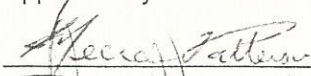
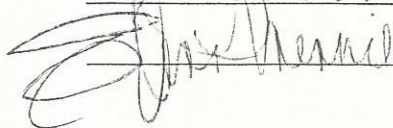


STRATA PLAN N.W. 2040
FINANCIAL STATEMENTS
AUGUST 31, 2003
(Unaudited)

STRATA PLAN N.W. 2040
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2003
(Unaudited)

	Operating Fund	Contingency Reserve Fund	Total 2003	Total 2002
Current Assets				
Cash on hand	\$ 300	\$ -	\$ 300	\$ 300
Cash in bank	6,158	5,074	11,232	7,782
Term deposit	-	96,016	96,016	114,951
Accounts receivable	1,365	-	1,365	988
Prepaid expenses	619	-	619	413
	<u>\$ 8,442</u>	<u>\$ 101,090</u>	<u>\$ 109,532</u>	<u>\$ 124,434</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 80	\$ -	\$ 80	\$ 80
	<u>80</u>	<u>-</u>	<u>80</u>	<u>80</u>
Fund Balances				
Unrestricted	8,362	-	8,362	10,420
Internally restricted - (Note 3)	-	101,090	101,090	113,934
	<u>8,362</u>	<u>101,090</u>	<u>109,452</u>	<u>124,354</u>
	<u>\$ 8,442</u>	<u>\$ 101,090</u>	<u>\$ 109,532</u>	<u>\$ 124,434</u>

Approved by the Directors

 Director
 Director

The accompanying notes are an integral part of the financial statements

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STRATA PLAN N.W. 2040
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2003
(Unaudited)

	Operating Fund 2003	Operating Fund 2002	Contingency Reserve Fund	Total 2003	Total 2002
Income					
Assessments	\$ 47,276	\$ 64,109	\$ -	\$ 47,276	\$ 64,109
Interest	2,516	2,452	-	2,516	2,452
Miscellaneous	168	631	-	168	631
	<u>49,960</u>	<u>67,192</u>	<u>-</u>	<u>49,960</u>	<u>67,192</u>
Expenditures					
Accounting and legal	1,498	1,412	-	1,498	1,412
Administration	276	640	802	1,078	640
Bank charges	42	22	-	42	22
Electricity	627	492	-	627	492
Grounds improvement	8,181	9,508	-	8,181	9,508
Gutters and windows	3,622	5,479	-	3,622	5,479
Insurance	6,788	4,957	-	6,788	4,957
Landscape maintenance	12,433	12,840	-	12,433	12,840
Maintenance	4,131	2,422	26,462	30,593	2,422
	<u>37,598</u>	<u>37,772</u>	<u>27,264</u>	<u>64,862</u>	<u>37,772</u>
Excess of income over expenditures from operations	<u>12,362</u>	<u>29,420</u>	<u>(27,264)</u>	<u>(14,902)</u>	<u>29,420</u>
Interfund transfers and other					
Contingency reserve provision	(4,000)	(19,000)	4,000	-	-
Transfer from operating fund	(10,420)	-	10,420	-	-
	<u>(14,420)</u>	<u>(19,000)</u>	<u>14,420</u>	<u>-</u>	<u>-</u>
	(2,058)	10,420	(12,844)	(14,902)	29,420
Fund balances, beginning of year	<u>10,420</u>	<u>-</u>	<u>113,934</u>	<u>124,354</u>	<u>94,934</u>
Fund balances, end of year	<u>\$ 8,362</u>	<u>\$ 10,420</u>	<u>\$ 101,090</u>	<u>\$ 109,452</u>	<u>\$ 124,354</u>

The accompanying notes are an integral part of the financial statements

STRATA PLAN N.W. 2040
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2003
(Unaudited)

	Operating Fund 2003	Operating Fund 2002	Contingency Reserve Fund	Total 2003	Total 2002
Sources of cash					
Assessments	\$ 46,347	\$ 63,962	\$ -	\$ 46,347	\$ 63,962
Interest	2,516	2,452	-	2,516	2,452
Miscellaneous	168	631	-	168	631
Uses of cash					
Payments for materials and services	(37,252)	(37,280)	(27,264)	(64,516)	(37,280)
Interfund transfers and other					
Contingency reserve provision	(4,000)	(19,000)	4,000	-	-
Transfer from operating fund	(10,420)	-	10,420	-	-
Receipt (advance) of interfund loan	-	(2,266)	-	-	-
Net increase (decrease) in cash	(2,641)	8,499	(12,844)	(15,485)	29,765
Cash, beginning of year	9,099	600	113,934	123,033	93,268
Cash, end of year	<u>\$ 6,458</u>	<u>\$ 9,099</u>	<u>\$ 101,090</u>	<u>\$ 107,548</u>	<u>\$ 123,033</u>
Represented:					
Cash on hand	\$ 300	\$ 300	\$ -	\$ 300	\$ 300
Cash in bank	6,158	7,782	5,074	11,232	7,782
Term deposit	-	1,017	96,016	96,016	114,951
	<u>\$ 6,458</u>	<u>\$ 9,099</u>	<u>\$ 101,090</u>	<u>\$ 107,548</u>	<u>\$ 123,033</u>

The accompanying notes are an integral part of the financial statements

STRATA PLAN N.W. 2040
STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND
FOR THE YEAR ENDED AUGUST 31, 2003
(Unaudited)

	<u>General 2003</u>	<u>Painting 2003</u>	<u>Roofing 2003</u>	<u>Total 2003</u>
Balance, beginning of year	\$ 23,384	\$ 75,550	\$ 15,000	\$ 113,934
Add: Transfer from operating fund	10,420	-	-	10,420
Transfer from expense	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
	33,804	75,550	19,000	128,354
Deduct: Special repairs expense	<u>14,467</u>	<u>12,797</u>	<u>-</u>	<u>27,264</u>
Balance, end of year	<u>\$ 19,337</u>	<u>\$ 62,753</u>	<u>\$ 19,000</u>	<u>\$ 101,090</u>

	<u>General 2002</u>	<u>Painting 2002</u>	<u>Roofing 2002</u>	<u>Total 2002</u>
Balance, beginning of year	\$ 23,384	\$ 60,550	\$ 11,000	\$ 94,934
Add: Transfer from operating fund	-	-	-	-
Transfer from expense	<u>-</u>	<u>15,000</u>	<u>4,000</u>	<u>19,000</u>
	23,384	75,550	15,000	113,934
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 23,384</u>	<u>\$ 75,550</u>	<u>\$ 15,000</u>	<u>\$ 113,934</u>

The accompanying notes are an integral part of the financial statements

STRATA PLAN N.W. 2040
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2003
(Unaudited)

Note 1 Nature and Purpose of Organization

The purpose of the Strata is the maintenance of a thirty-six unit strata townhome complex.

Note 2 Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with the prior period. Outlined below are those policies the Strata considered particularly significant.

Fund Accounting

The Strata follows the restricted fund method of accounting.

The Operating Fund reports the assets, liabilities, income and expenditures related to the Strata's operating activities.

The Contingency Reserve Fund reports the assets, liabilities, income and expenditures related to the Strata's extraordinary repairs activities.

Revenue Recognition

Assessments

Assessments are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Investment Income

Interest income earned on funds is recognized as revenue in the period the investment income is earned.

Income Taxes

The Strata is exempt from income taxes under the provisions of the Income Tax Act as a not-for-profit organization.

Note 3 Internally Restricted Net Assets

Major categories of internally imposed restrictions on net assets are as follows:

	<u>2003</u>	<u>2002</u>
Restricted for extraordinary repairs	<u>\$ 101,090</u>	<u>\$ 113,934</u>

STRATA PLAN N.W. 2040
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2003
(Unaudited)

Note 4 Financial Instruments

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value are as follows:

(a) Fair values:

For certain of the Strata's financial instruments, including cash in bank, term deposits, accounts receivable and accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their immediate or short-term maturity.

Note 5 Cash and Cash Equivalents

At year-end cash and cash equivalents consisted of the following:

	<u>2003</u>	<u>2002</u>
Cash on hand	\$ 300	\$ 300
Cash in bank	11,232	7,782
Term deposit	<u>96,016</u>	<u>114,951</u>
	<u>\$ 107,548</u>	<u>\$ 123,033</u>