

STRATA PLAN N.W. 2040
FINANCIAL STATEMENTS
AUGUST 31, 2010
(Unaudited - See Notice to Reader)

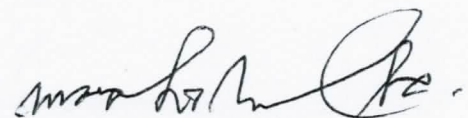
NOTICE TO READER

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, 2010, 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 22, 2010



Chartered Accountants

STRATA PLAN N.W. 2040
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2010
(Unaudited - See Notice to Reader)

	Operating Fund	Contingency Reserve Fund	Total 2010	Total 2009
Current Assets				
Cash	\$ -	\$ 45,585	\$ 45,585	\$ 53,647
Term deposit	-	84,334	84,334	58,694
Due from interfund	(160)	160	-	-
Accounts receivable	-	-	-	376
Prepaid expenses	1,274	-	1,274	1,316
	<u>\$ 1,114</u>	<u>\$ 130,079</u>	<u>\$ 131,193</u>	<u>\$ 114,033</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 250	\$ -	\$ 250	\$ 105
	<u>250</u>	<u>-</u>	<u>250</u>	<u>105</u>
Fund Balances				
Unrestricted	864	-	864	8,227
Internally restricted - (Note 3)	-	130,079	130,079	105,701
	<u>864</u>	<u>130,079</u>	<u>130,943</u>	<u>113,928</u>
	<u>\$ 1,114</u>	<u>\$ 130,079</u>	<u>\$ 131,193</u>	<u>\$ 114,033</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, 2010
(Unaudited - See Notice to Reader)

	Operating Fund 2010	Operating Fund 2009	Contingency Reserve Fund	Total 2010	Total 2009
Income					
Assessments	\$ 81,216	\$ 79,710	\$ -	\$ 81,216	\$ 79,710
Interest	640	1,139	-	640	1,139
Miscellaneous	235	205	-	235	205
	<u>82,091</u>	<u>81,054</u>	<u>-</u>	<u>82,091</u>	<u>81,054</u>
Expenditures					
Accounting and legal	2,109	1,990	-	2,109	1,990
Administration	294	409	-	294	409
Bank charges	125	167	-	125	167
Electricity	518	327	-	518	327
Grounds improvement	3,655	4,495	-	3,655	4,495
Insurance	16,194	15,493	-	16,194	15,493
Landscape maintenance	20,171	14,064	-	20,171	14,064
Maintenance	22,010	19,731	-	22,010	19,731
	<u>65,076</u>	<u>56,676</u>	<u>-</u>	<u>65,076</u>	<u>56,676</u>
Excess of income over expenditures from operations	<u>17,015</u>	<u>24,378</u>	<u>-</u>	<u>17,015</u>	<u>24,378</u>
Interfund transfers and other					
Contingency reserve provision	(16,151)	(16,151)	16,151	-	-
Transfer from operating fund	(8,227)	(5,488)	8,227	-	-
	<u>(24,378)</u>	<u>(21,639)</u>	<u>24,378</u>	<u>-</u>	<u>-</u>
	(7,363)	2,739	24,378	17,015	24,378
Fund balances, beginning of year	<u>8,227</u>	<u>5,488</u>	<u>105,701</u>	<u>113,928</u>	<u>89,550</u>
Fund balances, end of year	<u>\$ 864</u>	<u>\$ 8,227</u>	<u>\$ 130,079</u>	<u>\$ 130,943</u>	<u>\$ 113,928</u>

STRATA PLAN N.W. 2040
STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND
FOR THE YEAR ENDED AUGUST 31, 2010
(Unaudited - See Notice to Reader)

	<u>General 2010</u>	<u>Painting 2010</u>	<u>Roofing 2010</u>	<u>Total 2010</u>
Balance, beginning of year	\$ 34,692	\$ 27,674	\$ 43,335	\$ 105,701
Add: Transfer from operating fund	8,227	-	-	8,227
Transfer from expense	<u>-</u>	<u>11,964</u>	<u>4,187</u>	<u>16,151</u>
	42,919	39,638	47,522	130,079
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u><u>\$ 42,919</u></u>	<u><u>\$ 39,638</u></u>	<u><u>\$ 47,522</u></u>	<u><u>\$ 130,079</u></u>

	<u>General 2009</u>	<u>Painting 2009</u>	<u>Roofing 2009</u>	<u>Total 2009</u>
Balance, beginning of year	\$ 29,204	\$ 15,710	\$ 39,148	\$ 84,062
Add: Transfer from operating fund	5,488	-	-	5,488
Transfer from expense	<u>-</u>	<u>11,964</u>	<u>4,187</u>	<u>16,151</u>
	34,692	27,674	43,335	105,701
Deduct: Special repairs expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u><u>\$ 34,692</u></u>	<u><u>\$ 27,674</u></u>	<u><u>\$ 43,335</u></u>	<u><u>\$ 105,701</u></u>

STRATA PLAN N.W. 2040
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2010
(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:

	<u>2010</u>	<u>2009</u>
Restricted for extraordinary repairs	<u>\$ 130,079</u>	<u>\$ 105,701</u>