

South Riding Proprietary
Administrative Resolution No. A2002-1
Capitalization Guidelines
Amended August 3, 2023

WHEREAS, Section 55.1-1815 of the Virginia Property Owners Association Act (POAA) requires a property owners' association to keep detailed records of receipts and expenditures affecting the operation and administration of the association, in accordance with generally accepted accounting practices; and

WHEREAS, Article 6, Section 6.8 of the South Riding Proprietary (Association) Bylaws provides that the Treasurer of the Board of Directors (Board) shall have the responsibility to keep full and accurate financial records and books of account showing all receipts and disbursements, and to prepare or cause to be prepared all required financial data; and

WHEREAS, the Board has determined, with the advice of the Association's Financial Manager and Auditor that it is reasonable to adopt certain standard guidelines that are consistent with generally accepted accounting practices, with respect to the treatment of certain assets belonging to the Association.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the Board adopts the following Capitalization Guidelines to be effective with the accounting year ended December 31, 2023.

- I. The Association will recognize real and personal property as fixed assets on its financial statements when:
 - a) The Association has title or other evidence of ownership of the property.

AND




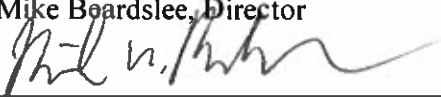
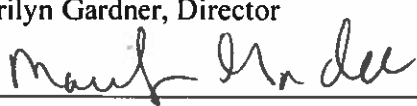
- b) Either of the following conditions are met:
 - 1) The Association can dispose of the property, at the discretion of the Board, for cash or claims to cash, with the Association retaining the proceeds.
 - 2) The property is used by the Association to generate significant cash flows from owners or non-owners on the basis of usage.
- II. The Association will recognize real and personal property as fixed assets on its financial statements based on a minimum cost materiality level of \$1,500.00 per item.
- III. The Association will account for capitalized items using the straight-line method of depreciation.

The guidelines stated herein will be in force at all times until the Board directs otherwise in writing.

The effective date of this Resolution shall be August 3, 2023. On August 3, 2023, this Resolution shall supersede and replace all prior resolutions regarding virtual meetings.

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Administrative Resolution No. A2002-1
Capitalization Guidelines
Amended August 3, 2023**

Duly adopted at a meeting of the Board of Directors held August 3, 2023.

	VOTE: YES	VOTE: NO	ABSTAIN	ABSENT
Steve Pasquale, President				X
Michael Hardin, Vice President 	X			
Francois Desamours, Secretary 	X			
Kevin Ubelhart, Treasurer				X
Mark Pontello, Director 	X			
Mike Boardslee, Director 	X			
Marilyn Gardner, Director 	X			

ATTEST:


Secretary

8/3/23
Date

Resolution effective: August 3, 2023