

SOUTH RIDING PROPRIETARY, INC.
BALANCE SHEETS
DECEMBER 31, 2008 AND 2007

	<u>Operating</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2008</u>	<u>Total 2007</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 508,296	\$ 429,425	\$ 125,445	\$ 236,987	\$ 1,300,153	\$ 2,661,759
Interest-Bearing Deposits			2,049,290	1,888,000	3,937,290	2,630,147
Investments			1,165,385	644,387	1,809,772	1,773,816
Due To/(From)			240,831	(240,831)	-	-
Assessments Receivable - Net	74,483				74,483	87,179
Accounts Receivable - Amberlea	49,395				49,395	46,204
Income Taxes Receivable	61,448				61,448	30,859
Accounts Receivable - Other	28,839				28,839	10,692
Accrued Interest	50,570				50,570	25,615
Prepaid Expenses	53,118				53,118	50,031
Property and Equipment - Net	64,620				64,620	33,875
Total Assets	\$ 890,769	\$ 429,425	\$ 3,580,951	\$ 2,528,543	\$ 7,429,688	\$ 7,350,177
<u>LIABILITIES AND MEMBERS' EQUITY</u>						
Accounts Payable	\$ 161,733	\$ -	\$ -	\$ -	\$ 161,733	\$ 343,670
Deferred Advertising Income	121,971				121,971	141,721
Prepaid Assessments	296,910				296,910	280,695
Total Liabilities	\$ 580,614	\$ -	\$ -	\$ -	\$ 580,614	\$ 766,086
Unappropriated Members' Equity	\$ 310,155	\$ 429,425	\$ 3,580,951	\$ 2,528,543	\$ 6,849,074	\$ 6,584,091
Total Liabilities and Members' Equity	\$ 890,769	\$ 429,425	\$ 3,580,951	\$ 2,528,543	\$ 7,429,688	\$ 7,350,177

See Accompanying Notes to Financial Statements

SOUTH RIDING PROPRIETARY, INC.
STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	Operating	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Total 2008	Total 2007
INCOME:						
Assessments	\$ 4,301,456	\$ -	\$ -	\$ 436,485	\$ 4,737,941	\$ 4,516,236
Contributed Capital	-		69,782		69,782	83,160
Declarant/Builder Contribution	-		116,000		116,000	860,805
Interest	122,695		136,300		258,995	269,833
Community Activities	269,415				269,415	234,012
Late/Legal Fees	123,453				123,453	104,696
Advertising	164,636				164,636	140,272
Other	162,159			13,000	175,159	92,592
Total Income	\$ 5,143,814	\$ -	\$ 322,082	\$ 449,485	\$ 5,915,381	\$ 6,301,606
EXPENSES:						
Administrative (Common):						
Management Staff and Related	\$ 550,874	\$ -	\$ -	\$ -	\$ 550,874	\$ 647,422
Financial Management	137,433				137,433	128,749
Legal and Audit	140,924				140,924	114,701
Insurance	69,692				69,692	75,160
Consulting	16,685			25,482	42,167	15,552
Office	50,426			15,380	95,622	49,464
Postage and Printing	23,527				23,527	16,907
Newsletter	161,701				161,701	150,730
Community Events	392,081				392,081	331,632
Bad Debt	58,926				58,926	3,424
Depreciation	12,128				12,128	13,758
Income Taxes	75,729				75,729	79,444
Other	31,327		54	18,115	49,496	42,013
Total Administrative (Common)	\$ 1,721,453	\$ -	\$ 40,916	\$ 47,931	\$ 1,810,300	\$ 1,668,956
Operating (Common):						
Community Common Areas/Roadside	\$ 413,606	\$ -	\$ -	\$ 133,474	\$ 547,080	\$ 400,175
Parks	1,565				1,565	8,287
Pathways	1,532				1,532	-
Tot Lot	1,127			1,750	2,877	13,608
Other	41,617				41,617	32,989
Total Operating (Common)	\$ 459,447	\$ -	\$ -	\$ 135,224	\$ 594,671	\$ 455,059

See Accompanying Notes to Financial Statements

SOUTH RIDING PROPRIETARY, INC.
STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(CONTINUED)

	Operating	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Total 2008	Total 2007
Recreation Facilities:						
Financial Management	\$ 7,661	\$ -	\$ -	\$ -	\$ 7,661	\$ 6,926
Payroll and Related	106,171				106,171	54,433
Administrative	13,504		53,350		66,854	10,703
Grounds Maintenance	24,793			10,552	35,345	44,305
Pool	263,795		16,303	116,419	396,517	349,283
Town Hall	11,382			180,842	192,224	29,818
Tennis Courts	1,811		100,522		102,333	14,593
Utilities	79,860				79,860	57,268
Depreciation	1,348				1,348	1,529
Income Taxes	8,414				8,414	8,827
Other	35,389		11,286		46,675	35,731
Total Recreation Facilities	<u>\$ 554,128</u>	<u>\$ -</u>	<u>\$ 181,461</u>	<u>\$ 307,813</u>	<u>\$ 1,043,402</u>	<u>\$ 613,416</u>
Operating (General):						
Single Family Homes	\$ 1,083,193	\$ -	\$ -	\$ -	\$ 1,083,193	\$ 927,654
Townhomes	996,967			35,831	1,032,798	852,295
Common Driveway	-					3
Total Operating (General)	<u>\$ 2,080,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,831</u>	<u>\$ 2,115,991</u>	<u>\$ 1,779,952</u>
Other:						
Amberlea Trash Removal	\$ 86,034	\$ -	\$ -	\$ -	\$ 86,034	\$ 66,055
Capital Projects	-					130,592
Total Other	<u>\$ 86,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,034</u>	<u>\$ 196,647</u>
Total Expenses	<u>\$ 4,901,222</u>	<u>\$ -</u>	<u>\$ 222,377</u>	<u>\$ 526,799</u>	<u>\$ 5,650,398</u>	<u>\$ 4,714,030</u>
Net Income (Loss)	<u>\$ 242,592</u>	<u>\$ -</u>	<u>\$ 99,705</u>	<u>\$ (77,314)</u>	<u>\$ 264,983</u>	<u>\$ 1,587,576</u>
<u>MEMBERS' EQUITY:</u>						
Inter-Equity Transfers	(225,487)	31,318		194,169		
Beginning of the Year	<u>293,050</u>	<u>398,107</u>	<u>3,481,246</u>	<u>2,411,688</u>	<u>6,584,091</u>	<u>4,996,515</u>
End of the Year	<u>\$ 310,155</u>	<u>\$ 429,425</u>	<u>\$ 3,580,951</u>	<u>\$ 2,528,543</u>	<u>\$ 6,849,074</u>	<u>\$ 6,584,091</u>

See Accompanying Notes to Financial Statements

SOUTH RIDING PROPRIETARY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>Operating</u>	<u>General Operating Reserves</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2008</u>	<u>Total 2007</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>						
Net Income (Loss)	\$ 242,592	\$ -	\$ 99,705	\$ (77,314)	\$ 264,983	\$ 1,587,576
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:						
Depreciation	\$ 13,475	\$ -	\$ -	\$ -	\$ 13,475	\$ 15,287
Assessments Receivable - Net	10,343				10,343	(41,382)
Accounts Receivable - Amberlea	(3,191)				(3,191)	(8,226)
Income Taxes Receivable	(30,589)				(30,589)	(30,459)
Accounts Receivable - Other	(15,794)				(15,794)	(6,416)
Accrued Interest	(24,955)				(24,955)	(9,840)
Prepaid Expenses	(3,087)				(3,087)	53,451
Accounts Payable	(52,810)		(89,085)	(40,042)	(181,937)	256,074
Income Taxes Payable	-				-	(40,520)
Deferred Advertising Income	(19,750)				(19,750)	9,423
Prepaid Assessments	16,215				16,215	55,795
Net Cash Flows From Operating Activities	<u>\$ 132,449</u>	<u>\$ -</u>	<u>\$ 10,620</u>	<u>\$ (117,356)</u>	<u>\$ 25,713</u>	<u>\$ 1,840,763</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>						
Disbursed for Fixed Assets	\$ -	\$ -	\$ (14,220)	\$ (30,000)	\$ (44,220)	\$ (10,261)
Received from Investments/Interest-Bearing Deposits	-	-	730,275	369,725	1,100,000	1,430,130
Disbursed for Investments/Interest-Bearing Deposits	-	-	(1,621,941)	(821,158)	(2,443,099)	(1,564,767)
Net Cash Flows From Investing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (905,886)</u>	<u>\$ (481,433)</u>	<u>\$ (1,387,319)</u>	<u>\$ (144,898)</u>
Net Change in Cash and Cash Equivalents	\$ 132,449	\$ -	\$ (895,266)	\$ (598,789)	\$ (1,361,606)	\$ 1,695,865
Reallocation of Cash	(367,328)	19,724	1,020,308	(672,704)		
Cash and Cash Equivalents at Beginning of Year	743,175	409,701	403	1,508,480	2,661,759	965,894
Cash and Cash Equivalents at End of Year	<u>\$ 508,296</u>	<u>\$ 429,425</u>	<u>\$ 125,445</u>	<u>\$ 236,987</u>	<u>\$ 1,300,153</u>	<u>\$ 2,661,759</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>						
Cash Paid for Income Taxes					<u>\$ 181,130</u>	<u>\$ 119,180</u>

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