

SOUTH RIDING PROPRIETARY, INC.  
BALANCE SHEETS  
DECEMBER 31, 2012 AND 2011

	<u>Operating</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2012</u>	<u>Total 2011</u>
<b><u>ASSETS</u></b>						
Cash and Cash Equivalents	\$ 439,933	\$ 2,898	\$ 680,180	\$ 419,264	\$ 1,542,275	\$ 1,997,126
Interest-Bearing Deposits		862,853	2,952,791	3,657,749	7,473,393	6,780,874
Investments				232,534	232,534	527,360
Due To/(From)	797,258	(334,772)	(542,352)	79,866	-	-
Assessments Receivable - Net	66,175				66,175	85,153
Accounts Receivable - Amberlea	36,033				36,033	33,282
Accounts Receivable - SRW					-	1,864
Accounts Receivable - Advertising	347				347	4,065
Income Taxes Receivable	15,219				15,219	-
Accounts Receivable - Other	6,155				6,155	-
Accounts Receivable - Bonds	37,500				37,500	-
Accrued Interest	12,095		2,959		15,054	28,741
Prepaid Expenses	56,930				56,930	42,714
Land	475,000				475,000	475,000
Property and Equipment - Net	108,122				108,122	126,544
<b>Total Assets</b>	<b>\$ 2,050,767</b>	<b>\$ 530,979</b>	<b>\$ 3,093,578</b>	<b>\$ 4,389,413</b>	<b>\$ 10,064,737</b>	<b>\$ 10,102,723</b>
<b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>						
Accounts Payable	\$ 127,040	\$ -	\$ 9,079	\$ 7,199	\$ 143,318	\$ 137,639
Deferred Income	53,917				53,917	62,877
Prepaid Assessments	349,502				349,502	352,176
<b>Total Liabilities</b>	<b>\$ 530,459</b>	<b>\$ -</b>	<b>\$ 9,079</b>	<b>\$ 7,199</b>	<b>\$ 546,737</b>	<b>\$ 552,692</b>
<b>Members' Equity</b>	<b>\$ 1,520,308</b>	<b>\$ 530,979</b>	<b>\$ 3,084,499</b>	<b>\$ 4,382,214</b>	<b>\$ 9,518,000</b>	<b>\$ 9,550,031</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 2,050,767</b>	<b>\$ 530,979</b>	<b>\$ 3,093,578</b>	<b>\$ 4,389,413</b>	<b>\$ 10,064,737</b>	<b>\$ 10,102,723</b>

See Accompanying Notes to Financial Statements

SOUTH RIDING PROPRIETARY, INC.  
STATEMENTS OF INCOME AND MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Operating</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2012</u>	<u>Total 2011</u>
<b><u>INCOME:</u></b>						
Assessments	\$ 4,703,457	\$ -	\$ -	\$ 869,600	\$ 5,573,057	\$ 5,314,237
Contributed Capital			52,543		52,543	68,113
Declarant/Builder Contribution			36,188		36,188	333,500
Declarant Contribution for Land					-	350,000
Disclosure Packets	66,825				66,825	53,216
Late Fees	69,353				69,353	61,650
Legal Fees	59,249				59,249	54,417
Violation Fees	30,643				30,643	18,804
Advertising	202,724				202,724	164,963
Amended Tax Refunds					-	71,273
Celebrate South Riding	207,747				207,747	254,797
Oktoberfest	26,029				26,029	16,938
Triathlon	35,082				35,082	34,705
Community Activities	48,517				48,517	43,768
Interest	109,473		46,810		156,283	196,736
Other	77,634				77,634	52,823
Total Income	<u>\$ 5,636,733</u>	<u>\$ -</u>	<u>\$ 135,541</u>	<u>\$ 869,600</u>	<u>\$ 6,641,874</u>	<u>\$ 7,089,940</u>
<b><u>EXPENSES:</u></b>						
<b>Administrative (Common):</b>						
Management Staff and Related	\$ 787,263	\$ -	\$ -	\$ -	\$ 787,263	\$ 827,339
Financial Management	178,584				178,584	165,740
Legal and Audit	126,379				126,379	110,597
Insurance	78,827				78,827	67,303
Consulting	13,944				13,944	10,230
Office	85,608		42,000	9,387	136,995	158,275
Postage and Printing	29,842				29,842	27,205
Newsletter	241,443				241,443	170,816
Community Events	38,260				38,260	44,588
Election Committee	14,101				14,101	15,295
Committee and Task Force	24,488				24,488	26,553
Celebrate South Riding	171,900				171,900	199,295
Oktoberfest	21,208				21,208	23,028
Summer Concerts	19,020				19,020	16,055
Star Spangled	37,571				37,571	36,221
Triathlon	22,249				22,249	22,553
Bad Debt	78,808				78,808	41,410
Depreciation	36,716				36,716	26,955
Other	46,974				46,974	39,670
Total Administrative (Common)	<u>\$ 2,053,185</u>	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ 9,387</u>	<u>\$ 2,104,572</u>	<u>\$ 2,029,128</u>

See Accompanying Notes to Financial Statements

SOUTH RIDING PROPRIETARY, INC.  
STATEMENTS OF INCOME AND MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)

	Operating	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Total 2012	Total 2011
Operating (Common):						
Community Common Area	\$ 969,181	\$ -	\$ -	\$ 8,348	\$ 977,529	\$ 1,035,212
Community Roadsides	203,659				203,659	194,192
General Maintenance Equipment					-	9,237
Land					-	33,802
Streets				9,827	9,827	62,033
Fence				3,200	3,200	-
Piers			32,507		32,507	52,330
Tot Lot				4,417	4,417	14,291
Other	39,843			1,255	41,098	52,834
Total Operating (Common)	<u>\$ 1,212,683</u>	<u>\$ -</u>	<u>\$ 32,507</u>	<u>\$ 27,047</u>	<u>\$ 1,272,237</u>	<u>\$ 1,453,931</u>
Recreation Facilities:						
Payroll and Related	\$ 4,425	\$ -	\$ -	\$ -	\$ 4,425	\$ 3,383
Pool	321,008		1,075,345	105,525	1,501,878	449,012
Parking			68,712		68,712	-
Town Hall	16,879				16,879	21,376
Tennis Courts	1,326			14,250	15,576	1,679
Community Center					-	132
Utilities	81,918				81,918	82,429
Other	16,590		17,628		34,218	62,925
Total Recreation Facilities	<u>\$ 442,146</u>	<u>\$ -</u>	<u>\$ 1,161,685</u>	<u>\$ 119,775</u>	<u>\$ 1,723,606</u>	<u>\$ 620,936</u>
Operating (General):						
Single Family Homes	\$ 844,353	\$ -	\$ -	\$ -	\$ 844,353	\$ 843,121
Townhomes	588,018			38,779	626,797	645,338
Common Driveway	737				737	2,727
Total Operating (General)	<u>\$ 1,433,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,779</u>	<u>\$ 1,471,887</u>	<u>\$ 1,491,186</u>
Other:						
Amberlea Trash Removal	\$ 95,217	\$ -	\$ -	\$ -	\$ 95,217	\$ 96,805
SR Town Center Trash	6,386				6,386	151
Total Other	<u>\$ 101,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,603</u>	<u>\$ 96,956</u>

SOUTH RIDING PROPRIETARY, INC.  
STATEMENTS OF INCOME AND MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011  
(CONTINUED)

	<u>Operating</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Total 2012</u>	<u>Total 2011</u>
Total Expenses	\$ 5,242,725	\$ -	\$ 1,236,192	\$ 194,988	\$ 6,673,905	\$ 5,692,137
Net Income (Loss)	\$ 394,008	\$ -	\$ (1,100,651)	\$ 674,612	\$ (32,031)	\$ 1,397,803
<u>MEMBERS' EQUITY:</u>						
Beginning of the Year	\$ 1,226,300	\$ 530,979	\$ 4,185,150	\$ 3,607,602	\$ 9,550,031	\$ 8,152,228
Inter-Equity Transfer	\$ (100,000)			\$ 100,000		
End of the Year	<u>\$ 1,520,308</u>	<u>\$ 530,979</u>	<u>\$ 3,084,499</u>	<u>\$ 4,382,214</u>	<u>\$ 9,518,000</u>	<u>\$ 9,550,031</u>

SOUTH RIDING PROPRIETARY, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Operating	General Operating Reserves	Capital Improvement Fund	Replacement Reserves	Total 2012	Total 2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>						
Net Income (Loss)	\$ 394,008	\$ -	\$ (1,100,651)	\$ 674,612	\$ (32,031)	\$ 1,397,803
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	36,716				36,716	26,955
Allowance for Doubtful Assessments	47,151				47,151	3,600
Decrease (Increase) in:						
Due To/(From)	(1,181,215)	349,279	813,872	18,064	-	-
Assessments Receivable	(28,173)				(28,173)	(3,224)
Accounts Receivable - Amberlea	(2,751)				(2,751)	29,756
Accounts Receivable - SRW	1,864				1,864	(1,864)
Accounts Receivable - Advertising	3,718				3,718	5,776
Income Taxes Receivable	(15,219)				(15,219)	47,500
Accounts Receivable - Other	(6,155)				(6,155)	-
Accounts Receivable - Bonds	(37,500)				(37,500)	-
Accrued Interest		(45)	9,004	4,728	13,687	7,309
Prepaid Expenses	(14,216)				(14,216)	11,204
Increase (Decrease) in:						
Accounts Payable	31,324		2,306	(27,951)	5,679	(6)
Deferred Income	(8,960)				(8,960)	48,789
Prepaid Assessments	(2,674)				(2,674)	(21,168)
Net Cash Flows From Operating Activities	<u>\$ (782,082)</u>	<u>\$ 349,234</u>	<u>\$ (275,469)</u>	<u>\$ 669,453</u>	<u>\$ (38,864)</u>	<u>\$ 1,552,430</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>						
Received from Investments/Interest-Bearing Deposits	\$ -	\$ -	\$ 1,739,222	\$ 1,018,801	\$ 2,758,023	\$ 2,077,907
Disbursed for Investments/Interest-Bearing Deposits		(493,295)	(1,357,447)	(1,304,974)	(3,155,716)	(2,557,934)
Disbursed for Purchase of Fixed Assets	(18,294)				(18,294)	(77,681)
Disbursed for Purchase of Land					-	(475,000)
Net Cash Flows From Investing Activities	<u>\$ (18,294)</u>	<u>\$ (493,295)</u>	<u>\$ 381,775</u>	<u>\$ (286,173)</u>	<u>\$ (415,987)</u>	<u>\$ (1,032,708)</u>
Net Change in Cash and Cash Equivalents	\$ (800,376)	\$ (144,061)	\$ 106,306	\$ 383,280	\$ (454,851)	\$ 519,722
Cash and Cash Equivalents at Beginning of Year	1,240,309	146,959	573,874	35,984	1,997,126	1,477,404
Cash and Cash Equivalents at End of Year	<u>\$ 439,933</u>	<u>\$ 2,898</u>	<u>\$ 680,180</u>	<u>\$ 419,264</u>	<u>\$ 1,542,275</u>	<u>\$ 1,997,126</u>