

THE SPRINGBOROUGH RESIDENTS ASSOCIATION

Financial Statements

For the Year Ended December 31, 2013

SPRINGBOROUGH RESIDENTS ASSOCIATION

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For the year ended December 31, 2013

FINANCIAL STATEMENTS

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Springborough Residents Association
Statement of Financial Position
Year Ended December 31, 2013

	2013	2012
ASSETS		
Current Assets		
Cash	33,480	14,086
Short-term Investments - Unrestricted (Note 3)	22,082	26,757
Short-term Investments - Reserve Fund (Note 3)	23,115	7,052
Accounts Receivable (Note 4)	2,252	22,131
Accrued Interest on Investments	336	-
	<u>81,264</u>	<u>70,026</u>
Long-term Investments (Note 3)		
Reserve Fund	19,110	29,473
Total Assets	<u>100,374</u>	<u>99,499</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Liabilities	315	137
Prepaid Annual Fees	3,001	-
	<u>3,316</u>	<u>137</u>
Net Assets	<u>97,058</u>	<u>99,362</u>
Total Liabilities and Net Assets	<u>100,374</u>	<u>99,499</u>

Approved on behalf of the Board of Directors:

/s/ Michael Hoffman

Michael Hoffman, Director

/s/ Bernice Thomas

Bernice Thomas, Director

Springborough Residents Association
Statement of Operations
Year Ended December 31, 2013

	2013	2012
Revenue		
Annual Fees	51,375	51,375
Interest on Past Due Accounts	3,252	4,404
Collection Costs Charged to Homeowners	383	-
Investment Income	978	992
	<u>55,988</u>	<u>56,771</u>
Expenses		
Operating Expenses		
Landscaping	41,195	40,904
Pathway Snow Removal	12,337	12,002
	<u>53,531</u>	<u>52,905</u>
Administrative Expenses		
Insurance	1,050	1,050
Website	1,018	1,027
Fee Adjustments	694	930
Collection Costs	480	561
Pay Pal Fees	929	22
Annual General Meeting	630	338
Accrued Expenses	-	-
Accounting and Legal	315	-
Other (Income)/Expenses	28	1,112
	<u>5,143</u>	<u>5,040</u>
	<u>58,675</u>	<u>57,946</u>
Net Income/(Loss)	<u>(2,686)</u>	<u>(1,175)</u>

Approved on behalf of the Board of Directors:

/s/ Michael Hoffman

Michael Hoffman, Director

/s/ Bernice Thomas

Bernice Thomas, Director

Springborough Residents Association
Statement of Cash Flows
Year Ended December 31, 2013

	2013	2012
Operating Activities		
Net Income/(Loss)	(2,686)	(1,175)
Change in Non-cash Working Capital		
Accounts Receivable	(19,879)	(4,342)
Accounts Payable and Accrued Liabilities	(178)	5,019
Accrued Interest	(46)	(191)
Prepaid Annual Fees	(3,001)	-
	<u>(23,105)</u>	<u>486</u>
Cash Flow from Operating Activities	<u>20,418</u>	<u>(1,661)</u>
Investing Activities		
Purchase of short-term investments	(11,388)	(35,656)
Purchase of long-term investments	10,363	29,473
Cash Flow from Operating Activities	<u>(1,024)</u>	<u>(6,183)</u>
Increase/(Decrease) in Cash	<u>19,394</u>	<u>(7,844)</u>
Cash, Beginning of Year	14,086	21,930
Cash, End of Year	<u>33,480</u>	<u>14,086</u>

Approved on behalf of the Board of Directors:

/s/ Michael Hoffman

Michael Hoffman, Director

/s/ Bernice Thomas

Bernice Thomas, Director

SPRINGBOROUGH RESIDENTS ASSOCIATION

Notes to the Financial Statements

For the year ended December 31, 2013

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 pre-paid annual fees.

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 funds in guaranteed investment certificates totaling \$64,307 at December 31, 2013 (\$63,282 at December 31, 2012) with maturity dates ranging from January 25, 2014 to May 29, 2015, bearing interest rates ranging from 1.00% to 2.10%.

At December 31, 2013, the Association has designated \$42,225 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 2013 (\$175 for 2014) for each single detached dwelling and \$62.50 for 2013 (\$87.50 for 2014) 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 approximates their carrying values, unless otherwise noted.