

Financial Statements of

**THE CANADIAN REAL ESTATE
ASSOCIATION**

Year ended December 31, 2013

THE CANADIAN REAL ESTATE ASSOCIATION

Financial Statements

Year ended December 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Members of the Canadian Real Estate Association

We have audited the accompanying financial statements of the Canadian Real Estate Association, which comprise the statement of financial position as at December 31, 2013, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Real Estate Association as at December 31, 2013, and its results of operations, changes in fund balances and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

February 20, 2014

Ottawa, Canada

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Financial Position

December 31, 2013, with comparative figures for 2012

	2013	2012
Assets		
Current assets:		
Cash	\$ 3,421,127	\$ 2,296,027
Accounts receivable	860,322	850,680
Membership dues receivable (note 12(c))	3,051,747	3,077,157
Prepaid expenses	588,726	1,018,919
	<u>7,921,922</u>	<u>7,242,783</u>
Investments (note 3)	14,724,895	12,332,801
Tangible capital and intangible assets (note 4)	12,025,599	11,725,656
	<u>\$ 34,672,416</u>	<u>\$ 31,301,240</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 2,671,670	\$ 2,162,342
Deferred revenue	33,095	13,000
Current portion of long-term debt (note 6)	495,656	474,064
	<u>3,200,421</u>	<u>2,649,406</u>
Long-term debt (note 6)	3,764,098	4,259,754
Fund balances:		
Members' General fund	5,802,053	4,615,040
Restricted funds (note 7(b))	14,139,999	12,785,202
Capital asset fund	7,765,845	6,991,838
	<u>27,707,897</u>	<u>24,392,080</u>
Commitments (note 8)		
Contingencies (note 9)		
	<u>\$ 34,672,416</u>	<u>\$ 31,301,240</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Operations

Year ended December 31, 2013, with comparative figures for 2012

	Members' General Fund	Restricted Funds (note 7(b))	Total 2013	Total 2012
Revenues:				
Membership dues	\$ 27,421,963	\$ –	\$ 27,421,963	\$ 26,369,065
MLS® & Technology Council	–	7,165,810	7,165,810	5,952,360
Association Executives Council (AEC)	–	230,483	230,483	226,627
Canadian Commercial Council (CCC)	–	107,067	107,067	327,408
Building Reserve Fund (schedule)	–	1,073,614	1,073,614	946,415
Other	320,800	–	320,800	85,480
Sponsorship	24,250	–	24,250	–
Investment	349,798	–	349,798	307,414
	28,116,811	8,576,974	36,693,785	34,214,769
Expenses:				
Services to members	9,600,941	–	9,600,941	8,639,469
Governance and representation	2,316,659	–	2,316,659	2,076,687
Operating	1,689,567	–	1,689,567	1,637,009
Salaries and benefits	9,517,229	–	9,517,229	8,926,913
MLS® & Technology Council	–	7,060,030	7,060,030	5,180,101
Association Executives' Council	–	229,852	229,852	293,758
Canadian Commercial Council	–	178,565	178,565	266,644
Legal Defence Support Program Fund	–	88,370	88,370	1,540,891
Futures Fund	–	277,854	277,854	898,379
Building Reserve Fund (schedule)	–	846,150	846,150	865,955
	23,124,396	8,680,821	31,805,217	30,325,806
Excess of revenues over expenses (expenses over revenues) before amortization of tangible capital and intangible assets				
	4,992,415	(103,847)	4,888,568	3,888,963
Amortization of tangible capital and intangible assets				
	(962,030)	(610,721)	(1,572,751)	(1,456,527)
Excess of revenues over expenses (expenses over revenues)				
	\$ 4,030,385	\$ (714,568)	\$ 3,315,817	\$ 2,432,436

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Changes in Fund Balances

Year ended December 31, 2013, with comparative figures for 2012

	Members' General Fund	Restricted Funds (note 7(b))	Capital Asset Fund	2013 Total	2012 Total
Fund balances, beginning of year	\$ 4,615,040	\$ 12,785,202	\$ 6,991,838	\$ 24,392,080	\$ 21,959,644
Excess of revenues over expenses (expenses over revenue)	4,030,385	(714,568)	—	3,315,817	2,432,436
Transfer from Members' General Fund	(2,700,000)	2,700,000	—	—	—
Net change in Capital Asset Fund:					
Tangible capital and intangible asset additions	(631,338)	(1,241,356)	1,872,694	—	—
Repayment of long-term debt	(474,064)	—	474,064	—	—
Amortization of tangible capital and intangible assets	962,030	610,721	(1,572,751)	—	—
	(143,372)	(630,635)	774,007	—	—
Fund balances, end of year	\$ 5,802,053	\$ 14,139,999	\$ 7,765,845	\$ 27,707,897	\$ 24,392,080

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2013, with comparative figures for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 3,315,817	\$ 2,432,436
Items not involving cash:		
Amortization of tangible capital and intangible assets	1,572,751	1,456,527
Amortization of premium (discount) on investments	(12,746)	249
Gain on disposal of investments	(7,646)	–
Change in non-cash operating working capital	975,384	(1,316,915)
	<u>5,843,560</u>	<u>2,572,297</u>
Investing activities:		
Additions to investments	(2,862,702)	(2,551,104)
Tangible capital and intangible assets additions	(1,872,694)	(752,215)
	<u>(4,735,396)</u>	<u>(3,303,319)</u>
Financing activities:		
Repayment of long-term debt	(474,064)	(453,405)
Withdrawals from investments	491,000	310,254
	<u>16,936</u>	<u>(143,151)</u>
Increase (decrease) in cash	1,125,100	(874,173)
Cash, beginning of year	2,296,027	3,170,200
Cash, end of year	<u>\$ 3,421,127</u>	<u>\$ 2,296,027</u>

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2013

1. Operations:

The Canadian Real Estate Association (the "Association") was incorporated without share capital on November 1, 1954 under the Canada Corporations Act. Effective December 11, 2013, the Association continued their articles of incorporation from the Canada Corporations Act to the Canada Not-for-profit Corporations Act. The Association is a not-for-profit organization and as such is not subject to income tax under paragraph 149(1)(l) of the Income Tax Act.

The Association coordinates activities between individual real estate boards and provincial real estate associations. In addition, the Association at the federal level represents members' interests in all aspects of the real estate industry.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies:

(a) Basis of presentation:

The Association follows the deferral method of accounting for contributions for not-for-profit organizations, and uses fund accounting.

These financial statements reflect the operations of the Canadian Real Estate Association. The financial statements do not include the revenues, expenses, assets and liabilities of the Association's related entities: the Canadian REALTORS Care® Foundation, Realtor Canada Inc. and its Member Boards and Provincial Associations. These organizations are disclosed in note 12.

(b) Fund accounting:

The Members' General Fund reports the revenues, expenses, assets, liabilities and fund balances of the Association's general operations and services to members.

The Capital Asset Fund reports the Association's investment in tangible capital and intangible assets.

Restricted Funds are described in note 7(b).

(c) Revenue recognition:

Revenues from membership dues and technology assessments are based on membership information provided by the individual Boards enrolled in the Association. Dues received in advance of the year to which they apply are deferred and recognized as revenue in the appropriate future year. Revenues from membership initiation dues are recognized on a cash basis.

Sponsorship, building, legal defense support, and other revenues are recognized in the period to which they relate.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(d) Expenses:

The Association presents its expenses by function with the exception of salaries and benefits, and amortization of tangible capital and intangible assets, which are presented separately.

Expenses are recognized in the year incurred and are recorded in the function to which they are directly related.

The Association does not allocate expenses between functions after initial recognition.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Sales and purchases of investments are recorded on the trade date. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight line method.

Financial assets are assessed for indicators of impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(f) Tangible capital and intangible assets:

Tangible capital and intangible assets are stated at cost. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(f) Tangible capital and intangible assets (continued):

Amortization is provided on the straight-line basis or declining balance method using the following annual rates:

Asset	Rate
Tangible capital assets:	
Building	4%
Office equipment	10% to 20%
Computer equipment	30%
Building improvements (straight-line)	15 years
Office improvements (straight-line)	15 years
Intangible assets:	
Computer software	30%
Web-sites	30%

(g) Defined contribution pension plan:

The Association recognizes an expense in the Members' General Fund for the contribution required to be made by the Association to the defined contribution pension plan based on employee services rendered in the year.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

3. Investments:

(a) Investment balances:

Investments consist of the following:

December 31, 2013	Carrying value	Fair value
Guaranteed investment certificates	\$ 14,570,033	\$ 14,728,709
Government bonds	83,801	80,404
Corporate bonds	46,038	41,398
Equities	25,023	25,023
	<u>\$ 14,724,895</u>	<u>\$ 14,875,534</u>

December 31, 2012	Carrying value	Fair value
Guaranteed investment certificates	\$ 12,157,395	\$ 12,352,757
Government bonds	113,442	113,438
Corporate bonds	38,252	41,933
Equities	23,712	23,712
	<u>\$ 12,332,801</u>	<u>\$ 12,531,840</u>

Investments are held by the Association to fund the Members' General Fund, Contingency Reserve Fund, Legal Defense Support Program Fund, the Futures Fund and the MLS® Domain Fund.

Investments are managed by investment managers in accordance with an investment policy approved by the Board of Directors.

(b) Effective interest rates and maturities of investments:

The Association's effective interest rate and maturity date ranges are as follows:

December 31, 2013	Interest rate	Maturity date
Guaranteed investment certificates	1.15% to 2.40%	May 2014 to December 2017
Government bonds	1.25%	September 2014
Corporate bonds	10.75%	April 2019

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

3. Investments (continued):

(b) Effective interest rates and maturities of investments (continued):

The Association's effective interest rate and maturity date ranges are as follows:

December 31, 2012	Interest rate	Maturity date
Guaranteed investment certificates	1.15% to 4.6%	April 2013 to November 2016
		September 2014
Government bonds	1.25%	to June 2017
Corporate bonds	10.75%	April 2019

4. Tangible capital and intangible assets:

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Tangible capital assets:				
Land	\$ 2,593,000	\$ –	\$ 2,593,000	\$ 2,593,000
Building	7,372,126	2,211,638	5,160,488	5,455,373
Office equipment	1,489,512	1,056,833	432,679	525,783
Computer equipment	1,063,747	828,513	235,234	118,966
Building improvements	883,550	290,404	593,146	647,927
Office improvements	1,599,822	628,659	971,163	1,034,352
Intangible assets:				
Computer software	1,547,015	1,110,997	436,018	431,800
Web-sites	8,685,436	7,081,565	1,603,871	918,455
	\$ 25,234,208	\$ 13,208,609	\$ 12,025,599	\$ 11,725,656

Cost and accumulated amortization of tangible capital and intangible assets at December 31, 2012 amounted to \$23,361,514 and \$11,635,858 respectively.

5. Accounts payable and accrued liabilities:

At year end, the Association had no amounts payable for government remittances, such as HST and payroll taxes.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

6. Long-term debt:

The Association has a long-term debt agreement relating to its purchase of the land and building.

	2013	2012
Term loan bearing interest of prime plus 1.00%, repayable in equal monthly instalments of principal and interest of \$56,308, maturing May 31, 2016	\$ 4,259,754	\$ 4,733,818
Current portion of long-term debt	495,656	474,064
	<u>\$ 3,764,098</u>	<u>\$ 4,259,754</u>

The loan is secured by the land and building.

Payments of the principal portion are as follows:

	Principal
2014	\$ 495,656
2015	518,232
2016	3,245,866
	<u>\$ 4,259,754</u>

7. Fund balances:

(a) Capital management:

The Association considers its capital to consist of its fund balances. The Association's overall objective with regards to its fund balances is to fund tangible capital and intangible assets, future projects and ongoing operations. The Association manages its net assets by establishing restricted funds and appropriating amounts to the restricted funds for anticipated future projects, contingencies and other capital requirements. These allocations are disclosed in note 7(b).

The Association is not subject to externally imposed capital requirements and its overall strategy with respect to net assets remains unchanged from the year ended December 31, 2012.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

7. Fund balances (continued):

(b) Restricted funds:

Restricted funds consist of the following.

Fund December 31, 2013	Fund balance, beginning of year	Excess (deficiency) of revenues over expenses	Appropriation from (to) Members' General Fund	Appropriation from (to) Capital Asset Fund	Fund balance, end of year
MLS® & Technology Council	\$ 4,444,453	(450,160)	\$ –	\$ (630,635)	\$ 3,363,658
Association Executives' Council (AEC)	84,623	631	–	–	85,254
Canadian Commercial Council (CCC)	256,720	(71,498)	–	–	185,222
Contingency Reserve Fund	5,590,447	–	1,000,000	–	6,590,447
Legal Defence Support Program Fund	2,049,243	(88,370)	–	–	1,960,873
Building Reserve Fund	258,095	172,683	500,000	–	930,778
Futures Fund	101,621	(277,854)	500,000	–	323,767
MLS® Domain Fund	–	–	700,000	–	700,000
	\$ 12,785,202	\$ (714,568)	\$ 2,700,000	\$ (630,635)	\$ 14,139,999

(i) MLS® & Technology Council:

The objective of the Council is to develop strategies, determine priorities for, and implementation of the provision of national technological services by the Association for REALTOR.ca™, Information Exchange Network, National Authentication Facility and REALTOR Link™.

(ii) Association Executives' Council:

The fund reflects the equity of the Association Executives' Council. The members of this Council are the executives of the national, provincial and local real estate boards. The Council fosters discussions between its members on business issues and administrative practices. The Council has a membership of approximately 130.

(iii) Canadian Commercial Council:

The fund reflects the equity of the Canadian Commercial Council. The members of this Council are Association members who specialize in commercial real estate or have earned appropriate designations. The objectives of the Council are to foster professional expertise in commercial real estate and to maintain high standards for designation. The Council has a membership of approximately 6,300.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

7. Fund balances (continued):

(b) Restricted funds (continued):

(iv) Contingency Reserve Fund:

This fund was established by the Board of Directors to improve the Association's financial position. The Association's objective is to maintain a balance equivalent to four months of operating expenses, approximately \$7 million, in the contingency reserve fund.

(v) Legal Defense Support Program Fund:

The Legal Defense Support Program Fund was established by the Board of Directors to support boards and associations which find themselves facing litigation as a result of their adherence to, or enforcement of, national policies of the Canadian Real Estate Association. The Association's objective is to maintain a balance of approximately \$2 million in the Legal Defense Support Program Fund.

(vi) Building Reserve Fund:

This fund was established by the Board of Directors to reflect the cumulative excess of revenues over expenses from the operation of the building. The Association's objective is to maintain reserves up to \$1.5 million for future maintenance projects of the building.

(vii) Futures Fund:

This fund was established by the Board of Directors to support and fund CREA, Boards and Associations in implementing organized real estate's collaborative strategy and plan.

(viii) MLS® Domain Fund:

This fund was established in 2013 by the Board of Directors to provide funds for potential upcoming and ongoing costs related to the application for the .mls and .realtor domain names.

8. Commitments:

The Association is committed to the rental of office equipment and web-site maintenance costs. The minimum annual payments are as follows:

2014	\$	57,572
2015		57,218
2016		48,152
2017		24,076
		<hr/>
		\$ 187,018

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Contingencies:

The Association is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of management, an estimate of the potential liability from these claims cannot be made, but any liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Association. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

10. Pension plan:

The pension plan (the "Plan") for employees of the Association is a defined contribution plan covering all the employees of the Association who meet eligibility requirements as specified in the Plan Agreement. The Association will match a percentage of gross earnings for all members of the Plan based on the employees' years of experience at the Association. In the year, the Association contributed \$386,972 (2012 - \$328,709) to the Plan, which is recorded in salaries and benefits expense.

11. Financial risks:

(a) Credit risk:

The Association is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as Canadian real estate boards, governments and public companies.

The Association assesses, on a continuous basis, accounts and membership dues receivables and provides for any amounts that are not collectible in an allowance for doubtful accounts. At year end, there were no amounts allowed for in accounts and membership dues receivable.

(b) Interest rate risk:

The Association is exposed to interest rate risk with respect to its interest-bearing investments and long-term debt as disclosed in notes 3 and 6.

(c) Foreign currency risk:

The Association believes that it is not exposed to significant foreign currency risk arising from its financial instruments.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

12. Related party transactions:

The Association is related to the Canadian REALTORS Care® Foundation, Realtor Canada Inc. and its Member Boards and Provincial Associations:

(a) Canadian REALTORS Care® Foundation:

The Association is related to the Canadian REALTORS Care® Foundation by virtue of its financial and operational support. The Foundation was incorporated without share capital under Part II of the Canada Corporations Act on October 5, 2006 and effective August 29, 2013 continued their articles of incorporation under the Canada Not-for-profit Corporations Act. The Foundation is a registered charity under the Income Tax Act (Canada). The Foundation is a promotional and public relations vehicle for charitable efforts for REALTORS® and provides administrative service to Boards and Associations regarding the collection and disbursement of funds and provision of charitable tax receipts.

The Foundation's assets, liabilities and net assets, revenues and expenses are as follows for the year ended December 31:

	2013	2012
Assets	\$ 144,404	\$ 143,982
Liabilities	\$ 24,826	\$ 24,005
Net assets	119,578	119,977
Total liabilities and net assets	\$ 144,404	\$ 143,982
Revenues:		
Contribution from the Association	\$ 70,500	\$ 70,500
Donations	255,418	1,040
	325,918	71,540
Expenses:		
Contributions to other registered charities	255,418	2,040
Other	69,899	51,181
	325,317	53,221
Excess of revenues over expenses	\$ 601	\$ 18,319

(b) REALTOR® Canada Inc.:

The Association is related to REALTOR® Canada Inc. by virtue of its 50% ownership of the shares in REALTOR® Canada Inc., which is a for-profit entity. The objective of REALTOR® Canada Inc. is to hold the trademark registration for the term REALTOR® in Canada. REALTOR® Canada Inc. has no assets or liabilities and had no financial transactions during the year.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

12. Related party transactions (continued):

(c) Member Boards and Provincial Associations:

The Association is related to its member real estate boards and provincial associations by virtue of its governance structure. The Association and the member boards and provincial associations provide services to their members in an integrated manner.

The Association collects membership dues from individual members through the member boards. National fees are collected by the member boards and then forwarded to the Association. All other transactions between the Association and the member boards and provincial associations occur in the normal course of operations for the Association.

THE CANADIAN REAL ESTATE ASSOCIATION

Schedule of Revenues and Expenditures – Building Reserve Fund

Year ended December 31, 2013, with comparative figures for 2012

	2013	2012
Revenues:		
Rental	\$ 705,295	\$ 672,554
Operating recoveries from tenants	266,390	179,882
Parking	98,126	88,250
Interest	3,803	5,729
	<u>1,073,614</u>	<u>946,415</u>
Expenditures:		
Operating:		
Utilities	272,726	306,424
Property taxes	282,253	283,089
Repairs and maintenance	216,124	202,643
Management fee	55,257	54,173
Administrative	19,790	19,626
	<u>846,150</u>	<u>865,955</u>
Capital	<u>37,452</u>	<u>234,224</u>
	<u>883,602</u>	<u>1,100,179</u>
Excess (deficiency) of revenues over expenditures	\$ 190,012	\$ (153,764)

The Association capitalized \$Nil (2012 - \$234,224) of the capital expenditures incurred for the building.