

SYCAMORE CANYON



COMMUNITY UPDATE FROM THE PRESIDENT

Dear Sycamore Canyon residents,

One of the most important tasks the HOA is required to do is develop the annual budget. The budget is the basis from which the HOA determines what costs are required to cover the day-to-day operations and maintenance with an eye on the long-term obligations. It is from these costs that provide the HOA the numbers it needs to determine how much assessments should be to cover the costs.

The Sycamore Canyon HOA is a non-profit entity formed to keep the community functioning properly. The annual budget is to keep the community in balance between the revenue and costs. The review of previous years and 2014 (to date) provides the information from which the HOA can determine its projections for 2015. Looking at each budget line item allows for the HOA to see if the costs were in line or higher/lower than expected. If they were higher/lower than expected it is important to determine why.

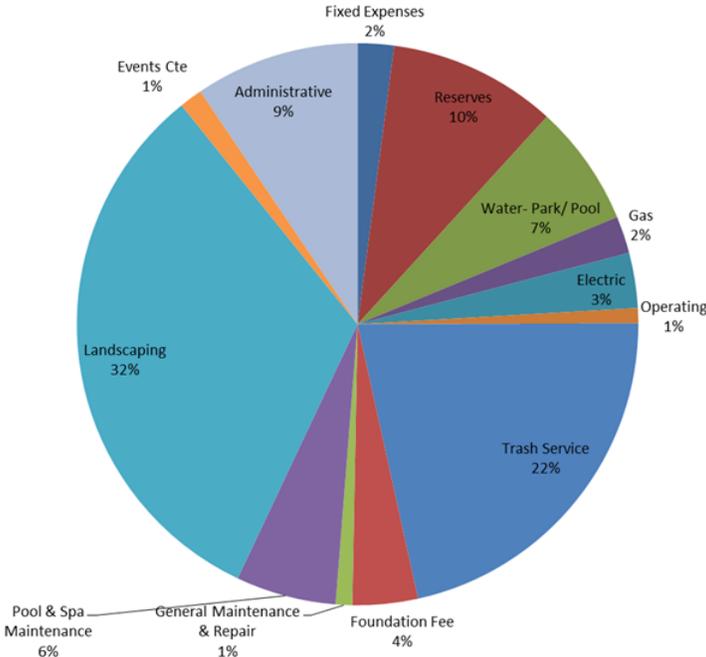
By using a conservative approach to the budget, the HOA ensures residents will not face a "special assessment" to cover unexpected costs that were not contemplated by the budget. There are certain times when natural events create unforeseen havoc, such as the freeze from a few years back or the large storms we faced this past summer. The HOA must act to repair situations that affect the community in order to restore safety and the appearance in the community. It is this reason the HOA must not risk in making the budget too optimistic.

Here is a breakdown of the 2014 costs (the total projected)

The pie chart reflects all of the costs from master HOA.

Nearly 70% of the expenses are allocated to the landscaping maintenance, pool and trash service. Until about two years ago, the HOA went through three landscaping companies in a period of 6 months due to the fact that none were able to provide the required maintenance needs for the community and provide those services at a reasonable rate. Chula Vista has kept their rates very competitive and continues to respond to our requests in manner helpful for the community needs (32%). Meanwhile, Saguaro Environmental – the trash service provider - has also continued to be responsive to the HOA's needs (22%). Their rates are better than Waste Management and provide a savings to homeowners of up to \$6 per month by having the service incorporated into the HOA assessment. This also keeps the truck traffic to once a week for everyone.

2014 Projected Expenses



Advisory Committee

JoAnn Hinchliffe

mamahinch52@cox.net

John Ryan

Jryan39@cox.net

Deborah Yanoska

desertchime@cox.net

April Bourie

abourie@live.com

Gina Axford

gaxford31@gmail.com

Events Committee

April Bourie

abourie@live.com

Gina Axford

gaxford31@gmail.com

Judi Roberts

joejudi41@msn.com

Mark Molineaux

mmolineaux@cox.net

Cadden Community Management

101 S. La Canada Dr, #20,
Green Valley, AZ 85614
(520) 648-6730 tel
(520) 648-6658 fax
www.cadden.com

Tricia Beeler, CAAM®
Association Manager
tbeeler@cadden.com

By limiting the months of heating the pool and spa, the HOA saves significant sums during the colder months (Gas 2%, Water 7%). The pool maintenance company has also provided significant savings in both monthly rates and pool maintenance of chemicals and pool equipment repairs (6%). The HOA sought out another company when it was viewed there was a better option.

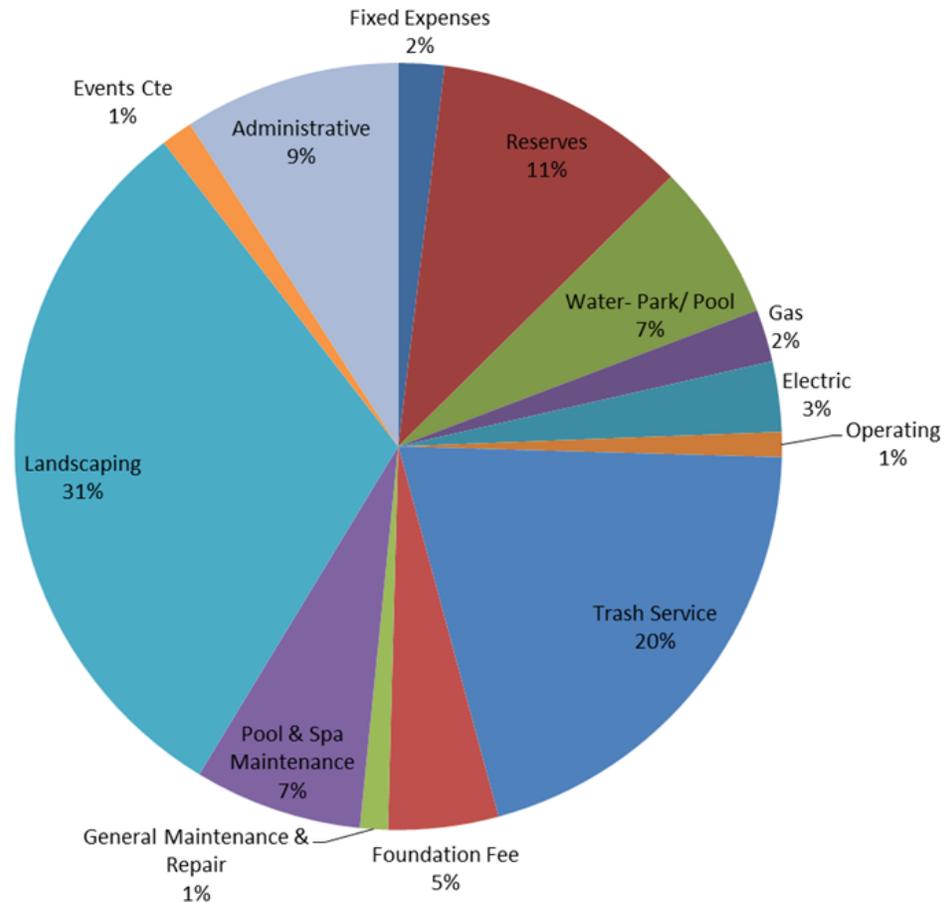
In 2014, the reserves amounted to nearly 10% of the total master expenses. This is a critical budget item which is intended to collect funds annually to be set aside for the replacement of larger items in the future. Pool equipment replacement, park amenities such as the basketball court and playground equipment, pool fencing, community drainage basins and fencing, the decorative walls along Sycamore Leaf and Rustling Leaf are items the master HOA must prepare for future replacement and maintenance. The reserves account amount is determined by a reserve study performed by a consulting firm who specializes in HOA reserve studies.

There are instances a resident may determine that a line item is unnecessary or could be lowered. The HOA evaluates each line item and every vendor it uses to see if a change is warranted. Currently, the HOA is satisfied it has negotiated with the vendors it is currently using along with the line items included in the 2015 budget as being necessary for the community to function as intended.

In the 2015 budget, several items are calculated higher than 2014. They are:

- Reserves: from \$40,000 to \$48,205. The Reserves account is increased significantly in 2015. The summer storms have caused unexpected work to be completed, such as repairing the detention basins in common areas and along the sides of streets. Except in gated communities, all streets and any structures beneath the streets are the responsibility of Pima County.
- Trash Service: from \$89,145 to \$92,000. The existing contract with Saguaro allows an increase of 3% on an annual basis. This protected the HOA from significant price hikes.
- Foundation Fee: from \$15,506 to \$21,558. The 2015 amount reflects the 5% of the assessment as is required; however in 2014 the HOA deducted costs it paid which would have been reimbursed by the conservation foundation. These costs are related to the buffelgrass herbicide treatment.
- General Maintenance: from \$2,374 to \$3,000. The 2015 budget amount is more in line with the years 2011 to 2013.
- Pool Repairs: from \$3,353 to \$8,000. This is more in line

2015 Budget Expenses



with the previous years.

- Landscape Maintenance: from \$107,640 to \$110,000. This is to ensure the HOA is able to absorb any unexpected additional work required in the community.

The above represents the most significant increases in the 2015 budget from the 2014 budget/actual costs. The budget, as a whole, is based on the analysis of multiple years that the amounts are calculated. Should the lower costs in 2014 be found to continue into 2015, the appropriate changes will be made for the 2016 budget.

After the review of the budget needs for 2015, the HOA has concluded that the 2015 budget for the Master HOA will require the increase of \$5 per month, from \$65 to \$70. The HOA is very aware homeowners do not want the assessments to increase. A lot of time and thought goes into the needs of the HOA to make sure the community functions properly. The 2015 budget is the HOA's best effort to keep it a functioning and responsible entity for the benefit of the entire Sycamore Canyon community.

Thank you,
Jamie Argueta

Frequently Asked Questions

How does Sycamore Canyon assessments compare to other master planned community HOAs?

In comparison:

Rancho del Lago	\$72/month
Continental Ranch	\$84/month
Rancho Sahuarita	\$93/month

In most other communities they do not include trash service. If a homeowner were to request trash service themselves from Waste Management for example, the cost on a monthly basis would be \$16-\$22/month. If one subtracted \$18.50 from the Sycamore Canyon assessment, the monthly amount would be \$51.50/month.

What are the chances the assessments get raised again in the future?

The HOA is always looking to make sure their contracts are in the best interest of the HOA. Contracts with vendors are meant to provide the HOA the security in knowing the work is done by competent service providers and at reasonable rates. That being said, it is not possible to predict the likelihood of events, natural or otherwise, that will cause the HOA to spend more than expected; however, as the HOA grows through additional homes, the fixed expenses which are not variable to the number of members will be reduced on a per member basis. When Phase 2 gets additional homeowners, there will be costs which can be spread out more thereby lessening each burden to each homeowner. Costs such as the pool, reserves, park maintenance all will have more homeowners to share in the cost. The HOA will continue to do everything it can make sure assessments remain the same.

When is the Rec Center going to get built?

The Rec Center is dependent on when Phase 2 develops and homes have been built. The additional costs related to the rec center will be alleviated when there are Phase 2 homeowners to share in the cost thereby not burdening the existing homeowners.

What is the insurance for?

The insurance is for two things: 1) it covers the Board and committee members from any liability (Directors and Officers Liability) and 2) covers liability from an occurrence happening in the community common areas

What happens if the HOA is "short" money at the end of the year?

The HOA generally carries over every year an amount in its operating account to ensure it will not be underfunded. When there are no funds available, the HOA must determine whether a "special assessment" is required. A special assessment would go to all members of the HOA as a one-time assessment to balance the budget.

What happens if the HOA has money surplus from the year's collection of assessments?

Should there be any excess dollars in the HOA at the end of each year, they are either kept in the HOA account or moved to the reserves or split.

What is Block B? Why/How is Block B involved in the master budget?

Block B is the gated area on south Rustling Leaf (where Sombra is building homes). This area chose to be a cost-center versus a sub-association. The HOA collects additional assessments (\$40 per month in 2015) on top of the Master HOA assessment (\$70 per month in 2015) from the owners in Block B to cover their expenses related to the gate and their specific reserves.

What are the Utilities and where are they used?

Electric is found at the pool, entry monument and mailboxes. Gas is used for the pool and spa. Water is used at the entry monument, park and pool.

What is Night Patrol?

In response to the issues of violations being reported by neighbors, such as parking, the HOA hired a security company to monitor the community in evening or early mornings 4 times per month.

What is the Foundation Fee?

The foundation fee is a 5% fee from the master assessments required to be paid from the HOA. A federal permit required the HOA to participate in contributing to the Sycamore Canyon Conservation Foundation (SCCF). SCCF was created to protect the natural open space and Pima Pineapple Cactus (PPC) which is a federally-listed endangered species.

What are Pool Repairs?

Pool repairs are related to the pool equipment. Replacement of equipment is dealt with through the Reserves.

What is Lot Cleanups?

When a homeowner becomes delinquent in maintaining their front yard, the HOA will hire a landscape company to correct the problem. The cost is made up for (plus some), as the homeowner is then assessed that additional amount.

What is Non-Contract Landscaping?

This landscaping work not covered by the contract with Chula Vista. On occasion, there will be additional landscaping needs.

What is Herbicides?

Herbicides are used to make sure the landscaping strips along the street in the neighborhoods have limited weed growth during the weed season.

What is Committee Expenses?

These expenses are those incurred by the Events Committee using vendors for the various events held for the benefit of the community.

SYCAMORE CANYON HOMEOWNERS ASSOCIATION 2015 BUDGET Page 1 of 2

Sycamore Canyon 2015 Budget

Operating account balance August 31, 2014 \$34,047.65

Homeowner Assessment

Reserve account balance August 31, 2014 \$142,023.30

Number of Current Units

515 - \$70

GL#	Block B Cost Center	INCOME/EXPENSE	2013 Actual Totals	2014 Actuals Jan-Aug	2014 Projected Sep-Dec	2014 Projected Totals	2015 Approved Budget
							B - \$40/mo
INCOME							\$70/mo
3010		Owner Assessments	\$393,672	\$273,915	\$130,000	\$403,915	\$431,760
3010	100	Owner Assessments Block B	\$5,499	\$3,850	\$2,240	\$6,090	\$7,680
3011		Lot Owner Assessments - 25%	\$0	\$0	\$0	\$0	\$0
3011	100	Lot Owner Assessments - 25% Block B	\$0	\$0	\$0	\$0	\$0
3020		Late Fees	\$297	\$1,402	\$0	\$1,402	\$500
3075		Pool Keys	\$932	\$800	\$0	\$800	\$500
3070		Fines - CC&R Violations	\$195	\$118	\$0	\$118	\$100
3085		Postal Locks	\$800	\$300	\$0	\$300	\$300
3100		Working Capitol 16.67%	\$1,040	\$130	\$0	\$130	\$200
3133		Pool Key Reactivation Fee	\$50	\$20	\$0	\$20	\$0
3140		Builder Assessment -25%	\$8,704	\$6,701	\$7,897	\$14,598	\$19,740
3140	100	Builder Assessments - 25% Block B	\$4,210	\$3,608	\$1,092	\$4,700	\$4,800
3180		Interest	\$40	\$38	\$0	\$38	\$30
3999		Prepaid Income	\$13,132	\$0	\$0	\$0	\$0
3990		Bad Debt	\$0	-\$3,463	-\$3,500	-\$6,963	-\$7,000
TOTAL INCOME			\$428,572	\$287,419	\$137,729	\$425,148	\$458,610
EXPENSES - FIXED							
4010		Property Taxes	\$184	\$0	\$668	\$668	\$400
4011		Reserve Transfer	\$34,987	\$40,000	\$0	\$40,000	\$48,205
4011	100	Reserve Transfer Block B	\$3,977	\$5,000	\$2,000	\$7,000	\$5,000
4013		Working Capitol Transfer	\$10,000	\$0	\$0	\$0	\$0
4025		Licenses & Permits (pool/easement)	\$320	\$320	\$0	\$320	\$320
4015		AZ Corp Comm Report	\$10	\$10	\$0	\$10	\$10
4020		Income Taxes	\$50	\$50	\$0	\$50	\$50
4030		Insurance	\$7,495	\$7,695	\$0	\$7,695	\$7,800
4045		Backflow Prevention Testing (18)	\$0	\$0	\$180	\$180	\$135
Subtotal			\$57,023	\$53,075	\$2,848	\$55,923	\$61,920
UTILITIES							
4110		Electric General	\$13,320	\$8,475	\$4,600	\$13,075	\$13,400
4120		Water/Sewer	\$25,855	\$18,382	\$10,500	\$28,882	\$30,000
4130		Gas	\$10,873	\$5,616	\$4,200	\$9,816	\$10,000
Subtotal			\$50,049	\$32,473	\$19,300	\$51,773	\$53,400
OPERATING							
4205		Pest Control Pool Area	\$350	\$150	\$150	\$300	\$300
4210		Lighting Supplies/Maintenance	\$46	\$0	\$0	\$0	\$0
4220		Trash Service	\$88,398	\$58,916	\$30,228	\$89,145	\$92,000
4250		Night Patrol	\$0	\$300	\$400	\$700	\$3,840
4225		Vandalism/Graffiti	\$0	\$3,900	\$0	\$3,900	\$600
4221		Conservation Foundation Fee	\$17,014	\$9,071	\$6,435	\$15,506	\$21,588
Subtotal			\$105,807	\$72,337	\$37,213	\$109,551	\$118,328
GENERAL REPAIR & MAINT.							
4305		General Maintenance	\$4,715	\$1,774	\$600	\$2,374	\$3,000
4305	100	General Maintenance - Block B	\$0	\$0	\$200	\$200	\$500
4315		Sign Maintenance	\$2,370	\$1,255	\$200	\$1,455	\$1,200
4320		Fountain Maintenance (4)	\$0	\$0	\$200	\$200	\$200
4350		Postal Locks	\$388	\$0	\$0	\$0	\$400
Subtotal			\$7,472	\$3,029	\$1,200	\$4,229	\$5,300
GATE							
4410	100	Gate Electric Block B	\$373	\$163	\$116	\$279	\$380
4420	100	Gate Phone Block B	\$549	\$378	\$188	\$566	\$600
4460	100	Gate Remotes	\$282	\$253	\$0	\$253	\$250
4465	100	Gate Repair Block B	\$0	\$409	\$0	\$409	\$300
4470	100	Gate Maint Contract Block B	\$360	\$270	\$90	\$360	\$360
Subtotal			\$1,565	\$1,473	\$394	\$1,867	\$1,890

SYCAMORE CANYON HOMEOWNERS ASSOCIATION 2015 BUDGET Page 2 of 2

Sycamore Canyon 2015 Budget

Operating account balance August 31, 2014 \$34,047.65

Homeowner Assessment

Reserve account balance August 31, 2014 \$142,023.30

Number of Current Units

515 - \$70

GL#	Block B Cost Center	INCOME/EXPENSE	2013 Actual Totals	2014 Actuals Jan-Aug	2014 Projected Sep-Dec	2014 Projected Totals	2015 Approved Budget
POOL & SPA							
4510		Pool Maintenance Contract	\$9,754	\$6,420	\$4,800	\$11,220	\$12,500
4515		Pool Monitoring	\$0	\$0	\$0	\$0	\$0
4520		Chemical/Supplies	\$13,194	\$2,480	\$1,800	\$4,280	\$5,000
4530		Janitorial Services	\$4,550	\$2,450	\$1,400	\$3,850	\$4,200
4540		Janitorial Supplies	\$181	\$0	\$0	\$0	\$100
4560		Permits	\$428	\$0	\$214	\$214	\$215
4570		pool HIS connection	\$836	\$608	\$304	\$912	\$912
4580		Pool Repairs	\$13,178	\$2,353	\$2,000	\$4,353	\$8,000
Subtotal			\$42,120	\$14,311	\$10,518	\$24,829	\$30,927
LANDSCAPING							
4605		Maintenance Contract	\$107,640	\$71,760	\$35,880	\$107,640	\$110,000
4610		Plant Replacement	\$0	\$0	\$0	\$0	\$2,500
4611		Monument Flower Repla - 3 x yr	\$814	\$424	\$425	\$849	\$850
4615		Irrigation Repairs	\$2,337	\$1,068	\$400	\$1,468	\$2,000
4661		Lot Clean ups	\$615	\$241	\$400	\$641	\$700
4625		Tree Maintenance	\$0	\$0	\$0	\$0	\$1,500
4630		Herbicides	\$9,740	\$10,170	\$1,200	\$11,370	\$11,000
4640		Recreation Area Maint	\$1,530	\$2,052	\$0	\$2,052	\$2,000
4635		Overseeding	\$3,500	\$0	\$3,900	\$3,900	\$4,000
4655		Landscape Improvements	\$0	\$0	\$0	\$0	\$0
4660		Non-Contract Landscaping	\$1,500	\$6,141	\$0	\$6,141	\$5,000
Subtotal			\$127,676	\$91,854	\$42,205	\$134,059	\$139,550
ADMINISTRATIVE							
4705		Accounting/Tax Preparation	\$250	\$250	\$0	\$250	\$300
4710		Management Fees	\$30,445	\$21,509	\$10,772	\$32,281	\$33,000
4715		Postage	\$720	\$614	\$300	\$914	\$1,200
4720		Copies	\$230	\$215	\$200	\$415	\$500
4722		Scanning	\$55	\$50	\$60	\$110	\$150
4725		Coupon Books	\$2,304	\$2,129	\$0	\$2,129	\$2,500
4735		Legal Fees	\$42	\$1,301	\$500	\$1,801	\$2,000
4740		Long Distance Calls	\$1	\$13	\$0	\$13	\$20
4745		Office Supplies	\$342	\$236	\$100	\$336	\$500
4750		Banking Supplies	\$0	\$0	\$0	\$0	\$0
4751		Bank Fee	\$23	\$7	\$0	\$7	\$20
4755		Meetings/Conference	\$123	\$129	\$0	\$129	\$150
4760		Printing & Newsletter	\$349	\$422	\$0	\$422	\$500
4765		Fax Service	\$52	\$20	\$10	\$30	\$55
4780		Web-Site Expenses	\$1,175	\$0	\$220	\$220	\$400
4770		Social Committee Expenses	\$4,530	\$3,489	\$2,000	\$5,489	\$6,000
4790	100	Miscellaneous - Block B	\$0	\$0	\$0	\$0	\$0
4790		Miscellaneous	\$22	\$0	\$0	\$0	\$0
Subtotal			\$40,662	\$30,383	\$14,162	\$44,545	\$47,295
Total Operating			\$432,375	\$298,936	\$127,840	\$426,777	\$458,610
TOTAL SUMMARY							
Total Operating Income			\$428,572	\$287,419	\$137,729	\$425,148	\$458,610
Total Operating Expenses			\$432,375	\$298,936	\$127,840	\$426,777	\$458,610
Net Income / (-Loss)			-\$3,803	-\$11,517	\$9,889	-\$1,628	\$0

SYCAMORE CANYON

UPCOMING EVENTS

Toddler Time In Sycamore Canyon Park



Toddler Time in Sycamore Canyon

Wednesday, January 7, 10 am

Thanks to neighborhood residents, Gina Axford and Katie VanRyn, Toddler Time in Sycamore Canyon Park will be held Wednesday, January 7. Neighborhood children (ages 5 and under) and their parents are invited to come to the Park to hear a story, make a craft and enjoy playing together! There is no charge, and an unlimited amount of people are welcome to listen to the story. However, the craft will be limited to the first 20 people that sign up that morning at the Park. Residents will receive preference over non-residents for the craft, but there has not been a problem accommodating everyone in the past. For more information, email Gina at gaxford31@gmail.com or Katie at kathryn.vanryn@gmail.com.



Holiday Hayrides through Sycamore Canyon

Saturday, Dec. 13

6-9 pm, FREE!

Enjoy the beauty of the season and take in the amazing night sky on a leisurely horse-drawn hayride through the neighborhood.

Reservations will open the first week of December. Look for an upcoming email with reservation instructions. (If you are not currently receiving emails from the HOA, please send your email address to Tricia Beeler, Sycamore HOA representative, at tbeeler@cadden.com.)



Sycamore Canyon Holiday Lights Contest

Dec. 14 - 21

Photos due: December 14

Voting: December 17-21

Grand-Prize Winner of a \$50 Home Depot Gift Certificate
Announced: December 23

A beautifully-lighted house brings joy to all who see it. Share the splendor with your neighbors by entering your home in the neighborhood Holiday Lights Contest. You could win a \$50 Home Depot gift card! To enter, email a photo of your home lit at night to events@sycamorecanyontucson.com by December 14. Voting will be held on the Sycamore Canyon Facebook page from December 17-21, and the winner will be announced on December 23; just in time for residents to enjoy on Christmas Eve.

ZUMBA®

Zumba in the Park every Tuesday and Friday at 8 am

Thanks to neighborhood resident Kim Eves, a Zumba class is held each Tuesday and Friday in the Sycamore Canyon Park. The class is held from 8 am – 9 am, and costs \$5. A 5-class punch card can also be purchased for \$20. Everyone is welcome, whether you live in the neighborhood or not! The first class is always free to new participants, so it's easy to give it a try to see if you like it! Contact Kim at kbeves@gmail.com with any questions.