

South Riding Proprietary, Inc.

Balance Sheets

December 31, 2018 with Comparative Totals for 2017

ASSETS						
	Operating	General	Capital	Replacement	Totals	
	Fund	Operating Reserve	Improvement Fund	Reserves	2018	2017
Assets						
Cash and cash equivalents	\$ 1,578,337	\$ 13,801	\$ 833,380	\$ 309,202	\$ 2,734,720	\$ 2,599,863
Interest bearing deposits	-	880,000	3,045,000	7,120,000	11,045,000	10,993,458
Investments	-	-	-	981,110	981,110	237,818
Assessments receivable (net of allowance for doubtful accounts of \$63,148 for 2018 and \$53,162 for 2017)	32,541	-	-	-	32,541	47,084
Accrued interest receivable	4,386	-	13,796	20,026	38,208	32,030
Accounts receivable - other	29,000	-	-	-	29,000	673
Bond receivable	-	-	-	-	-	10,210
Prepaid expenses	96,459	-	-	-	96,459	93,678
Property and equipment-net	80,183	-	-	-	80,183	78,560
Interfund borrowings	124,392	(324,693)	38,581	161,720	-	-
Total assets	<u>\$ 1,945,298</u>	<u>\$ 569,108</u>	<u>\$ 3,930,757</u>	<u>\$ 8,592,058</u>	<u>\$ 15,037,221</u>	<u>\$ 14,093,374</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 151,325	\$ -	\$ -	\$ 3,325	\$ 154,651	\$ 278,156
Deferred revenue	32,249	-	-	-	32,249	50,064
Prepaid assessments	312,778	-	-	-	312,778	209,188
Total liabilities	<u>496,353</u>	<u>-</u>	<u>-</u>	<u>3,325</u>	<u>499,677</u>	<u>537,408</u>
Fund balance						
General operating reserve	-	569,108	-	-	569,108	569,108
Replacement reserve fund	-	-	-	8,588,733	8,588,733	7,821,460
Capital improvement fund	-	-	3,930,757	-	3,930,757	4,184,963
Unappropriated fund balance	1,448,945	-	-	-	1,448,945	980,435
Total fund balance	<u>1,448,945</u>	<u>569,108</u>	<u>3,930,757</u>	<u>8,588,733</u>	<u>14,537,543</u>	<u>13,555,966</u>
Total liabilities and fund balance	<u>\$ 1,945,298</u>	<u>\$ 569,108</u>	<u>\$ 3,930,757</u>	<u>\$ 8,592,058</u>	<u>\$ 15,037,221</u>	<u>\$ 14,093,374</u>

See the independent auditor's report and accompanying notes.

South Riding Proprietary, Inc.

Statements of Revenues and Expenses

For the Year Ended December 31, 2018 with Comparative Totals for 2017

Revenues	Operating	General	Capital	Replacement	Totals	
	Fund	Operating Reserve	Improvement Fund	Reserves	2018	2017
Assessments	\$ 5,130,704	\$ -	\$ 114,920	\$ 1,092,000	\$ 6,337,624	\$ 6,338,448
Disclosure packets	-	-	65,120	-	65,120	66,569
Late fees	41,725	-	-	-	41,725	37,124
Legal fees	22,993	-	-	-	22,993	49,961
Violation fees	14,190	-	-	-	14,190	5,888
Advertising	135,362	-	-	-	135,362	184,443
Celebrate South Riding	130,764	-	-	-	130,764	131,331
Oktoberfest	13,364	-	-	-	13,364	13,551
Triathlon	-	-	-	-	-	25,050
Community activities	60,669	-	-	-	60,669	84,628
Interest	187,391	-	59,261	-	246,652	179,475
Other income	129,840	-	-	-	129,840	75,007
Other income - capital improvement/easement	-	-	-	-	-	661,570
Total revenues	5,867,002	-	239,301	1,092,000	7,198,303	7,853,045
Expenses						
Administrative (common)						
Management staff and related	595,791	-	-	-	595,791	616,663
Financial management	157,889	-	-	-	157,889	154,628
Legal and audit	125,519	-	-	-	125,519	112,803
Professional consultation	14,310	-	-	-	14,310	1,863
Insurance	76,738	-	-	-	76,738	94,266
Administrative	98,582	-	-	-	98,582	75,930
Office supplies and equipment	11,353	-	-	-	11,353	9,342
Magazine	134,019	-	-	-	134,019	134,295
Information technology	52,084	-	-	-	52,084	56,470
Community events	68,321	-	-	-	68,321	107,681
Election committee	15,063	-	-	-	15,063	12,360
Committee and task force	39,796	-	-	-	39,796	49,255
Celebrate South Riding	175,728	-	-	-	175,728	205,909
Oktoberfest	15,857	-	-	-	15,857	13,808
Summer concerts	22,999	-	-	-	22,999	22,873
Star spangled	53,631	-	-	-	53,631	46,631

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, 2018 with Comparative Totals for 2017

	Operating Fund	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Totals	
					2018	2017
Triathlon	-	-	-	-	-	22,581
Bad debt	29,493	-	-	-	29,493	(10,146)
Depreciation	19,238	-	-	-	19,238	21,275
Total administrative (common)	1,706,411	-	-	-	1,706,410	1,748,487
Operating (common)						
Community common area	1,001,763	-	476,890	153,379	1,632,032	1,608,050
Community roadsides	198,839	-	-	39,653	238,492	220,765
Maintenance facility	-	-	-	-	-	3,568
Streets	-	-	-	-	-	56,264
Fence	-	-	-	9,974	9,974	-
Signage	-	-	-	2,258	2,258	9,094
Other	41,737	-	16,617	31,413	89,767	159,636
Total operating (common)	1,242,339	-	493,507	236,677	1,972,523	2,057,377
Recreation facilities						
Payroll and related	342,567	-	-	-	342,567	328,381
Pool	404,353	-	-	45,181	449,534	501,421
Town hall	17,623	-	-	2,450	20,073	68,452
Tennis courts	3,012	-	-	1,850	4,862	47,844
Utilities	72,967	-	-	-	72,967	84,842
Other	28,235	-	-	4,564	32,799	75,982
Total recreation facilities	868,757	-	-	54,045	922,802	1,106,922
Operating (general)						
Single family homes	865,748	-	-	1,245	866,993	844,372
Townhomes	603,496	-	-	32,760	636,256	672,061
Common driveway	-	-	-	-	-	830
Total operating (general)	1,469,244	-	-	34,005	1,503,249	1,517,263

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, 2018 with Comparative Totals for 2017

	Operating Fund	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Totals	
					2018	2017
Other						
Amberlea trash removal	107,085	-	-	-	107,085	108,017
SR town center trash	4,656	-	-	-	4,656	4,740
Total other	<u>111,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,741</u>	<u>112,757</u>
Total expenses	<u>5,398,492</u>	<u>-</u>	<u>493,507</u>	<u>324,727</u>	<u>6,216,726</u>	<u>6,542,805</u>
Excess revenues over expenses (expenses over revenues)	<u>\$ 468,510</u>	<u>\$ -</u>	<u>\$ (254,206)</u>	<u>\$ 767,273</u>	<u>\$ 981,577</u>	<u>\$ 1,310,240</u>

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South Riding Proprietary, Inc.

Statements of Changes in Fund Balance

For the Year Ended December 31, 2018 with Comparative Totals for 2017

	Operating Fund	General Operating Reserves	Capital Improvement Fund	Replacement Reserves	Total
Balance as of December 31, 2016 as previously stated	\$ 1,000,411	\$ 569,108	\$ 3,331,198	\$ 7,340,228	\$ 12,240,945
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	1,310,240
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>13,555,966</u>
Excess of revenues over expenses (expenses over revenues)	468,510	-	(254,206)	767,273	981,577
Balance as of December 31, 2018	<u><u>\$ 1,448,945</u></u>	<u><u>\$ 569,108</u></u>	<u><u>\$ 3,930,757</u></u>	<u><u>\$ 8,588,733</u></u>	<u><u>\$ 14,537,543</u></u>

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South Riding Proprietary, Inc.

Statements of Cash Flows

For the Year Ended December 31, 2018 with Comparative Totals for 2017

	Operating Fund	General Operating Reserve	Capital Improvement Fund	Replacement Reserves	Totals	
					2018	2017
Cash flows from operating activities						
Excess of revenues over expenses (expenses over revenues)	\$ 468,510	\$ -	\$ (254,206)	\$ 767,273	\$ 981,577	\$ 1,310,240
Adjustments to reconcile excess of revenues over expense (expenses over revenues) to net cash provided by (used in) operating activities:						
Depreciation	19,238	-	-	-	19,238	21,275
Gain on sale of property and equipment	(5,000)	-	-	-	(5,000)	(661,570)
Bad debt expense (recovery)	29,493	-	-	-	29,493	(10,146)
Decrease (Increase)						
Assessments receivable	(14,949)	-	-	-	(14,949)	13,567
Accrued interest	(2,169)	-	(4,885)	877	(6,177)	(14,810)
Accounts receivable - other	(28,327)	-	-	-	(28,327)	(673)
Accounts receivable - bonds	10,210	-	-	-	10,210	(10,210)
Prepaid expenses	(2,781)	-	-	-	(2,781)	(5,585)
Increase (decrease)						
Accounts payable	(24,672)	-	-	(98,834)	(123,506)	39,738
Deferred income	(17,815)	-	-	-	(17,815)	(20,898)
Prepaid assessments	103,590	-	-	-	103,590	(124,364)
Net cash provided by (used in) operating activities	535,328	-	(259,091)	669,316	945,553	536,564
Cash flows from investing activities						
Acquisition of property and equipment	(20,861)	-	-	-	(20,861)	(2,955)
Proceeds from sale of property and equipment	5,000	-	-	-	5,000	1,136,570
Redemptions of investments	-	200,000	2,297,458	1,842,707	4,340,165	3,598,424
Purchases of investments	-	(680,000)	(2,085,000)	(2,370,000)	(5,135,000)	(4,770,000)
Net cash provided by (used in) investing activities	(15,861)	(480,000)	212,458	(527,293)	(810,696)	(37,961)
Cash flows from financing activities						
Interfund borrowings/repayments	105,340	332,405	(97,617)	(340,128)	-	-
Transfer between funds	-	-	-	-	-	-
Net cash provided by (used in) financing activities	105,340	332,405	(97,617)	(340,128)	-	-

See the independent auditor's report and accompanying notes.

South Riding Proprietary, Inc.

Statements of Cash Flows (Continued)

For the Year Ended December 31, 2018 with Comparative Totals for 2017

	<u>Operating Fund</u>	<u>General Operating Reserve</u>	<u>Capital Improvement Fund</u>	<u>Replacement Reserves</u>	<u>Totals</u>	
					<u>2018</u>	<u>2017</u>
Increase (Decrease) in cash and cash equivalents	624,807	(147,595)	(144,250)	(198,105)	134,857	498,603
Cash and cash equivalents - beginning 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>
Cash and cash equivalents - end of year	<u>\$ 1,578,337</u>	<u>\$ 13,801</u>	<u>\$ 833,380</u>	<u>\$ 309,202</u>	<u>\$ 2,734,720</u>	<u>\$ 2,599,863</u>
Supplemental Information:						
Cash paid for interest					<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes					<u>\$ -</u>	<u>\$ -</u>

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