



November 21, 2023

Dear Sienna Townhome Association Owner:

Attached is the 2024 budget for the Sienna Townhome Association (STHA). The assessment for 2024 will be \$330/quarter (\$1,320/year) to cover all the special services solely related to the Townhome Association. There was no increase in the assessment amount from last year.

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 2024 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, 2024. 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 2024. 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.
- General & Administrative expenses include professional services 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 2023, 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 2024, \$254,284 is being contributed towards Reserves from assessments and all Cap Fees (\$56,760) will be going into the Reserve Fund. There are no anticipated reserve expenditures in 2023. Based on this, the 2024 year-end Reserve Fund balance is estimated to be \$555,531 or 99.76% of the Reserve Fund goal of 100% of the fully funded balance recommended in the Reserve Study. The plan is to continue to keep the reserve balance near 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 finance@clubsienna.com.

Very truly yours,

Michael Dei

Michael Dei
Finance Director
Enclosure

STHA
2024 Budget
Budget Summary

2024 Assessment - quarterly \$ 330
2024 Assessment - annually \$ 1,320

Description	2024 Budget	2023 Projection	% Change Proj to Bud	2023 Budget	% Change Bud to Bud	Budget Cost Per Unit		Comments
						184 Units	184 Units	
INCOME								
FY Assessment Income	242,783	190,080	27.73%	193,962	20.11%	1,319	1,054	Assessments for existing owners
MY Assessment Income	27,170	20,020	35.71%	20,020	26.32%	148	109	Assessments for anticipated sales in upcoming year
Cap Fees Used for operations	-	-	0.00%	-	0.00%	-	-	
Deficit Funding	-	-	0.00%	-	0.00%	-	-	
Other Income	11,924	11,597	2.82%	7,747	35.03%	65	42	Interest & collection fees on delinquent accounts
TOTAL INCOME	281,877	221,697	27.15%	221,729	21.34%	1,532	1,205	
EXPENSES								
ASSOCIATION MAINT & COMMON AREAS								
Exterior Building Maintenance	12,100	8,180	0	12,100	0.00%	66	66	Exterior power washing of owner units
TOTAL ASSOCIATION MAINT & COMMON AREAS	12,100	8,180	0.00%	12,100	0.00%	66	66	
GENERAL & ADMINISTRATIVE								
Professional Services	58,369	55,025	5.73%	56,630	2.98%	317	308	Audit, legal and management fees
Member Communications	4,800	4,693	2.23%	2,816	41.33%	26	15	Monthly assessment notices
Insurance (corporate)	10,117	10,469	-3.48%	12,637	-24.91%	55	69	General Liability, Director & Officers, Excess, etc.
Insurance (unit exterior property coverage)	-	-	-100.00%	-	-100.00%	-	-	Unit coverage NO LONGER provided by STHA
Bad Debt	-	-	0.00%	-	0.00%	-	-	Bad Debt due to foreclosures and bankruptcies
TOTAL GENERAL & ADMINISTRATIVE	73,286	70,187	4.42%	72,083	1.64%	398	392	
TOTAL EXPENSES	85,386	78,367	8.96%	84,183	1.41%	464	458	
Reserve Contribution	197,500	138,000	0.00%	-	100.00%	1,073	-	Portion of Assessment going in Reserve Fund
NET OPERATING INCOME	(1,009)	5,330	0.00%	137,547	13735.62%	(5)	748	
RESTRICTED FUNDS								
RESERVE FUNDS								
Reserve Income	254,284	180,273	29.11%	181,584	28.59%	1,382	987	Contribution from Assessment and CAP fees from property sales
Reserve Expenses (see Reserve Budget)	-	2,979	0.00%	-	0.00%	-	-	Nothing planned for 2024
Net Reserves	\$ 254,284	\$ 177,294	43.43%	\$ 181,584	28.59%	1,382	987	

RESERVE FUND

Reserve Fund balance ending 12/31/23	301,247	Historically funded only through CAP fees from property sales
Reserve Income for 2024	254,284	
Reserve Expenses for 2024	-	
Projected 12/31/24 balance	555,531	

Reserve Funding per Board Policy

Reserve Study Fully Funded Rec Balance	\$ 556,841
Excess (Shortfall)	\$ (1,310)

Funded as of end of the Year 99.76% Goal is to be 100% funded