

SERENADE COMMUNITY ASSOCIATION
Annual Budget Report: Cover Letter
Fiscal Year: 2025

November 26, 2024

RE: Annual Budget Report and Annual Policy Statement

Dear Serenade Member:

Enclosed are copies of the Annual Budget Report and Annual Policy Statement for the fiscal year of **January 1, 2025- December 31, 2025**. This information is required to be distributed to each association member in accordance with California Civil Code §§ 5300 and 5310.

Effective January 1, 2025, the monthly assessment will increase by an average of 3%-4% per unit, per month. Please see the attached unit assessment schedule as the Association calculates assessments on a variable basis. Please also note that we switched accounting software last year, so your account number was changed from a 7-digit number to a 12-digit number. To help make things easier, the last 7 digits of your account remained the same. Here are some items to consider since the assessments have changed:

- *If you are set up for automated recurring payments via Seabreeze Management Company's free Direct Debit (ACH) program, your payment will automatically be adjusted to reflect the increase.*
- *If you pay by check with your statement, please be sure to pay attention to the new fee and adjust accordingly.*
- *All other methods of payment including eCheck or credit card via <https://commarea.cincwebaxis.com> or auto-payments you schedule with your own bank, credit card, or other automatic deduction system must have the payments adjusted to ensure the credits are properly applied going forward. It's important to note that even though the eCheck and credit card payments are made through <https://commarea.cincwebaxis.com>, users are the ones who input the amounts and Seabreeze employees cannot change those for you.*
- *Additionally as noted, last year due to a change in the accounting system, your account number was changed from a 7-digit number to a 12-digit number -- **please make that change with your bill-payment company to ensure the credits are properly applied going forward if not already done so.***

The Association must provide for reserve funds to maintain, repair or replace major components identified in a reserve study, which is mandated by California law. The current assessment program in the budget does provide funding for reserves. A reserve study has been completed and is available for review upon request; however, a summary of the study is enclosed.



BAY AREA
COACHELLA VALLEY
INLAND EMPIRE
LAS VEGAS
LOS ANGELES
ORANGE COUNTY
SAN DIEGO

Last year, the Association’s reserve study reflected the following items for repair and/or replacement this year, but these items have not been completed yet for the reasons noted below:

<i>Reserve Component</i>	<i>Reason for Deferral</i>
N/A	N/A

The Association does not currently have any outstanding loans and did not borrow from reserves.

As of the last board meeting, the Board of Directors does not anticipate the need to levy a special assessment to repair, replace or restore any major component or provide adequate reserves during the next fiscal year.

At the end of the fiscal year: (a) the estimate of cash reserves necessary is \$1,568,678.00 (b) the amount of actual accumulated reserves is estimated to be \$1,231,737.00 which equaled 78% of actual cash reserves set aside in relation to the estimate of reserves necessary to repair, replace, restore, or maintain the major components.

The following annual policy statement is provided to you in accordance with the requirements of California Civil Code Section 5310.