

Sienna Plantation Residential Association, Inc.
Financial Statements and
Other Financial and Supplementary Information
December 31, 2023 and 2022

Sienna Plantation Residential Association, Inc.
Independent Auditor’s Report and Financial Statements
December 31, 2023 and 2022

Contents

| | |
|--|----|
| Independent Auditor’s Report..... | 1 |
| Financial Statements: | |
| Balance Sheets | 3 |
| Statements of Revenue and Expenses and Change in Fund Balance..... | 5 |
| Statements of Cash Flows | 7 |
| Notes to the Financial Statements..... | 9 |
| Other Financial and Supplementary Information: | |
| Other Financial Information, Neighborhood Associations | 16 |
| Supplementary Information on Future Major Repairs and Replacements (Unaudited)..... | 23 |



Independent Auditor's Report

To the Board of Directors of
Sienna Plantation Residential Association, Inc.

Opinion

We have audited the accompanying financial statements of Sienna Plantation Residential Association, Inc. (the Association), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sienna Plantation Residential Association, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sienna Plantation Residential Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sienna Plantation Residential Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sienna Plantation Residential Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sienna Plantation Residential Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Other Information, representing account activity for gated neighborhoods, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied at the neighborhood level in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplemental information in future major repairs and replacements on page 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Houston, Texas
July 15, 2024

Sienna Plantation Residential Association, Inc.
Balance Sheet
December 31, 2023

| | Operating | Reserve | Total |
|--|----------------------|---------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 2,516,498 | \$ 784,252 | \$ 3,300,750 |
| Investments, certificates of deposit | 3,714,101 | 3,014,101 | 6,728,202 |
| Assessments receivable, net | 539,657 | - | 539,657 |
| Accounts receivable, affiliate | 982,617 | - | 982,617 |
| Accounts receivable, facilities projects | - | - | - |
| Accounts receivable, interfund | - | 1,667,113 | 1,667,113 |
| Accounts receivable, other | 72,959 | 35,754 | 108,713 |
| Prepaid expense | 122,604 | - | 122,604 |
| Total current assets | <u>7,948,436</u> | <u>5,501,220</u> | <u>13,449,656</u> |
| Property and equipment, net | 3,311,009 | - | 3,311,009 |
| Total assets | <u>\$ 11,259,445</u> | <u>\$ 5,501,220</u> | <u>\$ 16,760,665</u> |
| Liabilities and Fund Balance | | | |
| Liabilities | | | |
| Accounts payable and accrued expenses | \$ 905,638 | \$ - | \$ 905,638 |
| Prepaid assessments | 4,824,749 | - | 4,824,749 |
| Deposits | 60,000 | - | 60,000 |
| Accounts payable, affiliate | 99,089 | - | 99,089 |
| Accounts payable, interfund | 1,667,113 | - | 1,667,113 |
| Deferred income | 794,881 | - | 794,881 |
| Lease obligation, current portion | 4,026 | - | 4,026 |
| Notes payable, current portion | 103,968 | - | 103,968 |
| Total current liabilities | <u>8,459,464</u> | <u>-</u> | <u>8,459,464</u> |
| Lease obligation, long-term portion | 5,431 | - | 5,431 |
| Notes payable, long-term portion | 172,347 | - | 172,347 |
| Total liabilities | <u>8,637,242</u> | <u>-</u> | <u>8,637,242</u> |
| Fund balance | | | |
| Fund balance | 2,622,203 | 5,501,220 | 8,123,423 |
| Total fund balance | <u>2,622,203</u> | <u>5,501,220</u> | <u>8,123,423</u> |
| Total liabilities and fund balance | <u>\$ 11,259,445</u> | <u>\$ 5,501,220</u> | <u>\$ 16,760,665</u> |

See notes to financial statements.

Sienna Plantation Residential Association, Inc.
Balance Sheet
December 31, 2022

| | <u>Operating</u> | <u>Reserve</u> | <u>Total</u> |
|--|---------------------|---------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 6,827,666 | \$ 964,286 | \$ 7,791,952 |
| Investments, certificates of deposit | - | 1,528,538 | 1,528,538 |
| Assessments receivable, net | 406,125 | - | 406,125 |
| Accounts receivable, affiliate | - | - | - |
| Accounts receivable, facilities projects | 126,021 | - | 126,021 |
| Accounts receivable, interfund | - | 2,459,548 | 2,459,548 |
| Accounts receivable, other | 13,589 | - | 13,589 |
| Prepaid expense | 111,737 | - | 111,737 |
| Total current assets | <u>7,485,138</u> | <u>4,952,372</u> | <u>12,437,510</u> |
| Property and equipment, net | 1,762,593 | - | 1,762,593 |
| Total assets | <u>\$ 9,247,731</u> | <u>\$ 4,952,372</u> | <u>\$ 14,200,103</u> |
| Liabilities and Fund Balance | | | |
| Liabilities | | | |
| Accounts payable and accrued expenses | \$ 424,676 | \$ - | \$ 424,676 |
| Prepaid assessments | 4,960,056 | - | 4,960,056 |
| Deposits | 105,000 | - | 105,000 |
| Accounts payable, affiliate | 565,303 | - | 565,303 |
| Accounts payable, interfund | 2,459,548 | - | 2,459,548 |
| Deferred income | - | - | - |
| Lease obligation, current portion | 3,124 | - | 3,124 |
| Notes payable, current portion | 173,528 | - | 173,528 |
| Total current liabilities | <u>8,691,235</u> | <u>-</u> | <u>8,691,235</u> |
| Lease obligation, long-term portion | - | - | - |
| Notes payable, long-term portion | 376,580 | - | 376,580 |
| Total liabilities | <u>9,067,815</u> | <u>-</u> | <u>9,067,815</u> |
| Fund balance | | | |
| Fund balance | 179,916 | 4,952,372 | 5,132,288 |
| Total fund balance | <u>179,916</u> | <u>4,952,372</u> | <u>5,132,288</u> |
| Total liabilities and fund balance | <u>\$ 9,247,731</u> | <u>\$ 4,952,372</u> | <u>\$ 14,200,103</u> |

See notes to financial statements.

Sienna Plantation Residential Association, Inc.
Statement of Revenues and Expenses and Change in Fund Balances
For the Year Ended December 31, 2023

| | <u>Operating</u> | <u>Reserve</u> | <u>Total</u> |
|---|-------------------|---------------------|----------------------|
| Revenues | | | |
| Assessment | \$ 11,634,084 | \$ - | \$ 11,634,084 |
| SPCSF contribution | - | 300,000 | 300,000 |
| Management and administrative fees, affiliates | 1,352,024 | - | 1,352,024 |
| Management and maintenance fees, affiliates | 671,879 | - | 671,879 |
| Grant awards and project reimbursements | 2,589,710 | - | 2,589,710 |
| Other fees | 681,524 | - | 681,524 |
| Interest income | 83,604 | 80,360 | 163,964 |
| Total revenues | <u>17,012,825</u> | <u>\$ 380,360</u> | <u>\$ 17,393,185</u> |
| Expenses | | | |
| Operating | | | |
| Landscape, lakes and waterways | 2,919,602 | - | 2,919,602 |
| General property maintenance | 1,745,928 | - | 1,745,928 |
| Recreation centers and parks | 850,239 | - | 850,239 |
| Utilities and water | 1,223,867 | - | 1,223,867 |
| General facilities | 158,909 | - | 158,909 |
| Recreation and community events | 1,046,800 | - | 1,046,800 |
| Administrative | | | |
| Office and administration | 1,933,380 | - | 1,933,380 |
| Professional services | 252,520 | - | 252,520 |
| Insurance | 276,936 | - | 276,936 |
| Assessment and capitalization fees to affiliate | 1,655,070 | - | 1,655,070 |
| Reserve project costs | - | 2,519,510 | 2,519,510 |
| Total expenses | <u>12,063,251</u> | <u>2,519,510</u> | <u>14,582,761</u> |
| Change in fund balance | <u>4,949,574</u> | <u>(2,139,150)</u> | <u>2,810,424</u> |
| Working capital fees | 18,818 | 161,893 | 180,711 |
| Interfund transfer, reserve allocation | (2,676,260) | 2,676,260 | - |
| Interfund transfer, management | 150,155 | (150,155) | - |
| Fund balance, beginning of year | 179,916 | 4,952,372 | 5,132,288 |
| Fund balance, end of year | <u>2,622,203</u> | <u>\$ 5,501,220</u> | <u>\$ 8,123,423</u> |

See notes to financial statements.

Sienna Plantation Residential Association, Inc.
Statement of Revenues and Expenses and Change in Fund Balances
For the Year Ended December 31, 2022

| | <u>Operating</u> | <u>Reserve</u> | <u>Total</u> |
|---|-------------------|---------------------|----------------------|
| Revenues | | | |
| Assessment | \$ 10,477,834 | \$ - | \$ 10,477,834 |
| SPCSF contribution | - | 450,000 | 450,000 |
| Management and administrative fees, affiliates | 804,600 | - | 804,600 |
| Management and maintenance fees, affiliates | 708,967 | - | 708,967 |
| Grant awards and project reimbursements | 538,129 | - | 538,129 |
| Other fees | 783,866 | - | 783,866 |
| Interest income | 12,121 | 8,235 | 20,356 |
| Total revenues | <u>13,325,517</u> | <u>\$ 458,235</u> | <u>\$ 13,783,752</u> |
| Expenses | | | |
| Operating | | | |
| Landscape, lakes and waterways | 2,841,414 | - | 2,841,414 |
| General property maintenance | 1,552,390 | - | 1,552,390 |
| Recreation centers and parks | 654,741 | - | 654,741 |
| Utilities and water | 1,149,866 | - | 1,149,866 |
| General facilities | 140,810 | - | 140,810 |
| Recreation and community events | 723,697 | - | 723,697 |
| Administrative | | | |
| Office and administration | 1,313,805 | - | 1,313,805 |
| Professional services | 233,442 | - | 233,442 |
| Insurance | 271,762 | - | 271,762 |
| Assessment and capitalization fees to affiliate | 1,637,381 | - | 1,637,381 |
| Reserve project costs | - | 1,866,545 | 1,866,545 |
| Total expenses | <u>10,519,308</u> | <u>1,866,545</u> | <u>12,385,853</u> |
| Change in fund balance | <u>2,806,209</u> | <u>(1,408,310)</u> | <u>1,397,899</u> |
| Working capital fees | - | 193,662 | 193,662 |
| Interfund transfer, reserve allocation | (2,018,600) | 2,018,600 | - |
| Interfund transfer, management | (815,046) | 815,046 | - |
| Fund balance, beginning of year | <u>207,353</u> | <u>3,333,374</u> | <u>3,540,727</u> |
| Fund balance, end of year | <u>179,916</u> | <u>\$ 4,952,372</u> | <u>\$ 5,132,288</u> |

See notes to financial statements.

Sienna Plantation Residential Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2023

| | <u>Operating</u> | <u>Reserve</u> | <u>Total</u> |
|--|---------------------|--------------------|---------------------|
| Cash flows, operating activities | | | |
| Change in fund balance | \$ 4,949,574 | \$ (2,139,150) | \$ 2,810,424 |
| Adjustment to reconcile change in fund balance to net cash | | | |
| Depreciation expense | 95,507 | - | 95,507 |
| (Increase) decrease in: | | | |
| Assessments receivable, net | (133,530) | - | (133,530) |
| Accounts receivable, affiliate | (982,617) | - | (982,617) |
| Accounts receivable, facilities project | 126,021 | - | 126,021 |
| Accounts receivable, interfund | - | 792,435 | 792,435 |
| Accounts receivable, other | (59,370) | (35,754) | (95,124) |
| Prepaid expense | (10,868) | - | (10,868) |
| Increase (decrease) in: | | | |
| Accounts payable | 480,962 | - | 480,962 |
| Prepaid assessments | (135,307) | - | (135,307) |
| Deposits | (45,000) | - | (45,000) |
| Accounts payable, affiliates | (466,214) | - | (466,214) |
| Accounts payable, interfund | (792,435) | - | (792,435) |
| Deferred income | 794,881 | - | 794,881 |
| Net cash provided (used), operating | <u>3,821,604</u> | <u>(1,382,469)</u> | <u>2,439,135</u> |
| Cash flows, investing activities | | | |
| Property and equipment, addition | (1,643,924) | - | (1,643,924) |
| Investment purchase/sale | <u>(3,714,101)</u> | <u>(1,485,563)</u> | <u>(5,199,664)</u> |
| Net cash provided (used), investing | <u>(5,358,025)</u> | <u>(1,485,563)</u> | <u>(6,843,588)</u> |
| Cash flows, financing activities | | | |
| Interfund transfers | (2,526,105) | 2,526,105 | - |
| Working capital fees | 18,818 | 161,893 | 180,711 |
| Financing lease obligation, repayment | 6,333 | - | 6,333 |
| Notes payable, repayment | <u>(273,793)</u> | <u>-</u> | <u>(273,793)</u> |
| Net cash provided (used), financing | <u>(2,774,747)</u> | <u>2,687,998</u> | <u>(86,749)</u> |
| Net increase (decrease) | (4,311,168) | (180,034) | (4,491,202) |
| Cash and cash equivalents, beginning | <u>6,827,666</u> | <u>964,286</u> | <u>7,791,952</u> |
| Cash and cash equivalents, ending | <u>\$ 2,516,498</u> | <u>\$ 784,252</u> | <u>\$ 3,300,750</u> |
| Supplemental disclosure: | | | |
| Income tax paid | \$ - | \$ - | \$ - |
| Interest paid | \$ 19,619 | \$ - | \$ 19,619 |

See notes to financial statements.

Sienna Plantation Residential Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022

| | <u>Operating</u> | <u>Reserve</u> | <u>Total</u> |
|--|---------------------|--------------------|---------------------|
| Cash flows, operating activities | | | |
| Change in fund balance | \$ 2,806,209 | \$ (1,408,310) | \$ 1,397,899 |
| Adjustment to reconcile change in fund balance to net cash | | | |
| Depreciation expense | 44,296 | - | 44,296 |
| (Increase) decrease in: | | | |
| Assessments receivable, net | (54,130) | - | (54,130) |
| Accounts receivable, affiliate | 506,213 | - | 506,213 |
| Accounts receivable, facilities project | (126,021) | - | (126,021) |
| Accounts receivable, interfund | 1,286,422 | (2,459,548) | (1,173,126) |
| Accounts receivable, other | (3,285) | - | (3,285) |
| Prepaid expense | (5,162) | - | (5,162) |
| Increase (decrease) in: | | | |
| Accounts payable | (96,828) | - | (96,828) |
| Prepaid assessments | 130,956 | - | 130,956 |
| Deposits | (142,749) | - | (142,749) |
| Accounts payable, affiliates | 514,750 | - | 514,750 |
| Accounts payable, interfund | 2,459,548 | (1,286,422) | 1,173,126 |
| Deferred income | (136,665) | - | (136,665) |
| Net cash provided (used), operating | <u>7,183,554</u> | <u>(5,154,280)</u> | <u>2,029,274</u> |
| Cash flows, investing activities | | | |
| Property and equipment, addition | (461,783) | - | (461,783) |
| Investment purchase/sale | - | (6,759) | (6,759) |
| Net cash provided (used), investing | <u>(461,783)</u> | <u>(6,759)</u> | <u>(468,542)</u> |
| Cash flows, financing activities | | | |
| Interfund transfers | (2,833,646) | 2,833,646 | - |
| Working capital fees | - | 193,662 | 193,662 |
| Financing lease obligation, repayment | (2,497) | - | (2,497) |
| Notes payable, repayment | (501,851) | - | (501,851) |
| Net cash provided (used), financing | <u>(3,337,994)</u> | <u>3,027,308</u> | <u>(310,686)</u> |
| Net increase (decrease) | 3,383,777 | (2,133,731) | 1,250,046 |
| Cash and cash equivalents, beginning | <u>3,443,889</u> | <u>3,098,017</u> | <u>6,541,906</u> |
| Cash and cash equivalents, ending | <u>\$ 6,827,666</u> | <u>\$ 964,286</u> | <u>\$ 7,791,952</u> |
| Supplemental disclosure: | | | |
| Income tax paid | \$ - | \$ - | \$ - |
| Interest paid | \$ 39,019 | \$ - | \$ 39,019 |

See notes to financial statements.

Sienna Plantation Residential Association, Inc.
Notes to Financial Statements
December 31, 2023 and 2022

Note 1 – Nature of Organization

Sienna Plantation Residential Association, Inc. (the Association) is a Texas non-profit corporation incorporated in 1997, organized to promote the recreation, health, safety, and welfare of the residents and owners and for the improvement and maintenance of the Common Area of the master planned development of Sienna Plantation. The development is located on approximately 10,500 acres of land in Fort Bend County, Texas. The Association has 7,696 assessable residential lots at December 31, 2023.

There are two classes of membership. Class “A” members are owners of residential lots and are entitled to one vote per lot. Class “B” membership is composed of lots owned by the declarant (developer) and is entitled to five votes per lot. The affairs of the Association are managed by a Board of Directors: three members are appointed by the declarant, two members are elected by the members, three members are employees of the declarant, and two members are homeowners.

Note 2 - Summary of Significant Accounting Policies

Date of Management’s Review

In preparation of the financial statements, the Association has evaluated the events and transactions for potential recognition or disclosure through July 15, 2024, the date the financial statements were available to be issued.

Basis of Accounting

The financial statements are prepared using fund accounting and include the consolidated financial activities of the neighborhood associations within the master association: Sienna Plantation Residential Association, and Avalon, Commanders Point, Forest Isle, Pecan Estates, The Sanctuary, Sorrento and Vieux Carre. Detailed activity of the neighborhood associations’ operating and replacement reserve funds is presented as supplementary information.

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby income is recognized when earned and costs and expenses are recognized when the obligations are incurred.

Fund Accounting

The Association’s governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund-This fund is used to account for financial resources available for the general operations of the Association.

Reserve Fund -This fund is used to accumulate financial resources designated for future major repairs and replacements.

Fair Value of Financial Instruments

The carrying value of the Association’s cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of their short-term nature.

Investments, classified as held-to-maturity, are carried at amortized cost, which approximates fair value. Investments consist of CDARS, certificates of deposit placed through an account registry service, with maturities up to approximately two years. Fair market value of CDARS is measured based on level 2 inputs (quoted prices for identical assets in markets that are not active). Unrealized gains and losses are included in the change in net assets. Investment income is reported as an increase in fund balance within the fund category holding the investments.

Sienna Plantation Residential Association, Inc.
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Property and Equipment

Real property and common areas acquired from the developers and related improvements to such property are not recorded in the Association’s financial statements as those properties are owned by the individual unit holders in common and not by the Association. Property and equipment purchased by the Association that is not material to the Association is expensed in the period purchased. The Association capitalizes significant real and personal property, to which it has title or other evidence of ownership, at cost and depreciates it using the straight-line method.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association’s operating expenses, future capital acquisitions, and major repairs and replacements. The Association levies both residential and neighborhood assessments, based on rates determined and approved by the Board of Directors. Association revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association’s performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the reserve fund assessments are satisfied when these funds are expended for their designated purpose. Other income, such as special service income, service fees and member event fees, is recognized when the services are performed. Receivables are stated at the billed amount plus any unpaid late fees. Any excess assessments at year end are retained by the Association for use in the succeeding year.

The current annual rates for 2023 and 2022 are presented below. Payments received for future periods are treated as prepaid assessment and presented as a liability on the balance sheet.

| | 2023 | 2022 |
|-------------------|----------|----------|
| SPRAI | \$ 1,428 | \$ 1,307 |
| Avalon | \$ 398 | \$ 382 |
| Commander's Point | \$ 2,445 | \$ 2,088 |
| Forest Isle | \$ 8,948 | \$ 8,202 |
| Pecan Estates | \$ 1,038 | \$ 800 |
| The Sanctuary | \$ 6,735 | \$ 4,231 |
| Sorrento | \$ 870 | \$ 461 |
| Vieux Carre | \$ 2,139 | \$ 1,634 |

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association’s policy is to assess late fees to the account of unit owners whose assessments are 30 days or more delinquent; receivables from owners are secured by an automatic lien on the property. The Association assesses the collectability of the receivables based on a review of the individual accounts receivable to determine if it is necessary to adjust the allowance for doubtful accounts.

Sienna Plantation Residential Association, Inc.
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Member Assessments (Continued)

The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration includes consideration of past experience and susceptibility to factors outside the Association's control. At December 31, 2023 and 2022, the receivable balances are presented net of an allowance for doubtful accounts of \$327,150 and \$261,346, respectively.

Special Assessments

The Association may also levy one or more special assessments in any fiscal year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or repair or replacement of a capital improvement located upon the common elements, including fixtures and personal property related thereto; limited to twenty percent (20%) of the residential assessment levied by the Association in such fiscal year.

Special assessments in excess of this amount require approval by the members. As long as the declarant has an option unilaterally to subject additional property to the Association's declaration, the declarant may annually elect either to pay assessments on its property or pay the Association the difference between the amount of assessments collected on all other property subject to assessment and the amount of actual expenses incurred to operate the Association during the fiscal year.

The Association recognizes special assessment revenue from members (or other funds for specific projects) as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to reserve assessments.

Capital Contributions

The Association makes capital contributions from the operating fund, into the reserve fund. The capital contributions are made to provide consistent support to the reserve fund and help ensure funds are available for major repair and replacement projects.

Additionally, the Association collects a capital fee on the first-time sale of a home from a builder to an owner. The capital fee is equal to 100% of the current year's assessment. If a home is in a gated neighborhood, an additional capital fee equal to the annual neighborhood assessment is due.

The Association collects a reserve capital fee equal to 100% of the current year's assessment on all resale transactions with seller ownership date.

Prepaid Assessment

Assessments for the current year are included in revenue. Amounts billed or payments received for periods subsequent to the balance sheet date are presented as "prepaid assessments", a liability account.

Contract Liabilities (Reserve Assessments Received in Advance)

The Association recognizes revenue from members (or other funds for specific projects) as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to reserve assessments. At December 31, 2023, the contract liabilities balance was \$0.

Sienna Plantation Residential Association, Inc.
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Deferred Income

In certain circumstances, the Association undertakes projects, which are organized and funded in cooperation with third party entities. Funds advanced to the Association and designated to specific projects are recorded as a liability when received. As performance obligations of the designated projects are satisfied, the funds are made available to cover project costs. At December 31, 2023, the Association held approximately \$795,000 in funds restricted for designated purposes.

Federal Income Taxes

The Association's policy is to record interest expense or penalties related to income tax in operating expenses.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the report amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the report amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – Investments and Fair Value

The investment balance represents certificates of deposit, with maturity dates in excess of ninety days, presented at amortized cost. Investments of \$6,728,202 and \$1,528,538, at December 31, 2023 and 2022, respectively. Investments held at December 31, 2023 were comprised of certificates of deposit with interest rates ranging from 4% to 5% and maturities ranging from April 18, 2024 through December 26, 2024.

Note 4 – Property and Equipment

Property and equipment, and related accumulated depreciation, as of December 31, 2023 and 2022 consist of the following:

| | 2023 | 2022 |
|--------------------------------------|--------------|--------------|
| Association office | \$ 1,237,639 | \$ 1,135,018 |
| Maintenance facility | 1,992,426 | 461,782 |
| Maintenance yard | 520,000 | 520,000 |
| Vehicles, right of use leased assets | 13,380 | 8,160 |
| | 3,763,445 | 2,124,960 |
| Less: accumulated depreciation | 452,436 | 362,367 |
| Net property and equipment | \$ 3,311,009 | \$ 1,762,593 |

During 2021 and 2023, the Association entered into vehicle lease agreements with 36-month lease terms. Leased vehicles are presented above as a right to use, leased asset. Depreciation expense for the years ended December 31, 2023 and 2022 totaled \$90,531 and 44,296, respectively. Depreciation expense for 2023 and 2022 includes \$3,345 and \$2,720, respectively, in depreciation for the leased vehicles.

Sienna Plantation Residential Association, Inc.
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 5 –Notes Payable

Notes payable balance at December 31, 2023 and 2022 consisted of the following:

| | 2023 | 2022 |
|--|------------|------------|
| Bank loan (\$930,000-original principle) payable in monthly principle/interest installments of \$9,398, at 3.9% per annum through July 2026; secured by a first lien security interest in land and building. | \$ 276,315 | \$ 376,019 |
| Bank loan (\$593,547-original principle) payable in monthly principle/interest installments of \$6,611, at 4.15% per annum; secured by certain investments and rights to collect and levy assessments | - | 174,089 |
| Total notes payable | \$ 276,315 | \$ 550,108 |

Note payments for the next five years are as follows:

| Year Ending December 31, | Notes Payable Payments Due |
|--------------------------|-------------------------------|
| 2024 | \$ 103,968 |
| 2025 | \$ 108,095 |
| 2026 | \$ 64,252 |

Note 6 – Federal Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code, except to the extent it has unrelated business taxable income. The Association had no unrelated business income for the years ended December 31, 2023 and 2022 and, therefore, has no provision for income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association has received notice of penalty on certain tax filings. Responses have been filed and the Association believes the penalties will be abated. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 7 – Related Party Transactions

The Association pays an annual assessment to the Sienna Plantation Property Owners Association (SPPOA). The assessment rate for 2023 and 2022 was \$215 and \$212, respectively, per assessable lot. For the years ended December 31, 2023 and 2022, payments to SPPOA totaled \$1,655,070 and \$1,637,381 respectively, for assessments and reserve contributions.

During 2023 and 2022, the Association received reserve fund contributions of \$300,000 from Sienna Plantation Community Services Foundation (SPCSF).

Sienna Plantation Residential Association, Inc.
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 7 – Related Party Transactions (Continued)

The Association is included in a shared amenities and cost allocation agreement with Sienna Plantation Community Association (SPCAI) to operate, manage, administer, and maintain the shared amenities. For the year ended December 31, 2022, this agreement resulted in net receipts of \$116,209 from SPCAI. For the year ended December 31, 2023, the agreement resulted in net distributions to SPCAI of \$209,465.

The Association is in separate agreements with affiliated associations for various services, including management, administrative, events and maintenance activities. For the years ended December 31, 2023 and 2022, fees collected for these services are as follows:

| Entity | 2023 | 2022 |
|----------------------------------|-----------|---------|
| SP Property Owners Association | 627,053 | 562,652 |
| SP Community Association | 1,308,836 | 835,522 |
| SP Community Services Foundation | 229,472 | 445,471 |
| Sienna Townhome Association | 43,200 | 28,800 |
| SP Business Association | 8,340 | 7,440 |

Note 8 – Future Repairs and Replacement Reserves

The Association’s governing documents require funds be accumulated for future repairs and replacements. During 2011, the developer began the process to convey common property to the Association.

The Association engaged an independent consultant to conduct a reserve study in September of 2023 to estimate the remaining useful lives and estimated future costs to repair and replace the components of its common property. The Association will accumulate funds for such major repairs and replacements over the estimated useful lives of the components based on the study’s estimates of current replacement costs. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet future needs. If additional funds are needed the Association has the right, subject to member approval, to increase or levy special assessments, or it may delay major repairs and replacements until funds are available.

Note 9 – Declarant Control

The Association is under declarant control. No assessment is levied on lots owned by the declarant.

Note 10 – Commitments and Contingencies

The Association has cash balances in a bank in excess of amounts federally insured. The uninsured balances totaled approximately \$338,000 at December 31, 2023. The Association maintains its cash with a high-quality financial institution which the Association believes limits these risks.

The Association conducts a major portion of its daily operations using the contract services of various organizations and vendors. These contracts are generally three-year agreements and contain a 30-day cancellation notice by either party. These agreements cover services such as repairs and maintenance, engineering, and other miscellaneous functions.

Sienna Plantation Residential Association, Inc.
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 10 – Commitments and Contingencies (Continued)

For the year ended December 31, 2021, the Association entered into a financing lease for two vehicles. Under the new agreement, expiring in December of 2023, the Association pays \$239 per month. In 2023, a new vehicle lease was entered into with a monthly payment of \$423 and a February 2026 expiration date. The leased assets are included in the property and equipment balance on the Balance Sheet; the associated lease obligation is presented separately. Depreciation is recorded on a straight-line basis over the period of the lease. Depreciation and interest expense are included in office and administration expenses on the Statement of Revenues and Expenses and Change in Fund Balance.

Various other lawsuits and claims, including those involving ordinary routine litigation incidental to its business, to which the Association is a party, are pending, or have been asserted, against the Association. To date, the potential outcome of the litigation cannot be predicted, and no provision has been made in the accompanying financial statements.

Other Financial and Supplementary Information

Sienna Plantation Residential Association, Inc.
Other Financial Information, Avalon (Unaudited)
December 31, 2023

| | <u>Operating</u> | <u>Replacement</u> | <u>Total</u> |
|--|------------------|---------------------|---------------------|
| Balance Sheet | | | |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, affiliate | - | 606,467 | 606,467 |
| Total current assets | <u>\$ -</u> | <u>\$ 606,467</u> | <u>\$ 606,467</u> |
| <i>Liabilities and Fund Balance</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - |
| Accounts payable, affiliate | - | - | - |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balance</i> | | | |
| Fund balance | - | (606,467) | (606,467) |
| Total fund balance | <u>-</u> | <u>(606,467)</u> | <u>(606,467)</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ (606,467)</u> | <u>\$ (606,467)</u> |
| Statement of Revenue, Expenses and Changes in Fund Balances | | | |
| <i>Revenues</i> | | | |
| Assessments | \$ 149,250 | \$ 56,400 | \$ 205,650 |
| Working capital | - | 6,249 | 6,249 |
| Total revenues | <u>149,250</u> | <u>62,649</u> | <u>211,899</u> |
| <i>Expenses</i> | | | |
| General property maintenance | 56,299 | - | 56,299 |
| Landscape | 10,138 | - | 10,138 |
| Utilities and telephone | 5,589 | - | 5,589 |
| Professional fees | 16,167 | - | 16,167 |
| Reserve, net of reimbursement | 61,057 | 59,485 | 120,542 |
| Total expenses | <u>149,250</u> | <u>59,485</u> | <u>208,735</u> |
| Change in fund balances | <u>-</u> | <u>3,164</u> | <u>3,164</u> |
| Interfund transfers, management | - | (14,400) | (14,400) |
| Fund balance, beginning of year | - | 617,703 | 617,703 |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 606,467</u> | <u>\$ 606,467</u> |

Sienna Plantation Residential Association, Inc.
Other Financial Information, Commander's Point (Unaudited)
December 31, 2023

| | <u>Operating</u> | <u>Replacement</u> | <u>Total</u> |
|--|------------------|--------------------|-------------------|
| Balance Sheet | | | |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, affiliate | - | 369,433 | 369,433 |
| Total current assets | <u>\$ -</u> | <u>\$ 369,433</u> | <u>\$ 369,433</u> |
| <i>Liabilities and Fund Balance</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - |
| Accounts payable, affiliate | - | - | - |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balance</i> | | | |
| Fund balance | - | 369,433 | 369,433 |
| Total fund balance | <u>-</u> | <u>369,433</u> | <u>369,433</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 369,433</u> | <u>\$ 369,433</u> |
| Statement of Revenue, Expenses and Changes in Fund Balances | | | |
| <i>Revenues</i> | | | |
| Assessments | \$ 83,130 | \$ 47,834 | \$ 130,964 |
| Working capital | - | 3,770 | 3,770 |
| Total revenues | <u>83,130</u> | <u>51,604</u> | <u>134,734</u> |
| <i>Expenses</i> | | | |
| General property maintenance | 19,298 | - | 19,298 |
| Landscape | 1,755 | - | 1,755 |
| Utilities and telephone | 5,267 | - | 5,267 |
| Professional fees | 5,206 | - | 5,206 |
| Reserve, net of reimbursement | 51,604 | 16,742 | 68,346 |
| Total expenses | <u>83,130</u> | <u>16,742</u> | <u>99,872</u> |
| Change in fund balances | <u>-</u> | <u>34,862</u> | <u>34,862</u> |
| Interfund transfers, management | - | (4,801) | (4,801) |
| Fund balance, beginning of year | - | 339,372 | 339,372 |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 369,433</u> | <u>\$ 369,433</u> |

Sienna Plantation Residential Association, Inc.
Other Financial Information, Forest Isle (Unaudited)
December 31, 2023

| | <u>Operating</u> | <u>Replacement</u> | <u>Total</u> |
|--|------------------|--------------------|-------------------|
| Balance Sheet | | | |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, affiliate | - | 157,834 | 157,834 |
| Total current assets | <u>\$ -</u> | <u>\$ 157,834</u> | <u>\$ 157,834</u> |
| <i>Liabilities and Fund Balance</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - |
| Accounts payable, affiliate | - | - | - |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balance</i> | | | |
| Fund balance | - | 157,834 | 157,834 |
| Total fund balance | <u>-</u> | <u>157,834</u> | <u>157,834</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 157,834</u> | <u>\$ 157,834</u> |
| Statement of Revenue, Expenses and Changes in Fund Balances | | | |
| <i>Revenues</i> | | | |
| Assessments | \$ 53,688 | \$ 20,028 | \$ 73,716 |
| Working capital | - | 3,742 | 3,742 |
| Total revenues | <u>53,688</u> | <u>23,770</u> | <u>77,458</u> |
| <i>Expenses</i> | | | |
| General property maintenance | 16,893 | - | 16,893 |
| Landscape | 5,005 | - | 5,005 |
| General facility maintenance | - | - | - |
| Utilities and telephone | 2,838 | - | 2,838 |
| Professional fees | 5,181 | - | 5,181 |
| Reserve, net of reimbursement | 23,771 | 6,709 | 30,480 |
| Total expenses | <u>53,688</u> | <u>6,709</u> | <u>60,397</u> |
| Change in fund balances | <u>-</u> | <u>17,061</u> | <u>17,061</u> |
| Interfund transfers, management | - | (4,799) | (4,799) |
| Fund balance, beginning of year | - | 145,572 | 145,572 |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 157,834</u> | <u>\$ 157,834</u> |

Sienna Plantation Residential Association, Inc.
Other Financial Information, Pecan Estates (Unaudited)
December 31, 2023

| | <u>Operating</u> | <u>Replacement</u> | <u>Total</u> |
|--|------------------|--------------------|-------------------|
| Balance Sheet | | | |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, affiliate | - | 408,094 | 408,094 |
| Total current assets | <u>\$ -</u> | <u>\$ 408,094</u> | <u>\$ 408,094</u> |
| <i>Liabilities and Fund Balance</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - |
| Accounts payable, affiliate | - | - | - |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balance</i> | | | |
| Fund balance | - | 408,094 | 408,094 |
| Total fund balance | <u>-</u> | <u>408,094</u> | <u>408,094</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 408,094</u> | <u>\$ 408,094</u> |
| Statement of Revenue, Expenses and Changes in Fund Balances | | | |
| <i>Revenues</i> | | | |
| Assessments | \$ 137,816 | \$ 109,452 | \$ 247,268 |
| Working capital | - | 1,038 | 1,038 |
| Total revenues | <u>137,816</u> | <u>110,490</u> | <u>248,306</u> |
| <i>Expenses</i> | | | |
| General property maintenance | 12,052 | - | 12,052 |
| Landscape | 317 | - | 317 |
| Utilities and telephone | 2,868 | - | 2,868 |
| Professional fees | 5,356 | - | 5,356 |
| Reserve, net of reimbursement | 109,452 | 22,736 | 132,188 |
| Total expenses | <u>130,045</u> | <u>22,736</u> | <u>152,781</u> |
| Change in fund balances | <u>7,771</u> | <u>87,754</u> | <u>95,525</u> |
| Interfund transfers, management | - | (4,799) | (4,799) |
| Fund balance, beginning of year | - | 325,139 | 325,139 |
| Fund balances, end of year | <u>\$ 7,771</u> | <u>\$ 408,094</u> | <u>\$ 415,865</u> |

Sienna Plantation Residential Association, Inc.
Other Financial Information, The Sanctuary (Unaudited)
December 31, 2023

| | <u>Operating</u> | <u>Replacement</u> | <u>Total</u> |
|--|------------------|--------------------|-------------------|
| Balance Sheet | | | |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, affiliate | - | 108,674 | 108,674 |
| Total current assets | <u>\$ -</u> | <u>\$ 108,674</u> | <u>\$ 108,674</u> |
| <i>Liabilities and Fund Balance</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - |
| Accounts payable, affiliate | - | - | - |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balance</i> | | | |
| Fund balance | - | 108,674 | 108,674 |
| Total fund balance | <u>-</u> | <u>108,674</u> | <u>108,674</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 108,674</u> | <u>\$ 108,674</u> |
| Statement of Revenue, Expenses and Changes in Fund Balances | | | |
| <i>Revenues</i> | | | |
| Assessments | \$ 80,820 | \$ 33,205 | \$ 114,025 |
| Working capital | - | (646) | (646) |
| Total revenues | <u>80,820</u> | <u>32,559</u> | <u>113,379</u> |
| <i>Expenses</i> | | | |
| General property maintenance | 27,841 | - | 27,841 |
| Landscape | 9,585 | - | 9,585 |
| Utilities and telephone | 2,980 | - | 2,980 |
| Professional fees | 3,825 | - | 3,825 |
| Reserve, net of reimbursement | 36,589 | 40,895 | 77,484 |
| Total expenses | <u>80,820</u> | <u>40,895</u> | <u>121,715</u> |
| Change in fund balances | <u>-</u> | <u>(8,336)</u> | <u>(8,336)</u> |
| Interfund transfers, management | - | (4,801) | (4,801) |
| Fund balance, beginning of year | - | 121,811 | 121,811 |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 108,674</u> | <u>\$ 108,674</u> |

Sienna Plantation Residential Association, Inc.
Other Financial Information, Sorrento (Unaudited)
December 31, 2023

| | <u>Operating</u> | <u>Replacement</u> | <u>Total</u> |
|--|------------------|--------------------|-------------------|
| Balance Sheet | | | |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, affiliate | - | 302,195 | 302,195 |
| Total current assets | <u>\$ -</u> | <u>\$ 302,195</u> | <u>\$ 302,195</u> |
| <i>Liabilities and Fund Balance</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - |
| Accounts payable, affiliate | - | - | - |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balance</i> | | | |
| Fund balance | - | 302,195 | 302,195 |
| Total fund balance | <u>-</u> | <u>302,195</u> | <u>302,195</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 302,195</u> | <u>\$ 302,195</u> |
| Statement of Revenue, Expenses and Changes in Fund Balances | | | |
| <i>Revenues</i> | | | |
| Assessments | \$ 87,070 | \$ 53,091 | \$ 140,161 |
| Working capital | - | 12,833 | 12,833 |
| Total revenues | <u>87,070</u> | <u>65,924</u> | <u>152,994</u> |
| <i>Expenses</i> | | | |
| General property maintenance | 13,502 | - | 13,502 |
| Landscape | 1,647 | - | 1,647 |
| Utilities and telephone | 1,511 | - | 1,511 |
| Professional fees | 5,356 | - | 5,356 |
| Reserve, net of reimbursement | 65,054 | 10,041 | 75,095 |
| Total expenses | <u>87,070</u> | <u>10,041</u> | <u>97,111</u> |
| Change in fund balances | <u>-</u> | <u>55,883</u> | <u>55,883</u> |
| Interfund transfers, management | - | (4,800) | (4,800) |
| Fund balance, beginning of year | - | 251,112 | 251,112 |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 302,195</u> | <u>\$ 302,195</u> |

Sienna Plantation Residential Association, Inc.
Other Financial Information, Vieux Carre (Unaudited)
December 31, 2023

| | <u>Operating</u> | <u>Replacement</u> | <u>Total</u> |
|--|------------------|--------------------|-------------------|
| Balance Sheet | | | |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Accounts receivable, affiliate | - | 162,690 | 162,690 |
| Total current assets | <u>\$ -</u> | <u>\$ 162,690</u> | <u>\$ 162,690</u> |
| <i>Liabilities and Fund Balance</i> | | | |
| <i>Liabilities</i> | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - |
| Accounts payable, affiliate | - | - | - |
| Total current liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Fund balance</i> | | | |
| Fund balance | - | 162,690 | 162,690 |
| Total fund balance | <u>-</u> | <u>162,690</u> | <u>162,690</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 162,690</u> | <u>\$ 162,690</u> |
| Statement of Revenue, Expenses and Changes in Fund Balances | | | |
| <i>Revenues</i> | | | |
| Assessments | \$ 58,999 | \$ 26,250 | \$ 85,249 |
| Working capital | - | 4,896 | 4,896 |
| Total revenues | <u>58,999</u> | <u>31,146</u> | <u>90,145</u> |
| <i>Expenses</i> | | | |
| General property maintenance | 16,975 | - | 16,975 |
| Landscape | 2,430 | - | 2,430 |
| Utilities and telephone | 3,267 | - | 3,267 |
| Professional fees | 5,181 | - | 5,181 |
| Reserve, net of reimbursement | 31,146 | 3,027 | 34,173 |
| Total expenses | <u>58,999</u> | <u>3,027</u> | <u>62,026</u> |
| Change in fund balances | <u>-</u> | <u>28,119</u> | <u>28,119</u> |
| Interfund transfers, management | - | (4,800) | (4,800) |
| Fund balance, beginning of year | - | 139,371 | 139,371 |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 162,690</u> | <u>\$ 162,690</u> |

Sienna Plantation Residential Association, Inc.
Supplementary Information on Future Major Repairs
And Replacements (Unaudited)

An independent reserve study firm conducted a study to estimate the remaining useful lives and the replacement costs of the components of common property; this study was updated by the independent firm in September of 2023. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. The estimated costs were obtained from licensed contractors who inspected the property. The study projected reserve fund analysis for non-annual maintenance items over a 30-year period. The capital items listed are those that are typically the responsibility of the Association and are listed at current replacement costs.

Estimated current replacement costs have not been revised since that date but replacement costs in 30-year period have taken into account the effects of inflation between the date of the study and the date that the components will require repair or replacement, using an inflation rate of 2.5%. The study used a 1.5% interest rate assumption.

The following information is based on the study and presents significant information about the components of common property. At December 31, 2023, the Association has designated \$5,501,220.

| <u>Components</u> | <u>Est Remaining Useful Life (Yrs)</u> | <u>Current Replacement Cost</u> |
|------------------------|--|---------------------------------|
| General | 0-24 | \$ 3,446,839 |
| Walls, Fences, Rails | 0-29 | 12,989,297 |
| Administration | 0-17 | 483,673 |
| Maintenance Yard | 0-24 | 546,579 |
| Parks - General | 0-3 | 144,531 |
| Arbor Park | 2-11 | 60,297 |
| Bees Park | 1-11 | 10,754 |
| Bridges Park | 11 | 50,672 |
| Brushy Lake Park | 0-1 | 63,670 |
| Club Sienna Park | 0-19 | 349,050 |
| Coves Park | 2-11 | 98,901 |
| Crosby Park | 4-8 | 40,399 |
| Deer Run | 6-10 | 76,022 |
| Hawkins Park | 0-7 | 38,244 |
| Heights Lake Park | 5-7 | 93,535 |
| History Park | 9-18 | 45,340 |
| Isidore Lane Park | 10 | 98,484 |
| Leafwing Meadow Park | 1-16 | 227,250 |
| Oakland Park | 0-8 | 71,196 |
| Paradigm Park | 0-4 | 140,888 |
| Sienna Ranch Road Park | 5 | 34,980 |
| Sienna Springs | 5 | 46,552 |
| Steep Bank Park | 1-19 | 110,660 |
| Private Roads | 0-24 | 429,801 |
| Brushy Lake Rec Center | 0-39 | 1,809,087 |
| Club Sienna Rec Center | 0-26 | 4,890,825 |
| Sienna Springs Resort | 0-25 | 1,658,196 |
| Steep Bank Rec Center | 0-19 | 303,189 |
| | | \$ 28,358,911 |