



SouthRiding

PROPRIETARY

Board Of Directors Annual Meeting

May 21, 2024 7:00pm

Call to Order & Introduction of the Board

Proof of Notice/Quorum- Francois Desamours, Secretary

The undersigned Secretary of the South Riding Proprietary, Inc., being first duly sworn, deposes and says that notice of the annual meeting of the South Riding Proprietary was mailed April 5th to each member at the address last furnished to the Association in accordance with the requirements of the Bylaws at least fourteen days prior to the annual meeting.

▶ Dated this 21st day of May, 2024.

Approval of May 23, 2023 Minutes – Francois Desamours, Secretary

Call to Order – President Steve Pasquale called the 2023 Annual Meeting of the South Riding Proprietary to order at 7:05 p.m. In addition to Mr. Pasquale members present were Vice President Michael Hardin, Secretary Karen MacDowell, & Directors Gary Smith, Kip Lowe & Francois Desamours.

Notice and Quorum – Ms. MacDowell announced that official notice of the Annual Meeting had been mailed on April 11, 2023, to all members in accordance with Bylaw requirements, and quorum for the meeting had been achieved.

Meeting Minutes – Ms. MacDowell moved that the minutes of the May 24, 2022, Board of Directors meeting be approved as presented and waived the reading. The motion was seconded by Mr. Hardin and passed unanimously.

Election Committee – Karen MacDowell, Board Secretary, announced election results. Michael Beardslee, Mark Pontello & Marilyn Gardner were elected for a 3-year term.

Financial Report – Mr. Ubelhart, Treasurer presented the 2022 financial report.

Proprietary Department Updates – General Manager Kristi Felouzis provided information regarding department updates and capital projects.

President's Report – Mr. Pasquale provided the presidents report and presented outgoing member Karen MacDowell, Gary Smith & Kip Lowe with a token of appreciation.

Adjournment – There being no further business before membership, upon a motion by Mr. Smith and seconded by Mr. Hardin, the 2023 Annual Meeting was adjourned at 7:43 p.m.

Respectfully Submitted by Kristi Felouzis, General Manager

Announcement of Voting Results – Judy Hartman, Elections Chair

▶ **Candidates**

- ▶ Kevin Ubelhart
- ▶ DJ Nelli

Congratulations to our elected members.

2024 – 2025 Board of Directors

- ▶ Steve Pasquale
- ▶ Michael Hardin
- ▶ Kevin Ubelhart
- ▶ Michael Beardslee
- ▶ Mark Pontello
- ▶ Marilyn Gardner
- ▶ DJ Nelli



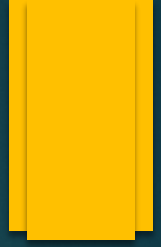
President's Report

Michael Hardin, Vice President



A Year in Review!

Contract
Champions!



Making a Splash starting May 25th



43055 Center Street



42920 Center Street



42420 Unicorn Drive



43450 Parish Street



43450 Parish Street



Serving up Aces!

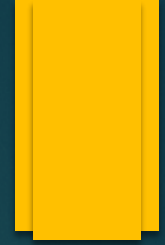
New Courts at
Town Hall
and
Updated Courts
at Murrey Park



Town Hall



Murrey Park



Pickleball Paradise!

Elk Lick Park



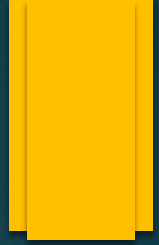


South Riding Center Upgrades





Front
Entrance
Excitement!



A Year of Events!





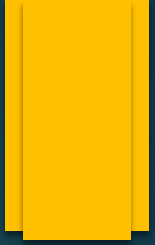
Celebrate South Riding

May 31st 4-11pm
&
June 1st 3-11pm





Movie Nights & Summer Concerts June-Aug





Star Spangled
June 28th
5-9:30pm
SR Golf Club



September 28th
Town Green
3-7pm

Meggan's Pier



Soccer Field





Treasurer's Report

Prepared by
Kevin Ubelhart, Treasurer

Financial Report

The South Riding Proprietary finances are overseen by the Board of Directors, our General Manager, our financial management contractor, and our actively involved Budget & Finance committee.

The Budget & Finance committee is chaired by Ty Kehrer. The Budget & Finance committee meets monthly to review the financial statements of the Proprietary; review major contracts and expenditures of capital funds that have also been reviewed by our other active committees; help manage the Proprietary invested funds; and help with development of the annual budget. Thank you to Ty and the other committee members for their service to the community and the hard work they perform each month.

The Proprietary is a non-stock, non-profit corporation. It is governed by a Board of Directors which is primarily elected by the members. The governing documents which spell out the powers of the Board and the Proprietary are the articles of incorporation and the Declaration for South Riding. You received a copy of these documents when you purchased your home, which is required by law. These are also available at town hall upon request.

Financial Report

Some financial highlights for 2023:

The Proprietary has an audit performed each year of its annual financial statements by an independent certified public accounting firm. The 2023 audit is still in process.

The Proprietary is exempt from income taxes under Internal Revenue Code Section 501 (C) (4). It obtained its tax-exempt status as a social welfare organization. As such, the proprietary does not pay income taxes. Please note that member assessments are not considered tax deductible contributions. Only a 501 (C) (3) organization can accept tax deductible contributions.

The Proprietary's primary source of revenue is assessments paid by the owners in the community. There are over 6,600 units in our community. Assessments accounted for over 90% of the \$8.26 million of revenue for 2023. The sources of the other 10% of revenue include magazine advertising revenue, events revenue, interest income, and other fees and charges to owners.

Financial Report

The Proprietary accumulates funds and expends funds for three primary purposes:

- a. general day to day operations which includes running the organization; trash collection; grass cutting and landscaping; community events; running the pools and community centers; and snowplowing for roads that we own. Approximately \$7.4 million of the \$8.26 million of revenue was for operating purposes.
- b. Capital improvements includes developing new amenities, such as the new front entrance, new bike track, and new pickle ball courts. Approximately \$133,000 of the \$8.26 million of revenue was for the capital improvement fund.
- c. Future major repairs and replacements – Accumulating funds so that the Proprietary can pay for future major expenses such as rebuilding roads, pools, buildings, playgrounds, equipment and anything else that we as a community own. We have a reserve study performed every few years that helps tell us how much to put away in savings to fund for these future major items. Approximately \$1.27 million of the \$8.26 million of revenue was for funding the replacement reserves.

Financial Report

Expenses of the proprietary totaled approximately \$8.29 million for 2023.

Total 2023 expenses exceeded total revenue by approximately \$30,000. We had budgeted for a \$150,000 operating loss to keep increases in dues as low as possible. So, we actually did better than we expected. We are budgeting an operating loss again during 2024 of \$150,000 to try to keep dues increases as low as possible. Like everyone, we are facing large increases in costs.

As of December 31, 2023 the Proprietary has assets totaling over \$14.1 million and liabilities of approximately \$650,000. Of that \$14.1 million of assets, over \$13.6 million is in investments and bank accounts. Investments are primarily FDIC insured CDs.

As of December 31, 2023 the Proprietary has net equity of \$13.4 million available for the following three purposes:

- a. General operations – \$2,018,000
- b. Capital improvements – \$2,044,000
- c. Replacement reserves - \$9,400,000



Community Information Update

Kristi Felouzis, General Manager



Proprietary Staff

Proprietary Staff Tenure

▶ 10-15 years

- ▶ Joe, Jeff, Christine, Jennifer, Kristi

▶ 5-10 years

- ▶ Grace, Morgan

▶ 0-5 years

- ▶ Brittany, Jose, Matt, Bobby, Celah, Lilli, Alex

Opportunities
to Volunteer
and
serve the
community
as a
Resident
Consultant on
one of our
committees.





Volunteer for Events

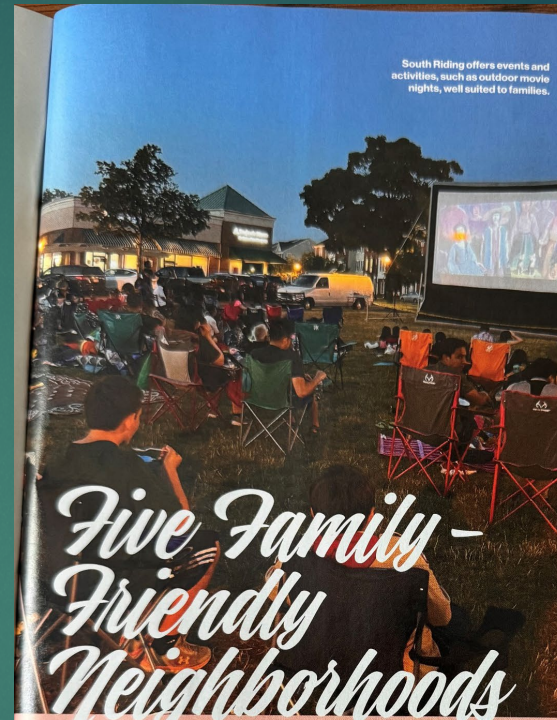




Common Ground Feature



Washingtonian Magazine



South Riding offers events and activities, such as outdoor movie nights, well suited to families.

Five Family-Friendly Neighborhoods

South Riding

This Loudoun County planned community, known for its array of family activities, has four outdoor swimming pools, ten playgrounds, four tennis courts, two pickleball courts, and walking and biking trails. Kids and adults can participate in activities such as rock climbing, fitness classes, indoor swimming, and basketball at the Dulles South Recreation and Community Center, which has an adjacent skate park and bike park. South Riding hosts as many as 50 annual events for families, including outdoor movies and free concerts. Another draw: Loudoun is home to 30 of the top 100 public schools in Virginia, according to U.S. News & World Report. **Fun fact:** Before South Riding was founded in 1995, it was known as Conklin in the 19th and 20th centuries. The town was originally inhabited by freed African Americans from nearby Fairfax and Prince William counties.

PHOTOGRAPH COURTESY OF SOUTH RIDING ASSOCIATION

Dominion Valley

Many of the neighborhoods in this Haymarket community are gated for pedestrian safety and to control car access. Dominion Valley has 30 miles of sidewalks, plus pools, parks, playgrounds, trails, fishing piers, and volleyball, tennis, and basketball courts. **Fun fact:** The 18-hole championship golf course at Dominion Valley Country Club was designed by Arnold Palmer.

Kensington

Kensington is home to ten parks and several art, dance, and music studios with children's classes. The Noyes Children's Library, the oldest public library in the Washington area, offers books and programs for young kids. **Fun fact:** The historic center of Kensington was listed on the National Register of Historic Places in 1980.

Kentlands

This walkable and bike-friendly Gaithersburg community includes parks, playgrounds, pools, and paths that connect the neighborhoods to lakes and a Main Street shopping area. Two Kentlands parents founded KidServe to identify child-friendly volunteer opportunities for families. **Fun fact:** Time magazine gave Kentlands an award for its design in 1991.

Spring Valley

One of the city's most expensive areas, this Northwest DC neighborhood attracts affluent families with its large single-family homes with yards; nearby playgrounds, shops, and restaurants; and some of the most highly rated public schools in the District. **Fun fact:** Richard Nixon, Lyndon Johnson, and George H.W. Bush lived in Spring Valley before they became President.

Award Presentation



Adjourn