

South Riding Proprietary, Inc.

Balance Sheets

December 31, 2017 with Comparative Totals for 2016

	ASSETS					
	Operating	General	Capital	Replacement	Totals	
	Fund	Operating Reserve	Improvement Fund	Reserves	2017	2016
Assets						
Cash and cash equivalents	\$ 953,530	\$ 161,396	\$ 977,630	\$ 507,307	\$ 2,599,863	\$ 2,101,260
Interest bearing deposits	-	400,000	3,257,458	7,336,000	10,993,458	9,823,274
Investments	-	-	-	237,818	237,818	230,861
Assessments receivable (net of allowance for doubtful accounts of \$53,162 for 2017 and \$67,744 for 2016)	47,084	-	-	-	47,084	46,069
Accrued interest receivable	2,217	-	8,911	20,902	32,030	17,220
Accounts receivable - other	673	-	-	-	673	-
Bond receivable	10,210	-	-	-	10,210	-
Prepaid expenses	93,678	-	-	-	93,678	98,093
Land	-	-	-	-	-	475,000
Property and equipment-net	78,560	-	-	-	78,560	92,100
Interfund borrowings	229,732	7,712	(59,036)	(178,408)	-	-
Total assets	\$ 1,415,684	\$ 569,108	\$ 4,184,963	\$ 7,923,619	\$ 14,093,374	\$ 12,883,877
	LIABILITIES AND FUND BALANCE					
Liabilities						
Accounts payable	\$ 175,997	\$ -	\$ -	\$ 102,159	\$ 278,157	\$ 238,418
Deferred revenue	50,064	-	-	-	50,064	70,962
Prepaid assessments	209,188	-	-	-	209,188	333,552
Total liabilities	435,249	-	-	102,159	537,409	642,932
Fund balance						
General operating reserve	-	569,108	-	-	569,108	569,108
Replacement reserve fund	-	-	-	7,821,460	7,821,460	7,340,228
Capital improvement fund	-	-	4,184,963	-	4,184,963	3,331,198
Unappropriated fund balance	980,435	-	-	-	980,435	1,000,411
Total fund balance	980,435	569,108	4,184,963	7,821,460	13,555,965	12,240,945
Total liabilities and fund balance	\$ 1,415,684	\$ 569,108	\$ 4,184,963	\$ 7,923,619	\$ 14,093,374	\$ 12,883,877

See the independent auditor's report and accompanying notes.

South Riding Proprietary, Inc.

Statements of Revenues and Expenses

For the Year Ended December 31, 2017 with Comparative Totals for 2016

Revenues	Operating	General	Capital	Replacement	Totals	
	Fund	Operating Reserve	Improvement Fund	Reserves	2017	2016
Assessments	\$ 5,126,448	\$ -	\$ 120,000	\$ 1,092,000	\$ 6,338,448	\$ 6,233,645
Disclosure packets	-	-	66,569	-	66,569	70,575
Late fees	37,124	-	-	-	37,124	42,100
Legal fees	49,961	-	-	-	49,961	24,121
Violation fees	5,888	-	-	-	5,888	20,585
Advertising	184,443	-	-	-	184,443	208,642
Celebrate South Riding	131,331	-	-	-	131,331	-
Oktoberfest	13,551	-	-	-	13,551	4,112
Triathlon	25,050	-	-	-	25,050	23,722
Community activities	84,628	-	-	-	84,628	73,445
Interest	137,932	-	41,543	-	179,475	137,544
Other income	75,007	-	-	-	75,007	77,516
Other income - capital improvement/easement	-	-	661,570	-	661,570	131,613
Total revenues	5,871,363	-	889,682	1,092,000	7,853,045	7,047,620
Expenses						
Administrative (common)						
Management staff and related	616,663	-	-	-	616,663	657,441
Financial management	154,628	-	-	-	154,628	154,628
Legal and audit	112,803	-	-	-	112,803	144,563
Professional consultation	1,863	-	-	-	1,863	3,850
Insurance	94,266	-	-	-	94,266	95,151
Administrative	75,930	-	-	-	75,930	71,239
Office supplies and equipment	9,342	-	-	-	9,342	10,923
Magazine	134,295	-	-	-	134,295	150,305
Information technology	56,470	-	-	-	56,470	50,053
Community events	107,681	-	-	-	107,681	138,967
Election committee	12,360	-	-	-	12,360	12,658
Committee and task force	49,255	-	-	-	49,255	33,292
Celebrate South Riding	205,909	-	-	-	205,909	-
Oktoberfest	13,808	-	-	-	13,808	16,608
Summer concerts	22,873	-	-	-	22,873	22,712
Star spangled	46,631	-	-	-	46,631	53,382

See the independent auditor's report and accompanying notes.

South Riding Proprietary, Inc.

Statements of Revenues and Expenses (Continued)

For the Year Ended December 31, 2017 with Comparative Totals for 2016

	Operating Fund	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Totals	
					2017	2016
Triathlon	22,581	-	-	-	22,581	25,207
Bad debt	(10,146)	-	-	-	(10,146)	14,576
Depreciation	21,275	-	-	-	21,275	34,523
Total administrative (common)	1,748,487	-	-	-	1,748,487	1,690,078
Operating (common)						
Community common area	1,011,851	-	447,844	148,355	1,608,050	1,165,446
Community roadsides	220,765	-	-	-	220,765	223,940
Maintenance facility	-	-	3,568	-	3,568	209,701
Streets	-	-	-	56,264	56,264	91,078
Fence	-	-	-	-	-	896
Signage	-	-	-	9,094	9,094	3,970
Other	56,221	-	59,505	43,910	159,636	120,379
Total operating (common)	1,288,837	-	510,917	257,623	2,057,377	1,815,410
Recreation facilities						
Payroll and related	328,381	-	-	-	328,381	315,027
Pool	363,734	-	-	137,687	501,421	498,030
Town hall	28,026	-	-	40,426	68,452	35,372
Tennis courts	5,595	-	-	42,249	47,844	1,197
Utilities	84,842	-	-	-	84,842	89,910
Other	32,907	-	-	43,075	75,982	83,749
Total recreation facilities	843,485	-	-	263,437	1,106,922	1,023,285
Operating (general)						
Single family homes	844,372	-	-	-	844,372	849,012
Townhomes	582,353	-	-	89,708	672,061	699,635
Common driveway	830	-	-	-	830	25,756
Total operating (general)	1,427,555	-	-	89,708	1,517,263	1,574,403

See the independent auditor's report and accompanying notes.

South Riding Proprietary, Inc.

Statements of Revenues and Expenses (Continued)

For the Year Ended December 31, 2017 with Comparative Totals for 2016

	Operating Fund	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Totals	
					2017	2016
Other						
Amberlea trash removal	108,017	-	-	-	108,017	109,220
SR town center trash	4,740	-	-	-	4,740	4,912
Total other	<u>112,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,757</u>	<u>114,132</u>
Total expenses	<u>5,421,120</u>	<u>-</u>	<u>510,917</u>	<u>610,768</u>	<u>6,542,806</u>	<u>6,217,308</u>
Excess revenues over expenses	<u>\$ 450,243</u>	<u>\$ -</u>	<u>\$ 378,765</u>	<u>\$ 481,232</u>	<u>\$ 1,310,239</u>	<u>\$ 830,312</u>

See the independent auditor's report and accompanying notes.

South Riding Proprietary, Inc.

Statements of Changes in Fund Balance

For the Year Ended December 31, 2017 with Comparative Totals for 2016

	Operating Fund	General Operating Reserves	Capital Improvement Fund	Replacement Reserves	Total
Balance as of December 31, 2015 as previously stated	\$ 2,168,032	\$ 530,979	\$ 2,093,630	\$ 6,627,992	\$ 11,420,633
Prior period adjustment	(10,000)	-	-	-	(10,000)
Balance as of December 31, 2015 as restated	<u>2,158,032</u>	<u>530,979</u>	<u>2,093,630</u>	<u>6,627,992</u>	<u>11,410,633</u>
Excess of revenues over expenses (expenses over revenues)	152,691	-	(2,432)	680,053	830,312
Transfers between funds	(1,310,312)	38,129	1,240,000	32,183	-
Balance as of December 31, 2016 as previously stated	<u>1,000,411</u>	<u>569,108</u>	<u>3,331,198</u>	<u>7,340,228</u>	<u>12,240,945</u>
Prior period adjustment	4,781	-	-	-	4,781
Balance as of December 31, 2016 as restated	<u>1,005,192</u>	<u>569,108</u>	<u>3,331,198</u>	<u>7,340,228</u>	<u>12,245,726</u>
Excess of revenues over expenses	450,243	-	378,765	481,232	1,310,239
Transfers between funds	(475,000)	-	475,000	-	-
Balance as of December 31, 2017	<u>\$ 980,435</u>	<u>\$ 569,108</u>	<u>\$ 4,184,963</u>	<u>\$ 7,821,460</u>	<u>\$ 13,555,965</u>

See the independent auditor's report and accompanying notes.

South Riding Proprietary, Inc.

Statements of Cash Flows

For the Year Ended December 31, 2017 with Comparative Totals for 2016

	Operating	General	Capital	Replacement	Totals	
	Fund	Operating Reserve	Improvement Fund	Reserves	2017	2016
Cash flows from operating activities						
Excess of revenues over expenses	\$ 450,243	\$ -	\$ 378,765	\$ 481,232	\$ 1,310,239	\$ 830,312
Adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities:						
Depreciation	21,275	-	-	-	21,275	34,523
Gain on sale of property and equipment	(661,570)	-	-	-	(661,570)	-
Bad debt expense (recovery)	(10,146)	-	-	-	(10,146)	14,576
Decrease (Increase)						
Assessments receivable	13,567	-	-	-	13,567	7,092
Accrued interest	(1,395)	-	(7,712)	(5,703)	(14,810)	4,708
Accounts receivable - other	(673)	-	-	-	(673)	-
Accounts receivable - bonds	(10,210)	-	-	-	(10,210)	-
Prepaid expenses	(5,585)	-	-	-	(5,585)	(22,091)
Increase (decrease)						
Accounts payable	(1,322)	-	-	41,060	39,738	(53,581)
Deferred income	(20,898)	-	-	-	(20,898)	(20,137)
Prepaid assessments	(124,364)	-	-	-	(124,364)	28,680
Net cash provided by (used in) operating activities	(351,078)	-	371,053	516,589	536,564	824,082
Cash flows from investing activities						
Acquisition of property and equipment	(2,955)	-	-	-	(2,955)	(32,182)
Proceeds from sale of property and equipment	1,136,570	-	-	-	1,136,570	-
Redemptions of investments	5,566	485,000	1,552,815	1,555,043	3,598,424	3,167,345
Purchases of investments	-	(400,000)	(2,160,000)	(2,210,000)	(4,770,000)	(3,716,101)
Net cash provided by (used in) investing activities	1,139,181	85,000	(607,185)	(654,957)	(37,961)	(580,938)
Cash flows from financing activities						
Interfund borrowings/repayments	(222,759)	3,264	67,842	151,653	-	-
Transfer between funds	(475,000)	-	475,000	-	-	-
Net cash provided by (used in) financing activities	(697,759)	3,264	542,842	151,653	-	-

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South Riding Proprietary, Inc.

Statements of Cash Flows

For the Year Ended December 31, 2017 with Comparative Totals for 2016

	<u>Operating</u>	<u>General</u>	<u>Capital</u>	<u>Replacement</u>	<u>Totals</u>	
	<u>Fund</u>	<u>Operating</u>	<u>Improvement</u>	<u>Reserves</u>	<u>2017</u>	<u>2016</u>
		<u>Reserve</u>	<u>Fund</u>			
Net change in cash and cash equivalents	90,344	88,264	306,710	13,285	498,603	243,144
Cash and cash equivalents - beginning of year	863,186	73,132	670,920	494,022	2,101,260	1,858,116
Cash and cash equivalents - end of year	<u>\$ 953,530</u>	<u>\$ 161,396</u>	<u>\$ 977,630</u>	<u>\$ 507,307</u>	<u>\$ 2,599,863</u>	<u>\$ 2,101,260</u>
Supplemental Information:						
Cash paid for interest					<u>\$ -</u>	
Cash paid for taxes					<u>\$ -</u>	

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