

**STRATA PLAN N.W. 2040**  
**FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**  
**(Unaudited - See Notice to Reader)**

## NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Strata Plan N.W. 2040 as at August 31, 2008, and the statements of operations and changes in fund balances for the year then ended.

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

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

Burnaby, B.C.  
September 26, 2008



Chartered Accountants

**STRATA PLAN N.W. 2040**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2008**  
**(Unaudited - See Notice to Reader)**

	Operating Fund	Contingency Reserve Fund	Total 2008	Total 2007
Current Assets				
Cash	\$ 4,225	\$ 26,507	\$ 30,732	\$ 62,499
Term deposit	-	57,555	57,555	36,054
Accounts receivable	347	-	347	347
Prepaid expenses	1,021	-	1,021	1,075
	<u>\$ 5,593</u>	<u>\$ 84,062</u>	<u>\$ 89,655</u>	<u>\$ 99,975</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 105	\$ -	\$ 105	\$ 106
	<u>105</u>	<u>-</u>	<u>105</u>	<u>106</u>
Fund Balances				
Unrestricted	5,488	-	5,488	11,513
Internally restricted - (Note 3)	-	84,062	84,062	88,356
	<u>5,488</u>	<u>84,062</u>	<u>89,550</u>	<u>99,869</u>
	<u>\$ 5,593</u>	<u>\$ 84,062</u>	<u>\$ 89,655</u>	<u>\$ 99,975</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, 2008**  
**(Unaudited - See Notice to Reader)**

	Operating Fund 2008	Operating Fund 2007	Contingency Reserve Fund	Total 2008	Total 2007
Income					
Assessments	\$ 73,250	\$ 73,250	\$ -	\$ 73,250	\$ 73,250
Interest	1,501	1,238	-	1,501	1,238
Miscellaneous	475	100	-	475	100
	<u>75,226</u>	<u>74,588</u>	<u>-</u>	<u>75,226</u>	<u>74,588</u>
Expenditures					
Accounting and legal	1,895	2,009	-	1,895	2,009
Administration	668	831	-	668	831
Bank charges	138	160	-	138	160
Electricity	493	510	-	493	510
Grounds improvement	5,612	2,741	-	5,612	2,741
Insurance	12,302	11,854	-	12,302	11,854
Landscape maintenance	21,086	14,447	-	21,086	14,447
Maintenance	16,948	15,992	26,403	43,351	35,845
	<u>59,142</u>	<u>48,544</u>	<u>26,403</u>	<u>85,545</u>	<u>68,397</u>
Excess of income over expenditures from operations	<u>16,084</u>	<u>26,044</u>	<u>(26,403)</u>	<u>(10,319)</u>	<u>6,191</u>
Interfund transfers and other					
Contingency reserve provision	(10,596)	(14,531)	10,596	-	-
Transfer from operating fund	<u>(11,513)</u>	<u>(20,001)</u>	<u>11,513</u>	<u>-</u>	<u>-</u>
	<u>(22,109)</u>	<u>(34,532)</u>	<u>22,109</u>	<u>-</u>	<u>-</u>
	(6,025)	(8,488)	(4,294)	(10,319)	6,191
Fund balances, beginning of year	<u>11,513</u>	<u>20,001</u>	<u>88,356</u>	<u>99,869</u>	<u>93,678</u>
Fund balances, end of year	<u>\$ 5,488</u>	<u>\$ 11,513</u>	<u>\$ 84,062</u>	<u>\$ 89,550</u>	<u>\$ 99,869</u>

**STRATA PLAN N.W. 2040**  
**STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2008**  
**(Unaudited - See Notice to Reader)**

	<u>General 2008</u>	<u>Painting 2008</u>	<u>Roofing 2008</u>	<u>Total 2008</u>
Balance, beginning of year	\$ 28,158	\$ 25,050	\$ 35,148	\$ 88,356
Add: Transfer from operating fund	11,513	-	-	11,513
Transfer from expense	<u>-</u>	<u>6,596</u>	<u>4,000</u>	<u>10,596</u>
	39,671	31,646	39,148	110,465
Deduct: Special repairs expense	<u>10,467</u>	<u>15,936</u>	<u>-</u>	<u>26,403</u>
Balance, end of year	<u><u>\$ 29,204</u></u>	<u><u>\$ 15,710</u></u>	<u><u>\$ 39,148</u></u>	<u><u>\$ 84,062</u></u>

	<u>General 2007</u>	<u>Painting 2007</u>	<u>Roofing 2007</u>	<u>Total 2007</u>
Balance, beginning of year	\$ 28,158	\$ 14,519	\$ 31,000	\$ 73,677
Add: Transfer from operating fund	-	-	20,001	20,001
Transfer from expense	<u>-</u>	<u>10,531</u>	<u>4,000</u>	<u>14,531</u>
	28,158	25,050	55,001	108,209
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>19,853</u>	<u>19,853</u>
Balance, end of year	<u><u>\$ 28,158</u></u>	<u><u>\$ 25,050</u></u>	<u><u>\$ 35,148</u></u>	<u><u>\$ 88,356</u></u>

**STRATA PLAN N.W. 2040**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**  
**(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      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:

	2008	2007
Restricted for extraordinary repairs	\$ 84,062	\$ 88,356