



November 30, 2022

Dear Sienna Townhome Association Owner:

Attached is the 2023 budget for the Sienna Townhome Association (STHA). The assessment for 2023 will be \$330/quarter (\$1,320/year) to cover all the special services solely related to the Townhome Association. This is a twenty-seven percent (27%) decrease from 2022 because the Association will no longer provide property insurance on Owner units.

STHA assessments are billed quarterly with payment due by the 1st day of each quarter (Jan 1, Apr 1, Jul 1, Oct 1) and delinquent after the last day of the month due. The enclosed invoice has the 1st Quarter 2023 STHA assessments. Recently you received a separate notice including the Sienna Community Association (SCA) budget and assessment information. The SCA Assessment is an annual assessment and due January 1, 2023. As an owner in STHA, you are obligated to pay both the STHA and SCA Assessments.

The attached budget provides you with the details of the income and expenses for STHA for 2023. The following summarizes the assumptions for those expense projections for the major cost categories:

- Income includes assessments from both full year assessments and prorated assessments based on build/sell projections.
- Insurance (corporate) includes the Association's business insurance such as General Liability, Director & Officers coverage, Excess coverage, etc.
- Insurance (coverage for exterior of owner units) is NO LONGER being provided by STHA, effective January 1, 2023. As an Owner you must carry the insurance yourself. Please refer to separate insert for your obligations in that regard.
- General & Administrative expenses include professional service such as Audit, Legal and Management fees, and a Reserve Study update.
- Reserves are set aside to fund major repairs and maintenance of the townhome structures. In 2022, a Reserve Study was updated for your Association. This report assesses the current life and condition of the assets and recommends funding levels, which are then used in developing the annual budget. In 2023, \$138,000 is being contributed towards Reserves from assessments and all Cap Fees (\$43,560) will be going into the Reserve Fund. There are no anticipated reserve expenditures in 2023. Based on this, the 2023 year-end Reserve Fund balance is estimated to be \$253,248 or 74.44% of the Reserve Fund goal of 100% of the fully funded balance recommended in the Reserve Study. The plan is to continue to move this fund to closer to 100% of the fully funded goal over the next several years.

If you have any questions concerning the budget, please contact the Finance Department at assessments@clubsienna.com.

Very truly yours,

Sandra K. Denton, CMCA, LSM, PCAM
General Manager
Enclosure

Townhome Association
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STHA
2023 Budget
Budget Summary

2023 Assessment - quarterly \$ 330
 2023 Assessment - annually \$ 1,320

Description	2023 Budget	2022 Projection	% Change Proj to Bud	2022 Budget	% Change Bud to Bud	Budget Cost Per Unit		Comments
						2023 Units	2022 Units	
INCOME						147	121	
FY Assessment Income	193,962	201,600	-3.79%	246,840	-27.26%	1,319	2,040	Assessments for existing owners
MY Assessment Income	20,020	38,679	-48.24%	23,228	-16.02%	136	192	Assessments for anticipated sales in upcoming year
Cap Fees Used for operations	-	-	0.00%	-	0.00%	-	-	
Deficit Funding	-	-	0.00%	-	0.00%	-	-	
Other Income	7,747	8,368	-7.42%	51	99.34%	53	0	Interest & collection fees on delinquent accounts
TOTAL INCOME	221,729	248,647	-10.83%	270,119	-21.82%	1,508	2,232	
EXPENSES								
ASSOCIATION MAINT & COMMON AREAS								
Exterior Building Maintenance	12,100	12,100	0	12,100	0.00%	82	100	Exterior power washing of owner units
TOTAL ASSOCIATION MAINT & COMMON AREAS	12,100	12,100	0.00%	12,100	0.00%	82	100	
GENERAL & ADMINISTRATIVE								
Professional Services	56,630	42,590	24.79%	40,640	28.24%	385	336	Audit, legal and management fees
Member Communications	2,816	1,300	53.84%	1,800	36.08%	19	15	Monthly assessment notices
Insurance (corporate)	12,637	10,927	13.53%	10,699	15.33%	86	88	General Liability, Director & Officers, Excess, etc.
Insurance (unit exterior property coverage)	-	188,357	-100.00%	213,319	-100.00%	-	1,763	Unit coverage NO LONGER provided by STHA
Bad Debt	-	717	0.00%	-	0.00%	-	-	Bad Debt due to foreclosures and bankruptcies
TOTAL GENERAL & ADMINISTRATIVE	72,083	243,891	-70.44%	266,458	-269.66%	490	2,202	
TOTAL EXPENSES	84,183	255,991	-67.12%	278,558	-230.90%	573	2,302	
Reserve Contribution	138,000	-	0.00%	-	100.00%	939	-	Portion of Assessment going in Reserve Fund
NET OPERATING INCOME	(453)	(7,345)	0.00%	(8,439)	-1761.06%	(3)	(70)	
RESTRICTED FUNDS								
RESERVE FUNDS								
Reserve Income	181,584	57,623	68.27%	22,464	87.63%	1,235	186	Contribution from Assessment and CAP fees from property sales
Reserve Expenses (see Reserve Budget)	-	-	0.00%	-	0.00%	-	-	Nothing planned for 2023
Net Reserves	\$ 181,584	\$ 57,623	215.12%	\$ 22,464	87.63%	1,235	186	

RESERVE FUND

Reserve Fund balance ending 12/31/22	71,664	Historically funded only through CAP fees from property sales
Reserve Income for 2023	181,584	
Reserve Expenses for 2023	-	
Projected 12/31/23 balance	253,248	

Reserve Funding per Board Policy

Reserve Study Fully Funded Rec Balance	\$ 340,185
Excess (Shortfall)	\$ (158,601)

Funded as of end of the Year 74.44% Goal is to be 100% funded