

STRATA PLAN N.W. 2040  
FINANCIAL STATEMENTS  
AUGUST 31, 2011  
(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, 2011, 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, 2011

  
Chartered Accountants

**STRATA PLAN N.W. 2040**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2011**  
**(Unaudited - See Notice to Reader)**

	Operating Fund	Contingency Reserve Fund	Total 2011	Total 2010
Current Assets				
Cash	\$ 102,574	\$ 147,083	\$ 249,657	\$ 45,585
Term deposit	-	11	11	84,334
Due from interfund	-	-	-	-
Accounts receivable	-	-	-	-
Prepaid expenses	1,584	-	1,584	1,274
	<u>\$ 104,158</u>	<u>\$ 147,094</u>	<u>\$ 251,252</u>	<u>\$ 131,193</u>
Current Liabilities				
Accounts payable and accrued liabilities	\$ 240	\$ -	\$ 240	\$ 250
Deferred special assessments - (Note 3)	95,360	-	95,360	-
	<u>95,600</u>	<u>-</u>	<u>95,600</u>	<u>250</u>
Fund Balances				
Unrestricted	8,558	-	8,558	864
internally restricted - (Note 4)	-	147,094	147,094	130,079
	<u>8,558</u>	<u>147,094</u>	<u>155,652</u>	<u>130,943</u>
	<u>\$ 104,158</u>	<u>\$ 147,094</u>	<u>\$ 251,252</u>	<u>\$ 131,193</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, 2011**  
**(Unaudited - See Notice to Reader)**

	Operating Fund 2011	Operating Fund 2010	Contingency Reserve Fund	Total 2011	Total 2010
Income					
Assessments	\$ 92,016	\$ 81,216	\$ -	\$ 92,016	\$ 81,216
Special assessments - (Note 3)	45,668	-	-	45,668	-
Interest	493	640	-	493	640
Miscellaneous	70	235	-	70	235
	<u>138,247</u>	<u>82,091</u>	<u>-</u>	<u>138,247</u>	<u>82,091</u>
Expenditures					
Accounting and legal	2,234	2,109	-	2,234	2,109
Administration	931	294	-	931	294
Bank charges	115	125	-	115	125
Electricity	471	518	-	471	518
Grounds improvement	3,865	3,655	-	3,865	3,655
Insurance	18,697	16,194	-	18,697	16,194
Landscape maintenance	18,628	20,171	-	18,628	20,171
Maintenance	22,929	22,010	-	22,929	22,010
Maintenance - special assessments - (Note 3)	45,668	-	-	45,668	-
	<u>113,538</u>	<u>65,076</u>	<u>-</u>	<u>113,538</u>	<u>65,076</u>
Excess of income over expenditures from operations	<u>24,709</u>	<u>17,015</u>	<u>-</u>	<u>24,709</u>	<u>17,015</u>
Interfund transfers and other					
Contingency reserve provision	(16,151)	(16,151)	16,151	-	-
Transfer from operating fund	(864)	(8,227)	864	-	-
	<u>(17,015)</u>	<u>(24,378)</u>	<u>17,015</u>	<u>-</u>	<u>-</u>
	7,694	(7,363)	17,015	24,709	17,015
Fund balances, beginning of year	864	8,227	130,079	130,943	113,928
Fund balances, end of year	<u>\$ 8,558</u>	<u>\$ 864</u>	<u>\$ 147,094</u>	<u>\$ 155,652</u>	<u>\$ 130,943</u>

STRATA PLAN N.W. 2040  
STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND  
FOR THE YEAR ENDED AUGUST 31, 2011  
(Unaudited - See Notice to Reader)

	General 2011	Painting 2011	Roofing 2011	Total 2011
Balance, beginning of year	\$ 42,919	\$ 39,638	\$ 47,522	\$ 130,079
Add: Transfer from operating fund	864	-	-	864
Transfer from expense	-	11,964	4,187	16,151
	43,783	51,602	51,709	147,094
Deduct: Special repairs expense	-	-	-	-
Balance, end of year	<u>\$ 43,783</u>	<u>\$ 51,602</u>	<u>\$ 51,709</u>	<u>\$ 147,094</u>

	General 2010	Painting 2010	Roofing 2010	Total 2010
Balance, beginning of year	\$ 34,692	\$ 27,674	\$ 43,335	\$ 105,701
Add: Transfer from operating fund	8,227	-	-	8,227
Transfer from expense	-	11,964	4,167	16,151
	42,919	39,638	47,522	130,079
Deduct: Special repairs expense	-	-	-	-
Balance, end of year	<u>\$ 42,919</u>	<u>\$ 39,638</u>	<u>\$ 47,522</u>	<u>\$ 130,079</u>

**STRATA PLAN N.W. 2040**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2011**  
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**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 Special Assessments / Deferred Special Assessments**

The Strata may assess a special levy for a specific purpose where the expenditure has not been included in the annual budget, where there are insufficient monies in the Contingency Reserve Fund to fund the expenditure or where the decision has been made not to use monies from the Contingency Reserve Fund and where a special resolution has been passed by the members of the Strata. The funds collected through the special levy may only be used for the specific purpose the funds were collected for and the Strata must return any excess funds from a special levy to each owner of the Strata if there is at least one owner entitled to more than \$100. The excess funds may otherwise be deposited into the Contingency Reserve Fund.

Amounts collected under a special levy for a specific purpose that is not completed within a fiscal period are deferred and are not recognized into income until the related expenditure occurs

	2011	
	Roof and Exterior Repairs Project	Total
Balance, beginning of year	\$ -	\$ -
Special levy collected	141,028	141,028
Expenditures	(45,668)	(45,668)
	<u>\$ 95,360</u>	<u>\$ 95,360</u>

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Note 4    **Internally Restricted Net Assets**

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

	<u>2011</u>	<u>2010</u>
Restricted for extraordinary repairs	<u>\$        147,094</u>	<u>\$        130,079</u>