

**South Riding Proprietary, Inc.**

Statements of Financial Position

December 31, 2015 with Comparative Totals for 2014

<b>ASSETS</b>						
	<b>Operating</b>	<b>General</b>	<b>Capital</b>	<b>Replacement</b>	<b>Totals</b>	
	<b>Fund</b>	<b>Operating</b>	<b>Improvement</b>	<b>Reserves</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,323,174	\$ 60,729	\$ 161,551	\$ 312,662	\$ 1,858,116	\$ 2,362,035
Interest bearing deposits	550,782	730,000	1,920,000	6,074,000	9,274,782	7,710,907
Investments	-	-	-	235,034	235,034	244,267
Assessments receivable (net of allowance for doubtful accounts of \$57,442 for 2015 and \$44,546 for 2014)	63,300	-	-	-	63,300	76,360
Accounts receivable - other	-	-	-	-	-	2,775
Accounts receivable - bonds	-	-	-	-	-	25,500
Accrued interest receivable	17,431	-	4,497	-	21,928	14,501
Prepaid expenses	86,002	-	-	-	86,002	72,530
Land	475,000	-	-	-	475,000	475,000
Property and equipment-net	84,030	-	-	-	84,030	91,921
Interfund balances	97,482	(259,750)	149,194	13,074	-	-
<b>Total assets</b>	<b>\$ 2,697,201</b>	<b>\$ 530,979</b>	<b>\$ 2,235,242</b>	<b>\$ 6,634,770</b>	<b>\$ 12,098,192</b>	<b>\$ 11,075,796</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts payable	\$ 143,608	\$ -	\$ 141,612	\$ 6,778	\$ 291,998	\$ 272,128
Deferred revenue	91,099	-	-	-	91,099	63,365
Prepaid assessments	304,872	-	-	-	304,872	287,869
<b>Total liabilities</b>	<b>539,579</b>	<b>-</b>	<b>141,612</b>	<b>6,778</b>	<b>687,969</b>	<b>623,362</b>
<b>Fund balance</b>						
General operating reserve	-	530,979	-	-	530,979	530,979
Replacement reserve fund	-	-	-	6,627,992	6,627,992	5,826,740
Capital improvement fund	-	-	2,093,630	-	2,093,630	2,228,489
Unappropriated fund balance	2,157,622	-	-	-	2,157,622	1,866,226
<b>Total fund balance</b>	<b>2,157,622</b>	<b>530,979</b>	<b>2,093,630</b>	<b>6,627,992</b>	<b>11,410,223</b>	<b>10,452,434</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,697,201</b>	<b>\$ 530,979</b>	<b>\$ 2,235,242</b>	<b>\$ 6,634,770</b>	<b>\$ 12,098,192</b>	<b>\$ 11,075,796</b>

See the independent auditor's report and accompanying notes.

*South Riding Proprietary, Inc.*

Statements of Activities

For the Year Ended December 31, 2015 with Comparative Totals for 2014

	Operating	General	Capital	Replacement	Totals	
	Fund	Operating Reserve	Improvement Fund	Reserves	2015	2014
<b>Revenues</b>						
Assessments	\$ 5,026,195	\$ -	\$ 114,437	\$ 1,092,000	\$ 6,232,632	\$ 5,893,391
Contributed capital	-	-	-	-	-	5,277
Disclosure packets	-	-	74,865	-	74,865	92,132
Late fees	51,591	-	-	-	51,591	50,040
Legal fees	25,297	-	-	-	25,297	36,792
Violation fees	17,378	-	-	-	17,378	11,866
Advertising	206,702	-	-	-	206,702	175,827
Celebrate South Riding	211,556	-	-	-	211,556	230,460
Oktoberfest	5,715	-	-	-	5,715	15,582
Triathlon	26,331	-	-	-	26,331	32,382
Community activities	110,021	-	-	-	110,021	90,234
Interest	121,969	-	10,179	-	132,148	139,071
Other income	79,725	-	-	-	79,725	71,115
Other income - capital improvement/easement	-	-	269,057	-	269,057	-
<b>Total revenues</b>	<b>5,882,480</b>	<b>-</b>	<b>468,538</b>	<b>1,092,000</b>	<b>7,443,018</b>	<b>6,844,169</b>
<b>Expenses</b>						
<b>Administrative (common)</b>						
Management staff and related	674,323	-	-	-	674,323	924,479
Financial management	140,714	-	-	-	140,714	146,826
Legal and audit	112,168	-	-	-	112,168	103,500
Professional consultation	7,511	-	-	-	7,511	25,843
Insurance	124,369	-	-	-	124,369	97,138
Administrative	81,131	-	-	-	81,131	85,186
Office supplies and equipment	13,381	-	-	-	13,381	18,440
Magazine	155,479	-	-	-	155,479	145,693
Information technology	44,877	-	-	-	44,877	49,902
Community events	60,387	-	-	-	60,387	56,994
Election committee	10,932	-	-	-	10,932	14,518
Committee and task force	39,818	-	-	-	39,818	38,770
Celebrate South Riding	261,491	-	-	-	261,491	244,676
Oktoberfest	14,443	-	-	-	14,443	11,279
Summer concerts	19,191	-	-	-	19,191	18,177
Star spangled	19,305	-	-	-	19,305	34,210

*See the independent auditor's report and accompanying notes.*

*South Riding Proprietary, Inc.*

Statements of Activities (Continued)

For the Year Ended December 31, 2015 with Comparative Totals for 2014

	Operating Fund	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Totals	
					2015	2014
Triathlon	26,592	-	-	-	26,592	30,827
Bad debt	20,883	-	-	-	20,883	4,170
Depreciation	49,875	-	-	-	49,875	34,861
<b>Total administrative (common)</b>	<b>1,876,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,876,870</b>	<b>2,085,489</b>
<b>Operating (common)</b>						
Community common area	1,007,319	-	91,750	43,039	1,142,108	1,136,739
Community roadsides	220,103	-	-	16,965	237,068	198,177
Reserve study	-	-	-	-	-	20,350
General maintenance equipment	-	-	-	-	-	24,269
Maintenance facility	-	-	470,934	-	470,934	29,798
Streets	-	-	-	-	-	11,450
Fence	-	-	-	-	-	21,139
Lighting	-	-	-	-	-	14,866
Signage	-	-	-	13,986	13,986	10,775
Tot lot	-	-	-	-	-	451
Other	55,455	-	40,713	19,916	116,084	60,205
<b>Total operating (common)</b>	<b>1,282,877</b>	<b>-</b>	<b>603,397</b>	<b>93,906</b>	<b>1,980,180</b>	<b>1,528,219</b>
<b>Recreation facilities</b>						
Payroll and related	319,460	-	-	-	319,460	5,307
Pool	404,612	-	-	105,495	510,107	444,483
Town hall	22,027	-	-	-	22,027	21,587
Community center	-	-	-	-	-	8,321
Tennis courts	5,648	-	-	4,400	10,048	2,097
Utilities	94,084	-	-	-	94,084	94,773
Other	37,841	-	-	38,840	76,681	32,776
<b>Total recreation facilities</b>	<b>883,672</b>	<b>-</b>	<b>-</b>	<b>148,735</b>	<b>1,032,407</b>	<b>609,344</b>
<b>Operating (general)</b>						
Single family homes	826,359	-	-	53	826,412	822,562
Townhomes	595,425	-	-	48,054	643,479	705,009
Common driveway	13,004	-	-	-	13,004	169,235
<b>Total operating (general)</b>	<b>1,434,788</b>	<b>-</b>	<b>-</b>	<b>48,107</b>	<b>1,482,895</b>	<b>1,696,806</b>

See the independent auditor's report and accompanying notes.

*South Riding Proprietary, Inc.*

Statements of Activities (Continued)

For the Year Ended December 31, 2015 with Comparative Totals for 2014

	<u>Operating Fund</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Totals</u>	
					2015	2014
<b>Other</b>						
Amberlea trash removal	107,979	-	-	-	107,979	106,191
SR town center trash	4,898	-	-	-	4,898	4,959
<b>Total other</b>	<u>112,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,877</u>	<u>111,150</u>
<b>Total expenses</b>	<u>5,591,084</u>	<u>-</u>	<u>603,397</u>	<u>290,748</u>	<u>6,485,229</u>	<u>6,031,008</u>
<b>Excess revenues over expenses (expenses over revenues)</b>	<u>\$ 291,396</u>	<u>\$ -</u>	<u>\$ (134,859)</u>	<u>\$ 801,252</u>	<u>\$ 957,789</u>	<u>\$ 813,161</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, 2015 with Comparative Totals for 2014

---

---

	<b>Operating Fund</b>	<b>General Operating Reserves</b>	<b>Capital Improvement Fund</b>	<b>Replacement Reserves</b>	<b>Total</b>
<b>Balance as of December 31, 2013</b>	\$ 1,862,774	\$ 530,979	\$ 2,027,772	\$ 5,217,748	\$ 9,639,273
Transfers between funds	(200,000)	-	100,000	100,000	-
Excess of revenues over expenses	203,452	-	100,717	508,992	813,161
<b>Balance as of December 31, 2014</b>	1,866,226	530,979	2,228,489	5,826,740	10,452,434
Excess of revenues over expenses (expenses over revenues)	291,396	-	(134,859)	801,252	957,789
<b>Balance as of December 31, 2015</b>	<u>\$ 2,157,622</u>	<u>\$ 530,979</u>	<u>\$ 2,093,630</u>	<u>\$ 6,627,992</u>	<u>\$ 11,410,223</u>

*See the independent auditor's report and accompanying notes.*

*South Riding Proprietary, Inc.*

Statements of Cash Flows

For the Year Ended December 31, 2015 with Comparative Totals for 2014

	Operating Fund	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Totals	
					2015	2014
<b>Cash flows from operating activities</b>						
Excess of revenues over expenses (expenses over revenues)	\$ 291,396	\$ -	\$ (134,859)	\$ 801,252	\$ 957,789	\$ 813,161
Adjustments to reconcile excess of revenues over expenses (expenses over revenues) to net cash provided by (used in) operating activities:						
Depreciation	49,875	-	-	-	49,875	34,861
Bad debt expense (recovery)	20,883	-	-	-	20,883	4,170
Decrease (Increase)						
Assessments receivable	163	-	-	-	163	7,033
Accounts receivable - Amberlea	-	-	-	-	-	48,825
Accounts receivable - other	2,775	-	-	-	2,775	(243)
Accounts receivable - bonds	25,500	-	-	-	25,500	12,000
Accrued interest	(4,412)	-	(3,015)	-	(7,427)	(805)
Prepaid expenses	(6,702)	-	-	-	(6,702)	(13,201)
Increase (decrease)						
Accounts payable	(60,233)	-	131,387	(51,283)	19,871	136,474
Deferred income	27,734	-	-	-	27,734	21,922
Prepaid assessments	17,003	-	-	-	17,003	(145,396)
<b>Net cash provided by (used in) operating activities</b>	<b>363,982</b>	<b>-</b>	<b>(6,487)</b>	<b>749,969</b>	<b>1,107,464</b>	<b>918,801</b>
<b>Cash flows from investing activities</b>						
Acquisition of property and equipment	(41,984)	-	-	-	(41,984)	(45,235)
Redemptions of investments	181,620	-	1,259,000	1,209,128	2,649,748	3,962,541
Purchases of investments	-	-	(1,920,000)	(2,299,147)	(4,219,147)	(4,198,141)
<b>Net cash provided by (used in) investing activities</b>	<b>139,636</b>	<b>-</b>	<b>(661,000)</b>	<b>(1,090,019)</b>	<b>(1,611,383)</b>	<b>(280,835)</b>
<b>Cash flows from financing activities</b>						
Interfund borrowings/repayments	(221,566)	6,456	137,859	77,251	-	-
<b>Net change in cash and cash equivalents</b>	<b>282,052</b>	<b>6,456</b>	<b>(529,628)</b>	<b>(262,799)</b>	<b>(503,919)</b>	<b>637,966</b>

See the independent auditor's report and accompanying notes.

*South Riding Proprietary, Inc.*

Statements of Cash Flows

For the Year Ended December 31, 2015 with Comparative Totals for 2014

---

---

	<u>Operating</u> <u>Fund</u>	<u>General</u> <u>Operating</u> <u>Reserve</u>	<u>Capital</u> <u>Improvement</u> <u>Fund</u>	<u>Replacement</u> <u>Reserves</u>	<u>Totals</u>	
					<u>2015</u>	<u>2014</u>
Cash and cash equivalents - beginning of year	1,041,122	54,273	691,179	575,461	2,362,035	1,724,069
Cash and cash equivalents - end of year	<u>\$ 1,323,174</u>	<u>\$ 60,729</u>	<u>\$ 161,551</u>	<u>\$ 312,662</u>	<u>\$ 1,858,116</u>	<u>\$ 2,362,035</u>
<b>Supplemental Information:</b>						
Cash paid for interest					<u>\$ -</u>	
Cash paid for taxes					<u>\$ -</u>	

*See the independent auditor's report and accompanying notes.*