

STRATA PLAN N.W. 2040

FINANCIAL STATEMENTS

AUGUST 31, 2004

(Unaudited - See Notice to Reader)

NOTICE TO READER

We have compiled the statement of financial position of Strata Plan N.W. 2040 as at August 31, 2004 and the statements of operations and changes in fund balances for the year then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, B.C.
September 27, 2004

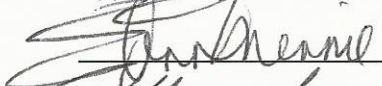
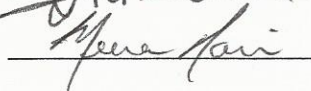


Chartered Accountants

STRATA PLAN N.W. 2040
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2004
(Unaudited - See Notice to Reader)

	Operating Fund	Contingency Reserve Fund	Total 2004	Total 2003
Current Assets				
Cash on hand	\$ 300	\$ -	\$ 300	\$ 300
Cash in bank	-	17,697	17,697	11,232
Term deposit	-	101,582	101,582	96,016
Due from interfund	(5,821)	5,821	-	-
Accounts receivable	1,319	-	1,319	1,365
Prepaid expenses	769	-	769	619
	<u>\$ (3,433)</u>	<u>\$ 125,100</u>	<u>\$ 121,667</u>	<u>\$ 109,532s</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	(3,513)	-	(3,513)	8,362
Internally restricted - (Note 3)	-	125,100	125,100	101,090
	<u>(3,513)</u>	<u>125,100</u>	<u>121,587</u>	<u>109,452</u>
	<u>\$ (3,433)</u>	<u>\$ 125,100</u>	<u>\$ 121,667</u>	<u>\$ 109,532</u>

Approved by the Directors

 Director
 Director

STRATA PLAN N.W. 2040
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2004
(Unaudited - See Notice to Reader)

	Operating Fund 2004	Operating Fund 2003	Contingency Reserve Fund	Total 2004	Total 2003
Income					
Assessments	\$ 64,666	\$ 47,276	\$ -	\$ 64,666	\$ 47,276
Interest	2,344	2,516	-	2,344	2,516
Miscellaneous	679	168	-	679	168
	<u>67,689</u>	<u>49,960</u>	<u>-</u>	<u>67,689</u>	<u>49,960</u>
Expenditures					
Accounting and legal	1,519	1,498	-	1,519	1,498
Administration	288	276	-	288	1,078
Bank charges	13	42	-	13	42
Electricity	622	627	-	622	627
Grounds improvement	9,487	8,181	-	9,487	8,181
Insurance	9,075	6,788	-	9,075	6,788
Landscape maintenance	15,220	12,433	-	15,220	12,433
Maintenance	19,330	7,753	-	19,330	34,215
	<u>55,554</u>	<u>37,598</u>	<u>-</u>	<u>55,554</u>	<u>64,862</u>
Excess of income over expenditures from operations	<u>12,135</u>	<u>12,362</u>	<u>-</u>	<u>12135</u>	<u>(14,902)</u>
Interfund transfers and other					
Contingency reserve provision	(15,648)	(4,000)	15,648	-	-
Transfer from operating fund	(8,362)	(10,420)	8,362	-	-
	<u>(24,010)</u>	<u>(14,420)</u>	<u>24,010</u>	<u>-</u>	<u>-</u>
	<u>(11,875)</u>	<u>(2,058)</u>	<u>24010</u>	<u>12135</u>	<u>(14,902)</u>
Fund balances, beginning of year	<u>8,362</u>	<u>10,420</u>	<u>101,090</u>	<u>109,452</u>	<u>124,354</u>
Fund balances, end of year	<u>\$ (3,513)</u>	<u>\$ 8,362</u>	<u>\$ 125,100</u>	<u>\$ 121,587</u>	<u>\$ 109,452</u>

STRATA PLAN N.W. 2040
STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND
FOR THE YEAR ENDED AUGUST 31, 2004
(Unaudited - See Notice to Reader)

	<u>General 2004</u>	<u>Painting 2004</u>	<u>Roofing 2004</u>	<u>Total 2004</u>
Balance, beginning of year	\$ 19,337	\$ 62,753	\$ 19,000	\$ 101,090
Add: Transfer from operating fund	8,362	-	-	8,362
Transfer from expense	<u>-</u>	<u>11,648</u>	<u>4,000</u>	<u>15,648</u>
	27,699	74,401	23,000	125,100
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u><u>\$ 27,699</u></u>	<u><u>\$ 74,401</u></u>	<u><u>\$ 23,000</u></u>	<u><u>\$ 125,100</u></u>

	<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><u>\$ 19,337</u></u>	<u><u>\$ 62,753</u></u>	<u><u>\$ 19,000</u></u>	<u><u>\$ 101,090</u></u>

STRATA PLAN N.W. 2040
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004
(Unaudited - See Notice to Reader)

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

The financial statements are not necessarily in accordance with Canadian generally accepted accounting principles. 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>2004</u>	<u>2003</u>
Restricted for extraordinary repairs	<u>\$ 125,100</u>	<u>\$ 101,090</u>