

LAKE RIDGE ASSOCIATION

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July 24, 2020

Re: FY2021 Annual Assessment Notification

Dear Association Member:

On behalf of the Board of Directors of Lake Ridge Parks & Recreation Association (LRPRA), this letter provides notice of approval of the LRPRA budget and assessment for fiscal year 2021 (September 1, 2020 through August 31, 2021). The Board approved the proposed budget at our July 14, 2020 Board meeting.

An annual assessment increase of \$27.08 was approved. Analysis of current Association reserves, considered along with outside CPA audit recommendations to retain 10% - 20% of annual assessments in unappropriated members' equity, guided the Board's fiscal year 2021 budget guidance and decisions. Proposed improvements and routine maintenance of aging amenities (pools, tennis courts, buildings, etc.) will further stress Association reserves even with this modest assessment increase.

Further, significant losses in revenues from severely reduced interest rates and lost fees from cancelled community center rentals, recreation programs, summer camps, and sports activities have negatively affected the Association budget this fiscal year. Historically, these fees have helped us keep assessments at the lowest HOA base rate in our area and one of the lowest in the country for a community of our size. Additionally, COVID-19 compliance has generated unanticipated costs for sanitation and workplace/workforce compliance issues. Faced with the looming possibility of continued reduced revenues due to the COVID-19 pandemic, the Board approved an increase in the FY2021 assessment to balance fiduciary commitments to maintain community property values at the lowest possible cost to our homeowners.

Virginia law imposes a fiduciary responsibility on HOA Boards of Directors to operate and budget to maintain property values of Associations. Toward that end, the law requires a Reserve Study be conducted at least every five years. LRPRA's last Reserve Study, conducted in January 2018, provides an independent engineering evaluation of all Lake Ridge physical assets (buildings, subdivision roads and parking lots, tennis courts, basketball pads, playgrounds, pools & spray parks, soccer and softball fields, lighting, equipment, etc.) to estimate remaining life, and projected costs of repair, maintenance and replacement of items for our 48 year-old community. A new Reserve Study will be conducted in January 2021. The risk of special assessments in future years is minimized when maintenance and repair recommendations outlined in the Reserve Study are closely followed.

Your LRPRA assessment consists of the following charges:

- The **Annual Base Assessment** funds the day-to-day operating expenses of the Association and is paid by all members. The FY2021 annual base assessment is \$568.78 or \$142.19 a quarter; the increase is \$6.77 per quarter.

The assessment can be paid quarterly by the due date. You also can pay the entire annual assessment at one time or make prepayments at any time.

Quarterly assessment payments are **due** September 1, December 1, March 1 and June 1.

- The **Subdivision Assessment** is paid by members in some subdivisions (mainly townhome neighborhoods) to fund the maintenance, repair and replacement of common areas including private roads, lighting, parking lots, sidewalks, and curbs in accordance with the 30-year Reserve Study. Subdivision assessments are unchanged from last year. These assessment rates will be re-evaluated after next year's Reserve Study.
- The **Trash Service User Fee** is paid by LRPRA members in subdivisions where trash service is provided through LRPRA. This fee **reflects the actual cost of the trash service** to the Association and is included in your assessment.

The trash service user fee is increasing for FY2021. The charge for townhomes goes from \$22.89 to \$24.26 **per quarter**. The fee for single-family homes goes from \$35.97 to \$38.13 per quarter. Charlie and Son, our trash service provider, has sustained low rates for years. Despite this modest increase, our trash fee remains a value resulting from the economies of scale realized from a large multi-year Association contract.

The FY2021 assessment payment coupon book is being mailed to all homeowners the week of July 27. The coupons reflect the quarterly assessment for your property. **These payment coupons are the only billing that members receive.**

You are encouraged to set up a payment reminder on your smart phone when assessment payments are due; or, set up a recurring payment. Assessment payment reminder notices are included in our monthly magazine, website, and weekly email blasts. You are encouraged to subscribe to weekly email blasts at our website, www.lakeridgeva.com to stay informed about current developments in the Lake Ridge community.

Please complete the Coupons Request form at our website if you **do not** receive your payment coupon book by August 15. Replacement coupons will be mailed to you.

Respectfully,

Janet Foote

Janet Foote
President, LRPRA Board of Directors