

**RIVIERA HEIGHTS HOMEOWNERS ASSOCIATION  
ANNUAL BUDGET REPORT (Civil Code Section 5300)**

The RHHA Board of Directors has approved a Pro Forma Budget for the fiscal year ending June 30, 2025. The budget contains estimated revenue and expenses on an accrual basis. A copy of the budget is enclosed for your review.

The RHHA Board of Directors has approved a minimal increase in the annual assessments (membership dues) for the 2024-2025 fiscal year. This increase will help cover rising daily operational costs such as payroll, utilities, maintenance, fire abatement, reserve projects and annual contribution required for reserve funding. Key factors contributing to the dues increase this year include an increase in reserve funding from \$72,960 in this fiscal to \$75,795 for 2024-2025, which is necessary as costs continue to rise to sustain future repairs and replacements of RHHA assets. In addition, the state has increased minimum wage from \$15.50 to \$16 per hour, which impacts payroll and related taxes.

In preparing the 2024-2025 fiscal year budget, the Board has again streamlined and reduced budget expenditures to an estimated 6.3% increase. Accordingly, membership assessments (dues) for the upcoming 2024-2025 fiscal year will be increased by only \$2.33 per month, a total of \$28.00 per year to \$475.00.

The Board of Directors currently does not foresee the requirement for a special assessment to cover planned expenditures. However, they retain the authority, as permitted by the California Civil Code, to approve a special assessment for unexpected significant expenses if they arise during the upcoming fiscal year.

A summary of the Reserve Funding Plan, which outlines major reserve expenditure component repairs, and an Executive Summary are enclosed. The Board has approved a reserve funding plan for the 2024-2025 fiscal year based on recommendations from the Annual Reserve Study conducted by Association Reserves. RHHA Reserve accounts are funded through a portion of membership dues. Full copies of the reserve study can be obtained by RHHA members upon request for a nominal fee.

The Annual Reserve Study of RHHA's assets, as required by Davis-Stirling, was conducted by Association Reserves in April 2024. In fiscal year 2023-2024, the association's reserve fund covered projects such as: Clubhouse deck railing replacement, installation of a structural deck support post, deck inspection (as required by law), deck repairs, replacement of fencing/screen in front of Clubhouse, HVAC repairs and system evaluation, replacement of antiquated office computers and equipment, re-sealing of pool deck, and on-going fire abatement/maintenance of RHHA common area properties, and removal of downed trees and damaged structure in the Wilderness area.

Major reserve expenses for the 2024-2025 fiscal year will include asphalt seal/repair of marina parking lot and driveway, as well as seal/repair of Clubhouse asphalt; ongoing fire abatement and tree removal on RHHA common area properties, and replacement of Clubhouse water heater and pool pump room gate.

**Riviera Heights Homeowners' Association**  
**Budget**  
**July 1, 2024 through June 30, 2025**

	<u>2024-2025</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Administrative Fee Income	20,000
Advertising Income	-
Architectural Plan Fee	500
Clubhouse Rental	2,250
Document Prep Fee	150
Escrow Demand	5,000
Fines	50,000
HOA Dues	297,825
Interest Income Bank	5
Interest Income Charges	5,000
Key Replacement	1,500
Late Fees	5,558
Misc. Income	-
Returned Check Charges	100
Social Committee Income	1,000
Transfer Ownership	8,100
<b>Total Income</b>	<u>396,988</u>
<b>Gross Profit</b>	
<b>Expense</b>	
Administrative Expenses	
Advertising & Promotion	100
Bank Charges	150
Donations	1,000
Computer Repairs	-
Filing Fees	35
Insurance	
Liability-State Farm	10,800
Workers Comp	6,000
<b>Total Insurance</b>	<u>16,800</u>
Licenses & permits	800
Meetings/Events	1,500
Mileage/Transportation	-
Miscellaneous Expense	1,000
Newsletter/Printing	3,000
Office Supplies	6,000
Outside Services-Office	500
Penalties/Interest	-
Postage & Delivery	5,000
Professional Fees	
Administrative Fees	-
CPA/Accounting	21,000
Legal Fees	2,500
Lien Fees	-
<b>Total Professional Fees</b>	<u>23,500</u>
Rescinded Fines	5,000
Subscriptions	2,800
Taxes	
Use Tax	-
Federal	100
Property	-
State	30
<b>Total Taxes</b>	<u>130</u>
Telephone/Internet/Fax	4,380
Uncollectible Accounts/Bad Debt	5,000
Website	2,800
Admin Expense - Other	-
<b>Total Administrative Expenses</b>	<u>79,495</u>

<b>Operating Expenses</b>	
<b>Payroll Expenses QBO P/R</b>	
QBO Payroll Fees	450
Reimbursements	2,800
Taxes	16,650
Wages	151,362
<b>Total Payroll Expenses</b>	<b>171,262</b>
<b>Property Maintenance</b>	
<b>Clubhouse/Grounds</b>	
Alarm Service	705
Building Repairs	-
Cleaning/Janitorial	-
Equipment Rental	-
Equipment Repairs	100
Outside Services-Clubhouse	750
Pest Control	765
Supplies/Materials	2,000
<b>Total Clubhouse/Grounds</b>	<b>4,320</b>
<b>Marina</b>	
Cleaning/Janitorial	900
Grounds/Repairs/Maintenance	-
Outside Services-Marina	-
Supplies/Materials	250
<b>Total Marina</b>	<b>1,150</b>
<b>RHHA Community</b>	
Outside Services - Code Enforcement	-
Outside Services-Fire Abatement	21,300
<b>Total RHHA Community</b>	<b>21,500</b>
<b>Swimming Pool Area</b>	
Chemicals-Supplies	5,500
Health Permit	325
Outside Services-Pool	6,000
Pool Equipment	250
Pool Furniture	-
Propane/Pool	4,500
Repair & Maint.	-
Supplies-Non chemical	100
<b>Total Swimming Pool Area</b>	<b>16,675</b>
<b>Wilderness Area - Outside Services</b>	
	-
<b>Total Property Maintenance</b>	<b>43,645</b>
<b>Utilities</b>	
168-7 Street Lights	2,169
404-9 PG&E Clubhouse	15,345
486-7 PG&E Marina	453
740-2 PG&E Pool	3,221
Propane/Clubhouse	100
Trash Removal	2,400
Water	3,200
<b>Total Utilities</b>	<b>26,889</b>
<b>Total Operating Expenses</b>	<b>241,796</b>
<b>Total Expense</b>	<b>321,291</b>
<b>Net Ordinary Income</b>	<b>75,696</b>
<b>Other Income/Expense</b>	
<b>Other Income</b>	
	-
<b>Total Other Income</b>	<b>-</b>
<b>Other Expense</b>	
	75,696
<b>Total Other Expense</b>	<b>75,696</b>
<b>Net Other Income</b>	<b>(75,696)</b>
<b>Net Income</b>	<b>0</b>