

**CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
(operating as Points West Resort)**

**NOTICE TO READER
and
FINANCIAL STATEMENTS**

DECEMBER 31, 2009

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NOTICE TO READER

To the Owners of the
Condominium Corporation No. 8822999 AND 8922950
(operating as Points West Resort)

On the basis of information provided by management, I have compiled the statement of financial position of the **Condominium Corporation No. 8822999 AND 8922950 (operating as Points West Resort)** as at DECEMBER 31, 2009 and the statements of Operating Fund Operations and Changes in Operating Fund Balance, Capital Replacement Reserve Fund Operations and Change in Capital Replacement Reserve Fund Balance, and Cash Flows for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

In compiling the financial statements, the firm prepared journal entries. Also, the accountant preparing these financial statements is an owner in the Condominium Corporation.



CHARTERED ACCOUNTANT

Calgary, Alberta
April 7, 2010

CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
(operating as Points West Resort)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2009

	2009			2008
	Operating Fund	Reserve Fund	Total	Total
CURRENT ASSETS				
Cash held in trust (Note 3)	\$ 8,891	\$ -	\$ 8,891	\$ 23,216
Restricted cash (Note3)	-	105,950	105,950	104,449
Condominium fees receivable	<u>4,361</u>	<u>-</u>	<u>4,361</u>	<u>3,036</u>
	<u>\$ 13,252</u>	<u>\$ 105,950</u>	<u>\$ 119,202</u>	<u>\$ 130,701</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 7,495	\$ -	\$ 7,495	\$ -
Condominium fees received in advance	<u>1,791</u>	<u>-</u>	<u>1,791</u>	<u>1,405</u>
	<u>9,286</u>	<u>-</u>	<u>9,286</u>	<u>1,405</u>
NET ASSETS				
Capital replacement reserve fund	-	105,950	105,950	104,449
Operating fund	<u>3,966</u>	<u>-</u>	<u>3,966</u>	<u>24,847</u>
	<u>3,966</u>	<u>105,950</u>	<u>109,916</u>	<u>129,296</u>
	<u>\$ 13,252</u>	<u>\$ 105,950</u>	<u>\$ 119,202</u>	<u>\$ 130,701</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
(operating as Points West Resort)

STATEMENT OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>Budget</u>	(8 Months) <u>2008</u>
REVENUE			
Condominium fees	\$ 147,900	\$ 147,900	\$ 118,900
Other income	<u>6,628</u>	<u>2,000</u>	<u>3,369</u>
	<u>154,528</u>	<u>149,900</u>	<u>122,269</u>
EXPENSES			
Administration and management fees	25,200	25,200	17,835
Cleaning	1,018	1,000	4,930
Grounds maintenance	55,291	43,104	25,101
Insurance	3,025	3,000	2,950
Office and bank charges	2,750	1,700	3,538
Professional fees	367	-	1,330
Property tax	690	627	627
Repairs and maintenance	26,551	19,159	52,464
Security	673	-	1,480
Utilities	<u>32,934</u>	<u>27,200</u>	<u>16,680</u>
	<u>148,499</u>	<u>120,990</u>	<u>126,935</u>
EXCESS OF REVENUE OVER EXPENSES	6,029	28,910	(4,666)
Transfer to capital replacement reserve fund	(26,910)	(26,910)	(25,000)
Operating fund at beginning of year	<u>24,847</u>	<u>24,847</u>	<u>54,513</u>
OPERATING FUND AT END OF YEAR	<u>\$ 3,966</u>	<u>\$ 26,847</u>	<u>\$ 24,847</u>

CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
(operating as Points West Resort)

STATEMENT OF CAPITAL REPLACEMENT RESERVE FUND OPERATIONS
AND CHANGE IN CAPITAL REPLACEMENT RESERVE FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
Revenue		
Interest	\$ 1,268	\$ 2,599
Expenditures		
Bank charges	5	42
Capital replacements – bathroom refurbishment	<u>26,672</u>	<u>-</u>
	<u>26,677</u>	<u>42</u>
Excess(deficiency) of revenue over expenses	(25,409)	2,557
Transfer from operating fund	26,910	25,000
Capital replacement reserve fund at beginning of year	<u>104,449</u>	<u>76,892</u>
Capital replacement reserve fund at end of year	<u>\$ 105,950</u>	<u>\$ 104,449</u>

CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
(operating as Points West Resort)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009
Operations	
Cash received (disbursed) on the following operating activities:	
Condominium fees	\$ 146,961
Interest and other income	7,896
Operating expenses	(141,009)
Reserve fund expenditures	(26,672)
Special projects	-
Increase (decrease) in cash and short-term investments	(12,824)
Cash and short-term investments, start of year	127,665
Cash, end of year	\$ 114,841
 Cash is comprised of:	
Cash held in trust	\$ 8,614
Savings account	106,227
	\$ 114,841

CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
(operating as Points West Resort)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

1. PURPOSE OF THE ORGANIZATION

The **Condominium Corporation No. 8822999 AND 8922950** was constituted under the provisions of the Condominium Property Act of Alberta on as a non-profit organization. The purpose of the corporation is to manage and maintain the common property (as defined in the corporation's by-laws) and to provide common services for the benefits of the residential units comprising the condominium complex known as Points West Resort located in Sylvan Lake, Alberta.

These financial statements include only the operating assets, liabilities, revenues and expenses relating to the operations of the Corporation. The statements do not include the cost of land and improvements that are held by the owners.

2. SIGNIFICANT ACCOUNTING POLICIES

The corporation has an elected Board of Directors who have had these financial statements prepared in accordance with Canadian generally accepted accounting principles within reasonable limits of materiality using the accounting policies summarized below.

(a) Fund Accounting

The Condominium follows the restricted fund method of accounting for contributions. The operating fund accounts for the condominium's operating and administrative activities. The capital replacement reserve fund reports the fee assessments from unit owners that are to be set aside and used for estimated future costs of major repairs and replacements.

(b) Revenue and Expense Recognition

Revenues primarily comprise of assessments for the cost of common services provided to owners and are charged in one installment on the basis of an approved annual budget. Revenue and expenses are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money. Investment income earned on Reserve Fund investments is recognized as revenue of the Capital Replacement Reserve Fund.

(c) Reserve for Major Repairs and Replacements

The corporation, in compliance with its by-laws, has established a reserve for financing future major repairs and replacements of common property. The contributions to finance major repairs and replacements are determined annually by the Board. Only major repairs and replacements are charged to the reserve. Minor repairs and equipment purchases are charged to operations in the year they are incurred.

(d) Contributed Services

Volunteers contribute many hours each year to assist the corporation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
(operating as Points West Resort)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 those estimates.

(f) Financial Instruments

The condominium corporation's financial instruments consist of cash held in trust, cash, accounts receivable and accounts payable. Unless otherwise indicated, it is management's opinion the condominium corporation is not exposed to significant interest or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. CASH & CASH HELD IN TRUST

Restrictions have been placed on the use of funds available to the corporation by the Board of Directors. Restricted assets consist of cash in the amount of \$105,950 (2008 - \$104,449) which has been designated by the Board as a reserve for future repairs and replacement of common property. The operating account is held and managed by Sunreal Property Management Ltd. in trust.

4. RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS

Under the bylaws of the Corporation, amounts are allocated out of fee assessments levied, toward a reserve fund to cover future costs. The allocation is based on the annual budget approved by the Board of Directors, which is based on the reserve study and reserve plan prepared. During the year, cash in the amount of \$26,910 (2008 - \$25,000) was designated as a reserve for future repairs and replacement of common property. Expenditures for the refurbishment of the washrooms were designated as major repairs during the current year (2008 - nil).

5. ADEQUACY OF RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

An independent reserve fund study was conducted in 2007. In the opinion of the professional engineers who completed the study, the Capital Replacement Reserve Fund should have a present balance of \$98,804 as of May 31, 2009 and a balance of \$122,915 as of May 31, 2010. The dates do not correspond with the fiscal year-end. The actual reserve fund balance at DECEMBER 31, 2009 is \$105,950. The Board of Directors is utilizing this updated report together with such information as is available in evaluating the Capital Replacement Reserve Fund requirements. The budgeted contribution for 2010 is \$26,910.

**CONDOMINIUM CORPORATION NO. 8822999 AND 8922950
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

6. INCOME TAXES

The condominium corporation is considered to be a non-profit organization under paragraph 149(1) of the Income Tax Act. Accordingly, no provision for income taxes has been made in these financial statements.

7. COMMITMENT

The condominium corporation has contracted with Sunreal Property Management Ltd. to manage certain affairs of the corporation on behalf of the corporation at a cost of \$2,100 per month, expiring April 2012.