

## 2020 PRESIDENT'S REPORT

From the Annual Meeting of the Membership

February 11, 2020

During our Annual Meeting, the President's Report addresses accomplishments of the past year and identifies challenges ahead. Last year, for the first time, we posted the President's Report on our website, which we will do again this year. Tonight I want to present you with LRPRA's Value Proposition – that is- “what you get for your money”. I ask you to think about what these items would cost in today's commercial Market Place.

I'd like to start by introducing new employees of our staff since our last Annual meeting:

Rebecca Hale	Asst Director of Finance
Stephanie Pomier	Accts Payable/Payroll
Anthony Stephens	Landscape Specialist
Trent Hunter	Covenant Asst
Ramona Ciorcila	Covenant Asst
Doug Milburn	Dir of Admin & HR

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Your Board and staff have made significant progress toward strategic goals this year. There have been so many achievements that I can only highlight the “Biggies” in the time allotted. However, on the table by the entry door, there is a consolidated list. You will also find the current budget. The budget and fiscal year financial statement will be posted to the website as soon as the audited year-end accounting adjustments have been made.

Let’s look at 7 Significant 2019 **Accomplishments**:

1. **Strategic Plan** – Your Board approved its first Strategic Plan in 2019. The plan established long-term goals with input and coordination across the staff and community. It is a framework for future progress.

2. **New Website** - Homeowners said we needed an update. We heard you. Our new interactive website offers you the option of **on-line payments, over 100 different languages, and choices in how we communicate w/you** (e.g. eblasts, mtg reminders, texts, etc.). *We’ve held a Town Hall to acquaint homeowners with the new features and have demonstrated it at our November Board meeting. Let us know if you want further orientations.*

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3. **Homeowner Survey** – Your Board chartered a Committee of your fellow homeowners. Martha Nelson chaired that committee, with your neighbors Kris Blanchette, Sharon Richardson, Brodie Freer, and Ruby Arthur. They developed a community questionnaire that would guide future progress of our 47 year old community. Martha will brief you later on the e results of the survey, which an independent firm scored and analyzed. That company, Field Goals US briefed publically at our January 2020 Board meeting.

4. **Tenant Registration** – Last year, LRPRA Initiated Tenant Registration. As provided by Virginia law, we have processed some 600 tenant registrations. Your community is safer with knowledge of property occupants, and registration facilitates covenant enforcement by absentee landlords. Welcomed community tenants are tomorrow’s homebuyers and neighbors.

5. **Improved Communication** – LRPRA held 3 Town Hall meetings this past year. For the first time, we hosted a Realtor’s Breakfast to promote the value of Lake Ridge property. We also re-vamped our Lake Ridge Today magazine. Following the example other area HOAs, we turned the publishing over to Imagery Print & Promotions of Loudon. Printed bimonthly, Imagery does the layout, graphics, printing and mailing. In return they receive the ad revenue. Cost savings to LRPRA were greater than \$100K.

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6. **Financial Audit** – We received a clean audit for 2019 from Goldklang, the gold standard CPA firm for HOAs.

FY19 audited total unappropriated members equity is \$1,048,521. \$89,400 of that number represents fixed assets, which are not readily converted to cash for any emergency. That leaves a realistic unappropriated balance at \$959,121. This is in line w/ audit guidelines to retain 10-20% (or, \$225,990 to \$451,980) of annual assessments (\$2,259,898) as reserves to offset unexpected expenses.

We realized over \$60K in cost savings this past year, reduced the number of delinquent accounts (average # for FY19 = 154), and realized over \$100K cost avoidance on printing the Lake Ridge Today magazine. This will allow us to “set-aside” a portion of Owners Equity for a **Capital Improvement Fund**. That, like a personnel savings account, will allow us to “save a little” each year to fund future amenities without calling for a large Special Assessment.

7. **Other Extended Services**- Finally, your LRPRA staff enhanced its customer service by opening a half hour earlier at 8:00am.

Additionally, LRPRA now offers notary services.

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All these major achievements occurred IN ADDITION TO the incredible “everyday tasks” that most homeowners take for granted:

For example: mowing/trimming 300 acres of common ground, tree and leaf removal, asphalt/concrete work, plantings and shrub maintenance. Things like running the pools, pre-school, and all the spring/summer recreation activities of Lake Ridge. All this plus protecting your property values by enforcing the covenants of a 47 year old community!

Wow – What a value for your assessments!!

There are, however, challenges your Board and staff face w/ an aging community. **Challenges viewed positively can become opportunities.**

#### **CHALLENGES:**

1. **A modern, secure network** and appropriate systems to meet Association and homeowners needs. Our Jenark system has outlived its useful life, and we will need to replace it to enable more efficient methods for payment receipts, invoice and payroll processing, as well as efficient automated financial and operational reports.

2. **Limited Space** - With only two community centers accommodating 75 persons each, we are booked every day. Growing demand for clubs, classes, and activities cannot be met.

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3. **Facilities/Amenities Improvement** – Current modest revenue streams, though among the lowest in the area, severely limit any prospect for significant upgrades or enhancement to LRPRA current facilities and amenities.

4. **Homeowner Involvement** – We are hopeful that survey responders who indicated they were interested in volunteering, will form the core of increased community participation. We are striving for greater attendance at Board meetings and Town Halls, as well as voters for our elections.

Thank you for being here tonight. When you attend your next HOA event, please invite a neighbor!

5. **Up-Keep of Rental Properties** - We are proud of the fact that we have affordable housing and investment properties in our diverse community. However, during the recession of 2007/2008 many out-of-area landlords bought properties that are often not maintained adequately. Covenant violations are often very difficult or near impossible to enforce, and take extraordinary effort of our employees to effect remedial action. Tenant registration helps us track absentee landlords to effect necessary property upkeep and to maintain values of all property in our community.

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## **CLOSING**

In closing, I am happy to say your HOA, one of the largest in Virginia, is in sound financial shape and operating with sound management and procedures. Thank you for your interest, support, and participation in our vibrant community. Your Board and Staff are working to protect your investment in Lake Ridge. With YOUR help in keeping our neighborhoods clean, safe, and welcoming, that investment will continue to grow.

We will continue to honor your faith and trust in us, as we work together to meet the coming Challenges and to enjoy the prosperity of our flourishing Community.

**THANK YOU!**

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