

Peaks at Eagle Ridge

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Peaks at Eagle Ridge

SEPTEMBER 30, 2010

CONTENTS

Auditors' Report

Financial Statements	<u>Page</u>
Statement of Financial Position	1
Statement of Operations and Change in Fund Balance	
Operating Fund	2
Capital Replacement Reserve Fund	3
Notes to the Financial Statements	4 - 5

AUDITORS' REPORT

To the Owners of:

The Peaks at Eagle Ridge Condominium Corporation No. 072 8880

We have audited the statement of financial position of the The Peaks at Eagle Ridge Condominium Corporation No. 072 8880 as at September 30, 2010, and the statements of operations and changes in fund balances for the operating fund and capital replacement reserve fund for the year then ended. These financial statements are the responsibility of the corporation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the corporation as at September 30, 2010, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The results of the prior year were reported on by another auditor.

In accordance with generally accepted accounting principles, common area assets maintained by the corporation are not recorded in these financial statements. We recommend that the reader make a comparison of the financial assets reported in these financial statements, with the expected maintenance requirements reported in the reserve fund study. We also recommend that the reader consider management's reserve fund plan: the plan of the corporation to fund any required capital expenditures. The reserve fund study and reserve fund plan are required for all condominium corporations within two years of their registration.

Cass & Fraser

Cass & Fraser Chartered Accountants

Edmonton, Alberta
January 11, 2011

Peaks at Eagle Ridge

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2010

	2010			2009
	Operating Fund	Reserve Fund	Total	Total
Current Assets				
Cash	\$ 363,525	\$ 96,288	\$ 459,813	\$ 563,485
Accounts receivable	42,257	-	42,257	46,925
Prepaid expenses	36,733	-	36,733	25,733
	442,515	96,288	538,803	636,143
Guaranteed investment certificates	-	375,516	375,516	-
	\$ 442,515	\$ 471,804	\$ 914,319	\$ 636,143
Current Liabilities				
Accounts payable	\$ 62,034	\$ -	\$ 62,034	\$ 114,749
Prepaid condominium fees	4,320	-	4,320	9,505
	66,354	-	66,354	124,254
Net Assets				
Capital replacement reserve fund	-	471,804	471,804	270,408
Operating fund	376,161	-	376,161	241,481
	376,161	471,804	847,965	511,889
	\$ 442,515	\$ 471,804	\$ 914,319	\$ 636,143

Peaks at Eagle Ridge

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE OPERATING FUND

FOR THE YEAR ENDING SEPTEMBER 30, 2010

	2010 Budget	2010 Actual	2009 Actual
Revenues			
Condominium fees	\$ 2,090,276	\$ 2,089,023	\$ 1,994,567
Less: Reserve fund assessments	-	(200,000)	(200,000)
	2,090,276	1,889,023	1,794,567
Other	-	6,616	6,661
	2,090,276	1,895,639	1,801,228
Administration			
Interest and bank charges	1,000	820	660
Management fees	77,000	77,000	76,986
Office	8,000	12,558	7,531
Professional fees	8,500	18,795	4,052
Utilities			
Telephone	8,000	5,289	553
Utilities	740,000	544,865	718,218
Maintenance			
Carpet cleaning and mat rental	10,000	7,591	30,399
Electrical	15,000	42,779	13,925
Elevator maintenance	61,000	48,312	52,776
Janitorial contract and supplies	11,000	22,146	181,958
Landscaping and snow removal	30,000	28,312	28,908
Miscellaneous	3,000	865	10,803
Parkade and road maintenance	45,776	51,527	100,575
Plumbing and mechanical	60,000	144,100	85,956
Repairs and maintenance	80,000	74,824	7,904
Resident manager suite	8,000	6,062	7,068
Salaries	283,000	265,667	58,059
Startup fees	1,000	-	5,520
Window washing	20,000	15,396	-
Other			
Insurance	210,000	206,621	181,758
Security	160,000	187,430	39,986
	1,840,276	1,760,959	1,613,595
Revenues over expenses	\$ 250,000	134,680	187,633
Operating fund balance at beginning of year		241,481	53,848
Operating fund balance at end of year		\$ 376,161	\$ 241,481

Peaks at Eagle Ridge

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
CAPITAL REPLACEMENT RESERVE FUND
FOR THE YEAR ENDING SEPTEMBER 30, 2010

	2010 Actual	2009 Actual
Revenues		
Assessments	\$ 200,000	\$ 200,000
Interest	1,396	537
	-	
	201,396	200,537
Expenses		
Reserve fund study	-	7,350
	-	7,350
Revenues over expenses	201,396	193,187
Reserve fund balance at beginning of year	270,408	77,221
Reserve fund balance at end of year	\$ 471,804	\$ 270,408

Peaks at Eagle Ridge

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

1 Purpose and Income Tax Status

The Peaks at Eagle Ridge Condominium Corporation No. 072 8880 (the corporation) is a condominium corporation registered under the Condominium Property Act of Alberta. Its function is to regulate the use of the property and to provide repairs, maintenance and other services to the common areas of the condominium project, located in Fort McMurray, Alberta.

The corporation is a non-profit corporation under the Income Tax Act, and is therefore exempt from income taxes.

2 Significant Accounting Policies

(a) Fund Accounting

The corporation follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the corporation's operating and administrative activities.

The Capital Replacement Reserve Fund reports the amounts that are set aside and used for future costs of major repairs and replacements. The Condominium Property Act of Alberta restricts the ending balance of the reserve fund to use on major capital repairs and replacements. Receivables of the fund may not be considered in the determination of "funds held," for purposes of the Act.

(b) Revenue Recognition

Condominium fee assessments related to general operations are recognized as revenue of the operating fund as billed to the owners by the corporation. Billings for the condominium fees consist of estimates of monthly charges based on approved budgets. All expenses are recognized as incurred.

Condominium fees related to the Capital Replacement Reserve Fund are recognized as revenue of the reserve fund.

Investment income is recognized as revenue of the Capital Replacement Reserve Fund.

(c) Contributed Services

Volunteer services contributed on behalf of the corporation are not recognized in these financial statements due to the difficulty in determining their fair value.

Peaks at Eagle Ridge

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(d) Capital Assets

Condominium units and real property directly associated with those units are not considered to be capital assets of the corporation.

Assets purchased by the corporation are expensed when purchased.

(e) Financial Instruments

The corporation's financial instruments consist of cash investment certificates, condominium fees receivable and accounts payable. It is management's opinion that the corporation is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

3 Statement of Cash Flows

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

4 Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

5 Approval of Financial Statements

These financial statements have been approved by the Board of Directors.