

Eagle Ridge Homeowners Association  
Notes to the Financial Statements  
as at December 31, 2013

						\$	\$	\$
						2013	2012	2011
1.	<b>Short Term Investments</b>							
	<b>Issue Date</b>	<b>Redemption Date</b>	<b>Face Amount</b>	<b>Interest Rate</b>				
	Scotia CAD Cash			Variable		11	11	41630
						11	11	41630
2.	<b>Long Term Investments</b>							
	<b>Issue Date</b>	<b>Redemption Date</b>	<b>Face Amount</b>	<b>Interest Rate</b>				
	Scotia GIC 10000003FCLB	January 30, 2007	January 30, 2012	12,902	4.40%	-	-	15,949
	Scotia GIC-FCMS9	May 4, 2009	May 4, 2013	27,407	3.01%	-	30,655	29,731
	Scotia GIC-FCMVG	July 29, 2009	July 29, 2013	10,000	3.01%	-	11,105	10,770
	Scotia GIC- HXCP3	June 18, 2010	June 18, 2011	39,932	1.30%	-	-	-
	Scotia GIC- HHPW5	May 3, 2010	May 3, 2013	27,088	1.55%	-	28,224	27,792
	National Trust GIC- RFLRC	September 27, 2012	March 27, 2014	40,000	1.70%	40,862	40,179	-
	National Trust GIC- K5DPC	November 25, 2010	November 25, 2015	6,287	2.10%	6,706	6,568	6,432
	Scotia GIC-VZ89H	May 9, 2013	Nov 10, 2014	30,975	1.60%	31,297	-	-
	Scotia GIC-VZ89Y	May 9, 2013	Nov 10, 2014	28,374	1.60%	28,668	-	-
	Scotia GIC-VVOKL	July 29, 2013	January 29, 2015	11,300	1.55%	11,375	-	-
	Total GIC Investments					118,908	116,731	90,675
	Total Investments (Note 1 and 2, Short and Long Term)					118,919	116,742	132,305

3. **Reserve Fund History and Surplus Retained Earnings not in Reserve**

Established by motion at AGM, Mar 14, 2004 and maintained according to ERHA Bylaws for major repair and replacement of assets, and for the ERHA fence painting and staining program.

	Interest	Contribution	Expenditure	Change	Balance
Opening Balance (Mar. 31, 2004)					45,000
2004	1,082	14,500	-	15,582	60,582
2005	1,894	14,000	8,880	7,014	67,595
2006	3,220	14,000	1,098	16,122	83,717
2007	3,432	14,000	2,000	15,432	99,149
2008	3,900	15,000	2,885	16,015	115,164
2009	4,303	15,000	10,000	9,303	124,467
2010	3,001	15,000	15,000	3,001	127,468
2011	2,685	15,000	4,988	12,697	140,165
2012	2,005	15,000	5,324	11,681	151,847
2013	2,343	22,260	1,377	23,226	175,072
2014 Projected	2,300	22,705	37,000	(11,995)	163,077

**Cash position as at Dec. 31, 2013**

	\$
Value of Investments	118,919
Chequing account	31,193
Business Account	25,783
	175,895
Reserve as at Dec. 31, 2013	175,072
Cash available not in Reserve:	823

ERHA cash available not in Reserve as of Dec 31, 2013 (Surplus Retained Earnings)

\$ 823

The "retained earnings" of the Association can be added to any net income realized in future years, which is not required (by resolutions or by-laws), to be allocated to the Reserve Fund and could be spent on future, as yet undetermined initiatives or purchase of new assets. The Board may contribute the surplus of operating funds in any given year to the Reserve Fund.

4. The favorable spending variance of \$26,467 in 2013 is primarily due to reduced spending in grounds maintenance and not spending the reserve fund budget for maintenance of items that are the responsibility of the association, and not incurring any legal fees that were anticipated to ensure homeowners are in compliance with the Eagle Ridge Homeowner bylaws and architectural guidelines. The increase in homeowners fees from \$120 to \$175 per household also helped to create the favorable variance as this increase in fees was not spent in 2013. The current Board is proposing to budget the 2013 reserve fund expenditures plus \$12000 for culdesac landscaping in 2014.