

# THE RIVIERA ESTATES ASSOCIATION

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## **ANNUAL BUDGET REPORT**

***(FOR 2023 FISCAL YEAR)***

In compliance with the Annual Budget Report requirements of Civil Code §5300 of the Davis-Stirling Common Interest Development Act (the “***Davis-Stirling Act***”), please find below and enclosed the following documents and information:

**1. Pro Forma Operating Budget**

Please see the enclosed pro forma operating budget showing the estimated revenue and expenses for fiscal year 2023 on an accrual basis.

**2. Major Component Deferred Maintenance Statement**

The Board has made no determination to defer or forego repairs or replacement of any major component with a remaining life of 30 years or less. The justification is that there is no major component.

**3. Special Assessment Statement**

The Board has not determined and does not anticipate that the levy of any special assessment will be required to repair, replace, or restore any major component or to provide adequate reserves for same. Notwithstanding the foregoing, the Board reserves the right to levy special assessments in accordance with the Davis-Stirling Act.

**4. Reserve Funding Mechanisms Statement**

The mechanism or mechanisms by which the Board may fund the reserves to repair or replace major components include assessments, borrowing, use of other assets, deferral of scheduled replacements or repairs, or alternative mechanisms. The most likely mechanism is: Assessments.

## 5. Reserve Study Statement

The association is currently exempt from conducting any reserve study, and the Board has not conducted one.

## 6. Outstanding Loans Statement

The Association does not have any outstanding loans with an original term of more than one year.

## 7. Summary of Association Insurance Policies

### 1. *Commercial General Liability*

(A) Insurance carrier:	ACE Property & Casualty Insurance Co.
(B) The policy limits of insurance:	\$2,000,000 Gen Agg/ \$1,000,000 Per Occur
(C) The amount of deductible:	\$0
(D) The policy term is:	1/24/2022 to 1/24/2023

### 2. *Automobile Liability (Hired / non-owned)*

(A) Insurance carrier:	ACE Property & Casualty Insurance Co
(B) The policy limits of insurance	\$1,000,000
(C) The amount of deductible	\$0
(D) The policy term is:	1/24/2022 to 1/24/2023

### 3. *Commercial Umbrella*

(A) Insurance carrier:	Fireman's Fund Insurance Co.
(B) The policy limits of insurance:	\$5,000,000
(C) The amount of deductible:	\$0
(D) The policy term is:	1/24/2022 to 1/24/2023

### 4. *Worker's Comp/Assigned Risk*

(A) Insurance carrier:	Pennsylvania Manufacturers Ins. Indemnity Co.
(B) The policy limits of insurance:	\$1,000,000
(C) The amount of deductible:	\$0
(D) The policy term is:	1/24/2022 to 1/24/2023

### 5. *Directors and Officers*

(A) Insurance carrier:	Philadelphia Indemnity Insurance Co.
(B) The policy limits of insurance:	\$1,000,000
(C) The amount of deductible:	\$5,000
(D) The policy term is:	1/24/2022 to 1/24/2023

### 6. *Crime (Includes Fidelity)*

(A) Insurance carrier:	ACE Fire Underwriters
(B) The policy limits of insurance:	\$150,000
(C) The amount of deductible:	\$1,000
(D) The policy term is:	1/24/2022 to 1/24/2023

7. *Common Area Property*
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| (A) <i>Insurance carrier:</i>              | <i>ACE Property &amp; Casualty Insurance Co.</i> |
| (B) <i>The policy limits of insurance:</i> | <i>\$26,200</i>                                  |
| (C) <i>The amount of deductible:</i>       | <i>\$1,000</i>                                   |
| (D) <i>The policy term is:</i>             | <i>1/24/2022 to 1/24/2023</i>                    |
8. *Flood – None*
9. *Earthquake - None*

The following statement is being included in accordance with Civil Code §5300(b)(9):

***THIS SUMMARY OF THE ASSOCIATION’S POLICIES OF INSURANCE PROVIDES ONLY CERTAIN INFORMATION, AS REQUIRED BY SECTION 5300 OF THE CIVIL CODE, AND SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR THE COMPLETE POLICY TERMS AND CONDITIONS CONTAINED IN THE ACTUAL POLICIES OF INSURANCE. ANY ASSOCIATION MEMBER MAY, UPON REQUEST AND PROVISION OF REASONABLE NOTICE, REVIEW THE ASSOCIATION’S INSURANCE POLICIES AND, UPON REQUEST AND PAYMENT OF REASONABLE DUPLICATION CHARGES, OBTAIN COPIES OF THOSE POLICIES. ALTHOUGH THE ASSOCIATION MAINTAINS THE POLICIES OF INSURANCE SPECIFIED IN THIS SUMMARY, THE ASSOCIATION’S POLICIES OF INSURANCE MAY NOT COVER YOUR PROPERTY, INCLUDING PERSONAL PROPERTY OR, REAL PROPERTY IMPROVEMENTS TO OR AROUND YOUR DWELLING, OR PERSONAL INJURIES OR OTHER LOSSES THAT OCCUR WITHIN OR AROUND YOUR DWELLING. EVEN IF A LOSS IS COVERED, YOU MAY NEVERTHELESS BE RESPONSIBLE FOR PAYING ALL OR A PORTION OF ANY DEDUCTIBLE THAT APPLIES. ASSOCIATION MEMBERS SHOULD CONSULT WITH THEIR INDIVIDUAL INSURANCE BROKER OR AGENT FOR APPROPRIATE ADDITIONAL COVERAGE.***

Should you have any questions or comments pertaining to the above or enclosed information, please contact the Office, by email at [reahoa@gmail.com](mailto:reahoa@gmail.com) or at the message center 310-459-3346.

Sincerely,

**THE BOARD OF DIRECTORS OF THE RIVIERA ESTATES ASSOCIATION**

# THE RIVIERA ESTATES ASSOCIATION

## PROPOSED BUDGETED INCOME AND EXPENSE STATEMENT FOR THE 2023 FISCAL YEAR

### OPERATING INCOME

Assessments*	94,000
Architectural Plan Fees	4,000
Transfer and Document Fees	1,500
Interest	15

**TOTAL INCOME** **\$ 99,515**

### OPERATING EXPENSES

Gardening Service	15,795
Landscape Repairs, Maintenance & Improvements	27,000
Insurance	6,500
Security	3,000
Architecture & Accounting Fees	2,700
Legal Fees	25,000
Secretarial Service	11,000
Office Supplies	4,100
Other/Misc.	1,800

**TOTAL EXPENSES** **\$ 96,895**

**ADDITION TO RESERVES** **\$ 2,620**

\*AT THE 10/11/22 BOARD MEETING, THE BOARD VOTED NOT TO INCREASE THE ANNUAL ASSESSMENT FOR 2023