner Assessments	\$24,120	\$23,891	-\$229	\$24,120	\$23,710	-\$410	\$24,120	\$17,638	\$6,482	\$24,120	\$23,760
3020	Late Fees & Interest	\$0	\$391	\$391	\$0	\$303	\$303	\$0	\$224	\$20	\$244	\$313
3070	Fines - CC&R Violations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3180	Interest Earned	\$0	\$5	\$5	\$0	\$4	\$4	\$0	\$4	\$2	\$5	\$57
	Total Income	\$24,120	\$24,287	\$167	\$24,120	\$24,017	-\$103	\$24,120	\$17,865	\$6,504	\$24,369	\$24,130
	Fixed Expenses											-
4010	<u> </u>	430	\$27	Φ <i>A</i>	430	\$0.4	¢ /	\$07	40	\$0.4	\$0.4	\$0.4
	Property Tax	\$30		-\$4 \$0	\$30	\$24 \$1,988	-\$6 \$0		\$0	\$24	\$24	\$24
4011	Reserve Transfers-General	\$2,341	\$2,341		\$1,988			\$641	\$481	\$160	\$641	\$247
4015	ACC Reporting	\$10		\$0 \$0	\$10	\$10	\$0	\$10	\$10	\$0	\$10	\$10
4020	Income Taxes State & Federal	\$50		\$0	\$50	\$50	\$0	\$50	\$50	\$0	\$50	\$50
4030	Liability/D&O Insurance Operating Expenses	\$1,800	\$1,710	-\$90	\$1,800	\$1,788	-\$12	\$1,870	\$1,509	\$0	\$1,509	\$1,705
4225	Vandalism	\$50	\$0	-\$50	\$50	\$0	-\$50	\$50	\$0	\$50	\$50	\$0
4223	Maintenance Expenses	φ50	ΨΟ	-\$50	φ50	ΨΟ	-φου	Ψ50	ΨΟ	\$ 50	\$ 30	φ0
4305	General Maintenance	\$250	\$55	-\$195	\$250	\$121	-\$129	\$250	\$60	\$61	\$121	\$99
	Landscape Expenses	Ψ200	φσσ	ψ.,σ	Ψ200	Ψ.Σ.	Ψ.27	\$255	φου	Ψ0.	Ψ.Σ.	, , ,
4605	Landscaping Maintenance Contract	\$8,928	\$8,928	\$0	\$9,240	\$9,294	\$54	\$9,564	\$6,730	\$3,080	\$9,810	\$10,896
4660	Non-Contract Landscaping	\$366		-\$311	\$100	\$175	\$75	\$100	\$0	\$100	\$100	\$100
	Administrative Expenses	,	,		, , , ,			,		,	,	,
4705	Accounting/Tax Preparation	\$350	\$362	\$12	\$350	\$362	\$12	\$380	\$400	\$0	\$400	\$430
4710	Management	\$7,537	\$7,537	\$0	\$7,764	\$7,764	\$0	\$8,004	\$5,703	\$2,668	\$8,371	\$8,244
4713	Management Mileage	\$0		<u> </u>	\$0	\$0	\$0	\$300	\$263	\$377	\$640	\$351
4715	Postage	\$325	\$293	-\$32	\$325	\$339	\$14	\$325	\$289	\$255	\$544	\$307
4720	Copies	\$325	\$136	-\$189	\$325	\$217	-\$108	\$325	\$156	\$280	\$436	\$170
4730	Statements	\$400	\$357	-\$43	\$400	\$397	-\$3	\$462	\$352	\$118	\$469	\$472
4735	Legal Expense	\$500	\$620	\$120	\$500	\$0	-\$500	\$500	\$0	\$500	\$500	\$120
4745	Office Supplies	\$200	\$180	-\$20	\$200	\$336	\$136	\$200	\$260	\$60	\$320	\$348
4755	Meeting Expenses	\$300	\$300	\$0	\$300	\$250	-\$50	\$600	\$200	\$200	\$400	\$200
4765	Fax Service	\$6	\$0	-\$6	\$6	\$0	-\$6	\$5	\$0	\$3	\$3	\$0
4780	Web-Site Expenses	\$120	\$613	\$493	\$200	\$98	-\$102	\$225	\$371	\$75	\$446	\$225
4791	Storage	\$132	\$132	\$0	\$132	\$132	\$0	\$132	\$99	\$44	\$143	\$132
4792	Contingency	\$100		-\$100	\$100	\$0	-\$100	\$100	\$0	\$100	\$100	\$0
	Total Expenses	\$24,120	\$23,704	-\$416	\$24,120	\$23,344	-\$776	\$24,120	\$16,933	\$8,155	\$25,088	\$24,130
	Net Income	\$0	\$583		\$0	\$673		\$0	\$932	-\$1,651	-\$719	\$0
0	Reserves											
5000	Reserve Balance	1										\$8,442
5100	6 Month CD Balance - 4.25%	-										\$5,195
5200	1 Year CD Balance - 4.5%	1										\$10,413
5300	2 Year CD Balance - 4.25%	1										
5400	3 Year CD Balance - 4.25%	1										\$10,390 \$5,183
3400	Total											\$5,183 \$39,622
	ioiui											337,622

Approved: January 23, 2024

														_			Assessment: \$	9
	Income	ď	Jan	Feb	\$	Mar		Apr	May		un - \$	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Owner Assessments	\$ \$	5,940.00					5,940.00 \$		\$		5,940.00		- \$		- \$	- \$	23,76
	Late Fees & Interest	,	26.05			26.05		26.05 \$			26.05 \$	26.05		26.05 \$		26.05 \$	26.05 \$	31
80	Interest Earned	\$	4.76	•	76 \$	4.76		4.76 \$			4.76 \$	4.76	·	4.76 \$	4.76 \$	4.76 \$	4.76 \$	
	Total Income	\$	5,970.81	\$ 30.	31 \$	30.81	\$	5,970.81 \$	30.81	\$	30.81 \$	5,970.81	30.81 \$	30.81 \$	5,970.81 \$	30.81 \$	30.81 \$	24,12
	Fixed Expenses																	
10	Property Tax	\$	-	\$ -	\$	-	\$	- \$	-	\$	- \$	- 9	- \$	- \$	24.00 \$	- \$	- \$	2
11	Reserve Transfers	\$	-	\$ -	\$	-	\$	- \$	-	\$	- \$	- 5	- \$	- \$	- \$	- \$	- \$	
15	ACC Reporting	\$	-	\$ -	\$	10.00	\$	- \$	-	\$	- \$	- 5	- \$	- \$	- \$	- \$	- \$	
20	Income Taxes State & Federal	\$	-	\$ 50.	00 \$	-	\$	- \$	-	\$	- \$	- 5	5 - \$	- \$	- \$	- \$	- \$	
30	Liability/D&O Insurance	\$	-	\$ 150.	00 \$	1,555.00	\$	- \$	-	\$	- \$	- 5	5 - \$	- \$	- \$	- \$	- \$	1,70
	Operating Expenses																	
	Vandalism	\$	_	\$ -	\$	_	\$	- \$	_	\$	- \$	- 5	s - \$	- \$	- \$	- \$	- \$	
	Maintenance Expenses	т.		*	•		*	,		*	,		, ,	*	,	•	*	
	General Maintenance	\$	8.27	\$ 8	27 \$	8.27	\$	8.27 \$	8.27	\$	8.27 \$	8.27	8.27 \$	8.27 \$	8.27 \$	8.27 \$	8.27 \$	
	Landscape Expenses	Ψ	0.27	Ψ 0.	-, φ	0.27	Ψ	0.2 <i>,</i> 4	0.27	Ψ	0.2, y	0.27	ν 0.2, ψ	0.2, ₄	0.27 φ	0.2, y	υ. <u></u> , ψ	
	Landscaping Maintenance Contract	\$	908.00	\$ 908.	00 \$	908.00	\$	908.00 \$	908.00	\$	908.00 \$	908.00	908.00 \$	908.00 \$	908.00 \$	908.00 \$	908.00 \$	10,8
	Non-Contract Landscaping	\$	100.00		- 1		\$	- \$		\$	- \$	- (- \$	- \$	- \$	- \$	10,0
	Administrative Expenses	Ψ	100.00	Ψ	Ψ	_	Ψ	- ψ	_	Ψ	- ψ	- ,	ν - ψ	- Ψ	- ψ	- Ψ	- Ψ	
	-	ď		\$ 30.	20 6	400.00	æ	¢		œ	¢			¢.	¢	¢.	¢.	
	Accounting/Tax Preparation	\$				400.00		- \$		\$	- \$	- (- \$	- \$	- \$	- \$	4
	Management	\$	687.00			687.00		687.00 \$			687.00 \$	687.00		687.00 \$	687.00 \$	687.00 \$	687.00 \$	8,2
	Management Mileage	\$	29.26		26 \$	29.26		29.26 \$			29.26 \$	29.26		29.26 \$	29.26 \$	29.26 \$	29.26 \$	3
	Postage	\$	25.58		58 \$	25.58		25.58 \$			25.58 \$	25.58		25.58 \$	25.58 \$	25.58 \$	25.58 \$	3
	Copies	\$	14.13		13 \$	14.13		14.13 \$			14.13 \$	14.13		14.13 \$	14.13 \$	14.13 \$	14.13 \$	1
	Statements	\$	118.00		\$	-		118.00 \$			- \$	118.00		- \$	118.00 \$	- \$	- \$	4
35	Legal Expense	\$	10.00			10.00	•	10.00 \$			10.00 \$	10.00		10.00 \$	10.00 \$	10.00 \$	10.00 \$	1
	Office Supplies	\$	29.00		00 \$	29.00	\$	29.00 \$			29.00 \$	29.00	\$ 29.00 \$	29.00 \$	29.00 \$	29.00 \$	29.00 \$	3
55	Meeting Expenses	\$	50.00	\$ -	\$	-	\$	- \$	50.00	\$	- \$	- 5	- \$	50.00 \$	- \$	50.00 \$	- \$	2
65	Fax	\$	-	\$ -	\$	-	\$	- \$	-	\$	- \$	- 5	- \$	- \$	- \$	- \$	- \$	
80	Website Expenses	\$	56.25	\$ -	\$	-	\$	56.25 \$	-	\$	- \$	56.25	- \$	- \$	56.25 \$	- \$	- \$	2
91	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 \$	13
92	Contingency	\$	-	\$ -	\$	-	\$	- \$	-	\$	- \$	- 5	- \$	- \$	- \$	- \$	- \$	
	Total Expenses	\$	2,046.48	\$ 1,952.	23 \$	3,687.23	\$	1,896.48 \$	1,772.23	\$ 1	1,722.23 \$	1,896.48	1,722.23 \$	1,772.23 \$	1,920.48 \$	1,772.23 \$	1,722.23 \$	23,8
	Total Income	s	3,924.33	\$ (1,921.	12) \$	(3,656.42)	\$	4,074.33 \$	(1,741.42)	\$ (1	1,691.42) \$	4,074.33	5 (1,691.42) \$	(1,741.42) \$	4,050.33 \$	(1,741.42) \$	(1,691.42) \$	2
			5,724.55	¥ (1,721.	<u>, v</u>	(0,000.42)		.,57-1.00 9	(1,7-1,42)	¥ (1	.,	1,017.00	(1,071.72) 9	(1,1-11-1-2) 4	7,000.00 9	(1)(-71,-72)	(.,v/1z) V	
	Reserves						_											
	Reserve Balance	\$	8,425.00		50 \$	1.50		1.50 \$			1.50 \$	1.50		1.50 \$	1.50 \$	1.50 \$	1.50 \$	8,4
	6 Month CD Balance - 4.25%	\$			71 \$	17.71		17.71 \$			17.71 \$	17.71		17.71 \$	17.71 \$	17.71 \$	17.71 \$	5,1
	1 Year CD Balance - 4.5%	\$	10,000.00			37.50		37.50 \$			37.50 \$	37.50		37.50 \$	37.50 \$	37.50 \$	37.50 \$	10,4
	2 Year CD Balance - 4.25% 3 Year CD Balance - 4%	\$.\$	10,000.00 5,000.00	\$ 35. \$ 16.		35.42 16.67		35.42 \$ 16.67 \$			35.42 \$ 16.67 \$	35.42 S		35.42 \$ 16.67 \$	35.42 \$ 16.67 \$	35.42 \$ 16.67 \$	35.42 \$ 16.67 \$	10,3 5,1