

SOUTH RIDING PROPRIETARY, INC.
BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

	<u>Operating</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2011</u>	<u>Total 2010</u>
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 1,240,309	\$ 146,959	\$ 573,874	\$ 35,984	\$ 1,997,126	\$ 1,477,404
Interest-Bearing Deposits	-	369,558	3,034,566	3,376,750	6,780,874	5,433,242
Investments			300,000	227,360	527,360	1,394,970
Due To/(From)	(288,640)	14,462	271,520	2,658	-	-
Assessments Receivable - Net	85,153				85,153	85,529
Accounts Receivable - Amberlea	33,282				33,282	63,038
Accounts Receivable - SRW	1,864				1,864	-
Income Taxes Receivable					-	47,500
Accounts Receivable - Advertising	4,065				4,065	9,841
Accrued Interest	16,778		11,963		28,741	36,050
Prepaid Expenses	42,714				42,714	53,918
Land	475,000				475,000	-
Property and Equipment - Net	126,544				126,544	75,818
Total Assets	\$ 1,737,069	\$ 530,979	\$ 4,191,923	\$ 3,642,752	\$ 10,102,723	\$ 8,677,310
<u>LIABILITIES AND MEMBERS' EQUITY</u>						
Accounts Payable	\$ 95,716	\$ -	\$ 6,773	\$ 35,150	\$ 137,639	\$ 137,650
Deferred Advertising Income	62,877				62,877	14,088
Prepaid Assessments	352,176				352,176	373,344
Total Liabilities	\$ 510,769	\$ -	\$ 6,773	\$ 35,150	\$ 552,692	\$ 525,082
Members' Equity	\$ 1,226,300	\$ 530,979	\$ 4,185,150	\$ 3,607,602	\$ 9,550,031	\$ 8,152,228
Total Liabilities and Members' Equity	\$ 1,737,069	\$ 530,979	\$ 4,191,923	\$ 3,642,752	\$ 10,102,723	\$ 8,677,310

See Accompanying Notes to Financial Statements

SOUTH RIDING PROPRIETARY, INC.
STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Operating</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2011</u>	<u>Total 2010</u>
<u>INCOME:</u>						
Assessments	\$ 4,374,232	\$ -	\$ 150,000	\$ 790,005	\$ 5,314,237	\$ 5,066,090
Contributed Capital			68,113		68,113	100,246
Declarant/Builder Contribution			333,500		333,500	240,750
Declarant Contribution for Land			350,000		350,000	-
Disclosure Packets	53,216				53,216	73,656
Late Fees	61,650				61,650	53,311
Legal Fees	54,417				54,417	74,650
Violation Fees	18,804				18,804	28,530
Advertising	164,963				164,963	141,146
Amended Tax Refunds	71,273				71,273	158,472
Celebrate South Riding	254,797				254,797	190,980
Oktoberfest	16,938				16,938	22,137
Triathlon	34,705				34,705	32,254
Community Activities	43,768				43,768	44,695
Interest	113,544		83,192		196,736	212,491
Other	52,823			-	52,823	80,863
Total Income	<u>\$ 5,315,130</u>	<u>\$ -</u>	<u>\$ 984,805</u>	<u>\$ 790,005</u>	<u>\$ 7,089,940</u>	<u>\$ 6,520,271</u>
<u>EXPENSES:</u>						
Administrative (Common):						
Management Staff and Related	\$ 827,339	\$ -	\$ -	\$ -	\$ 827,339	\$ 937,545
Financial Management	165,740				165,740	160,533
Legal and Audit	110,597				110,597	130,855
Insurance	67,303				67,303	62,426
Consulting	10,230				10,230	48,271
Office	87,848		39,000	31,427	158,275	101,003
Postage and Printing	27,205				27,205	35,008
Newsletter	170,816				170,816	185,638
Community Events	44,588				44,588	69,132
Election Committee	15,295				15,295	13,713
Committee and Task Force	26,553				26,553	173
Celebrate South Riding	199,295				199,295	193,546
Oktoberfest	23,028				23,028	28,069
Summer Concerts	16,055				16,055	19,016
Star Spangled	36,221				36,221	46,346
Triathlon	22,553				22,553	20,865
Bad Debt	41,410				41,410	25,981
Depreciation	26,955				26,955	18,286
Other	39,670				39,670	53,725
Total Administrative (Common)	<u>\$ 1,958,701</u>	<u>\$ -</u>	<u>\$ 39,000</u>	<u>\$ 31,427</u>	<u>\$ 2,029,128</u>	<u>\$ 2,150,131</u>

See Accompanying Notes to Financial Statements

SOUTH RIDING PROPRIETARY, INC.
STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

	Operating	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Total 2011	Total 2010
Operating (Common):						
Community Common Area	\$ 939,202	\$ -	\$ -	\$ 96,010	\$ 1,035,212	\$ 1,077,426
Community Roadsides	194,192				194,192	199,255
General Maintenance Equipment				9,237	9,237	-
Land			33,802		33,802	-
Streets				62,033	62,033	58,495
Piers			52,330		52,330	-
Tot Lot				14,291	14,291	1,908
Other	52,834				52,834	40,463
Total Operating (Common)	<u>\$ 1,186,228</u>	<u>\$ -</u>	<u>\$ 86,132</u>	<u>\$ 181,571</u>	<u>\$ 1,453,931</u>	<u>\$ 1,377,547</u>
Recreation Facilities:						
Payroll and Related	\$ 3,383	\$ -	\$ -	\$ -	\$ 3,383	\$ 2,741
Grounds Maintenance					-	49,960
Pool	308,633		35,433	104,946	449,012	329,433
Town Hall	10,410			10,966	21,376	23,545
Tennis Courts	1,528			151	1,679	71,792
Community Center				132	132	5,392
Utilities	82,429				82,429	92,264
Other	24,533		38,392		62,925	28,027
Total Recreation Facilities	<u>\$ 430,916</u>	<u>\$ -</u>	<u>\$ 73,825</u>	<u>\$ 116,195</u>	<u>\$ 620,936</u>	<u>\$ 603,154</u>
Operating (General):						
Single Family Homes	\$ 843,121	\$ -	\$ -	\$ -	\$ 843,121	\$ 861,198
Townhomes	586,882			58,456	645,338	622,148
Common Driveway	2,727				2,727	5,351
Total Operating (General)	<u>\$ 1,432,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,456</u>	<u>\$ 1,491,186</u>	<u>\$ 1,488,697</u>
Other:						
Amberlea Trash Removal	\$ 96,805	\$ -	\$ -	\$ -	\$ 96,805	\$ 97,833
SR Town Center Trash	151				151	-
Total Operating (General)	<u>\$ 96,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,956</u>	<u>\$ 97,833</u>

SOUTH RIDING PROPRIETARY, INC.
STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(CONTINUED)

	Operating	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Total 2011	Total 2010
Total Expenses	\$ 5,105,531	\$ -	\$ 198,957	\$ 387,649	\$ 5,692,137	\$ 5,717,362
Net Income	\$ 209,599	\$ -	\$ 785,848	\$ 402,356	\$ 1,397,803	\$ 802,909
<u>MEMBERS' EQUITY:</u>						
Beginning of the Year	\$ 554,110	\$ 518,570	\$ 3,874,302	\$ 3,205,246	\$ 8,152,228	\$ 7,300,769
Inter-Equity Transfer	\$ (12,409)	\$ 12,409	\$ -	\$ -	\$ -	\$ -
Inter-Equity Transfer	475,000		(475,000)		-	-
Capitalization of Reserve Expenditures					-	48,550
End of the Year	<u>\$ 1,226,300</u>	<u>\$ 530,979</u>	<u>\$ 4,185,150</u>	<u>\$ 3,607,602</u>	<u>\$ 9,550,031</u>	<u>\$ 8,152,228</u>

SOUTH RIDING PROPRIETARY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Operating</u>	<u>General Operating Reserves</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2011</u>	<u>Total 2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>						
Net Income	\$ 209,599	\$ -	\$ 785,848	\$ 402,356	\$ 1,397,803	\$ 802,909
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:						
Depreciation	26,955				26,955	18,286
Allowance for Doubtful Assessments	3,600				3,600	(27,700)
Decrease (Increase) in:						
Due To/(From)	1,192,487	(374,514)	(524,187)	(293,786)	-	-
Assessments Receivable	(3,224)				(3,224)	30,171
Accounts Receivable - Amberlea	29,756				29,756	(6,459)
Accounts Receivable - SRW	(1,864)				(1,864)	-
Income Taxes Receivable	47,500				47,500	230
Accounts Receivable - Advertising	5,776				5,776	2,133
Accrued Interest	19,272		(11,963)		7,309	5,612
Prepaid Expenses	11,204				11,204	(11,292)
Increase (Decrease) in:						
Accounts Payable	(21,306)		(5,343)	26,643	(6)	(29,772)
Deferred Advertising Income	48,789				48,789	5,850
Prepaid Assessments	(21,168)				(21,168)	47,150
Net Cash Flows From Operating Activities	<u>\$ 1,547,376</u>	<u>\$ (374,514)</u>	<u>\$ 244,355</u>	<u>\$ 135,213</u>	<u>\$ 1,552,430</u>	<u>\$ 837,118</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>						
Received from Investments/Interest-Bearing Deposits	\$ -	\$ 310,155	\$ 966,578	\$ 801,174	\$ 2,077,907	\$ 2,176,628
Disbursed for Investments/Interest-Bearing Deposits	(369,558)	(2,164)	(1,215,635)	(970,577)	(2,557,934)	(2,975,969)
Received from Sale of Fixed Assets						14,500
Disbursed for Purchase of Fixed Assets	(77,681)				(77,681)	-
Disbursed for Purchase of Land	(475,000)				(475,000)	
Net Cash Flows From Investing Activities	<u>\$ (922,239)</u>	<u>\$ 307,991</u>	<u>\$ (249,057)</u>	<u>\$ (169,403)</u>	<u>\$ (1,032,708)</u>	<u>\$ (784,841)</u>
Net Change in Cash and Cash Equivalents	\$ 625,137	\$ (66,523)	\$ (4,702)	\$ (34,190)	\$ 519,722	\$ 52,277
Cash and Cash Equivalents at Beginning of Year	615,172	213,482	578,576	70,174	1,477,404	1,425,127
Cash and Cash Equivalents at End of Year	<u>\$ 1,240,309</u>	<u>\$ 146,959</u>	<u>\$ 573,874</u>	<u>\$ 35,984</u>	<u>\$ 1,997,126</u>	<u>\$ 1,477,404</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</u>						
Cash Paid for Income Taxes					<u>\$ -</u>	<u>\$ 47,500</u>

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