

STRATA PLAN N.W. 2040
FINANCIAL STATEMENTS
AUGUST 31, 2005
(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, 2005 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.

Burnaby, B.C.
September 27, 2005



Chartered Accountants

Strata Plan NW2040
Proposed Budget
September 1, 2005 to August 31, 2006

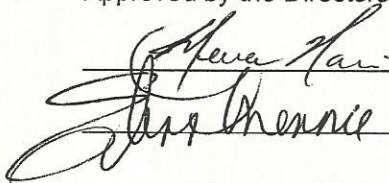
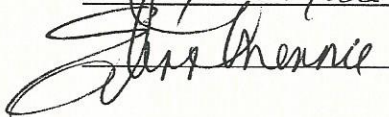
	04/05 Budget	04/05 Actuals	05/06 Budget
Income			
Assessments*	\$ 68,958.00	\$ 68,958.00	\$ 73,250.70
Interest	\$ 2,500.00	\$ 2,301.00	\$ 2,200.00
Miscellaneous	\$ -	\$ 140.00	
Contingency	\$ -		
Total Income	\$ 71,458.00	\$ 71,399.00	75,450.70
Expenditures			
Accounting & Legal	\$ 1,500.00	\$ 1,787.00	\$ 1,934.00
Administration	\$ 400.00	\$ 1,420.00	\$ 400.00
Bank Charges	\$ 50.00	\$ -	\$ 50.00
Electricity	\$ 650.00	\$ 452.00	\$ 750.00
Insurance	\$ 11,850.00	\$ 11,671.00	\$ 12,000.00
Landscaping	\$ 14,000.00	\$ 13,916.00	\$ 14,225.20
Grounds	\$ 6,000.00	\$ 661.00	\$ 4,000.00
Building (gitter & windows)	\$ 20,000.00	\$ 20,512.00	\$ 26,265.70
Total Expenditures	\$ 54,450.00	\$ 50,419.00	\$ 59,624.90
Excess of income over expenditures before transfers	\$ 17,008.00	\$ 20,980.00	\$ 15,825.80
Interfund transfers and other			
Painting reserve	\$ 13,008.00	\$ 13,008.00	\$ 11,825.80
Roofing reserve	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
General reserve	\$ -		
Total transfers to reserves	\$ 17,008.00	\$ 17,008.00	\$ 15,825.80
Excess of income over expenditures & transfers	\$ -	\$ 3,972.00	\$ -
Contingency Reserve Fund			
Opening balance Sept 1/04	\$ 125,100.00	\$ 125,100.00	
Contribution for 2004/05 as shown above	\$ 17,008.00	\$ 17,008.00	
Expenditures from fund (painting)	-\$ 85,000.00	-\$ 49,443.00	
Closing balance Aug 31/05	\$ 57,108.00	\$ 92,665.00	
Average Monthly strata lot contribution to contingency reserve			\$ 354.33

* Based on maintenance fees of:
inside units: \$168.48
outside units: \$170.64

STRATA PLAN N.W. 2040
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2005
(Unaudited - See Notice to Reader)

	Operating Fund	Contingency Reserve Fund	Total 2005	Total 2004
Current Assets				
Cash on hand	\$ 300	\$ -	\$ 300	\$ 300
Cash in bank	-	17,455	17,455	17,697
Term deposit	-	72,414	72,414	101,582
Due from interfund	(2,796)	2,796	-	-
Accounts receivable	584	-	584	1,319
Prepaid expenses	5,991	-	5,991	769
	<u>\$ 4,079</u>	<u>\$ 92,665</u>	<u>\$ 96,744</u>	<u>\$ 121,667</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 107	\$ -	\$ 107	\$ 80
	<u>107</u>	<u>-</u>	<u>107</u>	<u>80</u>
Fund Balances				
Unrestricted	3,972	-	3,972	(3,513)
Internally restricted - (Note 3)	-	92,665	92,665	125,100
	<u>3,972</u>	<u>92,665</u>	<u>96,637</u>	<u>121,587</u>
	<u>\$ 4,079</u>	<u>\$ 92,665</u>	<u>\$ 96,744</u>	<u>\$ 121,667</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, 2005
(Unaudited - See Notice to Reader)

	Operating Fund 2005	Operating Fund 2004	Contingency Reserve Fund	Total 2005	Total 2004
Income					
Assessments	\$ 68,958	\$ 64,666	\$ -	\$ 68,958	\$ 64,666
Interest	2,301	2,344	-	2,301	2,344
Miscellaneous	140	679	-	140	679
	<u>71,399</u>	<u>67,689</u>	<u>-</u>	<u>71,399</u>	<u>67,689</u>
Expenditures					
Accounting and legal	1,787	1,519	-	1,787	1,519
Administration	1,420	288	-	1,420	288
Bank charges	-	13	-	-	13
Electricity	452	622	-	452	622
Grounds improvement	661	9,487	-	661	9,487
Insurance	11,671	9,075	-	11,671	9,075
Landscape maintenance	13,916	15,220	-	13,916	15,220
Maintenance	20,512	19,330	45,930	66,442	19,330
	<u>50,419</u>	<u>55,554</u>	<u>45,930</u>	<u>96,349</u>	<u>55,554</u>
Excess of income over expenditures from operations	<u>20,980</u>	<u>12,135</u>	<u>(45,930)</u>	<u>(24,950)</u>	<u>12,135</u>
Interfund transfers and other					
Contingency reserve provision	(17,008)	(15,648)	17,008	-	-
Transfer from operating fund	3,513	(8,362)	(3,513)	-	-
	<u>(13,495)</u>	<u>(24,010)</u>	<u>13,495</u>	<u>-</u>	<u>-</u>
	7,485	(11,875)	(32,435)	(24,950)	12,135
Fund balances, beginning of year	<u>(3,513)</u>	<u>8,362</u>	<u>125,100</u>	<u>121,587</u>	<u>109,452</u>
Fund balances, end of year	<u>\$ 3,972</u>	<u>\$ (3,513)</u>	<u>\$ 92,665</u>	<u>\$ 96,637</u>	<u>\$ 121,587</u>

STRATA PLAN N.W. 2040
STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND
FOR THE YEAR ENDED AUGUST 31, 2005
(Unaudited - See Notice to Reader)

	<u>General 2005</u>	<u>Painting 2005</u>	<u>Roofing 2005</u>	<u>Total 2005</u>
Balance, beginning of year	\$ 27,699	\$ 74,401	\$ 23,000	\$ 125,100
Add: Transfer to operating fund	(3,513)	-	-	(3,513)
Transfer from expense	<u>-</u>	<u>13,008</u>	<u>4,000</u>	<u>17,008</u>
	24,186	87,409	27,000	138,595
Deduct: Special repairs expense	<u>-</u>	<u>45,930</u>	<u>-</u>	<u>45,930</u>
Balance, end of year	<u><u>\$ 24,186</u></u>	<u><u>\$ 41,479</u></u>	<u><u>\$ 27,000</u></u>	<u><u>\$ 92,665</u></u>

	<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>

STRATA PLAN N.W. 2040
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2005
(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>2005</u>	<u>2004</u>
Restricted for extraordinary repairs	<u>\$ 92,665</u>	<u>\$ 125,100</u>