

THE SPRINGBOROUGH RESIDENTS ASSOCIATION

Financial Statements

For the Year Ended December 31, 2015

DRAFT

SPRINGBOROUGH RESIDENTS ASSOCIATION

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For the year ended December 31, 2015

FINANCIAL STATEMENTS

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Springborough Residents Association
Statement of Financial Position
Year Ended December 31, 2015

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	2015	2014
ASSETS		
Current Assets		
Cash	19,441	11,831
Short-term Investments - Unrestricted	46,627	41,359
Short-term Investments - Reserve Fund	25,687	-
Accrued Interest on Investments	931	588
Accounts Receivable (Note 4)	3,161	2,803
	<u>95,847</u>	<u>56,581</u>
Long-term Investments		
Unrestricted	-	4,269
Reserve Fund	30,923	49,418
	<u>30,923</u>	<u>53,686</u>
Total Assets	<u>126,770</u>	<u>110,267</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Liabilities	-	990
Prepaid Annual Fees	3,135	2,096
	<u>3,135</u>	<u>3,086</u>
Net Assets	<u>123,634</u>	<u>107,181</u>
Total Liabilities and Net Assets	<u>126,770</u>	<u>110,267</u>

Approved on behalf of the Board of Directors:

Michael Hoffman, Director

Bernice Thomas, Director

Springborough Residents Association
Statement of Operations
Year Ended December 31, 2015

	2015	2014
Revenue		
Annual Fees	71,925	71,925
Interest on Past Due Accounts	387	227
Collection Costs Charged to Homeowners	-	368
Investment Income	1,565	990
	<u>73,877</u>	<u>73,510</u>
Expenses		
Operating Expenses		
Landscaping	39,512	45,414
Pathway Snow Removal	14,110	12,973
	<u>53,622</u>	<u>58,387</u>
Administrative Expenses		
Insurance	1,000	1,000
Website	-	221
Fee Adjustments	(89)	-
Collection Costs	1,504	525
Pay Pal Fees	1,224	1,008
Annual General Meeting	759	636
Accounting and Legal	-	727
Other (Income)/Expenses	363	883
	<u>4,761</u>	<u>5,000</u>
	<u>58,384</u>	<u>63,387</u>
Net Income/(Loss)	<u>15,493</u>	<u>10,123</u>

Approved on behalf of the Board of Directors:

Michael Hoffman, Director

Bernice Thomas, Director

Springborough Residents Association
Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
Operating Activities		
Net Income/(Loss)	15,493	10,123
Change in Non-cash Working Capital		
Accounts Receivable	357	552
Accounts Payable and Accrued Liabilities	-	(675)
Accrued Interest	373	252
Prepaid Annual Fees	(1,039)	905
Cash Flow from Operating Activities	15,802	9,089
Investing Activities		
Cash Flow from Investing Activities	(8,192)	(30,738)
Increase/(Decrease) in Cash	7,610	(21,649)
Cash, Beginning of Year	11,831	33,480
Cash, End of Year	19,441	11,831

Approved on behalf of the Board of Directors:

Michael Hoffman, Director

Bernice Thomas, Director

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 \$103,237 at December 31, 2015 (\$95,045 at December 31, 2014) with maturity dates ranging from February 28, 2016 to February 26, 2020, bearing interest rates ranging from 0.65% to 2.50%.

At December 31, 2015, the Association has designated \$56,610 towards reserve funds (10% of Annual Fees plus investment interest; an additional \$7,193 in 2015) 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 2015 for each single detached dwelling and \$87.50 for 2015 (unchanged from 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.