

## AN IMPORTANT COMMUNICATION FROM YOUR FRCA BOARD OF DIRECTORS

### Falls Run Community Association (FRCA) Board of Directors (BOD)

*Covid-19 restrictions necessitated communicating with residents only **by email and via the FRCA website**. Electronic communications will continue except for instances (such as mailed election & HOA assessment notifications) which incur significant postage costs. We urge residents to learn about electronic communication methods in order to stay informed about Falls Run.*

### [www.fallsrun.org](http://www.fallsrun.org)

HOME PAGE: The home page has a wealth of information. Click on general tabs to the left to provide drop down menus and access to documents and forms. The *Gazette* index is also found there. On the right are tabs for FirstService Residential and the email address to contact the FRCA Board.

#### **Registration**

\*FRCA Members Only Access: click Members Tab on left side of the home screen and follow instructions on contacting the web master.

\*Registration Tab (Signup Genius) – use to sign up for pool use and other activities.

#### MEMBERS ONLY Section:

- Financial records: Operating Budgets and Reserve Account funds  
(For a full explanation, click on Link near top of the Reserves Analysis home page)
- Board and Committee meeting agendas and packets plus minutes of meetings
- Up to date member directory with addresses, emails and phone numbers

Contact Executive Assistant Terry Rooney ([terry.rooney@fsresidential.com](mailto:terry.rooney@fsresidential.com) or 540-907-4382) to sign up for official FRCA email notifications from management and the Board.

#### Please Note

- Official communication is **not** distributed via the information sharing, resident- run, Falls Run Yahoo group. That is not a function of the FRCA.
- If you want to receive all official FRCA communications, please visit the website regularly and ensure that Executive Assistant Terry Rooney has your correct email address for important notifications.
- Please help friends or neighbors who do not use email stay informed by sharing notices with them.

### FRCA Budget Information

A key responsibility of the Board is to oversee finances of the homeowner association. This is fairly complex as there are two parts – the **Operating Budget** and the **Reserve Account**. The budget process is outlined below:

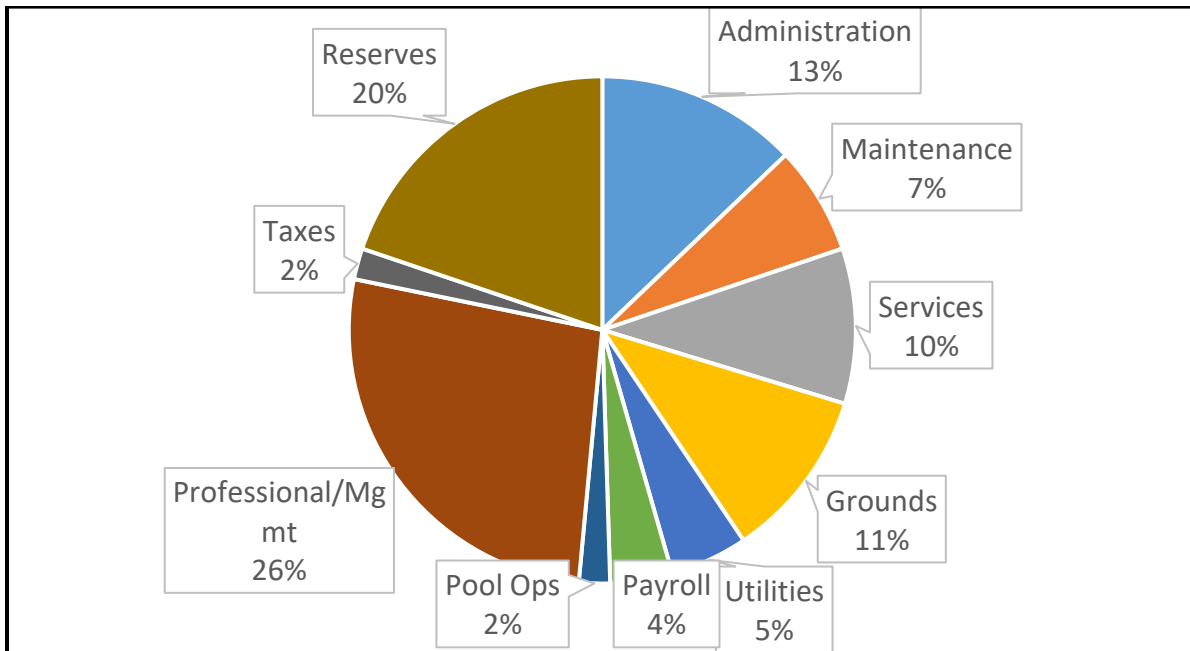
1. The Finance Committee collects anticipated **Operating** expense information from committees and management for the next calendar year. It holds budget review meetings (open) to residents in October.
2. Setting the monthly assessment amount is done once all budget particulars are calculated.

3. As the FRCA's management contractor, FirstService Residential has no formal role in the creation of the budget other than as an advisory participant.
4. The final Operating Budget must be passed by the BOD sixty days before the new fiscal year according to FRCA governing documents.
5. A significant part of the Operating Budget is fixed expenses such as taxes, insurance, utilities, management and salaries that must be paid, irrelevant of activities or whether the Center is open. Some expenses like the cost of snow removal or unanticipated road repairs and landscaping issues are difficult to predict.
6. Some activities, such as social and travel committee events, are self sustaining and are not part of the budget.
7. Homeowner associations like FRCA have a fairly constant revenue stream from property owners' monthly assessments. However, expenses vary significantly from month to month, particularly near the end of the year.
8. The **Reserve Account** is maintained to address replacement of major components in our community over time (to avoid special assessments and large monthly fee additions). A certain amount is added to it every year for anticipated expenses. Anticipated expenses are based on a Reserve Study which identifies future maintenance and replacement costs of Falls Run assets. The current HVAC replacement project in the Community Center is an example of a planned expense from the Reserve Account.
9. Funds in the Reserve Account are invested. In the past, significant accumulated interest contributed to its growth. Currently only extremely low rates of return are available. That impact is yet to be fully assessed. Therefore a larger contribution from this year's operating funds than customary may be necessary to maintain the Reserve Account at a proper funding level.
10. FRCA must maintain the current \$175 monthly assessment through all of 2020 to cover anticipated and, at times, unexpected expenses.
11. If savings are achieved as a result of amenities not used during the COVID-19 limitations, that amount will be reflected in the final months of the current year as a budget surplus to be carried over into the new calendar year's Operating Budget. The Board will consider any projected excess when calculating the new budget and establishing the monthly assessment for 2021.

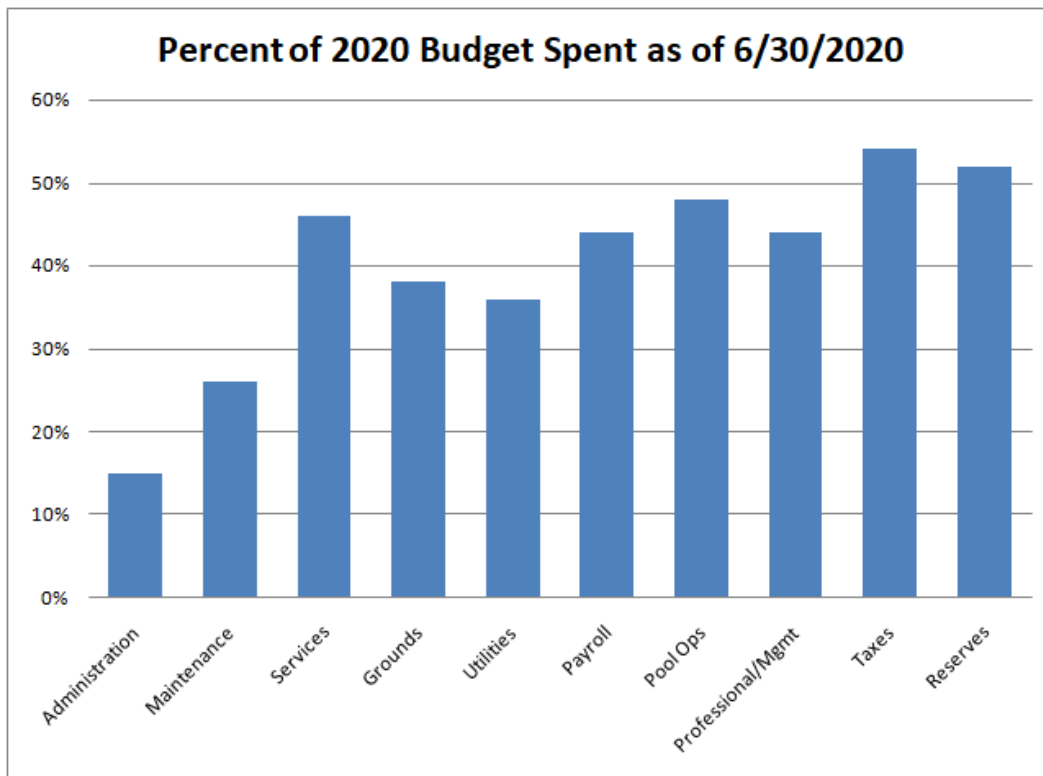
*In sum:*

*If there are budget savings as a result of facilities being shut down and expenses avoided, that will be returned to the community as part of the calculation for the following year's Operating Budget.*

**FRCA Budget Categories and 2020 Mid Year Expenses on next page**



**Total 2020 Budget by Category**



**NOTE:**

- Many expenses aggregate and are paid toward the end of the year
- Budget preparation meetings in October are open to all residents