



Principals

Howard A. Goldklang, CPA, MBA
Donald E. Harris, CPA
Anne M. Sheehan, CPA
S. Gail Moore, CPA
Jeremy W. Powell, CPA
Renee L. Watson, CPA

1801 Robert Fulton Drive, Suite 200
Reston, VA 20191

Associate Principals

Matthew T. Stiefvater, CPA
Sheila M. Lewis, CPA

Independent Auditor's Report

To the Board of Directors of
Lake Ridge Parks and Recreation Association, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Lake Ridge Parks and Recreation Association, Inc., which comprise the balance sheets as of August 31, 2018 and 2017, and the related statements of income and comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake Ridge Parks and Recreation Association, Inc. as of August 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements on pages 15-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who 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.

Goldklang Group CPAs, P.C.

Reston, Virginia
February 1, 2019

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.

BALANCE SHEETS

AUGUST 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,102,453	\$ 2,972,271
Investments	5,882,766	5,550,893
Assessments Receivable - Net	138,015	104,775
Prepaid Expenses	160,216	137,178
Utility Deposit	1,720	1,720
Fixed Assets - Net	<u>141,293</u>	<u>133,899</u>
Total Assets	<u>\$ 9,426,463</u>	<u>\$ 8,900,736</u>
 <u>LIABILITIES AND MEMBERS' EQUITY</u>		
Accounts Payable	\$ 139,419	\$ 117,707
Accrued Payroll and Related Costs	159,847	175,169
Prepaid Assessments and Fees	880,554	802,005
Deferred Revenue	<u>65,237</u>	<u>51,315</u>
Total Liabilities	<u>\$ 1,245,057</u>	<u>\$ 1,146,196</u>
Subdivision Reserves	\$ 6,060,089	\$ 6,010,844
Association and Capital Reserves	1,120,973	914,650
Accumulated Other Comprehensive Income	189,487	137,924
Unappropriated Members' Equity	<u>810,857</u>	<u>691,122</u>
Total Members' Equity	<u>\$ 8,181,406</u>	<u>\$ 7,754,540</u>
Total Liabilities and Members' Equity	<u>\$ 9,426,463</u>	<u>\$ 8,900,736</u>

See Accompanying Notes to Financial Statements

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	2018	2017
<u>INCOME:</u>		
Operating Assessments	\$ 3,967,452	\$ 3,777,824
Subdivision Reserve Assessments	1,457,229	1,440,673
Initial Reserve Assessments	406,400	395,200
Rental Facilities	49,377	51,600
Recreational/Aquatics Programs	328,276	321,427
Legal Fees Chargebacks	24,691	13,895
Disclosure Packets and Records Fees	141,380	140,104
Administrative Fees	136,375	119,550
Interest	303,000	215,937
Antenna Rents	51,756	50,979
Gain on Sale of Investments/Equipment	10,300	97,592
Other	76,419	51,077
Total Income	\$ 6,952,655	\$ 6,675,858

ADMINISTRATIVE EXPENSES:

Insurance	\$ 205,808	\$ 201,402
Legal	243,052	170,590
Audit and Tax Preparation	18,000	18,000
Consulting Fees	79,850	55,280
Newsletter	104,056	79,900
Telephone	35,001	35,162
Postage and Printing	41,647	47,370
Bank Fees	3,453	2,765
Ballot Counting	10,763	10,359
Office Supplies and Other	56,884	60,214
Total Administrative Expenses	\$ 798,514	\$ 681,042

See Accompanying Notes to Financial Statements

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017
(CONTINUED)

	<u>2018</u>	<u>2017</u>
<u>OPERATING EXPENSES:</u>		
Payroll and Related Costs	\$ 2,904,803	\$ 2,669,084
Electricity	63,770	56,586
Water and Sewer	32,296	41,078
Natural Gas	10,628	10,588
Trash Removal	21,174	25,355
Grounds Maintenance/Snow Removal	332,891	267,234
Cleaning and Supplies	13,861	11,234
Security System	20,843	13,796
Pools	382,518	430,727
Recreational Programs	75,061	77,544
Repairs and Maintenance	19,685	12,619
Vehicles and Equipment	19,218	11,664
Depreciation	56,705	40,598
Bad Debt	22,876	9,182
Taxes and Related	<u>19,179</u>	<u>18,528</u>
Total Operating Expenses	<u>\$ 3,995,508</u>	<u>\$ 3,695,817</u>
Total Expenses	<u>\$ 4,794,022</u>	<u>\$ 4,376,859</u>
Net Income before Contributions to Reserves	\$ 2,158,633	\$ 2,298,999
Contribution to Subdivision Reserves	(1,457,229)	(1,440,673)
Contribution to Association/Capital Reserves	<u>(645,768)</u>	<u>(707,476)</u>
Net Income	<u>\$ 55,636</u>	<u>\$ 150,850</u>
Unrealized Holding Gains/(Losses) Arising During the Period	\$ 51,563	\$ 313,495
Less: Reclassification Adjustment for (Gains) Included in Net Income	<u>-</u>	<u>(97,592)</u>
Total Other Comprehensive Income	<u>\$ 51,563</u>	<u>\$ 215,903</u>
Comprehensive Income	<u>\$ 107,199</u>	<u>\$ 366,753</u>

See Accompanying Notes to Financial Statements

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
STATEMENTS OF MEMBERS' EQUITY
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	<u>Subdivision Reserves</u>	<u>Association and Capital Reserves</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Unappropriated Members' Equity</u>	<u>Total Members' Equity</u>
Balance as of August 31, 2016	\$ 5,793,101	\$ 599,519	\$ (77,979)	\$ 487,550	\$ 6,802,191
Additions:					
Contribution to Reserves - Subdivisions	1,440,673				1,440,673
Contribution to Reserves - Association and Capital		707,476			707,476
Net Change in Market Value of Investments			215,903		215,903
Net Income				150,850	150,850
Deductions:					
Subdivisions Reserve Expenditures	(1,222,930)				(1,222,930)
Association and Capital Reserve Expenditures		(392,345)		52,722	(339,623)
Balance as of August 31, 2017	\$ 6,010,844	\$ 914,650	\$ 137,924	\$ 691,122	\$ 7,754,540
Additions:					
Contribution to Reserves - Subdivisions	1,457,229				1,457,229
Contribution to Reserves - Association and Capital		645,768			645,768
Net Change in Market Value of Investments			51,563		51,563
Net Income				55,636	55,636
Deductions:					
Subdivisions Reserve Expenditures	(1,407,984)				(1,407,984)
Association and Capital Reserve Expenditures		(439,445)		64,099	(375,346)
Balance as of August 31, 2018	<u>\$ 6,060,089</u>	<u>\$ 1,120,973</u>	<u>\$ 189,487</u>	<u>\$ 810,857</u>	<u>\$ 8,181,406</u>

See Accompanying Notes to Financial Statements

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net Income	\$ 55,636	\$ 150,850
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Realized (Gain) on Sale of Investments/Equipment	(10,300)	(97,592)
Depreciation	56,705	40,598
Bad Debt Expense	22,876	9,182
Decrease (Increase) in:		
Assessment Receivable	(56,116)	(16,998)
Prepaid Expenses	(23,038)	(1,337)
Increase (Decrease) in:		
Accounts Payable	4,123	(100,947)
Accrued Payroll and Related Costs	(15,321)	(55,948)
Prepaid Assessments and Fees	78,549	7,004
Deferred Revenue	13,922	8,624
Net Cash Flows from Operating Activities	<u>\$ 127,036</u>	<u>\$ (56,564)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Received from Assessments (Reserves)	\$ 2,102,997	\$ 2,148,149
Disbursed for Reserve Expenditures	(1,765,742)	(1,551,475)
Received from Sale of Fixed Assets	8,300	-
Disbursed for Fixed Assets	(62,099)	(52,722)
Received from Investments	-	516,650
Disbursed for Investments	(280,310)	(213,811)
Net Cash Flows from Investing Activities	<u>\$ 3,146</u>	<u>\$ 846,791</u>
Net Change in Cash and Cash Equivalents	\$ 130,182	\$ 790,227
Cash and Cash Equivalents at Beginning of Year	<u>2,972,271</u>	<u>2,182,044</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,102,453</u>	<u>\$ 2,972,271</u>

See Accompanying Notes to Financial Statements

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

NOTE 1 - NATURE OF OPERATIONS:

The Association is a property owners association organized under the laws of the Commonwealth of Virginia to maintain and preserve the common property. The Association is located in Lake Ridge, Virginia. The Association consists of approximately 8,000 units, including condominiums, single family homes, townhouses, apartments and commercial parcels. The Board of Directors administers the operation of the Association.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

A) Method of Accounting - The financial statements are prepared on the accrual method of accounting in which revenues are recognized when earned and expenses when incurred, not necessarily when received or paid.

B) Member Assessments - Association members are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from members. The Association's policy is to assess late and interest charges and to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in future years. The Association utilizes the allowance method to account for bad debt.

C) Common Property - Real property and common areas acquired from the declarant and related improvements to such property are not recorded in the Association's financial statements because those properties cannot be disposed of at the discretion of the Board of Directors. Common property includes, but is not limited to, land, site improvements, and recreational facilities.

D) Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions. Such estimates affect the reported amounts of assets and liabilities. They also affect the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E) Cash Equivalents - For purposes of the statements of cash flows, the Association considers all highly liquid investments and interest-bearing deposits with an original maturity date of three months or less to be cash equivalents.

F) Depreciation - Fixed assets are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

G) Vacation Pay - The Association accounts for earned but not used vacation pay at current hourly rates.

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017
(CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H) Investments - The Association's marketable securities have been classified and accounted for either as available-for-sale or held-to-maturity. Debt securities are classified as held-to-maturity when the Association has the positive intent and the ability to hold the securities to maturity. Securities not classified as held-to-maturity are classified as available-for-sale. The cost of securities sold is based upon the specific identification method. The Association reviews its marketable securities annually to determine if any security has experienced an other-than-temporary decline in fair value. If a determination is made that the decline is other-than-temporary, the Association writes down the investment to its market value and records the related write-down as an investment loss in its Statement of Income.

NOTE 3 - REPLACEMENT RESERVES:

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are generally not available for expenditures for normal operations.

The Association had a replacement reserve study conducted by PM+ during 2014, which was updated during 2018. The table included in the Supplementary Information on Future Major Repairs and Replacements is based on this updated study.

The 2014 study recommends contributions of \$729,480 and \$584,460, respectively, to the Subdivision and Association and Capital Reserves. During fiscal year 2018, the Association budgeted to contribute \$789,057 and \$229,068, respectively, to the Subdivision and Association and Capital Reserves. In addition, the Association contributed trash removal assessments of \$668,172 to the Subdivision Reserves and \$406,400 and \$10,300 from the initial reserve contribution assessments and realized gain on the sale of equipment, respectively, to the Association and Capital Reserves.

Funds are being accumulated in reserves based on estimates of future needs for repair and replacement of common property components. Actual expenditures may vary from the estimated future expenditures and the variations may be material. Therefore, amounts accumulated in the replacement reserves may or may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Board of Directors, on behalf of the Association, may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017
(CONTINUED)

NOTE 3 - REPLACEMENT RESERVES: (CONTINUED)

As of August 31, 2018, the Association had designated the following for reserves:

Subdivision Reserves	\$ 6,060,089
Association and Capital Reserves	<u>1,120,973</u>
Total Reserves	<u>\$ 7,181,062</u>

As of August 31, 2017, the Association had designated the following for reserves:

Subdivision Reserves	\$ 6,010,844
Association and Capital Reserves	<u>914,650</u>
Total Reserves	<u>\$ 6,925,494</u>

These designated reserves were funded by cash and investments.

NOTE 4 - INCOME TAXES:

The Association is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. However, income from certain activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income. For fiscal years 2018 and 2017, the Association had no income tax expense.

The Association's policy is to recognize any tax penalties and interest as an expense when incurred. The Association's federal and state tax returns for the past three years remain subject to examination by the Internal Revenue Service and the Commonwealth of Virginia.

NOTE 5 - CASH AND CASH EQUIVALENTS:

As of August 31, 2018, the Association maintained its funds in the following manner:

<u>Institution</u>	<u>Cash and Cash Equivalents</u>
Union Bank	\$ 724,619
BB&T (2)	120,726
Petty Cash	1,250
American Funds	522,686
Federated	<u>1,733,172</u>
Total	<u>\$ 3,102,453</u>

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017
(CONTINUED)

NOTE 5 - CASH AND CASH EQUIVALENTS: (CONTINUED)

The Association has funds maintained in an American Funds money fund and a Federated money fund. Although the value per share of these accounts have not changed since they were opened and their goal is to maintain a per share value of \$1, these accounts are subject to market fluctuation risk. Therefore, the market fluctuation risk as of August 31, 2018 and 2017 was \$2,255,858 and \$1,233,278, respectively.

Balances at banks are insured by the FDIC for up to \$250,000 per financial institution. Amounts in excess of insured limits were \$740,088 and \$1,290,320 as of August 31, 2018 and 2017, respectively.

Cash and securities held at a SIPC member brokerage firm are insured by the SIPC for up to \$500,000, which includes \$250,000 limit for cash. The Association maintains funds in brokerage accounts which are subject to SIPC limits.

NOTE 6 - ASSESSMENTS RECEIVABLE - NET:

The Association utilizes the allowance method of accounting for bad debt. Individual receivables are written off as a loss when a determination is made that they are uncollectible. Under the allowance method, collection efforts may continue and recovery of amounts previously written off are recognized as income in the year of collection.

	2018	2017
Assessments Receivable	\$ 276,798	\$ 237,547
Less: Allowance for Doubtful Assessments	(138,783)	(132,772)
Assessments Receivable - Net	\$ 138,015	\$ 104,775

NOTE 7 - INVESTMENTS:

Available-for-sale equity securities are recorded at fair value, with the unrealized gains and losses, reported in other comprehensive income. In accordance with ASC 820-10, the fair value of the equity securities was obtained using Level 1 Inputs. The amortized cost, gross unrealized gains and losses, and fair value of the available-for-sale equity securities are summarized below:

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017
(CONTINUED)

NOTE 7 - INVESTMENTS: (CONTINUED)

<u>Available for Sale Equity Securities</u>				
<u>August 31, 2018</u>	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Mutual Funds	<u>\$ 5,693,279</u>	<u>\$ 197,650</u>	<u>\$ (8,163)</u>	<u>\$ 5,882,766</u>
<u>August 31, 2017</u>	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Mutual Funds	<u>\$ 5,412,969</u>	<u>\$ 137,924</u>	<u>\$ -</u>	<u>\$ 5,550,893</u>

During fiscal year 2017, available-for-sale equity securities with a fair value at the date of sale of \$516,650 were sold. The gross realized gains on such sales totaled \$97,592.

The Association has funds invested in various mutual funds. The value of the mutual funds are subject to market fluctuation risk and can increase or decrease with the market. Therefore, the credit risk as of August 31, 2018 and 2017 was \$5,882,766 and \$5,550,893, respectively.

The following table shows the Association's gross unrealized losses and fair value aggregated by investment category and the length of time that the securities had been in a continuous unrealized loss position as of August 31, 2018.

<u>Description of Securities</u>	<u>Less than 12 months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
Mutual Funds	<u>\$ 324,893</u>	<u>\$ 8,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324,893</u>	<u>\$ 8,163</u>

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017
(CONTINUED)

NOTE 8 - FIXED ASSETS - NET:

Equipment and vehicles are being depreciated over an estimated useful life of five years using the straight-line method. The depreciation expense for fiscal years 2018 and 2017 was \$56,075 and \$40,598, respectively.

	2018	2017
Grounds Equipment	\$ 253,047	\$ 253,047
Trucks	746,760	708,239
Less: Accumulated Depreciation	(858,514)	(827,387)
Fixed Assets - Net	\$ 141,293	\$ 133,899

NOTE 9 - INITIAL RESERVE ASSESSMENTS:

Effective January 1, 2006, the Association approved a one-time transfer fee (initial reserve assessment) of \$500, to be paid by purchasers of residential and commercial units located within the Association. Effective September 1, 2015, the fee was increased to \$800. During fiscal years 2018 and 2017, the Association charged \$406,400 and \$395,200, respectively, for the initial reserve assessments. These funds were contributed to the Association and Capital Reserves.

NOTE 10 - PENSION PLAN:

The Association maintained a simplified pension plan for its employees through December 31, 2016. An employee was eligible if they received at least \$5,000 in compensation during any two prior years and expected to receive \$5,000 in compensation during the current year. The Association matched up to 3% of the eligible employees' salary.

Effective January 1, 2017, the Association established a 401k plan for its employees. All employees are eligible to participate in the plan. The Association matches up to 4% of each employees' salary.

For fiscal years 2018 and 2017, the Association incurred pension expense of \$79,252 and \$60,822, respectively.

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017
(CONTINUED)

NOTE 11 - LITIGATION:

During fiscal year 2018, a lawsuit was filed against the Association by a former employee alleging discrimination. The plaintiff is seeking financial damages. The Association is vigorously defending the case. The outcome of this litigation cannot be determined at this time.

NOTE 12 - SUBSEQUENT EVENTS:

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 1, 2019, the date the financial statements were available to be issued.

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
AUGUST 31, 2018
(UNAUDITED)

The Association had a replacement reserve study conducted by PM+ during 2018 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. The estimated replacement costs presented below do not take into account the effects of inflation between the date of the study and the date the components will require repair or replacement; however, the Association's replacement reserve study does take inflation into consideration when evaluating future expenditures and recommended contributions to reserves.

The following has been extracted from the Association's replacement reserve study and presents significant information about the components of common property.

<u>Component</u>	2018 Estimated Remaining Useful Life (Years)	2018 Estimated Replacement Cost
<u>Subdivision Reserves:</u>		
Brookmeade	1-7	\$ 219,530
Cascade	1-4	87,830
Christopher Cove	1-5	176,130
Fairfield SF	1-5	29,570
Halquist Heights	1-8	193,240
Hawthorne	1-3	31,280
Koury Tipton SF	1-8	51,770
Koury Tipton TH	1-5	52,520
Lakeview	1-4	28,380
Landings II	1-8	164,890
Landings	1-5	82,950
Palisades SF	1-9	43,350
Peabody Square	1-9	241,330
Pinewood Forest	1-6	72,130
Promotory Place II	1-4	183,890
Promotory Place	1-6	197,490
Promotory Woods	1-5	138,320
Pulte Carriage Homes II SF	1-13	76,270
Pulte II	1-10	251,680
Pulte III	1-10	169,140
Pulte IV	1-10	230,040
Pulte	1-10	267,100

LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
AUGUST 31, 2018
(UNAUDITED)
(CONTINUED)

<u>Component</u>	<u>2018</u> <u>Estimated</u> <u>Remaining</u> <u>Useful Life</u> <u>(Years)</u>	<u>2018</u> <u>Estimated</u> <u>Replacement</u> <u>Cost</u>
<u>Subdivision Reserves: (Continued)</u>		
Ridgeleigh I	1-12	381,610
Ridgeleigh II	1-5	115,590
Ridgeleigh III	1-20	62,050
Ridgeleigh V	1-20	171,710
Ridgeleigh VI	1-20	357,350
Ridgeleigh VII	1-20	380,820
Ridgeleigh VIII	1-21	171,240
Salem Towns	1-44	309,470
Shires	1-6	208,610
Stonegate	1-10	256,900
Stoneridge	1-10	195,090
Villages	1-13	91,240
Villas	1-4	597,150
Vistas	1-3	40,270
Waterside	1-7	51,400
Wildwood I	1-5	178,310
Wildwood II	1-6	277,700
Wildwood III	1-10	196,770
Woodmark	1-5	180,170
<u>Association and Capital Reserves:</u>		
Community Centers and		
Swimming Pools	1-37	\$ 1,982,140
Administration Building	1-29	298,990
Maintenance Facility	1-29	522,090
Recreation Facilities	1-35	1,162,500
Annual Allowances	1	279,320
Capital Improvements	2-26	318,600
Reserve Study Update	3	10,600