



The Sienna Associations are comprised of two residential associations – the Sienna Residential Association (original Association) that represents owners in the north and central portions of Sienna and the Sienna Community Association – the newest Association that represents owners in the south portion of Sienna. Collectively, these Associations work together as if they are one organization, and while the budget of each entity does impact the other, they have separate operating and reserve budgets. Each Associations has its own Board of Directors that approves the annual budget and sets the Assessment.

## **Sienna Residential Association (SRA) Budget**

### **What is included in each category?**

#### **OPERATING BUDGET**

##### **Income**

Assessment Income – assessment income represents the annual revenue anticipated for the current year assessment charges for all residential properties within the association.

Other Income – includes interest on investments, late fees from owners who do not pay their assessment on time, payment plan fees on owner accounts, and interested related to unpaid assessment balances, property resale certificates and property transfer fees related to a property sale.

Management Fees – All of the Association staff is paid by SRA and since the staff provides services for all the Sienna entities, these entities pay a management fee to SRA to offset those costs.

Program & Recreation Income – this income is primarily registration fees for participating in the various programs, leagues, leisure classes; and rental income when an owner rents an Association facility.

Community Standards Income – these are fees received from owners for property modification applications and Certificate of Compliance inspections.

**Note: The Other Income, Management Fees, Program & Recreation Income and Community Standards Income all help reduce the overall expenses, thereby reducing the assessment.**

## Expenses

Common Areas – these expenses cover the costs for maintaining the Association's common areas which includes general property maintenance, landscaping, maintenance of the pools and buildings, park, lakes, and the maintenance staff and related equipment. Holiday decorations, pest control, Sheriff's supplemental patrol contract, and sports court expenses are also part of the common area expenses.

Recreation – all programming related expenses are in this category, Lifestyle staffing and a Shared Amenity fee with Sienna Community Association (SCA is the separate residential association for southern part of Sienna). The Shared Amenity agreement allows all residents to enjoy all the facilities regardless of which association owns the facility.

**Note: There are no Community Event expenses for SRA because those costs are 100% covered by the Sienna Community Services Foundation and Community Enhancement Fees from SCA.**

Community Standards – these are the costs related to deed restriction and architectural control enforcement such as staff, vehicle expenses, self-help property expenses and related reimbursements of same.

General & Administrative – Included in this category are Professional Fees (legal, CPA, technology, reserve reports, etc.), management staff, office building expenses, supplies, member communications, insurance and taxes for all the association property, etc.

SPOA Assessment – Sienna Property Owners Association is the master association, and their responsibility includes maintenance of Sienna Parkway and Sienna Ranch Road common areas (landscaping, signs, etc.), enforcement of commercial deed restrictions and architectural compliance. SRA has an obligation (per the governing documents) to pay SPOA an amount per year per unit, annually.

Reserve & Catastrophic Fund Contributions – These expenses represent a contribution from the operating assessment into these funds.

## **RESERVE BUDGET**

Reserve Income – in addition to the contribution from the assessment mentioned above, reserve income includes Reserve Cap Fees received upon the sale of a house and interest income on the reserve funds.

Reserve Expenses – these are the major repair and replacement expenses for the Association's assets such as major fence repairs/replacement, pool projects (i.e. replastering, repair/replacement of other pool equipment), park equipment replacement,

computers, racket court resurfacing, and building component items such as roofs, windows, etc.

#### **CATASTROPHIC FUND BUDGET**

Catastrophic Fund Income – this is a relatively new fund for SRA and is funded through an allocation of the annual operating assessment. In the future, the SRA Board may identify other sources of income for this fund.

Catastrophic Fund Expenses – any expenses from this fund must receive specific Board approval, but the intent is to cover significant damages because of a major weather event or other catastrophic loss if insurance does not cover. The most likely expense would be related to landscaping.