

THE SPRINGBOROUGH RESIDENTS ASSOCIATION

Financial Statements

For the Year Ended December 31, 2012

SPRINGBOROUGH RESIDENTS ASSOCIATION

Index to the Financial Statements

For the year ended December 31, 2012

FINANCIAL STATEMENTS

Statement of Financial Position	1
Statement of Operations	2
Statement of Cash Flow	3
Notes to the Audited Financial Statements	4 – 5

Springborough Residents Association
Statement of Financial Position
Year Ended December 31, 2012

	2012	2011
ASSETS		
Current Assets		
Cash	14,086	21,930
Short-term Investments (Note 3)	33,809	57,099
Accounts Receivable (Note 4)	22,131	26,473
	<u>70,026</u>	<u>105,502</u>
Long-term Investments (Note 3)	29,473	-
Total Assets	<u>99,499</u>	<u>105,502</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Liabilities	137	5,156
	<u>137</u>	<u>5,156</u>
Net Assets	<u>99,362</u>	<u>100,346</u>
Total Liabilities and Net Assets	<u>99,499</u>	<u>105,502</u>

Approved on behalf of the Board of Directors:

/s/ Michael Hoffman

Michael Hoffman, Director

/s/ Glen Ellis

Glen Ellis, Director

Springborough Residents Association
Statement of Operations
Year Ended December 31, 2012

	2012	2011
Revenue		
Annual Fees	51,375	51,375
Interest on Past Due Accounts	4,404	4,679
Collection Costs Charged to Homeowners	-	-
Investment Income	992	750
	<u>56,771</u>	<u>56,804</u>
Expenses		
Operating Expenses		
Landscaping	40,904	35,912
Pathway Snow Removal	12,002	3,945
	<u>52,905</u>	<u>39,857</u>
Administrative Expenses		
Insurance	1,050	1,218
Website	1,027	-
Fee Adjustments	930	121
Collection Costs	561	269
Pay Pal Fees	22	-
Annual General Meeting	338	295
Accounting and Legal	-	-
Other (Income)/Expenses	1,112	999
	<u>5,040</u>	<u>2,902</u>
	<u>57,946</u>	<u>42,759</u>
Net Income/(Loss)	<u>(1,175)</u>	<u>14,045</u>

Approved on behalf of the Board of Directors:

/s/ Michael Hoffman

Michael Hoffman, Director

/s/ Glen Ellis

Glen Ellis, Director

Springborough Residents Association
Statement of Cash Flows
Year Ended December 31, 2012

	2012	2011
Operating Activities		
Net Income/(Loss)	(1,175)	14,045
Change in Non-cash Working Capital		
Accounts Receivable	(4,342)	(359)
Accounts Payable and Accrued Liabilities	5,019	(5,156)
Accrued Interest	(191)	343
	486	(5,171)
Cash Flow from Operating Activities	(1,661)	19,216
Investing Activities		
Purchase of short-term investments	(35,656)	(10,407)
Purchase of long-term investments	29,473	-
Cash Flow from Operating Activities	(6,183)	(10,407)
Increase/(Decrease) in Cash	(7,844)	8,810
Cash, Beginning of Year	21,930	13,120
Cash, End of Year	14,086	21,930

Approved on behalf of the Board of Directors:

/s/ Michael Hoffman

Michael Hoffman, Director

/s/ Glen Ellis

Glen Ellis, Director

SPRINGBOROUGH RESIDENTS ASSOCIATION

Notes to the Financial Statements

For the year ended December 31, 2012

1. DESCRIPTION OF OPERATIONS

The Springborough Residents Association (the "Association") is incorporated as a not-for-profit corporation under Part 9 of the *Companies Act* of the Province of Alberta, R.S. A. 1980, Chapter C-20, to operate and maintain certain lands and amenities within the residential community known as Springborough in the Springbank Hill subdivision of the City of Calgary and is bounded by 26 Avenue SW to the south, 17 Avenue SW to the north, 69 Street SW to the east and 77 Street SW to the west ("Springborough"). The Association was incorporated on January 14, 2003 and had no active operations until January 1, 2006.

The mandate of the Association is to assume responsibility for the additional operational, maintenance and replacement services at a level of services over and above the standard service provided by The City of Calgary, to the extent legally permissible, for the public utility lots, environmental reserves, municipal reserves, public walkways, road boulevards, road medians, entrance features and associated community and related signage within Springborough.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, in the opinion of the Board of Directors, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Revenue Recognition

Association dues are recognized as income in the fiscal period to which they relate. Payments received in advance are reported as unearned revenue.

b) Income tax

As a not-for-profit organization, the Association is not subject to income taxes under paragraph 149(1)(l) of the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th supp.).

c) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

d) Financial instruments

Financial assets are classified as held for trading and carried at their fair value. Unrealized gains and losses on trading assets are recognized as part of the excess of revenue over expenses. Financial liabilities are carried at cost. The fair value of these financial instruments is based on current interest rates, market values, and pricing of financial instruments with comparative terms.

3. INVESTMENTS

The Association has placed reserve funds in guaranteed investment certificates totaling \$63,292 at December 31, 2012 with maturity dates ranging from January 23, 2013 to April 20, 2014, bearing interest rates ranging from 1.10% to 2.10%.

At December 31, 2012, the Association has designated \$36,525 towards reserve funds (10% of Annual Fees plus investment interest) to cover the costs of capital projects that may be required in the future.

4. ACCOUNTS RECEIVABLE

Accounts receivable are secured by an annual charge of \$125 for each single detached dwelling and \$62.50 for each unit within a duplex and each unit within a multi-family dwelling in Springborough per encumbrances on the properties.

5. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is the Board of Director's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

6. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.