

2021 President's Report
From the Annual Meeting of the Membership
February 9, 2021

During the President's Annual Report to the membership, **Accomplishments** and **Challenges** are addressed. The past two years you've heard me say I believe "*challenges viewed positively, can become opportunities.*" Well, **we really had a lot of OPPORTUNITIES in 2020!!!**

I'm very proud to say your HOA stepped up, despite incredible odds, to insure financial solvency for our community. A big thank you to our COO/GM and Staff for their due diligence and innovation during the pandemic. Goldklang Group, CPA presented a clean FY2020 financial audit to the Board January 12, 2021.

Our income was down \$444K over last year, primarily due to state and federal closures from the pandemic. Major income losses for the Association occurred because of reduced interest income (\$112K) and losses in our Recreation & Aquatic programs (\$199K).

Increased expenses were incurred for personal protection equipment, sanitation supplies/procedures, and generally increased cost of goods and services. Additionally, the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) required that employees testing positive and others isolated because of contact tracing be paid for two weeks during their confinement. Legal requirements involving the new legislation and contract tracing added further costs. We had 10 employees testing positive for COVID and 11 others that had to be isolated due to contact. Despite extraordinarily, unprecedented expense increases, your manager and staff managed to cut administrative expenses by almost 3% and total overall expenses by 1.1%. We ended the fiscal year (August 31, 2020) with an unappropriated members' equity of \$687,800 (down 34.4%) and a comprehensive income loss of \$156, 552 (vs a net positive income of \$48,177 in 2019).

I'd like to share some of the **OPPORTUNITIES** your HOA provided to the community during this "once-in-a-lifetime" pandemic.

1. Increased Property Value – 430 home sales in 2020. According to Zillow, Lake Ridge home prices were up 8.9%, with the medium tier homes averaging \$406, 602. LRPRRA has been busy furnishing disclosure packages for new sales and *refinancing*.

2. Communication – provided an enhanced website and eblasts to provide homeowners the latest information on COVID news. Conducted town hall ZOOM forums to solicit input from homeowners to find a way to open pools within state/federal COVID guidelines.

3. Recreation – LRPRRA opened 2 pools by appointment and was able to accommodate many homeowners, when PWC and most other HOAs closed their pools for the summer.

4. Expanded Electronic Media Use

a. Conducted Hybrid ZOOM Board and Committee meetings with very positive feedback from homeowners, who have been asking for more on-line participation.

b. First LRPRRA Annual Meeting via ZOOM

c. Changed elections to a simpler, faster on-line voting process. First time ever, with 22% of eligible voters having voted two weeks before the annual meeting, and quorum attained in all classes of members.

d. Selected a digital pool pass program for 2021 implementation

5. Operational Improvements

a. Paved 8 subdivisions, all pool parking lots (Edgewood, Oakwood, Canterbury, and Tall Oaks, the Administration building, and one basketball court (full overlay). Ten courts were sealed and stripped.

b. Renovated Ridgewood bath house and working to complete Canterbury and Oakwood by April 2021

b. Applied for 3 grants to supplement financial position – **received \$100K from Rebuild! VA; 2 grants in process** (1 for \$2350 beautification grant from NOVA Audubon Society & 2nd round PPP federal loan/grant program)

c. Coordinated with Occoquan Supervisor, Ken Boddye, and PWC Director of Parks, Recreation and Tourism, Seth Hendler-Voss, to secure **\$750K committed funds for Occoquan Greenways Trails work**

d. Developed procedures and advertised to offered assessment payment plans to homeowners affected by the pandemic

CHALLENGES REMAIN, HOWEVER, FOR THE UPCOMING YEAR!

We don't know how long this pandemic will last OR what to expect next year. We operate optimistically, hoping that new vaccines will be authorized, and we will begin to return to normal as the majority of the population is vaccinated and become protected. We hope for the Best and prepare for the Worst.

Let's look at our most pressing **2021 Challenges:**

1. Uncertain Future Income

We have historically been able to avoid large assessments charged by most HOAs, because we offset assessments with income from activities such as youth activities, swim lessons, community center rentals, etc. Our governing documents cap assessment raises to 5% a year. This seemed really high 49 years ago, but no provision was made for inflation or aging infrastructure over the years since. If the pandemic restrictions continue into 2021, we're uncertain how significant the impact will be. Maintaining reserves for maintenance of facilities and subdivision infrastructures will be a very tight balancing act, if we are to sustain home values.

2. Modern, Secure Network

Our 1987 Jenark HOA system is rapidly becoming obsolete. Future system updates are questionable, as there are indications the company is moving

away from the software business. Many other HOA users have switched systems. This strategic goal was put on hold in 2020 for financial and pandemic reasons. This is something we must focus on in 2021 to enable more efficient operations for our homeowners and our staff across all our Association departments.

3. Community Communication

We will continue to be challenged to keep our residents informed as we enter 2021, not knowing what restrictions we may face. We will post early and often on our website @ www.lakeridge.va.com. Please visit our COVID 19 announcements regularly and sign up for eblasts. We hope you will join us for Board and Committee meetings via ZOOM, but if you miss one, check the recordings on Facebook or on YouTube. Challenging times call for us to communicate online to stay abreast of changing circumstances.

Weekly News Flash<<https://lakeridgeva.com/list.aspx>> - Sign up to receive an email every Friday with all LRPRAs happenings

Community Alerts<<http://va-lakeridgehoa.civicplus.com/list.aspx>> - Sign up to receive immediate notifications of urgent LRPRAs news

Closing

In closing, I am happy to advise that Lake Ridge Association is in sound financial position. Despite, the difficult circumstances of the past year, your Board and staff have weighed and made some difficult decisions, all balanced in the interest of the community. We have been fortunate to have **YOUR** help in those decisions by your participation and input in our ongoing commitment to communicate openly and transparently with our homeowners.

We will continue to honor your trust as we work together for another successful year in 2021!

Thank You