



Agua Dulce Homeowners Association

2026 Approved Operating Budget

11/20/2025

Dear Agua Dulce Owner,

Enclosed please find the 2026 Operating Budget, which was approved by the Board of Directors on October 30, 2025. There is an assessment increase beginning January 1, 2026.

Assessments are critically important to maintain our community amenities, provide essential services including landscaping, gate access, pool, playground, community management, legal and liability protection.

Agua Dulce HOA owns the roads and are diligently building financial reserves for replacement in the coming years as soon as 2030-2032. This project will cost our community over \$2,000,000. Our HOA fees help us minimize the risk of needing a special assessment to fund this work. Special Assessments are common in communities with poor long-term planning and lead to additional monthly payments and we want to avoid this for all members.

Unfortunately, our assessment levels have not kept up with basic inflation. Cumulative general inflation since our community was founded has been approximately 90% as we see every day around us. This is the increase in general costs for goods and services such as groceries, gas, etc. Over the same period our dues have increased by approximately 50%. This means that the maintenance and service cost to the HOA and community have significantly outpaced our collected assessments. We diligently reduce spending wherever possible, weighing cost savings against deferred maintenance and lower service levels.

Our HOA is a not-for-profit corporation with a breakeven budget. This means the HOA takes in exactly as much money in assessments as it spends on maintenance and services. The HOA does not "make money" off assessments but pays its expenses and reserves money for future replacement and repairs of common elements.

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

If you have set up automatic payments through your bank or the owner portal for your assessment, please contact your banking institution or log in to the portal to change the dollar amount to reflect the correct assessment amount. **Please note that this change needs to be initiated by the owner, we do not have the authority to do this for you.** If you are on ACH with the Association and through Sienna Community Management, there will be an automatic adjustment of your assessment amount whether you pay quarterly or monthly.

Quarterly Assessment Statement (Gated Section): Your 2026 quarterly assessment is \$240.00. This assessment is due on the first day of each quarter (Jan, April, July, and Oct). Unpaid assessments will result in a late fee of \$15.00 being added on the 90th day from the assessment

due date. Additionally, unpaid amounts are subject to interest charges at the rate of 12% per annum. Interest is applied on the 90th day that the balance remains unpaid.

Semi-Annual Assessment Statement (Non-Gated Section): Your 2026 semi-annual assessment is \$144.00. This assessment is due on January 1, 2026, then again on July 1, 2026. Unpaid assessments will result in a late fee of \$15.00 being added after March 30, 2026, and again after September 30, 2026. Additionally, unpaid amounts are subject to interest charges at the rate of 12% per annum. Interest is applied on the last day of each month the balance remains unpaid.

If you have any questions regarding the budget or any Association issues, please do not hesitate to contact me at 520-771-9921 or you may also email me at jenac@siennaaz.com

For the Association,

Jena Carpenter, AMS, PCAM
Sienna Community Management, LLC

Attachments: Assumptions and 2026 Operating Budget

Agua Dulce Homeowners Association

2026 Assumptions

- **Gate Maintenance** – The current contract is between the Association and Alltech Gate Systems, LLC. Alltech Gate Systems, LLC maintains the gate house front entry gate and the pool area gate.
- **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 an audit of 2024 is in progress.
- **Management** - Based on a contract between the Association and Sienna Community Management (SCM).
- **Postage** - Based on 2025 mailing activity.
- **Copies/Printing** - Based on 2025 printing activity (e.g., delinquent letters, statements, letters to homeowners, Board packages, etc.)
- **Legal Expense** - For attorney opinions requested by the Board of Directors and other legal matters before the Association.
- **Dues and Subscriptions** - the amount of money needed to maintain the community website/Portal.
- **Social Committee** – based on the 2025 budget spent on community activities, contest, prizes, etc.
- **Office Expense** - Based on 2025 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 \$386,976.00, expenditures of \$213,120.00 and reserve deposits of \$173,856.00 for 2026, 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, 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.

AGUA DULCE 2026 APPROVED BUDGET

General Ledger Codes	INCOME	Sept. 30, 2025 Actuals	2025 Budget. (Annual)	PROPOSED 2026 Budget Dues \$80/mo.
4025000100	Owner Assessments	\$259,643.07	\$362,790.00	\$386,976.00
4070000070	Less - Write Offs	-\$915.88		
4110000050	Collection Receipts	\$5,127.98		
4110000055	Default Notice - Postage	\$75.00		
4110000110	HOA Violation Fees	\$3,560.00		
4110000130	Interest Earned	\$337.29		
41100000140	Key/Lock/Gate Fee	\$257.00		
4110000150	Late Fees & Interest	\$6,493.66		
41100000230	NSF Fees	\$430.00		
4110000240	Other Income	\$612.00		
Actual Basis	Prepaid Income (On Balance Sheet 2026)	\$0.00		
TOTAL INCOME		\$275,620.12	\$362,790.00	\$386,976.00
General Ledger Codes	EXPENSES	Sept. 2025 Actual	2025 Budget	2026 Budget
GENERAL & ADMINISTRATIVE				
6010000010	Accounting/Tax Preparation	\$3,570.00	\$1,170.00	\$3,500.00
6010000020	Meeting Expenses	\$131.94	\$600.00	\$1,500.00
6010000050	Bank Fees	-\$10.00	\$50.00	\$50.00
6010000070	Collections Expense	\$496.62	\$0.00	\$0.00
6010000110	Dues & Subscriptions (Web Site Expenses)	\$657.18	\$780.00	\$1,000.00
6010000150	Legal Fees - General	\$8,590.68	\$4,200.00	\$8,000.00
60100000170	Management Fee	\$28,580.00	\$30,000.00	\$37,800.00
6010000190	Social Committee	\$530.18	\$1,000.00	\$1,300.00
NA	Mileage	\$916.15	\$732.90	\$0.00
6010000220	Office Expense	\$2,813.49	\$2,250.00	\$3,000.00
6010000230	Copies/Printing (includes Statements)	\$2,827.49	\$856.00	\$3,000.00
6010000240	Other	\$0.00	\$0.00	\$0.00
6010000260	Permits/Licenses (ACC, Pool)	\$510.00	\$633.00	\$850.00
6010000270	Postage	\$2,227.02	\$2,200.00	\$4,000.00
6010000280	Professional Fees (Reserve Study)	\$0.00	\$0.00	\$0.00
NA	Statements	\$0.00	\$3,600.00	\$0.00
NA	Fax Service	\$2.50	\$0.00	\$0.00
NA	Storage	\$98.00	\$168.00	\$0.00
Subtotal - General & Admin. Expenses		\$51,941.25	\$48,239.90	\$64,000.00
General Ledger Codes	EXPENSES	Sept. 2025 Actual	2025 Budget	2026 Budget
UTILITIES				
6040000100	Electric	\$3,385.36	\$6,240.00	\$7,000.00
6040000500	Water & Sewer	\$7,729.69	\$10,250.00	\$11,500.00
6040000200	Gas	\$6,443.53	\$13,000.00	\$13,000.00
6040000200	Phone Service (Gate & Pool)	\$975.36	\$1,470.00	\$1,800.00
Subtotal - Utilities		\$18,533.94	\$30,960.00	\$33,300.00

AGUA DULCE 2026 APPROVED BUDGET

General Ledger Codes	EXPENSES	Sept. 2025 Actual	2025 Budget	2026 Budget
TAXES & INSURANCE				
6050000100	Personal Property Tax	-\$31.90	\$0.00	
6050000200	Insurance - Liability/D&O	\$9,702.00	\$9,360.00	\$10,000.00
6050000300	Property Taxes	\$31.83	\$200.00	\$200.00
NA	Operating Contingency Fund	\$0.00	\$0.00	
NA	ACC Reporting	\$0.00	\$13.00	
NA	Income Taxes- State/Federal	\$0.00	\$50.00	
6050000500	State Income Taxes	\$0.00	\$0.00	\$500.00
6050000600	Federal Income Taxes	\$0.00	\$50.00	\$9,500.00
NA	Licenses/Permits	\$0.00	\$200.00	\$0.00
6070000050	Back Flow Testing	\$0.00	\$420.00	\$420.00
Subtotal - Taxes & Insurance		\$9,701.93	\$10,293.00	\$20,620.00
REPAIRS & MAINTENANCE				
6070000070	Cleaning Supplies/Equipment	\$168.15	\$0.00	\$0.00
6070000090	Common Area Maintenance	\$3,872.21	\$8,525.00	\$5,000.00
6070000160	Gate Repair	\$1,283.60	\$2,500.00	\$2,500.00
6070000165	Gate Remotes	\$0.00	\$765.00	\$600.00
6070000170	Gate Service Contract	\$2,757.50	\$5,670.00	\$4,000.00
6070000190	Fountain Maintenance Contract	\$1,622.50	\$2,200.00	\$0.00
6070000200	Flag Purchase	\$157.43	\$300.00	\$300.00
6070000220	Janitorial Service Contract & Supplies	\$4,721.20	\$5,448.00	\$5,600.00
6070000225	Irrigation Repair	\$825.00	\$500.00	\$1,000.00
6070000230	Landscaping Maintenance Contract	\$34,370.25	\$50,000.00	\$45,000.00
6070000235	Non-contract Landscaping	\$0.00	\$4,000.00	\$4,000.00
6070000236	Tree Maintenance & Plant Replacement	\$0.00	\$6,500.00	\$3,000.00
6070000238	Erosion Control	\$0.00	\$0.00	\$5,000.00
6070000240	Misc. Supplies	\$150.00	\$0.00	\$100.00
6070000300	Pest Control-gatehouse/pool	\$0.00	\$0.00	\$100.00
6070000322	Pool Supplies/Chemicals	\$6,639.33	\$6,000.00	\$7,000.00
6070000323	Pool Maintenance Contract	\$4,707.71	\$6,180.00	\$6,200.00
6070000327	Pool Repairs	\$1,861.12	\$2,890.00	\$5,000.00
6070000350	Roof Maintenance	\$692.00	\$0.00	\$500.00
6070000380	Signs	\$0.00	\$125.00	\$200.00
6070000420	Vandalism/Theft	\$0.00	\$100.00	\$100.00
REPAIR & MAINT. EXPENSES - CONT.				
NA	Security Patrol	\$15,127.13	\$20,689.00	\$0.00
NA	Permits	\$140.00	\$0.00	\$0.00
NA	Pool Phone		\$1,470.00	\$0.00
NA	General Maintenance			\$0.00
NA	Misc. Supplies			\$0.00
NA	Fountain/Waterfall Maintenance			\$0.00
Subtotal - Repairs & Maintenance		\$78,926.98	\$123,862.00	\$95,200.00
TOTAL EXPENSES		\$159,104.10	\$213,354.90	\$213,120.00

AGUA DULCE 2026 APPROVED BUDGET

		Sept. 30, 2025	2025 Budget	2026 Budget
	NET INCOME BEFORE RESERVE TRANSFER	\$116,516.02	\$149,435.10	\$173,856.00
	DEDUCT: RESERVE TRANSFERS	\$112,457.25	\$149,943.00	\$173,776.00
	NET INCOME AFTER RESERVE TRANFERS	\$4,058.77	-\$507.90	\$80.00
NOTES:				
(1) The Finance Committee recommends \$80.00/month.				
(2) NA (Not Applicable) designates expense accounts that have been combined with other expense account titles or expenses that will no longer be incurred after 2025.				