

**STRATA PLAN N.W. 2040  
FINANCIAL STATEMENTS  
AUGUST 31, 2012  
(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, 2012, 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 24, 2012

  
Chartered Accountants

**STRATA PLAN N.W. 2040**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2012**  
**(Unaudited - See Notice to Reader)**

	Operating Fund	Contingency Reserve Fund	Total 2012	Total 2011
<b>Current Assets</b>				
Cash	\$ 21,809	\$ 74,251	\$ 96,060	\$ 249,657
Term deposit	-	11	11	11
Due from interfund	-	-	-	-
Accounts receivable	27	-	27	-
Prepaid expenses	1,519	-	1,519	1,584
	<u>\$ 23,355</u>	<u>\$ 74,262</u>	<u>\$ 97,617</u>	<u>\$ 251,252</u>
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 112	\$ -	\$ 112	\$ 240
Deferred special assessments - (Note 3)	-	-	-	95,360
	<u>112</u>	<u>-</u>	<u>112</u>	<u>95,600</u>
<b>Fund Balances</b>				
Unrestricted	23,243	-	23,243	8,558
Internally restricted - (Note 4)	-	74,262	74,262	147,094
	<u>23,243</u>	<u>74,262</u>	<u>97,505</u>	<u>155,652</u>
	<u>\$ 23,355</u>	<u>\$ 74,262</u>	<u>\$ 97,617</u>	<u>\$ 251,252</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, 2012**  
**(Unaudited - See Notice to Reader)**

	Operating Fund 2012	Operating Fund 2011	Contingency Reserve Fund	Total 2012	Total 2011
<b>Income</b>					
Assessments	\$ 102,814	\$ 92,016	\$ -	\$ 102,814	\$ 92,016
Special assessments - (Note 3)	95,360	45,668	-	95,360	45,668
Interest	-	493	-	-	493
Miscellaneous	274	70	-	274	70
	<u>198,448</u>	<u>138,247</u>	<u>-</u>	<u>198,448</u>	<u>138,247</u>
<b>Expenditures</b>					
Accounting and legal	2,234	2,234	-	2,234	2,234
Administration	1,000	931	-	1,000	931
Bank charges	125	115	-	125	115
Electricity	582	471	-	582	471
Grounds improvement	4,269	3,865	-	4,269	3,865
Insurance	19,192	18,697	-	19,192	18,697
Landscape maintenance	20,836	18,628	-	20,836	18,628
Maintenance	15,456	22,929	97,541	112,997	22,929
Maintenance - special assessments - (Note 3)	95,360	45,668	-	95,360	45,668
	<u>159,054</u>	<u>113,538</u>	<u>97,541</u>	<u>256,595</u>	<u>113,538</u>
Excess (deficiency) of income over expenditures from operations	<u>39,394</u>	<u>24,709</u>	<u>(97,541)</u>	<u>(58,147)</u>	<u>24,709</u>
Interfund transfers and other					
Contingency reserve provision	(16,151)	(16,151)	16,151	-	-
Transfer from operating fund	(8,558)	(864)	8,558	-	-
	<u>(24,709)</u>	<u>(17,015)</u>	<u>24,709</u>	<u>-</u>	<u>-</u>
	14,685	7,694	(72,832)	(58,147)	24,709
Fund balances, beginning of year	<u>8,558</u>	<u>864</u>	<u>147,094</u>	<u>155,652</u>	<u>130,943</u>
Fund balances, end of year	<u>\$ 23,243</u>	<u>\$ 8,558</u>	<u>\$ 74,262</u>	<u>\$ 97,505</u>	<u>\$ 155,652</u>

**STRATA PLAN N.W. 2040**  
**STATEMENT OF CHANGES IN CONTINGENCY RESERVE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2012**  
**(Unaudited - See Notice to Reader)**

	<u>General 2012</u>	<u>Painting 2012</u>	<u>Roofing 2012</u>	<u>Total 2012</u>
Balance, beginning of year	\$ 43,783	\$ 51,602	\$ 51,709	\$ 147,094
Add: Transfer from operating fund	8,558	-	-	8,558
Transfer from (to) contingency reserve fund	-	(51,602)	51,602	-
Transfer from expense	-	11,964	4,187	16,151
	<u>52,341</u>	<u>11,964</u>	<u>107,498</u>	<u>171,803</u>
Deduct: Special repairs expense	-	-	97,541	97,541
Balance, end of year	<u>\$ 52,341</u>	<u>\$ 11,964</u>	<u>\$ 9,957</u>	<u>\$ 74,262</u>

  

	<u>General 2011</u>	<u>Painting 2011</u>	<u>Roofing 2011</u>	<u>Total 2011</u>
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
	<u>43,783</u>	<u>51,602</u>	<u>51,709</u>	<u>147,094</u>
Deduct: Special repairs expense	-	-	-	-
Balance, end of year	<u>\$ 43,783</u>	<u>\$ 51,602</u>	<u>\$ 51,709</u>	<u>\$ 147,094</u>

**STRATA PLAN N.W. 2040**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2012**  
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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

	<u>Roof and Exterior Repairs Project</u>	
	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 95,360	\$ -
Special levy collected	-	141,028
Expenditures	(95,360)	(45,668)
	<u>\$ -</u>	<u>\$ 95,360</u>

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**NOTES TO FINANCIAL STATEMENTS**  
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**Note 4 Internally Restricted Net Assets**

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

	<u>2012</u>	<u>2011</u>
Restricted for extraordinary repairs	<u>\$ 74,262</u>	<u>\$ 147,094</u>

