

THE SPRINGBOROUGH RESIDENTS ASSOCIATION

Financial Statements

For the Year Ended December 31, 2014

SPRINGBOROUGH RESIDENTS ASSOCIATION

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For the year ended December 31, 2014

FINANCIAL STATEMENTS

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Springborough Residents Association
Statement of Financial Position
Year Ended December 31, 2014

	2014	2013
ASSETS		
Current Assets		
Cash	11,831	33,480
Short-term Investments - Unrestricted (Note 3)	41,359	22,082
Short-term Investments - Reserve Fund (Note 3)	-	23,115
Accounts Receivable (Note 4)	2,803	2,252
Accrued Interest on Investments	588	336
	56,581	81,264
Long-term Investments		
Unrestricted (Note 3)	4,269	-
Reserve Fund (Note 3)	49,418	19,110
	53,686	19,110
Total Assets	110,267	100,374
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Liabilities	990	315
Prepaid Annual Fees	2,096	3,001
	3,086	3,316
Net Assets	107,181	97,058
Total Liabilities and Net Assets	110,267	100,374

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, 2014

	2014	2013
Revenue		
Annual Fees	71,925	51,375
Interest on Past Due Accounts	227	3,252
Collection Costs Charged to Homeowners	368	383
Investment Income	990	978
	<u>73,510</u>	<u>55,988</u>
Expenses		
Operating Expenses		
Landscaping	45,414	41,195
Pathway Snow Removal	12,973	12,337
	<u>58,387</u>	<u>53,531</u>
Administrative Expenses		
Insurance	1,000	1,050
Website	221	1,018
Fee Adjustments	-	694
Collection Costs	525	480
Pay Pal Fees	1,008	929
Annual General Meeting	636	630
Accrued Expenses	-	-
Accounting and Legal	727	315
Other (Income)/Expenses	883	28
	<u>5,000</u>	<u>5,143</u>
	<u>63,387</u>	<u>58,675</u>
Net Income/(Loss)	<u>10,123</u>	<u>(2,686)</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, 2014

	2014	2013
Operating Activities		
Net Income/(Loss)	10,123	(2,686)
Change in Non-cash Working Capital		
Accounts Receivable	552	(19,879)
Accounts Payable and Accrued Liabilities	(675)	(178)
Accrued Interest	252	(46)
Prepaid Annual Fees	905	(3,001)
	1,034	(23,105)
Cash Flow from Operating Activities	9,089	20,418
Investing Activities		
Purchase of investments	3,838	(35,656)
Purchase of long-term investments	(34,576)	29,473
Cash Flow from Operating Activities	(30,738)	(6,183)
Increase/(Decrease) in Cash	(21,649)	14,235
Cash, Beginning of Year	33,480	21,930
Cash, End of Year	11,831	36,165

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, 2014

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 \$95,045 at December 31, 2014 (\$64,307 at December 31, 2013) with maturity dates ranging from January 25, 2015 to April 27, 2017, bearing interest rates ranging from 1.00% to 2.20%.

At December 31, 2014, the Association has designated \$49,418 towards reserve funds (10% of Annual Fees plus investment interest; an additional \$7,193 in 2014) 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 \$175 for 2014 (\$125 for 2013) for each single detached dwelling and \$87.50 for 2014 (\$62.50 for 2013) 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.