

You may wonder why some members' monthly payment is higher than others and we hope the information provided below helps to answer some of those questions.

Street maintenance

For those residences that are located on an SRP owned and maintained street (all townhome streets, alleys, lanes) your assessment includes additional funds placed annually into the replacement reserve fund for road repairs and maintenance. Each year in compliance with the current professionally prepared Reserve Study, the Proprietary contracts with a paving company to mill and pave several of our private roadways within the community. In October 2024 the following streets are scheduled: Astell Street, Bryson Drive, Brickell Drive, Carberry Drive, Chiswick Terrace, Gover Drive, Morse Drive, Indian Hill Circle, Kelly Terrace and Brass Alley.

Snow clearing and ice treatment is budgeted for in the operating budget for private roadways.

As road repair and snow services are provided by the state of Virginia for those residences located on VDOT maintained roadways there is no financial obligation owed to the Proprietary for those roadways.

Trash Collection

The local industry standard is that it is less expensive to collect trash from townhomes as the hauler can complete more homes in a quicker time. As a result, our townhome and condo residences pay a slightly lower monthly per unit rate for their trash, recycling, and yard waste collection.

Budget Notice

At their September 4th meeting, the South Riding Proprietary Board of Directors adopted the 2025 Operating Budget and Schedule of Assessments. This is a multi-month process that includes an evaluation of all contracts, past and anticipated expenditures.

South Riding will continue to have one of the lowest monthly fees in the greater Northern Virginia region, but the monthly assessment will increase for 2025.

The Proprietary is not immune to inflationary changes, and we have seen the costs of services increase over the last several years. Our insurance coverage went up 16.55% this year due to insurance market conditions. Vendors like our pool management company are experiencing increases in staffing costs with Virginia's minimum wage set to increase again to \$13.50 in 2025 and \$15.00 in 2026. Contract escalation factors specifically with the trash/recycling collection also contribute to an increase. Our reserve contributions will increase and will be funded in accordance with the study completed between January and April 2024.

Members' equity from past years surpluses and interest income on reserve and capital fund investments (combined for approximately \$600,000) were applied to the operating budget to keep assessment increases as low as possible.

Reserve Fund Statement

In accordance with the Virginia Property Owners Association Act, South Riding Proprietary is funding its reserve account at the levels recommended in the January 31, 2024 Replacement Reserve Study completed by Reserve Advisors. As of August 31, 2024 the association has a combined \$9,384,694.20 in reserve accounts for common areas and private roads. South Riding has budgeted 2025 reserve allocations to be in line with the Reserve Study recommendations of funding the reserves at a combined total of \$1,479,700 annually. The Reserve Study identified 254 items that will require periodic replacement over 30 years that are to be funded from Replacement Reserves using the cash flow method. Reserve contributions are made monthly and are overseen by the Budget and Finance Committee and administered by an independent financial advisor who distributes funds into laddered Certificate of Deposits in accordance with FDIC laws. There is sufficient cash in the accounts to cover the current funding requirements outlined by the study. The Reserve Study summary can be found at southriding.net.